IR Day 2025: Questions and Answers

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[Part 1 Presenters]	Shingo Ueno	Representative Director, President, and CEO
	Nana Otsuki	Outside Director
	Yukiko Nagashima	Outside Director, Audit & Supervisory Committee Member
	Makiko Eda	Managing Executive Officer, CSDO
	Yasuhiro Yoshida	Managing Executive Officer, CAO/CCO
	Yoshinori Takayama	Executive Officer, Head of Investor Relations Dept.

＜Questioner 1＞

Your company's market capitalization currently lags other trading companies. We expect that changing the supervisory function will enhance corporate value, even if only slightly. What specific initiatives or operational improvements are you implementing to increase corporate value? Furthermore, what do you believe is necessary to raise your position in terms of market capitalization? I would like to hear the opinions of the outside directors.

＜Otsuki＞

The points you raised are consistently on the agenda at board meetings. Again, directors take their role as agents of shareholders very seriously and consider the issues you raised to be extremely important. Regarding the question of what we should do, while directors are in a supervisory position over executive management, I believe executive management's perspective has been changing. Previously, our portfolio was highly stable, though the ROIC of each business was relatively low. In contrast, we have shifted to a management approach that categorizes each business into four quadrants to drive growth. As directors, we supervise and support this initiative. Simultaneously, to lower the risk premium associated with the elevated cost of capital driven by past profit volatility, we seek your guidance through careful communication with the market.

＜Nagashima＞

Even after changing the corporate governance, the stock price will not rise overnight. I believe the only way to see if this approach succeeds is to look at the business results a little further down the road. Currently, the market frequently asks about the situation of Ambatovy. We receive quite detailed reports on this within the Board of Directors and the Audit & Supervisory Committee, and I recognize that we are exercising the appropriate supervisory and audit functions within that framework. Furthermore, I understand that management has been explaining to the market that we are considering all possible options, guided by Sumitomo's business philosophy of "benefiting for self and others, private and public interests are one and the same," and taking into account that this is a business involving the nations. On the other hand, when making specific decisions, we discuss not just one or two, but various options within the Board of Directors. This process has been supervised by outside directors and, historically, by the Audit & Supervisory Board as well.
I recognize that we must further acknowledge our efforts are still not sufficient to gain market understanding, including through today's opportunity. Not only our dedicated IR team, but also we as directors entrusted by shareholders—holding voting rights from a different perspective than executive managements—must ensure that discussions with the market are properly reflected in board deliberations.

＜Questioner 1＞
Given that there are both successful businesses such as SCSK and long-standing challenging projects, we would like you to communicate going forward how you plan to resolve the latter while incorporating external perspectives, and how you are tackling these challenges.

＜Questioner 2＞
Before asking my question, I would like to say it is a wonderful initiative that you have disclosed Scope 3 emissions exceeding 100 million tons with assurance, and I hope you will continue to do so.
My first question concerns human rights. I understand that you have conducted human rights due diligence and introduced a grievance mechanism. Considering your company's value chain, I do not think there were no problems at all, but what issues were discovered as a result of these efforts? Or, if there were no problems, please tell us what kind of efforts were effective.

＜Eda＞
In conducting human rights due diligence, issues can be discovered in various parts of the world where we operate diverse businesses, such as issues related to the working environment. On the other hand, when we engage and dialogue after recognizing an issue, it often turns out that it was not actually a problem. During the previous medium-term management plan period, we completed human rights due diligence for all business units, and we now have a fairly clear picture of high-risk areas and businesses. By actively and proactively conducting risked-based regular monitoring focused on these areas, awareness at the workplace has increased, and at this point, no major problems have arisen. We also introduced a grievance mechanism, and while there were about two cases last year, there were no actual problems. We will continue to improve our systems and strengthen mechanisms for receiving information that may escape our attention. We do not have any specific cases to disclose at this moment.

＜Questioner 2＞
My second question concerns the role of outside directors. Generally speaking, I think that some directors tend to become a little conservative over long periods of service, rather than acting as true representatives of shareholders or maintaining a healthy opposition stance. Please tell us about any mechanisms or approaches you have in place to prevent this.

＜Otsuki＞
Since I am still in my second year, I believe the mindset needed to prevent that from happening in the future is to constantly return to the fundamentals. I want to be mindful of always returning to the core questions: why we exist and that we are agents of the shareholders. It is also true that being closer to executive management allows for more frequent information exchange and deeper understanding, so there is an arbitrage. Thus, I am conscious of maintaining the right distance.

＜Nagashima＞
The role of Audit & Supervisory Committee member carries a strong mission as a checker, so I consciously maintain a skeptical stance toward management's judgments from the outset. When it comes to final management decisions, if they were purely self-interest, it would be simpler. However, when considering both benefiting others, and private and public interests, it becomes an extremely complex judgment. We must understand but must refrain from empathizing. Our foundational stance is checks and balances. We recognize that while ensuring information transparency, we also serve as a barrier from a different vantage point. Both in past Audit & Supervisory Board and the current Audit & Supervisory Committee, we have two full-time members deeply knowledgeable about business matters. We learn from these full-time members about past cases and decision-making processes. We then deliberately consider what might happen if the situation were different—for example, how things might have unfolded if competitors were in a

different position—to build our expertise. Based on this, we consider whether the issues under discussion could lead to similar situations. We also consider whether the opposite approach might have been preferable.

＜Ueno＞
Our outside directors are becoming sharper with each passing year. Precisely because they understand the business so well, they do not simply align with management; instead, they push us to aim higher, offering quite rigorous critiques. In that sense, I believe the selection process for outside directors is fundamentally sound. These board critiques are highly valuable for management, and as their perspectives become increasingly sophisticated each year, it keeps us constantly on our toes. Therefore, there is absolutely no scenario where the opposition becomes the ruling party among our directors.

＜Questioner 3＞
Regarding the issue of the risk premium, isn't the background for the high risk premium rooted in your company's business strength, namely its stable revenue model? In other words, while it generates stable revenue, I believe the significant allocation of management resources to businesses facing capital efficiency challenges has also contributed to this. You mentioned accelerating portfolio replacement following this large investment. How are you identifying candidates for replacement? Within the current governance changes, as outside directors, could you explain what actions are being taken to strengthen supervisory functions, such as reviewing candidates for replacement to improve capital efficiency?

＜Otsuki＞
What we replace is a crucial point. Regarding how outside directors monitor this, we regularly review the current and future ROIC/WACC for each business. Management presents the reasons for recovery alongside these metrics, and businesses where recovery is difficult are basically targeted for replacement. However, businesses identified as nurture are selected for continued support. We focus on discussing the overall business portfolio as much as possible, while also providing opinions for individual businesses when necessary. I personally find it challenging when a business currently lacks market growth and our positioning isn't strong, yet it retains significant potential for tremendous growth over the next 3-5 years. In such cases, the timeframe might be seen as inefficient by market participants. If viewed solely through snapshots of numbers at any given moment, it can impact the motivation of those people involved in that business. Therefore, while maintaining the principles mentioned earlier, we consider a multifaceted and flexible time horizon.

＜Nagashima＞
SHIFT 2023, the previous medium term management plan, significantly streamlined underperforming businesses, and the current Medium Term Management Plan 2026 has shifted our focus toward growth. Within this framework, looking ahead, from the perspective of increasing asset replacement, candidates can be businesses that could potentially grow more under a better owner than within our group, not just challenging businesses. There are also businesses where the investment priority within our group is relatively low, and which could grow more effectively under other capital ownership over time. Specifically, the executive management will prepare for such replacement, but as outside directors, we will also closely monitor the evolution of the portfolio going forward.

＜Questioner 4＞
I believe the primary reason for your company's risk premium stems from the high number of failed investments in the past. This time, by changing the governance structure and having outside directors constitute over half the board, I hope expectations will rise through robust monitoring. On the other hand, with outside directors making up over half the board, the majority will be making

decisions without deep knowledge of the investment proposals that come up, which conversely feels like a risk. In this context, I would like you to increase the probability of investment success while hedging risks in some way, such as by focusing on the numbers. I would like to hear your thoughts on this point.

＜Otsuki＞
The prerequisite for adopting an audit and supervisory committee model is having a structure and capability that allows entrusting execution to management. Because this is in place, directors can shift their focus from individual projects to overseeing the overall business portfolio, concentrating on growth potential and similar factors. That said, it is not that we do not need to look at individual projects; that is incorrect. Thus, we are studying in many ways.

＜Nagashima＞
Our learning opportunities are limited by time, and we cannot match the deep immersion in the business that executive management possesses. However, we outside directors participate as board members, each bringing our distinct backgrounds. Therefore, rather than focusing on specific business details, we believe we can contribute to the company by offering different perspectives. We approach board meetings with a constant sense of tension. The business acumen of our executives is truly exceptional. However, as is often said, the more winning patterns a decision-making mechanism has, and the more it is repeated, the greater the risk of pitfalls and the development of biases. Recognizing that it is precisely because we are outside directors with a different position that we can offer valuable advice to such situation, we are committed to honing our skills.

＜Yoshida＞
As executive management, we are focusing our efforts on bridging the information gap with outside directors. As a supporting organization, we established the Directors' Administration Department about two years ago. This department works to support the activities of our outside directors and implements measures to help them understand our diverse and complex business in an accessible manner. Meanwhile, for Audit & Supervisory Committee members, we have the Audit & Supervisory Committee Administration Department, which corresponds to the former Audit & Supervisory Board Members' Administration Department. This department continuously implements measures to ensure smooth activities for outside Audit & Supervisory Committee members. For instance, it compiles and clearly communicates information gathered by full-time Audit & Supervisory Committee members. This helps bridge the information gap, enabling appropriate decision-making and effective monitoring and supervisory functions. Furthermore, we maintain opportunities for information exchange among outside directors following board meetings. This allows them to share insights gained and pose questions, contributing to maintaining and enhancing the quality of their contributions.

＜Questioner 5＞
You mentioned that to reduce the net debt-to-equity ratio (DER), which increased due to large investments, you will be highly selective about new investments. Could you tell us the key points for this selectivity?

＜Ueno＞
The investment target for the current medium-term management plan period is 1.8 trillion yen. However, with the implementation of SCSK and Air Lease Corporation, the actual figure will exceed 1.8 trillion yen. Under these circumstances, the Board of Directors held significant discussions on whether to restore the net DER to its original target level. It confirmed the direction to restore the net DER to its original level, even if it takes two years longer than planned. Furthermore, after repeated discussions on new investments within the Management Committee and the Board of Directors, it was concluded that new investments should continue based on the policies and strategies of the

current medium-term management plan. The broad framework and major direction are always advanced while consulting with the Board of Directors. In practice, investments are made with careful selection. While the eight growth areas are one target, we also consider ROIC/WACC and the time horizon for monetization. We believe that pursuing such a balanced approach is an important policy for supporting sustainable growth going forward.

＜Otsuki＞
Considering S&P's negative rating outlook and the rising interest rate environment, we must thoroughly grasp the overall picture, including funding costs.

＜Questioner 6＞
Recent investments in companies like Air Lease Corporation and SCSK seem like good investments, as they are in areas where your company has strengths. On the other hand, considering your company's past investment failures, could you share what the outside directors see as the causes of those failed investments and the lessons learned that should be applied to future investments?

＜Otsuki＞
Regarding how to apply past experiences going forward, this has been discussed several times in both the Board of Directors and the Outside Directors' Committee. Case studies and root cause analyses have also been shared by the executive team. For example, we discuss common factors in the causes that can be applied to the future, such as issues related to partners.

＜Ueno＞
When formulating our current medium term management plan, we in the executive team also considered the high cost of capital and the reason our stock price lags other trading companies to be partly due to the large number of impairment cases. While each case has its own specific cause, one of the causes is that we have invested significant capital in areas where we lacked experience. Therefore, under this medium term management plan, we will invest large sums only after gaining more experience and transforming it into our strength. In that sense, this major investment is squarely in the heart of our core strengths. The rationale for investing heavily where we have strengths and experience is that adjustments can be made if issues arise. We allocate 80% to areas where we have strengths, while also investing 20% in future-oriented initiatives. We are diligently pursuing this strategy in a clear and simple manner. While there are various reasons, such as the partner risk mentioned earlier, we will stubbornly advance our medium term management plan rooted in this most important principle.

＜Questioner 7＞
Regarding the full acquisition of SCSK, were there no opposing opinions raised in the Management Councils or Board of Directors? Also, concerning the discussion on the D/E ratio, even if the credit rating were to drop by one notch, I do not believe the borrowing rate would increase. From the perspective of equity investors, wouldn't a company aggressively repaying debt be seen negatively? Were there no objections raised from this viewpoint?

＜Ueno＞
The acquisition of SCSK as a wholly-owned subsidiary represents our largest investment project to date. Looking back on the past decade, it is an exceptionally significant matter. Naturally, we did not simply bring it before the Management Council for a single deliberation; instead, we engaged in lengthy discussions over multiple sessions. Throughout this process, we also reported to the Board of Directors on numerous occasions, incorporating their discussions to ensure thorough communication. Furthermore, we discussed this Digital & AI strategy not only with the management council members but also with the nine Group CEOs responsible for sales operations, ultimately taking a vote. Discussions spanned over six months at the executive level and approximately six

months at the board level. Therefore, this was not a single vote where we simply said yes or no; it was the culmination of extensive, repeated discussions leading to the final decision by the Management Council. I cannot disclose the details of the vote here, but opinions were divided during the discussions.

＜Otsuki＞
Regarding the D/E ratio, it remains a significant concern both for the Board and personally. A single downgrade could potentially change our rating category. Considering this is an industry that must actively pursue funding going forward, we must carefully evaluate the balance.

＜Otsuki＞
Since we have this opportunity, and as has been suggested before, I would appreciate it if someone could point out what is necessary to reduce Sumitomo Corporation's risk premium relative to other companies, or to be valued more highly than others, and how to alleviate concerns about the high earnings volatility we have seen so far.

＜Respondent 1＞
Numerous failed investments led to significant impairment charges, contributing to profit volatility. Broadly speaking, I believe the premium reflects the relatively low evaluation of management and its performance. Regarding this, we are now strengthening investment discipline and significantly increasing the pace of management, so I see this as an improvement. However, it is difficult to assess from the outside how failed investments are evaluated internally and whether proper accountability is being enforced. Going forward, we want to externally verify whether internal decision-making processes and evaluations for failed investments are properly conducted when they occur.

＜Respondent 2＞
There is a high number of failed investment cases. Another point is regarding investment turnover. While the pace has accelerated considerably now and good investments are emerging, the frequency of investment and replacement is lower than at other companies. Consequently, I had the impression that this core competency of trading companies – adapting their portfolio with the times – was not being sufficiently exercised.

＜Otsuki＞
I understand very well. Since you seem to recognize and appreciate that significant changes have been made, I hope you will continue to observe our progress and evaluate us going forward.

[Part 2 Presenters]	Tatsushi Tatsumi	Executive Officer, CDO & CIO
	Taku Hattori	General Manager of Steel Business Unit, Sumitomo Corporation Europe Limited
	Hiroki Takeno	Senior Managing Executive Officer, CEO of Lifestyle Group
	Junpei Yamamoto	Head of Retail SBU
	Yoshinori Takayama	Executive Officer, Head of Investor Relations

＜Questioner 1＞

Some companies have adopted AI to comprehensively analyze all past investment cases and internal meeting minutes, enabling the AI to learn from factors such as investment successes and failures, macroeconomic conditions, legal considerations, and country-specific risks. In certain cases, AI is used as a discussion partner prior to deliberations on new investment opportunities. There are also examples where feedback and questions from investment committees are refined and enhanced through AI.
Others have chosen not to implement AI in this area, citing concerns that increased reliance on such technology may lead to a decline in employees' critical thinking skills.
Could you please share your company's perspective and current status regarding the adoption of Digital & AI Strategy?

＜Tatsumi＞

We began working on this initiative more than six months ago. Specifically, we have fed over 1,000 sets of minutes from our internal investment committee meetings into generative AI, utilizing it as a discussion partner prior to formal deliberations.
While there is a risk that both presenters and committee members may become less engaged in the thinking process, we have found that AI can also serve to broaden and deepen perspectives. In our experience, appropriate use of AI has led to higher-quality discussions, and we are encouraged by the results thus far.
Looking ahead, we plan to further enhance this approach by incorporating the specialized knowledge accumulated within each business group into the AI. By doing so, we aim to enable even more effective pre-deliberation discussions tailored to the specific characteristics of each case.

＜Questioner 1＞

Does this mean that you have high expectations for your future investments?

＜Tatsumi＞

Learning from past investments is extremely important. However, we believe that the final decision should always rest with people. Our aim is to establish a robust cycle in which management makes the ultimate decisions, while continuously enhancing the quality of discussions.

＜Questioner 1＞

Additionally, regarding Retail business: In the face of structural labor shortages, securing sufficient personnel is becoming increasingly difficult, and I understand that you are working to improve efficiency through digital transformation (DX). While top-line growth has been supported by inflation, many retailers are finding that the upfront costs of implementing various systems are outpacing revenue gains, resulting in limited profitability.
You have shared several examples of how DX is driving top-line growth, but could you also elaborate on how DX initiatives are contributing to sustained profitability?

＜Yamamoto＞
It is true that, in many cases, the burden of upfront investments has resulted in limited profitability. Since we began our retail DX initiatives around 2018, one of our primary concerns at Summit is whether to take the lead ahead of other companies or to proceed cautiously after observing industry trends.
Moving too quickly does not necessarily guarantee success; in fact, there have been numerous cases where early action has led to failures or excessive investment. For example, in the supermarket sector, payment systems involve complex operations, and if such initiatives fail, the resulting investments can be quite substantial. For this reason, we have taken a prudent approach.
On the other hand, when it comes to AI utilization, the most important factor is continuous learning and tuning, and in this area, we have proactively taken the lead. The fact that we can speak confidently about our current approach is precisely because we have learned from various failures along the way. Through these experiences, we have developed a keen sense for identifying key success factors, and by applying these insights to each individual project, we have been able to achieve profitability. We have found that leveraging on-site capabilities—namely, domain expertise—when advancing DX and digital/AI initiatives tends to yield tangible results.
That said, rather than focusing solely on the profitability of individual projects, what is truly important is ensuring profitability at the overall company level. For example, at Summit, profit after tax (PAT) was approximately 4 billion yen in FY2023, increased to 5.8 billion yen in FY2024, and is projected to reach 7.5 billion yen this fiscal year. Our goal is to surpass the 10-billion-yen mark within the next three to four years. We view DX and digital/AI utilization as playing a key role in achieving sustainable company-wide profitability.

＜Questioner 1＞
Are you also working on AI that proposes which products to display, using inputs such as weather and temperature?

＜Yamamoto＞
Within our demand forecasting efforts, we have implemented AI that utilizes parameters such as weather and temperature to predict customer numbers and department-specific sales.

＜Questioner 2＞
Your retail business has grown as an urban-focused retailer centered on Summit, which seems highly compatible with your Digital & AI strategy. With that in mind, I believe the outlook remains very promising.
Meanwhile, on page 69 of the materials, you describe your future growth strategy and present a concept for expanding toward a nationwide business platform. How, specifically, do you intend to proceed?
For example, if nationwide expansion involves M&A or changes to store formats, you will likely face competition from EDLP (Every Day Low Price) operators and discounters.
In such a scenario, competing on emotional value alone would be challenging. How do you plan to align this with your broader strategic objectives?

＜Yamamoto＞
When we say “nationwide,” our basic premise is to build on data interconnection. We will, of course, pursue M&A opportunities, but investments will be selective. With the Tokyo metropolitan area as our strategic core, we are considering M&A that extends Summit’s existing strengths. At the same time, to secure “nationwide touchpoints,” we aim to develop new business models that connect only the data, rather than increasing capital deployment. Our current approach is to enhance capital efficiency by linking data while keeping incremental investment to a minimum.

＜Takeno＞
To add one point: Summit currently generates sales approaching 400 billion yen and is therefore a company of considerable scale. Looking nationwide, however, there are many companies below that scale that struggle to fund store investments and other elements of organic growth, and digital investments are often postponed. For such companies, sharing our platform and forming data alliances with us is both straightforward and easy to accept. In fact, through discussions with several companies, we have received very positive responses, and we are committed to moving forward with building these arrangements.
In our new business concept, discounters' data is, in reality, connected to a wide array of datasets and is necessary. There is therefore a possibility that we will become partners rather than compete head-on.

＜Questioner 3＞
Your explanation of the implementation of DX strategies in business was very compelling. In particular, your comments about aiming to become a platform provider in the tubular business, and your detailed discussion of process integration with customers, were quite specific. Is this kind of development possible only in the tubular business, or can it be systematically replicated and extended to other products? Given differences in industry practices—such as the power balance between distributors and manufacturers in the US and Japan—how universal or versatile do you believe the efficiency and expansion of business opportunities through DX implementation can be?

＜Hattori＞
We believe there is significant potential to expand these approaches to other businesses. We have already developed more than a dozen AI prototypes, and some of these—such as inventory management applications—can be universally applied, not only to tubular but also to other equipment and products. Although we did not go into detail today, preventive maintenance is another area with broad applicability; for example, in the tubular sector, we use AI to prevent rust before it occurs, and this principle can be applied elsewhere.
In the tubular business, reconciling invoices, purchase orders, and delivery tickets typically takes a considerable number of days, but by leveraging AI, we can reduce this to just a few days, thereby lowering interest costs. This kind of efficiency is not limited to tubular and can be broadly applied.

＜Tatsumi＞
There are two axes: deepening know-how vertically and expanding it horizontally. One of our great values is being the "customer zero" who creates the first case. With SCSK becoming a wholly owned subsidiary, this will accelerate further. After creating a vertical solution, SCSK's capabilities come into play when horizontally deploying that know-how. By developing applications together with SCSK and demonstrating effectiveness as customer zero, it becomes easier to horizontally deploy. The tubular example is just one; we have done similar initiatives in other areas, and I believe this is a major value. Under the current strategy, we want to expand this further.

＜Questioner 4＞
Sumitomo Corporation has 100,000 global customers. From SCSK's perspective, is this truly something they would "covet" or find extremely attractive?

＜Tatsumi＞
The tubular example is illustrative. When it comes to AI utilization and application development, the most important factor is the underlying data. The true source of value lies in the data held at the business frontlines, and this is where solution providers such as SCSK can demonstrate their strengths. As Mr. Takeno mentioned, our company has many business sites that possess valuable data, and by combining these with SCSK's solutions, we are able to create significant value. Even if a technology company can develop AI applications or analyze data, it is the business frontlines that

actually implement and generate real value. Solution providers like SCSK are seeking such "frontlines." The 900 group companies within Sumitomo Corporation and their 100,000 customers represent these "frontlines," and creating solutions at each site is the foundation. Once we create a single case, we can then horizontally deploy it, but this also requires know-how. By accumulating experience, we aim to expand together with SCSK, working in tandem to roll out solutions more broadly. Our approach is to first create a solution at a frontline (vertical development), and then expand those results horizontally (horizontal deployment) across other sites.

＜Questioner 4＞
Are you confident that making SCSK a wholly owned subsidiary will accelerate growth?

＜Tatsumi＞
As President Ueno mentioned earlier, we have had many discussions with SCSK. Our business frontlines are moving in line with our Digital & AI Strategy, and SCSK also wants to leverage this. Our mutual understanding has led to this point. By accumulating implementation cases between SCSK and Sumitomo Corporation, we have built up a sense of mutual satisfaction, which led to the decision to make SCSK a wholly owned subsidiary at this timing.

＜Questioner 5＞
Could you explain how SCSK is being utilized in DX and AI initiatives within the retail business? While companies like Summit are strong individually, from an outside perspective, internal and group-wide collaboration seems limited. Do you have plans to change the organizational structure to strengthen such collaboration going forward?

＜Yamamoto＞
We have already been collaborating with SCSK, particularly in areas where it has strong expertise—such as infrastructure, data platforms, and cloud architecture. Going forward, we aim to deepen collaboration on applications.
When leveraging AI, in fields where proven use cases exist, engaging specialized vendors, including startups, is one approach. Conversely, for areas where technology is evolving rapidly and proven models are scarce, a co-development approach is more suitable.
In addition to SCSK, we also have Insight Edge within the group. For example, when developing AI-driven discounting, there were few external precedents, so Summit partnered with Insight Edge to create a solution. We expect such projects to increase, and opportunities to collaborate with SCSK will also grow.
As for organizational structure, while that is under consideration, we see significant potential in fostering human connections and interaction at the operational level.

＜Tatsumi＞
Our company has nine business groups, each led by a Group CEO. As Ueno mentioned earlier, we held extensive discussions with all Group CEOs regarding the acquisition to make SCSK a wholly owned subsidiary.
To advance our company-wide Digital & AI Strategy—and accelerate it through making SCSK a wholly owned subsidiary—it is essential that not only management but also each Group CEO and frontline teams take real action. This has been a critical point, and we have reached this stage through thorough deliberation.
Since announcing the TOB, we have seen more ideas for collaboration with SCSK coming from business groups than ever before. In fact, some initiatives have already begun through direct discussions between Group CEOs and SCSK.
The process of building consensus across the organization, including all Group CEOs, is proving valuable both for execution readiness and for maximizing the impact of AI adoption.

Regarding the optimal organizational structure to drive Digital & AI Strategy, discussions are ongoing, and we cannot share specifics at this time. However, we are committed to designing a structure that accelerates company-wide digital and AI utilization and delivers tangible results.

[END]