



There is not enough time for Executives to tackle fundamental business challenges...

With the pile of things to do, CXO doesn't have time to focus on fundamental issues.

And the more complex the challenge is, this scenario becomes worse.

The time for CXO to confront grave challenges such as "creative solutions" and "innovative strategy-execution" are undeniably limited.

It is hard to be assertive in decision-making...

Their roles and responsibilities may impose the distress and pressure which are hard to share with others.

The fear for the slump in business, the uncertainty of the future, and the pressure for the right decision-making are factors that may lower the self-esteem and confidence of CXO or even let them have doubt their ability or judgment.

Under such circumstances, CXO is demanded to make decisions

while struggling daily between the pursuit of their ambitions/ideals and the reality and the proper way to go.

That is why, they continue seeking opportunities for their own growth and learning to get closer to more confident answers.

Are the surrounding "important hints" and "opinions" properly reaching CXO?

The people around CXO may feel an invisible wall towards them and hesitating to reach out.

Among the concerns and expectations from stakeholders, there are many tips and sources of energy for decision making, but only a few of them reach the CXO.

CXO needs time to confront his/her own thoughts.

Along with the Greenhouse methodology, Deloitte offers that opportunity!

In a consciously designed environment away from the usual daily management, the CXO finds answers guided by straightforward questions of facilitators.

And that is the process leads to the simple and sharp business path they should embark on.

The success of CXO Transition = Corporate Success

The CXO Transition Lab is based on Deloitte's long track record of delivering to every CXO



Delivered to CXOs over 20 years

- Developed in the United States in 2001, the CXO Transition Lab has supported more than 10,000 CXO transitions since its launch. Annually, approximately 1000 transition labs are conducted globally.
- A program which former participants suggest to their successor and candidate to successor.
- Applicable to multiple timings: from right after the appointment as CXO or several years after the appointment, when further management reforms are required.



The overview of the charge-free Lab

- As part of our social contribution, we share Deloitte's accumulated expertise as a professional firm with CXOs.



Client Services team joins the Lab discussion

- Client Services team will join the Lab discussion and deliver a post-Lab report.
- Continued follow-up will be conducted after the Lab *1

Footnote *1 Providing project support and services after implementation is not included in this Lab's services.

Find out answers by diving into unsorted challenges left inside your mind

We support to map your path to success as a CXO

Benefits of CXO Transition Lab



A proven framework of Deloitte focusing on the 3 critical elements to the success of a CXO; **Time, Talent, and Relationships.**



Time and environment for thorough discussion **away from daily business execution.**



Feedback from prior interviews with key stakeholders, such as their “expectations” for you and “asset they want you leave behind.”



Deloitte experts, including a dedicated facilitator, **questions, suggestions from both “third-party” and “insider” perspectives, issues based on other companies' examples, leads to solutions.**



Build together **an action plan** to make your challenges a success in your journey as a CXO.



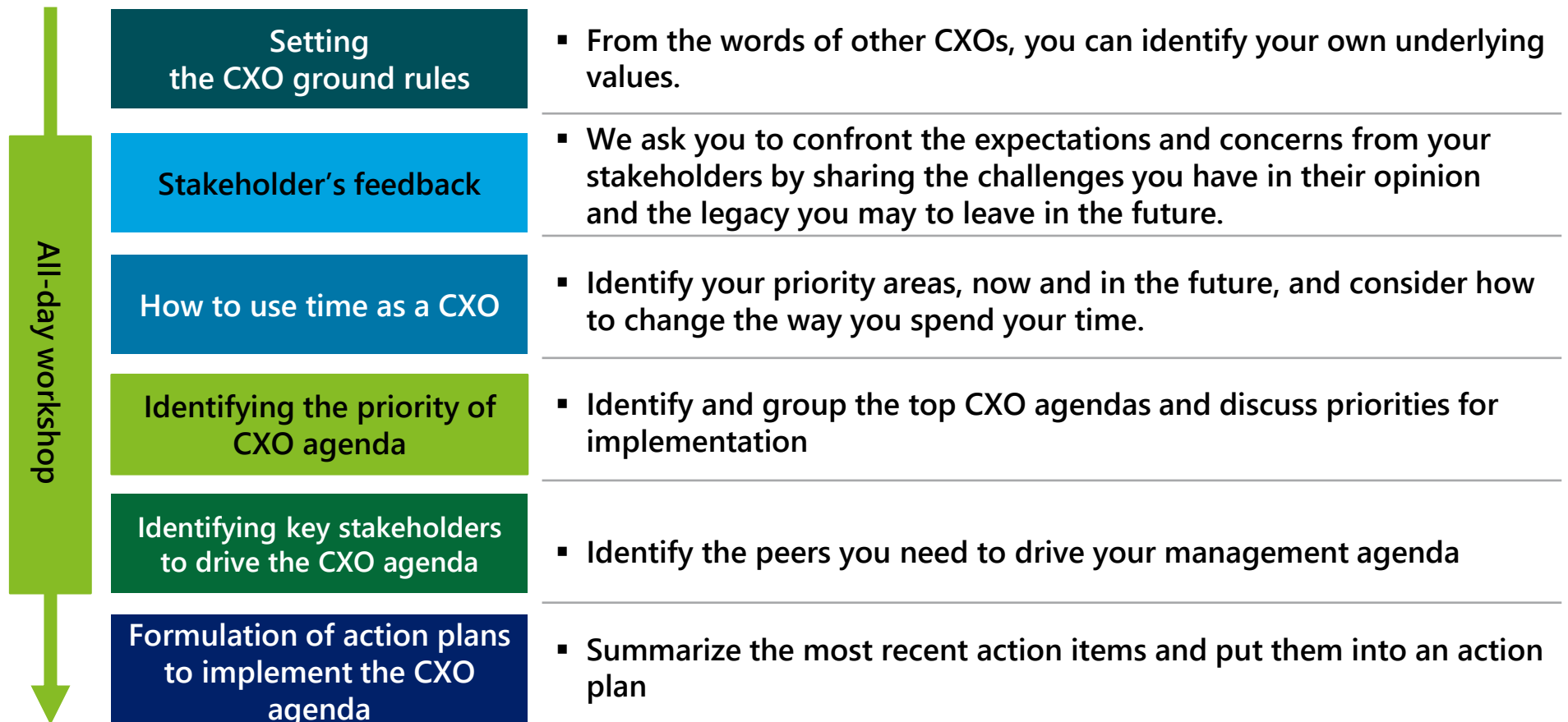
BREAKTHROUGH

- For decision making/response to business challenges that often lead to thought-stopping.
- To clarify the critical paths and priorities of complex management issues.
- To determine the stakeholders to be “involved” for the realization of your plan.

The CXO Transition Lab is a program designed to help CXOs develop a plan to start and accelerate their business operations smoothly.

CXO Transition Lab Structure : with 1.5~2 months of preparation ahead, we will conduct a full-day workshop for CXOs.

Prior preparation : Confidentiality agreements, pre-assignments, stakeholder interviews (5-7 people)



A one day of intensive dialogue to address your challenges and path as a CXO

Comments from CXOs who had the Lab

It was an experience worth investing time in. I confess to be very impressed on **how much we've achieved in just a day.**

I realized that I was turning away from my challenges. But dealing with challenges is an inevitable path. I felt to be given a supportive push in this session.

It was a truly great experience with amazing professional support. I felt completely at ease, and **it enabled me to explore even sensitive areas that are critical for my future career.**

This is my third role as a CXO and I keep thinking, **if I could have taken the Lab before, I would have done much better in my prior two roles as well.**

It was an intensive time in which **I realized the measure I had thought enough and those I had not.**

Of course, I had thought about it more than anyone! But I was surprised at **the expectation/fears from stakeholders and those were a great outcome of the session.** As a result, **my priorities I should devote my own time have changed.**

The week after the Lab, we started planning how to change the challenging governance structure that had been a barrier, which **led to a transformation** of the company's decision-making structure.

Six months later, I still look back on the session day and think back what I've **learned about myself and my priorities.**

The CXO Transition Lab

is not an insight giving program

**Away from the daily business execution, and by having heart-to-heart dialogue with us as catalysts,
you will focus on challenges you are stuck with or may have unconsciously avoided.**

**Through the all-day discussion, you will find
the answers in yourself!**

For a “special” session day, we will set prior preparations and conduct stakeholder interviews

Session Information

- Duration: One day workshop
- Venue: Deloitte Greenhouse (Marunouchi Nijubashi Bldg Tokyo)
- Practice: In small number of group
- Participants:
 - CXO (1 person)
 - Lab Facilitators (1~2 people from Deloitte Tomatsu)
 - Client Partners (1~2 people from Deloitte Tomatsu)
 - Lab Managers (1~2 people from Deloitte Tomatsu)

Request of prior preparation

The preparation period of a Lab is around 1.5 to 2 months.

- Preparations necessary
 - Conclusion of agreement on CxO Transition Lab
 - Submission of your company Organization Chart
 - Selection of important stakeholders for the CXO
 - Selection of important annual events for the CXO
 - Selection of stakeholder interviewees (see below)
 - Apply the Business Chemistry *1 assessment *2

About stakeholder Interviews

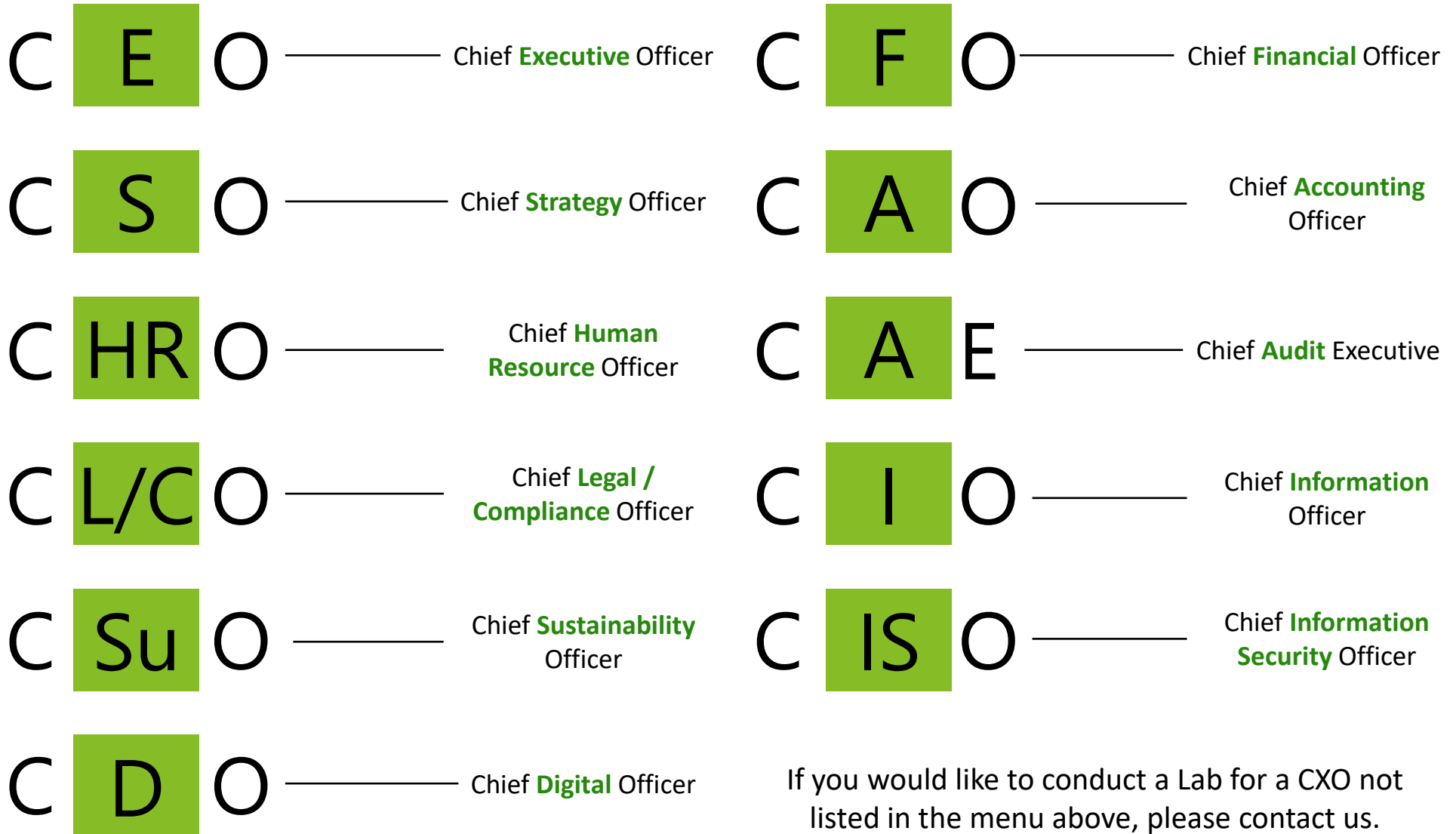
As a part of preparation, we ask CXO's stakeholders for their cooperation of interviews. Interviews will be conducted by some members of Deloitte and interviewees. The CXO is not required to attend.

- Interviewees (Around 5~7 people)
 - 1 or 2 people: Direct supervisors
(Executive class as a president, etc.)
 - 1 or 2 people: Subordinates
(Manager class who directly report to the CXO)
 - 1 or 2 people: Other managers and outside directors, or personnel, sales, etc. with a certain relationship with the CXO.
- Questions to ask in the interview
 - Hopes and expectations for the CXO
 - Awareness and concerns in regards the expectations
 - What you want the CXO to leave behind for the future of your company
 - CXO's strengths and capabilities to be developed
 - The impressions of the CXO, including personality aspects such as communication and leadership style

Footnotes *1 A diagnostic tool of working type (web test) developed by Deloitte
*2 Not allowed for Audit client

Introducing The CXO Transition Lab Menu

Based on Deloitte's broad expertise, we offer labs to various CXOs.



The CXO Transition Lab

Introduction of each Lab Owner

CAE Transition Lab

Niki Kazuhiko



CAO/Controller Tran. Lab CFO Transition Lab

Kitagata Masakazu



CEO Transition Lab/ CSO Transition Lab

Usami Junsuke



Kamiyama Yusuke



Manabe Hiroyuki



CIO Transition Lab

Nakagawa Takao



CISO Transition Lab

Nomiyama Masafumi



CLO/CCO Transition Lab

Matsumoto Takuya



CDO Transition Lab

Mori Ryo



Yoshizawa Yusuke



CFO Transition Lab

Nobukuni Yasushi



Kondo Yasuhiko



Harimoto Seiha



CHRO Transition Lab

Furusawa Tetsuya



CSuO Transition Lab

Kamiya Seiji



Funakoshi Yoshitake



Deloitte Greenhouse Introduction

- Expand to more than 30 locations worldwide as **Innovation Accelerators**, to support business leaders and bring solutions to their challenges.
- **A combination of behavioral science, analytics, technology and facility design** based on a globally defined set of principles of Deloitte provides breakthrough in management issues that would be difficult to solve using conventional methods.
- Established in 2019, Japan Greenhouse features the concept of **the way of tea** with one-of-a-kind environment.
- Based on a proven framework of Deloitte, **interactive validation session delivered by specialized facilitators uncover the complex challenges of CXO and support with** both digital and non-digital perspectives from agenda-setting to solution-prototyping.
- **A consciously-designed environment away from the daily business**, built to spark conversation and new ideas.



CXO Transition Lab Preliminary Experience (Lab Report Excerpt)

Hopes, Fears, and Legacy – CEO / Stakeholders

CEO

Hopes

Expectations/
Hopes

- ✓ I intend to remain president for XX years
- ✓ Driving organization changes
- ✓ Promoting Digital Transformation
- ✓ Preserving the asset business
- ✓ The CEO job is to create from 0.

Fears

Threat/Agony

- ✓ Need to respond to changes in the business environment due to changes of interest rates and age
- ✓ Too much speculation around
- ✓ Will I still be heard properly?

Legacy

Heritage/
Inheritance

- ✓ Honesty values.
- ✓ My roots matter. When I heard about the hardship my grandfather went through, I felt strongly that my life is a gift. I want to be a connecting dot between the older generation and the next generation.
- ✓ For the happiness of people involved in XX company, I want to make the company bigger so that no matter what happens, the company will not ruin.

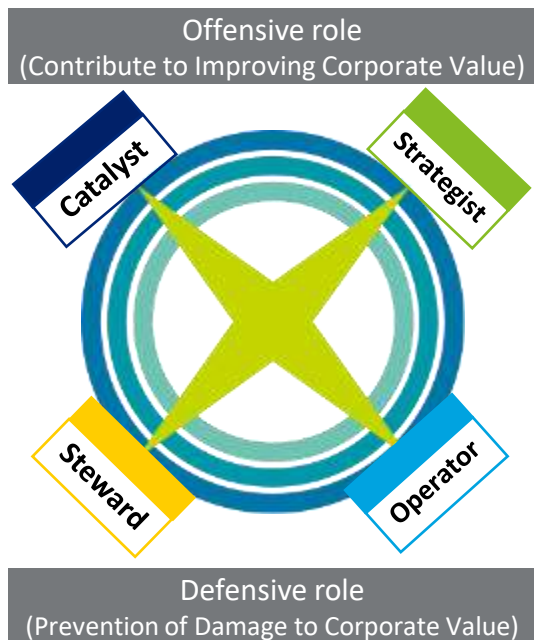
Stakeholders (from prior interviews)

- ✓ The president is taking over and clearly formulating a new policy. Hope this continues.
- ✓ Continued growth of XX company.
- ✓ I think the way to survive is how to fill the white space related to OO.
- ✓ Building a culture where people can express their opinions freely.
- ✓ To take on big mergers and acquisitions.

- ✓ To stuck out those who cannot follow the CEO vision
- ✓ Few opportunities for one-on-one communication with executives
- ✓ It is feared that the old members will be removed, which will create distortions in the general manager and section chief classes.

- ✓ The permanence of the good relationship between the chairman and the CEO continues.
- ✓ In addition to the desire to transform the company into an IT company, we hope you to maintain the spirit of bridging old and new.

The Four Faces of the Executive



*Source: 4 Faces of Executive (Deloitte's Executive Role Theory based on various project activities around the world)

Deloitte's CXO Survey found that while CXOs want to spend as much time as possible in their roles as strategists or catalogers, they often spend more time in other roles.

Top-level insights

- The role balance is expected to change, shift the main role from **STRATEGIST** to **OPERATOR** as the phase of creating systems and mechanisms is shifting to the phase of putting them into practice.

Current

XX %
XX %
XX %
XX %

Strategist

Lead the implementation of the business vision while achieving growth objectives and creating a culture of high performance

Catalyst

Determine strategies that are critical to the future performance of the organization and ensure that value is maximized to all critical stakeholders

Steward

Protect and preserve the organization's critical assets (human resources, customers, etc.) and accurately report operations to internal and external stakeholders

Operator

Balance capability, human resources, cost and quality to achieve organizational performance objectives and effectively meet primary responsibilities

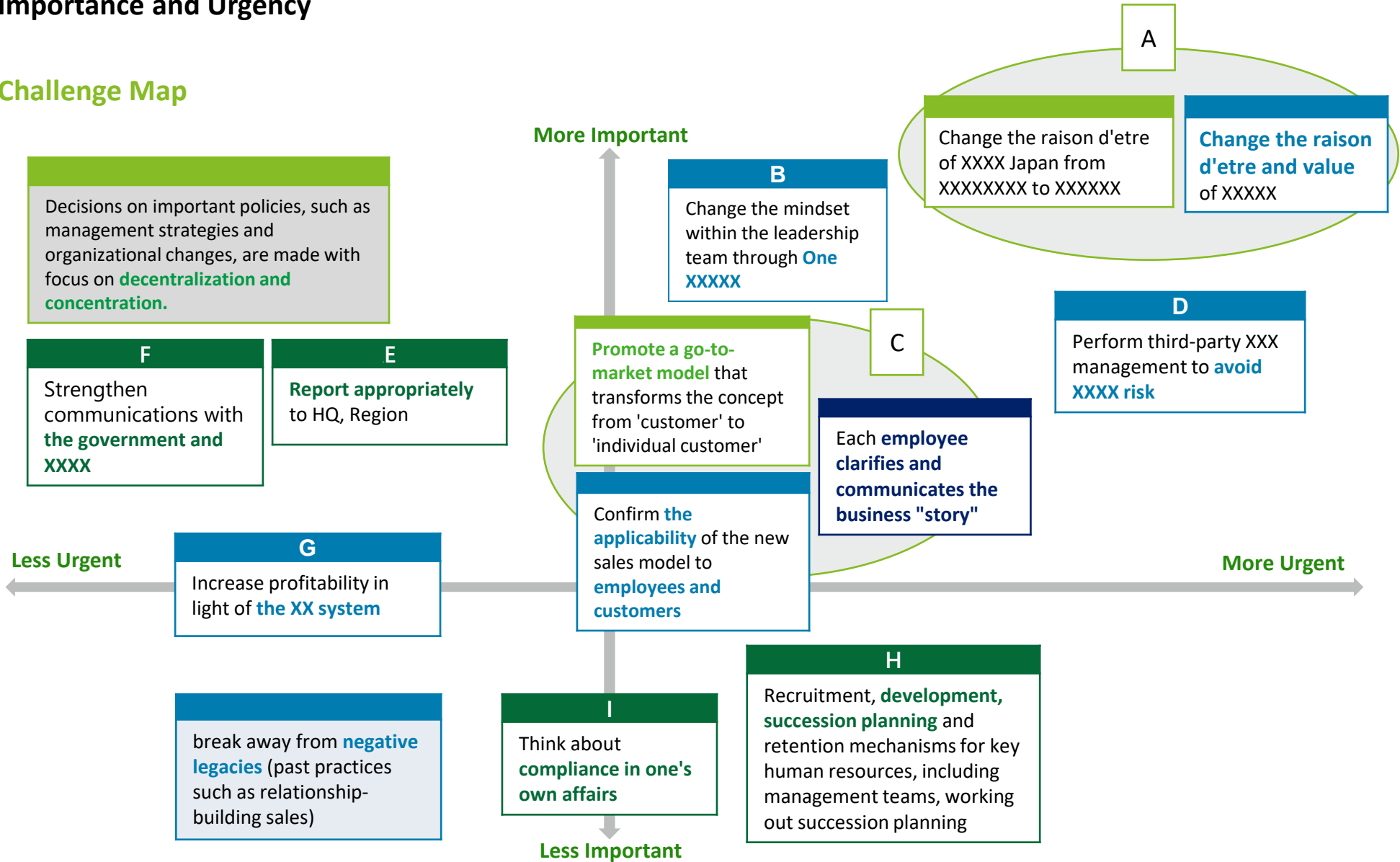
Future

XX % ↓
XX % →
XX % →
XX % ↑



Importance and Urgency

Challenge Map



Confidence Continuum



Six key challenges were assessed in terms of the level of difficulty to achieve. Challenges with higher levels of difficulty (lower levels of confidence) included challenges with higher levels of importance and urgency.

High Confidence

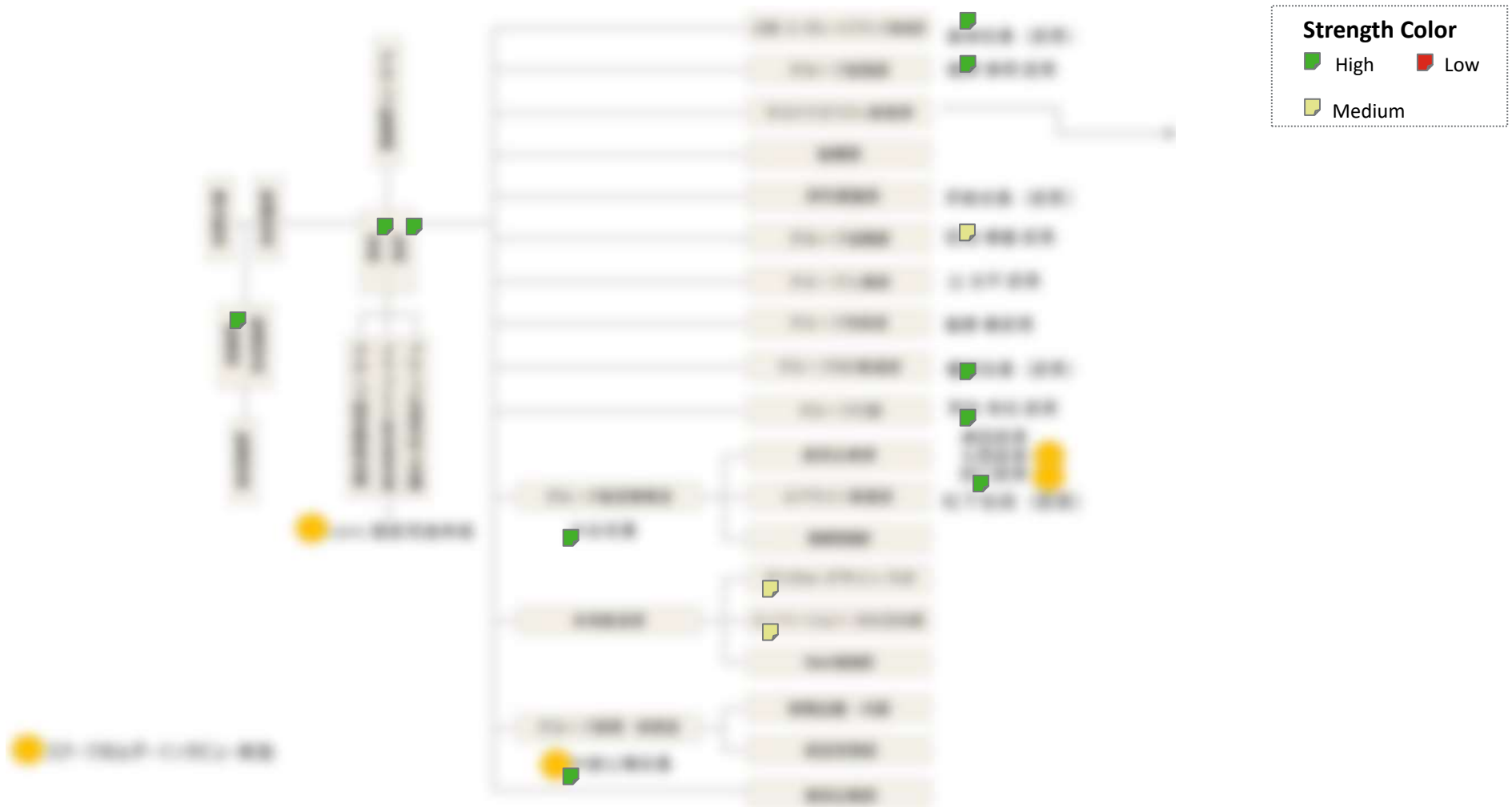
(Refer to the plot in the preceding paragraph)



	Important issue	Summary	Severity	Urgency
F	Risk management	<ul style="list-style-type: none"> Quick response to issues and risks Verification and review of the effectiveness of the organizational structure 	Low	Low
E	Stakeholder communication	<ul style="list-style-type: none"> Appropriate communication with external stakeholders (Customers, investors, etc.) Communication with key internal members on key issues 	Low	Low
B	Restructuring and thoroughness of business management	<ul style="list-style-type: none"> Formulation and implementation of medium- to long-term growth and capital investment strategies Configuring KPIs and Building PDCA Cycles 	High	High
D	Establishment of new management structure and leadership team	<ul style="list-style-type: none"> Establishment of a new management structure that drives measures to improve earnings Establishment of personnel operations system (Base for solving other important issues) 	High	Mid
A	Short-term PL improvement	<ul style="list-style-type: none"> A-1: Develop and implement a company-wide cost reduction plan A-2: Appropriate Measures to Eliminate Deficit in XX Business 	Mid	High
C	Restructuring of XX business model	<ul style="list-style-type: none"> Building a new solution model that takes advantage of XX's expertise in XX (Flexible consideration to meet market needs, including XXXX and XX management) 	High	Mid

Low Confidence

Organization map



Identifying key people to drive



Top-level insights

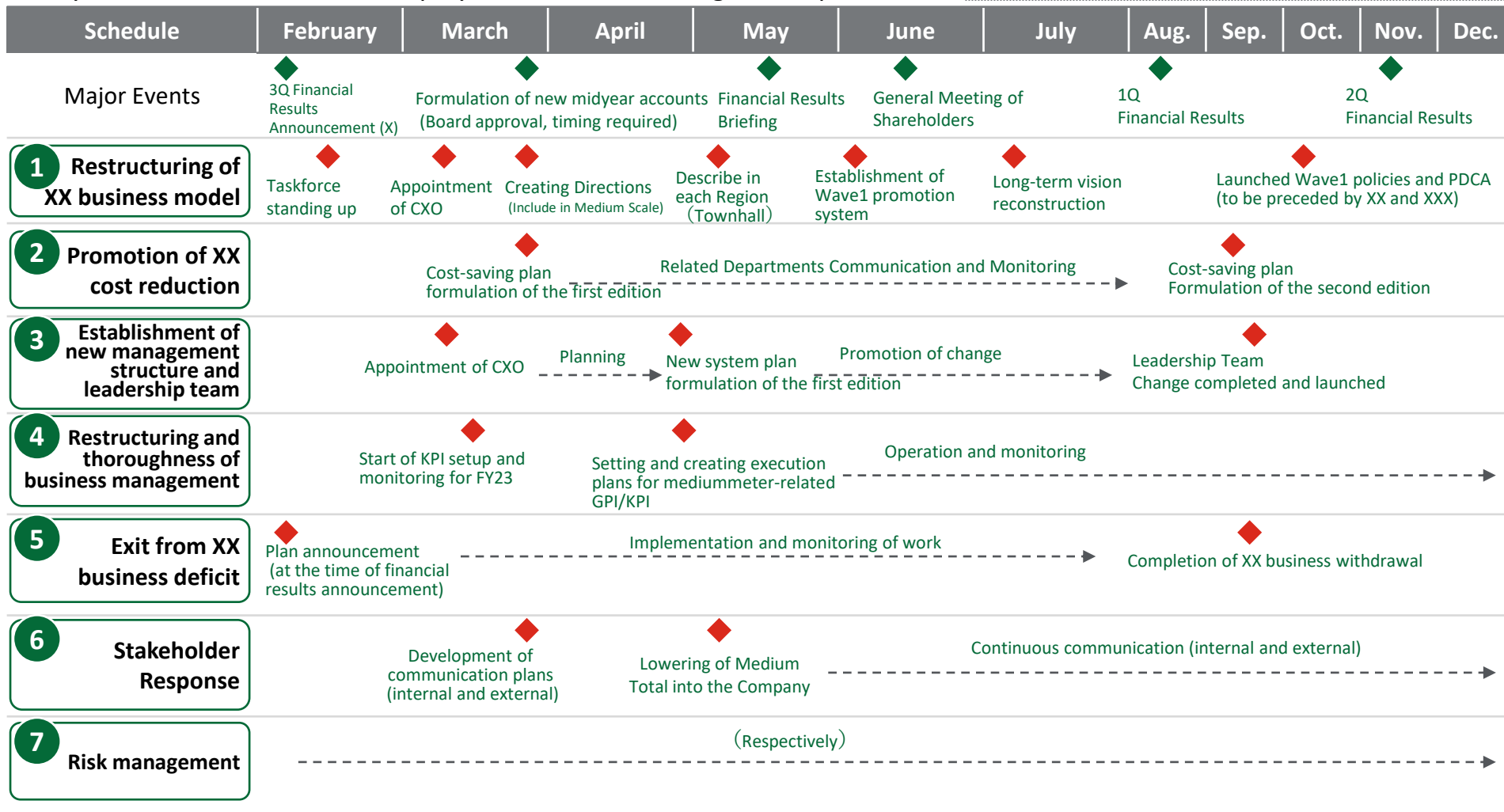
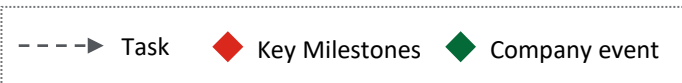
Key Talent and Expectations for Achieving Identified Challenges

Challenge	Key Talent (honorific title)	Enables / Risk
G Increase profitability in light of the XX system	<ul style="list-style-type: none"> ■ XX XXX (X&X) ■ XX XXXX (XXXXXXXXXXXX) 	<ul style="list-style-type: none"> ■ Promote the XXXX agenda in cooperation with industry groups including <u>XXXXX</u> ■ I would like you to cooperate with <u>XXXX</u> and <u>XXXXXXXXXX</u> and actively approach them.
D Manage XXX by a third party to avoid supply interruption risk	<ul style="list-style-type: none"> ■ XX XXXX (XXXXXXXXXXXX) ■ XX XXXX (XXX) 	<ul style="list-style-type: none"> ■ With the aim of <u>realizing production and distribution that does not depend on XXX, which entails risks</u>, it is requested that <u>XX and Global be involved</u> instead of a closed business in Japan.
C Promote a go-to-market model that transforms the concept from 'customer' to 'individual customer'	<ul style="list-style-type: none"> ■ XX (XXXXXXXXXXXX) ■ XX XXXX (XXX) 	<ul style="list-style-type: none"> ■ We hope you will take advantage of your experience in <u>digitalization</u> to promote sales.
B Change the mindset within the leadership team through One XXXX	<ul style="list-style-type: none"> ■ XX/XX (XXX) ■ XX (XX) 	<ul style="list-style-type: none"> ■ (In particular, XX) I would like you to support and promote the change of consciousness of XXX, which not only focuses on the current system and human resources, but also <u>on human resources development and system building in the future</u>.
H Function the succession plan and retention mechanisms, including recruitment and development of key personnel	<ul style="list-style-type: none"> ■ XX/XX (XX) ■ XXX XXX (SVP) 	<ul style="list-style-type: none"> ■ We look forward to the promotion of a succession training program that will also focus on <u>human resource development and system building in the future</u>.
F Strengthen communications with the government and XXXX	<ul style="list-style-type: none"> ■ XX XXXX (XXXXXXXXXXXX) ■ X XX (XXX Lead) 	<ul style="list-style-type: none"> ■ I want the government to <u>have innovative ideas</u> and strengthen communication. ■ We would like XXXX <u>to communicate in both directions</u> by providing useful information for the other party (such as the distribution visualization PG of XXX).
A Change the raison d'etre of XXXX Japan from XX provider to XXXX partner	<ul style="list-style-type: none"> ■ X XX (XXX Lead) 	<ul style="list-style-type: none"> ■ We hope that the <u>realization of XXXXX</u> will garner trust from the local community and the Japanese government, and promote the transformation of the raison d'etre and value of XXXX Japan so that it can be recognized by society as a XXXXX partner.

Creating your 180-day plan

We discussed plans to implement key issues.

Many Milestones have been set up by June and are on a tight workplan



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