Medium- to Long-Term Growth Strategy Group Policy—DX | CX and Innovation Strategies Leveraging Digital Technology

Message from the Officer in Charge

By further cultivating DX human capital, we will propel the improvement of CX and the creation of innovation



Developing bridge persons is the key strategy in our DX promotion

In our long-term vision formulated in May 2021, we made digital transformation (DX) a Group policy, and since this time we have promoted strategic initiatives in this area. Of particular importance here are people, the principal actors in the implementation of DX, who both make up and are in charge of the front lines of business. The Group considers the development of so-called "bridge persons" who combine a deep understanding of existing businesses with digital expertise to be an important strategy for promoting DX. We have set a goal of cultivating 6,000 human resources for the promotion of DX by fiscal 2025, and are planning and creating a variety of opportunities to promote their systematic development.

Given the wide range and diversity of our business domains, in the development

of bridge persons, we are adopting training methods that match the characteristics of our enterprises. At the companies that make up the core of our asset-utilizing businesses, we are conducting workshops to examine future community development decades from now using digital technology based on examples of advanced city planning overseas as well as services incorporating fresh, new ideas. At the operating companies which make up the mainstay of our human capital-utilizing businesses, we are creating opportunities to experience customer-driven business design in order to take advantage of our many points of contact with our customers.

A year in which the results of our DX promotion have been reflected in our figures

The results of our efforts to promote DX since

fiscal 2021 have been reflected in our figures for the past year. We established specific numerical targets as KPIs in the areas of DX investment, DX initiatives, IT infrastructure, and human capital infrastructure, and overall results have been favorable. Of particular note, in the domain of our business processes, where we are seeking a shift to creative work by promoting labor savings in other areas, we have achieved a reduction of approximately 282,000 hours per year, or the equivalent of ¥1.27 billion in labor costs through operational efficiency improvements, and we will continue to manage the progress of these efforts going forward.

Going forward, our DX strategy is shifting to CX and innovation

As we make the shift from the restructuring phase to the resilience phase under our medium-term management plan, in our DX strategy, as well, we are transitioning from business process improvements, where we have already achieved a certain degree of results, to customer experience (CX) and innovation.

The Group CX & Innovation Department, which was established when I became an operating officer, is responsible for accelerating the promotion of DX throughout the Group by strengthening the human capital and organizations that utilize digital technology as a means of value creation. It also functions as the core of new value creation through Groupwide organic collaboration and co-creation with external parties.

We aim to achieve customer-oriented value creation by leveraging the strengths of the Group and our numerous points of contact with customers in a wide range of business fields. The ways we are seeking to realize this goal include the provision of personalized proposals leveraging data, further strengthening strategies targeting wealthy individuals and customers, and the creation of new businesses that exceed market expectations. We will promote the improvement of CX and the creation of innovation throughout our entire value chain to bring about a transformation to a new business model.

Value creation roadmap to fiscal 2030

