

IT Governance

Basic Approach

Positioning IT as a pillar of management, we will vigorously advance the strengthening of IT project planning and system development frameworks through development efficiency and productivity improvement, and fundamental transformation to optimal system architecture, including cloud shift, thereby driving business strategy and enhancing our management base in a balanced manner. To further strengthen stable system operations, which is the fundamental premise for these efforts, we will relentlessly work on preventing system failures from occurring and enhancing early recovery capabilities when failures do occur, establishing a governance framework that meets global standards.

Relentless Efforts in Strengthening Resilience to Support Stable IT Systems Operation

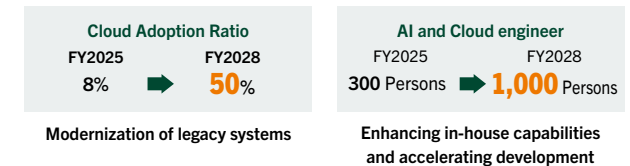
While maintaining stable IT systems operation, we will promote the advancement of further system failure countermeasures to mitigate risks associated with the transition to next-generation IT infrastructure, such as AI utilization and cloud shift. Specifically, in addition to visualizing the operational status of the entire system including the cloud and establishing a framework for immediately detecting system failures, we will advance the development of an environment utilizing multi-regional backup capabilities in the cloud. We will also continuously work on strengthening the disaster recovery environment for critical systems to prepare for potential disasters. Simultaneously, by automating system development and operational processes and using AI to detect early warning signs of system failures, we aim to shorten the time required for root cause investigation and restoration when failures occur. We will also continuously work on enhancing early recovery capabilities through the strengthening of contingency plans for both business and systems.

Enhancing the Governance Framework to Support Fundamental IT Transformation

To support the rapid promotion of cloud shift, AI utilization, and data utilization, we will accelerate the development of IT infrastructure. Specifically, we will build a secure multi-cloud environment and a data utilization platform, which is a prerequisite for global data utilization, while also accelerating the development of an API environment. To develop business divisions' development capabilities, we will enhance the rules to be followed in system development, develop guidelines, strengthen development support frameworks, and transition to a system risk management framework that addresses both on-premise and cloud environments. Simultaneously, we will move away from the centralized global application of standards based on conventional domestic criteria, and enhance our governance framework to one based on both a globally common baseline and standards tailored to regional characteristics.

Going forward, to respond swiftly and appropriately to the rapidly changing social and business environments and promote IT transformation, we will construct a global

top-tier system risk management framework through agile reviews of our governance framework, taking into account trends in advanced technologies such as AI and quantum technology.



FY2025 Initiatives

To strengthen our ability to respond to system failures, we enhanced contingency plans for both business and systems, primarily for critical systems, and conducted company-wide system failure drills. Furthermore, we steadily addressed new risks arising from changes in the domestic and international environment, such as geopolitical risks, and worked on enhancing our system risk management framework to support the expansion of our digital business.