

# Long-Term Outlook and Medium-Term Management Plan

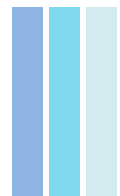
(FY 23/3 to FY 25/3)

April 28, 2022

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# **Observation on the Business Environment**

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The environment surrounding the DTS Group will experience dramatic changes that will nevertheless bring excellent growth opportunities

## Market

- The IT market will continue to expand, with digital transformation (DX) being the primary focus
- Projects developed from scratch will be on the decline, and service provision-based projects from infrastructure development to application will be on the rise
- The shift toward in-house production in user companies will be most fast paced at leading companies

## Technology

- Use of digital technologies, especially cloud computing (containers, etc.), will increase
- Development technologies such as non-programming, DevOps, and low code programming will advance
- Data-driven technologies (such as AI, data lakes, and iPaaS) will become more sophisticated, as the implementation of IoT will spread across society
- Security technologies will evolve from perimeter protection to zero-trust models

## ESG

- Companies are now required to achieve carbon-free (or carbon-neutral) management
- Intensifying efforts for diversity and inclusion
- Engagement with capital markets will become even more active

## Solid business and financial foundation to support the growth of the DTS Group

### Robust customer base

- Diverse and long-term relationships, mainly with listed companies
  - Around 1,700 Group customers
  - Percentage of prime customers: around 70%
- \*Number of Group customers is on a consolidated basis  
\*Percentage of prime customers is on a non-consolidated basis

### Reliable SI capability

- Extensive development project experience and business know-how
  - Commitment to project completion and quality improvement
  - Around 380 PMs (12.6% of all employees)
- \*Number of PMs is on a non-consolidated basis

### Solid financial foundation

- Investment capacity to enable aggressive growth investment for the future
  - Equity-to-asset ratio: 78.4%
  - Net cash ratio: 57.9%
- \*Equity-to-asset ratio and net cash ratio are on a consolidated basis

The challenge for DTS is to create solution services through aggressive investment so as to draw a growth trajectory

## Business

- Transform the business model as the domain expands from application-centric development to the creation of new solutions and services
- Loss of proposal-oriented sales promotion and recruiting opportunities due to being misunderstood as a company focused on development services with few prime customers

## Technology

- While project management capabilities have improved, DTS lacks the ability to develop cutting-edge applied technologies and to create unique solutions and services that utilize them, as well as research and development capabilities

## Human resources

- Step up the development of personnel capable of realizing new business, doing proposal-oriented sales activities, and managing a company
- Develop systems and a corporate culture that empower employees
- Increase the percentage of female managers (currently, 3.1%)



# Vision 2030

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The DTS Group aims to establish a new growth model and further improve corporate value through the creation of both social value and financial value by understanding environmental changes to areas such as the IT market, technology and ESG, and in addition to further developing the existing SI business model, it will proactively invest into digital, solutions and service business as well as the human resources to realize this.

## Vision 2030

**Become a company  
that continuously takes on challenges  
in order to provide value that exceeds expectations**

## The values we embrace

### Always enjoy change

The DTS Group wishes to provide value that exceeds the expectations placed upon it by customers, shareholders, business partners, employees and their families as well as the society that surrounds all of them.

In order to do this, each and every employee will take on various challenges while always enjoying changes.

# Summary of Value Creation Story (Vision 2030)

Long-Term Outlook

Medium-Term Plan

To be a company that continues to challenge itself to provide value that exceeds expectations

Vision 2030

## Observation on the business environment

### External business environment

- The primary focus in the IT service market is DX
- Projects developed from scratch will be on the decline, and service provision-based projects will be on the rise
- The shift toward in-house production among users will be most fast paced at leading companies

### Internal environment

- Robust customer base
- Reliable SI capability
- Solid financial foundation
- x Delay in adapting to latest technologies including R&D
- x Ability to create new solution services

### ESG

- Carbon-free management
- Diversity and inclusion
- Active engagement with capital markets

## Key challenges

### Business

- I. Increase sophistication of the value that we propose
- II. Combination of SI x digital
- III. Advance into new fields as well as globally

### Investment

- Maximum investment per year: ¥10 billion
- Investment in human resources
  - R&D
  - Capital expenditures
  - M&A

### Management foundation

- IV. Strengthen ESG Initiatives
- V. Reform management foundation

## Key points for achievement

1. Strengthen our business formation and expand the coverage
2. Create winning techniques (offerings)
3. Renew our corporate image through active public relations activities
4. Secure and develop human resources
5. Introduce an organizational structure and delegation of authority that achieve greater agility
6. Leverage cutting-edge technologies within the Group
7. Commitment to TCFD recommendations and SBT
8. Create more opportunities for a variety of employees to do their best
9. Engagement with greater care and attention

## Ideal vision

### Business model

- Evolve toward "Total SI"
- Create new solution services
- Offer new value by integrating industry insights and technology

### Financials

Establish the optimal balance between long-term investment and returns for shareholders

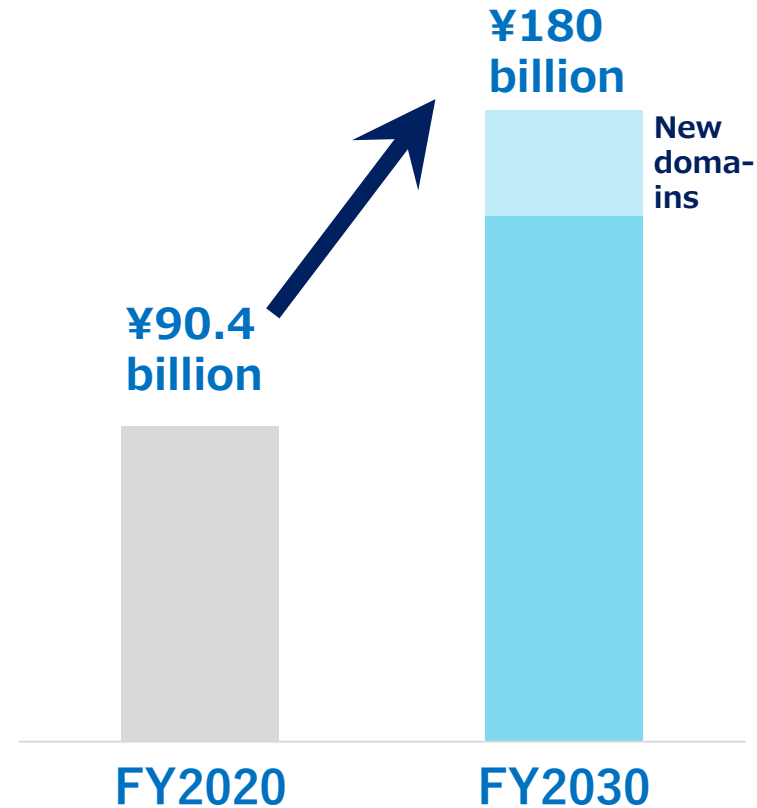
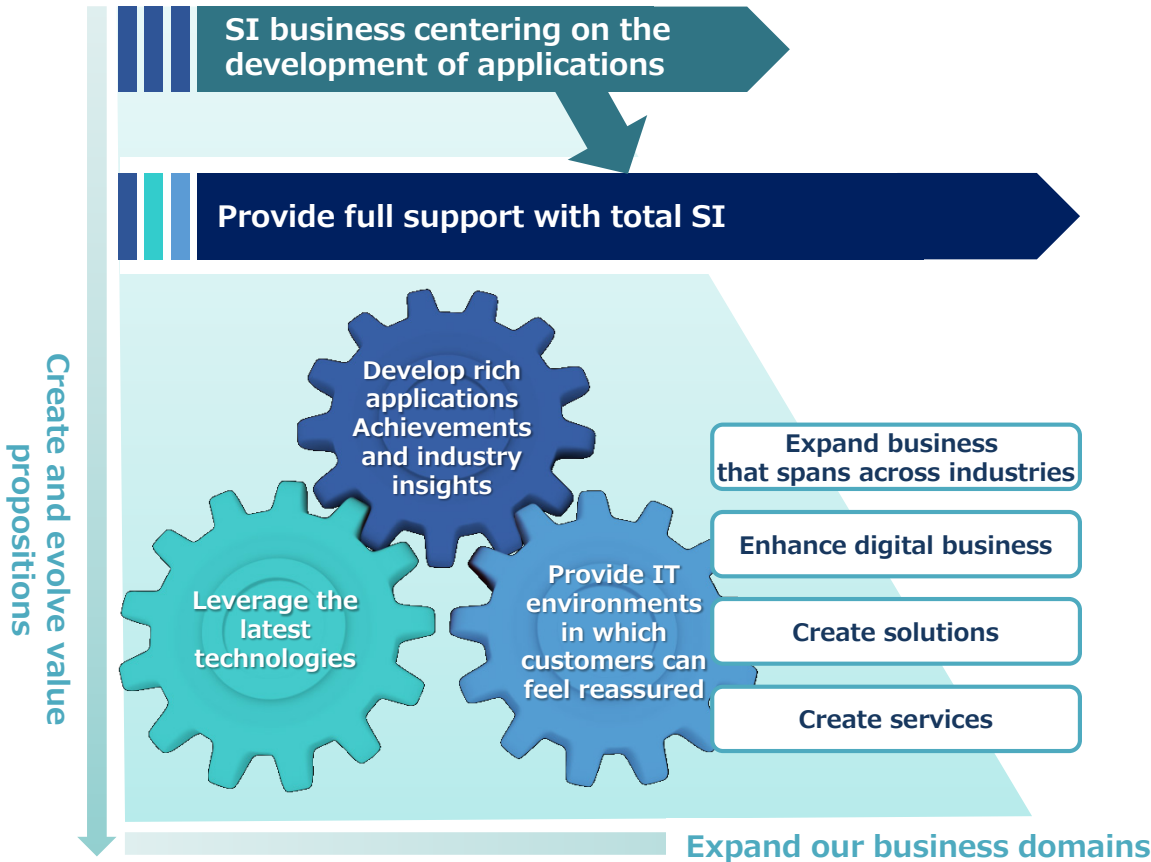
### ESG

- Become carbon-neutral
- Achieve diversity and inclusion
- Abide by Japan's Corporate Governance Code at a high level

We aim to evolve from our current SI business model which focuses on developing application software, while expanding our business domains by creating new solution services, and to double our current net sales to ¥180 billion in FY2030.

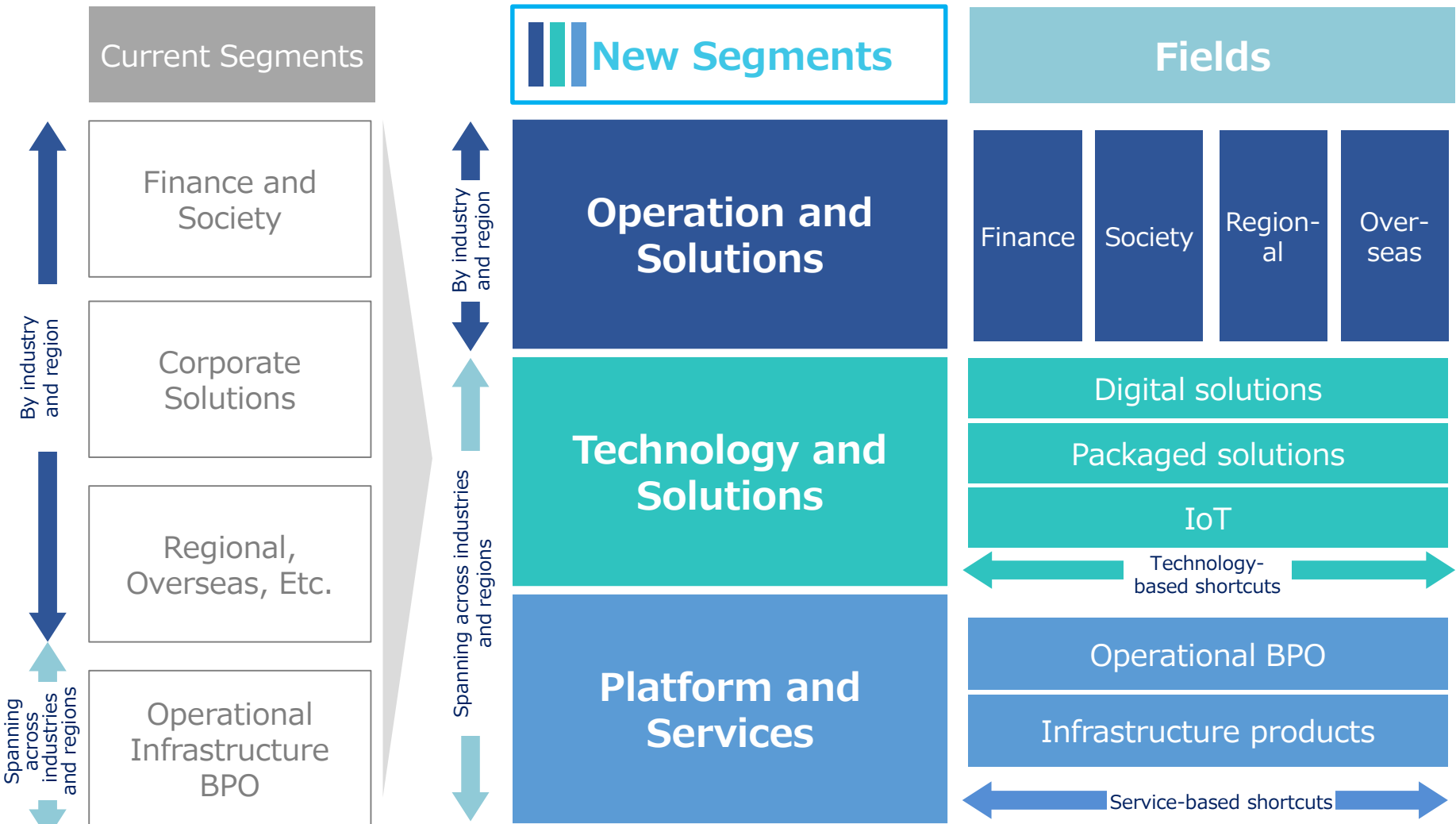
Offer new value by combining industry insights (\*1) and technology

Achieve growth that doubles both sales and profit (EBITDA)



\*1 Combination of our business knowledge and discoveries such as about ever-changing industry trends

Fundamentally review the business portfolio (segments) in order to promote the dynamic transformation of our business model.



## Characteristics and Growth Potential of New Segments

### Operation and Solutions

Offer new high value-added services to customers by adding digital technology to project management capabilities and industry insights, which are some of our strengths. Actively create industry-specific solutions as well.

- Financial Sector
- Public Systems and Social Infrastructure Sector, etc.

CAGR

5%

### Technology and Solutions

Specialize in digital technology and solutions, and use the latest technologies to meet the diverse needs of customers, regardless of industry or sector.

- Digital Solution Sector
- DTS INSIGHT CORPORATION, etc.

CAGR

9%

### Platform and Services

Support IT environments customers can feel reassured using, by introducing advanced IT equipment, building IT platforms, and providing operation monitoring services.

- IT Platform Service Sector
- DIGITAL TECHNOLOGIES CORPORATION, etc.

CAGR

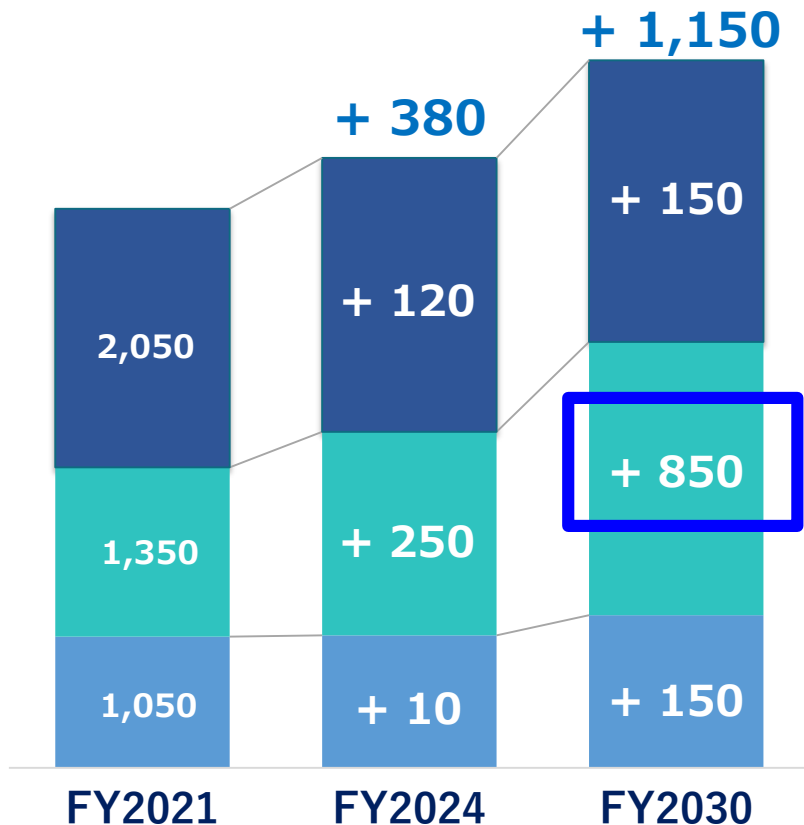
4%

\*CAGR is calculated for the sales growth from FY2021 to FY2030

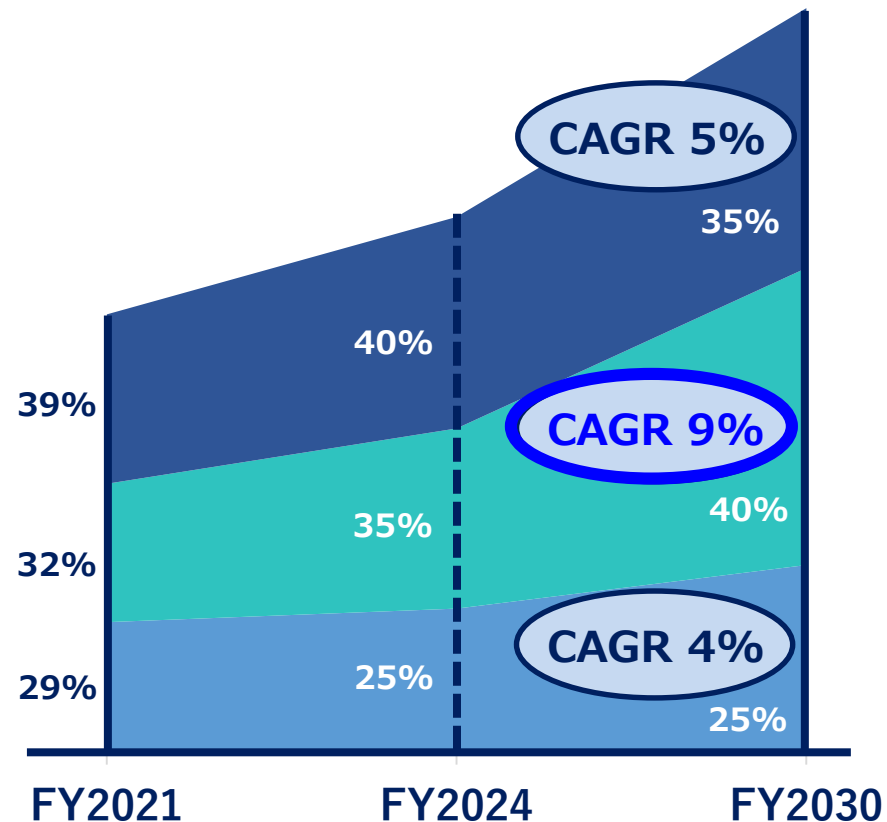
Allocate human resources mainly to the Technology and Solutions segment to drive overall growth.

■ Operation and Solutions   
 ■ Technology and Solutions   
 ■ Platform and Services

**Number of domestic employees**  
(increases represent figures compared to FY2021)



**Sales growth**  
(% represents the share of each segment in total sales)



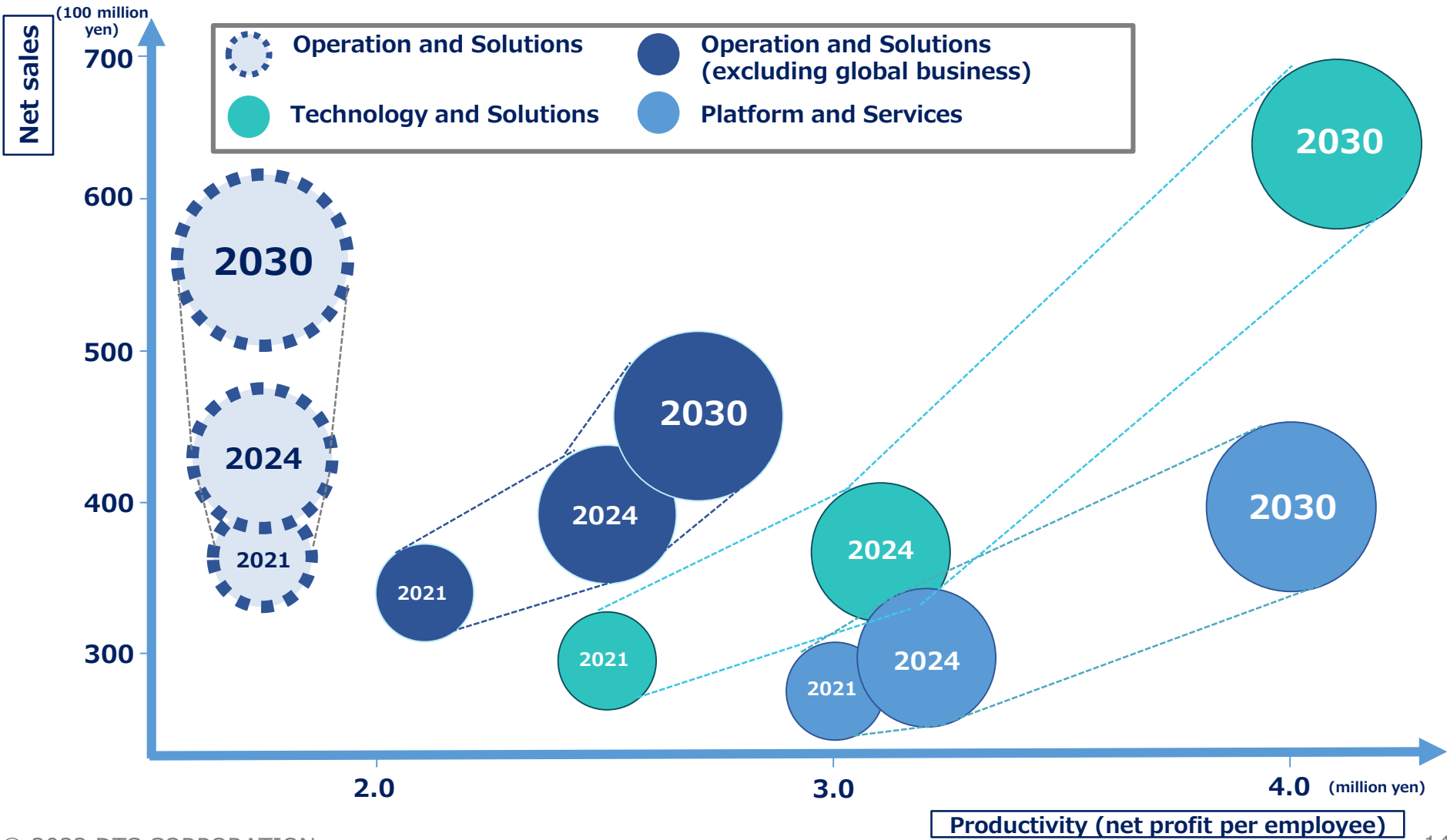
# Growth by Segment (Net Sales and Productivity)

Long-Term Outlook

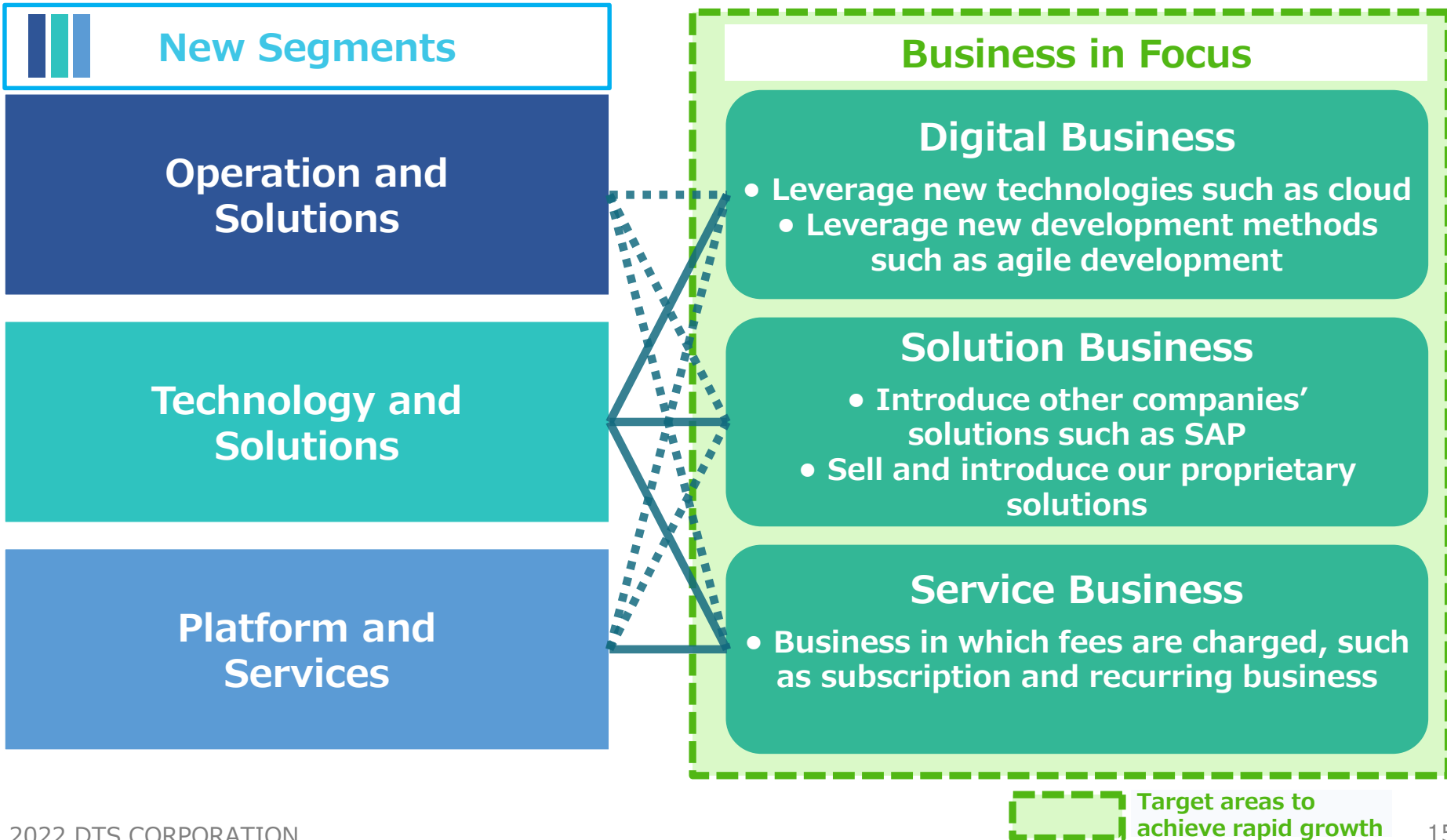
Medium-Term Plan

Increase productivity per employee in all segments and expand the scale of operations.

<Net sales and productivity of each segment in 2021, 2024, and 2030>



Define our digital business, solution business, and service business as “Business in Focus” areas to target to achieve rapid growth. Step up efforts in all business segments.



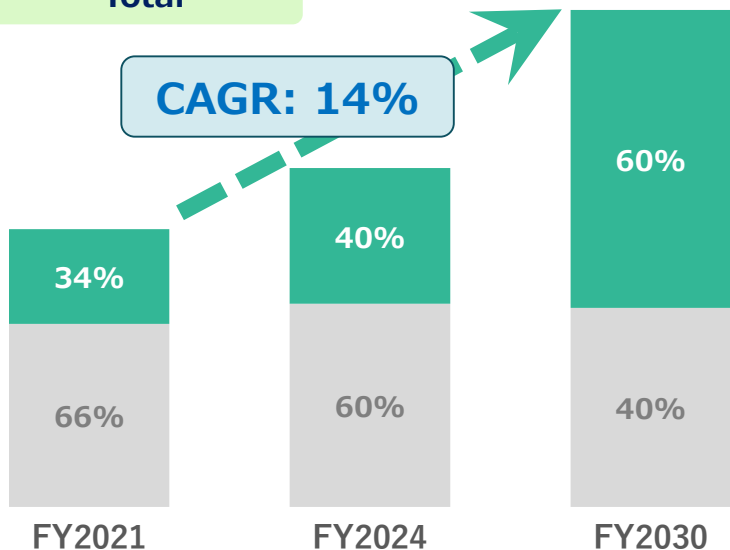
# Sales Targets for Business in Focus

Long-Term Outlook

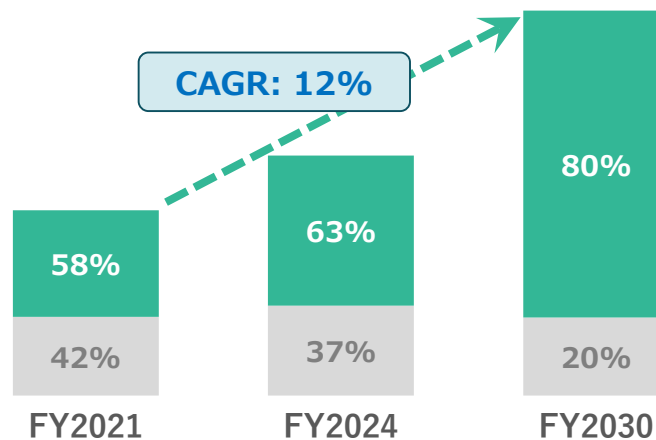
Medium-Term Plan

Achieve the rapid growth of the Group by dramatically expanding business in focus.

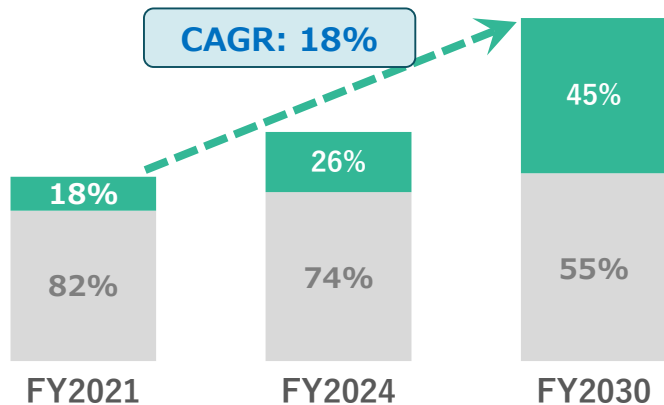
## Total



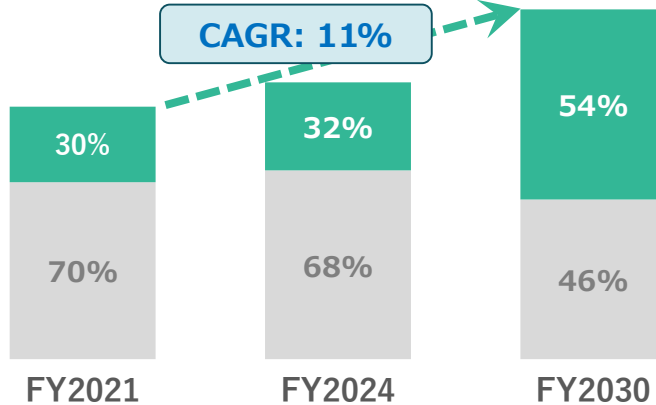
## Technology and Solutions



## Operation and Solutions



## Platform and Services



\*CAGR is calculated for the sales growth of business in focus from FY2021 to FY2030

■ Business in focus ■ Existing business

Achieve the optimal balance between growth investment and returns for shareholders, while doubling sales and profits.

## Sales and Profit (EBITDA)

compared with FY2020

**2** times

## Investments

FY2022 to FY2030

Approx. ¥ **10** billion annually

## ROE

Improve up to **16**%

## Shareholder returns

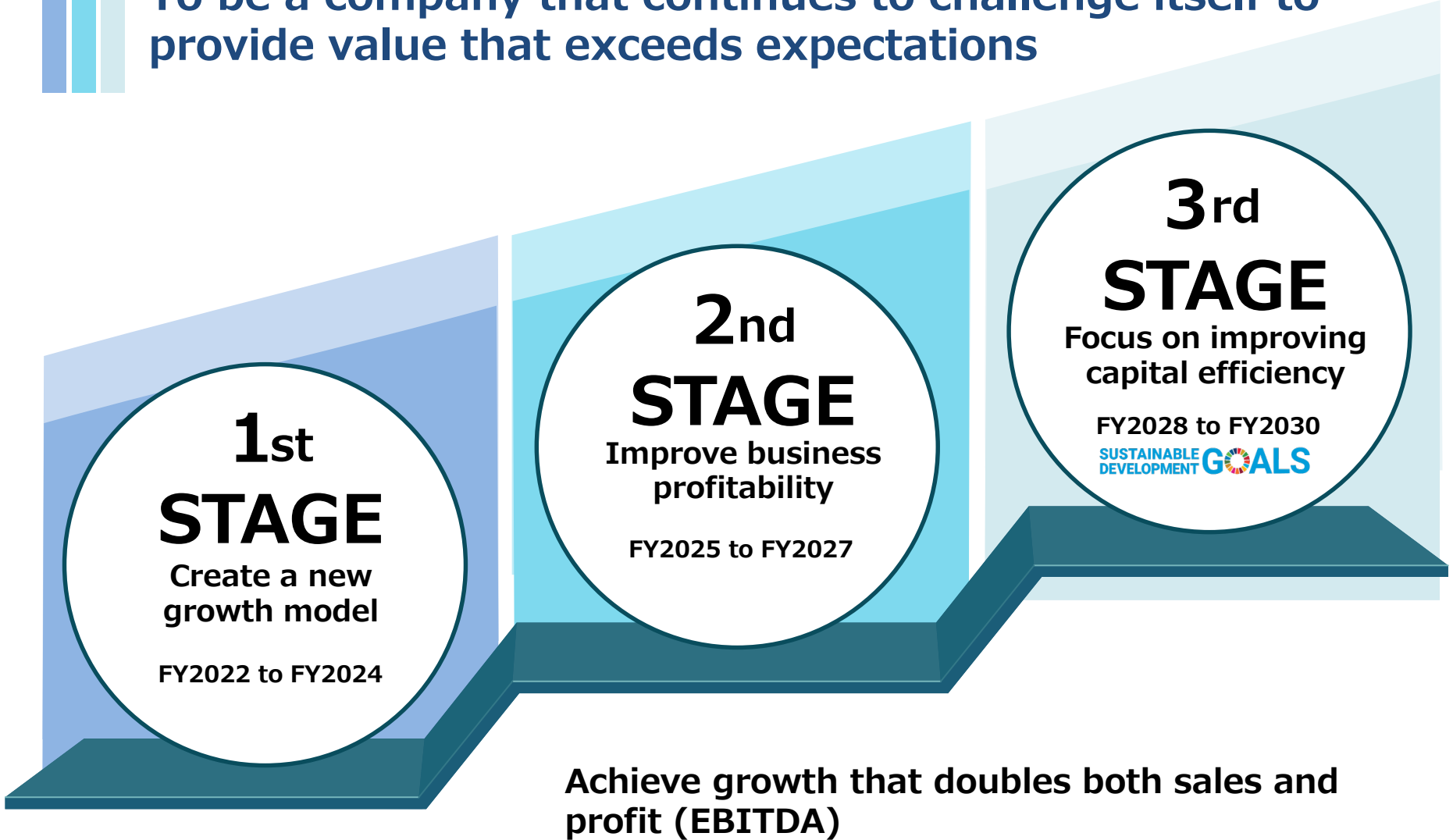
Payout ratio: **50**% or higher every fiscal year

Total return ratio: **70**% or higher every fiscal year

Approx. **130**% in FY2022

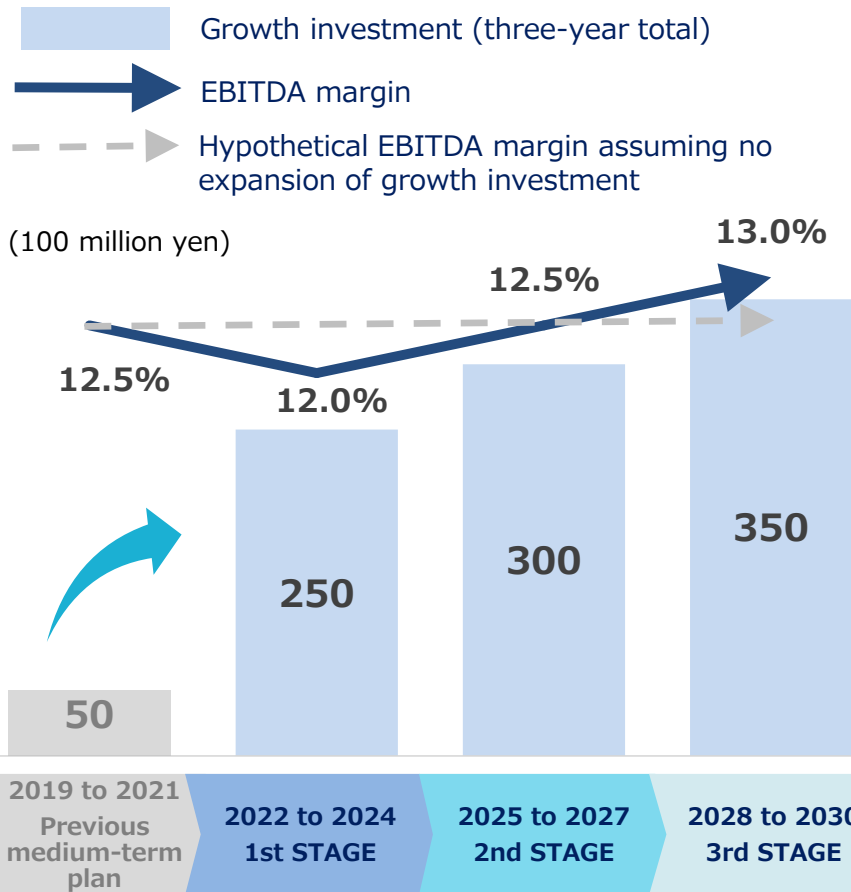
## Promote the execution in three stages to achieve Vision 2030

To be a company that continues to challenge itself to provide value that exceeds expectations

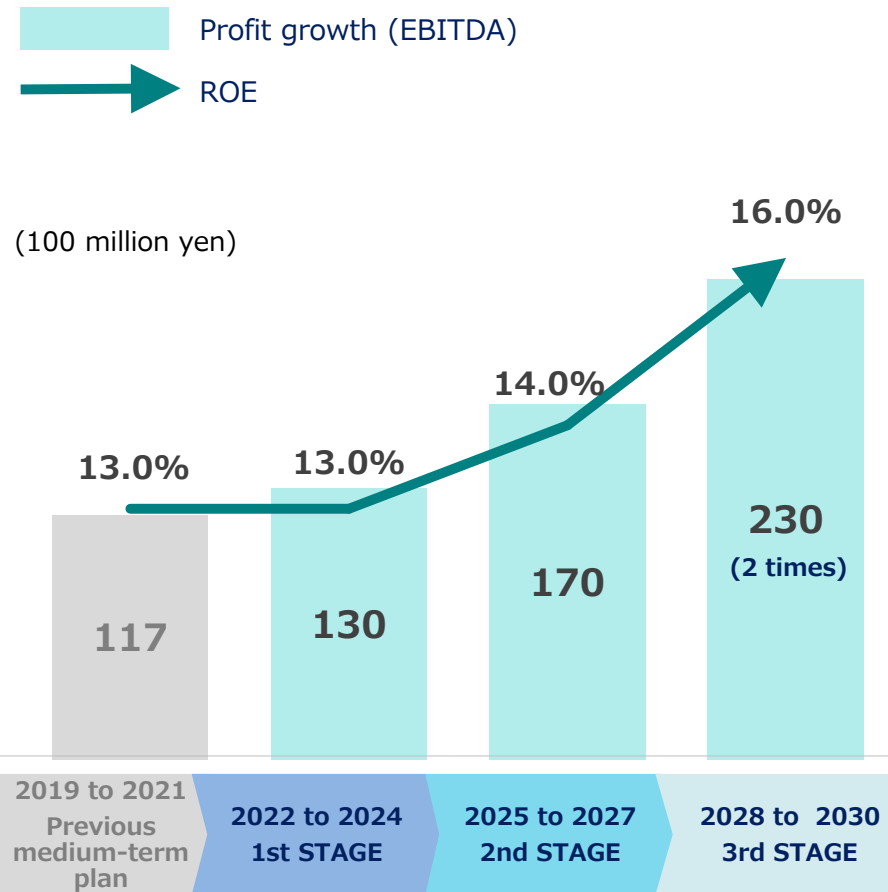


- Carry out aggressive growth investment and improve profitability (EBITDA margin).
- Double the amount of profit (EBITDA) and improve ROE.

## Change in growth investment



## Changes in profit growth and ROE



# Vision 2030 Cash Allocation Policy

Long-Term  
Outlook

Medium-  
Term Plan

- Systemically carry out aggressive growth investment and returns for shareholders, aiming to enhance corporate value over the long term.
- Carry out further acquisition of treasury shares in a flexible manner, taking into account the progress of growth investment and then-current share price.

## Cash in

Cash income  
from business

Sales and profits (EBITDA)

**2 times**

Cash on hand  
(FY2022 opening balance)

Percentage to  
total assets:

A little less than **60%**

## Allocation

— Growth investment —  
(around **¥10** billion per year)

Investment in  
human resources

Research and  
development

Capital  
expenditures

M&A

Any unspent amount for growth investment will be used for further acquisition of treasury shares in a flexible manner

Returns for shareholders

Payout ratio: **50** % or higher for every fiscal year

Total return ratio: **70** % or higher for every fiscal year

Cash on hand  
(Financial soundness)

Percentage to total assets:

Around **30%**

Aim to be a company that grows together with society by practicing sustainable management, including the achievement of carbon neutrality.

**E**nvironment



- ▶ Become 100% carbon neutral
- ▶ Step up efforts across the entire Group toward TCFD <sup>(\*1)</sup> recommendations and SBT <sup>(\*2)</sup>

**S**ocial



- ▶ Increase the percentage of female managers to 13% or higher
- ▶ Increase the percentage of SDGs-related projects in the DTS Group to 50% or higher

**G**overnance



- ▶ Abide by Japan's Corporate Governance Code at a high level

\*1 Task Force on Climate-related Financial Disclosures (a framework for disclosing information on corporate initiatives against climate change and their impacts)

\*2 Greenhouse gas emission reduction targets for the next 5 to 15 years set by companies (a framework that encourages companies to set scientific medium- to long-term targets)

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# Medium-Term Management Plan

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Under Vision2030, the Group has set key challenges for both its businesses and its management foundation, and established the targets for solving those challenges.

Carry out aggressive investments and achieve stable returns for shareholders.

[Financial targets for FY 25/3]

Operating revenue	Consolidated net sales:	¥110.0 billion or higher
	EBITDA: (*1)	¥13.0 billion or higher
	EBITDA margin:	approx. 12%
<b>NEW</b> Investment	Investments : (cumulative over three years)	¥25.0 billion
Management efficiency	ROE:	13% or higher
Shareholder returns	Payout ratio:	50% or higher
	Total return ratio:	70% or higher (approx. 130% in FY2022)

\*1 Operating profit: ¥12.0 billion or more (reference)

Set a target that 40% or more of sales should be from business in focus target areas to achieve rapid growth. In addition, set targets related to ESG to realize a sustainable society.

## [Financial targets for FY 25/3]

Areas focused on	<b>Net sales of focus businesses: (*1)</b>	<b>40%</b> or higher
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\*1 Business fields that consist of the three growth engines of the Digital Business, Solutions Business and Services Business, are being focused on going forward.

<b>Reduction of CO<sub>2</sub> emissions:</b> (compared with FY2013 figures)	<b>50%</b> or higher
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<b>SDGs-related net sales: (*2)</b>	<b>40%</b> or higher
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**NEW** ESG

<b>Ratio of female managers:</b>	<b>6%</b> or higher
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<b>Ratio of female Directors:</b>	<b>10%</b> or higher
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<b>Independent Outside Directors:</b>	<b>Over 50%</b>
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\*2 Net sales from projects contributing to SDGs (17 goals).  
Constant awareness of SDGs throughout the Group, including frontline employees.

# Summary of Value Creation Story (Vision 2030)

Long-Term Outlook

Medium-Term Plan

To be a company that continues to challenge itself to provide value that exceeds expectations

Vision 2030

## Observation on the business environment

### External business environment

- The primary focus in the IT service market is DX
- Projects developed from scratch will be on the decline, and service provision-based projects will be on the rise
- The shift toward in-house production among users will be most fast paced at leading companies

### Internal environment

- Robust customer base
- Reliable SI capability
- Solid financial foundation
- x Delay in adapting to latest technologies including R&D
- x Ability to create new solution services

### ESG

- Carbon-free management
- Diversity and inclusion
- Active engagement with capital markets

## Key challenges

### Business

- I. Increase sophistication of the value that we propose
- II. Combination of SI x digital
- III. Advance into new fields as well as globally

### Investment

- Maximum investment per year: ¥10 billion**
- Investment in human resources
  - R&D
  - Capital expenditures
  - M&A

### Management foundation

- IV. Strengthen ESG Initiatives
- V. Reform management foundation

## Key points for achievement

1. Strengthen our business formation and expand the coverage
2. Create winning techniques (offerings)
3. Renew our corporate image through active public relations activities
4. Secure and develop human resources
5. Introduce an organizational structure and delegation of authority that achieve greater agility
6. Leverage cutting-edge technologies within the Group
7. Commitment to TCFD recommendations and SBT
8. Create more opportunities for a variety of employees to do their best
9. Engagement with greater care and attention

## Ideal vision

### Business model

- Evolve toward "Total SI"
- Create new solution services
- Offer new value by integrating industry insights and technology

### Financials

Establish the optimal balance between long-term investment and returns for shareholders

### ESG

- Become carbon-neutral
- Achieve diversity and inclusion
- Abide by Japan's Corporate Governance Code at a high level

# Key Challenges “Business”

Long-Term Outlook

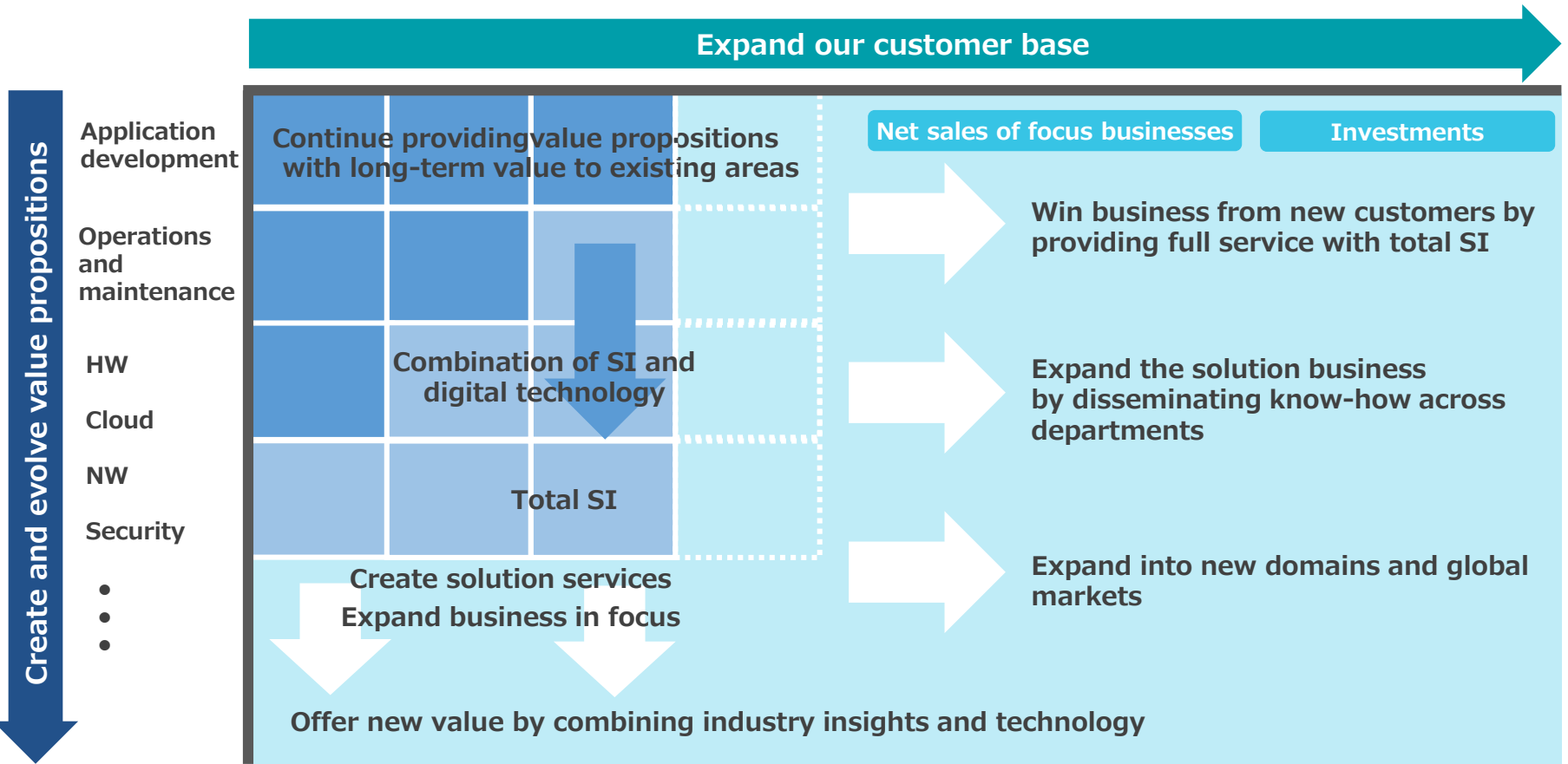
Medium-Term Plan

Evolve value propositions starting from application-centered SI business, which is one of our strengths, and expand our customer base.

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally



KPI

Add “digital technology” to “project management capabilities” and “industry insights” and offer new high value-added services. Actively create industry-specific solutions as well.

## Growth strategy in our medium-term management plan

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally

- I** Expand modernization business
- II** Strengthen DX capabilities (combination of project management capabilities, industry insights, and technology)
- III** Strengthen co-creative relationships among group companies in Japan and overseas (across customers, nearshore and offshore)
- I** Increase new customers by evolving our value propositions

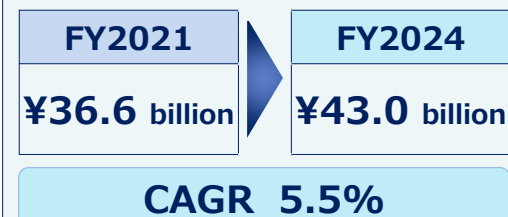
## Initiatives for business in focus

- Strengthen application development capability based on cloud architecture (including containers, DevOps, microservices, and CI/CD)
- Strengthen capabilities for agile/low code development (including Scrum/ServiceNow, OutSystems, and GeneXus)
- Expansion and further creation of industry-specific solution services (AMLion, DAVinCI LABS, and industry-specific solutions)

## Major growth investment

- Develop and hire human resources with a high level of skills (such as business consultants, applications specialists, business producers, and people with global skills)
- Research and development for the enhancement of AMLion and Nelito FinCraft
- Development of industry-specific solutions
- Reinforce our strengths including by M&A and co-creation with domestic and overseas business solutions

## Net sales



## Percentage of business in focus



## Number of employees



## Productivity (net profit per employee)



\*Number of employees and productivity (net profit per employee) figures exclude persons in overseas locations

Specialize in digital technology and solutions, and use the latest technologies to meet the diverse needs of customers, regardless of industry or sector.

## Growth strategy in our medium-term management plan

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally

- II Further expand cloud infrastructure business, promote the launch of zero-trust security business, and reform our business models
- I Further enhance and promote our proprietary solutions and winning techniques
- II Promote the expansion of technological domains in the field of IoT and integration
- I Build business models in data-driven domains

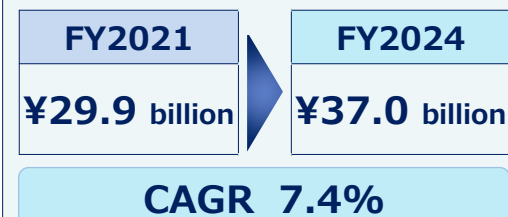
## Initiatives for business in focus

- Enhance our cloud business technologies and reform our business models (including AWS, Azure, ServiceNow, Snowflake, and Okta)
- Enhance functions for the expansion of package sales and strengthen ERP business expansion (including Walk in home, GalleriaSolo, and SAP)
- Establish the technologies for edge AI and server security (including AI, and LSI design (RISC-V, arm))

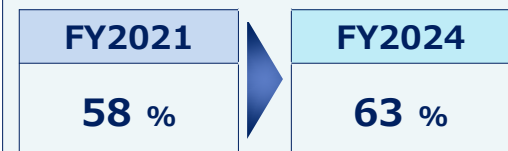
## Major growth investment

- Develop and hire human resources with a high level of skills (such as infrastructure technology engineers, cloud technology engineers, business producers, and data scientists)
- Research and development in the fields of proprietary packages, IoT, AI, and semiconductors
- Development of services in the security domain
- Investments (including equity investments) in domains in which reinforcement of services development is needed

## Net sales



## Percentage of business in focus



## Number of employees



## Productivity (net profit per employee)



Support IT environments customers can feel reassured using, by introducing advanced IT equipment, building IT platforms, and providing operation monitoring services.

## Growth strategy in our medium-term management plan

I. Increase sophistication of the value that we propose

II. Combination of SI x digital

III. Advance into new fields as well as globally

- I** Transformation from labor-intensive business to knowledge-intensive business, and its sophistication
- I** Expansion of service provision through the evolution of service-oriented business
- II** Promote customers' DX business by leveraging our products and services

## Initiatives for business in focus

- Expand operational service menu centered on ReSM/ReSM plus  
*(including AWS, Azure, ServiceNow, and zero-trust models)*
- Enhance and promote the sales of HybridCloud, Data Management, etc.  
*(AWS, Azure, VMware Cloud, Telework, HCI, and other backup technologies)*
- Promote network integration business  
*(including SDN, 5G, VPN, WAN, LAN, Internet, and security)*

## Major growth investment

- Develop and hire human resources with a high level of skills (such as business consultants, infrastructure technology engineers, and cloud technology engineers)
- Research and development for the evaluation and implementation of new technologies
- Establishment of the Second ReSM Center and a showroom
- Promote M&A and alliances to strengthen DX business, including SaaS-type monitoring tools

## Net sales

FY2021	FY2024
¥27.8 billion	¥30.0 billion

CAGR 2.5%

## Percentage of business in focus

FY2021	FY2024
30 %	32 %

## Number of employees

FY2021	FY2024
1,050	1,060

## Productivity (net profit per employee)

FY2021	FY2024
¥3.0 million	¥3.2 million

- Step up efforts on ESG to contribute to the realization of a sustainable society.
- Reform our management foundation to urge our people to take on challenges and speed up management decision making.

## IV. Strengthen ESG initiatives

KPI

### Step up efforts for the environment

Reduction of CO<sub>2</sub> emissions

SDGs-related net sales

- Promote carbon-free management, including procurement of renewable energy
- Expansion and promotion of projects with SDGs in mind
- Set up a sustainability committee to accelerate discussion and response

### Promote employee engagement and diversity

Ratio of female managers

- Provide comfortable work environments in which a variety of employees can play an active role
- Strategic development of potential candidates for management
- Conduct periodic employee engagement surveys and ensuing analysis/response

### Enhance governance and information disclosures

Ratio of female Directors

Independent Outside Directors

- Transition to a company with an audit and supervisory committee
- Enhance the independence and diversity of the Board of Directors
- Enrich non-financial information and improve the disclosure of company performance continually

## V. Reform management foundation

### Overhaul business processes and leverage cutting-edge technologies

- Achieve agility through delegation of authority and urge our people to take on challenges
- Transform our management style to be data-driven, thereby becoming a reference model for customers

A total of ¥25 billion will be set aside for investment over a three-year period from FY2022 to FY2024, mainly in the Technology and Solutions segment.

## Growth investment (three-year total)

### Investment in human resources

(including the increase in  
personnel expenses due to the  
workforce expansion)

Around ¥ **7.5** billion

### Investment in research and development

Around ¥ **2.0** billion

### Capital expenditures

Around ¥ **3.0** billion

### M&A

Around ¥ **10.0** billion

### Additional investment

Around ¥ **2.5** billion

## Major purposes of investment

- Develop human resources with a high level of skills
  - Reinforce recruiting activities for experienced talents and/or fresh graduates, etc.
- Promote research and development in the fields of proprietary packages, IoT, AI, and semiconductors
  - Development of services in the security domain, etc.
- The Second ReSM Center
  - Promotion of DX for internal back office, etc.
- Reinforce our DX business, including monitoring tools using SaaS
  - New business domains, exploration of overseas business domains, etc.
- To be set aside as an additional amount for each investment

# Medium-Term Management Plan

## —Returns for Shareholders (FY2022)

Long-Term  
Outlook

Medium-  
Term Plan

Stably increase dividends and execute flexible capital policies such as acquisition of treasury shares, while achieving targets for dividend payout ratio and total return ratio.

Celebrating our 50th anniversary

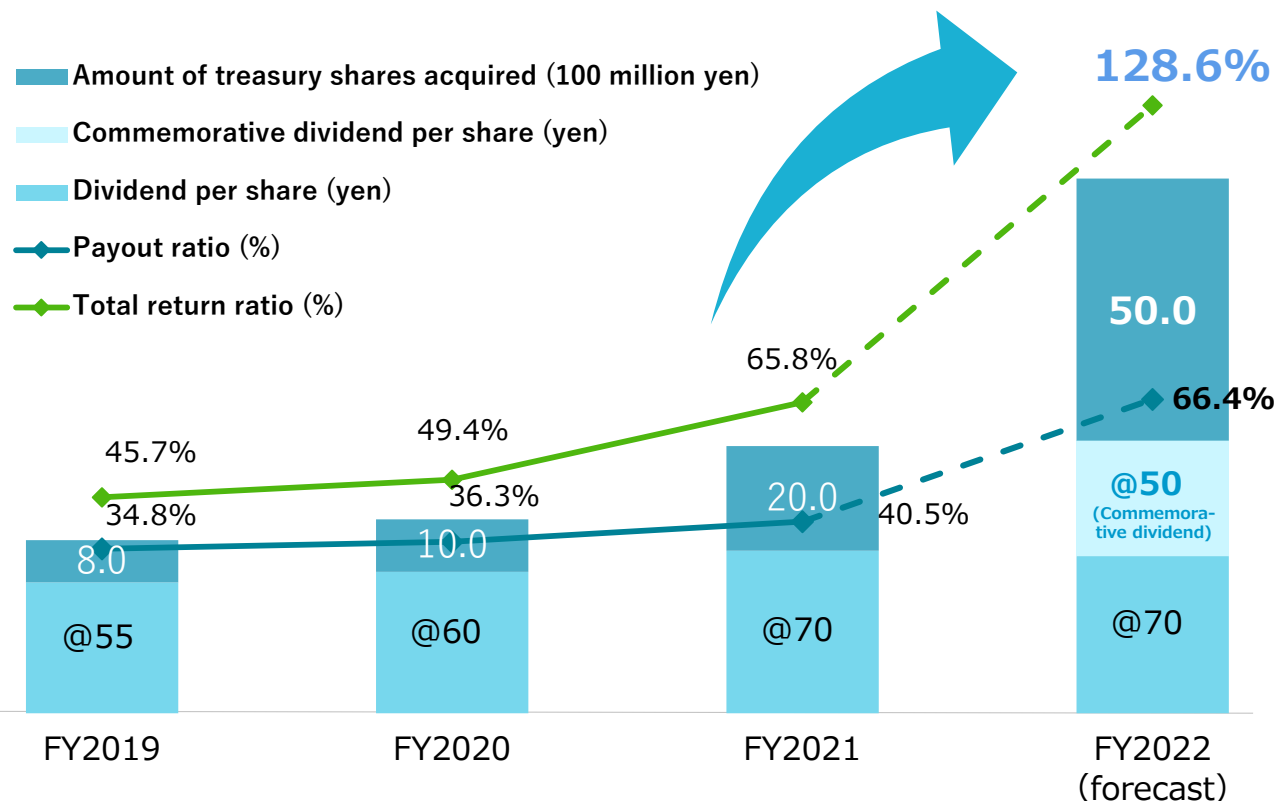


Acquisition of treasury shares  
¥5.0 billion

Commemorative dividend  
+¥50

### Changes in dividend payout ratio and total return ratio

- In FY2022, we will **acquire ¥5.0 billion of treasury shares** and pay a **commemorative dividend of ¥50 per share** to celebrate our 50th anniversary. (All acquired treasury stock will be cancelled.)
- For FY2023 and onward, we will maintain **50% or higher for the dividend payout ratio** and **70% or higher for the total return ratio**.



Implement aggressive growth investment toward sales and profit expansion, as well as an increase in return for shareholders including the commemorative dividend celebrating our 50th anniversary, thereby increasing our corporate value.

## Cash in

¥35 billion

Cash income from business

Sales and profits (EBITDA)

1.2 times

¥45 billion

Cash on hand  
(FY2022 opening balance)

Percentage to total assets:

A little less than 60%

## Allocation

¥25 billion

Growth investment

Investment in human resources

Research and development

Capital expenditures

M&A

Any unspent amount for growth investment will be used for further acquisition of treasury shares in a flexible manner

¥20 billion

Returns for shareholders

Total return ratio: around 90% on average

¥35 billion

Cash on hand  
(Financial soundness)

Percentage to total assets:

around 40%

To be a company that continues to challenge itself to provide value that exceeds expectations

**Vision 2030**

## Observation on the business environment

### External business environment

- The primary focus in the IT service market is DX
- Projects developed from scratch will be on the decline, and service provision-based projects will be on the rise
- The shift toward in-house production among users will be most fast paced at leading companies

### Internal environment

- Robust customer base
- Reliable SI capability
- Solid financial foundation
- x Delay in adapting to latest technologies including R&D
- x Ability to create new solution services

### ESG

- Carbon-free management
- Diversity and inclusion
- Active engagement with capital markets

## Key challenges

### Business

- I. Increase sophistication of the value that we propose
- II. Combination of SI x digital
- III. Advance into new fields as well as globally

### Investment

- Maximum investment per year: ¥10 billion**
- Investment in human resources
  - R&D
  - Capital expenditures
  - M&A

### Management foundation

- IV. Strengthen ESG Initiatives
- V. Reform management foundation

## Key points for achievement

1. Strengthen our business formation and expand the coverage
2. Create winning techniques (offerings)
3. Renew our corporate image through active public relations activities
4. Secure and develop human resources
5. Introduce an organizational structure and delegation of authority that achieve greater agility
6. Leverage cutting-edge technologies within the Group
7. Commitment to TCFD recommendations and SBT
8. Create more opportunities for a variety of employees to do their best
9. Engagement with greater care and attention

## Ideal vision

### Business model

- Evolve toward "Total SI"
- Create new solution services
- Offer new value by integrating industry insights and technology

### Financials

Establish the optimal balance between long-term investment and returns for shareholders

### ESG

- Become carbon-neutral
- Achieve diversity and inclusion
- Abide by Japan's Corporate Governance Code at a high level

To resolve the five key challenges, we have identified key points for actions which should be immediately taken in the medium-term management plan.

## 1 Strengthen our business formation and expand the coverage

- Implement organizational reforms (e.g., integration of manufacturing and sales functions) for more sharing and execution of business strategies in each segment
- Strengthen and promote total SI proposals in addition to application development
- Shift to proposal-oriented sales, including consulting business domains

## 2 Create winning techniques (offerings)

- Decide on focus areas and solutions, accumulate achievements and experience, and learn winning techniques
- Expand our business utilizing the industry and our winning techniques as mutual multipliers to produce results
- Control and suppress projects with problems by identifying our winning techniques and repeatedly using them

## 3 Renew our corporate image through active public relations activities

- Establish a public relations department to enhance public relations/advertising activities
- Engage in active external communications about our track record in system architecture and ESG initiatives so as to narrow the differences between how the public perceives us and what we really are

## 4 Secure and develop human resources

- Develop personnel in the field of digital technology, sales, operations, project management, administration, and global operations, as well as leaders for the next generation
- Reinforce recruiting activities for experienced talents in accordance with the strategy of each segment
- Revise evaluation and treatment with greater emphasis on achievements and performance

# Key Points for Achievement of the Medium-Term Management Plan (2)

Long-Term Outlook

Medium-Term Plan

## 5 Introduce an organizational structure and delegation of authority that achieve greater agility

- Delegation of authority for faster decision-making and greater initiative
- Organizational reforms (including innovation functions and integration of foundations)

## 6 Leverage cutting-edge technologies within the Group

- Advanced security measures (support zero-trust models)
- Promotion of DX for internal back office using cutting-edge technologies  
→Turn the practice of this promotion into our offering and then into a proposal to customers, creating a virtuous cycle

## 7 Commitment to TCFD (\*1) recommendations and SBT (\*2)

- Achieve the reduction of CO<sub>2</sub> emissions by half during the medium-term plan period (through the procurement of renewable energy, etc.) \*compared to FY2013 figures
- Create solutions and services that contribute to a carbon-free society

## 8 Create more opportunities for a variety of employees to do their best

- Increase the percentage of female managers (3.1%⇒6.0%)
- Increase the ratio of employees with disabilities (keep surpassing the statutory ratio)
- Employment of non-Japanese nationals

## 9 Engagement with greater care and attention

- Conduct periodic employee engagement surveys , and plan and promote measures to improve engagement scores
- Integrate IR and SR functions into the ESG Promotion Department to promote engagement with shareholders and investors in an integrated manner

\*1 Task Force on Climate-related Financial Disclosures (a framework for disclosing information on corporate initiatives against climate change and their impacts)

\*2 Greenhouse gas emission reduction targets for the next 5 to 15 years set by companies (a framework that encourages companies to set scientific medium- to long-term targets)

# And Finally....

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## Our Philosophy

**Technology is the power to make people happy, and create greater enrichment in society.**

**At DTS we use:  
technology to build the trust and confidence of our customers,  
technology to increase our corporate value,  
technology to improve the lives of our employees,  
technology to contribute to the society.**



## Caution

- Sales and income forecasts included in this document are based on assumptions made on the basis of information currently available, including business trends, economic circumstances, clients' trends, etc., and can be affected by various uncertainties.
- Actual sales and income may differ materially from the forecasts.
- This document should not be reproduced or transmitted without authorization.