



Introduction Deck
Deloitte Consulting China / China-Japan Collaboration

May 2022
Deloitte Tohmatsu Consulting LLC

China-Japan Collaboration is built to meet clients' needs

Background

Before 2010, provide (in Japan) solutions and strategic planning for Japanese clients regarding their business in China

- Before 2010, Deloitte Consulting Japan provided solutions and strategic planning for the various operation issues faced by Japanese clients conducting business in China.
- Our people needed to travel between Japan and China to learn about the current situation of the clients' legal entity or office in China every time.

In 2010, begin to provide services by China-stationed project personnel

- Since 2010, Japanese companies have carried out more and more business activities in China. Many clients suggested that we have people stationed in instead of traveling to China to provide services for their Chinese subsidiaries.
- Deloitte Consulting Japan sent consultants to stay where the clients' Chinese offices were located to provide on-site consulting services.

In 2015, build China-Japan Collaboration

- In 2014, Deloitte Consulting Japan sent two people to Deloitte Consulting China to prepare for the building of China-Japan Collaboration.
- China-Japan Collaboration was set up in 2015 to meet the growing demands of Japanese clients as the Chinese market continued to expand and mature.

Mission, vision and slogan of China-Japan Collaboration

Mission, vision and slogan

Mission

- Solve all business problems for Japanese clients in China
- Help these Japanese companies to develop continuously and make contributions to creating and promoting the development of a sustainable society.

Vision

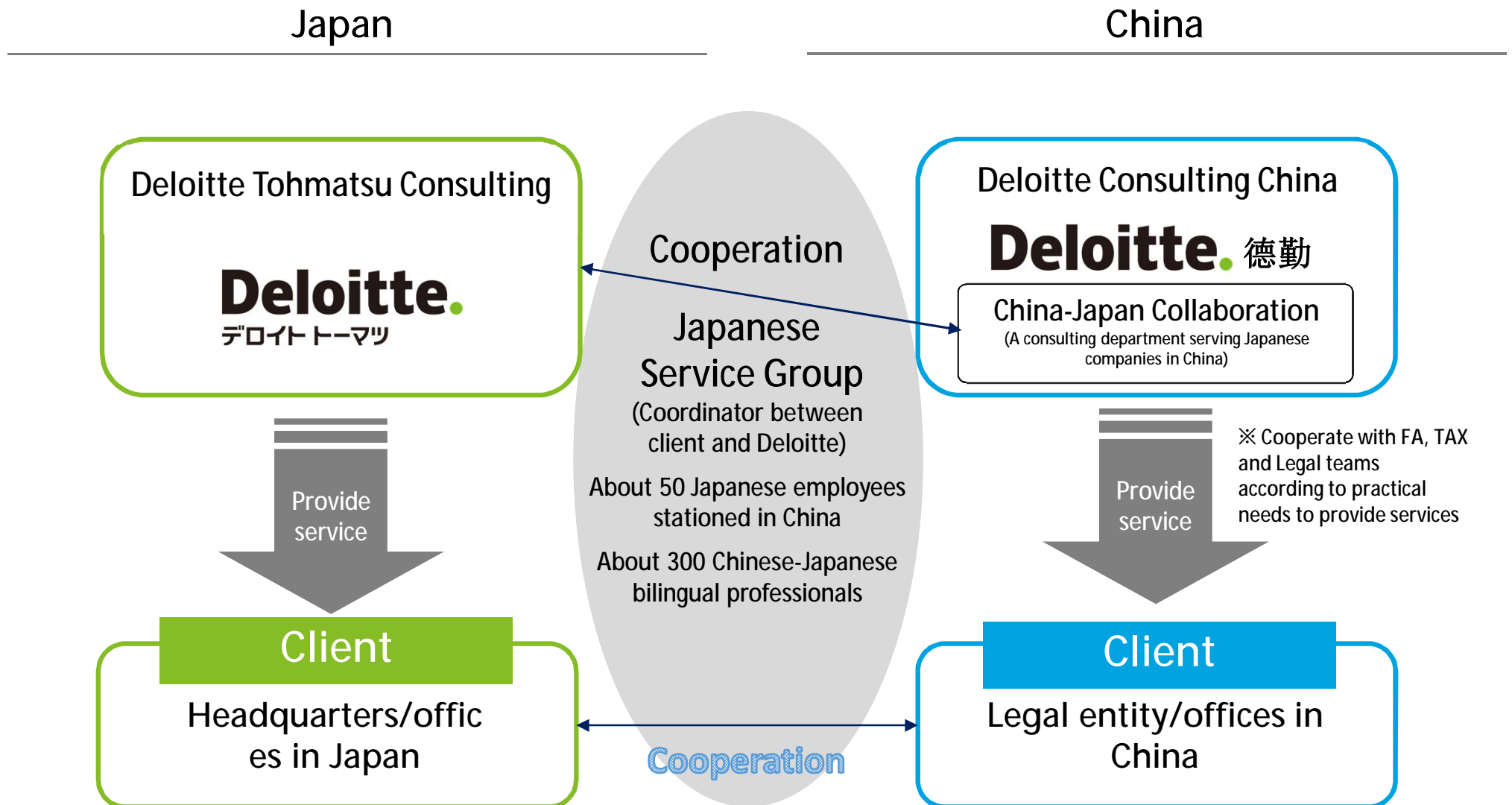
- Raise the publicity of Japanese companies in the Chinese market to facilitate their global development.
 - Global development cannot go smoothly without expanded visibility in China
- Bring back advanced technologies acquired in China to the headquarters in Japan, contributing to the improvement of business in Japan and other overseas regions. (Innovation Transfer)

Slogan

- From business to sustainable society
 - Success and achievements in businesses are critical to our growth, but we still need to go beyond the business boundary and contribute to building a sustainable society.
 - China-Japan Collaboration aims to develop into a professional organization that does more than serving customers—but also provides advice and takes action to benefit the whole society with its expertise, knowledge and insight..

Service delivery through cooperation between China-Japan Collaboration and Deloitte Tohmatsu Consulting

Service delivery model of China-Japan Collaboration



China-Japan Collaboration integrates the functions of the Japan and China firms

Functions of China-Japan Collaboration

Deloitte Tohmatsu Consulting

Deloitte.

デロイトトーマツ

① Talent

✓ Excellent consultants with extensive experience and achievements in Deloitte Tohmatsu Consulting

② Expertise

✓ Japanese consulting expertise

③ Network (relationship)

✓ Business strengths (business areas, clients, etc.) accumulated by Deloitte Tohmatsu Consulting

Deloitte Consulting China

Deloitte. 德勤

① Talent

✓ Excellent consultants with extensive experience and achievements in Deloitte Consulting China

② Expertise

✓ Solid expertise in the Chinese market

③ Network (relationship)

✓ Relationship with Chinese local authorities and Chinese partners

3 functions introduced

China-Japan Collaboration

(A consulting department serving Japanese companies in China)

3 functions introduced

Seven business segments/services of China-Japan Collaboration

Businesses/services of China-Japan Collaboration

| Type | Business/service | Description |
|-------------------------------------|---------------------------------|---|
| Strategy, analytics and M&A | ① Development strategy | <ul style="list-style-type: none"> n Research and analysis on market, competition and customer trends n Development strategy (including new business strategy) formulation and implementation support |
| | ② Organizational transformation | <ul style="list-style-type: none"> n Planning and implementation support for front line (sales companies) and back office integration |
| | ③ M&A | <ul style="list-style-type: none"> n M&A strategy, plan and scheme formulation, M&A negotiation n PMI strategy and plan formulation, and implementation support |
| Core Business Operation | ④ Operations transformation | <ul style="list-style-type: none"> n Business transformation planning and implementation support n CRM/SCM process enhancement planning and implementation support |
| Human Capital | ⑤ HR and organization | <ul style="list-style-type: none"> n Personnel evaluation system reform planning and implementation support n Formulation of local talent cultivation and retention plan |
| Customer & Marketing | ⑥ DX consulting | <ul style="list-style-type: none"> n Advertising, marketing, EC, brand, and digital transformation strategy development and implementation |
| Enterprise Technology & Performance | ⑦ ERP/SAP, IT | <ul style="list-style-type: none"> n IT strategy, EAP/SAP, Scratch system consulting and introduction support |

Comments from Japanese clients

Comments from Japanese clients of China-Japan Collaboration



General manager of the local legal entity of an auto manufacturer

n We strongly felt that we could not survive in China without constant adjustment to our business strategy and organization to keep pace with the rapid changes in China. Thus, China-Japan Collaboration, witnessing the changes, helped us develop Chinese market-specific strategy and organization. China-Japan Collaboration is the very organization stationed locally to address the conflicts and problems for us every day.



Executive director of the Japan head office of an insurance company

n For many years, they have provided us with the same high quality services in China as in Japan. China-Japan Collaboration fully considers our history and the current situation of the parent company to develop flexible strategies. China-Japan Collaboration is our unique consulting partner. Both the consultants from the Japan firm and the Chinese local consultants have demonstrated high quality and great expertise.



General manager of the local legal entity of a cosmetics maker

n Many consulting firms can provide solutions to a single problem, but in China, only China-Japan Collaboration can help you achieve end-to-end transformation spanning from strategic planning to operations transformation and implementation of technical solutions. The more complex a project is, the more it calls for the advice of experts in various fields. Leveraging Deloitte's comprehensive strength, China-Japan Collaboration provides a mixture of one-stop services in China, becoming a leader among the consulting firms serving Japanese companies in China.

Three key virtues of China-Japan Collaboration

Why China-Japan Collaboration?

1

Follow-through fieldwork

- Stationed locally to work closely with management of the local legal entity, providing advice, developing strategies and promoting strategy implementation in response to the rapid changes in China
- Serve as a “collaborator” to work on site and realize our values (working on site enables us to timely address the conflicts and problems of Japanese clients.)

2

Same high-quality services as in Japan

- The outstanding, experienced consultants from the Japan firm fully considers the local entity’s background and the head office’s status to implement quality management
- The Chinese local consultants are comprehensively and strictly trained to provide high quality (Japanese quality) services to Japanese clients

3

A mixture of one-stop services

- Teams can be set up within China-Japan Collaboration to flexibly respond to the clients’ constantly-changing problems of operations, spanning from proposal/strategic planning to implementation
- Apart from consulting, China-Japan Collaboration provides financial, tax, legal, risk advisory and other services for the clients depending on Deloitte’s abundant resources

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration

Strategy, Analytics and M&A/Core Business Operation (1/3) ~ ① Development strategy~

| # | Subject | Industry | Project | Business/service description |
|---|------------------------------------|-------------------|--|--|
| 1 | Strategic planning/market research | Manufacturing | Business/R&D strategic planning (for an auto manufacturer) | <ul style="list-style-type: none"> n Electrification, autonomous driving, interconnection and MaaS related strategic planning n Assistance in seeking and selecting business and technology partners n Marketing/sales-related O2O strategic planning and business design |
| 2 | Strategic planning/market research | Manufacturing | Market research/competition analysis for business strategic planning (of an auto manufacturer) | <ul style="list-style-type: none"> n Consumer survey and customer analysis for automobile sales n Market research for product strategy, etc. |
| 3 | New business planning | IT, Manufacturing | Connected Service-related business planning | <ul style="list-style-type: none"> n Business model design (incl. seeking and selecting partners) n Planning and establishment support for new company n Business/operations design |
| 4 | M&A | Manufacturing | New company establishment (a food and beverage manufacturer) | <ul style="list-style-type: none"> n Seeking and evaluating the potential factory sites n Negotiating with the government on investment terms n Working out the new company establishment schedule and negotiating with relevant authorities |
| 5 | Strategic planning/implementation | Manufacturing | Supply chain transformation (for an auto parts manufacturer) | <ul style="list-style-type: none"> n Supply chain planning and business design n Assistance in seeking and selecting business partners |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration

Strategy, Analytics and M&A/Core Business Operation (2/3) ~ ② Organizational transformation ~

| # | Subject | Industry | Project | Business/service description |
|---|---|---------------|---|---|
| 1 | Front line integration | Manufacturing | Dissolution and integration of several local legal entities (sales companies) | <ul style="list-style-type: none"> n Discussion on the integration scheme of sales and marketing functions to improve sales and marketing efficiency n Formulation and implementation promotion of the plan for cancellation and integration of several sales companies |
| 2 | Back office integration | Manufacturing | Financial business integration of several local legal entities | <ul style="list-style-type: none"> n Advanced design of FSSC (incl. business model design) n Analysis of the qualitative and quantitative effects after the FSSC is set up |
| 3 | Back office integration | Manufacturing | HR Transformation (for an integrated electric appliance manufacturer) | <ul style="list-style-type: none"> n Discussing the compensation integration plan of several local legal entities n Analyzing the qualitative and quantitative effects of the integration, discussing business cases and working out integration roadmap |
| 4 | Company integration assistance | Manufacturing | Integration of local legal entities of the group | <ul style="list-style-type: none"> n Discussing the integration plan of two local legal entities n Integration synergy, effectiveness and cost simulation support |
| 5 | Department integration assistance (PMO) | Manufacturing | Establishment of shared services | <ul style="list-style-type: none"> n Assistance in working out a roadmap for establishing shared services n Project, task and schedule management |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration

Strategy, analytics and M&A/Core Business Operation (3/3) ~ ③ M&A ~

| # | Subject | Industry | Project | Business/service description |
|---|---------------------|---------------|--|---|
| 1 | JV establishment | IT | PMO services enhancement regarding the establishment of the JV providing Connected Service | <ul style="list-style-type: none"> n Sorting out the relevant issues and discussing the countermeasures regarding setting up a JV with the Chinese IT company n Promoting the contract negotiations with the Chinese IT company n Promoting WG activities for setting up a JV with the Chinese IT company |
| 2 | Start-up investment | Manufacturing | Investigation on investment into a Chinese company providing battery sharing services | <ul style="list-style-type: none"> n Discussing the policy and formulating the strategy of partnership alliance with a Chinese company n Discussing partnership alliance method through practical experiment with a Chinese company n Analyzing the qualitative and quantitative effects in forming the partner alliance |
| 3 | Start-up investment | Manufacturing | Investigation on investment into a Chinese start-up in the biological market | <ul style="list-style-type: none"> n Analysis of China's biological market, collection and sorting of restrictions on foreign investment and information of key players n Discussing partnership alliance scheme (business cooperation or investment) n Seeking and negotiating with potential partners |
| 4 | Global M&A | Manufacturing | Reorganization of legal entity in China along with the reorganization of the headquarters in Japan | <ul style="list-style-type: none"> n The strategy of the Chinese legal entity of the reorganized Japanese company n Discussing the restructuring scheme (transfer of business or merger) n Discussing the synergy effect creation method after reorganization |
| 5 | M&A restructuring | Manufacturing | Formulation and implementation of the reorganization strategy for an auto manufacturer | <ul style="list-style-type: none"> n Discussing the policy for cancellation and integration of the offices in China n Assistance with negotiations with employees regarding transfer of employees to other offices n Assistance in negotiating with Chinese authorities (bureau of commerce, industrial and commercial bureau, tax bureau) |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration: Human Capital (1/4) ~ ⑥ HR and organization ~

| # | Subject | Industry | Project | Business/service description |
|---|---|------------------|--|---|
| 1 | Going overseas/establishing an oversea office | Service industry | Establishment of personnel function along with the roll-out of overseas business | <ul style="list-style-type: none"> n Investigating the labor laws and employment practices in Chinese mainland and Taiwan n Promoting the establishment of an office (recruitment, system design, talent development, employee orientation, etc.) |
| 2 | Going overseas/establishing an oversea office | Manufacturing | Establishment of talent management mechanism along with the establishment of a new company in Hong Kong | <ul style="list-style-type: none"> n Discussion on talent management based on the vision and values of the headquarters n Establishment of rank, salary, evaluation systems, setting working conditions, recruitment, promoting communication with employees, etc. |
| 3 | Promoting localization | Manufacturing | Reform of personnel management system to promote localization | <ul style="list-style-type: none"> n Developing proper talent image and talent management policies, setting up new rank, evaluation, salary and talent development systems n Transforming the recruitment channels, setting new recruitment standards and establishing benefits system |
| 4 | Evaluating offices | Service industry | Investigation of talent management risks in overseas offices, including offices in Chinese mainland and Taiwan | <ul style="list-style-type: none"> n Analyzing the organizational and personnel problems in the Chinese mainland and Taiwan offices, analyzing the talent management risks and elements, and proposing solutions n Making an overall plan for actions to be taken by the headquarters and the offices |
| 5 | Establishing personnel system | Manufacturing | Integration of compensation system of sales company | <ul style="list-style-type: none"> n Establishing post-integration compensation policy, designing relevant systems and promoting implementation |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration: Human Capital (2/4) ~ ⑥ HR and organization ~

| # | Subject | Industry | Project | Business/service description |
|----|-----------------------------------|---------------|--|--|
| 6 | Establishment of personnel system | Manufacturing | Re-establishment of personnel system | <ul style="list-style-type: none"> n Establishing proper talent image and talent management policies n Establishing, implementing and promoting rank, competency evaluation and compensation systems |
| 7 | Establishment of personnel system | Manufacturing | Establishment of an exemplary personnel system for legal entities in Chinese mainland and Taiwan | <ul style="list-style-type: none"> n Establishing an exemplary personnel system (rank and evaluation system) in 12 offices in Chinese mainland and Taiwan |
| 8 | Establishment of personnel system | Manufacturing | Regulation of the personnel and personnel cost plans and reform of personnel system for the legal entity in Taiwan | <ul style="list-style-type: none"> n Developing mid-and long-term personnel and personnel cost plans, management policies and measures n Establishing, implementing and promoting rank, evaluation and compensation systems |
| 9 | Establishment of personnel system | Real estate | Reform of the personnel system and enhancement of personnel function for the legal entity in Taiwan | <ul style="list-style-type: none"> n Formulating proper talent image and talent management policies; establishing, implementing and promoting rank, evaluation and compensation systems n Enhancing the personnel function of local legal entities |
| 10 | Establishment of personnel system | Manufacturing | Establishment of complete personnel systems for local legal entity in China | <ul style="list-style-type: none"> n Formulating proper talent image and talent management policies n Establishing, implementing and promoting rank, evaluation and compensation systems |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration: Human Capital (3/4) ~ ⑥ HR and organization ~

| # | Subject | Industry | Project | Business/service description |
|----|------------------------|---------------|--|--|
| 11 | Executive compensation | Manufacturing | Executive compensation standard of legal entity in Taiwan | <ul style="list-style-type: none"> n Determining the salary scheme of a locally-hired general manager in accordance with the compensation standards of local competitors (obtaining and analyzing the compensation data of general managers and deputy general managers of six competitors) |
| 12 | Recruitment | Manufacturing | Improvement of recruitment system in China | <ul style="list-style-type: none"> n Determining the positions and requirements, and classifying the positions n Selecting the most suitable recruitment channels (Internet, intermediary, headhunter, etc.) and developing recruitment procedures |
| 13 | Recruitment | Manufacturing | Development of factory worker recruitment plan and employee stability enhancement plan | <ul style="list-style-type: none"> n Looking into and analyzing the labor market near the factory n Developing short-term and mid-and-long term recruitment and employee stability enhancement plans |
| 14 | Talent cultivation | Manufacturing | Establishment of a talent cultivation system for the legal entity in Chinese mainland | <ul style="list-style-type: none"> n Planning meetings to seek opinions on training demands, and conducting benchmarking surveys of other companies to develop a training system for technical personnel n Conducting management training for the next leadership of the Chinese mainland office |
| 15 | Succession plan | Manufacturing | Design and implementation of management candidates cultivation plan | <ul style="list-style-type: none"> n Developing short-term and mid-and-long term succession plans to ensure stable reserve of management candidates n Developing operational procedures and SOP after implementation of the plans |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration: Human Capital (4/4) ~ ⑥ HR and organization ~

| # | Subject | Industry | Project | Business/service description |
|----|----------------------------------|---------------|---|---|
| 16 | Talent cultivation | Manufacturing | Design of talent cultivation system | <ul style="list-style-type: none"> n Standardizing the talent cultivation system to enable independently improving the talent cultivation system at each office in Chinese mainland n Designing succession plans for key positions at the offices in Chinese mainland |
| 17 | Counterplan for employees ageing | Manufacturing | Conducting benchmarking surveys and laying down measures to address the ageing problem of the workforce | <ul style="list-style-type: none"> n Conducting benchmarking surveys against other companies on how they cope with an ageing workforce n Working out countermeasures for the ageing workforce of the company |
| 18 | HR and compensation system | Manufacturing | Planning the design of HR and compensation system for improving the personnel function | <ul style="list-style-type: none"> n Designing a proper overall structure of HR and compensation system, and selecting proper local software package suppliers n Laying down HR and compensation system requirements and conducting FIT&GAP analysis |
| 19 | HR and compensation system | Manufacturing | Consulting services related to implementation of HR and compensation system | <ul style="list-style-type: none"> n PMO operation of HR and compensation system n Developing business processes and laying down detailed requirements n Supplier management |
| 20 | Reform of personnel system | Manufacturing | Personnel and organization evaluation | <ul style="list-style-type: none"> n Interviewing the HR and relevant personnel in various offices in Chinese mainland n Preparing compensation standard and salary distribution charts, etc. |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration

Customer & Marketing ~ ⑥ DX consulting ~

| # | Subject | Industry | Project | Business/service description |
|---|----------------------|-------------------------|--|---|
| 1 | CRM system | Manufacturing | On-site service business transformation | <ul style="list-style-type: none"> On-site service transformation consulting through Salesforce |
| 2 | CRM system | Pharmaceutical industry | CRM system implementation support | <ul style="list-style-type: none"> Consulting on selection of CRM system supplier Efficiency improvement of operability and information management, and IQVIA CRM system design and development support |
| 3 | Marketing automation | Retail industry | CRM system implementation and marketing automation support | <ul style="list-style-type: none"> Establishment of customer information management system through Salesforce, and marketing automation consulting |

Major achievements of China-Japan Collaboration

Major achievements of China-Japan Collaboration Enterprise Technology & Performance ~ ⑦ ERP/SAP, IT ~

| # | Subject | Industry | Project | Business/service description |
|---|---------------------|-------------------------|---|---|
| 1 | SAP | Manufacturing | Global finance fundamentals integration | n Finance and management accounting fundamentals integration support through SAP S/4 HANA |
| 2 | SAP | Pharmaceutical industry | Expansion of Asian business modules to China | n Providing support for SAP S/4 HANA upgrade and function expansion |
| 3 | Oracle | Retail industry | Cloud migration | n Providing support for DB migration and expansion of capacity as well as for design and application of management services |
| 4 | Technology Strategy | Pharmaceutical industry | IT strategy establishment and infrastructure design | n Designing IT infrastructure and making implementation plans to achieve strategic business goals |
| 5 | System Engineering | Manufacturing | Travel and other expenses reimbursement system | n Providing support for the planning, design, installation and application of the company's development system |

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