



Issues in organization and HR for Japanese companies in Southeast Asia to examine in the post-COVID-19 era

I. Preface

1. Introduction

15 years have passed since we first started providing organization and human resources (HR) consulting services to Japanese companies operating in Southeast Asia. Since then, we've helped solve many organizational and HR-related issues, but when we hear about the challenges companies are facing as a result of the COVID-19 outbreak, often times they sound like they are coming from a totally different context compared to before COVID-19. However, once you get to the bottom of all these issues COVID-19 has seemingly spawned, one could say that these are preexisting issues that Japanese companies have put off which have simply become more important and urgent to them.

As noted by Nobel Prize winner economist Joseph Stiglitz, Professor Carmen Reinhart from Harvard University, and many other researchers, a number of changes will occur in the post-COVID-19 world: international cooperation will become enhanced, economic globalization will stagnate, and political, economic, and social standards will all be different. These factors heavily impact company activities, so those act decisively in reforming their business to adjust to this major societal shift are the ones who will not only survive after COVID-19, but also achieve considerable growth.

In this brochure, we will cover (1), the problems Japanese companies will come up against in the post-COVID-19 world as well as (2), solutions from a mid-to-long-term standpoint while (3) mixing in concrete methods for those in upper management and those responsible for affairs relating to organization and HR at Japanese companies operating in Southeast Asia to reference when examining possible initiatives—all from the perspective of organization and HR.

2. Issues in organization and HR at Japanese companies that have emerged through the course of the COVID-19 response

Looking through the lens of company responses to COVID-19, the issues Japanese companies have in their organizational and HR management methods can be divided into three categories: accuracy, flexibility, and agility.

①Accuracy

Accuracy refers to the ability of organizational and personnel structures to correctly plan and meet the quantitative and qualitative needs expected from business plans and performance results.

Well before the COVID-19 outbreak, many Japanese companies did not have a lean organizational structure or adequate personnel management, and we'd come across local employees who clearly didn't have enough to do. Anyone who has been dispatched to Southeast Asia has witnessed this before.

A direct approach is required for local subsidiaries whose difficulties will only increase in the future because they never got around to trimming all the fat off their organization that was hiding underneath steadily rising company performances.

② Flexibility

Flexibility refers to the ability to deliver results by adjusting to changes in business demands and for employees to perform the skills required of them.

Japanese companies have struggled to train their local staff since before the pandemic. A lot of time and people have been thrown at the issue in the hopes of cementing the skills expected of their talent, but they've yet to achieve an adequate end-result.

However, the impact of COVID-19 is expected to swiftly hone people's focus on slimming down their organization in tandem with potentially revising their business portfolios, thus requiring skills and abilities not previously expected of the staff. Employees must be trained under redefined skill and ability requirements based on the company's new business plans/portfolios. Furthermore, companies must focus on the qualitative aspects (the shift of resources through re-skilling and multi-skilled employee development) of their staff simultaneously with the quantitative.

③ Agility

Agility refers to the ability to make speedy decisions and to quickly execute tasks without being on stand-by for too long or consensus building taking more time than necessary.

Until now, many Japanese companies had made their decisions by meeting in person to debate the issue, then building a consensus with the parties involved. Moving things along slowly and carefully had been the optimal course of action.

However, COVID-19 has forced people to make decisions through video conferences and other digital tools. No doubt, many companies are feeling the pain of sending out an emergency order to work from home, then seeing a drop in productivity. However, the employee is only going to be expected to work from home even more as time goes on.

It's now or never for Japanese companies to become attractive workplaces that provide a new employee experience (how valuable a work experience is to an employee) while using digital tools to reform how people work in order to increase the speed of decision-making and task execution.

3. Ways of thinking for Japanese companies to adopt in a post-COVID-19 world

In a way, the pandemic that has impacted Japanese businesses based in Southeast Asia has forced three crucial issues to the surface that were formerly neglected, hiding beneath the company's good results in terms of organization and HR.

Japanese companies aren't the only ones being affected, however. Other global companies and major domestic firms are going through the same thing. As a result, companies that face these issues head-on and act to resolve them will be the ones to beat out the competition in the world after COVID-19. Now, let's take a detailed look at concrete problem-solving techniques.

II. Issue one: resilient HR management (Accuracy)

Here we will touch upon increasing resiliency in the workforce, labor costs, and further beyond those two: workforce quality. These three issues require a direct approach from local subsidiaries whose difficulties will only increase in the future.

1. Background

Correctly estimating and adjusting headcounts and labor costs needed to achieve business plans is one of the important duties of organizational and HR functions, but it'd be difficult to say that local subsidiaries are always fulfilling that duty on a high level. So, why do local subsidiaries struggle to properly manage headcounts and labor costs?

① Trends surrounding the issue

When the proper management of headcounts and labor costs is split into two stages—first, plan formulation and second, headcount adjustment—few local subsidiaries are able to even formulate appropriate plans, and when we look for companies that have reached the level of being able to conduct headcount adjustments with impartiality, there are almost none. Until now, companies haven't perceived unnecessary labor costs to be an especially huge problem, but this will become a life-or-death issue for those who have been hurt by the pandemic. In a survey conducted by Deloitte Tohmatsu Consulting in April, 2020, 28.8% of Japanese companies participating responded that they wanted to revise their talent management methods within a year.

Compared to before the pandemic, companies need to pursue a more substantially appropriate management style regarding headcounts and labor costs for the future. That is to say, they need to swiftly start cutting labor costs. As this makes it necessary to have resilient hiring/assignments, companies must apply irregular employment with impartiality, accelerate resignations, reskill and cross-train employees, and so on.

② Why there has been no progress towards a solution so far

There are three primary reasons that summarize why local subsidiaries have yet to achieve accurate management and control of headcounts and labor costs.

a. Ever-rising performance results

As many companies have been supported by the huge economic growth that has taken place in Southeast Asian countries and, as a result, experienced a consistent increase in results, there was a tendency to prioritize investing in necessary personnel when they became needed rather than addressing needs for controlling personnel numbers.

b. Low-cost labor

When comparing wages in Southeast Asia (except Singapore) with those in Japan using minimum wage as a base, even now they are less than 1/5 of Japanese wages (Figure 1).

While wages do increase close to 10% a year depending on the country and time of year, it's impossible to deny the sense that the importance of headcount and labor cost management has weakened as a result of labor costs still being so low.

Figure 1: Comparing minimum wages in Japan and major countries in Southeast Asia (as of April, 2020)

	Hourly minimum wages in Japanese yen	Compared to previous year
Japan	901.0	3.1%
Thailand (Bangkok)	136.9	1.8%
Indonesia	176.9	8.5%
Malaysia	144.7	9.1%
Vietnam (Hanoi, Ho Chi Minh, etc.)	126.7	5.7%

Source: Created by Deloitte Tohmatsu Consulting using data from each country's Labor Bureau as a base

c. Lacking expertise

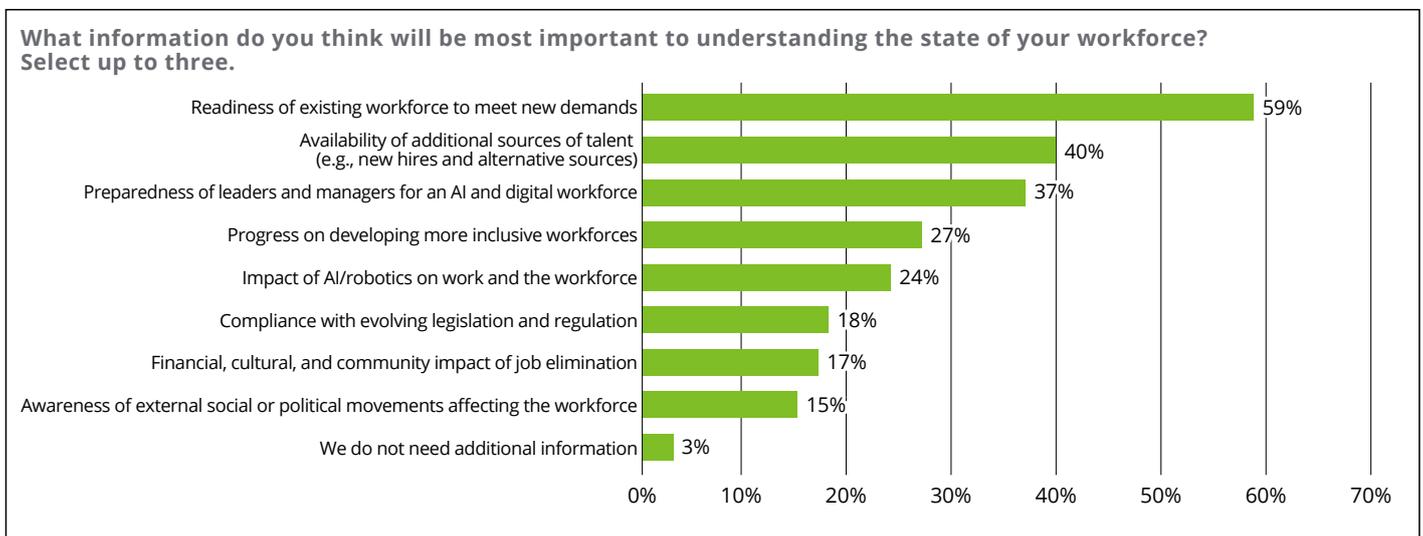
There are very few instances of experts on HR being sent on loan to local subsidiaries, and as no one in their local talent is experienced with the meticulous planning and execution of talent management, it has been difficult for them to properly handle it no matter how hard they try.

2. Global trends

Many global companies are facing an increasing number of uncertainties about the future. Some have pointed out that a primary factor in this trend has been the fact that skill longevity has been reduced due to shifts in technology and the economy.

Consequently, the quantitative aspects of properly managing headcounts and labor costs are now a given while discussions have become increasingly more common on how to properly manage the qualitative side of one’s talent. International companies are pouring their efforts into understanding information on development and securing a talent that is capable of reacting to new business demands and can handle AI and digitalization. Findings from the Global Human Capital Trends 2020 survey conducted by Deloitte (before the COVID-19 outbreak) indicate that global companies want to understand as soon as possible whether they possess the people and skills capable of responding to new business demands and digitalization (Figure 2). Japanese companies must swiftly resolve quantitative talent issues and shift their focus to the quality of their talent if they are to ensure global competitiveness.

Figure 2: Information global companies want to know in order to understand the state of their workforce



Source: Deloitte Global Human Capital Trends survey, 2020

3. Initiatives to put into place, key points

The following two initiatives are considered effective in minimizing the damage from COVID-19 as well as improving competitiveness against other global companies.

① Scenario building for organization and HR

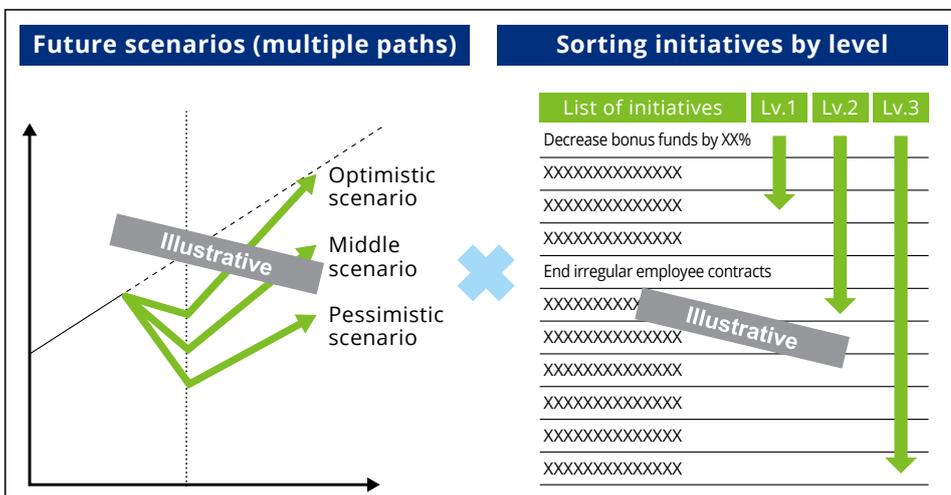
- Sift out organization and HR targets/initiatives to execute with a focus on headcounts and labor costs based on the company's COVID-19 response, performance recovery, scope and duration of shift in performance results from a time of prosperity, among other factors.
- Take the list of initiatives created, separate them into levels based on factors such as how difficult they are to implement, any associated risks, etc., then assign initiatives for each scenario (Figure 3).

② Implement an analytical tool for personnel data (People Analytics)

- Add further data to the analysis used to build organization and HR scenarios, including new skill demands and the state of acquiring new skills, then analyze and understand.
- Team up with parent company to improve data collection and analysis capabilities through sharing new business areas that have been identified as well as data analytical tools.
- Determine questions that will effectively remind people of the future state in order to pinpoint indicators that can serve as a guide to regulate and manage post-COVID-19 strategies for HR.

Companies that are able to nail down the kind of talent and skills needed in the mid-to-long-term, then shift to that rather than letting current headcount and labor cost management methods be the end-all-be-all will be the ones to experience further growth in the world after COVID-19 and come out on top over other global companies and major domestic firms.

Figure 3: A general look at scenario examination (example)



Source: Created by Deloitte Tohmatsu Consulting

III. Issue Two: Developing local staff and talent generalization (Flexibility)

Next, we will discuss the issue of developing the local staff and turning one's talent into generalists from the perspective of flexibly maintaining the workforce in terms of quantity and quality.

1. Background

The following two points detail perceived issues we've heard prior to the current situation as well as issues that people will likely become more aware of in the future in regards to developing one's local staff.

① Trends surrounding the issue

Issues when it comes to developing the local staff can be divided into two categories: the first being people not growing, something that companies have told us about in the past, and the second being how talent and skill demands are going to change at a much faster pace in the future.

For the first point about people not developing, we frequently hear about the two issues below:

- a. Issues of people not developing into top-of-the-line employees who will be able to take charge of running local subsidiaries in the future
- b. Issues that crop up when trying to raise the bottom line made up of staff who have not developed foundational skills (PDCA, reporting, contacting, consulting, and work attendance)

These two issues share common factors which will be covered below

For the second point about changes in talent and skill demands, two perspectives exist:

- a. Issues of people not developing into top-of-the-line employees who will be able to take charge of running local subsidiaries in the future
- b. Circumstances revolving around how COVID-19, global digitalization, and developments in AI have caused the world economy and society to change

We anticipate either issue to not only impact business portfolios, but also shifts in expected skills.

② Why there has been no progress towards a solution so far

So, why is it that local staffs haven't developed? Why have companies not been able to fully grasp talent and skill demands thus far?

- a. Why people haven't developed

For the shared causes that create top-of-the-line and bottom-of-the line talent, there are structural factors, such as there not being an HR system in place for rank, evaluation, and compensation—or perhaps said system has become obsolete. There are also mechanical causes, such as employees not appropriately operating such an HR system.

Particularly for mechanical causes, reform is expected in the key person from management in charge of operations as well as HR as a whole. Thus, continuously applied effort, as opposed to unevenly applied effort, is required.

b. Why companies have been unable to fully grasp talent and skill demands:

For the individual circumstances of local subsidiaries when their target market shifts, as they are able to respond by further improving the characteristics of their talent and work skills, there isn't a terribly huge need to revise definitions or expectations. On the other hand, for circumstances revolving around how COVID-19, digitalization, and developments in AI have caused the global economy and society to shift, because industries that the company tackles as a whole as well as methods for moving work forward will change, the Japanese parent company will have to make a lot of decisions. There is a possibility that these kinds of companies are slower in this regard compared to other global companies.

2. Global trends

As we touched upon earlier in our findings from the Global Human Capital Trends 2020 survey on how global companies have been anxious about identifying and shifting the workforce/skills to new demands in a world where digitalization and AI are evolving since before the COVID-19 outbreak, issues regarding this resource shift didn't suddenly develop simply because of the pandemic. Rather, you could say that it has been a movement in organization and HR grounded in major world-wide economic and market trends.

Other research has also shown that we can expect two trends: (1) that demands will increase for generalists and (2), that the workforce will take it upon themselves to follow career paths that work within multiple specializations, allowing them to work in multiple industries to prevent their market worth from ever dropping should their skills become obsolete. Thus, we foresee demands for generalists increasing in step with the reexamination of skill value in the talent market.

3. Initiatives to put into place, key points

As outlined in the prior section, scenario building for organization and HR as well as analyzing workforce data is necessary to identify skills that will be in demand in the mid-to-long-term and accelerate employee development. We propose the following two initiatives to serve as a foundation in order to make this possible.

① Construct a system and mechanism to reliably develop talent

a. Define expected roles/skills for the local staff while considering a variety of local circumstances and mid-to-long-term expectations that Japanese companies based in Southeast Asia have.

[Reform core systems for HR, construct a development system, etc.]

b. Provide a workflow guaranteeing compensation as well as fair and transparent evaluation, ensuring HR and all managers follow it to the letter. (Balancing in HR and manager's perceptions of their role differs from Japan.)

(BPR in HR operations, development for managers, etc.)

c. Identify candidates for future upper management positions, design a succession plan that will allow you to train them continuously and systematically, then launch.

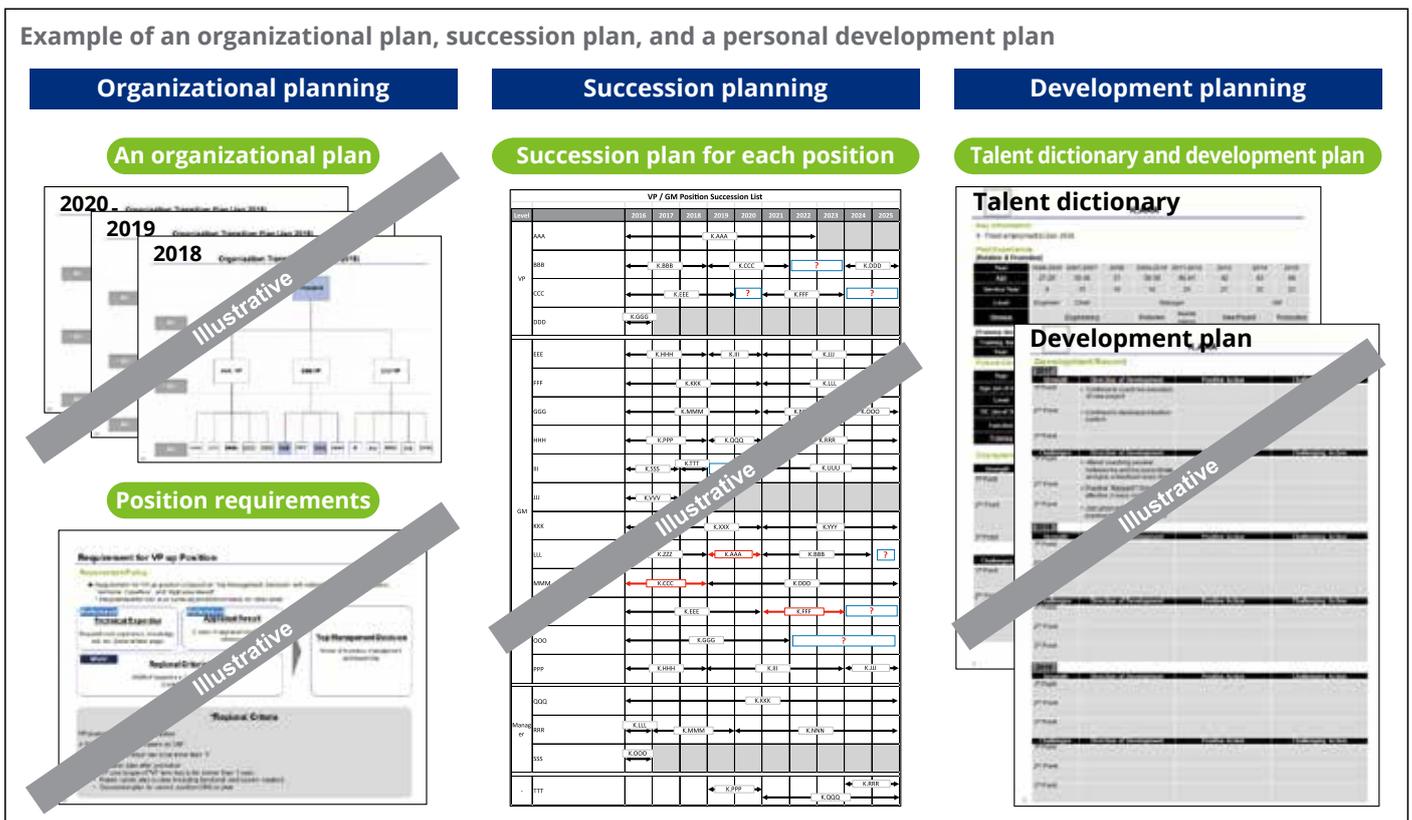
[e.g., organizational plans, succession plans, and personal development plans (Figure 4)]

② Train generalists

- a. Define rotations required to advance beyond a fixed position.
[Reform core systems for HR, construct a development system, etc.]
- b. Incorporate rotations into the succession plans for future upper management candidates, systematically educating them in a way that will cultivate them into generalist role models.
[e.g., organizational plans, succession plans, and personal development plans (Figure 4)]

What local subsidiaries can do right now while waiting for Japanese parent companies to make their decisions is to prepare talent development structures and mechanisms to serve as a foundation and to foster a culture within the company that makes it possible to train generalists. First and foremost however, companies must carefully resolve current issues one at a time.

Figure 4: Example of an organizational plan, succession plan, and a personal development plan



Source: Created by Deloitte Tohmatsu Consulting

IV. Issue Three: Speedy decision-making, task execution, and work style reform (Agility)

As a result of COVID-19, local subsidiaries have responded by implementing remote work regardless of whether they want to or not. While employees were left with an exceedingly positive taste in their mouth, for the company, it served as a painful learning opportunity on the difficulties of managing work from a distance. Implementing remote work also fosters speedy decision-making and task execution through the proactive implementation of IT solutions. In this section, we attempt to unravel this topic from issue perceptions to actions taken in response so that local subsidiaries may achieve speedy decision-making and task execution.

1. Background

One could say that the speed of decision-making at local subsidiaries is highly dependent on the specific individuals involved. As local subsidiaries depend on Japanese employees on loan, one would be hard-pressed to say that the process guarantees agility, whether it's good or bad. So, why can't swift decision-making be guaranteed? Why have efforts to solve this not made any headway?

① Transitions in issues

Below are a few issues sorted by whether they were obvious before the COVID-19 outbreak or have since become aggravated since after the outbreak.

a. Pre-pandemic issues

We observe many issues in both decision makers and the decision-making process.

For issues regarding decision makers, the major factors we've seen here and there have been that the chain of approval has hardly been revised since the company's founding and that approval powers haven't been delegated to lower ranking positions. In many instances, such issues have sat dormant within the subsidiary, with the president swamped with meetings and unable to allot time for it.

For issues regarding the decision-making process, two major factors exist: Firstly, as work process were never visualized or streamlined in the first place, tasks are executed differently depending on the individual because they don't know when to get official approval or who to get it from. Secondly, unnecessary approval processes cause decision-making to require a lot of time.

Figure 5: Initiatives that the heads of HR would like to launch within a year

Rank	Initiative	%
1	Go paperless	46.9%
2	Strengthen digitalization of customer engagement, maintain existing customers	36.6%
3	Set flexible start/end times and work hours	34.5%
4	Implement systems and digital tools	34.5%
5	Establish how to hire and train people in a remote environment	28.3%

Source: Created by Deloitte Tohmatsu Consulting based on findings from a survey we conducted in Japan during May, 2020 of 145 individuals at the head of HR at their company.

b. Issues that have become important through the pandemic

As illustrated in Figure 5, according to a survey conducted by Deloitte Tohmatsu Consulting in May, 2020, the top five initiatives that those at the head of HR wanted to launch within a year all had a lot to do with further developing remote work.

The current state of things forces companies to introduce IT solutions, digitalize, and consequently, further develop remote work.

② **Why there has been no progress towards a solution so far**

There are several reasons why issues surrounding both decision makers and the decision-making process haven't made any headway towards a solution.

a. Issues surrounding decision makers

Developing the local talent is tied to delegating approval powers to them. With that said, many local subsidiaries struggle greatly with developing their talent, as covered in the previous section. It wouldn't be an overstatement to say that the lack of local employees in upper management possessing the appropriate judgment skills has slowed the delegation of approval powers.

b. Issues surrounding the decision-making process

When we look behind the why of local subsidiary hesitation towards introducing IT solutions and digital transformation, often times it becomes a matter of cost versus efficacy. For Southeast Asia, where labor costs remain low, it's not very common for them to do what Japan does and implement such tools from the perspective of cutting costs. Rather, we anticipate discussions on introducing IT solutions/digital transformations to move forward from the perspective of improving work accuracy (including preventing illegal activity) and creating an attractive talent by reforming work styles (which we will discuss later).

2. Global Trends

The word "wellbeing" has become the core of the most important trend among global companies. In the Deloitte Global Human Capital Trends 2020 survey, 80% of global companies responded that the wellbeing of their staff was either important or very important to them for the coming 12 to 18 months of growth. However, a mere 12% of respondents said that they were sufficiently prepared for this.

Wellbeing describes how painless the work is as well as how meaningful it is. Global companies are using a number of methods in the hopes of strengthening their talent's sense of belonging out of these two factors. Among them, many have recognized that introducing IT solutions, digitalizing, and offering remote work serve as valuable tools towards making work less painless for employees.

3. Initiatives to put into place, key points

We've so far shown the necessity of visualizing and streamlining work processes, implementing an HR information system (HRIS), and introducing digital tools. In conclusion, we'd like to offer two ideas that will allow these things to be handled appropriately.

① Provide rules for managing work

Managing remote work is different from staring at someone's face while you manage their work. Providing remote work management tools for both managers and subordinates is vital. Figuring out how to define work, check work progress, follow-ups, motivation checks, evaluation, feedback, and more will benefit from this (Figure 6).

(Design a new way of work, prepare infrastructure and processes, revise systems, and so on)

② Train management staff

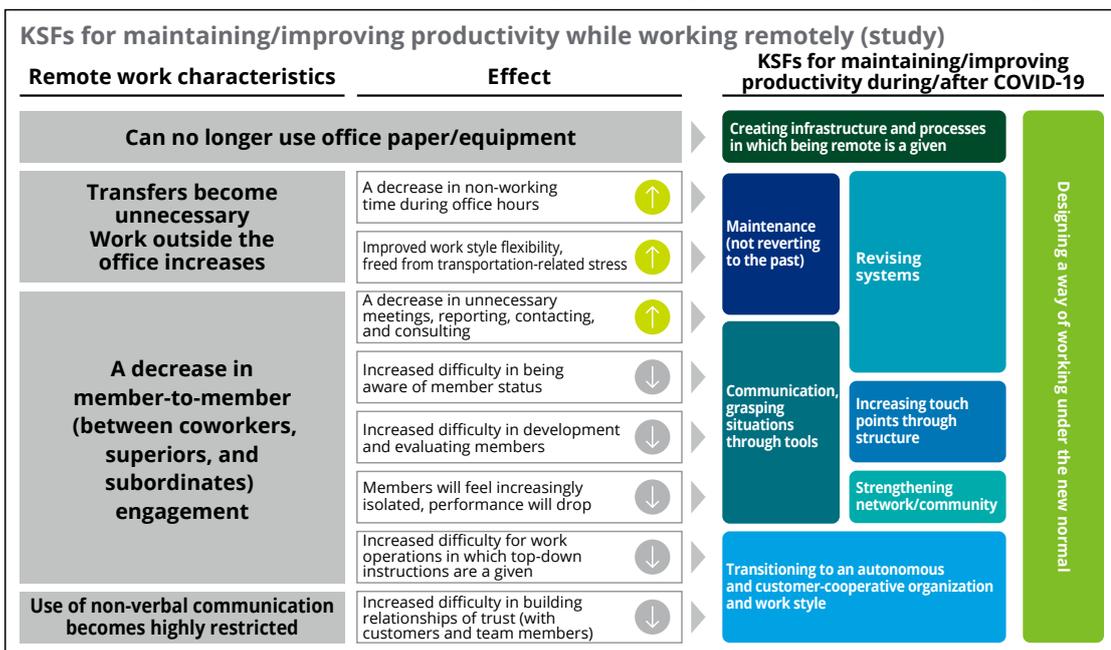
Regarding not only methods for how to manage work in traditional environments, but also to manage work and the staff even in remote environments, it's crucial to be prepared to continuously develop management staff, maintain/improve productivity and preserve employee motivation.

(Create a work management handbook for managers, development for managers, etc.)

In this way, it's necessary to run initiatives that merge hard (IT solutions and digital transformations) and soft (talent development) solutions. Thus, you could say that companies establishing remote work and digitalizing in response to COVID-19 have only taken their first step on this journey.



Figure 6: Key success factors for maintaining/improving productivity while working remotely



Source: Created by Deloitte Tohmatsu Consulting

V. Conclusion

Developing local HR leaders is vital

So far, we've discussed three major issues in organization and HR that have surfaced out of the COVID-19 outbreak at local subsidiaries as well as the direction to take towards resolving them. However, it's a given that the concrete issues that arise and their relative seriousness will be different for each company. Thus, having local HR functions that can solve the problems unique to their company will be crucial.

Finally, we will touch on what's expected from HR functions at local subsidiaries in the world after COVID-19 and how to meet those expectations.

1. A post-COVID-19 world

To start unpacking the debate on how HR functions at local subsidiaries should be in an ideal world, we will identify external factors that make up the issue's background from global trends and how they impact local subsidiaries in Southeast Asia.

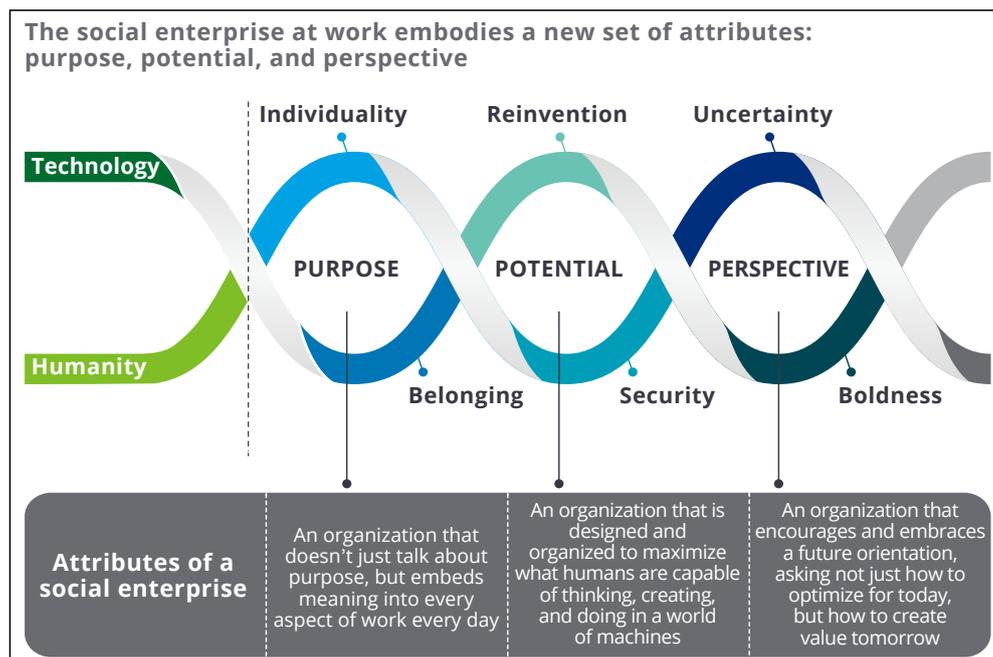
① Global trends

Global trends for organization and HR can be understood by the trends that existed before the pandemic as well as changes post-pandemic.

a. Trends prior to COVID-19

Deloitte Global Human Capital Trends 2020 advocates that people must make three bold organizational shifts to merge humans and technology (Figure 7).

Figure 7: The three bold shifts made by organizations



Source: Deloitte Global Human Capital Trends survey, 2020

i. Purpose

An organization that doesn't just talk about purpose, but embeds meaning into every aspect of work every day

ii. Potential

An organization that is designed and organized to maximize what humans are capable of thinking, creating, and doing in a world of machines

iii. Perspective

An organization that encourages and embraces a future orientation, asking not just how to optimize for today, but how to create value tomorrow

b. Changes brought about by COVID-19

Adding the mid-to-long-term perspective touched upon earlier, we anticipate that these three issues we've discussed will become increasingly important as well as urgent.

i. Accuracy

Having an organizational and personnel structure that can handle the accurate planning of qualitative and quantitative talent requirements for business plans and business performance.

ii. Flexibility

Having the talent capability to change in order to meet business demands and flexibly respond to expected skills and delivery results.

iii. Agility

Having the ability to manage everyday work at an organizational level using IT solutions and digital transformations in order to achieve speedy decision-making and task execution.

② Business-related impacts on local subsidiaries in Southeast Asia

We predict that trends prior to COVID-19 and changes COVID-19 has brought about will affect the business operations of local subsidiaries in Southeast Asia in the following two ways.

a. Going borderless

Through breakthroughs in digitalization and IT solutions, companies will become even more borderless and will be influenced by global trends on a level never seen before.

b. Shifting to local markets

Japanese markets will become highly saturated and the shift to local markets will accelerate. As a result, the local staff will need to be swiftly trained and utilized (talent localization). The impact of these shifts will also cause expectations on HR functions at local subsidiaries to change. Below we will cover the functions and skills expected of HR.

2. A vision for local HR functions to strive for

In light of the two impacts on the businesses of local subsidiaries described earlier, we anticipate that expectations will change considerably for HR functions at local subsidiaries and HR leaders.

① Expected functions

HR functions at local subsidiaries have poured their energy into day-to-day operations thus far, but in the future, they'll be expected to handle their work from both a managerial and mid-to-long-term perspective.

Local HR leaders, not Japanese people, are expected to take the lead on the following two functions:

- a. Adapting to an increasingly borderless world and responding to local market shifts, adopting an increasingly global perspective, being able to plan and execute resolution plans in line with local conditions
- b. As the pressure to resolve these issues has increased, being able to analyze and form plans independently without simply implementing what Japanese parent companies tell them to do

② Skills that will be further required of local HR leaders

In addition to foundational work skills (e.g., PDCA, reporting, contacting, consulting), we recommend that leaders possess the following three skills in order to carry out the functions covered earlier.

- a. Possessing a decision-making style that understands the will of the Japanese parent company (ethics, balance)
- b. Holding a strong influence over other departments as well as being able to take action within them
- c. Possessing a wide array of knowledge relating to organization and HR

3. How to train HR leaders at local subsidiaries

We've heard from each local subsidiary what issues they have and how difficult they are in regards to developing local HR leaders. Below are several points based on local subsidiaries who are successfully developing talent.

① Who to train

In order to first cultivate role models, we recommend developing HR function members from the top.

② Choosing the right people

When choosing the right people, possessing knowledge/skills related to HR isn't what's important, but rather those who have the proper judgement skills, are men and women of action, and can coordinate with other departments.

③ Development methods

Japanese HR leaders present at local subsidiaries need to get close to the local employees that they intend to develop and train them by showing them how they work. It's tough to train people remotely from Japan or for Japanese people from other fields to guide them.

This is a bit of a cliché, but we want Japanese HR leaders to follow the famous words of Admiral Isoroku Yamamoto: "People will not move unless you show them, teach them, let them try, then praise them. People will not grow unless you talk to them, listen to them, approve their ideas, then entrust things to them. People will not mature unless you watch over what they do with gratitude, putting your trust in them."

The new normal is taking shape right now, so this is the perfect opportunity to develop HR leaders at local subsidiaries in Southeast Asia who will function in the new world, and we hope that these development efforts will accelerate.

About the Author



Tomohiro Minami
Deloitte Tohmatsu Consulting LLC
Senior Manager

Currently on loan to Deloitte Consulting SEA since January 2014.

Has worked at a major railway company, as a career coach in the U.S., and at global chemical and pharmaceutical manufacturers before joining Deloitte. Possesses a wealth of experience in a number of fields in Japan, in the U.S., and across Southeast Asia, including organization transformation through organization planning and cultural change management and workforce transformation through HR policy design, HR function and operation design, HR development scheme and succession planning.

Deloitte.

デロイト トーマツ

Deloitte Tohmatsu Group (Deloitte Japan) is a collective term that refers to Deloitte Tohmatsu LLC, which is the Member of Deloitte Asia Pacific Limited and of the Deloitte Network in Japan, and firms affiliated with Deloitte Tohmatsu LLC that include Deloitte Touche Tohmatsu LLC, Deloitte Tohmatsu Consulting LLC, Deloitte Tohmatsu Financial Advisory LLC, Deloitte Tohmatsu Tax Co., DT Legal Japan, and Deloitte Tohmatsu Corporate Solutions LLC. Deloitte Tohmatsu Group is known as one of the largest professional services groups in Japan. Through the firms in the Group, Deloitte Tohmatsu Group provides audit & assurance, risk advisory, consulting, financial advisory, tax, legal and related services in accordance with applicable laws and regulations. With more than 10,000 professionals in over 30 cities throughout Japan, Deloitte Tohmatsu Group serves a number of clients including multinational enterprises and major Japanese businesses. For more information, please visit the Group's website at www.deloitte.com/jp/en.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500 companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

Member of
Deloitte Touche Tohmatsu Limited

© 2020. For information, contact Deloitte Tohmatsu Consulting LLC.



IS 669126 / ISO 27001