

The Grit to Boost Japan's Economy with IT

CEO Message

Into Unprecedented Territories by honing our proposal capabilities

Seeking greater heights together with our customers and partners. The CTC Group seeks to become the top group company of Slers, with its technical prowess honed over the years and the proposal capabilities for providing even greater value. For creating an ever better society and future by harnessing IT.

Built-up trust

Aiming to be the top group

In April 2024, I was appointed President of ITOCHU Techno-Solutions Corporation. At my previous position at ITOCHU Corporation, I headed the organization that oversaw the CTC Group, but when I was appointed to this company, I realized again that the CTC Group is a company that does so much more than I had imagined. The wide range of customers and technologies we cover still continues to surprise me with just how much I have to learn, and I can also feel that very high level of potential we have on offer. While we have reached the position of being included in the second largest group of Slers (system integrators), we are seeking to join the top group of Slers by expanding the scale of our businesses even more and boosting our business performance and profitability. As soon as I was appointed to this role, I conveyed these thoughts to our employees and have been motivating them to put in their best effort toward becoming a top group company.

One of our Group's strengths is our broad customer base. Since being established, we have been an Sler that has built up relationships with customers based on our proven technical capabilities and robust support system, and we have a wide range of customers across different industry sectors. In addition to working with our clients' information system departments, we are also coordinating efforts with their line of business (LOB) departments, and I think we are in a unique


position that enables us to easily identify the needs for DX for adapting to changes in the environments that our clients are operating in. Given that we work with customers across a broad range of industries, we have steadily built up knowledge and technical capabilities throughout various fields, allowing us to also provide highly reliable, proven services to other customers.

Building on the strength of our customer base, we will be further strengthening our relationships with customers who are actively investing in IT, such as companies involved in supporting national infrastructure. Our forte has long been our dealings with telecommunications carriers. On top of this, we intend on steadily providing proposals to customers in the electrical power, transportation, aviation, gas, and other business sectors with the view to enhancing their business efficiency and competitiveness through IT investments.

Our proposal capabilities are the key

Proposal capabilities are the value we provide

Investing in IT remains a challenging topic for companies. There remains a tendency for viewing IT investments as a cost that needs to be limited, and some companies are skeptical of IT investments because they are not able to utilize them as expected after previous such investments. Meanwhile, I feel that there is an increasing number of companies boosting their business performance by leveraging IT,



Tatsushi Shingu
President & CEO

and that we are now in an era where it is not possible to survive without making aggressive IT investments in business fields.

I believe that the crucial aspect that top management has to factor in when making IT investment decisions is determining what will be achieved by those IT investments. This is why it is so important to explain in a sincere manner what will be accomplished with IT investments that will be of benefit to the company. To achieve this, We need to accumulate learnings from successful cases and knowledge of companies that are using IT successfully. Over the years, our Group has developed a close relationship with the U.S., the leading country when it comes to IT—and Silicon Valley in North America in particular—and we believe that we can benefit from leveraging these connections to acquire useful knowledge.

Japanese companies are finding it difficult securing and training engineers with IT skill sets, and is in turn preventing internalization—Slers like us have become essential. Instead of depending on being needed by our customers, we need to further build up our ability for offering solutions to cover the finest of details. I think that the ability to come up with proposals in areas close to the customer's management and businesses in particular will be crucial going forward. In essence, we are also being required to come up with ideas that customers are not aware of yet, like organizing the actual issues faced by customers and determining the requirements for how IT can be leveraged for resolving those issues. By complementing our Group's IT long highly regarded system implementation capabilities with proposal capabilities like these, we are hoping to increase the number of projects where our clients say: "We are glad we went with CTC."

Leveraging coordination with the ITOCHU Group

Our Group is positioned as a core company that makes up the group of digital businesses of ITOCHU Corporation's digital value chain strategy.

We will be coordinating efforts with companies from this business group that specialize in consulting, or those with strengths in customer experience (CX) and business process outsourcing (BPO), with the view to coming up with the best possible proposals for our clients. We have already achieved a number of use cases for ITOCHU Group companies spanning a broad range of industries. An example of this includes Brainpad Inc. of ITOCHU's digital business group and a leading data analysis company, with which we have launched a logistics simulation service for optimizing vehicle dispatching and delivery routes based on data such as dispatch and delivery plans, weather data, and smart meters installed at stores and homes.

In this way, we are seeking to build up successful cases while supporting the digitalization of the ITOCHU Group's business and rolling them out further throughout the ITOCHU Group, while also simultaneously applying these successful cases back to CTC Group customers.

Full-speed ahead

Leveraging IT to change the Japanese economy and daily life for the better

Until 15 years ago, Japan ranked second in the world in comparisons of nominal GDP globally. Yet Japan dropped to fourth place in 2023, and there are concerns about the decline in our national strength. I think that IT prowess is an important factor in boosting the national strength

of Japan again, and I believe that our mission as an Sler is to be one of the purveyors of this capability.

Next I want to talk about something that everyone is more familiar with. One example is when you out and buy some rice or a pack of drink bottles. In the past, you had to carry the heavy items yourself, but now you are able to place an order through e-commerce and have it delivered to your home. This is definitely one of the benefits that digital technology has brought about. Most of the changes that are occurring around the world and that benefit us are the fruits of advances made with IT, and I think that today we are living in a world where it would be impossible to live our day-to-day lives without smartphones and the Internet. I think the role of an Sler is to change daily life for the better, by working in tandem with customers to devise and implement digital systems that they wished they had available.

Our Group positions sustainability as one of our most important management topics, and is committed to creating social value as well as generating our own corporate value. More recently, we also embarked on business supporting our customers with their GX efforts as they aim to curb greenhouse gas emissions. We actually have an extensive history in helping to solve social issues through IT, with the support we have been providing to electric power company customers over many years as part of calculations for wind power generation. I hope to further build on this business by leveraging our extensive experience and accomplishments in resolving social issues.

Advanced AI has drawn tremendous focus in recent years, and we also view it as one of the key technologies in our own medium-term management plan. We are fully aware that AI will play a crucial role in future technology, and hope to be actively engaged in businesses related to AI. We have already assisted in projects to build AI platforms for a number of clients. With customers utilizing AI throughout their businesses, we hope to build a strong position support their operations. Another challenge that we will be actively addressing is boosting our own productivity by leveraging AI.

Seeking growth on a global scale

Our Group has already established subsidiaries in North America as R&D bases and ASEAN countries, but revenue in Japan still account for 90% of our overall sales. The Sler business model is likely unique to Japan, but I am certain there are markets overseas where Slers are able to take advantage of their areas of fortes. While this may still be a long way away, if there are countries or opportunities where we are able to leverage the Sler business model, we will be making an active effort to expand there and pursue growth as a global company.

In closing

As I mentioned earlier, my goal is to make the CTC Group one of the top group of Slers. This is certainly possible, and I think this is a goal that we definitely need to accomplish. The first crucial step is to make sure that all our employees are aware of the fact that we are changing into a top group company. Secondly, we must be willing to take on the challenge of accomplishing this goal. Nothing will start without getting into the right mindset. By becoming part of the top group, we want our employees to feel a sense of pride in working for our company. I will be spearheading the required leadership in order to achieve this.

