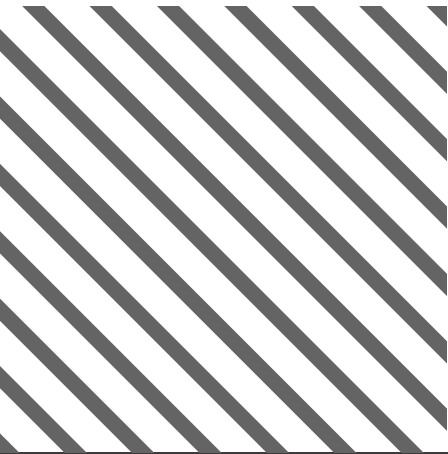


# PwC Japan Group Annual Review 2024



Our Purpose:  
To build trust in society  
and solve important  
problems



## Table of contents

PwC Japan Group Annual Review 2024

<b>01. Purpose &amp; Strategy</b>	04
Masataka Kubota	
<b>02. Our Services</b>	08
Akane Yoshida	
<b>03. Our Approach</b>	12
Kenji Katsura	
<b>04. Our People &amp; Culture</b>	16
Takae Goto	
<b>05. Our Responsibility</b>	20
Wataru Wada	
<b>06. About us</b>	24

\* All numbers are as of FY24 (July 2023–June 2024) except those with annotations.



CONTENTS 01

# Purpose & Strategy

## Building trust in society facing inevitable change and contributing to solving increasingly complex problems

PwC Japan Group Chair and Territory Senior Partner

### Masataka Kubota

Chief Executive Officer, PwC Japan LLC  
Chief Executive Officer, PricewaterhouseCoopers Japan LLC

In July 2024, the PwC Japan Group (hereinafter 'PwC Japan') launched a new management structure and established 'Trust and Transformation' as its management goal. Society has entered a period of great transition, and many companies are undertaking transformation in response. With transformation occurring, new concepts and phenomena are born, but society needs trust to accept them. In line with our purpose 'to build trust in society and solve important problems', we want to ensure that the transformation that occurs in business and society is based on trust.

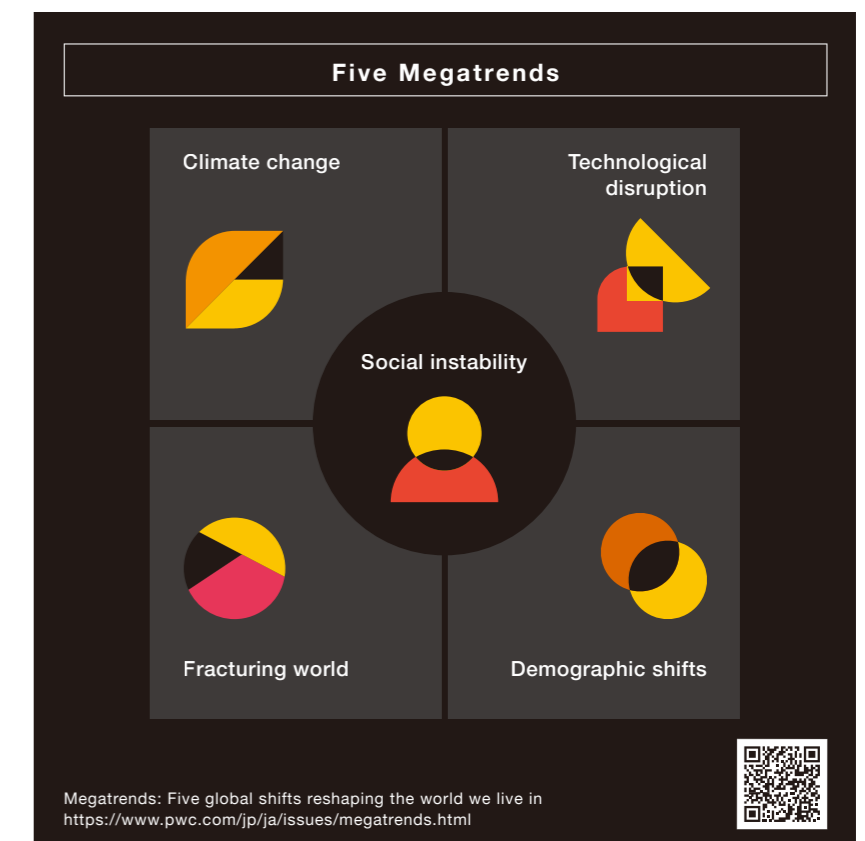
#### Trust and Transformation

To respond appropriately to transformation that inevitably occurs due to changes in the external environment and instil in society the benefits of transformation that we intentionally undertake, trust is essential. The reason we established Trust and Transformation lies in the inevitable dramatic changes that occur in society. Looking at these changes over the long term, we have identified five 'megatrends' as the major factors that change the

world. These trends demand a wide variety of transformations in business and society. They also accentuate the need to build trust.

Take 'climate change' for example. Climate change creates problems in the form of raising

food prices and damaging the natural environment, but it is not enough to address these problems on the national level; it requires measures that are literally on the global level. Carrying out these measures requires a foundation of



trust that transcends divisions such as nations, regions, and the ideologies and interests of individuals.

The successive emergence of new innovative technologies like generative AI and quantum technology can be described as the symbols of technological disruption. These are huge changes and could cause harm on a large scale if used in the wrong way. Whether trust can be built through measures such as creating rules for using such technologies will be a crucial point for instilling them in society.

In regard to ‘demographic shifts’, there is concern that they could

cause the collapse of social systems and labour shortages in key fields. If this leads to a sharp rise in unemployment or underemployment and an increased burden on the social safety net, it will result in shaking people’s trust in society.

A phenomenon that must be watched closely along with the increase in geopolitical risks is our ‘fracturing world’. While a number of nations are competing for stronger influence, there is also a movement that follows suit to destabilise countries and the global landscape. Once trust between nations and regions begins to disappear, this fracturing of the world will accelerate.

Ultimately, the above-mentioned four megatrends will result in ‘social instability’. Try to imagine a world where society has become unstable and lost trust. In a world where people must always question whether they can trust something—from widespread social systems to the basic necessities of food, clothing, and shelter to the future—it will be difficult for them to go about their day-to-day lives.

If we look at each specific problem occurring in the world today, we will realise that similar things happened in the past. But today, these problems are even more difficult to solve because they

are occurring simultaneously and interacting in complex ways. In other words, there is concern that people will lose trust in a wide range of aspects of society and become unable to go about their ordinary lives.

**Organisational foundation and strategic areas**

Then, what should we do to overcome these megatrends, build trust, and enable transformation?

PwC Japan employs experts spanning a wide range of specialisations, including accounting and auditing, tax, law, management strategy, risk management, technology, and M&A. By combining these specialisations, we have worked to build trust and solve complex problems in business and society.

Two new concepts have been established in the PwC global network: ‘Organisational Foundation’ and ‘Strategic Areas’. We consider them essential elements to further strengthen existing initiatives, build trust and drive transformation.

‘Organisational Foundation’ refers to PwC’s mindset when engaging in business as professionals and our ideal state. It is expressed in the words ‘Trust’, ‘Unity’ and ‘Focus’. These three concepts are linked together in a single process: building mutual trust, breaking the walls that divide our organisation and making it one, and focusing efforts on areas we need to tackle. This will be explained in more detail by Akane Yoshida, Vice Chair of the PwC Japan Group, in the next chapter.

‘Strategic Areas’ refers to the business areas we should focus on, based on considering thoroughly what society needs. Chief Strategy Officer Kenji Katsura will explain this and our business outlook in more detail in Chapter 3. PwC Japan’s businesses span a

wide range of fields that are in line with the demands of companies, and we recruit people who are experts in each field. In Chapter 4, Chief Human Resources Officer Takae Goto will explain our initiatives to build a comfortable workplace environment to ensure talent from diverse backgrounds can demonstrate their true value and encourage growth.

In order to be leaders of trust and transformation, we must, above all, be a trusted social foundation. In Chapter 5, Chief Risk Officer Wataru Wada will explain what systems we need to establish to discipline ourselves and what we need to do to be trusted by society and other companies.

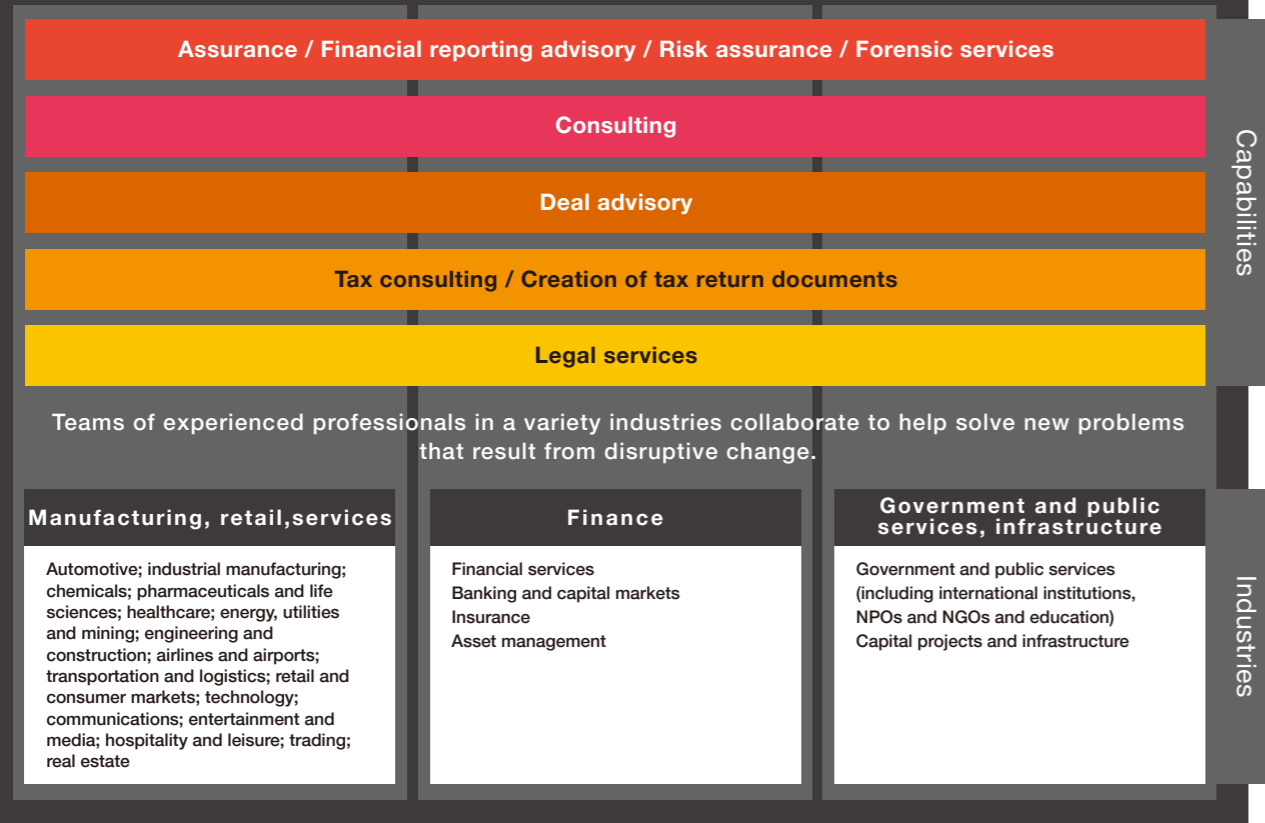
**Growth through solving societal problems**

PwC Japan continues to grow both in terms of performance and people. As the head of the company, I believe we still have the potential for even greater growth. However, that does not mean we will pursue only sales and profit as a business. Today, we face many

problems that have become more difficult due to society becoming increasingly complex. We will strive to contribute to solving these problems and, as a result, achieve our own growth. Going forward, PwC Japan will continue to focus all our efforts on building trust and achieving transformation.

**Our capabilities and focused industries**

We at the PwC Japan Group help our clients achieve sustainable outcomes and build the trust they need to further those outcomes by flexibly forming teams of professionals in a wide range of industries and fields, and bringing together human ingenuity with the latest technology to address increasingly complex business problems.



**Masataka Kubota**

Masataka Kubota is the Chair and Territory Senior Partner of the PwC Japan Group, the CEO and Chair of PwC Japan LLC, and the CEO of PricewaterhouseCoopers Japan LLC. He is also a certified public accountant and certified fraud examiner (CFE). In July 2020, Kubota became Deputy CEO of PricewaterhouseCoopers Japan LLC (Assurance Leader and in charge of auditing and transformation). He has served as both Chair and Territory Senior Partner of the PwC Japan Group and CEO of PricewaterhouseCoopers Japan LLC since July 2024.



CONTENTS 02

# Our Services

## Defining ‘Trust’, ‘Unity’ and ‘Focus’ as our organisational foundation, we take a truly client-centric approach

Vice Chair, PwC Japan Group  
Chief Commercial Officer  
Chief Investment Officer

**Akane Yoshida**

Chief Executive Officer and Vice Chair, PwC Japan LLC  
Chief Executive Officer and Chair, PwC Advisory LLC

The global situation in fiscal 2024 was marked by a number of causes for concern, including inflation, rising interest rates and heightened geopolitical risks. Despite this, Japanese companies were fairly stable financially. The economy went back to normal thanks to the COVID-19 pandemic moving towards becoming contained and revenue from

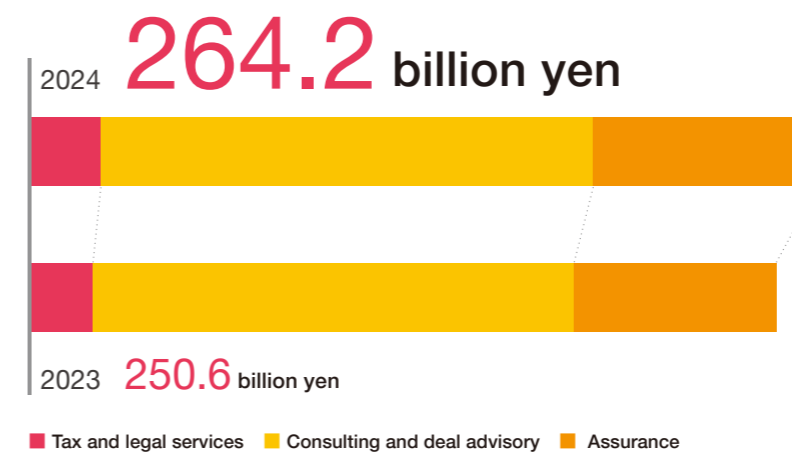
overseas business operations grew due to the yen weakening at the same time. Factors such as these resulted in listed companies in Japan seeing record-breaking performance in the fiscal year ended March 2024. In line with this trend, PwC Japan’s performance continued to grow and business income reached 264.2 billion yen, a 5% increase year on year.

One of the questions in the Annual Global CEO Survey (Japan Analysis Edition)\* announced by PwC Japan in February 2024 was, ‘How confident are you about your company’s sales growth outlook in the next 12 months?’ The responses from Japanese CEOs that stood out were ‘Extremely confident / Very confident’ (17%) and ‘Fairly confident’ (50%). This suggests that many companies have greater confidence in their current business performance.

However, although the economy is improving, there is also a pressing need for Japanese companies to develop a new vision for future growth due to factors such as the revision of the Corporate Governance Code and the demand for growth from the financial market.

‘If we don’t change our business practices now, we won’t be able to last financially 10 years from now.’ The fact that 64% of Japanese CEOs (45% worldwide) gave this answer in the

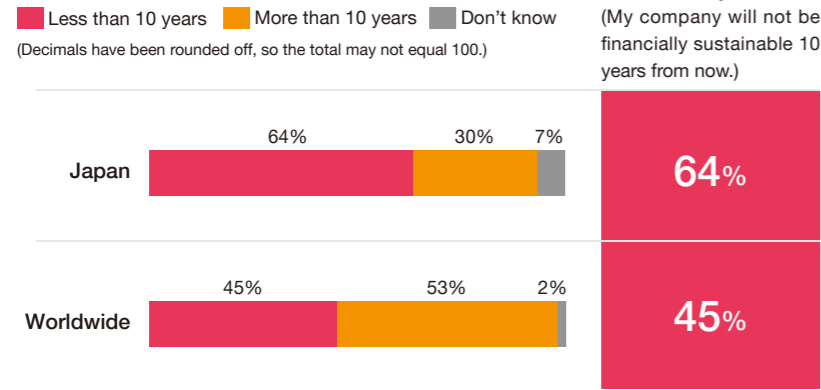
FY 2024 business income



\* Annual Global CEO Survey (Japan Analysis Edition)  
<https://www.pwc.com/jp/ja/knowledge/thoughtleadership/ceo-survey.html>



**Japanese CEOs tend to have a negative view about the continuity of their company 10 years from now**



Question: How long do you think your company can last financially if you don't change your current business practices?  
Source: PwC 27th Annual Global CEO Survey

above-mentioned survey is testimony to this. Over half of the responses expressed a sense of urgency about the future, suggesting that Japanese companies have a stronger sense of urgency than the US, Western Europe, and the world as a whole.

**PwC's organisational foundation**

PwC Japan recruits diverse experts specializing in accounting, auditing, tax and law, as well as management strategy, risk management, technology, M&A,

business revitalisation, and a wide range of industries. These experts provide support to companies encompassing everything from developing to executing strategies so they can achieve growth.

PwC Japan will take a wide range of measures to continue to be a professional services firm that keeps meeting the needs of clients and communities over the long term, beginning from fiscal 2025—the start of our new management structure. The specific fields we will focus on are detailed in our

'Strategic Areas', which will be explained in the next chapter.

In this chapter, I will describe our basic approach to carrying out these measures. PwC chose the words 'Trust', 'Unity' and 'Focus' to express its Organisational Foundation. These words describe our mindset when engaging in business as professionals. They also express our ideal state.

First is Trust. We believe that the cornerstone of our organisation is for every member of PwC to have a strong relationship of mutual trust. This also means that PwC members have earned the unshaken trust of every stakeholder, which includes having the relationship to engage in direct dialogue with client CEOs and CxOs.

Second is Unity. Having the foundation of trust leads to the merging of skills and mindsets within and outside the organisation and enables us to create new added value. It also expresses that PwC Japan has an organisational structure that provides services transcending the many boundaries of businesses and industries as a united group to achieve PwC's purpose: 'To build trust in society and solve important problems'.

**PwC's organisational foundation**

This expresses PwC's mindset when engaging in business as professionals and our ideal state.



**Japan Business Network (JBN)**

A network supporting the overseas business of Japanese companies



JBN countries/locations

**41 countries**  
**/ 110 cities**

※As of 1 July, 2024

JBN employees

**721**

(509 of which speak Japanese)

Third is Focus. The resources that can be invested to solve societal problems are limited. By striving to ensure we continue to have an organisational structure that can build the optimal portfolio tailored to the needs of these problems, we will create an environment where we can focus on the societal problems PwC should solve.

To achieve this Organisational Foundation, PwC Japan greatly revised its management structure from fiscal 2025. First, we established a strategy committee led by the PwC Japan Group Chair Masataka Kubota and built a system that enables the four members, including me, to make flexible decisions. We also implemented a CxO system to ensure we can tackle various problems as a united group across departments. Partners with extensive expertise in different fields perform duties based on their respective roles.

**To be our clients' first choice**

As Chief Commercial Officer and Chief Investment Officer, I am in charge of strategic investments and measures related to marketing

and branding for PwC Japan.

'Client-centric' is an important word for PwC Japan. However, it cannot be achieved only by passively responding to requests. We believe that to deliver proposals of real solutions, we need to thoroughly examine the client's business and future even more than the client does.

Taking a fully client-centric approach means that when clients face a problem that needs to be solved, we are the first choice they go to for advice. To accomplish this, it is important that knowledge of our business and activities is widespread. Therefore, we will carry out measures such as partnering with external parties and holding events on societal and business issues that are of high interest to clients.

Japan has a unique position in global politics and economy, which I believe contributes to the trust other countries have in it. Japanese companies span a wide range of industries and conduct business operations with integrity across the globe, so non-Japanese companies trust them as partners in conducting business.

In addition to partnering with experts from PwC's global network

spanning 149 countries, we also help clients working to expand their business and undertake transformation globally to enhance international collaboration and competitiveness via the Japan Business Network (JBN), a support organisation for Japanese member companies.

As someone involved in corporate management, what I want from businesspeople going forward is that they have the mindset to tirelessly strive for growth. This is an essential element for Japanese companies to achieve the growth expected of society and the market and it is also the mindset PwC Japan needs in solving societal problems. We want to be a good partner to clients who conduct business that addresses the needs of society. Therefore, we will continue to constantly evolve with expertise and cutting-edge technology and help clients succeed in business in our uncertain society.

# Our Approach

CONTENTS 03



## Delivering new value with both a high birds-eye view of industry and in-depth expertise

Chief Strategy Officer  
Chief Innovation Officer

**Kenji Katsura**

Chief Executive Officer and Vice President, PwC Japan LLC

PwC has formulated Strategy Areas that apply globally. While our purpose ‘to build trust in society and solve important problems’ remains unchanged, we have established areas of business to focus efforts on based on considering thoroughly what society needs.

We think of this as a story of striving for an ideal future envisioned from identified societal problems. All of the services PwC Japan has offered so far are incorporated into this client-centric story and going forward, we will work to make the story a reality under our new management structure.

We will continue to further deliberate on the Strategic Areas in accordance with rapidly changing societal problems and in this chapter, I will explain specific examples.

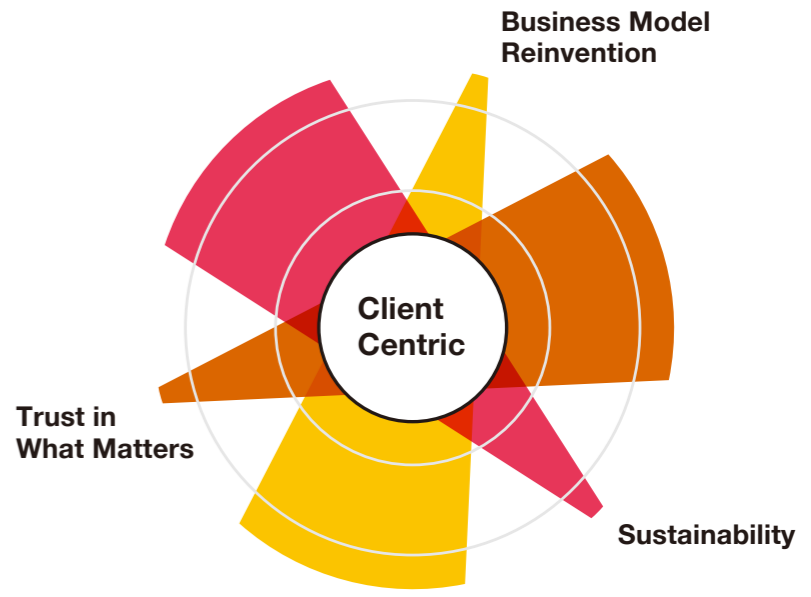
The first is ‘Trust in What Matters’. Allow me to reiterate the importance of trust explained in the previous chapters. In today’s world of diversifying values, how do we build trust in society? I believe we must take the initiatives PwC has built on trust through helping our clients solve problems and make use of them throughout society.

The next is ‘Business Model Reinvention’. Companies are pressed to address rapid changes. However, the more a company has built its current business foundation through years of effort, the more difficult it is to make drastic

revisions by itself. Identifying a future-ready business model and continuously revising it through dialogue with stakeholders such as employees and shareholders is as difficult as reinventing something, but that is precisely what makes it

### PwC’s strategic areas

Business areas identified from societal problems that PwC should strategically tackle



so worthwhile. Trust, of course, plays an essential part in this.

‘Sustainability’ and ‘AI’ also need mentioning. For example, climate change—a problem emblematic in thinking about sustainability—is something a single company or nation cannot solve alone. To address this problem, it is essential to not only have international cooperation, but also collaboration between companies, universities and governments. And as research on AI advances worldwide, the entire international community must explore optimal solutions.

I think the outbreak of COVID-19 caused a significant change in ideology. Response to this unprecedented pandemic expanded into a global movement that spanned nations, companies, universities and governments. Now that the COVID-19 pandemic is on the way to becoming contained, concern grows that the world is once again fracturing. We hope to play a role in preventing the world from fracturing by deepening partnerships in the PwC global network and carrying out sustainability and AI initiatives that will irreversibly increase in importance.

**High birds-eye view of industry**

**and in-depth expertise**

PwC Japan has created organisations such as the PwC Intelligence think tank and the Technology Laboratory that conducts analyses and pilot tests of advanced technology.

The problems our clients face today have come to cross the barriers between industries, so the solutions we consider must also cross such barriers. The reason we created such organisations is that we knew we needed both a high birds-eye view of industry from a macroeconomic perspective and an in-depth expertise in cutting-edge technology.

PwC Japan has provided support to companies facing increasingly complex laws and rules on a global scale. We support the global activities of Japanese companies by elucidating the background behind such laws and rules, including negotiations between countries. Going forward, we will leverage the insight gained from such support to provide policy recommendations and further drive initiatives that originated from a high birds-eye view of all industries.

The cutting-edge technology handled by the Technology

Laboratory holds considerable potential. However, it is not enough for just technology to progress. To ensure it enjoys widespread use in society, it is essential to test the technology and, in particular, develop rules from a wide range of perspectives. We are conducting research on implementing new technologies in society, such as generative AI, 3D spatial data and quantum technology, in partnership with external experts and organisations. Cutting-edge technologies evolve moment to moment at astonishing speed and the key to being able to continue to respond to this is to incorporate external perspectives PwC does not have as much as possible.

Furthermore, the fact that societal problems invariably have multi-layered themes means that the people in charge of their solutions must represent diverse and wide-ranging fields. For this reason, the Technology Laboratory was developed, assuming from the start that we would be partnering with external experts, based on the recognition that falling prey to the not-invented-here syndrome would make it difficult to solve complex societal problems. We believe incorporating external perspectives

is crucial for objectively reviewing our activities and continuously revising our course of action.

**Giving the value of data back to the community**

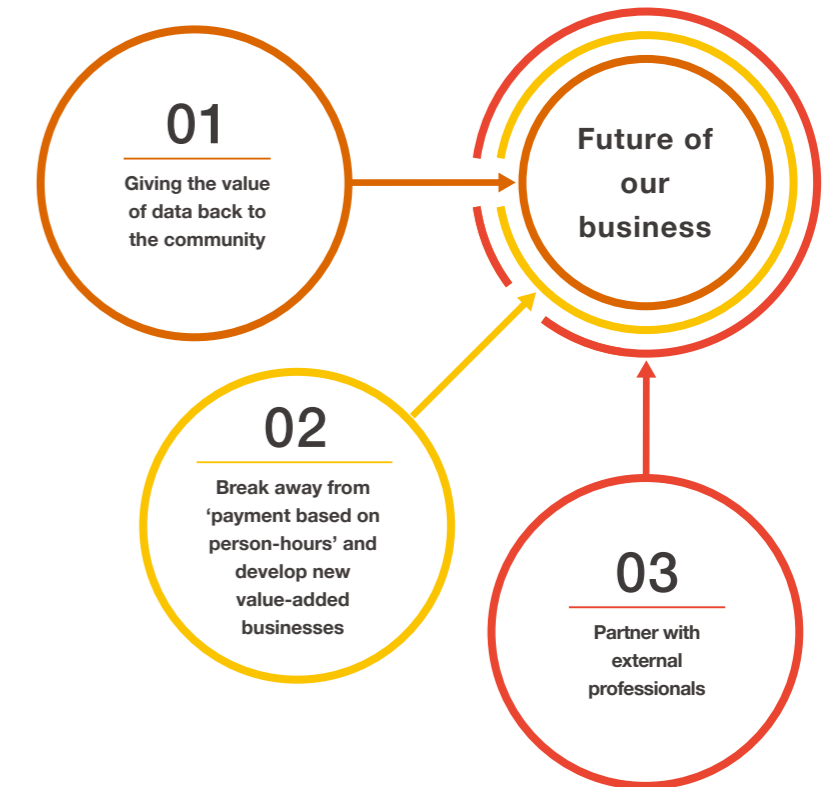
So far, I have given an overview of our newly established Strategic Areas and described notable initiatives. Next, I will explain PwC Japan’s three courses of action for business we will focus efforts on going forward.

The first field is data. I mentioned AI in my description of Strategic Areas, but it is widely known that the importance of generative AI lies more in the kind of data it can be taught than the potential of its algorithms. PwC Japan collects a diverse array of data in the business it conducts with clients from a wide range of industries. Leveraging the experience gained in providing trust-adding services, we will take adequate measures to combat the negative side of data, such as information leakage and data misuse and further efforts to return the value of data to clients by linking with external data.

Combining highly credible data with generative AI will far surpass the level of improving work efficiency by AI replacing work done by people. It could even reach the level of formulating company strategies and suggesting courses of action for corporate management. Therefore, data must be accessible in larger quantities across all industries, not just by individual companies. PwC Japan will strive to build a generative AI platform that does just that.

Next, I will explain our managed services. Our managed services business takes on a wide range of clients’ specific businesses in the fields of IT and accounting. To us, managed services mean taking on the parts related to the core of corporate management, in line with themes such as expanding

**Three courses of action for business the PwC Japan Group will focus efforts on going forward**



operations abroad and developing businesses. We provide comprehensive services encompassing everything from analysing clients’ data and processes to formulating and ultimately implementing strategies and governance models that form the basis for corporate management. Thanks to the collective strengths of PwC Japan that allow us to tackle all the areas I explained here, these services provide high-added value.

I want PwC Japan to be a company that produces talent that will play an active role throughout our communities. We will aim to build a productive ecosystem by acting as a bridge between companies, universities and government and serve as a platform that produces the talent this requires.

So what methods is PwC Japan considering to achieve this? The

next chapter will explain how we have built the systems for professionals with advanced expertise to grow and play an active role outside PwC.



The Technology Laboratory gathers a wide range of information on cutting-edge technology in close collaboration with labs across the PwC global network and has accumulated considerable insight on industries and businesses. (The photo on the right was taken when the global Asia Pacific Digital & AI Leader visited.)



<https://www.pwc.com/jp/ja/services/consulting/technology-consulting/technology-laboratory.html>



# Proactively supporting the growth of professionals and building an environment where they can maximise their potential

Chief Human Resources Officer

**Takae Goto**

Partner, PwC Japan LLC

Every year, PwC Japan welcomes many professionals with diverse backgrounds and expertise. In fiscal 2024, we saw a net increase of over 1,000 members and the total number of the PwC Japan Group members grew to around 12,700.

To solve rapidly changing and increasingly complex societal problems, it is essential to leverage the collective strengths of professionals with a wide range of expertise.

PwC Japan continues to carry out initiatives on human resources and corporate culture, placing importance on enabling every professional to have the insight to understand the essence of societal problems and collaborate with those who have different expertise, continuing to hone expertise and skills in response to change, and creating a workplace environment where everyone is psychologically safe and can maximise their potential.

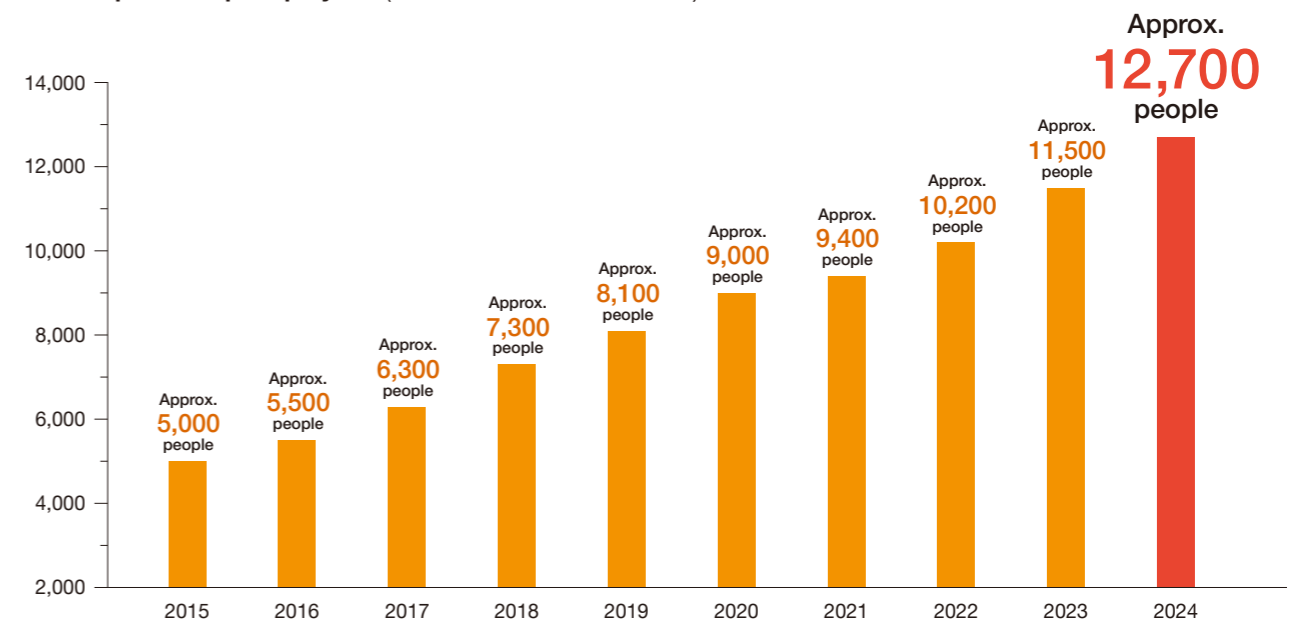
### Essential behavior for leveraging collective strengths and solving key problems

The values and behaviour of every professional translate directly to creating value for the entire organisation. PwC has defined the values it prioritises in 'PwC Values' and formulated the Evolved PwC Professional (EPP) framework that specifies the behaviours everyone

CONTENTS 04

# Our People & Culture

PwC Japan Group employees (as of the end of June 2024)\*



\* Regular employees, fixed-term hires, employees from member firms outside Japan on long-term temporary assignments to PwC Japan and secondments from Japanese companies to PwC Japan

is expected to demonstrate—regardless of job level or role—to facilitate changes in behaviour.

The EPP details the behaviours needed to accurately identify increasingly complex societal problems and changes in needs, collaborate with others with different expertise and create value. Focused on two dimensions, Trusted Leadership and Distinctive Outcomes, the framework defines six key behaviours: Inspire, Empower, Evolve, Champion, Build and Deliver. From partners to staff, everyone is expected to compare these key behaviours with their own conduct and demonstrate behaviour to solve important problems and achieve personal growth.

The EPP was launched in fiscal 2024. Since then, we have worked to instil the EPP companywide to deepen understanding of the framework and translate it to day-to-day behaviour through measures such as conveying messages from leaders and holding dialogue sessions in each department. Going forward, we plan to incorporate the EPP in systems such as employee evaluations and evolve the HR system to further facilitate behavioural change.

**Environment and systems that enable everyone to demonstrate their maximum potential**

Building a workplace environment where diverse members collaborate is essential for accelerating innovation and value creation. Creating an inclusive environment free from the various barriers created by society will unleash the true potential of diversity. PwC drives I&D based on this Inclusion First approach.

One example of this is the Inclusive Mindset Badge, a program to systematically learn about inclusivity and the inclusive

**Evolved PwC Professional**

Essential behaviour for leveraging collective strengths and solving key problems



mindset. Through nearly 10 hours of study and dialogue, program participants learn things such as how everyone has different backgrounds and how unconscious bias affects your speech and behaviour. In fiscal 2024, over 10,000 people completed the program—that’s 92% of all members.

With regard to gender, we remain committed to increasing the percentage of management positions held by women to 30% as early as possible by 2030, and we will continue improving initiatives by monitoring the percentage of women job applicants and hires, as well as the percentages of women who are promoted, retire and resign.

To promote gender equality, we must also change how men work. One example of this is monitoring the percentage and average number of days of childcare leave taken by men employees. We are building a system that will enable everyone to reach their maximum potential at work while at the same time maintaining a balance

between work, family and private life.

In the area of LGBT+, we are striving to become an organisation without any form of harassment, discrimination, or inequality, where no one has prejudices against differences such as gender, gender identity, gender expression and sexual orientation. Formulated by the Work with Pride Association\*, the PRIDE Index is an index for evaluating initiatives on LGBT+ inclusion. In the PRIDE Index 2023, PwC Japan received the Gold rating—the highest rating possible—making it the sixth year in a row since 2018. We also received the PRIDE Index Rainbow award for the third year in a row in recognition of the PwC Health Insurance Society’s efforts in establishing and spreading information on the applicable criteria for ‘transgender-friendly medical institutions’, encouraging contracted institutions to comply and carrying out promotional activities.

In the area of disabilities, we enhanced our Office Support Team

(OST) and Challenged Athlete program. The OST consists of disabled members that support the business operations of companies in the PwC Japan Group and the Challenged Athlete program enables disabled athlete employees to maintain a balance between work and competitions. The OST expands the range of work available to disabled employees by dividing and standardizing duties to the extent possible to ensure they can perform work that is not overly demanding, regardless of the nature of their disability. Currently, the team engages in over 200 types of work.

The PwC Japan Group also regularly holds an official internal event called X-Culture Network Cafe—a community to support life at PwC regardless of nationality or language. The event serves as a space for members of all nationalities, ethnicities, ages and positions to share recent circumstances, concerns and different cultures and customs. It started with only eight people, but today it boasts over 770.

**Helping individuals grow as professionals**

Continuous learning and growth are the basis for increasing one’s

value as a professional.

We are expanding opportunities to second people to firms in the PwC network outside Japan to help advance the careers of those who wish to participate. Through the global mobility program, 155 PwC Japan professionals have been assigned outside Japan and 50 professionals from other countries have been assigned to PwC Japan (results as of the end of fiscal 2024). In addition, the professionals working at PwC Japan are from around 40 countries.

We have also expanded the Open Entry Program (OEP), which enables those who wish to apply to be transferred or seconded to other firms or departments. The program is widely used to meet needs such as accommodating life events and changes in career paths.

These programs encourage professionals to develop their own vision for themselves and grow.

**A more diverse and open community**

Launched in 2022, Design Your Workstyle is a program that allows members to choose flexible workstyles based on placing trust in their ‘autonomy’ and ‘discipline’. To increase the flexibility of where, when and how people work, PwC

Japan does not expect everyone to work in the same way. This is because we expect each person to autonomously choose and practice the workstyle that enables them to maximise their performance. Establishing flexible workstyles has resulted in bringing in more professionals and creating an environment where they can fully demonstrate their value.

Establishing an official alumni organisation and fostering regular interaction between alumni is another feature of our organisation. The PwC Japan Alumni consists of individuals who have worked in the global PwC network in roles connected to Japan.

PwC alumni playing an active role in society by leveraging the skills and connections gained at PwC will, in a broad sense, lead to fulfilling PwC’s purpose of solving societal problems. In addition, an increasing number of people are re-entering a PwC member firm and building different careers based on the skills and experience gained outside PwC.

We will continue to grow PwC Japan as a platform to solve larger societal problems by balancing every professional’s ‘autonomy’ and ‘discipline’, respecting their diverse choices and opening doors wide.

**PwC Japan Group Inclusion & Diversity**

— Five priority areas —

As an organisation of diverse individuals, the PwC Japan Group drives I&D, focusing on five areas —Gender, Nationality, Disability, LGBT+ and Workstyle—with the aim to ensure that no one is left behind and everyone can always be their best self.



\* A voluntary organisation that supports the promotion and establishment of diversity management regarding sexual minorities in business.



CONTENTS 05

# Our Responsibility

## To be widely trusted by our communities, we must first discipline ourselves from a variety of standpoints

Chief Risk Officer

### Wataru Wada

Partner, PwC Japan LLC

As a professional firm, we always pursue quality in our services. Our business continues to grow thanks to reliably meeting our clients' expectations, but as we grow, so does our impact on and responsibility to society.

To continue to meet clients' expectations and maintain a positive presence in society, we must be a firm that is widely trusted by our communities through disciplining ourselves.

PwC's purpose is 'to build trust in society and solve important problems'. To achieve this purpose under increasing public expectations, I have three roles to play as the Chief Risk Officer of PwC Japan.

My first role is to keep PwC Japan running soundly. I want PwC Japan to continue to be a firm that is good for our communities by making sure each department is responding appropriately to various risks and complying with the rules required by clients, communities and supervisory authorities.

My second role is to ensure the quality of the services we offer. Not only is the size of our business expanding, but also the number of new businesses that use technology such as data and AI is increas-

ing. Under these circumstances, it is important to always comply with rules that have become increasingly complex due to the evolution of technology and to build a system to assure that the quality of services delight clients and other stakeholders.

My third role is to take responsibility for building a sound culture on ethics. We aim to provide an environment where internal and external stakeholders can work comfortably by fostering not only professional ethics but also a sound culture of integrity that serves as a foundation for building trust with others and communities. This is also an important role of the Chief Risk Officer.


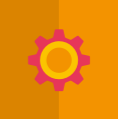



#### To be professionals with integrity

To provide a wide range of services to many clients and solve important problems in our communities, PwC has established five fundamental principles of ethics in addition to our Code of Conduct. Specifically, the principles are Integrity, Objectivity, Professional competence and due care, Confidentiality and Professional behaviour. All stakeholders, from partners to staff, are required to

follow these principles.

The Code of Conduct and fundamental principles of ethics specify a variety of matters expected of us and can be considered our basic principles. We are responsible to reflect on how we should behave and always

#### PwC's Code of conduct

-  Speak up
-  Build trust in how we do business
-  Build trust in how we use information
-  Build trust in our communities
-  Build trust with each other

do our best based on these principles.

**Complying with rules on independence is the foundation of our brand value**

In explaining PwC’s services and organisational structure, the perspective of maintaining independence is essential.

PwC Japan Group company PricewaterhouseCoopers Japan LLC provides assurance services for companies’ financial statements and other information as an independent third-party expert. Assurance services play the very important role of adding trust regarding specific themes. These services must be provided by an expert who takes responsibility for specific themes and is independent of the client. Therefore, we are strictly expected to comply with rules on independence by society, including regulatory authorities.

I mentioned above that PwC’s purpose is ‘to build trust in society and solve important problems’, but I believe that having assurance

services included in our services enables us to provide a variety of services to build trust in society. As long as PwC offers assurance services, we must live up to the trust society has placed in us by complying with rules on independence.

Rules on independence vary by degree, but they apply not only to PricewaterhouseCoopers Japan LLC but also to all services offered by PwC including consulting, deal advisory, and tax and legal services. In other words, maintaining independence is the foundation of PwC’s brand value, so we carry out a variety of efforts to ensure it is maintained.

Specifically, a department specialising in independence-related risk management leads efforts such as responding to internal inquiries and raising awareness of rules. In addition, leadership, including the PwC Group Chair, takes leading efforts such as regularly conveying messages internally on the importance of independence. Furthermore, the utilisation of a system is moving

forward that is used by the PwC global network to comply with rules on independence.

Going forward, rules on independence are expected to become even stricter. We will continue efforts to ensure compliance with these rules with support from the department specialising in independence, commitment of leadership and information systems.

**Tone at the top**

Lastly, I’d like to talk about how the top management of PwC Japan has built a system to discipline its own behaviour and maintain sound management.

As our presence as a professional services firm grows in society and the business world, we are looked upon with more scrutiny. To respond appropriately to the expectations of society, it is especially important for top management to discipline themselves, and the role of governance for monitoring management is also important.

PwC Japan established the

General Oversight Committee, a monitoring organisation that is independent of management and composed of partners representing different fields in PwC Japan.

Composed of partners with diverse backgrounds including experience in top management, the committee is involved in the management selection process, including the selection of the chair of the PwC Group. The team receives and discusses regular reports from management to monitor whether corporate management is sound and corporate activities meet social expectations.

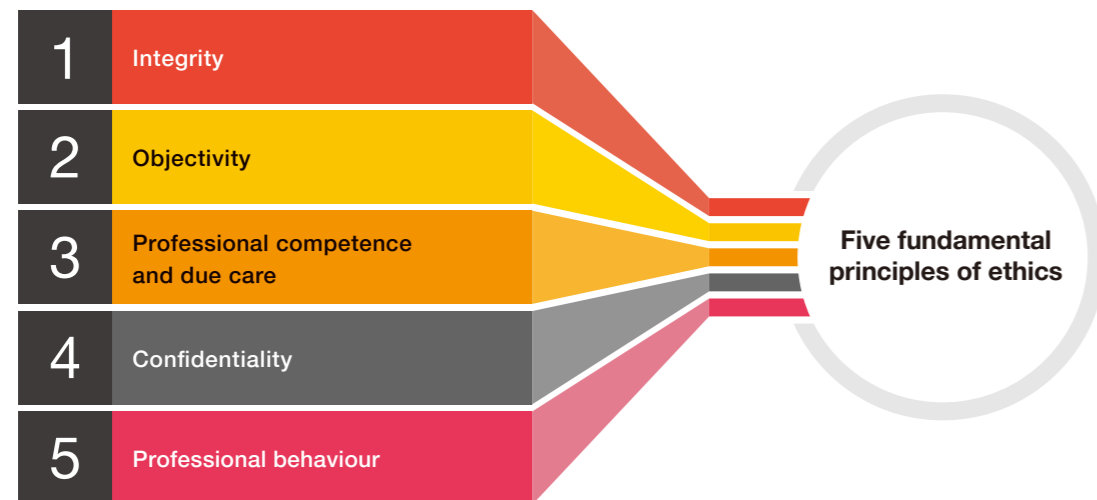
In addition, member firms in each country and region in the PwC global network are required to follow rules to maintain the brand and collaborate in business. These rules also apply to PwC Japan, and in this way, necessary governance is maintained across the PwC global network.

Furthermore, PwC Japan’s top management is expected to practice the ‘tone at the top’ required for the PwC global

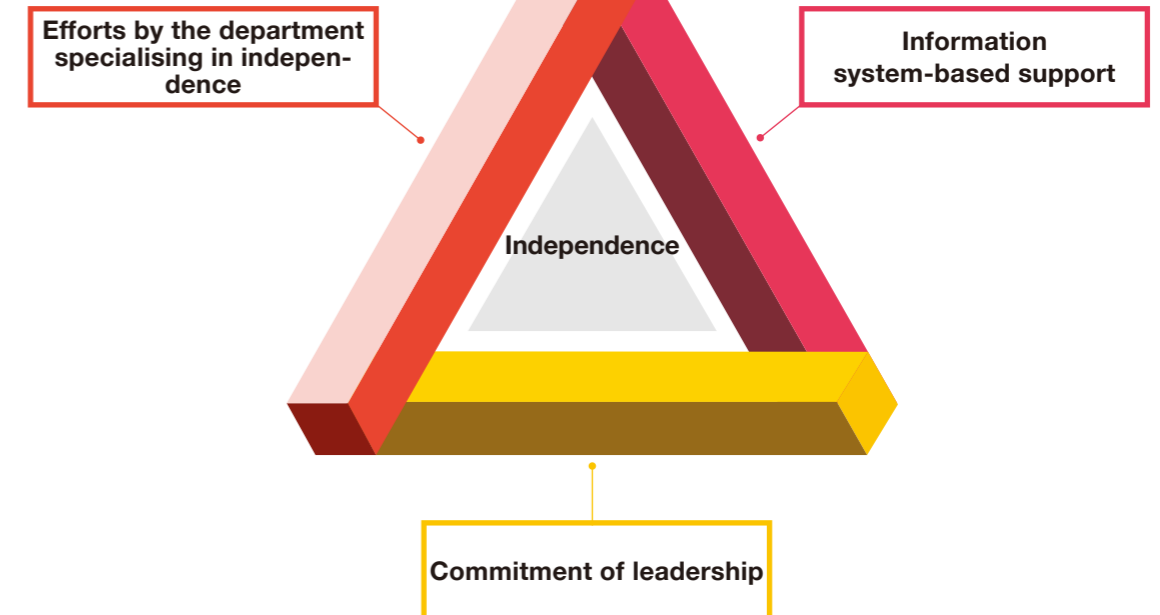
network. To practice the ‘tone at the top’, the chair of the PwC Japan Group is expected to behave in accordance with the Code of Conduct and other standards, which includes setting up opportunities to convey culture and ethics to all partners and staff; reward correct behaviour in others; and convey the PwC purpose to partners and staff. The chair is also expected to always listen to feedback from others, including those in the PwC network.

By disciplining ourselves through such efforts, I hope that PwC Japan continues to meet clients’ expectations and maintain a positive presence in society.

**Fundamental principles of ethics to follow as professionals**



**System to ensure independence**



# About us

## Facts and figures

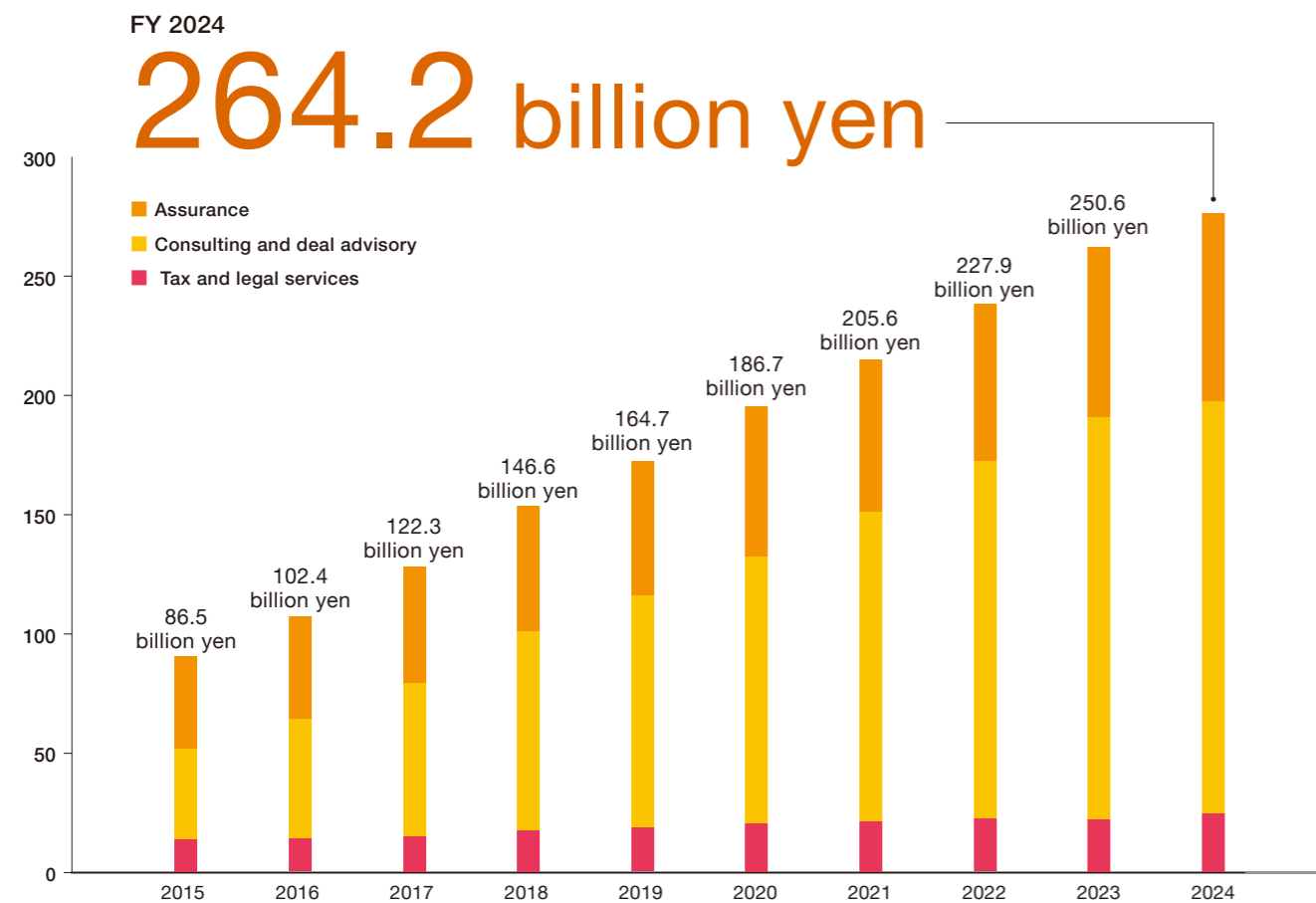
### PwC Japan Group by the numbers

PwC Japan and the member firms in 149 countries worldwide seek to fulfil our purpose by offering high-quality professional services.

### Our services

PwC Japan's fiscal 2024 business income reached 264.2 billion yen. Experts in a wide range of fields form teams to help our clients with increasingly complex business problems.

#### 01 PwC Japan Group business income



#### 02 Clients

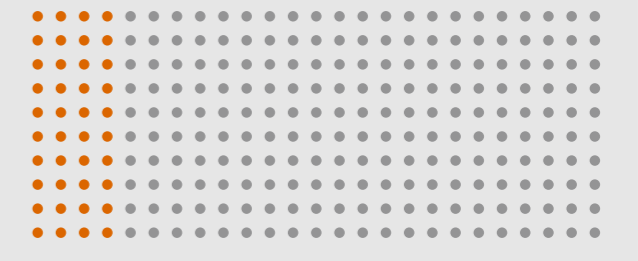
The entire PwC global network provides services to all **40** Japanese companies that are on the Fortune Global 500\*.

Countries where the above companies operate: **102**

Time spent on services: **6.06** million hours (+10% YoY)

\* Ranking of the top 500 corporations worldwide measured by sales, published by Fortune magazine.

40 Japanese companies out of 500 Fortune Global 500



### Our approach

PwC Japan is focusing efforts on building an environment that encourages members to participate in pro bono volunteer activities to develop into transformational leaders, while also strengthening partnerships with government agencies and other organisations to achieve net zero GHG emissions and revise how we do business.

#### 03 Community support activities (pro bono volunteer work)

Participants **564**

Total time spent **17,490** hours

Time spent per participant **31** hours

Percentage of pro bono\* work out of total time spent **Approx. 95%**

Number of organisations/individuals volunteers worked with **3,393**

\* Community support activities that utilise business skills



#### 04 Ratio of renewable energy



#### 05 GHG emissions

As part of our Net Zero Commitment, PwC has pledged to reduce Scope 1, 2 and 3 (business travel) emissions by 50% from fiscal 2019 levels by fiscal 2030. For Scope 3 emissions, PwC has committed to procuring 50% of purchased goods and services, on a greenhouse gas emissions basis, from companies that have set science-based targets (SBTs) by fiscal 2025.

Total emissions **15,432** tCO<sub>2</sub>e

Emissions per partner/staff member **1.2** tCO<sub>2</sub>e

Breakdown		
Scope1	Scope2	Scope3 (business travel)
9 tCO <sub>2</sub> e	841 tCO <sub>2</sub> e	14,582 tCO <sub>2</sub> e



# Our people and culture

In fiscal 2024, PwC Japan employed around 12,700 members. We will continue to recruit professionals with a wide range of expertise, while fostering an inclusive culture where each and every employee can demonstrate their strengths and creating an environment where they can work flexibly.

## 06 PwC Japan Group employees

PwC Japan Group  
Approx. **12,700** people

Net increase of people in FY2024

Approx. **1,200** people

Foreign national staff

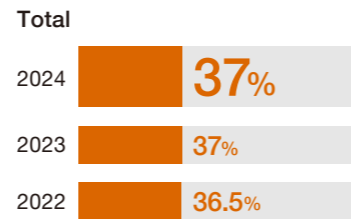
**724** employees from **38** countries

Percentage of staff employed for 3 years or less **47%**  
Average age **36**



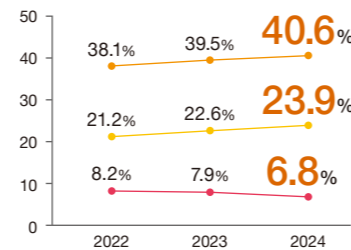
## 07 Percentage of women

We are working to increase gender diversity — a key theme in inclusion and diversity. Our goal is to have women fill 30% of management positions as early as possible by 2030.



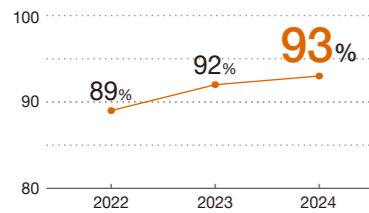
## Percentage of women by job level

■ Partner ■ Manager\*1 ■ Senior associate\*2  
\*1 Manager: managerial positions from manager to director  
\*2 Senior associate: level immediately before manager



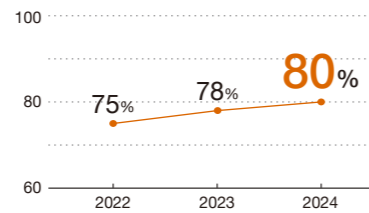
## 08 PwC Japan GPS\* respondents

\* Global People Survey: Engagement survey PwC conducts each year worldwide.



## 09 PwC Japan PEI\*

\* People Engagement Index: Percentage of people who answered affirmatively to particularly important indicators that measure employee engagement in the GPS.



## 10 People hired in FY2024

**2,111** in total



## 11 Transfers in the PwC global network

Global Mobility Program (No. of people on assignment as of the end of fiscal year)

Outbound: **155** people

Inbound: **50** people

Inter-company transfers

**142**

Intra-company transfers

**395**



## 12 Open Entry Program (OEP) and training

PwC Japan OEP results

Applicants: **248** people

Successful applicants:

**135** people

No. of training programs

**2,908**

Training program participants

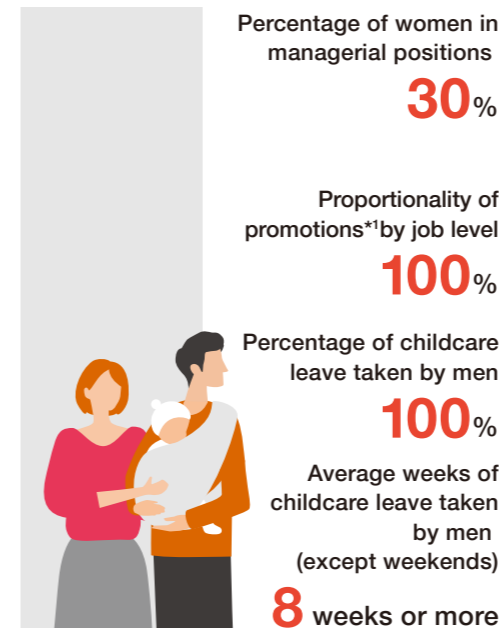
**491,285** people in total

Participants in self-learning program

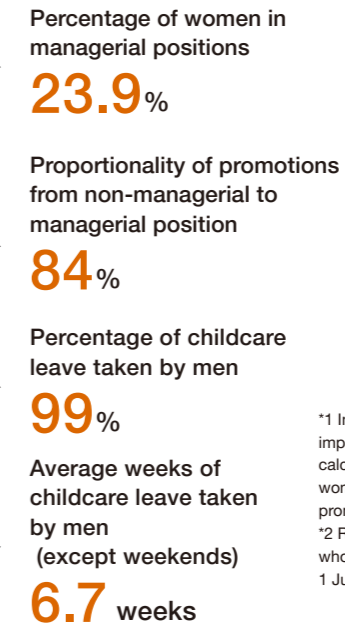
**3,648** people in total

## 13 Targets and results

### Main targets to achieve by 2030



### FY 2024 results



Inclusive Mindset Badge recipients  
Approx. **10,490**

Participants in Inclusion Network  
Approx. **2,870** in total

Retention rate of disabled employees\*2  
**92.3%**

\*1 Indicator showing the state of people being promoted impartially with no difference between genders, calculated by the following formula: Percentage of women promoted ÷ Percentage of women before being promoted × 100.

\*2 Retention rate of employees with different disabilities, who were on the Office Support Team for one year from 1 July, 2023

## 14 Workstyles

People subject to checkup emails based on computer logs

**1,517** in total

Remote work rate\*1

**81%**

Awareness of obligation to report misconduct\*2

**94%**

\*1 Percentage of people who answered that 50% or more of their time working is spent remotely.

\*2 Percentage of people who answered 'Yes' to the question 'Are you obligated to report misconduct by PwC partners and colleagues?'



Avg. number of annual paid leaves taken

**17.6** days

Childcare or nursing care leave program users

**710**

Side/second job system users

**721**

## 15 Alumni network

PwC Japan Alumni network members (as of 30 June, 2024)

Approx. **4,800** people

Percentage registered in PwC Japan Alumni network

(percentage registered of those who retired/resigned in the last 3 years)

Approx. **80%**

## PwC global network

Locations in **149** countries

Headcount **370,393**

Revenues

Gross revenues **55.4** billion USD **↑Up3.7%YoY**

# Organisation

## PwC global network/PwC Japan Group/Japan Business Network

We tackle today’s complex problems by bringing together teams of diverse professionals and collaborating with the PwC global network. At the same time, we have built an organisational structure and leadership team aimed at achieving the quality and governance that forms the foundation of our services.

### The PwC global network

The PwC global network is a network of independent firms operating in countries around the world. Firms in the PwC network are members of, or otherwise connected to, PricewaterhouseCoopers International Limited (PwCIL), and are licenced to use the PwC name and brand.

The PwC Japan Group (hereinafter, PwC Japan) is a collective name for the member firms of the PwC global network in Japan and their affiliates. Member firms of the PwC global network throughout the world share their

knowledge, skills and resources to provide high-quality services aligned with international standards to global corporations while maintaining the advantage of understanding local laws, regulations and industry conditions.

Being a member of the PwC global network also means that each of our firms complies with the network’s strict common standards. Member firms in each country control and monitor quality in relation to their services, professional ethics, independence, legal compliance and so on.



#### PricewaterhouseCoopers International Limited (PwCIL):

PwCIL is an English private company limited by guarantee. PwCIL does not provide services to clients, but works to develop and implement policies and initiatives that create a common and coordinated approach for the individual firms, with a focus on key areas like strategy, brand, and risk and quality.

#### Governance regarding the PwC global network:

Individual member firms cannot act as an agent of PwCIL or of a member firm in another country, nor does PwCIL does control the execution of professional decisions by individual member firms in each country.

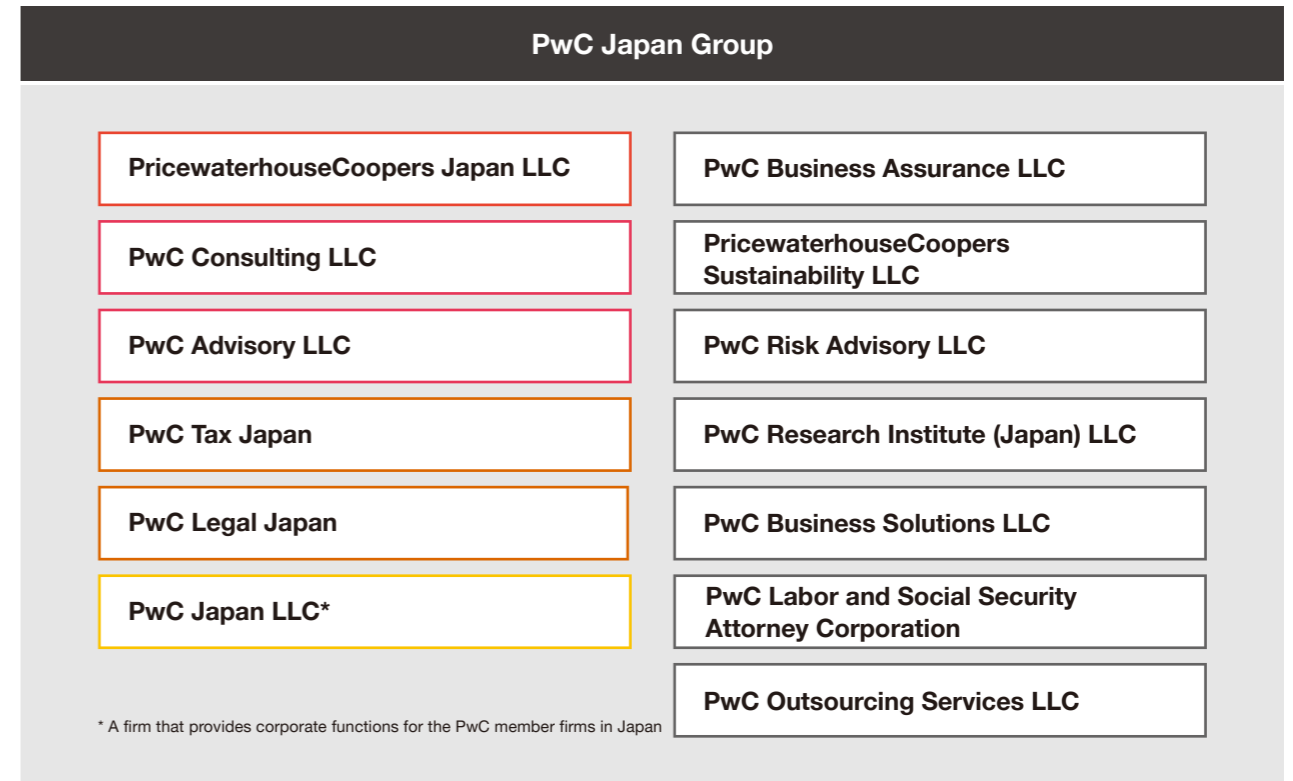
Member firms can use the PricewaterhouseCoopers/PwC name as well as various resources and audit methodologies belonging to the PwC network, on the condition that they abide by the strict common standards of the PwC network.

### About the PwC Japan Group

The PwC Japan Group is a collective name for the member firms of the PwC global network in Japan and their affiliates. Each firm within the PwC Japan Group conducts its business as a separate, independent business entity. In response to our clients’ increasingly complex and diverse

corporate management issues, the PwC Japan Group has put in place a system that consolidates our knowledge in the fields of auditing and assurance, consulting, deal advisory, tax and legal services, and encourages organic collaboration among our professionals in each field. As a

professional services network with approximately 12,700 certified public accountants, tax accountants, lawyers and other professional staff, we strive to provide services that more accurately address our clients’ needs.



### Japanese Business Network (JBN)

PwC has formed the Japanese Business Network (JBN) to help Japanese companies solve their problems around the world. Headquartered in Japan, the JBN includes professionals in a wide range of fields across 41 countries worldwide, including a large number of Japanese-speaking staff. These professionals work closely with clients to provide services tailored to local culture and business in Japanese. By gathering information and trends

from various countries through the PwC global network consisting of over 370,000 people in 149 countries around the world, the JBN’s headquarters accurately identifies global economic conditions and delivers timely information that contributes to our clients’ business strategies.



# Our Leadership Team

## PwC Japan Group executive structure

The PwC Japan Group's leadership team comprises the leaders of each of our lines of service and other executives. Our group chairman and group managing partners oversee groupwide consistency, the independence of each member firm, and cooperation with the PwC global network in pursuit of PwC's purpose.



**Masataka Kubota**

Group Chairman  
Chief Executive Officer and Chair, PwC Japan LLC  
Chief Executive Officer, PricewaterhouseCoopers Japan LLC



**Akane Yoshida**

Group Vice Chair, Chief Commercial Officer and Chief Investment Officer  
Chief Executive Officer and Vice Chair, PwC Japan LLC  
Executive Officer and Chair, PwC Advisory LLC



**Kenji Katsura**

Chief Strategy Officer and Chief Innovation Officer  
Chief Executive Officer and Vice President, PwC Japan LLC



**Takeshi Yamaguchi**

Assurance Leader  
Deputy Chief Executive Officer, PricewaterhouseCoopers Japan LLC



**Masaki Yasui**

Consulting Leader  
Chief Executive Officer, PwC Consulting LLC



**Shinsuke Suzuki**

Deals Leader  
Chief Executive Officer and President, PwC Advisory LLC



**Jun Takashima**

Tax Leader  
Chief Executive Officer, PwC Tax Japan



**Michito Kitamura**

Legal Leader  
Representative Lawyer, PwC Legal Japan



**Takashi Idesawa**

Chief Administrative Officer  
Chief Executive Officer and President, PwC Japan LLC



**Daisuke Kamei**

Chief Operating Officer and Chief Financial Officer  
Partner, PwC Japan LLC



**Takae Goto**

Chief Human Resources Officer  
Partner, PwC Japan LLC



**Kei Tonomura**

Chief Information Technology Officer  
Partner, PwC Japan LLC



**Ryosuke Sasaki**

Chief Culture Officer  
Partner, PwC Japan LLC



**Wataru Wada**

Chief Risk Officer  
Partner, PwC Japan LLC



**Yoichiro Taniguchi**

General Counsel  
Partner, PwC Japan LLC



**Ian Prideaux**

Network Liaison  
Partner, PwC global network



**Nobuhiro Nasu**

Group Chief of Staff  
Partner, PwC Japan LLC

For details about the PwC Japan Group's executive structure, please see our website:

<https://www.pwc.com/jp/ja/about-us/pwc-japan-new-executives.html>





# General Oversight Committee

## PwC Japan Group governance structure

The General Oversight Committee is an organisation composed of partners who represent different areas of the PwC Japan Group. The committee monitors and supervises the activities of the PwC Japan Group leadership team and ensures governance related to intra-group collaborations.



Chair

**Susumu Adachi**  
PwC Consulting LLC



Member

**Hitoshi Kiuchi**  
PricewaterhouseCoopers Japan LLC



Member

**Noriko Umeki**  
PricewaterhouseCoopers Japan LLC



Member

**Sean King**  
PwC Consulting LLC



Member

**Ken Kawamura**  
PwC Advisory LLC



Member

**Stuart Porter**  
PwC Tax Japan



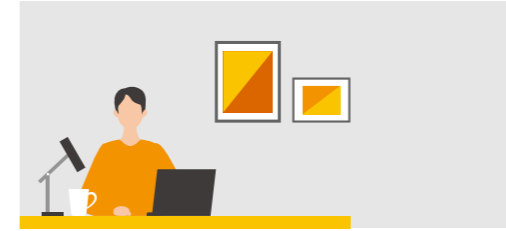
Member

**Akiko Hakoda**  
PwC Tax Japan



Member

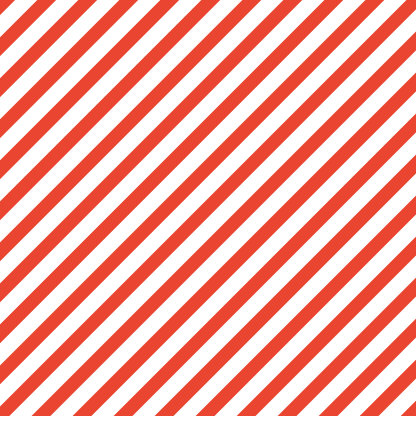
**Akinori Takemura**  
PricewaterhouseCoopers Japan LLC



For details about the PwC Japan Group's governance structure, please see our website:

<https://www.pwc.com/jp/ja/about-us/general-oversight-committee.html>





[www.pwc.com/jp/en](http://www.pwc.com/jp/en)



**pwc**

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