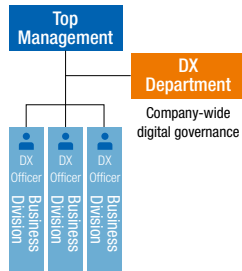


## Feature – DX Promotion Initiative: Advancing Business Process Reforms to Realize “Intelligent” Management—

### DX Promotion System

At Dexerials, individual workplaces are taking the initiative to identify and visualize operational challenges they want to solve with digital transformation (DX). The DX Department oversees that process, formulates measures and plans while checking them against company-wide directions, and assists the workplaces with the promotion of DX. This department was newly established in October 2020 in the Corporate Strategy Division. It has brought together members of each division as a working group to strengthen intra-company cooperation while pursuing the DX of the entire company.



### Three Steps to Realizing DX

The DX Department is pursuing DX while pursuing the three inter-linked steps below at the same time.

#### Step 1 Digital platforms

At the same time as standardizing supply chain systems that, until now, have been introduced separately for each business division from the viewpoint of individual optimization, we will transition to digital platforms for the engineering chain. This will allow us to create databases of customer and supplier information, materials quantity management, blends, and chemicals and to build information platforms that include customer needs for technologies and products. This will lead to improvements in product development speeds and to shorter supply chain lead times. Through digital workflows and automation using robotic process automation (RPA) and the establishment of information management platforms, we have achieved over 100 examples of digitalization in both the supply chain and engineering chain, and we anticipate efficiency improvements of several tens of thousands of hours per year in fiscal 2021.

#### Step 2 “Intelligent” management

Leveraging the diverse databases built in Step 1, we will visualize various KPIs through automation of data collection and data collaboration, to achieve speedier management decision-making and risk responses. We intend to complete Step 2 DX in fiscal 2022.

#### Step 3 Creation of new business to give new added value to customers

As a vision beyond the use of DX within our company, for example, we have started considering the construction of an environment that will assist with design on the customer’s side. This includes a “product matching” system in which customers would be able to directly access our product database and select products to match their specifications and applications. Our company aims to use the status of customers’ access to our data to analyze and identify needs and trends and to build solutions that will enable us to make proposals that anticipate those needs.

### Improving DX Literacy

To improve DX literacy within our company, we have built a portal site for employees, on which we publish various information related to DX when required. Such information includes explanations for beginners asking “What’s DX?,” related news and publications, and the state of our company’s progress. We have also set up a DX Consultation Desk, which will respond to employees’ questions and concerns about how to use DX to solve problems and built a framework that makes it possible to communicate with DX team members at any time. On the human resources development front, we have strengthened our education frameworks, including study sessions and on-demand seminars for employees. In the belief that improving top management’s literacy is important to strengthen DX promotion, we held an Executive Seminar for DX Promotion, consisting of e-learning, workshops, and seminars by external organizations. We will also expand training for line leaders and above and for engineers to raise digital literacy across the entire company and enhance our team of digital personnel who can achieve reforms themselves.

### Steps to realizing DX at Dexerials

