

DX

We are taking the lead in the transformation of workplaces, businesses, and management through the development of IT and digital platforms and the provision of digital solutions.

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Chief of IT Digital Headquarters



Development of IT and Digital Solutions Driving Transformation of Core Business Processes

We are working to renew the core processes of our engineering and supply chains while promoting the digitalization and application of all information, including sales, design, production preparation, procurement, manufacturing, logistics, and quality control information. For example, we have used product orders as a trigger to enable centralized management of development schedules, product specifications, drawings (3D models), and more on a global scale, achieving significant improvements in operational efficiency and freeing up resources for redeployment.

As a new initiative, we are systematizing operational processes for product design reviews and working to improve design quality and shorten lead times for production readiness. In logistics, we are automating on-site materials conveyance and using AI-leveraged load measurement to streamline loading and other processes. We are also leveraging production performance data and quality traceability systems to improve productivity and shorten lead times at our manufacturing sites. Another of our new initiatives is digitalizing our equipment maintenance operations, aimed at shifting toward predictive maintenance that enables us to take action before failures occur.

In our back-office operations, we are renewing processes such as production management, accounting, and human resources management through the modernization of outdated legacy systems. We have begun an across-the-board reconstruction of our financial and management accounting systems to curtail inefficiencies in indirect administrative work and reduce managerial workloads. These efforts are also expected to enable us to better analyze costs related to material market conditions, labor expenses, and other challenges that have become more significant in recent years, and to refine the detail and precision of ROIC indicators.



Digitalized inspections for more efficient maintenance

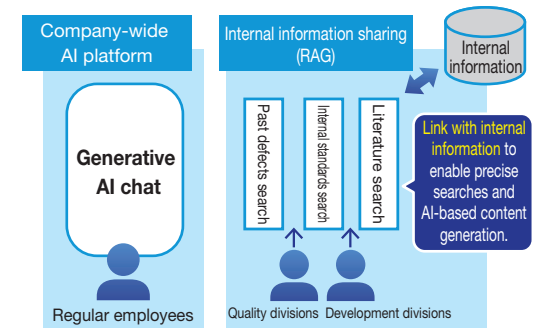
Through these multifaceted initiatives, we are accelerating the streamlining and refinement of our core operations, enabling fast, data-driven decision-making and more strategic resource allocation.

Development of IT and Digital Platforms Supporting the Promotion of DX

1. Harnessing the Power of Generative AI

We are working to improve operational productivity by creating an environment in which all employees can use generative AI services and providing education to foster their effective utilization. We are also developing a retrieval-augmented generation (RAG) platform to more effectively leverage internal data and knowledge with generative AI.

Through these initiatives we are focusing on improving the quality of our operations by, for example, enabling the high-precision extraction of information from R&D data amassed over time and the efficient gathering of necessary information.

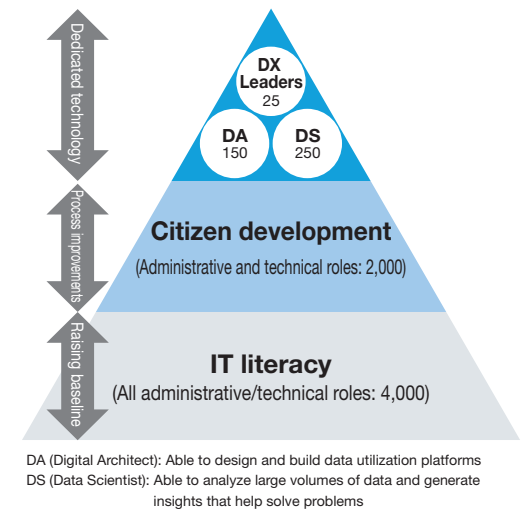


2. Digital Human Resources Development

With an eye toward cultivating human resources capable of using digital technologies and data at an advanced level, we are rolling out companywide education programs to improve IT literacy, including familiarity with generative AI, in addition to specialized training in cloud technologies and data science.

We have developed a structured curriculum and learning environment and proactively support the study efforts of our employees so that they are always learning. We are also focusing on the "citizen development" aspect of developing our people and supporting employees to automate and streamline their own work. These are just some of the examples of how we are harnessing the power of digital technology to increase workplace productivity.

Conceptual Overview of Digital HRD



3. Cybersecurity Measures

With the risk of information leaks and production or shipment stoppages caused by increasingly sophisticated and severe cyberattacks escalating by the day, cybersecurity is a major risk to company operations. We are bolstering countermeasures across the entire supply chain, including suppliers, while also conducting training and establishing frameworks as part of our cyber business continuity planning (BCP) efforts to ensure a rapid response in the event of an attack.