

Digital Strategies

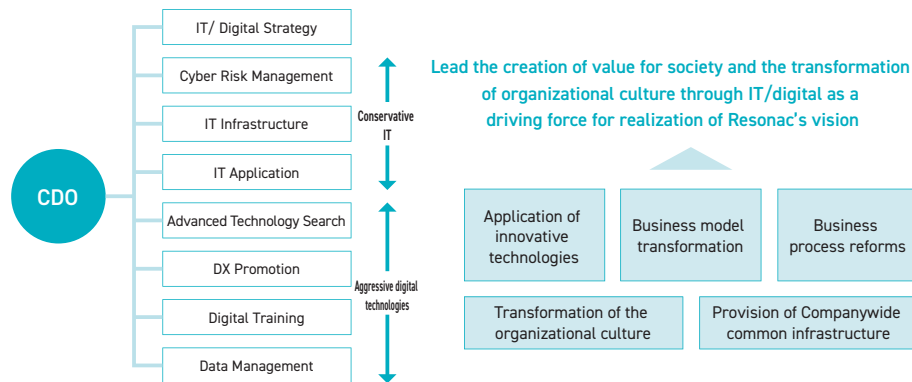
Mission of Creating Value

We will evolve and refine our business processes both internally and externally through advanced and thorough utilization of digital technologies and data and lead the transformation of our organizational culture. In addition, through the development of core digital-proficient human resources and their optimum assignment, we will continue improving and transforming our businesses and contribute to co-creation with all stakeholders and the creation of social value.

Policies and Management

Our basic digital transformation policy is to contribute to the enhancement of competitiveness and the creation of social value through the utilization of industry-leading digital technologies. In other words, by creating an environment that enables thorough utilization of digital technologies and promoting human resource development, we will strengthen the Group's innovation and business development capabilities and competitiveness. The eight departments that belong to the CDO organization closely collaborate according to objectives and issues to achieve Resonac's vision of becoming a company that can compete globally, a company that contributes to a sustainable global society, and a company that develops co-creative talent that represents Japan's manufacturing industry.

To this end, we will promote (1) development of human resources proficient in advanced digital skills, (2) development of an internal digital environment, (3) standardization of business processes and evolution and transformation of business processes through Groupwide utilization of digital technologies, and (4) operation of management-level meetings responsible for governance and monitoring of effectiveness to promote strategic digital investment.

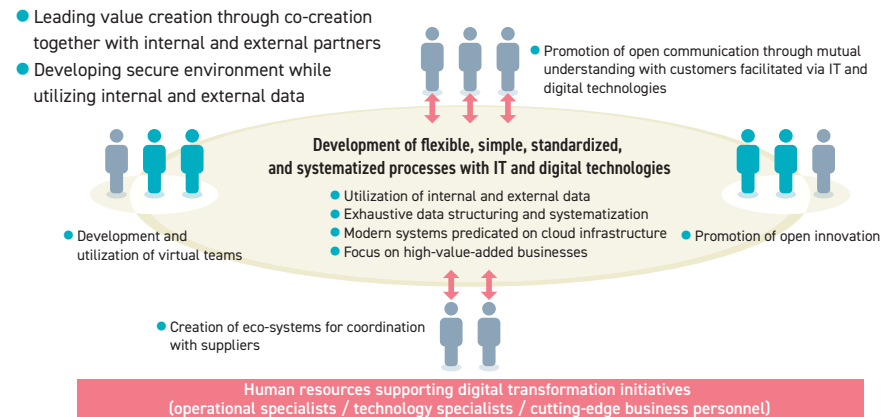


Digital Innovation Strategies

By updating our business systems to an open, secure, and modern architecture and organically linking them to visualize business processes, we aim to enable management of the data of all our business operations. We will analyze the issues and future prospects of entire business processes through utilization of the data thus obtained within the Group and digital technologies so as to continue the evolution of our business processes both internally and externally.

Moreover, having defined the three types of human resources needed to implement digital transformation, namely, high-level operational specialists, technology specialists, and cutting-edge business personnel, we are focusing on skill development. Furthermore, we will clarify digital transformation issues common to the Group as a whole and assign appropriate personnel according to the themes to promote DX swiftly.

Goal of IT and digital technology strategies



IT and Digital Technology Strategies

Roadmap for realizing the long-term vision

Results in 2022	Plan for 2023	Vision for the future (2030)
<ul style="list-style-type: none"> Start of vigorous recruitment of digital-proficient human resources Formulation of digital transformation strategies toward data-driven management and launch of Resonac Way Transformation (RWT) to standardize and systematize business processes, rules, and data 	<ul style="list-style-type: none"> Start of visualization and analysis of information on business administration by RWT Concentration and development of human resources with expertise in key themes by utilizing the iCompetency Dictionary proposed by the Information-technology Promotion Agency, Japan (IPA) Utilization of AMI's human resources with advanced digital skill sets P88 	<ul style="list-style-type: none"> Digital transformation is promoted in all businesses and operations, and non-core operational areas that do not contribute to Resonac's competitiveness are automated by 2030. Resources are concentrated on core operations that are the source of our competitiveness and digital technologies are utilized to promote co-creation with stakeholders and contribute to creation of high social value.

Digital transformation at Resonac (Links to relevant pages and the website)

Classification	Title	Relevance
Application of innovative technologies	Establishment of integrated data pipeline to collect, format, and accumulate data and analyze them with AI	P67 Web
	Collaboration with QSimulate on the development of a system that can reduce man-hour of the workflow of quantum science calculation for materials development by more than half	P67 Web
	Participation in Enthought's materials informatics (MI) acceleration program	P67 Web
Business process reforms	Strengthening of mobility materials development capabilities using MI	P82
	Promotion of digital marketing	P70
Business model transformation	Establishment of a database for centralized management of semiconductor supply chain information	P80
	Provision of digital solutions for operation of electric furnaces through AMI	P88 Web

Targets and results of KPIs on material issues

[P58 / Material Issues and Non-financial KPIs](#)

Targets for 2025	Results in 2022
Data-driven management <ul style="list-style-type: none"> Completion of financial data standardization concept, establishment of Companywide standardized data analysis platform Establishment of a process for obtaining ESG data 	<ul style="list-style-type: none"> Start of utilization of software for visualization and analysis Launch of RWT activities
Promotion of digital transformation and development of professional-minded human resources <ul style="list-style-type: none"> Promotion of projects through collaboration between centers of excellence organization and business units 	<ul style="list-style-type: none"> Start of a cross-organizational structure centering on the Digital Transformation Department Strengthening of the pool of digital-proficient human resources by hiring personnel who can work effectively to promote digital transformation right away
Enhancement of IT and digital literacy <ul style="list-style-type: none"> Digital experience and education of all employees 	<ul style="list-style-type: none"> Improvement of a structure for education and training

Resonac Way Transformation Launched

Resonac Way is both the state to which our employees aspire and the fundamental manner in which we do our work. In 2022 we began Groupwide initiatives, named "Resonac Way Transformation (RWT)," for unification of Resonac's terminology, standardization of business processes, and structuring of data. The objective is to eliminate, or minimize as much as possible, misunderstandings and rework caused by different definitions of terms and inefficiency caused by differences in business processes, and to lay the foundation for quick decision-making by structuring data.

We will promote RWT transcending business and regional boundaries to create an environment and foundation where employees can focus on their essential work autonomously and efficiently. We will promote visualization and analysis of business administration information to realize faster and sophisticated management decision-making by the end of 2023.

Topics

Productivity Improvement by Using Internal Social Media (Workplace)

DX

For swift information sharing among frontline workers and managers and supervisors at manufacturing sites, use of Workplace from Meta, an enterprise communication tool, is spreading, starting with manufacturing sites in Japan.

Until now, paper, whiteboards, and telephones have been the primary means of communicating information at manufacturing sites, and workers do not have computers. Such workers are provided with smartphones and tablets that are configured to ensure information security so that use of Workplace is safe and secure.

This allows sharing of work know-how and information on problems that occur at frontlines together with images and videos. In the event of equipment stoppages or other problems, supervisors, from wherever they are, can quickly issue instructions and address problems, enabling quick recovery. These initiatives are resulting in a series of cases of productivity improvement and reduction of overtime.