DX

Related Materiality

- Maintain technological superiority
- Build next-generation core technologies and create new businesses
- Establish highly efficient production systems
- Improve product value and reliability

To further enhance corporate value and achieve discontinuous growth, the Hodogaya Chemical Group is steadily advancing initiatives across the Company, led by the Corporate Planning Department and IT Management Department in collaboration with relevant departments.

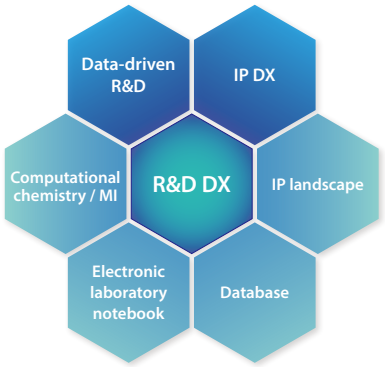
DX in R&D

We consider digital transformation (DX) in R&D essential to accelerating R&D processes and improving efficiency.

We are already leveraging computational chemistry for materials design and property prediction and have begun exploring development through materials informatics (MI). These efforts are being led primarily by younger researchers with support from external consultants.

We have also begun examining IP DX from multiple perspectives to further enhance the use of intellectual property information in formulating management and development strategies. Our aim is to build a framework that not only improves the efficiency of work performed by IP personnel but also effectively supports management and researchers.

Overview of initiatives



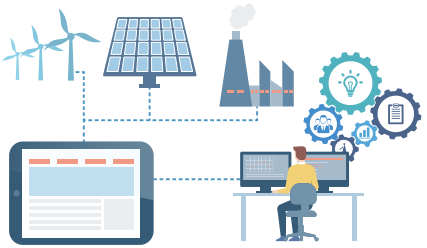
Going forward, we will also promote the development of databases and the use of AI to realize data-driven R&D.

Building a Digital Foundation for Smart Factories

With future manufacturing DX in mind, Hodogaya Chemical has initiated the construction of a digital foundation at its production sites.

With the goal of realizing smart factories by 2035, we are currently in the initial phase, focusing on accumulating data and increasing operational visibility. Specifically, we have started rolling out PIMS (Plant Information Management System) at certain continuous process plants at major sites in Japan and are testing the system in actual production environments. We have also installed sensors on specific rotating equipment and launched predictive maintenance trials. Through these proof-of-concept activities, we will develop the next generation of frontline personnel and foster a change in mindset, moving away from operations that rely on experience and intuition.

Going forward, we will apply the knowledge gained at continuous process plants across our batch plants. By ensuring stable equipment operation and consistent product quality, we will contribute to strengthening the "earnings power" targeted under the Mid-term Management Plan CODE/CHORD 2030.



Strengthening IT Infrastructure and Transforming Business Processes

To shift to data-driven management, we have been renewing our core business system (ERP) and have completed the initial phase. In addition to achieving stable system operation, we redesigned business processes through BPR and thoroughly standardized and streamlined operations based on a Fit to Standard approach, laying the groundwork for future updates. With a framework now in place for the effective use of data, we aim to foster a culture of data-driven decision-making.



We are also introducing a next-generation workplace environment to establish a digital foundation that enables more secure and faster communication. By creating an integrated digital foundation encompassing PCs, networks, and security to support day-to-day operations, we plan to improve operational productivity and strengthen cybersecurity measures.

Furthermore, based on accumulated information on business processes, we are using the ECRS* framework to streamline operations, eliminate duplication, and simplify processes. In parallel, to drive the transformation envisioned in the Mid-term Management Plan, we are utilizing generative AI to automate routine tasks and improve the efficiency and quality of document creation.

To disseminate and embed this knowledge across the Company in a secure environment, we regularly hold seminars and hands-on workshops, fostering a culture of sharing knowledge and co-creation while improving IT literacy.

Going forward, under the leadership of DX leaders assigned to each department, all officers and personnel will take ownership of validation for practical implementation and the expansion of use cases. By achieving sustained productivity improvements across the Company, we will accelerate DX throughout the organization and further enhance corporate value.

*ECRS: A framework for business process improvement based on the initials of Eliminate, Combine, Rearrange, and Simplify.

