

# Digital Transformation (DX)

SEKISUI CHEMICAL Group's DX mission is to accelerate and support the growth strategies and structural reforms necessary to realize its Long-term Vision.

To maintain sustainable growth in an uncertain business environment, we will take another look at conventional governance (internal control), as well as our business and work processes, while undergoing a transformation from the perspectives of visualization and standardization,<sup>1</sup> productivity increase, and sophistication.

<sup>1</sup> Visualization and standardization: Standardized operations, introduction of ERP<sup>2</sup>, renewed infrastructure and networks

<sup>2</sup> ERP is the abbreviation for Enterprises Resource Planning. A system that merges and centrally controls core operations, such as corporate accounting, human resources, manufacturing operations, and sales operations.

## Initiatives to Promote DX

		FY20 Results	FY21 Results	FY22	FY25
<b>Global Management Foundation Reform</b>	<p><b>Renovation of the core system (global ERP<sup>2</sup>)</b></p> <p>We are aiming to improve the productivity of indirect business operations—by the visualization and analysis of the data necessary for decision-making, business standardization, and efficiency improvements—while increasing standardization, enhancing internal control and minimizing risk on a global basis.</p>	We defined the requirements for more sophisticated and standardized business management controls and implemented global ERP introduction contracts.	We defined the requirements for target business processes to determine the priority of site implementation	Complete the transfer of accounting operations at major sites in Japan	Complete overseas site rollout preparations
<b>Purchasing</b>	<p><b>Standardization of purchasing operations and the visualization of transaction data on a global basis</b></p> <p>Enables deterrence and early detection of fraudulent activities. In addition, steps will be taken to establish the mechanisms and infrastructure for continuous cost reduction, including improved purchasing power, procurement cost reduction, and improved purchasing operational efficiency through the realization of overall optimal purchasing.</p>	We decided to introduce an indirect purchasing system.	We demonstrated an indirect purchasing system at a model factory and advanced preparations to deploy the system at sites	Conclude rollout at major sites in Japan	Expand rollout to overseas sites
<b>Sales and Marketing</b>	<p><b>Standardization of efficient business models and visualization of business processes</b></p> <p>We aim to solve problems relating to sales and marketing operations, such as the different systems used by each divisional company and many individualized parts, and will work on business standardization and automation to thoroughly streamline and raise productivity.</p>	We are enhancing the order expansion process by utilizing marketing automation, the visualization of the status of customer transactions, and data analysis. We are promoting the introduction of a system that reduces the man-hours required for internal reporting while also advancing information security measures that are essential to DX initiatives.	<p>We completed a demonstration of an enhanced order expansion process that uses data analysis</p> <p>We deployed this process to sales offices in Japan</p>		
<b>Remote Work</b>	<p><b>Promotion of remote work</b></p> <p>SEKISUI CHEMICAL Group is promoting remote work in a bid to realize various working styles. In this manner, employees are able to carry out their duties using the Company's in-house operating system from locations other than the office including the home, outside, and satellite offices.</p>	We put in place MobileNET, IT infrastructure that enables safe and secure access to in-house operating systems anywhere in the world	We balanced work productivity and information security for employees working from home by deploying MobileNET as part of the IT infrastructure and by building an integrated authentication infrastructure		

## Systems to Promote DX

To promote DX Company-wide in unison throughout the Company and Group, SEKISUI CHEMICAL Group established the Digital Transformation Department in April 2020. In SEKISUI CHEMICAL Group, which is engaged in a variety of different businesses, we have established a promotion system headed by our CEO and senior managing executive officer to steadily advance the standardization and greater sophistication of business operations. The Digital Transformation Department functions as the project leader in this system. In establishing the Digital Transformation Department at divisional companies in April 2021, SEKISUI CHEMICAL Group is strengthening competitiveness in areas that leverage the strengths of each business.

In addition, the DX Subcommittee, chaired by the executive officer of the Digital Transformation Department, has been newly established under the Sustainability Committee. In addition to deliberating on fundamental policies related to digital strategy and confirming the progress and effectiveness of digital transformation, the DX Subcommittee carries out deliberation and decision-making on important measures such as standardization of Company-wide operating processes and renewal of Company-wide core systems from a management perspective.