

# Toward digital transformation

## — Transforming into organizations and human resources that can co-create business —

Toyobo group aspires to be a group that continues to create solutions needed by people and the earth. We strive to advance business innovation and realize an accelerated IT environment while addressing not only the issues facing us today but also those we can expect in the future.

### Our vision for digital transformation

Given that digital transformation (DX) is a means of advancing and accelerating business innovation, it is crucial that we understand how it can contribute to business expansion. By establishing IT infrastructure and building up a DX promotion structure, Toyobo group is moving forward with human resource development and organizational transformation enabling us to co-create business as we pursue our 2030 objectives of doing business that contributes to solving the issues facing people and the earth, being a company where people can continue to work with pride and satisfaction, and being a company that grows sustainably.

### Initiatives to advance DX

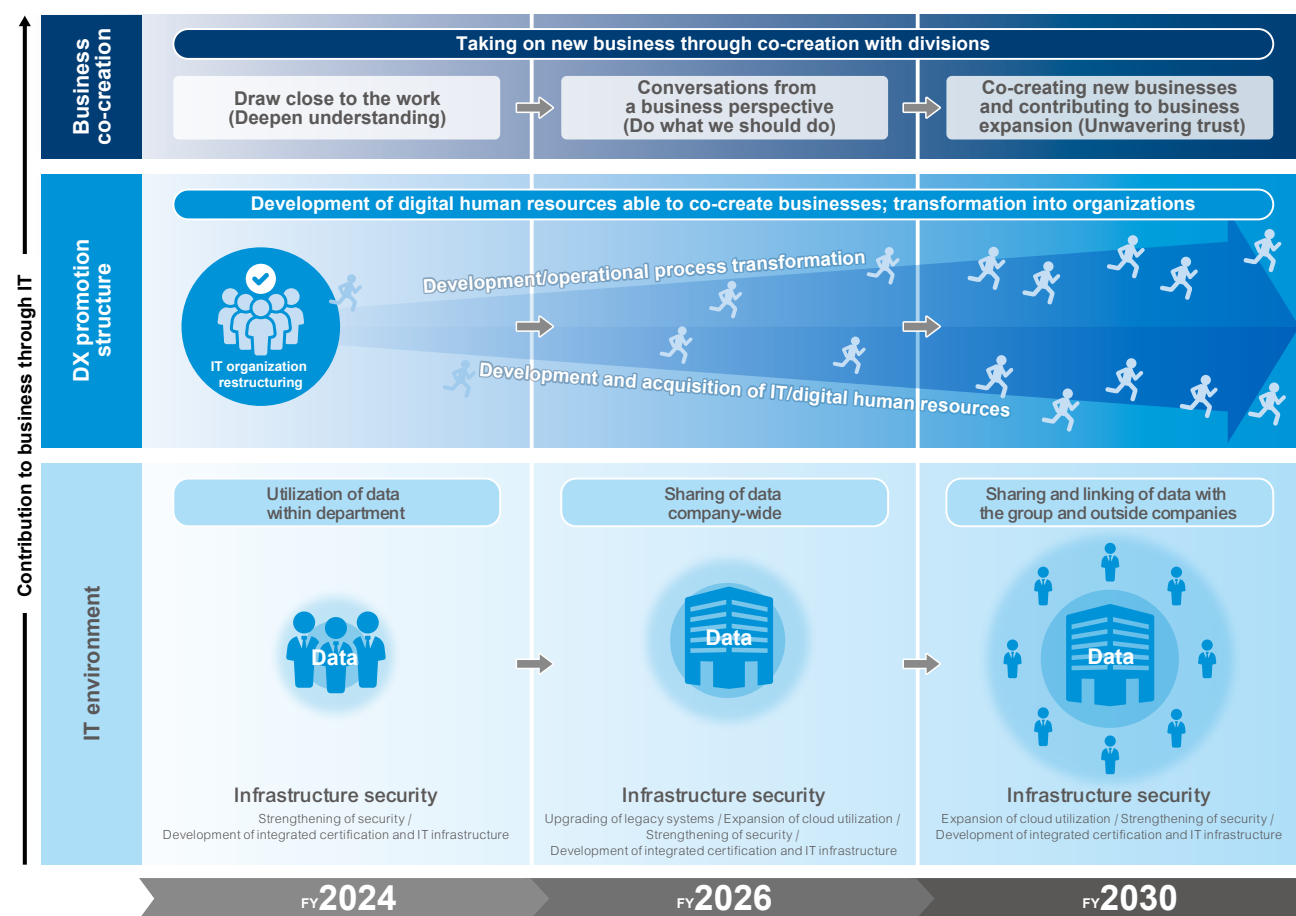
As we aim for collaborative work between the digital promotion division and business divisions that creates new business, we will develop human resources for DX with competence in business co-creation, transform our organization, and work on establishing our IT environment, by means including updating legacy systems.

In fiscal 2023, we drew up a DX roadmap oriented toward business co-creation, designed the organization and process for DX advancement, and formulated a plan for human resources development. We also started work on establishing an IT environment to provide a foundation for the initiative, and focused effort on building up infrastructure for DX advancement. In fiscal 2024, we will complete our preparations for accomplishing DX as we take action in three areas: Establishment of IT infrastructure, strengthening of governance and organization, and promotion of business co-creation.

### Priority themes for fiscal 2024

1	Establishment of IT infrastructure	<ul style="list-style-type: none"> <li>Steady updating of legacy systems</li> <li>Establishing an information infrastructure prepared for the future</li> </ul>
2	Strengthening of governance and organization	<ul style="list-style-type: none"> <li>More sophisticated DX investment cost management</li> <li>Transition to an organizational structure that helps with business co-creation</li> </ul>
3	Promotion of business co-creation	<ul style="list-style-type: none"> <li>Advancing company-wide themes oriented toward societal needs like GHG and chemical substances management</li> <li>Holding regular meetings with business divisions regarding DX promotion</li> </ul>

### Steps to advancing DX to promote and accelerate our vision for business innovation



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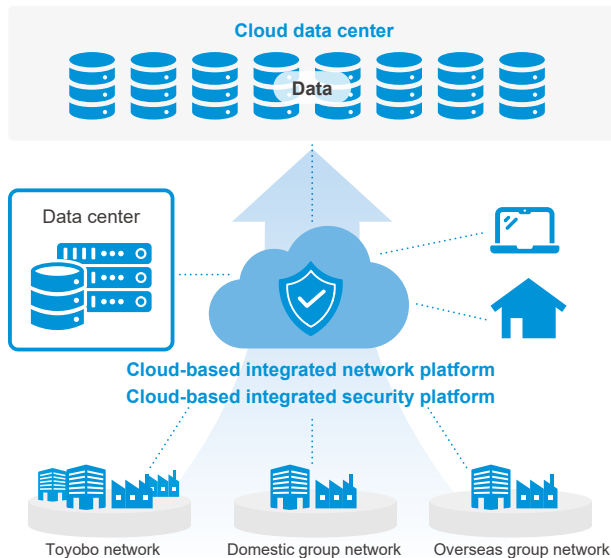
### Priority Theme 1 Establishing IT infrastructure

Our group is moving ahead with investments for renewal of our legacy systems. In fiscal 2024, pilot implementation begins for a new core online system, and by fiscal 2027, we plan to have finished our reinforcement of security and conversion to cloud computing.

As we move ahead with revamping systems peripheral to our new IT infrastructure implementation, we will be building up an IT infrastructure that enables safe, flexible data utilization and collaboration, not just between divisions, but also within and outside of the group.

As an example, once the system renewal is complete, we will expand investment in DX projects and others that contribute to business expansion. By fiscal 2031, we will have established an IT environment enabling immediate, secure sharing of information with every future partner.

#### Concept for future IT infrastructure

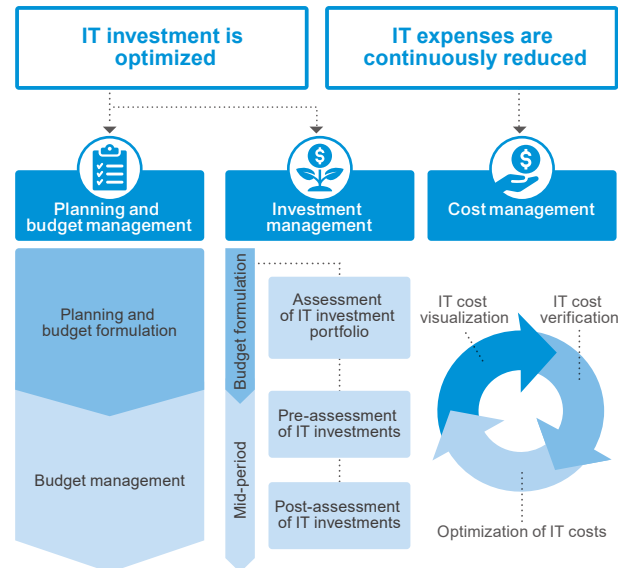


### Priority Theme 2 Strengthening governance and organization

Our group's adoption of IT has been advanced by our subsidiaries involved in information-related businesses for approximately 30 years. Amid the shift from IT utilization to the DX era, in fiscal 2024 we will apply the organizational strengths in systems construction and operation that we have established to designing business expansion-oriented themes for co-creation between business divisions and with external partners, as we work to strengthen organizational functions other than manufacturing, such as by shifting from an individual concept of optimization to overall optimization.

Moving forward, we will optimize IT investment through planning and budgeting management and will strengthen the systems that enable us to bring about continuous reductions of IT expenses through cost management. We will undertake organizational reforms to make ourselves an organization truly capable of helping our business expand, such as human resources development and self-directed career visioning by each and every employee, as well as improvements in awareness enabling us to take on our work with a sense of purpose.

#### Strengthen governance (refine DX promotion cost management)

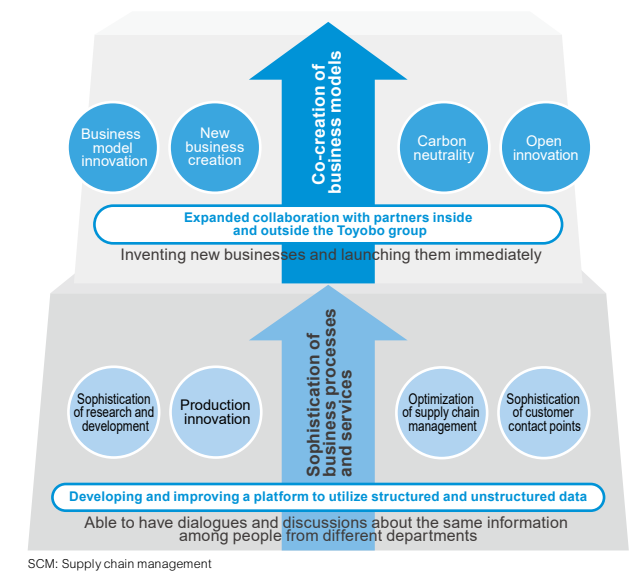


### Priority Theme 3 Promotion of business co-creation

In our business divisions and innovation divisions, actions are oriented toward advancing digital and IT themes that contribute to business expansion, and toward advancing digitalization through business reform. As a manufacturer, we set priorities for resource allocation with attention to putting in place the infrastructure directly related to our manufacturing, and also to the impact on our business as seen from a bird's-eye view of all business divisions. Individual discussions that had previously been conducted by those in charge in the front-line workplace are conducted at regular meetings held by top managers of business divisions for overall optimization.

Some themes require efforts to be taken by the company as such, including environmental issues such as carbon neutrality and chemical substances management, and response to human capital. By setting targets and building systems, the DX promotion department takes a central role in company-wide efforts to make steady progress.

#### Business co-creation by upgrading business processes and services



SCM: Supply chain management