

## Digital Transformation

### ■ Formulation of a DX Promotion Road Map and the Asahi Kasei DX Vision 2030

The Asahi Kasei Group proactively promotes the utilization of digital technology as a means of leveraging its diverse intangible assets to transform business models and drive value creation. In promoting the utilization of digital technology, we formulated an overall road map to reinforce our foundations for advancing digital transformation (DX), setting the period up to fiscal 2021 as the Digital Introduction Period to focus on its front lines and resolve actual issues using digital technology and the Digital Deployment Period to deploy digital technology across businesses, regions, work roles, and other aspects of operations. From fiscal 2022, we will advance the utilization of digital technology in adding value from intangible assets and creating new business models and businesses as the Digital Creation Period with the aim of transitioning to the Digital Normal Period, which sees all employees utilize digital technology as a matter of course. In recognition of these initiatives, Asahi Kasei was selected as a DX Stock for two consecutive years in 2021 and 2022, a selection made jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, Inc. Our initiatives were also featured in DX White Paper 2021, which was published by the Information-technology Promotion Agency, Japan.

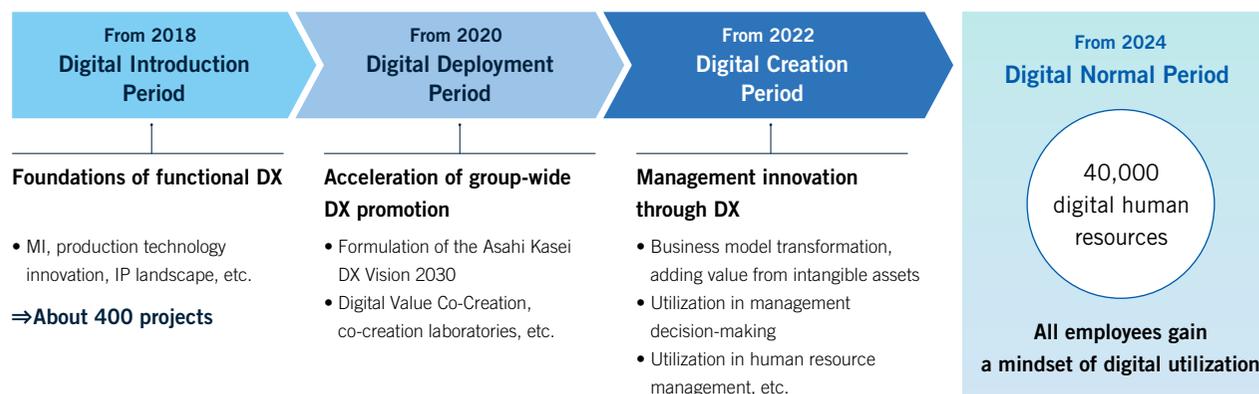
In fiscal 2021, we formulated the Asahi Kasei DX Vision 2030 in order to further accelerate DX. The vision internally and externally portrays the world that we aim to realize through DX in 2030 by co-creating “healthy living” and “a future world full of smiles” through borderless connections enhanced by digital innovation.



### ■ Strengthening of the DX Framework

We have worked to strengthen the framework to accelerate the promotion of DX across the Asahi Kasei Group as a whole. In April 2021, we established Digital Value Co-Creation, an organization consolidating the promotion of DX in each of the functions of sales, marketing, research and development (R&D), manufacturing, and production together with digital technology-related matters such as IT infrastructure and cybersecurity. In doing so, we put in place a system for co-creation and collaboration with internal and external parties in the digital field. To promote such co-creation and collaboration, we opened CoCo-CAFE, a digital co-creation laboratory with the aim of fortifying our DX foundation and creating businesses by encouraging interactions among internal and external digital-related human resources. We have also established a system for collaboration between the heads of business units and Digital Value Co-Creation (relationship manager system) to facilitate the sharing of issues, key topics, and other matters in each business and the promotion of concrete initiatives.

#### Overview of the DX Promotion Road Map

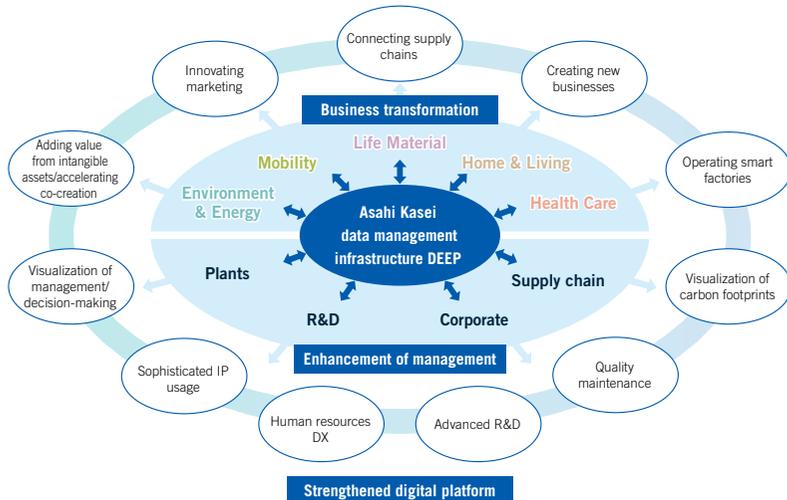


⇒About 400 projects

### Three Main Pillars of the Digital Creation Period from Fiscal 2022

In the Digital Creation Period from fiscal 2022, the Asahi Kasei Group will promote DX through the three main pillars of business transformation, enhancement of management, and a strengthened digital platform based on its data management platform with a diverse array of data. In terms of specific initiatives, we will focus on business transformation in the five areas of adding value from intangible assets and accelerating co-creation, innovating marketing, connecting supply chains, creating new businesses, and operating smart factories. For the enhancement of management, we will focus on the six areas of DX utilization for promoting the visualization of management and for decision-making, sophisticated intellectual property usage, invigoration of human resources, advanced research and development, quality maintenance, and the visualization of product carbon footprints.

#### Three main pillars of the Digital Creation Period



Digital HR cultivation and recruitment, further introduction of agile development, promotion of digital data usage

For a strengthened digital platform, we will accelerate the cultivation and recruitment of digital human resources, instill agile development that makes use of design thinking throughout the Asahi Kasei Group, and facilitate data utilization.

We have also established DX-Challenge 10-10-10 as a key performance indicator (KPI) (fiscal 2024 target) to measure the progress of our DX efforts. Under this KPI we will aim for a tenfold increase in the number of our digital professional human resources compared with fiscal 2021 (approximately 2,500 of all employees globally), a tenfold increase in the volume of data usage throughout the Asahi Kasei Group compared with fiscal 2021, and a ¥10 billion profit contribution from main projects, in addition to the contribution to profits through the utilization of DX in normal business activities. In these ways, we will fully utilize our diverse assets by leveraging digital technology to change our business models at a rapid pace.

#### DX-Challenge 10-10-10

Digital professional human resources **10 times** (vs. FY2021)

Volume of digital data usage **10 times** (vs. FY2021)

Profit contribution from main projects **¥10 billion** (Three-year total)

#### DX-related investment\*

Three-year total: **≈¥30.0 billion**

\* IT investments and cloud usage fees for digital transformation



**Kazushi Kuse**

Director  
Primary Executive Officer  
Oversight: Digital Transformation (DX)  
Senior General Manager,  
Digital Value Co-Creation

### Eliminating All Barriers through Digital Technology to Evolve Value Creation

I believe that people, data, and organizational culture are the three factors that are vital to the success of DX. The Asahi Kasei Group accumulates an enormous volume of data from its diverse businesses, technologies, and human resources. The extent to which we can create new value, such as business transformation and increased efficiency, by making full use of such data depends on our people and organizational culture. DX will progress dramatically when we have established an organizational culture in which not only digital professional human resources but all employees properly understand digital technology to make full use of the abundance of data we accumulate, and in which employees proactively utilize Garage methodology and the like to promote agile development. Ultimately, spurring transformation depends on people and organizations—digital technology is a means of achieving such transformation.

I sense a tremendous potential in a future that will be unlocked by combining manufacturing technology with digital technology. We will continue transcending the barriers among companies and industries through the power of digital technology to accelerate our contribution to resolving a wide range of social issues and the creation of new value.

## People, Data, and Organizational Culture as Success Factors for Digital Transformation: Initiatives of the Asahi Kasei Group

### People

In fiscal 2021, we launched the Asahi Kasei DX Open Badge Program with the goal of enhancing the digital literacy of all employees. The program comprises five levels, from Level 1 to Level 5, with those up to Level 3 designated as expected achievement levels for all employees to become digital human resources and Levels 4 and 5 used as part of efforts to cultivate digital professional human resources. We have currently held courses up to Level 3, with employees worldwide working to acquire the knowledge and skills through e-learning and hands-on experience to resolve issues autonomously on the front lines utilizing digital technology. Employees are issued with a digital badge managed by a blockchain after completing each level, which helps promote the visualization of their skills. For Levels 4 and 5, we will advance the cultivation of digital professional human resources in coordination with ongoing human resource cultivation efforts in the fields of R&D and production technology along with the Group Masters program.



40,000 digital personnel targeted in fiscal 2023

### Data

Accelerating value creation as an integrated whole requires a framework that enables the data assets accumulated in the Asahi Kasei Group to be utilized in a cross-sectional manner. To this end, we have established the data exploration and exchange pipeline (DEEP), a data management platform. DEEP can readily locate data dispersed throughout the Asahi Kasei Group and link data between different systems. These functions have reduced the lead time required to utilize data, increased efficiency, and raised productivity. Going forward, we will use the platform to enhance data governance and foster a data utilization culture. Using DEEP, we are currently advancing efforts that include consolidating the sales data of automotive-related businesses, visualizing the carbon footprint of our products, and visualizing the state of management of each business. We will further accelerate the digital transformation of our businesses by utilizing DEEP to drive forward the sharing and utilization of the information assets of the Asahi Kasei Group as a whole.

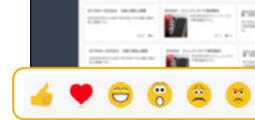
Dashboard



Portal site



Sharing a dashboard utilizing various data on the portal site



Pictograms to enliven use

### Organizational culture

Fostering an organizational culture to drive the Asahi Kasei Group's digital transformation and value creation is essential. With this in mind, we are promoting Garage methodology—an approach for spurring innovation and achieving DX—to foster such an organizational culture. The Garage approach is used to create new value and services based on products and know-how in Asahi Kasei's diverse business sectors through co-creation and digital technology. A diverse range of participants in different generations, positions, and organizations use design thinking to create narratives of human-centered ideas and experiences. Deploying a development style that verifies value in an agile manner will enable us to foster a culture that reflects user feedback without delay. The fostering of an organizational culture for digital transformation and value creation is proceeding steadily with CoCo-CAFE—a venue for taking on challenges and co-creating—being utilized in a variety of value creation activities and undertakings on a daily basis.

