GRI

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# Digital Transformation (DX) Strategy

Through DX, NOF aims to continue to be a company where all employees are highly motivated to angage in greative work and promptly provide

company where all employees are highly motivated to engage in creative work and promptly provide high-quality products and services that anticipate the needs of customers and society. To this end, we will utilize digital data and technology to strengthen our ability to develop new products and technologies and improve productivity. Under the theme of the DX strategy, "Development of DX human resources and promotion of business improvement and efficiency through digitalization," we have established the following three priority items: 1 Systematic training and securing of DX human resources, 2 Establishment of a control mechanism for full-fledged DX, and 3 Development of a data utilization environment. By implementing these items, we will provide value to our customers and to society in the form of more sophisticated marketing, strengthened R&D capabilities, and improved productivity and quality, and to our employees in the form of automation and streamlining of operations, and reform of work

styles.

## **DX Strategy**

## Develop DX human resources and promote business improvement/efficiency through digitalization

### **Priority Items**



- Systematic training and securing of DX human resources
- (1) Develop human resources to promote DX at divisions and sites
- (2) Improve DX literacy



- Establishment of a control mechanism for full-fledged DX
- (1) Establish controls related to app development and data utilization



- Development of a data utilization environment
- (1) Promote utilization of data from enterprise resource planning (ERP) systems
- (2) Develop the data utilization environment by business domain

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## **Digital Transformation (DX) Strategy**

## "DX Human Resources" Development **Program**

Personnel selected for training from each division and site acquire specialized skills and knowledge depending on their human resource type. In addition to the standard program, we also implement individual training based on the results of a questionnaire survey for target personnel. Personnel who complete the training program are certified as "DX human resources" and go on to play an active role in promoting DX in each division. The number of participants in fiscal 2024 was 66.

### Future vision of the data utilization environment

To realize innovation and improved productivity through data utilization, we will develop the data utilization environment. In addition to infrastructure development, we are also looking into the development of a data management system, including rules and organization. We will establish an environment and structure to optimize manufacturing processes, improve defect rates, optimize inventories, automate production planning, conserve energy, streamline R&D operations, promote the use of intellectual property, strengthen preventive maintenance, promote occupational health and safety, visualize skills, and pass on know-how.

#### Overview of the "DX Human Resources" Development Program

#### Selection of target personnel for training

Target personnel to be trained from each division/department and site are selected

#### Human resource assessment

(skills examination and questionnaire for target personnel) The skill levels, needs, and issues of the target personnel are examined, and the results are used for considering the training program

#### Evaluation of training program

Periodic evaluation and review of the training program is conducted

## Selection of target

Training by type of DX human resources

### Evaluation of training program

#### **DX** promoters

- ·Fundamental knowledge for DX planning
- ·Business model examination and creation of stories for proposals
- · Protection of personal information, etc.

#### Data utilization promoters

- Introduction to data science
- ·Data science applications (data analysis)
- ·Security for a digital society, etc.

#### System administrators

- ·Fundamentals of system development
- ·Network fundamentals, etc.

#### All target personnel for training

DX literacy training

#### Future vision of the data utilization environment

Company-wide data utilization environment (NW, DB, and other infrastructure development)



Innovation through data utilization (speeding up the development of new technologies and products, etc.)

Acceleration of business management (cross-organizational/diversification of analysis axes, etc.)

Centralized data management, cross-organizational data utilization (clarification of data location/responsibility, use of data based on access restrictions, etc.)



Advanced individual analysis (diversification of analysis axes, etc.)





Digitalization of analog data (paper-based/tacit knowledge) / organizational use of information assets