Digital Transformation (DX) Strategy

NOF CORPORATION
Sustainability Report
2024

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Through DX, NOF aims to continue to be a 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: ❶ **Systematic training and securing of DX human resources,** ❷ **Establishment of a control mechanism for full-fledged DX, and** ❸ **Development of an environment for the utilization of data.** 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 as well as reform of work styles.

DX Strategy

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

Priority Items

1 Systematic training and securing of DX human resources

(1) Develop human resources to promote DX at divisions and sites
(2) Improve DX literacy

2 Establishment of a control mechanism for full-fledged DX

(1) Establish controls related to app development and data utilization

3 Development of the 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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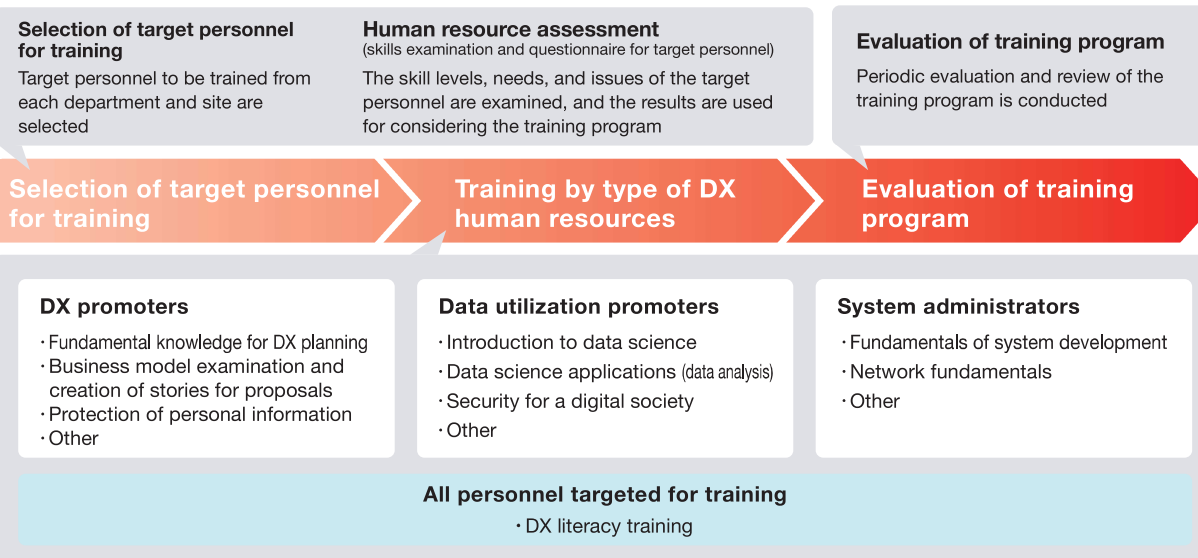
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DX Human Resources Development Program

Personnel selected for training from each department 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. The number of participants in fiscal 2023 was 75.

Future vision of the data utilization environment

To realize innovation and productivity improvement 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 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 personnel for training → 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
· Other

Data utilization promoters
· Introduction to data science
· Data science applications (data analysis)
· Security for a digital society
· Other

System administrators
· Fundamentals of system development
· Network fundamentals
· Other

All personnel targeted for training
· DX literacy training

▌Future vision of an environment for the utilization of data

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 focuses, etc.)

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

ERP
CRM, SFA, etc.

Advanced data analysis
(diversification of analysis axis, etc.)

Digitization of analog data
Organizational use of information assets