

Our Challenges 3

Transformation of People and Organization



Our aim is to become “a digitally savvy company” that draws on competitive strengths to continue contributing to society, harnessing digital technology to change our processes and drawing on diversity to expand our thinking, bringing transformation to both people and the organization.

Framework for Accelerating Digital Transformation (DX)

The Kuraray Group’s DX Vision is: “Improve competitiveness, continuously evolve, and contribute to the world.” Guided by this vision, we set four priority fields: customer experience (CX) reforms, operational process reforms, business model reforms, and R&D and production technology simulations. Group-wide digital transformation is a core strategy in our Medium-Term Management Plan “PASSION 2026.” Achieving this vision demands comprehensive strengths to drive rapid digital transformation while integrating the four aspects of people, data, processes, and systems. For example, more sophisticated cyber security requires not only deploying superior security systems but also raising employees’ digital literacy, properly managing and understanding crucial data, and developing security management processes on a global scale.

In January 2023, we established the DX-IT Division by integrating our DX and IT functions. The integrated organization drives DX initiatives quickly and efficiently to help us become “a digitally savvy company.”

DX-IT Division

Officer in Charge: Stanley Fukuyama, Managing Executive Officer
General Manager: John Siepelinga

DX-IT Division

Data-driven organization

“Think in data, decide by data.”

Higher digital literacy

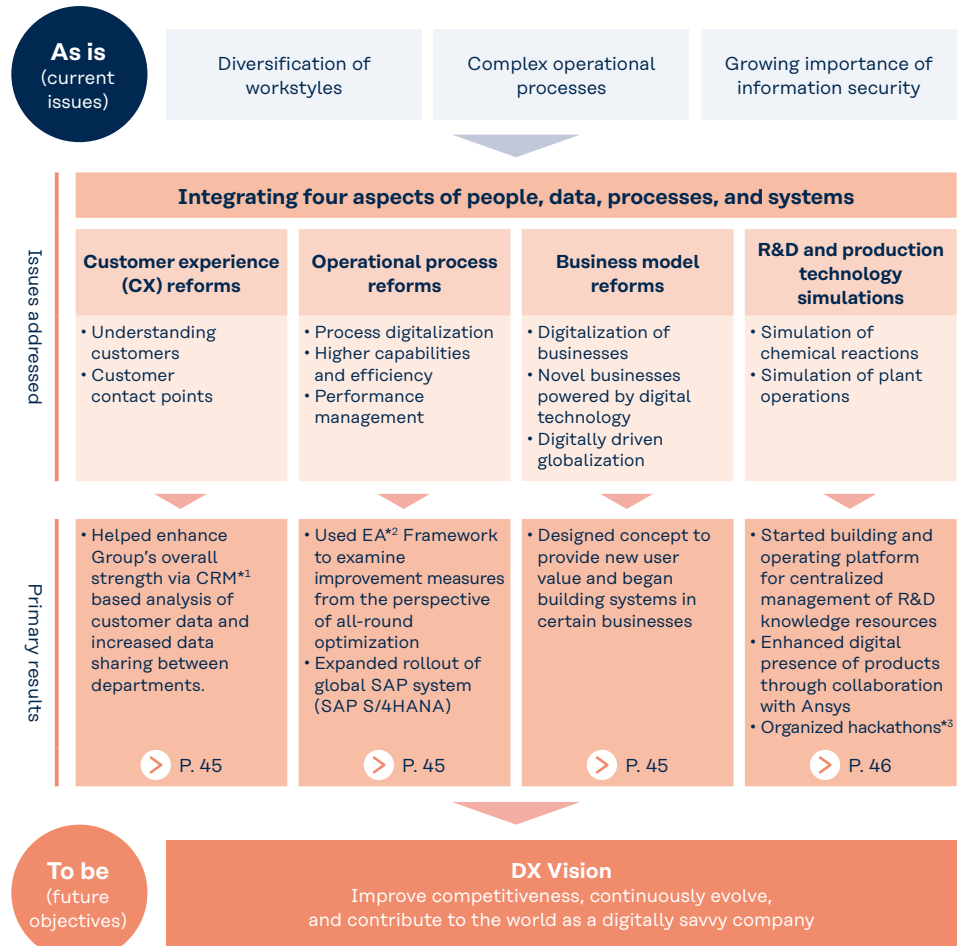
Improve ratio of data analytics talents.

*1 Customer relationship management

*2 Enterprise architecture: a framework enabling overall visualization of corporate operations and systems to achieve efficiency based on all-round optimization.

*3 A technology competition offering prize money, in which teams of university students propose solutions to technical problems in a short period of time.

Kuraray Group’s DX Vision



Transformation of People and Organization

Customer Experience (CX) Reforms

The Kuraray Group is acutely aware of the importance of customer experience (CX). We are working to boost operational efficiency through customer relationship management (CRM)-based centralized management of customer information and data analysis, aiming to offer customers an even better experience in their dealings with us.

The CRM system enables data sharing between departments, which can then work together to swiftly and accurately address customer needs. Data sharing also contributes to Innovation Networking Center initiatives to harness the Group's collective strengths and to efforts geared toward realizing a customer response of consistently high quality.

Operational Process Reforms

The Kuraray Group is utilizing digital technology to pursue operational process reforms aimed at improving the performance of the entire organization. In addition to bottom-up improvement initiatives led by frontline teams, we have been using our enterprise architecture (EA^{*1}) framework to devise application-, operational process- and data-level visualization and improvement measures with an eye to all-round optimization. At the application level in particular, IT departments in Japan and overseas have been jointly spearheading global optimization activities since 2022, when such activities began in earnest.

We also remain focused on the rollout of our global SAP system (SAP S/4HANA) and the streamlining and integration of associated operational processes. After rolling out the system in our vinyl acetate and isoprene businesses, in 2024 we also began rolling the system out at Calgon Carbon to move ahead with ERP^{*2} system integration and operational process reforms in the Environmental Solutions Division. By doing so, we aim to further consolidate the foundations for sustained growth. We will continue to work with businesses and back-office departments to realize all-round optimization based on EA and to introduce operational process reforms in a way that distinctively reflects the Kuraray Group's strengths, which are oriented toward customer needs and frontline solutions.

Business Model Reforms

We are actively working to build a framework for creating new value by combining services with digital technology. With strengths in pioneering products, the Kuraray Group has tended to adopt a product-centered business model. One shortcoming with this is that once a social need has subsided, the product loses its adaptability.

Furthermore, there has been a growing shift in consumer behavior in recent years from material things to experiences.

Against this background, the Kuraray Group began engaging in concept design to provide new value to users and completed an IoT-based prototype system by the end of 2025. Our aim is to build new business models by adding the value of interactive digital services to existing business models.

DX Talent Development and Support

Believing it is vital to cultivate a culture and environment in which all employees can stay abreast of progress in digital technology, where learning is an ongoing process, the Kuraray Group launched a DX Talent Development Program in 2023 as a global initiative. We have fostered a culture in which each business division and back-office department proactively leverages IT to drive operational improvements and generate new business opportunities through training programs that offer three levels of digital literacy in Gold, Silver, and Bronze.

As the number of participants who completed this training program has grown, we have received numerous requests for more practical content. We will therefore restructure the program and move on to the next stage once we achieve our Bronze class goals.

DX Talent Development Program under "PASSION 2026":

Number of Staff Trained and Future Plan (Japan)

(Persons)

Class/Responsibility		FY2023 (Training completed)	FY2024 (Training completed)	FY2025 (Training completed)	Cumulative total/ Target ^{*3} (Percent achieved)
Gold	Plans digital transformation projects from a business perspective and implements them as project leader	44	38	42	124/180 (69%)
Silver	Promotes digital transformation within the department	163	308	418	889/1,200 (74%)
Bronze	Leverage digital technologies in business operations	5,114	824	179	6,117/5,700 (107%)

*1 Enterprise architecture: a framework enabling overall visualization of corporate operations and systems to achieve efficiency based on all-round optimization.

*2 Abbreviation for Enterprise Resource Planning. A system for centrally managing a company's management resources and optimizing the Company as a whole

*3 Cumulative target by FY2026