

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 achieve rapid digital transformation while integrating the four aspects of people, data, processes, and systems. For example, to achieve more sophisticated cyber security, along with deploying superior security systems, it is necessary to raise people’s digital literacy, properly manage and understand crucial data, and develop security management processes on a global scale.

In January 2023, we integrated our DX and IT functions, creating the DX-IT Division. The aim of the integrated organization is to help us become “a digitally savvy company” by putting digital transformation measures into place quickly and efficiently.

Priority Fields and Progress of “PASSION 2026”

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| Priority Fields | Progress to Date |
|---|--|
| Customer experience (CX) reforms | - Helped enhance Group’s overall strength via CRM* ¹ based analysis of customer data and increased data sharing between departments. |
| Operational process reforms | - Used EA* ² Framework to examine improvement measures from the perspective of all-round optimization - Expanded rollout of global SAP system (SAP S/4 HANA) |
| Business model reforms | - Designed concept to provide new user value and began building systems in certain businesses |
| R&D and production technology simulations | - Started building and operating platform for centralized management of R&D knowledge resources - Organized hackathons* ³ |

*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.

DX-IT Division

Officer in Charge: Junichi Fujiwara, Managing Executive Officer
General Manager: Stanley Fukuyama, Executive Officer

DX-IT Division

Data-driven organization
“Think in data, decide by data.”

Higher digital literacy
Improve ratio of data analytics talents.

Kuraray Group’s DX Vision

As is
(current issues)

Diversification of workstyles

Complex operational processes

Growing importance of information security

To be
(future objectives)

DX Vision

Improve competitiveness, continuously evolve, and contribute to the world as a digitally savvy company

Integrating four aspects of people, data, processes, and systems



Customer experience (CX) reforms

- Understanding customers
- Customer contact points



Operational process reforms

- Process digitalization
- Higher capabilities and efficiency
- Performance management



Business model reforms

- Digitalization of businesses
- Novel businesses powered by digital technology
- Digitally driven globalization



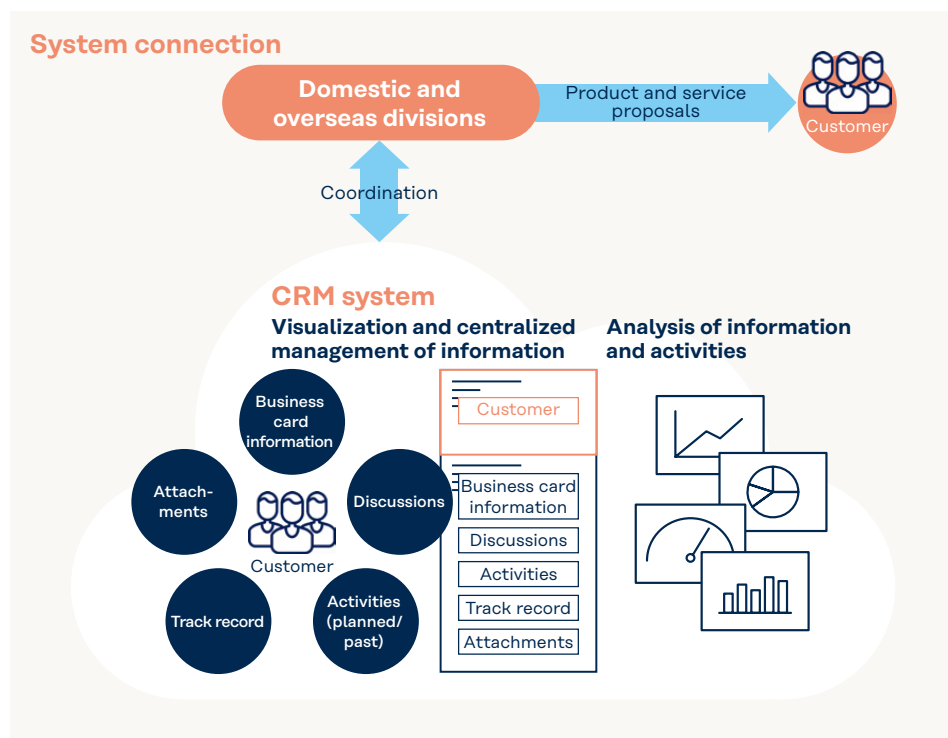
R&D and production technology simulations

- Simulation of chemical reactions
- Simulation of plant operations

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.



*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

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/4 HANA) 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.

Going forward, we will continue to work in collaboration 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 in 2024 began utilizing IoT to build a concrete system. Our aim is to build new business models by adding the value of interactive digital services to existing business models.

R&D and Production Technology Simulations

(1) Enhancing the digital presence of Kuraray's materials

The business environment is moving rapidly online amid advances in digital technology. In collaboration with ANSYS, Inc., a global leader in the development and sale of simulation and analysis tools, the Kuraray Group is working to create an environment in which customers can efficiently develop products by testing the performance of Kuraray's materials in a virtual space. Publishing the property data of the materials in the Ansys ecosystem facilitates design, simulation, and consideration of material changes, thereby shortening development time and reducing costs.

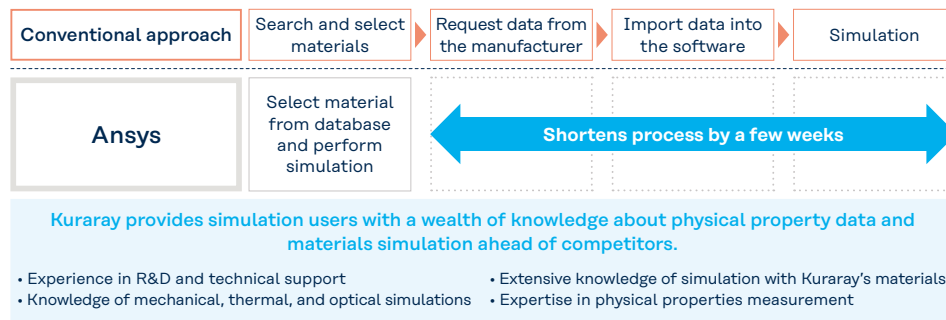
As companies around the world are harnessing simulation software in their product development, we expect this partnership to enhance brand recognition, create new customer contact points, enable R&D based on information concerning global needs, and differentiate our products from those of competitors.

The Kuraray Group seeks to continue enhancing the digital presence of our products by staying ahead of competitors in affording customers access to our wealth of property data and knowledge about material simulations.

Collaborating with ANSYS, Inc., a leading company in the field of simulation software



Provide an environment where customers can easily test Kuraray's unique materials in a virtual space.



Message from the Manager in Charge

Enhancing Kuraray's Presence in the Digital Space and Creating Opportunities for New Value Creation

Yoshimi Ohta

Group Leader, Analytics Group, GDX Promotion Department, DX-IT Division
Manager, Digital Solutions Department, Research and Development Division



A key strength of the Kuraray Group is the wealth of knowledge concerning our materials' properties that we have amassed over many years of conducting R&D. Utilizing this knowledge, we are collaborating with simulation software company Ansys to deliver this property data to customers.

Simulations such as structural analysis are widely used across a range of industries including the automobile, aerospace, electrical and electronic equipment, and medical equipment fields. As these areas involve an array of parts that are required to demonstrate complex functions, simulations are expected to significantly reduce development costs and time. In the case of GENESTAR™ heat-resistant polyamide resin, simulations have led to collaborations with customers by helping them better understand this material's features.

Publishing the property data of Kuraray's materials in the Ansys ecosystem furthermore provides the ideal opportunity to make our products known to R&D and product design specialists in industries with which we have had no previous contact. With demand for lightweighting increasing in recent years, material databases have an important role to play in determining which materials to use. We remain committed to utilizing activities such as these to create opportunities for creating new value that will contribute to society.

The GDX Promotion Department has been spearheading this project, collaborating more recently with the Digital Solutions Department established within the Research and Development Division in January 2025. By further utilizing simulation in the course of research and development, we seek to broaden our knowledge and data concerning Kuraray Group materials and provide data that is of even more use to customers.

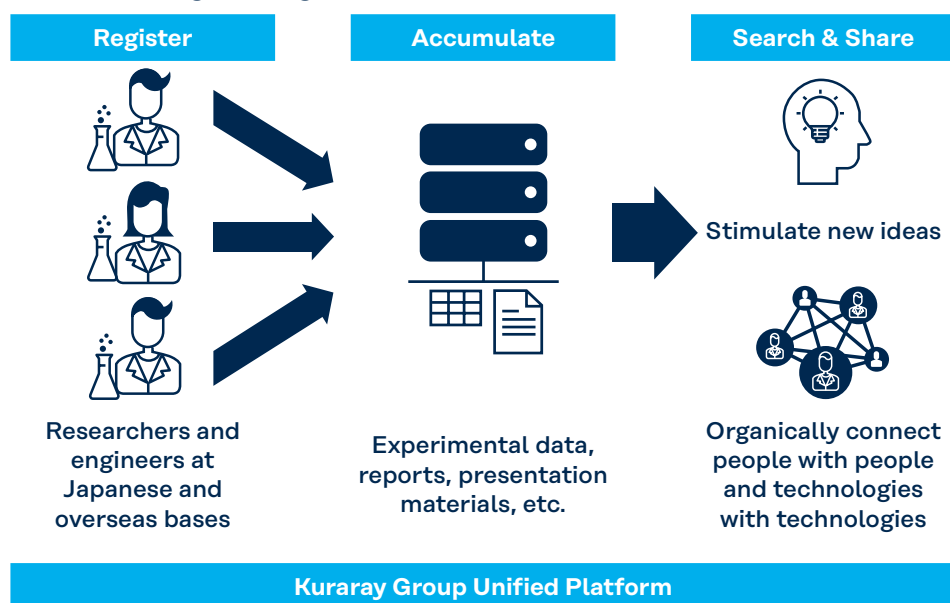
It is essential, too, that we have people capable of staying across internal and external developments and addressing customer issues and R&D challenges within the digital space. I will continue to work "For people and the planet" by encouraging interdepartmental exchange incorporating employees with Gold Class digital literacy as identified via our DX Talent Development Program, as well as members of our business divisions and the Technology Division, responsible for production simulations.

(2) R&D Knowledge Management Platform

In 2023 we began building a platform for centralized management of the Kuraray Group's R&D knowledge resources, and in 2025 we started deploying this across the entire Kuraray Group, including our overseas operations. The aim is to create new businesses and new products by making maximum use of our accumulated body of research and development data to identify new research themes and speed up interdepartmental collaboration.

In addition to operating this platform, we aim to educate users with a view to retaining knowledge within this platform and improving the quality of said knowledge and data. Looking ahead, we aim to foster a corporate culture that promotes the continuous creation of value from data assets.

R&D Knowledge Management Platform



- Efficient creation of new businesses and new products by utilizing this platform to:
- Identify new research themes
 - Speed up interdepartmental collaboration

Developing DX Talent

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 established three classes of digital literacy—Gold, Silver, and Bronze—and developed a training curriculum corresponding to each class. Our educational framework mandates that all employees acquire at least Bronze class certification.

We launched this program for Gold- and Silver-class DX talent in Japan in 2023, before instigating similar programs in the United States and Europe in 2024. Globally speaking, we plan to train and deploy at least one person to each department to lead digital transformation efforts and spread technological knowledge throughout the department, and eventually to all parts of the Company.

DX Talent Development Program



Curriculum

| | |
|---------------|---|
| Gold | <ul style="list-style-type: none"> • E-learning training (approx. 20 hours) • Workshop training (approx. 60 hours) • Accompanied support training (approx. 60 hours) |
| Silver | <ul style="list-style-type: none"> • E-learning training (approx. 20 hours) • Workshop training (approx. 20 hours) |
| Bronze | <ul style="list-style-type: none"> • E-learning training (approx. 6 hours) |

DX Talent Development Program under "PASSION 2026": Number of Staff Trained and Future Plan (Japan)

| Class | FY2023 (Training completed) | FY2024 (Training completed) | FY2025 (Planned) | FY2026 (Planned) | Cumulative target by FY2026 |
|--------|--------------------------------|--------------------------------|---------------------|---------------------|-----------------------------|
| Gold | 44 | 38 | 45 | 45 | Approx. 180 |
| Silver | 163 | 308 | 400 | 400 | Approx. 1,200 |
| Bronze | 5,114 | 824 | 200 | 200 | Approx. 5,700 |