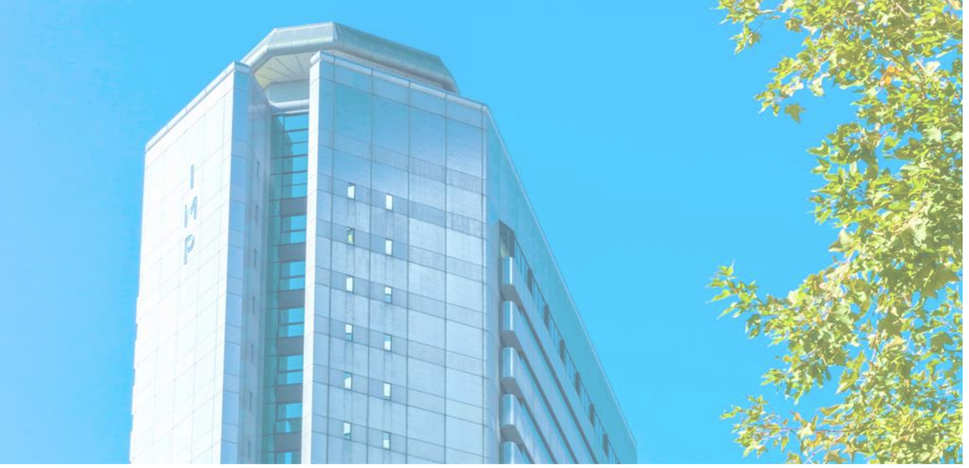
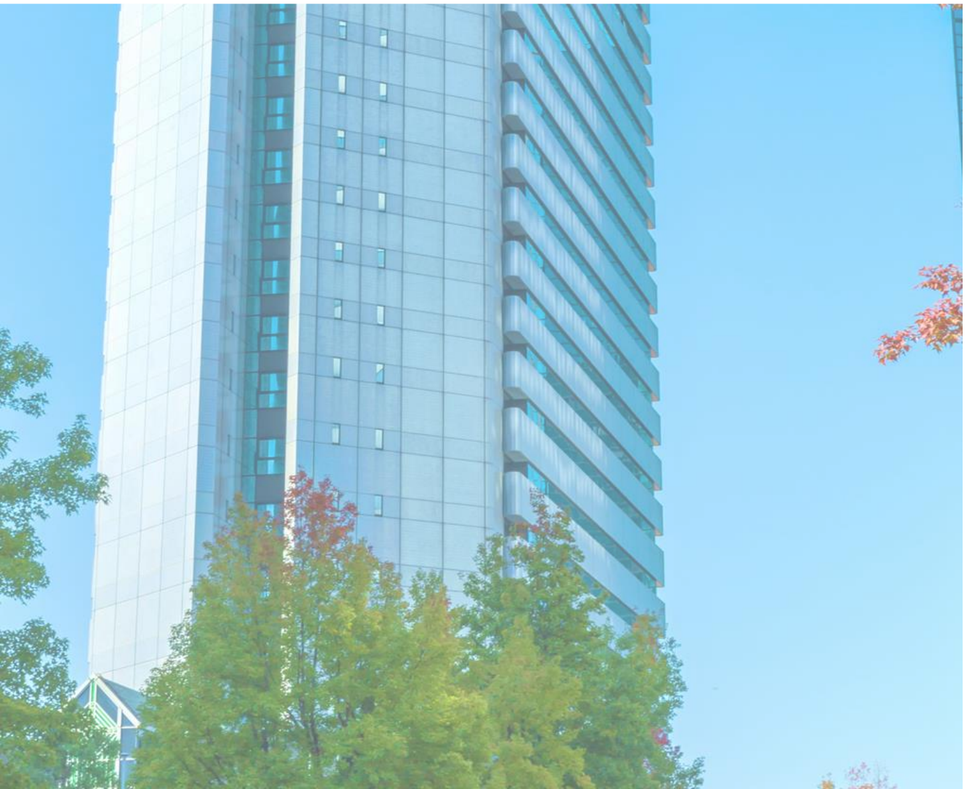


KURIYAMA



# Kuriyama Group

# DX Promotion Project

September 2024

Kuriyama Holdings Corporation
Shigehiko Konuki, President and
Chief Executive Officer

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# 0. Overview

Ever since our founding in 1939 under the trade name of Kuriyama Rubber Company, rubber and plastics have been at the center of our product and business development. In Asia, we have grown and developed as a supplier for construction and agricultural machinery manufacturers and as a manufacturer of flooring materials for sports, commercial and other facilities, while overseas we have grown and developed as an industrial-use hose manufacturer which offers a wide range of high-quality products.

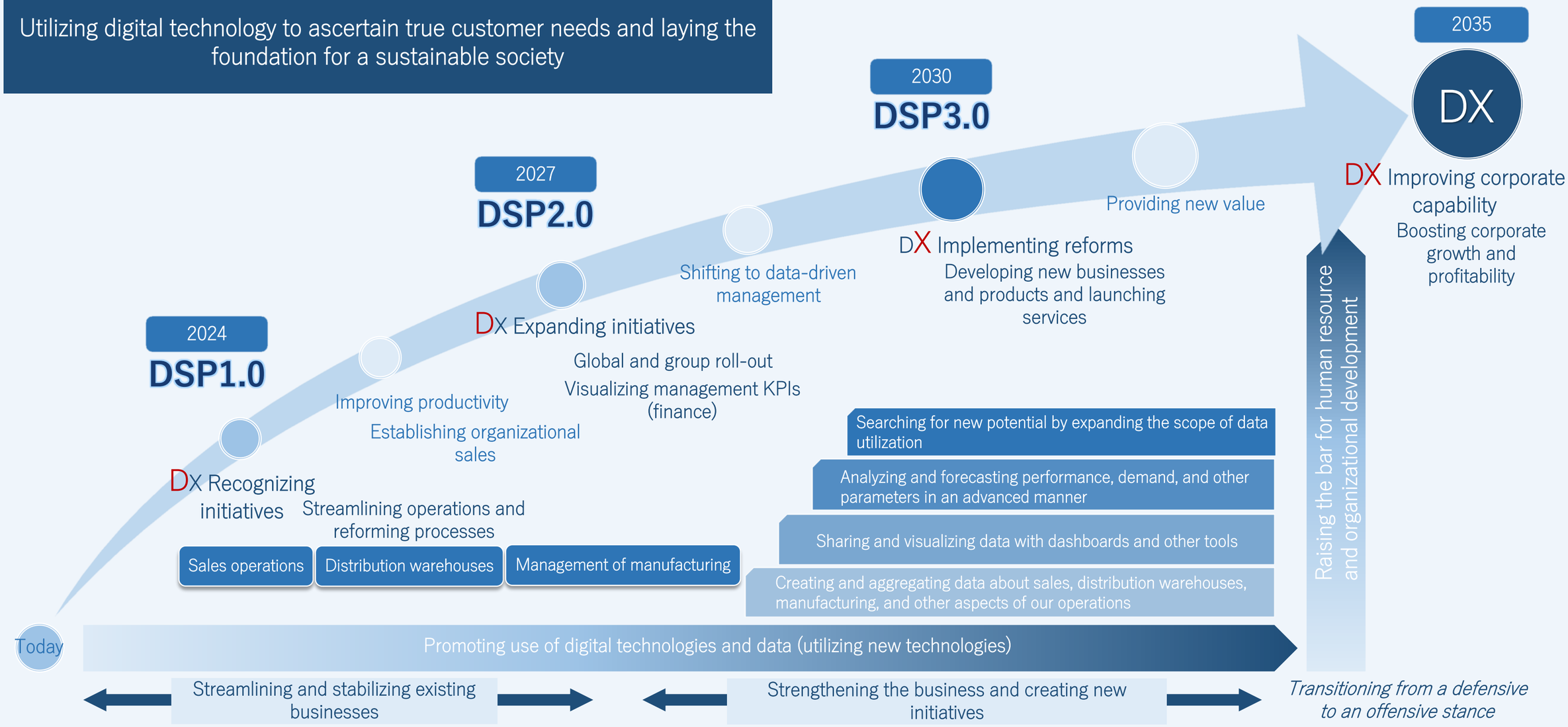
However, the business landscape continues to change rapidly due to advances in digital technology, and companies that do not adapt risk losing their competitiveness. In order to realize our vision to “strive to be a corporate group that grasps the needs of its customers and contributes to building a sustainable society,” we need to innovate in all of our business processes, products, and services.

Digital transformation (DX) is the pillar that supports this drive for innovation, as it promotes data-driven decision-making and the creation of new value that meets customer needs. First, we pursue the increased digitalization of internal and external business processes in order to improve productivity and reduce costs. We are also proactive in adopting the latest digital solutions, including AI, IoT, and cloud technology, to develop new products and services.

Kuriyama Holdings has launched the DX Promotion Project (DSP) to ensure all employees understand the importance of DX and actively participate in it, thereby strengthening the digital resilience of the entire organization and charting a path to realizing our vision for the future.

# 1. DX Plan Roadmap

Utilizing digital technology to ascertain true customer needs and laying the foundation for a sustainable society



# 2. DX Vision

Having identified our vision as “utilizing digital technology to ascertain true customer needs and laying the foundation for a sustainable society,” we're seeking to streamline operations in sales, production, and procurement and enhance their level of sophistication while reforming them based on DX human resources.

## Kuriyama Holdings DX Vision

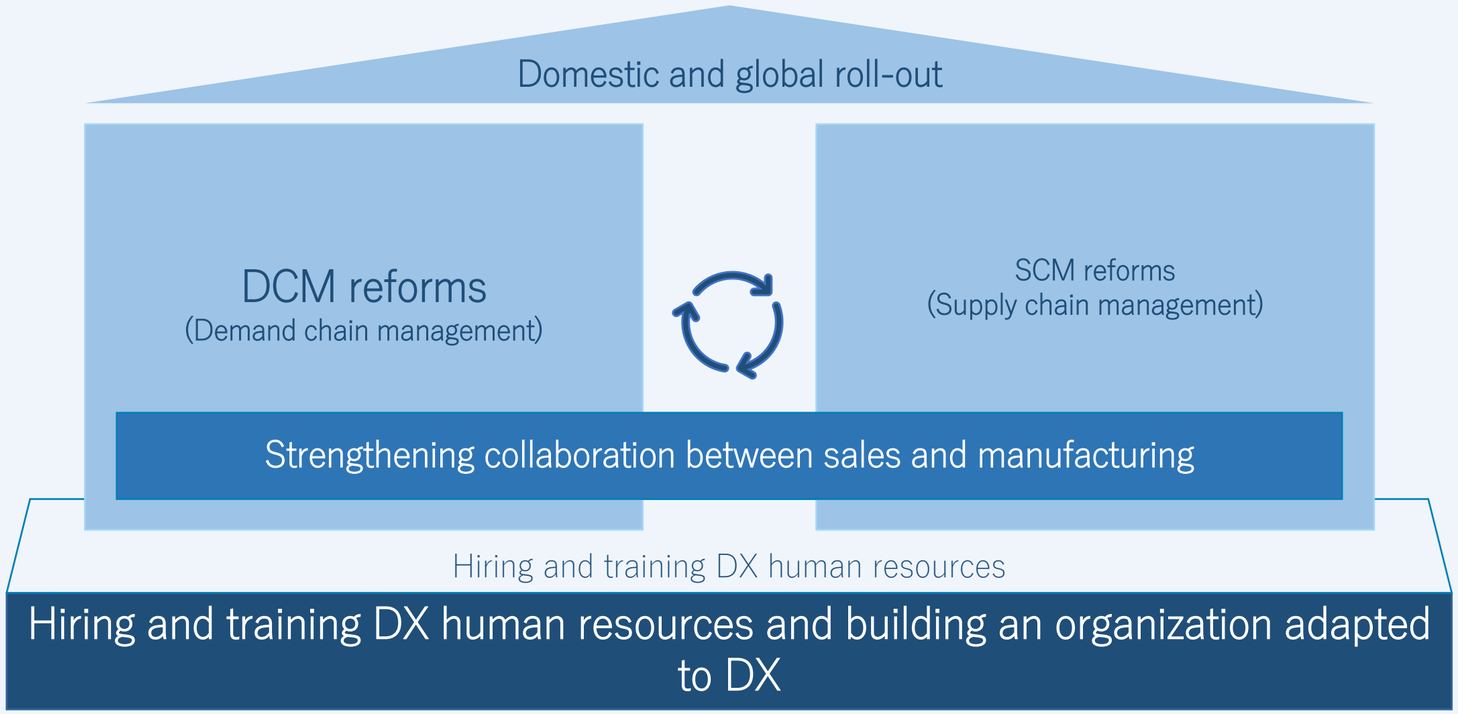
Continually ascertaining ever-changing customer needs based on the trust we've built through 85 years of tradition

Continuously embracing the challenge of satisfying the customer needs we've identified

Striving to create a sustainable society in line with customer needs

Fostering the development of human resources such as the above through creative collaboration with digital technologies and providing value to customers and society

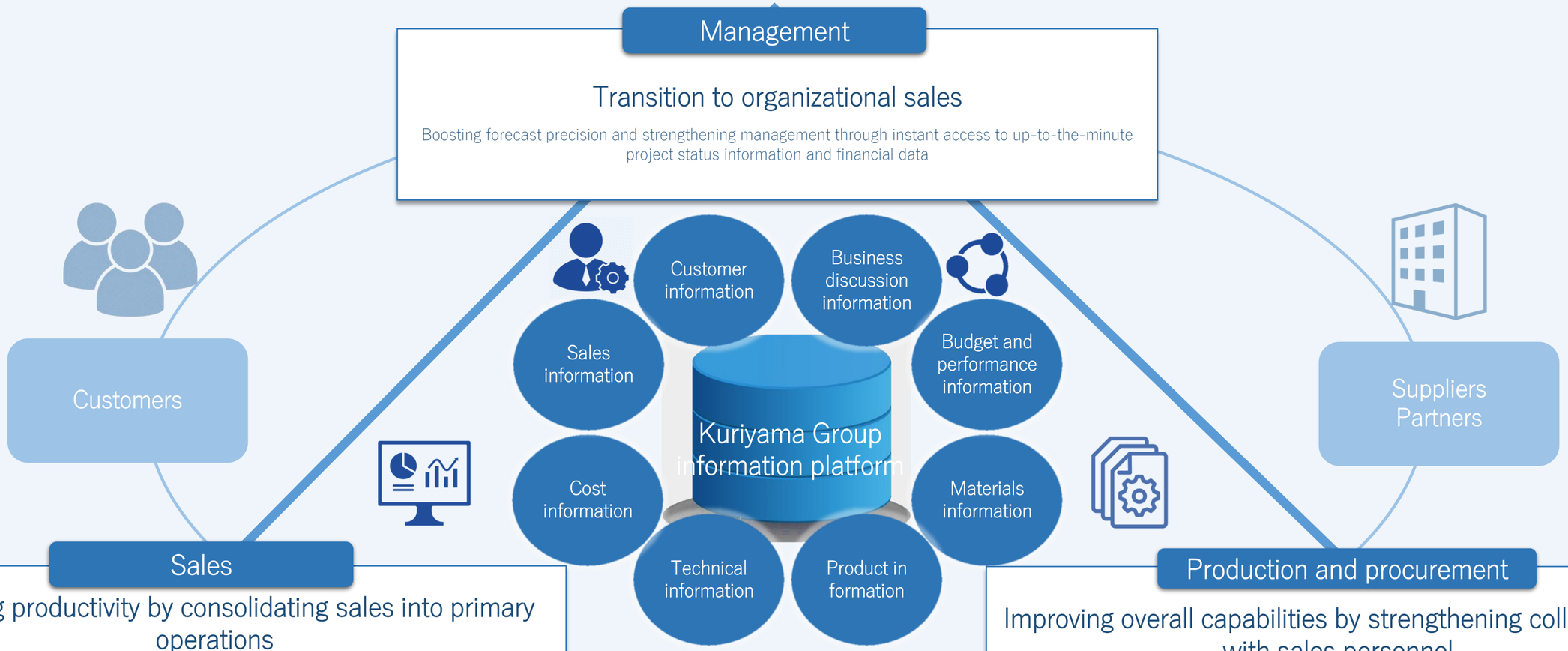
**Utilizing digital technology to ascertain true customer needs and laying the foundation for a sustainable society**




**Hiring and training DX human resources and building an organization adapted to DX**

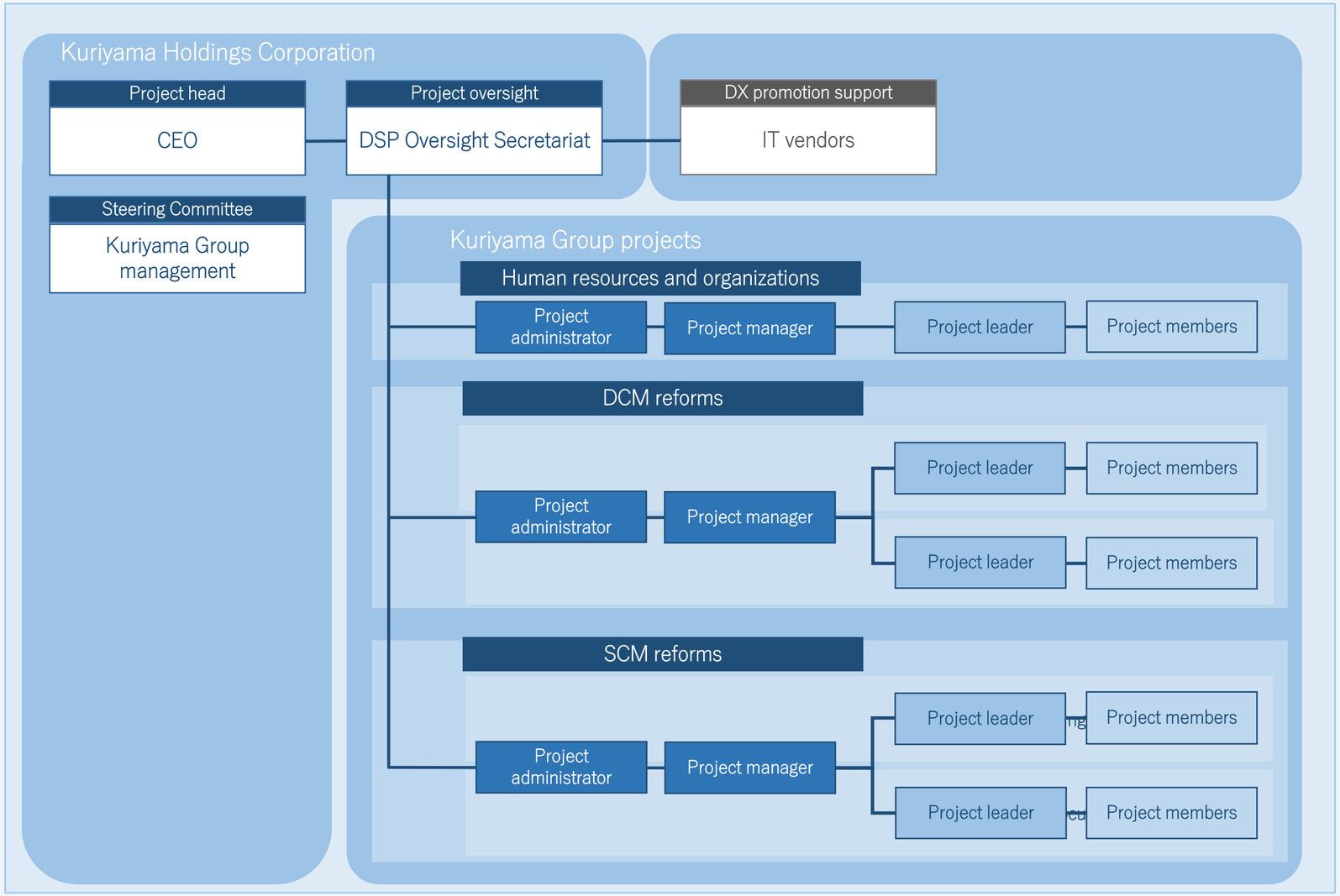
# 3. Business Model and Strategy

We will accelerate the evolution of sales proposal activities with higher added value and of our business model by centralizing, sharing, and utilizing data.



# 4. DX Promotion Structures

Kuriyama will promote the DX by means of the structures described below, with the CEO acting as the head of the project.




- The DSP Secretariat regularly reviews and discusses project progress with DX project managers and implements DX strategy.
- We've assigned administrators and managers to each department so that each business unit can actively participate in projects and put in place structures that make it easy for participating members' ideas to be adopted.
- By augmenting these internal structures through collaboration with IT vendors, we're able to tap outside expertise and implement projects smoothly.

# 5. Human Resource Development and Hiring

## Defining the human resources needed for DX promotion

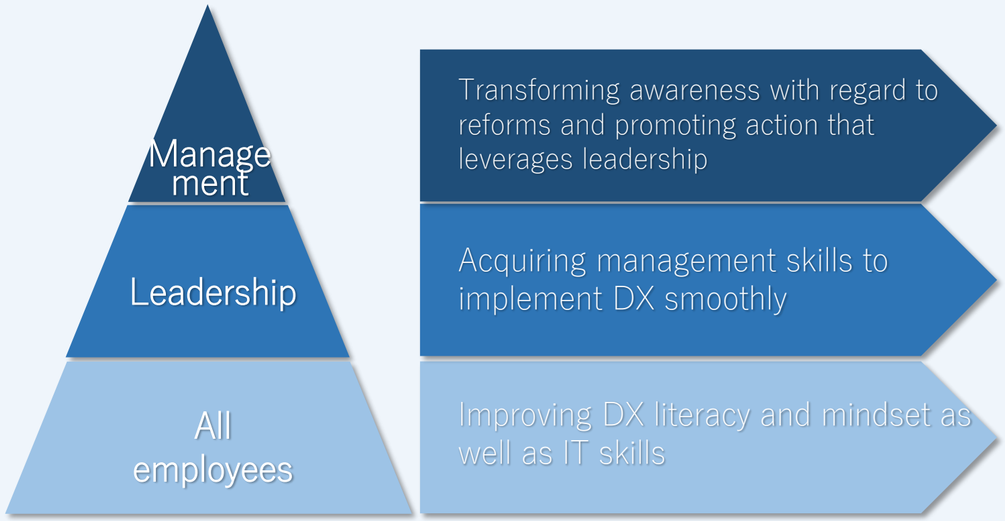
**Human resources who have extensive knowledge of Kuriyama's businesses and operations and who understand what can be accomplished with digital technology**
**Human resources who possess advanced IT skills and who are well versed in technology**

Recognizing in particular the need to secure "human resources who have extensive knowledge of Kuriyama's businesses and operations and who understand what can be accomplished with digital technology," we will put in place an environment that increases digital literacy across the Group.

## Training and securing DX human resources at the Kuriyama Group

- Offering face-to-face and e-learning training to all employees
  Example: DX knowledge and thinking, digital technologies used in DX, DX case studies, etc.
- Offering seminars on streamlining operations with generative AI, Microsoft 365, and other technologies
- Offering application training to human resources chosen to serve as DX promotion team members
  Example: Mastering Design Thinking, strengthening problem-solving skills, etc.
- Offering management training and executive leadership training

▼Benefits that can be expected as a result of training and securing human resources



# 6. IT Environment Development and Security

## 1. Putting in place an IT environment

### Putting in place an IT environment, with a focus on building Kuriyama's information platform

We will work to improve data centralization and convenience by linking information from group companies' core systems and other sources with the Kuriyama Group's information platform. We will adopt a policy of building systems that interoperate extensively with the Kuriyama Group's information platform and the DX measures it has introduced to be adopted as companies replace their core and peripheral systems in the future.

## 2. Ensuring compliance

We will undertake highly sincere and transparent corporate activities that not only comply with all applicable laws and rules, but also align with social norms.

## 3. Implementing measures to address security risks

In addition to adhering to our Basic Policy on Information Security, we will work to minimize the security risks faced by the Group by implementing the following initiatives:

- Offering security education and training for employees throughout the Group
- Standardizing security by putting in place group-wide rules and a Basic Policy on Information Security
- Monitoring security on company computers 24 hours a day, 365 days a year and strengthening contact structures for use in the event of an incident
- Obtaining cyber-risk insurance
- Having an outside entity conduct regular cyber-risk surveys

# 7. Project Assessment and Indicators

Review progress towards result indicators established for measures via regular reviews and reassess policies and measures as necessary.

## Do

### Business units and group companies

Implementing DX measures and establishing targets

【Management Indicators】
・Development of DX talent and data utilization talent
・Reduction of communication costs through data sharing between sales, production, and procurement
・Improvement of productivity through the introduction of digital solutions

| | |
|---|---|
| Human resource development | •DX lectures<br>•E-learning |
| Sales | •DCM reforms |
| Production and procurement | •SCM reforms |
| Other | •Utilizing cutting-edge technologies<br>•Putting in place an IT environment |

## Plan

Setting new targets

## Check

### DSP Oversight Secretariat

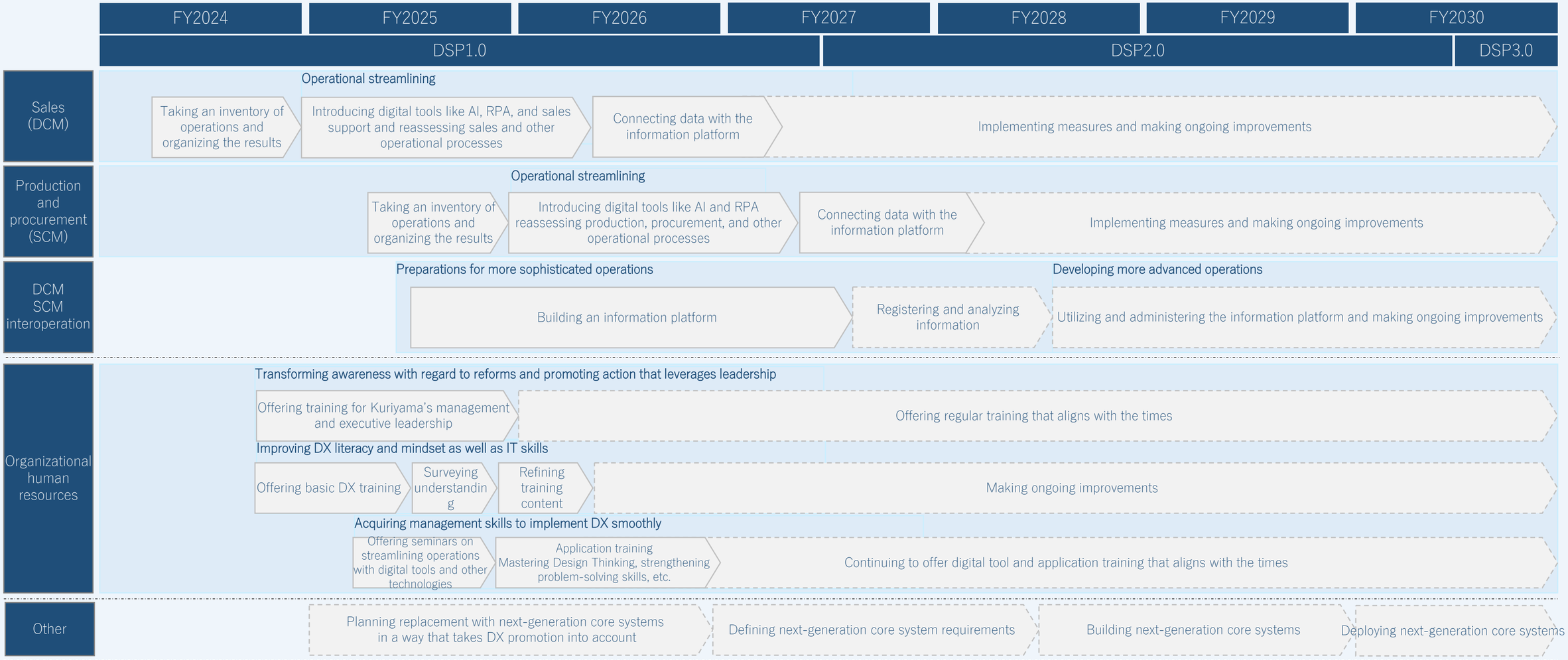
Managing progress in implementing measures
Managing issues
Reviewing achievement of targets
Managing budgets

Summarizing review results
Providing feedback

### CEO and management

Making decisions about investments
Reviewing progress in DX implementation
Providing feedback

## Action

# 8. Policy Schedule

We will undertake the medium- and long-term digital technology measures listed below in each domain. We're planning to communicate regularly about progress.