

## Developing and Strengthening DX and Information Infrastructure

### Basic approach

To improve productivity, we are promoting work reform by catching up with new technologies and utilizing DX, while building systems that can flexibly respond to changes in business processes to speed up management decision-making.

### Contributing to growth strategies using DX

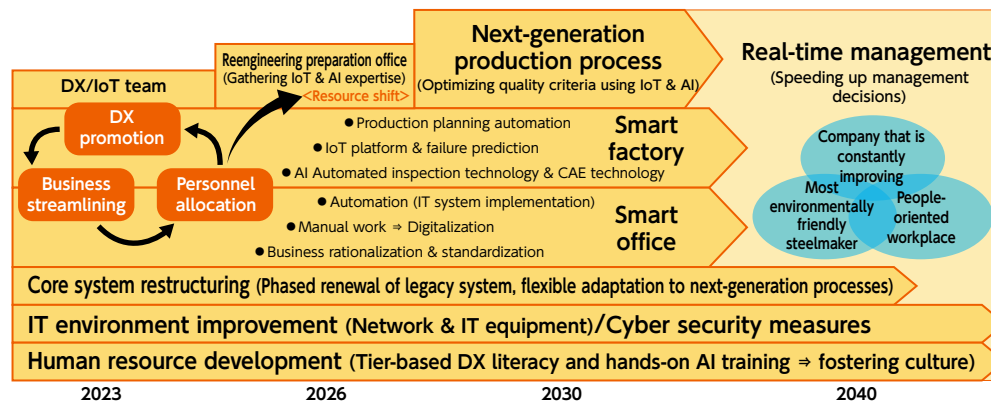
To realize our growth strategies, we are accumulating DX expertise and improving the productivity of our “people” and “manufacturing,” as we aim to achieve the two pillars of Smart Factories and Smart Offices.

#### ● Initiatives

Smart factories (energy saving and labor-hour reduction)	Full use of AI, production planning automation, data analysis & CAE technology development using IoT
Smart office (Labor saving)	Rationalizing and fully standardizing operations, digitizing and automating manual tasks (using systems)

### Future Initiatives

To realize Smart Factories and Smart Offices, we are making aggressive investments such as rebuilding our core systems. Together with our divisions and in-house companies, we are also developing mechanisms to match on-site needs with technological opportunities, and studying a framework for achieving next-generation production processes.



### [Example] Strengthening in-house platform

The applications developed by our in-house AI team are collectively called “AS-AIs” (pronounced “A-S-Eyes”), and are being deployed to each plant as a platform for utilizing internal data.

One of these applications, “AS-TSAD,” is for Time-Series Anomaly Detection. It does this by automatically retrieving data from the company’s IoT infrastructure and displaying the calculated anomaly levels in graph format. It also enables anomaly detection to be tested with various AI models, and so are utilizing it for things like predictive detection of equipment failure.



### Realization of real-time management for faster management decisions

Managing Executive Officer  
General Manager of Manufacturing  
Innovation Headquarters

Kazuma Kihara



In FY2024, operational efficiency improvements utilizing DX began in various locations. By developing IoT infrastructure and data analysis tools, we sped up troubleshooting and response while saving energy. In production planning for our main rolling plant, we achieved automation by utilizing AI and other technologies to handle complex conditions. Since then, we have extended the use of generative AI throughout the company, enabling many employees to achieve small improvements individually, adding up to significant results. We also initiated logistics reforms in FY2024 through collaboration between the Production Control Division, Marketing & Sales General Headquarters, and in-house companies. Various problems at manufacturing sites have been linked to logistics issues. By eliminating waste, inconsistency, and overburden in manufacturing through our TPS, TQM, and TPM initiatives, and pursuing further efficiency through DX, we are aiming for significant results in manufacturing and logistics.