

# Digital Strategy



## To Enhance Our Corporate Value, We Will Drive Enhanced Customer Value, Sustainable Process Innovation and Reforms to Corporate Culture Aimed at Further Growth with the Use of Digital Technologies.

Based on the HAICoLaB\* data utilization framework, we will make use of digital technologies to reform processes and strengthen competitiveness as “Exploitation,” and expand services, promote work style reforms and drive a transformation aimed at sustainable growth as “Exploration.”

\* A coined term based on “Humans and AI collaborate for digital innovation,” which also implies a joint research laboratory made up of people and AI (data/digital).

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### Key Measures

1	<b>Exploitation:</b> Process reforms to improve competitiveness	<ul style="list-style-type: none"> <li>Digital technology transfer and greater sophistication in product development, and expansion of production improvement activities through the digitalization of manufacturing</li> <li>Streamlining and labor saving through the promotion of logistics DX and structural reforms to domestic sales</li> </ul>
2	<b>Exploration:</b> Creating customer value (services)	<ul style="list-style-type: none"> <li>Utilizing the expertise cultivated with TMS to streamline tire inspections and expand unique inspection services utilizing big data</li> <li>Providing the information gained through demonstration testing to drivers and various business operators, sustainably contributing to safe and secure driving</li> </ul>
3	<b>Promoting work style reforms</b>	<ul style="list-style-type: none"> <li>Taking advantage of the relocation of the head office to develop an environment that facilitates swift decision making and enables individuals and the organization to fully demonstrate their potential</li> <li>Improving productivity and achieving a shift to value creation through automation, streamlining and more in-depth communication</li> </ul>

### Results in Fiscal 2021 and Future Measures (Challenges)

#### Results

- We have independently developed a compound development and tire development system equipped with an AI engine and begun its practical application in tire design.
- We have started to collect and analyze data from production equipment using IoT as part of process improvement efforts.
- We have accumulated data from the demonstration testing of TMS and TPRS and are promoting utilization of the data for new solutions.
- We have boosted productivity through RPA, workflow development, paper reduction and other initiatives, and are promoting the shift to working styles that utilize digital technologies.

#### Future Measures (Challenges)

- By rollout out warehouse management systems across the organization, we will achieve traceability throughout the domestic supply chain by 2023.
- We will create new product value by making use of digital technologies such as AI and IoT, while working to increase the speed and reduce the costs of development.
- Based on the results obtained from demonstration testing, we will work to establish business models that contribute to safety and economy and strive to expand and enhance our services.
- To coincide with the relocation of the head office, we will promote swift decision making and accommodate satellite office and home office schemes.

#### TOPIC

#### TMS Tire Management System

Since the TMS service was launched in 2003, it has been utilized by 3,000 companies for a total of 30,000 vehicles as of June 2022. Due to environmental changes in the transportation industry (labor-saving action, etc.), the number of customers using the service has increased. Regular improvements are made to ensure swift and accurate inspections, and this has also enabled suggestions for tire utilization based on data accumulated by Yokohama over many years. The data can be utilized not only to facilitate safe driving and optimize costs but also for measures to address environmental issues.

