

# DX Strategy

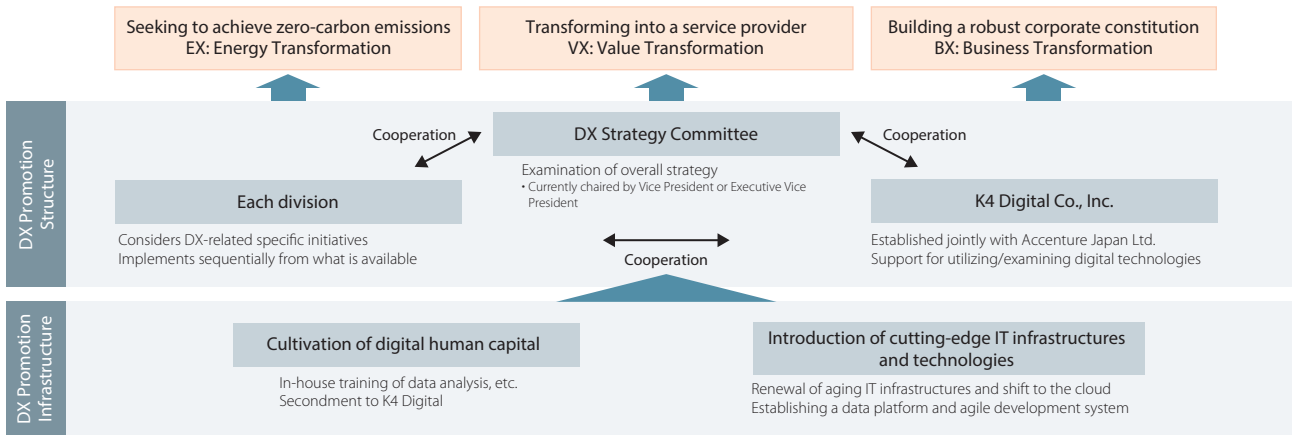
## Strategic direction

The Company has been proactively engaged in efforts toward DX, or dramatic improvement of productivity and new value creation through utilization of digital technology. DX is also positioned as an indispensable means for realizing the three pillars of our new Medium-term Management Plan (EX, VX, and BX).

Our respective departments are driving DX by exploring and sequentially rolling out specific DX-related initiatives based on the overall strategy, which was formulated by the DX Strategy Committee set up in June 2018 with the President as the chairman. Additionally, in August 2018, K4 Digital Co., Inc. was established jointly with Accenture Japan Ltd. to draw on our internal and external expertise and support the initiatives of our respective departments.

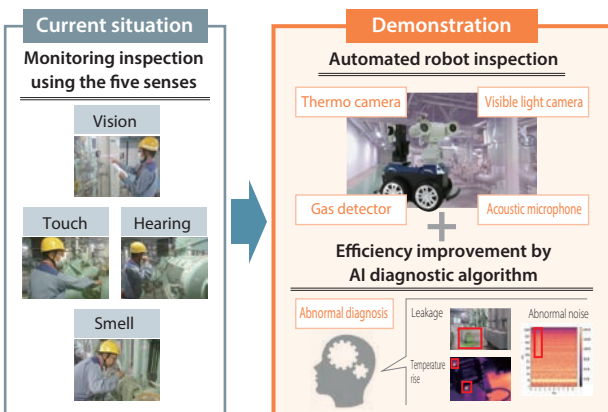
DX promotion essentially requires “digital human capital” who have specialized knowledge and know-how regarding digital technology. At our Company, through in-house training and secondment to K4 Digital, and other measures, we are working to develop human capital with a broad range of digital technologies covering basic data management to advanced data analysis.

Moreover, in an effort to improve the environment for DX promotion, we are actively introducing cutting-edge IT infrastructures and IT technologies. More specifically, we have renewed the aging IT infrastructure and accelerated the shift to a highly flexible cloud environment that is suitable for DX. A data analysis platform and agile development system are also being put in place so we can proceed with DX promptly and efficiently.



### Development of an automated monitoring inspection system using robots and AI for thermal power plants

In collaboration with K4 Digital Co., Inc. and Kanden Systems Inc., we have developed an automated monitoring inspection system that utilizes robots and AI for thermal power plants. Under this system, autonomous robots collect equipment information, which used to be visually checked by plant staff, and AI diagnoses whether the equipment is operating normally. This contributes to raising the efficiency of monitoring and inspection as well as to passing down technologies.



### Dshift Inc. established to promote DX for customers by mainly providing AI technology and drone inspection

In April 2021, we established Dshift Inc. to help our customers promote DX by providing state-of-the-art digital technologies.

We have thus far developed and utilized digital technologies such as an automatic detection system for dust, drift ice and snow flowing into a hydroelectric power plant, and a drone for inspecting the inside of chimney of a thermal power plant. Dshift uses these technologies to provide integrated services ranging from system construction to equipment inspection and equipment soundness evaluation to corporate and local government customers, and supports DX promotion.

Dshift also uses offshore wind power generation equipment operation and maintenance technology, which is currently being developed by the Company based on the drone and AI image analysis, to solve various problems in this field, thereby contributing to the introduction of more such equipment and the realization of a zero-carbon society in Japan.

