

March 30, 2023  
Metal One Corporation  
IBM Japan, Ltd.

**Metal One and IBM Japan build Metal X<sup>®</sup> digital platform for automotive steel distribution Services to launch at Metal One in April 2023**

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Metal One Corporation (Metal One) and IBM Japan, Ltd. (IBM Japan) are collaborating to build Metal X<sup>®</sup>, a digital platform that will drive digital transformation in automotive steel distribution and foster more sustainable supply chains. Metal One will begin offering the service to customers in April 2023.

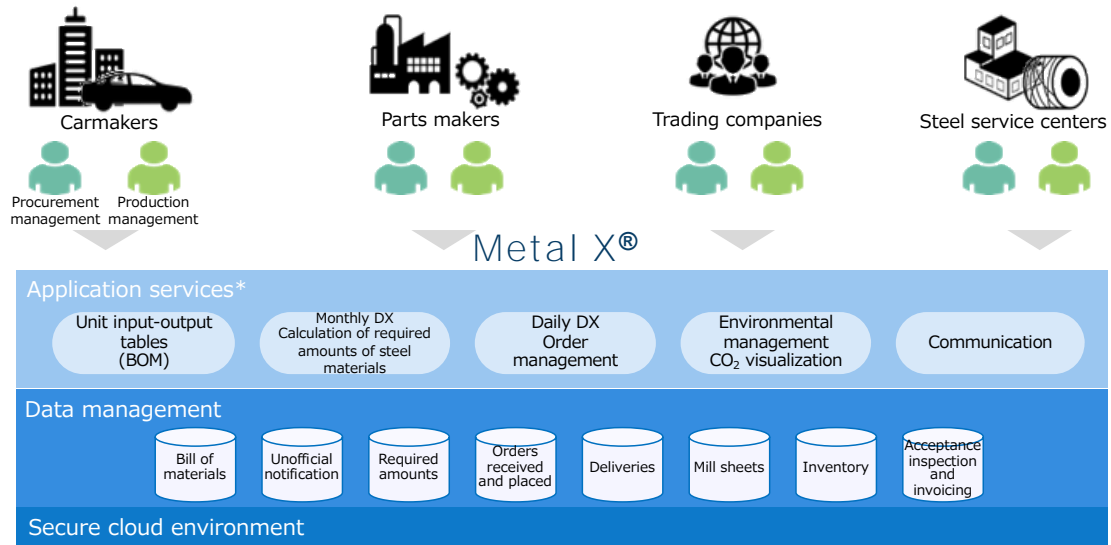
As the automotive industry transitions from mass production to mass customization, new materials, new technologies and new procurement methods must be adopted, and automotive steel distribution must also become more agile. In addition, there is a need to ensure the resilience required to handle production fluctuations caused by pandemics and semiconductor shortages, as well as sustainable supply chains that contribute to carbon neutrality. Considering such changes in the business environment, Metal One has decided to develop new capabilities as a trading company that supports distribution cross-functionally.

Metal One and IBM Japan's Metal X<sup>®</sup> digital platform envisions companies involved in supply chains related to automotive steel distribution as a single corporate entity or "virtual enterprise." This will streamline and boost the efficiency of communications among these companies and operations by using the same system to share data.

Metal X<sup>®</sup> stores bill of materials (BOM) data for everything from car parts to steel materials, and automatically calculates the amounts of steel needed from steel manufacturers, based on carmakers' production plans. There are also plans to provide shared delivery deadline management tools that will enable car and parts makers, steel service centers and trading companies to simultaneously manage daily deliveries. Other plans include offering services to manage greenhouse gas emissions throughout entire supply chains by visualizing greenhouse gas emissions generated during the processes from producing steel materials until the vehicle parts are made.

The initial service—providing automatic calculation of required amounts of steel materials, using unit input-output tables to manage cross-corporate BOM data—will kick off in April 2023.

## The Virtual Enterprise



\* Services are scheduled to be rolled out in stages. Services are also scheduled to be expanded.

Using Metal X® will enable customers to respond rapidly and flexibly to market fluctuations while achieving stable and optimal flow of steel supplies. Leveraging AI and other technologies, Metal X® will also contribute to carbon neutrality by identifying methods of reducing greenhouse gas emissions—not by company but throughout entire supply chains—and offering recommendations on what actions to incorporate improvements, such as adapting more eco-friendly steel products and energy sources and restructuring logistics through delivery deadline coordination and joint deliveries.

Moreover, encouraging the widespread use of Metal X® by trading companies other than Metal One and advancing joint open development of the platform will help transform the industry by promoting digital transformation (DX) in overall automotive steel distribution. This will also help resolve social issues, such as Japan’s talent shortage—the so-called “2025 problem.”

### Metal One

Metal One is an integrated steel trading company that operates worldwide, with 108 offices and affiliates in Japan and elsewhere, and handles a wide variety of steel products that include steel sheet for the automotive and appliance industries, construction materials, containers and steel furniture.

Leveraging these domestic and overseas networks, Metal One provides a singular range of capabilities and services that include financing and IT solutions, along with the Metal One Group’s operational capabilities such as logistics, warehousing and processing. In particular, Metal One’s automotive steel sheet business has helped construct strong supply chains in the automotive industry by ensuring a stable supply of high-quality products and providing wide-ranging processing capabilities and just-in-time delivery.

By utilizing its expertise cultivated through long, wide-ranging involvement within the supply chain, Metal One is promoting the Metal X project as a way to partner with companies involved in automotive steel sheet distribution, promote DX, and contribute to the industry's overall transformation and growth. The company is determined to build a platform that serves as a foundation for undertaking sustainable corporate activities that are environmentally friendly, and to generate new value as ways of fulfilling its social responsibilities as an integrated steel trading company.

#### IBM Japan

IBM Japan is the Japanese entity of IBM Corporation, which is operating in more than 175 countries around the world. It supports clients' business transformation and digital transformation through a full range of services, from basic research and business consulting to IT system development and maintenance. For more information, visit <https://www.ibm.com/jp-ja/>.

IBM Japan has supported this project in various ways, ranging from the conceptualization of the Metal X® digital platform, strategy planning, consulting service for PoC verification and evaluation, as well as development, operation, and maintenance of the production system by leveraging its expertise and skills in consulting services for strategy planning of sustainability, implementation of platforms, and cross-industry ecosystems building.

Based on its own expertise and pioneering case studies from Japan and globally, IBM Japan will continue to work with clients to drive transformation toward sustainable management and build cross-industry or cross-country platforms that enable the realization of a sustainable society.

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