

Material Issues for Future Value Creation



# Bolster Competitiveness Leveraging DX

For the materials and chemicals industries where it is an opportunity to provide products and solutions towards the global sustainability, we are required to enhance the business competitiveness, going through with DX activities and responding to shorter product lifecycle. Through our activities, we hope to contribute to deliver new value to our customers, by increasing more innovative personnel and creating an organizational culture adopting agility.



## Overall DX Strategy in FY2022-2024 Corporate Business Plan

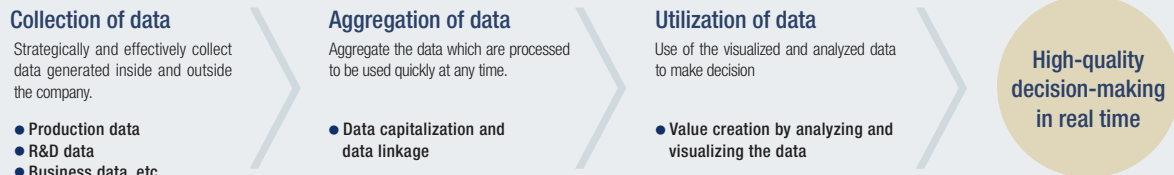
Keeping efforts to implement DX Strategy 1.0 for high-productivity in four focus areas of research and development, plants, supply chain management, and offices, our business units take initiatives to focus on DX Strategy 2.0 for stronger competitiveness and DX Strategy 3.0 to aim to create new business models.



### Two policies to succeed in DX Strategy 2.0

#### 1 High-quality decision making in real time by advanced use of data

Business units leads to tackle DX challenges by preparing for environments appropriate for advanced use of data.



#### 2 Training DX human resources

Aiming to allocate DX personnel to all departments, we will promote DX throughout the company by training business-related DX personnel in addition to R&D and production-related personnel.

<b>R&amp;D and Production Units</b>	Increase personnel capable of analyzing and leveraging data in R&D and production activities.
<b>Data scientist</b>	Who has ability to analyze advanced data and support for each research theme activity to spread and establish company-wide data science target by FY2024 <b>30</b> people
<b>Data engineer</b>	Who applies the best analytical method to each theme in R&D and/or production sites, solves problems by combining domain knowledge and data science target by FY2024 <b>300</b> people
<b>Business and Corporate Units</b>	Begin to train DX personnel to assign across all divisions.
<b>Business translator</b>	Who leads to select and implement appropriate digital technologies to solve overall business issues target by FY2024 <b>150</b> people
<b>Business data analyst</b>	Who can utilize data and promote business improvement based on an understanding of their business practices target by FY2024 <b>100</b> people
<b>All levels of all sectors</b>	We began to implement training to enhance DX literacy

## Examples of DX Strategy 2.0 Initiatives

### Sumitomo Chemical Automotive Site

In light of changes in the way potential customers gather information and communicate with us, we launched a new website in 2020 with the aim of offering a wide range of solutions for automotive-related materials. In the future, we will combine digital tools and exhibition activities to promote the value of our materials more widely. In addition, we will contribute to society at large by making optimal proposals based on the reactions and interests of potential customers on the web.

 Our Website : [Sumitomo Chemical Automotive Site](#)



### Pest diagnosis application, EXPESTS

We have developed a smartphone app that uses AI to diagnose and identify pests through images posted by growers. This app suggests effective pesticides based on the diagnosis. It has been available since March 2021. The aim of this approach is to establish corporate brand, and to open a new route for value creation by increasing direct contact with customers.

 Our Website : [Pest Diagnosis EXPESTS](#)



## TOPICS

### DX Repository\*

We held an internal event, "DX Repository" twice since 2020. The purpose of this event is to accelerate digital innovation by sharing actual activities of DX in the company. The executives including outside directors as well as the employees attended the event, which was also live-streamed to Group companies to interact respectively online. We succeeded in making opportunities for our group to challenge DX together.

\* A database in which multiple data, information, etc. are systematically stored.



#### Programs in DX Repository (Excerpt)

- Lecture by Management, "Sumitomo Chemical's DX Strategy"
- Lecture by an external expert, "Toward DX Strategy 2.0"
- Presentations of DX activities in the four areas and panel discussions on the following three common themes;
  - "Streamlining business and procedure by digital technologies"
  - "Collection and utilization of data"
  - "Improvement of customer experience leading to new business through DX"
- Presentation and discussion of challenges to strengthen business competitiveness by DX promoters from each business unit and group company



Commenting by outside director Tomono



Discussing during DX Repository