Fusion (Innovation)

TOPICS

Fusion (Innovation)

Based on its technology platform, SEKISUI CHEMICAL Group is making efforts to fuse together its various internal and external stakeholders and companies while accelerating innovation to support the basis of LIFE and continue to create peace of mind for the future in a bid to realize a sustainable society.

Basic Concept

SEKISUI CHEMICAL Group has identified Innovation for the Earth as the vision statement of its Long-term Vision and therefore is placing considerable emphasis on innovation as an important driver in its efforts to realize this vision. Amid the mountain of extremely difficult and pressing social issues including climate change, innovation as a conduit to create new means for solving a variety of issues is becoming increasingly important.
Based on our Long-term Vision, Vision 2030, we also identified enhancement areas to achieve further growth in existing businesses and innovation areas to create new business platforms in each business domain under our current Medium-term Management Plan. In line with this endeavor, we took steps to review our technology platform. In addition, we launched a Group-wide innovation roundtable initiative as a forum through which to regularly consider business opportunities and the combination of technologies across business domains. In this manner, we are working to strengthen our innovation capabilities as a comprehensive Group-wide strength. In the next Medium-term Management Plan, we will further strengthen and accelerate Group-wide innovation. At the same time, we will enhance our ability to solve social issues by focusing on external collaboration and open innovation to quickly create new value.

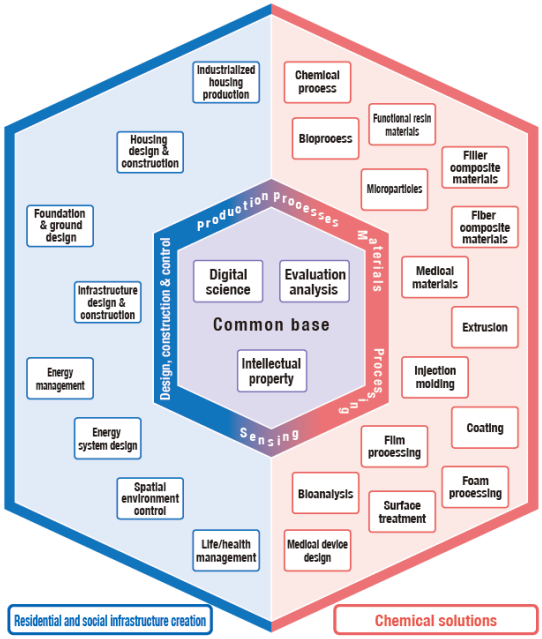
Targets

SEKISUI CHEMICAL Group identified the number of new products and projects as an enhancement area innovation KPI under the current Medium-term Management Plan. In fiscal 2022, we encountered difficulties in the development of products in certain business domains. Accordingly, results declined slightly compared with the previous fiscal year. In addition to once again strengthening efforts to create new products and projects, we will accelerate the pace of innovation in a bid to realize our Long-term Vision by setting an innovation KPI for innovation areas under the next Medium-term Management Plan.

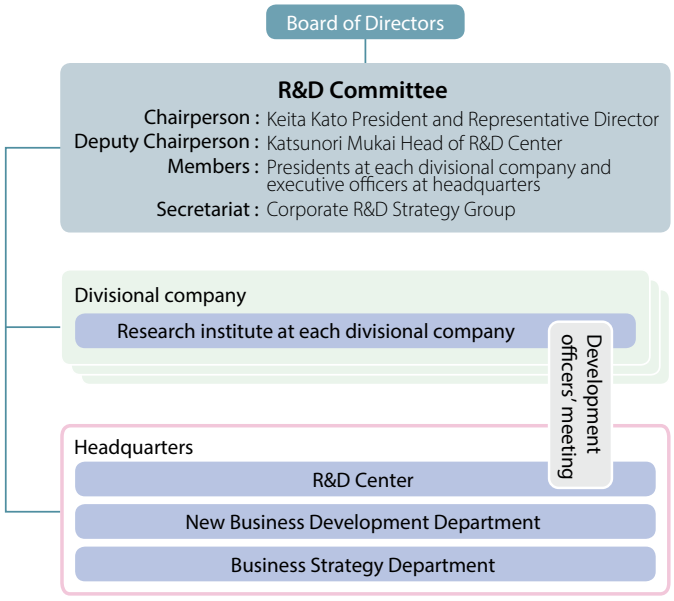
System

System to promote innovation

SEKISUI CHEMICAL Group recognizes that the source of innovation lies in its core technologies. Against this backdrop, we define the technologies that are particularly competitive and those that should be strengthened as the Group's Technological Platforms (TPFs). While working continuously to strengthen TPFs, reviews are undertaken with the introduction of each medium-term management plan. Based on the aforementioned, 26 TPFs have been identified for the next Medium-term Management Plan. In addition, we have a system in place for appointing leaders to drive the technical enhancement of each TPF as Specialty positions (S-positions). S positions consist of four grades from S1 to S4. In fiscal 2022, 38 employees were appointed as S positions Group-wide. S positions are responsible for driving the continuous technical enhancement of each TPF and training the next technology leaders.



The status of innovation initiatives is regularly monitored by the R&D Committee. Discussions with top management are underway to further strengthen innovation.



Roles of the R&D Committee

- Determine Group-wide R&D basic policies regarding next-generation business creation
- Determine Group-wide R&D themes and action plans regarding next-generation business creation

Major Initiatives

Internal and External Technology Fusion

SEKISUI CHEMICAL Group recognizes that collaboration among internal departments and external parties is important in promoting innovation. The Group is actively engaged in internal and external technological collaboration, which we refer to as fusion.

As far as internal fusion is concerned, SEKISUI CHEMICAL R&D Center collaborates with all related internal departments to promote fusion with each divisional company from the three core technology, planning, and development fusion perspectives.

Turning to the fusion of core technologies, SEKISUI CHEMICAL Group has held several Group-wide seminars on information science, a fundamental technology integrated into the R&D Center. In addition, we have worked to raise the level of data science by supporting divisional company development themes that employ materials informatics.

From a planning fusion perspective, successful steps have been taken to create new development themes through collaboration between the planning department of divisional companies and planning staff at the R&D Center. Here, we are beginning to see enhanced fusion effects emerge.

Regarding development, we are promoting fusion through a mechanism in which the Corporate Headquarters supports development themes that cross divisional company boundaries.

We are also actively engaged in open innovation, which is the fusion of technology with external parties. In recent years, we have been working with startup companies that possess distinctive technologies. By establishing a dedicated department and participating in programs that connect us to many startup companies, we aim to further strengthen and accelerate open innovation.

In actively pursuing this fusion along important development theme lines with external parties, the Group's perovskite solar cell currently under development was selected as a national development project in collaboration with the University of Tokyo and Ritsumeikan University. Plans are in place to further accelerate development toward practical application.

We have also entered into a partnership with ArcelorMittal, S.A., one of the world's largest steel companies, to pursue a carbon recycling technology project. We plan to use our innovative technologies to reduce CO_2 emissions during steelmaking.

Performance Data

R&D Expenditures / R&D Expenditures to Revenues