



Panel 2 theme
Management and HR
as Strategic Drivers for SDG Goals



**DX strategy for contribution to achieve
the SDGs at production sites.**

Idemitsu Kosan Co., Ltd.
DX Activities Overview

Basic strategy towards 2030

We believe it is our responsibility to contribute to social challenges in addition to providing stable energy supply.

Our corporate vision for 2030 is to become
Your Reliable Partner for a Brighter Future

and we will fulfill three responsibilities through our business activities:

Responsibility to protect the environment and lifestyles:

Energy/material transition to a carbon neutral/circulatory society

Responsibility to support regional communities:

Next generation mobility & community for an aging society

Responsibility to provide for society with technological capabilities:

Advanced materials to make it possible to overcome such challenges

We will fulfill the three responsibilities through our business activities.

Idemitsu's Future Plan



Idemitsu's Future Plan



Key issues to be prioritized in the medium-term management plan and examples of initiatives

Structural reforms of revenue-generating core businesses

Expansion of growth businesses

Creation of next-generation businesses

Harmony with the global environment and society

Progress in governance

Acceleration of digital innovations



Examples of initiatives



Improving the sophistication and safety of refinery maintenance operations with DX.

The goal is to improve operational efficiency, reduce repair costs, improve safety, and increase worker motivation at the manufacturing site.

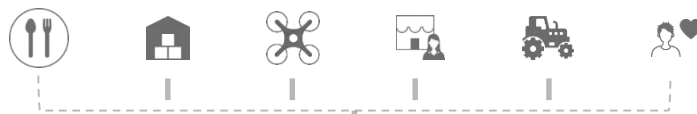
What is DX (Digital Transformation) ?

Transforming the Entire Business Processes with Digital Technologies
to Create New Customer Value and Improve Employee Experience

Idemitsu Kosan is working on co-creation from three main perspectives in order to create an ecosystem

Co-Creation
with Business Partners

Digital for Ecosystem



Co-Creation through Inter-Company Collaboration

Major corporations, startups, open innovation, etc.

Co-Creation
with Customers

Digital for Customer



Providing New Value to Customers

Enhance service provided to existing customers and secure new customers

Co-Creation
with Employees

Digital for idemitsu



Creating New Work Styles for Employees

Overall optimization through company-wide operational process innovation

The first step is plant maintenance work.

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Background of Plant Maintenance Business Reform

There were many issues in plant maintenance work, both in terms of management and work sites.

Management



Cost increase

Equipment trouble/
Aging of equipment



Work site

Increased burden on employees

Retirement of veteran employees/
Huge manual work

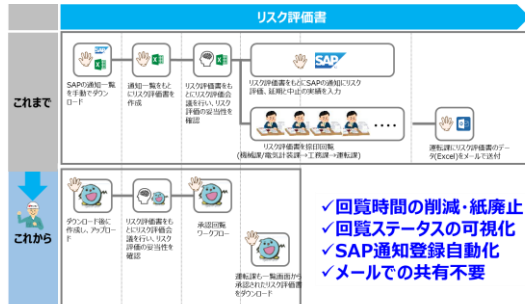
Problems are concentrated in [※]SDM work.

※SDM: Shut Down Maintenance

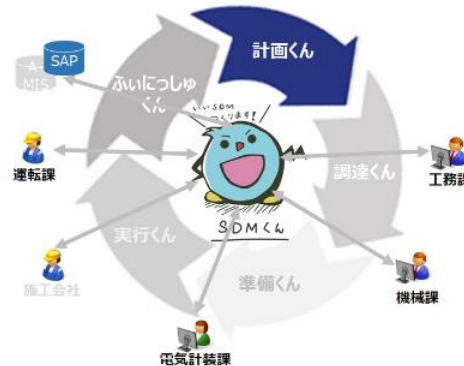
※ We developed the SDM applications (Ver1)

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Visualizing Frontline Problems



Materialize 100-day sprint !



Experiment

Start date: October 1, 2020

Digital Transformation Office's first investment criteria



Shifting to a swift experience through a new approach (agile, design thinking)

SDM Apps Visualization of utilization status

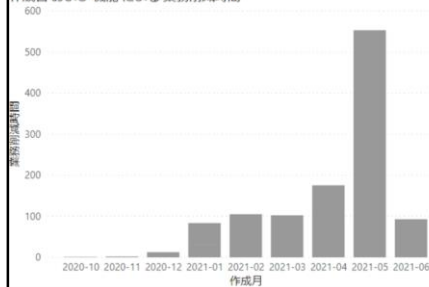
Continue to make improvements based on data

Aggregation period :
August 1 2020 ~ June 6 2021

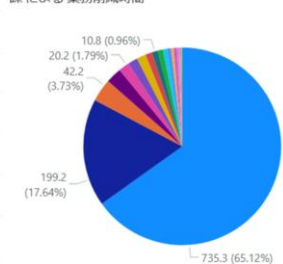
Approved Inspection Report

Reduction of working hours

作成日および機能による業務削減時間



課による業務削減時間



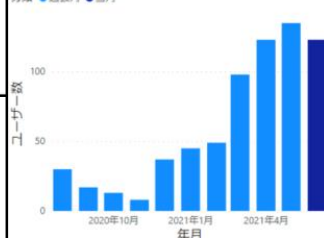
Visualization of effects

Total access users

230

Change in the number of users

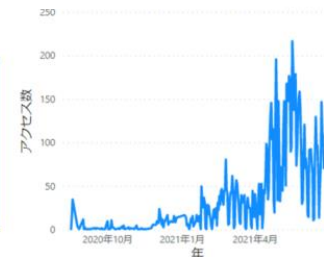
分類 ● 過去5月 ● 当月



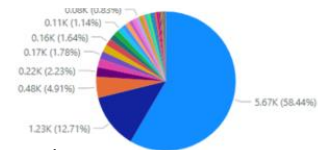
Total access

9703

Changes in the number of accesses



Percentage of access by affiliation



Number of accesses by page

ページ	セッションIDのカウン
検査報告書 一覧	667
検査報告書 一括取込み	856
ログイン画面	762
検査報告書 新規作成	617
検査報告書 編集一覧	428
検査報告書 仮承認案件一覧	179
リスク評価書 作成/編集	85
リスク評価書 一覧	63
検査報告書 承認済み一覧	43

Use a single input , Automate data collection analysis and approval circulation

System input time for risk assessment :
results related to conservation work

5 ~ 15 min / 1 work

→ Few minutes / 1 work

-30%

Aggregation time for equipment performance data :

4 7 min / 1 work

→ 2 min / 1 work

-70%

Our team working on agile development.

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These initiatives helped create a corporate culture of working as one team to create better products instead of the former relationship with buyers and sellers.

The maintenance operator discusses new features and improvements in the software product with the developers. Developers program immediately and deploy next week

We don't set up regular meetings to discuss about issue, we try to discuss about it right away.

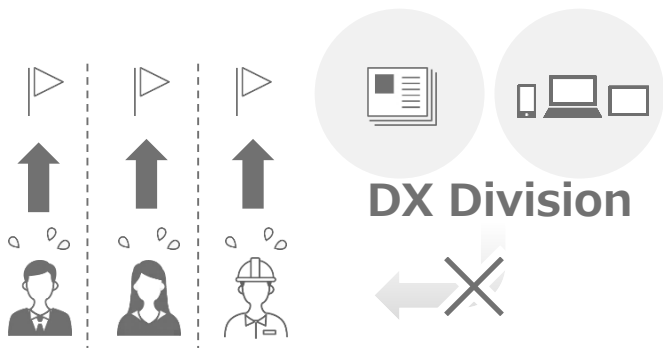


Points noticed through promotion of PJ and Way to proceed

It is important for the members of the work site to experience it.

Issue

Present the strategy/
Approach with technology support



 Work site employees have a strong sense of responsibility for the execution of their work.

 Many medium-term issues and shortfall in human resources

Goal

3 Self-propelled 
Business units promote DX on their own.

2 Co-creation 
Practicing DX/
Transforming the corporate culture

1 Experience 
DX Division leads the implementation and verification.

DX Division

DX native team



Teach DX skills



Promote understanding of DX



Roadmap for DX Organizing

The present



Generating Stage

Proof of Concept by project team
(7 persons per team)

Establish DX Division

January 2020
1case



September 2020
4~5case



Transformation Stage

Verify deployment to business units

DX Division



- Formulation of a company-wide digital strategy
- Building skill teams
- Creating new business

Business unit A

Business unit B

Mature stage DX Native Company

Business units run themselves in DX.



Transformation Center



Company-wide reform promotion

DX Division take the lead → Business units take the lead(3~12Month)

Promotion of DX in manufacturing sites

~ Toward achieving the SDGs ~

The three inviolable rules of DX promotion



1

Serious intentions of top management for employees



2

Excellent human resources to support management



3

A corporate culture that promotes challenge

Thank you for your attention