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Sumitomo Corporation

SCSK Corporation

“HAX Tokyo” Accelerator Program to be Launched

Sumitomo Corporation (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Masayuki Hyodo) and SCSK Corporation (Head Office: Koto-ku, Tokyo; Representative Director, President and Chief Operating Officer: Tooru Tanihara; hereinafter, “SCSK”), will jointly launch the “HAX Tokyo” Accelerator Program in Japan in collaboration with SOSV Investments LLC (hereinafter, “SOSV”), the USA-based venture capital firm which manages the HAX Accelerator Program in China and the US.

An accelerator program is designed to accelerate growth of startup companies with innovative technologies or business models, by providing the know-how necessary for new business creation and product development. SOSV operates accelerator programs in four sectors (hardware, life sciences, food technology, and cross-border Internet), and each year SOSV selects 150 companies from among about 7,000 applicant companies and assists them in achieving growth. HAX is a specialized program for startup companies connected with robotics, IoT and other hardware created in Shenzhen (China) and San Francisco (US).

HAX Tokyo will foster Japanese hardware-related startup companies in three stages. In Stage 0, a support program for startup companies in Japan three months in length establishes technology concepts and business models. The program boosts the feasibility of their technical concepts and business models through, for instance, SOSV providing knowledge and know-how accumulated in previous HAX programs, the Sumitomo Corporation Group and various partners offering business facilities to serve as technology verification sites, and SCSK supplying its own advanced IT service technology.

Following Stage 0, the companies selected for Stage 1 (“HAX Shenzhen”) will manufacture prototypes and develop designs and mass production systems in Shenzhen. Those companies selected for Stage 2 (“HAX San Francisco”) will then move on to the process of starting international sales and raising funds from leading venture capitalists in San

Francisco.

MIRAI LAB PALETTE, an open innovation laboratory operated by Sumitomo Corporation , will serve as a hub for HAX Tokyo, and provides a working environment for the startups to expand the scope of collaboration and interaction with various mentors, potential partners and suitable matching large corporate customer prospects. By running HAX Tokyo, Sumitomo Corporation and SCSK also hope to increase the sophistication of the existing businesses of SCSK, the Sumitomo Corporation Group and partner companies as well as to create new businesses by rapidly introducing cutting-edge technology, and to further accelerate the growth strategy and the digital transformation being pursued under Sumitomo Corporation's Medium-term Management Plan 2020.

<Reference>

■ HAX Tokyo Program







	Name	Period	Objective
Stage 0	HAX Tokyo	3 months	Establish technology concepts/business models
Stage 1	HAX Shenzhen	4-8 months	Manufacture prototypes and develop mass production systems
Stage 2	HAX San Francisco	2-3 months	Raise funds for growth

■ SOSV Material Issues

SOSV empowers entrepreneurs to grow faster and go further through mentorship and seed funding programs run in leading technology cities throughout the world. The HAX Tokyo program extends SOSV's reach to Japan for the first time. SOSV's HAX program has backed over 200 hardware companies to date, from robotics to sensors to consumer electronics and medical devices. SOSV has helped entrepreneurs create startups worth over \$10 Billion in the last four years, with revenues well in excess of \$1 Billion (USD) annually.

■ Sumitomo Corporation's Material Issues

Sumitomo Corporation Group positions “Six Material Issues to Achieve Sustainable Growth with Society” as an important factor in developing business strategies and in the decision-making process for individual businesses. Going forward, we will pursue sustainable growth by resolving these issues through our business activities. This Project especially contributes to “Establishing a Foundation for Comfortable and Enriching Lifestyles”, “Providing Diverse “Accessibility” ” and “Developing Human Resources and Promoting Diversity”.

Six Material Issues	
	<p><b>Achieving Harmony with the Global Environment</b></p> <p>To realize recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.</p>
	<p><b>Contributing to the Development of Local Communities and Industries</b></p> <p>We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.</p>
	<p><b>Establishing a Foundation for Comfortable and Enriching Lifestyles</b></p> <p>We strive to realize more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.</p>
	<p><b>Providing Diverse “Accessibility”</b></p> <p>We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.</p>
	<p><b>Developing Human Resources and Promoting Diversity</b></p> <p>In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.</p>
	<p><b>Enhancing Governance</b></p> <p>We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.</p>

[Inquiries on this matter]

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