

## **STAY SAFE ... THINK POSITIVE ... KEEP FUTURE FOCUSED**

CEO Gerd Liebig comments on the latest COVID-19 developments, how Sumitomo (SHI) Demag has responded and why he is optimistic for the future

*Schwaig, April 21, 2020 – The coronavirus continues to determine our thoughts and actions. However, after several anxious weeks we can be cautiously optimistic in Europe and Asia. New COVID-19 infections are slowing down in many countries. The preventive measures to protect ourselves against infection with the virus have become second nature to us all.*

*As the coronavirus situation unfolded, Sumitomo (SHI) Demag rapidly responded by introducing new work arrangements to keep our staff safe and secure. Through our home offices and with the use of online project tools and video conferencing, we continue to provide support to customers. We have observed heightened demand for industry-specific solutions, in particular medical technology and packaging, as well as a significant increase in demand for all-electric machines, which is being promoted by many government initiatives. As a result, the outlook for our company looks positive.*

### **Safeguarding future success with all-electric machines and focus on medical and packaging industry**

As was well documented, the 2019 automotive crisis had already hit the plastics processing industry hard. By strengthening our position in additional markets, Sumitomo (SHI) Demag is now able to offset the effects of this crisis to a considerable extent. The importance of our strategic decision to push ahead with the new and further developments in our all-electric IntElect machine series a few years ago has been clearly beneficial.

Our expertise in the all-electric range, combined with an optional package developed specifically for a typical medical production environment, enables to rapidly implement a clean production cell. For the medical industry, our technology systems are especially beneficial in these challenging times.

The focus on the high-speed EI-Exis SP series, specifically designed for demanding processes in the packaging industry, is also currently playing an important role. Many organisations that committed to reducing their reliance on plastic packaging in 2020, have switched back to single use plastic for hygiene purposes. Although this spike is likely to be temporary, packaging moulders are reporting higher demand for single use caps, pump dispensers, food containers and healthcare solutions, such as wipe lids.

### **Supply of necessary components still ensured**

Delays in the supply chain are currently unavoidable. Unfortunately, our suppliers are still severely affected by the Corona crisis. Yet, reassuringly these delays are only in the range of a few days.

Through global sourcing and the integration of the Sumitomo (SHI) Demag network with our own production facilities in Germany, Japan and China, we have been able to maintain our supply chains. We very much hope that the current positive trend being observed will continue and that the situation will continue to ease. One example to demonstrate how governments are assisting is in Italy. Our colleagues recently informed us that despite all companies being closed, the Italian government has approved the supply of components for injection moulding machines, among other things. This means that parts from Italy will continue to be shipped, in turn enabling Sumitomo (SHI) Demag to maintain supply chains.

### **Outstanding work by pandemic crisis team**

The current crisis shows that all our employees are pulling in the same direction. But I would like to make special mention of our pandemic crisis management team, which is doing everything in its power to protect the health of our employees. The members of the crisis team meet at short intervals to exchange the latest findings and initiate measures to minimise risks, such as the distribution of disinfectants and respiratory masks. Employees, subsidiaries and agents are also kept up to date with a weekly newsletter on the latest developments. To maintain this transparency, all information on our pandemic plan can be viewed from anywhere and at any time.

### **Record digitalization of internal processes**

At Sumitomo (SHI) Demag, the digitalisation of internal processes was rapidly implemented with the highest degree of flexibility. Our German Schwaig and Wiehe sites now naturally use digital platforms to communicate with colleagues and to undertake joint project work from respective home offices. We will certainly continue to use these advanced and efficient tools in the future and expand them across national borders for the benefit of our customers and business partners.

Production employees who cannot work from home follow the distancing guidelines. Besides that, they are also equipped with respiratory masks.

Will everything be the same after the Corona crisis? Personally, I do not think so. Many people's awareness of the things that really matter has already changed, lots for the better. It has given us time to reflect and change our thought and work processes. We are starting to truly appreciate the importance of our health, families, friends and colleagues and work, and placing less emphasis on life's little luxuries. Sumitomo (SHI) Demag will also change. We are certain that this will be for the positive. As a company we expect to emerge from this crisis even stronger. In the face of this adversity and despite the remote working, we have welded together and become even more united.

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**Sumitomo (SHI) Demag Plastics Machinery GmbH**

Sumitomo (SHI) Demag has shaped the development of the plastics industry from its very beginning. As a specialist for injection moulding machines for plastics processing, Sumitomo (SHI) Demag and its Japanese parent company are leading the industry.

The global development and production network of Sumitomo Heavy Industries and Sumitomo (SHI) Demag is comprised of four facilities in Japan, Germany and China with more than 3,000 employees. The product portfolio includes all-electric, hydraulic and hybrid injection moulding machines with clamping forces of between 180 and 15.000 kN. With more than 145,000 installed machines, Sumitomo (SHI) Demag is present in important global markets and ranks among the largest manufacturers of injection moulding machines in the world.

At Sumitomo's headquarters in Chiba, Japan, the company manufactures machines with clamping forces in the small to medium range. Nearly 95 % of all delivered machines are equipped with an all-electric drive concept. Sumitomo (SHI) Demag's German facilities in Schwaig and Wiehe produce the Systec Servo range with hybrid drive as well as the EI-Exis SP and Systec SP range of high-speed, high-performance machines. The all-electric IntElect range for international customers is also being produced in Germany.

As early as 1998, Sumitomo (SHI) Demag set up its first production site in Ningbo/China. In 2015, the Chinese subsidiary Demag Plastics Machinery (Ningbo) Co., Ltd. installed a new facility with a 13,000 m<sup>2</sup> floor space. It is earmarked for the production of the Systec C range with clamping forces of between 500 and 10,000 kN for the Asian market.

In addition to injection moulding machines, Sumitomo (SHI) Demag offers customised and standardised systems for the part handling automation, technical and process solutions for special applications, tailored

services and service concepts as well as a range of financial options to support investment in injection moulding machines.

With its comprehensive sales and service network of subsidiaries and agencies, Sumitomo (SHI) Demag is present in all major markets.