



An Era of Great Change Questions Our Real Value

With emerging markets continuing to be the key to growth, the global automotive industry has been experiencing steady growth in sales, which is projected to exceed 100 million units in 2022. This trend will certainly create a tailwind for the Sumitomo Wiring Systems Group, which has established itself as a leading company in the wiring harness business, operating in 32 countries around the world. Nevertheless, impacted by the great waves of change known as CASE (Connected, Autonomous, Shared, Electric), the entire industry has been forced to undergo significant changes, and we are no exception. We are in an era in which our real value is being questioned.

The rise in demand for connected vehicles and autonomous driving vehicles and the spread of electric vehicles create new needs for wiring harnesses. We must, however, continue to grasp the trend of the times accurately so that we can always be prepared to respond quickly to meet rapidly changing demands.

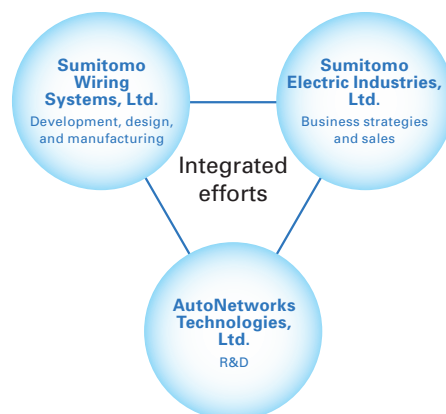
Promoting R&D through Integrated Efforts

We formulated 22VISION, which is a mid-term management plan, in fiscal 2017 to mark our 100th anniversary and build a foundation for the next 100 years. Under the plan and its three priority targets, strengthening our manufacturing capabilities, enhancing our strengths in development and proposals as well as accelerating commercialization of our products, and improving our human resources and organizational capabilities, sales in fiscal 2018, the first year of 22VISION, surpassed the previous year for a record high. Although we are pleased with this achievement ahead of our mid-term goal, we must continue to address the challenges we face. For example, we need to review our profit margins,

and the acknowledged need for further cost reduction. We must also respond to urgent changes facing the entire industry by establishing R&D and mass production systems for new products. Securing and fostering excellent human resources both in Japan and overseas are other challenges that must be surmounted.

In terms of R&D, the Sumitomo Electric Group has already begun developing products using the world's most advanced aluminum technology to meet the growing needs for lightweight materials while also conducting research on electric wires and devices that enable high-speed, large-capacity communication. I believe that these initiatives along with our unique business structure based on the integrated efforts of the Group, Sumitomo Electric Industries, and our affiliate AutoNetworks Technologies are unrivaled strengths that will allow us to rapidly achieve high-level operations. We will continue to pursue globally uniform high quality while making the utmost efforts to address serious issues.

► Sumitomo Harness Business Structure



Becoming an Indispensable Company for Automakers around the Globe

Fumiyoshi Kawai

Fumiyoshi Kawai
Representative Director
President and Chief Executive Officer
Sumitomo Wiring Systems, Ltd.



Unique CSR Practice that Supports Mutual Growth with Local Communities

Common guidelines for business operations will be essential for the Group, which operates globally with about 220,000 employees from different backgrounds to unite as a corporate entity and take another leap forward. One of these guidelines is aimed at achieving a CSR awareness and perspective. The three ideals that we intend to realize through our CSR practice focused on sharing value—globally uniform high quality; trust, familiarity, and accessibility; and living with local communities—are foundational standards for supporting the sustainable growth of the Group. In that sense as well, I believe that it is only right and proper for the Group to give back to the local community because we have grown into a major enterprise 102 years after our founding in Yokkaichi City, Mie Prefecture. We actively engage in local communities through support for the women's rugby team that Mie Prefecture recently has been strengthening, promotion of activities to support people with disabilities, and participation in fireworks and other events. These efforts are only natural for us to engage in as a corporate citizen.

We will share our commitment to community-focused social contribution across all our group companies in Japan and that our overseas sites will achieve co-existence and co-prosperity with local communities through employment and employee training. As a company in the automobile industry that is working to reduce environmental impact and CO₂ emissions, we place high priority on CSR practices such as fulfilling all our responsibilities with full consideration to safety and achieving sustainable growth with local communities. We are firmly determined to achieve our goals by all available means with courage and perseverance.

To Be the World's Most Rewarding and Vibrant Company

To maintain a healthy growth curve while the entire world, reaching far beyond the automobile industry, is undergoing rapid transformations on a global scale, we must continue to adapt to change while also earning the trust and exceeding the expectations of customers. That is, we must stand fast as an indispensable presence for automobile companies around the world. To that end, it is necessary to move forward to become the world's most rewarding and vibrant company, a vision for which we have long advocated.

A good company should have a culture in which top-level management pays close attention to the voices of employees, plans together to improve workplace issues promptly, and creates an environment where every employee can fully demonstrate their capabilities. Imagining the future that you want to have on a daily basis and continuing to work towards it with all your passion leads to an expanded vision. As we look ahead to the next 100 years, we will prevail in global competition and continue to achieve sustainable growth to contribute to all our stakeholders, including customers, employees, and local communities. We will make every effort to fulfill this vital mission that has been passed down by our predecessors.