



Toward the Next 100 Years of Sustainable Growth Alongside Local Communities

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On Becoming a Mega-Supplier that is Indispensable to Customers

Fiscal 2017, which marked the 100th anniversary of our founding and the final year of the Vision 2017 medium-term management plan, was a period of remarkable progress with record-high sales and profits. I am deeply moved by the fact that we have successfully grown into a leading international company in the wiring harness business based on technologies cultivated over the years in the electric wire business and optimal business platforms and areas developed through reading the trends of the times. Our success is the fruit of the proactive efforts toward sustainable growth that we have carried forward from our forerunners and the support of all our customers and other stakeholders.

We have formulated the Vision 2022 mid-term management plan with the final target year of fiscal 2022 and launched our initiatives to become a mega-supplier with wire harnesses as the core product. Working to become a mega-supplier does not simply mean becoming the top global company; we intend to become an indispensable company for global automobile manufacturers. To achieve this goal, we have identified the key strategies of “enhancing our strengths in development and proposals and accelerating the commercialization of our products,” “improving our global marketing capabilities,” and “developing better manufacturing by developing better people.”

Responding to Major Changes in the Automobile Industry and Looking Decades into the Future

Today the automobile industry is on the verge of a major shift that is said to be the largest in a century, and the value of our basic principle, “Connect with the Best,” is about to be tested again. Specifically, in our 22VISION mid-term management plan we need to focus on how we will deploy our strengths in the face of four megatrends that will affect the automobile industry: connected cars, autonomy, shared mobility and electrification. With the progress of electrification accompanied by the popularity of electric vehicles (EVs) and connected cars that communicate with the external world, such as communications networks, we expect to see increased demand for wire harnesses that physically transmit electric power and data. The application of information and communications technologies for vehicle security has likewise been expanding as another trend we need to address.

However, how the major shift involving the entire automobile industry will pan out is as yet unknown since automobile manufacturers are still seeking to understand multiple variables. Meanwhile, the electrification of cars encouraged the entry of additional businesses from other industries, such as electronics manufacturers, which in turn forced parts manufacturers to present innovative proposals to automobile manufacturers. Needless to say, competition among new manufacturers

will be even more intense. Outperforming the competition will require focusing the collective strength of the Group on new challenges, such as integrating wire harness-related equipment and technologies in cooperation with our parent company, Sumitomo Electric Industries, Ltd., which operates a telecommunications business, to market new strategic products. We need to work on these efforts looking 10 years and 20 years into the future and not as goals to be achieved under the Vision 2022 mid-term management plan.

Promoting CSR Unique to the Sumitomo Wiring Systems Group as a Guideline for Managing a Diverse Workforce

As a Group operating internationally with businesses in about 30 countries, CSR awareness and perspectives are indispensable to ensure that all our employees, representing various backgrounds, are on the same page. Our employees across the world are among our key stakeholders, and they all must share in common the value of achieving our goal to provide globally consistent quality to automobile manufacturers around the world. The three ideal images of the SWS Group and eight priorities for its CSR activities serve as the basic and fundamental viewpoint for sustainable growth and underline our role as a corporate citizen striving for co-existence and co-prosperity with local communities.

Our head office is in Yokkaichi City in Mie Prefecture, and we have been conscientiously striving over the years to bring prosperity to the region as a local company. Our stance has never changed, even after we expanded our business globally, which means we will also continue to promote overseas business activities that are rooted in local communities.

Our overseas business sites include a large number of developing countries and regions. We operate in these places not merely because of lower labor costs but also because we want to contribute to boosting

economic growth through win-win relationships. For this reason, we place great emphasis on conducting business activities such as recruitment and procurement based on the principle of “local production for local consumption.” In fact, I have been very proud and impressed on many occasions by the impact of our businesses on local communities, when a prime minister of the country expresses gratitude at the opening of a new plant that we have built. While we are contributing to local communities by employing approximately 200,000 employees as well as helping with the continued growth of local companies, these efforts place a great deal of responsibility on us. I believe that growing together with the local communities in which we operate around the globe is our CSR.

Being a Company that is Preferred and Valued in the World

In May 2017, the Group declared Sumitomo Wiring Systems Group Diversity & Inclusion (D&I) as a management strategy for the next 100 years. The declaration reflects our commitment to create an environment in which every employee can demonstrate their full potential by actively recruiting people with various backgrounds and values and bringing together a wealth of expertise. We will work to achieve sustainable growth in the midst of global competition by continuing our efforts to become the “world’s most rewarding and vibrant company to work for” based on the D&I declaration.

The Sumitomo Wiring Systems Group will work together to become a mega-supplier, with wire harnesses as its core product, that is preferred and valued by local communities, automobile manufacturers and its employees while deepening its roots in Yokkaichi for the next 100 years.

