



Connect with the Best

CSR Report 2018

Corporate Social Responsibility Report



Connecting the Future

101st Year Since Founding

SWS connects the past, present and future beyond the material world. In our 101st year of service, we have set off on a new journey while continuing to maintain our fundamental focus: to “connect.”

We will endeavor to build a brighter future by opening up a new horizon in globally connecting people and cars with the technologies we have developed over the years.

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Editorial Policy

The Sumitomo Wiring Systems (SWS) Group publishes an annual CSR report to share information on Group activities with stakeholders. In this report, our eleventh edition, we offer a concise summary of where we stand in our CSR activities centered on eight CSR priorities while having featured articles on the stakeholder dialogue on the ideal image of the SWS Group, as one of the eight priorities. If you would like to provide feedback on this report, we would be grateful to hear from you.

Period Covered by this CSR Report and Date of Publication

Date of publication: September 2018
April 1, 2017 through March 31, 2018 (fiscal 2017) Some activities conducted in fiscal 2017 are also covered.

Scope of this CSR Report

Sumitomo Wiring Systems Group
In this CSR report, “Sumitomo Wiring Systems,” “the (our) company” and “SWS” refer to Sumitomo Wiring Systems, Ltd., and “the SWS Group” and “the Group” refer to Sumitomo Wiring Systems and its subsidiaries. However, items referenced within a specifically limited scope are indicated in the text or footnoted in tables and graphs.

Guidelines Referenced

GRI Sustainability Reporting Standards 2016 and Environmental Reporting Guidelines 2012 issued by the Ministry of the Environment of Japan



Toward the Next 100 Years of Sustainable Growth Alongside Local Communities

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

Thawai

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.



Sumitomo Wiring Systems Group

We set the “Sumitomo Business Spirit” and “Sumitomo Wiring Systems Group Basic Principles” as our basic principles and actualize them by acting in accordance with the “Sumitomo Wiring Systems Group Charter of Corporate Behavior” and “SWS WAY.”

Basic Principles

▶ The Sumitomo Business Spirit

The origin of the Sumitomo Business Spirit dates back to “Monjuin Shiigaki” (the Aphorisms of Monjuin), which was written by Masatomo Sumitomo, the first-generation head of the House of Sumitomo. This corporate spirit has been handed down as the family motto throughout Sumitomo’s history. The SWS Group also positions the Sumitomo Business Spirit as its top business philosophy.

Article 1 states that Sumitomo’s business should be based first and foremost on the valuing of trust.

The first part of Article 2 clarifies that Sumitomo should pursue profit by responding quickly and appropriately to changes in society. It also emphasizes the importance of a positive, progressive spirit in continuous decision making on the adoption or abolition of business projects, without being complacent about business conditions. The latter part of the article, however, strongly admonishes us against acting rashly and carelessly in pursuit of easy gains, which refer to short-term, immediate profit and unfair profit obtained by unethical means.

▶ Sumitomo Wiring Systems Group Basic Principles

By our slogan “Connect with the Best,” we also mean to make all the connections surrounding us, along with the connecting roles that our products play, prevail over our competition in the best way. Sharing the basic principles as our common view, we will perform business with strong will and enthusiasm.

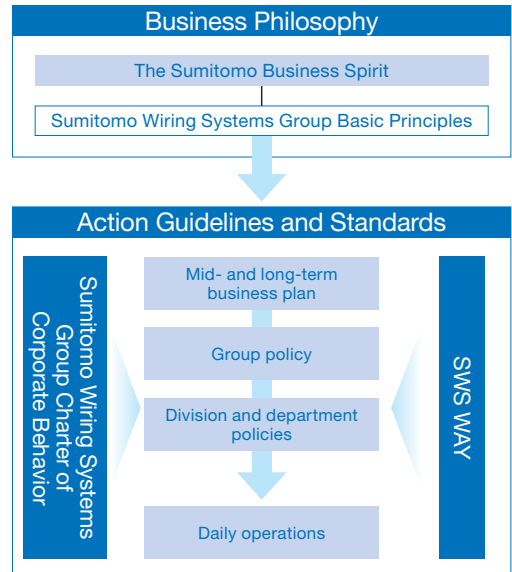
▶ Sumitomo Wiring Systems Group Charter of Corporate Behavior

Established in 2006, the Sumitomo Wiring Systems Group Charter of Corporate Behavior defines the codes of conduct and guidelines for executives and employees to align them with the Sumitomo Business Spirit and Sumitomo Wiring Systems Group Basic Principles, toward creating a corporate group that is highly trusted by global society and stakeholders. The charter has been translated into seven languages and is shared by SWS Group employees worldwide.

▶ SWS WAY

To propel our operations toward the same goal as our businesses expand across the globe, the SWS WAY was formulated in 2005. These action principles ensure that the “DNA” of our concept of work, as well as the approach and attitude to work handed down through our history, is shared with all SWS Group employees. The eight-page SWS WAY booklet, covering a broad range of topics in seven chapters comprising 30 sections, has been translated into 24 languages and distributed to the employees.

All employees will strive to deepen their understanding of its content, which encourages daily discussion about operations in regard to adherence to the SWS WAY. Moreover, it is open to different perspectives and therefore allows for the addition of new key aspects so that it can evolve.



▶ The Sumitomo Business Spirit

Article 1

Sumitomo shall achieve prosperity based on solid foundation by placing prime importance on integrity and sound management in the conduct of its business.

Article 2

Sumitomo’s business interest must always be in harmony with public interest; Sumitomo shall adapt to good times and bad times but will not pursue immoral business.

▶ Sumitomo Wiring Systems Group Basic Principles

In the spirit of “Connect with the Best,” we at the SWS Group are committed to:

- Contributing to the global community through business success;
- Realizing customer satisfaction through high-standard service;
- Developing the prospective future through creation and innovation;
- Preserving corporate ethics based on integrity and trust; and
- Respecting individuality and nurturing a vigorous and prosperous corporate culture.

▶ Sumitomo Wiring Systems Group Charter of Corporate Behavior

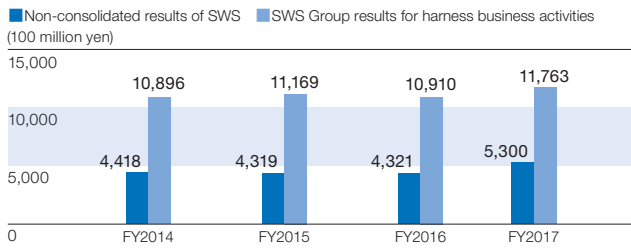
1. Provision of excellent products and services
2. Development of new, original business and products
3. Global business expansion, and growth and development of the Group
4. Consideration for global environment
5. Observance of laws and regulations
6. Fair and appropriate business activities
7. Action with awareness as members of society
8. Harmony with international society
9. Establishment of pleasant working environment and cultivation of personnel
10. Appropriate information disclosure and promotion of communication

Company Overview

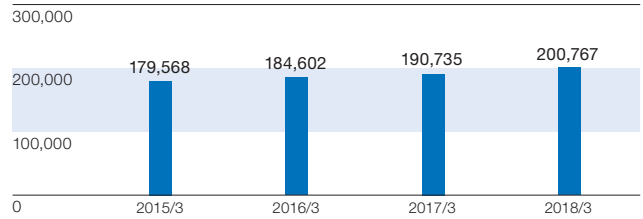
Sumitomo Wiring Systems was established as an electric wire manufacturer in 1917 during the foundation period for industries in Japan. With the advancement of the motorization in Japan following World War II, we started producing wiring harnesses and parts for automobiles. Since then SWS has focused on rationalizing wiring harness production while implementing quality assurance and reducing costs. We have now become a top wiring harness supplier in Japan and across the world, and we will continue to advance as a world-class partner for automotive manufacturers.

Company Name: Sumitomo Wiring Systems, Ltd.
 Established: December 1917
 President: Fumiyoshi Kawai
 Capital: 20,042 million yen (as of March 31, 2017)
 Head Office: 5-28 Hamada-cho, Yokkaichi, Mie Prefecture, Japan
 Affiliates: 13 in Japan, 101 overseas
 Employees: 12,987 in Japan, 187,780 overseas
 200,767 in total (as of March 31, 2017)

Sales



Number of Employees Worldwide



Global Business Development

Head Office (Yokkaichi)

5-28 Hamada-cho, Yokkaichi,
 Mie 510-8528
 TEL: 81-59-354-6200
 FAX: 81-59-354-6318

Head Office (Tokyo)

Akasaka Center Building 11th Floor,
 1-3-13 Motoakasaka, Minato-ku,
 Tokyo 107-0051
 TEL: 81-3-6384-5600
 FAX: 81-3-6384-5601

Japan

13 corporations
 ● Sales Offices/Branches
 ▲ Production Facilities/Offices/Centers
 ◆ SWS Group/Affiliates

China

29 corporations

Americas

11 corporations

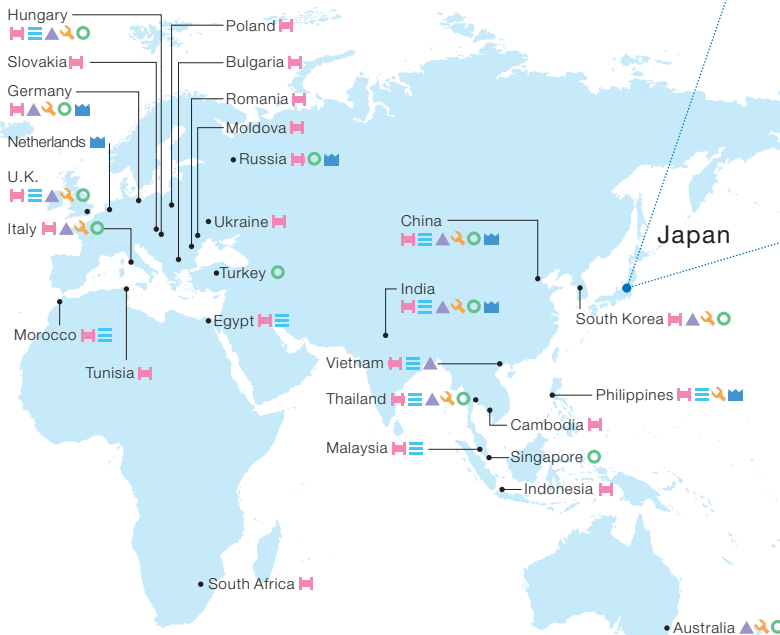
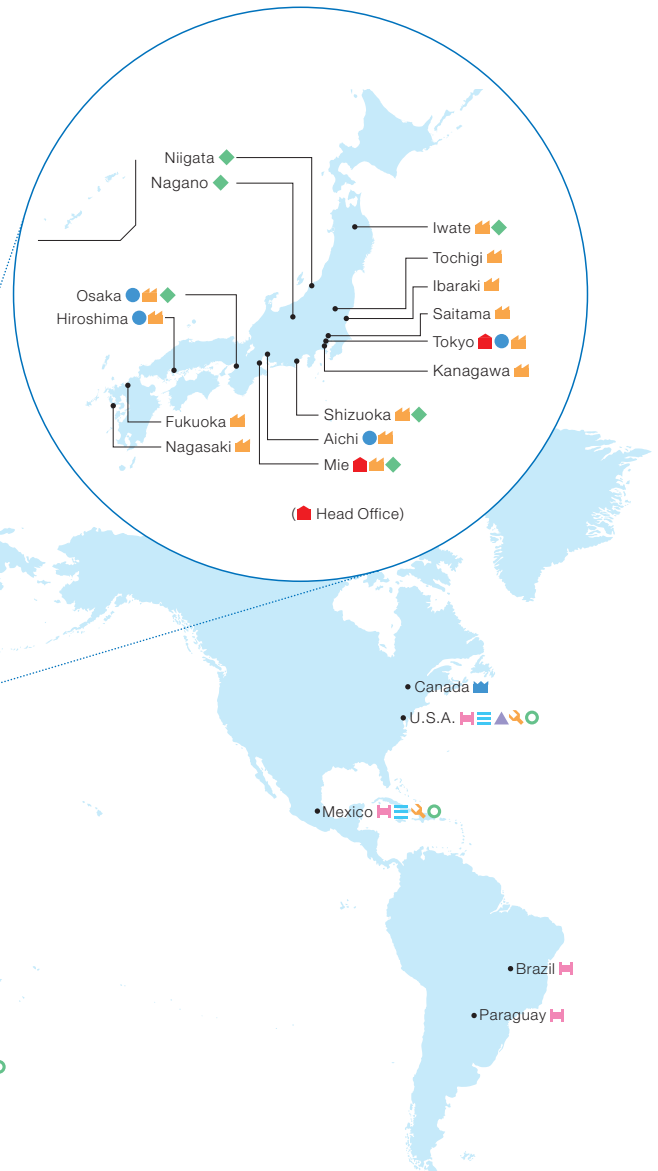
Asia and Oceania

25 corporations

Europe and Africa

31 corporations

- Manufacture of harnesses
- Manufacture of electric wire
- ▲ Manufacture of components and electronics
- Technical Centers
- Sales companies
- Holding companies, etc.



Our Products

As a global supplier, we manufacture and sell wiring harnesses and components for automobiles, wiring harnesses for office equipment and diverse cables around the world.

Wiring Harnesses for Automobiles

Wiring harnesses that connect various components to transmit electric signals are literally the life lines of vehicles. Our wiring harnesses, produced with a high level of technology, have been supporting the evolution of automobiles. Aluminum harnesses that reflect our successful efforts to significantly reduce weight have contributed to improved vehicle fuel efficiency. Our under-floor pipe harnesses, resistant to high temperatures and high current flows, enhanced the safety of drivers in hybrid cars. And more recently we have developed optical harnesses that enable high-capacity, high-speed data transmission and thereby support the next generation of vehicles in an invisible yet indispensable way.



Wiring harnesses



Aluminum wiring harnesses

Harness Components

Connectors

In their role of connecting wires and cables within vehicles, connectors must function in environments with severe temperatures, vibrations, water, electromagnetic interference and other conditions. With the greater incorporation of information technology, we have developed diverse configurations of connectors and other components that connect wires to GPS, TV sets and other wave receiving devices.



TS Sealed Series Connector
0.64 mm

Cables

Wiring harnesses consist of a bundle of wires, and each wire is responsible for carrying electric signals and energy used for starting the engine, lighting, meters and other vehicle devices.



Aluminum electric wires

Electronics

High-performance electronic components are increasingly indispensable alongside rapid progress in artificial intelligence for automobiles. Sumitomo Wiring Systems has developed a number of electronic components such as those that facilitate smart entry systems for keyless operation and support the latest self-driving systems.



Relay module of busbar and substrate



Central gateway ECU



Integrated wheel speed sensor with EPB harness

Other Harnesses



Wiring harnesses for two-wheeled vehicles

Products for EV/HEV/PHEV

Sumitomo Wiring Systems is aggressively developing technologies with "environment" as the keyword. This commitment can be seen in our products for increasingly common electric vehicles, hybrid vehicles and plugin hybrid vehicles. We offer a line of original products to meet customer needs.



Pipe harness



Power cable terminal block



EV/PHEV charging connectors



Wiring harnesses for equipment

Feature Topic: Introducing a New Technology Product

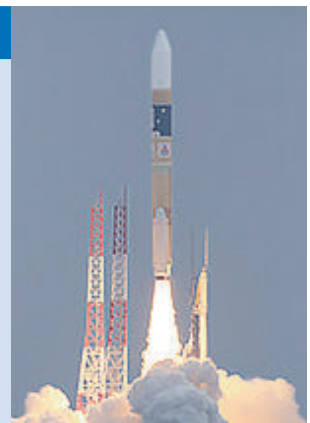
Manufacturing Capabilities of the SWS Group Launching into Space

The manufacturing capabilities of the SWS Group, supported by reliable technologies and development competence cultivated in the automobile field, are expanding into space. The wire harness of the SWS Group has been adopted in the Japanese-made H-IIA rockets produced by Mitsubishi Heavy Industries, Ltd..

A wire harness, which plays a similar role to human blood vessels by connecting installed equipment and transmitting power and signals, must properly function even under the extreme conditions in space. Drawing from our experience in H-IIA rockets, we are promoting our product for use in new rockets currently under development.

The SWS Group will continue to meet diverse customer needs.

H-IIA rocket
Photo courtesy of Mitsubishi Heavy Industries, Ltd.



CSR of Sumitomo Wiring Systems

We are committed to our eight priorities for CSR activities, including areas that can serve as centers and foundations for sustainable growth as well as our roles as better corporate citizens, which will enable the SWS Group to realize its ideal image.

8 Priority Items in the Promotion of CSR Activities

 Strengthening and Promoting the Governance System	 Quality Control Achievement of globally uniform high quality
 Strengthening and Promoting the Compliance System	 Global Environmental Conservation
 Developing, Strengthening and Promoting the Risk Management System	 Creation of a Vigorous and Lively Workplace
 Health and Safety Commitment to the elimination of industrial accidents	 Contribution to the Local Communities

Trust of stakeholders
As a global corporate group

The Ideal Image of What the SWS Group Wants to Become through CSR Activities

- Globally common best quality**
Global corporate group that offers globally common best quality
- Trust, familiarity and accessibility**
Global corporate group that is trusted by and familiar and accessible to the stakeholders
- Living with local communities**
Global corporate group that is rooted in and lives with local communities

Relationships with Stakeholders

Stakeholder	Relationship Overview	Issues and Requests	Communication Channels
Administrative agencies (central government, municipalities)	We conduct business under the jurisdiction of each nation's administrative agencies, which are also customers for our products and services.	<ul style="list-style-type: none"> Complying with laws, regulations, administrative guidance, etc. Paying taxes 	<ul style="list-style-type: none"> Communication through industry organizations Filing various notifications, responding to surveys/questionnaires
Global environmental conservation	We conduct business to create an affluent society with full consideration for environmental preservation.	<ul style="list-style-type: none"> Reducing the volume of greenhouse gas emissions Promoting energy saving and recycling Reducing the volume of waste 	<ul style="list-style-type: none"> Compliance with environmental regulations by the government, local public entities and other organizations Environmental conservation activities based on the PDCA cycle
Customers	We deliver products and services centered on our core business of automotive wiring harnesses to customers around the world.	<ul style="list-style-type: none"> Providing safe, high-quality products and services Improving customer satisfaction Providing accurate, timely product information 	<ul style="list-style-type: none"> Communication through sales activities Company websites Exhibitions
Local communities, NPOs/NGOs	The Group contributes to local community development as a good corporate citizen doing business in more than 30 countries.	<ul style="list-style-type: none"> Respecting different cultures and customs, contributing to local community development Preventing accidents and disasters, paying due consideration to the environment 	<ul style="list-style-type: none"> Community development activities by employees (both domestic and international) Plant tours, events Regional development, inheritance of traditional arts
Employees	With about 200,000 employees world-wide, we strive to provide a positive and vigorous working environment characterized by mutual respect.	<ul style="list-style-type: none"> Providing a workplace where human rights are respected Utilizing diverse human resources Creating a workplace culture that facilitates the balancing of work and family life Building capacity in alignment with career goals 	<ul style="list-style-type: none"> Activities for promoting the development of dynamic workplaces Group newsletters Corporate intranet Town meetings
Suppliers	Recognizing suppliers as valued business partners, we promote openness, fairness and honesty in all our transactions.	<ul style="list-style-type: none"> Fair and honest transactions Respect for human rights 	<ul style="list-style-type: none"> Procurement activities Supplier surveys Global Suppliers Meeting

CSR Promotion Structure

We are moving ahead with Group-wide activities led by the CSR Committee, established in May 2010 and chaired by the director in charge of general affairs. Functions of the committee include reporting on and reviewing Group activities and providing support and guidance for future development. It also conducts public relations activities and public consultations and reflects related needs and information in action plans.

Initiatives for the SDGs

The SDGs (Sustainable Development Goals) are a set of 17 goals and 169 targets to be achieved worldwide by 2030. They were incorporated into the 2030 Agenda adopted at the United Nations Sustainable Development Summit in September 2015. And they require that both the government and non-government sectors (companies and individuals) in all UN member states make collaborative efforts toward achieving the goals from 2016 to 2030. The SWS Group will contribute to achieving them as we endeavor to address social issues through our business activities.

WEB http://www.unic.or.jp/activities/economic_social_development/sustainable_development/2030agenda/

CSR Promotion System



SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



For the Future, Striving to Be the “Ideal Image”

The Sustainable Society Envisioned by the SWS Group



Junya Hashimoto,
Head of D&I Promotion Office,
Human Resources Department

Katsuyoshi Kinoshita,
Head of General Affairs Division

Ryoichi Morita,
Head of Safety & Environment Division
(from left)

July 27, 2018 at the SWS head office

As part of our CSR activities and efforts to build a sustainable society, SWS has identified three key themes: globally uniform high quality; trust, familiarity and accessibility; and living with local communities. These represent our “ideal image” of SWS. Since global companies are expected to make more contributions toward resolving social issues, what challenges must we face and overcome? Here, you have the opportunity to hear from three leaders who oversee CSR activities, each speaking from the perspectives of human resources, general affairs, and safety and the environment.

A Global Company that Contributes to Building a Sustainable Society

How can the SWS Group contribute to building a sustainable society through its business operations?

Kinoshita: Our group celebrated its 100th anniversary in 2017. We operate our businesses internationally and the scale of its business activities has reached the point at which it impacts the environment on the global scale. When we think about how we want to expand our businesses over the next 100 years, the subject of how we can contribute to building a sustainable society is very important. I believe that we must work closely with the communities of each region and concentrate on contributing to the development of that region while also to the success of the business of the whole Group. This should naturally lead to contributions to building a sustainable future.

Hashimoto: Our Group employs over 200,000 people. With this many employees and our support of their stable livelihoods worldwide are two ways we contribute to a sustainable society. In addition, the capabilities and ideas that our global network generates or the exchange of cultures

and values that it brings, I believe, are extremely important in tangible and intangible ways. It is our mission as a global company to leverage our network and identify opportunities from it which lead to new services or new products.

Morita: It may sound paradoxical, but employing over 200,000 people also means that our impact on the environment is that much bigger. Moreover, it implies that as SWS continues its business operations, we have a bigger responsibility to protect the global environment. I feel that we need to set clear targets to reduce the impact on the environment on a global scale and take big actions to prevent global warming. This is also important for the sustainability of our company.

Achieving CSR in Ways that Fit Business Operations

The SWS Group is trying to become its “ideal image” through initiatives driven by CSR priorities. What do you think are the current tasks at hand from your perspective?

Hashimoto: From the human resources perspective, we must continually work on maintaining and improving our work environment so that it becomes one that allows each employee to perform at their best and at the same time work together to achieve something on the whole. And in the ideal work environment, that achievement is recognized by all sections that lead to the winning cycle of employees feeling happy and valued, and then in turn they feel motivated to achieve more. I believe that such a company would naturally attract more talented people in the end.



Kinoshita: As we look to expand our businesses even further as a global organization, relationships with our stakeholders will become deeper and more important. We are a global company, but at the same time we are deeply rooted in Yokkaichi City, where our company was established. In the past, we have made contributions to this city in various forms, including initiatives to carry on the traditional culture of the region's "Yokkaichi Suwa Daiko Japanese Drums" toward passing this on to the next generation. In the future, however,

as we look forward to expanding our businesses and providing globally uniform high quality, we need one core theme on how we can contribute to society; in other words, contributions that are unique to SWS and those that are the same for society through our business. We can then launch them globally, as initiatives that we don't need to go out of our way to integrate them well into our business.

Morita: As we aim to build a truly global company, initiatives toward the "Global Environmental Conservation" will be more important. Our approach is to reduce CO₂ emissions from our distribution and manufacturing processes and also reduce waste. However, since we're expanding our businesses, it's inevitable that both of these will increase.



In this day and age, the simple excuse of "we are generating more because we are producing more" is not really acceptable. It's important to set guidelines that are appropriate to our business operations. One example of this is related to the topic of reducing



CO₂ emissions, or to monitor the energy consumption per unit of production. In addition, the global-scale water-resourcing problem, although not directly related to the production of wiring harnesses, is something that a global company like ours is expected to respond to. When it comes to environments, each region has its own issues and different attitudes toward them. For example, Europe especially tends to be stricter compared to Japan. We are in the process of defining our global policy regarding environmental issues, and we're looking to build infrastructures such that the policy can be applied in a way that makes sense to each region. We also envision drastic measures, such as teaming up with our suppliers and assessing each other's performance in terms of environmental impact.

Kinoshita: Living in Japan where water is plentiful, we often forget about this issue of water resourcing. However, since we have a global presence, it's possible that some of our global operations are based in regions where water resourcing is a big problem. It's important that we make an effort to see and feel like the locals do. Also, the resolution of the water-resourcing problem is listed as one of the SDGs, or Sustainable Development Goals, a call for action to combat universal challenges. I feel we have no excuse but to raise awareness of this topic within our organization.

Importance of Sharing Common Values as a Group

Hashimoto: The water resourcing issue is just an example. Given that our businesses have grown so big, I feel that all of us need to be more mindful toward global social issues. We're in a completely different business environment compared to 100 years ago. And we're exposed to rapid changes. So, in order to remain competitive in this new environment, we must above all strengthen capabilities within our organization.

Kinoshita: It will become more important for all our employees in the SWS Group to share the same values. The key is for us to share the same attitude and act as one in relation to global issues, and I feel that our company has reached that level of maturity.

Morita: When you have this many employees, you really feel the diversity of the organization; though, it's not easy to direct them all to act as

one. However, there are values that are common no matter where you are in the world, such as “safety first” and “sustainability.” I think the important thing is for us to show direction as a group and say: “This is how far we want to go with sustainability and safety.” If we can explain our vision in our own words and if people get it, then it’s just a matter of people implementing it in the ways that make sense in their own country or region. Additionally, I trust this would ensure that everyone shares a common sense of value.

Hashimoto: In 2017 the Group made a declaration on Diversity and Inclusion (D&I). We already have many foreign nationals working for us, and women and people with disabilities are becoming more and more active in the organization. In that sense, and in terms of diversity, I think we’re making very good progress. Our next step is to focus on the latter part: Inclusion. This will ensure that everyone in this diverse workforce is happy and feeling valued and that they are performing at their best. After all, the mission of “D&I” is only accomplished when that happens. Being diverse is now normal, so I think we’re expected to take this whole thing to the next level.

We aim to be a truly global company that international stakeholders can trust.

Do you have any final messages to offer regarding the SWS Group’s future?

Morita: In order for us to run various initiatives as a global company at a higher dimension, we must first develop our human resources. Moreover, we need to develop “SWS PEOPLE” with a capacity to act responsibly toward environments and safety, and also who can walk the talk in relation to everything listed in our CSR priorities. I believe that by doing that, we will be closer to our “ideal image.”



Hashimoto: In the past, the workplace was very mono-cultural and consisted only of Japanese male employees. How work was achieved was very different then, but in the modern workplace, it’s important to respect working styles and the values of individual employees while growing as a whole. When we think about the sustainability of our Group for the future, it’s important to develop the foundation for a workplace that allows employees from diverse backgrounds to excel, regardless of their nationality, sex, age or even limited working conditions.

Kinoshita: When we regard the Group’s next 100 years, we must really think about the development of our planet and the societies on it. Otherwise, we cannot truly call ourselves a global company. Nevertheless, we are a global company that employs over 200,000 people in approximately 30 countries worldwide. In each region, we strive to build our business infrastructure in such a way that we can contribute to local societies in a way that is most natural. Also, we must maintain our focus and be the company that stakeholders can trust for the next 100 years.





Strengthening and Promoting the Governance System



Strengthening and Promoting the Compliance System

We are reinforcing the foundation that sustains our Group while simultaneously seeking to further enhance our compliance system in cooperation with suppliers.

GLOBAL MESSAGE



Ensuring Compliance in Thoroughly Managed Sales Activities

We sell parts such as connectors and terminals to customers in Thailand and other ASEAN countries.

In our sales activities we must restrict or otherwise control interactions with competitors in order to completely prevent any suspicion from being cast on us for violating the competition law.

As a dedicated competition law compliance officer, I review on a daily basis every case reported by the Sales Department.

In fiscal 2017, a total of 55 cases involved interactions with competitors, and all of them were confirmed to be legally permissible interactions. Under the Sumitomo Business Spirit, I will continue to ensure full compliance with the competition law.

Senior Manager, Human Resources and General Affairs Department
SWS Sales & Marketing (Thailand) Co., Ltd. (SWS-T) (Thailand)

Ajima Hariu

Corporate Governance System

We adopted the Executive Officer System in June 2003 to accelerate decision making and enhance supervision and business execution.

The Board of Executive Managing Officers conducts preliminary reviews of key issues to inform the Board of Directors in its deliberations as the final decision-making authority. Two corporate auditors audit the business execution performance of the directors at SWS to ensure the soundness and adequacy of management. The auditors attend Board of Directors meetings and other key meetings and also exchange information with the Internal Audit Department and accounting auditors to reinforce the effectiveness of our auditing.

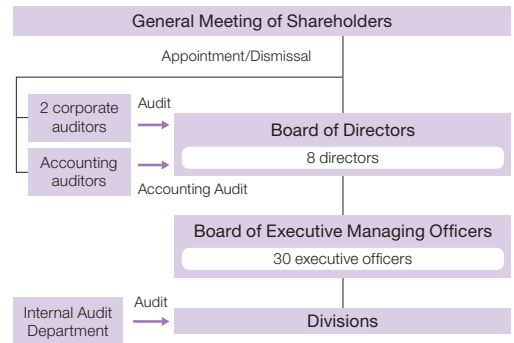
Compliance System

We established a compliance manual in 2005 as a set of guidelines for daily operations. Every SWS Group employee is expected to adhere to the guidelines in the spirit of acting under the highest ethical standards.

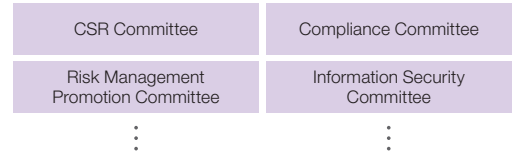
Meetings of the Compliance Committee, chaired by the director in charge of legal affairs, are held on a regular basis to reinforce this effort through the planning and implementation of measures that ensure business operations are being conducted legally and ethically and compliance risks are being identified, analyzed and dealt with.

In fiscal 2017, we developed a bribery prevention program in Japan and overseas, and it has remained a priority in fiscal 2018. We also developed a worldwide legal risk reporting system to quickly and comprehensively obtain and understand potential or identified legal risks within each Group company and to act promptly when addressing them. With regard to particularly high legal risk circumstances, such as the competition law and bribery prevention, we have strengthened the monitoring of SWS as well as our domestic subsidiaries, and quarterly reviews are conducted for all interactions, including entertainment expenses involving competitors.

Corporate Governance System (as of June 30, 2018)



Group-wide Management Activities



Compliance Training

For the SWS Group to earn the trust of stakeholders and realize sustainable growth, every employee must develop a compliance mindset and act as a good corporate citizen. To that end, in addition to annual executive training, we actively engage in compliance training and education tailored to the characteristics of each workplace by designating areas to be improved each year.

In fiscal 2017, we significantly increased the number of training sessions on compliance with competition law to bolster our internal controls. We also provided position-based training programs focused on internal control and corporate governance. In addition, to ensure that employees are aware of their compliance obligations, we use our Group newsletters to introduce topics related to compliance and discuss issues that can arise in the course of business, such as the Antimonopoly Act, Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and key points to keep in mind when signing contracts.

Contacts for Compliance Reporting

Contacts for compliance reporting were established as an effective system for the early detection and correction of any incidents of legal or ethical non-compliance. To make filing reports easier, we set up an internal contact run by our Legal Affairs Department and also an external contact run by our corporate legal counsel. Reports of non-compliance are mainly investigated and handled by the Legal Affairs Department, which serves as the Compliance Committee Secretariat. In fiscal 2017, 26 incidents were reported, investigated and appropriately addressed.

CSR Procurement

Sumitomo Wiring Systems is closely collaborating on the global stage with suppliers who are valued business partners by emphasizing openness, fairness and equitability under our procurement policy. Along with our basic transaction agreement that includes clauses on CSR procurement and the exclusion of antisocial forces, we have also distributed our CSR Guidelines for Suppliers, clearly stating our expectations and requests to our main suppliers, and continue to keep them informed. Internally, we have assigned officers in each division to be responsible for enforcing compliance with the Subcontractor Act to ensure education and raise awareness of CSR procurement.

Communication with Suppliers

Sumitomo Wiring Systems convenes an annual Global Suppliers Meeting to promote mutual trust with suppliers. A total of 240 participants from 121 companies in 10 countries attended our April 2018 meeting. We provided an overview of our business environment of our harness business, shared our procurement policy and key measures, and requested the active commitment and initiative of our suppliers to make sure that everyone is on the same page. The meeting also included an award ceremony recognizing outstanding suppliers based on a comprehensive evaluation conducted from standpoints including quality, cost and delivery (QCD). Six companies were recognized as outstanding suppliers for fiscal 2017.

Efforts to Strengthen Compliance with the Subcontract Act

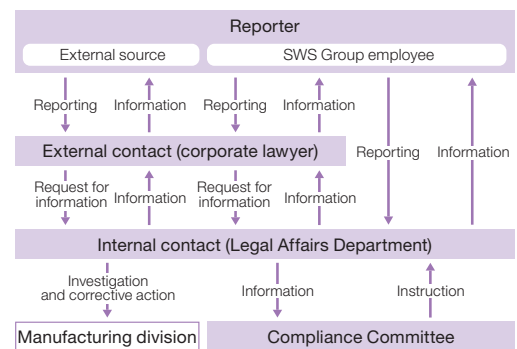
In December 2016, we revised the Subcontract Act Operation Standards and promotion standards under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises. The revisions added new detailed rules concerning transactions between subcontracting companies and subcontractors governing price determination, cost bearing and payment conditions. In response to the revisions, we have begun implementing initiatives to strengthen and promote appropriate transactions with our subcontractors.

In terms of price determination and cost bearing for mold storage expenses, we have established internal rules based on the new standards. As for a payment method, we have for all subcontractors established a mechanism requiring that cash payments be made within periods shorter than those stipulated by law. Moreover, we are raising the awareness of all employees on legal compliance by providing extensive and effective internal training programs on how to conduct proper transactions.

Compliance Training (Fiscal 2017)

Type of Training	Sessions	Participants
Training for New Employees	1	183
Training for Mid-career Recruits	12	75
Position-based Training	12	756
Optional Training	13	786
Compliance Training on Competition Law	16	1,990
Anti-bribery Training	15	1,866
Total	69	5,656

Compliance Reporting



Procurement Policy

Our procurement activities reflect our commitment to "Connect with the Best" and are conducted under the following policies:

- ① Provide open and fair opportunities
- ② Adhere to basic principles of mutual understanding, mutual reliance and mutual enlightenment
- ③ Establish global partnerships
- ④ Ensure legal compliance
- ⑤ Promote green procurement

Voice

Providing Valuable Products and Services Globally Based on Mutual Trust

Hideo Tokunaga
Managing Director
Gomunolnaki Co., Ltd.



We mainly supply molded rubber parts such as harness grommets to SWS Group companies across the world. Our company was founded two years after Sumitomo Wiring Systems, so we will celebrate our 100th anniversary in 2019. Having been in business with SWS for over half a century, we have found that their support for our business expansion overseas has been particularly helpful. We were especially grateful to SWS for its patronage and for providing personnel and financial support when we faced a critical period at our overseas plant. At the Global Suppliers Meeting in fiscal 2017, we received the General Excellence Award thanks to staff members who offered daily worksite guidance and to SWS executives and directors. We will continue to make every effort to contribute to society through our business activities.



Developing, Strengthening and Promoting the Risk Management System

We are strengthening our internal Group system to build a robust organization founded on all-inclusive risk management.

GLOBAL MESSAGE



Efforts to Strengthen Risk Management

The Sumitomo Wiring Systems Group has been taking action to mitigate the various risks that underlie our business operations such by establishing the Risk Management Committee to oversee risk management activities.

As the globalization of our business operations continues, we are increasingly exposed to a variety of risks, including disasters, accidents and political instability in different countries. In April 2017, we established the Risk Management Office to strengthen our global management system. The office conducts a Group-wide risk inventory to comprehensively understand the risks we face and prioritizes implementation of countermeasures for highly material risks.

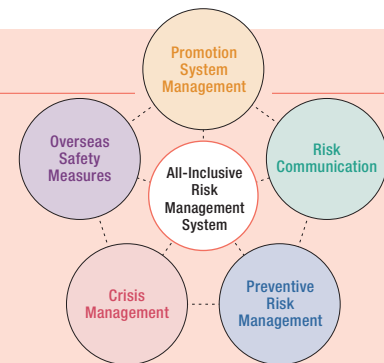
Manager, Risk Management Office, Management Headquarters, Sumitomo Wiring Systems (SWS) (Japan)

Koichi Hashimoto

Risk Management Basic Policies

Within the framework of the Sumitomo Wiring Systems Group Basic Principles, the Risk Management Basic Policies clearly stipulate corporate policies that require us to give priority to human life; to strive to improve quality, secure safety and ensure a stable supply of products; and to maintain good relationships with stakeholders, including customers and local communities.

We have identified five major areas (Promotion System Management; Risk Communication; Preventive Risk Management; Crisis Management; Overseas Safety Measures) where we will make comprehensive efforts under our corporate risk management system.



Risk Management System

We established the Risk Management Promotion Committee under the Risk Management Committee, with the Risk Management Office as its secretariat. Also, we assigned risk managers to each division and domestic manufacturing subsidiaries and risk management staff to each department to promote risk management efforts. In addition to daily risk management activities, these designated staff also work together to address crisis situations.

In fiscal 2017, we conducted a risk inventory throughout the Group with the cooperation of each risk manager and formulated risk countermeasures, including a BCP* for high-priority risks. We will strengthen our risk management by regularly conducting risk inventories, reviewing the BCP and implementing ongoing measures to address high-priority risks.

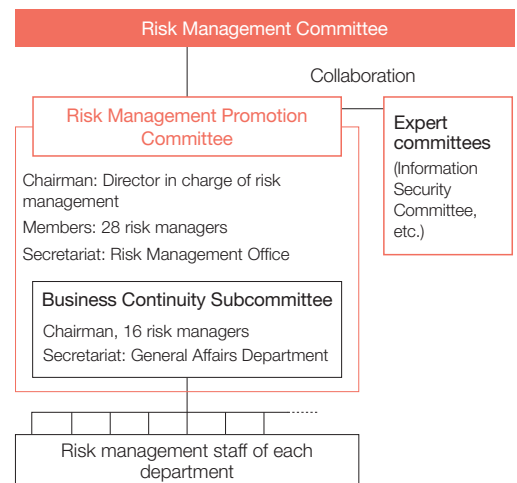
*Business Continuity Plan: An action plan that includes measures to minimize impact on key operations based on the assumption of the occurrence of an unforeseen event such as a natural disaster or an accident and to promptly restore or resume operations should such an event disrupt the continuation of business.

Analysis and Countermeasures for Global Risks

Sumitomo Wiring Systems operates businesses in more than 30 countries around the world, which exposes the company to natural disasters such as earthquakes and typhoons, political risks such as social instability, labor risks such as compliance violations and other types of risks that require our careful consideration of several scenarios and countermeasures on a global level.

We will continue to conduct risk inventories to identify the risks that overseas

Risk Management System



subsidiaries face, assess the risks of each country and region, and develop and implement risk countermeasures.

In addition to the prompt sharing of information on apparent risks and implementation of countermeasures, we strive to prevent risks by regularly deploying risk-related information to relevant personnel. In our wiring harness business, we endeavor to ensure continuity of production and supply even in times of crisis. For example, if production is suspended at some of our overseas plants, the production control center in Japan directs the disrupted production to be carried out at other locations.

To further strengthen risk management across the Group, we will work toward developing a system to meet customer requests with due consideration of the specific situations of our overseas subsidiaries.

Initiatives in Fiscal 2017

To increase the resilience of the entire SWS Group to risks, we are developing and reviewing our BCP and strengthening our internal systems so that each department can act promptly and in collaboration in the event of an emergency.

BCP

We have established a BCP that is periodically reviewed to sustain key operations, even in the event of a crisis such as a major earthquake or outbreak of a new influenza. We have also implemented additional actions, including the conducting of evacuation/disaster drills assuming a major Nankai Trough earthquake and the compilation and distribution of a tsunami evacuation manual for employees.

In fiscal 2017, we continued to reconsider the action plan for the stage of preparation for restoration and to upgrade and ensure consistency of the BCP by encouraging collaboration among Group companies and departments. During the periodic disaster map exercises, we verified the effectiveness of our action plan by comparing the assumed situation and existing BCP and created a BCP for each plant to unify the initial response and information collection system and improve the disaster response structure of each plant to ensure the restoration of business operations.

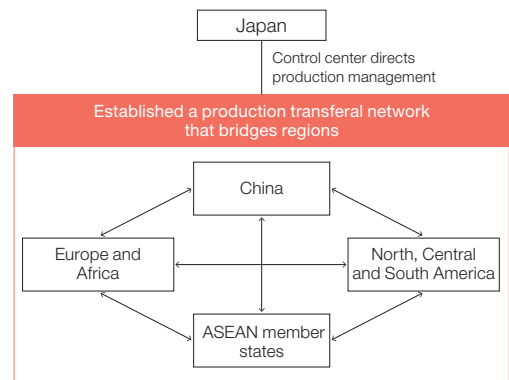
Applying these efforts to each plant will further strengthen the company's disaster response system. In terms of the physical aspect, we have developed a corporate intranet through which we can share disaster information and a system that automatically transmits disaster alert notifications to mobile phone email addresses. In parallel with these efforts, we surveyed and interviewed our suppliers to identify those that exert a significant impact on our production and supply. Also, we strengthened emergency countermeasures to enhance risk management capabilities across the entire supply chain.

Information Security Measures

We recognize the importance of proper protection and management of information assets in our operations and have the Standards for Information Security Countermeasure, which defines our organization and information management methods for ensuring security information based on our stance stated in the Information Security Policy.

We have strengthened our system by setting up a computer security incident response team (CSIRT) that can quickly understand and deal with information security-related incidents. We have also established a system to quickly execute surveys, analysis and countermeasures, starting from the point of contact of the Information Security Committee if an incident occurs. In fiscal 2017, we strengthened our global system, collected and analyzed information and created an incident response flowchart so that we could promptly conduct the initial response to incidents that can occur at any time.

Production Control System



BCP collaborative exercise

Voice

Business Continuity Planning for 30 Locations

Mr. Morgan Penney

General Manager, Production Planning, Wire Harness Production Management Business Group, Sumitomo Electric Wiring Systems, Inc. (SEWS) (U.S.)

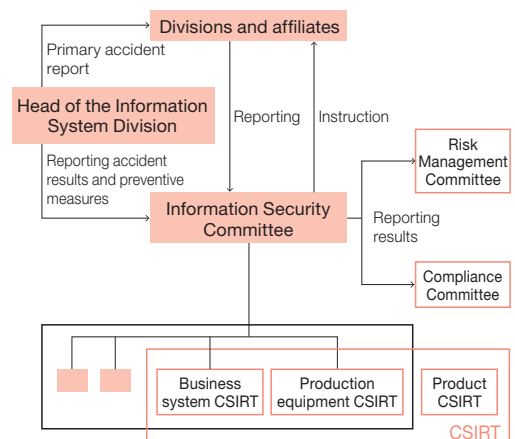


On behalf of SEWS I lead global supply chain and risk management efforts spanning manufacturing operations in the USA, Canada, Mexico, Japan, China, and multiple Asean nations.

As a SEWS employee of 17 years, I have led activities related to infrastructure, communication and systematization improvement, targeting customer forecasting, change-point analysis, planning lead-time reduction, on-time delivery, and waste and expense reduction.

This year, I am thankful to have been given the opportunity to lead and support skilled business unit leaders and knowledgeable department-level process owners across the organization as we work hard to implement SEWS's BCP at more than 30 locations across the USA, Canada and Mexico.

Information Security System





Health and Safety

Commitment to the elimination of industrial accidents

We thoroughly comply with the “Safety is our top priority” philosophy and perform comprehensive health and safety activities to ensure that employees can work with a sense of security.

GLOBAL MESSAGE



Commitment to the Elimination of Industrial Accidents

“Safety is our top priority” as a business principle.

We recognise that the Health, Safety and welfare of our employees is vital to our organisation and are committed to the prevention of injury and ill health whilst maintaining a safe and clean working environment. I am responsible for Health Safety, Environment and Training across SEWS-E, covering Europe, Morocco and Egypt. I have worked for the company for 10 years and am very proud of all our employees’ efforts, in particular those of the HSE coordinators toward achieving Zero Accidents.

Safety is EVERYBODY’S responsibility! We strive to achieve “Zero risk condition” by educating our employees and sharing best practices. I realise that it can sometimes be difficult given the different cultures, but we must continue to look at different ways to fully support our employees and commit to “Safety first.” I believe that no one wants to get hurt in the workplace, but sometimes we neglect best safety practices because it takes extra time and effort. Therefore, I kindly request to you all to please take the time so you can fulfil life at home and work, as it is better to lose one minute in life than to lose a life in a minute! So please make work a safer place for us all, so we can indeed all enjoy the greater things in life.

Company Health Safety, Environment and Training Manager
Sumitomo Electric Wiring Systems - Europe Ltd. (SEWS-E UK Headquarters)

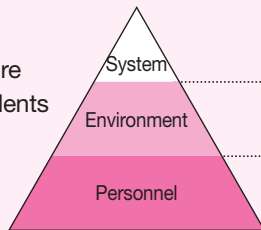
Dave Martin

Philosophy and Policy

With “Safety is our top priority” as the foundation of our business, the SWS Group strives to secure the health and safety of its workers with a spirit of respect and rigor that affords no opportunity for industrial accidents. We will strive to achieve zero accidents by following our Safety Activity Policy, shown below.

▶ Safety Activity Policy

Vision 2022: Foster a safety culture
→ Achieve “zero” risks and accidents



Safety management system

Standardize and establish an audit mechanism (compliance)

Safe environment

Implement 5S rules and create a safe environment for buildings, equipment and work

Prevent unsafe actions (education and training)

Improve safety knowledge and awareness

▶ Focusing on Raising Global Awareness

Most of the industrial accidents that have occurred in our workplaces happened during non-core tasks such as transport, maintenance and cleaning as well as due to human error such as tripping or falling while walking. As a countermeasure to injuries caused by tripping or falling while walking and engaging in unsafe behaviors, which have recently increased, we implemented the “STOP Accident Campaign” for all Group employees, which we originally introduced in 2014, and also began the STOP-USB* campaign in 2016. We intend to eliminate industrial accidents through these drives, in which employees are instructed on proper and efficient walking habits, as well as safe behavior, in order to prevent injuries caused by falling and also educational activities are promoted under the slogan “STOP” to raise safety awareness. In fiscal 2017, we created the Safety Handbook for Maintenance Work, which lists compliance items for maintenance work, and distributed it to all maintenance workers. Furthermore, we globally implemented the “Switch Power OFF” campaign to ensure that all maintenance workers comply with its three rules: “switch power off, protect yourself, and check procedure,” and we distributed 40,000 stickers translated into nine languages. In fiscal 2018, we will gradually introduce the “Safety Monitoring” campaign throughout our domestic and overseas locations to encourage onsite workers to warn and inform each

▶ STOP Slogan

- S** Do not take a short cut and watch your step
- T** Do not text or talk on the phone while walking
- O** Hold on to the handrails when using stairs
- P** Do not put your hands in your pocket while walking



The Safety Handbook for Maintenance Work has been translated in various languages.



other of any unsafe situations or behavior.

* USB: Unsafe Behavior

Global Industrial Accident Statistics

Since we started compiling global industrial accident statistics in 2005, we have been working to unify disparate national standards by standardizing commonly used injury level definitions in order to facilitate comparative analysis.

Globally in fiscal 2017, there were 11 accidents of injury level I and 4 accidents of injury level II. To strengthen our health and safety management system further, we will continue our efforts to prevent the recurrence of industrial accidents through measures such as analyzing the underlying factors for each accident and revising programs for workplace equipment.

Strengthening Safety Measures for Forklift Operators

Most of the transport work conducted in our workplaces requires forklifts, and forklift-related accidents can lead to fatal results. Therefore, since fiscal 2014 we have been actively strengthening safety measures for forklift operators to eliminate these accidents. Some of the measures we have taken include the establishment of global forklift safety standards, separation of work areas, and the assigning of different work hours for regular workers and forklift operators so that they are not present at the same times, and adopting a proximity alert system for pedestrians as well as warning lights.

The effectiveness of these measures has been reflected in zero accidents, since fiscal 2015, caused by forklift operation.

Equipment Certification

Since the introduction of a safety certification program for our production equipment in 2012, a risk assessment and safety confirmation must be conducted in areas where equipment is operated. Since most of the equipment, including locally procured equipment, was installed before this mandate, we started a review of our 18,778 units of equipment in fiscal 2016, in order to confirm compliance with the current safety standards.

We placed priority on checking 1,610 units of equipment with blades that could lead to serious accidents and those with rotating parts and crimping mechanisms. We affixed safety stickers on the equipment for which safety confirmation had been completed.

As of the end of fiscal 2017, we have confirmed the safety of 94.5% of all targeted equipment. We will continue to conduct quarterly reviews and follow-ups.

Health Initiatives

The “SWS Group’s Health Initiatives” were declared with the belief that the health of each employee is a prerequisite for a lively company.

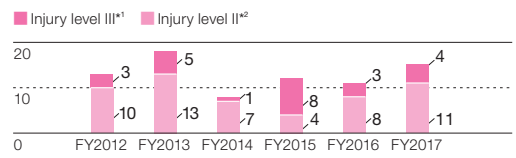
In fiscal 2017, we installed outdoor smoking areas while prohibiting smoking inside buildings as a measure to minimize passive exposure to smoking. We will continue to support all our employees in maintaining and improving their mental and physical health and take actions to contribute to the development of an effective workforce from the viewpoint of Kenkokeiei* (health and productivity management).

*Kenkokeiei is a trademark of the Specified NPO Workshop for the Management of Health on Company and Employees.

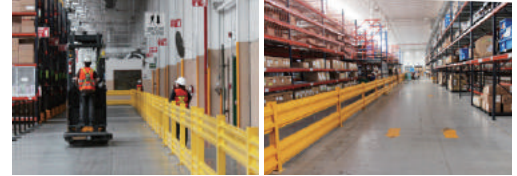
Employee Health Improvement Program

The importance of promoting health has been growing along with social concern over the declining state of public health related to life-style diseases and mental health problems. To encourage our employees to be more conscious of maintaining their health, we launched a three-month health improvement program in December 2017 in which approximately 1,300 employees of the SWS Group set their own health goals and took on various challenges, such as exercise goals, diet, giving up smoking and brain training. We will strive to establish a healthy and vibrant corporate culture by continually supporting and motivating employees to improve their physical and mental wellbeing.

Number of Global Industrial Accidents



*1 Accidents resulting in lost work time (injuries involving partial or temporary functional decline and requiring ongoing medical treatment)
 *2 Accidents resulting in no lost work time (injuries requiring short-term medical treatment)



Separating forklift operation from walking areas



Safety sticker

Three Priority Initiatives in Our Approaches to Health (FY2017)

1 High-risk approach

- Recommend employees with health risks to receive health checkups and thoroughly record their progress.
- Hold a skill-building seminar for improving high-stress workplace environments.

2 Group approach

- Plan and promote various events to improve the health knowledge of employees.
- Measures for improving mental health, communication and change of pace
- Measures for improving physical health through exercise and diet.

3 System development

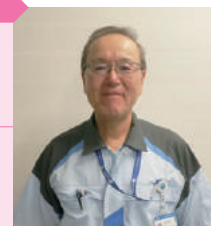
- Establish company-wide health management regulations.
- Strengthen and develop indices of various health data.
- Share health activities between districts and companies in Japan.

Voice

Participating in the Employee Health Improvement Program

Kazutoshi Narita

GS Promotion Group 1, Quality Control Department, Sumitomo Wiring Systems (SWS)



Ever since I was diagnosed with abnormal glucose metabolism during a comprehensive medical examination, I have been continuing nutritional and exercise therapy. So, when I heard about the program, I instantly decided to participate. There are four health rules that I have been following for some time: (1) checking my weight (morning and night), (2) having three different walking courses (20-, 30- and 45-minute options) for commuting, (3) eating home-grown vegetables for lunch, and (4) doing a stair climbing workout during my lunch break. I am not sure if I will be able to continue to exercise as much as I am doing now after retirement, but I will certainly try to stay active. It is important to regularly exercise and keep track of your goals. Continuity is the father of success.



Quality Control

Achievement of Globally Uniform High Quality

In light of our global production system encompassing more than 30 countries, we are continuously striving to ensure uniformity in the Group's quality control efforts.

GLOBAL MESSAGE



Taking on the Challenge of Achieving Zero Concerns

We remain focused on 3 Point Control, strengthening management and improving employee awareness of quality. Three years ago we also established the Special Committee Team to reinforce our activities and began implementing a cross-departmental project. In particular, we have improved our production systems to control change points and simplified various standards and educational materials so that our work procedures are easier to understand and simpler in terms of instruction. Through these activities, the number of concerns we received in fiscal 2017 was the lowest ever, a 80% decrease in five years. We will continue to strengthen our activities toward raising quality awareness among all employees and focus our efforts on becoming the leading company across the globe by revitalizing the activities of staff in line with workplace environments.

Senior General Manager, Quality Assurance Department
PILIPINAS KYOHRITSU INC. (PKI) (Philippines)

Noel Mills Melcard

Quality Policies

Fiscal 2017: Build "Structures to Achieve Zero" and make an effort to achieve Zero customer concerns for VISION 2017 !

- ① Pursuing No.1 quality for customer satisfaction
- ② Realizing defect-free drawing, process and system
- ③ Enhancing Genba (worksite) strength for forestalling control and early detection of problem

Own Process Assurance Activity

The SWS Group places a high priority on actions for improving quality toward achieving zero quality defects. At the foundation of this effort lies the "Assurance of Each Process" activity, under which the design division creates designs that eliminate any element that could cause a defect in quality before the product is made. The production engineering division establishes processes that preclude defects as well as processes for quickly identifying and eliminating them before a product reaches the next stage. Moreover, activities undertaken by the manufacturing division stringently adhere to the procedures in place for ensuring that defects do not occur in regard to any change point.

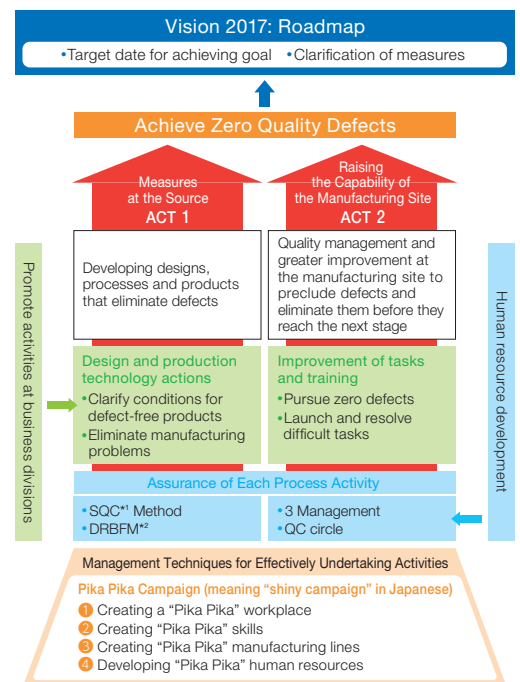
3 Point Control

To prevent defects, we use and visualize 3 Point Control as a means of promoting at all our manufacturing sites through management of: (1) changes, (2) abnormalities, and (3) compliance with work standards. We define those associated with major events, such as the production of new products or a sudden increase in production, people, equipment or materials as changes, and those that lead to product defects, including abnormalities in equipment, material quality and blackouts as abnormalities. To manage the compliance status of work standards, we monitor each employee and seek to identify the cause of any non-compliance to improve our standards, jigs and tools, and design.

Onsite Practical Training for Quality Improvement Conducted at Overseas Manufacturing Sites

The overseas production ratio for our wire harnesses, our core products, is 98%. To achieve "zero concerns for Vision 2017" and realizing "worldwide uniform quality" as a company quality department, we are committed to implementing practical onsite training for quality improvement at overseas manufacturing sites. Specifically, we provide

Priority Actions Related to Quality Improvement



*1 SQC: Statistical Quality Control
*2 DRBFM: Design Review Based on Failure Modes

quality improvement training to the leaders of the local manufacturing and quality assurance divisions to eliminate any recurring defects within the processes. These sessions are conducted under our leadership and make analysis of defect cause with actual products on-site. After completing the training program, each trainee initiates voluntary improvement activities at their manufacturing site as a trainer and we follow up on these activities. The trainees can thereby feel a sense of accomplishment in achieving goals and locally developed measures to be used for quality improvement at their sites. Currently there are 25 people being trained at our sites in Morocco, Romania and Egypt, leading to the establishment of the foundations for quality improvement and the spread of related activities at each location.

In fiscal 2014, we started providing training programs, mainly in Morocco, Romania and Egypt, and we plan to build on the results to expand to North America and Mexico in fiscal 2018. To achieve further global expansion, we will systemize these programs to broaden their reach worldwide to our sites not only in Europe and North America but also in China and ASEAN countries.

● Pursuit of Customer Satisfaction

In fiscal 2017, despite falling short of achieving our objective of receiving zero concerns, the frequency of concerns received improved compared to the previous fiscal year and to a record high level. The SWS Group will continue striving for zero concerns.

▶ Earning the Respect of Our Customers

Over the years we have consistently sought to provide high-quality products that earn customer trust. This has resulted in the high regard of our customers around the world as well as 52 awards for our products in 13 countries in fiscal 2017. We remain committed to delivering products that consistently merit the trust of customers.

▶ Pika Pika Campaign for Achieving Globally Uniform Best Quality

To achieve Globally Uniform Best Quality with the highest product appeal, we promote our Pika Pika Campaign, which is fairly self-explanatory for our employees. The campaign represents our basic manufacturing principle, developed based on the idea that creating a “Pika Pika” (shiny) mind, actions, skills, equipment and worksites leads to “Pika Pika” products. The campaign is composed of four elements: PK evaluation, G-STARS, human resource development, and HAI-Q activities for quality improvement, leveraged by the other three elements, to achieve zero defects.

Our annual PK evaluation involves having those in charge of quality at headquarters visit all our overseas plants and checking and evaluating each manufacturing process with local employees over a three-day period. It is intended to accelerate improvements at each plant by clarifying weak points. In fiscal 2015, the evaluation, initially based on an overall score system, was revised and improved so that it would assess the degree of achievement in safety (S), quality (Q) and productivity (P).

G-STARS is a standardized set of basic skills required by all employees as well as special skills needed for each work process. We annually hold the Skill Olympic Games to increase employee motivation as a means of further developing their skills, and outstanding operators from around the world gather to compete in their respective areas of expertise.

As part of our human resource development efforts, we are working to develop master trainers who train the leaders of each plant in line with the characteristics of each country.

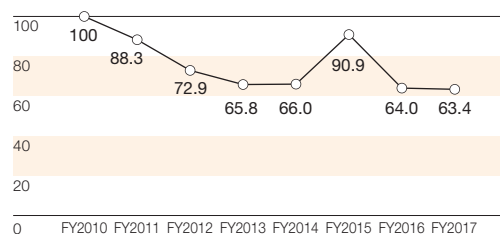
HAI-Q, an initiative to achieve zero defects within all our processes, involves stopping a production line each time a defect occurs in order to identify its cause.

Through these efforts, we promote the Pika Pika Campaign every day to ensure that employees are always working to their full potential.



Wire Harness Division contestants at the Skill Olympic Games

▶ Changes in the Number of Concerns Received from Customers (Index: fiscal 2010 = 100)



Voice

Participating in QC Circles

Antaki Madiha
Team Leader,
Assembly Department,
Kenitra Plant
SEWS-Maroc SARL (Morocco)

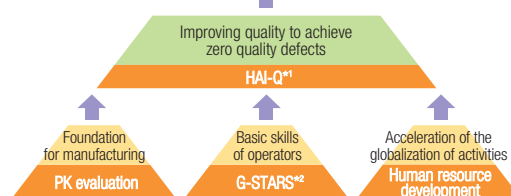
My job as a team leader is to coordinate with all departments on ways to reduce the burden on workers.

Participating in QC circle (small-group) activities has taught me how to analyze facts based on the SWS 10-Step methodology and how to identify problems and solutions, together with many specialized teams. This has strengthened my knowledge as well as communication between our departments. Finally, I would like to thank those who have supported us in resolving issues through QC circles.

▶ Basic Concept of the Pika Pika Campaign

No. 1 Product Appeal and Globally Uniform Best Quality

Manufacture Pika Pika products (supply Pika Pika products)



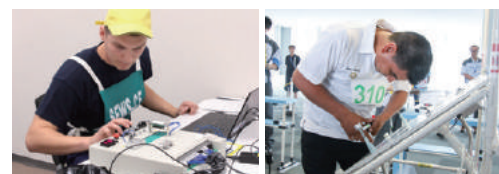
*1 HAI-Q: Harness Innovation Quality

*2 G-STARS: Global Skill Training and Recognition System



PK evaluation conducted at our plant in India

▶ Skill Olympic Games



Parts Division

Wire Harness Division



Global Environment Conservation

The SWS Group recognizes its significant impact on the environment and will continue working toward realizing a sustainable society in harmony with the environment by operating clean factories that contribute to a brighter future.



GLOBAL MESSAGE

Successful Results from SEWS-AWH Energy Consumption Activities

I have been working at the SEWS-AWH since 2010. As a General Manager, I am responsible for leading activities related to engineering, production, maintenance, safety and energy. We have implemented a number of activities to promote energy consumption since 2014 and, owing to our efforts, obtained ISO 50001 certification in 2015. Not only have we successfully reduced energy consumption by 10%; we have also raised employee awareness through training. Looking ahead, we will continue to implement these activities with the aim of achieving the SWS Group's environmental conservation targets.

General Manager, SEWS-Automotive Wire Hungary Ltd. (SEWS-AWH) (Hungary)

Tamás Dákai

Environmental Management

Environmental Preservation Principles

Basic Principles

The SWS Group shall implement business activities to create an affluent society with full consideration for environmental preservation.

Environmental Preservation Action Guidelines

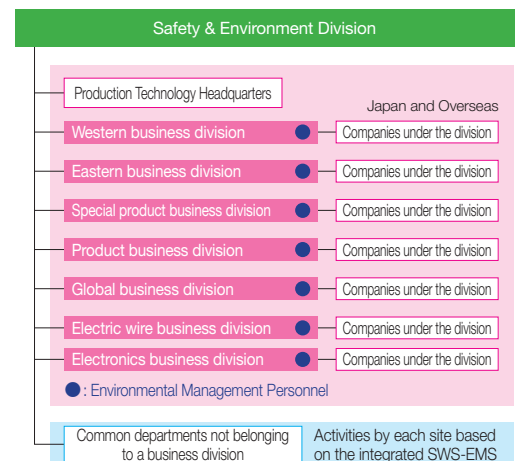
- 1 Make efforts to develop and improve eco-technology (also known as "green engineering") in every field of product planning, development, design, manufacturing methods, production, logistics, usage and disposal aiming at product manufacturing, with consideration given to influence on ecosystems and protection of resources.
- 2 Determine self-imposed restraints to reduce impact on the environment, in addition to observing environmental regulations by the government, local public bodies and other organizations.
- 3 Conduct an environmental audit to check the progress of environmental preservation plans and job performance levels in order to maintain and improve the level of environmental management.
- 4 Improve environmental awareness in the SWS Group, including overseas sites, and promote environmental preservation activities through communication with local communities.

Environmental Management System

In fiscal 2017, the Sumitomo Wiring Systems Group reviewed and reorganized its environmental management system (EMS), which had been centered on an environmental subcommittee, overseas companies and four domestic areas, into a system led by business departments, with each assigning its own environmental management officer. In response to the revised ISO 14001:2015, we have encouraged certification at overseas bases that have yet to comply with certain global environmental standards.

We will continue to ensure coordination with overseas companies so that we can establish a Group-wide internal audit system in accordance with international standards.

Environmental Management System Chart



▶ SWS Group Environmental Action Plan

The SWS Group has sought to cultivate stronger relationships with the global community toward reducing environmental impact at every stage of the product life cycle, from development to disposal. In fiscal 2013, we introduced the Action ECO-21 campaign of Sumitomo Electric Industries, Ltd. to implement environmentally sound activities through our business. In fiscal 2018, we will continue our efforts by upgrading the campaign to the Action ECO-22V.

▶ Action ECO-21: Fiscal 2017 Targets and Results

○: Target met △: Target unmet (improved from previous year) ×: Target unmet (declined from previous year)

Action ECO-21 Phase VI Targets (FY2015–2017, base year: FY2012)		FY2017 Targets and Results		
		Targets	Results	Evaluation
Prevention of global warming (CO ₂ reduction)	Save energy globally (reduce consumption per unit of sales ^{*1})	Reduced by 20%	Reduced by 17%	△
	Save energy in offices (reduce consumption per unit of floor area ^{*2})	Reduced by 5%	Increased by 4%	×
	Reduce CO ₂ emissions from logistics per unit of sales (in Japan)	Reduced by 5%	Reduced by 30.4%	○
Promotion of resource saving and recycling	Promote zero emissions ^{*3} (in Japan)	0.3% or less	0.02%	○
	Reduce absolute volume of waste (in Japan) ^{*4}	Reduced by 5%	Increased by 35% ^{*5}	×
	Promote zero emissions (overseas)	9% or less ^{*6}	11%	×
	Reduce water use per unit of sales ^{*7} (in Japan and overseas)	Reduced by 5%	Reduced by 22%	○
Expansion of environmentally sound product range	“Eco Mind” registration ratio for new products	Register 100% on new products	97%	△
	Increase ratio of environmentally sound products ^{*8} in sales	90% or more	82%	△

*1 Consumption per unit of sales = Crude oil equivalent of energy use/sales

*2 Consumption per unit of floor area = Crude oil equivalent of energy use/floor area

*3 Zero emission rate = (landfill + incineration)/Volume of waste (including valuable resources)

*4 Waste (excluding valuable resources)

*5 Worsened due to valuable resin scrap waste

*6 Changed along with the new target for Sumitomo Electric Industries (5% or less → 9% or less)

*7 Consumption per unit of sales = Water use/sales

*8 Environmentally sound products certified under the Eco Symbol Program of Sumitomo Electric Industries are also identified as “Eco-products.”

▶ Action ECO-22V: Fiscal 2018–Fiscal 2022 Targets

Action ECO-22V Targets (FY2018–FY2022, base year: FY2017)		Scope of application	FY2018 targets	FY2022 targets
Prevention of global warming (CO ₂ reduction)	Reduce CO ₂ emissions	Global	Reduce by 1%	Reduce by 5%
	Reduce energy consumption per unit of sales	Global	Reduce by 4%	Reduce by 20%
Promotion of resource saving and recycling	Reduce waste per unit of sales	Global	Reduce by 1%	Reduce by 5%
	Reduce water use per unit of sales	Global	Reduce by 1%	Reduce by 5%
Expansion of environmentally sound product range	Increase ratio of environmentally sound products in sales	Japan	90%	95%

Zero legal violations and environmental accidents

▶ Material Balance (in Japan) (FY2017)

INPUT	
Energy	
Purchased electricity	174 GWh
City gas	213,000 m ³
LPG	454 t
Heavy oil A	328 kl
Kerosene oil	317 kl
Water	
Water	745,000 m ³
Water supply	257,000 m ³
Well water	308,000 m ³
Industrial water	180,000 m ³
Raw Materials	
Copper, aluminum	29,000 t
Resins	32,000 t
Chemicals	
PRTR-regulated substances	22.5 t



Production



Recycling

OUTPUT	
Air	
CO ₂ emissions	90,000 t-CO ₂
SF ₆ * emissions (CO ₂ equivalent)	30 t-CO ₂
PRTR-regulated substances	1.7 t
Effluents	
Effluents	745,000 m ³
PRTR-regulated substances	0.15 t
Disposal	
Wastes (exclude valuable resources)	2,200 t
Material recycling	1,000 t
Thermal recovery	1,200 t
Landfill + incineration	1 t
PRTR-regulated substances	2.7 t
Recycling	
Valuable resources (including copper, copper alloys)	13,000 t

* Sulfur hexafluoride

Prevention of Global Warming

SWS Group Greenhouse Gas Emissions (in Japan and Overseas)

The SWS Group acknowledges the urgency of taking action to prevent global warming and is moving forward in a concerted effort to establish clean factories.

In fiscal 2017, overall Group greenhouse gas emissions were 386,000 tonnes.

Reduction in Per Unit Energy through Energy Saving (Manufacturing Companies in Japan and Overseas)

FY2017 target 20% reduction per unit sales from FY2012

FY2017 result 17% reduction per unit sales from FY2012

Consumption of per unit energy at our manufacturing companies in Japan fell 17% from fiscal 2012 as a result of energy saving, thereby meeting the target. In November of fiscal 2017, we launched an air leakage countermeasure project for molding machines at the Tsu Plant. Also, we globally distributed our second edition of "the collection of energy-saving case studies," which contains our investigations on overseas cases. For overseas sites, we implemented energy-saving self-inspections and formulated action plans, including the replacement of equipment light fixtures with LED lamps.



Saving Energy by Replacing Outdated Lamps with LED Lamps (SEWT, Thailand)

Reduction in Per Unit Energy through Energy Saving (Offices in Japan)

FY2017 target 5% reduction per floor area from FY2012

FY2017 result 4% increase per floor area from FY2012

Targeting the head office (operations began in May 2013) and several buildings of the Yokkaichi Plant, we are working to save energy through such efforts as replacing light fixtures with LED lamps and updating air conditioners.

Consumption of per unit energy at our offices in Japan increased by 4% from fiscal 2012, falling short of our target. We will continue to make efforts to achieve our targets through analyzing the current situation and implementing countermeasures.

Reduction of CO₂ Emissions from Logistics (in Japan)

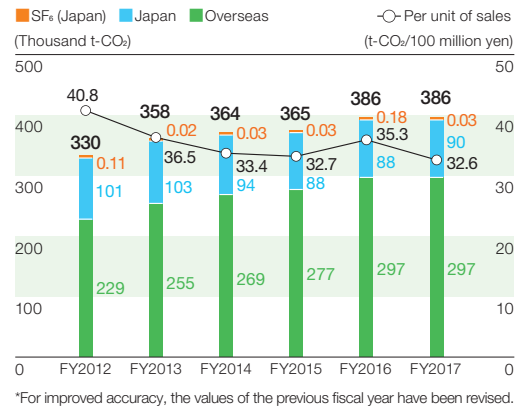
FY2017 target 5% increase per unit sales from FY2012

FY2017 result 30.4% reduction per unit sales from FY2012

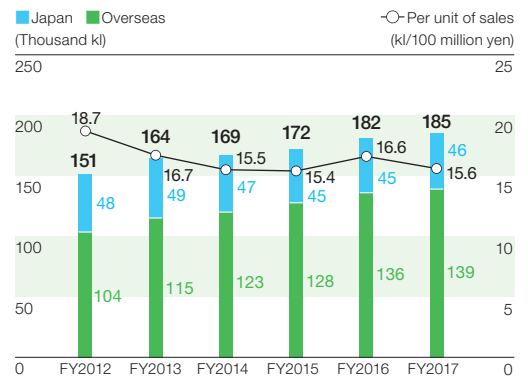
Emissions of CO₂ from logistics in Japan were reduced by 30.4% per unit of sales from fiscal 2012, thereby significantly exceeding the target.

We shortened the transportation distance by changing the shipping base from Yokkaichi to Yamato for automobile sales in Kanto and improved the Yamagata route from Yamagata to Yokkaichi. We will continue to work to reduce CO₂ emissions by using full trailers, introduced in fiscal 2017, and implementing numerous modal shift initiatives such as ferry transportation.

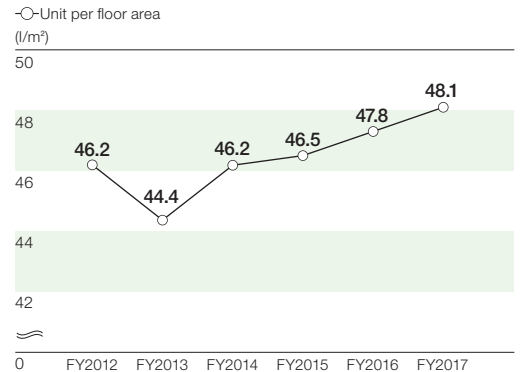
Greenhouse Gas Emissions in Japan and Overseas



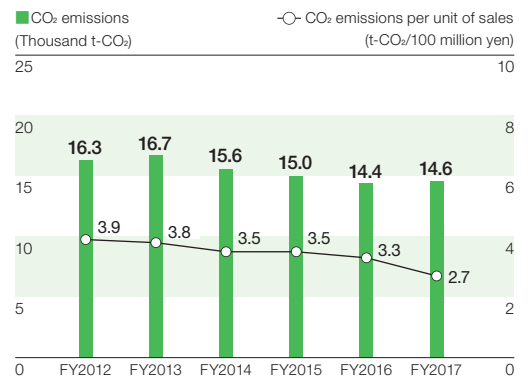
Per Unit Energy through Energy Saving (Manufacturing Companies in Japan and Overseas)



Per Unit Energy through Energy Saving (Offices in Japan)



CO₂ Emissions from Logistics (in Japan)



Resource Recycling and Control and Reduction of Substances of Concern

Reduction of Waste (in Japan)

FY2017 target Zero emission rate: below **0.3%**
Absolute volume of waste: **5%** reduction from FY2012

FY2017 result Zero emission rate: below **0.02%**
Absolute volume of waste: **35%** reduction from FY2012

The zero emission rate, which is measured to ensure the effective use of waste as resources, was 0.02%, thereby meeting the target. We published a book of successful examples of waste reduction in Japanese, English and Chinese versions in fiscal 2017 and distributed it to our locations globally so that all our employees can share an awareness of and commitment to reducing waste.

Promotion of Zero Emissions (Overseas)

FY2017 target Zero emission rate: below **9%**

FY2017 result Zero emission rate: **11%**

Our overseas zero emission rate fell slightly short of the target despite efforts by each company, including the use of waste as a valuable resource and recycling.

We will work to improve our zero emission rate through such initiatives as rolling out successful examples and the details of activities suitable for each region.

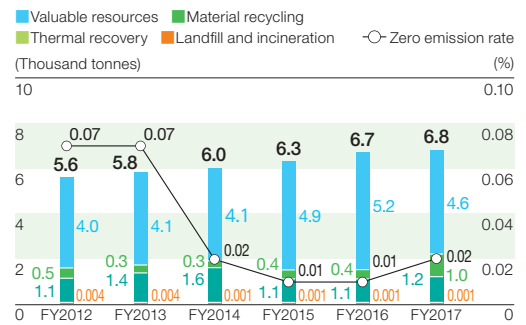
Control and Reduction of Substances of Concern

Toward strengthening the management of substances of concern, we adopted the system of the Sumitomo Electric Industries Group. For our Group companies in Japan, the amount of PRTR-regulated substances released increased by 3.6% compared to the previous year, with the amount of chloroform being particularly high. Substances subject to mandatory reporting included antimony and its compounds, methylnaphthalene and xylene. Moreover, in compliance with the Law Concerning Special Measures against PCB Waste, the SWS Group stores PCB-containing devices, provides the required notifications and follows through with disposal.

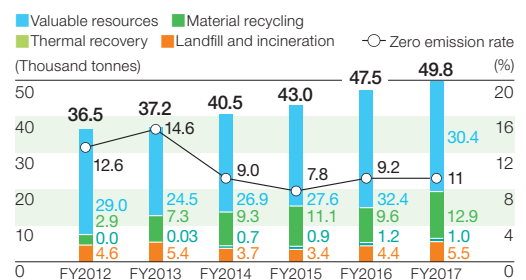
Conservation of Water Resources

Recognizing the importance of water resources as natural capital, the SWS Group conducted a water risk assessment at all SWS Group companies. Using the results, we are working to identify water risks that could affect the continuity of our business.

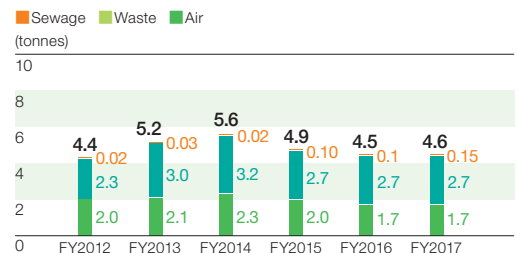
Volume of Waste Disposed in Japan (Includes Valuable Resources)



Volume of Waste Disposed Overseas (Includes Valuable Resources) PRTR-regulated Substances by Year (in Japan)



PRTR-regulated Substances by Year (in Japan)



Environmentally Sound Products

The SWS Group launched the Eco Symbol Mark Certification System (environmentally sound product certification system) in compliance with ISO 14021 in May 2005 as a means for contributing to global environmental preservation through its products. The Eco Symbol Mark Certification Committee, chaired by the Corporate Environmental Management Officer, is responsible for certification, and 64 products have been certified to date, including 10 in fiscal 2017. The ratio of certified products to sales in fiscal 2017 was 82%, falling short of our target of 90% or higher. When developing new products or undertaking major design changes, we conduct environmental assessments and register the products as Eco Mind Products. While the registration rate is currently at 97%, our goal is to raise the coverage to 100%. To boost the sales ratio of environmentally sound products as well as the registration rate of Eco Mind Products, we will continue to focus our efforts on environmental protection through our products.

Products Certified as Environmentally Sound in Fiscal 2017





Creation of a Vigorous and Lively Workplace

We intend to become a robust global company by creating dynamic workplaces in which all employees can demonstrate mutual respect for human rights.



GLOBAL MESSAGE

Creating a Workplace that Embodies Diversity through Awareness, Corporate Culture and Environmental Reforms

Sumitomo Wiring Systems offers a number of programs, including those that support employee work-life balance. I am in charge of promoting D&I (Diversity & Inclusion) and take part in activities for creating a workplace that embraces diversity.

In order for employees to truly understand the role of D&I in the creation of working environments where they can be comfortable and enthusiastic, they have to be aware of the background and necessity of related efforts. In striving to effectively communicate the company's intentions, we will continue to support initiatives for making Sumitomo Wiring Systems the "world's most rewarding and vibrant company" for all employees.

D&I Promotion Section, Human Resources Department, Administration Division, Sumitomo Wiring Systems (SWS) (Japan)

Wakana Taguchi

Workplace Environment Policy

The Sumitomo Wiring Systems' Group Charter of Corporate Behavior calls for respect for human rights and prohibits discrimination. A variety of training programs are provided to deepen employee awareness of and commitment to human rights. We conduct business and establish working environments with due respect for human rights and free of any discrimination based on race, nationality, ideology, sexual orientation, gender identity, age, social status or disability.

Activities for Promoting the Development of Dynamic Workplaces

Since fiscal 2013, we have been promoting the development of dynamic workplaces to encourage active communication, increase operational efficiency and promote the raising of employee awareness of human rights. Selected annually by each department, the members of the Dynamic Workplace Promotion Committee share the information they have obtained by participating in human awareness training in their respective workplaces. Moreover, we have established a system for the early detection of and response for dealing with harassment. Any promotion officer who recognizes a situation involving harassment will directly report the incident to the personnel division. And we are striving to create sound working environments, such as by assessing the conditions of each workplace through dynamic workplace patrol activities, implemented by both labor and management, and by introducing good practices through Group newsletters.

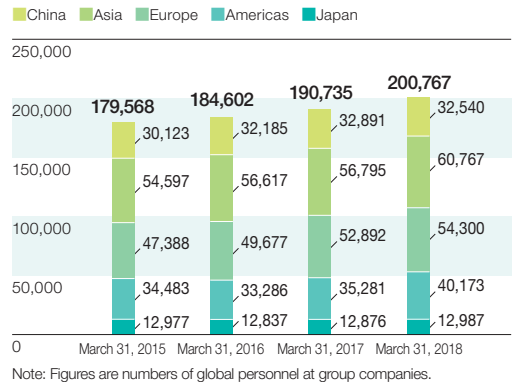
Employee Survey

In May 2017, the Sumitomo Wiring Systems Group conducted an employee survey to revitalize the workplace environment and improve employee satisfaction. We will ensure that our workplaces are vibrant and satisfying by formulating and implementing measures based on the issues revealed by the survey.

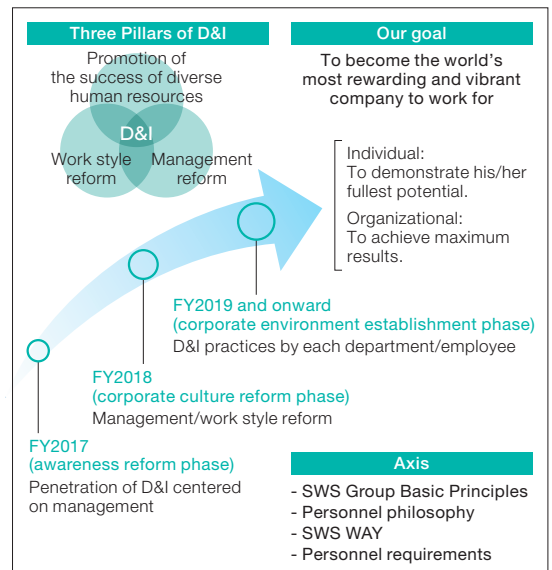
Declaration on Diversity & Inclusion (D&I)

In May 2017, the SWS Group announced its declaration on D&I, which consists of three pillars: management reform, work style reform, and promotion of the success of diverse human resources. Along with this declaration, we also formulated a three-year D&I promotion plan. Starting with fiscal 2017, each year will represent a specific phase in this reform, from employee awareness to corporate culture and then corporate environment. Simultaneously, we will work to become the world's most rewarding and vibrant company that naturally attracts people with different values and views, helps them to grow and enables them to demonstrate their fullest potential.

Global Personnel



Overview of the D&I Promotion Plan



LGBT Seminar Held for the Vibrant Workplace Promotion Committee

•Management Reform

As part of the management reform in fiscal 2017, we conducted 13 workstyle review sessions for managers (Iku-boss training for maintaining a healthy work-life balance) attended by 802 people, became a member of the “Iku-boss corporate alliance” and released an Iku-boss declaration. These actions and the declaration will facilitate the dissemination of Iku-boss style management throughout the company and create an environment in which diverse human resources can play active roles.

•Promoting the Success of Diverse Human Resources

We actively support employees who maintain a work-life balance and achieve results in the pursuit of productivity. Also, we train supervisors who equally value their work-life balance and achieve results at an organizational level while supporting their respective employees.

•Active Participation of Women in the Workforce

The Act on Promotion of Women’s Participation and Advancement in the Workplace came into force with the goal of realizing a society in which women who desire to play an active role in their workplace can exert their individual talents and skills. Sumitomo Wiring Systems has established numerical targets and action plans for creating a corporate culture in which employees with various backgrounds can demonstrate their abilities and actively contribute.

In fiscal 2017, we invited an outside lecturer to provide training for female employees not yet in managerial positions. The training helped participants, who differed in their life situations and career attitudes, to become more aware of the available career opportunities. We are implementing measures with a proven impact on all our employees. As of April 1, 2018, the number of female managers reached 32, or 1.8% of all managerial positions. The numbers of hired female career-track employees were 12 for administrative work and 6 for engineering. While the goal for the ratio of female career-track employees was achieved for new hires in April 2017, we will steadily carry out our action plan to promote the advancement of women in the workplace.

•Employment of Physically or Mentally Challenged Persons

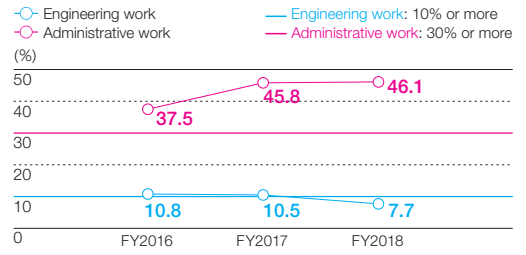
We established our special subsidiary, SWS Smile, in May 2013 to promote the employment of physically or mentally challenged persons and enhance our support system to correspond with individual abilities. As of May 2018, five years after its launch, SWS Smile has employed 38 physically or mentally challenged workers and 13 support staff. At first these employees were mainly engaged in recycling work such as sorting and dismantling wire harness parts, but they are now broadening their work options by continuously challenging themselves to engage in new tasks, such as maintaining the grass and vegetation around the company and shredding documents. We will continue to create more opportunities in which physically or mentally challenged employees can actively participate, throughout the SWS Group and beyond SWS Smile.

•Global Relocation Program

In November 2016, we launched our new Global Relocation Program toward strengthening the development of human resources both in and outside of Japan and promoting the localization and diversity of our operations in Japan. The program is an upgraded version of the conventional overseas dispatching system. As of fiscal 2017, 20 employees have used the program, and 12 signed up for the first time in April 2018. Some of the benefits we expect from it include the establishment of a corporate culture/system that encourages the active participation of diverse human resources, the reduction of domestic hiring and slowing the increase of expatriate employees. Similar benefits expected for local companies overseas include the development of management personnel, the improved technical skills of local employees, an increased retention rate and a greater sense of loyalty among proven, long-standing employees.

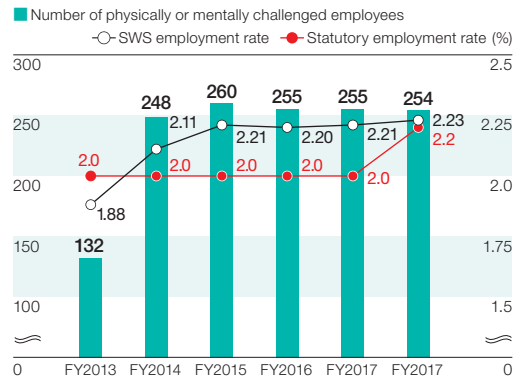
We will strive to be a company that supports active participation of diverse employees by further facilitating employee exchange arrangements with local companies.

▶Ratio of Hiring New Female Graduates for Career-track Positions



Note: Calculated as of April 1 of each year.

▶Employment of Physically or Mentally Challenged Person



Note: Calculated as of June each year. The basis of calculation was changed following the establishment of SWS Smile in fiscal 2014.



Employees on the job at SWS Smile, Ltd.

Voice

Sincerely Grateful for this opportunity that has enriched my life, that opened doors for new experiences, insights and personal development.



Iulia Moldovan

Training Programme Manager
Deva Plant
SEWS-Romania S.R.L (SEWS-R) (Romania)

At the recommendation of my Line Manager, I decided to participate in the Global Relocation Program to increase my knowledge, skills and experience. Currently working in the Human Resources and HR Development Departments, at the SWS head office. I had the opportunity to explore new areas of human resources, deepen my understanding of the values and principles of Sumitomo through SWS WAY and have been developing a training program for promoting cross-cultural understanding.

While experiencing a cultural change myself and interacting with people with different backgrounds and values, I have learned the value of adaptability and effective communication.

I am grateful to my colleagues that provided me their warm support to easily integrate in the team, to overcome the challenges of living in a different country and going on trips that made me enjoy the beauty of Japan. I am grateful for the excellent Global Relocation Program, which will open up new opportunities in the future.

•Work Style Reform

We will cultivate an environment in which all our employees can continuously pursue their careers, develop skills, expand opportunities for success and maintain and improve their workplace motivation. To do that, we will develop and implement work systems and personnel policies that respect diverse work styles and encourage each employee to fully exert their strengths.

•Work-Life Balance

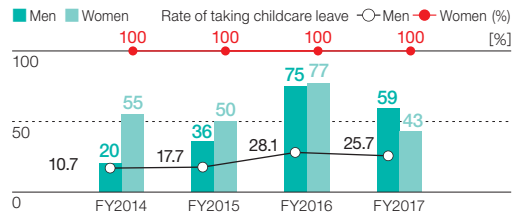
We proactively carry out measures that support employees in balancing work and family life. Under Japan's Act for Measures to Support the Development of the Next Generation, we launched our Fourth Action Plan on March 1, 2014, with the objective of creating a workplace culture that facilitates the balancing of work and family life for both men and women. In addition to further improving various childcare and nursing care initiatives, including childcare leave and reduced working hour programs, we focused on expanding measures for the work-life balance, such as by introducing a system that makes it easier for both male and female employees to participate in child rearing and implementing Parent's Meetings. As a result, we acquired in May 2016 the Platinum Kurumin Mark, the next-generation accreditation mark certified by Japan's Ministry of Health, Labour and Welfare. Moreover, we opened the onsite day care center, "SWS Connect Kids", in April 2017 to support the success of employees with children. Looking ahead, we will be verifying the impact of the work systems we plan to launch: telecommuting, a work-interval system that requires employees to take a certain rest interval between working hours and a "super flex" system with no core working times. Also, we encourage employees to take their paid leaves to maintain their work-life balance. In fiscal 2017, the average number of paid leaves taken was 14.88 days, the average rate of paid leave taken was 74.4% and the annual total number of working hours per employee was 2,024.1 hours. We will continue to implement measures that support the success of each and every individual, fully respecting the diversity of the lifestyle choices of our employees.

Opening SWS Connect Kids, an Onsite Day Care Center

In April 2017, we opened SWS Connect Kids at the Yokkaichi and Suzuka Plants for employees whose working hours have been restricted by child rearing to provide them with an environment to overcome these restrictions and demonstrate their full potential. The day care center reflects our desire for children to grow into adults who are connected to their local communities and the world. The number of children we had in this center as of March 2018 was 11 as regular use, and a cumulative total of 200 uses were made by children for occasional use over the FY 2017.



▶ Employees Who Took Leave for Childcare



Note: Number of employees who applied for (female employees who gave birth and took childcare leave)

▶ Employees Who Took Leave for Nursing Care

FY	2014	2015	2016	2017
Number of employees	18	21	22	29

Note: Number of employees includes employees using accumulated days off.



Platinum Kurumin Mark

Voice

Achieving a Work-Life Balance

Satoshi Miura

Manager, RB Section, Components Procurement Department I Procurement Management Division Sumitomo Wiring Systems, Ltd.



To avoid any work-related problems that might occur during my childcare leave, I adjusted my work schedule according to my wife's due date. Although my initial plan was pushed back a little due to a delay in the actual birth, I was able to take the leave with the support and understanding of my coworkers, and I'm very grateful for that. At the time I took the leave, many employees were still not aware of the system, and only a few employees have used it. Today I definitely feel a growing interest in the system among employees. In fact, more male employees have sought my advice on the system. I expect to see SWS continue to enrich the system, promote it through such actions as holding seminars for all employees, and increase workplace understanding and support for those who use it.

Policy for Cultivating Human Resources

Our personnel division is devoted to implementing educational activities rooted in the "Three aspects of personnel development (mind, skills and substance)" in order to develop human resources that reflect our philosophy and policy. At the same time, the SWS Group directs its combined efforts toward quickly cultivating global human resources that can adapt to the globalization of our business. In addition to developing globally competitive employees, we will continue to foster human resources by providing both company- and department-wide training to build employee capacity.

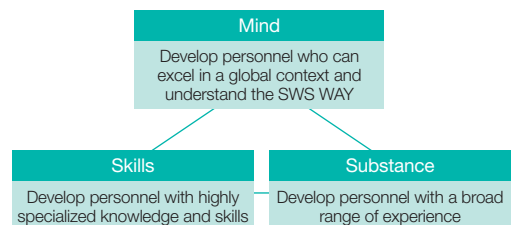
Personnel Philosophy

We will create a corporate culture that provides a positive working environment for every employee, is driven by our belief in their individual potential, and is in accord with their eagerness to take on challenges.

Personnel Policy

1. We respect individual initiative.
2. Our approach is based on performance.
3. We develop diverse human resources.

▶ Cultivating Human Resources Based on the Three Aspects of Personnel Development (Mind, Skills and Substance)



Capacity Building Programs

SWS Group capacity building programs are grounded in our belief in the potential of each employee, and through them we acknowledge the spirit of challenge that employees possess while encouraging capability building aligned with career goals. We therefore set short-term goals every year for capacity building that are within the framework of the annual goal management and personnel evaluation systems.

In fiscal 2017, we implemented a number of measures, such as providing a new management training program, and we plan to launch capacity building programs in fiscal 2018.

We will also continue to support the career development of employees by providing position-based training toward ensuring that they understand expected roles and actions. This also helps them to set capacity building and career targets, which are incorporated in the action plans (training, self-development, etc.) developed through discussions with their supervisors and then implemented.

Development of Global Human Resources

The SWS Group cultivates personnel who can keep pace with the globalization of our businesses. We continually upgrade our global training programs in areas such as languages, diversity, cross-cultural management, personnel management and international operations.

Also, we are bolstering human resource development at our overseas Group companies by organizing training for executive candidates and managers. These efforts are intended to cultivate global human resources throughout the Group.

• GLP

Our Global Leadership Development Program (GLP), held once a year, is designed to develop senior executives. For overseas candidates, we conduct a three-day training session in Japan to pass on to them the knowledge necessary for leadership.

• Regional Managers Training

In fiscal 2012, we launched the Regional Managers Training program for managers based outside Japan and began by conducting training sessions in Europe. In fiscal 2017, we provided training sessions in the U.S. and Australia, with 54 participants from 15 countries and 3 regions. Starting in fiscal 2018, we will also provide training sessions in China to cultivate global management utilizing local human capital.

• New Employee Training at Overseas Plants

The SWS Group (in Japan) provides practical training for all new career-track employees at overseas plants where wire harnesses are mass produced. In fiscal 2017, 123 employees who had joined the company that year were dispatched for training to four plants in Vietnam and the Philippines.

• Overseas Trainee System

In our overseas trainee system, each division selects trainees from its younger employees and dispatches them to work overseas for a certain period of time.

Since 2007, 411 employees have gained experience encompassing the cultivation of diverse values and improvement in management capabilities. They are now applying that experience in their career development.

Past Training Programs

Type	FY2015	FY2016	FY2017	
Number of training sessions	Electives	8	9	10
	Position and rank-based	29	30	33
	Recommended elective-based	27	25	26
	Optional	22	22	21
	Web-based	32	35	39
	Total	118	121	129
Number of attendees	Managerial positions	736	829	1,415
	Career-track positions	2,350	2,225	3,321
	General office work positions	1,492	1,576	1,824
	Total	4,578	4,630	6,560

Notes: Figures exclude career-track new employee training, training at overseas plants and onsite improvement practice training.



Regional manager training



New employee training at an overseas plant

Voice

To Be a Leader Who Does Not Take the Current Situation for Granted and Leads the Team in the Right Direction

Jan Luca Doland

SEWS CABINED S.p.A.
(SEWS-CI) (Italy)



Participating in the regional manager training allowed me the opportunity to think deeply about how the action principles of the Sumitomo Wiring Systems Group correspond with my daily duties. Discussions with other participants on the history of Sumitomo Wiring Systems also impressed me with the level of environmental conservation efforts the company has been making. One principle of the SWS WAY, "better manufacturing" made me think about the importance of never being satisfied with the status quo, even if it had seemed to be the best, and to keep aiming higher. Leaders need to motivate team members so that they perform at a higher level and embrace this attitude. They also need to guide team members into the ideal future and correct direction. I am grateful for the opportunity given to me and will continue to practice what I have learned in the regional manager training.



Contributing to Local Communities



In acknowledgement of our responsibility as a member of society, we contribute through local and international activities around the world.

GLOBAL MESSAGE



Contributing through Community Projects

We support activities that enable employees to become more familiar with local traditions and cultures. We also encourage our Thai and Myanmar employees to participate in various community events related to Buddhism, such as weekend temple cleaning, the Loi Krathong festival, and grand candle festivals during which candles are donated to temples. Participating in these events not only brings a sense of joy and satisfaction to employees and local residents but also contributes to strengthening their relationships with each other, thereby bolstering the company's reputation in local communities.

Assistant Manager, General Affairs and Human Resources Department
Sumitomo Electric Wiring Systems (Thailand) Ltd. (SEWT) (Thailand)

Oranon Muadmani

Basic Approach

The SWS Group is expanding its business in Japan as well as overseas. We recognize that global society consists of a world in which all living beings including people coexist and prosper in partnership with a nurturing environment, and we seek to contribute to this society by achieving success and prosperity through our worldwide business. Keenly aware that we are a member of society, we will help develop local communities as a corporate citizen and actively engage in social contribution activities.

Promoting Social Contribution Activities

The SWS Group is calling for all Group employees to be active members of their community, such as by identifying social concerns in the localities where they reside. Our businesses span over 30 countries and regions with 200,000 employees around the globe. We are committed to becoming a company that is highly valued in each location by encouraging all our employees to contribute to addressing social issues in those communities while also improving their work-life balance.

We will continue to increase our support by, for example, preparing to establish a special committee for promoting social contribution within the company, to help employees experience joy in their efforts and grow in a way that differs from how they develop in their business activities. The SWS Group will also continue to report on its social contribution activities and exchange information among employees through newsletters.

Initiatives in Japan

We have adopted a variety of approaches, such as sponsoring disability sporting events and holding free concerts, to openly communicate with residents around our head office in Mie Prefecture and all other regions where we operate.

Holding a Free Concert for 1,700 Local Residents

To celebrate the 100th anniversary of our founding in 2017, we held a free music concert by a violinist from Yokkaichi and local symphony orchestra in July. As a gesture of gratitude to the local community, as well as to promote regional arts and culture, we invited 1,700 residents to attend these events for free. We received many thanks from a lot of these people in the audiences.



SWS Group newsletter



Concert leaflet

● **Increasing Awareness and Popularity of Boccia**

The Sumitomo Wiring Systems Group supports the Paralympic sport boccia as an official sponsor of Japan's first boccia international competition, held in March 2018. We also donated sets of official boccia balls to eight special needs schools in Mie Prefecture to increase the awareness and popularity of this game, an official sport of the Paralympic Games as well as the 21st National Sports Festival for People with Disabilities (the 76th National Sports Festival) to be held in Mie Prefecture in 2021.

We will continue to actively promote public understanding of people with disabilities as well as their independence and social participation.

● **Promotion of Sports**

We support PEARLS, the Mie Women's Rugby Football Club. In fiscal 2018, we recruited three top players who had been members of Japan's national rugby team. We also recruited one athlete who was a first-place winner of the Bouldering World Cup, a discipline of the official sport of the Tokyo 2020 Olympic Games. We will continue to actively support the Mie Women's Rugby Football Club and employment of athletes and promote para sports and sports in general.

▶ **Initiatives of SEWT (Thailand)**

Our overseas sites are making social contributions that fit the culture and needs of their locations. In addition to the basic social contribution philosophy of Sumitomo Wiring Systems, Sumitomo Electric Wiring Systems (Thailand) Ltd. (SEWT) promotes activities that respect the unique culture of the Thai people, their reverence for their royal family, and their devotion to Buddhism. SEWT also actively participates in social contribution events organized by car manufacturers. Since 2000, it has conducted various activities, such as participating in anti-drug projects led by the royal family, donating food for monks in temples, tree planting and other educational projects.

As a good corporate citizen, SEWT will continue to contribute to the development of Thailand through activities deeply rooted in local communities.

● **Participating in the "To Be Number One" Campaign**

The "To Be Number One" campaign is an anti-drug project led by Princess Ubol Ratana Rajakanya in Thailand. Since fiscal 2007, SEWT has been working to raise public awareness of the prevention and treatment of drug abuse, increasing drug resistance skills of adolescents and developing a network for the prevention and treatment of drug abuse. In fiscal 2017, 1,500 employees took part in the campaign to educate not only themselves but also members of their family and children in their neighborhood about the harmful consequences of drug abuse.

● **Improvement of Workplace and Living Environments**

SEWT operates six plants in Thailand: four in Rayong and two in Ratchaburi and Kanchanaburi (hereinafter, R/K provinces) with a large number of foreigners working at the plants in these provinces. In fiscal 2017, it made improvements in the workplaces and employee dormitories in the R/K provinces, which included building rest areas in the plants, paving the road in front of the employee dormitories and installing a wall to protect employee privacy. Thailand has been strengthening regulations on the management of foreign workers through efforts such as legal amendments, and SEWT has been regarded as exemplary.



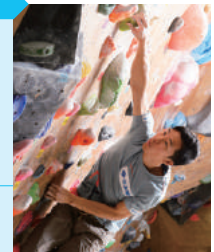
Presentation Ceremony of the official boccia balls



Boccia competition

Voice

Improving Competitiveness and Awareness of Sport Climbing to the Global Level



Keita Watabe

Sport Climber
CSR Group, Public Relations & CSR Section, General Affairs Department
Sumitomo Wiring Systems

I joined Sumitomo Wiring Systems in September 2017 as a sport climber. In a bouldering competition, which is one of the disciplines of sport climbing, athletes compete with each other by tackling four to five obstacles on rock walls, known as boulders, within a given timeframe. Since the boulders are different in each competition, athletes need to accumulate experience in climbing various courses. In addition to my daily practice, I travel to climbing gyms throughout Japan to become the world's best climber. Although the sport of climbing has been adopted as an official sport of the Tokyo 2020 Olympic Games, it is still not widely known. We are now regularly holding bouldering events for employees as part of our efforts to increase the popularity of this sport, and the number of participants has been growing. We will work to expand events that involve the participation of employees as well as local communities.

SWS is celebrating its 100th anniversary.
“Connect with the Best” for the next 100 years.



 **Sumitomo Wiring Systems, Ltd.**

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