

January 4, 2019
Sumitomo Electric Industries, Ltd.
Osamu Inoue, President

President's New Year Message (summary)

I would like to wish you all a Happy New Year.

Looking back at the previous year, we find the rise of protectionism in the global society and economy, with a number of countries placing first priority on themselves. With international conflicts and geopolitical risks remaining high, the global situation this year is expected to remain extremely unstable.

Moreover, the advancement of ICT and increasing globalization are generating new products, services and business models, quite different from mere extensions of existing ones, at breakneck speed. The expectations and requests placed on companies by society are becoming even greater.

With this background, I would like to ask you all to implement the following three things this year.

1. Respond Promptly to Changes in the Market Environment

In this fast-paced era, even a small change in one corner of the world can cause a great trend over time, and there are a spate of examples showing this. Actually, not a few companies that could not respond appropriately to such changes have stepped out of the business arena.

To continue achieving the sustainable growth and development of the Sumitomo Electric Group, each of us needs to be constantly aware of and extremely sensitive to the things around us and to make sufficient preparations beforehand. By doing so, we can respond promptly when a change becomes evident, and also act in anticipation of a latent change. In particular, sales, manufacturing and research need to ensure close communication with one another, and make assumptions in advance from a wide variety of perspectives. If there is any sign of a change in a customer trend or a market outlook, they need to reflect that change into plant and equipment investment, product inventory, new product launches, etc. in a timely manner, thereby diminishing risk and expanding opportunities.

2. Evolve SEQDD to Steadily Achieve Desired Results

We announced our mid-term management plan VISION 2022 in May 2018, setting high-level targets: achievement of zero accidents in people, goods and equipment to become a company with the highest level of safety in the world; and development of “strong factories” through continuous improvement. To accomplish these targets, we definitely need to further reinforce improvement activities at each division and company, and to promote company-wide cross-sectional activities under the lead of the Manufacturing Management & Engineering Unit. Such reinforcement and promotion serve like two wheels closely associated with each other. Daily improvements eventually result in productivity increases, product lead time reduction and decreases in inventory. To realize this virtuous cycle, we need to share specific targets among those concerned, thereby achieving the desired results steadily.

VISION 2022 also sets forth the “creation and enhancement of leading technology.” I call on our engineers to be always aware of technological trends and customers’ perspectives, and to engage in research and development with a sense of speed.

3. Ensure Legal Compliance Thoroughly

Last year again saw a spate of corporate scandals ruining companies’ long-established confidence. Compliance not only with laws and regulations but also with standard operating procedures, business rules and various other regulations serves as the ultimate basis for a company to realize sustainable development as an entity enjoying the confidence and respect of society. If you feel that there is something wrong in your daily work, please be sure to stop for a time and check whether there is any violation against the tenets of the Sumitomo Spirit: *Banji-nissei* (Do your sincere best not only in business but also in every aspect of your life), *Shinyo-kakujitsu* (Place importance on integrity and sound management) and *Fusu-furi* (Do not act rashly or carelessly in pursuit of easy gains).

To prevent wrongdoing and thoroughly ensure legal compliance, an organizational culture and a workplace atmosphere also serve as keys. I ask our managers and supervisors to work hard in order to create an open, cheerful and lively organization and workplace environment where members can seek advice and engage in discussion without any hesitation, while maintaining an appropriate sense of tension.

News Release



We have only three months left before the end of this fiscal year. I hope that to make a good start toward achieving VISION 2022, you will enjoy your work with a positive approach.

- Reference

Sumitomo Electric's Website

<https://sumitomoelectric.com/>