

January 4, 2021

Sumitomo Electric Industries, Ltd.

Osamu Inoue, President

New Year's Message from the President

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

Last year saw the worldwide spread of the novel coronavirus, imposing strict restrictions on corporate activities as well as social activities in general. This led the entire globe to suffer the gravest crisis ever in recent years, and the crisis is still underway. In addition, the world remained extremely unstable, mainly due to the US-China conflict, the difficult trade talks between the UK and the EU, and the terrorist attacks and conflicts in Europe and the Middle East.

All these factors have required us to further strengthen our corporate structure, making it robust to even the slightest changes in the external environment. With this background, I would like to ask you all to implement the following three things this year.

1. Promote the SEQCDD* Activities with Quantitative Goals Being Set

I ask you to implement all the SEQCDD activities by sharing specific numerical targets, timelines and firm determination to achieve them among all those concerned and by sticking to achieving desired results.

For "safety," favorable results are now being generated thanks to your efforts. In VISION 2022, we have set the target of achieving zero accidents in terms of people, goods and equipment to become a company with the highest level of safety in the world. To this end, I would like you to continue tightening the reins and push forward with the necessary activities by involving everyone toward quantitative targets set for the elimination of the three types of accidents and the establishment of a safety culture.

For managers and supervisors, I request to actively absorb opinions of on-site staff members, and nip early risk factors in the bud without fail.

In addition, please take all the necessary measures at work against the coronavirus so that all the staff members can work without worry and maintain their mental and physical health.

News Release



Regarding work style reform, various challenges have been revealed since the employment of irregular working hours for production and the increase in work-from-home initiatives to counter the corona pandemic. I hope that these problems will be turned into a path toward a further increase in work productivity and even closer communication than ever. As the first step to realize this, I ask you to reduce the number and time of meetings and proceed with further efforts to go paperless and digital.

2. Enhance Asset Efficiency to Improve the Financial Structure

I call on the production groups to completely eliminate the seven types of waste; waiting, over-processing, inventory, motion, transportation, overproduction, and defects/rework, thereby further raising productivity.

3. Ensure Legal Compliance Thoroughly

Last year again, many scandals were covered by the media, such as violation of the the competition law, data falsification, and various forms of harassment. These scandals come from a wide variety of factors, such as a mere continuation of practices from the past, a workplace environment without a focus on observing regulations, and insufficient fulfillment of control and checking functions. In my opinion, however, the main reason lies in the gap between societal demands growing stricter year by year and the awareness of some organizations and individuals.

Legal compliance and maintenance of corporate ethics are absolute requirements to be fulfilled by companies in order to realize sustainable development as entities with credibility and the trust of society. At the Sumitomo Electric Group, we implement all our corporate activities based on the Sumitomo Spirit. I ask you once again to act not only in compliance with the Sumitomo Spirit but also with awareness of the changing societal demands.

All corporate activities come from cheerful and energetic workplaces with mutual understanding and an open atmosphere. Today, a restless atmosphere is prevailing throughout society due to the corona pandemic, and all the more for this, all of us should work together toward achieving such workplaces.

* SEQCDD: The key elements for us to achieve our goals, namely safety, environment, quality, cost, delivery and development (R&D)

■ Reference

Sumitomo Electric's Website

<https://sumitomoelectric.com/>