

# In Pursuit of being a 'Glorious Excellent Company'

—Taking Initiatives in Information and Communications

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The Sumitomo Electric group of companies has, since its original corporate establishment in 1897, unceasingly taken up the challenge of developing its own technology and creating new businesses round its cornerstone business which is its copper wire manufacturing technology which sprang from Sumitomo's original copper business.

From its naked copper wire manufacturing technology origins, in the electric wire field the group has, on the one hand, starting with electric cables and communications cables, developed a wide range of new cable products like electronic cables, etc., and special steel wire by applying the wire drawing technology developed for those kinds of electric cables, and it has even advanced into non-electric cable fields with the in-house manufacture of the dies necessary for wire drawing triggering the development of powder alloys and sintered parts with its powder metallurgy which in turn have led to the launch of products like synthetic diamonds.

On the other hand starting from its original copper electric wire conduction technology it has developed compound semiconductors and superconductive wire. Meanwhile its insulation technologies like coating materials, etc. are closely connected to the development of electron beam irradiation products, and also rubber and plastic products. Finally, its control know-how relating to cable manufacturing and its transmission technology have been put to good use in the system electronics field.

All these have meant that the scope of its business has become very large. Basing itself on pioneering these technologies, the company is continuing to supply a wide variety of products that live up to its high expectations in five main fields: automotive; information and communications; electronics; cables, machine parts and energy; and industrial materials.

The company's information and communications-related business has its origins in the copper communications cable business, but has always been making a significant contribution to improving communications infrastructure. In the copper communications cable business, besides its business in Japan, it has been engaged in installing communications networks in Iraq, Libya, Nigeria and Malaysia and other countries. Since optical communications went mainstream, we have been contributing to the improvement of communications networks with our company's optical cables, optical fiber, optical communications modules, optical fiber fusion splicers, etc. which have been adopted in many countries, regardless of whether they are advanced or developing. Nowadays, the main focus of our attention is FTTH (Fiber To The Home) market. FTTH is the technology adopted to realize high-speed broadband by deploying fiber to each subscriber. Japan has been leading the world in FTTH deployment, but at present many projects are being planned or implemented in

very many countries and regions all over the world. Thanks to Japan's leading position in FTTH market, our company has been accumulating experience, knowledge, and technology through supplying a broad range of products such as optical cables, compact fusion splicers, field assembly optical connector, and mux/demux components. By using the technology, knowledge and experience acquired through the FTTH deployment in the Japanese market, we hope to be able to contribute widely to the deployment of FTTH in the rest of the world. In order to achieve this goal, we are aiming to build a strong reputation as a world-leading integrated optical product manufacturer by investing management resources principally in the development of ultra-high speed optical modules and low cost optical fiber and optical fiber cables. In addition, our group of companies is hoping to focus on the development and sales promotion of attractive devices making use of its overall integrated strengths for the rapidly growing broadband equipment market at a time when Next Generation Networks (NGN) are expected to go mainstream.

Furthermore, we are working together to apply our technology from the information and communications business in other business fields. As one example of applying it in the automotive field, we are trying to raise interest in high-speed LANs for vehicular use. This is a technology for realizing the transmission of image data from numerous surveillance cameras which are increasingly fitted in vehicles to reduce accidents involving pedestrians and collisions with other vehicles, help car parking, etc. We are also planning the development of optical technologies such as optical interconnect products, highly non-linear fibers, and violet laser module targeting the industrial electronics and life science fields.

At present our group of companies is focusing on the image of being a 'Glorious Excellent Company' as the image of what our group should aim at being with the 'Sumitomo business spirit' and the 'Sumitomo Electric group management vision' being embodied in the word 'Glorious' and our concrete and quantitative business targets expressed in the word 'Excellent'. This year our '12 Vision' mid-term management plan will be started in earnest, and it is the year it enters the important second stage in the movement towards the realization of becoming a 'Glorious Excellent Company'. As we move towards this achievement, the Sumitomo Electric Group is planning to optimize the efficiency of its existing businesses even more by utilizing its total power as well as also seeking to strengthen its competitive power, and, at the same time, it is working as one to create and nurture new businesses to secure its future growth.

