

Message from the President



The Sumitomo Bakelite Group is confidently implementing initiatives aimed at “Creating Additional Customer Value” as it strives to work toward the realization of a low-carbon society.

The unprecedented global economic turmoil triggered by the financial sector that continued in the latter half of fiscal 2008 had a major impact on the semiconductor and automobile industries, which have the closest links with Sumitomo Bakelite's activities. For the time being, it will be impossible to avoid the substantial impact of these circumstances on our product sales. On the other hand, we will be able to seize certain business opportunities in the plastics business that have been created by recent trends toward reducing the impact on the natural environment through energy conservation (by reducing weight), lower use of electric power, and other measures. Sumitomo Bakelite, as a plastics product manufacturing pioneer, has offered products to the information and communication products, electronics, automobile, and other industries that contribute to conserving energy, reducing power consumption, and achieving other objectives, via the reduced use of resources. The Sumitomo Bakelite Group creates plastics with more-sophisticated functions, and, by providing additional value for customers, has worked to contribute to society; however, in today's harsh economic environment, we will confidently implement initiatives for creating additional customer value as we work toward the realization of a low-carbon society.

In accordance with its Business Philosophy, Sumitomo Bakelite is managing its business operations to make continuing contributions to its growth and to the natural environment and society.

Sumitomo Bakelite's Business Philosophy is “We value trust and maintain steadiness. Based on this, we strive through our business activities to make contributions to social progress and improvements to the quality of life worldwide.” In accordance with this philosophy, we have set ourselves the core management objective of ensuring our management is “highly compatible with society and the environment.” Based on these concepts, we have established standards of conduct for the operations of Sumitomo Bakelite Group companies based in 13 countries around the world, and we make relentless efforts to ensure that these concepts are comprehensively and thoroughly implemented.

In addition, we are constantly confirming that all employees are continuing to conduct business activities based on the Sumitomo business spirit and thereby offer value added in the form of safety and peace of mind for customers.

Our products and services, which satisfy our customers and give them peace of mind, are supplied from workplaces that are safe and have minimal environmental impact.

By implementing the Sumitomo Bakelite Production System (SBPS), which is based on the Toyota Production System, we are working to ensure that our business operations are waste-free and working continually to achieve improvement in quality. In addition, we are moving forward with measures to reevaluate and further strengthen our quality assurance systems, which are integrated systems with Failure Mode and Effect Analysis (FMEA), autonomous quality assurance for individual processes, quality auditing, and other functions covering all stages from product planning through sales.

In fiscal 2008, our total emissions of greenhouse gases decreased in volume, but, in part because of the decline in production levels, the ratio of emissions per production unit actually deteriorated. Based on the concepts underpinning our SBPS, we worked to eliminate wasteful energy consumption and proceed with the development of a new production system that features improved adaptability to fluctuations in demand. In the field of safety, we have a two-pronged approach. First, in line with the concept of “fundamental safety design in machinery,” we standardized risk assessment within our operations and moved closer toward accident-free machinery and equipment, and second we are continuing to implement education and training programs to prevent accidents. In addition, both workers and management joined together to promote safety in the work environment, and these efforts resulted in steady declines in work-related accidents.

Fostering the Development of “Human Assets”

With the aim of developing human assets that understand our management policy and can autonomously help us to realize sustained business growth, we began operating the SB School as an in-house educational unit in September 2007. All categories and levels of Sumitomo Bakelite employees now attend the SB School, which offers an array of courses covering compliance, human rights, occupational safety, quality assurance, and the natural environment. In 2008, we strengthened our educational courses related to the management of chemical substances, focusing on the Registration, Evaluation and Authorization of Chemicals (REACH) regulations, issued by the European Commission.

In Conclusion

Sumitomo Bakelite supports the Responsible Care Global Charter, which contains guidelines for the worldwide chemical industry, and, by implementing this charter, is working toward the improvement of the quality of life throughout the global community. As part of initiatives related to the charter, we are continuing to work to minimize the impact of our products on the natural environment as well as product safety and effects on human health over their full life cycles, ranging from development through manufacturing, use, and final disposal.

We hope this *Environmental & Social Report 2009* will give readers a good understanding of the Sumitomo Bakelite Group's stance and its initiatives in this area. We hope and will appreciate your continued understanding and support.

August 2009
Tomitaro Ogawa, President

A handwritten signature in black ink, appearing to read 'T. Ogawa', written in a cursive style.