



Adopting ISO machinery safety standards, obtaining occupational safety and health system certifications, and promoting continuing activities based on international rules

Occupational Safety and Health

Raising Sensitivity to Danger through Education and Training

Safety and health are the basis for all activities. As the phrase "Safety First" suggests, we should proceed with our activities by putting our highest priority on safety. At Sumitomo Bakelite, labor and management cooperate in striving to create healthy and pleasant workplaces and aiming for zero industrial accidents through such initiatives as hazard prediction as well as "pointing and calling," and gesture- and vocalization-based autonomous safety confirmation procedures.

Making Improvements in Safety and Health Assessments

In October 2006, we formulated our Safety Related Standards for Machinery and Equipment to serve as internal regulations and began activities to reduce the safety risks of machinery, taking the ISO machinery safety standards as a guideline. In addition to the safety and health activities conducted thus far, which have been focused on education and training, we added activities to reduce the risks inherent in using machinery and equipment per se. In other words, in addition to the "software" activities conducted so far, we have added activities related to "hardware" and have thus begun to implement a stronger approach than before. Specifically, we have conducted risk assessments for all existing equipment at domestic business sites, completed the identification of equipment with higher levels of risk, and are taking measures to reduce the risks of using such equipment with relatively high risk levels.

Obtaining OHSAS 18001 Certification and Making Continuing Improvements

At our principal domestic business sites (Utsunomiya Plant, Kanuma Plant, Shizuoka Plant, Amagasaki Plant, Nara Plant, Akita Sumitomo Bakelite Co., Ltd., and Kyushu Bakelite Industry Co., Ltd.),

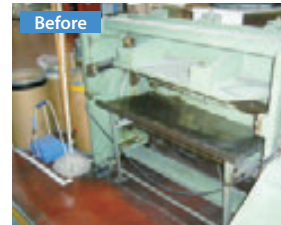
beginning in 2008, we have been implementing activities to obtain OHSAS 18001 health and safety management system certification. We obtained these certifications on schedule and have begun to conduct related autonomous activities on a continuing basis. In addition, beginning in 2009, at our overseas subsidiaries and affiliates, we have begun equipment design activities based on the ISO machinery safety standards and have begun to formulate plans and conduct improvement activities.

Since, in addition to ISO 9001 and ISO 14001, we have not yet obtained OHSAS 18001 certifications, we are now conducting activities aimed at making improvements in the three key areas of quality, environmental compatibility, and safety and health.

Introducing Machinery Measures Based on ISO Machinery Safety Standards



Measures to prevent entanglement in machinery (Amagasaki Plant)



Measures to prevent entry into the cutting portion of shearing machinery (Kanuma Plant)



Introducing Results of Implementation of OHSAS 18001 OHSAS 18001 Certificate (at Kyushu Bakelite Industry Co., Ltd.)

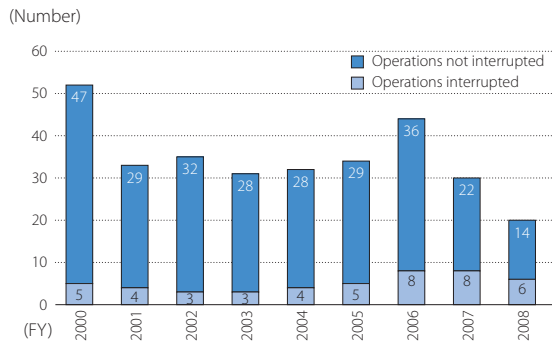


Trends in Occupational Accidents

Data on industrial accidents, including subsidiaries and affiliates, are shown in the graphs on the following page. In 2008, we reduced the number of industrial accidents to about two-thirds the level of the previous year; this was the second consecutive year of decline in such accidents. Particularly noteworthy is the fact that the data indicate that the number of industrial accidents without interruption in operations was at the lowest level since we began to prepare these statistics in 1970. We were also successful in reducing the frequency rate of these accidents, but we believe that the results are still not sufficient. We intend to continue to make steady reductions in industrial accidents by moving forward with measures related to equipment that has been classified as high risk in our machine safety risk assessment activities.

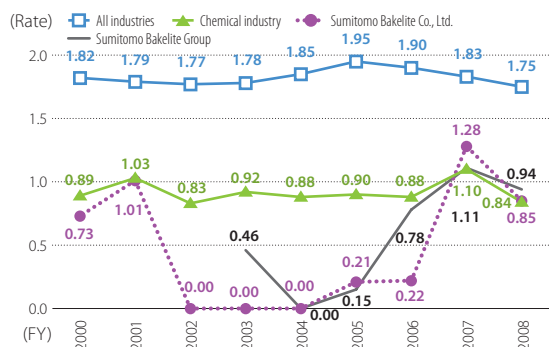
The pie charts on the following page show the breakdown of accidents by type. Since we focused especially on safety measures for preventing "pinches and entanglements," which lead to particularly serious accidents, the number of these accidents is continuing to decline.

Number of Industrial Accidents



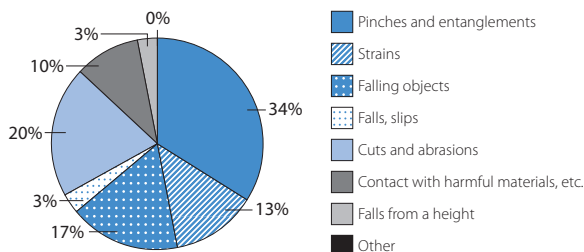
Notes: 1. Data are compiled from all domestic business sites listed on page 11. Data through 2006 included workers who are not employees of the Company. In line with frequency rate data, data from 2007 exclude workers who are not employees of the Company.
2. Data are compiled from January through December of each year.

Frequency Rate*



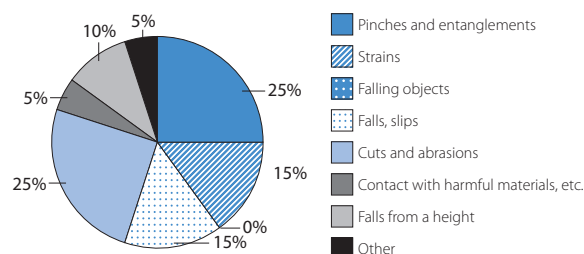
* Frequency rate = (Deaths and injuries/total working hours) x 1,000,000
Notes: 1. Data are compiled from all domestic business sites listed on page 11, and exclude workers who are not employees of the Company. Group data have been compiled only since 2003.
2. Data are compiled from January through December of each year.

2007



Note: Data are collected for January through December.

2008



Note: Data are collected for January through December.

Introduction to Some of Sumitomo Bakelite's Occupational Safety and Health Activities at Domestic and Overseas Business Bases

By providing "danger experience" facilities, we educate employees about where they may encounter dangers as well as about the nature of those dangers.



Safety and health course (Shizuoka Plant)

Examples of Occupational Safety and Health Education Activities



Firefighters give a class on emergency lifesaving methods (Shizuoka Plant).



A safety education class (P.T. SBP Indonesia)



A nutritionist performs a blood vessel age check (Kyushu Bakelite Industry Co., Ltd.).

Voices of the People in Charge Sustaining Our Zero-Accident Record!

At the Yokohama Branch, close occupational safety cooperation between labor and management has borne fruit in the form of our 7-year-long zero-accident record. Moreover, we have never in the 33-year history of this office had an accident accompanied by lost work-time. We have emphasized human-oriented occupational safety and health programs, rigorous compliance with rules, and thorough use of "pointing and calling" and gesture- and vocalization-based autonomous safety confirmation processes. Aiming to create a cheerful and dynamic workplace environment, we have begun a "greeting campaign" calling for all employees to greet each other heartily each day when they meet. In addition, we have performed risk assessments regarding machinery facilities and are implementing risk-reduction countermeasures. Going forward, we will sustain our efforts to maintain a zero-accident record by encouraging all employees to concertedly cooperate in high-quality occupational safety and health programs.

Hiroshi Nakatake, Labor Union,
Yokohama Branch Manager

