

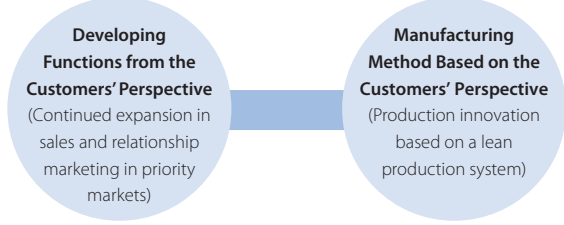
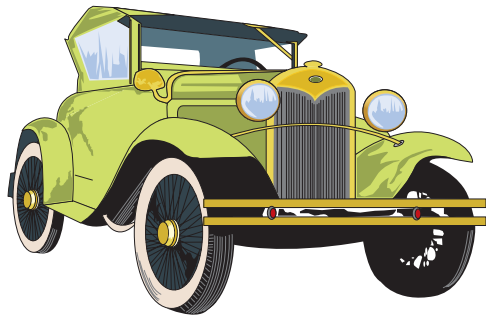


Taking the initiative in “Cost Reduction by Thorough Elimination of Waste” and “Human Resource Development” with the rallying cry of “Manufacturing Method and Human Development from Full Employee Participation”

Sumitomo Bakelite’s Production System Initiatives

Since 2003, we have worked actively to implement the Sumitomo Bakelite Production System (SBPS), which is based on the principles of the Toyota Production System, with the fundamental idea of “full employee participation and voluntary action.”

SBPS activities are aimed at “Cost Reduction by Thorough Elimination of Waste” and “Human Resource Development.” To fulfill the Company’s mission of “generating customer value by creating more sophisticated functions for plastics,” we implement an inseparable two-pronged approach, which includes “customer-oriented research and development” and the “manufacturing method”.



History

We kicked off SBPS activities in June 2003. For the first four years, external instructors at our principal plants helped us engage in educational and training activities related to the principles of the Toyota Production System. At that time, these activities were introduced in *Industrial Management*, a monthly magazine published by the *Nikkan Kogyo Shimbun*, in a special feature entitled “Application of the Toyota Production System to Industrial Processes.”

Beginning in July 2007, we shifted to “voluntary action” measures to implement SBPS activities. To lead and support this, we selected staff members from the plants that had received educational training from external instructors. We then organized a Companywide SBPS Development Team (called the “SZS team”), and the current team members became the trainers responsible for fostering the new training personnel. After promoting voluntary action, we adopted the rallying cry of

“Manufacturing Method and Human Development from Full Employee Participation” and are now working to expand the application of SBPS to all enterprises, including overseas plants.

Status of Activities

At present, we are providing guidance and support for voluntary action in all Company workplaces through the formation of SBPS Development Departments in all our business locations that work together with the SZS team.

Also, in related offices of subsidiaries and affiliates located overseas, as in Japan, we have formed the SBPS Development Department in all places of business that act as the core for providing instruction and support for SBPS activities.

In addition, to respond to the common needs throughout the Company of training instructors and providing training materials, we have organized a project team to take charge of these tasks. We are also working to prepare and translate educational materials and standardized formats into four languages (Japanese, English, Chinese, and Indonesian) and make these available on the Company website. Similarly, we have already implemented basic e-learning training courses for all employees, including those located overseas, and about 8,000 persons have taken these courses.

Since the objective of these activities is “Cost Reduction by Thorough Elimination of Waste,” each of our business locations has established “manufacturing indicators.” Inspections and verifications are conducted based on these indicators every six months.



Practical training in a training room



Classroom training led by an instructor

Education and training of new trainers

Voices of the People in Charge

Six years have passed since the president of Sumitomo Bakelite made the proclamation: “It may take us 20 years to put the ideal systems in place, but, no matter what happens, we will implement SBPS activities continuously.” We will promote SBPS activities honestly to create an outstanding corporate culture.

Katsuhiro Tsukamoto, Manager, SBPS Development Department

