

Sumitomo Bakelite respects the personality and human rights of each person and aims to create workplaces conducive to work.

We strive to recruit a workforce with diverse values and personalities, facilitate each employee's self-expression, and provide workplaces that are enriched both physically and esthetically.

Accordingly, we respect international human rights standards and do not discriminate on the basis of nationality, race, skin color, religion, ideology, age, gender, marital status, health condition, physical handicaps, or mental handicaps.

Specific Standards of Conduct

1. The Company will provide employees with information relating to business conditions after giving due consideration to its corporate structure.
2. We will actively participate in suggestion plans and small group activities, striving to create a comfortable work environment through workplace improvement activities.
3. We will promote amity in the workplace and foster trusting relationships among colleagues.
4. We will maintain and improve on the positive labor-management relationship, working together to achieve a comfortable workplace.
5. Both internally and externally, we will not discriminate with regard to factors such as race, nationality, ethnicity, sex, age, religion, philosophy or creed, education, or health condition.
6. We will abide by the *Manual for the Prevention of Sexual Harassment* and will not condone sexual harassment.

Excerpt from Our Standards of Conduct

Providing Continuing Employment Opportunities for Staff Members beyond Retirement Age

Accompanying the enactment in April 2006 of the "Revised Law Concerning Stabilization of Employment of Older Persons," we revised our internal regulations to enable staff members who have passed the mandatory retirement age of 60 years and wish to continue working to become contract employees. The revisions are designed to facilitate post-retirement hiring and promoting greater use of the knowledge, technical skills, and know-how that employees have accumulated over their careers.

Currently, three years since the enactment of the revised law, the number of people utilizing the post-retirement hiring system is increasing, reflecting a rise in the minimum age for eligibility to receive a full basic pension from Japan's welfare pension program.

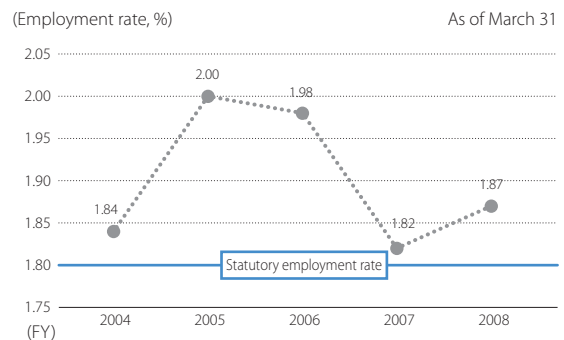
	FY2006	FY2007	FY2008
Number of retirement-age retirees	60	67	71
Number of post-retirement rehires	27	40	46
Rehiring ratio	45.0%	59.7%	64.8%

Employment of People with Disabilities

Sumitomo Bakelite considers the employment of people with disabilities to be an integral part of its corporate social mission, as established by law. Sumitomo Bakelite endeavors to give necessary consideration to enabling such persons to work despite their disabilities, and, as with its other employees, offers

them a safe and secure work environment, as it also strives to create workplaces that enable them to continue to draw fully on their capabilities and further develop their skills and abilities.

■ Employment Rate of People with Disabilities over the Past Five Years



Support for Employees with Children

Sumitomo Bakelite is emphasizing measures to create work environments that enable employees to harmonize their work with such life events as childbirth and child raising. In 2007, the Company introduced various systems in line with that goal, including systems that enable employees raising children to shorten their daily working hours until their children have completed the third year of elementary school, that expand the application of annual holiday leave for childbirth and child-raising purposes, and that create special vacation periods for child-raising and hospitalization purposes. The number of employees taking advantage of shorter working hours is increasing especially in our business locations in urban areas, where the percentage of nuclear families is relatively high.

Voices of Support System Users

When children are young, they are quite prone to contracting various illnesses. Especially when they go to childcare centers or other places where children congregate, they may catch a range of diseases, and I find that I frequently have to take my children to clinics sometimes two or even three times a week. When I am working full-time, I cannot reach the clinic before the reception closes for the day and, therefore, have to use some of my vacation time. But, with the option now of working shorter hours, I have the time to return home first and then take the children to the clinic. That is really a big help. However, when something occurs at a time outside my working hours, fellow workers can cover for me, but I feel I am imposing on them; therefore, to avoid as much as possible putting a burden on those around me in the Company, I feel I want to finish as much work as I can earlier, and, thereby, get it out of the way.

Kazue Nagatani, General Affairs & Corporate Legal Department





Voices of Support System Users

I began to use the system for shorter working hours because I found that I could not reach the childcare center that my children attend before it closed and because I wanted to spend as much time as possible with my children. Infants and younger children are prone to contracting diseases, and I, therefore, have to take my children to clinics and hospitals frequently. However, given the option of working shorter hours, I do not have to use my annual vacation leave time to give my children the diagnostic care they need and can have more time at home with the children and watch them grow and develop day by day. For these reasons, I think the system is a very good one. However, obtaining shorter working hours requires the understanding and cooperation of fellow workers in my department and in related departments. I really would like to express my thanks to them.



Akiko Sakane, Marketing Department,
Plate & Decola Division

Voices of System Participants

The issue I am concerned with in the area of health supervision of headquarters staff of Sumitomo Bakelite is conducting risk assessments related to health management. Topics I have dealt with include securing consistency between the "Specified Health Examination and Specified Health Guidance," implementation of which became obligatory for persons covered by health insurance in April 2008 and the previously existing "Periodic Health Examination." Another topic I have dealt with, in the field of mental health policy, is promoting the creation of a workplace environment that will not give rise to persons with mental illnesses.



Yoshiko Sugiyama, Health Nurse,
Labor Health Consultant

Health Management

Sumitomo Bakelite strives to create workplaces that facilitate the work activities of employees as well as help them maintain good physical and mental health. Our programs in this regard center on regularly scheduled health checks and health guidance based on the results of those examinations. By gaining a proper understanding of the results of these diagnoses and receiving guidance from in-house and outside industrial health staff (including industrial physicians, labor health consultants, and staff nurses), our efforts to prevent and correct lifestyle problems have generated tangible results. In addition, we schedule days on which employees can receive health consultation at their own discretion, and industrial health staff provide advice on physical and mental health issues. Through these various measures, we assist employees in living healthy lives and provide total backup for them in health-related matters not only as they relate to work but also in their daily lives.

Based on the awareness that health enhancement requires both the supervisory efforts of the Company and the indispensable preventive efforts of each and every employee, we also place emphasis on staff health education. Especially in the field of mental health, where the importance of early "awareness" is important, we offer a basic course in mental health for all employees as well as self-care courses. We also call on personnel at the managerial level who are responsible for managing other employees to attend courses related to maintaining and showing concern for the mental health of those employees under their direction. These educational programs are held each year and provide opportunities for gaining further knowledge as well as brushing up knowledge gained previously.

Human Resource Development

The kinds of human resources that Sumitomo Bakelite seeks—who are equivalent to the kinds of human resources that the Company would like to foster—are those people who can make a contribution on their own initiative to the sustainability of Sumitomo Bakelite's business activities.

Specifically, the following are key characteristics of the autonomously motivated personnel we seek.

1. People with the drive to grow and acquire new skills and knowledge necessary for their jobs;
2. People with a pro-reform stance who are not satisfied with the status quo, but are always looking for ways to do a better job;
3. People with a team-oriented approach who can combine their individual strengths with the strengths of those around them to deliver better results;
4. People with outstanding skills and know-how who can produce results in jobs both in and outside of Japan as professionals.

In September 2007, we opened the Sumitomo Bakelite School (SB School), which is designed to provide lifelong education and training courses that help the Sumitomo Bakelite Group realize sustained growth in business operations as well as rise in corporate value. It provides courses for all grades of employees from all departments involved with business activities. These courses include "all-employee education" courses that confirm and reinforce employees' awareness of basic management principles as well as fundamental knowledge about such issues as compliance, human rights, occupational safety, quality, and environmental protection. The school is also planning and methodically implementing various other kinds of educational and training courses. From the time the SB School commenced its activities in September 2007 through July 2009, the cumulative

total number of attendances at its courses has been about 49,000, and the number of hours of instruction has been approximately 103,000. Going forward, the SB School will implement a wide range of education programs that enhance the knowledge and the skills of Sumitomo Bakelite Group personnel.

As business becomes increasingly global and borderless in the 21st century, Sumitomo Bakelite is actively striving to develop the capabilities of each employee—the Company's most precious management resource—through sustained development as a "Global Excellent Company."

Two Examples of Educational Programs Conducted by SB School

Educational Programs by Personnel Level—Course for New Employees

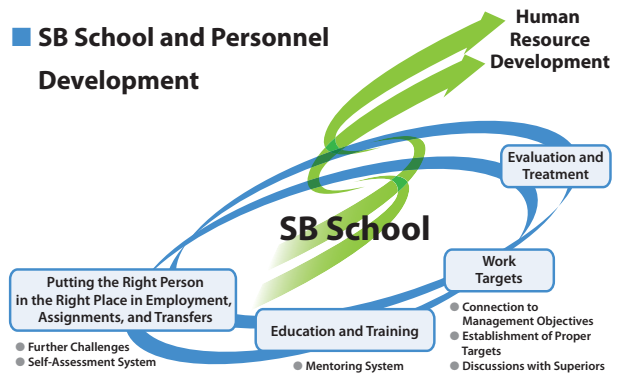
Employees who newly joined Sumitomo Bakelite in 2009 received classroom-type training for about one month after their entry. We would like to introduce the content of a three-day training course aimed at giving new employees opportunities to "experience work firsthand." This course included instruction in business manners and basic work tasks and procedures.

In the business manners part of this course, we worked to give new employees the opportunity to learn through the repetition of practical business activities. Many new employees were impressed by the key messages of the course, which included "proper manners help work flow more smoothly" and "judgments on whether manners are good or bad are made by the person you are interacting with." We sought to go beyond just teaching formal manners and gave the new employees the opportunity to learn about the significance of business manners.

In addition, as part of the course, we divided the new employees into groups and gave them the chance to experience real business situations. At first, the new employees seemed puzzled, but, as they moved ahead by trial and error, the new employees took notice of many points as they experienced firsthand the basics of business processes and made this experience a part of their own knowledge. This is indicated by some of their comments, which included "I experienced firsthand that, given only a limited amount of time, it is important to set goals and manage time effectively to show results" and "I understood the importance of reporting to and maintaining close communication with my immediate superior and discussing things with him."



SB School and Personnel Development



Educational Programs by Objective—Training in Logical Thinking

This course, which is conducted over a period of two days, has two objectives. The first is to learn to think proactively and master the basic methods for putting things in order. The second is to master the basic skills of problem solving. The content of this course is focused around "thinking for oneself and communicating your thoughts to other people" and involves considering a wide range of real life business themes. The employees attending this course come from a diversity of job categories, and they are divided into a number of groups. As the course proceeds, they engage in actual work situations that involve the application of many conceptual methods.

To apply the content of the course to actual business situations, employees attending engage in a range of activities, including preparing internal documents, learning the processes related to giving explanations to customers, formulating sales strategies and new plans, and preparing plans for experiments. Therefore, many connections can be drawn between the content of this course and a range of activities that employees will be involved in after they complete the course.



Voices of the People in Charge

We of the secretariat of the Human Resources Development Department plan the necessary education and training programs, and then conduct them out systematically to meet the needs of a diversity of departments and levels that are engaged in implementing the Company's business activities. As we listen to the voices of employees attending the course, their superiors, and others, we review the content of the courses each year to make further improvements and substantially increase the SB School's contribution to the future development of employees and, ultimately, to the development of Sumitomo Bakelite itself.

Hanae Sakai (left), Junji Takamoto (right), Human Resources Development Department

