



SUMITOMO BAKELITE CO., LTD.

Sumitomo Bakelite

Environmental

& Social

Report

Environmental & Social Report 2005

(April 2004–March 2005)

Editorial Policy

Sumitomo Bakelite Co., Ltd., has disclosed its environmental initiatives since the 1998 publication of the *Environmental Activities Report*, which became the *Environmental Report* in 2001. From 2005, the Company is publishing an *Environment & Social Report* that incorporates its social initiatives.

- Regarding the preparation of this report,
- We have striven to prepare an easy-to-understand, easy-to-read style and format for readers,
 - We have referred to the Ministry of the Environment's *Environmental Reporting Guidelines* (fiscal 2003 version), and
 - Since 2001, we have included an independent review to raise the report's credibility.

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Message from the President



Tomitaro Ogawa,
President

One of the Sumitomo Bakelite Group's management policies is the establishment of management that is highly compatible with society and the environment and that contributes to the sustainable development of society by leveraging its plastics processing expertise to develop and provide society with products that feature new types of functionality.

Therefore, the Sumitomo Bakelite Group began participating in Responsible Care activities, a global chemical industry initiative, from the time they were first introduced in Japan in 1995. We have participated in environmental, safety, and health-related activities covering every life cycle, from the development and manufacturing of chemical substances to their use and final disposal.

We define environment-conscious products as products that are free of hazardous substances, products that do not require our customers to use hazardous substances, products that contribute to energy and resource conservation, and products that facilitate the recovery and recycling of resources. These are the products we are focusing on developing and supplying to our customers.

We are working Groupwide to reduce our environmental impact by setting numerical targets for reductions in waste generation, emissions of solvents and other substances, and CO₂ emissions.

I would like to briefly introduce some of the Group's noteworthy activities and achievements in fiscal 2004, ended March 31, 2005.

First, efforts to develop and offer environment-conscious products resulted in net sales of such products accounting for 21% of net sales in fiscal 2004, compared with 13% in fiscal 2003.

Turning to successes in reducing our environmental impact, the number of certified zero waste emissions sites increased from three to six. Furthermore, the full-fledged commencement of cogeneration system operations at the Shizuoka Plant enabled us to achieve a 6.7% reduction in CO₂ emissions (base year fiscal 1999).

Third, we newly acquired ISO 14001 environmental management system certification for two overseas bases. Of the Group's 38 domestic and overseas production bases, 23, or 61%, are ISO 14001 certified.

Finally, beginning in fiscal 2004, October has been designated as Compliance Enhancement Month, during which compliance-related events are held at all business sites and all employees participate in e-learning courses to thoroughly promote the observance of laws and corporate ethics.

For the fiscal year under review, the title of this report has been revised from the *Environmental Report* to the *Environmental & Social Report* and more fully incorporates information related to our social activities.

We hope the *Environmental & Social Report 2005* will give readers a good understanding of the Sumitomo Bakelite Group's stance on environmental protection and its efforts in this area. We welcome your comments and suggestions.

August 2005

A handwritten signature in black ink, appearing to read "Tomitaro Ogawa".

Tomitaro Ogawa,
President

Corporate Governance and Compliance

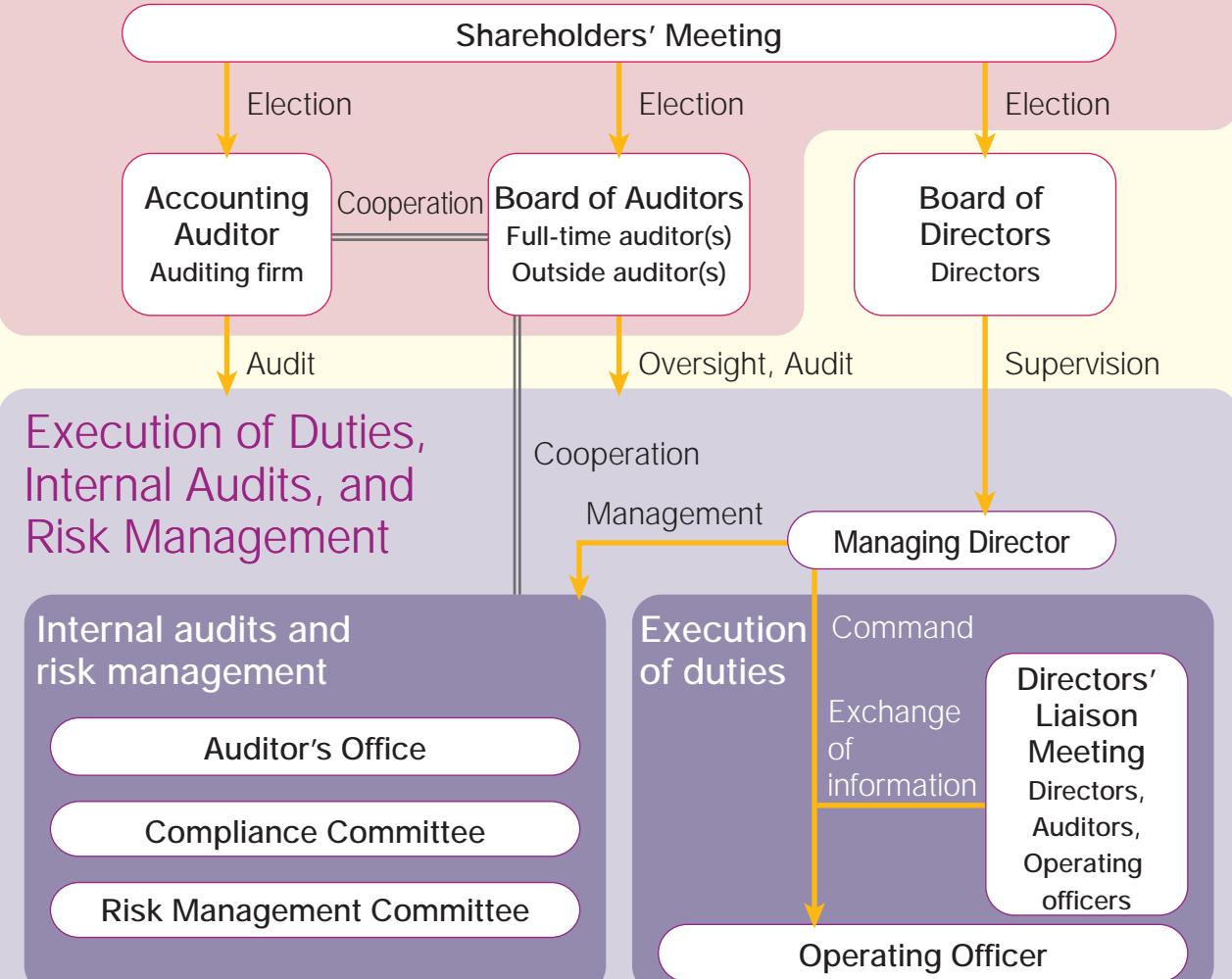
We will further improve our relationship with society by enhancing corporate governance and ensuring thorough compliance.

Corporate Governance

In the ever-changing business environment—both in Japan and overseas—responding to the expectations of all our stakeholders is imperative to sustainable growth. We at Sumitomo Bakelite Co., Ltd., recognize that improving transparency and our relationship with society is fundamental for corporate governance. The Company, placing strong emphasis on trust, strives through its business activities to make a contribution to social progress and a higher standard of living. We will take steps to further improve corporate governance so that we are recognized as a global corporate citizen of good standing.

Structure of Corporate Governance

Management Oversight



Compliance

Management at Sumitomo Bakelite prioritizes compliance in recognition of the fact that adhering to laws and corporate ethics is a crucial component of business activities.

In 1998, we established Our Conduct Guidelines, a code of conduct to which all operations carried out by each and every person in the Company must adhere. In 2003, we stepped up compliance initiatives by making minor revisions to the guidelines and establishing an internal Compliance Committee. The same initiatives have been implemented at all Group companies to ensure uniform operations.

Standards of Conduct

To further familiarize employees and ensure compliance with corporate ethics, Sumitomo Bakelite established Standards of Conduct and distributes them in a booklet to all employees.

Our Standards of Conduct

1. We play an important, beneficial role in our society, offering customers products and services that put customer satisfaction first.
2. We strive to improve the performance of the Sumitomo Bakelite Group, always taking a global perspective.
3. We adhere to our corporate ethics, complying with legal requirements and our bylaws both in Japan and abroad, while engaging in fair and transparent business activities.
4. We emphasize safety while independently engaging in environmental protection activities.
5. We strive to create a pleasant work environment through respect for individual personalities and human rights.

Note: The booklet includes what we should strive for as well as specific modes of behavior related to each item.

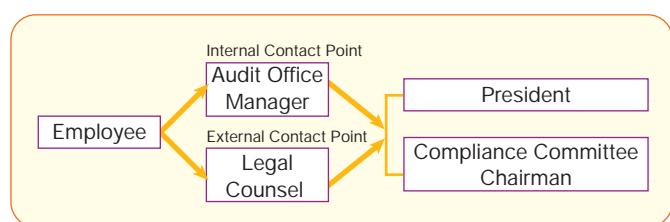
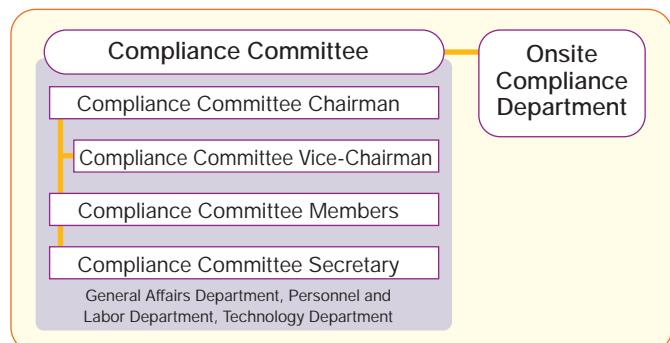
The Sumitomo Bakelite Compliance System

The Compliance Committee was established as part of the system that internally controls the directors' execution of their duties. The committee aims to promote compliance and is responsible for assessments of compliance levels and, when necessary, related improvements as well as education and training.

Every October since fiscal 2004 has been designated Compliance Enhancement Month, during which we work to raise employees' awareness of compliance through such initiatives as Groupwide training using videos and e-learning.

Reporting System

In cases where an employee discovers a compliance violation or suspects that there may have been a violation, and it is not appropriate to report the incident to his/her superior, he/she may directly report it to a designated contact point. In addition, employees can access designated external legal counsel to report the incidents.



Initiatives to Protect Personal Information

In accordance with the Personal Information Protection Law enacted on April 1, 2005, Sumitomo Bakelite established its Basic Rules on the Protection of Personal Information and Privacy Policy.

The personal information in the Company's possession, including customer information as well as shareholder information and employee information, all constitute important data that must not be leaked. In addition to the establishment of a management system and the implementation of such activities as e-learning to educate employees, measures to ensure the safe management of personal information encompass the introduction of information security technology that thoroughly prevents personal information leaks, such as an encryption tool for personal computers.

Sumitomo Bakelite's Privacy Policy

Recognizing the importance of protecting personal information, the Company promotes the protection of personal information based on the guidelines below.

1. The Company shall acquire personal information through legal and honest methods.
2. The Company shall disclose the purpose for which personal information will be used before acquiring it and shall use it only for that purpose.
3. The Company shall not provide personal information it has acquired without first obtaining prior consent, except in cases where it is unlawful to withhold the information. However, personal information may be shared with subsidiaries and affiliates or outsourcing companies without obtaining prior consent.
4. The Company shall conduct appropriate management and oversight when outsourcing companies are consigned with the handling of personal information.
5. The Company shall maintain the accuracy of personal information and manage it securely.
6. The Company shall protect personal information stored in electronic databases from loss, destruction, falsification, and leaks by taking the appropriate security measures to guard against illegal access and computer viruses.
7. The Company shall respond to requests to disclose, amend, stop using, or erase personal information within a reasonable amount of time, after confirming that the person making the request is the person whose information is affected.
8. The Company shall, in addition to engaging in employee education and awareness training regarding the handling of personal information, place managers in departments that handle personal information to ensure the proper management and handling of personal information in daily operations.

Management Policies and Corporate Policies for Safety, Health, and the Environment

The Sumitomo Bakelite Group has set environmental targets based on environmental and safety management policies in line with its basic policy of "society and environment-compatible management."

Management Policies

1. Enforce and expand core businesses
2. Enhance customer satisfaction
3. Consolidate management and promote internationalization
- ④ Establish management that is highly compatible with society and the environment

Corporate Policies for Safety, Health, and the Environment

Philosophy

In all its operations, Sumitomo Bakelite will endeavor to conform with the highest standards dictated by the Responsible Care concept and give due consideration to human health and safety as well as to the protection of the environment.

Policies

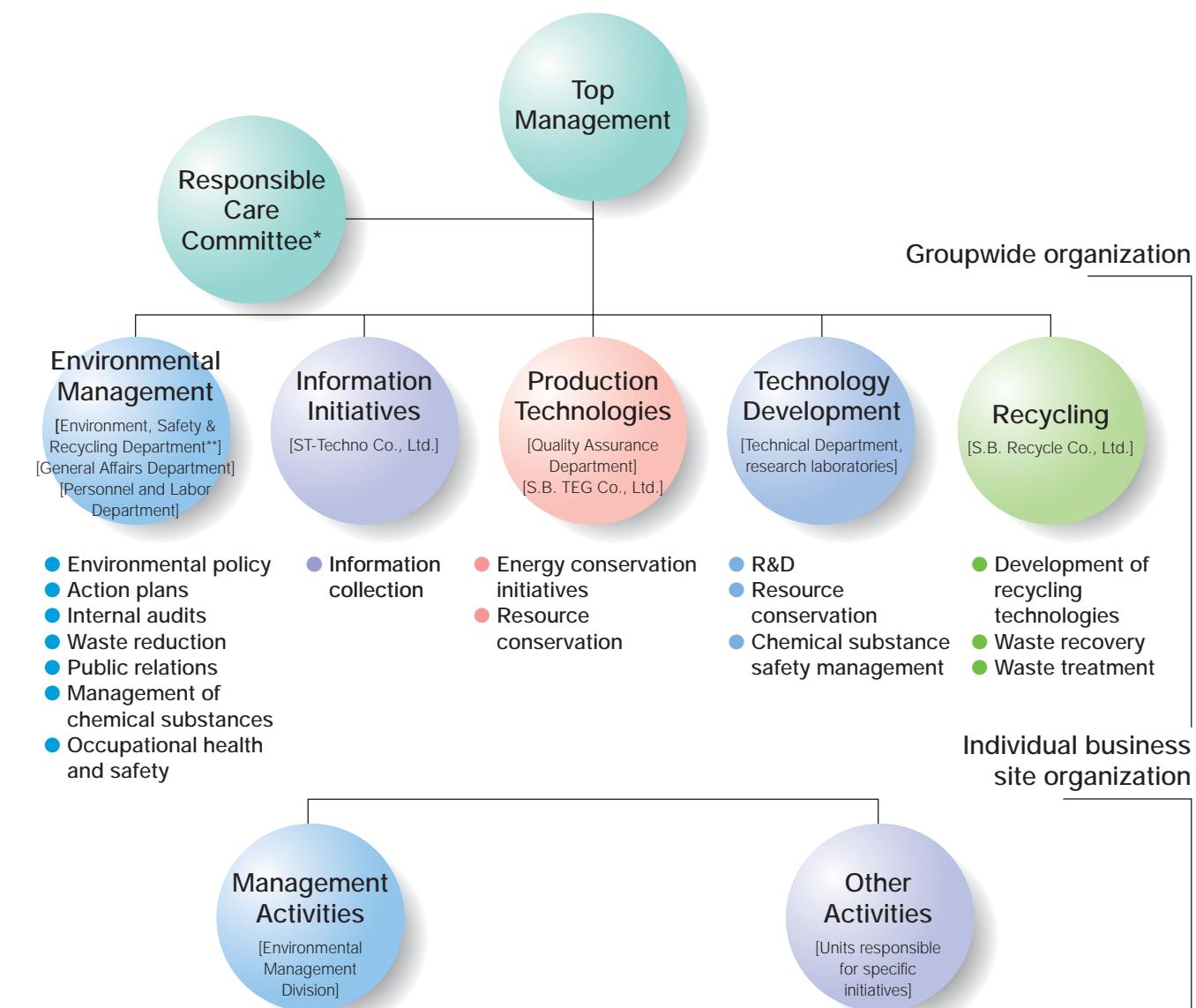
In accordance with this philosophy, we will

1. Evaluate the safety, health, and environmental aspects of all corporate activities, from product design through product disposal, strive to minimize the environmental impact of corporate activities, and undertake to develop safer products and technologies;
2. Make sustained, Groupwide efforts to promote resource and energy conservation, recycling, and waste reduction;
3. Implement operational safety management programs for our employees and neighbors;
4. Work to improve the safety of products and transportation operations and provide product safety information to customers and others;
5. Comply with all relevant laws, regulations, and agreements associated with safety, health, and the environment while autonomously establishing administrative rules designed to promote safety, health, and environmental protection; and
6. Perform inspections of environmental protection and safety activities as well as work to maintain and improve systems for administering such activities.

Promotional Organization

Sumitomo Bakelite's organization to protect the environment and ensure safety and health

Sumitomo Bakelite adheres to Responsible Care guidelines for safeguarding the environment, safety, and health throughout the life cycle of chemical substances, from development to disposal. The Company has established a Responsible Care Committee comprising members of top management. The implementation of Responsible Care is carried out Groupwide, centering on the head office. Individual business sites carry out activities through their Environmental Management Division and other departments responsible for specific initiatives.



* Responsible Care Committee: Promotes Responsible Care activities, establishing plans for Groupwide Responsible Care activities and considering and granting approval for individual business site activities

** Environment, Safety & Recycling Department: In addition to serving as the office for Responsible Care activities, coordinates activities of individual business sites as follows:

- Management assistance in promoting safety and environmental maintenance and improvement at individual business sites
- Internal audits of environment- and safety-related Responsible Care efforts at individual business sites (Domestic business sites are audited annually, while overseas business sites are usually audited once every three years.)
- Support for the acquisition of ISO 14001 certification
- Safe management of chemical substances, compliance with applicable laws and regulations, and related applications
- Feasibility studies and proposals for internal and external recycling activities

Environmental Targets—Domestic Business Sites

Sumitomo Bakelite has been working Groupwide to reduce its environmental impact since fiscal 2000 with the establishment of medium- and long-term targets based on the Company's Corporate Policies for Safety, Health, and the Environment, using fiscal 1999 as the base year.

Medium- and Long-Term Environmental Impact Reduction Targets—Domestic Business Sites

Waste generation: 59% reduction (to be achieved by fiscal 2007)

Zero emissions-designated substances: 98% reduction (to be achieved by fiscal 2007)

Air emissions of solvents and other chemical substances: 94% reduction (to be achieved by fiscal 2007)

CO₂ emissions: 14.6% reduction (to be achieved by fiscal 2010)

Definitions: Zero emissions-designated substances: Landfill and simple incineration waste

Air emissions of solvents and other chemical substances: Volume of emissions of solvents and other chemical substances targeted by Japan Chemical Industry Association (JCIA) PRTR assessments

CO₂ emissions: CO₂ emissions due to energy (fuel or electric) use in production activities

Due to the fact that the scope of inclusion sites expanded in fiscal 2004, medium-term targets for the volume of waste generation, zero emissions-designated substances, and air emissions of solvents and other chemical substances have been revised.



Environmental Impact Reduction Performance and Targets—Domestic Business Sites

Action	Unit	1999 (base year) performance	2003 performance	2004 performance	2005 plan	2006 targets	2007 targets
Waste generation	Tons	12,800	7,449 (42% reduction)	10,209 (20% reduction)	7,895 (38% reduction)	6,300 (51% reduction)	5,200 (59% reduction)
Zero emissions-designated substances	Tons	7,053	563 (92% reduction)	1,622 (77% reduction)	808 (89% reduction)	300 (96% reduction)	150 (98% reduction)
Air emissions of solvents and other chemical substances	Tons	3,164	1,018 (68% reduction)	653 (79% reduction)	650 (79% reduction)	490 (85% reduction)	205 (94% reduction)
CO ₂ emissions	Tons	130,769	123,585 (5.5% reduction)	122,004 (6.7% reduction)	117,838 (9.9% reduction)	114,300 (12.6% reduction)	113,700 (13.1% reduction)

Numbers in parentheses () are rates of reduction based on fiscal 1999 levels.

Environmental impact figures are compiled from data from the following business sites:

Sumitomo Bakelite Co., Ltd.: Amagasaki Plant (including subsidiaries and consolidated affiliates on the premises), Shizuoka Plant (including subsidiaries and consolidated affiliates on the premises), Utsunomiya Plant, Tsu Plant, Fundamental Research Laboratory, and Kobe Fundamental Research Laboratory

Akita Sumitomo Bakelite Co., Ltd., Artlite Kogyo Co., Ltd., Sumibe Techno Plastic Co., Ltd. (formerly Tokyo Kakohin Co., Ltd.), Hokkai Taiyo Plastic Co., Ltd., Yamaroku Kasei Industry Co., Ltd., Kyushu Bakelite Industry Co., Ltd., Suzuka Plant, Decolanitto Co., Ltd. (included from 2004), Sano Plastic Co., Ltd. (included through June 2002)

Summary of Environmental Impact Reduction Activities

Each year, Sumitomo Bakelite sets specific targets for reducing its environmental impact, evaluating them on a monthly basis. The chart below shows fiscal 2004 targets and actual performance.

Action	Unit	2003 performance	2004 targets*	2004 performance	Comments
Waste generation	Tons	7,449	7,710	10,209	Generation was above target due to an increase in the manufacturing of products that generate high volumes of waste. In response, we will promote the distillation and recovery of such substances with the aim of reducing volume.
Zero emissions-designated substances	Tons	563	1,650	1,622	Recycling enabled us to meet our target. We plan to focus future reduction efforts on the Suzuka Plant of Decolanitto Co., Ltd.
Air emissions of solvents and other chemical substances	Tons	1,018	520	653	Although air emissions were above target, we were able to make a reduction of approximately 36% (365 tons) compared with the previous year, due to the full-fledged commencement of operations at waste gas treatment facilities.
CO ₂ emissions	Tons	123,585	124,400	122,004	Commencement of cogeneration facilities operations and patient and unrelenting energy conservation efforts resulted in a reduction to approximately 1.9% (2,400 tons) below target.

* Original targets were revised due to the inclusion of the Suzuka Office of Decolanitto Co., Ltd., in the totals from fiscal 2004.

: Above target

: Below target

Environmental Targets—Overseas Business Sites

In fiscal 2003, Sumitomo Bakelite began collecting data on the environmental impact of overseas production bases with an eye to making reductions. To this end, it has established medium- and long-term environmental targets and is tracking its progress using fiscal 2004 as the base year.

Medium- and Long-Term Environmental Impact Reduction Targets—Overseas Business Sites

Waste generation: 20% reduction (to be achieved by 2007)

Zero emissions-designated substances: 20% reduction (to be achieved by 2007)

CO₂ emissions: 2.5% reduction (to be achieved by 2007)

We have established three environmental target areas: 1) waste generation, 2) zero-emissions designated substances (landfill and simple incineration waste), and 3) CO₂ emissions.



Environmental Impact Reduction Performance and Targets—Overseas Business Sites

Action	Unit	2004 performance	2005 plan	2006 targets	2007 targets
Waste generation	Tons	14,312	13,722 (4% reduction)	12,854 (10% reduction)	11,426 (20% reduction)
Zero emissions-designated substances	Tons	13,023	12,562 (4% reduction)	11,697 (10% reduction)	10,398 (20% reduction)
CO ₂ emissions	Tons	127,603	125,784 (1.4% reduction)	125,070 (2.0% reduction)	124,440 (2.5% reduction)

Numbers in parentheses () are the rates of reduction based on fiscal 2004 levels.

Environmental impact figures are compiled from data from the following 16 production bases:

Sumitomo Bakelite Singapore Pte. Ltd., Sumicarrier Singapore Pte. Ltd., SumiDurez Singapore Pte. Ltd., SNC Industrial Laminates Sdn. Bhd., BASEC Hong Kong Limited (Dongguan), P.T. Indopherin Jaya, Sumitomo Bakelite (Suzhou) Co., Ltd., SB Flex Philippines, Inc., Sumitomo Bakelite (Taiwan) Co., Ltd., Bakelite Precision Molding (Shanghai) Co., Ltd., Rigidtex Sdn. Bhd., Durez Corporation, N.V. Sumitomo Bakelite Europe S.A., Sumitomo Bakelite Vietnam Co., Ltd., Sumitomo Bakelite Macau Co., Ltd., and Fers Resins, S.A.U.

Environmental Accounting

Sumitomo Bakelite has adopted environmental accounting to promote efficient environmental management and fulfill its responsibility to society.

Sumitomo Bakelite implemented environmental accounting in fiscal 2000 to quantify the costs and effects of environmental conservation and effectively promote environmental management as well as disclose information to stakeholders and give them an understanding of the Company's initiatives. Environmental accounting was implemented at five plants and the Company's two research laboratories and, since fiscal 2001, has been successively implemented at affiliated companies, figures for which are included in data compilation.

The Company tabulates figures for environmental accounting based on the Ministry of the Environment's *Environmental Reporting Guidelines* (2000, 2002, and 2005 versions). Furthermore, viewing environmental accounting as a means of evaluating the progress of activities to reduce our environmental impact, we are also working to develop our own accounting standards. In addition, accounting standards are revised annually to promote meaningful environmental accounting.

Environmental Conservation Costs for Fiscal 2004

Item	Investment (millions of yen)	Expenses (millions of yen)	Description
(A) Emissions control	65	173	<ul style="list-style-type: none">• Renovation of wastewater treatment facilities• Construction of wastewater sewerage systems
(B) Energy conservation	36	15	<ul style="list-style-type: none">• Installation of rooftop heating insulation• Improvements to air-conditioning systems
(C) Waste reduction, recycling, and treatment	72	628	<ul style="list-style-type: none">• Installation of distillation and regeneration devices for waste solvent• Waste treatment
(D) Product initiatives at the R&D stage	—	1,175	<ul style="list-style-type: none">• R&D for environment-conscious products
(E) Reduction of upstream and downstream environmental impact	—	19	<ul style="list-style-type: none">• Commission fees to the Japan Containers and Recycling Association
(F) Environmental management activities	1	261	<ul style="list-style-type: none">• Personnel expenses for environmental management activities• Beautification activities and maintenance of green spaces
(G) Contributions to community activities	—	1	<ul style="list-style-type: none">• Outside communications activities
(H) Response to environmental damage	—	—	
Total	174	2,272	

Scope of compilation:

Sumitomo Bakelite Co., Ltd.: Amagasaki Plant (including subsidiaries and consolidated affiliates on the premises), Shizuoka Plant (including subsidiaries and consolidated affiliates on the premises), Utsunomiya Plant, Tsu Plant, Fundamental Research Laboratory, and Kobe Fundamental Research Laboratory
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● Compilation Methods

- Figures have been tabulated based on the Company's Environmental Accounting Compilation Standards with reference to *Environmental Reporting Guidelines* (2000, 2002, and 2005 versions).
- In cases where investments reflect composite costs that include costs other than those related to environmental conservation, environmental conservation costs have been tabulated using the proportion used for environmental conservation purposes.
- Economic effects have been calculated solely using tangible items and do not include such theoretical effects as risk aversion.
- Expenses do not include depreciation.
- Research and development outlays and expenses are compiled for each environment-related category.

Effects of Environmental Conservation for Fiscal 2004

Reduction of environmental impact (compared with previous fiscal year) (tons)		Environmental impact (fiscal 2004) (tons)	
Reduction in volume of air emissions and other substances	365	Volume of air emissions and other substances	653
Reduction in volume of CO ₂ emissions	1,581	Volume of CO ₂ emissions	122,004
Reduction in volume of waste	-2,760 ^{*1}	Volume of waste generation	10,209
Landfill and simple incineration reductions	-1,059 ^{*2}	Volume of landfilled and incinerated waste	1,622

*1. Due to the expansion of the scope of business sites included in data compilation, the volume of waste generation increased compared with the previous fiscal year.

*2. Due to the expansion of the scope of business sites included in data compilation, the volume of landfill and simple incineration waste increased compared with the previous fiscal year.

Economic Effects for Fiscal 2004

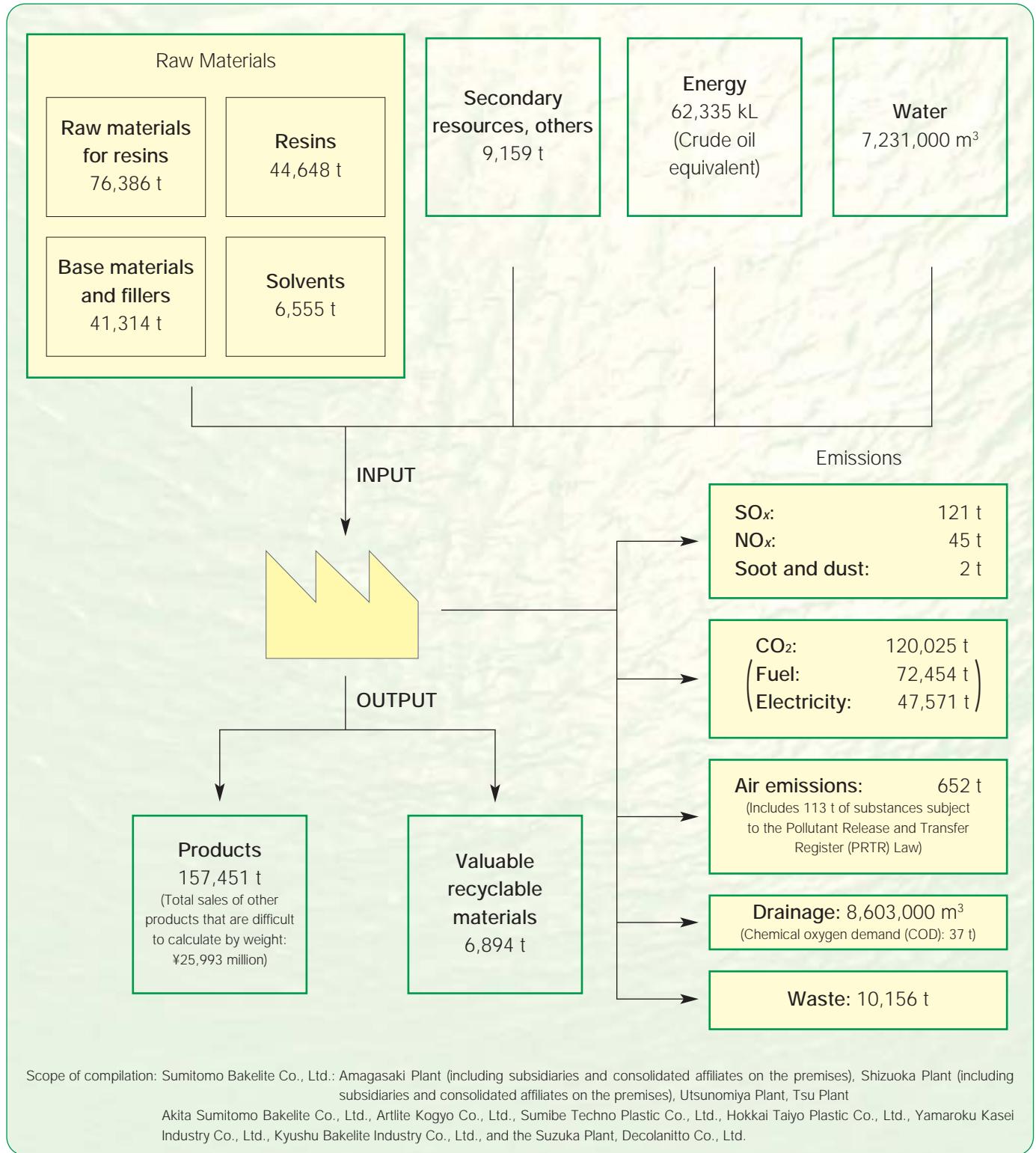
Classification	Amount (millions of yen)
Cost reductions resulting from energy conservation	29
Cost reductions resulting from waste reductions	19
Income from external recycling	63
Cost reductions resulting from internal recycling	291
Cost reductions resulting from use of industrial water circulation system	18
Total	420

- Net sales of environment-conscious products totaled ¥21,349 million, an increase of ¥8,232 million compared with the previous fiscal year, representing 20.7% of net sales, up 7.4 percentage points from the previous fiscal year.

Environmental Impact Material Balance

The flowchart below illustrates the environmental impact of Sumitomo Bakelite's business activities.

The chart shows inputs, including raw materials and energy, as well as outputs that are released into the environment. Sumitomo Bakelite is working to reduce its impact on the environment through waste reduction and resource conservation by promoting cutbacks on the use of raw materials, energy, and water.



Scope of compilation: Sumitomo Bakelite Co., Ltd.: Amagasaki Plant (including subsidiaries and consolidated affiliates on the premises), Shizuoka Plant (including subsidiaries and consolidated affiliates on the premises), Utsunomiya Plant, Tsu Plant

Akita Sumitomo Bakelite Co., Ltd., Artlite Kogyo Co., Ltd., Sumibe Techno Plastic Co., Ltd., Hokkai Taiyo Plastic Co., Ltd., Yamaroku Kasei Industry Co., Ltd., Kyushu Bakelite Industry Co., Ltd., and the Suzuka Plant, Decolanitto Co., Ltd.

Environment-Conscious Products

As one of the world's leading plastic manufacturers, Sumitomo Bakelite strives to develop and offer products that do not pollute the environment and do not contain dangerous or harmful substances, do not require customers to use such substances, contribute to the conservation of natural resources and energy, and make it easy to recover and recycle resources.

● SUMIKON® EME Epoxy Molding Compound for Semiconductors

Sumitomo Bakelite has developed an epoxy resin molding material for semiconductor sealing that is free of bromine- and antimony-based flame retardants—which have a negative impact on the environment—and can be used in lead-free solder mounting. The Company has developed and marketed the SUMIKON® EME G700 series for applications that require high reliability and the SUMIKON® EME G600 and G500 series for ordinary semiconductor package applications, all of which use a newly developed epoxy resin with superior fire retardant capabilities. We also launched the SUMIKON® EME E series for discrete applications. Centered on material design technology that reduces environmental impact, this "green" family of products can be used for applications ranging from cutting-edge packages to ordinary packages and is enabling the Company to reduce its environmental impact.



● SUMIRESIN EXCEL® CRM Semiconductor Die Attach Paste

This product family of highly reliable die attach paste for the high mounting temperatures required for lead-free solder includes the SUMIRESIN EXCEL® CRM 1076 series and 1033 series for lead frame packages, as well as the SUMIRESIN EXCEL® CRM 1500 series for area mounted packages. In addition, the CRM 1300 series is a die attach paste that does not contain mutagenic substances, while the CRM 1290 series boasts superior heat conduction, making it a good substitute solder die attach material.



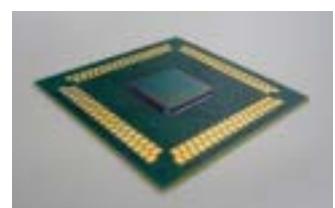
● SUMIRESIN EXCEL® CRC Wafer Coating Material

To respond to narrowing circuit widths required due to the sharp increase in semiconductor memory capacity as well as higher speeds and to satisfy strict demands for reliability, Sumitomo Bakelite has developed and marketed the SUMIRESIN EXCEL® CRC 8000 series of positive photoresistive wafer coating resins. This enables semiconductor manufacturers to use alkaline water as developing fluid and pure water as a rinsing solution, rendering special solvents unnecessary. In addition, in certain wafer level packages, it can be used in place of conventional plastic-based sealants for rewiring, reducing the length of processing and thus conserving resources and energy.



● SUMIRESIN EXCEL® CRP Liquid Epoxy Resin for Semiconductors

SUMIRESIN EXCEL® CRP is an underfill resin for lead-free solder that increases the reliability of flip-chip connections. Underfill resin fills in the area between the base and chip in lead-free soldering—the mechanical strength of which is inferior to conventional solder—to provide adequate protection and hardness, vastly improving connection stability throughout temperature cycles and in other severe environments to enable more fluid work processes.



● LOC Adhesive Film ITA Semiconductor Adhesive Film/ Semiconductor Adhesive Film IBF

LOC Adhesive Film ITA and Semiconductor Adhesive Film IBF boast higher heat resistance than conventional adhesive films and have been developed and marketed as semiconductor adhesive film products that are compatible with lead-free soldering reflow.



● SUMILITE® PLC, ELC, and APL (GS Series) "Green" Laminates

Sumitomo Bakelite's GS series offers a wide range of grades of environment-conscious halogen- and antimony-free laminates, which are used in electric circuit boards for electronic devices, from paper phenol materials for one-sided boards to materials for semiconductor package substrates. The Company has also developed and marketed glass epoxy multilayer materials with such superior features as tracking resistance and low heat expansibility.



● SUMILITE® TFP Flexible PCBs

In addition to epoxy laminates used for flexible copper-clad boards and cover lays, Sumitomo Bakelite has developed and offers flexible printed circuit boards (PCBs) free of halogen and antimony compounds as well as flexible PCBs that use lead-free plating for use in connector terminals and packaging. In addition, the Company has developed and commenced sales of new environment-conscious, halogen- and lead-free multilayer flexible PCBs.



● SUMIZAC® SZF Solder-Free Curing Films

Sumitomo Bakelite has developed the SUMIZAC® SZF series of anisotropic conductive films as a connecting material that can be used as an alternative to soldering in connecting circuit electrodes. As a material that enables group connections of minute circuits, it is indispensable in connecting glass panels to circuit boards as well as connecting circuit boards to each other in the manufacture of flat-panel displays, which are rapidly trending toward larger scales and higher resolutions. The products eliminate the need for solder reflow, enabling quick, low-temperature connections for such applications as connecting ICs and electronic components to substrates. The Company is also promoting the development of a mutagen-free material using an acrylic resin base that will enable fast connections under extremely low temperatures.



● SUMILITERESIN® ECP for Electronic Components

Sumitomo Bakelite epoxy coating powder (ECP) products for electronic components include a lead-free ECP that is compatible with laser marking as well as one that is free of halogen and antimony and incorporates heat resistance and long-term stability. Work is under way on the development of an ECP for motor insulation that improves the coating environment by generating less dust during the coating process as well as an azo-free ECP that does not generate harmful amine.



● SUMIMAC® ECR Liquid Epoxy Resin for Electric and Electronic Components

Sumitomo Bakelite offers a halogen- and antimony-free liquid ECR for lead-free solder surface mount devices. In addition, the Company has developed and sells an ECR that serves as a secondary mounting underfill material to ensure connection reliability for packages and printed boards while allowing broken packages to be removed from the board, enabling the board to be reused and thus reducing waste generation.



● SUMILITE® CSL Semiconductor Cover Tape for Electric and Electronic Components

This cover tape developed and sold by Sumitomo Bakelite protects electric and electronic components from static electricity by adding electrical conductivity to the layer the carrier tape is adhering to. In addition, it is an environment-conscious, halogen-free product.



SUMILITERESIN® PR Industrial Phenolic Resins

Using catalytic and reaction technologies, Sumitomo Bakelite has developed and markets phenolic resins that have less impact on the global environment and work environments and meet the requirements of the PRTR Law, the Industrial Safety and Health Law, and the Poisonous and Deleterious Substances Control Law. Products in the lineup include resins with minimal levels of unreacted monomer and dimer components, dust-free powder resins that do not generate dust, and non-gas resins that do not generate harmful gases during thermosetting.



SUMIKON® PM Phenolic Resin Metal Alternative Molding Compounds

Taking advantage of phenolic resin's superior heat resistance, dimensional characteristics, and mechanical strength, Sumitomo Bakelite supplies molding compounds for automotive and a wide variety of other mechanical components. Such compounds have enabled the plasticization of such metal automobile components as brake pistons and pulleys, thereby contributing to lighter automobiles, lower fuel costs, and reduced CO₂ emissions. The Company also operates a material recycling system for molding by-products and is developing sprue-free and runner-free molding technologies that will reduce by-product output.



P-Plus® Freshness Maintenance Film

P-Plus® freshness maintenance film is manufactured and sold by Sumitomo Bakelite to preserve the quality of produce during distribution and storage. P-Plus® helps reduce loss due to produce spoilage at each stage of distribution by preserving quality. It also contributes to reducing environmental impact by reducing the number of shipments to stores and facilitating the use of cardboard boxes and containers, which are easier to recycle than polystyrene containers.



SUMILITE® OBL Polyethylene Shoe Tree Blocks

Sumitomo Bakelite has established a recycling system whereby old shoe trees from customers as well as block cuttings from customer manufacturing processes are recovered and used to make polyethylene shoe tree block SUMILITE® OBL. In fiscal 2002, the Company was awarded a prize by the Ministry of Economy, Trade and Industry (METI) for reducing, reusing, and recycling in the manufacture of this product.



MYKITCHEN® Polyethylene Chopping Boards

Sumitomo Bakelite has established a resource recycling system for recovering MYKITCHEN® polyethylene chopping boards from customers for use in manufacturing such other products as planters and civil engineering use pipe pilings as well as in its HEALTHY ELEVEN® floor mat products.



SUMIHAT® FAV Organic PVA Fiber Safety Helmets

Sumitomo Bakelite has developed and marketed fiberglass-free FRP safety helmets and established a recycling system that facilitates heat recovery.



Reduction of Environmental Impact Substances

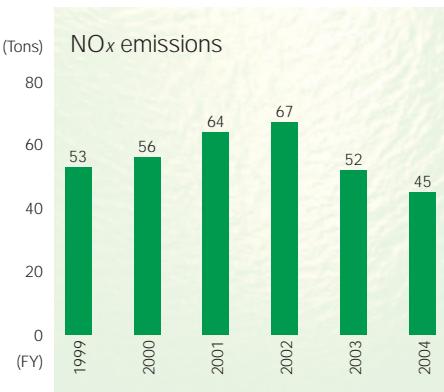
In the course of manufacturing activities, we strive to reduce the volume of environmental impact substances released into the air and water.

Air Emissions

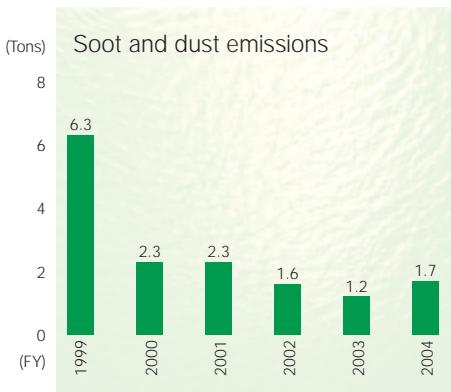
Sumitomo Bakelite strives to adhere to regulation levels based on national emissions standards as well as agreements made with local communities with regard to SO_x and other smoke and soot generated by boilers and other manufacturing equipment. In August 2004, we began full-fledged operations of a cogeneration plant that uses natural gas for fuel at our Shizuoka Plant, which we expect to further reduce SO_x emissions.



Note: Data are compiled from business sites listed on page 8.



Note: Data are compiled from business sites listed on page 8.

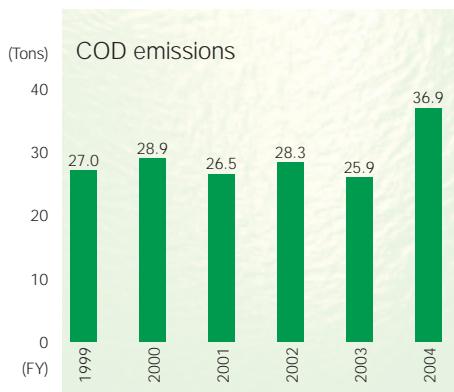


Note: Data are compiled from business sites listed on page 8.

Water Discharges

Factory water discharges are broadly classified into polluted water, which includes industrial wastewater and domestic wastewater, and rainwater, which includes coolant water. By recycling coolant water, we are working to curb use of water resources and reduce our wastewater discharges.

Regarding polluted water, we operate such treatment equipment as high-precision phenol recovery equipment, active sludge treatment equipment, and neutralizing and coagulating sedimentation equipment (metal removal treatment), and have established a constant surveillance system that uses surveillance devices in an effort to comply with national wastewater standards as well as pollution control agreements with local communities.



Note: Data are compiled from business sites listed on page 8.

COD: Chemical oxygen demand. An index of organic matter pollution in water that indicates the amount of oxygen consumed by the oxidizing agent potassium permanganate in the oxidation of organic matter in water.



Active sludge treatment facility
(Shizuoka Plant)



Water recirculation equipment
(Amagasaki Plant)

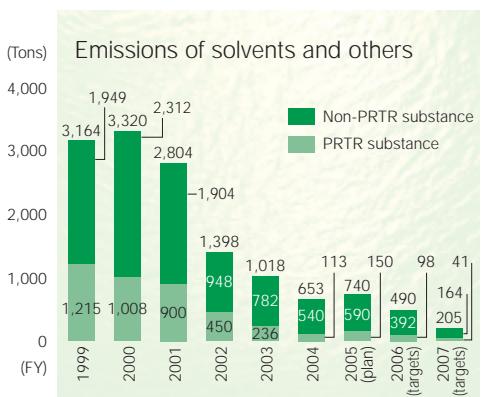
● Reduction of Emissions of Solvents and Others

Since 1996, the Company has been involved in JCIA PRTR initiatives, keeping track of the release and transfer of certain substances and setting medium-term and long-term targets for improvement, focusing particularly on reducing its air emissions of solvents. The graph on the right shows the release of solvents and other chemical substances into the air since fiscal 1999. Thanks to the installation of exhaust gas treatment facilities at the Shizuoka Plant in fiscal 2004, we were able to make reductions of approximately 36%, or 365 tons, compared with fiscal 2003. Furthermore, the Company released 113 tons of chemical substances controlled by the PRTR Law (PRTR System*) into the air, approximately half the amount released in fiscal 2003. Due to an increase in the number of business sites included in the data collected, reduction targets for 2005 and beyond have been revised.

The volumes of the 31 PRTR Law-controlled substances released and transferred by the Company are shown in the chart below.



Exhaust gas treatment facilities



Note: Data are compiled from business sites listed on page 8.

Transfer and Release of Substances Subject to the PRTR Law (fiscal 2004 performance)

(unit: tons)

Government order number	Substance	Amount used (manufactured)	Amount released			Amount transferred	
			Into air	Into water	Into soil	As waste matter	As sewage
1	Zinc compounds (water-soluble)	38	0	0	0	0.6	0
15	Aniline	143	0	0	0	0	0
25	Antimony and its compounds	121	0	0	0	7.3	0
29	Bisphenol A	390	0	0	0	0	0
30	Bisphenol A-type epoxy resin (liquid)	1,048	0	0	0	2.4	0
43	Ethylene glycol	885	0	0	0	26	0
44	Ethylene glycol monoethyl ether	26	0	0	0	0	0
45	Ethylene glycol monomethyl ether	252	48	0	0	4.1	0
63	Xylene	49	13	0	0	0.9	0
64	Silver and its water-soluble compounds	12	0	0	0	0	0
67	Cresol	1,524	0.1	0	0	2.5	0
172	N,N-dimethyl formamide	538	12	0	0	4.7	0
176	Organic tin compounds	24	0	0	0	0.5	0
177	Styrene	11	0.7	0	0	0	0
198	Hexamethylenetetramine	1,197	0	0	0	16	0
202	Tetrahydromethylphthalic anhydride	113	0	0	0	0	0
207	Copper salts (water soluble, except complex salts)	(55)	0	0	0	0	0
227	Toluene	368	35	0	0	2.4	0
232	Nickel compounds	1	0	0	0	0.1	0
242	Nonylphenol	2	0	0	0	0.1	0
243	Barium and its water-soluble compounds	61	0	0	0	0	0
266	Phenol	26,424	2.4	0	0	16	0
270	Di-n-butyl phthalate	6	0	0	0	0	0
272	Bis (2-ethylhexyl) phthalate	25	0	0	0	0.6	0
299	Benzene	(2)	0	0	0	2.4	0
300	1,2,4-benzenetricarboxylic 1, 2-anhydride	15	0	0	0	1.4	0
304	Boron and its compounds	18	0	0	0	0.3	0
310	Formaldehyde	11,485 (17,116)	1.4 0	0	0	7.6 0	0
313	Maleic anhydride	2	0	0	0	0	0
340	4,4'-methyleneedianiline	2	0	0	0	0	0
354	Tri-n-butyl phosphate	4	0	0	0	0	0

: Class I designated chemical substances

* Pollutant Release and Transfer Register (PRTR) System

System whereby businesses that handle various harmful chemical substances designated by the Law Concerning Reporting, etc., of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management, collect data regarding the release of such substances into the environment, and make voluntary improvements to their management of such chemicals, thereby preventing obstacles to environmental protection caused by chemical substances

CO₂ Emissions and Energy Conservation

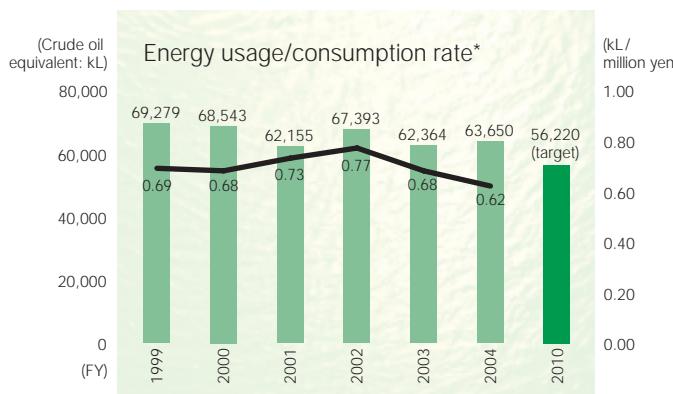
Sumitomo Bakelite implements energy conservation activities and strives to reduce CO₂ emissions.

Greenhouse gases must be reduced to help achieve a solution to global warming, a worldwide environmental issue of the utmost importance. In an effort to reduce emissions of the greenhouse gas CO₂, the Sumitomo Bakelite Group has established the three main areas of energy conservation listed below.

- 1) Prevention of energy waste by all employees
- 2) Promotion of energy-conserving production by revising manufacturing processes
- 3) Implementation of new energy-saving technologies and equipment

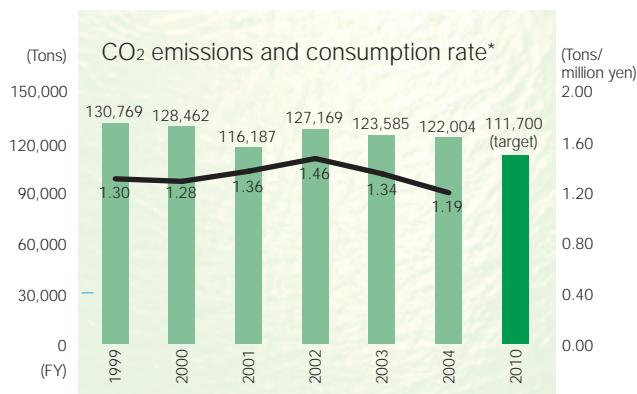
The commencement of full-fledged operations of a cogeneration system installed at the Shizuoka Plant in August 2004 contributed to Groupwide reductions in energy use and CO₂ emissions. Furthermore, as a result of energy conservation efforts at all business sites, we achieved a 1.3% reduction in CO₂ emissions compared with fiscal 2003, and a 6.7% reduction compared with fiscal 1999.

At present, we are promoting further energy conservation in light of our long-term objective of achieving a 14.6% reduction in fiscal 1999 CO₂ emissions by 2010.



Note: Data are compiled from business sites listed on page 8

* The consumption rate is the production consumption rate, which is determined using the following equation:
Consumption per output unit = energy-usage volume / (production volume x unit price)



Note: Data are compiled from business sites listed on page 8

* The consumption rate is the production consumption rate, which is determined using the following equation:
Emissions per output unit = CO₂ emissions / (production volume x unit price)

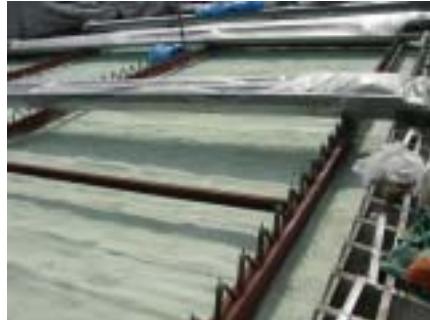
Principal energy conservation measures implemented in fiscal 2004 were:

- 1) Installation of inverter controllers for pumps, fans, and compressors
- 2) Use of partitions in refrigerated containers and air-conditioned rooms
- 3) Spot repairs of steam and air leaks
- 4) Installation of energy-saving lighting fixtures
- 5) Optimization of equipment operating conditions
- 6) Optimization of air-conditioning conditions
- 7) Optimization of dust collection equipment operations
- 8) Installation of heat-resistant insulation for roofs
- 9) Recovery and use of excess steam
- 10) Installation of a microscopic gas bubble air diffuser at an active sludge treatment plant



Installation of energy-saving lighting fixtures

By installing highly efficient reflecting plates, bulb wattage was reduced, thus enabling us to reduce the amount of electricity use. (Kyushu Bakelite Industry Co., Ltd.)



Installation of heat-resistant insulation for roofs

We were able to control increases in room temperature by installing spray-on urethane foam heat-resistant insulation, thus reducing the amount of electricity used for air conditioning. (Kyushu Bakelite Industry Co., Ltd.)



Change in dust collection pipes

To optimize dust collection and reduce electricity usage, we connected the dust collection equipment via pipes to individual operating equipment units. (Utsunomiya Plant)



Operation verification for steam traps

We prevented steam leaks by verifying that steam traps were working properly. (Akita Sumitomo Bakelite Co., Ltd.)



Installation of microscopic gas bubble air diffuser at an active sludge treatment plant

The installation of a microscopic gas bubble air diffuser at our active sludge treatment plant resulted in a reduction in the amount of electricity used in air diffusion. (Shizuoka Plant)



Recovery and use of excess steam

Excess steam from a waste gas boiler that used to be released into the air is now recovered and used at other plants. (Shizuoka Plant)

● Commencement of the Full-Fledged Operation of a Cogeneration System

We have installed a gas turbine cogeneration system at the Shizuoka Plant that generates electric power through the combustion of liquid natural gas. This system also uses the waste heat from the power generation process to produce steam to drive the turbine, thereby increasing the overall energy conversion efficiency of the process while reducing CO₂ emissions. Since it went into operation in August 2004, this system has made a significant contribution to lowering CO₂ emissions at the Shizuoka Plant.

We are also planning to install a steam turbine compressor that will make use of the energy released when high-pressure steam from the cogeneration system is decompressed to normal levels.



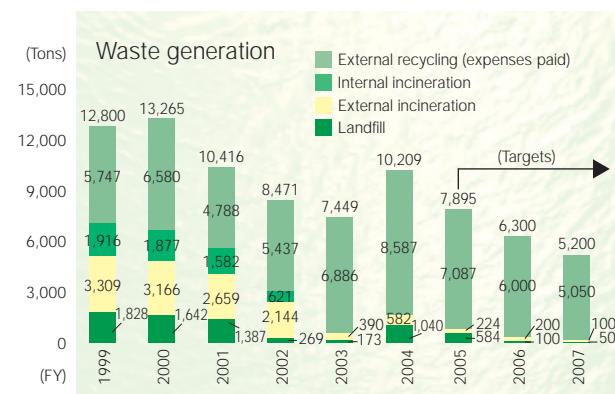
Cogeneration system (Shizuoka Plant)

Waste Disposal

The Sumitomo Bakelite Group aims to reduce waste generation and achieve zero waste emissions.

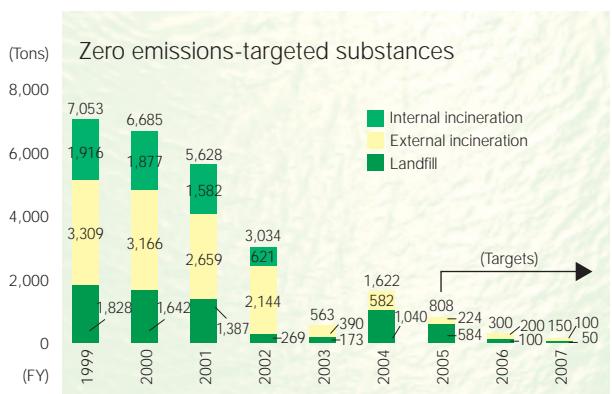
In its waste reduction efforts, the Sumitomo Bakelite Group focuses on improving yield in manufacturing processes and controlling waste generation by recycling within those processes. Furthermore, with regard to waste generation, we are aiming to achieve "zero emissions," recycling all waste and thereby avoiding the use of landfills or simple incineration.

The graphs below entitled "Waste generation" and "Zero emissions-targeted substances" show our progress and targets in these areas. Since fiscal 2000, we have steadily reduced waste generation by improving yield, implementing recycling, and converting waste into valuable resources; however, due to the fact that in fiscal 2004 we manufactured a higher volume of products with high waste-generation ratios, total waste increased approximately 2,800 tons compared with the previous fiscal year, to 10,209 tons. In fiscal 2005, we plan to reduce waste generation by promoting the distillation and recovery of waste solvents, a principal contributor to the rise. Thanks to thorough waste separation and recycling, in fiscal 2003 we were able to reduce zero emissions-targeted substances 92% compared with fiscal 1999 levels and, although there was an increase in waste generation in fiscal 2004 due to the expansion of the scope of business sites included in data compilation, we plan to use the original business sites included in the fiscal 2003 data collection as models in making planned reductions in fiscal 2005.



Note: Data are compiled from business sites listed on page 8.

Waste consists of the volume of landfill waste, externally incinerated waste, internally incinerated waste, and external recycling (expenses paid).



Note: Data are compiled from business sites listed on page 8.

Zero emissions substances include landfill waste, externally incinerated waste, and internally incinerated waste.

The number of zero emissions-certified plants has increased to six.

Following the certification of Yamaroku Kasei Industry Co., Ltd., in fiscal 2002 and the Amagasaki Plant and Kyushu Bakelite Industry Co., Ltd., in fiscal 2003, in fiscal 2004, the Utsunomiya Plant, Tsu Plant, and the Fundamental Research Laboratory were internally certified as zero emissions business sites.

As a result, six, or almost half, of our domestic business sites have achieved zero emissions. The following section presents the comments of employees in charge of zero emissions initiatives.

Utsunomiya Plant

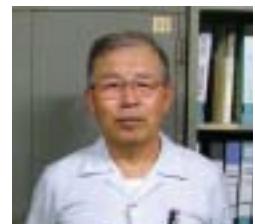
"As part of our zero emissions activities, we first identified waste that we were not yet recycling and how much we were generating by emptying full containers and examining the kinds and volume of waste generation in 10-kilogram units. Although the volume of mixed waste plastic that we used to dispose in landfills was relatively small, it consisted of 14 different types of plastic. Based on the results of these examinations, we looked for a business to which we could outsource recycling and chose an experienced company within Kiyohara Industrial Park, where our plant is located, for most of our business. Fundamental to zero emissions is the strict separation of waste, and efforts to promote separation and recycling in every division of the plant as part of our ISO 14001 environmental objectives have finally taken root. At present, we are distilling and recovering solvent that has been used in cleaning as part of our efforts to employ reuse technology in reducing waste generation."



Noriyuki Takasaki,
Manager, Environment
Control Sect.

Tsu Plant

"The Tsu Plant primarily manufactures thermosetting resin molding materials for automobiles. Although the majority of our waste consists of waste plastic from thermosetting resin, which is difficult to recycle, it also includes metal inserts that are used, along with the resin, as a molding material as well as paper, glass debris, and waste liquids. By making the thermosetting resin waste plastic and waste liquid into fuel and materials for a cement plant, and using a pulverizer to separate the metal inserts from the resin and thereby recover both materials, we have been able to recycle these materials. An assortment of paper and glass debris remained, and based on orders from top plant management, all divisions focused on thorough waste separation in light of the plant's ISO 14001 objective of zero emissions. We sought out recycling processes for the separated items and selected a business for outsourcing, resulting in zero emissions operations."



Tsuneo Shirano,
Senior Technical Manager,
Quality Assurance Dept.

At present, we are continuing to reduce waste generation by improving the yields of our manufacturing processes and are working to develop a valuable use for packaging (trays)."

Fundamental Research Laboratory

"The Fundamental Research Laboratory works in concert with ST-Techno Co., Ltd., and SPD Co., Ltd., which are located on the same site, in activities to reduce environmental impact from its operations. Our principal operations are research and development, analysis, and studies, which generate such waste as waste chemicals, waste glass, assorted paper, and metal. We found recycling routes for most of this waste about five or six years ago, and we had only one more step to take to achieve zero emissions. Glass instruments for heat-resistance experiments were still being sent to landfills, but by employing melting and heat recovery, the glass was made available for use as a material for cement, enabling us to achieve our goal of zero emissions."



Hisaki Miyasaka (left) and
Etsuo Yamamoto (right),
Assistant Manager,
Process Engineering Dept.

● Elimination of Dioxins

Waste incinerators may generate dioxins, depending on incineration conditions. The Law Concerning Special Measures against Dioxins and the revised Waste Disposal and Public Cleaning Law made incinerator regulations more stringent, and Sumitomo Bakelite had shut down or suspended operations at all of its incinerators by November 30, 2002. Since then, the incinerators have been steadily dismantled, with 11 of the 12 incinerators removed at this time, and with plans for the remaining incinerator to be removed by the end of fiscal 2005.

Recycling

Sumitomo Bakelite promotes recycling for the efficient use of resources.

Regarding recycling initiatives, Sumitomo Bakelite has been pulverizing phenolic resin laminates and melamine resin decorative laminates for use as a filler in phenolic resin molding compounds. It has also been reusing sprue and runner—by-products from molded products—as raw materials.

Other examples of recycling initiatives include:

- Use of waste liquid from circuit etching (copper chloride) as a base material for paint for ship bottoms
- Use of waste epoxy resin molding compounds raw material and fuel for cement
- Use of recovered methanol as supplementary fuel
- Distillation and recycling of waste acetone
- Recovery and recycling of old plastic shoe trees as a raw material
- Use of wastepaper and plastic as refuse-derived fuel
- Use of film and sheet discard in trays, mats, and planters
- Recovery of copper from organic and inorganic sludge
- Separation and recovery of metal and waste plastic from plastic-molding products containing metal parts
- Composting of shredded paper
- Complete breakdown and liquefaction of raw organic garbage
- Distillation and recovery of waste isopropyl alcohol
- Pulverization and reuse of special melamine resin decorative laminate scraps

S.B. Recycle Co., Ltd., was established in 1992 to promote recycling and engages in research into recycling technologies as well as the reuse of by-products in addition to developing waste recovery and treatment systems for the Company and other users. It is also conducting research into a wastewater treatment system for phenolic resin dehydrate using biodegradation.

Recycling System for Phenolic Resin Molding Compound

We are developing recycling systems that recover the fine powder generated in the manufacture of molding materials; convert the molding by-products sprue, cull, and runner into raw materials and fuel for cement factories; and pulverize certain by-products to convert them into polishing agents. We are also conducting research into a thermosetting resin molding material chemical recycling process that uses supercritical technology.



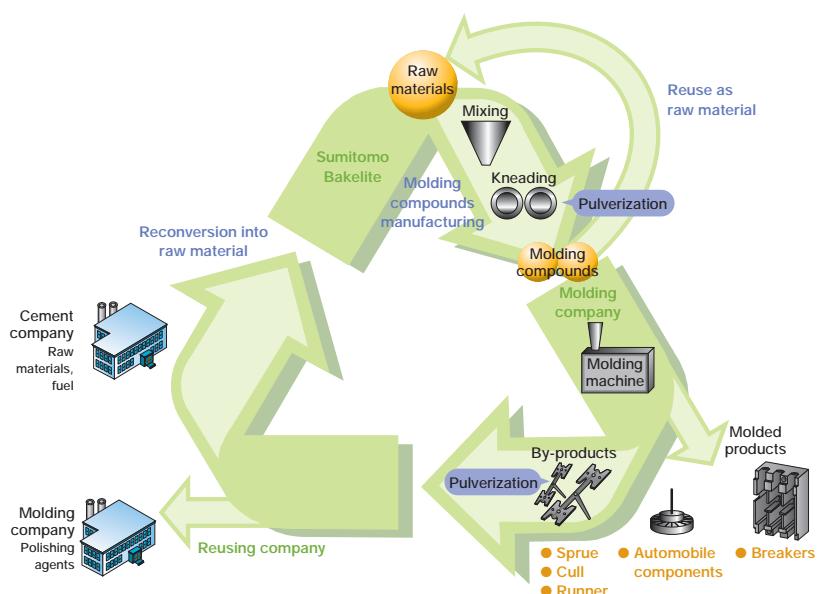
Distillation and recycling equipment for waste acetone



Pulverizer for the separation and recovery of metal and waste plastic

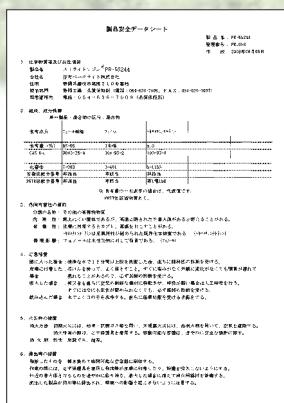


Raw organic garbage treatment machine



Environmental Initiatives Related to Chemical Product Safety, Audits, Education and Training, and Distribution

Material Safety Data Sheets (MSDSs)



A sample MSDS

An MSDS is a data sheet that provides users of chemical substances and products with information to ensure safe use and handling.

Sumitomo Bakelite has prepared and offered MSDSs in line with JCIA preparation guidelines and promotes periodic (once every two years) revisions, in keeping with the revision of the law and the establishment of the JIS Z 7250 for MSDS preparation. In addition, we require that MSDSs be provided for all raw materials procured by the Company and are always available at the site where the raw materials are handled, and we conduct MSDS-based safety training for employees.

Audits

Every year since 1973, the Company's Environment, Safety & Recycling Department has conducted an environment and safety audit of all Company facilities. In 1978, the scope of these audits was expanded to include domestic affiliates. They were further expanded in 1993 to include overseas affiliates in Asia that engage in manufacturing activities. Based on the principles of Responsible Care, the paper and site audits cover the maintenance and improvement of environmental and safety management as well as compliance with applicable laws and regulations. Each business site follows an environmental management system based on ISO 14001 standards that periodically undergoes an internal audit to promote maintenance and improvements.



Environment and safety audits conducted by the Environment, Safety & Recycling Department



Fiscal 2004 Environment and Safety Audit Results (Scope: 4 plants, 2 research laboratories, and 7 domestic affiliates)

	Number of instances	Current status
Action pointed out	19	Situations corrected
Action advised	22	Situations corrected
Action demanded	37	Situations corrected

Fiscal 2004 ISO 14001 Audit Results

Audit by approved external organization	Initial audit	None
	Surveillance	Registration maintained at 10 business sites
Internal audits	Conducted at 10 business sites All situations pointed out have been corrected.	

Environmental Education and Training

Each business site carries out planned and continual training, furnishing annual employee education plans for environmental education according to level of experience for all employees, from new recruits and mid-career employees, to veteran employees. Principal topics include environmental issues relevant to the company or business site; business site and departmental environmental policies as well as environmental objectives and targets; the handling of hazardous materials, organic solvents, and toxic substances; and the handling of chemical substances based on MSDSs. In recent years, e-learning has been made available for employees to provide instruction on the handling of hazardous materials.



Hazardous material handling instruction
via e-learning



On-site ISO 14001-based education
(Fers Resins, S.A.U.)



Spill prevention training
(Akita Sumitomo Bakelite Co., Ltd.)



General environmental education
(Kyushu Bakelite Industry Co., Ltd.)

Environmental and Safety Measures in Distribution

The Sumitomo Bakelite Group cooperates with logistics companies to reduce the environmental impact of shipping operations and to ensure safe shipping. Hoitechno Logistics Co., Ltd., which provides shipping services for most of the Company's products, acquired Green Operations^{*1} certification in June 2004 for all 10 of its bases and is promoting activities to reduce CO₂ emissions in line with numerical targets. In fiscal 2004, the Company's CO₂ emissions^{*2} amounted to 2,234 tons. We are promoting the initiatives below in an effort to achieve our target of reducing emissions by 11.2%, or 250 tons, in fiscal 2005.

1) Promotion of a modal shift

We are promoting a shift from trucks to railways for the transport of products between Akita and Shizuoka.

2) Promotion of site-based shipping

In transporting items from Amagasaki to the Kanto region, a fully loaded truck will regularly drop off shipments at business sites, which will then deliver items to end users.

3) Promotion of "idling stop" (Hoitechno Logistics initiative)

Using the digital tachographs installed in all vehicles, our partner will engage in thorough logistics management with such measures as "idling stop" (no idling of the engine when stopped or parked).

Furthermore, we are advancing the initiatives below to prevent loading and unloading accidents, on-site cargo accidents, and transport accidents.

1) Periodic safety meetings

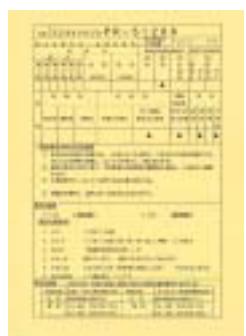
2) Implementation of safety education through Safe Driving Cards (Hoitechno Logistics initiative)

3) Checks for yellow cards^{*3}

^{*1} This environmental certification system was established in October 2003 by the Ministry of Land, Infrastructure and Transport for logistics companies to reduce environmental impact.

^{*2} Fuel usage has been calculated using the Company's shipping weight as a proportion of total shipping weight handled by Hoitechno Logistics. Shipping subcontracted by Hoitechno Logistics has been estimated.

^{*3} To ensure safety during shipping, drivers carry these cards, which provide contact information as well as instructions for the proper course of action in emergency situations.



An example of a yellow card

Green Procurement

We are working to develop an environment-conscious supply chain.



A Green Partner certificate

The movement in Europe to regulate cadmium, mercury, lead, and hexavalent chromium to prevent environmental contamination from waste products has spurred environmental action in the global electronics and automobile industries.

The Sumitomo Bakelite Group is working with its customers as a "Green Partner" in managing regulated chemical substances and planning for the development and provision of products that do not harm the environment, even after their disposal.

Green Purchasing

Sumitomo Bakelite practices green purchasing, whereby it prioritizes the purchase of products with low environmental impact.

Purchasing products and services not only based on price and quality but with a priority on minimal environmental impact is known as "green purchasing." With the April 2001 enactment of the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Law on Promoting Green Purchasing), green purchasing became an obligation for governmental agencies and institutions. Sumitomo Bakelite has established its own Green Purchasing Guidelines, which are outlined below.

- (1) Careful consideration of the necessity of purchasing items
- (2) Consideration of various kinds of environmental impact, purchasing that prioritizes the products listed below
 - i) Products that reduce the use and output of products that impact the environment or human health
 - ii) Products that consume fewer resources or less energy
 - iii) Products whose use does not adversely affect the sustainability of natural resources
 - iv) Products that can be used over the long term
 - v) Products that can be reused
 - vi) Products that can be recycled
 - vii) Products that use recycled materials or parts
 - viii) Products for which proper treatment and disposal is simple

In accordance with the Company's Environmental Accounting Reporting Standards, green purchasing performance is calculated as the difference between the cost of normal products and upstream and downstream environmental impact reduction activities.

Asbestos Handling, CFC Initiatives, PCB Management, and Responses to Environmental Complaints

Asbestos Handling

The chart at right shows Sumitomo Bakelite Group products that contain asbestos. All had been handled properly and in compliance with the applicable laws and regulations. We voluntarily promoted the development of substitute materials, enabling us to cease using asbestos in 1994. At this time, there were no confirmed cases of employees or community members who were suffering from health problems caused by asbestos. We will continue to conduct asbestos surveys and take appropriate action as needed. The chart shows results of surveys of the Group's asbestos use in the past.

Products with asbestos	Manufacturing site (location)	Manufacturing period	Type of asbestos
Molding compounds	Amagasaki Plant (Amagasaki, Hyogo)	Through 1976	Chrysotile
	Mukojima Plant (closed in 1987) (Sumida-ku, Tokyo)	Through 1987	Chrysotile
	Shizuoka Plant (Fujieda, Shizuoka)	1987-1992	Chrysotile
Yamaroku Kasei Industry Co., Ltd. (Kashiwara, Osaka)		1972-1994	Chrysotile
Molded products	Tsu Plant (Tsu, Mie)	Through 1986	Chrysotile
Decorative laminate	Shizuoka Plant (Fujieda, Shizuoka)	Through 1977	Asbestos cement silicate calcium board
	Kyoto Plant (closed in 1988) (Nagaokakyo, Kyoto)	Through 1983	Asbestos cement silicate calcium board

CFC Initiatives

The chlorofluorocarbon (CFC-113) and 1,1,1-trichloroethane have been identified as substances that deplete the ozone layer, and the Sumitomo Bakelite Group ceased using these substances in 1994. Both were used as cleaners and have been replaced by either alcohol-based or hydrocarbon-based alternatives.

Although we still use HCFC-22 and CFC-12 as coolants in industrial refrigeration units, we are working to steadily phase out these substances in accordance with the Law Concerning the Recovery and Destruction of Fluorocarbons.

PCB Management

At present, four Sumitomo Bakelite business sites are using or storing electric machinery (condensers) that use PCBs. The stored condensers are strictly managed in special storage units to ensure that they do not leak and are not lost. Furthermore, we ceased using lighting fixtures that use PCB stabilizers at the end of 2004 and are strictly managing their storage. We are planning for their proper disposal along with the condensers.

PCB Condensers

Site	Units in use	Units in storage
Shizuoka Plant	1	61
Tsu Plant	4	0
Hokkai Taiyo Plastic Co., Ltd.	0	2
Yamaroku Kasei Industry Co., Ltd.	0	4
Total	5	67

Lighting Fixtures with PCB Stabilizers

Site	Units in use	Units in storage
Fundamental Research Laboratory	0	123
Amagasaki Plant	0	39
Shizuoka Plant	0	313*
Tsu Plant	0	131
Artlite Kogyo Co., Ltd.	0	6
Total	0	612

* This number includes stabilizers with small amounts of PCBs and is a revision of the number of units listed in *Environmental Report 2004*.



PCB storage

Responses to Environmental Complaints

Each Group business site has established rules for responding to environmental complaints to ensure appropriate responses. In fiscal 2004, there were three complaints, all of which are detailed below.

Category	Date	Business site	Complaint	Cause and response
Odor	April 2004	Artlite Kogyo Co., Ltd.	A local resident informed and complained that the air smelled of formalin.	It was concluded that the odor was generated whenever the ceiling fan of the impregnating machine started up. Following the incident, the ceiling fan was started before the impregnating machine began operations, and there have been no complaints since.
Odor	April 2004	Amagasaki Plant	A local resident was concerned about odor from the plant and asked questions about the plant's gas emissions.	We listed the products manufactured at the plant as well as the equipment that emits gases and the contents of the gases. There were no complaints after that.
Other	April 2004	Artlite Kogyo Co., Ltd.	A local resident informed the company that leaves and nuts from trees on the plant's grounds were collecting on his roof.	After surveying the situation through a visit to the resident's home, we pruned the tree and resolved the problem.

Soil and Groundwater Contamination Assessments

Sumitomo Bakelite conducts inspections of soil and groundwater contamination.

The results of past soil and groundwater inspections at each of our business sites are shown in the tables below. At this time, there were no confirmed incidents of soil or groundwater contamination directly caused by our operations.

<Groundwater>

Business site and inspection month and year	Fundamental Research Laboratory December 1998	Amagasaki Plant November 2004	Shizuoka Plant May 2003	Utsunomiya Plant April 2005	Tsu Plant February 2000	Yamaroku Kasei Industry Co., Ltd. March 2005	Akita Sumitomo Bakelite Co., Ltd. July 2001	The former Sano Plastic Co., Ltd., grounds July 1998
Cadmium			○	○	○	○		
Total cyanide			○	○	○		○	
Lead			○	○	○	○	○	
Hexavalent chromium			○	○	○			
Arsenic			○	○	○	○		
Total mercury			○	○	○	○		
Alkyl mercury			○	○				
PCBs			○	○				
Dichloromethane			○	○	○		○	
Carbon tetrachloride		○	○	○	○			
1,2-dichloroethane			○	○	○	○		
1,1-dichlorethylene		○	○	○	○			
Cis-1,2-dichloroethylene		○	○	○	○		○	
1,1,1-trichloroethane	○	○	○	○	○		○	
1,1,2-trichloroethane			○	○	○			
Trichloroethylene	○	○	○	○	○	○	○	○
Tetrachloroethylene	○	○	○	○	○	○	○	○
1,3-dichloropropane			○	○	○			
Thiuram			○	○	○			
Simazine			○	○	○			
Thiobencarb			○	○	○			
Benzene			○	○	○			
Selenium			○	○	○			
Nitrate-nitrogen and nitrite-nitrogen			○					
Fluorine			○	○		○		
Boron			○	○		○		
Organic phosphate compounds				○				
Copper						○	○	
Zinc						○		
Total iron						○		
Total manganese						○		
Soluble manganese							○	
Phenols			○ ¹			○	○	

<Soil>

Business site and inspection month and year	Fundamental Research Laboratory May 2004	Amagasaki Plant November 2000	Shizuoka Plant February 1999	Utsunomiya Plant April 2005	Tsu Plant February 2000	Yamaroku Kasei Industry Co., Ltd. October 2001	Akita Sumitomo Bakelite Co., Ltd. August 2000
Cadmium		○			○		
Total cyanide				○	○		○
Organic phosphorous					○		
Lead		○			○		
Hexavalent chromium		○			○		
Arsenic		○			○		
Total mercury		○		○	○		
Alkyl mercury				○	○		
PCBs					○		
Copper					○ ²		○
Dichloromethane	○			○	○		
Carbon tetrachloride				○	○		
1,2-dichloroethane	○			○	○		
1,1-dichlorethylene				○	○		
Cis-1,2-dichloroethylene				○	○		
1,1,1-trichloroethane	○			○	○		
1,1,2-trichloroethane				○	○		
Trichloroethylene	○		○	○	○		
Tetrachloroethylene	○			○	○		
1,3-dichloropropane				○	○		
Thiuram					○		
Simazine					○		
Thiobencarb					○		
Benzene				○	○		
Selenium					○		
Fluorine				○			
Boron				○			
Phenols						○	○
Manganese							○

Note: For substances for which environmental standards have been established, a circle indicates that levels were below those standards; for those substances for which standards have not yet been established, a circle indicates that levels were below the minimum determination limit.

*1 November 2004 inspection

*2 Water sample from a well on the south side of the plant. Although 0.0332mg/L of tetrachloroethylene (the environmental standard is 0.01mg/L) was detected, because there is no record of past use and the soil has not been affected, the Company is investigating the cause.

*3 Extracted in the vicinity of a storehouse for hazardous substances. In February 2000, 230mg/kg of copper (the environmental standard for farmland is 125mg/kg) was detected, but it was concluded that waste oil that contained copper had leaked at the time of disposal. The results of follow-up inspections were as follows: July 2002: 67mg/kg; June 2003: 62mg/kg; July 2004: 20mg/kg; August 2005: 29mg/kg.

Site-Specific Environmental Impact Data—Domestic Facilities

The tables below provide environmental impact data related to air and water quality for each Sumitomo Bakelite business site in Japan.

Amagasaki Plant

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	SO _x	m ³ N/h	2.93	0.11
	NO _x	ppm	250	54.4
	Soot and dust	g/m ³ N	0.3	0.03

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	7.2–8.0
BOD	mg/L	25	15.6
COD	mg/L	25	7.4
Suspended substances	mg/L	20	2.2
n-hexane extract	mg/L	20	1.5

Utsunomiya Plant

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Drying furnace	SO _x	m ³ N/h	1.22	0.01
	Soot and dust	g/m ³ N	0.2	Less than 0.001

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	7.5–7.8
BOD	mg/L	25	18.0
COD	mg/L	25	18.0
Suspended substances	mg/L	25	1.6
n-hexane extract	mg/L	5	1.7

Fundamental Research Laboratory

<Air>

No relevant facilities

<Water> Released into sewers

Item	Unit	Regulatory limit	Actual measurement
pH	—	5–9	6.6–7.3
Copper	mg/L	3	0.11
Soluble iron	mg/L	10	0.1
Nickel	mg/L	1	Less than 0.05

Shizuoka Plant

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	NO _x	ppm	70.0	23
	Soot and dust	g/m ³ N	0.04	0.005

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	6.5–8.1
BOD	mg/L	15	4.4
COD	mg/L	—	7.4
Suspended substances	mg/L	30	3.8
n-hexane extract	mg/L	3	0.9
Phenols	mg/L	1	Less than 0.2
Formaldehyde	mg/L	5	0.8

Tsu Plant

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	6.1–8.1
BOD	mg/L	130	18
COD	mg/L	130	25
COD (total)	kg/day	2.1	1.26
Suspended substances	mg/L	130	17
Phenols	mg/L	1	Less than 0.1
Copper	mg/L	1	Less than 0.05
Total chromium	mg/L	2	Less than 0.05
Zinc	mg/L	5	0.33
Soluble iron	mg/L	10	0.12
Soluble manganese	mg/L	10	Less than 0.05
Total nitrogen	mg/L	60	29.0
Total nitrogen (total)	kg/day	2.9	0.66
Total phosphorous	mg/L	8	3.1
Total phosphorous (total)	kg/day	0.32	0.07

Kobe Fundamental Research Laboratory

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5–9	7.2–7.3
BOD	mg/L	2,000	2
COD	mg/L	—	2
Suspended substances	mg/L	2,000	1
n-hexane extract	mg/L	5	Less than 1.0
Phenols	mg/L	5	Less than 0.2
Zinc	mg/L	0.7	0.04

Akita Sumitomo Bakelite Co., Ltd.

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	SO _x	m ³ N/h	3.41	0.69
	NO _x	ppm	110	48
	Soot and dust	g/m ³ N	0.09	Less than 0.01

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	6.0–8.5	6.8–7.3
BOD	mg/L	30	8.5
COD	mg/L	30	12
Suspended substances	mg/L	40	10
Phenols	mg/L	0.5	Less than 0.01
Copper	mg/L	1.0	0.66
Cyanide compounds	mg/L	0.1	Less than 0.01
Lead and its compounds	mg/L	0.1	0.03
Soluble manganese	mg/L	5	Less than 0.03

Sumibe Techno Plastic Co., Ltd.

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	7.3–8.6
BOD	mg/L	20	5.5
COD	mg/L	—	12.6
Suspended substances	mg/L	50	19

Suzuka Plant, Decolanitto Co., Ltd.

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	SO _x	m ³ N/h	3.57	0.10
	NO _x	ppm	150	84
	Soot and dust	g/m ³ N	0.25	Less than 0.005

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	6.8–7.6
BOD	mg/L	130	6.2
COD	mg/L	—	6.3
Suspended substances	mg/L	130	1

Notes: 1. Regarding facilities affecting air quality, in cases where there are multiple facilities subject to regulations, we have listed the facility discharging the largest volume of gas emissions.

2. Regarding regulatory limits, we have listed the most stringent of municipal ordinances, community agreements, and administrative guidance.

3. Actual measurements are the largest values occurring in fiscal 2004. Regarding pH, the lowest and highest values are listed.

4. Actual measurements listed as "less than" indicate a measurement smaller than the lowest measurable value.

Kyushu Bakelite Industry Co., Ltd.

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	7.0–7.3
BOD	mg/L	30	7.5
COD	mg/L	20	11.0
Suspended substances	mg/L	20	Less than 5
n-hexane extract	mg/L	2	Less than 1

Artlite Kogyo Co., Ltd.

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	SO _x	m ³ N/h	4.86	0.02
	NO _x	ppm	180	110
	Soot and dust	g/m ³ N	0.30	0.004

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	6.4–8.1
BOD	mg/L	160	2.1
COD	mg/L	30	4.8
COD (total)	kg/day	27.1	0.8
Suspended substances	mg/L	200	3.0
n-hexane extract	mg/L	5	1.3
Phenols	mg/L	5	Less than 1
Total nitrogen	mg/L	40	7.1
Total phosphorous	mg/L	2	0.05

Yamaroku Kasei Industry Co., Ltd.

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.8–8.6	6.5–7.6
BOD	mg/L	25	2.7
COD	mg/L	25	4.1
Suspended substances	mg/L	90	2.0
Phenols	mg/L	1	Less than 0.01

Site-Specific Environmental Impact Data—Overseas Facilities

The tables below provide environmental impact data related to air and water quality for each overseas Group business site.

Sumitomo Bakelite Singapore Pte. Ltd. (Singapore)

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	6–9	6.2–7.3
BOD	mg/L	400	220
COD	mg/L	600	420
Suspended substances	mg/L	400	200
Phenols	mg/L	0.5	0.5
Temperature	°C	45	28
Chlorine	mg/L	1,000	60
Sulfate	mg/L	1,000	19
Sulfur	mg/L	1	0.14
Cyanide compounds	mg/L	2	0.02
Linear alkylate sulphonate	mg/L	30	2
Oil and grease	mg/L	60	Less than 1
Arsenic and its compounds	mg/L	5	Less than 1
Barium	mg/L	10	1
Tin	mg/L	10	Less than 1
Soluble iron	mg/L	50	1
Beryllium	mg/L	5	Less than 1
Boron	mg/L	5	Less than 1
Soluble manganese	mg/L	10	Less than 1
Cadmium	mg/L	1	Less than 0.1
Chromium	mg/L	5	Less than 1
Copper	mg/L	5	Less than 1
Lead	mg/L	5	Less than 1
Mercury	mg/L	0.5	Less than 0.1
Nickel	mg/L	10	Less than 1
Selenium	mg/L	10	Less than 1
Silver	mg/L	5	Less than 1
Zinc	mg/L	10	1

P.T. Indopherin Jaya (Indonesia)

<Air>

P.T. Indopherin Jaya (Indonesia)

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	6–9	7–8
BOD	mg/L	100	20
COD	mg/L	300	47
Suspended substances	mg/L	100	9
Total nitrogen	mg/L	30	6.2
Phenols	mg/L	1	Less than 0.0029

SNC Industrial Laminates Sdn. Bhd. (Malaysia)

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Exhaust gas combustion unit	SO _x	g/m ³ N	0.2	0.0640
	NO _x	g/m ³ N	2.0	0.0530
	Soot and dust	g/m ³ N	0.4	0.0074
	Formaldehyde*	g/m ³ N	—	0.0144

* In fiscal 2003, restrictions on formaldehyde were removed.

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.5–9.0	6.8–7.5
BOD	mg/L	50	35
COD	mg/L	100	110*
Suspended substances	mg/L	100	25
Phenols	mg/L	1.0	Less than 0.1
Temperature	°C	40	31
Mercury	mg/L	0.05	Less than 0.02
Cadmium	mg/L	0.02	Less than 0.02
Hexavalent chromium compounds	mg/L	0.05	Less than 0.05
Arsenic	mg/L	0.10	Less than 0.05
Cyanide compounds	mg/L	0.10	Less than 0.05
Lead	mg/L	0.5	Less than 0.1
Trivalent chromium compounds	mg/L	1.0	Less than 0.1
Copper	mg/L	1.0	0.4
Soluble manganese	mg/L	1.0	Less than 0.1
Nickel	mg/L	1.0	Less than 0.1
Tin	mg/L	1.0	Less than 0.1
Zinc	mg/L	1.0	0.4
Boron	mg/L	4.0	Less than 0.2
Soluble iron	mg/L	5.0	1.8
Chlorine	mg/L	2.0	Less than 0.1
Sulfur	mg/L	0.50	Less than 0.4
Oil and grease	mg/L	10.0	Less than 5

* Emission levels were temporarily above the maximum level specified under restrictions because waste cleansing fluid flowed into a wastewater ditch. Subsequently, to prevent such effluent leakage from recurring, a dam was installed.

Fers Resins, S.A.U. (Spain)

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Generator	SO _x	mg/m ³ N	4,300	Not detected
	NO _x	ppm	300	83.9
	CO	ppm	500	2.35

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	6–10	7.4–9.5
COD	mg/L	1,500	1,380
Suspended substances	mg/L	750	505
Phenols	mg/L	2	2
Formaldehyde	mg/L	—	Not detected
Conductivity	μs/cm	5,000	4,880
Total chlorine	mg/L	2,000	308
Total sulfide	mg/L	5	1
Total phosphorous	mg/L	50	Not detected

Sumitomo Bakelite (Taiwan) Co., Ltd. (Taiwan)

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	6–9	7.3–7.5
BOD	mg/L	300	85
COD	mg/L	600	368
Suspended substances	mg/L	300	40

N.V. Sumitomo Bakelite Europe S.A. (Belgium)

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	NO _x	mg/m ³ N	425	174

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	6–9	6.3–7.8
BOD	mg/L	—	Less than 5
COD	mg/L	136	Less than 15
Suspended substances	mg/L	1,000	Less than 12
TOC	mg/L	50	1.76
Phenols	mg/L	3	Less than 1
Chlorendic (HET) acid	mg/L	3	Less than 0.1
Hexachlorocyclopentadiene	mg/L	0.005	Less than 0.005
Monochlorobenzene	mg/L	5	Less than 1
Total nitrogen	mg/L	15	Less than 1.9
Total phosphorous	mg/L	3	Less than 0.05

SB Flex Philippines, Inc. (Philippines)

<Air>

No relevant facilities

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	6.5–9.0	6.6–6.8
BOD	mg/L	500	316
COD	mg/L	800	306
Suspended substances	mg/L	350	23

Sumitomo Bakelite Vietnam Co., Ltd. (Vietnam)

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	CO	mg/m ³ N	500	45
	NO _x	mg/m ³ N	1,000	47
	SO _x	mg/m ³ N	500	297
	Soot and dust	mg/m ³ N	400	24.6

<Water>

Item	Unit	Regulatory limit	Actual measurement
pH	—	5.5–9.0	6.1–7.1
BOD	mg/L	50	22
COD	mg/L	100	38
Suspended substances	mg/L	100	27
Copper	mg/L	1.0	0.997
Lead	mg/L	0.5	0.337
Nickel	mg/L	1.0	0.11
Soluble iron	mg/L	5.0	0.86

Durez Canada Co., Ltd. (Canada)

<Air>

Facility	Item	Unit	Regulatory limit	Actual measurement
Boiler	SO _x	μg/m ³	30	0.87
	NO _x	μg/m ³	100	3.2
	Soot and dust	g/m ³	0.06	0.011

<Water>

Item	Unit	Regulatory limit	Actual measurement
Phenols	mg/L	1.0	Less than 1.0

Notes: 1. Regarding facilities affecting air quality, in cases where there are multiple facilities subject to regulations, we have listed the facility discharging the largest volume of gas emissions.
 2. Regarding regulatory limits, we have listed the most stringent of municipal ordinances, community agreements, and administrative guidance.
 3. Actual measurements are the largest values occurring in fiscal 2004. Regarding pH, the lowest and highest values are listed.
 4. Actual measurements listed as "less than" indicate a measurement smaller than the lowest measurable value.

ISO 14001 Certification

Sumitomo Bakelite is building environmental management systems for which it has acquired ISO 14001 certification.

As part of its Responsible Care activities, the Sumitomo Bakelite Group is building environmental management systems based on ISO 14001 standards and promoting to acquire certification. To date, 16 domestic business sites and 12 overseas business sites have acquired certification. We are working to step up environmental management at sites that have already been certified while advancing the timely acquisition of certification by businesses that have yet to do so.

Sites that were certified as of August 31, 2005, are indicated on the map below.



History of Environmental Conservation Activities

History of the Sumitomo Bakelite Group's Environmental Conservation Activities

Year	Sumitomo Bakelite Initiatives	Societal Developments
1967		• Basic Law for Environmental Pollution Control enacted
1968		• Air Pollution Control Law and Noise Regulation Law enacted
1969	• Pollution countermeasures secretariat established	
1970		• Water Pollution Control Law and Waste Management and Public Cleansing Law enacted
1971		• Environment Agency established
1972		• The Club of Rome published <i>The Limits to Growth</i>. • Declaration of the United Nations Conference on the Human Environment adopted at the United Nations Conference on the Human Environment held in Stockholm
1973	• Environmental Management Division established • Environmental auditing of domestic business sites commenced	
1974	• Environmental Management departments established for all business sites	
1978	• Environmental auditing of domestic affiliates commenced	
1979		• Law Concerning the Rational Use of Energy enacted
1985		• The Vienna Convention for the Protection of the Ozone Layer adopted
1987		• Montreal Protocol on Substances that Deplete the Ozone Layer adopted
1989		• Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal adopted
1990	• Environmental Issue Action Committee established • Directors responsible for safety and the environment appointed	
1991	• Recycling Technology Action Office established	• Law Promoting the Use of Recycled Resources enacted
1992	• S.B. Recycle Co., Ltd., established	• U.N. Conference on Environment and Development ("Earth Summit") held
1993	• Environment and Safety Volunteer Plan drafted • Environment and safety management regulations established • Environmental audits of overseas affiliates commenced	• The Basic Environment Law enacted
1994	Use of certain CFCs and 1,1,1-trichloroethane ceased	
1995	• Responsible Care Committee established • The Company joined the Japan Responsible Care Council as a founding member.	• Japan Responsible Care Council (JRCC) established • Law for Promotion of Sorted Collection and Recycling of Containers and Packaging enacted
1996		• International environmental standard certification ISO 14001 went into effect
1997	• "Corporate Policies for Safety, Health and the Environment" revised • Utsunomiya Plant and Sumitomo Bakelite Singapore Pte. Ltd. acquired ISO 14001 certification	• Kyoto Protocol adopted by the Third Conference of the Parties of the United Nations Framework Convention on Climate Change (COP3)
1998	• First <i>Environmental Activities Report</i> issued	
1999	• All Sumitomo Bakelite plants acquired ISO 14001 certification	• Law Concerning Reporting, etc., of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management enacted • Law Concerning Special Measures against Dioxins enacted
2000	• Environmental accounting implemented	• Basic Law for Establishing the Recycling-Based Society enacted
2001	• <i>Environmental Report</i> issued (with independent review report)	
2002	• Scope of <i>Environmental Report</i> expanded to include domestic affiliates • Tokyo Kakohin Co., Ltd., received an award for promoting a policy of "Reduce, Reuse, and Recycle." • Risk Management Committee established	• Soil Contamination Countermeasures Law enacted • Japan adopted COP3 Kyoto Protocol
2003	• Yamaroku Kasei Industry Co., Ltd., became certified as the Company's first zero waste emissions plant. Subsequently, Kyushu Bakelite Industry Co., Ltd., and the Amagasaki Plant also acquired certification • Compliance Committee established	• Building Code revised to resolve the "sick house" syndrome
2004	• Shizuoka Plant commenced operations of cogeneration system	• Air Pollution Prevention Law revised to reduce VOC emissions
2005	• 28 Sumitomo Bakelite Group domestic and overseas business sites held ISO 14001 certification (as of August 31)	• Kyoto Protocol went into effect

Items in blue denote worldwide actions.

Occupational Safety and Health

The Sumitomo Bakelite Group works to achieve a record of zero accidents and zero disasters with the aim of creating a healthy and pleasant workplace.

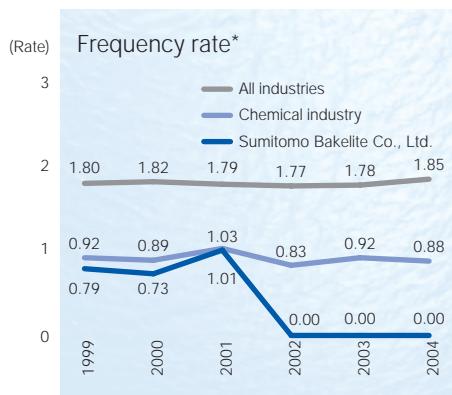
For some time, management and labor at Sumitomo Bakelite have been working together to promote such safety and health initiatives as hazard prediction training, pointing and calling, 5S activities, potential accident prevention, and the creation of a comfortable workplace. In the event of a disaster, an emergency meeting of the Safety and Health Committee is immediately called at the site, where the cause and a measure are examined, after which an accident report is quickly sent out to all Group business sites to prevent the occurrence of similar accidents.

Despite efforts each year to achieve zero accidents, the total number of accidents at the Company's affiliates remains the same. However, the parent company has maintained an accident frequency rate of zero since fiscal 2002, thanks to an absence of lost-worktime incidents.



Notes: 1. Data are compiled from business sites listed on page 8.

2. Data are compiled from January through December of each year.



Note: Data are compiled from January through December of each year.

* The frequency rate refers to the number of deaths and injuries from industrial accidents per one million work hours.

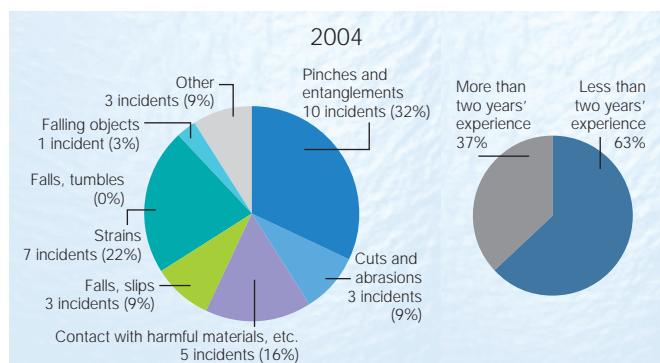
Frequency rate = (Deaths and Injuries/number of worker hours) x 1,000,000



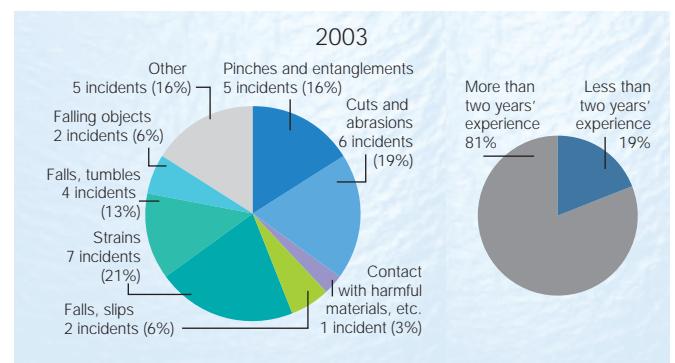
Prayer for safety (Shizuoka Plant)

The pie charts below show the number and rates of different types of accidents over the past two years. "Pinches and entanglements" and "strains" continued to constitute the highest number of accidents and, along with "contact with harmful materials, etc.," combined to account for 70% of all accidents. We have worked to eradicate similar accidents by thoroughly emphasizing the importance of not putting one's hands in rotating machinery, not taking actions that deviate from operational standards, and revising rules about where protective glasses must be worn. Given that two-thirds of all accidents were caused by employees with less than two years' experience, we are working to enhance safety education for inexperienced workers.

Industrial Accident Analysis and Countermeasures



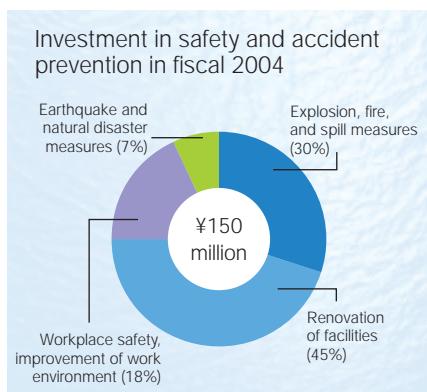
Note: Data are collected for January through December.



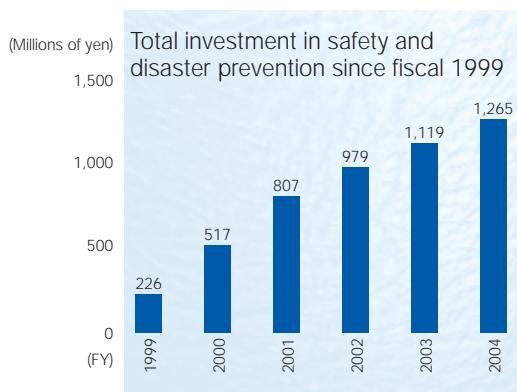
Note: Data are collected for January through December.

● Investment in Safety and Accident Prevention Initiatives

The Sumitomo Bakelite Group continually invests in safety and accident prevention initiatives. In fiscal 2004, the Group invested ¥150 million in activities that were focused on the improvement of aging facilities and fire and spill prevention measures. Since fiscal 1999, the Sumitomo Bakelite Group has invested a total of ¥1.3 billion in such measures.



Note: Data are compiled from business sites listed on page 8.



Note: Data are compiled from business sites listed on page 8.

Safety and Accident Prevention Activities at Group Business Sites



New chemical fire engine
(Shizuoka Plant)



Installation of safety barrier to prevent pinches and entanglements in a roller
(Shizuoka Plant)



Improvement of work environment
for dust collection in
flexible container cleaning
(Akita Sumitomo Bakelite Co., Ltd.)



U-shaped construction of trench
for outdoor buried pipelines
(Akita Sumitomo Bakelite Co., Ltd.)

● Group Workplace Safety Initiatives



Evaluation and verification of
equipment safety during new
equipment installation
(Tsu Plant)



Mental health workshop
(Shizuoka Plant)



Emergency shower and eye shower
(SB Flex Philippines, Inc.)



Acquisition of Safety Manager
qualification from the Jacob Labor
and Transmigration Minister
(P.T. Indopherin Jaya)

Safety and Accident Prevention

Sumitomo Bakelite promotes safety and accident prevention activities, with the goal of zero accidents and zero disasters.

To ensure the safety of employees and inspire trust in local communities, we strive to prevent such accidents as fires, explosions, and spills into the environment and to minimize damage in case of an accident. Each year, every business site in the Sumitomo Bakelite Group prepares an accident prevention plan and conducts equipment inspections as well as accident prevention training and drills. If an accident does occur, all domestic and overseas business sites are notified quickly to prevent similar accidents among other sites.

In fiscal 2004, accidental fires broke out at the Shizuoka Plant and the BASEC DongGuan Plant. There were no injuries and both were handled by public firefighting agencies. After thoroughly investigating the causes of both incidents and discussing prevention measures, we conducted fire prevention inspections of all domestic and overseas Group companies, with the aim of preventing another similar accident. Environment and safety audits conducted by the Environment, Safety & Recycling Department include audits of fire prevention measures and resulted in the advisories being given for the following items:

- 1) Establishing and informing mandatory communication and reporting rules regarding fires;
 - 2) Conducting periodic fire drills using fire extinguishers and fire hydrants;
 - 3) Mapping the locations of hazardous equipment, fire hydrants, and water to put out fires and posting them in multiple locations; and
 - 4) Posting MSDSs in multiple locations.

Fire prevention checklist



Operational instruction for large fire extinguisher (Shizuoka Plant)



Portable power pump drill (Tsu Plant)



Outdoor fire hydrant hose instruction
(SB Flex Philippines, Inc.)



Outdoor fire hydrant water discharge drill (Kyushu Bakelite Industry Co., Ltd.)



Fire extinguisher handling seminar
(BASEC DongGuan)



Drill on blocking wastewater leakage
(Fundamental Research Laboratory)

Employment and Human Rights/ Human Resources Development

Sumitomo Bakelite respects each and every one of its employees and aims to create workplaces that are conducive to work.

Family Support Policies

In response to the declining birthrate and the aging society in Japan, Sumitomo Bakelite is offering employees various kinds of family support that make it possible for them to work and tend to family matters at the same time, enabling employees who need to provide child care or nursing care to work with peace of mind.

- Child care or nursing care leave

Employees are able to take child care leave until their child is 18 months old. They may also take up to one year of leave for each family member in need of nursing care.

- Work support

Employees who put their child(ren) in day care are able to arrange their working hours earlier or later, or reduce their working hours by up to two hours a day.

- Accumulated vacation days

Up to 30 days of expired, unused paid vacation accumulated in a period up to three years prior to submission of a request may be used for providing nursing care for a family member.

Employment of People with Disabilities

Sumitomo Bakelite considers the employment of people with disabilities to be an important matter. Our employment rate of people with disabilities for the past three years is shown in the table below. In all three years, the rate has been above the legal minimum standard of 1.8%. Looking ahead, we plan to redouble efforts to maintain and improve this employment rate.

Employment Rate of People with Disabilities over the Past Three Years (as of April 1)

2003	2004	2005
1.84%	1.87%	1.85%

Mental Health Care

In accordance with Ministry of Health, Labour and Welfare guidelines, Sumitomo Bakelite offers employees four main types of mental health care, including self-care, on-site care, in-house care by industrial physicians and public health nurses, and off-site care by specialists. Since mental illness tends to worsen when it goes untreated, we provide a care system that enables employees to directly access a physician via telephone or e-mail.

Respect for Individuals and Their Human Rights

Sumitomo Bakelite endeavors to create a workplace that is pleasant and conducive to work and in which people respect each other and each other's human rights.

Excerpt from 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 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.

Human Resource Development

Sumitomo Bakelite aims to be a trustworthy global company and, to this end, works to secure and nurture excellent employees. Specifically, with regard to training employees who engage in business activities, we aim to provide guidance and opportunities that take advantage of each employee's strengths and abilities. The Company provides employees with the tools and support they need to engage in the independent and ongoing development of their abilities.

As a means of providing on-the-job training in daily operations, we have implemented a system of work targets. Employees meet with their superiors to establish targets and complete a full management cycle of plan, do, check, action every six months. Superiors hold periodic meetings with employees to set targets, check interim progress, and assess outcomes, using discussion and guidance to steadily raise the business execution capabilities of each employee, with the ultimate aim of further boosting their department's performance. In addition, employees have opportunities to attend various seminars, workshops, and continuing education classes that are relevant to their work.

Regarding off-the-job training, we conduct group training for new recruits and every level of employee from regular employees to management; hold Basic Sales Education and Strengthening Sales Capabilities classes for sales division employees; and hold Quality Management Training, Intellectual Property Training, and Safety Training classes for employees in technology and research divisions. With regard to such issues as compliance and the protection of personal information that are important to the sustainability of business activities, we provide training to all employees through e-learning, which can be done regardless of time or place.

Regarding self-development, when employees complete courses in language training or distance learning, the company they are employed by helps cover a portion of their fees.

To assess the suitability of employees for their current positions as well as place employees in fields that take full advantage of their abilities, we have adopted a self-assessment system. By advancing careers through job rotation, we are working to nurture employees who will be recognized as professionals both within and outside of the Company.

With globalization advancing and international borders fading in the 21st century, Sumitomo Bakelite is working toward sustainable development as a trustworthy global company by vigorously working to develop the capabilities of each and every one of its employees, its most precious resource.

Structure of Sumitomo Bakelite's Education and Training System

Item		Description	
OJT		Work targets (superiors engage in discussions with and provide guidance to employees to improve their capabilities)	
OffJT • Group training • e-learning	Level-based	New hires	On-site practical training (plants)/basic quality management/basic safety/cultivation of ethical thinking
		2nd year education	Cultivation of communication skills/cultivation of career plan development
		3rd year education	Training on work targets (review, target establishment methods)
		Education for new management employees	Leadership training, coaching skill cultivation, work target training (guidance for employees, advanced target development methods)
	Specialty-based	Quality management education	Basic TQM knowledge, seven quality control tools, experimental design, reliability techniques, statistical quality management methods, quality management method acquisition, ISO 9001 education
		Environmental education	MSDS education/handling of hazardous substances, toxic substances, and organic solvents/waste management and treatment education/ISO 14001 education
		Safety education	Disaster case study seminar/fire protection equipment handling/traffic safety/first aid training/accident prevention training/high pressure gas safety
		Intellectual property education	Education and research regarding domestic and overseas laws and regulations, systems, legal precedents, and contracts
		Sales training	Basic sales knowledge acquisition (contracts, product liability law, antitrust laws, credit management), customer service improvement, sales communication skill enhancement, consulting capability enhancement
	General	Other external training	Participation in seminars and workshops as well as continuing education courses
		Compliance education/personal information protection education/information security training	
		Mental health education	
Self-development	Language training	Attendance at an approved language school/sitting for the TOEIC more than once a year for 10 years of employment (level verified)	
		Distance learning courses	
	Held twice a year in January and July		

Product Liability

Sumitomo Bakelite engages in quality management activities on a Companywide level to enhance customer satisfaction by providing its customers with quality products and services that they can use with peace of mind.

Sumitomo Bakelite's Quality Assurance System

In all processes, from product planning, product design, manufacturing preparations, manufacturing, and sales and service, the divisions involved cooperation in working to maintain and improve quality to provide products that satisfy customers and can be used with peace of mind.

Quality Management System

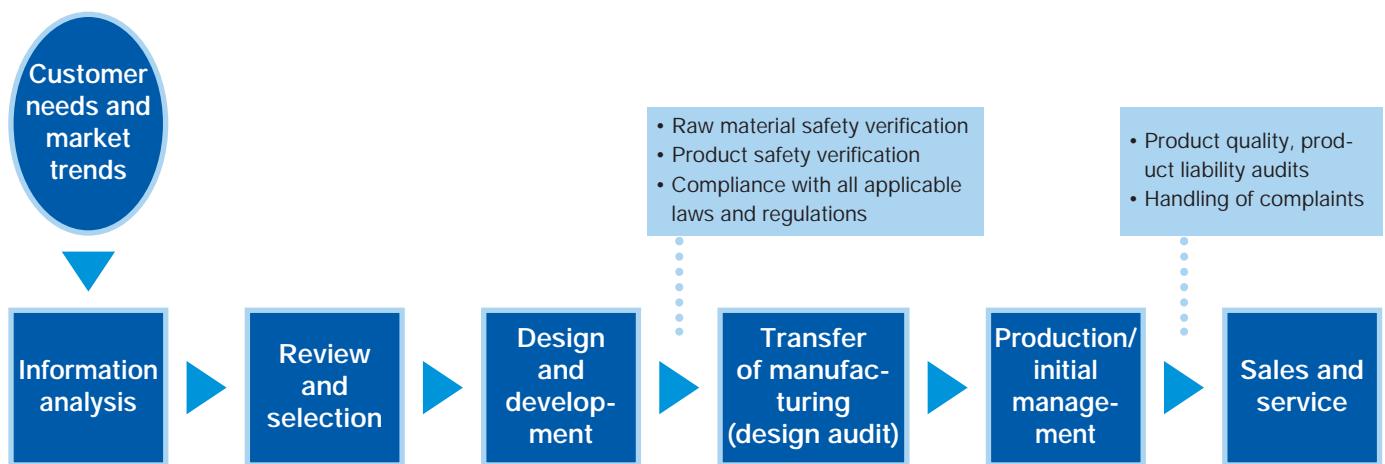
Sumitomo Bakelite and its domestic and overseas business sites develop quality management systems based on ISO 9001 standards and work to acquire certification. We also work toward acquiring ISO 13485 certification for medical devices, which has additional requirements not covered by ISO 9001. As of March 31, 2005, the Company and 28 other Group companies, including 12 domestic business sites and 16 overseas business sites, had acquired certification. ISO 9001 certified business sites are shown on the map below.



● Product Safety Initiatives

To ensure the safety of its products, Sumitomo Bakelite conducts inspections of product designs and the products themselves, as well as risk analysis, offering its customers products that they can use with peace of mind. We also conduct in-house safety and product liability audits and work Companywide to raise awareness about quality management and product safety.

We provide product information using MSDSs, product catalogs, and instructions in an effort to facilitate the proper and safe use of our products.



● Education and Improvement Initiatives

Sumitomo Bakelite conducts safety and quality management training and promotes improvement initiatives for quality and manufacturing. Once a year, the Company holds the Sumitomo Bakelite Challenge Circle (SBC) for employees at all business sites, including domestic and overseas affiliates, to announce the results of such activities. New knowledge, devices, and technologies are shared horizontally across the entire Group to improve the quality and safety of a variety of products.



Commemorative photo following lectures at the SBC



Lecture at the SBC

Community Activities

All Sumitomo Bakelite business sites strive to be open to their communities and actively promote exchange with local communities through various kinds of activities.



Local junior high school students are given a tour of the Shizuoka Plant as part of their environmental education.



Every summer, employees interact with the community when the Shizuoka Plant holds its Noryo (enjoying the cool of the evening) Festival.



SB Flex Philippines, Inc., employees participate in cleanup activities for a river near their plant.



Kyushu Bakelite Industry Co., Ltd., co-sponsored the local tulip festival and planted bulbs that bloomed beautifully in the spring.



Students from the local technical high school get work experience through internships at the Utsunomiya Plant.

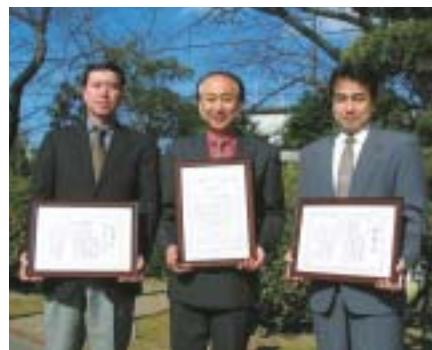


The Utsunomiya Plant delivered Asian pears from the plant orchard to city welfare facilities.

Sumitomo Bakelite's Environmental and Safety Recognitions



Personnel from Artlite Kogyo Co., Ltd., accept a certificate of appreciation from the fire department for using its hose to put out a fire that broke out in the plant's neighborhood in the middle of the night. (Photo from the March 8, 2005, morning edition of the *Chugoku Shim bun*)



Personnel from the Amagasaki Plant receive an award from the local fire prevention association for the plant's consistent fire and disaster prevention initiatives as well as cooperation with local disaster prevention efforts.



The Utsunomiya Plant participated in a fire extinguishing competition in the fire extinguisher category, winning in the women's division.

Independent Review Report



Independent Review Report on "Environmental & Social Report 2005"

To the Board of Directors of Sumitomo Bakelite Co., Ltd.

1. Purpose and Scope of our Review

We have reviewed "Environmental & Social Report 2005" ("the Report") of Sumitomo Bakelite Co., Ltd. ("the Company") for the year ended March 31, 2005. Our engagement was designed to report to the Company, based on the results of our review, whether the environmental performance indicators and the environmental accounting indicators ("the Indicators") for the period from April 1, 2004 to March 31, 2005 included in the Report have been collected, compiled and reported, in all material respects, rationally and in conformance with the Company's policies and procedures. The report including the identification of material issues is the responsibility of the Company's management. Our responsibility is to independently report the results of our procedures performed on the Indicators.

2. Procedures Performed

We have performed the following review procedures;

- With respect to the Company's policies for compilation of the Report, interviewed the Company's responsible personnel.
- Assessed the Company's procedures used for the collecting, compiling and reporting the Indicators.
- With respect to the way of collecting the Indicators and the process flow of calculating them, interviewed the Company's responsible personnel and reviewed the systems and processes used to generate the values of the Indicators.
- Compared the Indicators on a sample basis with the supporting evidences to test the conformity in collection, compilation and reporting of the Indicators to the Company's policies and procedures.
- Made on-site inspections of the Company's domestic facilities.
- Evaluated the overall statement in which the Indicators are expressed.

3. Results of the Procedures Performed

As a result of the procedures performed, we are not aware of any material modifications that should be made to the Indicators in the Report in order for them to comply with the Company's policies and procedures for the rational collecting and compiling such information.

KPMG AZSA Sustainability Co., Ltd.
KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan
September 13, 2005

Corporate Data

● Name Sumitomo Bakelite Co., Ltd.	● Capital (as of March 31, 2005) ¥27.1 billion	● Number of Employees (as of March 31, 2005) 2,337 (non-consolidated) 7,849 (consolidated)
● President Tomitaro Ogawa	● Number of Shareholders (as of March 31, 2005) 21,249	● Net Sales (fiscal 2004) ¥103.3 billion (non-consolidated) ¥223.5 billion (consolidated)
● Established January 25, 1932		

● Major Products by Division

Semiconductor and display materials

- Epoxy resin molding compounds for semiconductor packaging
- Liquid resin for semiconductors
- Carrier tape for semiconductor surface mounting
- Adhesive tape for semiconductor chips

Materials for circuitry and electronic components

- Epoxy resin copper clad laminates
- Phenolic resin copper clad laminates
- Flexible printed circuits

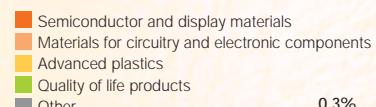
Advanced plastics

- Phenolic resin molding compounds
- Industrial phenolic resins
- Precision molded products

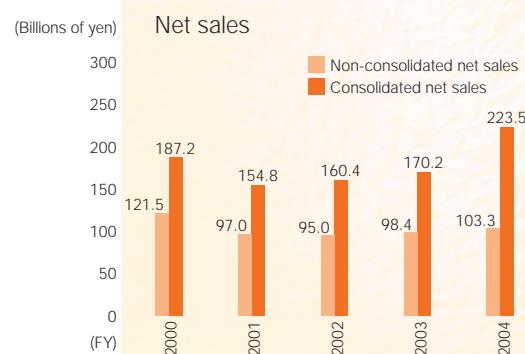
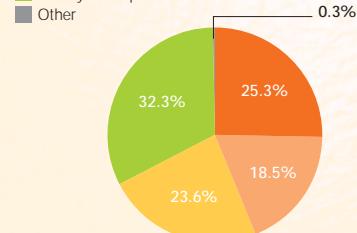
Quality of life products

- Medical devices
- Vinyl resin sheets
- Multilayer sheets
- Melamine resin decorative laminates
- Polycarbonate resin boards
- Vinyl resin boards
- Acrylic styrene resin boards
- Water treatment products

Fiscal 2004 net sales by division
(non-consolidated)



 Semiconductor and display materials
 Materials for circuitry and electronic components
 Advanced plastics
 Quality of life products
 Other



Scope of Environmental & Social Report 2005

● Period

Fiscal 2004 (April 2004 to March 2005)

Some activities mentioned in the report include those undertaken in fiscal 2005.

● Business Sites (Company names as of August 2005)

Sumitomo Bakelite Co., Ltd.

- Amagasaki Plant (and subsidiaries and consolidated affiliates on plant premises)
 - Shizuoka Plant (and subsidiaries and consolidated affiliates on plant premises)
 - Utsunomiya Plant
 - Tsu Plant
 - Fundamental Research Laboratory
 - Kobe Fundamental Research Laboratory
- Akita Sumitomo Bakelite Co., Ltd.
Artlite Kogyo Co., Ltd.
Sumibe Techno Plastic Co., Ltd.
Hokkai Taiyo Plastic Co., Ltd.
Yamaroku Kasei Industry Co., Ltd.
Kyushu Bakelite Industry Co., Ltd.
Suzuka Plant, Decolanitto Co., Ltd.

Sumitomo Bakelite Co., Ltd.

● Head Office

Tennoz Parkside Building, 2-5-8, Higashi-Shinagawa,

Shinagawa-ku, Tokyo 140-0002

☎ +81-3-5462-4111

● Fundamental Research Laboratory

495 Akiba-cho, Totsuka-ku, Yokohama, Kanagawa 245-0052

☎ +81-45-811-1661 FAX: +81-45-812-4898

● Kobe Fundamental Research Laboratory

1-1-5, Murotani, Nishi-ku, Kobe, Hyogo 651-2241

☎ +81-78-992-3900 FAX: +81-78-992-3919

● Osaka Office

2-3-47, Higashi-Tsukaguchi-cho, Amagasaki, Hyogo 661-8588

☎ +81-6-6429-6941 FAX: +81-6-6427-8055

● Nagoya Office

87 Chouda-cho, Meitou-ku, Nagoya, Aichi 465-0027

☎ +81-52-726-8351 FAX: +81-52-726-8396

● Amagasaki Plant

2-3-47, Higashi-Tsukaguchi-cho, Amagasaki, Hyogo 661-8588

☎ +81-6-6429-6941 FAX: +81-6-6427-8055

● Shizuoka Plant

2100 Takayanagi, Fujieda, Shizuoka 426-0041

☎ +81-54-635-2420 FAX: +81-54-636-0294

● Industrial Resin & Molding Materials Plant

2100 Takayanagi, Fujieda, Shizuoka 426-0041

☎ +81-54-635-2420 FAX: +81-54-636-0294

● Utsunomiya Plant

20-7, Kiyohara Kogyo Danchi, Utsunomiya, Tochigi 321-3231

☎ +81-28-667-6211 FAX: +81-28-667-5519

● Tsu Plant

5-7-1, Takachaya, Tsu, Mie 514-819

☎ +81-59-234-2181 FAX: +81-59-234-8728

Domestic Affiliates

Akita Sumitomo Bakelite Co., Ltd.

Tsutsunaka Plastic Industry Co., Ltd.

Tsutsunaka Sheet Waterproof

Systems Co., Ltd.

Artlite Kogyo Co., Ltd.

Sumibe Techno Plastic Co., Ltd.

Hokkai Taiyo Plastic Co., Ltd.

Nippon Denkai Co., Ltd.

Otomo Chemical Co., Ltd.

Yamaroku Kasei Industry Co., Ltd.

Kyushu Bakelite Industry Co., Ltd.

Japan Communication Accessories

Manufacturing Co., Ltd.

SPD Co., Ltd.

ST Film Sheet Co., Ltd.

Advanced Plastics Compound Company

Sunbake Co., Ltd.

Decolanitto Co., Ltd.

Sumibe Service Co., Ltd.

ST-Techno Co., Ltd.

S.B. Information System Co., Ltd.

S.B. Recycle Co., Ltd.

S.B. TEG Co., Ltd.

Overseas Affiliates

P.T. Pamolite Adhesive Industry

Sumitomo Plastics America, Inc.

CMK Singapore Pte. Ltd.

Sumitomo Bakelite Singapore Pte. Ltd.

Sunicarrier Singapore Pte. Ltd.

Tsu-Kong Co., Ltd.

SumiDurez Singapore Pte. Ltd.

SNC Industrial Laminates Sdn. Bhd.

CMKS (Malaysia) Sdn. Bhd.

P.T. Indopherin Jaya

Sumitomo Bakelite (Suzhou) Co., Ltd.

Durez Corporation

Durez Canada Co., Ltd.

SB Flex Philippines, Inc.

Sumitomo Bakelite (Taiwan) Co., Ltd.

Bakelite Precision Molding (Shanghai) Co., Ltd.

Promerus, LLC.

Rigidtex Sdn. Bhd.

Sumitomo Bakelite Macau Co., Ltd.

Sumitomo Bakelite Vietnam Co., Ltd.

Bakelite Shoji (Thailand) Co., Ltd.

BASEC Hong Kong Limited

Sumitomo Bakelite Hong Kong Co., Ltd.

Bakelite Trading (Shanghai) Co., Ltd.

SB Durez Holding, Inc.

Sunicarrier (Thailand) Co., Ltd.

N.V. Sumitomo Bakelite Europe S.A.

Sumitomo Bakelite Europe (Barcelona) S.L.

Fers Resins, S.A.U.

Vyncolit N.V.

Vyncolit North America, Inc.

SUMITOMO BAKELITE CO., LTD.

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Mixed Sources

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Aiming to help protect the global environment, Sumitomo Bakelite has printed this pamphlet on Forest Stewardship Council (FSC) approved paper using soybean oil-based ink and a waterless printing process that generates a relatively small amount of harmful waste fluid.

Dec. 2005 Printed in Japan