

SWS CSR



SWS CSR Report 2010

Corporate Social Responsibility Report

Under the basic policy of “contributing to the global community through the development of the corporate business,” we will continue to pursue better relationships among people, cars and the global community.

Feature For the Future, For the Earth

Vietnam ECO-Activity



Sumitomo Wiring Systems

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Editorial Policy

The Sumitomo Wiring Systems (SWS) Group has been publishing an environmental report annually since 2001. Since 2008, we have also been disclosing information on our socially-oriented activities to meet social demand and to report to a wide range of stakeholders surrounding our Group. This year's CSR report is the third issue. We would be grateful if you could take the time to read through this report and let us have your candid opinions.

Period Covered by This CSR Report

April 1, 2009 through March 31, 2010 (fiscal 2009)

Some activities conducted in fiscal 2010 are also covered. The next CSR Report is scheduled for release in September 2011.

Scope of This CSR Report

Sumitomo Wiring Systems Group

In this CSR Report, "Sumitomo Wiring Systems," "the (our) Company" or "SWS" refers to Sumitomo Wiring Systems, Ltd., and "the SWS Group" or "the Group" refers to Sumitomo Wiring Systems and its subsidiaries. However, items referenced within a specifically limited scope are indicated in the text or footnoted in the table or graph.

Guidelines Referenced

Global Reporting Initiative (GRI)'s "Sustainability Reporting Guidelines 2006" and "Environmental Reporting Guidelines 2007", and "Environmental Accounting Guidelines 2005" issued by the Ministry of the Environment of Japan

In the spirit of “ **Connect with the Best** ” Sumitomo Wiring Systems will aim to develop future-oriented business activities.

On the basis of the Sumitomo Business Spirit and the Sumitomo Wiring Systems Group Basic Principle, Sumitomo Wiring Systems (SWS) is developing its business activities on a global scale with the sustainable growth of the SWS Group as the basic CSR policy. The rapid economic slowdown originating from the subprime meltdown, which started in the latter half of 2008, forced the SWS Group to modify its development plan and also gave an opportunity to rethink about sustainable growth.

The SWS Group believes that a sound corporate foundation is essential to develop business activities on a global scale and create growth strategies. To achieve such a foundation, we identified the priority items in the promotion of our CSR activities including “strengthening of the governance compliance system,” “promotion of risk management,” “thorough safety management and quality control,” “global environmental conservation” and “creation of an energized workplace,” and each of the sections in charge is promoting independent activities based on recognition of the priority items.

The absolute foundation for the sustainable growth of the SWS Group is to live up to the trust of stakeholders. The Group will make sincere, honest and continuous efforts to achieve this. We also regard this CSR report as a communication tool to understand your “expectations.” We would be grateful if you could take the time to read through this report and let us have your candid opinions.

In fiscal 2009, the performance of the SWS Group was improved over time, which was attributed to the effect of the pump-priming measures of governments around the world and the success of the concerted efforts of the entire Group to enhance the organizational structure. However, we recognize that the global economy has not yet overcome various shocks of the recession, and still remains in an unstable state.

Under such circumstances, the SWS Group will accelerate business restructuring to get back on the growth track planned before the economic recession, and will also promote a flexible business operation that can respond to the risk of economic fluctuation.

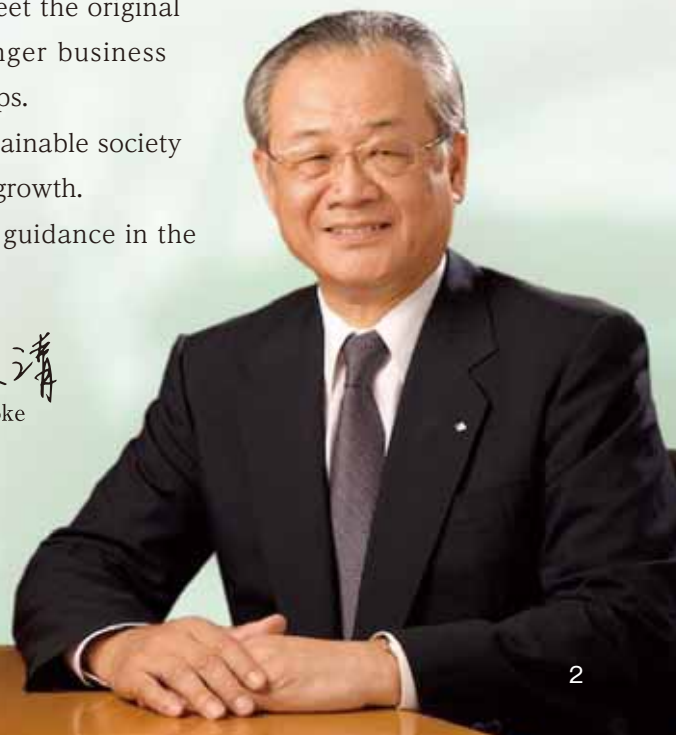
In the meantime, fiscal 2010 is an important year for the Group because it is the halfway point of the second five-year management plan 12 VISION. To meet the original targets, we will work continuously to establish a stronger business structure and solidify the foundation for the next action steps.

The SWS Group will contribute to the realization of a sustainable society and develop a better future society through its sustainable growth.

I would like to ask you for your continuous support and guidance in the years to come.

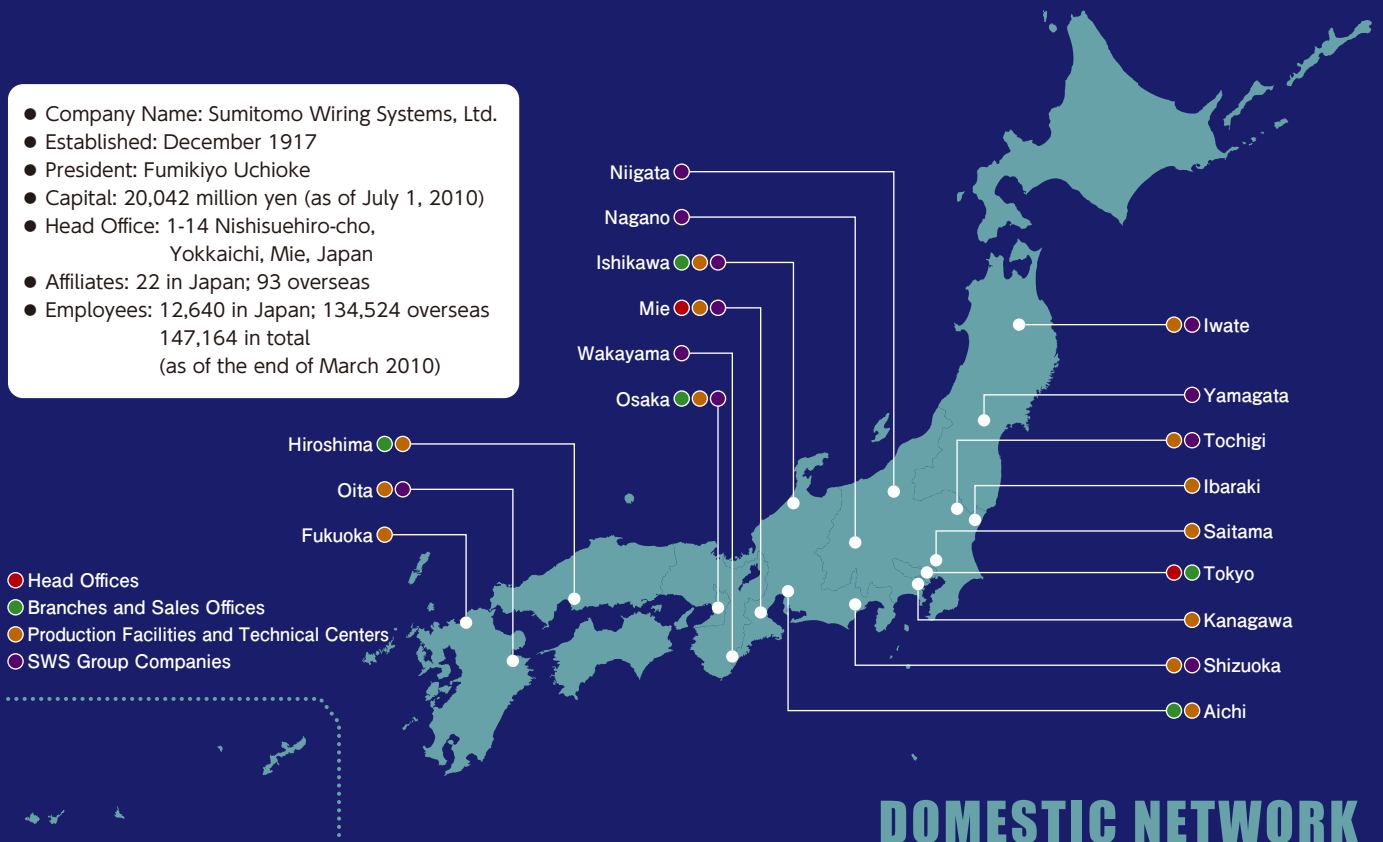
President
Sumitomo Wiring Systems, Ltd.

内 柳 文 清
Fumikiyo Uchioko



With wiring harnesses for automobiles as its core business, the SWS Group is making the world its stage.

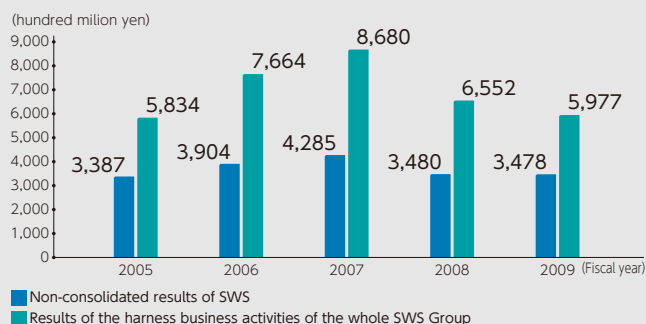
- Company Name: Sumitomo Wiring Systems, Ltd.
- Established: December 1917
- President: Fumikiyo Uchioke
- Capital: 20,042 million yen (as of July 1, 2010)
- Head Office: 1-14 Nishisuehiro-cho, Yokkaichi, Mie, Japan
- Affiliates: 22 in Japan; 93 overseas
- Employees: 12,640 in Japan; 134,524 overseas
147,164 in total
(as of the end of March 2010)



■ Company Overview

Sumitomo Wiring Systems was established in 1917 as an electric wire manufacturer, when industries in Japan were in the foundation period. With the development of the car industry in Japan after World War II, we started to produce wiring harnesses for automobiles and their parts. Since then, SWS has focused on rationalization of the wiring harness production and promoted quality assurance and cost reduction. We have now become a top wiring harness supplier not only in Japan but also in the world. We will continue to move forward as a world class partner for automotive manufacturers.

■ Sales



■ Product Outline

As a global supplier, we manufacture and sell wiring harnesses and components for automobiles, wiring harnesses for office equipment, and various cables.

Wiring Harnesses



Wiring harnesses serve to electrically connect electronic and electrical components built into equipment such as cars and copiers, and to transmit information and electric power between the components. Each electric wire in a wiring harness plays a different role, such as taking electric power from power supplies, sending sensor signals, and communicating operational information. Wiring harnesses are important parts, comparable to nerves or blood vessels in the human body, in supporting the operational foundation of cars or equipment.

Products for Hybrid Cars



Wiring harnesses are also used for next-generation vehicles such as hybrid cars and electric cars, and SWS has developed a wide range of high-tech quality products for such purposes. In addition to the functions essential for ordinary harnesses such as resistance to vibration, water and dust, our products are also resistant to large electric currents and high voltages. Furthermore, we have a good track record in the production of other parts for hybrid cars, such as connectors.

Component Parts of Wiring Harnesses



Connectors



Electric wires

Multifunctional JB and ECU
(electronic control units)

Grommets



Tapes and tubes

Modularized Products and Car Electronics



Car electronics are a form of technologies to electrically control the operation of car mechanics. Cars today use more electronics in a broader range of components than ever before: engines, transmissions, suspensions, steering, brakes and air conditioners. With cars becoming more and more electronic, we need further reductions in weight and size of electronic and electrical components, which have sharply increased in number, along with more efficient assembly of these products. Sumitomo Wiring Systems is also aggressively developing modularized products with fewer parts by consolidating or combining them through functional integration.

Learning from the lessons handed down from Sumitomo's history, we will seek better connection with society and individuals.

We set the Sumitomo Business Spirit and the Sumitomo Wiring Systems Group Basic Principles as the basic principles, and actualize them by acting in accordance with the Sumitomo Wiring Systems Group Charter of Corporate Behavior and SWS WAY.

Basic Principles

The Sumitomo Business Spirit

The origin of the Sumitomo Business Spirit dates back to "Monjuin Shiigaki" (the Aphorisms of Monjuin), which was written by Masatomo Sumitomo, the first-generation head of the House of Sumitomo. This corporate spirit has been handed down as the family motto throughout Sumitomo's history. The traditional spirit inherited from the Sumitomo founder Masatomo Sumitomo was formulated into two business principles in the Sumitomo's Family Constitution established in 1882. The Sumitomo Goshi Kaisya (predecessor of Sumitomo Honsha) Administrative Regulation established in 1928 also derived the same two principles, which have been handed down to Sumitomo group companies as their business principles.

The SWS Group also positions the Sumitomo Business Spirit as its top business philosophy.

Article 1

Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.

Article 2

Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

Article 1 states that Sumitomo's business should be based first and foremost on the valuing of trust.

The first part of Article 2 clarifies that Sumitomo should pursue profit by responding quickly and appropriately to changes in society. The article also emphasizes the importance of positive, progressive spirit in continuously making decisions on the adoption or cancellation of business projects, without becoming complacent about existing business conditions. The latter part of the article, however, strongly admonishes us against acting rashly and carelessly in pursuit of easy gains, which refer to short-term, immediate and unfair profit obtained by unethical means.

Sumitomo Wiring Systems Group Basic Principles

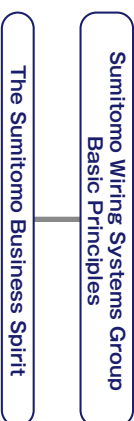
By our slogan "Connect with the Best," we also mean "to make all the connections surrounding us, along with the connecting roles that our products play, and prevail over our competition in the best way." Sharing the basic principles as our common view, we will perform business with strong will and enthusiasm.

Basic Principles

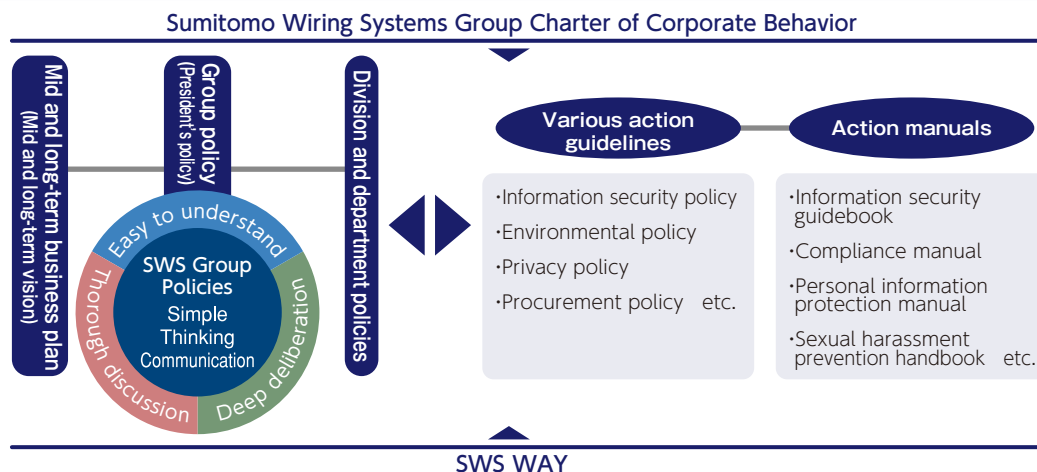
In the spirit of "Connect with the Best," we at SWS Group are committed to:

- Contributing to the global community through business success,
- Realizing customer satisfaction through high-standard service,
- Developing the prospective future through creation and innovation,
- Preserving corporate ethics based on integrity and trust, and
- Respecting individuality and nurturing a vigorous and prosperous corporate culture.

Business Philosophy



Action Guidelines and Action Standards



Action Guidelines

■ Sumitomo Wiring Systems Group Charter of Corporate Behavior

The Sumitomo Wiring Systems Group shall contribute to the prosperity of the global community and be a business entity trusted by the international society, through pursuit of business under the corporate principles based on the Sumitomo Business Spirit and the Sumitomo Wiring Systems Group Basic Principles. We, the executives and employees of the Sumitomo Wiring Systems Group, shall conduct ourselves in accordance with the Sumitomo Wiring Systems Group Charter of Corporate Behavior to realize these corporate principles.

①Pursuance of Customer Satisfaction	<ul style="list-style-type: none"> • We aim to provide products and services that satisfy customers in all aspects including quality and cost, maintaining customer satisfaction as the foundation of our business. • We aim to develop new, original products by using our unsurpassed creativity to meet customers' demands.
②Observance of Laws, Regulations, and Corporate Rules	<ul style="list-style-type: none"> • We observe laws, regulations, social discipline and corporate rules, and always act fairly and openly.
③Fair and Proper Business Activities	<ul style="list-style-type: none"> • We promote fair, transparent and free competition and trade.
④Appropriate Use and Control of Confidential Information and Property	<ul style="list-style-type: none"> • We control use of confidential information, such as management and technical information, tangible and intangible property and personal information with the appropriate degree of care.
⑤Growth and Development of the Group	<ul style="list-style-type: none"> • We always engage in business from a global point of view and strive for sustainable growth and development of the group.
⑥Contributions to Preservation of the Global Environment	<ul style="list-style-type: none"> • We take active initiatives to preserve the environment and help build an affluent society.
⑦Harmony with the International Community	<ul style="list-style-type: none"> • As a trustworthy member of the international corporate community, we respect the cultures, customs and history of every country and region of the world in which we do business.
⑧Awareness as Members of Society	<ul style="list-style-type: none"> • We are clearly aware that we are members of society, and act as good corporate citizens. • We will take a strong stand against any force or group that threatens public order and safety.
⑨Energized Workplace Environment and Respect for Individuals	<ul style="list-style-type: none"> • We strive to create a safe, bright and energized work environment while defending human rights and respecting employee diversity, personality and uniqueness.
⑩Appropriate Information Disclosure	<ul style="list-style-type: none"> • We promote good communication with society and disclose appropriate corporate information.

■ SWS WAY

Since our foundation in 1917, the SWS Group has been pursuing "Better Manufacturing" and "Developing Better Manufacturing by Developing Better People." SWS WAY indicates our action principles formulated in 2005 as essentials to meet customer requirements through expanding and developing globally, into the future, the very DNAs of the basic concept of work and the approach and attitude to work that have

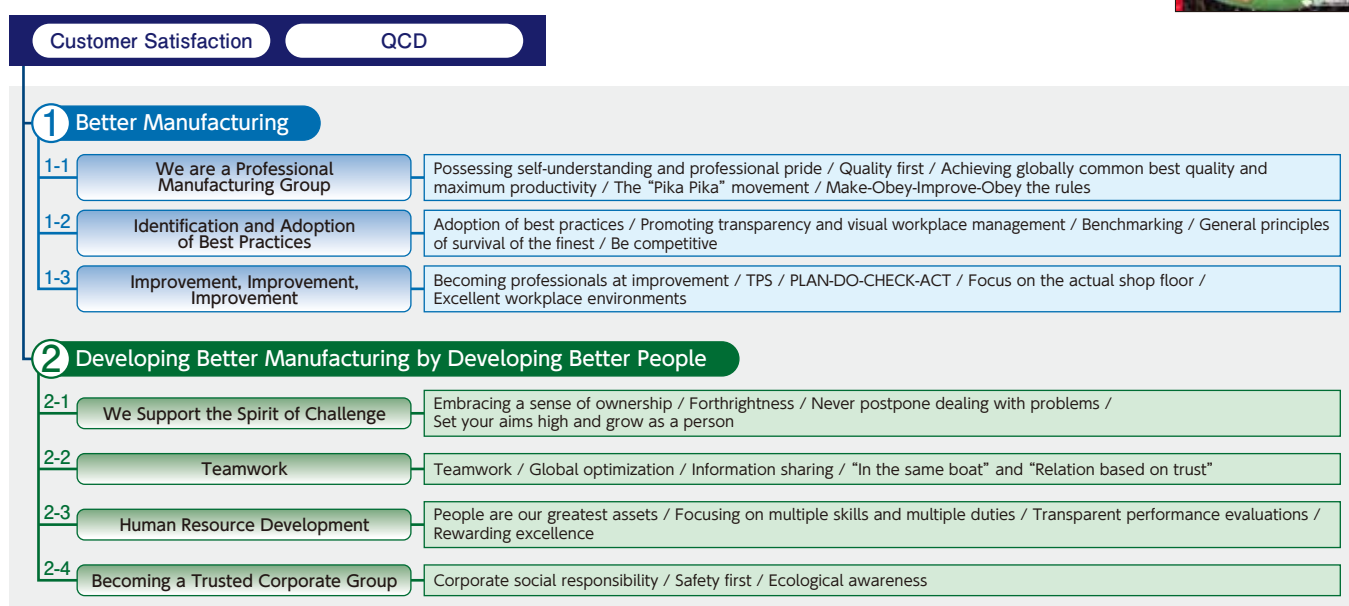
been handed down until now.

We need to share common DNAs thoroughly with our overseas affiliates because the SWS Group is required to achieve globally common quality standards. We also need to respect local history, customs and cultures and the way local people think. We believe that SWS WAY should be sharing values through marriage between these elements.

An eight-page booklet, "SWS WAY," has been translated into 21 languages and distributed to 80,000 executives, staff and workers in 27 countries. It consists of seven chapters and includes 30 sections.



■ SWS WAY



• QCD refers to Quality, Cost and Demand/Delivery.

• TPS (Total Production System): Basic system for manufacturing that aims to thoroughly eliminate waste.

We will set eight priority items to strongly promote CSR activities.

With the CSR Committee established newly in May 2010, we have put in place a stronger CSR promotion system, which allows the divisions to share various types of information.

The “ideal figures”
that the SWS Group wants to become
through CSR activities:

Global corporate group
that offers globally common best quality

Global corporate group that is trusted
by and familiar and accessible
to the stakeholders

Global corporate group that is rooted
in and lives with local communities

■ CSR of Sumitomo Wiring Systems

We consider that the basic CSR policy of the SWS Group is to grow in a sustainable manner based on the Sumitomo Business Spirit and the Sumitomo Wiring Systems Group Basic Principles. With recognition that the foundation for sustainable growth is the trust of stakeholders, we are committed to eight priority items for the promotion of CSR activities, including “roles as better corporate citizens” and “fields that can be bases and foundations for sustainable growth.”

■ CSR Promotion System

To promote the priority CSR activities more strongly, we established the CSR Committee in May 2010, chaired by the director in charge of general affairs. The representatives of the sections responsible for the CSR priority items were selected as the committee members.

The CSR Committee sends information to stakeholders and collects their opinions, and, at the Board of Managing Executive Officers, formulates the action plan and reports the results. The CSR Committee serves as a system that shares the needs of stakeholders identified through its activities as well as the directions and instructions of top management, so as to enhance the CSR activities.

■ Priority Items in the Promotion of CSR Activities

Trust of stakeholders (As a global corporate group)

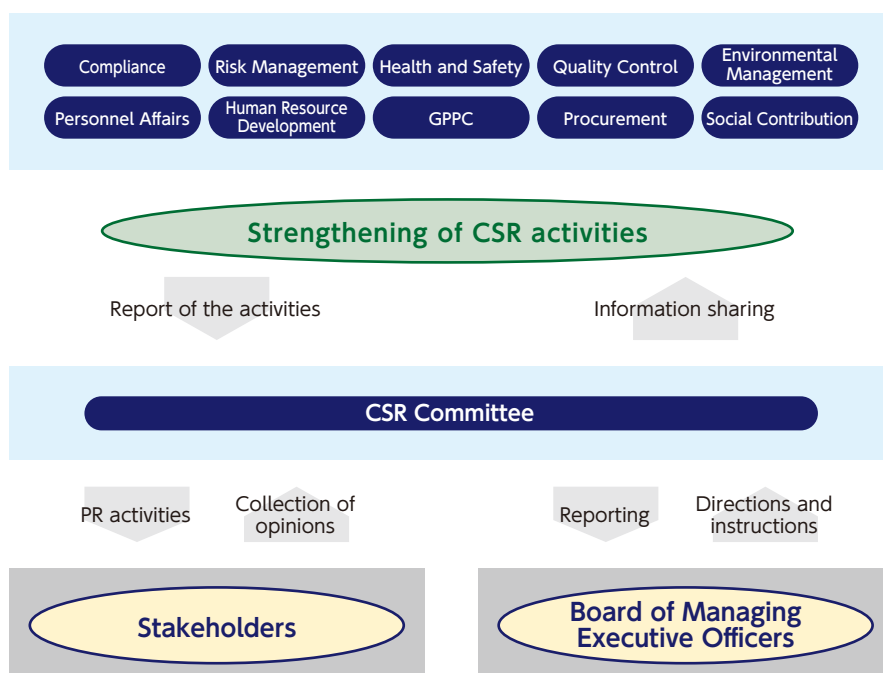
Roles as good corporate citizens

- ① Contribution to the local communities

Fields that can be foundations for sustainable growth

- ① Strengthening and promotion of the governance system
- ② Strengthening and promotion of the compliance system
- ③ Development, strengthening and promotion of the risk management (BCP) system
- ④ Health and safety
Commitment to the elimination of industrial accidents
- ⑤ Quality control
Achievement of globally common best quality
- ⑥ Global environmental conservation
- ⑦ Creation of vigorous and lively workplace

■ CSR Promotion Structure





In the promotion of CSR activities, corporate governance, compliance and risk management are crucial foundations. We will enhance the foundations to promote the sustainable growth of the SWS Group.



With the Executive Officer System adopted in June 2003, Sumitomo Wiring Systems seeks to accelerate decision making and enhance supervision and business execution functions. While the Board of Directors is in charge of discussing important matters, the Board of Managing Executive Officers discusses these matters in advance in order to enhance the subsequent debates by the Board of Directors. In SWS, two Corporate Auditors audit the business execution performance of the Directors. The Auditors attend Board of Directors meetings and other crucial meetings and also exchange information with Internal Audit Department and Accounting Auditors to reinforce the auditing function.

Compliance

■ Contacts for Compliance Reporting

As a measure for such prompt discovery and correction, we set up contacts for compliance reporting in 2005. The reported information is investigated and handled mainly by the Legal Affairs Department, which serves as the Compliance Committee Secretariat. In November 2008, we also established an external contact, where our corporate lawyer handles issues.

In fiscal 2009, 16 cases were reported and were properly investigated and handled.

 Compliance Training

The training helps employees improve their understanding of the significance of compliance, the efforts of SWS for compliance, the mechanism of occurrence of non-compliance and how employees should conduct themselves. In fiscal 2009, 563 persons in total participated in 13 sessions.

(2) Optional training on legal affairs

To prevent violation of law without “recognizing” it because of not “realizing” the law, the Legal Affairs Department provides training for the applicants in the areas for which there are growing needs in the divisions. In fiscal 2009, the subjects of the training included the basics of contract, subcontracting law, stamp duty law, credit protection, personal information protection and insider trading. A total of 274 persons participated in 9 sessions.

Compliance

(3) Delivery sessions

While position-based training and optional training on legal affairs are provided on a regular basis, the number of sessions is limited. Therefore, we have been organizing delivery sessions since September 2009, which meet the needs of the divisions by giving lectures on necessary subjects on an as-needed basis.

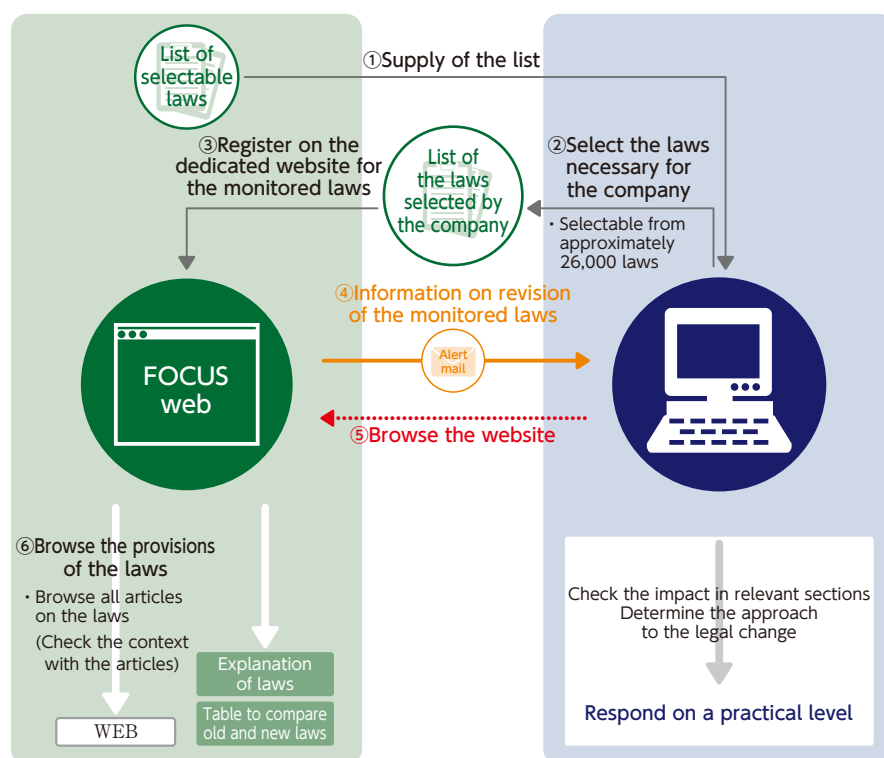
In fiscal 2009, 510 persons participated in 31 sessions.

Improving capacity to respond to enactment and revision of laws

To respond to enactment and revision of laws, we work to collect relevant information on a regular basis and notify

employees on the enactment and revision of important laws through briefing sessions organized by the Legal Affairs Department. To further improve our capacity to respond to legal changes, we have introduced the law management system "Hourei Focus." The system enables us to quickly identify the laws that have impact on SWS, out of the large amount of legal information published every day, and to grasp the level of the impact. The system also helps prevent omission of response to enactment or revision of laws and wrong response. Currently, we are monitoring 213 laws related to our business and responding properly to the legal changes.

Mechanism of Hourei Focus

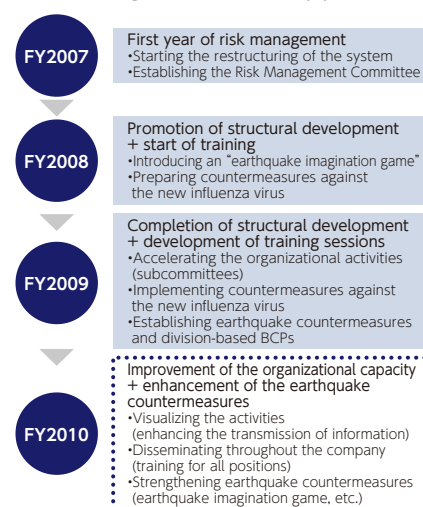


Risk Management

Risk management activities by year (2007 to 2009)

Sumitomo Wiring Systems has been progressively shifting its system from the conventional "Crisis management-centered system" to an "All-inclusive risk management system" since fiscal 2007. The development of the system was completed in fiscal 2009 with the appointment of risk managers and the establishment of subcommittees. In fiscal 2010, we will provide training for all positions and further promote risk management activities.

Risk management activities by year



SWS Group Risk Management Action Policy

- Establishment of the Basic Risk Management Rules and the Risk Management Rules (in June)

For the corporate risk management system, we have identified the five major risk management activities and promoted comprehensive risk management activities.

Based on the Sumitomo Wiring Systems Group Basic Principles, the Basic Risk Management Rules clearly stipulate the corporate policies that require us to firstly give priority to human life, secondly endeavor to improve quality, secure safety and supply products stably and, thirdly, maintain good relationships with stakeholders such as customers and local communities.

Five Major Risk Management Activities



Management of the Promotion System

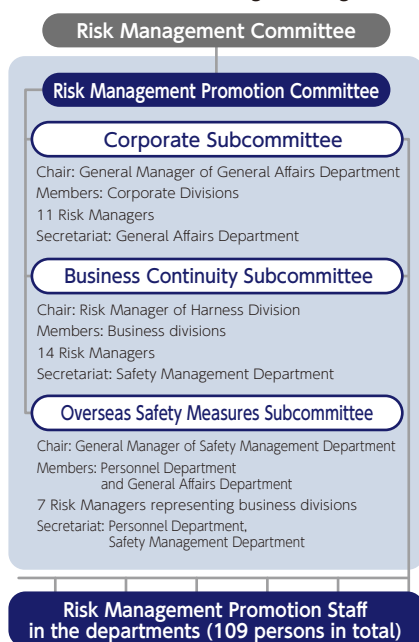
- Establishment of three subcommittees (Corporate, Business Continuity and Overseas Safety Measures) (in June)

The three subcommittees were established under the Risk Management Promotion Committee. Consequently, we have developed the system to discuss and examine specific subjects.

- Appointment of Risk Managers (in June) and Risk Management Staff (in September)

We appointed a Risk Manager in each division and Risk Management Staff in each department as the promoters of the risk management activities. In the risk management organization, they not only perform daily risk management activities but also address a crisis situation in coordination.

Structure of the Risk Management Organization



Risk Communication

We strive to develop capacity to take proper and organic initial response by sharing information even under normal conditions and accumulating know-how on emergency response.

- Risk Manager Training (in June)

The Risk Managers acquired basic knowledge on risk management and deepened their understanding of their roles.

- Periodic delivery of risk information (from January)

Sharing risk management information, we work to learn from actual cases of risks that occurred in the past and use the knowledge for preventive risk management in the future.

Preventive Risk Management (Corporate Subcommittee)

In normal situations, it is important to identify potential risks and prevent them from coming up to the surface. The departments in charge of risk control measures conduct risk management activities in concert with the divisions of the normal organization.

- Formulation of the risk management guidelines (first edition) (in January)

The department in charge of control in the Corporate Subcommittee formulated the risk management guidelines and applied them on a Group-wide scale. The guidelines visualize the risks by identifying potential risks and specifying the priority order in the countermeasures against the damage in consideration of our business activities.

Crisis Management (Business Continuity Subcommittee)

To address the risks of incidents that we cannot prevent, such as natural disasters, we have prepared business continuity plans (BCPs) to enhance our business continuity capabilities. In addition, we have conducted an emergency drill to improve the disaster prevention skills in each site of the SWS Group, in order to augment the crisis management abilities.



- Preparation of a BCP to address earthquakes in the Tokai region (first edition) (in March)

Considering earthquakes as serious risks, we prepared a BCP to address extensive damage from earthquakes under the initiative of 12 relevant divisions.

- Implementation of initial response training (129 persons in total participated in 12 sessions) (in January)

The training sessions were aimed at improving emergency response abilities. The issues identified during the sessions have been reflected in the manual.



Due to changes in the social environment and other issues, the risks posed to companies are becoming more diverse and complicated. Proper implementation of risk control measures can prevent such risks and minimize damage from real crises. It also contributes to stable business operations, and I think that risk management is equivalent to business management. My goal is to perform risk management activities that enable each and every employee to recognize and address the risks.

General Affairs Department Koichi Hashimoto

Overseas Safety Measures (Overseas Safety Measures Subcommittee)

With the globalization of our business activities, we are working to accumulate know-how on the risks occurring outside Japan and to improve our ability to take initial actions in response to emergency situations overseas.

- Implementation of a simulation drill to respond to serious accidents (in October)

We conducted a drill aimed at responding to risks specific to foreign countries. It helped us understand what response is required in actual situations and confirm the importance of preventive measures and initial actions.

- Preparation of a manual for overseas supervisors (in February)

We prepared a manual specifying the organization for securing human safety, the initial actions to be taken in an emergency situation, and preventive measures.

Measures against New Influenza

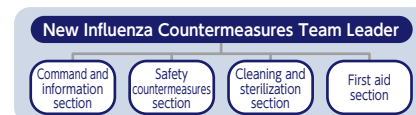
In addition to the new influenza (A/H1N1), which broke out all over the world last year, the bird flu (H5N1), which is spreading continuously, is also a major threat to the labor-intensive SWS Group. Using the lessons learned from the incident, we will act to further improve our countermeasures.

- Establishment of the Countermeasures Headquarters against the new influenza and continuous operation of crisis management (from April)

We performed corporate-wide crisis management activities to prevent the spread of infection, including implementation of the corporate policies, responding to the infected persons and stockpiling goods to address the flu.

- Preparation of a site-based manual to address the new influenza, and establishment of site-based countermeasures teams (in October)

To prevent the incidence and the spread of infection and to ensure business continuity in each of our sites, we prepared a site-based manual.



Vietnam ECO-Activity



In the growing hot country, hot passion for the environment is also growing.



Sumitomo Wiring Systems began its relationship with Vietnam when it founded Sumi-Hanel Wiring Systems Co., Ltd. (SHWS) in 1996 following the entry of automobile manufacturers into the country. At present Vietnam is a very young country, as 65% of the total population (86 million) is 35 years old or less. With the high education level symbolized by a literacy rate of more than 93.5%, the country has a very prosperous future. Japan is the largest ODA donor to Vietnam and has developed close relations with the country.

Hanoi, the capital of Vietnam, is a megalopolis with a population of more than six million. The temperature differs greatly between summer and winter, and electrical outages often occur due to power shortage. While



such underdeveloped infrastructure is a disadvantage for our operation in the city, it also gives us opportunities to offer our products as a manufacturer. The SWS Group is developing its business activities in Vietnam through four Group companies with approximately 11,000 employees in total. We are among the top five businesses in Hanoi in terms of the number of employees, and therefore have a large impact on the local community. As the director of a company



from Japan, an environmentally advanced country, I am working to raise the environmental consciousness of Vietnam to the level in Japan or even higher. Although the environmental awareness of Vietnamese people is still low, I nowadays see motorbikes turning off their engines while waiting for the traffic signal to change, more often than before. I am impressed by the growing awareness of environmental issues, although the growth is gradual.

Sumi-Hanel Wiring Systems Co., Ltd.

TAKESHI NISHIO
General Director



SHWS We have successfully improved the work environment and reduced energy use with thermal insulation glass coating.



Founded jointly by the three companies of Sumitomo Wiring Systems, Sumitomo Electric Industries and Hanoi Electronic Company (Hanel), a Vietnamese state-owned enterprise, SHWS started its operation in 1996. It was SWS's first manufacturing plant in Vietnam. With 3,700 employees at present (as of June 2010), SHWS has steadily achieved good results as the oldest SWS Group company in Vietnam.

The wiring harnesses manufactured by SHWS are mainly exported to SWS Group companies in Japan, the United States and East Asian countries. The company was awarded by the SWS Group in fiscal 2009 for its commitment to cost reduction.

We are production engineers and in charge of the introduction of facilities. Following the policy indicated by the Head Office to give consideration to the environment, SHWS has formulated and is implementing 11 energy saving measures. An achievement during fiscal 2009 was the application of thermal insulation glass coating. In Vietnam, improving the harsh work environment caused by the strong sunlight has been a challenge for many years. We therefore consulted with the Head Office in Japan and received advice that thermal insulation glass

coating would be effective for this purpose. Then, in December 2009, we applied the coating. While the Head Office provided technical support, the production engineers



of SHWS conducted the coating work. We have coated 40% of all glass windows in the company, most of which are in the No. 2 and No. 3 plants. The examination of the effect has shown the temperature in the plants to be 1.5 to 1.7 °C lower than in the month with the same outdoor temperature last year. The monthly saving on electricity expense is about as high as 140,000 yen. Since the total cost of the thermal insulation glass coating was around 370,000 yen, the payback period is about three months, which indicates that this measure has a large economic advantage. We also plan to apply the coating to the remaining 60% of the glass windows in fiscal 2010 and to introduce it to



other Group companies as well. Various other measures are being taken to prevent temperature rise in the factories, including the use of reflective heat insulation material on the roofs and the installation of fans. Meanwhile, giving first priority to environmental conservation, we have also installed a combined septic tank for sewage treatment as an original measure of SHWS, ahead of other companies in the industrial complex where we are located. We will continuously promote the introduction of environmental protection facilities and energy saving facilities with the support of the Head Office.

Sumi-Hanel Wiring Systems Co., Ltd.



LUU MINH CHIEN Manager, P.E & Project Section
NGUYEN QUY HUNG Deputy Manager, Q.A Section



Phan Van Thang (center), chairperson of the Safety Environment Promotion Committee, and the members of the committee

SDVN We endeavor to enhance employees' awareness of environmental conservation.



Sumidenso Vietnam Co., Ltd. (SDVN) was founded in 2004 in Hai Duong Province, approximately 45 km east from SHWS. The company obtained ISO 14001 certification in 2006.

We are now in charge of environmental management. Our current targets related to environmental management include reduction in electricity use, waste generation and water consumption. In Vietnamese society on the whole, people are not aware that consumption of electricity and other forms of energy results in greenhouse gas emissions. Nevertheless, thanks to the Group-wide education, we recognize that energy saving is a crucial challenge for the reduction in greenhouse gas emissions. With the target of reducing CO₂ emissions per unit of production by 5% from the previous year, SDVN has been developing the GHG reduction campaign since January 2010. We have also set the target of zero emission rate at 1% for reduction in waste generation and promotion of recycling. This effort is made in anticipation of shortage of landfill sites in the future. We

have also designated waste storage yards in the factories to help employees dispose of waste efficiently. The waste disposal contractor can collect the waste directly from the outside of the storage yards.

It is in fact difficult to meet the target because there are still many challenges to overcome for proper waste management, including the need for continuous education



of the employees who are not used to the separation of waste and difficulty in finding an appropriate external recycling manufacture. Still, we are working to reduce the zero emission rate gradually to the target value. In addition, with a belief that the basis of environmental management is the education of employees to raise their awareness of environmental conservation, we hold safety environment meetings twice a month in each workplace.

In April 2010, we donated 36 120-liter dustbins to a junior high school in the neighborhood, at the request of Hai Duong Department of Natural Resources



environmental conservation activities performed at the request of the provincial department every year. While we have performed cleaning activities on World Environment Day in June in the past, we donated the dustbins this year so that the children understand the importance of waste separation. The donation received coverage from local TV news and newspapers, which was also encouraging for our activities.

We will continue to learn more and more about global environmental issues and about how to promote environmental management from the Head Office and enhance our environmental conservation activities.



Sumidenso Vietnam Co., Ltd.
NGUYEN THI HUE Supervisor, Administrative - Safety & Environmental
LE THI GIANG Supervisor, Administrative

SVAW We are striving to “visualize” energy consumption in the factories.

Sumiden Vietnam Automotive Wire Co., Ltd. (SVAW) was established in 2006 as the 11th overseas wire production facility of the SWS Group, and currently has about 150 employees. We are now making efforts to “visualize” energy consumption in the factory. One of the approaches is the installation of the control system that monitors and reduces energy use by air conditioners. The system allows proper automatic control of air conditioners, which is expected to reduce energy consumption by 15%. The system costs approximately 200,000 yen per unit,

and we estimate that the payback period is about 1 year. We have installed the systems to 6 of the 12 air conditioners, and will complete installation to the remaining 6 units in the future. In addition, we plan to take measures on lighting such as turning off lights during lunch breaks and replacement with energy-saving lighting products. For waste management, we thoroughly separate waste, and also plan to

introduce a PVC scrap recycling system. We also believe that it is our responsibility to operate the environmental management system, and have been working to obtain ISO 14001 and OHSAS certificates since August 2010 with the target of obtaining them in February 2011.

Sumiden Vietnam Automotive Wire Co., Ltd.



MAI VAN TUAN Assistant Manager, Production
NGUYEN BAO THINH Manager, Administrative



SVWS We are promoting energy saving with detailed improvements and frequent monitoring.

Founded in 2008, Sumi Vietnam Wiring Systems Co., Ltd. (SVWS) started its actual operation in October 2009. Located in Ha Nam Province, approximately 45 km west of Hanoi, it is at present the newest harness plant in Vietnam. While the current number of employees is about 1,100, we continue

to hire many new staff members every month, and it is an urgent task to cultivate leaders for the workplaces. We are taking various environmental conservation measures in the factory, such as installation of a cover on the temperature setting panel of each air conditioner to keep unauthorized persons from changing the temperature settings, use of high-efficiency lighting products, and

monitoring of the thermo-hygrometer installed in each block of the factory three times a day.

We believe that such detailed measures are essential for saving energy. Detailed improvements have also been made in the training center, including the use of a tape measure instead of vinyl tape which has been used for measures, so waste tape is reduced. We also hold a meeting to disseminate awareness of environmental conservation among employees in each section every month.

Sumi Vietnam Wiring Systems Co., Ltd.



PHAM HUU GIA Manager, Administrative
NGO VAN DUONG Staff, Administrative



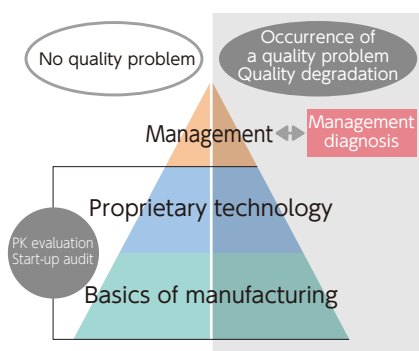


Quality Control
and Customer
Satisfaction

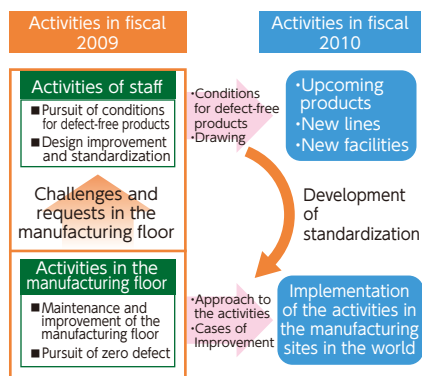
We have set up corporate-wide quality management standards to achieve globally common best quality.

We established the standards covering our basic approach to quality control in April 2010.
We will conduct the 2010 version of PK evaluation and develop trainers according to the plan,
at all our manufacturing bases in the world.

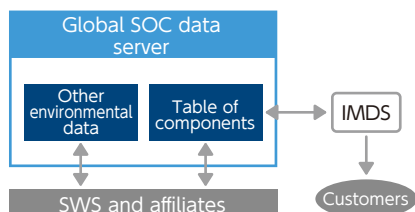
Quality Management Diagnosis



"Assurance of Each Process" activities



Substances of Concern Non-inclusion Assurance System



Quality Policies for Fiscal 2009

Commit to Zero Defects

- (1) Aim at achieving customer satisfaction
- (2) Solve problems based on facts and data
- (3) Achieve zero defect with efforts from all employees

Quality Results in Fiscal 2009

The number of complaints decreased slightly from the fiscal 2008 level in Japan, but increased by around 10% in other countries.

The orders increased (recovered) sharply in the second half, and we scaled up production capacity all over the world and also strengthened the quality assurance system. However, it took much time to impart education and training to new employees and to cultivate line leaders, which was required for the restructuring of the production system that had been scaled down after the financial crisis in 2008.

Quality Improvements in Fiscal 2009

① SWS Group quality control standard

The overseas affiliates of the SWS Group have separately obtained quality management system certification (ISO 9001 or ISO/TS 16949). While this fact indicates the independence of the companies, it also implies the risk of lacking uniformity.

We set up standards covering the basic approaches to quality control developed by SWS so that any Group company in any country can learn and practice SWS's know-how on quality control.

In fiscal 2010, we will incorporate the standards into the systems of the Group companies to thoroughly introduce globally common standards.

② Quality management diagnosis

While we conducted various types of quality audits such as on-site audit, global quality audit and quality system audit, they overlapped one another. Therefore, we decided to classify the audits into those for preventive purposes and those focusing on promotion of improvements.

When a serious quality problem has occurred or when quality has degraded at a manufacturing site, we make a management diagnosis for quality improvement in the site.

③ "Assurance of Each Process" activities

The activities aim to practice the phrase "The next processes are our customers." While we used to count the number of defects based only on the defects detected in the inspection process, we now count all defects detected in processes as defects, including self-reported ones. We sought to guarantee quality in each process to prevent defective goods from moving to the next process, and specifications that could change the lines from lines "where defects are not generated" to those "where defects cannot be generated."

In fiscal 2010, we will introduce the results of the model line into our factories all over the world.

④ Substances of Concern Non-inclusion Assurance System

To reinforce the system to ensure that the locally procured materials contain no substances of concern, we additionally introduced fluorescent X-ray analyzers mainly at our overseas manufacturing sites.

In fiscal 2010, to provide quicker and more efficient service for customers, we plan to improve our response capabilities (with IMDS, JAMA/JAPIA integrated datasheet, etc.) and restructure the management system so that data can be shared among our global sites.

Quality Policies for Fiscal 2010

- (1) Removal of quality risks
- (2) Quality management that can respond flexibly to changes
- (3) "Quality improvement" and "complete elimination of loss" to commit to zero defects

• IMDS(International Material Data System) : Material data system for the automobile industry.

• JAMA/JAPIA integrated datasheet : Datasheet agreed between Japan Automobile Manufacturers Association (JAMA) and Japan Auto Parts Industries Association (JAPIA).

To deliver our "Pika Pika (meaning "shiny" in Japanese)" products to our customers all over the world from any of our sites around the world, our global "Pika Pika Campaign" has been launched in four categories.

PK Activities (creating "Pika Pika" workplace)

The conditions required to create Pika Pika workplace are "5S," "Make and obey the rules" and "Mechanism of improvement activities." Sumitomo Wiring Systems regards these conditions as the foundations for manufacturing, and has created a checklist including over one hundred items. Based on the checklist, certified inspectors of the divisions evaluate our manufacturing sites in more than 30 countries once a year. This is the PK evaluation activity. The evaluation results are expressed numerically and transmitted across the world through our intranet. With evaluation by the same inspectors on the common check items, the states of all facilities can be benchmarked based on the same standards. This is not merely an evaluation, but will facilitate the discovery of ideas for improvement, enhance a sense of healthy rivalry towards other employees around the world, and lead to the development of best practices and efforts to catch up with the top factories. In fiscal 2009, the evaluation was made in the form of self-assessment because of the recession in the world economy triggered by the financial crisis and temporary deterioration of the business environment. As a result, the evaluation was not strict, which slowed the progress of improvement. In the meantime, we have reviewed and revised the evaluation items to sophisticate the evaluation, and restarted the activities by the certified inspectors of the divisions in fiscal 2010. At the same time, we have established a new program to cultivate PK activity promotion trainers for the Group companies to strengthen their self-operating abilities.

G-STARS & Wiring Harness Skill Olympic Games (creating "Pika Pika" skills)

G-STARS is a system to provide training and evaluate basic skills of workers in manufacturing wiring harnesses using common tools. Workers are ranked according to their evaluation results as S, A, B, C or D, with an aim to increase the number of S and A Rank workers. We organize "Wiring Harness Skill Olympic Games" every year, in which trained representatives from our factories around the world participate to compete with their skills. Although the games were canceled in fiscal 2009 due to the global pandemic of H1N1 flu, they were organized in fiscal 2010 with new inspection games added to

the conventional processing and assembly games. The competitors waged heated battles again for the honor of their companies as well as their pride.

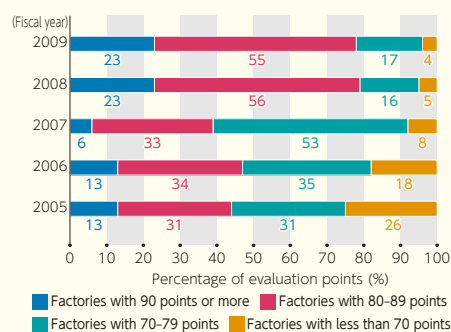
Activities to Prevent Defects Aiming at Zero Defects (creating "Pika Pika" manufacturing lines)

In order to deliver "Pika Pika" products to customers, the manufacturing lines and manufacturing mechanism also have to be "Pika Pika," in addition to the "Pika Pika workplaces" and "Pika Pika skills." We are thus committed to "assurance of each process" activities. We count the defects detected in the process and promote correctional activities with a worldwide common target of "10 straight days with zero defects." If a defect is detected, the line is stopped immediately, and staff and workers try to identify the root cause for the defect and take corrective measures. In fiscal 2009, 1,200 lines in total achieved the target, and we aim to increase the number to 1,400 in fiscal 2010.

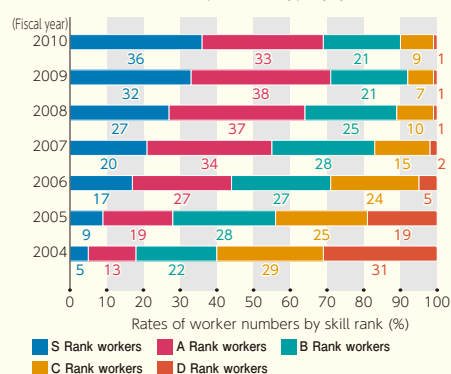
Manufacturing Key Person Seminar (developing "Pika Pika" human resources)

In order to develop and establish the Pika Pika Campaign more speedily and widely, it is absolutely necessary to develop key persons in every region. To meet the need, Sumitomo Wiring Systems organizes the "Manufacturing Key Person Seminar" training for overseas staff. In the seminar, we invite executive candidates overseas to Japan and provide them with knowledge-based training on the Japanese language and Japanese culture and on quality and productivity improvement, and also practical training. These participants then return to their own places of work and address the tasks set for certification. The participants who have cleared the tasks are certified as Manufacturing Key Persons. The "Pika Pika Campaign" is spread through improvement activities and human resource development by the certified key persons in their own sites. We suspended the training in the first half of fiscal 2009, during which we prepared a new program, and then resumed the initiative in the second half. We also organized on-site training in China to further accelerate human resource development. We have a plan to hold the training sessions in Europe and the United States as well in fiscal 2010.

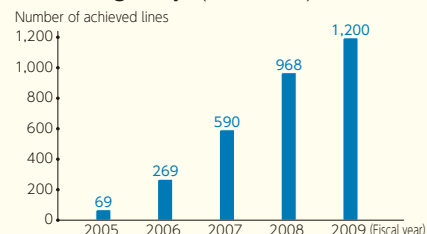
PK evaluation points by year



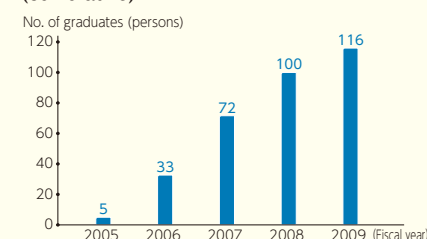
G-STARS Rank (assembly) by year



Number of lines with "0" process defects in 10 straight days (cumulative)



Key Person Seminar Graduates by year (cumulative)



To achieve globally common best quality, Sumitomo Wiring Systems is proactively hiring employees of foreign nationality who are familiar with foreign cultures and affairs. As one such employee, I am in charge of quality management in China. Last year, due to the impact of the global financial crisis, there were dramatic changes in the personnel mix of our factories in China. To maintain stability in quality even with the personnel

Quality Management Department **He Yi**

changes, I supported long-term quality improvement activities in the factories that had particularly many changes.

Such an experience has made me realize the significance of the structure that can respond to changes flexibly. I will work to solidify and improve the quality assurance system that is responsive to changes, and hope to contribute to the growth of our facilities in China and the development of our business.



Health and Safety

We thoroughly comply with the principle that “Safety is our top priority,” and perform health and safety related activities globally and continuously.

It is also the responsibility of a company to provide the employees with an environment where they can work safely and with a sense of security. Thoroughly complying with the rules, we will strive to establish healthy workplaces with no accidents, in cooperation with our employees.

Philosophy

Safety is our top priority

With the principle “Safety is our top priority” as the basis of business, the SWS Group acts for securing health and safety of workers with the spirit of respecting people and the rigorous attitude that allows no occupational accidents.

Basic Policies

Legal Compliance

Complying with rules including laws and regulations and working to maintain and improve the level of health and safety management.

Establishment of the System and Disaster Prevention

Establishing the health and safety management system and preventing accidents and disasters related to facilities, machines, operation methods, etc.
(This is an OSHMS-compliant management system.)

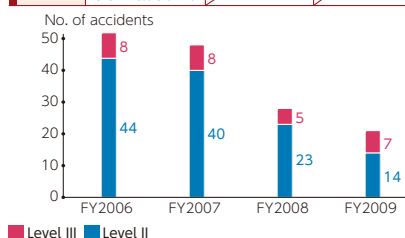
Education and Training

Providing education and training to enhance safety awareness of each employee and improve health and safety in the workplace with the participation of all employees.

Global Accident Statistics of the SWS Group

Targets for fiscal 2009

	Occupational accidents	Traffic accidents	Health
In Japan	Level IV, III: zero	Less than half from the previous fiscal year	Zero occupational sickness
	Level II: less than half		
Overseas	Level IV, III: zero		
	Level II: less than half		



■ Level III ■ Level II

Injury level IV: Corresponding to serious accidents (death, and injuries involving functional loss or significant permanent disability)
Injury level III: Corresponding to accidents resulting in lost work time (injuries involving partial or temporary decline in function and requiring continued medical treatment)
Injury level II: Corresponding to no-lost-work time accidents (injuries requiring short term medical treatment)
Injury level I: Corresponding to minor accidents (injuries that can be addressed with first aid or examination)

SWS Received Toyota Safety Award

On March 10, 2010, Sumitomo Wiring Systems received the FY2009 Toyota Safety Award from Toyota Motor Corporation at a meeting of the Safety and Health Research Group of Kyohokai.

This award is given to the company that is selected from the 103 member companies participating in the Safety and Health Research Group of Kyohokai, an organization composed of the businesses related to Toyota.

We were commended for our efforts to “create a workplace where employees can work with a sense of security” in accordance with the procurement policy of Toyota Motor Corporation. Specifically, we believe that we were commended for our recent activities such as commitment to the occupational safety and health management system (OSHMS), risk assessment to reduce risks, training to enhance senses by experiencing danger through simulation, development of safety activities in foreign countries, and safety performance.

Throughout fiscal 2010, under the principle of “Safety is our top priority,” we will promote health and safety by encouraging each employee to give first priority to safety and creating workplaces where employees can work with a sense of security with no accidents.



Occupational Safety and Health Management Certification

In the SWS Group, Suzuka Plant obtained Occupational Safety and Health Management System (OSHMS) certification in January 2006, and so did Ibaraki Automotive Wire Works in April 2008. Other domestic sites and overseas

entities are working continuously towards obtaining the certification. In addition, for the first time in the Japanese manufacturing industry, Suzuka Plant was authorized to be exempt from “notification under Article 88”.

Certification on Occupational Safety and Health Management

Date of certification	Site	Certification of exemption from notification under Article 88
January 2006	Suzuka Plant	○
January 2009 (Renewal)		
April 2008	Ibaraki Automotive Wire Works	

*Overseas, 19 sites have OHSAS certification.

Promotion of Safety Experience Training

As an effective way to enhance safety awareness, we have prepared training equipment with which employees can experience danger through simulations. We are promoting safety experience training that appeals to the senses of “feeling danger as danger” with the slogan of “One experience is stronger than a hundred examples.” While the equipment originally consisted of nine training items, two more items were added in fiscal 2009. We also worked to expand the training program to provide this training for the logistics division in addition to the manufacturing division. Moreover, we have developed a less expensive model for overseas sites to further promote the introduction and education.



Training session



Newly added simulation device to experience being run over by a lift



Newly added simulation device to experience injury by cutting equipment

• Certification to be exempt from “notification under Article 88” The entities with an occupational safety and health management system in place and with certain health and safety levels receive authorization from the head of the competent labor standards inspection office and are exempt from the obligation of notification of plans under Article 88 of the Industrial Safety and Health Law.

Strengthening Safety Activities in Foreign Countries

The SWS Group has approximately 150,000 employees in the world. Although laws and values are diverse, the responsibility of companies for safety is common. Our factories, both in Japan and overseas, are committed to strengthening health and safety management according to the basic principle of complying with the health and safety management system. For overseas Group companies, we conduct safety diagnosis using the globally common diagnosis sheet, and organize delivery lectures and safety workshops with a focus on human resource development, in order to enhance safety management on a global scale and eliminate accidents, under the initiative of the business divisions of SWS with the support of other relevant divisions.



① Promotion of safety self-diagnosis at overseas sites

We are promoting on-site safety diagnosis using the globally common diagnosis sheet created based on the requirements of OSHMS. Although the inspectors dispatched from the competent divisions in Japan mainly made diagnosis as a pilot measure in fiscal 2008, 88 sites of 72 companies implemented self-diagnosis based on the newly prepared company-wide common diagnosis sheet in fiscal 2009. December is designated as the month for emphasizing the diagnosis every year to

Average scores of the diagnosis sheet



further promote the activities. Items with particularly low scores are "visualized" as weaknesses of the companies, which then work to improve on those items according to the annual action plan. We will also strengthen individual support to the underdeveloped sites.

② Overseas safety manager training program

In fiscal 2009, according to the policy to strengthen safety management in overseas affiliates, we invited safety managers from three large Group companies in Europe and provided five-day training sessions, which included confirmation of the action policies and standards, identification of problems by repeating 5 whys, KYT, facility safety training, safety experience training and visits to major facilities to practice "genchi genbutsu (actual location and actual materials)." The training was completed successfully with the declaration of safety activities after the return of the trainees to their home countries. We will continuously promote the development of safety staff in each region and site.



Training sessions and factory tour



Company-wide Report Meeting on Safety Activities in Workplaces

The representatives of the divisions reported safety improvement activities in their workplaces to enlighten other divisions and create a virtuous cycle of safety activities.



Video conference connecting 35 sites on November 23 (Mon.)

Health Festival

With the aging of society and changes in the disease patterns, health improvement is becoming even more important. It is crucial that each of us is aware of and committed to health development and disease prevention. With the aims of giving an opportunity to renew the recognition of "health" as an essential resource for life and helping people improve their health, we organized the second Health Festival. The program at the Yokkaichi venue included "Dr. Stress" and "Blood Thinness Check" as well as physical checkups on arteriosclerosis and ultrasound bone density, while at the Suzuka venue, health checkups were provided on blood vessel age, brain age, alcohol decomposition capacity and metabolic syndrome. The panels exhibited at both venues showed measures to prevent metabolic syndrome and infection with the new influenza virus. Each of the employees renewed their awareness of the significance of health promotion.

The festival was successful, attracting a total of 471 persons to the Yokkaichi and Suzuka venues.



Suzuka venue on October 20 (Tue) and 21 (Wed) with 246 participants



Yokkaichi (Shiohama) venue on October 27 (Tue) and 28 (Wed) with 225 participants

SWS VOICE



In line with the expansion of our overseas operations, we have been developing special activities to prevent disasters caused by equipment, including examination of the equipment design stage, over the last few years. The review of the equipment for disaster prevention has resulted in a dramatic decrease in disasters caused by equipment at overseas sites.

Regrettably, however, we have not succeeded in completely eliminating disasters, as there were several disasters caused by

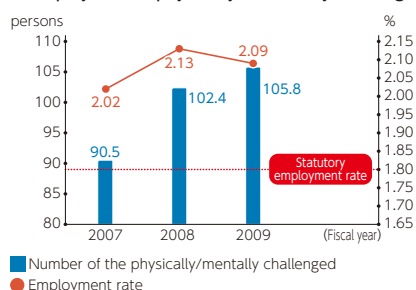
Equipment Engineering Department **Masatoshi Matsushima**

unsafe actions of operators during operation of equipment at overseas factories. We have restarted discussions on "equipment design safety standards" focusing on essential safety, with relevant staff of all divisions. Now, we are organizing briefing and study sessions in Japan and overseas to develop and establish the discussions while setting up the mechanism of the related environment. In particular, we will accelerate incorporation into actual machines and promote the safety of equipment with the target of "zero" disasters attributable to equipment.

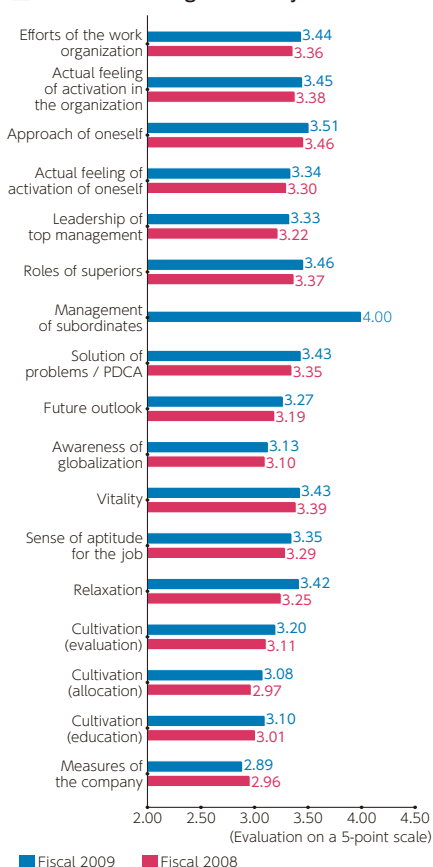
By creating an energetic workplace, we will endeavor to become a real global company.

The Sumitomo Wiring Systems Group Charter of Corporate Behavior established in 2006 specifies respect for human rights and prohibition of discrimination, and we are disseminating these policies to our employees through various training programs.

■ Employment of physically or mentally challenged



■ Results of "Energetic Survey"



■ Basic Approaches to Human Rights

The Sumitomo Wiring Systems Group Charter of Corporate Behavior specifies respect for human rights and prohibition of discrimination, and we are enlightening our employees through various training programs.

We manage business and create a work environment with respect for human rights and with no unjust discrimination based on nationality, race, ideology, sex, age, social status, disabilities or other factors.

■ Employment of Diverse Human Resources

Our policy on personnel affairs is to make use of diverse human resources having various career paths irrespective of nationality or sex. We will also promote active employment of the physically or mentally challenged by creating an environment where they can work easily. Temporary workers are aggressively absorbed as regular employees, and 38 persons, who represented 8% of total temporary workers, were absorbed as regular employees in fiscal 2009. For retired workers, we have established the senior staff system to recruit them according to their requests.

■ Energetic Survey with Employees

To investigate what our employees think about their company life on the whole from

the perspectives of, for example, motivation, level of satisfaction, systems and work environment, we conducted a consciousness survey, "Energetic Survey", again in fiscal 2009 as we did in fiscal 2008.

The results of the survey in fiscal 2009 show that the level of satisfaction was higher for almost all items in comparison with the results in fiscal 2008, except for the newly added items. We assume that the results indicate the progress of the workplace improvement conducted based on the survey results for fiscal 2008. We will further analyze the challenges based on the survey results and make active efforts to further raise the level of satisfaction among employees.

■ Improvement of the Welfare System

We reviewed the cafeteria plan because the Energetic Survey conducted in fiscal 2008 showed low level of satisfaction with the plan, and discussed the re-establishment of the system to make it fairer, more usable and comprehensible. As a result of repetitive discussions with the labor union, the system was improved with "change of the contractor operating the system," "increase of the points" and "addition of options."

Work-Life Balance

To increase the motivation of our employees and correct long working hours, we have been committed to measures to support them aiming at "balancing work and family life."

Our system has been improved with the "child care leave" that employees can take to concentrate on caring for their child until he/she is two years of age, and the "nursing care leave" that can be taken to take care of family members who need nursing care. Employees can also take leave when their children who are elementary school students or younger need to be nursed when they are sick. We have also established a system where employees can accumulate expired paid vacation days ("relief points") and use them to take up to the specified number of days off for such reasons as non-occupational disease or injury and nursing care.

Measures to Cultivate Local Human Resources by Region

We are taking various personnel measures to support global development of the business operation. In particular, we are examining and promoting region-based personnel measures that consider differences in the legal system and in labor practices between the countries. For example, Sumitomo Electric Wiring System, Inc. in the United States introduced the action standards (on competency) in fiscal 2009, which aim to combine SWS WAY with US-style management. The standards have been used for personnel evaluation by managers, and were sought to be established with a mentor system. With the standards, the company is working to fill the gaps on work values between Japan and the US, deepen mutual understanding, and operate the organization with good teamwork.

Huizhou Zhurun Wiring Systems Co., Ltd. in China organizes welfare events that meet the needs of its employees in cooperation with the labor union. In fiscal 2009, a club to create handicraft ornaments was set up. Learning from a visiting teacher, the club members create ornaments as they like and hold an exhibition periodically to present the works.



Handicraft ornaments club

In addition, the subsidiary in China organizes a presentation event every year, in which the members of various clubs such as Chinese dance show their achievements from the club activities. Through such exchanges between employees, teamwork and communications are improved to create an energetic workplace.

Training of Executives Invited from Foreign Countries

To develop executives for overseas Group companies, Sumitomo Electric Industries, Ltd. (Human Resources Development Department) organized "Global Manager Development Program" in February 2010. Our overseas Group companies also sent six persons to the program, where they also received our original training. The training program held at our SWS WAY Center consisted of various events including lectures given by the President and the top management as well as sessions on understanding the SWS WAY, quality control, safety management and Japanese culture. The participants also exchanged information with each other enthusiastically. We believe that the training helped the executives deepen their understanding of the harness business of SWS and business operation based on SWS WAY. With the global development of our business, we will continue to actively develop human resources in our overseas Group companies.

Collection of relief points

	2007	2008	2009
Total number of days off taken (days)	691	826	1,047
Number of users (persons)	37	63	75
Average number of days off taken by a user (days)	18.7	13.1	14.0

Use of child care leave

	2007	2008	2009
Total number of days off taken (days)	7,162	7,052	8,747
Number of users (persons)	57	64	67
Average number of days off taken by a user (days)	125.7	110.2	130.6

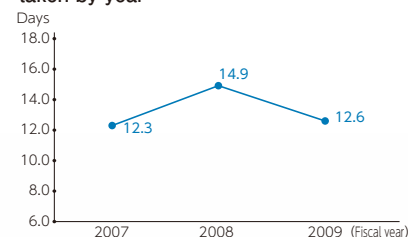
Use of nursing care leave

	2007	2008	2009
Total number of days off taken (days)	217	483	105
Number of users (persons)	4	6	4
Average number of days off taken by a user (days)	54.3	80.5	26.3

Use of leave for nursing sick children

	2007	2008	2009
Total number of days off taken (days)	56	98	105
Number of users (persons)	13	19	23
Average number of days off taken by a user (days)	4.3	5.2	4.6

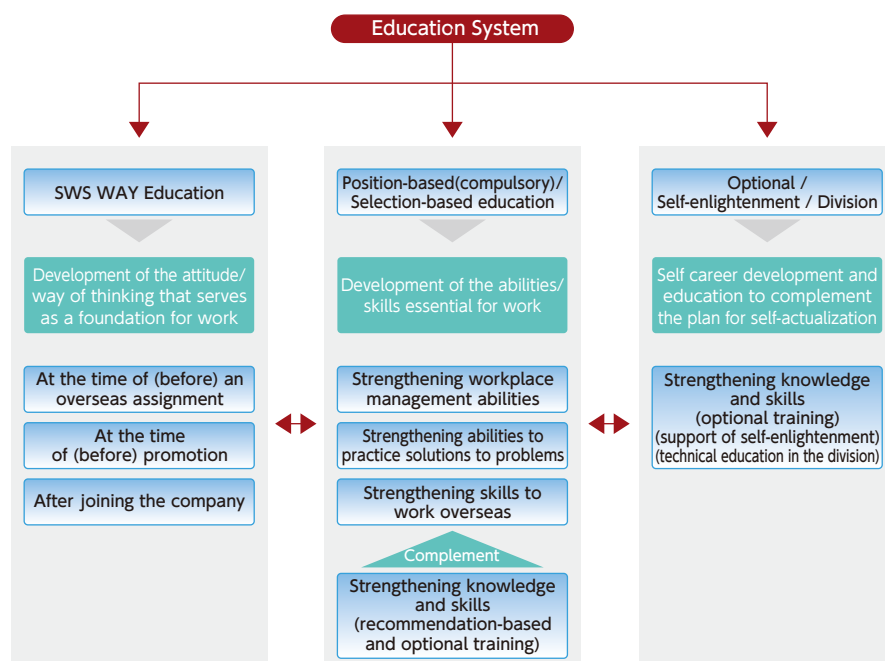
Average number of paid days off taken by year



Human Resource Development (Capacity and Career Development)

Capacity development in our company is based on the "development of abilities by employees for themselves with self-responsibility in consideration of their own future." Under this concept, our employees understand the roles and actions they are expected to play by having practical experiences through OJT and attending various position-based training sessions, and prepare and implement their capacity development / career plans according to the roles and actions for career development and self-actualization.

Whole Picture of the Education System



Main education programs to support the development of personnel required to be a real global company.

① Education to develop sympathy with and disseminate SWS WAY

We are promoting the education that develops sympathy with and disseminates SWS WAY, which is our concept of approach to the SWS-style work (manufacturing and human resource development) so that the SWS Group can address globalization in an even more unified manner in the future.

From fiscal 2010, we plan to introduce the education to domestic and overseas Group companies in addition to internal education (at various occasions such as promotion, acceptance and overseas assignment).



② Development of global human resources

We enrich global training programs for languages, diversity, cross-cultural management, international operations and other subjects. We also operate an overseas trainee system with an aim that the employees accumulate experience of operations/life in foreign countries as trainees for a fixed period of time, provide practical training in overseas factories for all new employees, and so on.

In fiscal 2009, we launched a new training program for workers in charge of supporting activities in foreign countries. In fiscal 2010, we will increase education opportunities to enhance the activities to develop global human resources in the entire Group in Japan.



Overseas training for new employees

SWS VOICE



I have been sent from SE Bordnetze-Polska Sp. Zo.o (SEBN-P) to Sumitomo Wiring Systems in Japan. I am in charge of designing and developing harnesses for automobiles to be supplied to European customers such as VW and Audi. In the automobile market, there has been an increasing demand in recent years for eco-friendly cars such as hybrid cars and electric cars. Japanese car manufacturers are leading the field, and Sumitomo Wiring Systems also occupies an important position as a supplier. To enhance its position as a global leader, it is necessary to expand the business with automobile manufacturers in Europe. While I

have come to Japan to learn the new technologies to be proposed to European manufacturers, it is also my task to inform my colleagues in Japan of the organizational system and policy of the project in Europe and maintain coordination for the creation of new customers on a global scale. Through this training in Japan, I have also learned about teamwork and how an organization can be efficient, in addition to technologies and knowledge. I think they will be my treasure for many years to come.

*SSE Bordnetze-Polska Sp. Zo.o is the Polish manufacturing base of Sumitomo Electric Bordnetze GmbH, the SWS Group company in Germany.

Specialty Harness Group, Wiring Harness Business Unit **Marcin Zwolinski**



In line with our international business development, we will pursue better partnerships with our suppliers on a global scale.

Each of the staff members in charge of material procurement, who has direct contact with our suppliers, contributes to the CSR procurement activities of the SWS Group, aimed at realizing mutual understanding, mutual reliance and mutual enlightenment.

Procurement Policy

We have developed our procurement activities based on the practice of "Connect with the Best."

Our policies include:

- ① Provision of open and fair opportunities
- ② Basic principles based on mutual understanding, mutual reliance and mutual enlightenment
- ③ Establishing global partnerships
- ④ Complying with the law
- ⑤ Promoting green procurement

Communications with Suppliers

Sumitomo Wiring Systems holds a Global Suppliers Meeting every year to explain the business environment and our procurement policies to our suppliers and develop mutual trust. From the perspective of corporate social responsibility, our CSR activities are also reported at the meeting. To implement CSR activities in our supply chain, at the meeting held in fiscal 2010, we asked our suppliers to affirm our CSR guidelines for suppliers and introduce the guidelines to their companies.

Activities to Strengthen Compliance

Needless to say, compliance with laws and corporate ethics is more important than

anything in procurement activities.

Accordingly, to promote fair procurement activities based on compliance, we are committed to compliance with the Act against Delay in Payment of Subcontract Proceeds etc. to Subcontractors (Subcontract Act), which is aimed at proper transactions with subcontractors.

Sumitomo Wiring Systems provides internal sections and affiliates in Japan with workshops on transactions with subcontractors and visits them for giving instructions on an as-needed basis in order to enlighten them on compliance.

We prepared "Sumitomo Wiring Systems Group Contacts for Compliance Reporting" to establish a system where suppliers can consult with the Compliance Committee Secretariat apart from Material Procurement Departments.

Green Procurement

We disclosed our Green Procurement Guidelines to suppliers in August 2004, and have promoted initiatives for environmental conservation.

In April 2007, we published the revised edition of the guidelines (second edition), which requires suppliers to make efforts to obtain external certification for their environmental management systems so that we can promote environmental

conservation together with suppliers. Sumitomo Wiring Systems Group Charter of Corporate Behavior also specifies that we take active initiatives to preserve the environment and help build an affluent society. We have also promoted procurement of environmentally conscious products with efforts to eliminate or reduce substances of concern (SOCs).

While we have asked our supplies to implement management in accordance with the guidelines, we revised the SWS SOC standards, which is an appendix of our green procurement guidelines, based on GADSL (Global Automotive Declarable Substance List, a standard in the global car industry) in May 2010. We are requesting our supplies to further enhance material control to ensure no delivery of products containing SOCs beyond the revised standard values.

International Transactions

While expanding our business operations worldwide, SWS is endeavoring to realize "globally optimal procurement," which is to purchase parts, materials and equipment that are the best in terms of quality, quantity and cost from the global market. In addition to global optimal procurement, we will strive to live together in mutual prosperity with local communities at overseas manufacturing sites through local procurement.



I have been working at the Shanghai office in China for four years. My job is to procure materials locally for the production of wiring harnesses in the East China region. China has become the country that attracts the most attention in the world as, for example, the sales of new cars in China reached No. 1 in the world with more than 13 million in 2009. Also for our company, China is not only a place to manufacture wiring harnesses but also an important market to increase the global share of the SWS Group in the wiring harness sector. For that purpose, it is crucial to procure quality materials at reasonable prices from the local

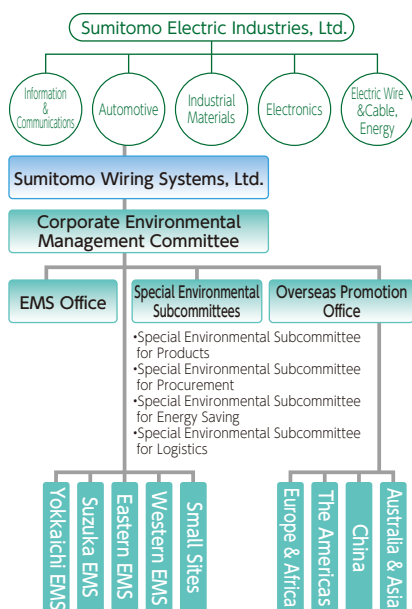
area for the manufacturing of wiring harnesses, and I am committed to local procurement to realize global optimal procurement with local staff in coordination with the procurement divisions in Japan. It is my motivation and treasure that I can develop a network through exchanges with people of a different culture in a different country. Believing that the network will contribute to the expansion of the business of the SWS Group in China in the near future, I will continuously tackle new challenges.

Representative of Shanghai Office and President of Procurement Department of H.K. Wiring Systems, Ltd. **Naoshi Kaki**

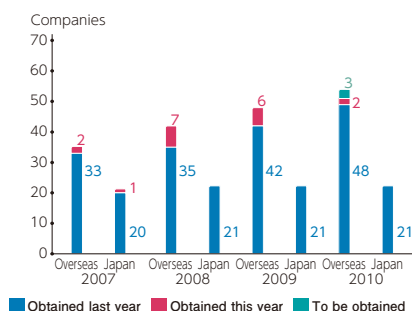
We promote the SWS Group Environmental Action Plan “Challenge-Eco 2012” on a global scale.

The environmental management system of the SWS Group has been under the control of Safety & Environment Department of Sumitomo Electric Industries, Ltd. since fiscal 2009 for global development of the system. Now, our overseas manufacturing subsidiaries and affiliates are working to reduce environmental impact.

■ Environmental Management System



■ Number of companies with ISO 14001 certification



Environmental Preservation Principles

The SWS Group shall implement business activities to create an affluent society with full consideration for environmental preservation.

Environmental Preservation Action Guidelines

- (1) Make efforts to develop and improve eco-technology (also known as green engineering) in every field of product planning, development, design, manufacturing methods, production, logistics, usage and disposal aiming at product manufacturing, with consideration given to influence on ecosystems and protection of resources.
- (2) Determine self-imposed restraints to reduce impact on the environment, in addition to observing environmental regulations by the government, local public bodies and other organizations.
- (3) Conduct an environmental audit or similar to check the progress of environmental preservation plans and the health of job performance in order to maintain and improve the level of environmental management.
- (4) Improve environmental awareness in the SWS Group, including overseas sites, and promote environmental preservation activities through communication with local communities.

■ Environmental Management System

Our environmental management system has been under the control of Safety & Environment Department of Sumitomo Electric Industries, Ltd. since fiscal 2009, and 23 sites including small-scale logistics sites and sales offices with low environmental impact were newly put under the control of our system, which operate SS (small site) EMS.

Overseas, our environmental management activities were launched two years ago, covering all our manufacturing affiliates, and the scope of the environmental conservation activities has been expanded to 54 companies.

■ Status of ISO 14001 Certification

While the total number of domestic Group companies with ISO 14001 certification was

21, which has remained unchanged since the previous year, the number of sites with certification decreased by 3 to 41.

Among our overseas affiliates, seven companies obtained certification newly (one of which returned it) in 2009, and two companies did so in 2010. As a result, the number of those with certification has reached 50, and will increase to 53 by the end of 2010. This means that 80% of the 65 companies to be ISO 14001 certified are expected to obtain the certification.

■ Environmental Education

We have provided position-based education programs so that all employees understand the environmental conservation activities and adopt them in their daily work. The table below shows the track record of this education in fiscal 2009. The total number of participants was about 10,700, which was almost the same as the number in fiscal 2008.

■ Environmental Audit

The table below shows the results of evaluation by internal and external bodies on whether or not the SWS Group environmental management system is properly operated and maintained according to the requirements of ISO 14001.

In the audits in fiscal 2009, 17 findings were indicated in the internal environmental audit and 5 in the external environmental audit.

We corrected the indicated points, and are committed to improving the system to ensure its proper operation.

■ Environmental Education Program

Training details		Total (participants)
①Introductory education	Education for new employees	769
②Education for newly transferred employees	Employees transferred from other regions; mid-career workers	1,191
③Refresher education	Including environmental fairs	7,392
④Environmental management education	Staff in charge of EMS	38
⑤Environmental auditor education	Candidates for internal auditors	80
⑥Special environmental education	Education for qualified persons	29
⑦Education on significant environmental aspects	Applicable employees	236
⑧Other education		964
Total		10,699

■ Results of Audit

Production site name	Results of internal audit		Results of external audit	
	Findings	Recommendations	Findings	Recommendations
Sumitomo Wiring Systems, Ltd.	8	91	1	21
Kanto Sumidenso, Ltd.	1	2	0	0
Sumidenso Platech, Ltd.	0	3	0	1
Sumiden Electronics, Ltd.	1	10	2	12
Kyohritsu Hiparts Co., Ltd.	1	7	0	3
Tohoku Sumidenso, Ltd.	2	16	0	0
Chuetsu Sumidenso, Ltd.	4	0	1	0
Hokuriku Harness, Ltd.	0	20	0	5
Toyo Harness, Ltd.	0	17	1	5
Kyushu Sumidenso, Ltd.	0	20	0	6

■ SWS Group Environmental Action Plan “Challenge-Eco 2012”

For the reduction of environmental impact at all stages from product development to disposal, the SWS Group established Challenge-Eco 2012 to pursue better relationships with the global community on a world-wide basis.

■ SWS Group Environmental Action Plan “Challenge-Eco 2012”

Activity item	Fiscal 2009 targets	Fiscal 2009 results	Evaluation
Strengthening Environmental Management			
Enhancement of Group-wide activities	Support for companies that have not obtained ISO certification, and establishment of simple EMS by formulating original EMS standards (Small Site Environmental Conservation Activities)	Strengthening of the management system with environmental benchmarking of sites in Japan, and establishment of environmental management system operation standards for small sites	○
Enrichment of environmental management information system	Establishment of overseas environmental data collection system Expansion of the scope of collecting information on the status of legal compliance	Environmental benchmarking of 57 overseas affiliates and confirmation of relevant laws and regulations for 37 companies	○
Promoting Design and Development of Environmentally Conscious Products (Improving Product Capabilities)			
Increase in number of certified environmentally conscious products	Ratio of certified products in sales: 10% Certification of one product in each general division (four products in total)	Ratio of certified products in sales: 4% Certification of four environmentally friendly products, and integration of the certification system with that of SEI	△
Enhancement of cooperation with suppliers	Promotion of EMS activities in domestic suppliers (to make all suppliers receive rank B or higher)	In Japan: B rank or higher 97% Overseas: B rank or higher 84%	○
Realizing Clean Factories			
Energy saving (CO ₂ reduction)	In Japan: reduction by 1% from fiscal 2008 (per unit of sales) Promotion of activities to reduce CO ₂ emissions by 1kg per person per day Overseas: expansion of scope and establishment of the management system	In Japan: reduction by 4.9% from fiscal 2008 (per unit of sales) Promotion of activities to reduce CO ₂ emissions through the collection of ECO ideas for the reduction Overseas: collection of data on environmental impact (CO ₂) from 54 companies	○
Promotion of logistics efficiency (CO ₂ reduction)	In Japan: reduction by 1% from fiscal 2008 (per unit of sales)	In Japan: reduction by 18.1% from fiscal 2008 (per unit of sales)	◎
Reduction of total volume of waste	In Japan: reduction by 45% from fiscal 2005 Overseas: expansion of scope and establishment of the management system	In Japan: reduction by 48% from fiscal 2005 Overseas: collection of waste data from 54 companies	○
Control and reduction of substances of concern	In Japan: reduction by 80% from fiscal 2006 Overseas: expansion of scope and establishment of the management system	In Japan: reduction by 94% from fiscal 2006 Overseas: start of survey on GHG (greenhouse gas) emissions	○
Contribution to Communities, Communication Enrichment			
Advancement of information disclosure	Issuance of CSR report Transmission of information via the website	Issuance of CSR (environment-related) report Transmission of environmental information via the website	○
Coexistence with communities	Continuance, expansion and improvement of volunteer activities	Organization of environmental education for elementary school students and participation in environmental events Increase and improvement in local environmental conservation activities by overseas affiliates	○
Activity item	Fiscal 2010 targets	Fiscal 2012 targets	
Strengthening Environmental Management			
Enhancement of Group-wide activities	Support for overseas manufacturing companies to obtain ISO 14001 certification (to increase the ratio of those with certification to 80% or more) Start of the operation of EMS at small sites in Japan	Achievement of ISO 14001 certification by all manufacturing companies (to increase the ratio of those with certification to 100%) Global operation of corporate environmental management system	
Enrichment of environmental management information system	Continuous collection of overseas environmental data Continuous collection of information on the status of legal compliance and improvement of the contents	Sharing of global environmental data Establishment of a feedback system for environmental management	
Promoting Design and Development of Environmentally Conscious Products (Improving Product Capabilities)			
Increase in number of certified environmentally conscious products	Ratio of certified products in sales: 10% Launch of the certification system for “Eco Mind” products and global warming countermeasure products	Ratio of certified products in sales: 50% Establishment of the operation of LCA during product development	
Enhancement of cooperation with suppliers	In Japan: B rank or higher 98% Overseas: B rank or higher 90%	Making all suppliers attain B rank or higher (Achievement of external EMS certification)	
Realizing Clean Factories			
Energy saving (CO ₂ reduction)	In Japan: reduction by 1% from fiscal 2009 (per unit of sales) = reduction by 30.4% from fiscal 1990 Consideration of an eco point system as a CO ₂ reduction campaign Overseas: reduction by 10% from 2008 on a company basis (per unit of sales)	In Japan: reduction by 50% from fiscal 1990 (per unit of sales) Overseas: reduction by 25% from 2008 (per unit of sales)	
Promotion of logistics efficiency (CO ₂ reduction)	In Japan: reduction by 1% from fiscal 2009 (per unit of sales)	In Japan: reduction by 12% from fiscal 2006 (per unit of sales)	
Reduction of total volume of waste	In Japan: reduction by 49% from fiscal 2005 Overseas: reduction by 10% from 2008 (per unit of sales)	In Japan: reduction by 50% from fiscal 2005 Overseas: reduction by 12% from 2008 (per unit of sales)	
Control and reduction of substances of concern	In Japan: reduction by 93% from fiscal 2006 Overseas: start of survey including VOCs in the subjects	Promotion of activities to reduce substances of concern in the manufacturing process	
Contribution to Communities, Communication Enrichment			
Advancement of information disclosure	Expansion of the disclosure of information on Group companies including overseas businesses through CSR report and the website	Expansion and improvement of the disclosure of information on Group companies including overseas businesses through CSR report and the website	
Coexistence with communities	Continuance, expansion and improvement of volunteer activities	Expansion and improvement of environmental conservation activities by SWS Group companies including overseas businesses	



Material Balance
and
Prevention of
Global Warming

We will realize clean factories through “prevention of global warming” and “reduction of environmental impact.”

Through specific measures such as promotion of energy saving activities at factories and modal shift in transportation of products, the SWS Group reduces CO₂ emissions and contributes to the prevention of global warming.

Material Balance

Energy input		
Purchased electricity	170 GWh	+1.2%
City gas	69 thousand m ³	+8.7%
LPG	110 thousand m ³	±0%
Heavy oil A	1,975 kl	+2.5%
Kerosene oil	324 kl	+19.2%
Light oil	3 kl	-33.5%
Water	714.0 thousand m ³	+2.1%
Water supply	243.0 thousand m ³	-4.8%
Well water	360.3 thousand m ³	+14.9%
Industrial water	110.7 thousand m ³	-15.5%
Materials input		
Resins	33,549 t	+16.4%
Metals	38,431 t	+10.5%
Chemical input		
PRTR-regulated substances	13.5 t	-12.9%

Air		
CO ₂ emissions	71.3 thousand t-CO ₂	-5.6%
CO ₂ emissions from logistics	15.2 t-CO ₂	-18.2%
PRTR-regulated substances	3.6 t	-12.1%



Disposal		
Wastes	2,186.7 t	-2.4%
PRTR-regulated substances	2.5 t	-37.1%
Effluents		
Effluents	714.0 thousand m ³	+1.3%
PRTR-regulated substances	0.02 t	-8.4%
Amount of recycling		
Paper and corrugated fiberboard	1,844 t	
Metals	771 t	
Copper and copper alloys	10,307 t	
Resins	1,539 t	
Others	4 t	

(% represents changes from the previous year)

Environmental Accounting

On the basis of the Environmental Accounting Guidelines, SWS has classified environmental costs into investment amount and expense amount, and calculated them as environmental accounting since fiscal 2004. We use environmental accounting as tools for environmental management in order to conduct our activities efficiently. Investment in fiscal 2009 was reduced by 252 million yen, and expenditure by 71 million yen, when compared with the previous year.

Category	Results in fiscal 2009 (unit: 1,000 yen)	
	Investment amount	Expense amount
① Business area costs	316,609	189,492
1. Pollution prevention costs	81,167	27,011
2. Global environmental conservation costs	211,236	55,965
3. Resource recycling costs	24,207	106,516
② Upstream/downstream costs	0	386
③ Management activity costs	0	229,330
④ Research management costs	74,750	4,825
⑤ Social activity costs	0	2,775
⑥ Environmental damage costs	0	300
Total	391,359	427,108

Scope of data collection: SWS Group companies in Japan

Environmental Efficiency

The SWS Group has identified the items for efficient environmental management as shown in the table below, which presents the indexes of energy input, materials input and emissions (actual measurements and values per unit of sales) from fiscal 2006 to fiscal 2009, with fiscal 2005 as 100.

In fiscal 2008, energy use decreased by more

than 10 points due to the impact of the financial crisis. Energy use per unit of sales increased by 3 points in fiscal 2008 and by 1 point in fiscal 2009 on a year-to-year basis. Materials input increased by 9 to 12 points in fiscal 2009 from the previous year. CO₂ emissions decreased by 5 points, and CO₂ emissions per unit of sales by 4 points in fiscal 2009 from the previous year.

	Unit	2005	2006	2007	2008	2009
① Energy input	● Energy use	TJ	100	101	108	90
	Energy input per unit of sales	TJ/100 million yen	100	88	85	89
	● Electricity	GWh	100	103	114	95
	● Kerosene oil	kl	100	68	97	79
	● Heavy oil	kl	100	81	53	39
	● City gas	thousand Nm ³	100	94	94	86
	● LPG	thousand Nm ³	100	100	139	261
② Materials input	● Water use	m ³	100	96	97	88
	● Metal materials	t	100	108	113	81
	● Resin materials	t	100	105	107	74
	● PRTR-regulated substances	t	100	31	15	2
③ Emissions	● Total waste	t	100	86	60	53
	Waste per unit of sales	t-CO ₂ /100 million yen	100	75	48	52
	● PRTR-regulated waste	t	100	44	31	13
	● CO ₂ emissions	1,000t-CO ₂	100	100	103	92
	CO ₂ per unit of sales	t-CO ₂ /100 million yen	100	87	82	89
	● CO ₂ emissions from logistics	1,000t-CO ₂	100	104	87	74
	CO ₂ per unit of sales	t-CO ₂ /100 million yen	100	90	69	72

Prevention of Global Warming

Reduction in Greenhouse Gas Emissions (in Japan)

Fiscal 2009 target: Reduce 1% from fiscal 2008

Fiscal 2009 result: Reduced 4.9% from fiscal 2008 (per unit of sales)

Greenhouse gas emissions per unit of sales in Japan decreased by 4.9% from the previous year, and we achieved our target. This was mainly because we recovered SF₆, one of the greenhouse gases, and eliminated the emissions in fiscal 2009. We have also established a system to collect the results of the survey of energy use in Sumiden Electronics and data from 21 small sites.

Activities to Reduce CO₂ Emissions by 1kg Per Person Per Day

Having started in fiscal 2007, the activities to reduce CO₂ emissions by 1kg per person per day are based on our original campaign where the SWS Group on the whole is committed to the prevention of global warming by uniting the power of all companies and individuals. In fiscal 2009, we solicited "My Eco Ideas" and received 1,931 ideas in total for the reduction of CO₂ emissions from the entire company. We also published a booklet "Examples of Eco Ideas," which introduces the solicited ideas, to pass on the information to all employees.

"Examples of Eco Ideas"



Reduction in CO₂ Emissions from Logistics (in Japan)

Fiscal 2009 target: Reduce 1% from fiscal 2008

Fiscal 2009 result: Reduced 18.1% from fiscal 2008 (per unit of sales)

To meet the target in the reduction of CO₂ emissions from logistics, we are promoting modal shift and improvement of transportation efficiency. In fiscal 2009, we met the target in both terms of CO₂ emissions and CO₂ emissions per unit of sales.

A case of modal shift is the transportation between Yokkaichi and Yamato City, Kanagawa Prefecture. Truck transportation used to be employed on the whole route, which had enormous adverse impact on the environment. It was not easy to replace it partly by railway

transportation to reduce CO₂ emissions because the frequency of trains was low and we could not set the schedule flexibly. In addition to setting the schedule for secure delivery, the negotiation with the carrier with which we usually had no direct business was a major challenge. Eventually, we determined the transportation route as shown below, using trains between JR Yokkaichi Station and JR Yokohama Station (340 km), which reduced CO₂ emissions by 4.4 tons per month. Similarly, we replaced truck transportation by ferry transportation between Osaka Nanko Port and Beppu Port (446km), which reduced CO₂ emissions by 3.3 tons per month. The ratio of modal shift increased to 10.7% in comparison with 7% in fiscal 2008.

Overseas CO₂ Reduction Activities

While we gathered CO₂ emission data from 13 overseas manufacturing subsidiaries until 2007, we expanded the scope last year and collected data from 54 companies in total in 2009. In comparison with the data in 2008, data was gathered from 12 companies comprising 4 in China, 2 in Asia, 2 in the Americas and 4 in Europe. CO₂ emissions in 2009 were 224,000 tons-CO₂, which were only 3,500 tons-CO₂ higher on a year-to-year basis despite the addition of data from the 12 companies.

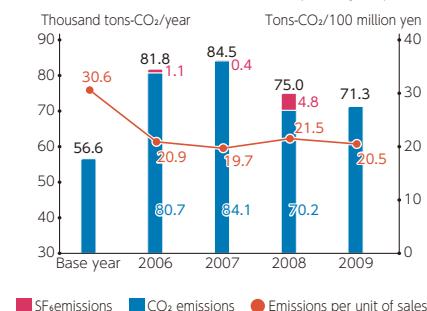
Cases of Energy Saving

To reduce CO₂ emissions more efficiently, Special Environmental Subcommittee for Energy Saving promoted the improvement of production facilities, which achieved the reduction of approximately 1,250 tons-CO₂. In the meantime, energy saving on lighting and air conditioning in each region successfully led to the reduction of about 150 tons-CO₂. Especially, Tohoku Sumidenso introduced LED illumination on a trial basis and also installed sensors that detect the presence of people in common areas concurrently. Although the purchase price is still high, which inhibits introduction on a large scale, we think that it is an effective method.

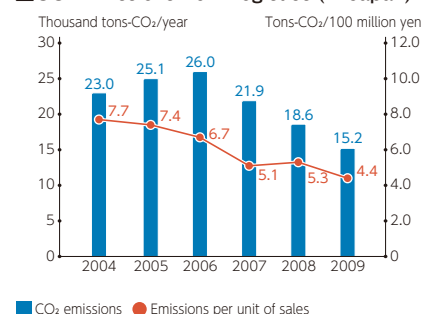
Lights replaced by LED at the entrance



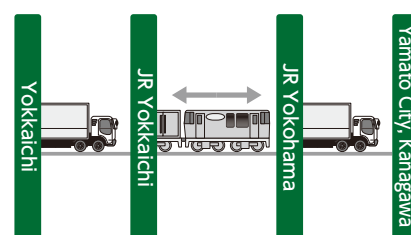
Greenhouse Gas Emissions (in Japan)



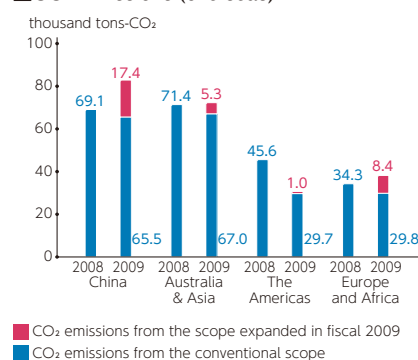
CO₂ Emissions from Logistics (in Japan)



Example of Modal Shift



CO₂ Emissions (overseas)



SWS VOICE



Kyohritsu Hiparts Co., Ltd. is located near Hiraizumi, a World Heritage candidate site, in the southern part of Iwate Prefecture, and is richly endowed with nature.

Our policy for energy saving activities is "to aggressively adopt all measures that seem to have energy saving effect." Examples in the past include the introduction of gas heat pump air conditioners for the first time in the SWS Group, application of heat insulation paint, use of heat emitted from production facilities for heating in the factory

Components Production Division, Kyohritsu Hiparts Co., Ltd.

Toshihiro Sato

and partial replacement of lighting by LED illumination. Thus, we have tried various measures without hesitation when they had the potential to save energy. As a result, we achieved reduction in energy consumption of 19% per unit of sales in fiscal 2009, which was much higher than the 1% reduction target set by the Japanese Government. We will continuously collect information from a wide range of sources and promote energy saving activities to be a company friendly to the local environment and also to the global environment.

- **Modal shift:** To replace truck freight transportation by rail and ship transportation, which have less environmental impact, as a measure to improve efficiency and reduce environmental impact from transportation.
- **SF₆ (Sulfur Hexafluoride):** Since SF₆ has a high global warming potential of 23,900, and its atmospheric lifetime is long, it was placed on the list of greenhouse gases as a controlled gas for prevention of global warming.

We will contribute to the establishment of a clean society through environmentally conscious research, development and manufacturing.

The SWS Group aims to contribute to the global environment through the development and manufacturing of environmentally conscious products. Our efforts have begun to bear fruit with the success of our environmentally conscious products in the global market.

Environmentally Conscious Products

Eco Mark Certified Products

The SWS Group launched the "Eco Symbol Mark Certification System (environmentally conscious product certification system)" based on its original criteria in May 2005 so as to "contribute to global environmental preservation through products," and has certified 14 products until now. The Special Environmental Subcommittee for Products established under the Corporate Environmental Management Committee has promoted certification as the main body. Thirteen items have been selected for evaluation on environmental consciousness (emphasized

environmental items) based on "ISO 14021 (JISQ 14021) and self-declaration environmental claims (Type II "environmental labeling")."

Increase in the Number of Certified Environmentally Conscious Products

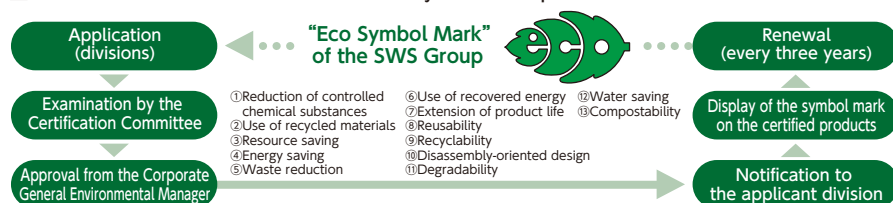
Ratio of the certified products in sales

Fiscal 2009 target: 10%

Fiscal 2009 result: 4%

The number of newly certified environmentally conscious products was four. In fiscal 2009, our system was integrated with the environmentally conscious product certification system of Sumitomo Electric Industries, Ltd.

Flowchart of certification of environmentally conscious products



Enhancement of Cooperation with Suppliers

Ratio of the suppliers that have obtained external certification

Fiscal 2009 target: 100%

Fiscal 2009 result: 97%

Based on the recognition that joint efforts with suppliers are crucial for the activities to prevent global warming, the SWS Group implemented energy-saving diagnosis for our suppliers in cooperation with Mie Prefecture. We proposed energy-saving measures to the suppliers with the aim of reducing energy consumption and greenhouse gas emissions.

Number of the suppliers that had energy-saving diagnosis in fiscal 2008: 2

Number of the suppliers that had energy-saving diagnosis in fiscal 2009: 3

Impression of the suppliers that had energy-saving diagnosis

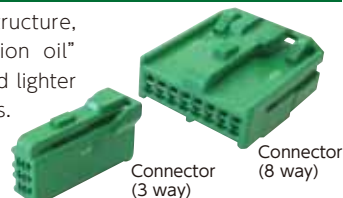
[Company A] Although we thought that we had been sufficiently committed to what we should be doing in the company, we acutely felt that there were still many issues we needed to tackle.

[Company B] We learned much about improvements for molding machines, such as countermeasures against heat leakage from the machines.

Newly Certified Environmentally Conscious Products in Fiscal 2009

Connectors in transmission oil

Adopting a simplified structure, "connectors in transmission oil" are about 20% smaller and lighter than conventional products.



Ecological waterproof terminals

"Ecological waterproof terminals" are friendly to the environment because they contain no nonylphenol, the use of which is restricted for specific purposes in Europe. The waterproof terminals are used in SWS on a global scale.



Soft tape for VOC measure

Soft tape for VOC measure contains less volatile organic compounds (VOCs, toluene) than conventional soft tape. Using a substitute with low VOCs, the volume of volatile toluene has been reduced to approximately 1/200. It is expected that the new soft tape will serve as an in-vehicle VOC measure.



High-function light fuse boxes

High-function light fuse boxes are smaller and have enhanced functions (e.g. optimal arrangement by decentralization of the functions, and rationalized wiring). They are 44% lighter than the conventional fuse boxes that are enlarged.



Resource Recycling

Waste (in Japan)

Fiscal 2009 target: Reduce 45% from fiscal 2005
Fiscal 2009 result: Reduced 48% from fiscal 2005

For the effective use of resources, we thoroughly separate waste so that we can sell it for profit. We have also achieved “zero emissions” (no landfill waste) at all sites.

In 2009, we started to collect data on waste from small sites (SS) with less environmental impact as well as from Sumiden Electronics, Ltd., and can now collect data from all sites in Japan. As a result, we achieved the target.

PCB (in Japan)

In accordance with the enforcement of the Law Concerning Special Measures against PCB Waste in July 2001, the SWS Group replaced all lighting equipment that uses PCB-containing stabilizers. We also store other PCB-containing devices — such as high-voltage capacitors — as PCB waste under strict control, and make notifications in conformity with the law.

We are now preparing to take measures to render the PCB waste harmless. In fiscal 2009, a capacitor stored by Hokuriku Harness, Ltd. was disposed of at JESCO's Hokkaido facility for the first time in the Group.

Number of waste PCB-containing devices, etc. (units) stored and used

		PCB-containing devices		Low-level PCB-containing devices	
		Waste	Waste	In use	
Yokkaichi	Transformer	0	7	0	
	Capacitor	3	6	0	
Suzuka	Transformer	0	10	0	
	Fluorescent lamp stabilizer	141	0	0	
Kameyama	Capacitor	0	0	1	
SPT	Capacitor	5	0	0	
HRH	Capacitor	0	0	0	
TYH	Transformer	0	0	2	
Utsunomiya	Transformer	0	1	0	
SDEL Tsu	Transformer	0	1	0	
Total (except stabilizers)		8	25	3	
Fluorescent lamp stabilizer		141	00	0	

(as of March 31, 2010)

Waste (overseas)

As our overseas production ratio is high, it is crucial to establish a system to manage waste at our overseas manufacturing affiliates. In comparison with the previous year, we increased the number of companies to collect the data from 48 to 54 as a result of the addition of 11 companies and the exclusion of 5 companies.

The total waste output in 2009 was 25,554 tons, which represented a decrease of 2,400 tons from the previous year despite the increase by 6 in the number of companies covered. Furthermore, about 70% of the waste was sold for profit, while about 23% was landfilled.

From now on, we will focus on measures to reduce the waste landfilled or incinerated without heat recovery.

PRTR (in Japan)

Fiscal 2009 target: Reduce 80% from fiscal 2006
Fiscal 2009 result: Reduced 94% from fiscal 2006

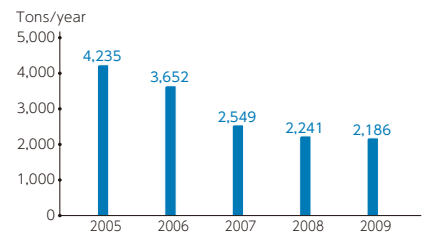
The transaction amount of PRTR-regulated substances was reduced by 13% compared to the previous year, and we met the target for fiscal 2009. The substances that required reporting were of two types: toluene (1 ton), and antimony and its compounds (4.6 tons). As a result, emissions to the air decreased by 12% and transfer to waste by 37% from the previous year.

Compliance with Laws and Regulations

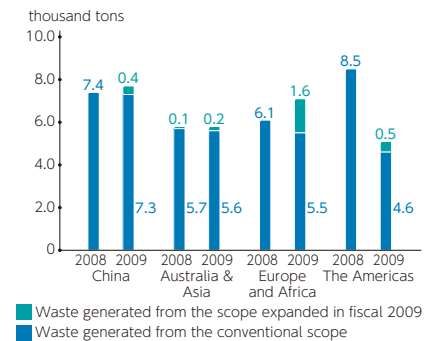
The table below shows the records on compliance with laws and regulations in the past three years, including those of our Group companies in Japan and overseas. No significant violation having social impact was reported in fiscal 2009. However, our affiliate in Hungary failed to renew a certificate and is scheduled to pay a fine for it in fiscal 2010.

	Violation of law	Penalty and lawsuit	Accidents	Complaints
2009 (Overseas)	0	1	0	0
2009 (In Japan)	0	0	1	0
2008 (In Japan)	0	0	1	1
2007 (In Japan)	0	0	0	5

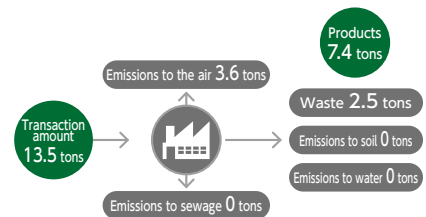
Amount of waste generated in Japan



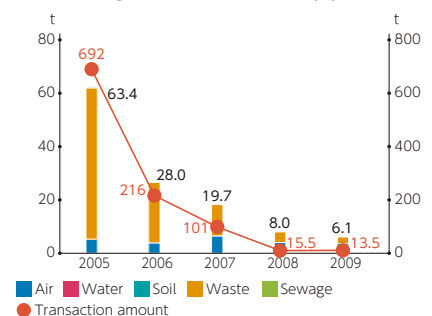
Amount of waste generated overseas



Flow of PRTR-regulated substances



PRTR-regulated substances by year



We developed environmentally conscious fuse boxes to reduce the size and weight of automobile parts. In the newly developed fuse boxes, printed boards are used for internal wiring instead of bus bars, and the connection with the control board is simplified to reduce the number of parts dramatically. As a result, we have achieved reduction in both size and weight at the same time. The simplified structure has also shortened the production time and

Development Department **Akira Baba**

thereby also reduced the electricity required for production. The weight reduction has improved the fuel efficiency of the vehicle, which contributes to reduction in CO₂ emissions. Moreover, adoption of lead-free solder has made them environmentally friendly products. Aiming to further reduce size and weight, we will work to develop even more environmentally conscious boxes.

- PCBs (Polychlorinated Biphenyls) : PCBs are highly toxic to organisms, and accumulate easily in adipose tissue. They are also known to be carcinogenic and cause skin problems, visceral disorder and hormonal abnormality.
- PRTR (The Law Concerning Reporting, etc. of Releases to the Environment of Specific Substances and Promoting Improvements in Their Management) : The law obligates companies to record the released and transferred amount of chemical substances which may be hazardous to human health and ecosystems, and report the data to the government ministry.



Environmental
Communication

We have also been receiving reports from overseas affiliates on their activities through communication with local communities.

We think that growing together with local communities is a foundation for the corporate activities of the SWS Group. Our sites all over the world are rooted in their respective local areas and involved in communication-oriented activities to contribute to the creation of better environment.

■ Reports of Environmental Activities in Japan

● Cleanup of beaches and parks

Our employees and their family members participated in the volunteer activities organized by local autonomies in June, which is the Environment Month, and were engaged in cleaning activities.

Employees of SWS and Toyo Harness, Ltd.

- Participation in the volunteer beach cleanup event on the Prefectural Citizens' Day of Mie Prefecture

Employees of Hokuriku Harness, Ltd.

- Cleaning activities of Tokumitsu Beach and Osaki Beach in Ishikawa Prefecture

- Cleaning activities on the road along the wild bird park operated by Nanao City

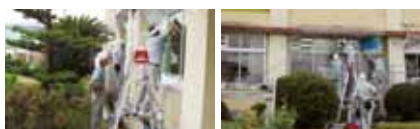
Employees of Shingu Denso, Ltd.

- Cleaning activities around Kuroshio Park in Shingu City, Wakayama Prefecture



● Volunteer Activities at elementary school

Sumitomo Wiring Systems installed thermal insulation glass coating, a technology SWS has been developing since fiscal 2009, on the windows of the teachers' office of Amana Elementary School in Suzuka City. The construction was a model work to allow the staff of facilities and local people who are working on CO₂ and cost reduction measures to directly experience the coating and to encourage them to consider the adoption of the technology as an energy saving measure in the future.



● Sumidenso Platech, Ltd.

Organized by the NPO "Keep Mt. Fuji Beautiful Forever Association," Mt. Fuji Cleaning Activity has been conducted with the cooperation of Shizuoka Prefecture, neighboring municipalities and private organizations every year since 1979. It was the 30th anniversary this year, and 1,400 persons from 49 organizations gathered at the starting point for a climb in Gotenba.

It was a fine day, and 40 persons from Sumidenso Platech including family members of the employees participated in the event, which was more than twice the number in the previous year. We will work to support the activity so that even more people participate in the event in the future.



■ Reports of Environmental Activities of Overseas Companies

● PKI (Philippines)

- Provision of relief supplies for the victims of a typhoon

To the neighboring communities that suffered from a typhoon in October 2009, PKI delivered 257 boxes of relief supplies. A letter of appreciation was sent by the priests of Balayan Church.

- Tree planting

The employees and their family members



planted 2,000 plants of local wild flora in Mt. Malarayat. PKI received a certificate of appreciation from an NGO.

● ATR (Mexico)

ATR organizes a wide range of environmental events.

- Creative recycling contest

In the contest, all employees act as judges and examine goods made of recycled and disused articles.

- Ecology festival

ATR organized games and contests on environmental issues as well as an exhibition on the use of recycled materials with the participation of employees and their family members as well as providers as exhibitors.



The representatives of the Safety and Environment Division and ATR training staff participated in the cleanup of open spaces, sports grounds and vacant sites near the company.

- Tree planting and donation of trees

ATR planted trees in collaboration with Flores Magon Federal Secondary School. Fifty trees were donated to the federal secondary school.

- Education of employees' children

ATR organizes an open house (video viewing, presentation of advice on environmental issues, plant tour, lunch and gift) every month from November.



●HZC (China)

In HZC, about 60 managers clean up the area around the factory as voluntary activities.



●SDB (Brazil)

In November 2009, employees of SDB gave a lecture on environmental issues at a private school in Para de Minas. Including teachers, 260 persons took the lecture and



enjoyed learning how to separate waste by actually trying out the separation. The activity was covered by the newspaper of the municipal government.

●SEWT (Thailand)

Five safety and environment members of SEWT gave a lecture on the prevention of global warming at Suankulab Secondary School, a community in the industrial complex. In the lecture, the students evaluated the effect of tree planting and energy saving on global warming with an evaluation sheet, and learned about global warming in a fun way.



■Co-existence with Society

●Monetary donation to victims of the Sumatra Earthquake

To provide support for victims of the huge earthquake with a magnitude of 7.6 that occurred off the Indonesian island of Sumatra on September 30, 2009, Sumitomo Wiring Systems donated two million yen to the Japanese Red Cross Society.

We recognize that support for victims of disasters occurring in Japan and overseas is a social responsibility for SWS as a global company, and will continue with such support activities.

Third-party Opinion

As symbolized by an overseas employee rate of 91.4%, SWS is a truly global company group. The CSR report of such a company group has to disclose information based on global data, for its readers to understand the Group as a whole. Reports by Japanese company groups that are being globalized often lag behind their progress in globalization.

This is the third year for me to provide a third-party opinion for the CSR report of SWS. I am strongly impressed with its steady efforts over the past three years to disclose information on overseas Group companies. This 2010 report also shows much progress, including development of a mechanism to collect environmental data, considerable expansion of the scope of coverage, and establishment of quantitative targets for fiscal 2010. In addition, the reports on overseas Group companies, such as results of legal compliance and self-diagnosis on health and safety using the globally common diagnosis sheet, can be valued highly as unique efforts. Along with the cultivation of global human resources in Japan, SWS is also committed to development of personnel in overseas Group companies through cultivation of local human resources by region and training of executives invited from foreign countries. I assume these initiatives will bear great fruit in the future.

It is my hope that SWS further develops this approach and works to disclose more detailed information on overseas operations. In particular, the work environment (e.g. working hours and wages), labor-management relationships and recruitment of local employees as executives in overseas manufacturing facilities deserve attention, and I think they should be described in the upcoming reports.

The report presents the full-scale launch of CSR activities in SWS with the formation of the CSR Committee, the statement of "ideal figures" which can be regarded as the vision for CSR, and the identification of priority items in the promotion of CSR activities to realize the "ideal figures." However, many challenges need to be overcome to realize the "ideal figures," with the united efforts of all employees throughout the Group. This requires SWS to prepare a roadmap for a three- to five-year period and implement it based on the PDCA cycle, in a similar way to its commitment to environmental issues.

In fact, CSR activities should be developed differently between countries depending on the cultural and societal issues in each country. I would like to see SWS enhance its abilities to identify local needs and challenges and report on those CSR activities that respect the uniqueness of each locality. An important preliminary step for this purpose would be public hearing activities, and the CSR Committee should engage in discussion to take prompt measures towards these activities.

Tamio Yamaguchi

Representative of Workers Club for Eco-harmonic Renewable Society

Workers Club for Eco-harmonic Renewable Society is a civic group aimed at examining the establishment of a society in harmony with the natural ecosystem, to be handed down to the next generation, and conducting research, support and practice of local activities of citizens, companies and governments for the creation of a recycling-oriented society.
URL: <http://www.nord-ise.com/junkan/>



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