

SWS CSR



SWS CSR Report 2008

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.



Sumitomo Wiring Systems



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Editorial Policy

The Sumitomo Wiring Systems (SWS) Group has been publishing an environmental report annually since 2001. From this year's report onwards, we will also disclose our information on socially-oriented activities to meet societal demands and report to a wide range of stakeholders surrounding our Group.

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, 2007 through March 31, 2008 (fiscal 2007)

Some activities conducted in fiscal 2008 are also covered.

The next CSR Report is scheduled for release in September 2009.

Scope of This CSR Report

Sumitomo Wiring Systems, Ltd. and its affiliates in Japan and overseas

* 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 consolidated companies. 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

Sumitomo Wiring Systems (SWS) celebrated its 90th anniversary in 2007. Since our foundation as a wire manufacturer in 1917, we have progressively improved upon the “connection” technologies and searched for better manufacturing practices. We have now become a global company that forms a group including 120 companies and 140,000 employees, and develop automobile wiring harness businesses in more than 30 countries around the world. We thank our stakeholders for understanding our attitude of continuously pursuing better relationships among people, cars and the global community under the basic principle of “Contributing to the global community through the success of business” because this understanding has enabled us to realize such growth sustainably in a rapidly changing world. In 2008, the SWS Group began its efforts on achieving a new, five-year medium-term management plan, VISION 2012. In order to build a foundation for the realization of the growth strategies in this VISION 2012, we will promote CSR management and establish a firm management base.

The SWS Group will promote CSR management.

To further improve relationships with our stakeholders, we have changed the title from Environmental Report to CSR Report and also enhanced the contents. Through governance and compliance, our company will continuously seek to grow in the spirit of Connect with the Best and develop business activities that can obtain understanding and trust from the various people relating to the SWS Group by use of the global network. I would like to ask for your understanding and support.



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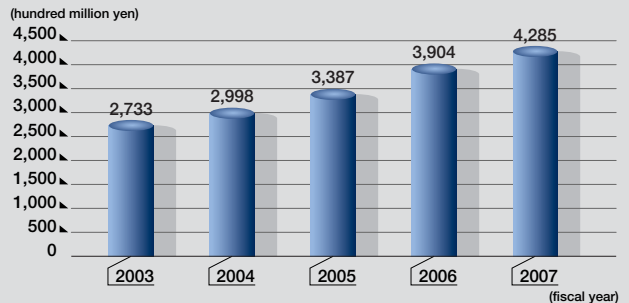
Fumikiyo Uchioke
President of Sumitomo Wiring Systems, Ltd.

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

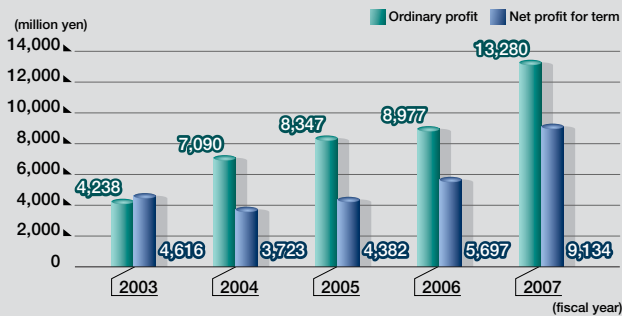
Company Overview

Sumitomo Wiring Systems was established in 1917, in the foundation period of the industry in Japan, as a wire manufacturer. With the development of the automobile 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 top class partner worldwide for car manufacturers.

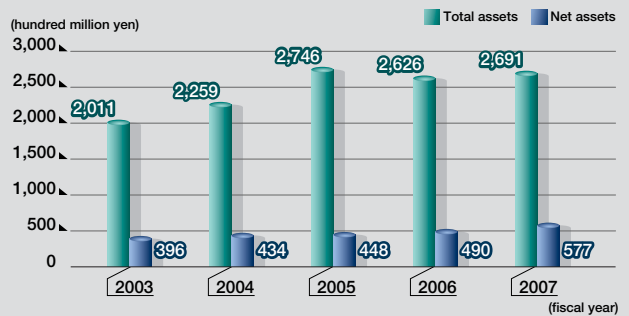
■ Sales (non-consolidated)



■ Ordinary profit and net profit for term (non-consolidated)

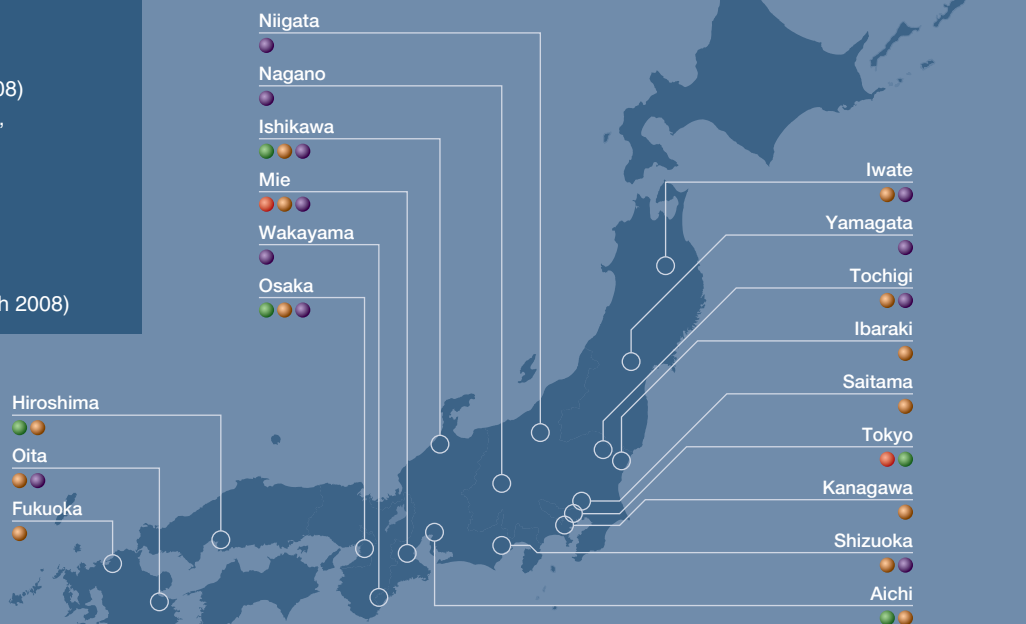


■ Total assets and net assets (non-consolidated)



- Company Name: Sumitomo Wiring Systems, Ltd.
- Established: December 1917
- President: Fumikiyo Uchioka
- Capital: 7,542 million yen
(as of the end of March 2008)
- Head Office: 1-14 Nishisuehiro-cho,
Yokkaichi, Mie, Japan
- Affiliates: 22 in Japan
95 overseas
- Employees: 15,543 in Japan
121,059 overseas
136,602 in total
(as of the end of March 2008)

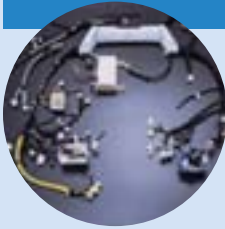
- Head Offices
- Branches and Sales Offices
- Production Facilities and Technical Centers
- SWS Group Companies



Product Outline

As a global supplier, we manufacture 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 in 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.

Component Parts of Wiring Harnesses

In addition to electric wires, wiring harnesses consist of many different parts: connectors, electrical-circuit parts (including JB or junction boxes), protectors for bundling and protecting electric wires, grommets to protect against water and dirt, and clamps for attaching the harnesses to auto bodies. Sumitomo Wiring Systems designs, develops and produces these wiring harness component parts.



Connectors



Electric wires



JB and ECU (electronic control units)



Grommets

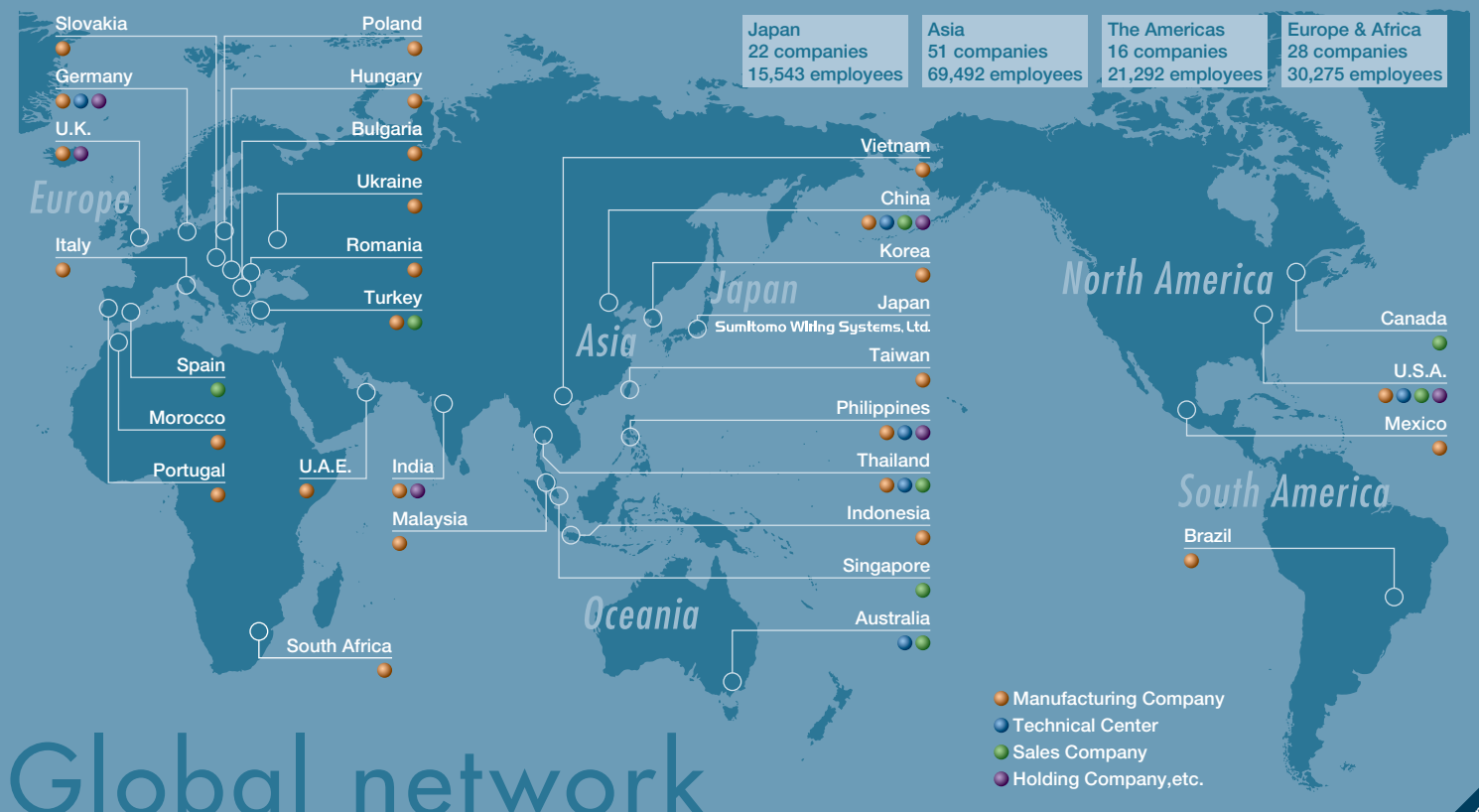


Tape and tubes

Modularized Products and Car Electronics



Car electronics are a form of technologies to electronically control the operation of car mechanisms. 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.



We have always followed the traditional basic spirit of performing business in good faith.

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 taking decisions on the adoption or abolition 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 profit and unfair profit obtained by unethical means.

Basic Principles

The SWS Group will do its best to win the trust of the international community and contribute to the global community.

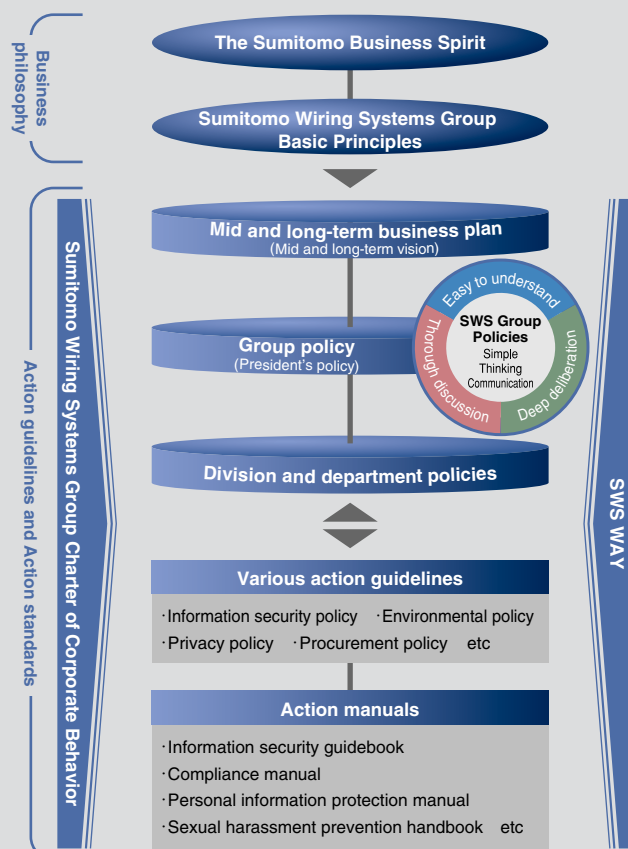
Sumitomo Wiring Systems Group Basic Principles

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, 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 the success of business,
- 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.



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.

① Pursuance of Customer Satisfaction	● We aim to provide products and service 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.
② Observance of Laws, Regulations, and Corporate Rules	● We observe laws, regulations, social discipline and corporate rules, and always act fairly and openly.
③ Fair and Proper Business Activities	● We promote fair, transparent, and free competition and trade.
④ Appropriate Use and Control of Confidential Information and Property	● We control use of confidential information, such as management and technical information, tangible and intangible property, and personal information with an appropriate degree of care.
⑤ Growth and Development of the Group	● We always engage in business from a global point of view and strive for the sustainable growth and development of the group.
⑥ Contributions to Preservation of the Global Environment	● We take active initiatives to preserve the environment and help build an affluent society.
⑦ Harmony with the International Community	● 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.
⑧ Awareness as Members of Society	● 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.
⑨ Energized Workplace Environment and Respect for Individuals	● We strive to create a safe, bright and energized work environment while defending human rights and respecting employees' diversity, personality and uniqueness.
⑩ Appropriate Information Disclosure	● We promote good communication with society and disclose appropriate corporate information.



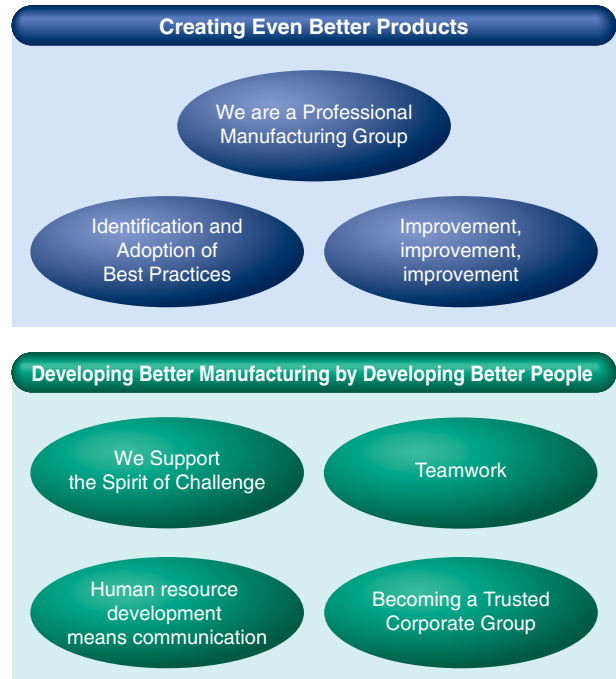
SWS WAY

In its long history, the SWS Group has established the original “basic concept on work” and “approach and attitude to work” and handed them down.

With the progress of globalization, we have an increasing need for people from various parts of the world to respect each other's cultures, customs and values and promote business in cooperation for attaining the same goals.

Therefore, for the development of our Group, it is essential that all employees of the Group share common “basic concept on work” and “approach and attitude to work” even if their cultures and customs are different.

We have distilled the “basic concept on work” and “approach and attitude to work” into SWS WAY, which serves as the action principles for us who work for the SWS Group.

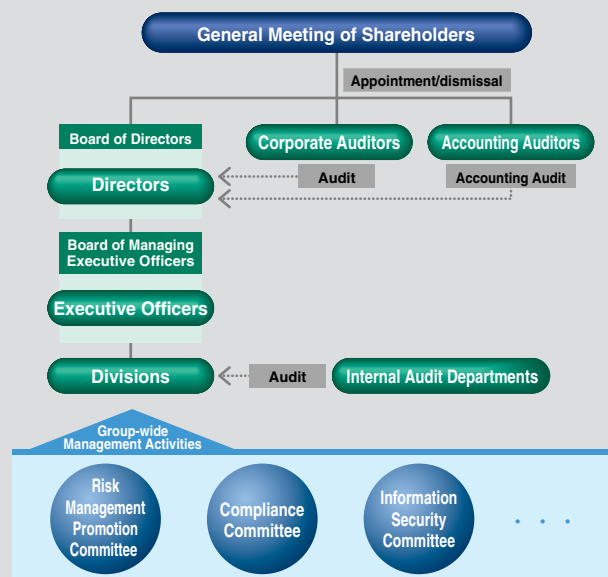


**By actively exchanging and sharing information,
we are establishing a structure that enables healthy and quick management.**

Corporate Governance

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 subjects, the Board of Managing Executive Officers discusses these subjects in advance in order to enhance the subsequent debates by the Board of Directors.

In our company, three 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.



Governance and Compliance

**Each of our employees makes efforts
to perform business activities
with high ethical standards.**

Compliance

We believe that to comply with laws and regulations and perform ethical and sensible business activities based on integrity and trust is our social responsibility as a company as well as an essential condition for the existence and development of the SWS Group. In accordance with our compliance manual established in February 2005, all employees share and practice the spirit of acting with high ethical standards.

Compliance Committee

In April 2004, we established the Compliance Committee as an organization to examine, implement and give instruction on compliance measures. The Committee plans and implements measures for enhancing compliance, investigates and gives guidance on serious violation of compliance and receives and handles reports on violation of compliance.

Contacts for Compliance Reporting

As a measure to promptly detect and correct internally the acts that go against laws and ethics, we established contacts for compliance reporting in February 2005. Reported information will be investigated and handled mainly by the General Affairs Department, which serves as the CSR Committee Secretariat.

Sharing of Common Awareness of Compliance

(1) Implementation of compliance training

We provided training seminars for SWS employees in 2005, and about 4,400 persons in total participated in the 94 sessions. Furthermore, we organized training for all employees of our group companies in Japan in 2007, and around 1,600 persons in total attended the 47 seminars.

(2) Publication of enlightenment articles in the in-house magazine

We published articles to increase awareness of compliance in the monthly in-house magazine from April 2005 to March 2008. (Since April 2008, CSR articles have been published.)

Business Continuity Plan (BCP)

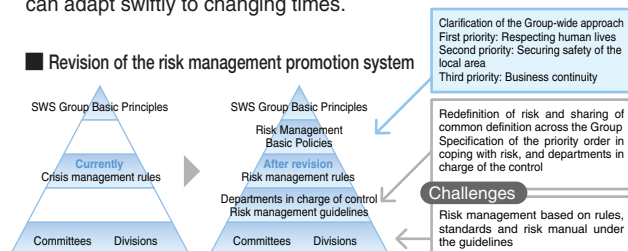
A plan to identify the impact of potential loss, develop and implement feasible continuity strategies, and ensure business continuity in the event of an accident

We aim to establish a practical management system to ensure Group-wide response to crisis situations.

Risk Management

In the SWS Group, the Risk Management Committee and the Risk Management Promotion Committee take the initiative in risk management in cooperation with divisions, other committees, and Group companies. Under the Sumitomo Wiring Systems Group Basic Principles, we have set the basic policy of “respecting human lives foremost, securing safety of the local area next, and then seeking business continuity.” Based on this policy, our company will ensure risk management and establish a system to respond to emergency situations. Specifically, we will replace the risk management being conducted separately by divisions with Group-wide risk management, and formulate guidelines on each risk category to establish a more strategic decision making system that can adapt swiftly to changing times.

Revision of the risk management promotion system



Business Continuity

As a measure to address serious risk of natural disasters such as earthquakes as well as major accidents, which may threaten the continuity of our business, we will prepare business continuity plans (BCPs) in order to establish a stable product supply system and fulfill social responsibility as a corporate citizen through the foundation of an organization that can cope with crisis situations and human resource development.

Staff's Column

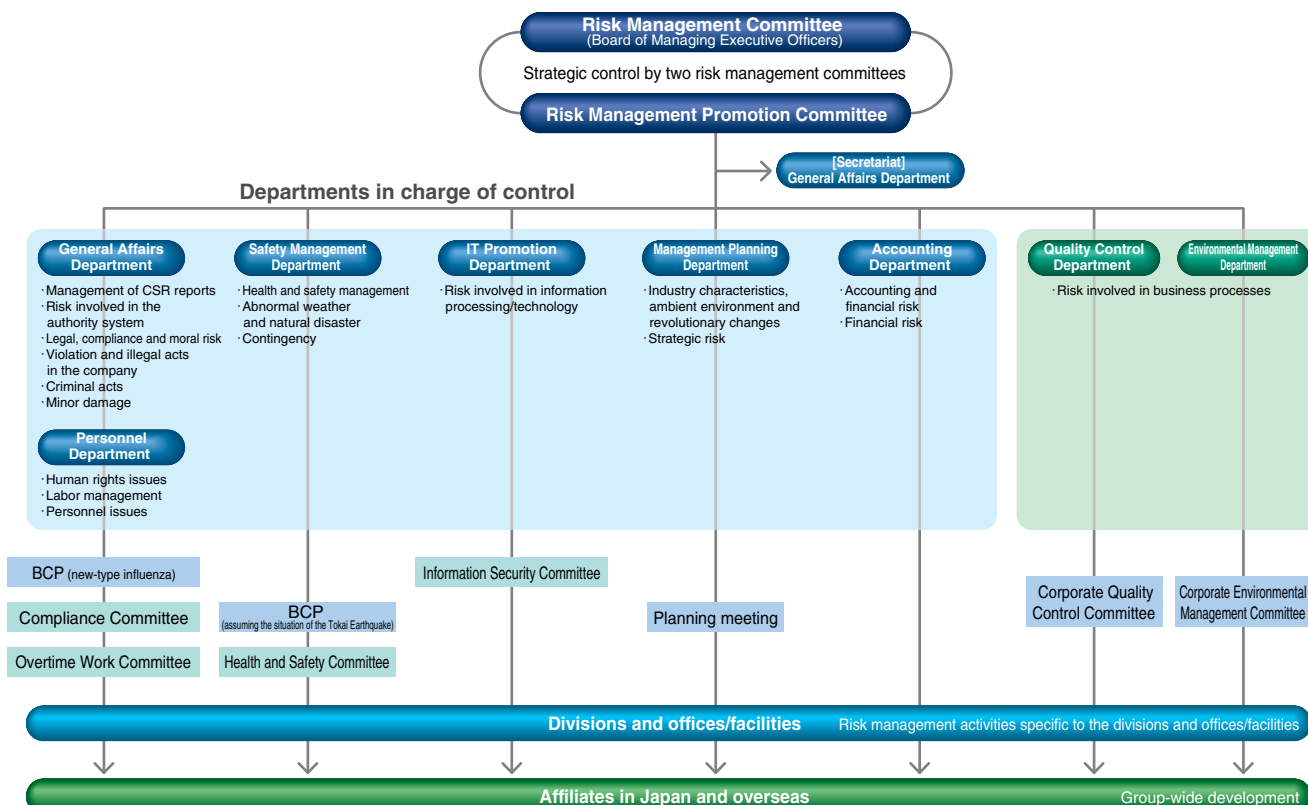
To safely “sail around a cliff” (origin of the word “risk”), we are working for risk management involving everyone as a main player. I would be happy if I can serve as a “compass” to strategically cope with serious risks such as earthquakes and new-type influenza.

Ken Mori
Manager of General Affairs Department



Risk Management

Giving first priority to human lives and then to safety of the local area, we are promoting the establishment of an organization that can cope with crisis situations and human resource development.



We are committed to the “Pika Pika Campaign” to establish “techniques” and “workplace” for delivering “Pika Pika products” to customers.

The Pika Pika (meaning “shiny” in Japanese) Campaign is an initiative that systematically covers TPS, skills and benchmarks. The SWS Group positions the Pika Pika Campaign as the development of a manufacturing base. The basic factors in the promotion of the Pika Pika Campaign are “PK evaluation,” “G-STARS” and benchmarks of quality records. A Pika Pika workplace must meet requirements on 5Ss, which include development of and compliance with standards, and must perform management and improvement activities comprehensively. Our factories all over the world undergo PK evaluation by qualified inspectors every year, and those that fail to achieve a passing score will be reevaluated. The evaluation results are published on our intranet. We also organize “practice meetings,” in which other Group companies have opportunities to learn from the factories that have passed PK evaluation as good examples.



Quality Control and Customer Satisfaction

We will perform quality control for customer satisfaction through manufacturing based on human resource development.

Sumitomo Wiring Systems Group Quality Policy

Creating customers and establishing ongoing trust through quality

Action Guidelines

1. Establishing and implementing a quality system that meets requirements on products and planning of service related to products as well as design, development, manufacturing and quality.
2. Building a quality system to be developed in Japan and overseas from a global point of view
3. Committed to the development of an efficient quality system and proprietary technologies along with continuous quality improvement.

Corporate Quality Control Organization

For the establishment of a world-class quality structure (with the indicator being winning quality awards from customers), we organized the QCD Committee in 2000, which continued the activities for four terms or eight years. With the engagement of top management (with President as the Chairperson and division leaders as the committee members), the QCD Committee has been operated in coordination with automobile-related divisions of SEI. The Committee has carried out (1) examination of measures on main quality issues from the perspectives of “customer first,” “recurrence prevention” and “organizational reinforcement,” and sharing of information, (2) sharing of information on activities, (3) checking of progress in theme activities and (4) discussion of the formulation of quality management system standards. As we have reached the goal of receiving quality awards from those customers that have quality award programs, the QCD activities have been completed. We now operate the Central Quality Control Committee, which was established in fiscal 2008.

Date of winning award	Customer	Description of the award
2003 February	Toyota Motor Corporation	Quality Control Excellence Award
2004 February	Toyota Motor Corporation	Quality Control Merit Award
	June Daihatsu Motor Co., Ltd.	Quality Merit Award
2005 March	Toyota Motor Corporation	Quality Control Excellence Award
	May Mazda Motor Corporation	Target Achievement for the 3rd Straight Year Award
	June Daihatsu Motor Co., Ltd.	Quality Excellence Award
2006 March	Toyota Motor Corporation	Quality Control Merit Award
2007 February	Toyota Motor Corporation	Quality Control Excellence Award
	April Toyota Auto Body Co., Ltd.	Quality Effort Award
	May Daihatsu Motor Co., Ltd.	Quality Improvement Award
	May Mazda Motor Corporation	Target Achievement for the 5th Straight Year Award
	July Nissan Motor Co., Ltd.	Global Quality Award
2008 February	Toyota Motor Corporation	Quality Control Excellence Award
	March Mazda Motor Corporation	Consecutive Achievement of Delivery Quality Excellence Award
	April Toyota Auto Body Co., Ltd.	Quality Merit Award
	July Nissan Motor Co., Ltd.	Regional Quality Award

Quality Policies for Fiscal 2008

Establishment of the culture to achieve zero defects ● Zero complaints, zero quality defects and zero clerical mistakes ● If such a defect is found to occur, reflect on it and take measures to achieve zero defects from the day.

(1) Further evolution of the “Pika Pika Campaign” (2) Challenge of “Assurance of Each Process” activities (3) Quality improvement of purchased parts

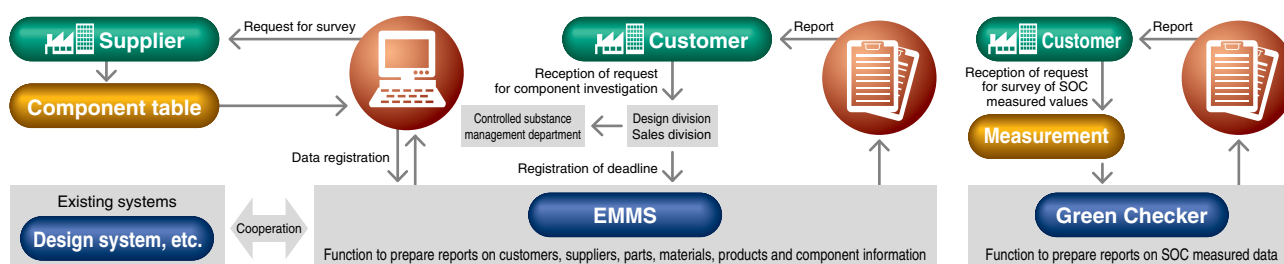
G-STARS is a mechanism that specifies the contents of skill training for workers and accreditation criteria, grading the skills of workers as S, A, B, C or D, with an aim to increase workers with S-grade skills. The name indicates our wish that workers improve their basic skills through training and discipline to shine like stars as harness manufacturing professionals and form a “star” group. This G-STARS started in the harness section first and now covers electric wire, component, and electronic sections as well. The basic skills specified in G-STARS for the harness division include 5-m Walk, which requires operators to walk five meters at a set speed, Two-handed Operation, where pins have to be inserted to the specified positions by both hands, and Four Arithmetic Operations, which require workers to solve 50 simple mental arithmetic questions. The 5-m Walk needs the skill to move the body rhythmically and quickly, while the Two-handed Operation trains the skills of hands and fingers, and the Four Arithmetic Operations improves the concentration and recognition levels. There are also skill training items for different processes, such as winding of a 500-mm tape (assembly) and error recognition (inspection).

We organize Skill Olympic Games every year, in which trained representatives from our factories around the world participate. The aim of holding the games is to reward operators with excellent skills and motivate workers to improve their skills through technical training. In the Skill Olympic Games where operators representing their factories and regions in the world come together, they play exciting games with pride for themselves and their companies. After the battle, they enjoy ethnic and cultural exchange at a social event.



Our customers such as car manufacturers and electric and electronic equipment manufacturers set original criteria on controlled substances. They also require us to submit data on components and measured data for verifying whether or not the substances contained in products meet the specified criteria. In total, we have received requests for surveys of more than 640,000 parts and materials, although the same parts are sometimes included in different requests. To guarantee the conformance of our products to such regulations and handle requests for surveys from customers without delay, we have formulated internal management standards. We also distribute

SWS has established and operated a database on components (EMMS) and a database of measured data (Green Checker). We have installed X-ray fluorescence instruments for simple analysis of four ELV regulated substances at our main sites in Japan to conduct screening of the parts subject to priority control. We also conduct high-precision quantitative analysis at internal evaluation centers and external laboratories, and we have measured more than 37,000 parts until now. With cooperation from suppliers, 56,000 items of data on components have been collected.



SOC
Substance of Concerns

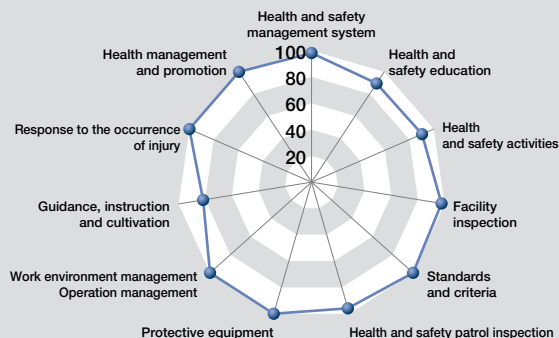
We conduct detailed safety audits by visiting the physical location in principle, even at overseas sites.

Safety Audits and Overseas Activities

The Sumitomo Wiring Systems Group has approximately 140,000 employees in the world. Although laws and values are diverse, the responsibility of companies for safety is common. Our Group uses a diagnosis sheet that meets the requirements of the health and safety management system so as to reinforce the health and safety management of our factories in Japan and overseas.

In particular, overseas business entities regularly conduct the safety audits under the initiative of groups in Japan and work together to improve the management and ensure measures to prevent the recurrence of accidents.

Example of self-evaluation of health and safety management



Health and Safety

We comply with the safety management principle that “Safety is our top priority” and work for compliance globally, in a thorough and continuous manner.

Health and Safety Policy

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 stern attitude that allows no occupational accidents. In particular, reports on accidents in our domestic and overseas sites are presented by the divisional managers to top management at staff meetings, in order to practice safety initiatives under the leadership of top management.

Communication

We hold Health and Safety Committee meetings every month, and group health and safety manager meetings and affiliate safety staff meetings every two months, to enhance cooperation between labor and management, different groups, different affiliates and different corporations. We also appoint a special guard for safety activities in each factory to develop workshop-based disaster prevention measures.

Philosophy

Safety is our top priority

With this 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 stern 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. (The system is a management system compliant with OSHMS.)

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.

Targets for fiscal 2008

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

*Injury level IV: corresponding to serious accidents

(death and injuries involving functional loss or significant permanent handicap)

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

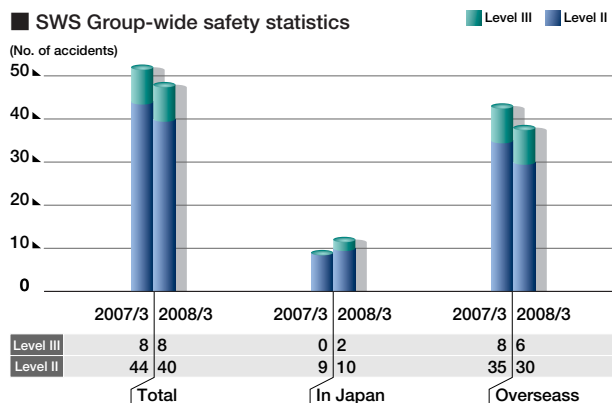
(injuries requiring temporary medical treatment)

Injury level I: corresponding to minor accidents

(injuries that can be addressed with first aid treatment or examination)

Global Accident Statistics

We started collecting the global accident statistics in fiscal 2005. In the statistics, we eliminate differences in judgment criteria between countries, and determine scales for injury levels to enable comparative examination. Distributed monthly, the statistics make transparent the safety performance of 90 companies in Japan and overseas.



Sharing of Safety Information

To enable our employees around the world to share accident information and global safety rules, we have opened a health and safety website. The information on the website is available in Japanese, English and Chinese. The website provides accident information such as latest cases of accidents, and employees can search for information on accidents in the past and use it for safety activities in the workplace including prevention of similar accidents.



Certification on Occupational Safety and Health Management

In our 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 for obtaining the certification. In addition, Suzuka Plant was authorized to be exempt from "notification under Article 88" for the first time in the Japanese manufacturing industry.



Certification to be exempt from "notification under Article 88"

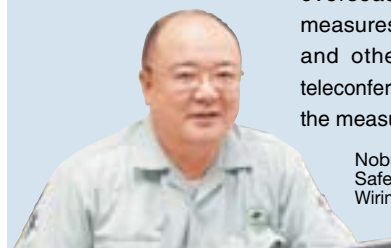
The entities with an occupational safety and health management system in place and with certain health and safety levels receive authorization from the head of the competent labor standards inspection office and are exempt from the obligation of notification of plans under Article 88 of the Industrial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

Health and Safety Education

Health and safety education is an important pillar of the Health and Safety Policy. As disaster prevention measures, we are improving foreman education in Japan to eliminate occupational accidents by new employees and also introducing risk assessment to promote fundamental facility safety measures. For the health of our employees, we regularly organize mental health training and employ clinical psychologists.

Staff's Column

In cooperation with other safety managers, I work for the safety management plan of the group to promote safety activities together with overseas entities. Particularly when an accident has happened overseas, I discuss prevention measures with the local manager and other persons involved via teleconference, etc. and disseminate the measures Group-wide.



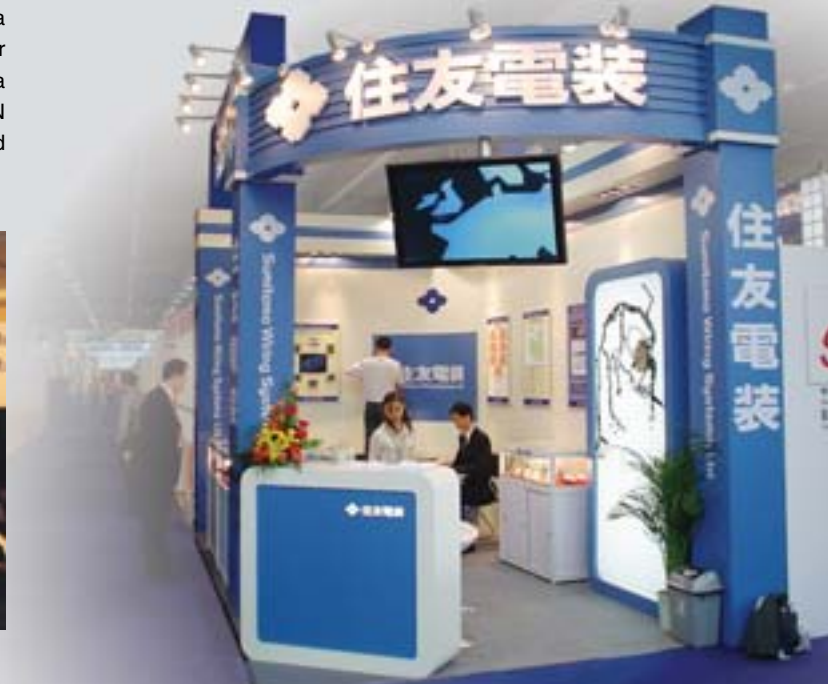
Nobuo Toyoda
Safety Manager
Wiring Harness Manufacturing Group

Fundamental facility safety measures

Measures to remove part or all of causes of accidents and ensure that wrong operation or mechanical failure does not lead to an accident. Such measures include removal of sharp prongs, enclosure with a cover and automatic stop with a sensor for safe failure.

We value communication with our suppliers.

Sumitomo Wiring Systems holds a Suppliers Meeting in Nagoya every year to explain our procurement policies and report our business activities to our suppliers. We also organize Asia Suppliers Meetings for our suppliers in China and the ASEAN region. In addition, we participate in buyers' exhibitions around the world to identify new suppliers.

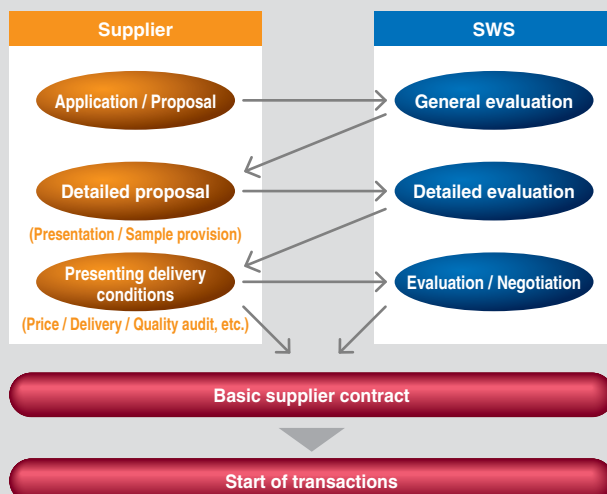


Material Procurement

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

Start-up Process

When we start transactions with a new supplier, we follow the process below, which is also described in our website for procurement partners. For details, please see the website. (<http://tops-ps.sws.co.jp/en/index.html>)



International Transactions

While expanding our business operations worldwide, SWS is endeavoring to realize "globally optimal procurement," which is to purchase the parts, materials and equipment that are the best in terms of quality, quantity and cost from the global market. We will meet social demands such as environmental conservation through partnerships and cooperation with our suppliers and work for mutual harmony and benefit with them from a long-term view.

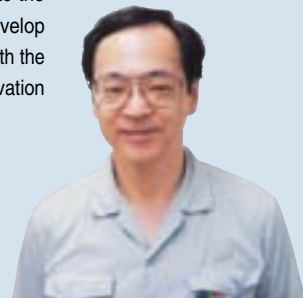
With the overseas production rate of wiring harnesses approaching 90%, the materials constituting wiring harnesses are being increasingly procured from overseas suppliers. Especially in Asia, we are expanding wiring harness production sites and increasing locally procured materials as Japanese car manufacturers are increasing their manufacturing bases in the region. In the period from 2004 to 2007, the number of our suppliers in China and in the ASEAN region increased about 5 fold and 1.4 fold respectively. The monetary value of local procurement in Asia also expanded approximately 6 fold in the same period.

- 1 **Mutual understanding, mutual reliance and mutual enlightenment**
For our suppliers, we define our most basic principles as: "Mutual understanding" or knowing each other well; "Mutual Reliance" or respecting each other; and "Mutual Enlightenment" or improving each other.
- 2 **Providing open, fair and equitable opportunities**
We provide open opportunities for business entry, regardless of nationality, size of business, or past transactions with us. Based on the principle of competition, we select our suppliers by conducting fair and equitable evaluations, taking into consideration each company's management reliability and technology development capabilities in addition to quality, price and delivery time.
- 3 **Establishing global partnerships**
We have located our bases in many countries, and have developed our business on a global basis. We are always looking for good partnerships with our suppliers that will enable us to produce better and more competitive products around the world.
- 4 **Complying with the law**
We respect the spirit of business and commercial law, and conduct our procurement activities according to the law.
- 5 **Promoting green procurement**
We do business with our focus on environmental preservation to sustain a wealthy society. We aggressively address product procurement that gives special consideration to the global environment.

Staff's Column

Environmental management is drawing increasing attention from the public every year, and it is an urgent task to establish a system to control chemical substances used in products for the automobile industry as well. Under this circumstance, we, the procurement division, took two years to review the Green Procurement Guideline formulated in 2004, and published the second edition and started the operation last year. With the new guideline, we have prepared a system to promote environmental conservation in our procurement activities together with our suppliers. This year, with a view to responding to the global trend of tightening regulations, we will develop procurement from local suppliers in Asia in line with the guideline and contribute to environmental preservation on a global scale.

Kunihiko Kato
Management Group Leader
Procurement Management Division



Green Procurement

We disclosed our Green Procurement Guideline to suppliers in August 2004, and have promoted initiatives for environmental conservation. In April 2007, we published the revised edition of the guideline (second edition), which requires suppliers to work to obtain external certification of their environmental management systems. SWS will promote procurement preferentially from suppliers that have environmental management systems in place, comply with laws and regulations and control substances of concern.



Basic Requirements in the Green Procurement Guideline

① Requirements on environmental conservation activities: Suppliers are required to:

- Have ISO 14001 or other external certification;
- Be in progress to obtain ISO 14001 or other external certification; or
- Be committed to the establishment of a voluntary environmental management system as preliminary stage for obtaining ISO 14001 or other external certification.

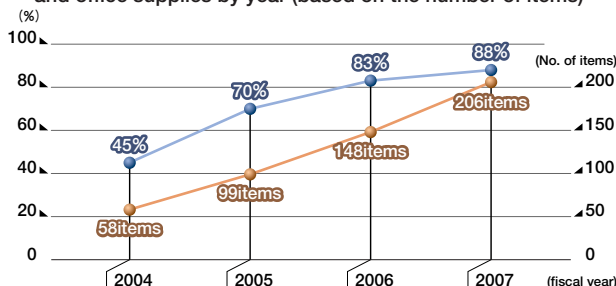


② Requirements on products to be delivered Management of SOC's

Green Purchasing

We set rules on green purchasing of stationery for office use, office supplies and office equipment in 1999, and preferentially buy products with Eco Mark, Energy-Star logo, etc. We began with the green purchasing of copier paper and other office supplies, and expanded the range to include business equipment such as PCs and copying machines and then office furniture. As a result of preparing the list of purchases in fiscal 2007, environmentally friendly products represented 100% of the purchased business equipment and 88% (or 206 items) of the purchased stationery and office supplies (excluding copier paper). With respect to copier paper, there was a scandal involving mislabeling of recycled paper in Japan. As the products we purchased (displaying 100% recycled paper) were also found to be involved in the incident, we will in future consider purchasing recycled copier paper only after we confirm the supply systems of the manufacturers.

■ Percentage of environmentally friendly products in stationery and office supplies by year (based on the number of items)



Eliminating discrimination and respecting human rights, we are establishing the cheerful and energetic workplace.

Basic Approaches to Employees and Human Rights

The SWS Group is committed to the solution of various human rights problems from the standpoint of a company. The Sumitomo Wiring Systems Group Compliance Manual published in February 2005 specifies respect for human rights and the prohibition of discrimination. We perform business management with respect for human rights and without unjust discrimination based on race, nationality, sex, ideology, age or other factors having no relation to business operations. Each employee fully understands the management policy, respects human rights and privacy and allows no acts of discrimination, so as to create a cheerful work environment.

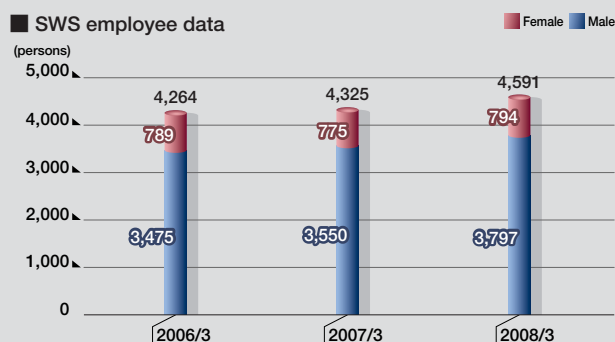
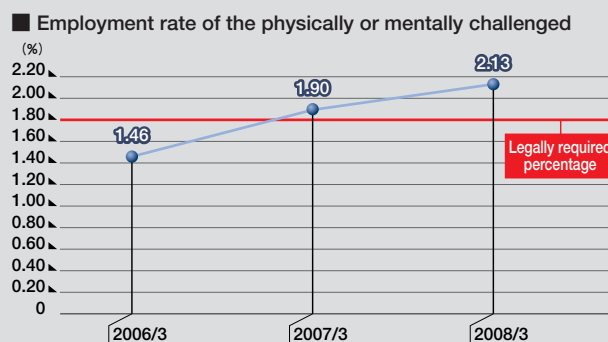
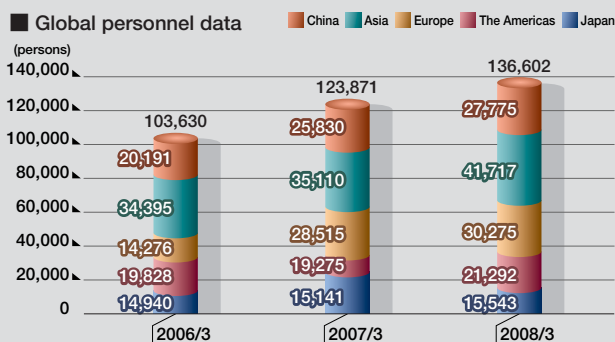
Employment of Diverse Human Resources

We protect human rights and respect the diversity, personality and individuality of employees to create a cheerful and energetic work environment. To realize permanent growth of our global business, we are actively recruiting diverse human resources such as female workers, overseas students, mid-career workers and retired workers. Furthermore, we are aggressively employing the physically or mentally challenged and improving their work environment as an initiative to fulfill our social responsibility.



Employees

We will work to create an open and challenging work environment where employees with distinctive individuality can continuously develop themselves.



Staff's Column

Based on the concept of improving the life of union members along with the development of the company, our labor union is committed to the mitigation of various problems through discussion with management. In our initiative to support employees "balancing work and family life," we reflected members' voices in in-depth debates in the meetings of central labor-management conference and welfare expert committee, and successfully established an action plan in line with the objective. Our labor union will continue to collect members' opinions and make efforts to improve various work conditions for "comfort and stability," which are bases for mutual understanding and mutual trust with the company.

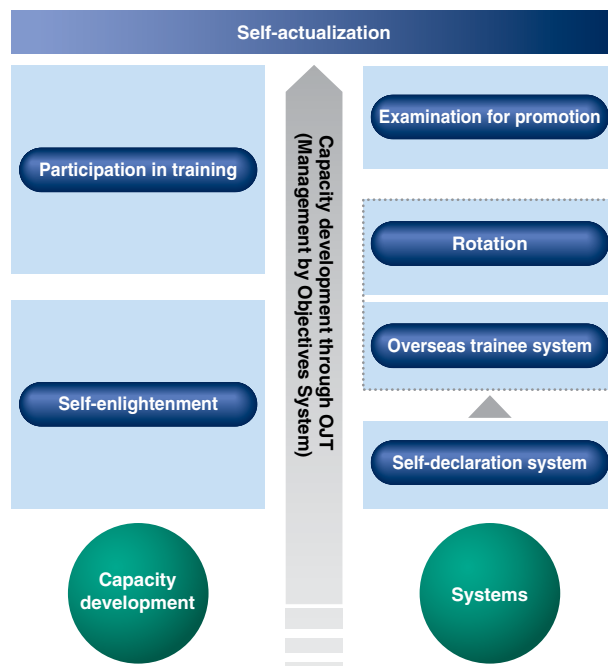
Takaharu Yomo
Chair of the Executive Committee
Sumitomo Wiring Systems Labor Union



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, in the short term, the employees set their annual capacity development goals and work to achieve them in the Management by Objectives System and the Performance Appraisal System. They also seek capacity development through OJT by setting individual targets in business operations and increasing practical experiences. By repeating this procedure every year, employees improve their abilities. In the mid- and long-term, we provide them with opportunities to consider their own career development by attending various position-based training sessions to understand the roles and actions they are expected to play, review their own past performance and recognize their current capacity levels. Employees use these opportunities in order to “be aware of capacity development for the current qualifications, set targets, formulate execution plans, etc.”

■ Image of the capacity development system (in case of managerial employees)



Work and Life Balance

We have been committed to measures to support employees in “balancing work and family life” in cooperation with the labor union for many years. We have nearly met the target in the first action plan (from April 2005 to March 2008), which was established based on the Law for Measures to Support the Development of the Next Generation. In the second action plan (from April 2008 to March 2010), we will seek to take specific measures to encourage employees to use our programs for achieving the proper balance, such as extension of child care leave term and increase in the number of holidays for nursing children. In addition, we will prepare a work and life handbook to help employees to understand the system and also enhance awareness among administrative employees through education on work and life balance, etc.

YUTORI Leave System

As a measure for better working environment and better harmony between work and life, we adopted a system to encourage employees to take 5 consecutive paid holidays after having completed 5, 10, 15, 25, 35 and 40 years’ service with the company in July 2008. We hope

that employees use the system and have a more relaxed life by using the paid holidays in a planned manner for spending time with family and friends, health promotion, hobbies, self-enlightenment, volunteer activities, etc. Therefore, we have named the holidays YUTORI (meaning “relaxed” in Japanese) Leave.



Children’s visiting day

Law for Measures to Support the Development of the Next Generation
The law was enacted and promulgated as a countermeasure to the rapidly falling birthrate in July 2003. It obligates a business proprietor employing more than 300 workers to formulate and submit a “general proprietor action plan” for measures to support the development of the next generation.

We are promoting Challenge-Eco 2012 on a global scale.

Considering that global environmental problems are among our most important management issues, Sumitomo Wiring Systems established Environmental Preservation Principles in 1995 in order to realize a sustainable society. Subsequently, we have formulated Challenge-Eco 2012 for the development of environmental preservation activities on a global scale. Under this plan, we will pay attention to environmental conservation at all business stages, comply with relevant laws and regulations, endeavor to improve our environmental activities and practice environmental management for coexistence with the local community.



Environmental Preservation Principles

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

Environmental Preservation Action Guidelines

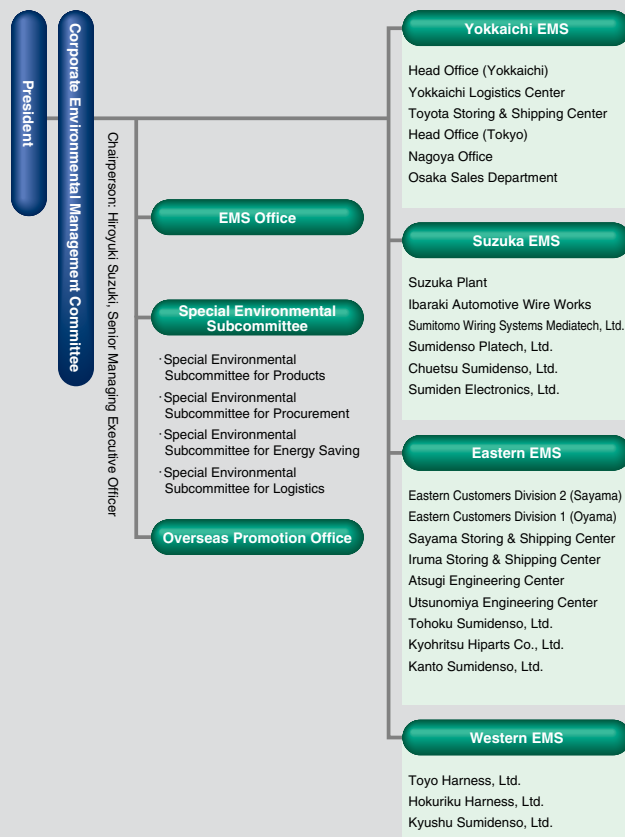
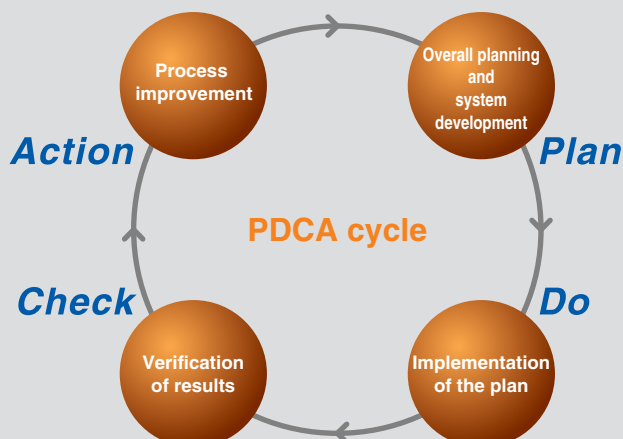
- Make efforts to develop and improve eco-technology (also known as green engineering) in every field of product planning, development, design, manufacturing methods, production, logistics, usage and disposal, aiming at product manufacturing with consideration given to influence on ecosystems and protection of resources.
- Determine self-imposed restraints to reduce the impact on the environment, in addition to observing environmental regulations by the government, local public bodies and other organizations.
- 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.
- Improve environmental awareness in the SWS Group, including overseas sites, and promote environmental preservation activities through communication with local communities.

Environmental Management

We are strongly aware of environmental conservation in all aspects of our business activities.

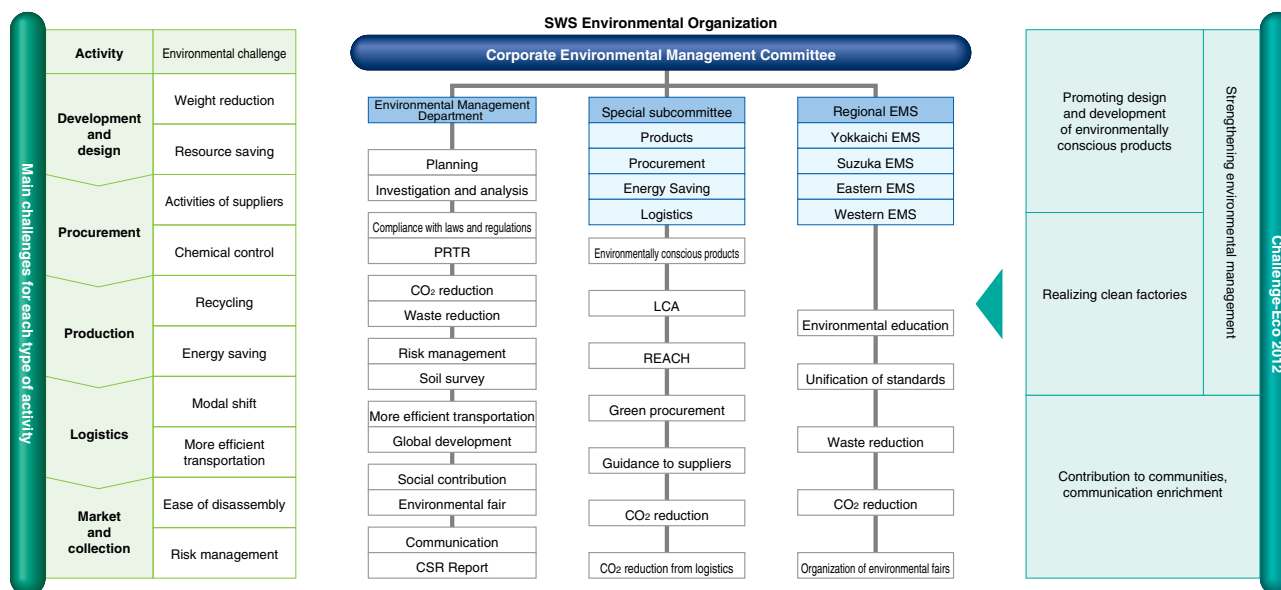
Environmental Management System

We have established the Corporate Environmental Management Committee as the policy-making body for promoting environmental management, and adopted region-based organizational structure (as shown on the right) to drive forward our global environmental conservation activities. We will work under this structure as well in fiscal 2008. The Corporate Environmental Management Committee holds a meeting every year to verify the environmental preservation activities of organizations based on their reports on initiatives, performance and challenges and makes decisions on the formulation of policies and setting of targets. We have also established Special Environmental Subcommittees, which are mainly composed of staff from relevant departments and technicians, to address individual significant issues.



Environmental Action Plan

For the reduction of environmental impact at all stages from product development to disposal, the SWS Group has reviewed the previous targets in Challenge-Eco 2010 and newly 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 2007 targets	Fiscal 2007 results (challenges)	Fiscal 2008 targets	Fiscal 2012 targets in Challenge-Eco 2012
Strengthening Environmental Management				
Enhancement of Group-wide activities	Establishment and operation of an environmental conference in each overseas region, and implementation of environmental benchmarking	Implemented environmental benchmarking in Asia (four companies), China (three) and the Americas (two), and enhancement of environmental awareness in overseas affiliates	Development to cover all production group companies, support of the companies that have not obtained ISO certification and formulation of the global environmental guideline	Achievement of ISO 14001 certification by all production group companies, implementation of benchmarking and adjustment of respective activities in the environmental management system of the companies on a global scale
Enrichment of environmental management information system	Establishment of an integrated information system on environmental impact for Group companies in Japan and overseas	Established environmental data (information on energy and waste) collection systems in 12 overseas companies	Establishment of specifications for the environmental data collection system	Sharing of environmental data on a global scale and establishment of the system for feedback to environmental management
Promoting Design and Development of Environmentally Conscious Products (Improving Product Capabilities)				
Increase in number of certified environmentally friendly products	Certification of one product each in the groups (four products in total)	Certified two products (low VOC tape and lead free PD)	Ratio of certified products in sales: 10% Certification of one product each in the groups (four products in total) Expansion of the range to implement LCA	Ratio of certified products in sales: 50% Establishment of LCA operation
Enhancement of cooperation with suppliers	Promotion of EMS activities in domestic suppliers (to make all receive rank B or higher)	Held study meetings for suppliers with rank C or D (ratio or suppliers with rank B or higher: 89%)	Promotion of EMS activities in domestic suppliers (to make all suppliers receive rank B or higher)	Ratio of the suppliers (including overseas suppliers) that have obtained external EMS certification: 100%
Control of substances of concern	Development of data to respond to the start of recycling certification in Europe (in December 2008)	Conducted development of data Checked the existence of REACH substances	Enhanced guidance and support for overseas affiliates Preliminary registration for REACH regulations, and establishment of a system to address substances of high concern	Maintenance and improvement of the overall management system of domestic and overseas affiliates and suppliers
Realizing Clean Factories				
Energy saving (CO₂ reduction)	In Japan: reduction by 4% from fiscal 2005 (per unit of sales) Overseas: reduction by 2.5% from fiscal 2006 (per unit of sales)	In Japan: reduced by 19.8% from fiscal 2005 (per unit of sales) Overseas: reduced by 14.5% from fiscal 2006 (per unit of sales)	In Japan: reduction by 2% from fiscal 2007 (per unit of sales) Promotion of activities to reduce CO ₂ emissions by 1kg per person per day Overseas: reduction by 15% from fiscal 2006 (per unit of sales)	In Japan: reduction by 50% from fiscal 1990 (per unit of sales) Overseas: reduction by 25% from fiscal 2006 (per unit of sales)
Promotion of logistics efficiency (CO₂ reduction)	In Japan: reduction by 2.5% from fiscal 2006 (per unit of sales) Overseas: establishment of the management system	In Japan: reduced by 6.3% from fiscal 2006 (per unit of sales) Overseas: confirmed the management system	In Japan: reduction by 2.5% from fiscal 2007 (per unit of sales) Overseas: enhancement of the management system	In Japan: reduction by 12% from fiscal 2006 (per unit of sales) Overseas: improvement of efficiency per unit of sales
Reduction of total volume of waste	In Japan: reduction by 30% from fiscal 2005 Overseas: reduction by 2.5% from fiscal 2006 (per unit of sales)	In Japan: reduced by 32.3% from fiscal 2005 Overseas: reduced by 6.2% from fiscal 2006 (per unit of sales)	In Japan: reduction by 35% from fiscal 2005 Overseas: reduction by 8% from fiscal 2006 (per unit of sales)	In Japan: reduction by 50% from fiscal 2005 Overseas: reduction by 12% from fiscal 2006 (per unit of sales)
Control and reduction of substances of concern	In Japan: reduction by 2.5% from fiscal 2006 (emission of PRTR regulated substances) Overseas: establishment of the management system	In Japan: reduced by 30% from fiscal 2006 Overseas: confirmed the management system	In Japan: reduction by 35% from fiscal 2006 (per unit of sales) Overseas: enhancement of the management system	Promotion of reduction of controlled substances in the manufacturing process
Contribution to Communities, Communication Enrichment				
Advancement of information disclosure	Enhancement of the contents of the environmental report and improvement of information disclosure by use of the website	Started to consider replacement of the report with CSR report, renewal of the website, President appeared on a TV program "Kaniyo Rikoku heno Kokyokuyoku" and organized external-type environmental fairs	Transmission of information via the CSR Report and the website	Expansion and improvement of information disclosure in the Group companies including overseas companies
Coexistence with communities	Enhancement of local activities for environmental preservation by Group companies in Japan	Joined the Kids' ISO 14000 Program Worked together with NPOs (cleaning of Asechi River, and Suzuka River Basin environmental fair)	Continuance, expansion and improvement of volunteer activities	Expansion and improvement of local activities for environmental conservation to cover the Group companies including overseas companies

We use environmental accounting to take efficient measures and become a reliable company

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 2004. The information obtained from environmental accounting including environmental efficiency is used as tools for environmental management.

Environmental conservation costs in fiscal 2007

Total Environmental conservation costs were 517 million yen this fiscal year, 136 million yen less than the previous year.

Category	Results in fiscal 2006		Results in fiscal 2007	
	Investment amount	Expense amount	Investment amount	Expense amount
① Business area costs	1,042,560	270,914	983,436	191,793
1. Pollution prevention costs	165,743	74,996	48,966	41,785
2. Global environmental conservation costs	574,162	33,318	676,370	29,104
3. Resource recycling costs	302,655	162,600	258,100	120,904
② Upstream/downstream costs	105,587	6,350	71,876	7,589
③ Management activity costs	26,397	322,646	20,496	310,229
④ Research and development costs	0	50,528	49,554	0
⑤ Social activity costs	240	2,138	0	7,322
⑥ Environmental damage costs	0	0	0	0
Total	1,174,784	652,576	1,125,361	516,934

Scope of data collection: SWS Group companies in Japan

(unit: 1,000 yen)

Environmental Accounting

We are expressing our environmental conservation activities numerically and graphically, and setting targets to do our best.

Environmental Efficiency

As a measure to promote environmental management efficiently, the SWS Group specifies the items in the table below as indicators of environmental efficiency, and manages energy input, resource input and emissions by expressing the relative values (actual measurements and values per unit of sales) in 2006 and 2007 when the values in fiscal 2005 are 100. As shown in the table, CO₂ emissions increased to 101.5 from the fiscal 2005 level but emissions per unit of sales decreased to 80.2, which indicates the effectiveness of our environmental investment.

		2005	2006	2007
① Energy input	● Energy use	100	99.7	106.1
	Energy input / sales	100	86.5	83.9
	● Electricity	100	102.5	113.5
	● Kerosene oil	100	68.3	97.1
	● Heavy oil	100	81.4	52.7
	● City gas	100	94.0	93.9
	● LPG	100	100.5	139.3
	● Water use	100	96.0	97.5
② Resource input	● Metallic materials	100	108.1	113.3
	● Resin materials	100	104.6	107.3
	● PRTR materials handled	100	31.2	14.6
③ Emissions	● Waste	100	86.9	67.7
	Amount per unit of sales	100	75.4	53.5
	● PRTR substances	100	56.0	39.3
	● Waste sold for profit	100	119.6	153.7
	● CO ₂ emissions	100	97.9	101.5
	Emissions per unit of sales	100	85.0	80.2
	● CO ₂ emissions from logistics	100	89.9	91.1
	Emissions per unit of sales	100	78.0	72.0

Compliance with Laws and Regulations and Risk Management

We analyze the levels of various environmental risks to determine the methods to cope with them and management activities on a routine basis. Records on compliance in the last three years are shown in the table below. We received five environmental complaints last year, which were mainly related to vibration and noise, and have already taken proper measures. With respect to the treatment of PCBs, while they have been stored properly, their disposal is expected to take several years.

	Violation of law	Penalty and lawsuit	Accidents	Complaints
Fiscal 2007	0	0	0	5
Fiscal 2006	0	0	0	4
Fiscal 2005	0	0	0	0

Environmental Audit

The upper right table shows the results of evaluation by internal and external bodies on whether or not our environmental management system is properly operated and maintained according

to the requirements of ISO 14001. As we had improved the items on which findings were indicated in the internal environmental audit, the number of findings in the external audit was only one, which demonstrated the effective operation of our system.

	Findings	Recommendations
Internal environmental audit	33	155
External environmental audit	1	34

Environmental Benchmarking

With a view to activating and improving our environmental conservation activities, we have since fiscal 2005 implemented “environmental benchmarking” of all sites including Group companies in Japan. Based on our original marking method, we separately evaluate individual factors: system, performance, improvement and communication. In fiscal 2008, we will encourage the sites that received low overall scores in fiscal 2007 to improve their activities. We are also disseminating the activities of the sites with high scores Group-wide, which is raising our overall level.

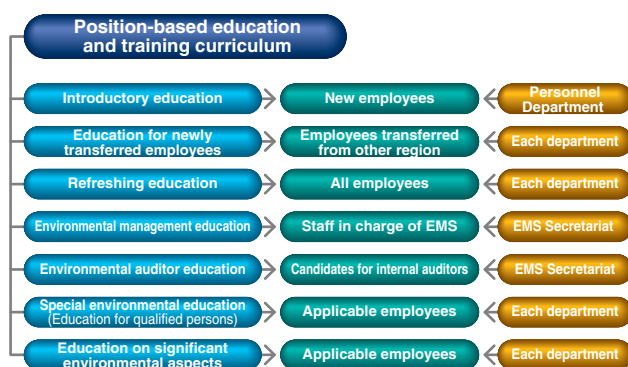


Environmental Education

The SWS Group has adopted the position-based education curriculum shown on the right to encourage all employees to be highly conscious of environmental issues in their daily operations. The contents are adjusted to the employees being educated; for example, new employees and newly transferred employees are required to understand the activities on a wide range of environmental issues and receive refreshing education every year to deepen the understanding continuously, while newly promoted personnel receive the environmental education suitable for them. The table below outlines the number of participants in education seminars organized on a regional basis. Other education includes sessions for suppliers outside our Group.

		Participants (persons)
Introductory education	New employees	799
Education for newly transferred employees	Employees transferred from other regions	405
Refreshing education	Including environmental fairs	8,258
Environmental management education	Staff in charge of EMS	221
Environmental auditor education	Candidates for internal auditors	53
Special environmental education (Education for qualified persons)	Education for qualified persons	25
Education on significant environmental aspects	Applicable employees	202
Other education	Including outside companies	203

Diagram of the Environmental Education System



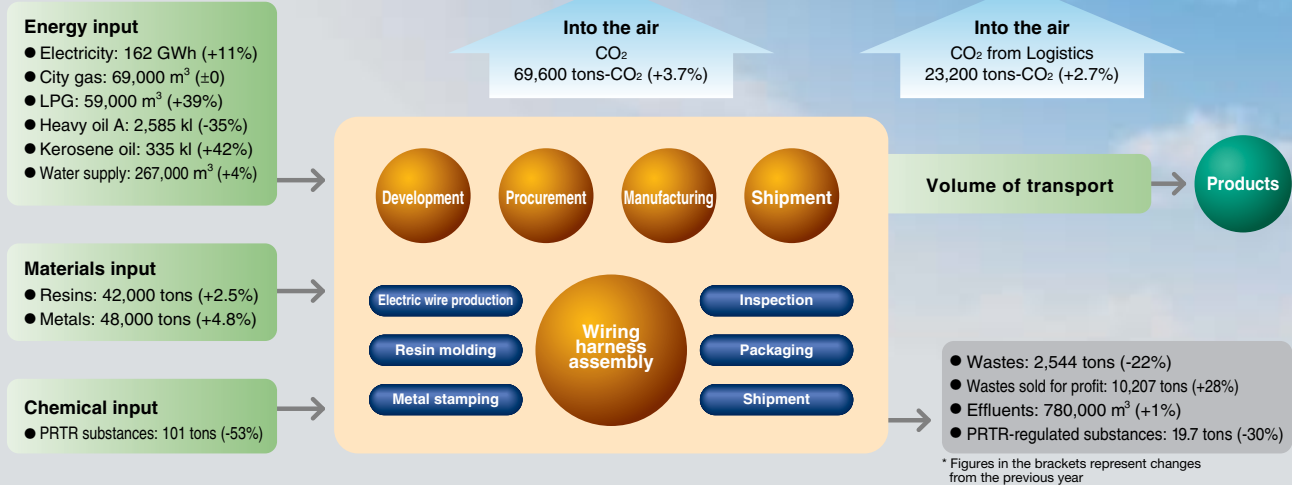
New employee education

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.

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

Material Balance (in Japan)



Material Balance

We will produce clear effects with thorough implementation of what we can do as a company and what each of the employees can do.

Reduction of 1 kg of CO₂ Per Person Per Day

As an initiative to prevent global warming with the united efforts of all companies and employees across the SWS Group, we commenced our original “voluntary activities to reduce 1 kg of CO₂ per person per day” in November 2007.

In July 2008, we gathered the results of the campaign performed under the slogan of reducing 1,000 tons of CO₂ in a year, and found that more than 97% of employees participated in the campaign.



Greening of Head Office won prizes

When our Head Office (Yokkaichi) was renovated from 2005 to 2007, we conducted the greening of the site. For this greening effort, we received Encouragement Prize of the 27th Urban Green Space Award organized by the Urban Green Space Development Foundation. This competition awards the excellent cases of works for greening to improve the environment and landscape by local governments and companies all over Japan. This year, we were the only winner among about 40 applicants from the manufacturing industry. In addition, for the greening of the walls in our cafeteria building, we won the President Prize in the 6th Competition for Specialized Greening Technology for Rooftops, Wall Facings and New Green Spaces hosted by the Organization for Landscape and Urban Greenery Technology Development of Japan.

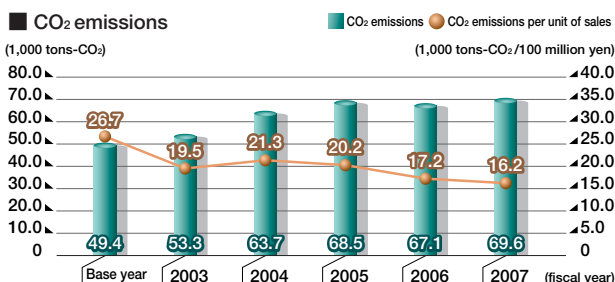


We are committed to energy saving and more efficient transportation to reduce CO₂ emissions.

CO₂ Emissions (in Japan)

Fiscal 2007 target	Reduce 4% from fiscal 2005
Fiscal 2007 result	Reduced 20% (per unit of sales)

In fiscal 2007, the SWS Group made efforts to reduce CO₂ emissions mainly by energy saving to meet the target of reducing emissions per unit of sales by 4% from fiscal 2005. Although the actual CO₂ emissions increased by 3.7% from fiscal 2006, the emissions per unit of sales were reduced by 5.5% from fiscal 2006 and by 20% from fiscal 2005, which exceeded the target.

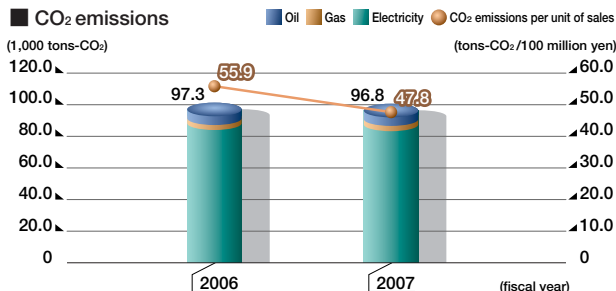


* CO₂ conversion factor used for the calculation of CO₂ emissions
 Electricity: 0.378 kg-CO₂/kWh LPG: 6.21 kg-CO₂/m³
 City gas: 2.08 kg-CO₂/m³ A heavy oil: 2.71 kg-CO₂/l Kerosene oil: 0.249 kg-CO₂/l

CO₂ Emissions (Overseas)

Fiscal 2007 target	Reduce 2.5% from fiscal 2006
Fiscal 2007 result	Reduced 15% (per unit of sales)

Our overseas affiliates are also committed to energy saving activities. To reduce energy consumption of lighting, they thoroughly took such measures as reconsideration of the number of lamps illuminating aisles in factories, extinction of lights in consideration of the illumination intensity, and light extinction during break times. To reduce energy use for air conditioning facilities, personnel have been assigned to take charge of controlling the heating and cooling temperatures.



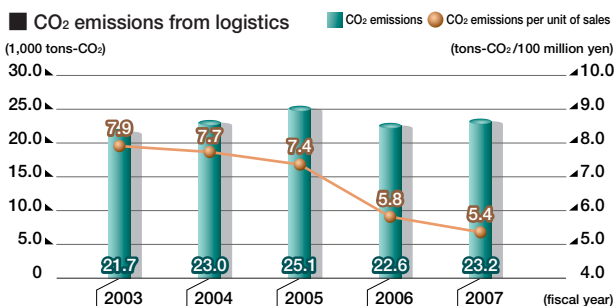
Global Warming

The entire SWS Group is working to reduce CO₂ emissions to prevent global warming in consideration of not only production at factories but also transportation.

CO₂ Emissions from Logistics (in Japan)

Fiscal 2007 target	Reduce 2.5% from fiscal 2006
Fiscal 2007 result	Reduced 6.3% (per unit of sales)

The SWS Group established the Special Environmental Subcommittee for Logistics in 2006 and has made efforts to achieve CO₂ reduction, more efficient logistics and the use of returnable packaging materials. In our activities to improve the efficiency of truck transportation in Japan, we introduced the eco-drive system last year to realize even higher fuel efficiency.



* The calculation method is different between the pre-2005 and post-2006 periods due to legal reform.

Eco drive system

System to analyze the driving environment and vehicle performance to advise the driver on how to drive to maximize the energy saving effect in real time

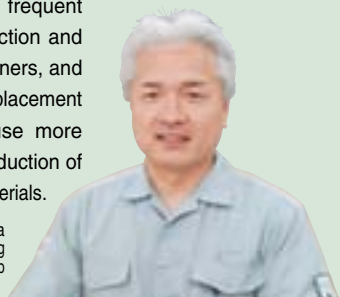
Modal Shift

In fiscal 2007, we introduced ferry transportation instead of truck transportation in the Osaka-Kitakyushu, Oppama (Kanagawa Prefecture)-Kanda (Fukuoka Prefecture) and Yokkaichi (Mie Prefecture)-Yokohama routes, and increased the frequency of ferry transportation between Osaka and Beppu. We also replaced road transportation by railway transportation between Yokkaichi and Kitakyushu and between Nagoya and Kitagami (Iwate Prefecture). Through these measures, we reduced 965 tons-CO₂ in the year.

Staff's Column

Both Electronics Group and Production Department are actively involved in energy saving activities. Specifically, we are making steady efforts involving all employees, such as frequent switching on/off of lights in factories, detection and repair of air leaks and control of air conditioners, and also hardware-related activities including replacement of hydraulic forming machines, which use more power, by electric forming machines and reduction of radiation heat losses by installing insulating materials.

Akira Nishimura
 Member of Special Environmental Subcommittee for Energy Saving
 General Manager of Production Department, Electronic Group



Modal Shift

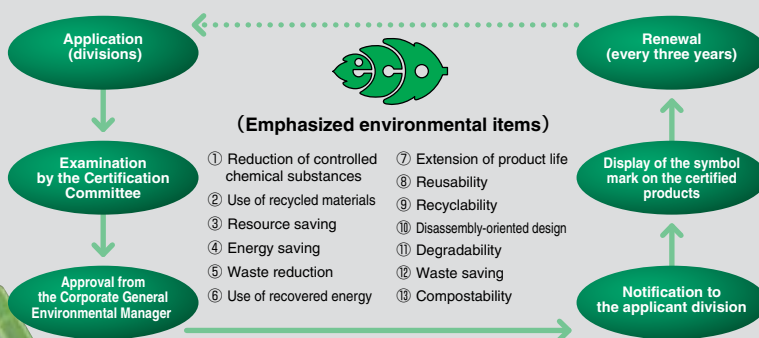
To replace truck transportation by railway and ship transportation, which have less environmental impact, as a measure to improve efficiency and reduce environmental impact in transportation

We are contributing to society through development of environmentally conscious products for the realization of a sustainable society.



The SWS Group launched the Eco Symbol Mark Certification System (certification system for environmentally conscious products) based on its original criteria in May 2005 so as to "contribute to global environmental preservation through products," and has certified seven products until now. At the same time, Special Environmental Subcommittee for Products was set up as the main body to promote certification. The items to be evaluated on environmental consciousness (emphasized environmental items) have been selected based on "ISO 14021 (JISQ 14021) environmental label and declarations, and on self-declaration environmental claims (Type II "environmental labeling").

Flowchart of certification of environmentally conscious products



Environmentally Conscious Products

We are developing various components with a desire that our products contribute to global environmental conservation.

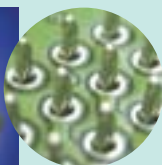
Environmentally conscious products certified in the past



Press-fit PCB connectors

Certified in November 2006
for reduction of controlled chemical substances

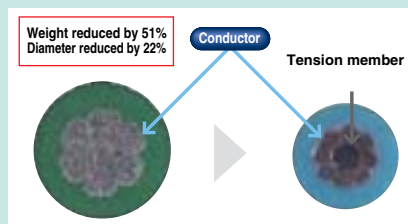
The connectors can be attached to PCBs easily using lump-press insertion. Lead has been eliminated by using no solder.



Easy-to-disassemble engagement-style grounding terminals

Certified in January 2006
for disassembly-oriented design and waste reduction

The grounding terminals get detached under a certain load. This makes it easier to collect wiring harnesses from end-of-life vehicles.



CHFUS 0.13-mm² wires

Certified in November 2006
for resource saving and reduction of controlled chemical substances

Weight reduced by 51%
Diameter reduced by 22%

Conductor Tension member

The wires have become lighter with smaller diameters by the insertion of tension members into conductors to make them thinner.



ISO halogen-free wires

Certified in September 2005
for reduction of controlled chemical substances and resource saving

Thermal recycling efficiency during the recycling process has been improved and the wire diameters have been reduced by 20% by using polyolefin resin as wire sheaths to allow the structure to comply with the ISO international standards.



Flat wiring harness

Certified in March 2006
for resource saving, energy saving and reduction of controlled chemical substances

Wiring harnesses have become lighter and space required for wiring has become smaller by using light, thin flat wires.

In fiscal 2007, the following two products were certified as environmentally conscious products.



Lead-free PD

Certified in February 2008
for reduction of controlled chemical substances

By using lead-free solder, the controlled chemical substances contained in the products have been reduced.



Low-VOC tape (protection tape)

Certified in November 2007
for reduction of controlled chemical substances

The volatile organic solvent contained in the adhesive of the tape protecting wiring harnesses in automobiles has been reduced to 1/500, thus contributing to the reduction of volatile organic compounds (VOCs) in a car.

Introduction of Product Environmental Index

While LCA (life cycle assessment) has been conventionally used to quantitatively evaluate the environmental impact of products, there is a movement to evaluate products by linking “environmental factors (environmental impact)” with “product values (performance)” such as convenience, safety and amenity in relation to the sophistication of the products. The Japan Auto Parts Industries Association (JAPIA) established the Product Environmental Index WG in fiscal 2005 and started to consider “product environmental index,” which indicates the compatibility of environmental factors and product values. Then, JAPIA published the first edition of the Product Environmental Index Guideline in March 2007 and the second edition, which newly included a chapter on the significance and advantages of introduction (introduction

edition), in April 2008. (SWS also participated as a member.)

In the JAPIA's Product Environmental Index Guideline, the “environmental factor (environmental impact) of a product” is calculated separately on the three aspects of global warming, resource depletion and emissions of substances of concern. An example of the calculation on our products (wiring harnesses for automobiles) is presented below, which shows that the environmental index has been improved by 9 to 17% with the new product in comparison with the conventional product. In future, we will consider the introduction of this index as guidance (target) in the design and development of environmentally conscious products.

■ An example of the calculation of product environmental index

- New product: wiring harnesses mainly using halogen-free wires
- Conventional product: wiring harnesses mainly using polyvinyl chloride wires

Environmental factor (environmental impact) category	Product environmental index
Global warming	1.13
Resource depletion	1.09
Emissions of substances of concern	1.17

$$\text{Product environmental index} = \frac{\text{Environmental efficiency of the new product}}{\text{Environmental efficiency of the conventional product}}$$

$$\text{Environmental efficiency} = \frac{\text{Product values (performance)}}{\text{Environmental factor (environmental impact) of the product}}$$



We presented our efforts on the “Eco Symbol Mark Certification System” in an eco-design workshop for the enhancement of the industrial base organized by the Mie Prefectural Government as part of its eco-business dissemination and promotion project in fiscal 2007.

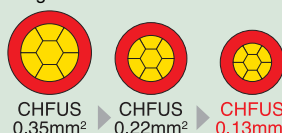


Eco-design workshop

Staff's Column

The weight of wiring harnesses contained in a passenger car is approximately 25 kg, about 60% of which is represented by electric wires of total length about 2,000-meters. To improve fuel efficiency and recyclability of automobiles, we are promoting reduction of weight and diameters and use of halogen-free sheaths. In our activities to reduce weight and diameters, we have developed halogen-free electric wires with a conductor cross-sectional area of 0.13 mm² and have started to install them in automobiles this year. Halogen-free wires were installed in automobiles in 2002 for the first time, and have been increasingly adopted since then. Currently, we are developing aluminum conductor wires to further reduce the weight, electric wires with a cross-sectional area of less than 0.1 mm², and halogen-free wires that can be used in engine compartments in harsh environments.

Progress in the reduction of weight and diameters



Halogen-free wires



Mamoru Kondo
Member of Special Environmental Subcommittee for Products Development and Technology Department, Electric Wire & Cable Group



Environmental label

Environmental labels convey to consumers the environmental aspects of products and services through statements, symbol marks and graphics on the products, packaging labels, product instructions, advertisement, press releases, etc.

VOCs (volatile organic compounds)

Generic term for substances that easily volatilize into the air at normal temperature and pressure

LCA (life cycle assessment)

LCA is a method to reduce the environmental impact of a product throughout its life cycle. In LCA, the environmental impact is assessed at all the stages including production, transportation, sales, use, disposal and reuse.

Halogen-free

Halogens are fluorine, chlorine, bromine, iodine and astatine, and halogen-free means the inclusion of almost no halogens or halogen compounds.

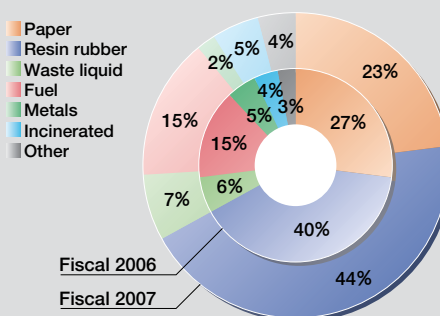
We are performing waste reduction activities on a global scale in the spirit of “Mottainai.”

Fiscal 2007 target Reduce 30% from fiscal 2005

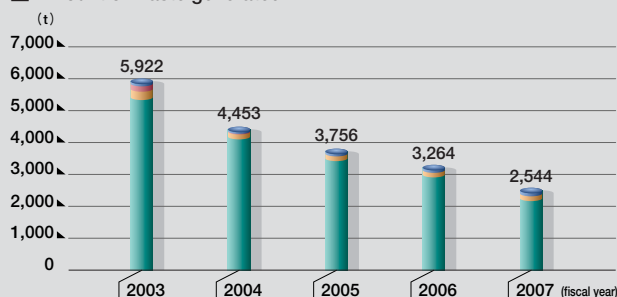
Fiscal 2007 result Reduced 32%

To establish a recycling-oriented society, SWS achieved “no landfill waste” (zero emission) at all Japanese sites in 2003. We reduced total waste output by thoroughly collecting recyclable waste to be sold for profit. As a result, we reduced total waste output in fiscal 2007 to 2,544 tons or 22% less than in the previous year, which was also 32% less than in fiscal 2005 and exceeded our action target by 30%. By category, paper waste decreased by 4% while waste resin rubber increased by 4%. We will continue to promote material recycling actively.

■ Amount of waste generated by category



■ Amount of waste generated (t)



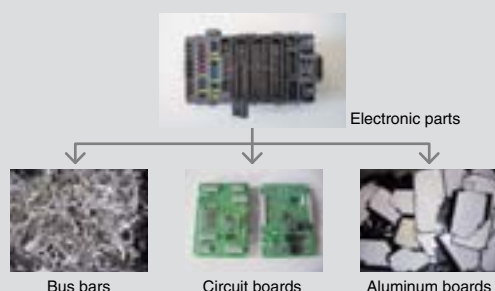
Resources Recycling and Pollution Prevention

We will promote thorough waste separation and replacement by alternative materials, for the prevention of pollution and the establishment of a recycling-oriented society.

Example of Waste Reduction Activities

For waste reduction, it is crucial to separate out waste, and we implement separation activities in our 3R Center and also outsource them to outside contractors.

Outsourcers	Contractors	Outsourced items
Sumitomo Wiring Systems, Ltd. Sumiden Electronics, Ltd. Sumidenso Platech, Ltd.	3R Center (in-house facilities)	AV waste Housing leads and terminals
Tohoku Sumidenso, Ltd.	Tampopo Nakayama no Sono Morioka Sugishoen Miyako Ability Center Morioka Ability Center Popeye no Ie Icho no Ie	AV waste and terminals
Hokuriku Harness, Ltd.	Work Center Aoyama Saikoen Social Welfare Corporation Shionkai	Assembly boards and collection work on a vinyl sheet
Toyo Harness, Ltd.	Mukainoen Naginokien	AV waste and collection work on a vinyl sheet



Waste (Overseas)

Fiscal 2007 target Reduce 2.5% from fiscal 2006

Fiscal 2007 result Reduced 6% (per unit of sales)

At our overseas affiliates, waste output increased by 855 tons or 9% over the previous year due to increased output in the China/Asia region, but waste output per unit of sales declined by approximately 6.2%.

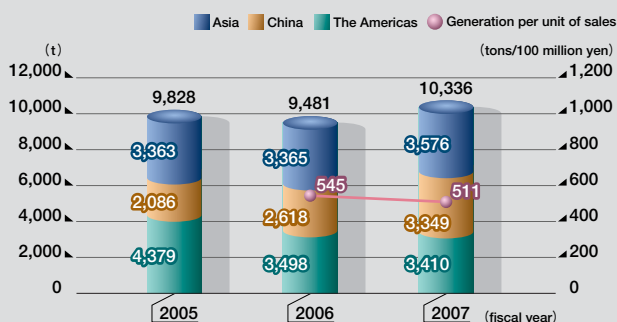
■ Amount of waste generated

[Covered affiliates]

< The Americas > 3 companies: CONTEC, ATR and SDB

< China > 3 companies: SDMS, SDMZH and HZR

< Southeast Asia > 5 companies: IWSP, PKI, SBI, SMIEL and SDVN



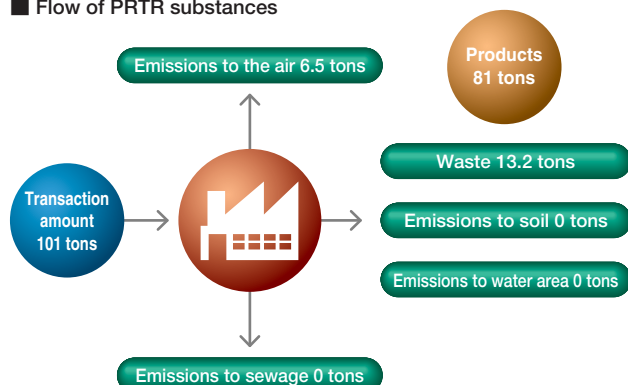
* Waste sold for profit is included in the waste.

Chemical Control

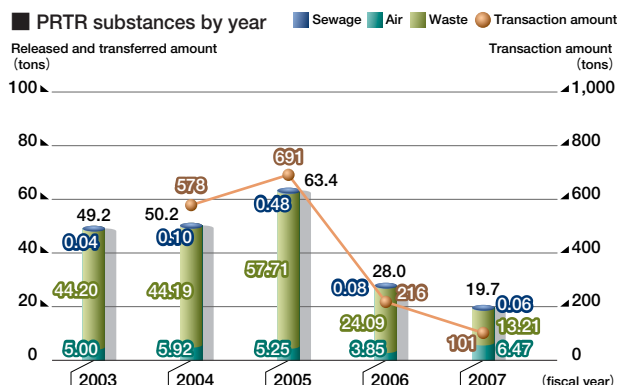
Fiscal 2007 target	Reduce 2.5% from fiscal 2006 (in Japan)
Fiscal 2007 result	Reduced 30% (PRTR substance release and transfer)

The diagram below shows the release and transfer amounts of PRTR substances from SWS Group companies in Japan in fiscal 2007, which are based on the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical

■ Flow of PRTR substances



Substances and Promoting Improvements in Their Management. In comparison with fiscal 2006, the transaction amount decreased by 53% and the emissions also dropped by 30%. The main cause of this substantial reduction was progress in the replacement of di (2-ethylhexyl) phthalate, which was being used as a raw material mainly in wire production, by alternative materials, which also reduced the waste output significantly.



Soil Contamination Problem

Notice of Reporting Soil Contamination Identified at SWS WAY Center (Training Institute)

SWS reported a case of soil contamination identified at the SWS WAY Center, which we are using as our training institute, to the Environment Preservation Department, Environment Division, Yokkaichi City on March 25, 2008, based on the regulations in Phrase 1 of Article 72-4 in the Regulations on Preserving Mie Prefecture's Living Environment. As part of our environment preservation activities, SWS has conducted soil testing on its lands for several years. When we tested the soil at the SWS WAY Center, lead and selenium exceeding the environmental limits were detected at the five locations covered. In response to the above results, we also tested the underground water, and confirmed that there was no contamination of the water.

We purchased the land in 1988 and constructed the SWS WAY Center to be used initially as welfare facilities, and currently use it as a training institute for our employees. Therefore, we have never used any specified hazardous substances at this site. Following administrative guidance, we are paving the entire site with asphalt to prevent diffusion of contamination.

Storage of PCBs

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 use 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.

Material recycling

Material recycling is to collect used products and wastes from production processes, treat them to become easy to use and use them as raw materials for new products.

3Rs

3Rs refers to Reduce, Reuse and Recycle, and represents an idea that waste should be handled in the following order of priority: reduction, reuse and recycling.

PRTR

The Law Concerning Reporting, etc. of Releases to the Environment of Specific Substances and Promoting Improvements in Their Management (PRTR Law) obligates companies to record and report the release and transfer amounts of hazardous chemical substances.

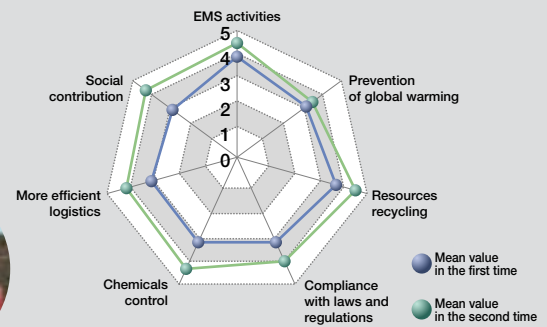
We are checking the activities of our manufacturing subsidiaries around the world to identify their progress in social contribution and environmental activities.

Environmental Benchmarking

To establish a global environmental preservation system and achieve the SWS Group's environmental action plan "Challenge-Eco 2012," we are promoting environmental benchmarking at manufacturing subsidiaries in the regions of Southeast Asia, India, China and the Americas. Evaluating

approximately 60 items, we check their progress in meeting the targets, and provide guidance on the activities and support to the subsidiaries.

As shown in the radar chart below, the activities have been improved in all items.



Coexistence with Community

Encouraged by high reputation of the SWS Group's attitude towards the environment from people in various regions, we will seek more positive social contribution.

Publication of an Environmental Report (SDM-HZ, China)

SWS Group companies in foreign countries are also activating their environmental conservation initiatives. Among them, Sumidenso Mediatech (Huizhou) Ltd. (SDM-HZ) in China has promoted original measures such as pioneering volunteer activities, and became the first SWS Group company to publish an independent environmental report in 2007.



Environmental Activities of Overseas Companies

Our overseas Group companies are also enhancing environmental awareness and increasingly organizing their original environmental events. International Wiring Systems (Phils.) Corporation (IWSP) in the Philippines organized a tree-planting ceremony together with the employees in September 2007. The company also held an environmental fair in December 2007 to improve environmental awareness, to which it invited local residents. Sumidenso Vietnam Co., Ltd. (SDVN) in Vietnam performed activities to clean the site and its neighborhood and cultivate planted trees on World Environment Day in June 2007.



Tree-planting ceremony (left) and environmental fair (right) organized by IWSP (the Philippines)



Tree cultivation activities by SDVN (Vietnam)

Communication

Encouragement prize awarded in the CO₂ reduction activity contest in Iwate Prefecture's CO₂ reduction campaign in 2007

Kyohritsu Hiparts Co., Ltd. (based in Ichinoseki, Iwate Prefecture) participated in a competition to select excellent CO₂ reduction activities (among the 80 applicant organizations) organized as part of the Iwate Prefectural Government's campaign to prevent global warming. The company reported its initiative to "reduce 1 kg of CO₂ per person per day" and received an encouragement prize from the Governor of Iwate.

Awarded in the Yamagata Prefecture's Winter Eco-Challenge Campaign



The Yamagata Plant of Tohoku Sumidenso, Ltd. was recognized by the Yamagata Prefectural Government on June 5 as an excellent company for their environmental activities. The prefectural government is running the "Stop Waste: Yamagata Eco-Challenge Campaign" to encourage residents in the prefecture to save energy

and meet the target of reducing greenhouse gas emissions by 7%. The Yamagata Plant had the privilege of being one of the 11 awarded companies out of approximately 700 applicants in the campaign. It was acknowledged that the Yamagata Plant showed remarkable results in CO₂ reduction activities (6% reduction compared to the same month in the previous year) through the measures specified by the prefectural government. In addition, the plant's original activities including the environmental fair open to public, regional volunteer cleaning activities and use of BDF (biodiesel fuel) for company vehicles were highly appreciated.



Local Contribution Activities

Providing and joining the Kids' ISO 14000 Program (November 2007)

To enhance ties with local communities, Sumitomo Wiring Systems held environmental classes for children at Meisei, Amana and Idagawa municipal elementary schools in Suzuka. In the social contribution events, we used workbooks and provided all participating children with assessment reports showing their scores to enhance their environmental awareness.



At Idagawa Elementary School in Suzuka

At Meisei Elementary School in Suzuka

Planting weeping cherry trees in Fukaya Park, Hachino Town, Suzuka City (April 2007)

As part of the "Tree-Planting Promotion Activities in Spring 2007," we planted weeping cherry trees provided by the Mie Prefecture Tree-Planting Promotion Association in Fukaya Park, Hachino Town, Suzuka City.



At Fukaya Park, Hachino Town, Suzuka

Exchange with Local Communities

The SWS Group participates in various local activities such as the Grand Yokkaichi Festival, local joint emergency drills and junior high school science project education. Through such activities, we are interacting with local residents and contributing to regional development.



Grand Yokkaichi Festival



Junior high school science project education

Assistance to Disaster Victims

SWS donated 10 million yen to support victims of the earthquake that occurred in Sichuan, China on May 12, 2008. Our Group companies in China also donated approximately 10 million yen in total to the Red Cross Society of China and to other organizations.



Participation in a local joint emergency drill

As a global company operating in 29 countries, we believe that it is one of our social responsibilities to offer support for reconstruction of the earthquake-affected areas. Based on such a belief, we will continue to provide assistance.

Environmental Impact Data

* < means "less than"

Main environmental impact data measured to comply with legal requirements in the five manufacturing bases in Japan are as follows:

■ Head Office

Measurements on water quality	Regulation value	Fiscal 2006			Fiscal 2007		
		Maximum	Average	Minimum	Maximum	Average	Minimum
Discharge (m ³ /day)*	—	152	134	112	151	133	113
pH	5.7~8.7	8.7	7.2	5.7	8.6	7.4	5.7
SS	300mg/L	270	103	18	130	72	30
BOD	300mg/L	290	198	100	270	178	88
Mineral oils	5mg/L	1.0	1.0	1.0	1.0	1.0	1.0
Animal and vegetable oils	30mg/L	28.0	12.3	4.0	29.0	15.6	3.0
Phenol	1mg/L	0.10	0.10	0.10	0.10	0.10	0.10
Copper	1mg/L	0.34	0.10	0.02	0.05	0.03	0.02
Zinc	2mg/L	1.10	0.37	0.08	0.14	0.08	0.06
Soluble iron	10mg/L	1.60	0.67	0.03	0.36	0.16	0.02
Soluble manganese	10mg/L	0.05	0.03	0.02	0.04	0.03	0.02
Total chromium	2mg/L	0.04	0.04	0.04	0.04	0.04	0.04
Fluorine	15mg/L	0.10	0.10	0.10	0.10	0.10	0.10
Cadmium	0.1mg/L	0.001	0.001	0.001	0.001	0.001	0.001
Cyanogen	1mg/L	0.10	0.10	0.10	0.10	0.10	0.10
Organic phosphorus	1mg/L	0.10	0.10	0.10	0.10	0.10	0.10
Lead	0.1mg/L	0.02	0.02	0.01	0.01	0.01	0.01
Chromium (VI)	0.5mg/L	0.04	0.04	0.04	0.04	0.04	0.04
Arsenic	0.1mg/L	0.005	0.005	0.005	0.005	0.005	0.005
Mercury	0.005mg/L	0.0005	0.0005	0.0005	0.0005	0.0005	0.0005

Noise measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Morning & evening	65dB	60	46	60	49
Daytime	70dB	63	51	63	54
Night	60dB	57	44	58	48

Vibration measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Daytime	65dB	47	38	44	32
Night	60dB	42	30	40	30

Measurements on air quality	Facilities	Regulation value	Fiscal 2006	Fiscal 2007
Soot and dust	boiler	0.05g/Nm ³	0.005	0.005
SOx	boiler	1.33m ³ /h	0.003	0.003
NOx	boiler	150ppm	24	27

■ Suzuka Plant

Measurements on water quality	Regulation value	Fiscal 2006			Fiscal 2007		
		Maximum	Average	Minimum	Maximum	Average	Minimum
Discharge (m ³ /day)*	—	1,417	691	475	1,272	656	482
pH	5.8~8.6	7.8	7.2	6.8	7.5	7.2	7.0
BOD	25mg/L	6.0	2.9	1.0	8.0	1.8	<1
COD	25mg/L	9.0	4.8	1.0	23.0	5.3	2.0
SS	70mg/L	6.0	3.5	1.0	14.0	4.2	1.0
Mineral oils	1mg/L	<1	<1	<1	<1	<1	<1
Animal and vegetable oils	10mg/L	<1	<1	<1	<1	<1	<1
Phenol	1mg/L	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1
Total nitrogen	60mg/L	13.0	5.7	2.8	9.3	3.8	2.3
Total phosphorus	8mg/L	2.00	0.44	0.12	0.44	0.14	<0.05
E. coli	3,000/L	1,500	173	6	11	39	0
Copper	1mg/L	0.07	0.05	<0.02	0.03	0.02	<0.02
Zinc	5mg/L	0.17	0.15	0.13	0.14	0.12	0.10
Soluble iron	10mg/L	0.10	0.09	0.07	0.05	0.04	0.03
Soluble manganese	10mg/L	<0.02	<0.02	<0.02	<0.02	<0.02	<0.02
Chromium	2mg/L	<0.04	<0.04	<0.04	<0.04	<0.04	<0.04
Fluorine	15mg/L	<0.1	<0.1	<0.1	<0.1	<0.1	<0.1

Noise measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Morning & evening	65dB	62	44	60	46
Daytime	70dB	61	50	61	50
Night	60dB	59	45	59	43

Vibration measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Daytime	65dB	42	40	44	42
Night	60dB	40	40	42	39

Measurements on air quality	Facilities	Regulation value	Fiscal 2006	Fiscal 2007
Soot and dust	boiler	0.3g/Nm ³	0.005	0.005
SOx	boiler	0.71m ³ /h	0.030	0.018
NOx	boiler	180ppm	78	58

■ Ibaraki Electric Wire Works

Measurements on water quality	Regulation value	Fiscal 2006			Fiscal 2007		
		Maximum	Average	Minimum	Maximum	Average	Minimum
Discharge (m ³ /day)*	—	547	315	184	574	495	378
pH	5.8~8.6	7.90	7.63	7.10	8.40	8.10	7.80
BOD	25mg/L	9.00	4.05	1.00	5.50	2.80	0.80
COD	25mg/L	6.30	3.94	2.00	6.10	3.80	1.60
SS	40mg/L	12.00	4.45	1.20	5.50	1.46	1.10
n-Hexane extractable content	5mg/L	<1	<1	<1	<1	<1	<1
Copper content	3mg/L	0.12	0.07	0.03	0.18	0.08	0.02
Zinc content	2mg/L	0.15	0.07	0.03	0.10	0.072	0.05
Total nitrogen	60mg/L				1.70	0.90	0.40
Total phosphorus	8mg/L				0.62	0.44	0.37
Lead and its compounds	0.1mg/L				<0.01	<0.01	<0.01

Noise measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Morning & evening	75dB or more	59	55	59	55
Daytime	65dB or more	58	57	59	56
Night	75dB or more	58	55	58	55

Vibration measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Daytime	70dB or more	40	39	40	39
Night	60dB or more	40	38	43	39

Measurements on air quality	Facilities	Regulation value	Fiscal 2006	Fiscal 2007
Soot and dust	Diesel generator	0.1g/Nm ³	0.008	0.0106
SOx	Diesel generator	3.75m ³ /h	0.40	0.79
NOx	Diesel generator	950ppm	809	706

■ Misono

Measurements on water quality	Regulation value	Fiscal 2006			Fiscal 2007		
		Maximum	Average	Minimum	Maximum	Average	Minimum
Discharge (m ³ /day)*	—	41	36	32	79	40	28
pH	5.8~8.6	7.2	6.8	6.4	7.4	6.6	5.8
BOD	25mg/L	16.0	6.9	3.5	*1 27.0	8.5	1.8
COD	25mg/L	19.0	15.3	11.0	20.0	12.8	8.0
SS	70mg/L	12.0	4.9	1.5	8.0	3.6	1.0

*1 The value was high due to the failure of the control valve in an outdoor reservoir. This has already been repaired.

Noise measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Morning & evening	65dB	56	51	54	53
Daytime	70dB	62	51	63	58
Night	60dB	52	51	53	50

Vibration measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Daytime	65dB	31	31	37	<30
Night	60dB	32	<30	35	33

■ Sumidenso Platech, Ltd.

Measurements on water quality	Regulation value	Fiscal 2006			Fiscal 2007		
		Maximum	Average	Minimum	Maximum	Average	Minimum
Head Office	Discharge (m ³ /day)*	813	553	100	750	491	100
	BOD	120mg/L	3.3	1.9	0.5	0.8	0.7
	COD	120mg/L	0.5	0.5	<0.5	<0.5	<0.5
	n-Hexane	5mg/L	<0.5	<0.5	<0.5	<0.5	<0.5
Natsukari site	Discharge (m ³ /day)*	6.3	5.6	5.4	5.9	5.2	4.9
	BOD	120mg/L	5.0	3.1	1.2	4.9	3.4
	COD	120mg/L	4.9	3.7	2.4	5.1	4.8
	N-hexane	5mg/L	<0.5	<0.5	<0.5	<0.5	<0.5

Noise measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Head Office	Morning & evening	45dB	*2 58	*2 49	*2 56
	Daytime	50dB	*2 64	49	*2 58
	Night	40dB	*2 56	*2 50	*2 57
	Night	40dB	*2 56	*2 50	*2 46
Natsukari site	Morning & evening	65dB	59	49	62
	Daytime	70dB	68	53	62
	Night	60dB	57	51	48
	Night	60dB	57	51	48

*2 The high values were due to traffic noise on the nearby national highway. They have already been discussed with the administrative body.

Vibration measurement	Regulation value	Fiscal 2006		Fiscal 2007	
		Maximum	Minimum	Maximum	Minimum
Head Office	Daytime	60dB	<30	<30	<30
	Night	50dB	33	<30	<30
	Daytime	70dB	54	<30	55
	Night	65dB	50	<30	49

Third-party Opinion

First of all, I highly value the disclosure of the social report in addition to the environmental report, which started with this year's report. In terms of design, the contents are compactly organized in sets of two facing pages (except for some pages). The titles neatly describe what the report mostly wants to convey, and the contents give the impression that the size is larger than the actual 30 pages.

The Sumitomo Wiring Systems Group is a global business group in the real sense of the term, in which only 12.8% of the employees work in Japan and 90% of the wiring harnesses are manufactured overseas. While global business groups are generally required to publish reports on a global basis, most reports published by such groups that I have read before did not fully meet the requirement. Nevertheless, this report presents many items from a global viewpoint, which include Skill Olympic Games, accident statistics, sharing of safety information, increase in local procurement, environmental preservation activities, CO₂ emissions, waste output and environmental benchmarking of overseas manufacturing affiliates. In particular, the report of environmental preservation activities shows the Group's strong will to perform such activities on a global scale. In the global accident statistics, differences of criteria between countries are eliminated by determining scales to enable comparative examination. Such activities are hardly introduced in other companies' reports. However, it would be better to comment on why more accidents occurred overseas than in Japan and how SWS would cope with them.

On the other hand, I would like to point out some issues that would further improve the report in future. Firstly, it is better to state the Group's vision and strategy beyond the five-year mid-term business plan (for example, vision for the 100th anniversary or long-term business plan). The statement should include specific approach to business management based on CSR. It may be difficult to create a long-term vision at the present time when key factors that change the situation come up one after another, but for this very reason, I think that many stakeholders expect companies to show their future vision under such a circumstance.

In the meantime, various parties, including companies, are beginning to make efforts to address the growing problem of global warming. It is highly appreciated that the SWS Group records CO₂ emissions from overseas companies along with domestic sites and sets CO₂ reduction targets. Nevertheless, I believe that the Group should set targets on total emissions including those from overseas sites, in addition to targets on emissions per unit of sales. It would also be better to set mid- to long-term Group-wide targets covering the post-2012 period and establish a long-term strategy for achieving the targets.

With this report, SWS has taken the first step for a social report. I think that the company should next work on content selection for improving the report.

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 recycling-oriented 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/>



Receiving the Third-party Opinion

From this fiscal year, the Sumitomo Wiring Systems Group publishes CSR Report instead of Environmental Report and has enhanced the contents to generate more understanding among stakeholders. The SWS Group considers that it will become increasingly important to recognize the needs of stakeholders and fulfill social responsibilities based on the needs.

We will accept this opinion with sincerity. Enhancing the global management as a company operating in 30 countries, we will develop business activities to win the trust of all people related to the SWS Group.

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