Strategy for Low Fuel Consumption

Since the introduction of the tire labeling system,* interest in low fuel consumption tires has been growing in Japan. Given this, Sumitomo Rubber Industries is placing increasing emphasis on the technological development and commercialization of low fuel consumption tires in view of future sales expansion.

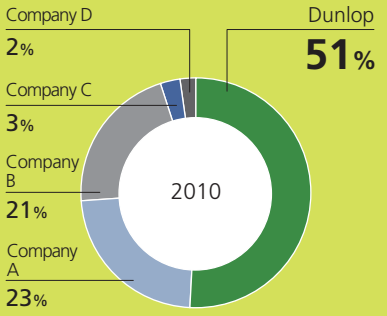
*A labeling guideline to promote fuel-efficient tires

Sumitomo Rubber Industries Acquires Top Share for Low Fuel Consumption Tires in Japan

In January 2010, Japan became first in the world to launch a labeling system for low fuel consumption tires. Under this system, summer replacement tires are evaluated using two criteria: rolling resistance to indicate fuel efficiency and wet grip performance to prove safety. Products that fulfill certain requirements can be labeled "fuel-efficient tires."

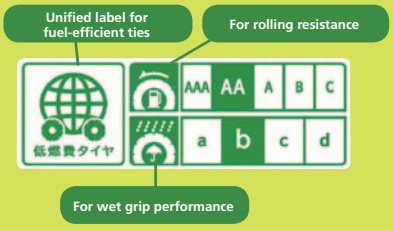
Sumitomo Rubber Industries immediately enhanced all three lines in the ENASAVE fuel-efficient tire series, offering a wide variety of sizes for each line. As a result, Dunlop achieved the top share of the Japanese market in terms of volume of sales of low fuel consumption tires at domestic major automobile goods stores in 2010.

Low Fuel Consumption Tire Sales Volume by Maker



Notes:
1. Source: Press release issued by JMA Research Institute Inc. on February 17, 2011
2. Based on a survey of the top two domestic automobile goods store chains handling tires

Labeling for Fuel-Efficient Tires



Fuel-efficient tires are classified within AAA–A grades for rolling resistance and a–d grades for wet grip performance. Only those that meet such requirements receive the unified label for fuel-efficient tires.

ENASAVE EC202

ENASAVE RV503

Tires

LE MANS 4

- Reduced noise energy by 13%*1
- Enhanced contribution to fuel efficiency by 3.8%*1

*1 Comparison with the LE MANS LM703

Expanding Product Lineups

With the aim of expanding its low fuel consumption tire lineup, in February 2011 Sumitomo Rubber Industries launched the LE MANS 4 tire, which is equipped with a special noise-absorbing sponge to improve quietness. With this release, over 80% of Dunlop summer replacement tires are now labeled as fuel-efficient products.

For tires for original equipment markets, the Company is proactively offering ENASAVE brand tires mainly for eco-friendly vehicles, and has been receiving orders for electric and hybrid vehicles.

Furthermore, Sumitomo Rubber Industries is expanding the application of the ENASAVE brand to motorcycles. During the fiscal year under review, the Company introduced the SPORTMAX ENASAVE, the first eco-friendly tire for motorcycles.

SPORTMAX ENASAVE

<Front> Reduced rolling resistance by approximately 20%*2
<Rear> Reduced rolling resistance by approximately 30%*2

- Enhanced actual contribution to fuel efficiency by 2%-3%*2

*2 Comparison with the SPORTMAX ROADSMART

<Front> <Rear>

Note: Some types are ranked "A" for rolling resistance and "c" for wet grip performance.

Future Strategy

On the back of tightening environmental regulations for automobiles, increasing demand for low fuel consumption tires is expected on a global scale. To that end, Sumitomo Rubber Industries is planning to conduct overseas business development by responding to demand from automobile manufacturers, conforming to environmental regulations and the tire labeling systems of Europe and the United States, and meeting other needs at our shipping destinations.

For tires featuring a 50% reduction in rolling resistance, which the Company is aiming to achieve as its the medium- to long-term technological target, Sumitomo Rubber Industries is steadily promoting the development in view of the product release in 2015. For tires that are 100% free of fossil resources, another target in the eco-friendly tire field, the Company completed the development of basic and element technologies, and is striving to establish mass production technology, aiming for the product release in 2013.

Sumitomo Rubber Industries will further reinforce the development and commercialization of low fuel consumption tires in consideration of its growth potential.