

Sumitomo Rubber Industries' basic management policy is to enhance its corporate value as a promising and reliable global company for the benefit of all stakeholders including shareholders. Under this policy, the Company considers the enhancement of corporate governance as a major management objective in its efforts to better fulfill its social responsibility and enhance transparency to strengthen Group management and establish deep relationships of trust with society while ensuring Group-wide business efficiency.

## CORPORATE GOVERNANCE STRUCTURE, IMPLEMENTATION AND STATUS OF AN INTERNAL CONTROL SYSTEM

### CORPORATE GOVERNANCE STRUCTURE

Sumitomo Rubber Industries has adopted an auditing system that is driven by its Board of Auditors. This Board is composed of five corporate auditors, three of whom are external appointments. This effectively facilitates a fair and objective system and enhances the overall audit function. The Company's Board of Directors deliberates and determines matters of managerial importance and supervises the execution of operations. As of March 29, 2007, the Board of Directors was comprised of 11 members, one of whom was an external director. In an effort to better promote the separation of supervisory and executive management functions and to clarify the responsibilities and authority of each business, Sumitomo Rubber Industries also introduced an executive officer system in March 2003. Through these means, the Company has established the organizational tools to promptly and appropriately respond to changes in its operating environment.

### IMPLEMENTATION AND STATUS OF AN INTERNAL CONTROL SYSTEM

Based on compliance with social norms, which are stipulated in the Company's Code of Conduct, Sumitomo Rubber Industries maintains the guideline that corporate activities must adhere to laws and ordinances, social norms and public decency. In addition, the Company strives to increase awareness and ensure strict legal compliance. In order to fulfill its corporate social responsibility, Sumitomo Rubber Industries established the basic objective to comply with laws and its Articles of Incorporation while establishing a strict code of corporate ethics and ensuring sound business operations. To that end, the Company formulated its "regulations on corporate ethics activities" and established the Corporate Ethics Committee in February 2003. In addition, Sumitomo Rubber Industries set up a compliance counseling room directly controlled by the president as a corporate ethics helpline for employees. This enables the Corporate Ethics Committee to investigate any problems that arise, and give sufficient attention to ensure that those employees who come forward are not penalized. Furthermore, the Company pays close attention to legal aspects by taking advice from a corporate attorney as circumstances demand.

### INTERNAL AUDIT AND AUDIT BY CORPORATE AUDITORS

Sumitomo Rubber Industries' internal audit function is effectively the responsibility of the Audit Office. Under the direct control of the president, the Audit Office is comprised of seven staff. In accordance with audit policies and annual internal audit plans, the Audit Office implements on-site audits of the Group as a whole including Head Office, major business sites and subsidiaries, to evaluate the efficacy, efficiency and degree of compliance adequacy in connection with the execution of operations at each division and department, and related Group companies. On completion of an internal audit, the results and any recommendations for improvement are reported to the president and the Board of Auditors in an effort to ensure reciprocal collaboration. In addition, reporting meetings are held on a periodic basis or as needs require among corporate auditors, the Audit Office and independent auditors to facilitate the exchange of information as well as closer collaboration.

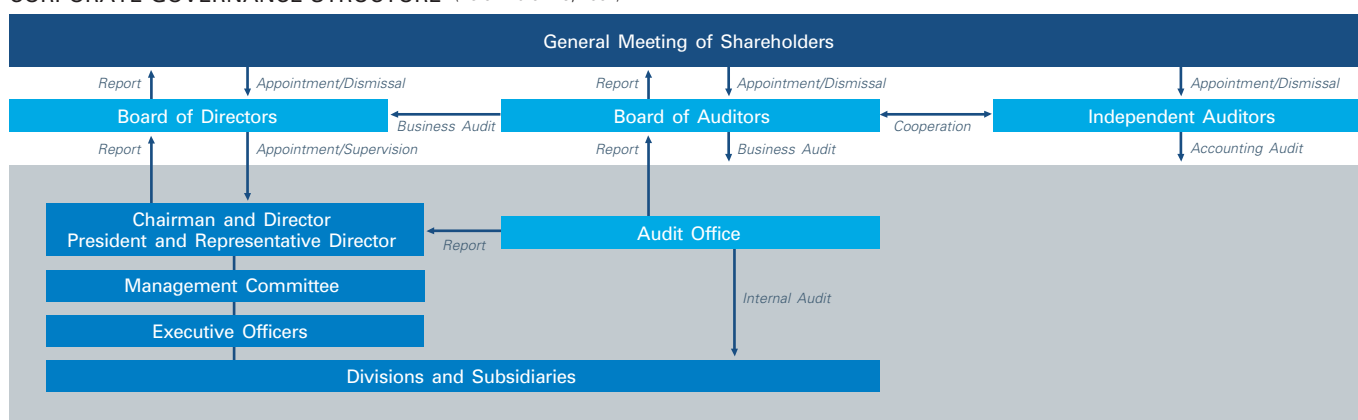
### ACCOUNTING AUDIT

The Company entered into an audit agreement with KPMG AZSA & Co. for the implementation of accounting audits under the Corporation and Securities and Exchange laws. For the fiscal year ended December 31, 2006, the Company's accounting audit was conducted by three certified public accountants (CPAs). These three CPAs were supported by 15 additional CPAs, 18 junior accountants and two others.

### RELATIONSHIPS WITH EXTERNAL DIRECTORS AND CORPORATE AUDITORS

Norio Okayama, the Company's external director, is chairman and representative director of Sumitomo Electric Industries, Ltd. Kimio Toma, one of Sumitomo Rubber Industries' external corporate auditors, is also an auditor for Sumitomo Electric Industries. Though Sumitomo Rubber Industries purchases products such as steel cords from Sumitomo Electric Industries, purchase prices are determined after receiving estimates from several other companies, negotiations with suppliers each fiscal year and a comparison with market prices and conditions. While Hiroshi Izumitani, another external auditor, holds the concurrent position of advisor to Murata Manufacturing Co., Ltd., there is no special interest between Murata Manufacturing and the Company.

## CORPORATE GOVERNANCE STRUCTURE (As of March 29, 2007)



Furthermore, Tadao Kagono, the Company's external corporate auditor, is an auditor to both Santen Pharmaceutical Co., Ltd. and NTN Corporation. These companies also have no special interests with Sumitomo Rubber Industries.

#### IMPLEMENTATION AND STATUS OF RISK MANAGEMENT

In the conduct of its business activities, Sumitomo Rubber Industries constantly confronts a variety of risks. These include but are not limited to risks relating to the Company's business operations, legal requirements, the environment, accidents and disasters. With regard to factors that have the potential to materially impact the Group's business activities, each division and department undertakes an analysis of potential risks and formulates appropriate countermeasures, which are discussed at management meetings. With regard to the environment, accidents and disasters, the Occupational Health and Safety Management Committee formulates appropriate countermeasures, which are deliberated at management meetings as and when required. In support of its risk management activities, the Group also receives advice from specialists such as corporate attorneys when necessary.

## DIRECTORS, AUDITORS AND EXECUTIVE OFFICERS

(As of March 29, 2007)

### BOARD OF DIRECTORS

<b>CHAIRMAN AND DIRECTOR</b>	Mitsuaki Asai
<b>PRESIDENT AND REPRESENTATIVE DIRECTOR</b>	Tetsuji Mino
<b>REPRESENTATIVE DIRECTOR AND MANAGING EXECUTIVE OFFICER</b>	Toshiyuki Noguchi
<b>REPRESENTATIVE DIRECTOR AND MANAGING EXECUTIVE OFFICER</b>	Hisao Takahashi
<b>DIRECTOR AND SENIOR EXECUTIVE OFFICER</b>	Koji Soeda
<b>DIRECTOR AND SENIOR EXECUTIVE OFFICER</b>	Yasuyuki Sasaki
<b>DIRECTOR AND SENIOR EXECUTIVE OFFICER</b>	Takaki Nakano
<b>DIRECTOR AND SENIOR EXECUTIVE OFFICER</b>	Yoshinori Yamada
<b>DIRECTOR AND SENIOR EXECUTIVE OFFICER</b>	Hiroaki Tanaka
<b>DIRECTOR AND SENIOR EXECUTIVE OFFICER</b>	Ikuji Ikeda
<b>DIRECTOR</b>	Norio Okayama

### CORPORATE AUDITORS

<b>CORPORATE AUDITOR (Full-time)</b>	Hiroo Jikihara
<b>CORPORATE AUDITOR (Full-time)</b>	Masashi Mine
<b>CORPORATE AUDITOR</b>	Kimio Toma
<b>CORPORATE AUDITOR</b>	Hiroshi Izumitani
<b>CORPORATE AUDITOR</b>	Tadao Kagono

### EXECUTIVE OFFICERS

<b>SENIOR EXECUTIVE OFFICER</b>	Yasushi Nojiri
<b>EXECUTIVE OFFICER</b>	Hironobu Nakamura
<b>EXECUTIVE OFFICER</b>	Kaoru Taniguchi
<b>EXECUTIVE OFFICER</b>	Kenji Onga
<b>EXECUTIVE OFFICER</b>	Takahiro Fukumoto
<b>EXECUTIVE OFFICER</b>	Kosaburo Nakaseko
<b>EXECUTIVE OFFICER</b>	Minoru Nishi
<b>EXECUTIVE OFFICER</b>	Yasutaka Ii