

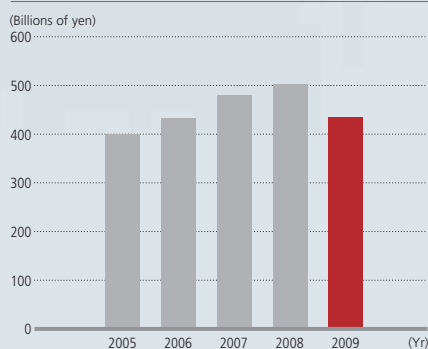
TIRE BUSINESS



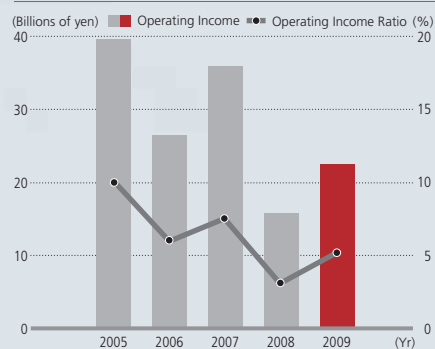
Profile

- Sumitomo Rubber Industries engages in the manufacture and sale of tires primarily consisting of the Dunlop, Falken and Goodyear brands.
- In 1999, Sumitomo Rubber Industries formed a global tire business alliance with The Goodyear Tire & Rubber Company. This alliance helped to generate joint ventures for production and sales activities in Europe and North America, as well as to boost sales in Japan. Other benefits included synergies created with tire technology exchange and joint procurement of raw materials and manufacturing equipment.

NET SALES



OPERATING INCOME



Fiscal 2009 Results

Sales in the Tire business fell 13.5% year on year to ¥433,411 million for the fiscal year under review, while operating income surged 42.1% to ¥22,518 million.

The decline in net sales was attributable to an approximate 30% year-on-year decrease in domestic automobile production, which exerted a substantial impact on tire sales for new cars, and a large drop in demand both in Japanese and overseas replacement markets. However, operating income was buoyed by a drop in raw material prices from the second half of fiscal 2008 and urgent measures taken to increase profits. These factors contributed to offsetting the drop in domestic sales and profitability deterioration in the export business caused by the appreciation of the yen.

Domestic Replacement Market

Amid increasing awareness of environmental issues in society, Sumitomo Rubber Industries released the ENASAVE RV503 minivan tire and the ENASAVE EC202 passenger car tire. Both of these new products, launched under the Dunlop brand, pursue enhanced fuel efficiency through an approximate 20% decrease in rolling resistance compared with the respective tires that preceded them.

In the Goodyear brand, Sumitomo Rubber Industries introduced the EAGLE F1

ASYMMETRIC tire, a top-quality flagship product, and the ICE NAVI ZEA II studless tire, which features greater performance not only on icy roads but also on snow or dry roads. Both tires have received high praise in their markets.

Despite such achievements, sales in the domestic replacement market declined year on year, reflecting stagnant private-sector consumption, particularly in the first half of fiscal 2009.

Original Equipment Market

During the fiscal year under review, automobile production in Japan dropped significantly in the first half of fiscal 2009 due to the slowdown of the world economy. Despite a slight recovery in production in the second half of the year due to tax incentive policies and other measures taken by numerous countries, full-year automobile production fell below that of the previous fiscal year. Amid such circumstances, Sumitomo Rubber Industries' domestic sales and exports in the original equipment market declined year on year.

Overseas Replacement Market

A significant drop in demand was seen in the first half of fiscal 2009 on the back of a worldwide slowdown in private-sector consumption. In the second half of the year,

however, markets in Asia, the Middle East and Latin America were witness to a gradual recovery, while in Europe and the United States, Sumitomo Rubber Industries succeeded in counteracting sales decreases. As a result, the full-year sales volume remained almost on par with the previous fiscal year. Despite such efforts, sales declined year on year due to the appreciation of the yen.

Fiscal 2010 Outlook

In fiscal 2010, Sumitomo Rubber Industries anticipates an increase in sales volume. However, operating conditions are expected to remain harsh against the backdrop of the strong yen and another hike in raw material prices. Under such circumstances, Sumitomo Rubber Industries will strive to maximize its production efficiencies and restructure its organization to pursue profitability even under low facility utilization. On the sales front, the Company will consolidate its leading position in the fuel-efficient tire market, which is currently showing a full-scale expansion, by highlighting its superior innovation. In overseas markets, Sumitomo Rubber Industries will proactively aim for an increase in sales by establishing a local sales subsidiary in Europe to expand sales channels as well as by introducing new products under the Falken brand in North America.

YEAR-ON-YEAR INCREASE/DECREASE IN TIRE SALES VOLUME

	2008	2009
Domestic original equipment	+0%	-33%
Overseas original equipment	+14%	-10%
Domestic replacement	-2%	-6%
Overseas replacement	+16%	-6%
Total	+7%	-12%
Total sales volume (millions of tires)	87.34	76.49

DUNLOP
ENASAVE EC202

FALKEN
ZIEX ZE912

GOODYEAR
EAGLE F1 ASYMMETRIC



Completion of Tyre Technical Center

In October 2009, Sumitomo Rubber Industries finished construction of the Tyre Technical Center, commemorating its 100th anniversary while aiming for continued growth over the next century. Equipped with state-of-the-art tire testing machines and measuring devices, the Tyre Technical Center is positioned as a core facility of the Sumitomo Rubber Group's R&D activities for tire technologies. In addition to its advanced R&D features, the Center is equipped with an eco-friendly solar power generator. The Tyre Technical Center will continue to be the focal point of Sumitomo Rubber Industries' efforts to further accelerate the development of fuel-efficient and other eco-friendly tires.



Panel featuring the history of tire technology



Friction energy measuring equipment



Rooftop solar panels



The Tyre Technical Center

Shirakawa Manufacturing Training Center Opens

In April 2009, the Shirakawa Manufacturing Training Center, constructed as part of Sumitomo Rubber Industries' 100th anniversary project, opened within the premises of the Shirakawa Factory. This facility was established for the purpose of passing on to the next generation proprietary tire manufacturing technology and the Company's philosophy, while preparing for further global business development. Specifically, this facility provides training seminars for production management supervisors and would-be overseas representatives, as well as training to standardize production technologies through the use of a real manufacturing facility. In response to concerns about the natural environment, the Shirakawa Manufacturing Training Center implemented solar power generation, rooftop greening measures and the establishment of a biotope.



Panel featuring the history of tire manufacturing technology



Training facilities



Rooftop solar panels



The Shirakawa Manufacturing Training Center and biotope

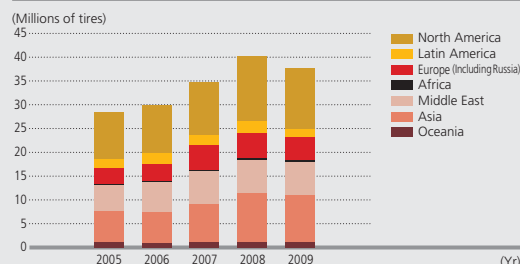
Establishment of Tire Sales Company in Europe



Falken Tyre Europe GmbH

As part of the global development of its Tire business, Sumitomo Rubber Industries established Falken Tyre Europe GmbH in Offenbach, Germany. The local sales subsidiary commenced business operations in January 2010. To enhance customer satisfaction, Falken Tyre Europe GmbH will launch products that accurately meet market needs while proactively expanding sales activities. In this way, Sumitomo Rubber Industries aims to further increase sales of Falken and Ohtsu brand products in the European replacement market.

SALES VOLUME IN THE OVERSEAS TIRE REPLACEMENT MARKET



Sumitomo Rubber Industries Receives Environmental Achievement of the Year Award in Europe

In February 2009, Sumitomo Rubber Industries was honored with the Environmental Achievement of the Year award at Tire Technology Expo 2009 held in Hamburg, Germany. This award was given in recognition of the Company's commitments to make commercially available tires that will be 100% fossil resource free by 2013. The Tire Technology Expo has been held annually since 2001 in Europe to present and exhibit technologies related to tire manufacturing. The presentation of this award is based on Sumitomo Rubber Industries' forward-looking efforts to produce products that reduce environmental burden as well as the Company's advanced technological capabilities.



The trophy



Commendation ceremony

ENASAVE RV503 Receives Good Design Award

Dunlop's ENASAVE RV503 fuel-efficient tire for minivans received the Good Design Award 2009 sponsored by the Japan Industrial Design Promotion Organization. The Good Design Award is granted not only for external beauty but also for overall product characteristics, including function, quality and safety. This is the fourth consecutive year that Dunlop's passenger car tires have received this award, underscoring the advanced quality behind Dunlop's tire engineering technology.



ENASAVE RV503

Launch of Dunlop ENASAVE EC202 Fuel-Efficient Tire

In October 2009, Sumitomo Rubber Industries launched the ENASAVE EC202 tire under the Dunlop brand. Compared with conventional products,* this new tire pursues enhanced fuel efficiency with an approximate 20% reduction in rolling resistance. Adopting a newly developed rubber material, the ENASAVE EC202 realizes a fuel efficiency that meets users' needs, while maintaining the tire's basic performance at a high level. In addition, with two-layered sidewalls and a new tread pattern design, the ENASAVE EC202 ensures superior comfort and safety.

* DIGI-TYRE ECO EC201



ENASAVE EC202

**ENASAVE EC202
(for lightweight, compact vehicles)**

SPORTS BUSINESS



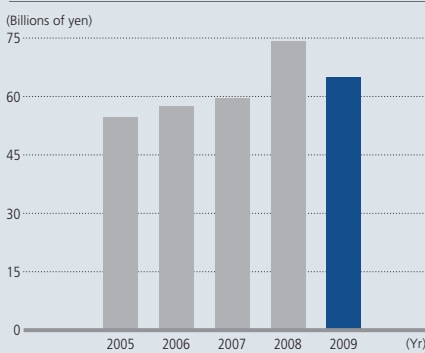
Profile

- SRI Sports Limited, a company spun off from Sumitomo Rubber Industries in 2003, manufactures and markets such items as golf clubs and golf balls. In its tennis equipment activities, the company offers several products, including rackets and balls.
- In December 2007, SRI Sports acquired the leading U.S. golf club maker, Roger Cleveland Golf Company, Inc., and its five group companies ("Cleveland Golf") and added the Cleveland Golf brand to its mainstay XXIO and SRIXON golf brands to expand its product lineup.
- SRI Sports was listed on the first section of the Tokyo Stock Exchange in 2006.

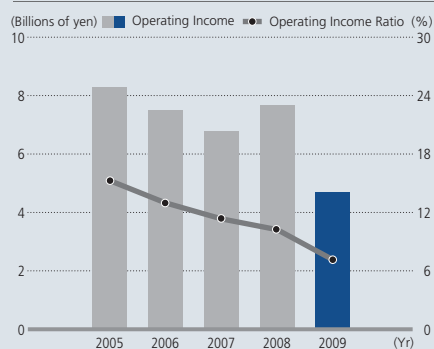
XXIO

The flagship XXIO brand golf goods are a favorite among golfers in Japan, South Korea and China.

NET SALES



OPERATING INCOME



Fiscal 2009 Results

Sales in the Sports business declined 12.2% year on year to ¥65,220 million, and operating income dropped 38.7% to ¥4,735 million.

Golf

During the fiscal year under review, the number of visitors to golf courses remained almost on par with the previous fiscal year both in Japan and overseas. In addition, sluggish private-sector consumption from the beginning of the year under review directly affected store-front sales, leading to a business environment of unparalleled severity, particularly in the golf club market.

Despite such circumstances, The XXIO—the fifth-generation of top-selling golf clubs—maintained their overwhelming popularity in the domestic market. In mid-December 2009, SRI Sports aggressively boosted sales activities by releasing its New XXIO sixth-generation golf clubs and expanding product lineups under the SRIXON brand.

Overseas, SRI Sports steadily introduced new golf club products under the Cleveland Golf brand. Leveraging its business alliance with Cleveland, SRI Sports strived to rein-

force promotional activities and make maximum use of sales channels. In so doing, it succeeded in steadily increasing the U.S. and European market share held by its SRIXON golf balls.

However, sales of overall golf goods fell below those of the previous fiscal year due to the worldwide recession.

Tennis

In tennis products, following the release of tennis balls and clothing, SRI Sports was active in building its product lineup for tennis rackets under the SRIXON brand. However, store-front sales of tennis goods were weak due to stagnant market conditions as well as the extensive closing of schools, reflecting the spread of the new influenza virus since autumn 2009. As a result, sales of overall tennis goods fell slightly below the level of the previous fiscal year.

Fiscal 2010 Outlook

In the face of the ongoing economic recession, SRI Sports will focus on its collaboration with Cleveland to enhance the market share of its golf clubs and golf balls both in Japan and overseas.



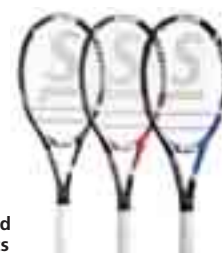
SRIXON

Golf goods under the SRIXON brand, introduced for professional and semiprofessional use, are preferred among leading golfers throughout the world.



Cleveland Golf

Introduced in 1979 in the United States, Cleveland Golf's wedges enjoy a high share of the U.S. golf club market.



SRIXON brand tennis rackets



SRI Sports' tennis balls boast the top share* in Japan

* Surveyed by Yano Research Institute Ltd.

SALES BREAKDOWN

(Billions of yen)

	2008	2009	Year-on-Year
Clubs	39.0	31.5	-19%
Balls	12.1	12.3	+1%
Shoes and accessories	10.4	9.1	-12%
Golf goods	61.5	52.9	-14%
Tennis goods	7.0	6.7	-4%
Licensing revenue	0.4	0.4	-14%
Sport goods	68.9	60.0	-13%
Others	5.4	5.2	-3%
Total	74.3	65.2	-12%

SRI Sports Establishes Golf Goods Sales Subsidiaries in China and Hong Kong

Aiming to reinforce marketing activities for sales expansion in the growing Chinese golf goods market, SRI Sports established wholly owned subsidiaries in Changshu City, Jiangsu and Hong Kong, China, with operations commenced in March 2010. Through these subsidiaries, SRI Sports conducts targeted sales activities in the Chinese market and at the same time strengthens promotional activities to enhance its brand profile in China. By doing so, SRI Sports is striving to boost its market share, especially for golf clubs and golf balls.

INDUSTRIAL AND OTHER PRODUCTS BUSINESS

Precision rubber parts for printers and photocopiers that require accuracy on a micrometer scale



Profile

- SRI Hybrid offers a wide variety of products encompassing precision rubber parts for printers and photocopiers, high damping rubber, artificial turf for sporting use, flooring materials, rubber gloves, ramps for wheelchair use, rubber gas tubes, printer blankets, civil engineering and marine products, medical rubber parts, industrial items and other products. They cover diverse needs that range from use in daily life to industrial applications.



Medical rubber stoppers manufactured under thorough quality control



GRAFT

The GRAFT vibration-control technology that uses high damping rubber is adopted in a wide range of fields, including dampers for single-unit houses and high-rise buildings

Fiscal 2009 Results

During the fiscal year under review, sales in the Industrial and Other Products business fell 12.6% year on year to ¥25,904 million, while operating income dropped 21.7% to ¥1,419 million.

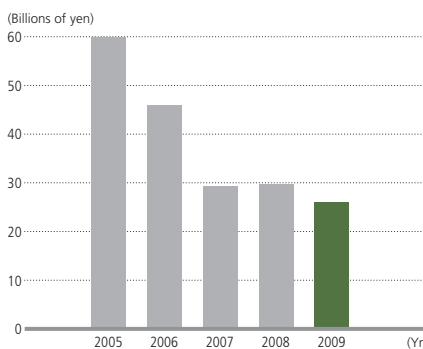
In fiscal 2009, SRI Hybrid's high damping rubber, jointly developed with a housing maker, was adopted as a standard part of that maker's product series. This was in addition to SRI Hybrid's aggressive business development in growth fields, including medical rubber parts—highly anticipated for sales expansion both in Japan and overseas—for which SRI Hybrid cultivated new customers by taking advantage of its high quality. However, sales of its mainstay precision rubber parts for printers and photocopiers, as well as building materials, were stagnant due to sluggish

private-sector consumption and corporate capital investment.

Fiscal 2010 Outlook

A quick improvement in the overall business environment cannot be expected. However, in view of signs of a partial recovery in the sales of precision rubber parts for printers and photocopiers, we will strive to boost sales through aggressive marketing activities. For medical rubber parts, we aim to further expand sales by offering safe, high-quality products. This effort will be backed by its second medical rubber parts factory, completed in March 2010. Furthermore, for the GRAFT vibration control technology that uses high damping rubber, we will focus our efforts on the earthquake-proofing business for residential homes and office buildings.

NET SALES



OPERATING INCOME

