



STRENGTHENING THE INTERNATIONAL TIRE SUPPLY SYSTEM

The global tire market is expected to grow briskly, particularly in such emerging nations as the BRICs. In order to seize this growth opportunity, Sumitomo Rubber Industries is strengthening its international supply system.

Construction of New Factory in Brazil

In Brazil, Sumitomo Rubber Industries established its first tire factory in the Latin America region, conducting the groundbreaking ceremony in January 2012. Currently, in Brazil and other countries in Latin America, steady economic growth is supporting rapid expansion in the automotive industry that is, in turn, driving up demand for automobile tires. Backed by this factory in Brazil, the Company will strive to reinforce its supply system with an eye to further expanding the tire business in this region. Production is planned to commence in October 2013, and the Company expects to produce 15,000 radial tires for passenger cars per day by the end of 2016.



70,000
Tires/Day
of planned production capacity at our factory in Thailand by the end of 2012

Sumitomo Rubber Industries' factory in Thailand is located in the Amata City Industrial Estate in Rayong Province, 150km south of Bangkok. Since commencing operations in November 2006, the factory has been steadily expanding its production capacity. This effort is expected to raise production capacity to 70,000 tires per day by the end of 2012.

Overview of the Factory in Brazil

Company name:	Sumitomo Rubber do Brasil Ltda.
Location:	Fazenda Rio Grande City, Parana State
Establishment:	July 2011
Production commencement:	October 2013
Total investment:	Approximately 560 million real (¥28 billion)*
Production capacity:	2,200 tons/month (15,000 tires/day) (planned by the end of 2016)*

* Conversion: 1 real = ¥50 for the first-phase construction



Reinforcing Production Capacity in China and Thailand

With car ownership topping 100 million in China, steady growth is being seen in the nation's automobile industry. Aiming to win in this growing market, Sumitomo Rubber Industries is constructing its second Chinese factory in Hunan Province. The Company commenced test production at this factory in March 2012 in preparation for full-time operations in July.

At the factory in Thailand, which serves as the Company's key export hub for the international tire business, Sumitomo Rubber Industries raised daily production to 40,000 tires in 2010 and expects to expand this figure to approximately 70,000 tires by the end of 2012. Looking to the future, the Company is planning to increase the factory's production capacity to 90,000 tires per day by the end of 2014. The increase in capacity will make this factory one

of the world's largest tire production facilities. To further strengthen its tire supply system on a global scale, Sumitomo Rubber Industries will make every effort to promote production expansion ahead of schedule.

Improving Investment Efficiency by Means of the New *Taiyo* Tire Production System

Sumitomo Rubber Industries' proprietary new *Taiyo* tire production system enables a fully automatic production process within a smaller facility while producing tires with enhanced precision and performance. With *Taiyo*, daily production volume can be flexibly increased in thousand unit increments if demand rises. Therefore, it offers extremely high investment efficiency. Since completing its first *Taiyo* prototype in 1996, Sumitomo Rubber Industries has continued to install and upgrade the *Taiyo* production system. Today, the Company is pursuing the development of a "new production system for the next generation" with the further advance of the *Taiyo* system and is devoting wholehearted efforts to complete the development of the latest production system by the end of 2012.



Overview of the Second Factory in China

Company name:	Sumitomo Rubber (Hunan) Co., Ltd.
Location:	Changsha City, Hunan Province
Establishment:	September 2010
Production commencement:	July 2012
Total investment:	Approximately US\$297 million
Production capacity:	30,000 tires/day 1st phase: 15,000 tires/day by the end of 2014 2nd phase: 30,000 tires/day by the end of 2017

30%



of the space needed for conventional production systems is required for the *Taiyo* production system