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## NEXT Category Innovation

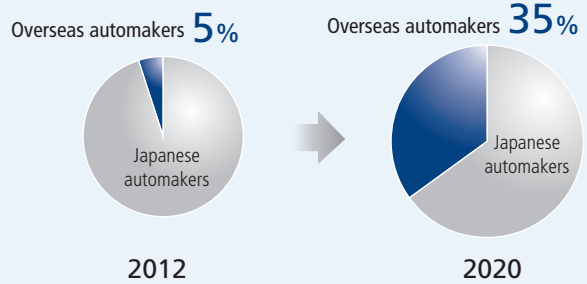
### —Entering New Business Fields

#### Supplying Tires to Automakers Overseas

Annual growth in the global market for new cars is expected to remain at about 5%, reaching 110 million units by 2020. In contrast with this overall trend, Japan’s annual automobile production volume is anticipated to remain flat at about 8.60 million units. From the perspective of a tire manufacturer, this makes overseas markets more appealing than the domestic market.

Therefore, we aim to increase the ratio of products we supply to overseas automakers from the 5% recorded in 2012 to around 35% in 2020. To this end, we are seeking to enhance our brand value in the original equipment market across all regions while utilizing such value to promote tires for the replacement market.

#### Ratio to Tire Sales of Sales to Overseas Automakers



#### Promoting the Adoption of Vibration-Control Technology

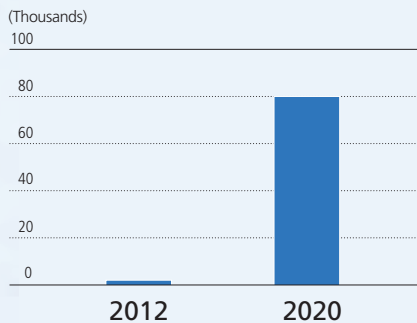
Working proactively to develop new products, we will further reinforce the lineup of MIRAIE dampers—incorporating a proprietary earthquake tremor absorbing high damping rubber—for wooden houses. Specifically, we released a product for use in two-by-four construction and plan to introduce another for remodeling use. In this way, we help ensure the peace of mind of as many people as we can in line with efforts to create a country full of safe and secure houses.

In addition, we will expand the supply of vibration control dampers for buildings, focusing mainly on items for high-rise structures in earthquake-prone regions,



The MIRAIE damper for use in the conventional post and beam structures

#### Number of Houses in which MIRAIE Dampers Are Installed (Japan)



including inland China and Turkey. Utilizing our vibration-control technology, we hope to contribute to economic development in emerging nations where ever taller buildings are being built.

#### Introduction of MIRAIE for Two-by-Four Construction

In March 2013, Sumitomo Rubber Industries released the MIRAIE 2x4 in its MIRAIE series of dampers for wooden houses that feature proprietary high damping rubber for absorbing earthquake tremors and thus reducing structural damage. Joining the MIRAIE damper for conventional post and beam structures released in March 2012, this new product has broadened the range of structures in which MIRAIE can be installed.

Structurally, the MIRAIE 2x4 incorporates plywood panels along with six pads of high damping rubber developed using proprietary technology. Drawing on the intrinsic qualities of the rubber, the product efficiently absorbs earthquake tremors by converting the kinetic energy of vibration into thermal energy, thereby realizing superior damping performance against the effects of seismic activity. Also, the MIRAIE 2x4 continues to absorb the vibrations caused by the aftershocks, helping to mitigate structural damage. Moreover, in-house verification experiments have proven that the product life of the rubber is as much as 90 years\* and that the product will not require periodic maintenance. The MIRAIE 2x4 provides long-term protection from earthquake damage.

\* Based on accelerated deterioration testing



The MIRAIE damper for use in two-by-four construction

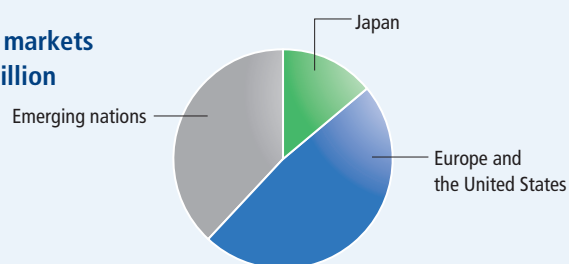
## Expanding into the Health Care Business

Worldwide, markets for medical rubber parts are expected to grow. In response, the Company will draw on the competencies in product quality and performance it has accumulated in the Japanese market to expand into markets in Europe, the United States and emerging nations. In addition, we aim to expand sales of floor coating for the medical and pharmaceutical industries and welfare facilities as well as portable ramps for wheelchair use. Drawing on our clean production and advanced material

technologies, we will provide safety and security on the frontlines of medical and nursing care industries worldwide.

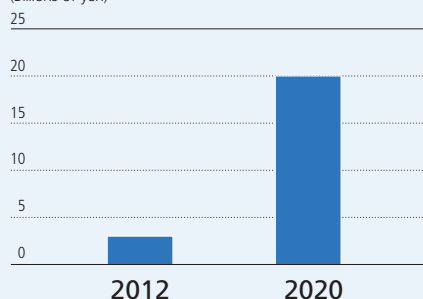
### Medical Rubber Parts Markets (in-house estimates)

Global markets  
¥100 billion



### Sales of Health Care Business

(Billions of yen)



Medical rubber parts



A portable ramp for wheelchair use

## Organizational and Personnel Structures and Human Resource Nurturing

As it strives to expand global operations, the Sumitomo Rubber Group plans to implement major increases in the number of its overseas bases as well as overseas staff. Therefore, one of the pressing issues for the Group is to reinforce management structures for handling local human resources as its overseas presence expands.

Reflecting this, we are nurturing managers who are capable of handling administrative duties overseas while developing a global personnel management structure. Simultaneously, we aim to

upgrade our audit and risk management systems. In other words, we are working to strengthen the management of our overseas business network in parallel with the expansion of this network.

Moreover, we are working to nurture globally capable human resources, pursuing such efforts as strengthening Groupwide training aimed at upgrading the skills of all employees, including those employed abroad, and expanding recruitment from external sources in Japan and overseas with the aim of securing employees ready to hit the ground running.

### Expansion of Overseas Organizations and Employees



	2012	2020	Changes
Production bases	11	18	+7
Sales bases	24	31	+7
Managers at overseas bases	180	300	+120