

Tire Business

- Sumitomo Rubber Industries manufactures and sells tires, primarily 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 generate joint production and sales ventures in Europe and North America while establishing a sales subsidiary in Japan. Other benefits included synergies created through tire technology exchange and the joint procurement of raw materials and manufacturing equipment.

No.1

sales volume for fuel-efficient tires* for the third consecutive year, Dunlop continues to be a market leader

JMA Research Institute Inc. survey of two top automobile goods store chains in Japan regarding the volume of fuel-efficient tire sales

* Tires that meet criteria for rolling resistance and gripping performances as stipulated by the Japan Automobile Tyre Manufacturers Association, Inc. (JATMA)

100%

fossil resource-free tires planned to be released in 2013



The 100% fossil resource-free tire prototype



ENASAVE

ENASAVE is Dunlop's eco-friendly tire brand. The name derives from "Energy SAVE," i.e., to conserve fuel, and "NAture SAVE," i.e., to preserve nature.

ENASAVE PREMIUM



Two sizes in the lineup received AA-c classification

Fiscal 2012 Results

Sales in the Tire business grew 4.8% year on year to ¥619,361 million for the fiscal year under review, while operating income surged 29.2% to ¥63,090 million.

Although performance in the overseas replacement market declined, Sumitomo Rubber Industries achieved sales growth thanks to strong showings in the domestic original equipment and replacement markets as well as in the overseas original equipment market.

On the earnings front, efforts pursued over the last few years through 2011 to improve the Company's product prices, along with relatively stable natural rubber prices during the year under review, contributed to a significant increase in profit.

Domestic Replacement Market

The Company sought to further improve its overall sales volume and product mix under the Dunlop brand. As a result, sales were strong for ENASAVE PREMIUM and other fuel-efficient tires, placing Dunlop in the top position in terms of sales volume of such tires for the third consecutive year. Moreover, the WINTER MAXX, a newly released studless snow tire, enjoyed a favorable reception. Under the Goodyear brand, the high-value-added EAGLE LS EXE tire was introduced to promote sales expansion. Reflecting these efforts, sales in the domestic replacement market increased year on year.

Domestic Original Equipment Market

Responding to a major turnaround in automobile production during the year under review, the Company strove to promote high-value-added products, such as fuel-efficient tires, securing a year-on-year rise in domestic original equipment sales.

Overseas Replacement Market

Thanks to efforts to promote products oriented to local market needs, the Company achieved sales growth in China, Indonesia and Thailand, areas where it has production sites. However, overall sales in the overseas replacement market decreased year on year due to a decline in demand across a number of regions that reflects global economic deceleration.

Overseas Original Equipment Market

The Company's sales topped those of the previous fiscal year, reflecting stepped-up marketing efforts undertaken in tandem with the expansion of automobile production overseas, particularly in emerging nations.

Fiscal 2013 Outlook

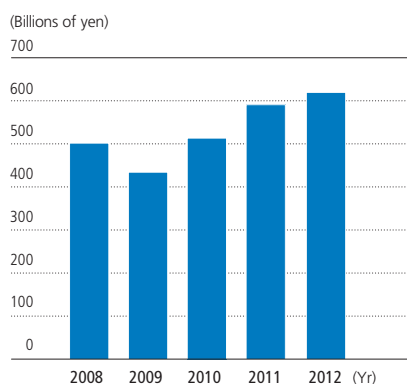
In fiscal 2013, Sumitomo Rubber Industries expects that, in terms of volume, sales in the domestic original equipment and replacement markets will decrease due to the termination of the Japanese government's eco-car subsidies system. At the same time, the Company projects recovery in the overseas replacement market.

In the domestic market, Sumitomo Rubber Industries will continue to introduce new products in its fuel-efficient tire lineup. In passenger car tires, in fact, the Company has already released the VEURO VE303 premium comfort tire, which boasts superior fuel-efficient performance. In overseas markets, the Company will promote sales expansion, focusing mainly on emerging nations.

In the development phase, efforts are now under way to launch 100% fossil resource-free tires in fiscal 2013. On the production front, plans call for operational kickoff at the Company's factory in Brazil as well as the commencement of factory construction in Turkey.

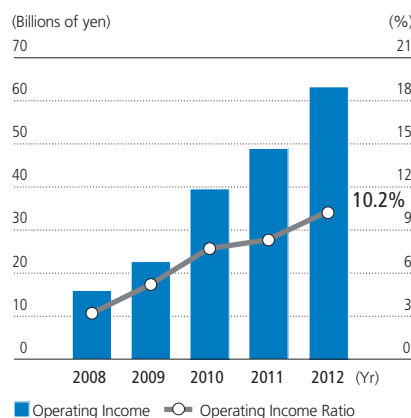
Net Sales

Year on Year
¥619.4 billion +4.8%



Operating Income and Operating Income Ratio

Year on Year
¥63.1 billion +29.2%



Year-on-Year Increase/Decrease in Tire Sales Volume

	2011	2012
Domestic original equipment	-12%	+15%
Overseas original equipment	+8%	+9%
Domestic replacement	+9%	+3%
Overseas replacement	+7%	-4%
Total	+4%	+2%
Total sales volume (millions of tires)	94.88	96.48