

Tire Business

- The Sumitomo Rubber Group manufactures and sells tires, primarily the Dunlop, Falken and Goodyear brands.
- The Group has been active in expanding Dunlop's eco-friendly ENASAVE tire brand lineup and promoting it worldwide. In 2013, the Group released the ENASAVE 100, a 100% fossil resource-free tire, and the ENASAVE SP688, a fuel-efficient, all-season tire for trucks and buses.

100%
fossil resource-free tires,
the first in the world,*
went on sale in
November 2013

* The first mass-produced 100% fossil resource-free tire since synthetic rubber became the standard tire material. Survey conducted by Sumitomo Rubber Industries.

No.1
sales volume for fuel-efficient tires* for the fourth consecutive year, Dunlop continues to be a market leader**

- * Tires that meet criteria for rolling resistance and gripping performance as stipulated by the Japan Automobile Tyre Manufacturers Association, Inc. (JATMA)
- ** Based on surveys carried out by JMA Research Institute Inc. covering total fuel-efficient tire sales by Japan's two top automobile goods store chains in the 2010-2013 period.



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 100

ENASAVE 100



DUNLOP

ENASAVE EC203



FALKEN

ZIEX ZE912



GOODYEAR

EAGLE RV-F



Some sizes in the lineup have received AA-b or A-c classification

Fiscal 2013 Results

Sales in the Tire business grew 10.0% year on year to ¥681,100 million in the fiscal year under review, while operating income increased 10.7% to ¥69,850 million.

The Sumitomo Rubber Group achieved sales growth thanks to strong showings in the domestic replacement market as well as in the overseas market.

On the earnings front, a rebound in export conditions accompanying lower yen rates in addition to consistently low natural rubber prices during the year under review contributed to an increase in profit.

Domestic Replacement Market

The Group sought to further improve its overall sales volume and product mix under the Dunlop brand. As a result, sales of the ENASAVE 100 and other fuel-efficient tires were strong, placing Dunlop in the top position in this category* in terms of sales volume for the fourth consecutive year. Moreover, the WINTER MAXX studless snow tire enjoyed favorable sales. Under the Goodyear brand, the all-season Vector 4Seasons tire was introduced with an eye to expanding sales. Reflecting these efforts, sales in the domestic replacement market increased year on year.

* Based on a survey conducted by JMA Research Institute Inc. of the total sales volume of the top two domestic automobile goods store chains

Domestic Original Equipment Market

Although the Group strove to promote high-value-added products, such as fuel-efficient tires, overall sales in the domestic original equipment market decreased year on year. This decrease paralleled a year-on-year decline in automobile production volume due to a falloff in production for the domestic

market following the end of the Japanese government's eco-car subsidy system as well as the ongoing trend toward shifting production overseas.

Overseas Replacement Market

Despite intensifying competition in China, Russia and other emerging markets, sales increased year on year thanks to sales expansion in Brazil and other new markets as well as the positive effects of the depreciating yen.

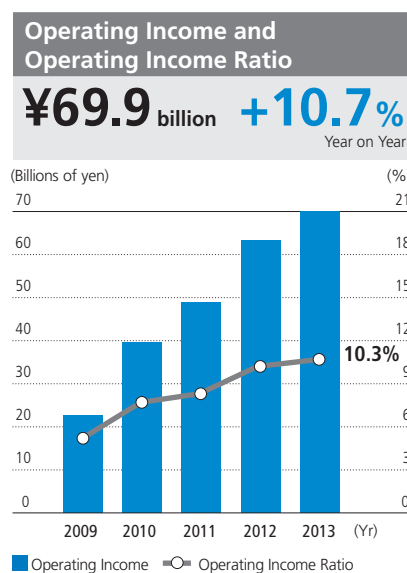
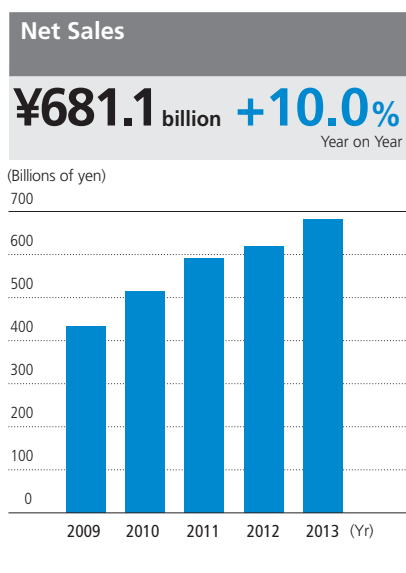
Overseas Original Equipment Market

Because the Group was able to raise its sales figures thanks to expanding automobile production mainly in China and Indonesia, sales topped those of the previous fiscal year.

Fiscal 2014 Outlook

In the domestic market, the Sumitomo Rubber Group will continue to introduce new products in its fuel-efficient tire lineup. In fact, the Group has already released the ENASAVE EC203, a second-generation standard fuel-efficient tire for passenger cars that boasts improved anti-wear performance. In overseas markets, the Group will actively promote sales expansion, focusing mainly on emerging nations.

With regard to development, efforts are now under way to launch a tire with 50% less rolling resistance as well as a high-performance runflat tire produced using NEO-T01, a new, next-generation tire manufacturing system, in fiscal 2014. On the production front, plans call for operational kickoff at the Group's third factory in Thailand to produce tires for agricultural machinery while promoting factory construction in Turkey.



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

	2012	2013
Domestic original equipment	+15%	-5%
Overseas original equipment	+9%	+29%
Domestic replacement	+3%	+4%
Overseas replacement	-4%	+1%
Total	+2%	+4%
Total sales volume (millions of tires)	96.48	100.42