Special Feature

To Become a True Global Player

With the aim of becoming a corporate group with greater presence in the global market, the Sumitomo Rubber Group is striving to achieve the challenging goals set forth in VISION 2020.

A Competitive Edge on Three Fronts Driving Our Future Growth

1. A Market Leading Position Backed by Outstanding Development Capabilities

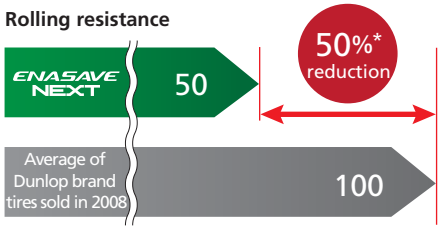
Innovation

Achieved the coveted "AAA-a" ranking—the highest possible—under Japan's tire labeling system

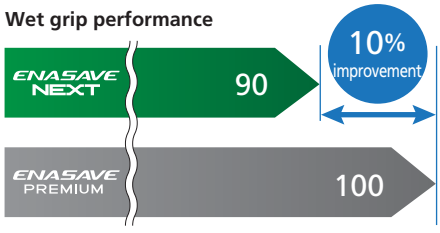
ENASAVE NEXT

Realizing the Best Fuel Efficiency and Wet Grip Performance among All ENASAVE Products

Rolling resistance



Wet grip performance



* Based on comparisons with tire performance data assessed using in-house standards for Sumitomo Rubber Industries' four best-selling Dunlop brand Summer tires sold during 2008 on the replacement use market. The Company compared the average rolling resistance of these four tires with the performance of ENASAVE NEXT in the manner prescribed by the test methods stipulated by Japan's Fair Competition Code Rules for Tire Labeling. Moreover, the rolling resistance of ENASAVE NEXT is 10% lower than that of ENASAVE PREMIUM.

Note: Data used for the abovementioned comparisons has been registered with Japan's Tire Fair Trade Council.

Applying Our Technological Strengths to Pioneering the Advancement of Tires

Sumitomo Rubber Industries has been focusing on the development of fuel-efficient tires, including ENASAVE brand tires. In September 2014, we released the ENASAVE NEXT. In order to achieve a remarkable decrease in rolling resistance, the ENASAVE NEXT utilizes several advanced technologies, including UPNR (Ultra-Pure Natural Rubber) and New Functionalized Polymer, both of which were developed using our proprietary 4D NANO Design new materials development technology. In addition, thanks to the use of our latest Wet Grip Powder, which we developed specifically to improve wet grip performance, the ENASAVE NEXT has achieved the best rolling resistance and wet grip performance in ENASAVE series history, earning a "AAA-a" ranking under Japan's tire labeling system—the highest possible rating—in terms of both "Fuel Efficiency" and "Wet Grip Performance."

4D NANO DESIGN Technology for Developing New Materials

To create tires with greater performance, we constantly work to enhance our material development efficiency and to this end have integrated technologies related to four aspects of R&D: investigating, estimating, producing and maximizing. Employing simulations and specialized analytic techniques to study the behavior of tire constituents at the nano-level, our 4D NANO DESIGN technology has facilitated a more systematic approach to material design, streamlined our development process and enabled the flexible manipulation of materials.

DUNLOP

Premium runflat tires

SP SPORT MAXX 050 NEO

FALKEN

Premium runflat tires

AZENIS FK453 RUNFLAT

Pursuing the Creation of Runflat Tires with Even Greater Performance

Sumitomo Rubber Industries takes a proactive approach to the development of runflat tires. In addition to improving such tires' safety performance, our development efforts focus on promoting resource conservation through the elimination of the need for spare tires and reductions in tire weight. In Europe, we released the AZENIS FK453 RUNFLAT in July 2014 and, in Japan the SP SPORT MAXX 050 NEO in November. These premium runflat tires boast superior driving comfort with improved vibration and shock absorbing capabilities as well as better safety performance in the form of significantly enhanced driving stability. Furthermore, a lower volume of materials is required for their production, making them lightweight and even more environment friendly. In creating these runflat tires, we used 4D NANO DESIGN material development technology while applying NEO-T01, a new next-generation manufacturing system. Tires produced using this NEO-T01 feature better "High-Speed Uniformity," "Lightness" and "Lower Deformation during High-Speed Driving" compared with tires produced using conventional manufacturing methods.

NEO-T01 Tire Manufacturing System

Capable of producing tires with virtually perfect circularity, this advanced tire manufacturing system simultaneously enables improved driving comfort, superior environmental performance and excellent safety.

NEO-T01

Added to the Thomson Reuters 2014 Top 100 Global Innovators List

Sumitomo Rubber Industries received recognition as one of the Thomson Reuters 2014 Top 100 Global Innovators, a group of top companies selected by Thomson Reuters, a world-leading information service company, based on an evaluation of the number of patents held and intellectual property accomplishments as well as global presence and influence. It was the second time Sumitomo Rubber Industries was listed among the Thomson Reuters Top 100 Global Innovators.

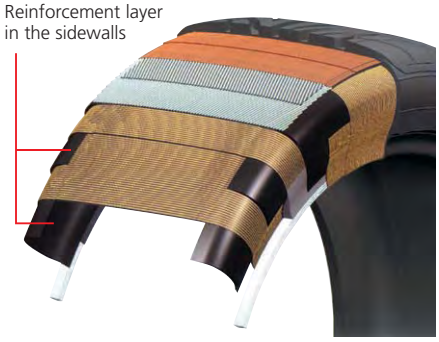
We have been promoting tire development efforts aimed at simultaneously realizing environment-friendliness and driving safety and comfort. This has led to the creation of the ENASAVE 100, the world's first* 100% fossil resource-free tire, and the ENASAVE NEXT, which earned a "AAA-a" ranking under Japan's tire labeling system—the highest possible rating—in terms of both "Fuel Efficiency" and "Wet Grip Performance." We consider our inclusion among the Thomson Reuters 2014 Top 100 Global Innovators a reflection of the considerable reputation we have garnered through such unique and forward-thinking technological development initiatives.

2014 THOMSON REUTERS TOP 100 GLOBAL INNOVATORS

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

Improved Driving Comfort, Superior Environmental Performance and Excellent Safety

In 1970, Dunlop became the first in the world to commercialize runflat tires. Thanks to such features as a special reinforcement layer installed in the sidewalls, our runflat tires can be driven for some distance up to a certain speed even if they go flat while in operation. In addition to improving driving safety, these tires obviate the need for spare tires, thereby helping reduce resource and energy consumption.



Construction of runflat tires

A Competitive Edge on Three Fronts Driving Our Future Growth

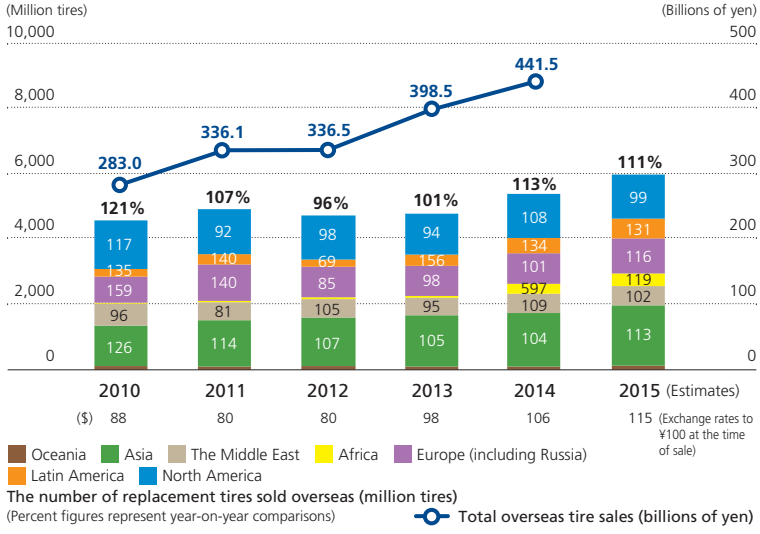
2. Securing Production and Sales Bases around the World

Globalization

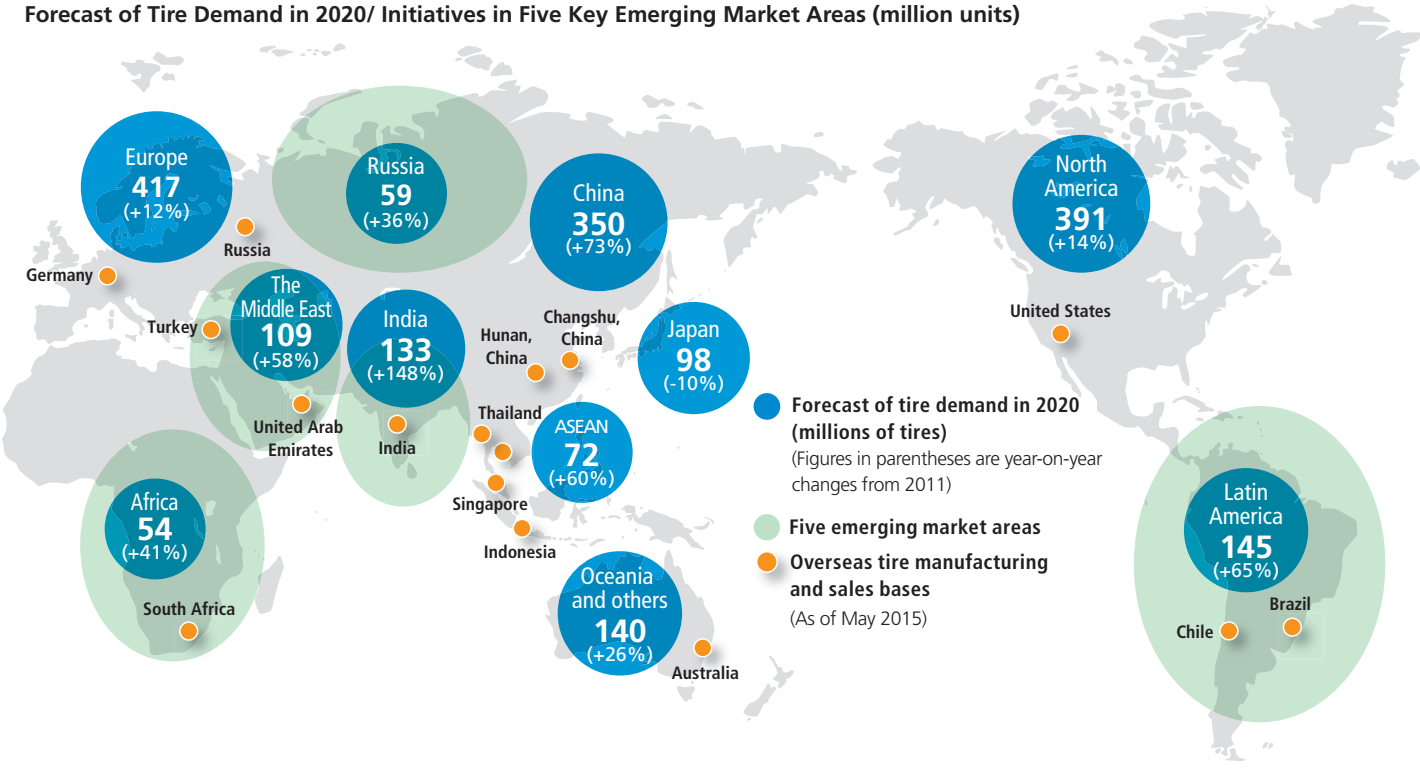
Building a Global Production and Sales Structure to Accommodate Burgeoning Demands in Emerging Nations

Under VISION 2020, we have identified "entering emerging markets" as a key growth strategy. It is estimated that annual global tire demand will reach approximately two billion units by 2020 with such emerging markets as China accounting for more than half of that demand. With the aim of capturing rising demand in emerging nations, we are expanding our Tire business overseas by proactively securing local manufacturing and marketing bases. Specifically, we are striving to raise the production capacity of Brazilian and South African factories we launched in 2013. At the same time, we are promoting factory construction in Turkey, with production kickoff scheduled for July 2015, in order to secure a key strategic base for penetrating markets in the Middle East, North African nations, Russia and Europe. Moreover, we launched a sales subsidiary in Australia in 2014.

Year-on-Year Comparisons of the Number of Replacement Tires Sold Overseas and Total Overseas Tire Sales



Forecast of Tire Demand in 2020/ Initiatives in Five Key Emerging Market Areas (million units)



Establishing a Core Production Base in Brazil to Serve the Promising Latin American Market

In October 2013, operations started at Sumitomo Rubber do Brasil Ltda., the Group's first production base in Latin America. In step with the rapid popularization of vehicles, demand for automobile tires is surging in Brazil and surrounding Latin American countries. We expect that in 2020 annual tire demand in the region will reach 145 million units, making Latin America the largest among the aforementioned five emerging market regions. Accordingly, we believe that securing a strong regional production and sales network in Latin America will significantly contribute to our global expansion strategy.

Aiming for a 10% Market Share in Brazil by 2020

Raising Production Capacity to Meet Demand Trends

Having introduced the new Taiyo tire production system, which enables a fully automated production process, our Brazilian factory aims to increase its daily production capacity of 2,000 tires at the time of production kickoff in 2013 to 15,000 tires in 2015. Even after 2015, the factory will upwardly revise its production volume and remain responsive to the latest demand trends.

Enhancing Brand Recognition to Promote Sales Expansion

We will reinforce our sales capability in the Brazilian market through such steps as the establishment of 120 dealerships to sell passenger car tires and 20 truck tire centers.

Stepping up Production and Marketing through Our South African Base

In December 2013, we acquired Apollo Tyres South Africa (Pty) Limited (ATSA) with the aim of reinforcing our production and sales network serving the African market. Upon the acquisition, ATSA made a new start under the new company name Sumitomo Rubber South Africa (Pty) Limited.

Currently, we are rapidly increasing the production capacity of this South African production base, with the goal of producing 14,500 tires per day in 2017, up 50% from 9,600 tires per day as of the end of 2013.

Also, the acquisition of ATSA has enabled us to secure the rights to manufacture and market Dunlop products in countries throughout the African continent.

As we expect considerable demand growth in Africa, we will proactively cultivate new markets and develop the Tire business in the region, thereby accelerating the global expansion of our Groupwide operations.

Increasing Our Presence in Asian Markets for Tires for Agricultural Machinery

The Sumitomo Rubber Group has identified "expanding into Asia with tires for agricultural machinery" as a VISION 2020 strategy. This strategy has led to the establishment of the Group's first overseas factory for producing tires for agricultural machinery in Thailand, which started operations in April 2014.

Thailand is one of the world's leading rice exporters. Accordingly, it and other ASEAN countries have seen a rapid rise in demand for tires for agricultural machinery due to such factors as the increase of local production facilities run by Japanese agricultural machinery manufacturers. In addition to promoting the OEM sale of tires, with Japanese agricultural machinery manufacturers positioned as primary target customers, we will make a full-scale entry into the local market for replacement tires and expand sales in Thailand and neighboring countries.

3. Developing a Globally Capable Workforce Encompassing a Range of Human Resources

Human Resources

Securing and Nurturing Competitive Employees Who Will Reinforce Our Foundation for Sustainable Growth

To remain successful in the globalized business environment, we are developing human resources who can win on the global stage, nurturing future manager and executive candidates and building global personnel management structures. We conduct training programs that are appropriate for each staff member, leader and expatriate. Simultaneously, we strive to enhance employees' manufacturing techniques while imparting the management skills necessary to control production facilities in Japan and overseas.

Nurturing Globally Capable Human Resources with a Broad Perspective

Training Structure Designed Based on Job-Level Specific Tasks

The Sumitomo Rubber Group is developing its human resources under a training structure that comprises various programs that are appropriate for each employee at each job level. As for manager candidates, we conduct training programs aimed at strengthening their business decision making abilities while instilling basic knowledge regarding team operation and staff education. As for younger employees, we provide programs designed to enhance their problem-solving capabilities while having them participate in the simulation of corporate management and OJT training for nurturing future leaders. Moreover, we work to strengthen employees' communication capabilities, such as leadership and abilities to develop their own staff and build favorable workplace human relationships. This initiative involves training with set goals for each different job level to fulfill required levels of competency.

To secure the human resources who operate our overseas subsidiaries, we nurture potential future managers among locals, providing training programs to improve their business execution and management abilities as managerial personnel.

Motivating Employees to Enhance Their Skills through In-House Competition

In our Group, "Manufacturing Skills Olympic Games" are held two times a year to hand down expertise and skills to younger employees and enhance their motivation. Domestic and overseas factories each choose one representative player from among their younger employees. These employees compete for their manufacturing-related skills against one another with the theme for competition selected from among eight categories defined to encompass the entire production process.

The Manufacturing Skills Olympic Games are held at the Group's Manufacturing Training Center, which has training and accommodation facilities. We are also improving the training equipment and programs available at the center to make sure that our human resource nurturing initiatives can bring immediate results in enhancing employees' expertise and skills. In these ways, we are creating an environment in which they find their duties rewarding.