

# TIRE

## B U S I N E S S

- The Sumitomo Rubber Group manufactures and sells tires, mainly the Dunlop, Falken and Goodyear brands.
- The Group has been active in expanding Dunlop's eco-friendly ENASAVE tire brand lineup.
- In 2014, the Group released such products as ENASAVE EC203 and ENASAVE NEXT fuel-efficient tires as well as the SP SPORT MAXX 050 NEO premium runflat tire.



**ENASAVE  
NEXT**



# No. 1\*

for the fifth consecutive year in terms of fuel-efficient tire\* sales volume at top two nationwide car goods retailers (top 3 in 2014)

# AAA-a

ENASAVE NEXT has earned the "AAA-a" ranking under Japan's tire labeling system—the highest possible rating—in terms of both "Rolling Resistance" and "Wet Grip Performance."

# 11

Bases in

# 6

Countries

Production bases  
(As of May 2015)

\* Based on third-party surveys commissioned by Sumitomo Rubber Industries to cover the total fuel-efficient tire sales of Japan's top two automobile goods store chains over the 2010–2013 period and top three store chains in 2014. The three store chains are the AUTOBACS Group, Yellow Hat Ltd., and jms outlets operated by TACTI CORPORATION. According to the surveys, the market share for Dunlop brand tires in 2014 was 31.7%, placing Dunlop in the top position with a 1.6% lead.



**ENASAVE  
RV504**



Some sizes in the lineup  
have received  
AA-c classification



**ZIEX  
ZE914**



**EAGLE  
RV-F**



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

## Fiscal 2014 Results

Sales in the Tire business grew 7.4% year on year to ¥731.2 billion in the fiscal year under review, while operating income increased 12.3% to ¥78.4 billion.

On the back of a decline in global tire demand that, in turn, triggered intensifying competition, the business environment surrounding the Tire business remained harsh despite such positive factors as an improvement in export conditions accompanying the depreciation of the yen, consistently low natural rubber prices and a drastic decline in crude oil prices. Nevertheless, the tire segment sales and profits grew thanks to an increase in sales of such high-value-added products as fuel-efficient tires and the success of the Group's proactive efforts to expand into new markets.

## 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 ENASAVE brand and other fuel-efficient tires were strong, placing Dunlop in the top position in this category in terms of sales

volume for the fifth consecutive year. Moreover, the WINTER MAXX studless snow tire enjoyed sales growth due to countrywide snowfalls in December 2014. Under the Goodyear brand, the Group looked to expand sales through the promotion of such products as the recently released EAGLE RV-F, a fuel-efficient and durable touring tire for minivans that increases the responsiveness of steering. Reflecting these efforts, sales in the domestic replacement market increased year on year.

## Domestic Original Equipment Market

Reflecting a greater domestic automobile production volume compared with the previous fiscal year, sales grew year on year thanks to the success of the Group's ongoing efforts to promote high-value-added products, such as fuel-efficient tires.

## Overseas Replacement Market

Despite intensifying competition in China, Russia and other emerging nations, sales increased year on year thanks to sales expansion in such emerging markets as

Brazil and South Africa as well as the positive effects of the depreciating yen.

## Overseas Original Equipment Market

Despite a decline in sales volume in Indonesia and Thailand, both of which have seen sluggish economic conditions, the overall sales volume grew significantly in step with rising automobile production in China, leading to a year-on-year sales increase in the overseas original equipment market.

## Fiscal 2015 Outlook

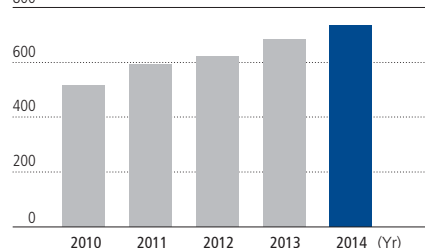
In the domestic market, we will continue to introduce new products in our fuel-efficient tire lineup. In fact, the Group has already launched the ENASAVE RV504 fuel-efficient tire for minivans under the Dunlop brand in February 2015. In overseas markets, the Group started sales of Falken brand tires in China, promoting active sales expansion targeting mainly emerging nations. In production, a new factory in Turkey will start operating in July 2015.

## Net Sales

**¥731.2 billion**

Year on Year **+7.4%**

(Billions of yen)

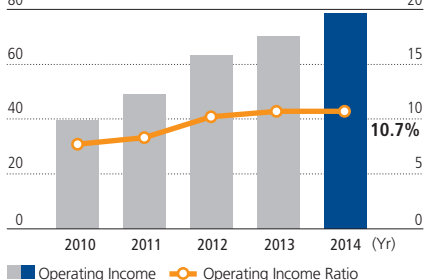


## Operating Income and Operating Income Ratio

**¥78.4 billion**

Year on Year **+12.3%**

(Billions of yen)



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

	2013	2014
Domestic original equipment	-5%	<b>+3%</b>
Overseas original equipment	+29%	<b>+13%</b>
Domestic replacement	+4%	<b>+2%</b>
Overseas replacement	+1%	<b>+13%</b>
Total	+4%	<b>+9%</b>
Total sales volume (millions of tires)	10,042	<b>10,914</b>