

Tire Business

- The Sumitomo Rubber Group manufactures and sells tires, mainly the Dunlop and Falken brands.
- The Group has been active in expanding Dunlop's eco-friendly ENASAVE tire series lineup.
- The Falken brand lineup features highly functional, top-quality products that the Group is promoting in the Japanese, European and U.S. markets.



ENASAVE
RV504



Introducing a Concept Tire with Wear Resistant Max-Tread Rubber*

The Group unveiled a concept tire made using Wear-Resistant Max-Tread Rubber* that features a 100%** improvement in wear resistance while maintaining high fuel efficiency and wet-grip performance.

* This is a concept tire and, as such, there are no current plans to make it available for sale. (Max: Refers to our company's highest grade of tread rubber.)

** Compared with the tread rubber used in the Company's products in 2011.



ENASAVE 100 Receives Recognition

In 2015, Dunlop's 100% fossil resource-free tire ENASAVE 100 received the Japan Business Federation Chairman's Award at the 24th Global Environment Awards and the Excellence Prize at the Sixth Monodzukuri Nippon Grand Awards. In 2014 the same tire won the Agency for Natural Resources and Energy Director-General's Award at the Energy Conservation Grand Prize Awards in the product or business model category.



The commendation ceremony at the 24th Global Environment Awards.



DUNLOP
ENASAVE
100



**SP SPORT
MAXX 050+**



**AZENIS
FK453
RUNFLAT**



Fiscal 2015 Results

Sales in the Tire business grew 0.1% year on year to ¥732,168 million in the fiscal year under review, while operating income decreased 6.8% to ¥73,114 million.

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. The Group pressed ahead with its efforts to further boost sales of such high-value-added products as fuel-efficient tires, expand into new markets and take measures aimed at driving growth and improving earnings capabilities across the entire Group. However, sales stagnated in emerging countries and domestic winter tire sales were below expectations due to unseasonably warm winter weather. Under these circumstances, the tire segment sales grew while profits declined.

Domestic Replacement Market

Among summer tires, sales of fuel-efficient tires outpaced those of the previous year due to increased sales of Dunlop brand's long-

lasting fuel-efficient ENASAVE tire series as well as LE MANS 4 and VEURO VE303, which feature the special noise-absorbing Silent Core technology. In winter tires, although sales of WINTER MAXX tires increased year on year, overall sales were lower due mainly to an absence of snowfall during the peak demand period and higher temperatures nationwide. As a result, sales for the domestic replacement market decreased year on year.

Domestic Original Equipment Market

Despite efforts to increase the supply of high-value-added products, especially fuel-efficient tires, lower automobile production volume drove down sales volume and net sales.

Overseas Replacement Market

Reflecting ongoing political instability in the Middle East and market stagnation in Russia, Indonesia and other emerging countries, competition grew fierce. However, sales grew year on year thanks to an overall global expansion in sales volume, especially in the favorable U.S. market, and a boost from the positive effects of the depreciation of the yen.

Overseas Original Equipment Market

Sluggish market conditions in Indonesia and China led to a fall in sales volume, while in

Thailand continued demand for car models for which the Group supplies a large share of OEM equipment kept sales firm. In the United States, the Group expanded sales to non-Japanese automakers, lifting overall sales. The yen depreciation also helped to buoy net sales.

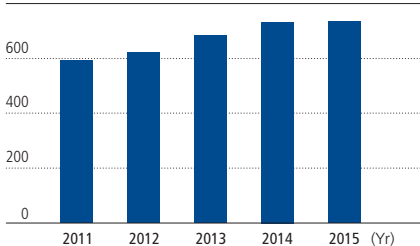
Fiscal 2016 Outlook

In the domestic market, we will continue to introduce new products in our fuel-efficient tire lineup under both the Dunlop and Falken brands. Overseas, the Group will proactively work to grow sales in the European and U.S. markets while pursuing ongoing sales expansion in emerging markets. The Group is also striving toward increased sales at its Australia-based sales subsidiary, which commenced operations in March 2015. At the same time, the Group will continue to globally launch products that meet tightening environmental restrictions and are tailored to unique regional characteristics. Turning to development, the Group will keep applying its proprietary advanced technology to product development and strengthening its supply system while making strategic investments to bolster the production capabilities of its factories in South Africa, Turkey, the United States and elsewhere.

Net Sales

¥732.2 billion Year on Year
+0.1%

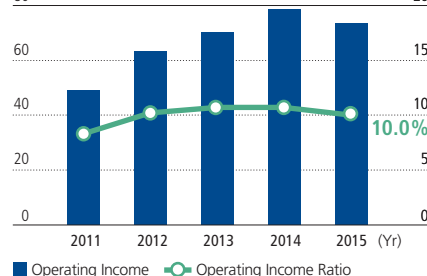
(Billions of yen)
800



Operating Income and Operating Income Ratio

¥73.1 billion Year on Year
-6.8%

(Billions of yen)
80



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

	2014	2015
Domestic original equipment	+3%	-8%
Overseas original equipment	+13%	+1%
Domestic replacement	+2%	-7%
Overseas replacement	+13%	+6%
Total	+9%	±0%
Total sales volume (thousand of tires)	109,140	109,620