

INDUSTRIAL AND OTHER PRODUCTS BUSINESS

- The Industrial and Other Products business offers a wide variety of products encompassing medical rubber parts, precision rubber parts for printers and photocopiers, vibration control dampers, floor coating materials, marine fenders, rubber valves, artificial turf for sporting use, rubber gloves, rubber gas tubes and portable ramps for wheelchair use. The Company covers diverse needs that range from daily life to industrial applications.



MIRAIE

The MIRAIE damper for conventional post and beam structures

Expanding Sales of Vibration Control Units for Housing

Thanks to proprietary Sumitomo Rubber Industries technology in the area of high damping rubber, MIRAIE brand vibration control units for housing are capable of absorbing up to 70%* of the kinetic energy of an earthquake tremor while boasting a product life of up to 90 years. As of December 31, 2016, MIRAIE units have been installed in more than 19,000 houses since the launch of the brand. After the Kumamoto earthquake struck in 2016, the MIRAIE brand earned an even greater reputation as none of the houses equipped with these units collapsed in the disaster.



* Based on the results of in-house shake table experiments simulating real-life earthquake intensity

Stepping Up Our Medical Rubber Parts Business

Efforts are now under way to expand operations related to medical rubber parts in the European market, with Lonstroff AG—a Switzerland-based company that became a Group member in 2015—serving as a key player in this field.





Medical rubber parts

Exercising thorough quality control, Sumitomo Rubber Industries offers safe and high-quality medical rubber parts.



Precision rubber parts for printers and photocopiers

Precision rubber parts for printers and photocopiers require accuracy on a micrometer scale. With production bases in Japan, China and Vietnam, Sumitomo Rubber Industries meets the needs of a wide variety of customers.



Vibration control dampers for buildings

Our vibration control dampers made using a special high damping rubber protect buildings and housing complexes from swaying due to high winds and earthquake tremors. We are accelerating our expansion into earthquake-prone Turkey and Taiwan with these products.

Fiscal 2016 Results

Sales revenue in the Industrial and Other Products business decreased 8% year on year to ¥35,479 million, while business profit* increased 27% to ¥2,673 million.

In the vibration control business, under the MIRAIE brand, a series of vibration control units for housing, sales have grown steadily, with the sales volume reaching our annual target of 6,000 units. Although a number of houses were damaged when the Kumamoto earthquake struck in April 2016, none of the houses equipped with MIRAIE units collapsed, leading to even more positive customer reviews for this product line. As for medical rubber parts, we have been developing our global operations, especially in Europe, with Switzerland-based Lonstroff AG serving as the core production base. Meanwhile, precision rubber parts for printers and photocopiers saw

decreased revenue due to the effect of poor foreign exchange rates in addition to production cutbacks due to deteriorating market conditions for printers and photocopiers. Infrastructure-based products and materials for such applications as sports facilities, civil works and marine facilities were weak, mainly due to delay in completion of facilities.

As a result, sales revenue in the Industrial and Other Products business fell below the level of the previous fiscal year. However, profit increased mainly due to reduction of expenses.

1. Defined by Sumitomo Rubber Industries, Ltd. as its primary management indicator. Business profit = Sales revenue – (Cost of sales + Selling, general and administrative expenses)

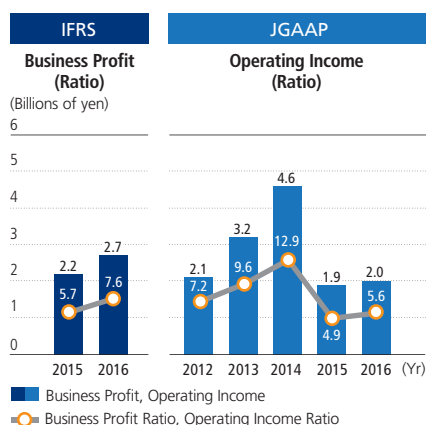
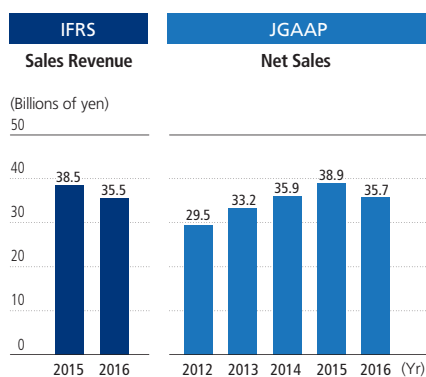
new markets and new customers.

In the vibration control business, we will make efforts to further develop a line of products focusing on the MIRAIE brand and provide high-quality products capable of supporting the safety of housing. In medical rubber parts, we will pursue further global business development centered on the European market. In the infrastructure-based business, we will deal with port improvement facilities, from which we have already received orders in association with demand stemming from the upcoming Tokyo Olympics, while seizing opportunities related to facility development projects that will materialize in the future, thereby expanding sales.

We will continue to develop and supply various products that are high-value-added in terms of quality and function and to seek further business growth.

Fiscal 2017 Outlook

In the business fields of precision rubber parts for printers and photocopiers, we will cultivate



* Business Profit = Sales revenue – (Cost of sales + Selling, general and administrative expenses)

** From the fiscal year ending December 31, 2016, the Group voluntarily adopted the International Financial Reporting Standards (IFRS).