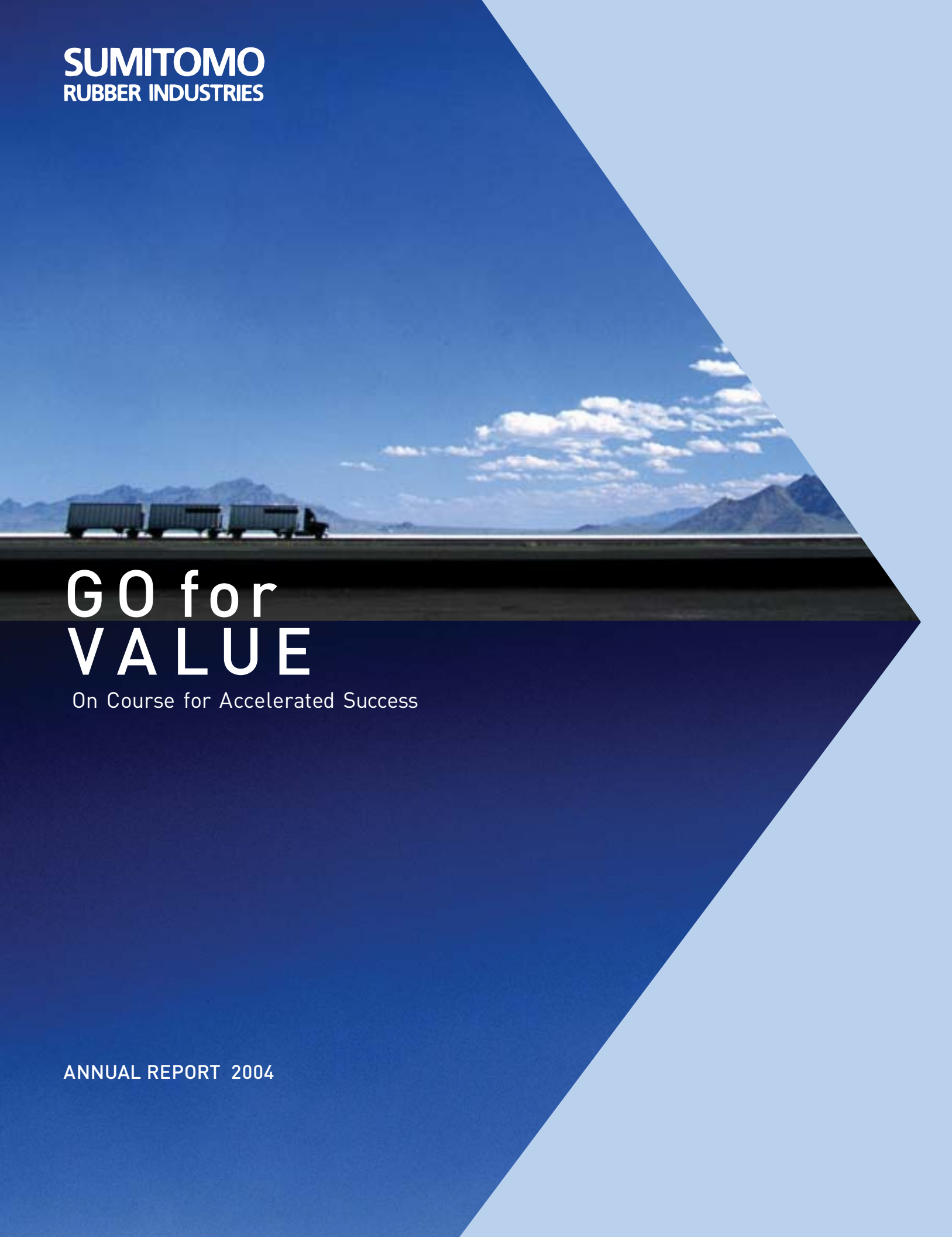


**SUMITOMO**  
RUBBER INDUSTRIES



# GO for VALUE

On Course for Accelerated Success

ANNUAL REPORT 2004

The SRI Group is a corporate group that includes the Tire business of Sumitomo Rubber Industries, Ltd. as its core, the Sports business of SRI Sports Ltd., and the Industrial and Other Products business of SRI Hybrid Ltd. and Sumitomo Rubber. In its core Tire business, the Group aims for continued growth as a global corporation with its concentration of management resources in the growth market of Asia and its alliance with The Goodyear Tire & Rubber Company. After spinning off its Sports and Industrial Products businesses in accordance with restructuring plans, the Sports business achieved dramatic improvements in profitability and the Industrial Products business returned to the black.

Under the previous Medium-Term Five-Year Management Plan drawn up in 2000, the Group succeeded in putting itself back on a road to growth, with improvements in profitability and financial standing. With “GO for VALUE” as its guiding principle, the Group formulated a New Medium-Term Management Plan for fiscal 2006 to 2008, aiming to make further leaps forward. The Group will continue to pursue the enhancement of corporate value for all stakeholders.

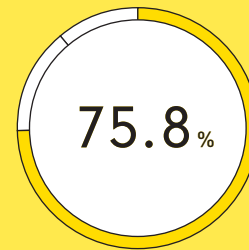
**Cautionary Statements with Respect to Forward-Looking Statements**

Statements made in this annual report with respect to Sumitomo Rubber Industries, Ltd.'s current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Sumitomo Rubber. These statements are based on the Company's and the Group's assumptions and beliefs in light of the information currently available to them. Sumitomo Rubber cautions that a number of potential risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements and advises readers not to place undue reliance on them.

To Our Shareholders .....	2
New Medium-Term Management Plan: GO for VALUE .....	10
Review of Operations .....	14
Environmental Preservation .....	18
Intellectual Property.....	20
Runflat Tires: Technology for Safe Driving and Environmental Preservation.....	21
11-Year Summary of Consolidated Financial Data .....	22
Management's Discussion and Analysis .....	23
Consolidated Balance Sheets .....	26
Consolidated Statements of Income .....	28
Consolidated Statements of Shareholders' Equity .....	29
Consolidated Statements of Cash Flows .....	30
Notes to Consolidated Financial Statements .....	31
Report of Independent Auditors .....	43
Directory .....	44
Corporate Data .....	45

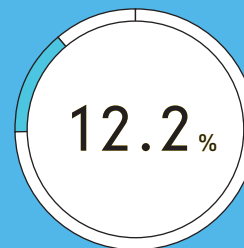


In the Tire business, Sumitomo Rubber manufactures and markets tires under the Dunlop, Falken, Goodyear, Sumitomo and Ohtsu brands. In addition to overseas subsidiaries in China and Indonesia, the Group carries out tire production and sales in Europe and the U.S. in joint ventures with The Goodyear Tire & Rubber Company. Moreover, we are currently planning to construct a tire factory in Thailand with the goal of starting operations at the end of 2006. Certain products of the Tire business are mutually imported and exported within Group companies.



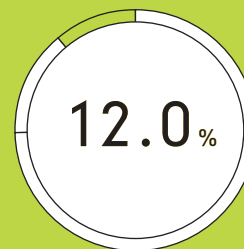
NET SALES:  
¥356,646 MILLION

In the Sports business, SRI Sports Ltd. carries out operations. SRI Sports manufactures and markets Dunlop brand golf clubs and balls, and tennis balls and rackets in Japan, Taiwan and Korea. In addition, SRI Sports sells the international SRIXON brand golf balls and clubs all over the world.



NET SALES:  
¥57,363 MILLION

In the Industrial and Other Products business, SRI Hybrid Ltd. and Sumitomo Rubber carry out operations according to products. In Japan, the Group produces marine dock fenders, blankets for offset printing presses, artificial turf, liquid crystal display (LCD) backlights and other goods. Overseas, the Group manufactures and markets natural rubber gloves in Malaysia, precision rubber parts for office automation equipment in China, and bed-related products in France and Germany.



NET SALES:  
¥56,553 MILLION