



***SHAPING
THE RIGHT COURSE***

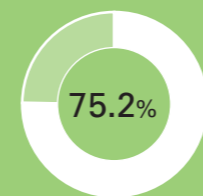
Sumitomo Rubber Industries, Ltd. and its consolidated subsidiaries set sail as the SRI Group on July 1, 2003, with the aim of securing the next stage of growth. After integrating The Ohtsu Tire & Rubber Co., Ltd., Sumitomo Rubber aims to enhance corporate value and to achieve sustainable growth in worldwide tire markets. Based on its new business structure, Sumitomo Rubber will allocate a considerable amount of its management resources to Asia, a region earmarked for significant growth, while continuing to promote its alliance with The Goodyear Tire & Rubber Company in the tire business.

Sumitomo Rubber spun off its Sports business and Industrial business, establishing SRI Sports Ltd. and SRI Hybrid Ltd., respectively. Under the umbrella of this new operating structure, each SRI Group company is working to optimize its business scale and unique features, and by promoting greater efficiency and speed in operation, to contribute to enhancing overall corporate value.

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.

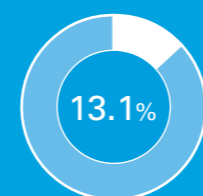
Shaping the Right Course	2	Consolidated Statements of Income	28
To Our Shareholders	4	Consolidated Statements of Shareholders' Equity	29
Review of Operations	16	Consolidated Statements of Cash Flows	30
Environmental Preservation	20	Notes to Consolidated Financial Statements	31
Intellectual Property.....	21	Report of Independent Auditors	43
Runflat Tires.....	22	Directory	44
Management's Discussion and Analysis	23	Corporate Data	45
Consolidated Balance Sheets	26		



TIRE BUSINESS

Net Sales: ¥338,915 million

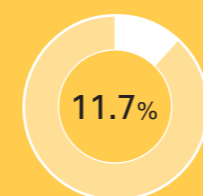
In its Tire business, Sumitomo Rubber manufactures and markets tires under the Dunlop, Falken, Goodyear, Sumitomo and Ohtsu brands. Overseas, the Company operates a subsidiary in Indonesia and maintains European- and U.S.-based manufacturing and sales companies in joint venture with Goodyear. Sumitomo Rubber imports and exports a selection of tire products through Group companies, and commenced manufacturing and sales operations through subsidiaries in China in April 2004.



SPORTS BUSINESS

Net Sales: ¥58,856 million

In its Sports business, the SRI Group manufactures and markets Dunlop-brand golf and tennis goods in Japan, Taiwan and Korea. In addition, golf goods including balls and clubs are produced under the SRIXON international strategic brand and marketed both at home and abroad. Following a series of business reforms, the Group's sports business is managed by SRI Sports Ltd.



INDUSTRIAL AND OTHER PRODUCTS BUSINESS

Net Sales: ¥52,720 million

In the Industrial and Other Products business, the SRI Group manufactures marine fenders, blankets for offset printing presses, artificial turf and liquid crystal display (LCD) backlights in Japan. Overseas, the Group produces natural rubber gloves in Malaysia, precision rubber parts for office automation (OA) equipment in China, and bed-related products in France and Germany. Based on the renewed business platform, products in this segment are managed either by SRI Hybrid Ltd. or Sumitomo Rubber.

