

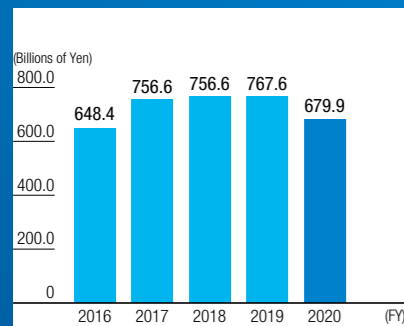
Business Overview

Tire Business

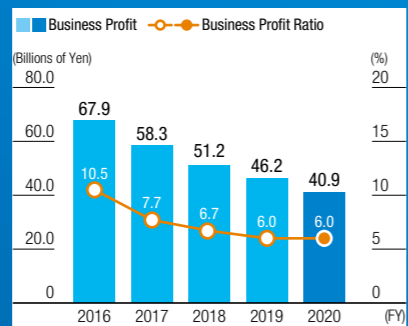


Results of Operations / Major Indicators

Sales Revenue



Business Profit* (Ratio)



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

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

	2018	2019	2020
Domestic original equipment	3%	3%	-17%
Overseas original equipment	6%	7%	-26%
Domestic replacement	±0%	-7%	-9%
Overseas replacement	-2%	1%	-9%
Total	±0%	1%	-12%
Total sales volume (millions of tires)	123.61	124.36	108.83

Messages from Corporate Leadership

Right now, the COVID-19 Pandemic continues with no end in sight. In light of these circumstances, how does the Sumitomo Rubber Group plan to harness your strengths toward accomplishing the Midterm Plan under the New Normal while looking ahead to the coming Post-COVID World?

Our group is equipped with agile reflexes to adjust course in response to changes in the business environment without losing momentum, and I believe that this ability to take swift action is one of our greatest strengths. Under the New Normal, business practices are undergoing some major changes, as are the links that connect us with our customers. In response to these changes, our group is now rapidly pushing ahead with various initiatives to take full advantage of DX (Digital Transformation), not only to optimize costs, but also as a means of promoting greater mutual understanding with our customers and building more solid common ground between us.

How do you hope to go about realizing your group's new Corporate Philosophy Framework: "Our Philosophy?"

As expressed in our DUNLOP Brand Message: "In the Hope of Making Every Day Accident Free," our Tire Business aims to provide "joy and well-being for all" by manufacturing and selling tires that contribute to the creation of an automotive society that provides greater all-around safety and peace of mind.

Toward this end, we have been working hard to develop tires that feature superior performance in terms of both safety and environmental friendliness, tires that provide longer lasting safety performance and even tires that can actively avoid hazards—all backed by the innovative technologies of our SMART TYRE CONCEPT. By providing tires that not only ensure safer, more comfortable mobility for all drivers, but that are also more environmentally friendly, we hope to contribute to the realization of the Mobility Society of the Future.



Jiro Kawase
Executive Officer,
Head of the Domestic
Replace Tire Sales HQ



With a lineup of products that possesses cutting-edge environmental and safety technology, DUNLOP conducts business primarily in Japan and Asia.



ENASAVE NEXT III

A fuel-efficient tire that features 50% less decline^{*1} in wet grip performance over time, incorporates a hydrogenated polymer, and is also the world's first^{*2} tire to use cellulose nanofiber high-performance biomass material to help achieve a low-carbon society.

Chosen to receive an Excellent Award under the 3rd Eco-Pro Award program, a Nippon Brand Award under the 17th Super Parts Manufacturer Award program, and a Director-General of Agency for Natural Resources and Energy Award under the Energy Conservation Grand Prize 2020 program.

*1 Compared with previous ENASAVE NEXT II product
*2 In-house research



VEURO VE304

Achieves the highest levels^{*3} of passenger cabin comfort through superior quietness and high-level steering stability. Furthermore, it incorporates Performance Sustaining Technology to prolong wet grip performance at the maximum level.

Named a Grand Prix winner under the DAILY AUTOMOTIVE NEWS Car Parts Awards 2020 program

*3 Among our products



WINTER MAXX 03

A studless tire that provides the best on-ice performance^{*4} in Dunlop history thanks to the use of "nano dimpling rubber," a new technology. WINTER MAXX 03 also incorporates Liquid Farnesene Rubber,^{*5} which contributes to the durability of tire performance. The tire thus boasts superiority over conventional products^{*6} in terms of long-lasting effectiveness.

*4 Among our products
*5 A material developed by Kuraray Co., Ltd. for WINTER MAXX series
*6 WINTER MAXX 02



The Group is stepping up marketing mainly in Europe, the United States and Japan by leveraging its lineup of FALKEN brand tires with superior functionality and product quality.



AZENIS FK510

In first place in the comprehensive tire performance ranking sponsored by ADAC, or All German Automobile Club, the largest automobile association in Europe. Through tests conducted by ADAC, this product earned high evaluations thanks to its robust performance supporting stable steering and braking in dry road conditions as well as superior hydroplaning and wet grip performance in wet road conditions.

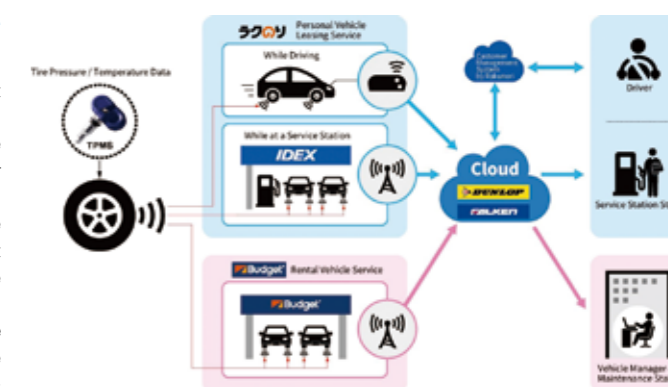


Topics

Launch of the verification testing of a tire pressure management solution service

We have launched the verification testing of a solution service that remotely monitors and manages tire pressure and temperature.

The aim of this testing is to verify the feasibility of such service using 30 leased vehicles and 500 rental cars offered by partner companies. Specifically, the Tire Pressure Monitoring System (TPMS) is attached to the tires of these vehicles while they operate in Fukuoka, Miyazaki and Kagoshima prefectures in order to collect and transfer data on their tire pressure and tire temperature to the cloud database. This service thus enables the remote confirmation of tire conditions and is expected to mitigate the maintenance workload in addition to helping operators maintain appropriate tire pressure—a key factor for sustaining fuel efficiency—thereby contributing to safe and secure driving.



The development of a remote tire pressure monitoring system for Level 4 autonomous vehicles; verification testing conducted in Gifu City using public roads

Targeting Level 4 autonomous vehicles, we have developed a system for collecting tire pressure data and supporting timely response to abnormalities indicating the need for tire maintenance. In November 2020, this system underwent verification testing using public roads in Gifu City, Gifu Prefecture. The system was developed via joint research that was launched in 2019 and involves Gunma University's Center for Research on Adoption of NextGen Transportation Systems (CRANTS), with the aim of making it possible to remotely monitor the tire pressure of unmanned vehicles operating autonomously. Assuming various types of incidents, including a flat tire while under way, this system is expected to help prevent the occurrence of tire-related issues via predictive maintenance and otherwise support earlier troubleshooting.

Business Overview

Sports Business



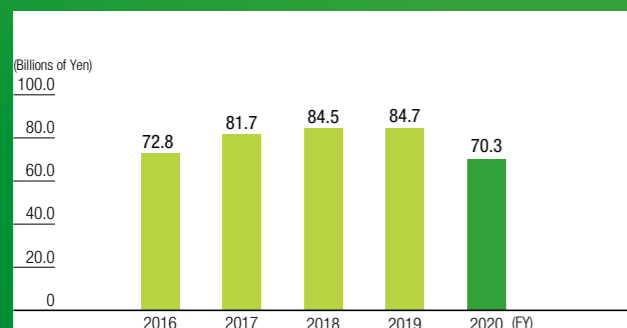
Professional golfer
Hideki Matsuyama



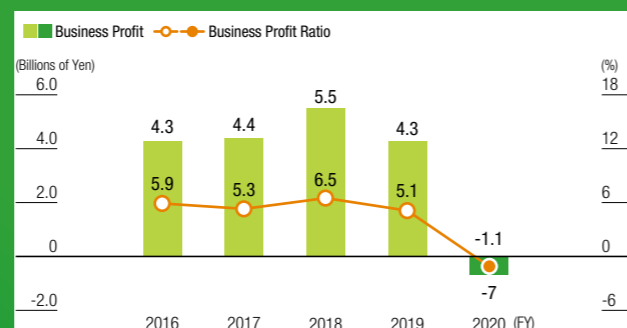
Professional wheelchair
tennis player
Yui Kamiji

Results of Operations / Major Indicators

Sales Revenue



Business Profit* (Ratio)



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Messages from Corporate Leadership

Right now, the COVID-19 Pandemic continues with no end in sight. In light of these circumstances, how does the Sumitomo Rubber Group plan to harness your strengths toward accomplishing the Midterm Plan under the New Normal while looking ahead to the coming Post-COVID World?

While the sporting goods industry has been severely impacted by the pandemic, I also feel that it has given many people a renewed sense of the importance of sports as a pathway to living a fuller and healthier life. As a sport that is played outdoors and has no problems accommodating social distancing, golf, in particular, is enjoying a resurgence in popularity, which has brought many young golfers and families to the sport.

Moving forward, while remaining keenly in tune with these and other market changes, we will work to establish a new business style that is well adapted to the New Normal, which will involve enhancing our e-commerce capabilities and so forth. Our major strengths include our "materials and material simulation technology," "precision measuring technology" and "solutions development capabilities," and we will be working to further augment these strengths in order to enhance our responsiveness to the needs of our customers while continuing to provide second-to-none products with ever greater speed.

How do you hope to go about realizing your group's new Corporate Philosophy Framework: "Our Philosophy?"

As a key tenet of "Our Philosophy," our group has set forth the reason for our existence (i.e., our "Purpose") thusly: "Through innovation we will create a future of joy and well-being for all." For our Sports Business, creating "well-being" means providing products and services that are thoroughly safe in order to engender peace of mind while at the same time earning the trust of our customers, all backed by the strength of our technical capabilities and our unwavering commitment to quality.

And, when it comes to "joy," through our products and services, our Sports Business will continue striving to give more and more people the thrill and satisfaction that come from playing an excellent game, as well as the sense of fulfillment that is an intrinsic benefit of sports in general.



Hideaki Kawamatsu
Executive Officer,
Head of the Sports
Business HQ

Golf Equipment

We offer three brands, namely "XXIO," "SRIXON" and "Cleveland Golf," on a global scale.

Since their launch in 2000, our mainstay "XXIO" brand golf clubs have enjoyed favorable user reviews based on their carry, ease of hitting and the pleasing sound they produce when the ball is hit. The 11th generation models, "XXIO Eleven" and "XXIO X-eks-," were launched in December 2019, and their sales are currently growing at home and abroad.

In 2020, we released the "SRIXON ZX series" for serious golfers as well as the "Cleveland RTX ZIPCORE Wedge" designed specifically for players who seek to improve their approach shots to a level equivalent to that of professional golfers. We also support the performance of top-notch players with these and other golfing gear in line with equipment sponsorship agreements.



Tennis Equipment

Having incorporated its cutting-edge proprietary technology into England's traditional "DUNLOP" brand, the Company is introducing the brand throughout the world as one for all athletes, ranging from top professionals to beginners.

Not only does the Company manufacture the long-selling balls used in many of the major tournaments in Japan, it was chosen to be the official ball supplier to the Australian Open in 2019, becoming the first Japanese company to supply balls to one of the Grand Slam tournaments.



Wellness Business

Now in the process of expansion with the aim of becoming a third pillar of business, the wellness business comprises a fitness club business and golf and tennis school businesses.

In addition to the existing school business and comprehensive fitness clubs, the business supports health promotion in a broad range of fields through such operations as compact gyms open 24 hours a day and the contracted management of local government sports facilities.



Topics

Hideki Matsuyama becomes the first Japanese player to win the Masters Tournament

Hideki Matsuyama, who signed a golf equipment sponsorship agreement with Sumitomo Rubber Industries, marked a historic victory in April 2021 at the PGA Tour's Masters Tournament, becoming the first Japanese and Asian man to win a major championship.

Matsuyama turned professional in April 2013 and signed an agreement with Sumitomo Rubber Industries in July 2013. Since then, we have provided golf clubs, golf balls, gloves and other gear in support of his goal of winning a major championship.

Going forward, we will continue to strive side by side with Hideki Matsuyama and other players for their victories.



Hideki Matsuyama



Golfing gear used by
Hideki Matsuyama (the club is a prototype)

The 60th anniversary of our long-selling "FORT"

In 2021 we will celebrate the 60th anniversary of the release of "FORT," a series of long-selling tennis balls that have been used in a number of major domestic tournaments since its release in 1961. With outstanding sphericity and uniform quality, "FORT" has long been a tennis ball brand trusted by players. It is valued for the consistently mild feel of the hit, an unchanging feature of the series, while boasting superior durability.

Dunlop Sports Club opens a large facility in Kasukabe

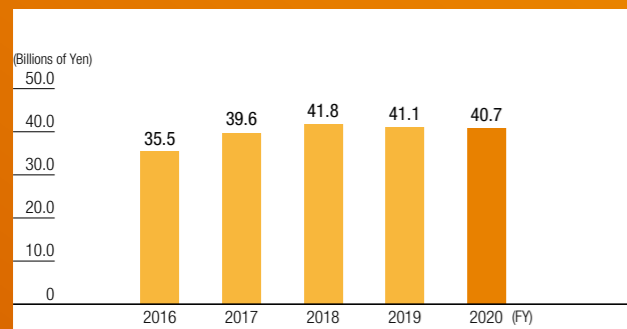
The Sumitomo Rubber Group maintains a comprehensive fitness club business and has recently opened Dunlop Sports Club Kasukabe, the 21st facility in its nationwide sports club network, in a location slightly north of Tokyo adjacent to AEON Mall Kasukabe. Taking advantage of its large two-story building, this sports club boasts a swimming pool, machine gym and fitness studio along with a golf practice range and a tennis court. With this new facility, we will strive to serve people of local communities and contribute to their health improvement efforts.

Business Overview

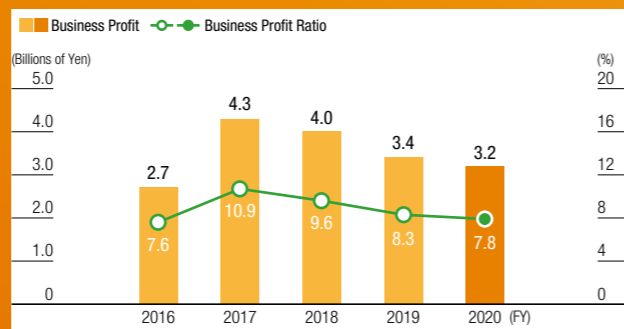
Industrial and Other Products Business

Results of Operations / Major Indicators

Sales Revenue



Business Profit* (Ratio)



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Messages from Corporate Leadership

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Offering various types of products under the core concept of "contributing to the creation of safer and more comfortable cities for greater all-around peace of mind," our Industrial Products Business provides value to diverse markets around the world in the form of improved infrastructure, reduced disaster risk and so forth. Meanwhile, during the recent pandemic, our business has continually responded to society's urgent call for revamped supply chains to support frontline healthcare workers and protect public health. Our contribution in these times of need is not only a source of great pride for us but has also given us a renewed appreciation of what our products mean to society. We will continue working to achieve our Midterm Plan while adapting to the New Normal in a way that makes the very diversification of our business into our greatest strength.

How do you hope to go about realizing your group's new Corporate Philosophy Framework: "Our Philosophy?"

Our Industrial Products Business connects the Sumitomo Rubber Group to a wide and diverse array of industries and markets, covering everything from industrial infrastructure to medicine and healthcare and even daily necessities. As such, our business division has a particular duty to pursue "joy and well-being for all" in especially broad terms while continuously working to make these ideals into something tangible.

Our group is now actively promoting DX (Digital Transformation) and other innovations to provide all of our employees with a workplace environment that is more conducive to their work so that they can realize their full potential. Through these efforts, our Industrial Products Division will harness the collective strength of our over 3,000 employees in six different countries throughout the world as we push ahead with purpose-driven business operations that are firmly grounded in "Our Philosophy."



Hirotoishi Murakami
Executive Officer,
Head of the Hybrid
Rubber Products HQ

Rubber Parts for Medical Applications

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



Rubber Gloves

We offer an extensive lineup of gloves encompassing widely diverse applications, which range from household to institutional use, while focusing on enhancing their environmental friendliness.



Precision Rubber Parts for Office Equipment

Precision rubber parts for office equipment 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

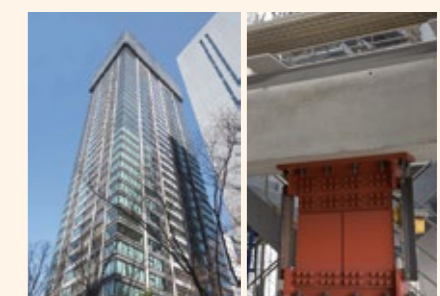


Vibration Control Dampers

Our vibration control dampers made using a special high damping rubber protect such structures as detached housing, office buildings and housing complexes from swaying due to high winds and earthquake tremors. We are accelerating our business expansion into earthquake-prone Taiwan and South Korea with these products.



MIRAIEΣ Vibration Control Units for Detached Housing



Vibration control dampers for buildings

Topics

Raising our monthly production capacity for thin nitrile rubber gloves to 2 million pairs in response to a government request

In response to a government request, we have decided to raise our monthly production capacity for thin nitrile rubber gloves to 2 million pairs and, to this end, expanded our facilities at the Malaysia Factory. With the expanded facilities brought on line in May 2021, we will supply these gloves to such customers as domestic healthcare institutions and food processing facilities.

The Group's glove business is serving markets at home and abroad via the Malaysia Factory, which has just undergone facility augmentation, as well as partner factories in Thailand and elsewhere. Thin nitrile rubber gloves are used for a variety of applications, including healthcare and food processing. In addition, we have donated 97,500 pairs of such gloves to the Japanese government in April 2020 to support healthcare institutions.

Moreover, we have secured robust funds for the aforementioned facility expansion in the form of subsidies granted by the Japanese government under a scheme to promote the diversification of overseas supply chains.

To accommodate future demand, we will continuously strive to secure an even more stable supply structure.

Outline of the Malaysia Factory

Location	: Sungai Petani, Kedah, Malaysia
Production items	: Rubber gloves (household and institutional use) and instant mobility systems
Launch of operations	: 1981
Total capital expenditure	: ¥150 million



Enhancing our lineup of advanced products supporting a comfortable life

With the aim of helping realize a living environment that is friendly to all, we have released "Dun-Slope AiR 2," a portable ramp for wheelchair use. This product offers enhanced user convenience due to its higher durability, superior shock-absorption, and compact size. At the same time, it is lightweight with a mass on par with that of previous models, making it an industry leader.

We also released "NatuAssist for MEN" compression exercise shorts with a built-in pelvic belt designed to support the wearer's trunk. Moreover, we enhanced our lineup of "NatuAssist for WOMEN" by introducing LL to 3L size black, above-knee length versions. As such, we strove to deliver products capable of meeting an even wider range of customer needs.



Dun-Slope AiR 2



NatuAssist