

SUMITOMO RUBBER GROUP  
CSR Report 2010

◆ SUMITOMO RUBBER GROUP

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## Contents

Worldwide Business .....	03
President's Message .....	05

## Toward the Next Century

Taking Action to Raise Employee Awareness in Technologies, Production Expertise and Human Resources .....	07
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CSR Management .....	09
----------------------	----



### Green

Preserving Local Forests to Curb Global Warming and Interact With the Community

Planting One Million Trees Around the World .....	13
---	----

### Ecology

An Industry Leader in Positive Environmental Protection

Standing by Commitments as an Eco-First Company .....	15
---	----

Take Active Steps to Curb Global Warming .....	17
Contribute to the Creation of a Recycling-Oriented Society .....	19
Boosting Environmental Management .....	21

### Next

Developing Tires with High Environmental Performance, and Making Tires Safe and Comfortable, Economical, and of High Quality

Accelerating the Development and Spread of Fuel-Efficient Tires Complying with Tire Labeling Regulations .....	23
--	----

Customer Safety Comes First .....	25
Developing and Spreading the Use of Environmentally Friendly, Safe Products .....	27

### Kindness

Create an Environment where Employees Have Comfortable, Rewarding Work

Work-Life Balance for Ways of Work Distinctive to Sumitomo Rubber .....	29
---	----

Helping Employees Develop their Abilities .....	31
Zero Danger and Zero Labor Accidents .....	32

### Integrity

Earnest Dialog Helps Win the Trust of Society

For Customers Shooting for Improved Satisfaction .....	33
--	----

For Suppliers .....	35
For Shareholders and Investors .....	36
For Local Communities .....	37
Corporate Governance .....	39

Site Reports .....	40	Global Environmental Data .....	47
Independent Assurance Report .....	48		

#### Disclaimer

This report includes forecasts, expectations, and plans about the Sumitomo Rubber Group. These are assumptions and judgments made based on the information available at the time this report was written and therefore may differ from future business activities and business performance, for which the Sumitomo Rubber Group bears no responsibility.

## SUMITOMO RUBBER GROUP CSR Report 2010



### Editorial Policy

Sumitomo Rubber Industries, Ltd., published its Environmental Report from 2001 and from 2005 its Social and Environmental Report. These publications have reported on the Company's efforts to be a socially responsible manufacturer through compliance, product quality and safety, and environmental protection. In February 2008, with the aim of strengthening its previous CSR activities, the Sumitomo Rubber Group established its CSR Activities' Fundamental Philosophy and changed the name of this publication to the CSR Report.

This year's edition, the third as the CSR Report, is organized around the "GENKI" CSR Guidelines stipulated in our CSR Activities' Fundamental Policy: Green initiative; Ecological process: Reduce environmental burden from business activities; Next-generation product development; Kindness to employees; and Integrity for stakeholders.

Through efforts that include incorporating the opinions of experts, we have tried to make this report clear with the most important activities for both Sumitomo Rubber and its stakeholders. We also tried to include opinions from stakeholders and from the employees central to the activities described in each section.

### The CSR Report in Printed and Digital Forms



#### CSR Report (printed version)

We tried to focus on the top priority issues in line with the GENKI CSR Guidelines, thus making it easier for readers to understand the main themes of our CSR.



#### CSR Web Site (Japanese only)

The Web site includes comprehensive information not covered in the printed version. Stakeholders can now more easily search the site for the specific information they need.

<http://www.srigroup.co.jp/csr/>

### Main Improvements to 2010 CSR Report

- We have made the printed version of the report more manageable for readers by decreasing the number of pages and concentrating on our most important activities.
- We now have an even greater selection of information on our Web site (the CSR site; in Japanese only), and the site's main page lists the most important activities for each fiscal year.
- We made the report better by incorporating the opinions of experts who we held dialogs with in December 2009 and January 2010. (see pages 10 and 34)

### Companies Covered by this Report

This report covers a portion of group companies in Japan and overseas, with a focus on the six factories operated by Sumitomo Rubber Industries, Ltd., SRI Sports Ltd.. On page 47, you will find environmental performance data for five domestic affiliates, seven overseas production bases, and 36 domestic and overseas non-production bases.

### Period of the Report

Fiscal 2009 (January 1, 2009 to December 31, 2009; some information is from outside of this period)

### Referenced Guidelines

- Sustainability Reporting Guidelines, Version 3.0, published by the Global Reporting Initiative (GRI)
- Environmental Reporting Guidelines (2007 Version), published by Japan's Ministry of the Environment

### Independent Assurance

Since 2008, we have been assured by an independent third-party organ to show that this report gives credible reporting on our environmental and social activities. The J-SUS symbol on the below is proof that the report satisfies the J-SUS symbol standards designated by the Japanese Association of Assurance Organizations for Sustainability Information (<http://www.j-sus.org/>).

As of this year, the information on the CSR site (Japanese only) has also undergone assurance by a third-party organ.





### Tire Business



**Manufacturing factories**  
 Japan (Shirakawa, Nagoya, Izumiotsu, Miyazaki)  
 China (Changshu/Suzhou), Indonesia, Thailand  
**Production companies**  
 8 consolidated subsidiaries, 8 affiliates

Sumitomo Rubber Industries, Ltd. offers its main tire brands—Dunlop, Falken, and Goodyear—for passenger cars, trucks, buses, and motorcycles. These tires employ state-of-the-art environmental technology.



**Sales companies**  
 36 consolidated subsidiaries, 13 affiliates  
**Tire test courses**  
 Japan (Okayama, Nayoro, Asahikawa)  
**R&D facilities**  
 Tyre Technical Center

### Sports Business



**Manufacturing factories**  
 Japan (Ichijima, Miyazaki), Indonesia, Thailand, United States  
**Production companies**  
 4 consolidated subsidiaries

Group company SRI Sports Ltd. manufactures and markets products such as golf clubs and golf balls, and tennis rackets and tennis balls. In addition to the core brand of XXIO and the strategic international brand of SRIXON, the company sells America's Cleveland Golf brand around the world.



**Sales companies**  
 9 consolidated subsidiaries  
**R&D facilities**  
 Golf Science Center

### Industrial and Other Products Business



**Manufacturing factories**  
 Japan (Kakogawa, Izumiotsu), Malaysia, China (Zhongshan), Vietnam

Sumitomo Rubber Industries, Ltd. manufactures and markets precision rubber parts for office machines, vibration control rubber dampers, artificial turf for sports, flooring materials, rubber gloves, blankets for offset printing presses, engineering and marine products, and medical rubber stoppers. Overseas, we run a natural rubber gloves factory in Malaysia, and factories making precision rubber parts for office machines in China and Vietnam. With materials for everything from daily household use to industrial applications, our products cover the entire spectrum.

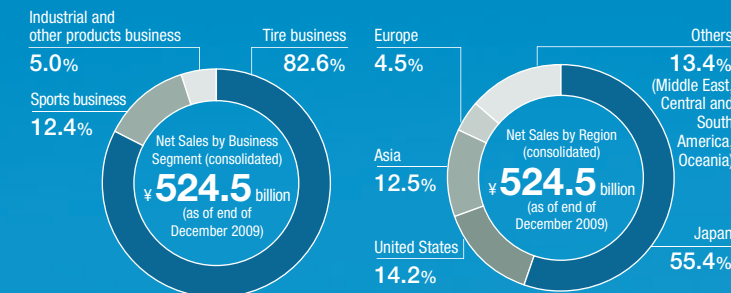


**Production companies**  
 4 consolidated subsidiaries, 1 affiliates  
**Sales companies**  
 3 consolidated subsidiaries

### Worldwide Business

# Creating Value for the World and Its Future

The Sumitomo Rubber Group is drawing on its 100 years of technology and experience to create new value like no other company before for the sake of the earth's environment.



### Group Overview

**Company:** Sumitomo Rubber Industries, Ltd.

**Head Office:**  
 3-6-9 Wakinhama-cho, Chuo-ku, Kobe, Hyogo 651-0072, Japan

**Establishment:** 1909

**Paid-in capital:** ¥42.7 billion

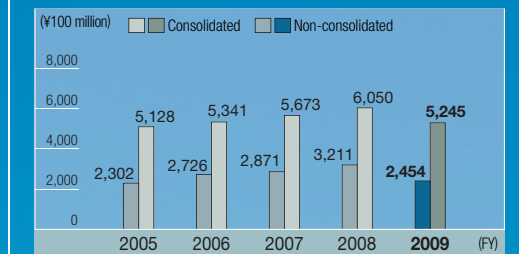
**Consolidated net sales:**  
 ¥524.5 billion (as of end of December 2009)

**Number of employees (consolidated):** 20,832

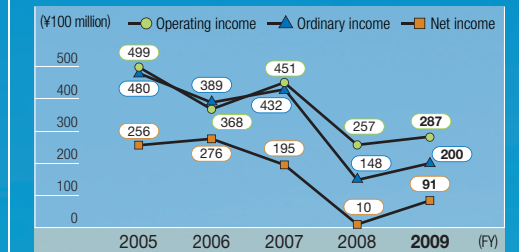
**Consolidated subsidiaries (46 of these in Japan):** 74

**Affiliates (21 of these in Japan):** 31

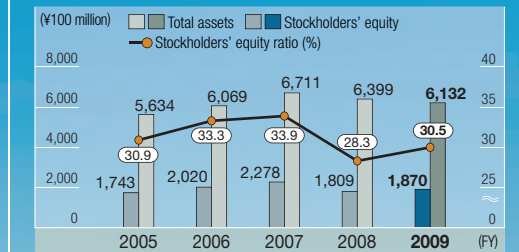
#### Net Sales



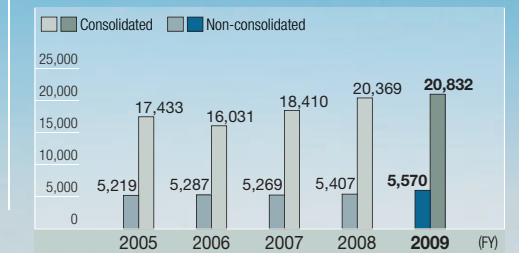
#### Operating Income, Ordinary Income, Net Income



#### Total Assets, Stockholders' Equity, Stockholders' Equity Ratio



#### Number of Employees





# A Corporate Group Offering True Value

## The "SRI Way" Embodies Our Cherished Values and Principles of Action

Ever since it built Japan's first modern rubber plant in 1909, Sumitomo Rubber has constantly strived to offer attractive products throughout a history of changes and challenges. The foundation of this history is made up of the Sumitomo business spirit, the Dunlop spirit of innovation, and our freewheeling, energetic spirit. Sumitomo business spirit has always been to ensure that its business benefits not only Sumitomo, but the nation and society as well. We feel so strongly about this that it forms the basis of the group's corporate philosophy. We believe that fulfilling the Sumitomo business spirit is our group's corporate social responsibility.

In 2009, we look ahead to another century of growth even greater than the last one. In order to build a system that will allow the values and principles of action that we hold so dear to be known throughout the world, we are developing the "SRI Way." As the number of our overseas bases grows, this expansion means that an increasing

number of people with a range of values will join our group's business activities. We believe that we must have common values and philosophies that form the basis of employee actions and decisions, and standardize the way we work in order to strengthen our overall group solidarity so that we can continue to offer products and services of consistent quality worldwide.

By re-establishing these values and principles of action as core values of our corporate culture, we aim to revitalize our CSR activities and earn the trust of society.

## Eco-First Commitments: An Environmental Protection "To-Do" List

The Sumitomo Rubber Group makes environmental protection efforts a top priority of its management.

The Sumitomo Rubber Group was certified for the Ministry of the Environment's Eco-First program in March 2009 and pledged to carry out three Eco-First commitments: take active steps to curb global warming, create a recycling-



**Tetsuji Mino** President and Representative Director, Sumitomo Rubber Industries, Ltd.

oriented society, and develop eco-friendly products.

To curb global warming, we set a target of reducing CO2 emissions per unit from manufacturing in 2010 to less than 58% of 1990 levels. To this end, we switched to natural gas and carried out numerous energy-efficiency measures. To create a recycling-oriented society, we set a target of complete zero emissions that means zero waste to landfill, at major domestic and overseas factories. We achieved this ahead of schedule, in March 2010, thanks to material recycling and other efforts.

basic analysis right up to new material development. Before the end of 2010, we will be using a next-generation super-computer in Kobe to conduct material development simulations at the nano level. This will accelerate our development of fuel-efficient tires.

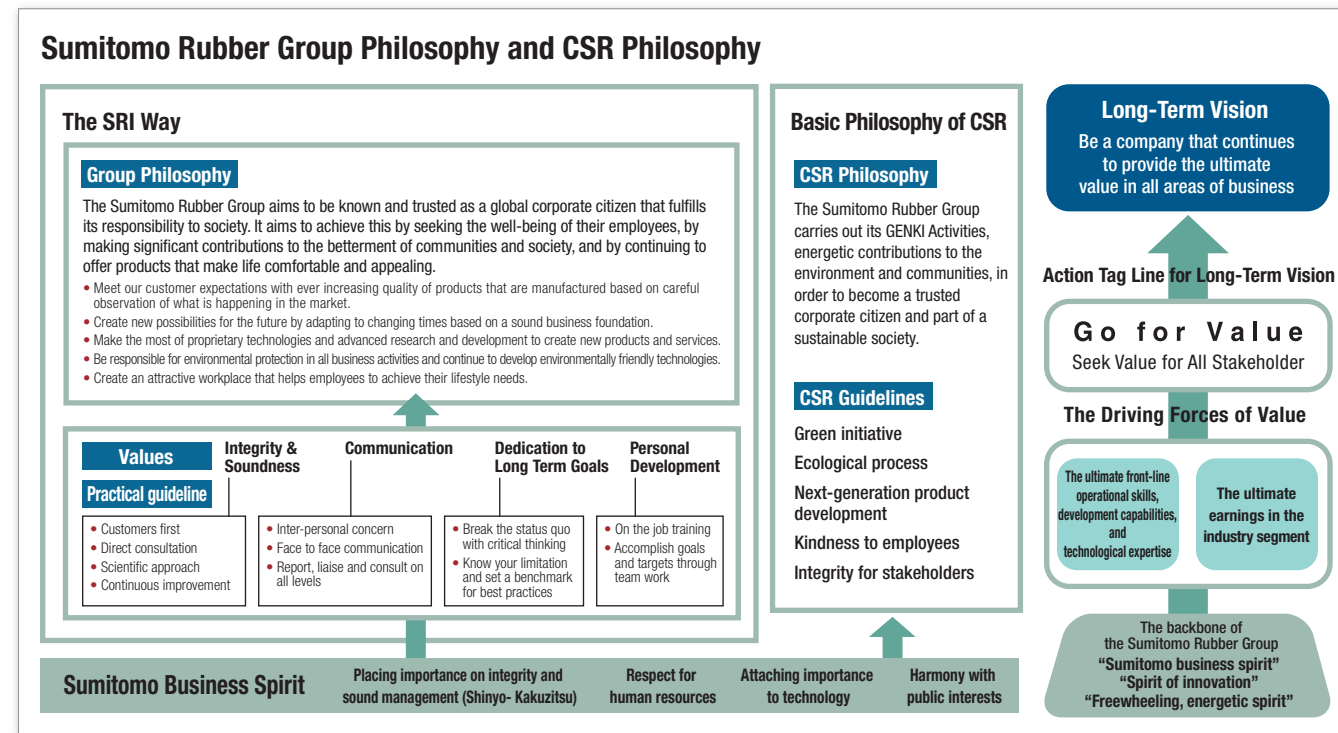
To ensure that the Sumitomo Rubber Group always has a stable procurement of high-quality natural rubber, we have signed an agreement with a Thai company to establish a natural rubber plantation and a processing plant in Thailand. Research into eco-tires can thus proceed at an even faster pace.

We must grow at a sustainable pace. Crucial to this is fulfilling a variety of social responsibilities, such as compliance and environmental protection. We believe that this will allow us to meet society's expectations with "true value" and that it will eventually help us achieve our Long-Term Vision.

We at Sumitomo Rubber look forward to your continued guidance and support. We also look forward to hearing your comments on this CSR report.

## Accelerating Development of Environmentally Friendly Tires to Achieve the Long-Term Vision

To achieve the third Eco-First Commitment, the development of environmentally friendly products, we are conducting R&D with the goal of having 100% fossil resource-free tires on the market by 2013, and tires with 50% less rolling resistance by 2015. Although we released a 97% fossil resource-free tire in 2008, our next step is to make the ultimate eco-tire, one 100% free of fossil resources. To aid us in our development of fuel-efficient tires, in January 2010, we established the Material Research and Development Headquarters which speeds up development with a consistent process from



*Tetsuji Mino*

**Tetsuji Mino**  
President and Representative Director,  
Sumitomo Rubber Industries, Ltd.



## The Passing on and Creation of Technologies

### Tyre Technical Center

In September 2009 we completed the Tyre Technical Center, our new hub of research and development. Besides boasting state-of-the-art tire testing equipment, the center is environmentally friendly thanks to its use of solar power generation and other technologies.

In December 2009, we created the Techno-Science Award in recognition of individuals and groups contributing to advancements. This is another initiative that is making us better at passing on and creating technologies.



Tyre Technical Center



Winners of the first Techno-Science Award

## The Passing on and Creation of Production Expertise

### Manufacturing Training Center, Shirakawa Training Center

The Manufacturing Training Center, Shirakawa Training Center was completed in April 2009 with the goal of passing on Sumitomo Rubber's philosophy on skills and manufacturing, and helping us better expand internationally. Training is conducted using actual production equipment for a true hands-on experience. The center hosts a wide range of training aimed at standardizing manufacturing technology, including skills training for managers and senior staff, and for overseas support staff in Sumitomo



Shirakawa Training Center

Rubber's manufacturing divisions.

Another way we encourage the passing on of production expertise is the SRI Technical Olympics (see page 31), which were held for the first time in November 2009 at the Shirakawa Training Center.



The SRI Technical Olympics



The awards ceremony for the SRI Technical Olympics

# Taking Action to Raise Technologies, Production

In October 2009, the 100th anniversary of Sumitomo Rubber, we embarked on new activities that use the spirit of all that we have built up to propel us through our second century.



Panel discussion at a Love Your Work! Project seminar



The Love Your Work! Times, an in-house publication

## The Passing on and Fostering of Human Resources

### Love Your Work! Project

In fiscal 2007, we started the Love Your Work! Project to achieve one of the goals of the Long-Term Vision, which is to nurture a corporate culture in which employees value their own work. Under the main theme of this project for fiscal 2009, "human friendly, making dreams take shape," employees took action in the three areas of products, environment, and work-life balance.

In fiscal 2010, we will step up project-related promotions to get more people involved in this project.

### Products Idea Contest Gets All Employees Involved in Product Planning

To get new product ideas from people not directly involved in product development, we started a contest in which all Sumitomo Rubber employees can send in their suggestions. We are now looking at making some of these 5,457 ideas received in the contest into products.



An exhibit of golf bags shows some of the ideas gathered in the contest



Progress in the virtual tree-planting is shown on the intranet

### Environment Virtual Tree-Planting by Saving Energy at the Office and at Home

Sumitomo Rubber employees can "plant" one virtual tree for every 14 kg-CO<sub>2</sub> they reduce through their energy consumption at home and at the office. Our goal is to plant 237,932 virtual trees, enough to cover the land area occupied by all Sumitomo Rubber Group sites. More than 10,000 employees took part in fiscal 2009 and their energy saving efforts resulted in us "planting" 139,158 virtual trees.

### Work-Life Balance Reviewing Our Work Habits to Achieve Fulfillment at the Company and at Home

In fiscal 2009, we held seminars and contests with the goal of getting employees to seek the ideal work-life balance for themselves and for the Sumitomo Rubber Group. (See pages 29-30)



Informal seminars



Exhibit of winning photos from photo contest

# Toward the Next Century



# Strengthening CSR Management

In February 2008, Sumitomo Rubber Group established its CSR Activities' Fundamental Philosophy. In July 2008, we established the CSR Promotion Office to take charge of CSR matters. To further energize our CSR activities, we altered our management system and are providing as much CSR information as possible to the Group worldwide.

## CSR Promotion Office the Core of CSR Management System

In July 2008, the Sumitomo Rubber Group established the CSR Promotion Office to be in charge of CSR activities for the Group. The CSR Promotion office consists of the head manager, three full-time staff, and another member who combine with other department. In our CSR activities, the Management Conference has the final say on all decisions.

In fiscal 2009, the CSR Promotion Office continued dialog and cooperation

with NPOs, the provision of volunteer information to employees, and CSR training. We also plan to widen the scope of CSR with activities including a CSR Awards system to raise awareness and encourage greater participation, as well as hold dialogs with outside experts in the field. (see pages 10 and 34)

To continue getting more employees involved in CSR and raising CSR awareness, we will improve systems like the reserve leave system for living support, introduced in April 2009, which gives employees time off for volunteering. In July 2009, we launched the Matching Gift System CSR fund (see page 37) and in June 2010 began using this money to support NPO activities. We will strengthen ties with groups we support to ensure this system works smoothly and effectively.

## Improve Employee Awareness through CSR Education

To raise employees' CSR awareness, in fiscal 2009 we held training for employees at each tier. A total of 260 employees

took part (in new employee training, second-year and fifth-year training, newly appointed assistant manager training, and manager training).



CSR training session

## TOPICS

### Participation in Biodiversity Declaration

Sumitomo Rubber Industries, Ltd. is a partner in the Biodiversity Declaration of the Nippon Keidanren (Japan Business Federation). Sumitomo Rubber sites continuously work to preserve biodiversity; an example is the biotope at the Shirakawa Factory.

In fiscal 2010, we plan to formulate a biodiversity policy for the Sumitomo Rubber Group and get right to work implementing this.

## CSR Awards: Outstanding Awards

### 1. Environmental Contribution category

#### 1-1 Group category

- Safety and Environment Dept., Sumitomo Rubber (Thailand) Co., Ltd.  
For achieving complete zero emissions in a short time period, and other environmental activities.

#### 1-2 Individual category

- Shigetoshi Koura, Miyazaki Factory, Sumitomo Rubber Industries, Ltd.  
For efforts to protect the globe thistle (echinops setifer), an endangered grassland plant.
- Morio Kawasaki, Shirakawa Factory, Sumitomo Rubber Industries, Ltd.  
For raising fireflies and protecting the habitat of dogtooth violets.

### 2. Social Contribution category

#### 2-1 Group category

- GENKI Group, Shirakawa Factory, Sumitomo Rubber Industries, Ltd.  
For volunteer activities that promote exchange with the community.

#### 2-2 Individual category

- Hideyuki Yoshino, Material Technology Dept., Tyre Technical HQS., Sumitomo Rubber Industries, Ltd.  
For 30 years of donating blood.

## TOPICS

### CSR Awards System Established

The Sumitomo Rubber Group established the CSR Awards System to recognize outstanding CSR efforts by workplace groups and individuals. This system will raise understanding of and interest in CSR and contribute to taking activities to the next level. Employees throughout the entire group can apply on their own or be recommended by a colleague for one of two award categories: Environmental Contribution and Social Contribution.

At the first CSR Awards in December 2009, the Sumitomo Rubber Group gave five Outstanding Awards, six Excellence Awards, and nine Encouragement Awards out of the 52 nominees.

These awards will continue to push employees to greater heights in their CSR activities.



The CSR Awards ceremony

## Dialog with Outside Experts

# Expert Speaks on CSR Management

On January 23, 2010, Kanji Tanimoto, a professor in the Graduate School of Commerce at Hitotsubashi University, was invited to speak on topics such as the Sumitomo Rubber Group's CSR management and information disclosure.



**Kanji Tanimoto**  
Professor, Graduate School of Commerce, Hitotsubashi University



## CSR Management Aligned with Company Management Plans

According to a survey, although about 50% of companies incorporate CSR into their medium-term management plans, only between 10% and 20% of these companies actually coordinate CSR plans with their company management plans. To allow CSR to take root among employees and thus raise corporate value, you must do more than just mention CSR in your company creed: you must make it a concrete part of management plans and ensure that those departments in charge of CSR make and carry out definite action plans.

In fiscal 2008, the Sumitomo Rubber Group formulated the CSR Activities' Fundamental Policy and it must now embark on full-scale CSR management. In

the company's Long-Term Vision, it states that it shall "Seek value for all stakeholders." I believe the Sumitomo Rubber Group must look at its CSR Activities' Fundamental Policy and reflect on its business management and CSR plans. The company must ask itself how CSR activities will provide value, and what resources it will use to provide value for stakeholders.

In this era of lightning-fast change, you must gather stakeholder opinions to succeed in CSR. You must find out what stakeholders value and what they are hoping for. And these must be reflected in your CSR plans.

## Information Disclosure Suggestions

An important part of CSR management is being responsible for explaining to stakeholders exactly what you are doing. For example, as a responsibility to employees, the President of Sumitomo Rubber Industries, Ltd. holds regular meetings with employees to discuss what is on their minds. The group also conducts employee surveys. However, Sumitomo Rubber does not report on the content of these discussions and surveys. It also informs suppliers of its procurement policies but the details of these policies are not reported on.

I think the Sumitomo Rubber Group should improve its information disclosure by deciding exactly what information it is going to make public and how it is going to report this information.

## Sumitomo Rubber's Response

- Sumitomo Rubber wants to raise both economic value and social value as part of its management plans. However, the focus has so far been on economic value: financially quantitative targets for the sake of stakeholders such as shareholders and investors. We will promote the importance of social value, both inside and outside of the group, by re-examining Sumitomo Rubber Group's values and taking actions on the most pressing issues.
- In the area of information disclosure, we are currently releasing financial information in accordance with the standards of the Tokyo Stock Exchange. The relevant departments are looking into the type of information we should disclose and its potential effect on stakeholders.
- Regarding dialog with employees, we have updated and expanded information on our targets and activities in this area.
- Regarding procurement policies for suppliers, we report on our CSR procurement policies (scheduled for completion by the end of fiscal 2010), which encompass issues such as human rights and labor practices. (See page 35)



## Sumitomo Rubber Group CSR Activities' Fundamental Philosophy

### ▼ CSR Philosophy

The Sumitomo Rubber Group carries out its GENKI Activities, energetic contributions to the environment and communities, in order to become a trusted corporate citizen and part of a sustainable society.

### ▼ CSR Guidelines

	Major Activities for 2009	Major Plans for 2010	Reference Page
<b>Green</b> <b>Green initiative</b> 1. Help curb global warming by planting trees. 2. Establish better relationships with communities by planting trees.	<ul style="list-style-type: none"> <li>One Million Trees Project for local forests Total of 206,664 trees planted by end of fiscal 2009.                             <ul style="list-style-type: none"> <li>Team ENASAVE Campaign</li> <li>SRI Tire Trading Ltd. planted cherry trees in schools overseas.</li> <li>Greening activities conducted at sites in Japan and overseas.</li> <li>Held the GENKI Forest project for planting trees outside Sumitomo Rubber sites Sekinoo, Miyazaki Prefecture; Mimasaka, Okayama Prefecture; Forest of Co-Existence in Sakai, Osaka Prefecture; Konoyama, Osaka Prefecture; Tamba Namikimichi Central Park, Hyogo Prefecture; Rokko Green Belt, Hyogo Prefecture; other locations</li> </ul> </li> <li>Donated 100 cherry trees to be planted on the site of the former port line in Kobe.</li> </ul>	<ul style="list-style-type: none"> <li>One Million Trees Project for local forests Total number of target for fiscal 2010: 419,654 trees                             <ul style="list-style-type: none"> <li>Continue tree-planting in same areas as fiscal 2009.</li> <li>Expand tree-planting activities outside the sites.</li> <li>Continue Team ENASAVE Campaign.</li> </ul> </li> <li>Assess biodiversity and set targets at current tree-planting areas.</li> </ul>	13-14
<b>Ecology</b> <b>Ecological process</b> 3. Reduce CO <sub>2</sub> emissions. 4. Implement worldwide environmental management.	<ul style="list-style-type: none"> <li>Tyre Technical Center adopted green energy and installed a solar power system.</li> <li>Environmental measures proceeded at non-production bases.</li> <li>2009 Eco-Life Notebooks were released.</li> <li>The Sumitomo Rubber Group was certified as an Eco-First Company.</li> <li>Acquired ISO 14001 integrated certification in Japan.</li> </ul>	<ul style="list-style-type: none"> <li>Fuel switchover at the Ichijima Factory</li> <li>Acquire global integrated ISO 14001 certification.</li> <li>Formulate environmental management guidelines at non-production bases.</li> </ul>	15-22
<b>Next</b> <b>Next-generation product development</b> 5. Develop environmentally friendly products. 6. Pursue safety and comfort, economy, and quality.	<ul style="list-style-type: none"> <li>Introduced in-house standards for environmentally friendly products.</li> <li>Industry voluntary standard. Tire labeling system established.</li> <li>Environmentally friendly products ENASAVE RV503, ENASAVE EC202</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of Environmentally friendly products</li> <li>Increase number of environmentally friendly products satisfying in-house standards.</li> </ul>	23-28
<b>Kindness</b> <b>Kindness to employees</b> 7. Foster human resource development and make jobs rewarding. 8. Create a safe, employee-friendly workplace. 9. Achieve a work-life balance.	<ul style="list-style-type: none"> <li>Acquired the "Kurumin" logo for efforts to foster future generations.</li> <li>Held "informal workshops."</li> <li>Held a work-life balance contest.</li> <li>Held the 1st SRI Technical Olympics</li> <li>Held training on problem detection/solving and management skills.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the work-life balance system.</li> <li>Hold the 2nd SRI Technical Olympics</li> <li>Expand training on problem detection/solving and management skills.</li> </ul>	29-32
<b>Integrity</b> <b>Integrity for stakeholders</b> 10. Ensure thorough corporate governance. 11. Ensure thorough compliance. 12. Promote dialog with stakeholders. 13. Keep social contribution in constant motion.	<ul style="list-style-type: none"> <li>A CSR fund was established.</li> <li>A CSR Web site went online.</li> <li>Cooperation with NPOs continued.</li> <li>Dialog with stakeholders was held.</li> <li>The first CSR awards were given.</li> <li>CSR Procurement Guidelines were created.</li> <li>Risk management was conducted.</li> </ul>	<ul style="list-style-type: none"> <li>Launch the CSR fund.</li> <li>Expand the CSR site.</li> <li>Continue cooperation with NPOs.</li> <li>Hold dialogs with stakeholders.</li> <li>Give the second CSR awards.</li> <li>Adopt CSR Procurement Guidelines.</li> <li>Conduct risk management and BCP.</li> </ul>	9-10 33-39

### Fiscal 2009 Highlights

## As an Eco-First Company, we made steady progress in the implementation of our three commitments. [> Ecology Pages 15-16](#)

### 1 Take Active Steps to Curb Global Warming

We are taking action in production and distribution activities [> Ecology Pages 17-18](#)



We planted trees in Japan and overseas [> Green Pages 13-14](#)



### 2 Contribute to the Creation of a Recycling-Oriented Society

We achieved complete zero emissions at all the factories of our main production companies in Japan and overseas [> Ecology Pages 19-20](#)



### 3 Develop Eco-Friendly Products

We offer the largest number of sizes of fuel-efficient tires\* [> Next Pages 23-24](#)

[> Next Pages 23-24](#)



\*Number of sizes in the category of fuel-efficient tires. (as of January 28, 2010)

### We developed and promoted products that offer customers safety. [> Next Pages 25-26](#)

[> Next Pages 25-26](#)



### We began work-life balance activities that pursue ways of work distinctive of our company. [> Kindness Pages 29-30](#)

[> Kindness Pages 29-30](#)



### We held dialogs with outside experts. [> Pages 10, 34](#)

[> Pages 10, 34](#)





# G

Toward the Next Century  
Green initiative  
reen

Planting trees at the Thailand Factory (right) Government-sponsored tree-planting event at Sumitomo Rubber Middle East FZE (UAE) (below)



Indonesia Factory employees plant mangroves

Overseas sales bases (U.S., Dubai, Chile, Germany) 180 trees

Changshu (China) 19,301 trees

Zhongshan (China) 1,121 trees

Thailand 142,824 trees

Mangroves 137,424 trees

Vietnam 58 trees

Malaysia 20 trees

Indonesia 5,146 trees

Tree planting 5,400 trees

Tree-planting agreements with local governments



Sekinoo GENKI Forest in Miyazaki Prefecture



Mimasaka GENKI Forest in Okayama Prefecture



Forest of Coexistence in Sakai, Osaka Prefecture

Japan 38,014 trees

The Acorn Project 23,265 trees

Other tree planting 14,749 trees



Uzugamori GENKI Forest in Hyogo Prefecture (top) Tamba Romance Forest in Hyogo Prefecture (left)



Planting mangroves with citizens in Ranong Province, Thailand

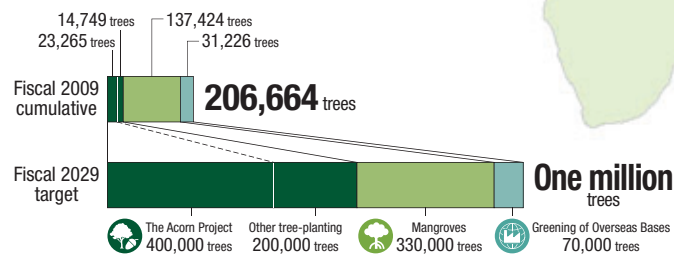


No. of trees planted 5,000  
No. of trees planted 100

## Planting One Million Trees Around the World

The guidelines of the Sumitomo Rubber Group's CSR Activities Fundamental Philosophy include an initiative called "Green" which involves planting trees in the areas around our worldwide bases. To commemorate our 100th anniversary, in fiscal 2009 we launched a project in which we will plant one million trees at Sumitomo Rubber worldwide bases and in the surrounding communities over the next 20 years. We are currently on pace to reach this goal ahead of schedule.

### The One Million Trees Planting Plan: Progress in fiscal 2009



### Greening Activities in Japan

In fiscal 2008, the Sumitomo Rubber Group launched the Acorn Project. Under the guidance of Professor Akio Shimomura of the Faculty of Agriculture of Tokyo University, employees gather acorns and raise broad-leaf seedlings in their factories before planting them in their local communities. By providing locals with seedlings that will grow into community forests, the factories are forming bonds between Sumitomo Rubber and the public.

The goal of this project is to plant 20,000 trees a year, and 200,000 trees in the next 10 years. After 25 years, these trees will absorb all of the estimated annual CO<sub>2</sub> emissions from our factories. This symbol of Sumitomo Rubber's environmental protection efforts produced about 55,125 broad-leaf seedlings in 2009. Another 23,265 of earlier seedlings were also planted.

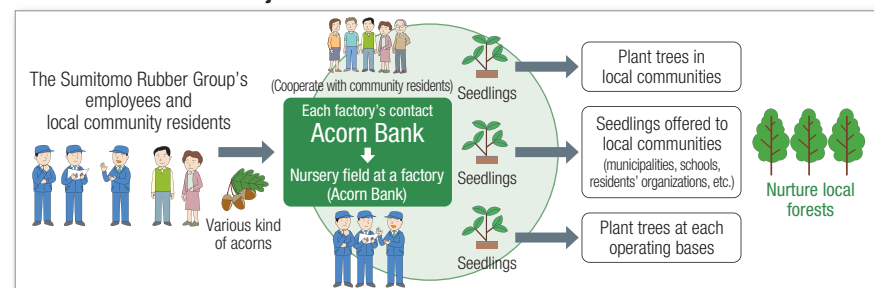
Under the GENKI Forest project, the Sumitomo Rubber Group factories and offices in Japan is taking tree-planting outside its bases and into nearby communities.

In fiscal 2009 in Hyogo Prefecture, we cleared underbrush and bamboo at the Uzugamori GENKI Forest (4 hectares) in the Rokko Green Belt in preparation for tree-planting in fiscal 2010. We also planted trees at the Romance Forest (2 hectares) in Tamba. At the GENKI Forest (2 hectares) in Konoyama, Kishiwada City, Osaka Prefecture, we planted trees

and took part in a local festival.

We are also signing tree-planting agreements with local governments around Japan. These agreements cover the Sekinoo GENKI Forest (1 hectare) for the Miyazaki Factory in Miyazaki Prefecture, the Mimasaka GENKI Forest (1 hectare) for the Okayama Test Course in Okayama Prefecture, and the Forest of Coexistence in Sakai (2 hectares) for the Izumiotsu Factory and Head Office in Osaka Prefecture. More such agreements and forests are planned.

### Outline of the Acorn Project



### Team ENASAVE Campaign

The Sumitomo Rubber Group launched the Team ENASAVE Campaign in fiscal 2009 to get customers involved in planting trees.

The goal of the campaign is to contribute to the environment through our tire business. For every set of fuel-efficient ENASAVE series tires (see pages 23-24) a customer purchases, we plant one mangrove seedling in Ranong Province, Thailand. The campaign proved a big hit and in fiscal 2009 customer tire purchases allowed us to plant 137,424 seedlings.

Through the Team ENASAVE Campaign, we are working with customers to protect the Earth's natural environment.

### Greening Activities at Overseas Sites

Employees at Sumitomo Rubber's production and sales bases worldwide are enthusiastically planting trees, with a target of 70,000 by 2029.

In fiscal 2009, employees at the China Changshu and Zhongshan Factories, the Indonesia Factory, the Malaysia Factory, the Thailand Factory, and the Vietnam Factory planted a total of 31,046 trees. As an example, in December 2009, the Indonesia Factory held its CSR Fun Rally 2009 at which about 400 employees and their family members took part in cleaning up a local beach and planting 1,000 mangrove trees along the shore. Overseas sales bases in the U.S., Dubai, Chile, and Germany planted 180 trees.

Overseas Sumitomo Rubber sites will continue their greening activities in fiscal 2010.

## TOPICS

### 8 Bases in Japan Plant 100th Anniversary Commemorative Trees

Between September and December 2009, six factories in Japan, the Okayama Test Course, and the Kobe Head Office each planted a Kobushi Magnolia tree to celebrate the 100th anniversary of Sumitomo Rubber.

The Kobushi Magnolia tree has a special meaning to Sumitomo Rubber. During construction of the Shirakawa Factory in 1974, trucks bringing construction materials to the site took a round-about route so that an area of Kobushi Magnolias that were growing wild at that time would not have to be cut down.



Ceremonial tree-planting at the Shirakawa Factory



Ceremonial tree-planting at the Ichijima Factory



# Ecology



Toward the Next Century

**Ecological process: Reduce environmental burden from business activities**

## Standing by Commitments as an Eco-First Company

The Sumitomo Rubber Group was certified for the Ministry of the Environment's Eco-First program in March 2009. Under this program, we have made and are carrying out three advanced commitments: take active steps to curb global warming, creation of a recycling-oriented society, and develop eco-friendly products.



**Eco-First Commitments**  
Under the Eco-First Program, leading companies step up their environmental preservation efforts by pledging to the Minister of the Environment to conduct measures to curb global warming in order to help Japan meet its obligations under the Kyoto Protocol.



### 1 Take Active Steps to Curb Global Warming

#### Eco-First Commitment

- We will carry out the following activities in order to reduce CO<sub>2</sub> emissions per unit in fiscal 2010 to less than 58% of fiscal 1990 levels.
  - Switch to natural gas.
  - Install cogeneration systems, which make effective use of waste heat.
  - Get all employees actively involved in saving energy.
- Contribute to reducing CO<sub>2</sub> emissions at employees' homes by following the Team Minus 6% measures and promoting the use of Eco-Life Notebooks.
- Save energy at domestic sales bases and other non-production bases.
- As a designated cargo owner, work with affiliate SRI Logistics Ltd. to reduce CO<sub>2</sub> emissions from distribution to less than 92% of fiscal 2006 levels in fiscal 2010.

- Plant over 20,000 trees a year through activities that include planting trees with local residents and providing as many regions as possible with saplings.

#### Progress in Fiscal 2009 Efforts

Reduce CO<sub>2</sub> emissions per unit in manufacturing\*  
Against FY1990 **60%**

\* Figures reported to Eco-First authorities  
Covered: CO<sub>2</sub> emissions from energy consumption  
Period: April 2009-March 2010

Total CO<sub>2</sub> emissions from distribution  
Against FY2006 **76%**

Trees planted in Japan and overseas

**206,664 trees**

The Sumitomo Rubber Group is on schedule for its plans for reduction of CO<sub>2</sub> emissions per unit and on target to achieve fiscal 2010 targets. We achieved our target for CO<sub>2</sub> emission reductions from distribution ahead of schedule. We also achieved our targets for CO<sub>2</sub> reductions at non-production bases and in employees' homes, and for our tree-planting activities.

#### Reference Page

17-18

13-14

### TOPICS

#### Participation in Eco-First Promotion Group Expands Government, Industry Ties

December 2009 marked the launch of the Eco-First Promotion Conference made up of 23 companies certified for the Eco-First program. The goal is to help member companies strengthen and expand their proprietary, cutting-edge environmental protection activities, strengthen ties between government and industry, and promote and spread the Eco-First system.

Since its launch, there have been lectures, symposiums, and information exchange meetings, and in April 2010 an official Web site was launched. In 2010 there will be events with a focus on biodiversity.



The Eco-First Promotion Conference

### 2 Create a Recycling-Oriented Society

#### Eco-First Commitment

- In March 2008 at all factories\*, including domestic and overseas affiliates, waste to landfill was less than 1% of total industrial waste. We have set a target of reducing this to zero emissions by the end of fiscal 2010.
- Reduce, reuse, and recycle in order to reduce waste generated so that in fiscal 2010 we can reduce waste generated per unit by 20% over fiscal 2000.
- Design lighter tires that use fewer resources. As well, improve the anti-wear performance of tires for buses, trucks, and light trucks so that they last longer and require fewer resources, and design tires to last longer so that they can be reused.

\* Excluding the Factories in Thailand and Vietnam.

#### Progress in Fiscal 2009 Efforts

Major domestic and overseas factories achieved **zero waste to landfill** as of the end of March 2010

Waste generated per unit was down **12%** against fiscal 2000

As of March 2010, all of the Sumitomo Rubber Group's major domestic and overseas factories achieved zero waste to landfill. We are currently working to achieve the waste generated per unit targets for fiscal 2010. And we are implementing our plans to design tires so that they use 15% fewer resources than previous products.

#### Reference Page

19-20

### 3 Develop Eco-Friendly Products

#### Eco-First Commitment

- All tires we release in Japan from 2009 onwards shall have met in-house standards for environmental performance. Our target is therefore, by 2015, to have all tires we release in Japan for passenger cars, buses, trucks, and light trucks have met in-house standards for environmental performance.
- We are conducting R&D aimed at developing 100% fossil resource-free tires, which reduce environmental impact in both raw materials and vehicle fuel. Our target is to release them by 2013.
- By 2015, we plan to bring to market tires with 50% lower rolling resistance, which contribute to lower CO<sub>2</sub> emissions.

#### Progress in Fiscal 2009 Efforts

We are developing and promoting **fuel-efficient tires** that will meet labeling requirements stipulated in the industry

We are currently on schedule with our development of eco-tires that we will release between 2013 and 2015.

#### Reference Page

23-24



LNG satellite at the Miyazaki Factory



Cogeneration plant at the Nagoya Factory



Low-floored vehicles improve transportation efficiency



Polyethylene recycling equipment at the Changshu/Suzhou Factory, China



Used tire boiler system at the Miyazaki Factory





## Take Active Steps to Curb Global Warming

### Target Achieved for Total CO<sub>2</sub> Emissions in Manufacturing

In fiscal 2009, the six factories in Japan of the Sumitomo Rubber Group emitted CO<sub>2</sub> totaling 236,000 tons-CO<sub>2</sub> (80% of fiscal 1990 levels), thus achieving our goal of reductions against fiscal 1990 levels of at least 8%. Although a major reason for this was that new rubber production was only 79% of the previous year's level, other contributing factors were the switchover to natural gas at the Miyazaki Factory and energy-saving measures such as the use of boiler waste heat at factories and the use of inverter systems.

CO<sub>2</sub> emissions per unit were up 2% over last year (63% of fiscal 1990 levels). We were able to keep this to a minimum thanks to measures that included reducing fixed portion by completely shutting down reserve

boilers; this was despite the large decrease in production volume.

With production volume recovering in fiscal 2010, we are aiming to reduce total CO<sub>2</sub> emissions by at least 14% against fiscal 1990 by switching to natural gas at the Ichijima Factory, further preventing air leakage at factories, and saving energy by improving the efficiency of refrigerators.

### Progress in Fuel Switchover (Switch to Natural Gas)

	Factory	Introduction of Natural Gas
In Japan	Izumitsu Factory	September 1984
	Nagoya Factory	October 2005
	Kakogawa Factory	September 2006
	Shirakawa Factory	January 2008
	Miyazaki Factory	December 2008
	Ichijima Factory	January 2010
Overseas	Thailand Factory	November 2006 (coincided with start of factory operation)
	Changshu/Suzhou Factory (China)	January 2007
	Indonesia Factory	March 2008



### A Word from Employees

### Reducing CO<sub>2</sub> Emissions by Converting Refrigerators and Switching to Natural Gas

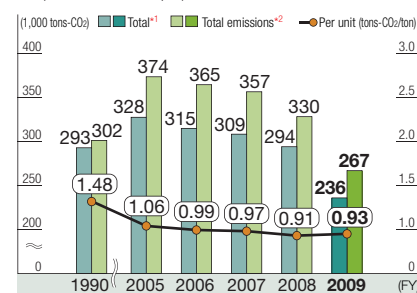
**Yoshihiro Aoki**  
Maintenance Team, Engineering Section  
Ichijima Factory, SRI Sports Ltd.

At the Ichijima Factory, approximately 10% of the steam used throughout the facilities is used for steam refrigerators. The boilers generating this steam previously used A-type heavy oil, but this made it difficult to reduce CO<sub>2</sub> emissions further.

So in March 2009, we switched from steam refrigerators to electric refrigerators to reduce the amount of steam used. This allowed us to reduce CO<sub>2</sub> emissions from refrigerators by approximately 65% compared to fiscal 2008. And in January 2010, we switched from A-type heavy oil to LNG for boiler fuel, thus reducing CO<sub>2</sub> emissions from boiler fuel by approximately 20%.

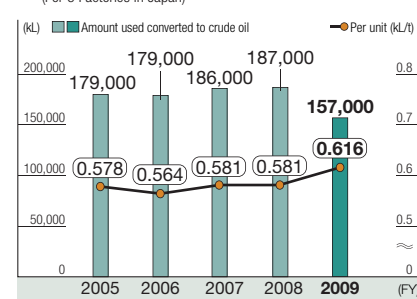
Our next goal is to reduce electricity consumption by making refrigerator facilities more energy efficient.

### CO<sub>2</sub> Emissions by Total and Per Unit (For 6 Factories in Japan)



\*1 According to Guide to Calculating Greenhouse Gas Emissions, published by the Japan Rubber Manufacturers Association (using for per unit).  
\*2 Total emissions without consideration for cogeneration credits.

### Amount of Energy Used and Per Unit (For 6 Factories in Japan)



## TOPICS

### Kakogawa Factory Receives Minister of the Environment Award for Outstanding Measures Against Global Warming

In December 2009, the Kakogawa Factory received the 2009 Minister of the Environment Award for Outstanding Measures Against Global Warming (sponsored by the Ministry of the Environment). This award recognizes that the factory reduced its CO<sub>2</sub> emissions by half between fiscal 2006 and 2008, as well as took other environmental protection measures including reducing the amount of organic solvents, industrial waste, and industrial wastewater.

As well as being commended as an exceptionally energy-efficient factory, the Kakogawa Factory continuously strives to improve energy efficiency on other companies through activities like lectures and factory tours.



### A Word from Employees

### Awards Provide the Impetus to Manufacture with Even Less Environmental Impact

**Takayuki Tanaka**  
Works Technical Section, Kakogawa Factory  
Hybrid Business Headquarters, Sumitomo Rubber Industries, Ltd.

At the Kakogawa Factory, we dramatically improved the vulcanization process to reduce the greenhouse gases we emit. Vulcanization is one of the most important finishing processes in production and involves applying heat to molded rubber to give it elasticity. The process requires large amounts of steam. We thus strove to reduce the amount of steam used by shortening vulcanization time: this was done through measures including reviewing vulcanization amounts, raising the temperature of molded products prior to vulcanization, and improving equipment efficiency by vulcanizing two sizes simultaneously. This resulted in us achieving a more than 50% reduction in vulcanization time for certain product sizes, a

49% reduction in total CO<sub>2</sub> emissions, and a 55% reduction in per unit emissions.

Our recent award makes me glad since it shows our efforts have been recognized; it also reinforced in our minds the importance of environmental protection. We will continue to strive to reduce the environmental impact of our production activities.



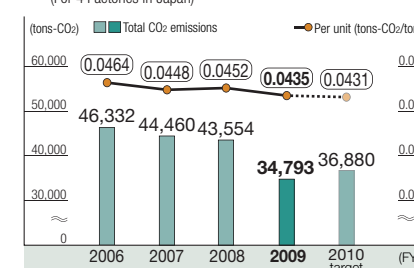
The Kakogawa Factory receives 2009 Minister of the Environment Award for Outstanding Measures Against Global Warming

### Restructuring of Distribution Bases Helps Achieve Target for CO<sub>2</sub> Emissions from Transportation

To reduce CO<sub>2</sub> emissions from transportation in fiscal 2009, Sumitomo Rubber restructured distribution bases (warehouses and ports), used the nearest port when exporting tires, conducted joint distribution with other companies, and used larger transport vehicles so as to improve loading ratio.

Due to the resulting shorter transport distances (as well as a slowdown in the economy), the volume of transport went down, and total CO<sub>2</sub> emissions from tire deliveries was 34,793 tons-CO<sub>2</sub>. This was far more than our reduction target of 7% compared to fiscal 2006.

### CO<sub>2</sub> Emissions and Per Unit (For 4 Factories in Japan)



Note: Although total CO<sub>2</sub> emissions increased in fiscal 2010 due to more products being shipped, emissions per unit decreased.

### A Word from Stakeholders

### Helping Build an Optimal Distribution System to Reduce Environmental Impact

**Noboru Kaneda**  
President, Shoen

Our company transports goods for SRI Logistics Ltd., one of the Sumitomo Rubber Group companies. We load and unload cargo at factories and distribution centers, and we deliver some of the products by truck. When loading and unloading cargo, we strive to save energy by using electric vehicles and by using only the lighting we need. As well, we try to reduce environmental burden in transport by using dedicated vehicles that make transportation and conducting deliveries jointly with other companies to ensure we do not make deliveries with empty space in delivery vehicles.

Our company does all it can to use environmental impact reduction targets

given in Sumitomo Rubber Group's Green Distribution Guidelines. These guidelines also include suggestions from our company. We will continue to optimize our distribution so that we can be a valuable partner to Sumitomo Rubber in reducing environmental burden.





# Ecology

Toward the Next Century  
Ecological process:  
Reduce environmental burden  
from business activities



## Contribute to the Creation of a Recycling-Oriented Society

### Major Domestic and Overseas Factories Achieve Complete Zero Emissions

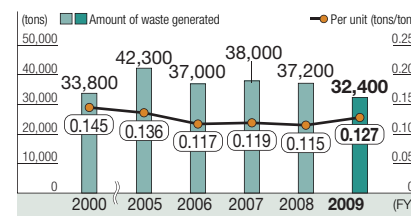
The Sumitomo Rubber Group is doing all it can to recycle waste so that by the end of 2010 all production bases in Japan and overseas achieve complete zero emissions, meaning 0% waste to landfill. In fiscal 2009, the Vietnam Factory achieved this in March and the Thailand Factory in June. In 2010, Dunlop Retread Service Ltd. and Nakata Engineering Ltd. achieved complete zero emissions in January, while Dunlop Retread Service Hokkaido Ltd. and the Malaysia Factory did so in March, giving all major domestic and overseas factories complete zero emissions. These efforts will continue with other factories.

To reduce waste generated, we set a target of reducing fiscal 2010 per-unit waste by 20% compared to fiscal 2000

and have made our Eco-First Commitment the means to achieve this. In fiscal 2009, the six factories in Japan generated 32,400 tons of waste, down 4,800 tons from the previous year. On a per-unit basis, however, this fell short of our target of a 12% reduction against fiscal 2000. The reason is that although production volume dropped by more than 20%, waste generated fell by only 13%.

We expect to increase production in fiscal 2010 but we keep the amount of waste to fiscal 2009 levels to achieve our goals.

### Waste Generated: In Total and Per Unit (For 6 Factories in Japan)



Note: Including tires collected from outside.

## TOPICS

### Thailand Factory Receives 3R Promotion Council Chairman's Award

In October 2009, Sumitomo Rubber (Thailand) Co., Ltd. received the 3R Promotion Council Chairman's Award for outstanding achievements in reducing, reusing, and recycling.

Since starting operations in November 2006, the company has been thorough in managing its waste dump areas, creating a unified system of waste separation in all processes, and making effective use of excellent recycling contractors. In June 2009, the company achieved complete zero emissions. The company uses a fixed portion of the proceeds from the sale of reusable waste to help the local community in ways that include donating money to local community groups and planting trees in nearby idle land.



Award ceremony



### A Word from Employees

### Employee Cafeteria Leftovers Used for Composting

Nguyen Thi Anh Tuyet  
Vietnam Factory

The Vietnam Factory achieved zero emissions in October 2008 and complete zero emissions in March 2009. But a major obstacle to achieving complete zero emissions was the food waste and other garbage in the employee cafeteria. We solved this problem by composting food waste and using it as fertilizer for

gardens on the site.

We are now working towards expanding this reuse and recycling of garbage to the homes of all employees.



Separating garbage at the Vietnam Factory



Composting food waste

### Recycling Used Tires Through the Retread Tire Business

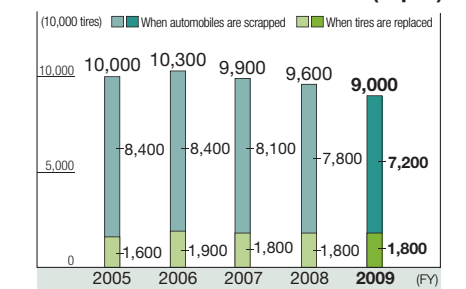
Every year in Japan, approximately 100 million used tires weighing more than one million tons are discarded. This creates serious problems: the wide variety of waste that must be treated as tire performance becomes more advanced, an increasing environmental impact from improper treatment and a squeeze on landfill capacity.

In 1972, the Sumitomo Rubber Group established a subsidiary dedicated to the recycling of used tires by using them to make new retread tires. Retread tires require less than one-third of the natural rubber and other resources needed to make new tires. And since they last longer, there ends up being fewer used tires that need to be recycled. There is also the beneficial effect of less CO<sub>2</sub>

emitted during the production stage. Retread tires have been in increasing demand by transport companies over the past several years to help them achieve environmentally friendly, cost-efficient management by saving resources and energy and reducing CO<sub>2</sub> emissions. Retread tires are also stipulated in the Law on Green Purchasing.

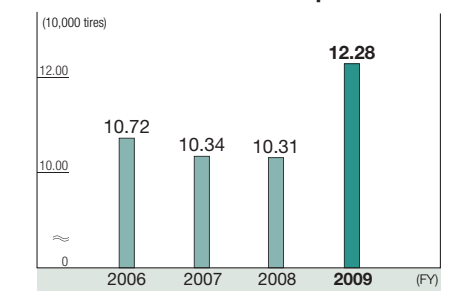
The Sumitomo Rubber Group has two retread tire factories, in the Japanese prefectures of Hokkaido and Hyogo. We are meeting customer needs with retread tires offering the same level of performance as new tires, and which use a tread compound giving superb fuel efficiency and anti-wear performance. Whether used tires are reborn as retreads or recycled in other ways depends on the state of the tire. The Sumitomo Rubber Group advises customers on how to get long years of economical use out of their tires.

### Number of Used Tires Generated (Japan)



Source: State of used tire recycling in 2009 (January-December), Japan Automobile Tyre Manufacturers Association

### Number of Retread Tires Produced by the Sumitomo Rubber Group



### How the Retread Tire Consignment System Benefits Customers

#### Security

Tires are managed at every stage from new to retread.

#### Cost Effectiveness

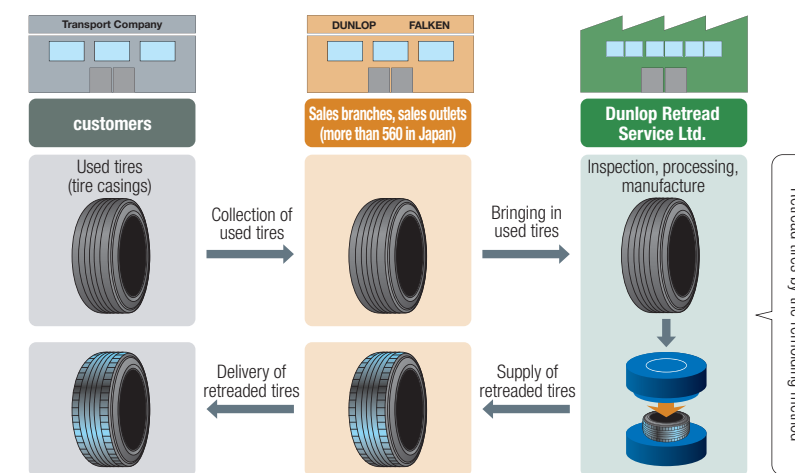
Customers get economic benefits including lower tire cost.

#### Resource Saving

Recycling tires contributes to protection of the Earth's natural resources.

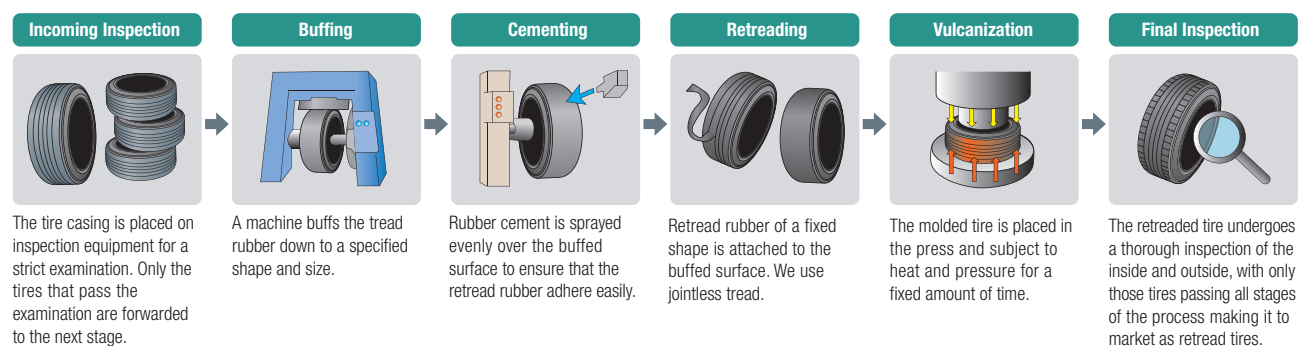
### Retread Tire Consignment System

Under the retread tire consignment system, the tires (tire casings) used by customers are reprocessed into retread tires. This system enables us to manage the tire life cycle from new product to retread, thus offering customers peace of mind and cost savings.



### Retread Tire Manufacturing Process (Remolding Method)

In the remolding method, the surface of the tread rubber of the tire casing is buffed, and unvulcanized rubber is applied and vulcanized. Tread rubber is firmly attached over the entire surface to create a high-quality retread tire that looks and performs like new.







## Boosting Environmental Management

### Strengthen Global Environmental Management System

The Sumitomo Rubber Group holds Global Environmental Control Central Committee once a year. For the meeting, environmental managers and eco-activity leaders from around the world gather to share what they are doing to improve the group's environmental management.

At the fiscal 2009 meeting, held in July at the head office, participants confirmed Sumitomo Rubber's medium-term targets for CO<sub>2</sub> emission reductions as part of Japan's medium-term targets for COP15 (15th Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC)) in Copenhagen in December 2009.

Updates from Sumitomo Rubber bases included the Izumiotsu Factory's efforts in waste reduction, energy savings, and tree and flower planting; the Thailand Factory's efforts towards complete zero emissions; and the Vietnam Factory's activities in complete zero emissions and energy savings. Affiliates Dunlop Retread Service and Dunlop Golf Club Ltd. reported on efforts to reduce waste and volatile organic compounds (VOCs).

Starting in fiscal 2010, the Committee will meet twice a year to promote global sharing of useful information.



Global Environmental Control Central Committee

### ISO 14001 Global Integrated Certification

The Sumitomo Rubber Group is working toward ISO 14001 global integrated certification that will allow it to better manage its worldwide activities and thus help realize a low-carbon society.

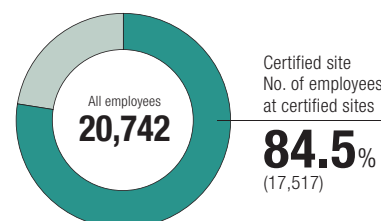
In July 2009, factories in Japan and affiliates underwent integrated certification audits and 20 sites in Japan completed integrated certification. Another three affiliates in Japan were certified in February 2010, bringing to 23 the total of bases in Japan completing integrated certification.

We plan to add seven overseas factories to this list in September 2010, which will give us 30 sites around the world completing global integrated certification. This will mean that we have a management system encompassing all of our major production sites.

#### ISO 14001 Certification Progress in fiscal 2009, 2010

Base Name	Certification Year
Thailand Factory (Tennis Ball)	2009
SRI Business Associates Ltd.	2009
SRI Systems Ltd.	2009
SRI Sports Ltd.	2009
SRI Logistics Ltd.	2009
SRI Engineering Ltd.	2009
Dunlop Retread Service Ltd.	2010
Dunlop Retread Service Hokkaido Ltd.	2010
Dunlop Golf Club Ltd.	2010

#### Employees at ISO 14001 certified sites as percentage of all employees



### Factories Provide Environmental Information and Education

The Sumitomo Rubber Group holds educational activities that deepen employees' understanding of environmental problems and raise their enthusiasm about taking part in environmental protection. Once a year, employees at sites and relevant departments learn about medium-term environmental plans and the key measures they stipulate, along with various eco-action plans. Internal environmental auditors take specialized training once or twice a year.

In addition to an environmental learning page operative since fiscal 2009, the Sumitomo Rubber intranet includes environment- and energy-related newsletters from individual factories that introduce the basics of saving energy. The intranet also keeps employees abreast of the latest industry news including environmental taxes and LED lighting.



Environment- and energy-related newsletters from individual factories

#### Progress Report on 2009 Voluntary Plan (For 6 Factories in Japan; waste reduction information domestic and some overseas factories)

We have revised our medium-to-long-term environmental targets and formulated a new Voluntary Plan with fiscal 2012 as the target year.

Environmental Action Target	2009 Target	2009 Achievement	Self Assessment*6	2010 Target	Medium-to-Long-Term Environmental Target (2010)	Page
Energy Saving	Reduce energy use, in crude oil equivalent per unit, by more than 14% over fiscal 2000.	<b>3.4% reduction</b> Due to a more than 20% decrease in production volume over the previous year, improvement activities did not cover fixed portion and targets were not achieved.	88%	Reduce energy use, in crude oil equivalent per unit, by more than 17% over fiscal 2000.	By fiscal 2012, reduce energy use, in crude oil equivalent per unit, by at least 20% against fiscal 2000.	17-18
Preventing Global Warming	CO <sub>2</sub> Reductions in Production	Reduce CO <sub>2</sub> emissions*1 by at least 8% over fiscal 1990.	100%	Reduce CO <sub>2</sub> emissions*1 by at least 14% over fiscal 1990.	By fiscal 2012, reduce CO <sub>2</sub> emissions*1 by at least 20% against fiscal 1990.	17-18
	CO <sub>2</sub> Reductions in Distribution	Reduce by at least 7% (against fiscal 2006) CO <sub>2</sub> emissions from distribution activities at four tire factories in Japan.	100%	Reduce by at least 19% (against fiscal 2006) CO <sub>2</sub> emissions from distribution activities at four tire factories in Japan.	By fiscal 2012, reduce total CO <sub>2</sub> emissions by at least 10% against fiscal 2006.	17-18
Reductions in Waste	Reductions in Waste Generated	Reduce waste generated per unit by at least 20% over fiscal 2000.	90%	Reduce waste generated per unit by at least 20% over fiscal 2000.	By fiscal 2012, reduce waste generated per unit by at least 24% against fiscal 2000.	19-20
	Reductions in Waste to Landfill	Maintain complete zero emissions*2 at factories in Japan. Prepare for achievement of complete zero emissions*2 by fiscal 2010 at overseas factories and affiliates.	100%	Achieve complete zero emissions*2 at factories in Japan and overseas, and at affiliates.	Maintain complete zero emissions*2 at factories in Japan and overseas, and at affiliates.	19-20
Reductions in Emissions of Organic Solvents	Reduce total emissions*4 of organic solvent by at least 42% against fiscal 2000.	<b>56.1% reduction</b> Although targets were not achieved in the sports businesses, reductions were significant, and the tire and industrial products businesses easily achieved targets; this meant overall group targets were achieved.	100%	Reduce total emissions*4 of organic solvent by at least 49% against fiscal 2000.	By fiscal 2012, reduce total emissions*4 of organic solvent by at least 59% against fiscal 2000.	web site (Japanese only)

#### Per Unit

Crude oil equivalent per unit : Amount of city gas, electricity and other sources converted to crude oil amount / new rubber consumption\*5

Per unit : Amount of substance / new rubber consumption\*5

#### Self-Assessment Standards

To measure how well we have satisfied target items for the Voluntary Plan, our Group has set three levels of achievement: less than 70%, less than 100% and 100% or more.



- \*1 According to the Guide to Calculating Greenhouse Gas Emissions, published by the Japan Rubber Manufacturers Association.
- \*2 Complete zero emissions : No waste goes to landfill and 100% is recycled. (We define that all the amount of waste to be treated for recycling purposes is the amount of waste to be recycled.)
- \*3 Zero emissions : Less than 1% of total waste generated goes to landfill and more than 99% is recycled. (We define that all the amount of waste to be treated for recycling purposes is the amount of waste to be recycled.)
- \*4 The VOC voluntary restrictions from the Japan Rubber Manufacturers Association are used as the calculation method for organic solvent emissions.
- \*5 New rubber consumption : Amount of natural rubber and synthetic rubber consumed.
- \*6 Self Assessment calculation method : Use the baseline year (1-reduction ratio) to calculate as follows.  
(1 - (target baseline year - achievement baseline year) / target baseline year) × 100%



# N



Toward the Next Century

Next-generation product development

# ext

## Accelerating the Development and Spread of Fuel-Efficient Tires Complying with Tire Labeling Regulations

The tire labeling system went into effect in January 2010. The Japan Automobile Tyre Manufacturers Association (JATMA) stipulates voluntary industry standards for the labeling of tires so that customers can choose fuel-efficient products and that these tires can become more prevalent. The Sumitomo Rubber Group began developing fuel-efficient tires long before this system began, and we now have three series of ENASAVE tires that meet the labeling system's standard for fuel-efficient tires.



### Unified Mark for Fuel-Efficient Tires

Tires with at least an "A" grade for rolling resistance and a grade between "a" and "d" for wet grip performance can bear the unified mark for fuel-efficient tires.



### Rolling Resistance

Energy lost via the tire while driving; the less energy lost, the more fuel efficient the tire.



### Wet Grip Performance

How well the tire grips the surface of wet roads. Wet grip is crucial to safety.

Reducing the energy loss of a tire generally reduces wet grip performance. To be fuel efficient, a tire must have both low rolling resistance and superb wet grip performance.



ENASAVE  
RV503



manufacturer, there are now unified ways to assess this thanks to the January 2010 start of the tire labeling system.

Under this system, replacement summer tires for passenger cars are evaluated for rolling resistance, a fuel-efficiency indicator, and wet grip, a safety factor. Tires that achieve at least a certain assessment level for these two opposing factors can bear a unified mark for fuel-efficient tires. This system has made it possible for consumers to easily compare the fuel efficiency of tires from different manufacturers.



ENASAVE 97



### Taking Fuel-Efficient Tires Industry-Wide to Save 3% on Fuel

About 20% of the energy generated when a vehicle's fuel is combusted is consumed by rolling resistance of tires. Calculating that a fuel-efficient tire that reduces rolling resistance by 15%, we can see that this saves 3% of a vehicle's total fuel consumption. This means that getting more fuel-efficient tires on the road is crucial to the industry. While exactly what constitutes a fuel-efficient tire used to vary from manufacturer to



ENASAVE  
EC202



### EC202 Fits Range of Vehicles Industry's Largest Lineup

In November 2008, the Sumitomo Rubber Group established in-house standards for environmentally friendly products, then went on to release the ENASAVE brand series, including the ENASAVE 97, which is 97% fossil resource-free, and the ENASAVE RV503 fuel-efficient tire for minivans. But to get more of these fuel-efficient tires on the road means adapting them to a wide range of vehicle types. A Sumitomo Rubber survey showed that about 70% of drivers of sedans, sub-compacts, and compacts want fuel-efficient tires.

We responded with the October 2009 release of the ENASAVE EC202, which comes in 64 sizes to meet the needs of a wide range of users. And all sizes meet the voluntary industry standards for fuel-efficient tires. This meant that about 70% of the lineup for the Dunlop brand of replacement summer tires consisted of fuel-efficient tires, and it constituted the industry's biggest lineup of fuel-efficient tires.

We will work to educate dealers and customers on the benefits of fuel-efficient tires so that we can get more recognition of these on the road.



A Word from Stakeholders

### Product Development that Anticipates Needs

Kei Takeoka

Automotive journalist

The only thing that most people know about tires is that they're round and black. And unlike a car, you can't test drive a tire, so people have to base their buying decisions on subjective opinions they hear through advertisements, sales people, and magazine articles. That's why the tire labeling system that started in January 2010 is so important. Not only does the system give consumers a convincing guide when buying, but it is also a way for sales people to help customers get the tire that's right for them.

Of course, fuel-efficient tires have to be available in a size that fits the customer's car. That's why I'm impressed with Sumitomo Rubber for being so quick in coming out with such a wide tire lineup.

My hope is that Sumitomo Rubber will make people smile by continuing to anticipate needs through the timely release of products—fuel-efficient tires that respond to real needs and that allow consumers to make tire purchasing choices with minimal fuss.



A Word from Employees

### The Challenge of Creating a Large Lineup of Fuel-Efficient Tires

Tomoyuki Mukai

Technical Dept.1, Sumitomo Rubber Industries, Ltd.

The biggest challenge in developing the ENASAVE EC202 was achieving a rolling resistance "A" grade and a wet grip "c" grade for all 64 sizes in the lineup. The performance levels of rolling resistance and wet grip, which have a major effect on tire fuel efficiency, will vary depending on the size of the tire—even when exactly the same raw materials and construction are used. That meant we had to spend countless days testing the materials and construction for every size of tire and doing trials with the products. In December 2009, voluntary industry

standards were announced. To have a lineup of products ready for the start of the tire labeling system in January 2010, we had to accelerate the pace of our development. It was hectic, but we managed to have a tire lineup ready a short time later, in February 2010. We are proud of what we've accomplished.

Nothing makes me happier than seeing cars on the road equipped with the tires that I helped develop. My dream is to develop extremely fuel-efficient tires with a "AAA" rolling resistance grade and an "a" wet grip grade.







## Customer Safety Comes First

### Next-Generation Runflat Tires Offer Safety and Environmental Performance

Appropriate air pressure in tires is important for safe driving. Sumitomo Rubber Industries Ltd. has developed and released runflat tires, which have a tire deflation warning system that monitors tire pressure and which allow the car to continue driving a certain distance even on a flat tire. This technology makes driving safer and also saves resources and energy since it eliminates the need to carry a spare tire.

The fourth generation of runflat tires released in fiscal 2009 adopt four thermal control technologies that eliminate unnecessary heat generated by tires. They also are lighter and offer ride comfort equivalent to or better than normal tires. At the Tire Technology Expo

2010 in Cologne, Germany in March 2010, this fourth-generation runflat tire technology was named Tire Technology of the Year.

With its reputation for safety and resource and energy efficiency, runflat tires are becoming standard equipment on an increasing number of new cars.



A Sumitomo Rubber representative (top) receives an award plaque at the Tire Technology Expo 2010 (right)

### History of Runflat Tires

1970

World's first runflat tire released.



1995 (First generation)

Release of DSST (Dunlop Self-Supporting Technology) for interchangeability with normal tires.



2000 (Second generation)

10% lighter than the first generation, with a 15% lower vertical spring constant, an indicator of ride comfort.



2003 (Third generation)

Compared to second generation, 3.5% lighter and a 7% lower vertical spring constant.



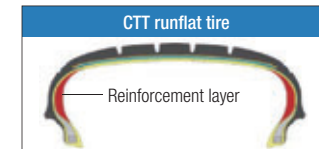
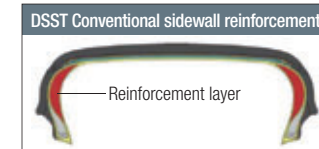
2009 (Fourth generation)

Even greater ride comfort than normal tires thanks to the adoption of four thermal control technologies.



### The Four Thermal Control Technologies of Fourth-Generation Runflat Tires

#### (1) CTT profile



A new tire construction based on proprietary technologies gives superb runflat performance, greater ride comfort, and lighter weight.

### Tire Safety Project Promotes Proper Use and Maintenance of Tires

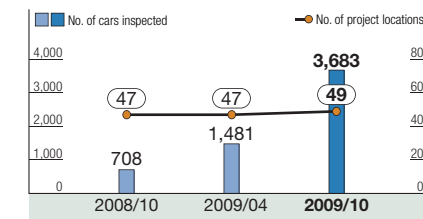
Every year in April and October, we hold the Dunlop Tire Safety Project with the goal of preventing tire-related accidents. At highway rest stops and commercial facilities in Japan's 47 prefectures, Dunlop checks tire air pressure and conducts visual inspections of tires for wear on grooves and damage to the tire surface. It also distributes leaflets on getting the most out of tires to stress the importance of using tires properly and maintaining air pressure.

In fiscal 2009, we conducted inspections on the tires of 5,164 cars at 96 locations around Japan, and in doing so found that about 30% of cars inspected had maintenance issues such as insufficient tire pressure.

Based on these results, we will continue to carry out the Dunlop Tire Safety Project and widespread aware-

ness campaigns, such as Internet ads, posters at tire dealers, and leaflet distribution, that educate drivers on the importance of tire inspections.

#### Dunlop Tire Safety Project



Leaflet on getting the most out of tires



Dunlop Tire Safety Project



#### A Word from Employees

### Our Mission: Develop Safe Tires with Low Environmental Impact

Yasuo Mitarai

Advanced Technology Development Dept., Sumitomo Rubber Industries, Ltd.

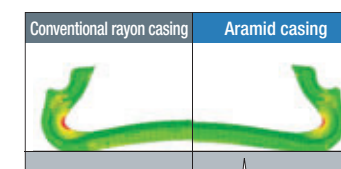
If a vehicle is equipped with runflat tires, the driver will not lose control of the steering wheel in case of a sudden flat tire, and there's no need to stop and change the tire at unsafe places such as by the side of the highway. There's also no need to carry a spare tire, so you also save resources and energy.

We believe it is our mission to develop safe tires with minimal environmental impact. Our project team members will continue to work together to develop runflat tires that give customers safety and comfort.



Evaluating runflat tires

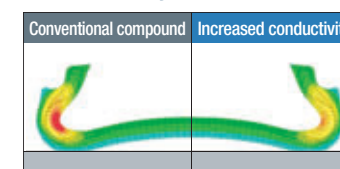
#### (2) Aramid casing



With the extremely stiff Aramid casing, tire deflection while driving with a flat tire is reduced, thus reducing heat generated by the sidewall reinforcement layer.

Stiffness of casing while driving with flat tire is 5 times that of rayon

#### (3) Compound increases heat conductivity



The heat conductivity of the sidewall reinforcement layer and sidewall rubber allows for dissipation of the heat that is concentrated at the damaged part of the reinforcement layer while running on a flat tire.

#### (4) Dimple sidewall



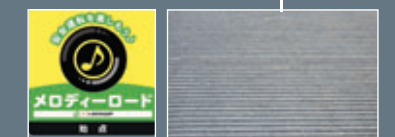
The dimples carved on surface of the sidewall cause turbulent airflow, which results in better heat radiation.

## TOPICS

### Melody Road Awarded at Cannes Lions International Advertising Festival

"Enjoy Safe Driving" is the tag line for Melody Road, a stretch of the Shinshu Venus Line Highway that is carved with grooves that generate a melody when cars drive the recommended speed limit of 40 km/h.

The judging panel lauded the safety focus and original idea of this ad from Sumitomo Rubber Industries Ltd., awarding it the Gold Lions in the Outdoor category in the 56th Cannes Lions International Advertising Festival.







## Developing and Spreading the Use of Environmentally Friendly, Safe Products

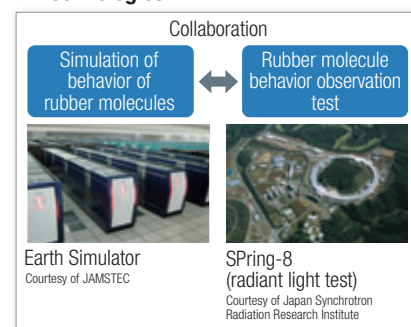
### Utilizing Advanced Technologies in R&D for High-Performance Rubber

To make tires with superior environmental performance and safety, R&D must focus on modifications at the molecular level. Behavioral analysis of rubber at the molecular level is measured in nanometers (billionths of a meter) and requires the most advanced technology available.

Sumitomo Rubber Industries, Ltd. works closely with universities and research institutes conducting experiments and computer simulations. We observe the behavior of rubber at the molecular level by using equipment such as the SPring-8 experimental large synchrotron radiation facility. We also look for ways to design rubber with increasingly higher performance by using supercomputers like the Earth Simulator\*. We thus use the most advanced technology available to develop tires that are safe and environmentally friendly.

\* Earth Simulator: A supercomputer of the Yokohama Institute for Earth Sciences, Japan Agency for Marine-Earth Science and Technology (JAMSTEC) used for global warming and tectonic deformation simulations.

### Joint Development Utilizing Advanced Technologies



### Spreading Fuel-Efficient Tires by Promoting the Tire Labeling System

Sumitomo Rubber Industries, Ltd. believes that it must do more than just develop fuel-efficient tires: it also believes it is responsible for getting more of these tires on the road by educating consumers about them. So, along with the start of the tire labeling system in January 2010, we began promoting understanding and awareness of fuel-efficient tires through television advertising and pamphlets distributed at tire dealers.



Pamphlet explaining the tire labeling system

We are also aggressively promoting the ENASAVE series of fuel-efficient tires through television commercials and other media.

### SP Sport 2030 Standard Equipment on the i-MiEV Electric Vehicle

Sumitomo Rubber Industries, Ltd. has begun supplying the SP Sport 2030 high-performance tire as standard equipment on Mitsubishi Motors' next-generation electric vehicle (EV), the i-MiEV, which went on the market on June 5, 2009.

Based on Mitsubishi Motors' "i" minicar, the i-MiEV is a next-generation EV with high-capacity lithium-ion battery and high-performance motor.

To give the SP Sport 2030 the high environmental performance demanded of the i-MiEV, Sumitomo Rubber used the fuel-efficient tire technologies built up through development of the ENASAVE 97 released in 2008. As a result, the SP Sport 2030 offers not only improved energy efficiency through lower rolling resistance, but also the high levels of quiet ride and safety needed for electric vehicles.



The i-MiEV, a next-generation electric vehicle from Mitsubishi Motors

### TOPICS

#### ENASAVE RV503 Tire Wins Good Design Award

For its balance of fuel-efficiency and wet grip performance, and its ability to offer ride comfort and curb the uneven wear and wobbling typical of minivans, the ENASAVE RV503 received a Good Design Award from the Japan Industrial Design Promotion Organization. Starting with the LE MANS LM703 in 2006, this is the fourth year in a row a Dunlop brand tire has won a Good Design Award, which recognizes not just good looks but also overall quality. The award is also proof of the reputation Dunlop tires enjoy in the industry for their design technology.



The Good Design Award logo



ENASAVE RV503

### Eco-Products with Reduced Materials and Packaging

For a portion of the grommets (plastic tubes inside the holes that the strings pass through) of a tennis racket, SRI Sports Ltd. uses a fossil resource-free functional material with low environmental impact. The effect is a 32% reduction in CO<sub>2</sub> emissions over previous products.

The company is also using 28% less paper for the packaging of four long-selling golf balls.



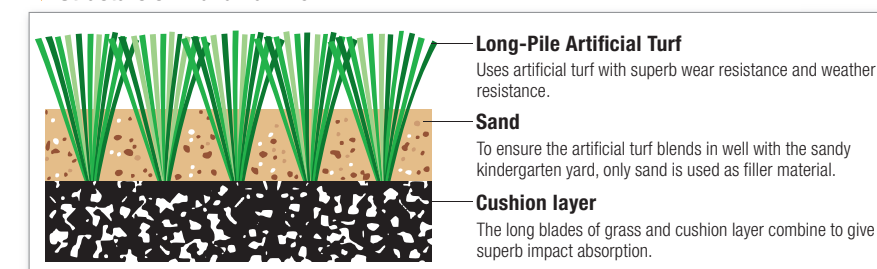
Golf balls using Eco-Pack™ packaging

Tennis racket using environmentally friendly materials

### Hibrid-Turf PG Keeps Children Safe

Long-pile artificial turf from Sumitomo Rubber Industries, Ltd. offers the same level of safety and playability as natural grass, and is widely used at professional soccer and baseball stadiums in Japan. We have now used this technology to develop Hibrid-Turf PG, a long-pile artificial turf that cushions the fall of children at kindergartens, daycares, and parks. The long blades of grass and cushion layer combine to give superb impact absorption and comfort.

#### Structure of Hibrid-Turf PG



#### A Word from Employees

### Improving Safety to Protect Our Children

#### Jun Fujisawa

Flooring Material Business Team,  
Hybrid Business Headquarters, Sumitomo Rubber Industries, Ltd.

Most accidents concerning children outdoors result from falling off playground equipment. To lessen the injuries of children who fall like this, we developed the specially constructed Hibrid-Turf PG.

During the development process, we factored in head injury criteria (HIC) as a measure of safety. HIC is an indicator widely used in safety-conscious Europe. An HIC value of less than 1,000 means that a product can prevent serious head injuries such as those causing brain contusions and skull fractures. We used HIC calculations to improve the turf's ability to absorb impact and as a result were able to construct a product that offered a high level of safety.

I believe that our efforts to quantitatively measure and raise levels of safety was a major reason that we won a Kids Design Award for the development of the Hibrid Turf PG.

We will continue to make safety a pillar of our efforts to come out with products that protect children, the elderly, and the physically challenged.



Hibrid-Turf PG

Installation in play areas can prevent major injuries when children fall off playground equipment or trip.

In fiscal 2009, Hibrid-Turf PG was recognized as an advanced product capable of protecting children and honored in the 3rd Kids Design Awards sponsored by the Kids Design Association. These awards recognize designs that contribute to safety for children and peace of mind of their guardians; that make life easier for adults raising children; and that are innovative and creative.





# Kindness

Toward the Next Century  
Kindness to employees

## Work-Life Balance for Ways of Work Distinctive to Sumitomo Rubber

Working efficiently gives us more free time, allowing us to meet more people and learn more new things, thus freeing our heart and mind. As a result, we can work more enthusiastically and succeed in our career. In fiscal 2009, the focus of the Sumitomo Rubber Group's Love Your Work! project was "work-life balance." To this end, we sought to achieve an ideal work-life balance that gives employees a work-life style unique to Sumitomo Rubber.

### Employees Search for Their Ideal Work-Life Style

Sumitomo Rubber Industries, Ltd. is expanding work-life balance measures to support the life of employees outside the workplace. In April 2009, a reserve leave system for medical reasons was expanded to include all matters of living support. Employees can now take leave for reasons such as child-care or elderly care, or community volunteering, and can take up to 40 days a year (from 20 previously) of reserve leave time. As well, under the system of leave for taking care of children, Sumitomo Rubber employees with children can now take leave until their child enters third grade (previously only until first grade).

But for these systems to work, employees must consider the meaning of work-life balance. That's why in fiscal 2009 we encouraged employees to think about this by asking them to find a way of working and living that is unique to Sumitomo Rubber.



A Word from Employees

### Raising Workplace Awareness Will Lead to More Effective Use of Support Systems

**Yukihisa Takayori**

Human Resources & General Affairs Dept.  
Sumitomo Rubber Industries, Ltd.

My work involves pursuing a work-life balance so that employees can enjoy rewarding work and an enriched family life. Sumitomo Rubber has systems to support employees, no matter what stage their lives and careers are at.

But for these systems to work properly, employees must think seriously about the meaning of work-life balance so that everyone is equally aware of its importance.

That's why I think it is so important for employees to use the Love Your Work!

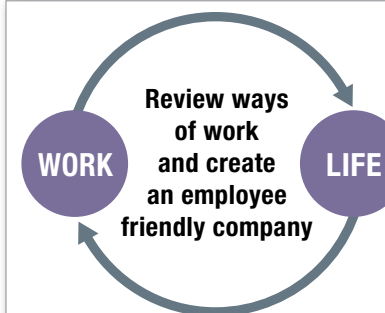
project to find a way of working that fits the unique corporate culture of Sumitomo Rubber.

As a project member, I dedicate every day to seeing that this becomes a reality.



Informal seminars

### ▼ Achieving a Work-Life Balance



#### Fiscal 2009 Finding Ways of Work Unique to Sumitomo Rubber

- (1) Informing employees about systems that support their lives, and about the integration various system.
- (2) Held informal seminars led by in-house instructors (head office district).
- (3) Held a work-life balance contest.
- (4) Collect and provide information on variety of free-time activities.

#### Fiscal 2010 Making Your Work-Life Style a Reality

Through discussions held under the Love Your Work! project, employees are earnestly talking about the work-life balance and how to achieve a work-style and lifestyle unique to Sumitomo Rubber.

### Informal Seminars Help Employees Use their Free Time

The head office in Kobe held informal seminars that offered a casual atmosphere for discussing how employees can find ways to use their free time and thus achieve the ideal work-life balance.

A questionnaire on self-enlightenment and hobbies before the workshop revealed that employees were interested in learning things like how to read financial charts, raise their knowledge of tires, and see how golf clubs and golf balls are developed. These and other topics thus became the focus of five seminars led by in-house instructors and attracting a total of 112 participants.

### Work-Life Balance Contest Brings New Ideas

The Sumitomo Rubber Group solicited slogans and photographs from employees in a contest based on the theme "What I do to achieve a work-life balance." The slogan contest attracted 4,982 entries, of which 51 were awarded. In another slogan contest sponsored by the city of Kobe to celebrate gender working equality month,

two Sumitomo Rubber employees received awards. In the photo contest, 440 entries depicted employees up close and personal with their families, enjoying their hobbies, being with their families or working hard. The top 11 photos were put on the group intranet and displayed at the head office and factories.

In fiscal 2010, we will continue to promote dialog between management and employees and across all departments so that we can find ways to work unique to Sumitomo Rubber.

#### ▼ Slogan Contest Winners

"Steer your work and family towards a brighter future!" Tatsuhiko Shinshima Miyazaki Factory

#### ▼ Sumitomo Rubber employees chosen in the Kobe City-sponsored gender working equality month slogan contest

"Balance your work and life-for today and tomorrow." Kenji Kii SRI Sports Ltd.

"Has your work become your life? Isn't it time for a change?" Nobuhiko Sakurai SRI Sports Ltd.

## TOPICS

### Sumitomo Rubber Certified for Kurumin Logo for Efforts to Foster Future Generations

In October 2009, Sumitomo Rubber Industries, Ltd. was certified as a "company that strives to help its employees raise their children" as stated in Japan's Law for Measures to Support the Development of the Next Generation. It can thus use the "Kurumin" logo, which is proof of this certification.

The first ever for a tire company, Sumitomo Rubber Industries, Ltd. received this certification based on its success in having 100% of female employees who had children take child-care leave, and in getting more and more male employees to take child-care leave.



The Kurumin logo recognizes efforts to foster future generations



A Word from Employees

### I Appreciate the Company's Respect for Our Life Outside Work

**Shoko Atsuta**

Izumo Office, Dunlop Tyres Chugoku

Last year, my mother fell ill back in my hometown and had to go into the hospital. To my sons, their grandparents mean everything. I took a picture of our family in my hometown, and I was ecstatic when this photo was chosen in the Sumitomo Rubber work-life balance photo contest.

It's heartening to know that Sumitomo Rubber truly cares about the home life of each of its employees. There are many female employees with a wealth of knowledge and ability. If more of these employees get out and talk about the importance of balancing work and family life, our work environment will continue to improve.



One of the winning entries in the work-life balance photo contest







## Helping Employees Develop their Abilities

### Focus on Developing the Abilities of Managers and New Employees

The Sumitomo Rubber Group strives to develop employee abilities through training for employees at each tier, programs to enhance self-development, and on-the-job training (OJT). In fiscal 2009, we held OJT Leader Training for managers in charge of new employees in planning and technology positions. The aim was to teach these managers how to think and act when leading these young people.

Starting in fiscal 2010, we are holding two kinds of training: problem detection/solving and management skills. In problem detection/solving, management candidates undergo business basics training where they acquire the basics needed for decision-making. The management skills training for managers was adapted for management candidates, and OJT Leader Training was also expanded to include participation by young employees. These training programs will give managers the ability to lead and foster younger employees working under them, as well as help young employees strengthen ties with,

and lead, the new employees.

We are also in the process of making proposals for employee training programs worldwide.

### Unified Worldwide Manufacturing Education

The Sumitomo Rubber Group opened the Manufacturing Training Center in January 2007 to enable consistent, unified training in manufacturing at production bases around the world. To equip employees with the skills they actually need on the job, the center holds training covering areas such as Sumitomo Rubber's technologies and philosophy on manufacturing, and how to better expand internationally. The goal is to build a unified worldwide manufacturing system by training factory managers and employees in Japan



The practical training area of the Shirakawa Training Center



and factory managers and management members from bases in other countries.

In April 2009, the Shirakawa Training Center opened. The center hosts a wide range of training aimed at standardizing manufacturing technology, including skills training for managers and senior staff, and overseas support staff in Sumitomo Rubber's manufacturing divisions. For a true hands-on experience, training is conducted using actual production equipment.

In fiscal 2009, a total of 599 employees took various training courses. In fiscal 2010, we intend to increase this number to at least 650.

## TOPICS

### Technical Olympics

To celebrate our 100th anniversary, the Shirakawa Training Center held the SRI Technical Olympics to boost enthusiasm among young employees and maintain the tradition of skills at Sumitomo Rubber in fiscal 2009. The competition pits factories against each other in events related to different areas of tire production. At the first Technical Olympics in November 2009, five employees up to age 33, each who had won regional competitions and who represented five factories in Japan and overseas, took part in events related to small tire building. The participants were judged on their own level of skills, and their workplaces were judged on how well they pass on skills to employees.

The next Technical Olympics will take place in the spring of 2010 and will cover machine maintenance.



Awards ceremony

## Zero Danger and Zero Labor Accidents

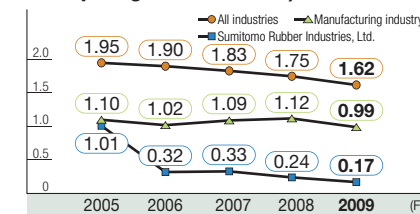
### Zero Labor Accidents through Risk-Averting, Preventative Safety Activities

The Sumitomo Rubber Group constantly strives for occupational health and safety by maintaining a healthy and comfortable work environment. Since most labor accidents are the result of unsafe practices, in fiscal 2009 we aimed for zero labor accidents by eliminating all danger in the workplace. This involved safety activities that seek out and eliminate risk, thus eliminating the potential cause of accidents.

Areas of emphasis include thorough risk assessment at the design and delivery stages, as well as changes to what we call "4Ms" (man, machine, material, and method) at domestic facilities. These efforts resulted in a total of just 50 work accidents across the group in fiscal 2009, a reduction of four compared to fiscal 2008.

We will continue to build on our tradition of putting occupational health and safety first in all that we do. Our goal is to foster safety-minded employees who can help us reduce labor accidents to zero by building a workplace with zero danger.

### Occurrence of Occupational Accidents (Ratio of occupational accidents requiring medical leave\*)



\* Occupational accident ratio: Number of persons killed or injured by occupational accidents per cumulative million service hours.  
Occupational accident ratio = Number of persons killed or injured by occupational accidents / Cumulative actual service hours × 1,000,000

### On-Site Safety Audits and Education

The Sumitomo Rubber Group strives to raise the occupational health and safety standards of factories and achieve zero accidents by conducting safety audits that discover and eliminate unsafe work practices. Such on-site patrols are comple-

mented by safety simulation training.

In fiscal 2009, part of the Shirakawa Training Center's safety audits had division managers gather to observe certain work processes for a fixed amount of time to discover whether work was proceeding according to required safety standards, and if not to come up with improvements. Since it is always good to have several people assess a process, this activity proved extremely effective in discovering previously unknown problems.

In safety training, we held safety sensitivity education that made participants more sensitive to potential problems by taking part in simulations of danger based on actual workplace situations. We set up danger simulators in six factories in Japan and four overseas, with 9,768 employees taking training in these in fiscal 2009. We also contributed to safety activities in the regions of our bases. For example, we made our facilities and instructors available through free training for employees of local



Managers observe work processes at the Shirakawa Factory



Safety education at the Miyazaki Factory



Safety education at the Changshu Factory in China

companies; and we conducted a danger sensitivity training program at the request of the Minister of Health, Labour and Welfare in order to train safety leaders.

### Keeping Employees Mentally and Physically Fit

The Sumitomo Rubber Group strives to keep employees mentally fit by holding mental health seminars and providing special guidance on lifestyle diseases for all job descriptions and management levels. At the head office, we hold regular meetings for employees on the dangers of cigarettes to help people stop smoking.

To fight the problem of overwork, we cooperate with the labor union to ensure working hours are at a manageable level. We also strictly enforce our "no overtime" days, and this has helped us reduce excessive overtime.

As part of efforts in fiscal 2009 to create a safe and stress-free work environment, we eliminated the heat and dust problems of the rubber mixing and curing sections. We also reduced the amount of organic solvents and began using electric vehicles for on-site transport, thus reducing exhaust fumes and improving the work environment.



Mental health workshop



A meeting to explain the Stop-Smoking Project





Toward the Next Century

Integrity for stakeholders

Integrity

## For Customers Shooting for Improved Satisfaction

In the Sumitomo Rubber Group, we believe it is our mission to provide products that make customers satisfied and happy. Besides listening closely to what customers are saying, we are constantly striving to raise our level of customer service.

### Customer Feedback Improves Our Products and Services

Each business group of the Sumitomo Rubber Group has a Customer Relations Office devoted to taking opinions and requests from customers. These opinions and requests are relayed to the appropriate divisions so that we can improve our products and services.

In fiscal 2009 at the Customer Relations Office in our tire business, there was an increasing number of inquiries on fuel-efficient tires and the tire labeling system. We responded by adding a page to our Web site introducing environmentally friendly

products and explaining the tire labeling system in layman's language, and we began providing more information on fuel-efficient tires.

We will continue to add information to our Web site in response to frequently asked questions.

### Product and Safety Education Improves Service at Tire Dealers

We have a number of education and training programs to improve service at our tire dealers. Besides education to boost product knowledge, we also teach employees how to give customers the knowledge needed to use their tires safely.



Training at our tire dealers

## TOPICS

### Customer Service Skill Contest

The Dunlop Tyres Sales Headquarters holds a customer service skill contest every year at its company stores.

In fiscal 2009, the theme of the contest was studless tires at stores in snow areas, and summer tires at stores in warmer areas. Participants were graded on how they served customers from initial greeting to seeing them drive off with their new tires. Winners were chosen after judges marked them on criteria like the use of easy-to-understand layman's language and response appropriately to customer questions.



A Word from Employees

### Trying to Answer Questions Thoroughly and Promptly Everyday

**Shinji Takahashi**

Technical Service Department, Dunlop Tyres Sales Headquarters  
Sumitomo Rubber Industries, Ltd.

Many of the inquiries to the Customer Relations Office concern tire weight and how to find a tire right for the wheels and body of one's car. But matching car bodies and wheels is too complex to simply describe in an article on the Web site. Instead, we do our best to give detailed yet easy-to-understand answers to each customer who calls. To ensure

that we do not take too long answering customer questions, we have an easily searchable database of answers that we are continuously updating.

We are also in the process of expanding our frequently asked questions page on the Web site to include the most common inquiries from customers.



### Dialog with Outside Experts

## Consumer Affairs Expert Gives the Purchaser's Point of View

On December 28, 2009, Yukiko Furuya, Executive Director of the Nippon Association of Consumer Specialists (NACS), spoke to the Sumitomo Rubber Group on our CSR activities from the point of view of the consumer.



**Yukiko Furuya**  
Executive Director  
Nippon Association of  
Consumer Specialists



### CSR Report from a Consumer's Standpoint

After reading the Sumitomo Rubber Group's CSR Report, I got the impression that all employees are working together to protect the environment and contribute to society based on the group's CSR Activities' Fundamental Philosophy. I was particularly impressed with the solid, conscientious information provided: not only was there a wealth of data, but also explanations of why the group failed to achieve certain objectives.

The next step for Sumitomo Rubber is to disclose information with more of a concern for the interests of the stakeholders. Simply disclosing large amounts of data runs the risk of numbers for numbers' sake and

misunderstanding on the part of readers, as it becomes hard to determine whether the figures indicate something good or bad. To give an example of the Customer Relations Office, by giving not just the number of inquiries but also what they were about and how they were dealt with will give stakeholders a better idea of what Sumitomo Rubber is all about.

It is also important to write in layman's language so that there is no misunderstanding among consumers. For example, the ordinary person probably does not understand what "rolling resistance" means. The report should go beyond technical explanations and talk about the benefits to consumers: this will make it easier to understand.

### Requests for Information Disclosure

The Sumitomo Rubber Group must understand the concerns and issues of consumers and society in general, and put its effort into addressing these.

Tires are not an easy product for the average consumer to understand. Environmentally friendly products will be of no use unless consumers understand and actually purchase them. While quality and safety are naturally part of a company's responsibility, it is also an important part of CSR to educate and enlighten consumers on matters such as tire safety and environmental impact.

### Sumitomo Rubber's Response

- This year, we have not only disclosed the number of inquiries from customers but also how we dealt with them. (See page 33)
- To make the report understandable to the average consumer, we have used layman's language in place of technical jargon whenever possible.
- As a direct means of communication with consumers that allows us to take up their issues, we currently conduct free tire inspections in public places twice a year and host factory tours, both of which allow us to gather opinions. We are looking into ways to more actively engage consumers in dialog.
- To help greater numbers of consumers better understand fuel-efficient tires, we run advertisements and distribute leaflets on the tire labeling system and fuel-efficient tires at dealers. (See page 27)





## For Suppliers Fair and Appropriate Procurement

### Building a Solid Partnership with Suppliers

A trustful relationship with suppliers is essential for producing better products. To ensure fair and open business operations, the Sumitomo Rubber Group has prepared and implements the Procurement Guidelines to establish solid partnerships with our suppliers.

The Group's centralized purchasing covers all procurement operations to integrate suppliers, procurement volumes, and goods, except those handled by SRI Sports Ltd. and SRI Engineering Ltd., for which the lines of business are completely different from those of the Company. The standardization of parts for common use is also promoted by taking advantage of the centralized purchasing. We also do everything we can to incorporate our suppliers' value analysis (VA) proposals and value engineering (VE) proposals starting in the design stage.

We are also revising our Procurement Guidelines, which detail every step of the

purchasing process, including policy and purchasing criteria, so that these guidelines are in line with future revisions to laws and changes in external environments.

### Assisting Suppliers in Technical and Contract-Related Matters

Our technical division handles inquiries from suppliers and consults with them on technical and engineering features, whereas the Purchasing Department resolves contract-related matters.

Whenever we publish and make major revisions to the Procurement Guidelines, we explain them to suppliers. We also explain the Sumitomo Rubber Group's basic purchasing policies at the same time.

### Assessing Risk through Surveys of Supplier Factories

Since fiscal 2004 the Sumitomo Rubber Group has been visiting supplier factories to conduct crisis management surveys.

In these surveys, emergency situations are assumed from the viewpoint of risk management, as representatives from the

Tire Quality Assurance Department, Engineering Department, and Purchasing Department of Sumitomo Rubber Industries, Ltd. visit supplier factories to assess the state of fire-fighting measures, equipments inventory, and facilities' aging. Supplier that do not pass these inspections are provided with guidance for improvement.

In fiscal 2009, we conducted surveys at the factories of 16 suppliers.

### Educating Relevant Units to Ensure Compliance with the Subcontracting Law

To ensure compliance with the Subcontracting Law throughout the entire group, the Legal Department and Purchasing Department of Sumitomo Rubber Industries, Ltd. join together in inspecting the relevant departments. In fiscal 2009, we conducted inspections at the purchasing sections of our one domestic tire factory.

The Group will continue to conduct appropriate and fair transactions in combination with the inspections at the relevant departments and sections, as well as training for the purchasing staff.



## TOPICS

### Formulating the CSR Procurement Guidelines

The Sumitomo Rubber Group procures supplies based on criteria like quality, prices, and delivery, but also based on the suppliers' compliance, human rights, and labour practices. Fiscal 2009 marked the launch of the Working Group, made up of employees from the Purchasing Department and CSR Promotion Office of Sumitomo Rubber Industries, Ltd.

The Working Group is formulating guidelines that enlighten suppliers on CSR activities in efforts to spread CSR procurement across the entire supply chain.

## For Shareholders and Investors Fruitful Dialog that Respects the Other Party

### Steadily Returning Gains to Shareholders Over the Long Term

Sumitomo Rubber Industries, Ltd. places the highest priority on returning gains to shareholders. Our basic policy is to steadily return gains to shareholders over the long term by comprehensively assessing dividend payout ratio, performance prospects, and level of retained earnings on a consolidated basis. Retained earnings are directed to capital investments and advance investments such as R&D; this strengthens the foundation for future earnings.

R&D expenses in fiscal 2009 were 17.982 billion yen, or 3.4% of consolidated net sales. Dividends were 18 yen per share.

### Policy for IR Activities Accurate, Quick, and Fair Release of Information

Sumitomo Rubber Industries, Ltd. places the highest priority on investor relations with shareholders and investors in Japan and the rest of the world. We do all we can to quickly and accurately release information on company management and business activities based on our consolidated financial results.

Besides releasing information obligatory under Japan's Financial Instruments and Exchange Law, and information requested by the stock exchange, we constantly aim to achieve accurate, quick, and fair release of information such as management policies and financial data for the sake of our shareholders and investors.

But shareholders and investors are not our only stakeholders; we believe that managing our company requires that the general public be informed of our activities. To this end, we use our Web site and other media to post information on our management and business activities.

### Providing Information through Regular IR Meetings and the Web Site

Sumitomo Rubber Industries, Ltd. uses every opportunity possible to let the public know about the company management and business activities: at the General Meetings of Shareholders, and at quarterly IR meetings explaining our financial results for analysts and institutional investors. We also host smaller meetings and interviews for analysts and institutional investors.

Our IR Web site gives schedules for upcoming events like General Meetings of Shareholders and IR meetings for institutional investors. Users of this site can also download documents such as invitations to General Meetings of Shareholders, information for shareholders, financial results summaries, IR meeting documents, securities reports, and annual reports (English and Japanese).

Because of the merger between SRI Hybrid Ltd. and Sumitomo Rubber Industries, Ltd., in fiscal 2010 we updated a portion of our corporate Web site. To help shareholders and investors navigate



Financial results meeting



Annual Report

easily, we have placed brand logos on our site, as we had done previously with our tire products, so that clicking on these logos takes the user directly to these product pages.



IR Web site

### Helping More Shareholders Exercise Their Voting Rights

Since the General Meeting of Shareholders in March 2007, it has been easier for individual shareholders to invest in Sumitomo Rubber and to exercise their voting rights. This is because Sumitomo Rubber Industries, Ltd. reduced the number of shares that constitute one unit to 100. This gave more shareholders voting rights.

At the General Meeting of Shareholders held in March 2007, we made it possible for a greater number of shareholders to exercise their voting rights by allowing them to do it online using a PC or mobile phone.

The General Meeting of Shareholders held on March 30, 2010 had an attendance of 165. And 301 shareholders (2 more than last year), or 1.7% of all those with voting rights, used the Internet to exercise their voting rights.

Furthermore, we strive to speed up the sending of the Convocation of the General Meeting of Shareholders and post the English translation on our Web site to make it easier for shareholders to exercise voting rights.

Thanks to efforts like these, about 80% of our shareholders exercise their voting rights, an extremely high number.



Toward the Next Century  
Integrity for stakeholders

Integrity



## For Local Communities A Good Corporate Citizen

### Basic Philosophy for Our Social Contribution Activities

Sumitomo Rubber Group bases all across Japan have been conducting GENKI social contribution activities for the past 20 years. Other unified cross-group activities include planting trees, volunteering in the community, and holding local exchanges with NPOs.

In September 2009, we revised our Company's Code of Conduct by providing even more details of our social contribution philosophy of "bringing company and community together."

### Bringing Company and Community Together (Group's Code of Conduct)

**The Sumitomo Rubber Group does all it can to contribute to local communities and society as a whole, and to protect the environment.**

- Based on its CSR Activities' Fundamental Philosophy, the Sumitomo Rubber Group strives to contribute to the achievement of a sustainable world and earn the trust of society.
- Company directors and employees should strive for social contribution activities in close cooperation with citizens so that the Sumitomo Rubber Group will always be welcome in and trusted by local communities.
- The Sumitomo Rubber Group should do its utmost to ensure that it abides by environmentally related laws and that its business activities and products and services exert minimal impact on the environment.

### Employees Contribute to CSR Fund

In July 2009, Sumitomo Rubber Industries, Ltd. established a CSR fund to support a variety of causes including the solution of environmental and social problems. Employees who agree to take part in the fund have ¥200 deducted from their salary each month, with the company matching this amount and total going towards the CSR fund. As of March 1, 2010, 1,143 employees were taking part, about 20% of all employees. As of the end of March 2010, the fund had accumulated about 3 million yen.

In fiscal 2010, we worked with our intermediary NPO, the Kobe Empowerment Center, to select NPOs we could support using the CSR fund. A steering committee made up of representatives from relevant company units chose the NPOs and we are now devising a system for distributing the aid.

### Cooperation and Dialog with Local NGOs and NPOs

The Sumitomo Rubber Group strives to build good relations with communities through joint events with NGOs and

NPOs that allow us to deepen exchanges and further dialog and cooperation.

Since fiscal 2008 in Kobe, home to Sumitomo Rubber's head office, we have been working with the Kobe Empowerment Center, a specified nonprofit organization and our intermediary NPO. In fiscal 2009, we began exchanging information with the Osaka Voluntary Action Center on things like how best to distribute money from our CSR fund. The center also helps our employees find volunteer work.

Each Sumitomo Rubber site also has NPOs it cooperates with. In fiscal 2009, we took part in Kobe Alive 2009, a dance festival sponsored by the specified nonprofit organization Sasso Japan and supported by the governments of Hyogo Prefecture and Kobe City. Young employees of Sumitomo Rubber living



Sumitomo Rubber's Team Infinity takes part in Kobe Alive 2009

in the Kobe district took part under the name "Team Infinity" with the slogan "Let's energize Kobe together!"

We will step up our cooperation with NGOs and NPOs in fiscal 2010 in order to make the best use of the CSR fund.

### Dunlop Manufacturing School Helps Educate Children

In fiscal 2009, Sumitomo Rubber Industries, Ltd. began holding the Dunlop Manufacturing School in cooperation with the specified nonprofit organization Core-Net. The aim is to get children, tomorrow's industry leaders, interested in the art of manufacturing. In this course, sixth-grade elementary school students are given scale models to assemble so that they can practice using simple tools while learning the difficulties, satisfaction, and joy that come when you build your own toys.

In fiscal 2009, 228 children from three elementary schools took part in the program, with a questionnaire revealing that 98% had fun in this experience.

Plans call for the Dunlop Manufacturing School to be held at five schools in fiscal 2010.



The Dunlop Manufacturing School

### Contributing to a Society for Everybody Through Support for the Physically Challenged

Since fiscal 2008, the Sumitomo Rubber Group has supported the Safety Driving Festa Planning Committee. With the aim of giving the physically challenged opportunities to interact with the rest of society, the committee held eight Safety Driving Festas and other events around Japan in fiscal 2009. At a Safety Driving Festa, participants ride with professional race

car drivers in gymkhana\*1 competitions and learn the art of safe driving from instructors including our own gymkhana driver, Tsutomu Nakajima.

We also continue to support wheelchair tennis tournaments held in Aichi Prefecture and Hyogo Prefecture. Since fiscal 2009, we widened our participation in the Dunlop Kobe Open International Wheelchair Tennis Tournament as a special sponsor whose name is used in the title of the tournament.

We will continue this support in efforts to create a society where everyone, regardless of physical limitations, can live and participate in harmony.

\*1 Gymkhana: One at a time, cars drive through a course laid out on a paved surface to compete for the fastest time.

### Raising Awareness of Golf as the Ideal Sport for Health

SRI Sports Ltd. strives to raise awareness of golf as a sport that helps golfers ward off lifestyle diseases while enjoying a pleasant walk outside. To this end, the company's efforts include renting pedometers to spectators to encourage them to count their steps, and holding walking golf tournaments where participants wear pedometers. The success of events like these has encouraged other golf organizations to follow suit.

And to attract even more people to the healthy game of golf, we have started activities like beginner lessons for women and scramble golf\*2 for novice golfers.

\*2 Scramble golf: Each person in a four-member team tees off. The best shot is selected and all four members play their second shot from that point. The same goes for all shots after that.

### Sites Hold Regular Traffic Safety Campaigns

In June 2009, the Changshu/Suzhou Factory in China cooperated with traffic police in Pudong, Shanghai in holding the Dunlop 2009 Traffic Safety Campaign. Started in 2008, this year's event featured a traffic safety art contest in which children sent in their depictions of traffic safety. Having children draw pictures makes them more aware of

safety, and showing these pictures makes the general public conscious of the value of safe driving.

In Sumitomo Rubber's CSR Awards (see page 9), the Security Team of the Miyazaki Factory was a winner in the working floor group of the social contribution category. This award is in honor of employees who for the past 20 years have been traffic safety patrollers guiding children on their way to school past the entrance to the factory, where traffic is particularly heavy. The Kakogawa Factory has an autumn traffic safety campaign, at which time employees guide children going to school across the street corners around the factory.



Drawing contest for children sponsored by the Changshu/Suzhou Factory



Guiding children on the way to school near the Miyazaki Factory

## TOPICS

### Encouragement Award in Corporate-NPO Joint Encouragement Project

In December 2009, the Sumitomo Rubber Group and the Kobe Empowerment Center, a specified nonprofit organization, jointly received the Encouragement Award in the Corporate-NPO Joint Encouragement Project. This award spotlights groundbreaking examples of companies and NPOs working together to solve social problems and energize communities.

This year's award recognizes the dialog and cooperation between the two parties since fiscal 2008 in areas such as the provision of volunteer information and the establishment of a CSR fund.



Awarding the certificate of commendation



Toward the Next Century  
Integrity for stakeholders

Integrity



## Corporate Governance

### Sumitomo Rubber Group Company's Code of Conduct Revised

In 2009, six years after it was formulated, the Sumitomo Rubber Group's Code of Conduct was revised.

The revisions were made to keep up with the many changes inside and outside the company, such as the rise of overseas business. The updated version of the Group's Code of Conduct makes employees aware of new laws and revisions to laws, stressing the importance of compliance with laws that did not exist when we formulated the first version, such as Japan's Personal Information Protection Law and the Whistle-Blower Protection Act.

The revised version comes in a booklet form that uses layman's language and illustrations for easy understanding. After distributing this booklet to all group employees, we held explanation meetings to ensure thorough understanding by everyone.

We will continue efforts to make the Group's Code of Conduct a familiar part of the Sumitomo Rubber Group.



The Group's Code of Conduct

### Compliance Counseling Offices Both Inside and Outside the Company

The Sumitomo Rubber Group opened the Compliance Counseling Room in February 2003 to detect major areas of risk and thus prevent problems arising from business activities. We have encouraged the use of this service through our newsletter, intranet, and a pocket-size book. We get about one inquiry or report to the room each month. We also ensure that people contacting the room with complaints and consultation matters are not penalized in any way.

In fiscal 2009, there were 11 matters for which people reported or sought consultation, relating to issues of power and sexual harassment, employment, misconduct, and excessive work load. We promptly confirmed these matters in a way satisfactory to the person making the report. We will continue to use the Compliance Counseling Room to solve matters of misconduct to the satisfaction of the people who are reporting and thus prevent major problems from occurring.

### Preventing Misconduct at Bases Around the World

The Sumitomo Rubber Group's Code of Conduct revised in fiscal 2009 guide employees in proper conduct by laying down rules for abiding by the Political Funds Control Act and the Public Officers Election Law; by forbidding the acceptance of bribes; and by urging the avoidance of antisocial forces.

Sumitomo Rubber Group employees stationed outside Japan or scheduled to be so are given training via the intranet on those policies or educated about them.

As our overseas business grows, we will ensure that we thoroughly comply with laws and regulations by explaining the Group's Code of Conduct to local employees. We are also making an Anti-Monopoly Act manual for Europe and are planning to distribute it to sales companies on the continent.

### BCP for Emergencies

There was a major outbreak of a new strain of influenza in 2009. After the World Health Organization (WHO) raised the pandemic alert to phase 4, Sumitomo Rubber Industries, Ltd. immediately set up a task force that gathered information from WHO, the Center for Disease Control (CDC) in the U.S., and Japan's Minister of Health, Labour and Welfare, and drew up emergency measures.

We called on all employees to take thorough care in matters of personal health and sanitation, and we placed hand sanitizers in all work places. We also made sure the pandemic did not affect our business by urging employees to refrain from taking business trips and increasing the amount of equipment for videoconferencing. And each unit of the company formulated business continuity plans (BCPs) in case of interruptions from the influenza outbreak.

The number of Sumitomo Rubber employees who had the flu peaked at 20 in the second week of November. Fortunately, this did not significantly affect our business.

In fiscal 2010, all sites are planning to formulate BCPs for earthquakes, a major type of risk.

## Site Reports (Domestic Factories)

### Shirakawa Factory

**Location:** 1 Hirokubo, Kurabeishi, Shirakawa, Fukushima 961-0017, Japan  
TEL.+81-248-22-3311  
FAX.+81-248-22-5689

**Number of Employees:** 1,608

**Operation Start:** 1974

**Site Area:** 604,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
May 1997 (Certification No. YKA4004370)

**Main Product:** Automobile tires

**Achievement of Zero Emissions:** 2001



**Masafumi Takami**  
Factory General  
Manager,  
Shirakawa Factory



The opening event for the GENKI Forest attracted 120 participants



Volunteers pick up litter around Komine Castle



### Nagoya Factory

**Location:** 4-1, Shinsei-cho, Toyota, Aichi 471-0837, Japan  
TEL.+81-565-28-2345  
FAX.+81-565-29-3565

**Number of Employees:** 1,163

**Operation Start:** 1961

**Site Area:** 190,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
March 1997 (Certification No. YKA4004286)

**Main Product:** Automobile tires

**Achievement of Zero Emissions:** 2001



**Makoto Ishii**  
Factory General  
Manager,  
Nagoya Factory



Distributing oak tree seedlings at a sale held at the factory gymnasium



Explaining tree-planting activities to local government staff at the park on the factory premise



### Izumiotsu Factory

**Location:** 9-1, Kawahara-cho, Izumiotsu, Osaka 595-8650, Japan  
TEL.+81-725-21-1286  
FAX.+81-725-21-1112

**Number of Employees:** 543

**Operation Start:** 1944

**Site Area:** 76,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
March 1998 (Certification No. YKA4004319)

**Main Product:** Automobile tires, precision rubber parts for medical equipment

**Achievement of Zero Emissions:** 2003



**Ippei Oda**  
Factory General  
Manager,  
Izumiotsu Factory



A bowling tournament with local residents was held as a part of the GENKI Activities



A fire evacuation drill held jointly with the Izumiotsu Fire Department





## Miyazaki Factory

**Location:** 3 Tohoku-cho, Miyakonojo, Miyazaki 855-0004, Japan  
TEL.+81-986-38-1311  
FAX.+81-986-38-4129

**Number of Employees:** 1,310

**Operation Start:** 1976

**Site Area:** 268,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
December 1997 (Certification No. YKA4004271)

**Main Product:** Automobile tires

**Achievement of Zero Emissions:** 2003



**Norifumi Fujimoto**  
Factory General Manager,  
Miyazaki Factory



A park next to the factory was opened for public use. In fiscal 2009, over 2,000 people used the area (the photo shows a ground golf tournament)



The factory playing field was opened for use by local youth (the photo shows a rugby school)



## Ichijima Factory

**Location:** 5 Kajiwara, Ichijima-cho, Tamba, Hyogo 669-4323, Japan  
TEL.+81-795-85-3000  
FAX.+81-795-85-3002

**Number of Employees:** 138

**Operation Start:** 1996

**Site Area:** 182,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
May 1998 (Certification No. YKA4004371)

**Main Product:** Golf balls

**Achievement of Zero Emissions:** 2001



**Noritake Araki**  
Factory General Manager,  
Ichijima Factory



Sports day celebrating Sumitomo Rubber's 100th anniversary



Presenting beetles to a local kindergarten



## Kakogawa Factory

**Location:** 410-1, Kitano, Noguchi-cho, Kakogawa, Hyogo 675-0011, Japan  
TEL.+81-79-424-0111  
FAX.+81-79-426-0189

**Number of Employees:** 231

**Operation Start:** 1972

**Site Area:** 30,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
March 1998 (Certification No. YKA0771880)

**Main Product:** Blankets for offset printing presses, marine fenders, precision rubber parts for office machines, gas tubing, vibration control rubber dampers, precision rubber parts for medical equipment

**Achievement of Zero Emissions:** 2002



**Masahiko Ueno**  
Factory General Manager,  
Kakogawa Factory



Every year, the factory has a week-long work practicum for junior high school students



Rubber gloves for nursing care were donated to the Zeni Bank, Kakogawa Council of Social Welfare



## Changshu/Suzhou Factory (China) (Sumitomo Rubber (Changshu) Co., Ltd./Sumitomo Rubber (Suzhou) Co., Ltd.)

**Location:** Economic Development Zone, Changshu, Jiangsu, China  
TEL.+86-512-5269-0502  
FAX.+86-512-5269-5022

**Number of Employees:** 2,700

**Operation Start:** 2004

**Site Area:** 305,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
October 2005 (Certification No. QAC0051047/B)

**Main Product:** Automobile tires

**Achievement of Zero Emissions:** 2005



**Yasushi Nojiri**  
Chairman and President,  
Sumitomo Rubber (Changshu) Co., Ltd./  
Sumitomo Rubber (Suzhou) Co., Ltd.



Fire evacuation drill at the dormitory



Employees learn about laws and regulations



## Indonesia Factory (P.T. Sumi Rubber Indonesia)

**Location:** Cikampek, Indonesia  
TEL.+62-264-351346  
FAX.+62-264-351345

**Number of Employees:** 3,016

**Operation Start:** 1997

**Site Area:** 240,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
August 2003 (Certification No. 500146)

**Main Product:** Automobile tires, golf balls

**Achievement of Zero Emissions:** 2004



**Mitsuru Nagai**  
President,  
P.T. Sumi Rubber Indonesia



Beach where mangroves have been planted



Employees help plant trees in the CSR Fun Rally, part of CSR activities



## Thailand Factory (Sumitomo Rubber (Thailand) Co., Ltd.)

**Location:** Amata City Industrial Estate, Rayong, Thailand  
TEL.+66-38-953-000  
FAX.+66-38-953-021

**Number of Employees:** 2,570

**Operation Start:** 2006

**Site Area:** 597,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
January 2008 (Certification No. BGK600273)

**Main Product:** Automobile tires

**Achievement of Zero Emissions:** 2008



**Toru Nagahata**  
President,  
Sumitomo Rubber (Thailand) Co., Ltd.



As part of an environmental awareness campaign, games and quizzes provide a fun way to encourage eco-action



Making rock salt for wild elephants as part of wildlife preservation activities





## Zhongsan Factory (China) (Zhongsan Sumirubber Precision Rubber Ltd.)

**Location:** Zhongsan Torch High-Tech Industry Development Zone, Zhongsan, Guangdong, China  
TEL.+86-760-85314773  
FAX.+86-760-85598924

**Number of Employees:** 663

**Operation Start:** 2000

**Site Area:** 30,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
December 2004 (Certification No. CO42006)

**Main Product:** Precision rubber parts for office machines

**Achievement of Zero Emissions:** 2006



**Makoto Sakuraoka**  
President,  
Zhongsan Sumirubber  
Precision Rubber Ltd.



Donations for victims of the earthquake in Qinghai



Cleaning up the area around the factory



## Vietnam Factory (Sumirubber Vietnam, Ltd.)

**Location:** An Dong Commune, Hai Phong City, Vietnam  
TEL.+84-31-3743270  
FAX.+84-31-3743272

**Number of Employees:** 244

**Operation Start:** 2007

**Site Area:** 23,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
April 2008 (Certification No. QAC6003288)

**Main Product:** Precision rubber parts for office machines

**Achievement of Zero Emissions:** 2008



**Hiroomi Matsushita**  
President,  
Sumirubber  
Vietnam, Ltd.



Employees pray for the health of their families at Chinese New Year by planting 50 seedlings and 5,000 seeds



A flower arrangement contest was held to celebrate International Women's Day



## Malaysia Factory (Sumirubber Malaysia Sdn. Bhd.)

**Location:** Sungai Petani, Kedah, Malaysia  
TEL.+60-4-4213121  
FAX.+60-4-4213123

**Number of Employees:** 667

**Operation Start:** 1980

**Site Area:** 56,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
September 2005 (Certification No. KLR6003634)

**Main Product:** Rubber gloves

**Achievement of Zero Emissions:** 2006



**Noritada Tsujii**  
President,  
Sumirubber  
Malaysia Sdn. Bhd.



Trees and planters are placed around the main entrance to prevent cars from illegally parking



Using natural lighting makes it brighter and easier to see inside the factory. It also saves electricity



## Thailand Factory (Tennis Ball) (Srixon Sports Manufacturing (Thailand) Co., Ltd.)

**Location:** Kabinburi District, Pranchiburi Province, Thailand  
TEL.+66-3720-4868-71  
FAX.+66-3720-4872

**Number of Employees:** 319

**Operation Start:** 2007

**Site Area:** 38,384m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
December 2009 (Certification No. BGK6008040)

**Main Product:** Tennis balls



**Hiroaki Tanaka**  
President,  
Srixon Sports  
Manufacturing  
(Thailand) Co., Ltd.



Obtainment of ISO 14001 Certification



Quality awareness has been raised through factory quality training and quality slogans (the photo shows quality training)



## Cleveland Golf head office and factory, U.S.A. (Roger Cleveland Golf Company, Inc.)

**Location:** Huntington Beach, California, U.S.A.  
TEL.+1-714-889-1300  
FAX.+1-714-889-5890

**Number of Employees:** 370

**Operation Start:** 1982

**Site Area:** 27,288m<sup>2</sup>

**Main Product:** Golf clubs



**Greg Hopkins**  
President and CEO,  
Roger Cleveland  
Golf Company, Inc.



The process for product quality inspection



Several times a year, a sale of long-term inventory items is held for employees and nearby residents



## Environmental Reports of Overseas Factories

Environmental Reports have been published since 2006 at the Changshu/Suzhou Factory in China, since 2007 at the Indonesia Factory, and since 2009 at the Thailand Factory.

We strive to communicate by constantly providing information on things like environmental burden from business activities and the goal of our activities.



Environmental Report from the Thailand Factory (2009-2010)



Environmental Report from the Indonesia Factory (2007-2010)



Environmental Report from the Changshu/Suzhou Factory (2006-2010)



## Dunlop Retread Service Ltd.

**Location:** 355-9, Kitaoka-cho, Ono,  
Hyogo 675-1318, Japan  
TEL.+81-794-63-0543  
FAX.+81-794-63-6510

**Number of Employees:** 31

**Operation Start:** 1972

**Site Area:** 15,700m<sup>2</sup>

**Major Business:** Manufacturing and marketing of retread tires

**Achievement of Zero Emissions:** 2006



**Kunihiko Nakano**  
President,  
Dunlop Retread  
Service Ltd.



Factory visit by health and sanitation members of Nishiwaki City



Scraping a variety of parts helped achieve complete zero emissions



## Dunlop Retread Service Hokkaido Ltd.

**Location:** 13-2, Koei-cho, Ebetsu,  
Hokkaido 067-0051, Japan  
TEL.+81-11-383-3235  
FAX.+81-11-385-2891

**Number of Employees:** 17

**Operation Start:** 1972

**Site Area:** 10,737m<sup>2</sup>

**Major Business:** Manufacturing and marketing of retread tires

**Achievement of Zero Emissions:** 2006



**Yoshinori Takeyama**  
President,  
Dunlop Retread Service  
Hokkaido Ltd.



Newly installed screw compressor and drain master (for separating oil and water)



Carrying out leak tests to prevent environmental pollution



## SRI Engineering Ltd.

**Location:** 2-1-1, Tsutsui-cho, Chuo-ku, Kobe,  
Hyogo 651-0071, Japan  
TEL.+81-78-265-5716  
FAX.+81-78-265-5717

**Number of Employees:** 181

**Operation Start:** 2003

**Site Area:** 5,660m<sup>2</sup>

**Major Business:** Designing and producing of metallic molds for tire production

**Achievement of Zero Emissions:** 2008



**Tetsunori Nakagawa**  
President,  
SRI Engineering Ltd.



Since the sidewalk is directly in front of the site following the building of an overpass, employees do a cleanup once a month



The factory received an Encouragement Award in the first CSR Awards of the Sumitomo Rubber Group for achieving zero emissions and reducing waste



## Nakata Engineering Ltd.

**Location:** 619 Kande-cho-minami, Nishi-ku, Kobe,  
Hyogo 651-2312, Japan  
TEL.+81-78-965-1015  
FAX.+81-78-965-1020

**Number of Employees:** 120

**Operation Start:** 1914

**Site Area:** 37,000m<sup>2</sup>

**Obtainment of ISO 14001 Certification:**  
2004 (Certification No. YKA4004307)

**Major Business:** Designing, manufacturing and marketing of rubber-product manufacturing machines and equipment

**Achievement of Zero Emissions:** 2006



**Sadaaki Naito**  
President,  
Nakata Engineering  
Ltd.



Employees held a friendly greetings campaign



Cleaning up the bus stop area nearby



## Dunlop Golf Club Ltd.

**Location:** 3 Tohoku-cho, Miyakonojo,  
Miyazaki, 855-0004, Japan  
TEL.+81-986-38-4679  
FAX.+81-986-27-5026

**Number of Employees:** 179

**Operation Start:** 1989 (Miyazaki Head office and Miyazaki factory started operation)

**Site Area:** 8,359m<sup>2</sup>

**Main Product:** Golf clubs

**Achievement of Zero Emissions:** 2004



**Hideki Sano**  
President,  
Dunlop Golf Club Ltd.



The Discover, Solve and Improve Committee leads activities like friendly greeting campaigns, tree-planting, and cleanups



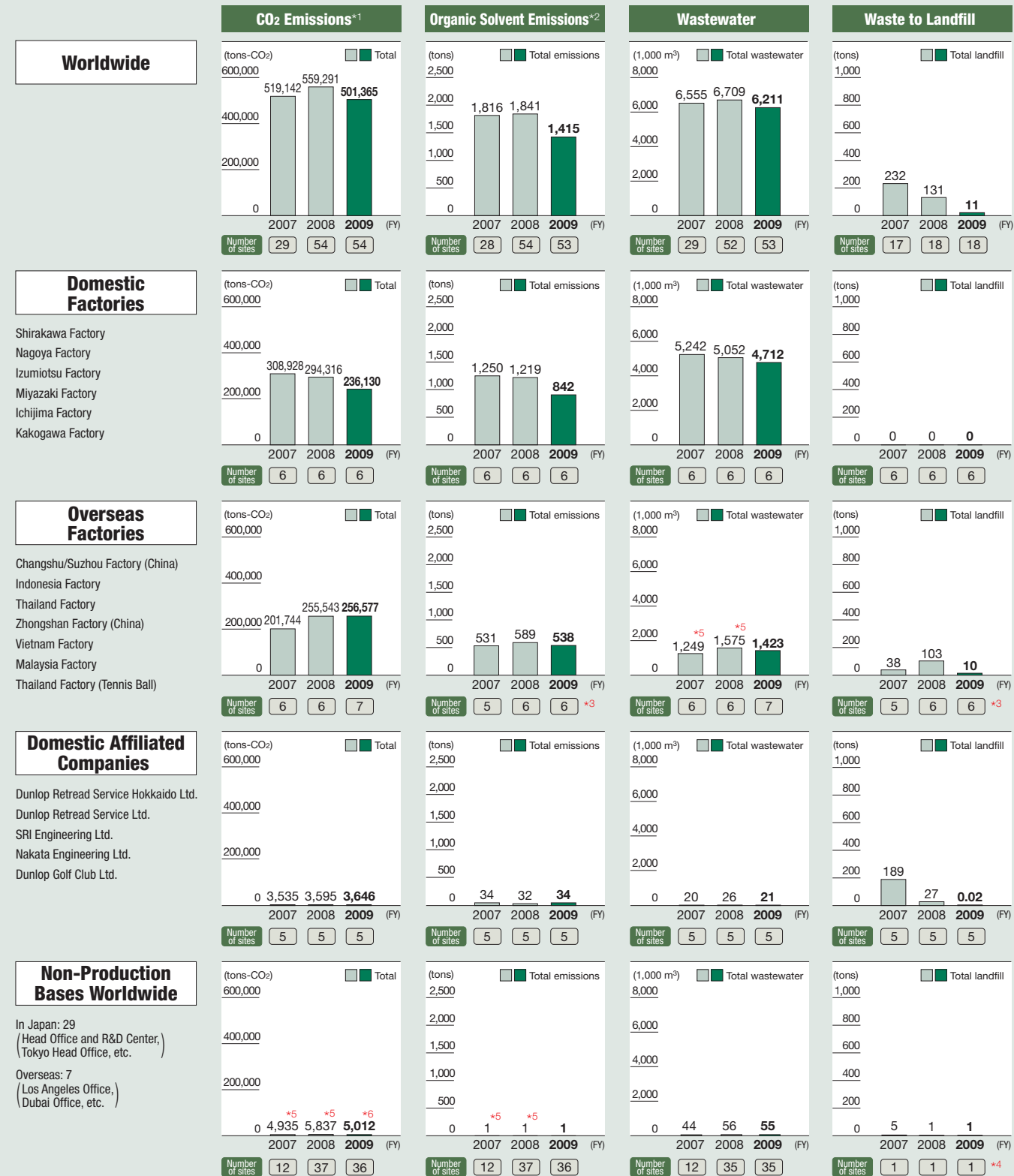
The factory received the Miyazaki Labour Bureau Chief Award for continuous work days without an accident






# Global Environmental Data

Because of the increasing importance of environmental data besides that for just domestic factories, we also gather data for overseas factories, domestic affiliates, and worldwide non-production bases. However, not all consolidated subsidiaries are covered by the data, and it is also difficult to gather data from certain bases. That is why we intend to step up our control system for overseas bases and to improve the coverage and accuracy of data. As well, we are aware that we must have a firm grasp of environmental data for non-production bases.



\*1 CO<sub>2</sub> emissions are calculated using the Japan Rubber Manufacturers Association's Guide to Calculating Greenhouse Gas Emissions. The domestic emission coefficient for electricity is calculated using the fiscal 2004 published values from electric companies. The overseas emission coefficient for electricity is calculated using the WRI/WBCSD GHG Protocol Initiative Calculation Tool.  
 \*2 Organic solvent emissions are, as a rule, calculated using the calculation method from Japan Rubber Manufacturers Association. There are, however, some domestic affiliates and overseas production bases that calculate using in-house standards.  
 \*3 Excluding Thailand factory (tennis ball).  
 \*4 The waste to landfill for non-production bases covers only the Head Office and the Tyre Technical Center.  
 \*5 Calculated for past fiscal years to improve accuracy of data collection.  
 \*6 The Tyre Technical Center's green electricity purchases were deducted from the fiscal 2009 CO<sub>2</sub> emissions for domestic non-production bases. The amount before the deduction was 5,650 tons-CO<sub>2</sub>.

# Independent Assurance Report



**Independent Assurance Report**

To the Board of Directors of Sumitomo Rubber Industries, Ltd.

**Purpose and Scope**  
 We were engaged by Sumitomo Rubber Industries, Ltd. (the "Company") to perform limited assurance on its "Sumitomo Rubber Group CSR Report 2010" (the "Report") for the fiscal year ended December 31, 2009. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether:

- the environmental performance indicators, environmental accounting indicators and social performance indicators (the "Indicators") for the period from January 1, 2009 to December 31, 2009 described in the Report are prepared, in all material respects, in accordance with the Company's reporting criteria; and,
- all the material sustainability information defined by the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS") is included in the Report.

The content of the Report is the responsibility of the Company's management. Our responsibility is to carry out a limited assurance engagement and to express our conclusion based on the work performed.

**Criteria**  
 The Company applies its own reporting criteria as described in its website. These are derived, among others, from the Environmental Reporting Guidelines of Japan's Ministry of the Environment. We used these criteria to evaluate the Indicators. For the completeness of material sustainability information, we used the "Criteria for Granting a Sustainability Report Assurance and Registration Symbol" of J-SUS.

**Procedures Performed**  
 We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines of Sustainability Information Assurance' of J-SUS. The limited assurance engagement on the Report consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviews with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviews of the Company's reporting criteria.
- Obtaining an understanding of the systems used to generate, aggregate and report the Indicators, and of the internal controls at corporate and site level.
- Analytical reviews of the Indicators aggregated at corporate level.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also a recalculation of the Indicators.
- Visits to the Company's factories domestic and overseas.
- Assessment of whether or not all the material sustainability information defined by J-SUS is included in the Report.
- Evaluating the overall statement in which the Indicators are expressed.

**Conclusion**  
 Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report; and
- all the material sustainability information defined by J-SUS is not included in the Report.

We have no conflicts of interest with the Company that are specified in the Code of Ethics of J-SUS.

*KPMG AZSA Sustainability Co., Ltd.*

KPMG AZSA Sustainability Co., Ltd.  
 Osaka, Japan  
 August 16<sup>th</sup>, 2010

In light of the fact that in fiscal 2009 (the year covered by this report) overseas operations took on growing importance for Sumitomo Rubber, as illustrated by CO<sub>2</sub> emissions from overseas factories exceeding those in Japan, we visited overseas factories. We compared overseas factories to their Japanese counterparts and found that rules for calculating and reporting environmental performance indicators are not followed as thoroughly overseas. In shooting for greater accuracy in the CSR information reported, we believe that there is room for improvement in how Sumitomo Rubber creates and implements systems for calculating and reporting of data.

In the 2010 CSR Report, as well as the printed version, we have assured the environmental performance indicators in the CSR information on the Web site (Japanese only), which gives a larger volume of information and greater detail. We believe that assurance for a greater number of media and indicators will make the information in the report more reliable in the eyes of stakeholders.

In disclosing important CSR information, we hope that efforts toward maintaining and improving the completeness and the reliability of it to be continued.

August 16, 2010

Yoshitaka Ono  
 Manager  
 KPMG AZSA Sustainability Co., Ltd.

## Environmentally Friendly Printing

### Eco Paper



This report is printed on FSC-certified paper, which shows it came from responsibly managed forests.



The paper used for this report is made from thinned trees; this helps keep forests healthy and growing.

### Eco Printing



Printing is carried out using a waterless printing process, which does not give off harmful liquids.



Printing uses soy ink containing no VOCs (volatile organic compounds).



Inspection at the Indonesia Factory



# GRI Sustainability Reporting Guidelines 2006(G3)

Core:Core indicator Add:Additional Indicator

Indicators		Page
<b>1. Strategy and Analysis</b>		
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	P5-6
1.2	Description of key impacts, risks, and opportunities.	P5-6
<b>2. Organizational Profile</b>		
2.1	Name of the organization.	P4
2.2	Primary brands, products, and/or services.	P3-4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	P3-4
2.4	Location of organization's headquarters.	P4
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	P3-4
2.6	Nature of ownership and legal form.	P4
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	P3-4
2.8	Scale of the reporting organization, including: Number of employees; Net sales (for private sector organizations) or net revenues (for public sector organizations); Total capitalization broken down in terms of debt and equity (for private sector organizations); and Quantity of products or services provided.	P4
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: The location of, or changes in operations, including facility openings, closings, and expansions; and Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	Not applicable
2.10	Awards received in the reporting period.	P18, P19, P25, P26, P28,P37
<b>3. Report Parameters</b>		
<b>Report Profile</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	P2
3.2	Date of most recent previous report (if any).	June 2009(Japanese), September 2009(English)
3.3	Reporting cycle (annual, biennial, etc.)	Annual
3.4	Contact point for questions regarding the report or its contents.	Back cover
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content, including: Determining materiality; Prioritizing topics within the report; and Identifying stakeholders the organization expects to use the report.	P2
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	P2
3.7	State any specific limitations on the scope or boundary of the report.	P2, P47
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	P22
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	—
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable
<b>GRI Content Index</b>		
3.12	Table identifying the location of the Standard Disclosures in the report.	—
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	P2, P48



# GRI Sustainability Reporting Guidelines 2006(G3)

Core:Core indicator Add:Additional Indicator

Indicators		Page
<b>4. Governance, Commitments, and Engagement</b>		
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	—
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	The Chair of the highest governance body is not also an executive officer.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	—
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	P36
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	—
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	—
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	—
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	P5, P11,P15–16,P22
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	P9,P21
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	—
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	—
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	—
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic.	P15–16
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organization.	—
4.15	Basis for identification and selection of stakeholders with whom to engage.	—
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P10,P33–34,P35–36,P37–38
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	P10,P23–24,P33–34



# GRI Sustainability Reporting Guidelines 2006(G3)

Core:Core indicator Add:Additional Indicator

Indicators			Page	
<b>5. Management Approach and Performance</b>				
<b>Economic</b>				
Disclosure on Management Approach			—	
Economic Performance Indicators	Core	EC1.	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	P4,P37
	Core	EC2.	Financial implications and other risks and opportunities for the organization's activities due to climate change.	—
	Core	EC3.	Coverage of the organization's defined benefit plan obligations.	—
	Core	EC4.	Significant financial assistance received from government.	—
Market Presence	Add	EC5.	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	—
	Core	EC6.	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	P35
	Core	EC7.	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	—
Indirect Economic Impacts	Core	EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	—
	Add	EC9.	Understanding and describing significant indirect economic impacts, including the extent of impacts.	—



# GRI Sustainability Reporting Guidelines 2006(G3)

Core:Core indicator Add:Additional Indicator

Indicators			Page
<b>Environmental</b>			
Disclosure on Management Approach			P21-22
Materials	Core	EN1. Materials used by weight or volume.	—
	Core	EN2. Percentage of materials used that are recycled input materials.	—
Energy	Core	EN3. Direct energy consumption by primary energy source.	P17-18
	Core	EN4. Indirect energy consumption by primary source.	P17-18
	Add	EN5. Energy saved due to conservation and efficiency improvements.	P17-18
	Add	EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	P23-28
	Add	EN7. Initiatives to reduce indirect energy consumption and reductions	P17-18
Water	Core	EN8. Total water withdrawal by source.	—
	Add	EN9. Water sources significantly affected by withdrawal of water.	—
	Add	EN10. Percentage and total volume of water recycled and reused.	—
Biodiversity	Core	EN11. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable
	Core	EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not applicable
	Add	EN13. Habitats protected or restored.	P13-14
	Add	EN14. Strategies, current actions, and future plans for managing impacts on biodiversity	—
	Add	EN15. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable
Emissions, Effluents, and Waste	Core	EN16. Total direct and indirect greenhouse gas emissions by weight.	P17-18
	Core	EN17. Other relevant indirect greenhouse gas emissions by weight.	—
	Core	EN18. Initiatives to reduce greenhouse gas emissions and reductions	P17-18
	Add	EN19. Emissions of ozone-depleting substances by weight.	Not applicable
	Core	EN20. NOx, SOx, and other significant air emissions by type and weight.	—
	Core	EN21. Total water discharge by quality and destination.	—
	Core	EN22. Total weight of waste by type and disposal method.	P19-20
	Core	EN23. Total number and volume of significant spills.	—
	Add	EN24. Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	—
	Add	EN25. Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	—
Products and Services	Add	EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	P23-28
	Add	EN27. Percentage of products sold and their packaging materials that are reclaimed by category.	P20
Compliance	Core	EN28. Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Not applicable
Transport	Add	EN29. Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	P18
Overall	Add	EN30. Total environmental protection expenditures and investments by type.	—



# GRI Sustainability Reporting Guidelines 2006(G3)

Core:Core indicator Add:Additional Indicator

Indicators			Page	
<b>Labor Practices and Decent Work</b>				
Disclosure on Management Approach			—	
Employment	Core	LA1.	Total workforce by employment type, employment contract, and region.	—
	Core	LA2.	Total number and rate of employee turnover by age group, gender, and region.	In fiscal 2009, the average range of services at Sumitomo Rubber Industry, Ltd. was 17.4 years and the job turnover was 3.3%.
	Add	LA3.	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	—
Labor/Management Relations	Core	LA4.	Percentage of employees covered by collective bargaining	—
	Core	LA5.	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	—
Occupational Health and Safety	Add	LA6.	Percentage of total workforce represented in formal joint management –worker health and safety committees that help monitor and advise on occupational health and safety programs.	P32
	Core	LA7.	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region.	P32
	Core	LA8.	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	P32
	Core	LA9.	Health and safety topics covered in formal agreements with trade unions.	P32
Training and Education	Core	LA10.	Average hours of training per year per employee by employee category.	P31
	Add	LA11.	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	P31
	Add	LA12.	Percentage of employees receiving regular performance and career development reviews.	—
Diversity and Equal Opportunity	Core	LA13.	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	—
	Core	LA14.	Ratio of basic salary of men to women by employee category.	—
<b>Human Rights</b>				
Disclosure on Management Approach			—	
Investment and Procurement Practices	Core	HR1.	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	—
	Core	HR2.	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	P35
	Add	HR3.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	—
Non-discrimination	Core	HR4.	Total number of incidents of discrimination and actions taken.	Not applicable
Freedom of Association and Collective Bargaining Core	Core	HR5.	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	—
Child Labor	Core	HR6.	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	P35
Forced and Compulsory Labor	Core	HR7.	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	P35
Security Practices	Add	HR8.	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	—
Indigenous Rights	Add	HR9.	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable



# GRI Sustainability Reporting Guidelines 2006(G3)

Core:Core indicator Add:Additional Indicator

Indicators			Page
<b>Society</b>			
Disclosure on Management Approach			—
Community	Core	SO1. Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	P39
Corruption	Core	SO2. Percentage and total number of business units analyzed for risks related to corruption.	P39
	Core	SO3. Percentage of employees trained in organization's anti-corruption policies and procedures.	P39
	Core	SO4. Actions taken in response to incidents of corruption.	P39
Public Policy	Core	SO5. Public policy positions and participation in public policy development and lobbying.	—
	Add	SO6. Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	—
Anti-Competitive Behavior	Add	SO7. Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	P39
Compliance	Core	SO8. Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Not applicable
<b>Product Responsibility</b>			
Disclosure on Management Approach			—
Customer Health and Safety	Core	PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	P25–26,P28
	Add	PR2. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not applicable
Product and Service Labeling	Core	PR3. Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	P23–24,P27
	Add	PR4. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not applicable
	Add	PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	P33–34
Marketing Communications	Core	PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	P39
	Add	PR7. Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not applicable
Customer Privacy	Add	PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not applicable
Compliance	Core	PR9. Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Not applicable



**Ministry of the Environment Government of Japan**  
**"Environmental Reporting Guideline(Fiscal Year 2007 version)"**

Indicator	Page
<b>1.Basic Information (BI)</b>	
BI-1	CEO's statement
BI-2	Fundamental requirements of reporting
BI-2-1	Organizations, periods and areas covered by the reporting
BI-2-2	Boundary of the reporting organization and coverage of environmental impacts
BI-3	Summary of the organization's business (including management indices)
BI-4	Outline of environmental reporting
BI-4-1	List of major indicators
BI-4-2	Summary of objectives, plans and results regarding environmental initiatives
BI-5	Material balance of organizational activities (inputs, internal recycling, and outputs)

<b>2.Information and Indicators that Describe the Status of Environmental</b>	
MP-1	Status of environmental management
MP-1-1	Environmental policy in organizational activities
MP-1-2	Status of environmental management systems
MP-2	Status of compliance with environmental regulations
MP-3	Environmental accounting information
MP-4	Status of environmentally conscious investment or financing
MP-5	Status of supply chain management for environmental conservation
MP-6	Status of green purchasing or procurement
MP-7	Status of research and development of new environmental technologies and DfE
MP-8	Status of environmentally friendly transportation
MP-9	Status of biodiversity conservation and sustainable use of biological resources
MP-10	Status of environmental communication
MP-11	Status of social contribution related to environment
MP-12	Status of products and services that contribute to the reduction of negative environmental impacts

<b>3.Information and Indicators that Describe the Status of Activities for Environmental Impacts and Reduction Measures (OPI)</b>	
<b>(Inputs)</b>	
OP-1	Total amount of energy input and reduction measures
OP-2	Total amount of material input and reduction measures
OP-3	Amount of water input and reduction measures
<b>(Internal recycling)</b>	
OP-4	Amount of materials recycled within an organization's operational area
<b>(Outputs)</b>	
<b>(Products)</b>	
OP-5	Total amount of manufactured products or sales
<b>(Discharge and emissions)</b>	
OP-6	Amount of greenhouse gas emissions and reduction measures
OP-7	Air pollution, its environmental impacts on the living environment, and reduction measures
OP-8	Amount of release and transfer of chemical substances and reduction measures
OP-9	Total amount of waste generation and final disposal and reduction measures
OP-10	Total amount of water discharge and reduction measures

<b>4.Information and Indicators that Describe the Status of the Relationship between Environmental Considerations and Management (EEI)</b>	
—	

<b>5.Information and Indicators that Describe the Status of Social Initiatives</b>	
1)	Information and indicators concerning industrial safety and hygiene
2)	Information and indicators concerning employment
3)	Information and indicators concerning human rights
4)	Information and indicators concerning contributions to local communities
5)	Information and indicators concerning corporate governance, corporate ethics, compliance, and fair trade
6)	Information and indicators concerning personal information protection
7)	Information and indicators concerning a wide range of consumer protection and product safety
8)	Economic information and indicators concerning organization's social aspects
9)	Information and indicators concerning other social aspects