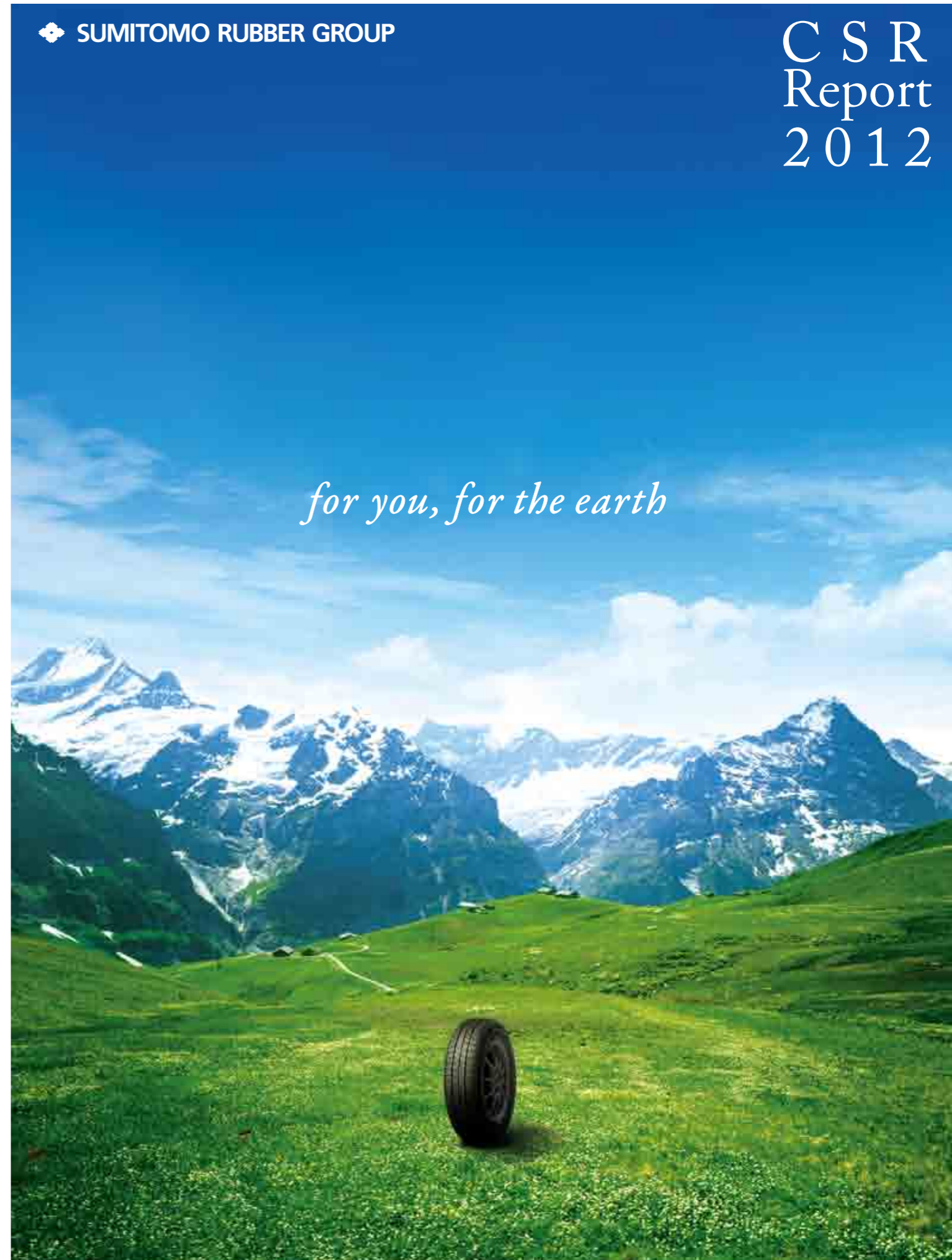


for you, for the earth



◆ SUMITOMO RUBBER GROUP

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The Sumitomo Rubber Group is committed to making contributions to society by offering true value in our areas of business—tires, sports and industrial products.

What we can do to create a sustainable society;

Create new value for more comfortable and appealing lifestyles for people all over the world through our daily business practices and by providing high-quality products that are both safe and environmentally friendly. Continuing to be a company whose existence is truly valuable, both for people and for the environment—this is the kind of CSR management that the Sumitomo Rubber Group aims to achieve.

Sumitomo Rubber Group

Tire Business



Sports Business



Industrial and Other Products Business



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Worldwide Tree Planting Activities and

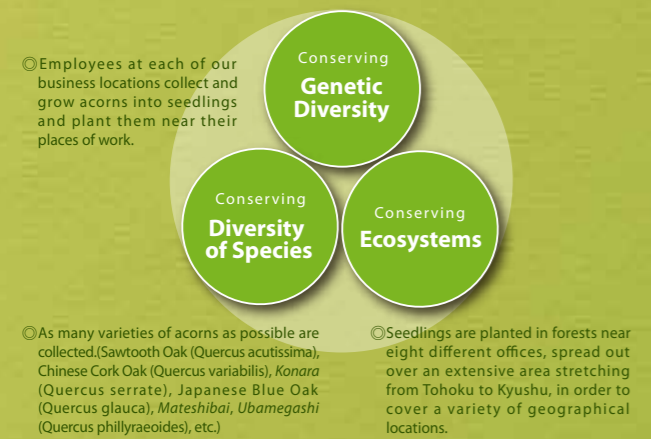
Wide-Reaching Efforts to Conserve Biodiversity under the One Million Trees for Local Forests Project

Having established "Green (Tree-Planting)" as one of the central pillars of Sumitomo Rubber Group's CSR activities, we have been actively planting trees both in Japan and overseas. However, we are not simply planting trees; we are engaging in tree-planting activities based on the "Three Aspects of Biodiversity Conservation" as part of our Biodiversity Conservation Policy. In order to ensure that this does not end up as simply an idea, we have enlisted the cooperation of Professor Hattori of the University of Hyogo and other experts to constantly assess our activities from objective and specialized perspectives so that our tree planting activities will not adversely affect other ecosystems. Our efforts to conserve biodiversity are quite diverse—we grow and maintain forests in various locations as part of our Group-wide efforts while each of our offices also engages in their own various efforts to conserve biodiversity on and around their premises, including protecting and cultivating populations of rare indigenous species and creating biotopes.

Sumitomo Rubber Group's Biodiversity Conservation Policy

- The Basic Stance behind This Policy**
 In keeping with our Basic Philosophy on CSR Activities, Sumitomo Rubber Group actively strives to promote the sustainable use of the elements of biodiversity, which form the foundation of all biological activity, in all of our business activities.
- Guidelines**
- 1. Relationship with Our Business Activities**
 We are working to identify and assess the impact of our business activities on biodiversity and to promote the conservation and the sustainable use of biodiversity elements in all of our business activities.
 - 2. Advancement on a Global Scale**
 We have incorporated concern for biodiversity into our globally integrated environmental management system and are working to raise biodiversity awareness among all of our Group employees while promoting conservation activities on a global scale.
 - 3. Social Contribution**
 We are actively engaged in social contribution activities related to biodiversity, including environmental conservation activities.
 - 4. Collaboration with Stakeholders**
 Particular emphasis is placed on working together with stakeholders—local residents, NPOs and NGOs, educational and research institutions, government agencies, business partners and so on—to conserve biodiversity.

Three Aspects of Biodiversity Conservation



One Million Trees for Local Forests Project



Activities and

The basic stance behind our efforts to conserve biodiversity—Based on social responsibility and a scientific perspective

In the Acorn Project—Planting for the Future, an ongoing project launched in fiscal 2008 as part of our Group's CSR activities, we have limited the seedlings that we plant to only those grown from acorns that were collected locally. This project has been recognized as an effective model for conserving genetic diversity. Through this project, we have learned, with the help of

Professor Akio Shimomura of the University of Tokyo Graduate School and Professor Tamotsu Hattori of the University of Hyogo, about the importance of basing our biodiversity conservation efforts on a scientific perspective in order to protect and nurture living beings. Since launching this project, we have become increasingly conscious of the fact that biodiversity conservation is a part of our social responsibility, and this has led us to engage in new efforts to protect and cultivate populations of rare indigenous species and create biotopes. In fiscal 2011, we published a pamphlet describing the Group's Biodiversity Conservation Policy and the Three Aspects of Biodiversity Conservation as a way of further advancing our efforts.



Unique projects are undertaken at each site to suit the local environment.

At our Ichijima Factory, there is an ongoing project to nurture *Omurasaki* (great purple emperor or *Sasakia charonda*), the Japanese national butterfly and an endangered species. The project began with the collection of seeds to grow Japanese hackberry trees (*Celtis jessoensis*), on whose leaves the butterflies feed. It took four years for the seeds to grow into large enough trees to serve as a suitable environment for the butterflies. In 2011, we received our first 100 larvae, which we raised in hand-made cages until the mature butterflies emerged. The factory also invited children from neighboring areas to visit and see the butterflies, providing a good opportunity for local people to learn about the importance of the environment. We plan to continue and



repeat our breeding efforts with the aim of finally releasing the adult butterflies into the wild in the near future. There are also other projects being organized and implemented at individual offices, making step-by-step progress, working in harmony with nature. One such project is Miyazaki Factory's cultivation and protection of the globe thistle (*Echinops setifer*), an endangered grassland plant. Because biodiversity conservation is so closely related to local environments, all of our various projects have their own unique features.



Biotopes stimulate local people's interest in biodiversity while enabling us to develop closer relationships with local communities.

In recent years, we have also been devoting a great deal of effort to creating biotopes. "Shirakawa-no Izumi" was created at our Shirakawa Factory in 2004, followed by "Koromo-no Izumi" at our Nagoya Factory and "Soso-no Izumi" at the Head Office. All of these biotopes were created by employees, who worked on them during their holidays with the cooperation of local residents. Within these biotopes, native plants are planted and native fish are released into ponds and streams. These biotopes also serve as places where local people can gather to learn while developing closer relationships. For example, our factories also invite children to visit and learn about biodiversity. In the future, we plan to provide plants, fruits and vegetables grown in these biotopes to local residents for the benefit of local communities.



"Soso-no Izumi," a biotope created at our Head Office (Kobe) by employees and their families

Promoting Local Efforts to Conserve Biodiversity



Safety assessments evaluate drainage capacity and braking performance in the rain

Assessing driving stability at high speeds on a 3.2 km course



Assessing comfort levels, including ride comfort and noise, on various road surfaces

Developing Environmentally Conscious Products Report 2



ENASAVE PREMIUM

While achieving the highest ever fuel-efficiency performance for the ENASAVE Series, these premium fuel-efficient tires also offer superior wet grip performance and driving stability.

Unified Mark for Fuel-Efficient Tires
Only tires with a rolling resistance coefficient ranking of A or higher and a wet grip performance grade between a and d are certified as fuel-efficient tires and can bear the unified mark that identifies them as fuel-efficient tires.

Rolling Resistance Performance
Rolling resistance performance is defined as the amount of energy lost by each tire when a vehicle is in motion. Lower energy loss means better fuel efficiency.

Wet Grip Performance
Wet grip performance is the capability of a tire to grip wet road surfaces. A fuel-efficient tire must have both low rolling resistance and high wet grip performance.

The launch of ENASAVE PREMIUM —Tires with the highest fuel-efficiency performance in the ENASAVE Series

We believe that, in order for us to contribute to the protection of the environment, it is necessary to offer fuel-efficient tires in as many sizes as possible and at prices that our customers can afford. To this end, our company has launched ENASAVE PREMIUM in a diverse lineup of sizes, with eight different sizes released in the first half of 2012 and plans to release another seven sizes in the second half of the year. Our ENASAVE PREMIUM tires have achieved the highest rank—AAA (some sizes are AA)—for rolling resistance under the new tire labeling system and the highest fuel-efficiency rating ever achieved by tires in the ENASAVE Series. ENASAVE PREMIUM offers superior performance in terms of both safety and driving stability, the most basic performance requirements for a tire.

Rolling Resistance Performance Achieves the highest rank—AAA
(Some sizes are ranked "AA" for rolling resistance performance.)

Wet Grip Performance
約9% ウェットグリップ性能向上
Compared with our conventional tires (EC201)

4D NANO DESIGN A new paradigm in material development technology supporting the development of environmentally friendly tires

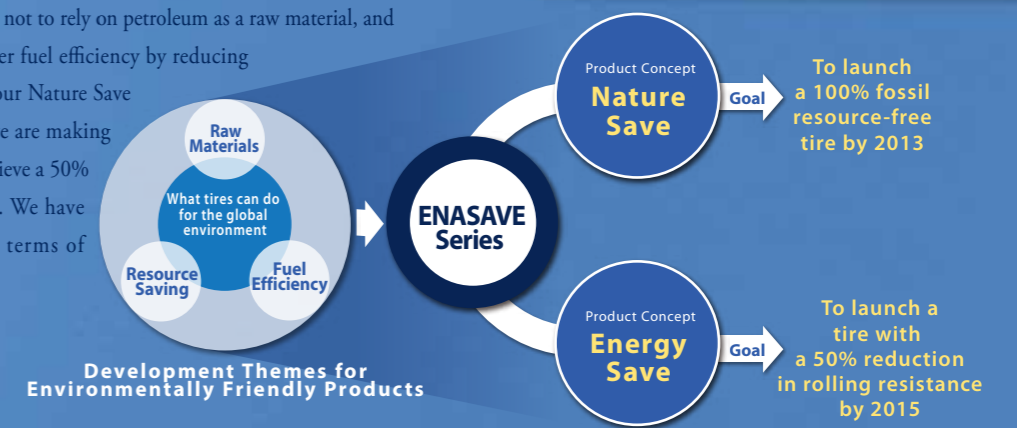
The achievement of an AAA rating for rolling resistance was made possible thanks to our company's new material development technology, 4D NANO DESIGN. Using 3D simulations created through

collaboration between "Spring-8" and the "Earth Simulator," this revolutionary new technology allows us to research the alignment of silica and other elements within rubber at the nanolevel, and even to predict the friction and heat generated between the molecules within rubber by creating 4D simulations (three dimensions plus time). By analyzing the data acquired through this technology, we are able to design molecular structures that generate less friction and less heat. In other words, 4D NANO DESIGN enables us to control materials both in four dimensions and at the nanolevel.

Based on designs created using this new technology, candidate rubber compositions are developed through the synthesis of various different materials. The candidate rubber composition is then once again analyzed at the nanolevel in order to select polymers and binders that can maximize the material's latent potential. For ENASAVE PREMIUM, we have adopted a dual-terminal, multiple-denatured polymer, which was developed through our company's molecular design capabilities and Sumitomo Chemical's high-precision denatured-polymer synthesis technology, as well as a high-reactive heat-resistant binder. As a result, we were able to achieve our best ever rolling resistance performance while maintaining both high fuel efficiency and high wet-grip performance.

Developing and Promoting the Use of Highly Fuel-Efficient Next-Generation Tires Made Using Environmentally Friendly Materials

"How can tires contribute more to the global environment?" In response to this question, Sumitomo Rubber Group has identified three major themes upon which to base our approach to developing environmentally friendly products: raw materials, fuel efficiency and resource saving. ENASAVE, the brand that best represents this approach, incorporates two major resolutions: "Nature Save," which aims to create 100% fossil resource-free tires so as not to rely on petroleum as a raw material, and "Energy Save," which aims to achieve higher fuel efficiency by reducing rolling resistance. We expect to achieve our Nature Save objective by 2013. With Energy Save, we are making progress towards developing tires that achieve a 50% reduction in rolling resistance by 2015. We have already made significant advances in terms of achieving Energy Save so far in 2012.



Careful, detailed inspection of air pressure and tire wear

the Environmental Impact of Tires

Using this new technology, we will continue our efforts to develop various high-performance tires that combine both safety and environmental consciousness in the future.

4D NANO DESIGN
New Material Development Technology
Technology to develop materials at the nanolevel through analysis and design in four dimensions (the usual three dimensions plus the fourth dimension: time)

Basic concepts to accelerate the development of new materials

Controlling the structure and properties of molecules at the nanolevel

Prediction, Investigation, Creation, Identification

Visualization of the Nano Scale

Expansion of the Scope of Simulation

Establishment of a New Material Development Technology

Expansion of the ENASAVE lineup to include commercial vehicles, which require higher durability and fuel efficiency

As commercial vehicles tend to have higher annual mileages, encouraging the more widespread use of environmentally friendly tires has become an increasingly pressing issue. However, unlike general-purpose vehicles, commercial vehicles require tires with an extremely high level of durability. For this reason, it is necessary to develop environmentally friendly tires that have a completely different structure, using materials that are entirely different at the molecular level, from the tires that are used on general-purpose vehicles. Having taken on this challenge, our company has expanded our environmentally friendly ENASAVE Series lineup to include such commercial vehicle categories as vans and light trucks, introducing of "ENASAVE VAN01" in 7 different sizes in February of 2012 and "ENASAVE SP LT38" in 16 different sizes in March. In the future, we will continue in our efforts to improve performance and expand the lineup of our environmentally friendly tires for commercial vehicles.

ENASAVE SPLT38
This highly fuel-efficient tire for light trucks achieves a 4.3% reduction in fuel consumption and a longer product life.
約4.3% 燃費向上
Compared with our conventional tires (SPLT33)



ENASAVE VAN01
This highly fuel-efficient tire for vans combines a 2.5% reduction in fuel consumption with superior wet grip performance for better safety.
約2.5% 燃費向上
Compared with our conventional tires (DV-01)



Disaster Relief and Recovery Support Report 3

Ongoing Activities

Supporting Recovery in Areas Affected

Recovery Efforts Undertaken by Volunteer Teams Consisting of Group Employees in Ishinomaki City, Miyagi Prefecture

The massive, unprecedented earthquake that struck the Tohoku Region brought unimaginable damage and destruction to the region in the blink of an eye. What's more, recovery efforts in the affected areas have not progressed as much as expected. Having learned from the experience of the Great Hanshin-Awaji Earthquake, we understand quite well that the more time passes, the more important disaster recovery becomes. At that time, we all received a great deal of help and support from many people, and it was with this help and support that we were able to keep going. Now, driven into action by those earlier memories, Sumitomo Rubber Group employees formed volunteer teams and engaged in ongoing volunteer activities in the hope of helping the affected areas to recover as quickly as possible.



Volunteer Teams—Formed out of the collective thoughts and feelings of each employee of the Sumitomo Rubber Group

The Great East Japan Earthquake also caused significant damage to Sumitomo Rubber Group distributorships and our factory in the region. As the initial emergency response stage was drawing to a close, several Sumitomo Rubber Group employees began expressing a desire to go to the disaster-affected areas as volunteers. Employees at the Head Office in particular felt very strongly that it was now their turn to help people, as they themselves had been helped 16 years prior. After gathering information, the CSR Promotion Office selected the Volunteer Center in Ishinomaki City, Miyagi Prefecture as the onsite organization that could best connect our desire to help with the needs of local disaster victims. Volunteers were invited to participate in relief activities through the company intranet, forming Volunteer Teams that traveled to the affected areas in buses that the company provided.



Sumitomo Rubber Group's Recovery Support Activities for Areas Affected by the Great East Japan Earthquake

- Monetary Donations**
 - Sumitomo Rubber Industries, Ltd. and Dunlop Sports Co., Ltd. together donated a total of 100 million yen to Fukushima, Miyagi and Iwate Prefectures.
 - Employees of the Sumitomo Rubber Group donated a total of 10,450,000 yen via the Japanese Red Cross Society.
- Supplies and Materials**
 - 100 million yen worth of gas pipes for temporary housing units, rubber work gloves and other supplies were donated to municipal governments and other organizations.
 - In response to requests from NPOs, about 13,000 pairs of work gloves were donated to volunteer centers and other organizations.
 - In response to requests from NPOs, the company sought donations of daily necessities from employees and these were given to earthquake victims who had evacuated to Hyogo Prefecture.
 - Studless tires for vehicles shared by those living in temporary housing units were donated via NPOs.
- Financial Support to NPOs**
 - Funds (1.1 million yen in total) were donated to seven NPOs that are engaged in recovery activities and supporting people affected by the disaster.
- Personnel Support Activities**
 - Teams of volunteers made up of Sumitomo Rubber Group employees visited one of the affected areas (Ishinomaki City, Miyagi Prefecture) on four separate occasions to take part in debris removal and other support activities.
 - * Reported on this page.

Outline of Activities by the "Volunteer Team to Support Recovery Efforts in Areas Affected by the Great East Japan Earthquake in Tohoku"

(In Ishinomaki City, Miyagi Prefecture in 2011)

[First Visit] June 8 to 11	Number of Participants: 16 Sumitomo Rubber Group employees Activities: Assistance with removing mud and debris from affected houses, cleaning work, etc.
[Second Visit] July 13 to 16	Number of Participants: 20 Sumitomo Rubber Group employees Activities: Assistance with removing mud and debris from affected houses, cleaning work, etc.
[Third Visit] September 7 to 9	Number of Participants: 33 Sumitomo Rubber Group employees Activities: Assistance with arranging and preparing fishing gear, cleaning work, etc.
[Fourth Visit] October 19 to 22	Number of Participants: 18 Sumitomo Rubber Group employees Activities: Removal of debris and sludge, etc.

by the Great East Japan Earthquake

While overwhelmed by the magnitude of the damage, team members did what they could.

The team made its first visit in June. They departed from Kobe after office hours on Wednesday and arrived at the Volunteer Center in Ishinomaki City the following morning. It wasn't until after they arrived that they first decided where they would go and what they would do. During the first visit, team members cleaned houses along the coast that had been damaged by the tsunami, lifting up *tatami* mats, removing water from under the floors in a bucket relay and raking out the mud that had piled up. While overwhelmed by the enormity of the destruction and the foul smell of the fish that had washed up from the sea, the team members did their best, doing what they could to help. The team made their second visit in July, with employees from our Nagoya Factory and tire distributorships in the Chubu Region also participating. They engaged in the same kinds of activities as they had on the first visit. While the smell had become less intense, this time, they had to endure the scorching summer heat because the work required them to be well clothed. The third visit was in September. This time, the company chartered a bus from Tokyo so that even more employees could participate. The participants helped to sort out and prepare

various kinds of fishing gear, including ropes for oyster cultivation, in a fishing village in Oshika District. The team members worked side by side with people who had been affected by the earthquake and who were grateful for the help. The fourth visit was in October. This time, many employees from tire distributors and affiliates in the Kansai Region also participated. As they had on the third visit, they again visited Oshika District, where they engaged in basic recovery activities such as clearing what had formerly been farmland and removing TV sets, motorcycles, vending machines and other objects buried under the mud.

Something that can only be found in disaster-stricken areas: The importance of ongoing support that is felt in each person's heart.

The extent of the damage is truly enormous, and there is only so much that a single person can do—such is the harsh reality that all of the participants faced during these four visits to the affected areas. But at the same time, through these activities, the participants were also able to see firsthand that when many people combine

their efforts, there is no difficulty that they cannot overcome.

In order to overcome such devastating damage and bring about a true recovery, it will become more and more important for as many people as possible to offer ongoing support. The activities of volunteer centers in the affected areas have now moved on from debris removal to psychological care for disaster victims, and so our volunteer team has suspended its activities for the time being. However, we are still keeping a close eye on the affected areas, gathering information so that we will be prepared to dispatch a team of volunteers as quickly as possible the moment we receive a request.





In Vietnam, employees collect seeds to cultivate into seedlings, some of which are presented to local high schools for use in environmental education and for adding greenery to school grounds.



In Indonesia, cold-storage boxes for transporting polio vaccines were donated to a local province. Mangrove-planting events were also held, with local high school students participating. Through these activities, our cooperation and coordination with local communities has grown closer year by year.

Contributing Extensively to the Improvement of Local Communities and Society as a Trusted and Reliable Global Company

The basic concept behind the SRI Way is: "to be recognized and trusted as a global corporate citizen that makes significant contributions to improving both our communities and society while continuing to offer products that help people to achieve better, more comfortable lifestyles." In addition, our employees throughout the world are implementing a wide variety of CSR efforts based on our CSR Philosophy, which states: "the Sumitomo Rubber Group carries out GENKI Activities, energetic contributions to the environment and to our communities, in order to become a trusted corporate citizen and part of a sustainable society."

The SRI Way —Practiced around the World

Our Indonesia Factory undertakes social contribution activities with a strong sense of awareness among its employees.

In Indonesia, polio is still a threat to children. Our Indonesia Factory is cooperating in efforts to eradicate polio in Cikampek District, where the factory is located. The Factory donated 20 sets of cold-storage boxes and cooling agents to the province in order to ensure the safe transport of polio vaccines. For several years, the Indonesia Factory has also donated textbooks and stationery supplies to nearby elementary schools in cooperation with other Japanese companies located in the same industrial complex. These various activities have earned the Factory a great deal of praise. In addition, the Indonesian government once again awarded the Factory its PROPER environmental certification in 2011. In the future, the Factory will continue its efforts to implement activities that are suited to local conditions, local characteristics and local needs.

Mangrove-planting activities are progressing in Thailand. In 2011, tree-planting events were held in March, May and July. At these events, participants enjoyed lunch together, which helped them to get to know each other better.



Our distributorship in Central and South America (Chile) conducted their 3rd Cherry Tree Planting Campaign in June of 2011, presenting 30 cherry trees to local schools and kindergartens.

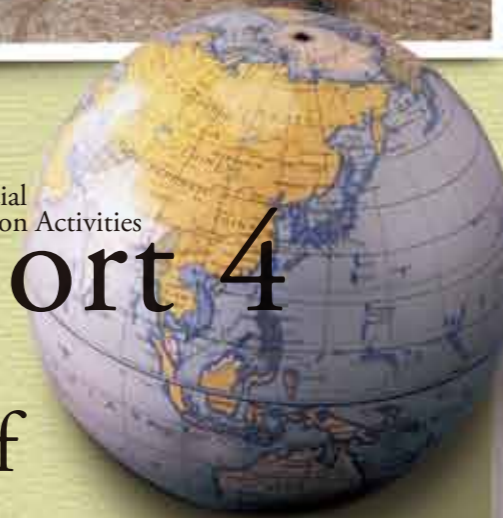


The Thailand (Tennis Ball) Factory is also focusing its efforts on planting trees. In 2011, the factory held tree-planting activities involving local children.



In China, employees from Changshu Factory have been making regular visits to local orphanages since 2009. In 2011, as in previous years, they made five visits, thereby fostering stronger bonds with the children.

Global Social Contribution Activities Report 4



for the Benefit of Society and the Global Environment

Vietnam Factory's CSR activities have received a great deal of praise.

Seeds were collected by employees and their families and cultivated into seedlings, some of which were planted while others were donated to local high schools. The Factory has also focused its efforts on maintaining its ISO 14001 certification and publishing environmental reports. At the same time, the Factory has made great strides in implementing energy-saving measures while also making active efforts to improve workplace safety. In addition, through various events that the Factory has held, communication between employees is also improving. Following the Great East Japan Earthquake, the Vietnam Factory collected messages of encouragement for disaster victims and organized a fundraising campaign. These diverse activities have earned the Factory high praise, and in March of 2012, the Vietnam Factory

received a CSR Award from Brother Vietnam, one of our customers. When selecting the winners for this award, Brother first screens CSR Reports from about 100 different suppliers to identify candidates and then sends judges to pay a direct visit to each candidate for fact checking before making a final decision. Encouraged by the fact that our Factory was found to meet these rigorous standards, the entire staff of Vietnam Factory will continue to make concerted efforts to expand and improve their CSR activities.

Our offices around the world are engaged in energetic social contribution activities that are suited to fit their local environments.

Other overseas offices are also actively participating in our Group-wide tree planting campaign. At the same time, they are also advancing their own wide-ranging GENKI activities, adapted to suit regional circumstances,

for the benefit of society and the global environment. Some of the efforts that were made to respond to local needs in fiscal 2011 included: our Thai Factory organized a blood donation campaign and neighborhood cleaning activities; our Thai (Tennis Ball) Factory launched a fundraising campaign for victims of the South Thailand Flood; and our Changshu Factory in China organized a program to visit local orphanages.



March is Green Month in China. During this month, our Zhongshan Factory planted 400 trees in a coastal region that is currently being developed.

In Malaysia, tree-planting events are held every month. Each tree is labeled with a tag bearing the name of the person who planted it so that he/she can monitor its growth.



To Create New Value for the Future

I. Ikeda

President and CEO, Representative Director
Sumitomo Rubber Industries, Ltd.



Profile: Ikuji Ikeda

Graduated from the Faculty of Engineering at Kyoto University. Entered Sumitomo Rubber Industries, Ltd. in 1979. Assumed the position of General Manager of the Tire Production Technology Division in 2000, that of Executive Officer in 2003, that of Director & Senior Executive Officer in 2007 and that of Representative Director & Managing Executive Officer in 2010. He has been in his current position since March 30, 2011.

Although one-and-a-half years have passed since the Great East Japan Earthquake, there are many people who are still living under difficult circumstances. Please allow me to take this opportunity to express my sincerest wishes for the safety and health of the disaster victims and the earliest possible recovery of the affected areas. The Sumitomo Rubber Group will continue in its steadfast efforts to assist in the recovery after this terrible disaster, including volunteer activities by our employees and by providing a stable supply of tires to support vehicles that are indispensable for relief activities, for industry and for daily life. Having successfully recovered from two disasters—the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake—thanks to many people’s kind support, the Sumitomo Rubber Group will continue with our relief efforts based on what we have learned from these experiences.

Contributing to the Sustainable Development of Society through the Pursuit of “the World’s Best Value”

The Sumitomo Rubber Group is making concerted efforts to achieve our long-term vision: “to be a Group that continues to provide the world’s best value in all areas of our business.” Our “NEXT Activities,” a Group-wide effort to fulfill the goal of our long-term vision, aims to secure new sources of revenue and develop them in a way that is optimal for our overall operation. Through our NEXT Activities, we aim to achieve our dual goals of “having the best earnings in our industry segment” and “having the ability to grow and develop without being affected by environmental changes,”

and, in so doing, to achieve the goal stated in our long-term vision of “providing the world’s best value.” Last year, the Sumitomo Rubber Group was faced with enormous difficulties brought about by natural disasters such as the eruption of Shinmoedake and the Great East Japan Earthquake, but we were able to overcome them through our collective strength. United by the same high sense of purpose, all of our employees are encouraged to aim ever higher in pursuing the world’s best value so as to put the Sumitomo Rubber Group on the right track for future growth and development.

The pursuit of social value, as well as economic value, is essential for a company to achieve sustainable growth. This is a way of thinking that has been passed down from generation to generation throughout Sumitomo’s 400-year history. We at the Sumitomo Rubber Group are committed to contributing to the sustainable development of society, not only by fulfilling our various social responsibilities, such as compliance and environmental protection, but also by applying our great technical strength and research and development capabilities to future growth. We will strive to develop and provide high-quality products that ensure safety, comfort and cost-effectiveness for our customers. In seeking to remain faithful and accountable to all stakeholders, we will also endeavor to enhance the soundness and transparency of our management.

Promoting Environmental Conservation and Developing a 100% Fossil Resource-Free Tire

Having been certified as an Eco-First Company

in 2009, the Sumitomo Rubber Group has pursued various initiatives to protect the global environment. One of these initiatives is the “One Million Trees for Local Forests Project,” whose goal is to plant one million trees at Sumitomo Rubber bases and their surrounding communities worldwide. And as part of the One Million Trees Project, the “Acorn Project—Planting for the Future” is also proceeding with active participation from all of our business locations in Japan. In this project, employees plant seedlings that were raised from acorns, with the goal of planting 20,000 trees per year for a period of 10 years. It is estimated that, after 25 years, the planted trees will absorb all of the annual CO₂ emissions from our six factories in Japan. In addition to the Acorn Project, we have also implemented the Team ENASAVE Campaign, in which one mangrove seedling is planted in Thailand for every set of fuel-efficient ENASAVE Series tires that a customer purchases. Last year, the number of trees planted through this project, which started in 2009, reached one million. We believe that this great success is due to the fact that our fuel-efficient, environmentally friendly products have been well received by consumers, who have shown a growing interest in protecting the environment in recent years. With the introduction of the tire labeling system in January of 2010, enabling consumers to compare tire performance with ease, we anticipate that consumer interest in and demand for fuel-efficient tires will increase even further in the future.

As part of our Eco-First Commitment, we are

working on the development of next-generation eco-friendly products, including taking steps toward developing “100% Fossil Resource-Free Tires.” We have already released tires that are 97% fossil resource-free and, last year, we succeeded in eliminating the remaining 3% through the application of biomaterial technology, producing a prototype tire that is completely free of fossil resources. This success has been a major step toward achieving our goal: “to create the future of tire technology—perfect eco-tires that are completely free of fossil resources.”

Aiming Higher to Become a Truly Valuable Company

In order for a company to achieve sustainable growth, it is essential to continue earning the trust of society by continually contributing to the sustainable development of society. The Sumitomo Rubber Group aims to become a truly valuable corporate group for all stakeholders by pursuing “true value” in all of our business areas. In order to achieve this goal, we will devote significant efforts to establishing and implementing the SRI Way as the core value of our corporate culture, encouraging individual employees to aim higher while endeavoring to grow and learn from each other in an open and active working environment.

We humbly request your continued guidance and support in our efforts. We welcome and would be grateful for your candid comments and opinions regarding the content of this report and our company.

Sumitomo Rubber Group Company Philosophy and CSR Philosophy

Ever since its founding as Japan's first modern rubber plant in 1909, the Sumitomo Rubber Group has always strived to offer attractive products throughout a history of changes and challenges. Throughout this history, certain ideas, including the Sumitomo Business Spirit, which has been formed and refined through the course of Sumitomo's long history, the Dunlop Spirit of Innovation and our own unique free-spiritedness, have formed the backbone of our group. The Sumitomo Business Spirit reflects Sumitomo's strong sense of mission and commitment to improving society: our business is not only for the benefit of Sumitomo, but for the benefit of the nation and society as well. This spirit underlies our Group's corporate philosophy. We firmly believe that corporate social responsibility is simply a matter of putting the Sumitomo Business Spirit into practice.

Action Tag Line for the Long-Term Vision

In 2005, the Sumitomo Rubber Group developed a long-term vision that defines where we want to be in 10 years, and the slogan "Go for Value!" was chosen as our corporate action slogan. This slogan expresses our commitment to seeking value for all stakeholders. With this commitment in mind, we aim to be a company that continues to provide the world's best value in all areas of our business, seeking not only economic value through sales of products and services, but also social value through our CSR activities.

Long-Term Vision

To be a company that continues to provide the world's best value in all areas of our business

Action Slogan for Our Long-Term Vision

Go for Value

Pursue Value for All Stakeholders

The Motivation behind Our Values

To be the world's best in terms of practical operational skills, development capabilities and technological expertise

To have the best earnings in our industry segment

The backbone of the Sumitomo Rubber Group:
The Sumitomo Business Spirit Dunlop's Spirit of Innovation Our Own Unique Free-Spiritedness

The Sumitomo Business Spirit

Placing importance on integrity and sound management (Shinyo-Kakujitsu)
Respect for human resources
Attaching importance to technology
Harmony with public interests

The SRI Way

In 2009, the Sumitomo Rubber Group celebrated the 100th anniversary of its founding. In order to achieve another century of even greater growth, we formulated the SRI Way so that the values and principles of action that we hold so dear could be known and understood systematically by people throughout the world. With the expansion of our business scope and operational scale, including a rapidly growing number of overseas bases, an ever-increasing number of people, each with their own diverse values, have now become involved in our Group's business activities. We believe that it is essential for us not only to share a common set of values and ideas as the basis for employee decisions and actions, but to also standardize the way in which our work is carried out so that we may strengthen the overall solidarity of the Group and thereby continue to offer products and services of consistently high quality worldwide. By reaffirming 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.

Group Philosophy	<p>The Sumitomo Rubber Group aims to be known and trusted as a global corporate citizen that fulfills its responsibilities to society by seeking the wellbeing of all of our employees, making significant contributions to improving both communities and society and continuing to offer products that help people achieve more comfortable lifestyles.</p> <ul style="list-style-type: none"> ○ Meet customer expectations with ever-improving product quality, manufactured based on careful observation of what is happening in the market. ○ Create new possibilities for the future by adapting to changing times while maintaining a sound business foundation. ○ Make the most of proprietary technologies and advanced research and development to create new products and services to meet customers' changing needs. ○ Take responsibility for environmental protection in all of our business activities and continue to develop eco-friendly technologies. ○ Create an attractive workplace that helps employees to achieve their lifestyle needs. 			
Values	Integrity & Soundness	Communication	Dedication to Long Term Goals	Personal Development
Practical Guidelines	<ul style="list-style-type: none"> ● Customer first ● Direct confirmation ● Scientific approach ● Continuous improvement 	<ul style="list-style-type: none"> ● Inter-personal concern ● Face to face communication ● Report, liaise and consult on all levels. 	<ul style="list-style-type: none"> ● Break the status quo with critical thinking. ● Know your limitations and set benchmarks for better performance. 	<ul style="list-style-type: none"> ● On-the-job-training ● Accomplish goals and targets through teamwork.

Basic Philosophy of CSR

CSR Philosophy	<p>The Sumitomo Rubber Group's GENKI Activities are energetic contributions to the environment and communities, focusing on being both a trusted corporate citizen and part of a sustainable society.</p>	
CSR Guidelines	<p>Green Initiative</p> <ul style="list-style-type: none"> 1 Helping to curb global warming by planting trees. 2 Fostering better relationships with local communities through tree planting. <p>Ecology</p> <ul style="list-style-type: none"> 3 Reducing CO₂ emissions. 4 Implementing worldwide environmental management. <p>Next-Generation Product Development</p> <ul style="list-style-type: none"> 5 Developing environmentally friendly products. 6 Pursuing safety and comfort, economy, and quality. <p>Kindness to Employees</p> <ul style="list-style-type: none"> 7 Fostering human resource development and making jobs rewarding. 8 Creating a safe, employee-friendly workplace. 9 Achieving a work-life balance. <p>Integrity for Stakeholders</p> <ul style="list-style-type: none"> 10 Ensuring thorough corporate governance. 11 Ensuring thorough compliance. 12 Promoting dialog with stakeholders. 13 Keeping social contribution in constant motion. 	<p>Eco-First commitments make environmental protection a top priority.</p> <p>The Sumitomo Rubber Group makes environmental protection efforts a top management priority. In March 2009, as part of the Eco-First Program established by the Ministry of the Environment, the Group made a "pledge of eco-first" to the Minister of the Environment. This pledge has been mostly accomplished, and in March 2012, a new "pledge of eco-first (renewal letter)" was signed.</p>  <p>Eco-First commitments Under the Eco-First Program, which aims to encourage leading companies to redouble their environmental preservation efforts, companies make a commitment to the Minister of the Environment to implement measures to curb global warming to help Japan meet its targets for the Kyoto Protocol.</p>

Green Green Initiative

Our Network of Tree-Planting Activities Is Expanding from Japan to the World, Safeguarding a Sustainable Future for the Earth and for Humanity

Helping to Curb Global Warming While Fostering Better Relationships with Local Communities through Tree Planting

Sumitomo Rubber Group is actively promoting green initiatives at its business sites and in surrounding communities throughout the world as part of our CSR Guidelines. The One Million Trees Project, whose goal is to plant one million trees over a 20-year period, has progressed at a much faster pace than originally planned, reaching its goal of planting one million trees in 2011.

(*Tree-planting activities are scheduled for completion by the end of 2012.)



Thai children planting mangrove seedlings as part of the Team ENASAVE Campaign

The Acorn Project—Planting for the Future

As one of our green initiatives, in 2005, Sumitomo Rubber Group launched a project to cultivate and plant acorn seedlings. In 2007, we established the Acorn Bank so that employees' families and community members could also participate in collecting acorns. In 2008, we expanded these acorn-planting activities into our Acorn Project—Planting for the Future with the hope that in 25 years, enough trees will have been planted to absorb all of the annual CO₂ emissions from Sumitomo Rubber's eight domestic business sites. To this end, Sumitomo Rubber factories and offices across Japan continue to cultivate acorns collected in the Acorn Bank into seedlings and plant them on their premises and in surrounding areas. In fiscal 2011, 24,094 trees were planted, bringing the total number of trees planted under the project to 68,129. As part of our environmental conservation efforts, we plan to continue involving current and former employees, as well as local residents, in the Acorn Project at all of our domestic bases.

Outline of the Acorn Project



Tree-Planting Activities in Japan—GENKI Forests

As part of the Acorn Project, Sumitomo Rubber Group factories and offices in Japan have been planting trees not only on their own premises, but in surrounding areas as well. Since planting non-native tree species may have a negative impact on local ecosystems, we only plant seedlings that were raised from locally collected acorns. We will continue with our tree-planting efforts while also working to ensure that we are preserving biodiversity. Thanks to these tree-planting activities, Sumitomo Rubber GENKI Forests are expanding year by year. As of the end of 2011, there were GENKI Forests in nine locations throughout Japan, primarily in the areas around our sites of business, covering a total area of 21 hectares. We plan to continue our tree-planting efforts and expand our GENKI Forests.



Tree-planting activities in the GENKI Forest on Mt. Rokko

"Team ENASAVE" Campaign—Where Customers Can Participate in Tree Planting Activities

Sumitomo Rubber Group launched our "Team ENASAVE" Campaign in fiscal 2009 as a way to involve our customers in tree planting activities. A portion of the sales of our fuel-efficient ENASAVE Series tires is used to plant mangrove seedlings in Thailand, where many of our tires are manufactured. In fiscal 2011, we expanded these tree-planting activities to include Indonesia as well, planting a total of 225,000 seedlings between the two countries. The total number of seedlings planted since the beginning of the campaign has now reached 1,015,573.

Just as mangrove trees are supported by their many roots, our Team ENASAVE activities are supported by our many customers. The Team ENASAVE Campaign allows us to continue working with our customers in order to secure the future of our planet.



Kana Uemura also supports Team ENASAVE.

For details
See the Team ENASAVE page on DUNLOP's website. (Japanese only)
<http://team.enasave.jp/>

Overseas Tree-Planting Activities

Sumitomo Rubber Group's overseas production and sales bases have also been planting trees to help prevent global warming and encourage interaction with local communities. In fiscal 2011, our Group's China Changshu and Zhongshan Factories, Indonesia Factory, Malaysia Factory, Thailand Factory and Vietnam Factory planted a total of 20,598 trees. Overseas sales companies (in the U.S., Singapore, Dubai, Chile, etc.) planted a total of 3,055 trees. Tree-planting activities at Overseas Sumitomo Rubber Group sites will continue in fiscal 2012 and into the future.



Tree-planting activities in front of our Thailand Factory

The Voice of Our Employees



Naomi Asakawa
General Manager, Ichijima Factory
Dunlop Sports Co., Ltd.

Working Together with Local Residents to Restore Local Ecosystems

I am very proud of the fact that our factory has received the METI-Kansai Director-General Award in recognition of our employee-designed and employee-driven greenery activities. We plan to continue our ongoing project of nurturing Japan's national butterfly, the *Omurasaki*, in the hope of one day seeing beautiful *Omurasaki* butterflies fluttering through the skies over Tanba. Also, because freshwater snails, which serve as food for fireflies, inhabit the streams near our factory, we plan to build a biotope as a place of relaxation for employees and local residents.

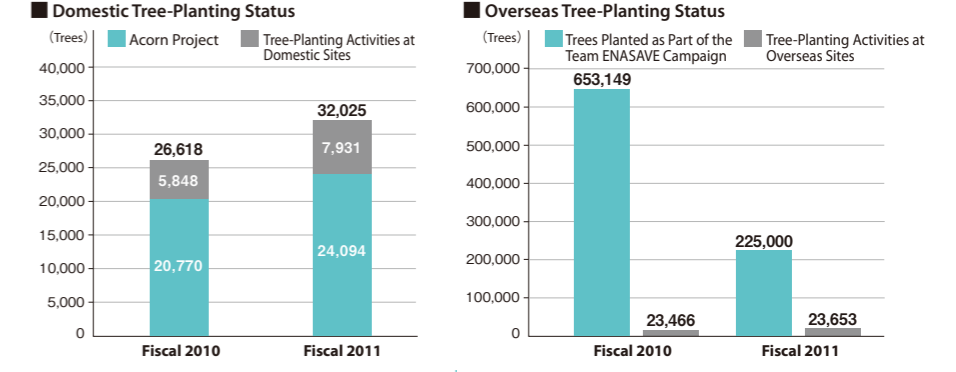
TOPICS

Ichijima Factory Receives the METI-Kansai Director-General Award for Factories Making Outstanding Contributions to the Environment

The Ichijima Factory of Dunlop Sports Co., Ltd. received the "Fiscal 2011 METI-Kansai Director-General Award for Factories Making Outstanding Contributions to the Environment" in recognition for its outstanding contributions to improving the environment in and around the factory premises through active tree-planting activities. Working under the slogan "Gambare Chikyu (Save our Earth)!" Green Assets for Future Generations, Ichijima Factory has been proactively planting trees—employees grow seeds into seedlings and plant them within the factory grounds or donate them to local communities and municipalities. In addition to tree-planting activities, the Factory has also been undertaking various other environmental protection activities, including nurturing Japan's national butterfly, the "Omurasaki," which has been designated as a near-threatened species. As part of our efforts to nurture *Omurasaki*, we also cultivate Japanese hackberry trees, which serve as a host plant for *Omurasaki*. Ichijima Factory also received the Japan Greenery Research and Development Center Chairperson Award in fiscal 2008.



Sumitomo Rubber Group's Tree-Planting Status



Ecology

Ecological Process: Reducing the environmental impact of our business activities

Advancing Environmental Protection Activities as a Top Management Priority

Priority

Reducing CO₂ Emissions

Global warming is an immense issue, one that will require the collective knowledge and wisdom of the entire human race to solve. Although various efforts are already underway throughout the world, resolving this issue will require continuous and determined efforts. In keeping with our key Environmental Policy of striving to combat global warming in all of our business activities, Sumitomo Rubber Group aims to further bolster our Group-wide efforts to reduce CO₂ emissions.

Renewing Our Eco-First Commitments

In March of 2009, under the Eco-First Program established by the Ministry of the Environment, Sumitomo Rubber Group was officially certified as an Eco-First Company, thereby making a pledge to carry out forward-thinking environmental activities under three themes: preventing global warming, building a recycling-oriented society and developing eco-friendly products. As a result of the thorough, group-wide implementation of these pledge measures, Sumitomo Rubber

Eco-First Commitments (Renewal)



Group was able to successfully achieve our targets. At a "Fiscal 2011 Follow-Up Reporting Session" held on March 22, 2012, President Ikeda reported to Minister of the Environment Hosono that the Group's activities were progressing as planned, and at the same time renewed our pledge to continue our group-wide efforts as an Eco-First Company.

In accordance with the revision of the Eco-First Program Implementation Rules issued in 2010, we renewed our Eco-First commitments with fiscal 2015 as the target year. In our renewed Eco-First commitments, we promised to implement six proactive measures under three key themes: "creating a low-carbon society," "the 3Rs," and "promoting harmonious coexistence with nature."



President Ikeda at the Fiscal 2011 Follow-Up Reporting Session

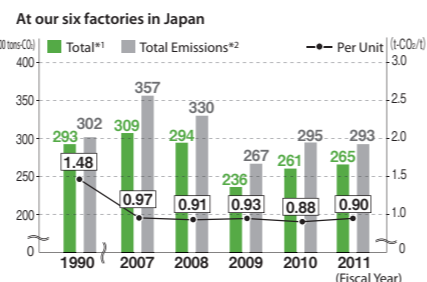
Combating Global Warming in Our Production Process

In fiscal 2011, emissions at the Sumitomo Rubber Group's six Japanese factories totaled 265,000 tons-CO₂ (90% of fiscal 1990 levels). This means that we did not achieve our target of at least a 14% reduction from fiscal 1990 levels. Both per-unit CO₂ emissions and per-unit energy usage (crude oil equivalent) increased by 2% compared with the previous year. This was primarily due to delayed energy conservation investments and increased production losses caused by the Great East Japan Earthquake. Aside from CO₂, greenhouse gases emitted during production include methane, nitrous oxide, hydrofluorocarbons and sulfur hexafluoride. In fiscal 2011, our factories emitted 337 tons-CO₂ of these greenhouse gases.

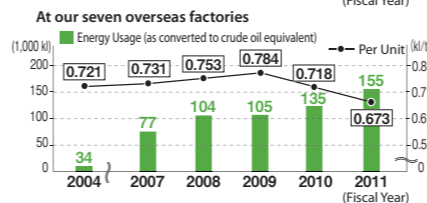
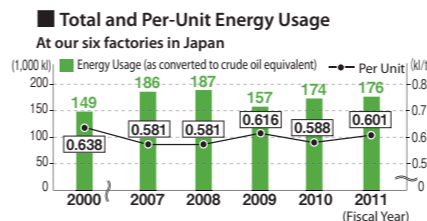
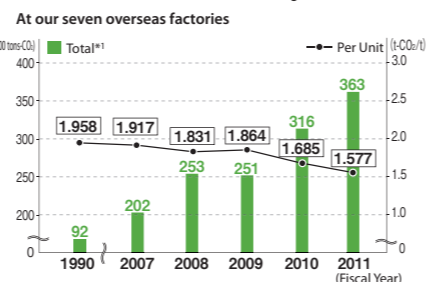
In fiscal 2011, our overseas factories and domestic affiliated companies achieved their targets for both per-unit CO₂ emissions and per-unit energy usage (crude oil equivalent). In particular, our overseas factories' success in achieving these targets was primarily due to significant increases made in production volumes and increased energy efficiency.

In fiscal 2012, we will once again endeavor to reduce total CO₂ emissions at our six domestic factories by at least 14% compared with fiscal 1990 levels.

Total and Per-Unit CO₂ Emissions



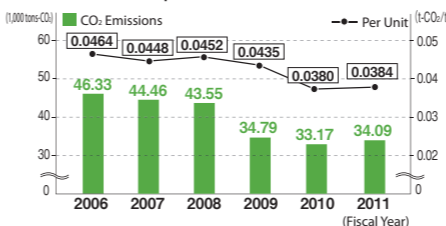
*1 According to the Guide to Calculating Greenhouse Gas Emissions, published by the Japan Rubber Manufacturers Association (used to calculate per-unit figures)
*2 Total emissions do not take into account cogeneration credits



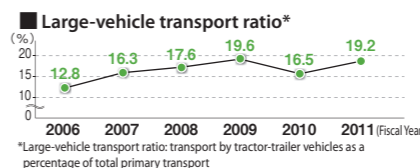
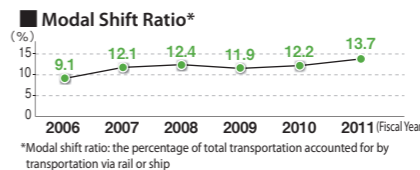
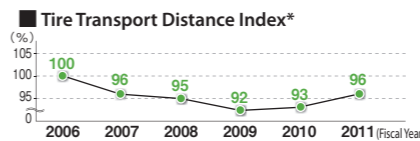
Reducing CO₂ Emissions Involved in Transportation

In fiscal 2011, emissions from the transportation of tires totaled 34.09 thousand tons-CO₂ (down 26% from fiscal 2006 levels), which was a 3% increase over the previous year. This was largely due to increased transportation volume (up 2% over the previous year) combined with increased transportation distances (the tire transport distance index increased by 3 points over the previous year, to 441 km). The increased transportation distances were the result of changes in tire storage areas due to the eruption of Mt. Kirishima (Shinmoe-dake) in January and the

Total and Per-Unit CO₂ Emissions Involved in Logistics



transfer of production facilities in the aftermath of the Great East Japan Earthquake in March. At the same time, however, we successfully achieved our targets for modal shift ratio and large-vehicle transport ratio, with the modal shift ratio reaching 13.7%, up 1.5 points over last year, and the large vehicle transport ratio reaching 19.2%, up 2.7 points over last year. CO₂ emissions per unit were 0.0384 (t-CO₂/t). In fiscal 2012, we will focus on reducing transportation distances while at the same time implementing other measures to improve transportation efficiency.



Green Logistics Guidelines

In December 2007, Sumitomo Rubber Group established and announced our Green Logistics Guidelines. In accordance with these Guidelines, we have been working in close cooperation with our business partners to reduce CO₂ emissions and our overall environmental impact. In fiscal 2011, we implemented various measures in support of green logistics, including programs that raise awareness and understanding of our environmental policy, education on eco-friendly driving (making idling stops, compliance with speed limits, etc.) for the drivers who transport our tires and commendations for associated companies that have displayed excellence in their environmental activities. We plan to continue these activities in fiscal 2012.



Chayan Chaijan
Senior Engineer, Engineering Department
Sumitomo Rubber Thailand Co., Ltd.

Energy-Saving Efforts at Our Thailand Factory

Our factory is striving to reduce CO₂ emissions and energy consumption through improved energy management. As part of these efforts, we have set separate targets for per-unit electricity and fuel consumption and determined a target index for each machine and piece of equipment. Thanks to these efforts to promote the efficient use of energy sources, CO₂ emissions per unit decreased by 7.4% over the previous year (exceeding our target 7% reduction) and energy consumption was also significantly reduced in spite of increased production volumes. We will continue actively engaging in energy-saving and environmental preservation activities so that we may become a benchmark for other companies to follow.



Minister of the Environment Hosono and President Ikeda shaking hands after the official acceptance of the Eco-First Commitments (Renewal)

Ecological Process: Reducing the environmental impact of our business activities

Advancing Environmental Protection Activities as a Top Management Priority

Contributing to the Creation of a Recycling-Oriented Society

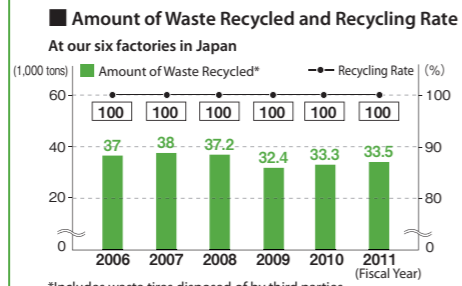
As an Eco-First Company, Sumitomo Rubber Group is making every effort to advance the 3Rs (reduce, reuse, recycle), which are essential for the creation of a recycling-oriented society in which economic growth and environmental conservation go hand in hand. In the future, we will not only work to maintain zero waste disposal, but also pursue innovative environmental protection activities.

Maintaining Complete Zero Waste Disposal at Our Major Domestic and Overseas Production Bases

Sumitomo Rubber Group has been actively promoting the recycling of waste materials with the goal of achieving complete zero waste disposal* at all of our major production bases in Japan and overseas by the end of 2010. This goal, which was part of our Eco-First Commitment, was achieved in March of 2010. Our Thailand (Tennis Ball) Factory also achieved complete zero waste disposal in July of 2011 while our other major production bases were able to maintain complete zero waste disposal.

The addition of the Thailand Factory brought the total number of Group production bases that had achieved complete zero emissions to 18 as of fiscal 2011. We intend to make every effort to maintain complete zero waste disposal at these 18 production bases. We are also working to increase recycling rates for the waste materials generated by our business operations. In fiscal 2011, in spite of our efforts to achieve our stated goal of reaching a material-recycling rate of at least 82%, we fell slightly short with 80%.

*Complete zero waste disposal: 100% of waste material is recycled and none is sent to landfills (the amount of waste recycled is considered to be the total amount of waste treated for recycling purposes).

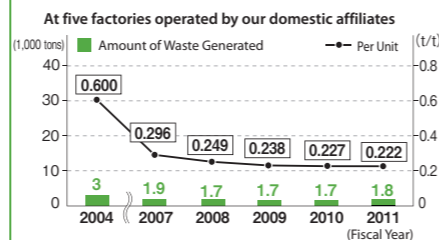
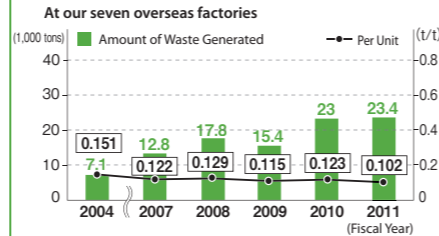
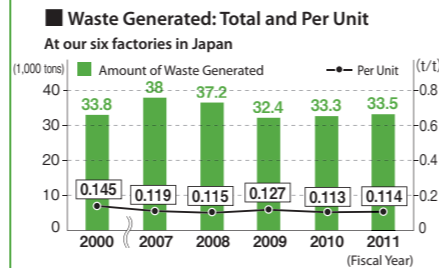


*Includes waste tires disposed of by third parties

Status of Per-Unit Waste Generation Reduction Targets

In fiscal 2011, our six factories in Japan generated 33,500 tons of waste, a 200-ton increase over the previous year. We also failed to achieve our target on a per-unit basis, with a 1% increase compared to last year. This can be attributed to increased waste generation and decreased productivity brought about by the Great East Japan Earthquake. In fiscal 2012, we will aim to achieve our target of reducing the amount of waste generated per unit by more than 25% compared to fiscal 2000.

Per-unit waste generation at our seven overseas factories decreased by 17% compared to last year, substantially exceeding our target of a 5% reduction over last year. This can be attributed to a significant reduction in failures rates in our production processes and improved production efficiency. Per-unit waste generation at five factories operated by our affiliates in Japan decreased by 2.9% over last year. Although our target of a 5% reduction over last year was not quite reached, a significant improvement was achieved.



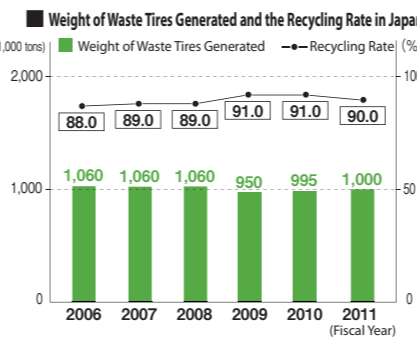
Abolition of the Interim Measures for the Wide-Area Industrial Waste Recycling Designation System

Since 1995, Sumitomo Rubber Group has properly processed or disposed of waste tires generated by business operators in line with the Interim Measures for the Wide-Area Industrial Waste Recycling Designation System. With the abolition of this system on April 1, 2011, tire sales companies/outlets are no longer able to handle waste tires (industrial waste) generated by other business operators unless they have received official permission for the collection/transportation of industrial waste. Sumitomo Rubber Group has created a manual, in accordance with which we properly process and dispose of waste tires.

Recycling Waste Tires

In Japan, approximately 100 million waste tires (1 million tons) are generated each year. Such large volumes of waste tires raise several serious issues: more sophisticated tires make the treatment process more complex, improper treatment increases the impact on the environment and landfill capacity is strained.

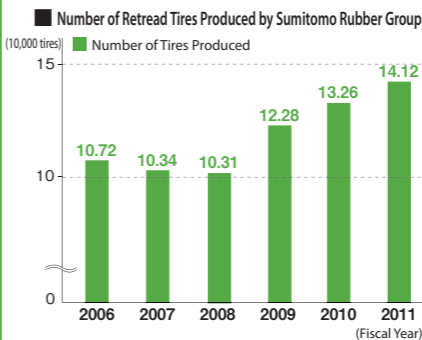
Sumitomo Rubber Group is involved in the retread tire business, which produces new retread tires from used tires, as well as the recycling of waste tires.



Source (both graphs): (January-December) 2011 Waste Tire Recycling Status, The Japan Automobile Tire Manufacturers Association, Inc.

Actively Advancing Our Retread Tire Business

Over the past several years, there has been an increasing demand for retread tires among transport companies. Retread tires help them to achieve cost-efficient, environmentally friendly operations by saving both resources and energy while also reducing CO₂ emissions. Retread tires are also covered by the Law on Promoting Green Purchasing. In 1972, Sumitomo Rubber Group established a subsidiary dedicated to producing retread tires. With two retread tire factories in Hokkaido and Hyogo Prefectures, this subsidiary is working to meet our customers' retread tire needs. Whether a used tire can be reused as a retread tire or must be disposed of as a waste tire is determined depending on its condition. We also provide customers with advice on how to treat tires and also offer support service so that they can use their tires more economically and for a longer time.



Masaru Shingu
Management Team, Engineering Section, Shirakawa Factory, Sumitomo Rubber Industries, Ltd.

Shirakawa Factory Is Working to Reduce Waste Disposal Costs

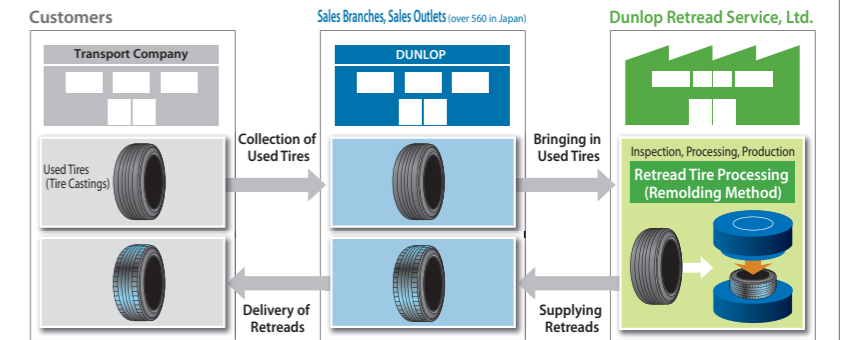
We have been striving to reduce waste disposal costs through systematic waste separation and the selling of recyclable materials. As a result, in fiscal 2010, waste disposal costs were reduced by 50% compared to fiscal 2007 and, in fiscal 2011, waste disposal costs were further reduced by 50% compared to fiscal 2010. We are also involved in various activities that contribute to the beautification of our local community and the preservation of the global environment. For example, we collect waste tires that have been illegally dumped in surrounding areas and dispose of them in our boiler, which is the only boiler in Fukushima Prefecture capable of handling whole tires.

Retread Tire Consignment System

In the retread tire consignment system, tires (tire castings) that have been used by our customers are reprocessed as retreads. This system allows for total tire lifecycle management from brand new tires to retreads, thus providing customers with both peace of mind and cost savings.

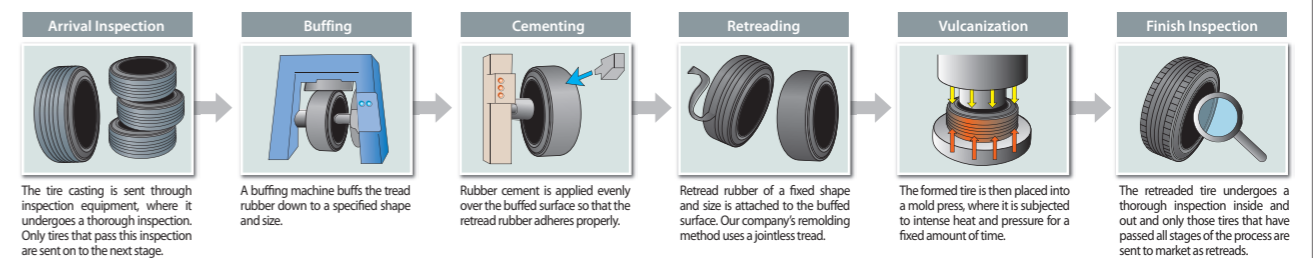
(Benefits to Customers)

- SAFETY**: Tires are managed at every stage of the tire lifecycle, from new tire to retread, offering customers peace of mind.
- COST MERIT**: Customers receive economic benefits, including lower tire costs.
- ECO**: Recycling tires helps to protect Earth's natural environment.



Retread Tire Manufacturing Process (Remolding Method)

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



CSR Activity Report Ecology

Ecological Process: Reducing the environmental impact of our business activities

Advancing Environmental Protection Activities as a Top Management Priority

Implementing Worldwide Environmental Management

The entire world must work together to protect the future of our planet. Global corporations have a responsibility to implement the same level of good environmental management practices in all of the countries and regions in which they operate. Fully recognizing this responsibility, Sumitomo Rubber Group will continue striving to promote global environmental management.

Global Environmental Management System

In order to strengthen our environmental management, since fiscal 2007, Sumitomo Rubber Group has held twice-annual Global Environmental Management Central Committee meetings, in which those who are in charge of environmental management at our domestic and overseas bases gather from around the world. In fiscal 2011, committee meetings were held in

February and July to report on and discuss environmental efforts being made at our domestic and overseas bases. The reports that were presented included one from the Sales Division on "marketing and sales of eco-friendly products" and one from one of our factories on "saving energy by reducing air pressure." Discussions were also held on how to respond to the strain on the power supply following the Great East Japan Earthquake. In response, it was agreed that we would set energy saving targets not just for our production bases, but also for all of our business bases in Japan, and that we would work hard to achieve them. Although our environmental performance deteriorated in fiscal 2011 due to the effects of the earthquake, we will continue holding committee meetings twice a year in order to promote information sharing and to learn from each other, thereby invigorating environmental activities at each of our business sites around the world.



Fiscal 2011 Global Environmental Control Central Committee

Environmental Awareness Raising Activities at Our Factories

Sumitomo Rubber Group provides environmental education to deepen employees' understanding of environmental problems and encourage their active participation in environmental activities.

As part of our environmental awareness raising activities, we offer an Environmental Learning Page on

our company's intranet. We also periodically post newsletters issued by factories (Energy Conservation Newspaper, ECO Newspaper, etc.) on our intranet to disseminate information on factories' energy-saving activities and achievements. During the summer and winter months, when we were especially urged to save electricity, we published a daily newsletter reporting our power saving results and other information related to energy savings.

In fiscal 2011, our Shirakawa Factory held its third ECO Exhibition, introducing recycling and reuse activities being performed at the Factory, as well as the relationship between tire pressure and fuel consumption. Energy-saving devices and equipment used in the Factory were also displayed. The Exhibition lasted for five days, attracting a total of 340 visitors.



Environment-related newsletters published by factories

Global Integrated Certification Obtained for Thirty Domestic and Overseas Bases in December 2010

In December of 2010, Sumitomo Rubber Group obtained ISO 14001 Global Integrated Certification for its 30 bases, both in Japan and overseas, in order to implement an integrated worldwide environmental management system encompassing all of our business activities, with one of our goals being the realization of a low-carbon society. Sumitomo Rubber Group became the first company in the tire industry to obtain Global Integrated Certification that includes overseas business sites. We now have an environmental management system encompassing all of our major production and development sites, both within and outside of Japan.



ISO 14001 Registration Certificate

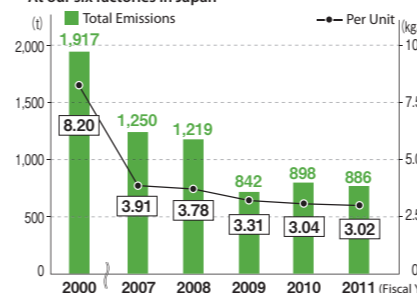
Efforts to Reduce Organic Solvent Emissions

In order to reduce our volatile organic compound (VOC) emissions, Sumitomo Rubber Group has been working on reducing the quantity of organic solvents used in production processes and contained in raw materials and paint used in factories.

In fiscal 2011, we implemented various measures to reduce organic solvent emissions, including improving our production techniques and using non-solvent paints. Thanks to these efforts, the total volume of our organic solvent emissions decreased by 1.3% from the previous year, though we did not achieve our target of reducing organic solvent emissions by at least 55% compared with fiscal 2000 (the actual decrease was 53.8%). This can be attributed to the fact that improved production techniques and the use of non-solvent paints were not enough to compensate for the increased production volume of offset blankets, which account for about 60% of our total organic solvent emissions.

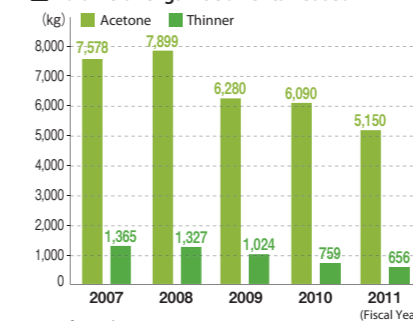
In order to make up for the delay of fiscal 2011, in fiscal 2012 we will aim to reduce organic solvent emissions by at least 58% compared to fiscal 2000.

Total and Per-Unit Organic Solvent Emissions At our six factories in Japan



*Organic solvent emissions were calculated using the Japan Rubber Manufacturers Association's Calculation Method (VOC Voluntary Restrictions).

Volume of Organic Solvents Reused



*Data from Ichijima Factory

Green Procurement Activities Ensure the Proper Management of Environmentally Harmful Substances

Sumitomo Rubber Group promotes green procurement through various initiatives, such as giving preference to ISO 14001-certified suppliers when purchasing raw materials, reducing hazardous substances in raw materials through reinforced substance management and introducing low-emission vehicles and fuel-efficient vehicles.

In February of 2011, we revised our Procurement Guidelines, asking our suppliers to understand and comply with our CSR guidelines. At the same time, we also shifted to a GADSL*-compliant chemical substance management system. The decision to revise our Procurement Guidelines was made in order to reduce the burden on suppliers by adopting the automotive industry's standard list, thus eliminating the need to support individual standards, while at the same time strengthening our global chemical substance management system at all of our business sites in Japan and overseas, where regulations for hazardous chemical substances are becoming increasingly stringent. Sumitomo Rubber Group remains committed to environmentally conscious purchasing and raw material management.

Green Procurement Policies

- 1 Manage chemical substances in compliance with GADSL*, as stipulated in the Procurement Guidelines.
- 2 Give preference to ISO 14001-certified suppliers when purchasing raw materials.
- 3 Promote the reduction of PRTR**2-regulated substances.
- 4 Introduce low-emission vehicles and fuel-efficient vehicles.
- 5 Reduce the use of packaging materials.
- 6 Purchase reclaimed rubber.

*1 Global Automotive Declarable Substance List (GADSL)
A universal industry standard list of declarable substances compiled by automotive manufacturers, automotive parts suppliers and chemical manufacturers in Japan, Europe and the United States.

**2 Pollutant Release and Transfer Register
"Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management"

A system for collecting, aggregating and publishing data on various hazardous chemical substances in order to ascertain how much of these substances are released (amount released) into the environment (atmosphere, water and soil) from what sources, or transferred (amount transferred) as waste and from what facilities.

The Voice of Our Employees



Teruaki Futami
Section Manager, Production Engineering Department
Dunlop Golf Club Corp.

Promoting Environmental Management at Dunlop Golf Club

With our company aiming to acquire ISO 14001 certification in order to become part of Sumitomo Rubber Group's Global Integrated Environmental Management System in 2010, I began serving as a member of the secretariat for this project from the year before. In seeking to involve every member of the company in our efforts to obtain certification, we held several workshops over the course of a single month to ensure that all of our employees received the necessary information and training. We also encouraged all employees in managerial positions to obtain the necessary qualifications to serve as internal auditors in order to ensure that they would play a leading role in our company's environmental management program. Currently, group leaders are also serving as internal auditors and supporting our company's environmental management activities.

In the future, we will make continuous improvements to our environmental activities so as to avoid becoming complacent with the status quo, always striving to be a company that contributes to local communities and is loved by those around us.



Energy-Saving Month Plant Tour
Introducing transformer equipment and utility facilities in the factory (Participants are wearing masks for protection against influenza.)

The Voice of Our Employees



Yoshinori Sugimoto
Deputy Section Manager, Engineering Section, Miyazaki Factory
Sumitomo Rubber Industries, Ltd.

Raising Environmental Awareness for Everyone Working at Miyazaki Factory

In order to keep our employees informed of our factory's energy-saving status on a daily basis during the summer months of last year and the winter months of this year, we published our Energy Conservation Newspaper every day instead of once every other month, which is the norm.

In order to keep readers interested in the newspaper, we not only provided at-a-glance graphs, but also introduced useful energy-saving hints and tips. With the help of many factory staff members (including help from those in charge of machinery/equipment in the summer of last year, and from production site managers in the winter of this year), we were able to continue providing useful and interesting energy saving-related information, leading to increased awareness of energy use among our employees. I believe that the most important part of promoting environmental conservation activities is "ensuring that all employees are interested in the environment and in its protection." To this end, we will work to "visualize" energy consumption data in an easy-to-understand format. We will also encourage each workplace to create and execute their own energy-saving plans and provide support to help them achieve their targets so that everyone can share in the joy of achieving energy-saving targets.

Next

Next-Generation Product Development

The Voice of Our Employees



Shinichi Ueno
Materials Department 3
Sumitomo Rubber Industries, Ltd.

Developing Products That Provide Maximum Safety While Minimizing Environmental Impact

Developing Environmentally Friendly Products

At Sumitomo Rubber Industries, Ltd., our Tire Division has been developing high-performance, eco-friendly products that comply with its own in-house environmental standards. Our Industrial Products and Other Divisions, as well as the other companies in the Sumitomo Rubber Group, are also devoting their energies to developing safe and environmentally friendly products and have been producing significant results.

Promoting the Widespread Use of Eco-Friendly Tires

Regardless of size, all of our eco-friendly tires—LE MANS 4 and ENASAVE Series (ENASAVE 97, ENASAVE RV503, ENASAVE EC202)—conform to the requirements for fuel-efficient tires under the tire labeling system, a voluntary industry standard that came into effect in January of 2010. In addition to automobile tires, we have also been developing and manufacturing eco-friendly tires for vans, light trucks and even motorcycles. In 2012, we will release new eco-friendly tires, including ENASAVE PREMIUM, a fuel-efficient tire that has received an AAA rating (some sizes are rated AA), which is the highest ranking for rolling resistance, and two new ENASAVE brand tires for commercial vehicles: ENASAVE VAN01 and ENASAVE SP LT38.

In the future, we will redouble our efforts to raise

consumer awareness of the tire labeling system and promote our eco-friendly products through TV commercials and in-store promotions.



Our Attitude toward Developing Environmentally Friendly Products

Sumitomo Rubber Industries, Ltd. is committed to developing innovative products that combine eco-friendliness, safety and comfort using our company's advanced original technologies. By increasing the usage rate of non-fossil resources, improving tire fuel efficiency and equipping our tires with special noise-absorbing sponges, our company's Tire Division not only strives to improve tire performance, but also devotes considerable energy to developing tires that are both user-friendly and eco-friendly. Utilizing our advanced tire-making technologies, we aim to develop and release 100% fossil resource-free tires in 2013 and fuel-efficient tires with 50% lower rolling resistance in 2015.

Developing New Rubber Materials Using Cutting-Edge Analytical Techniques

In order to develop tires that simultaneously achieve greater safety, lower resource usage and reduced environmental impact, it is necessary to thoroughly research the properties of rubber at the nanoscale level. Our new 4D NANO DESIGN technology has made such research and development possible. Our 4D NANO DESIGN technology enables us to design new materials whose properties can be controlled at the molecular level. This is accomplished by visualizing and predicting molecular behavior and chemical reactions, which are normally invisible to the human eye, through the use of Spring-8 (a large-scale synchrotron radiation facility) and the Earth Simulator (which has the world's highest computational performance), as well as with our own advanced simulation and analysis technologies. In the future, we plan to use the next-generation supercomputer KEI, which is scheduled to go into service in 2012, to simulate such complex phenomena as the deformation of rubber in tires while driving. We will continue to develop new tire materials and technologies through advanced nanoscale research.

Pursuing Safety and Comfort, Economy and Quality

Sumitomo Rubber Group believes that our mission in developing next-generation technologies and products is to develop and offer user-friendly products to our customers. We will continue working to fulfill this mission by always providing new value in terms of safety/comfort, cost effectiveness and quality.

Development and Launch of MIRAIE, a Seismic Damper for Wooden Houses That Uses Our Original High-Damping Rubber

In order to protect both houses and the safety of occupants during an earthquake, our company has developed MIRAIE, a new seismic damper for wooden houses that reduces seismic vibrations while being offered at an affordable price range. MIRAIE, which uses high-damping rubber developed using our original GRAFT rubber damping technology, efficiently absorbs seismic vibrations by converting vibration energy into thermal energy. By quickly and efficiently absorbing the vibrations generated by a sudden earthquake and its aftershocks, GRAFT rubber damping technology reduces damage to houses. Furthermore, the use of a special adhesion method provides the high-damping rubber damper with superior durability against wear and tear over time, eliminating the need for regular maintenance and thereby enabling homeowners to protect their houses from earthquakes for an extended period of time.

We will continue to develop and expand the applications for our vibration damping technology in order to build a safe and pleasant environment for people to live in.



Portable Wheelchair Ramp Featuring a Slim, Light-Weight Design—New and Improved Dunslope Lite

Our portable wheelchair ramp, "Dunslope Lite," is preferred by many wheelchair users and their caregivers for its ease of transporting, handling and positioning. In response to requests from users, we have improved on Dunslope Lite with the development of a new ramp, the Dunslope Lite Slim, featuring reduced weight and width. Its width has been reduced by 4 cm to fit houses with narrow frontages and its weight has been reduced

by more than 15% compared to the previous model, making it easier to use.



Dunslope Lite Slim

TOPICS

Indonesia Factory Wins Top Awards for the Fourth Consecutive Year at the Toyota Kaizen Festival

The 24th Toyota Kaizen Festival was held on December 3, 2011. Twenty-five teams participated in the QC Circle category competition and 26 individuals participated in the Individual Kaizen Suggestion category competition. Sumitomo Rubber Group participated in both categories, with entries from Indonesia Factory winning prizes in both categories. Mr. Tugu Nugroho from the Engineering Department of Indonesia Factory won the Award of Highest Excellence (second place) in the Individual Kaizen Suggestion category and the Tigers QC Circle won the Gold Award in the QC Circle category.

This marks the 4th consecutive year that Sumitomo Rubber Group has received Top Awards at the Toyota Kaizen Festival. These awards recognize Indonesia Factory's outstanding kaizen performance and untiring efforts to pursue continuous improvement through PDCA cycles and the implementation of the 4G principles (Genchi Genbutsu, Genri Gensoku).



Next-Generation Super Computer KEI
Photograph provided by RIKEN

Kindness

Kindness to Employees

Fostering Human Resource Development and Making Jobs Rewarding

The Sumitomo Rubber Group encourages its employees to develop their abilities by providing a variety of educational and training programs, including hierarchical employee training, self-development and on-the-job training (OJT). We have also introduced various measures to increase employee motivation, such as holding technical skill competitions, improving training programs and creating opportunities to facilitate communication among employees to enhance overall job satisfaction.

The Voice of Our Employees



Suiketsu Chu
Sales Dept. 2
SRI Tire Trading Ltd.

Thinking Logically and Pursuing Continuous Improvements to Contribute to Society

In July 2011, I took part in a five-year training course, which included lectures on "Strategic Thinking" and "CSR Activities." I benefited greatly from this training. Specifically, I learned the importance of seeing things logically and the importance of conveying ideas and messages accurately. I am proud of our company's efforts to promote CSR activities on a global scale. I hope to play a part in enhancing the Group's corporate value by applying what I have learned in various internal and external training courses to my daily work. I believe that in doing so, we can make an even greater contribution to society.

Reinforcing Employees' Ability to Delve Deeply into Problems, Management Skills, and Global Competence.

Since fiscal 2010, the Sumitomo Rubber Group has been making efforts to develop its human resources with particular emphasis on reinforcing employees' ability to delve deeply into problems and their management skills. As part of these efforts, we have developed a variety of training programs for our employees. Candidate managers are offered training to enable them to acquire the basic knowledge and skills needed for effective decision-making in business and to learn the basic knowledge required for effective workplace management and subordinate training. In addition, on-the-job leader training is provided to all young employees. These training courses aim to increase the ability of managers to lead and to nurture the young employees working under them and to improve young employees' interpersonal and leadership skills.

In fiscal 2011, we carried out assessments of the local employees of our overseas subsidiaries. In fiscal 2012, we plan to establish global human resources development and training systems.

"Skills Olympics"—Passing on Proprietary Tire Manufacturing Skills to the Next Generation and Improving Employee Motivation

The Shirakawa Training Center, constructed as part of Sumitomo Rubber Industries' 100th anniversary project, opened in 2009 within the premises of the Shirakawa Factory. Grasping this opportunity, we started holding our "Skills Olympics," which are designed to pass on proprietary tire manufacturing skills to the next generation and to improve employee motivation. The event is a skills competition between factories held twice a year at the Shirakawa Training Center. The Skills Olympics comprise eight categories, which are rotated on a cyclical basis; each competition category comes around every four years. Representatives from each factory demonstrate their skills and compete with each other to win prizes.

In 2011, the fourth and fifth Skills Olympics were held. The winners of the fourth Olympics (finishing/inspection category) were: Gold Medal: Izumiotsu Factory; Silver Medal: Thailand Factory; Bronze Medal: Changshu Factory (China); and Special Prize: Shirakawa Factory. The winners of the fifth Olympics (engineering/electrical maintenance category) were: Gold Medal: Shirakawa Factory; Silver Medal: Changshu Factory (China); Bronze Medal: Nagoya Factory; and Special Prize: Indonesia Factory. The recent performance of our overseas factories has been particularly impressive.

Creating a Environment Employees Exhibit Their Personalities

Prize: Shirakawa Factory. The winners of the fifth Olympics (engineering/electrical maintenance category) were: Gold Medal: Shirakawa Factory; Silver Medal: Changshu Factory (China); Bronze Medal: Nagoya Factory; and Special Prize: Indonesia Factory. The recent performance of our overseas factories has been particularly impressive.

Promoting Manufacturing Education Based on Unified Global Standards

The Sumitomo Rubber Group opened its Manufacturing Training Center in January 2007 to encourage all of the Group's manufacturing bases throughout the world to carry out consistent, unified training in manufacturing. We have developed training courses on the themes of "passing on manufacturing skills and the monozukuri philosophy" and "response to global business expansion," and offered them to factory supervisors, staff, instructors for overseas factories, and



Training in manufacturing at the Shirakawa Training Center

Positive Work Where All Can Fully Unique and Talents

supervisors/managers at overseas factories. In April 2009, we opened the Shirakawa Training Center, which has accommodation facilities. The Center provides a wide variety of training seminars, including upskill training for production management supervisors and would-be overseas representatives, and training to standardize our production technologies. For a true "hands-on experience," training is conducted using actual production equipment. In fiscal 2011, a total of 1,738 employees received training at the Shirakawa Training Center. (The number of people who have used the Center for training totaled 3,929 people.)

Creating a Cheerful and Vibrant Corporate Culture "Love Your Work! Project"

With the aim of achieving our Long-Term Vision by the target year of 2015, the Sumitomo Rubber Group has been implementing the Love Your Work! Project (LYWP). The Project seeks to encourage individual employees to think about their own work and to help them develop teamwork skills, motivation and a creative way of thinking, thereby building the individual power of our employees into collective power.

As part of the LYWP, GENKI Activities are undertaken by employees on a voluntary basis. GENKI Activities aim to contribute to local communities and foster communication among employees by encouraging them to take part in volunteer activities and other events.



"Communication Activities" to foster communication between employees in different departments

Creating a Safe, Employee-Friendly Workplace

A workplace must be a place where employees can develop professional skills and achieve job satisfaction, while at the same time it must provide them with a safe and pleasant environment. The Sumitomo Rubber Group has been working to create a safe, pleasant working environment while placing special emphasis on the health of its employees, occupational health and safety, and diversification of employment.

Encouraging Employees to Reduce Overtime Hours by Organizing Their Work Efficiently

We have been making efforts to minimize overtime work by enhancing work efficiency and filling vacancies as necessary. All employees who have worked 80 hours or more outside normal working hours per month are required to see an industrial physician.

All of our factories and business offices implement the "no overtime day" program. Staff members in charge check the actual results of implementing the program, and where necessary, show employees how to organize their work efficiently.

Preventing Lifestyle-Related Diseases

In fiscal 2011, as a measure to prevent lifestyle-related diseases, we gave specific health guidance to employees at our eight business locations, based on the data from their annual health checkups. In fiscal 2012, we plan to strengthen our health guidance to reduce the number of employees at risk of developing lifestyle-related diseases. We also work hard to prevent damage to health from smoking. As part of efforts to encourage our employees to stop smoking, we hold briefing sessions for employees who have abnormal findings in their periodic general health examinations and those wishing to quit smoking. At each session, a detailed explanation is given by an industrial physician to the effect that "cigarette smoke contains carcinogenic substances and cancer promoters, and can promote arteriosclerosis, resulting in the development of respiratory, lung and heart diseases." Our quit smoking briefing sessions aim to get smokers to understand the bad effects of smoking, both for themselves and for the people around them, and to support employees who want to quit smoking.

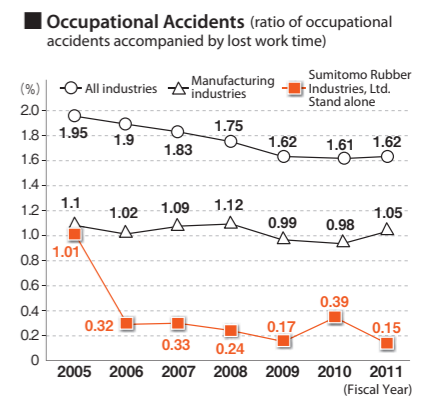
Protecting Employees' Mental Health

To promote employees' mental and emotional well-being, we hold mental health seminars for general employees and managers/supervisors on a periodic basis. In fiscal 2011, we held a total of eight seminars at our business sites nationwide on the theme of "Get Healthy through Self Care." The seminars were attended by about 400 participants in total. We also conducted a stress survey across all of our business sites, and to ensure that the results of the stress survey are shared among employees, we presented the results of the stress survey for the entire company and by factory/office. We also held line care training sessions given by counselors for managers/supervisors to deepen their understanding of mental health care in the workplace.

We provide support for employees with mental health problems to assist them in maintaining their mental health in close cooperation with their supervisors, industrial physicians and families. We also ensure that employees with mental health problems are able to access counseling services provided by mental health specialists.

Achieving Zero Workplace Accidents

With the firm belief that we cannot achieve zero workplace accidents without completely removing danger from the workplace, the Sumitomo Rubber Group has introduced proactive risk-averting safety activities to ensure genuine safety by eliminating all potential risk factors. Our activities include: thorough risk assessment at the facility design and delivery stages and when changes are made to what we call the "4Ms" (man, machine, materials, and method); and frequent safety audits and safety inspections on every production floor. In fiscal 2011, putting the main focus of our work safety activities on the development of safety-conscious human resources, we strived to disseminate our safety philosophy which says that "occupational health and safety take priority over all other things that we do" into every Sumitomo Rubber Group company, thereby accomplishing our goal of zero workplace accidents. Thanks to our vigorous efforts, the total number of workplace accidents in the Sumitomo Rubber Group in fiscal 2011 was 38, down 13 from the previous year. We will continue our safety and health activities until we achieve zero workplace accidents.



Note: Lost-time occupational accident rate: Number of casualties by occupational accidents per cumulative million work hours
Occupational accident rate = Number of casualties by occupational accidents/Cumulative actual work hours x 1,000,000



The awards ceremony of the 5th Skills Olympics

Kindness

CSR Activity Report

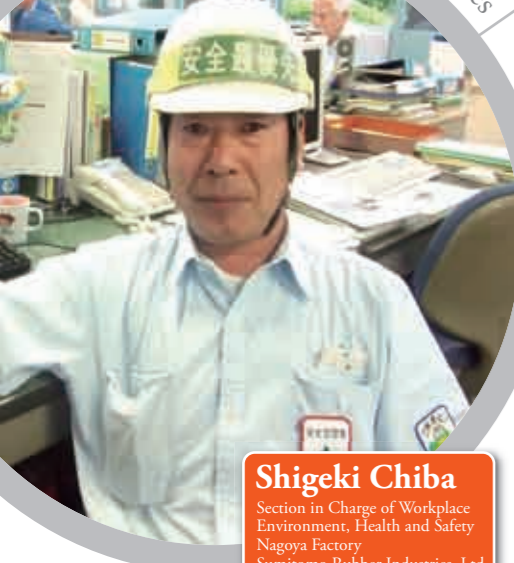
Kindness to Employees

Creating a Positive Work Environment Where All Employees Can Fully Exhibit Their Unique Personalities and Talents

Education/Enlightenment Activities to Increase Employee Awareness of Occupational Health and Safety

The Sumitomo Rubber Group believes that the most important key to achieving the goal of zero workplace accidents is developing safety-aware human resources. To increase employee awareness and understanding of health and safety issues in the workplace, we provide hierarchical training courses and follow-up training courses on a periodic basis, while accurately monitoring the skill and knowledge levels of individual employees. In fiscal 2011, a total of 32,715 employees participated in these courses.

The Voice of Our Employees



Shigeki Chiba
Section in Charge of Workplace Environment, Health and Safety
Nagoya Factory
Sumitomo Rubber Industries, Ltd.

Creating a Safe, Positive and Cheerful Workplace

With the aim of creating a safe and positive workplace under the slogan: "Occupational health and safety take priority over all the other things that we do," we implemented activities to maintain discipline in the workplace in fiscal 2011. We also implemented hazard prediction activities involving all employees working at the Nagoya Factory; we prepared hazard prediction (KY) sheets and encouraged employees to find hazards in their workplace and submit KY sheets. A total of 1,413 sheets were submitted. We believe that these activities are effective in improving employees' abilities to predict hazardous conditions and to collect information regarding hazards that exist in the workplace. In fiscal 2012, under the slogan "Create a safe, positive and cheerful workplace," we will strive to create a safe workplace by developing employees who can exchange greetings cheerfully and observe the workplace rules through disciplining activities. In keeping with our factory culture, "Protect yourself by yourself," we will strive to promote factory-wide accident prevention activities involving all Nagoya Factory members to achieve zero workplace accidents.

In addition, based on our belief that "people will not forget what they have felt," we started a virtual risk experience course to improve employees' risk detection abilities on the actual production floor. In fiscal 2011, a total of 21,260 employees participated in this course. We also opened this course to local companies free of charge, and in fiscal 2011, 283 employees from local companies participated in the course.

In fiscal 2012, we will continue our efforts to develop safety-aware human resources needed to build a corporate culture that puts top priority on occupational safety. In particular, we plan to enhance our hierarchical training programs on occupational health and safety and to upgrade the virtual risk experience course based on experience in the actual production field.



Pre-briefing session for the virtual risk experience course

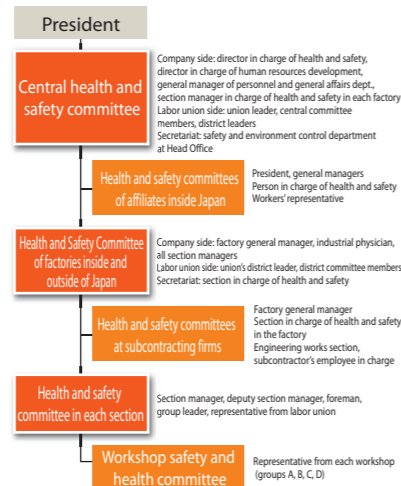
System to Improve Occupational Health and Safety

With the cooperation of the Sumitomo Rubber Labor Union, the Sumitomo Rubber Group and our subcontract firms are improving their occupational health and safety activities to safeguard the health and safety of their employees and maintain a pleasant workplace environment. Our goal is to achieve zero risk and zero workplace accidents with the slogan "Occupational health and safety take priority over all the other things that we do."

With a renewed commitment, we will work to further instill and improve occupational health and safety across the organization under the strong leadership of top management in order to ensure that all employees embrace the "safety first" mentality.

Organization for the Improvement of Occupational Health and Safety in the Sumitomo Rubber Group

Sumitomo Rubber Group's business offices
Head Offices (Kobe and Tokyo), Shirakawa Factory, Nagoya Factory, Izumiotsu Factory, Miyazaki Factory, Ichijima Factory, Kakogawa Factory



Auditing Measures to Prevent Workplace Accidents at Actual Production Sites

Taking a fire at another company and within the Sumitomo Rubber Group as the trigger, we began to audit measures to prevent workplace accidents in 2007. In each annual audit, we check the status of hazardous material management, fire prevention, placement of fire equipment signs and evacuation route signs and other accident prevention activities. At first, we only visited nine factories in Japan and overseas, but in fiscal 2011, we audited a total of 19 factories inside and outside of Japan. Domestic factories undergo a comprehensive accident prevention audit, taking earthquake disasters into consideration. We encourage persons in charge of accident prevention to participate in other factories' audits, to facilitate information exchange among them, thereby disseminating good practices throughout the organization.

We believe that thanks to our daily accident prevention activities, we were able to minimize the damage to our factories at the time of the Great East Japan Earthquake. Under the slogan: "All employees participating in accident prevention activities to achieve zero workplace accidents," we will strive to protect our employees and local communities from accidents.



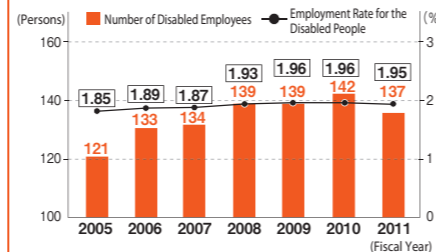
A firefighting and evacuation drill at the Ichijima Factory

Expanding Employment Opportunities for Disabled People

The Sumitomo Rubber Group companies encourage the recruitment of disabled people by keeping close contact with their local Hello Work offices (public employment security offices). Many disabled people are working in various departments and are engaged in various types of work—not only ordinary office work, but also light work on production lines and CAD work. Before deciding where they will work, we carefully assess the aptitude and abilities of each person jointly with a candidate section, to ensure that each individual is assigned to an appropriate workplace.

We also seek to create an environment that is easy and comfortable for disabled employees to work in. Such efforts include making our new buildings completely barrier-free, installing disabled-accessible toilets and elevators, and setting the height of card readers to meet official standards for disabled people.

Employment Rate for Disabled People (Sumitomo Rubber Industries, Ltd. Stand alone)



Achieving a Work-Life Balance

The Sumitomo Rubber Group has active discussions internally about what are ideal working style and work-life balance of our employees. To enable individual employees to realize the working style they desire, we will continue to proactively improve the system.

Passing Employees' Opinions on to Management

Since fiscal 2006, informal roundtable meetings have been held to deepen communication between the President and young employees. Usually, about 10 young employees attend each meeting, and discuss various topics, including family, hobbies, and the President's view of life, freely with the President. To ensure frank dialogue, all discussions are kept off-the-record.

In fiscal 2011, the first year for our new President, in response to his desire to strengthen horizontal relationships between employees, we ensured that participants were in the same age group at each meeting. In fiscal 2011, a total of 19 meetings were held for employees in the position of section manager and new employees, attended by 249 people in total. We plan to continue providing employees in all sections and at all job grades with opportunities to exchange opinions with the President.



Employees exchange opinions with our President

Helping Employees to Achieve a Good Work-Life Balance

At Sumitomo Rubber Industries, Ltd., all female employees who gave birth took childcare leave. We also encourage male employees to take childcare leave when their partners have a baby. Other measures to improve work-life balance include: introducing a flexible working style in consideration of childcare, setting up workshop observation days for family members, reducing overtime and encouraging employees to take paid holidays.

In fiscal 2009 we became the first company in the tire industry

to obtain the "KURUMIN" certification, in recognition of our efforts to foster future generations. Since then we have maintained this certification. We will continue working actively to help our employees balance their work with their private lives through various work-life balance programs.



Workshop observation day

Encouraging Employees to Take Advantage of Our Childcare and Family-Care Support Systems

In June 2010, the Sumitomo Rubber Group enhanced its childcare and family-care support programs. We relaxed the limit on the number of times a male employee can take childcare leave, so that when a male employee takes his first childcare leave within the first eight weeks after the birth of a baby, he can take a second childcare leave before the child reaches the age of two. We also introduced the family-care leave system to allow employees who need to care for family members to take leave.

We will continue to make employees aware of our childcare and family-care support systems through our intranet, to increase the use of these systems.

Number of Employees Who Took Advantage of Childcare Leave, Short-Time Work and Family-Care Leave Systems (Sumitomo Rubber Industries, Ltd. Stand alone)

Fiscal year	2008				2009				2010				2011			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Childcare leave	0	12	1	8	1	5	1	10	3	15	0	5	1	18		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Short-time work	0	5	1	10	0	4	1	18	0	1	0	1	0	1		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Family-care leave	0	1	0	0	0	0	0	1	0	0	0	0	0	0		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

(Units: persons)

The Voice of Our Employees



Michiko Umemura
CSR Promotion Office
Sumitomo Rubber Industries Ltd.

Expecting Greater Support for Work-Life Balance

I have been on a year-and-eight-month-long childcare leave for my first child, since October 2011. Thanks to adequate support from the company regarding leave request procedures and handover of work, I was able to take leave without problems and delivered a healthy baby. Even while on leave, I am always kept informed of the latest company news through the intranet and in-house newsletters mailed home, so I can concentrate on taking care of my child without any worries.

Although I understand the difficulty of combining work with childrearing, I really want to return to work and pursue work-life balance. I hope that our company will improve its work-life balance support systems, to allow working mothers to use the short-time work system more easily, helping them overcome the difficulty of finding a daycare center in which to place their children.



Integrity

Integrity for Stakeholders

Always Listening to the Voices of Our Stakeholders to Remain a Company Open to Society

Ensuring Thorough Corporate Governance

Corporate governance is an important management issue, and the Sumitomo Rubber Group is continuously striving to achieve strict compliance with laws and regulations and to strengthen internal control systems. Aiming to reduce or minimize management risks, we have also been focusing on analyzing material risks and developing emergency measures.

Basic Approach to Corporate Governance

The Sumitomo Rubber Group's basic management policy is to enhance its corporate value as a promising and reliable global company for the benefit of all stakeholders including shareholders. Enhancing corporate governance is a major management objective, and we are continuously striving to achieve strict compliance with relevant laws and regulations and to strengthen our internal control system so as to improve overall management efficiency and transparency. Sumitomo Rubber Industries, Ltd. has adopted a corporate system with a Board of Auditors. To reinforce the management supervisory function, three of the five corporate auditors serve as external auditors. Each corporate auditor hears reports on the status of job execution from directors and carries out on-site audits to examine the operations of each division and department, and provides comments and opinions at important meetings including Board of Director's meetings.

Basic Approach to Risk Management

The Sumitomo Rubber Group defines a risk as "a factor that may interfere with or exert a bad effect on the smooth execution of business activities or the achievement of management objectives/strategies

based on the Group's management philosophy." To reduce or minimize risks rationally, we identify risks, assess their relative importance, and dedicate an appropriate amount of our operating expenses and efforts to priority risks.

We determine the relative importance of risks by taking into account not only financial impact, but also the following: 1) ensuring quality and safety; 2) maintaining a good relationship with stakeholders; 3) compliance with laws and regulations, maintaining corporate ethics; and 4) the Sumitomo Business Spirit, Group Philosophy, and Group Code of Conduct.

In fiscal 2011, we conducted a group-wide risk assessment to ascertain key business risks across the group and identify priority risks that require group-wide attention and action. In fiscal 2012, we will implement measures to address the priority risks identified in fiscal 2011.

Business Continuity Plan (BCP)

Since fiscal 2010, we have been developing earthquake BCPs for our tire factories. In fiscal 2011, an earthquake BCP was developed for the Shirakawa and Miyazaki Factories, using as a model the earthquake BCP of the Nagoya Factory, which was created in fiscal 2010. Our earthquake BCPs are centered on disaster

preparedness, initial response immediately after the disaster, and early recovery activities, to enable us to continue or resume business operations as quickly as possible in the event of an earthquake.

Although the Shirakawa Factory was struck by the Great East Japan Earthquake on March 11, 2011, the Factory was able to resume its operations expeditiously thanks to the effective earthquake response measures defined in the BCP.

In fiscal 2012, we will expand the application of our earthquake BCPs developed in the previous year to other business bases. We also plan to review the contents of BCPs and make any necessary amendments.



Explaining our BCP to all section managers as part of the activities on National Disaster Preparedness Day



Compliance training

Ensuring Thorough Compliance

Compliance with laws and regulations and maintaining corporate ethics are key issues that fundamentally affect the continued existence of a company. They are also indispensable in a company maintaining its business vitality and boosting its competitiveness. The Sumitomo Rubber Group has been working hard to establish and implement the systems necessary to ensure legal compliance and adherence to corporate ethics.

TOPICS

Disseminating the Sumitomo Rubber Group Code of Conduct to Overseas Affiliated Companies

The Sumitomo Rubber Group Code of Conduct underwent a major revision in 2009. In fiscal 2011, we conducted various training programs to make our employees familiar with the revised Code of Conduct. For overseas representatives, we held training seminars specifically designed for them and provided information via the intranet to deepen their understanding of the new Code of Conduct. We also translated the new Code of Conduct into the languages of the countries where we operate. We held briefing sessions on our Code of Conduct at sales companies and offices in Europe and the United States.

Preventing Misconduct through Dissemination of the Code of Conduct

In fiscal 2011, we continued our efforts to disseminate the Code of Conduct to our business sites both in Japan and overseas. We also conducted legal risk assessments and worked to raise the compliance awareness of our employees.

In addition to our efforts to disseminate the Code of Conduct, we also work to deepen and expand our activities to prevent misconduct. As part of such efforts, we created an antimonopoly law manual for overseas affiliates and distributed copies to our overseas sales companies.

Raising Compliance Awareness among Employees

As part of efforts to raise compliance awareness of our employees, the Sumitomo Rubber Group provides a detailed explanation of compliance issues during new employee training, hierarchical training and other training sessions.

In fiscal 2011, we held compliance seminars and briefing sessions on export control and the Subcontract Act for managerial staff. We also held briefing sessions on compliance, the Antimonopoly Law, and the Subcontract Act for our group companies. In an effort to increase compliance awareness in every employee, we improved the Legal Department's website and provided compliance-related information via the intranet.

The Voice of Our Employees



Hironari Izumi
Legal Dept.
Sumitomo Rubber Industries, Ltd.

Strengthening Our Compliance Efforts around the World

In recent years, there has been an increase in compliance awareness throughout the world, including in Japan. This trend is expected to continue, and even accelerate, in the future. For Japanese companies operating overseas, it is certainly not sufficient to merely pay attention to compliance within Japan. The Sumitomo Rubber Group has overseas bases. Considering further overseas expansion in the future, it is an urgent task for the Legal Department to raise compliance awareness among overseas employees.

For the past few years, we have already worked to raise compliance awareness at overseas sites through various measures, including holding training on compliance and the Code of Conduct. In the future, the Legal Department staff members will continue their visits to the Group's overseas business sites to raise and increase compliance awareness.

Promoting Dialog with Stakeholders

Pursuing deeper stakeholder satisfaction is an essential endeavor for a company to continue to exist. According to our belief that mutual communication is the first step toward stakeholder satisfaction, the Sumitomo Rubber Group has been actively working to promote dialogue with all stakeholders.

The Voice of Our Employees



Shinji Takahashi
Technical Service Dept.,
Dunlop Tire Sales Division
Sumitomo Rubber Industries, Ltd.

Improving the Quality of Customer Inquiry Responses and Making Use of Customer Feedback to Improve Our Products and Services

Approximately three quarters of the inquiries received at the Customer Service Office of the Dunlop Tire Sales Division in fiscal 2011 were by telephone. To shorten the time customers spend on a call as much as possible, we combined several separate documents into one to enable service staff to retrieve the information they need more easily and rapidly. As a result, the average response time was reduced by about 8% compared to the previous year. We will work to reduce the time needed to retrieve the information by adding and upgrading materials, and to ensure that valuable feedback we received from our customers are reflected in our products and services, thereby further increasing customer satisfaction.

1 For Customers

Tire Business Unit's Efforts

In the tire business unit, the Dunlop Tire Sales Division set up its Customer Service Office in fiscal 2011. The Office analyzes inquiries and complaints received from customers, and liaises with the relevant departments to collaborate in resolving the issues, thereby improving our products and services.

In fiscal 2011, the Office received a total of 6,492 inquiries and complaints. The inquiries were mostly related to tire dimensions and weight, while the complaints mostly pertained to tire abrasion. The office responded to these inquiries and complaints quickly.

In response to an increasing number of inquiries about the appropriate inflation pressure for Extra Load tires, which is due to the recent increase in the number of sizes in the Extra Load category, we revised the list of Q&As on how to use extra load tires on the Dunlop Tire Q&A Website in such a way that customers can understand the information more easily. We also added Q&A case files to our FAQ manual and improved reference materials for customer inquiries to shorten the average response time for each inquiry.

We will continue to improve our website as well as our customer support services at the Customer Service Office, thereby further increasing customer satisfaction.

Sports Business Unit's Efforts

Dunlop Sports Co., Ltd. established its Customer Service Office in fiscal 2003. The Golf Products Division and the Tennis Products Division set up After Service Centers in fiscal 2007 and 2008, respectively to upgrade their customer support systems.

In fiscal 2011, numerous inquiries were received about specifications, functions and release dates of new products, events, products for professional use,

and whether their golf clubs are counterfeit or not, as well as many requests for catalogues. We worked to improve the quality of our service through prompt and efficient response to inquiries and requests.

Our customer service staffs, who are well versed in our products as well as golf and tennis, are committed to providing prompt and appropriate response to customer inquiries, complaints and suggestions. They also liaise with the relevant departments to ensure that opinions and suggestions received from customers are used quickly and effectively to develop new products, to improve our products and services, and to enhance our sales promotion activities (advertisements, descriptions in catalogs, etc.).

Industrial Products Business Unit's Efforts

In our industrial and other products business, Dunlop Home Products, Ltd. which sells general-purpose gloves and housewares, released a new glove series made from trees in 2010. When a customer buys a pair of the new gloves, one yen is donated to global environmental preservation or social contribution



"Gloves made from trees" "1 PAIR for 1 LOVE"



Tree-planting activities in Malaysia

activities under the slogan "1 PAIR for 1 LOVE."

In fiscal 2011, various activities were undertaken, including tree-planting activities in Malaysia, support for the Pink-Ribbon campaign and Ikumen (men who proactively take part in child-rearing) campaign, and support for recovery efforts for the Great East Japan Earthquake. We strive to further raise customer satisfaction by disseminating product information through various internet channels, including Twitter and Facebook.

Tire Replacement Skills Contest

As in the previous year, with the aim of encouraging safe and efficient tire replacement practices and work leveling and eradication of accidents, the Dunlop Tire Sales Division held the second Passenger Car/Truck Tire Replacement Contest for staff engaged in replacing tires at stores directly operated by our affiliate sales agents.

Under the slogan "Safe Tire Replacement," 14 participants representing sales companies throughout Japan competed for two days in replacing tires quickly and accurately, and in knowledge on products and safe tire replacement work. The contest evaluated the participants on their comprehensive abilities, both practical skills and theoretical knowledge. The winners of the Passenger Car and Truck categories were Mr. Yano (Tire Select Dazaifu, Dunlop Tire Kyushu) and Mr. Ogasawara (Dunlop Tire Shikoku, Tire Land Niihama West), respectively. Both winners were chosen for their high scores in the written test and their brisk and efficient movements during tire replacement.

We will continue our efforts to improve the quality of technical service under the slogan "Safety takes priority over everything else."



Tire Replacement Contest

Customer Service Skills Contest

The Customer Service Skills Contest is held each year, with the aim of improving customer service skills of sales representatives from directly-owned stores. In fiscal 2011, the sixth contest was held, in which 14 representatives who had qualified through regional eliminations competed in customer service skills. In the contest, each contestant tried to persuade a stubborn and demanding customer, who is looking for inexpensive tires, to make a purchase decision. Only five contestants succeeded in convincing the customer to make a purchase. Contestants seemed to be painfully aware of the high level of the contest.

The winner was Mr. Higashijima from Tire Select Dazaifu, Dunlop Tire Kyushu. Mr. Higashijima tactfully handled questions and objections from the customer and successfully convinced him to make a purchase decision. His efficient and tactful service and assistance was highly evaluated. We will continue our efforts to improve customer service at our directly-managed stores, through various activities including training and skill contests.



Customer Service Skills Contest

2 For Suppliers

Building Solid Partnerships with Suppliers through Fair and Open Corporate Activities

A trust-based relationship with suppliers is essential for producing better products. Under the Sumitomo Rubber Group's commitment to fair and open business activities, we have prepared and

implemented Procurement Guidelines to establish solid partnership with our suppliers.

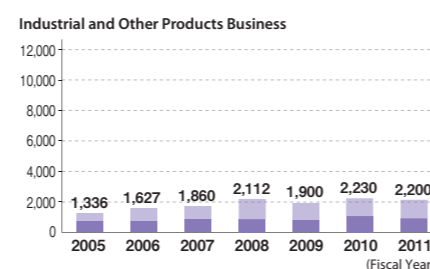
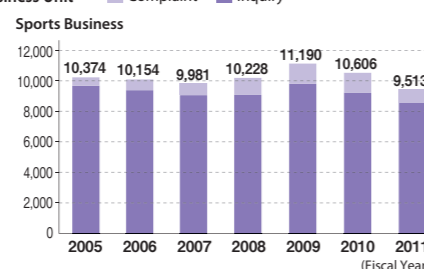
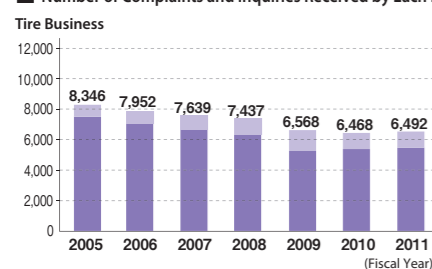
As part of these efforts, we have established a centralized purchasing system, under which the purchasing activities of the Group are centralized, except for Dunlop Sports Co., Ltd. and SRI Engineering Ltd., which handle different products from Sumitomo Rubber Industries, and suppliers, quantity, items, etc. are managed in an integrated manner. We will proceed with standardization of parts, fully exploiting the advantages of centralized purchasing. We also welcome suppliers' suggestions regarding improvements (value-analysis [VA] suggestions) and suggestions for design modifications (value-engineering [VE] suggestions). We will revise our Procurement Guidelines which specify our procurement policy and requirements when necessary in order to reflect changes in laws and regulations as well as changes in external circumstances.

Promoting CSR Procurement in Cooperation with Suppliers

The Sumitomo Rubber Group aims to promote CSR procurement, encompassing not only quality, price and delivery time, but also legal compliance, human rights and labor practices. In February 2011, we published the fourth edition of our Procurement Guidelines, which we expect all suppliers to understand and abide by. In conjunction with this revision of the Guidelines, we asked our suppliers to step up their CSR efforts, and also conducted a questionnaire survey to evaluate suppliers' current CSR performance. We distributed 1,104 questionnaires to suppliers, all of which were returned.

Based on the feedback obtained through questionnaires, we plan to hold CSR workshops for suppliers and distribute brochures. Through collaboration with suppliers, the Sumitomo Rubber Group will promote CSR-oriented activities throughout the entire supply chain.

Number of Complaints and Inquiries Received by Each Business Unit



Briefing session on CSR procurement

The Voice of Our Employees



Takehiro Iwaki
Purchasing Dept.
Sumitomo Rubber Industries, Ltd.

Striving to Enhance Our CSR Activities throughout the Supply Chain

In the Sumitomo Rubber Group we seek to promote CSR activities together with our suppliers. As part of such efforts, we have revised our Procurement Guidelines and also interviewed our suppliers to ask their views on CSR and what specific CSR activities they are undertaking. In addition to holding workshops and distributing brochures, we also plan to hold several meetings to discuss and exchange views on CSR with our suppliers. We plan to invite 15 to 30 companies to each meeting. The plan for fiscal 2013 includes a second supplier interview regarding CSR activities. We will create opportunities to exchange information regarding CSR with our suppliers on a continuous basis.

Strengthening Online Auctions for Material Procurement Open to both Domestic and Foreign Suppliers

To ensure fair and open procurement of materials, the Sumitomo Rubber Group established an open procurement system on our website in fiscal 2004. We provide an open environment where any company that meets all the standards (including standards for chemical substance management) established in our Procurement Guidelines can participate in our procurement auctions, regardless of whether or not they have engaged in transactions with us in the past.

Since our website is part of the World Wide Web, overseas suppliers can also participate in our auctions. We believe that online auctions are effective means for global material procurement. In fiscal 2011, we held a total of 75 auctions, mainly for leasing and equipment installation. In fiscal 2012, we will continue our efforts to expand participation in our online auctions.

Inspecting the Purchasing Departments of Group Companies and Providing Education/Training on the Subcontract Act to Ensure Proper and Fair Transactions

To ensure strict compliance with the Subcontract Act throughout the Group, the Legal Department of Sumitomo Rubber Industries, jointly with the Purchasing Department, conducts a round of inspections of our group companies' purchasing departments.

In fiscal 2011, inspections were conducted at all of our five tire factories in Japan; the inspection team inspected the department in charge of purchasing at each factory. We also encourage our purchasing staff to participate in seminars on the Subcontract Act organized by the Small and Medium Enterprise Agency and the Japan Fair Trade Commission to deepen their understanding of the Act.

We will continue our group-wide efforts to maintain proper transaction practices, including inspections of the purchasing-related departments and education and training for purchasing staff.

3 For Shareholders and Investors

Steady Returns for Shareholders

In fiscal 2011, Sumitomo Rubber Industries, Ltd. paid a dividend of 23 yen per share to our shareholders. We regard the return of profits to shareholders as one of our most important management priorities. Our basic policy is to provide steady returns to our shareholders over the long term while carefully assessing payout ratios, prospects for future performance and retained earnings levels on a consolidated basis.

Retained earnings are directed towards capital investments and advance investments such as R&D to expand our future revenue base.

Meaningful Communication with Shareholders

In addition to letting shareholders know about company management and our business activities at general shareholders' meetings, Sumitomo Rubber Industries, Ltd. hosts explanatory meetings for analysts and

institutional investors to coincide with our quarterly earnings announcements. We also organize personal interviews and press events for analysts and institutional investors.

In addition to these investor relations activities, we also disclose information on our financial and operating performance and other management information through our IR Website. Information contained in the IR section include: schedules of general shareholders' meetings and explanatory meetings for institutional investors, convocation notice of general shareholders' meeting, information for shareholders, brief financial statements, reference materials for financial settlement briefings, securities reports and annual reports (both in English and Japanese). As in fiscal 2010, we conducted a questionnaire survey of individual shareholders in September 2011, receiving various opinions and questions. Some of the comments and questions raised in the survey were answered in the March 2012 issue of our "Information for Shareholders" leaflet. We will reflect shareholders' opinions in our future management and IR activities.



Financial settlement briefing



Annual report



Information for Shareholders leaflet

Keeping Social Contributions in Constant Motion

In September 2009, the Sumitomo Rubber Group revised its Code of Conduct, in which the Group's philosophy on social contribution activities is clearly defined. Since then, as a good corporate citizen, the entire Group has been striving to promote regional social contribution activities based on this philosophy.

Cooperation with Local NGOs and NPOs

Working in cooperation with local NGOs and NPOs, we have been promoting dialogue and interchange with a wide range of stakeholders. In fiscal 2011, we cooperated with NPOs in Kobe City, Tokyo, and Fukushima, Aichi, Miyazaki and Osaka Prefectures in determining which groups and organizations should receive support under our CSR fund. We also conducted volunteer activities to support people and areas affected by the Great East Japan Earthquake, in cooperation with local NPOs. In addition, we also received information on volunteer activities from the Kobe Empower Center, an officially specified nonprofit corporation, and the Osaka Voluntary Action Center, a special welfare corporation, so that our employees could participate in volunteer activities more easily. During the same fiscal year, our employees took part in "KOBE ALIVE 2011," a *yosakoi* dance festival sponsored by Sasso Japan, which is a specified nonprofit corporation.

Dialogue and Cooperation with Local Citizens' Groups

The CSR Promotion Office and the sections in charge of CSR activities at our operating sites are responsible for dialogues with local stakeholders, and arrange for opportunities to speak with local residents and citizens' groups. The Safety Environment Management Division and other relevant departments also participated in dialogues, when necessary. The topics and issues discussed in dialogues with local residents and citizens' groups are reviewed at the management meeting. Since fiscal 2009, we have held annual stakeholder dialogues with outside experts. The CSR Promotion Office serves as a contact for local stakeholders, and organizes dialogues with various stakeholders to maintain a good relationship with local communities. In the future, we will develop a system that enables us to reflect the opinions and suggestions of stakeholders more effectively in our business activities.

CSR Fund

In July 2009, Sumitomo Rubber Industries, Ltd. established a CSR fund to financially support groups and organizations that are working to protect the environment, provide relief to disaster victims and solve various other societal problems specific to areas in which our group companies and their business offices are located. This fund is operating using a Matching Gift system in which all donations from employees are matched by donations from the company. In fiscal 2011, the CSR fund made total contributions of 3,510,000 yen to 17 different groups, including one in the special framework for support for the Great East Japan Earthquake.



An activity by a non-profit organization sponsored by our CSR fund

The Voice of Our Stakeholders



Atsuko Hida
Community Support Center Kobe,
a specified nonprofit corporation

Deepening Our Cooperative Relationship to Offer Unique Support that Only Kobe Can Give to Disaster Survivors

Sumitomo Rubber Industries offered us funds for activities and lent a storage warehouse for six months. Thanks to generous support from Sumitomo Rubber Industries, we were able to provide the following support services for people who were forced to evacuate from their homes due to the Great East Japan Earthquake and moved to Kobe: 1) providing refrigerators, washing machines, etc. (to 67 households); 2) free legal consultation sessions; and 3) providing individual job search consultations.

I think that support for economic independence, such as job search counseling, is becoming increasingly important. We hope to provide disaster victims with unique support that only Kobe, which experienced a devastating earthquake, can provide by combining the strengths of the Sumitomo Rubber Industries and a local NPO and by cooperating with each other.

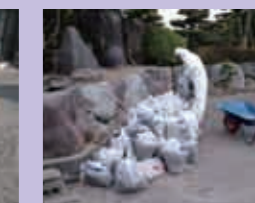
TOPICS

Volunteer Activities to Remove Volcanic Ash Produced by Volcanic Eruptions of Mount Shinmoedake

Mount Shinmoedake in Miyazaki Prefecture erupted several times in January and February 2011, scattering ash over the surrounding areas. From mid-February to early March, a total of 66 employees took volunteer leave and participated in volunteer activities to help people and areas affected by the eruptions. They were engaged mainly in removing volcanic ash deposits from streets and the gardens of elderly people living alone and families with a disabled member.



Removing volcanic ash from a house



Collecting ash



Employees take part in the "KOBE ALIVE 2011" Yosakoi dance festival

CSR Education and Awareness-Raising System

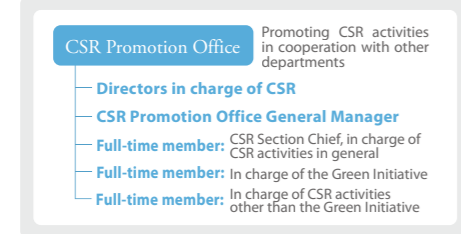
Aiming to Raise CSR Awareness among Employees

As a responsible member of society, the Sumitomo Rubber Group aims to be a corporate group that is trusted and whose continued existence is supported by society, by fulfilling our responsibilities to contribute to building a better society. To further energize Group-wide CSR initiatives toward achieving this aim, we believe that it is important to establish a system to ensure that each and every employee deepens their understanding of the Sumitomo Rubber Group CSR Activities' Fundamental Philosophy and puts it into practice in their daily work and voluntary activities.

Sumitomo Rubber Group CSR Activity Promotion System

In February 2008, the Sumitomo Rubber Group established its CSR Activities' Fundamental Philosophy. In July 2008, the CSR Promotion Office was set up to take charge of CSR activities for the entire Group. As an organization that leads the Group's CSR activities, the CSR Promotion Office is working on various CSR promotion activities in cooperation with the departments concerned. The CSR Promotion Office comprises six staff members: the General Manager, three full-time staff, and two members who also work in other departments. The Management Council is the final decision-making body of the Group in CSR matters.

CSR Activity Promotion System



Activities for CSR Promotion

- Fiscal 2008**
 - The Sumitomo Rubber Group CSR Activities' Fundamental Philosophy established.
 - The CSR Promotion Office established.
 - CSR Awards Program established.
 - The Acorn Project Launched.
 - Cooperation of NPOs commenced.
- Fiscal 2009**
 - The CSR fund established.
 - Certified as an Eco-First Company.
 - Stakeholder Dialogs held.
- Fiscal 2010**
 - Procurement Guidelines revised (items regarding CSR procurement added).
 - The CSR Fund launched.
 - Stakeholder Dialogs held.
- Fiscal 2011**
 - Briefing sessions held on CSR procurement for suppliers.
 - A survey conducted on the current status of the CSR with suppliers.
 - The number of regions and organizations to which the company provides subsidies from the CSR Fund increased.
 - Stakeholder Dialogs continued.

Future Theme

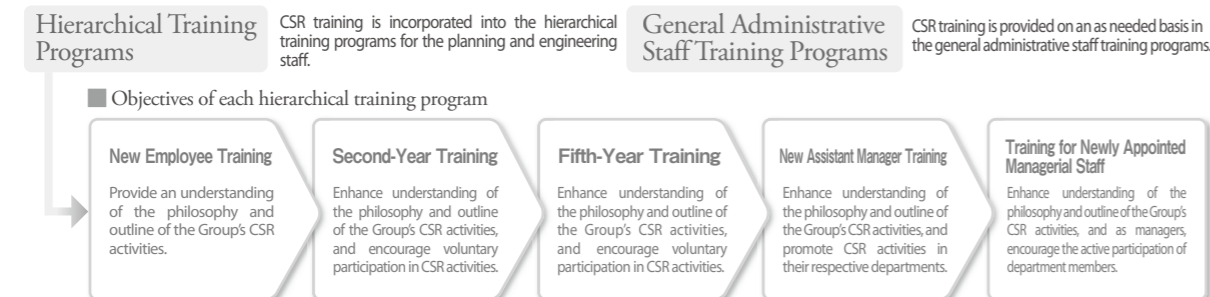
Dialogs with various stakeholders will continue to seek their assessments and opinions on the CSR activities of the Sumitomo Rubber Group so that we may reflect them in our future activities. In addition, efforts will be made to increase the interest of all employees in existing CSR activities so that as many employees as possible will be involved in these activities. Activities in the supply chains, including suppliers, will also be promoted.

Sharing of Information on CSR Activities and CSR Training Programs

Since fiscal 2008, to share and communicate information on CSR activities to employees, our monthly in-house newsletter has included a section titled "Sumitomo Rubber Group's CSR Activities," which summarizes the CSR activities undertaken by each factory/office during each month. A "CSR Page" has also been created on our company's intranet to facilitate the transmission of CSR-related information as well as to provide a database that accumulates information on our CSR activities. The intranet-based CSR Page enables employees to access necessary CSR-related information at any time convenient for them. To raise employees' CSR awareness, in fiscal 2011 we provided CSR training as part of the hierarchical training programs and training programs for general administrative staff. A total of 211 employees received CSR training.



Training for Newly Appointed Managerial Staff



CSR Awards

The CSR Awards have been presented since 2009 to increase the understanding of and interest in CSR activities among employees to expand our CSR activities. Applications are open to all companies, workplaces and employees of the Sumitomo Rubber Group. The CSR Awards are divided into two categories: group and individual. For the Third CSR Awards in 2011, we received many applications from group companies both in Japan and abroad. In addition to the Outstanding Awards and Excellence Awards below, eight Encouragement Awards were presented. At the award ceremony in December, some of the awardees gave presentations. The CSR Awards will continue.



The 3rd CSR Awards Ceremony

The 3rd CSR Awards Winners

	Environmental Contribution Category	Social Contribution Category	
	[Group category]	[Group category]	[Individual category]
Outstanding Award	Department: Greening Team, General Affairs Section, Ichijima Factory, Dunlop Sports Co., Ltd. Theme: Nurturing "Omurasaki," the National Butterfly	Department: Tire Land Miyako, Dunlop Tire Tohoku Theme: Repairing punctures free of charge to thank our customers	Department: Tire Land Tagajo, Dunlop Tire Tohoku Name: Mitsutoshi Sasaki Theme: Network formed to rescue people following the Great East Japan Earthquake
		Department: Miyazaki Factory, Sumitomo Rubber Industries, Ltd. Theme: Volunteers remove volcanic ash from eruptions of Shinmoedake	Department: Miyazaki Factory, Sumitomo Rubber Industries, Ltd. Name: Katsuhiko Yonemitsu Theme: Rescuing an infant from a fire in the region
Excellence Award	Department: Koromono-Izumi Project Team, General Affairs Section, Nagoya Factory, Sumitomo Rubber Industries, Ltd. Theme: Creating the "Koromo-no Izumi" biotope at the Nagoya Factory	Department: Sumitomo Rubber (Changshu) Co., Ltd. Theme: Visits to orphanages by volunteers	Department: Tire Select Sendai Arai, Dunlop Tire Tohoku Name: Koichi Otomo Theme: Cooperating with neighbors after the earthquake
	Department: SRI With Theme: Creating the "Soso-no Izumi" biotope at Head Office	Department: CSR Team, Sumitomo Rubber Thailand Theme: Promoting CSR activities in Thailand	Department: SRI Logistics Name: Takashi Fujimoto Theme: Individual activities of the Shirakawa Volunteer Association

[Group category] Outstanding Award

Environmental Contribution Category

Nurturing "Omurasaki," the National Butterfly

Greening Team, General Affairs Section, Ichijima Factory, Dunlop Sports Co., Ltd.

This is a project to breed *Omurasaki*, Japan's national butterfly and a near threatened species. The team grew Japanese hackberry (*Celtis jessoensis*), which the butterfly feeds on, from seeds. It took four years for the seeds to become mature enough to serve as a suitable environment for the butterfly, and in 2011, larvae that were given to the team were reared in a hand-made cage until the adults emerged. The Factory invited children from neighboring areas to see the butterflies, which provided the children who are our future with an opportunity to learn about the wonders of the environment and living things. Efforts will continue to breed and release them into the natural environment in the near future.



Social Contribution Category

Repairing punctures free of charge to thank our customers

Tire Land Miyako, Dunlop Tire Tohoku

Offices of Dunlop Tire Tohoku, which recovered rapidly from the disaster, repaired the frequent punctures caused by the rubble for free, as a way to help local communities. Tire Land Miyako led the way, and received words of gratitude for their efforts from the municipal government. In the period from mid-March to the end of April, seven Dunlop Tire Tohoku offices fixed punctures on a total of 410 cars. Tire Land Miyako repaired 208 of these, significantly strengthening their relationship with the local community.



Social Contribution Category

Volunteers remove volcanic ash from eruptions of Shinmoedake

Miyazaki Factory, Sumitomo Rubber Industries, Ltd.

On February 2, 2011, Shinmoedake erupted for the first time in 52 years. Large amounts of ash fell on the factory. While our Miyazaki Factory removed the ash quickly with the help of staff from other factories, other people who needed help could only watch helplessly. Wanting to help elderly and disabled people, a total of 66 employees from the factory volunteered to remove ash and other activities through the Volunteer Office of the Miyakonojo City Social Welfare Association. Removing ash is hard work, and people expressed their gratitude to the volunteers, resulting in increased recognition of the company in the local community.



CSR Vision

Aiming to raise CSR awareness among Sumitomo Rubber Group employees worldwide

Increased awareness of CSR by the Group's individual employees and their voluntary participation in CSR activities will lead to an increase in CSR awareness for the entire office and eventually of the entire Group, enabling us to succeed in our CSR management. Based on this concept, our efforts are focused on providing individual employees with education and training programs on our CSR activities and a full range of CSR-related information via company magazines and the intranet, and on improving collaboration and information sharing among our offices, including overseas offices. The CSR Fund requires individual employees to be involved more personally in social contributions. More emphasis will therefore be placed on making it more easily understood. As for the CSR Awards program, which focuses on environmental conservation and social contributions, we will invite applications from a wider range of employees so that the program will serve as an impetus to promote our CSR activities globally.

Toshiaki Hojo General Manager, CSR Promotion Office



Stakeholder Dialogue

On February 22, 2012, Saburo Kato, Joint Representative of the Japan Association of Environment and Society for the 21st Century, was invited to speak with us on such topics as the Sumitomo Rubber Group's response to the Great East Japan Earthquake and environmental management.

What will be required of the Sumitomo Rubber Group in the future?

How an outside expert sees the Sumitomo Rubber Group

Response to the Great East Japan Earthquake and recovery support

Concerted efforts with our employees were focused on what we could do as a corporate citizen.

Kato: On March 11 last year, the Great East Japan Earthquake struck. How did your company respond?

Kuroda: We started with what we could do. The first thing we did was to donate 100 million yen in total to Fukushima, Miyagi and Iwate Prefectures, in corporation with Dunlop Sports, one of the Sumitomo Rubber Group's companies. We also invited employees to make monetary donations. We collected 10,450,000 yen, which was donated to the Japanese Red Cross Society. In addition to monetary donations, we also made our gas pipes and work rubber gloves with a total value of 100 million yen available to municipal governments for the construction of temporary housing units and restoration work. We also gave studless tires for snowy roads, one of our major products, for use on the vehicles shared by people living in temporary housing units. In addition, we provided about 13,000 pairs of rubber gloves in response to requests from various NPOs and other organizations. We also provided financial support to NPOs engaged in the recovery and restoration work: four in the Kobe/Kansai area and three in the Tokyo/Tohoku area. Our employees donated daily necessities, including products that could be reused, to earthquake victims who were evacuated to Hyogo Prefecture.

Kato: I think your employees also joined in the volunteer work.

Kuroda: Yes, and that is what I am most proud of. We invited employees of the Group to volunteer and 84 people

in total volunteered for relief activities. They were divided into four groups and each visited an affected site at a different time. I have been told that some of our elderly rehired employees also participated and that all the volunteers worked really hard.

*Details are provided in the special reports (pp. 07 and 08).

As a company that has been through a major earthquake disaster, we will keep helping the affected local communities to become revitalized through steady and consistent efforts based on what we learned from the disaster in Kobe.

Kato: That's good to hear. The company itself was also affected by the disaster, wasn't it?

Kuroda: At our Shirakawa Factory, the largest factory in the Group, floors caved in, pipes were ruptured and the ceiling of the office fell in. The factory had to stop production for 11 days following the earthquake because of the damage caused by the disaster. Other offices in the Tohoku District were also in a complete mess. We were lucky enough, however, to be able to confirm the safety of all our employees there, which helped increase the momentum for restoration. When an earthquake hit Kobe in 1995, our Kobe Factory, where the production of tires started in Japan, was damaged so severely that the company had to abandon any idea of resuming operations. We passed on our experience with the disaster in Kobe and made efforts to improve an awareness of earthquakes among employees, something that proved useful in responding to the earthquake in Tohoku. We successfully resumed overall production on April 27 after overcoming the effects of strong aftershocks and other hardships according to our prepared Business Continuity Plan (BCP), which outlines the priorities for restoration activities.



Yutaka Kuroda

Director and Senior Executive Officer
Sumitomo Rubber Industries, Ltd.

PROFILE

Joined the company in 1983. Appointed President of Sumitomo Rubber (Thailand) Co., Ltd. in 2005 and assumed the position of executive officer of Sumitomo Rubber Industries, Ltd. in 2009. Currently in 2012, Director and Senior Executive Officer.

Saburo Kato

Joint Representative
Japan Association of Environment
and Society for the 21st Century

PROFILE

Born in 1939. Completed his masters degree at the School of Engineering of The University of Tokyo. Held positions in charge of pollution and environmental administration at the Health and Welfare Ministry and the Environment Agency, during which time he participated in preparing for the Earth Summit. In 1993, he retired from the Environment Agency and founded the Research Institute for the Environment and Society and presided over the Panel for Study of the Environment and Society for the 21st Century (current "Japan Association of Environment and Society for the 21st Century," a nonprofit organization). His recently published work is *Kanryo-no-Shio—Taru-o-shiru* (Environmental Thoughts—Knowing When You Have Enough) (PRESIDENT Inc. 2010).

One of our current concerns is how to cheer up local people. The Shirakawa Factory had already organized various events to enrich their relationships with local people before the earthquake. Since the disaster, they have been putting the emphasis on organizing events in which more people can get involved, including yatai (open-air stalls).

Kato: My first question was about your response to the disaster because I thought it is the most important theme in the CSR Report. I believe more restoration activities will be needed to achieve a true recovery. I hope your company will continue to provide information on its restoration activities.

Concern for the environment

More efforts are needed to save energy. This is one of the most important things we have learned from the disaster.

Technological innovation, which poses a challenge and can save energy, is also important.

Kato: The next question is about your efforts related to the environment, which is my field. What did you focus on most in fiscal 2011?

Kuroda: Saving electricity has been the most important issue since the disaster. At Head Office in Tokyo we have implemented electricity savings of more than 20%, which was an unexpected but positive miscalculation. This achievement would not have been possible without steady continuous efforts, including switching to ecological lighting, switching off appliances frequently, and increasing the set temperature of our air-conditioning systems. We have been reassured that these efforts must be continued.

Kato: This kind of experience can be made use of in the move to shut down nuclear power plants.

Kuroda: In our factories, we have come to think that the conventional approach may have reached its limits. We have therefore started considering changing the process of manufacturing our rubber products itself, where heat and cooling are applied repeatedly, with new technology.

Environmental consciousness, the focus of our efforts, includes tree-planting and absolute zero waste disposal.

Kato: It is clear that you have been making steady efforts. You also have been planting trees, which is unique in my view.

Kuroda: In Japan, we have been promoting a tree planting project called the "Acorn Project—Planting for the Future," involving local residents. In Thailand, Team ENASAVE was launched in 2009. This is a mangrove planting campaign in which customers participated. With more support than we expected, the number of mangrove trees planted has exceeded one million within quite a short period of time.

Kato: The image of a large tire manufacturer planting trees is quite an unexpected combination but this is a wonderful campaign. Another thing that surprised me is your achievement of absolute zero waste disposal.

Kuroda: As planned, we achieved absolute zero waste disposal at our major manufacturing sites in Japan and abroad in 2010. It is particularly difficult in other countries to familiarize the local people with waste separation. From this viewpoint alone, I am very pleased that we have succeeded in raising awareness among our employees and achieving our target.

What will be required of the Sumitomo Rubber Group in the future?



Contributing to the environment is a mission for tire manufacturers to pursue, and at the same time, a competition for them to join in.

Kato: Your company should be able to make a significant contribution to the environment through the tire business.

Kuroda: It has been estimated that tires account for about 20% of the fuel consumed per vehicle. It should be noted, however, that there is a conflicting relationship between fuel efficiency and grip performance, and between grip performance and low noise.

Kato: It's a three-dimensional simultaneous equation problem.

Kuroda: Yes. Tire manufacturers are competing fiercely with each other to find solutions. Contributing to the environment is both a mission and a competition. Our company has successfully taken the lead in the industry in developing a series of fuel-efficient tires but there is no end to this competition. To maintain the leading position, more and more emphasis needs to be focused on research and development.

Green procurement will promote environmental consciousness throughout the supply chain, right to the end.

Kato: It is wonderful that your company is looking to

contribute to the environment through tire production. Another concern to me, as a person who loves cars, is the raw material for tires. Which is used more commonly, natural or synthetic rubber?

Kuroda: Overall, it's about fifty-fifty. Natural rubber is suitable for tires for heavy loads and synthetic for high-speed cars. We therefore use different ratios for different purposes. It has become clear recently that natural rubber is better in terms of fuel efficiency. So one issue that we need to address is how we can adapt natural rubber to make it suitable for tires for high-speed cars.

Kato: Natural rubber is produced in rubber plantations in Southeast Asia. You need to consider environmental issues there.

Kuroda: That is one of the reasons we established a natural rubber plantation and a natural rubber processing factory in Thailand jointly with a local company. Through direct involvement in both the production and processing of natural rubber, we aim to address issues such as reducing the environmental impact, improving the quality, and procuring a stable supply of natural rubber. We concurrently uphold green procurement. While it is not easy to assess the level of environmental concern because natural rubber is often supplied by local farmers with small-scale production, we set targets for them to achieve. We are considering tightening these targets every year.

Kato: In the previous report, I did not find much

information on raw materials for tires. I expect that you will place more emphasis on issues related to raw materials and provide information more frequently to the public. It is my hope that you will establish the SRI Way in a consistent manner, from the procurement of raw materials in the upstream processes through to the recycling of used tires at the downstream end.

While addressing current social issues, as a company we will keep moving forward with an eye on the Earth and its future.

Kuroda: In our efforts to address environmental issues, we are facing difficulty in setting targets. For example, in response to the shutdown of nuclear power plants, we are having to generate our own electricity, even if it increases the costs, in order to meet the needs of society. This will definitely increase the CO₂ emission coefficient. How should we assess this situation? Without any official standards, it is hard to determine in which direction we should proceed.

Kato: It is true that, partly because we are facing issues involving nuclear power generation, global warming issues have been enveloped in a thick mist in Japan. Because it has been decided that Japan will not commit to the second commitment period under the Kyoto Protocol, it is highly likely that there will be no legal

targets at all from January 1, 2013. However, according to information we have received from scientists participating in the Intergovernmental Panel on Climate Change (IPCC), an international organization dedicated to global warming research, global warming has been progressing. New findings are scheduled to be officially announced sequentially from the fall of 2013, and it is expected that based on these findings we would be required to meet very strict requirements. In response to the expected requirements and in order to survive as a company and play a leading role, "now" is important. I have always believed and I keep saying that "without regulations, there would be no businesses." Because there are regulations, technological development can progress and chances to win will grow. For these reasons, your company does the right thing by setting high targets when addressing various issues and making efforts to achieve them. If you continue to do what you must do, you will be able to keep growing into the future. This is what I believe.

Kuroda: What you have said is very encouraging for us. If we need to continue to generate our own electricity, we would do that and would make efforts to reduce CO₂ emissions from other sources. In addition, we will set higher targets for our other efforts. In this way, we would continue to make the strongest possible efforts.

Mr. Kato's Checklist (Items in black are included in the seven core subjects of ISO 26000.)



I. Management

(1) Response to the Great East Japan Earthquake and recovery support

Key emphasis currently focused on cheering up local people. More events in which many people can get involved will be organized. (Development of local communities)

Restoration activities will continue to achieve a true recovery. The company should continue providing information on restoration activities.

(2) Contributing to the environment through the tire business

Contributing to the environment is both a mission and a competition. In order to continue to take the lead in the industry in developing a series of fuel-efficient tires, the company will pursue the development of tires equipped with all of the following features: high performance, comfort and low noise. (Environment) (Consumer issues)

The company can make a significant contribution to the environment through the tire business.

(3) More efforts on saving electricity (energy saving)

In our factories, it seems that the company's conventional approach may have reached its limits. Therefore, efforts will also be directed to changing the process of manufacturing rubber products itself, which involves the repeated application of heat and cooling, with new technology. (Environment)

Will it be possible to continue meeting our targets for saving electricity (energy saving)?

(4) Efforts associated with raw materials for tires

Through direct involvement in both the production and processing of natural rubber, the company aims to address issues such as reduced environmental impact, improved quality, and a stable supply of natural rubber. (Environment) (Governance of the organization) (Human rights) (Labor practices) (Fair business practice) (Development of local communities)

Environmental concern is necessary in using natural rubber.

(5) Standards for CO₂ emission reduction targets

More effort will be made to reduce CO₂ emissions. Higher targets will also be set for other efforts. (Environment)

Targets for CO₂ emissions reduction will be announced sequentially from the fall of 2013, and we expect to be required to meet very strict requirements.

II. Reporting

(6) Providing information on our efforts related to CSR procurement

More efforts will be made for CSR procurement and relevant information will be provided to the public.

It is expected that the Company will put more emphasis on raw materials for tires and make the relevant information accessible to everyone.

<Domestic Factories and Affiliated Companies> Site Reports

*All of the business sites presented in this section have obtained ISO 14001 Global Integrated Certification and implemented an integrated environmental management system (Certificate Number: YKA 4004047).

Shirakawa Factory

Location: 1 Hirokubo, Kurabeishi, Shirakawa, Fukushima 961-0017, Japan
Tel: +81-248-22-3311 Fax: +81-248-22-5689

Number of Employees: 1,636
Opened: 1974
Main Products: Automobile tires
Achieved Absolute Zero Waste Disposal: 2004



■ Tree planting at a neighboring nursery school, which was organized by the Shirakawa Factory



■ An event jointly conducted with a local senior high school, to which evacuees from the Great East Japan Earthquake were invited

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: 1,287
Opened: 1961
Main Products: Automobile tires
Achieved Absolute Zero Waste Disposal: 2004



■ "Koromono-Izumi," a biotope created by employees on the occasion of the 50th anniversary of the factory



■ Donation of beetles to "Kodomo-en (kindergarten)"

Izumiotzu Factory

Location: 9-1 Kawahara-cho, Izumiotzu, Osaka 595-8650, Japan
Tel: +81-725-21-1286 Fax: +81-725-21-1112

Number of Employees: 416
Opened: 1944
Main Products: Automobile tires, Precision rubber parts for medical equipment
Achieved Absolute Zero Waste Disposal: 2005



■ Planting of acorn seedlings at Kono-yama in Kishiwada City (after completing the planting)



■ Participation in cleaning areas along the route of the Senshu International City Marathon

Dunlop Retread Service Co., Ltd.

Location: 355-9 Kitaoka-cho, Ono, Hyogo 675-1318, Japan
Tel: +81-794-63-0543 Fax: +81-794-63-6510

Number of Employees: 52
Opened: 1972
Main Products: Manufacture/sale of retread tires
Achieved Absolute Zero Waste Disposal: 2010



■ A storage tank for gum mucilage was made smaller internally to reduce the evaporation of organic solvents. (Hokkaido Factory)



■ The color of tents was changed to white, which made fluorescent lighting unnecessary during the day, resulting in electricity savings. (Ono Factory)

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: 106
Opened: 2003
Main Products: Design/manufacture of metallic molds for tire production
Achieved Absolute Zero Waste Disposal: 2008



■ Cleaning of areas around the company premises



■ Auditing an industrial waste treatment company, to which waste disposal is outsourced

Miyazaki Factory

Location: 3 Tohoku-cho, Miyakonojo, Miyazaki 885-0004, Japan
Tel: +81-986-38-1311 Fax: +81-986-38-4129

Number of Employees: 1,377
Opened: 1976
Main Products: Automobile tires
Achieved Absolute Zero Waste Disposal: 2004



■ Following the eruption of Shinmoedake in the Kirishima volcano group in January 2011, the green space on the factory premises from where volcanic ash was removed earlier than other places was opened to children from neighborhood elementary schools for their field trips.



■ The "globe thistle," an endangered species, has been cultivated in the green space on the factory premises since 2006 and the numbers of visitors and places that we have provided root transplants for have been increasing every year (elementary schools where globe thistle roots were transplanted).

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: 127
Opened: 1996
Main Products: Golf balls
Achieved Absolute Zero Waste Disposal: 2008



■ Donation of watermelons grown and harvested in the vegetable garden on the factory premises to Tanju-so, a special nursing home for elderly people



■ After the successful emergence of adult *Omurasaki*, children from neighboring kindergartens were invited to observe Japan's national butterfly.

Kakogawa Factory

Location: 410-1, Kitano, Nobuchi-cho, Kakogawa, Hyogo 675-0011, Japan
Tel: +81-79-424-0111 Fax: +81-79-426-0189

Number of Employees: 385
Opened: 1972
Main Products: 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
Achieved Absolute Zero Waste Disposal: 2005



■ A "Gomu-no Jyugyo (Rubber Class)" for elementary school children in the neighborhood.



■ Plastic bottle caps were collected to donate vaccines to developing countries.

Nakata Engineering Co., Ltd.

Location: 619 Kande-cho-minami, Nishi-ku, Kobe, Hyogo 651-2312, Japan
Tel: +81-78-965-1015 Fax: +81-78-965-0300

Number of Employees: 117
Opened: 1914
Main Products: Design/manufacture/sale of machines and equipment for the manufacture of rubber products
Achieved Absolute Zero Waste Disposal: 2008



■ Annual clean-up of Seishin Commuting Bus stops, as part of our GENKI activities (an area around Seishin Chuo Station where there is a commuting bus stop)



■ Donation of plastic bottle caps and pull tabs collected through the "Eco—Love for the Earth, Love for Children" campaign, as part of our GENKI activities (staff packing collected caps for shipment)

Dunlop Golf Club Corp.

Location: 3 Tohoku-cho, Miyakonojo, Miyazaki 885-0004, Japan
Tel: +81-986-38-4679 Fax: +81-986-27-5026

Number of Employees: 180
Opened: 1989*
Main Products: Golf clubs
Achieved Absolute Zero Waste Disposal: 2006



■ Employees volunteered to remove volcanic ash from the neighborhood after the eruptions of Shinmoedake.



■ "Putter Golf" at the Miyazaki Techno Fair is popular among children.

<Overseas Factories> Site Reports

*All of the business sites (except Golf Club Factory in the U.S.) presented in this section have obtained ISO 14001 Global Integrated Certification and implemented an integrated environmental management system (Certificate Number: YKA 4004047).

Indonesia Factory

(P.T. Sumi Rubber Indonesia)

Location: Cikampek, Indonesia
Tel: +62-264-351346 Fax: +62-264-351345

Number of Employees: 3,518

Opened: 1997

Main Products: Automobile tires, golf balls

Achieved Absolute Zero Waste Disposal: 2008



Tree planting jointly with students from neighboring schools in the Purwakarta area (1,000 holly trees were donated in 2011.)



Foodstuffs have been donated to local residents from four years ago.

Changshu Factory (China)

(Sumitomo Rubber (Changshu) Co., Ltd.)

Location: Economic Development Zone, Changshu, Jiangsu, China
Tel: +86-512-5269-0502 Fax: +86-512-5269-5022

Number of Employees: 2,647

Opened: 2004

Main Products: Automobile tires

Achieved Absolute Zero Waste Disposal: 2006



Volunteer employees have made visits to orphanages since 2009. (The total number of volunteers reached 400.)



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: 4,589

Opened: 2006

Main Products: Automobile tires

Achieved Absolute Zero Waste Disposal: 2009



Tree planting in front of the Thailand Factory



Blood donations

Zhongshan Factory (China)

(Zhongshan Sumirubber Precision Rubber Ltd.)

Location: Zhongshan Torch High-Tech Industry Development Zone, Zhongshan, Guangdong, China
Tel: +86-760-85314773 Fax: +86-760-85598924

Number of Employees: 495

Opened: 2000

Main Products: Precision rubber parts for office machines

Achieved Absolute Zero Waste Disposal: 2008



Mango Cultivation Project on the factory premises



Distribution of booklets on the environment to elementary school children in a neighboring park

Vietnam Factory

(Sumirubber Vietnam, Ltd.)

Location: An Dong Commune, Hai Phong City, Vietnam
Tel: +84-31-3743270 Fax: +84-31-3743272

Number of Employees: 349

Opened: 2007

Main Products: Precision rubber parts for office machines

Achieved Absolute Zero Waste Disposal: 2009



Planting trees that have been grown from seeds collected by employees and donating them to a neighboring senior high school



Malaysia Factory

(Sumirubber Malaysia Sdn. Bhd.)

Location: Sungai Petani, Kedah, Malaysia
Tel: +60-4-4213121 Fax: +60-4-4213123

Number of Employees: 680

Opened: 1980

Main Products: Rubber gloves

Achieved Absolute Zero Waste Disposal: 2010



Monthly tree-planting activities



A sludge carbonizer has been in use since 2011, and it has successfully reduced sludge from wastewater treatment by 60%, resulting in a reduction in waste products.

Thailand Factory (Tennis Balls)

(Srixon Sports Manufacturing (Thailand) Co., Ltd.)

Location: Kabinburi District, Pranchiburi Province, Thailand
Tel: +66-3720-4868-71 Fax: +66-3720-4872

Number of Employees: 296

Opened: 2007

Main Products: Tennis balls

Achieved Absolute Zero Waste Disposal: 2011



Tree planting



Fund raising for victims of the South Thailand Floods

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: 306

Opened: 1982

Main Products: Golf clubs



A poster for the campaign to promote recycling



Children heading for the Golf Clinic Event for juniors organized by the company

Environmental Reports Published by All the Factories of Major Overseas Manufacturing Companies of the Sumitomo Rubber Group

The Sumitomo Rubber Group's overseas factories have also been publishing their own environmental reports (Changshu Factory in China since 2006, Indonesia Factory since 2007, Thailand Factory since 2009, Vietnam Factory and Thailand Factory (Tennis Balls) since 2011).

In 2012, the Malaysia Factory and Zhongshan Factory in China also began publishing their own environmental reports. As a result, all the factories of major overseas manufacturing companies of the Sumitomo Rubber Group that have been certified in accordance with ISO 14001 now publish their own environmental reports. Through these environmental reports, our overseas factories actively disseminate environmental information, including information about the environmental impact of their production activities and the goals and results of their environmental activities to utilize for communication.



Overview

Tire Business



Sumitomo Rubber Industries, Ltd. sells its main brands of tires—Dunlop, Falken and Goodyear—for passenger cars, trucks, buses and motorcycles both in Japan and overseas. Our tires employ state-of-the-art environmental technology.



Production factories: Japan (Shirakawa, Nagoya, Izumiotsu, Miyazaki), China, Indonesia, Thailand
Production companies: 8 consolidated subsidiaries, 7 affiliates **Sales companies:** 25 consolidated subsidiaries, 10 affiliates **Tire test courses:** Okayama, Nayoro, Asahikawa
R&D facility: Tire Technical Center

Sports Business



Dunlop Sports Co., Ltd. manufactures and markets sports products such as golf balls and clubs as well as tennis balls and rackets. In addition to our core brand XXIO and our strategic international brand SRIXON, the American-born brand "Cleveland Golf" is also marketed and sold around the world.



Production factories: Japan (Ichijima, Miyazaki), Indonesia, Thailand, U.S.A.
Production companies: 4 consolidated subsidiaries, 1 affiliate
Sales companies: 12 consolidated subsidiaries, 2 affiliates **R&D facility:** Golf Science Center

Industrial and Other Products Business

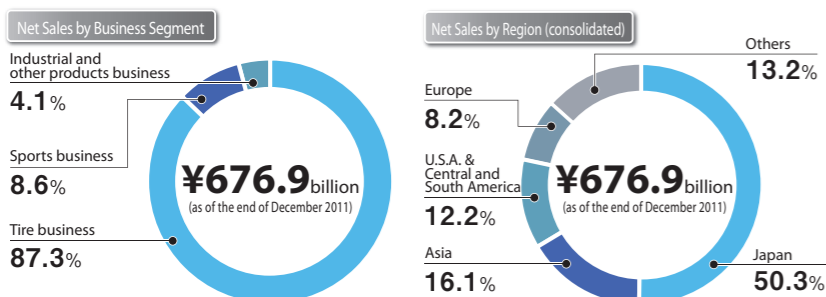


The Hybrid Business Division of Sumitomo Rubber Industries manufactures and markets precision rubber parts for office machines, vibration control rubber dampers, artificial turf for sports arenas, flooring materials, transportable wheelchair ramps, rubber gloves, gas pipes, blankets for offset printing presses, engineering and marine products and medical rubber stoppers. Overseas, we run a natural rubber glove producing factory in Malaysia and factories making precision rubber parts for office machines in China and Vietnam. We offer a wide range of products from living ware to materials for industrial applications.



Manufacturing factories: Japan (Kakogawa, Izumiotsu), Malaysia, China (Zhongshan), Vietnam
Production companies: 3 consolidated subsidiaries, 1 affiliate
Sales companies: 3 consolidated subsidiaries

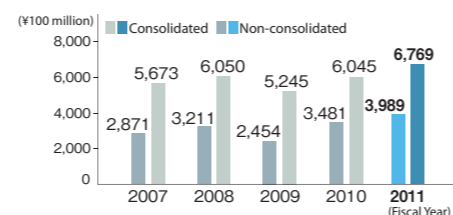
Breakdown of Net Sales (consolidated)



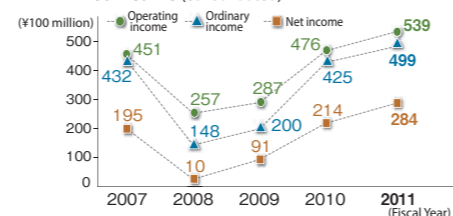
Group Overview (as of the end of December 2011)

Company name:	Sumitomo Rubber Industries, Ltd.
Head Office:	3-6-9 Wakino-hama-cho, Chuo-ku, Kobe, Hyogo 651-0072, Japan
Establishment:	1909
Paid-in capital:	¥42.7 billion
Consolidated net sales:	¥676.9 billion (as of the end of December 2011)
Number of employees (consolidated):	22,320
Consolidated subsidiaries:	65 (of which 32 are in Japan)
Affiliates:	31 (of which 18 are in Japan)

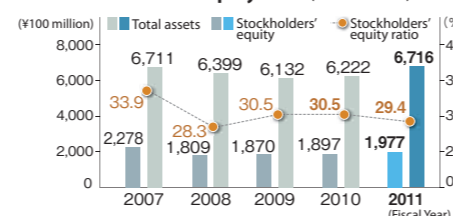
Net Sales



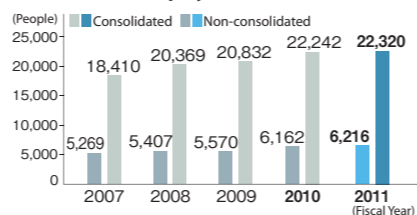
Operating Income, Ordinary Income, Net Income (consolidated)



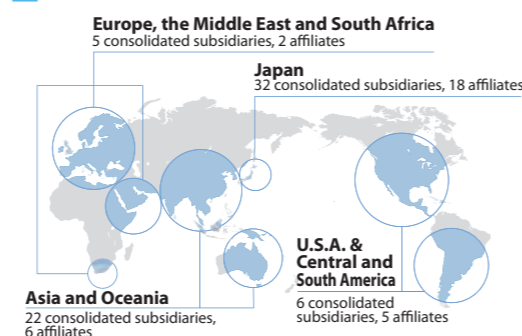
Total Assets, Stockholders' Equity, Stockholders' Equity Ratio (consolidated)



Number of Employees



Global Network



Third Person's Comments

Comments on the CSR Report 2012



Katsuhiko Kokubu

Professor at Graduate School of Business Administration, Kobe University

Completed the doctoral program in business administration at Osaka City University Graduate School. After serving as assistant professor at Osaka City University and Kobe University, he assumed his current position in 2001. His recently published works include "Accounting System that Supports Environmental Business Decision Making" (Chuokeizai-sha, Inc.) and "Environmental Management and Accounting" (Yuhikaku Publishing Co., Ltd.).

Green-oriented environmental activities

With the major emphasis on greening in our environmental activities, the Sumitomo Rubber Group promotes greening in Japan and abroad. I evaluate the company's approach to environmental issues highly, with our particularly strong emphasis on greening and in association with biodiversity and CO₂ emission reductions. Efforts focusing on specific activities are easy for stakeholders to understand. In addition, these activities are easily recognizable, helping to enhance the corporate image. Of the company's environmental activities, mangrove planting in Thailand, where natural rubber is produced, is very meaningful in terms of reducing the environmental impact of raw material procurement for tire production, your company's main business. I hope that more efforts will be made to provide information to the public on the procurement of natural rubber as a raw material and the development of environmental conservation activities at production sites.

Systematic environmental conservation

Your company promotes environmental conservation activities systematically in the categories of "building a low-carbon society," "creating a recycling-oriented society," "promoting global environmental management" and "developing environmentally friendly or 'eco-friendly' products." While some targets remain unfulfilled, you have carefully analyzed possible reasons for failing to meet the targets so that you can apply what you have learned to your future activities. Efforts are also made to address issues unique to the tire industry, such as problems associated with waste tires. These efforts should be highly regarded. As for the development of eco-friendly products, your company has been making tremendous efforts to pursue safety and environmental performance. Your company is now expected to set some targets to achieve for eco-friendly products too, so as to further enhance your efforts to protect the environment. Any targets that can increase the percentage of high-level* eco-friendly products will help visualize your activities more clearly.

*Our products are ranked based on the labeling system.

Earnest response to social issues

Your company has also demonstrated many successful results in addressing various issues involving employees and external stakeholders. I think your company offers various measures to make the workplace friendlier to employees, and particularly to improve their work-life balance. In establishing and maintaining dialogue with stakeholders, you have continued your efforts focusing on your specified target audiences, including customers, suppliers, and shareholders/investors. I found the dialogue between Mr. Yutaka Kuroda, Director and Senior Executive Officer, and Mr. Saburo Kato very meaningful because it was not just a superficial, diplomatic conversation, but a serious dialogue that dealt with the main business of the Sumitomo Rubber Group and its environmental and social issues. If you also set some targets for social issues in such a way as to establish a CSR management system, I'm sure your activities will become even more effective. I believe that the KPI (Key Performance Indicator) will serve as one of the most important indicators for CSR management in the future and therefore I would recommend that the Sumitomo Rubber Group consider moving in that direction.

In response to the third person's comments

Based on our basic philosophy that "the Sumitomo Rubber Group's GENKI Activities are energetic contributions to the environment and communities, focusing on being both a trusted corporate citizen and part of a sustainable society," we have positioned "environmental considerations" as one of the most important issues in our business management. Of activities on which we have placed particular emphasis, greening activities, contributing to building a low-carbon, recycling-oriented society, and developing eco-friendly products have been well-recognized at a certain level, and this is a source of encouragement for us to continue our efforts to improve our activities.

At the same time, in response to the advice offered here, more efforts will be made to set clearer targets in each activity area so as to strengthen our management functions. In addition, we will provide more information on our activities to the public.



Hiroaki Tanaka
Representative Director and Managing Executive Officer

Environmentally Friendly Printing

Eco Paper

This report uses paper made from thinned trees in order to promote thinning (which improves forest health) and the effective use of thinned trees.

Eco Printing

Paper used for the report is made from pulp derived from appropriately-managed forests.

Printed using a waterless printing process, which does not discharge harmful liquids.

Printed using soy ink containing no volatile organic compounds.

Sumitomo Rubber Group CSR Report 2012 Basic Information

Editorial Policy

The Sumitomo Rubber Group has been promoting CSR activities in five key areas (pp. 14 to 16), i.e. GENKI, of the CSR Guidelines stipulated in our Fundamental Philosophy on CSR Activities. This Report summarized the CSR activities undertaken by the Group worldwide during fiscal 2011. The opening pages feature special reports to communicate the most important and timely information on the Group's key CSR activities to readers in an easy-to-understand manner.

Information on fundamental CSR activities and detailed data which are not covered in this report are available on the Sumitomo Rubber Industries website.

CSR Management Based on Stakeholder Engagement*

Based on the opinions of stakeholders collected in fiscal 2011 in The Voice of Our Stakeholders/Employees (CSR Report 2011, pp. 19 to 36), Stakeholder Dialogue (CSR Report 2011, pp. 39 to 42), and various questionnaire surveys in fiscal 2011, new CSR targets have been set as shown in the table below. This table will be gradually completed and the results of our efforts to achieve these targets will be provided in our CSR Reports.

CSR Targets Based on 2011 Stakeholder Engagement

	Activity aspect	Reporting aspect
G reen Initiative	To be determined	To be determined
E cological Process	To be determined	To be determined
N ext-Generation Product Development	To be determined	<ul style="list-style-type: none"> Report how technology is applied to products. Report roadability, comfort, noise, fuel-efficiency and other "performances expected from tires by customers." Report improvement of test environments similar to use conditions.
K indness to Employees	<ul style="list-style-type: none"> Develop and implement tools to raise CSR awareness for employees. 	<ul style="list-style-type: none"> Report the effects of training sessions such as a course "to cultivate the ability to delve deeply into problems" based on results of questionnaire surveys with participants. Report how business and CSR activities have been developed in the Chinese market. Report the employment and assignment of women.
I ntegrity for Stakeholders	<ul style="list-style-type: none"> Make effective use of results of review of Q&A on the website in preparing brochures and other tools for customers. 	<ul style="list-style-type: none"> Report results of review of Q&A on the website. Invite those who need information on products to visit our website. Develop reports for children.

*"Stakeholder Engagement" is a collective term for The Voice of Our Stakeholders/Employees (CSR Report 2011, pp. 19 to 36), Stakeholder Dialogue (CSR Report 2011, pp. 39 to 42), and various questionnaire surveys.

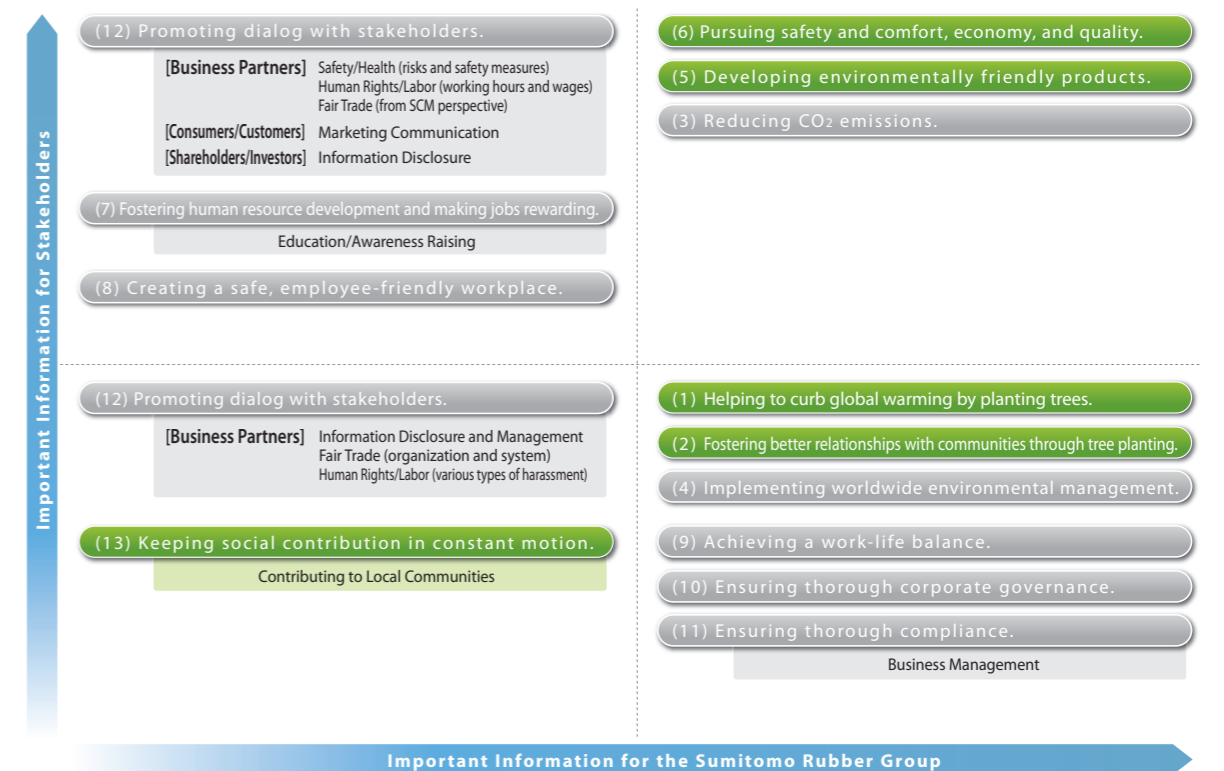
Items Covered in the Report

This Report covers important information (materiality) that is considered to have a material impact on stakeholders in evaluating the Group's CSR activities. Materiality was selected based on several questionnaire surveys* conducted by the Group during fiscal 2010 and 2011.

*1) Supplier CSR Interview Survey, 2) CSR Report 2011 Readers Questionnaire (employees, business partners, students scheduled to enter the Company), 3) CSR Report Online Group Interview Survey, 4) Employee Questionnaire, 5) 2011 Comprehensive Consumer Survey, 6) Questionnaire to Individual Shareholders

Materiality: Themes that are considered to have a material impact on stakeholders in evaluating the Group's CSR activities

The 13 indicators included in the five areas of the GENKI CSR Guidelines Green shaded items are the themes covered in the special reports.



The Sumitomo Rubber Group's CSR Communication

Acorn Project—Plant for the Future!

The Acorn Project is a symbol of the Sumitomo Rubber Group's environmental conservation efforts and has been carried out in cooperation with local communities. A dedicated site for the Project (Japanese only) is accessible from the banner on the top page of the CSR Efforts section of the Sumitomo Rubber Industries' website. Detailed information on the project is presented in a clear, easy-to-understand manner and is complemented by colorful photos, illustrations and graphs.



Team ENASAVE Campaign

The ENASAVE Campaign is comprised of the customer-participatory tree-planting activities that our Group launched in fiscal 2009. A dedicated site for the Campaign (Japanese only) is accessible from the banner on the top page of the Dunlop Tire section of Sumitomo Rubber Industries' website. The site gives detailed information on the Campaign, including its objectives and outline as well as the progress of activities to encourage understanding and support for the Campaign.



<http://www.srigroup.co.jp/csr/project/index.html>

<http://team.enasave.jp/>

Outline of Sumitomo Rubber Group CSR Report 2012

Target Readers

Customers, employees, shareholders/investors, business partners, local communities, general consumers, NPOs/NGOs, administrative agencies

Publishing Date

June 2012 (planned publishing date for the next edition: June 2013)

Companies Covered by the Report

Group companies in Japan and overseas, with a focus on the six factories operated by Sumitomo Rubber Industries, Ltd. and Dunlop Sports Co., Ltd.

Referenced Guidelines

- Sustainability Reporting Guidelines (3rd edition), published by the Global Reporting Initiative (GRI)
- Environmental Reporting Guidelines (Fiscal 2007 edition), published by the Ministry of the Environment

Period of the Report

Fiscal 2011 (January 1, 2011 to December 31, 2011; some information is from outside of this period)

Independent Assurance

Comments from an expert are included in order to adopt an objective perspective on the report. (See Page 48.)