

SRI Sports Limited to Build Golf Ball Plant in Indonesia

SRI Sports Limited in Kobe, Japan, which was investigating expansion of golf ball production capacity to meet the favorable golf ball sales in Japan and abroad and a future plan to increase its production, has recently decided to construct a new golf ball production factory near the plant of P.T. Sumi Rubber Indonesia, a manufacturing subsidiary of Sumitomo Rubber Industries, Ltd.

SRI Sports Ltd. sells golf balls in the brands such as XXIO and SRIXON. The company enjoys the top-class market share of 30%*¹ in Japan and a 23%*² share in the UK, with golf balls being used by many players at home and abroad. Ryo Ishikawa signed a contract to use its golf balls and the SRIXON Z-STAR series golf balls he is using in tournaments are especially increasing its market share not only in Japan but in overseas including the USA. As a result, the company's golf ball sales in the first half of this year increased by 15.3% to ¥6.8 billion, compared to the equivalent period of last year.

*¹ 2009 market share in sales quantities

(source: Golf Industry White Paper of Yano Research Institute Ltd.)

*² 2009 market share in sales quantities (source: Sports Marketing Surveys)

In order to meet the future demands for golf balls, SRI Sports Ltd. will need to expand its production capacity by building a new plant since the two existing golf ball plants in Indonesia and Japan are already operating at high production level. With this production increase, SRI Sports Ltd. will increase the market share further in the USA, which is the largest market for golf-related products, and to strengthen its sales in China showing a remarkable growth, then proceed with the global strategies in the sport business.

1. P.T. Sumi Rubber Indonesia

Location:	Cikampek, Indonesia
Operation Start:	1997 for tires, 1998 for golf balls
Capital:	US\$ 100million
Products:	Automobile and motorcycle tires, golf balls
Number of Employees:	Approx. 3,500 (end of June 2010)
Current Site Area:	230,000 m ²

2. New Plant and Construction Plan

Name of Plant:	No.2 Golf Ball Plant (tentative)
Location:	Cikampek, Indonesia (will acquire land in the vicinity of current plant)
Construction Start:	March 2011
Production Start:	July 2012
Current Site Area:	40,000 m ²
Total Investment:	Approx. ¥1.4 billion (made by P.T. Sumi Rubber Indonesia)

End