ECO FIRST
環境大臣認定
エコ・ファースト企業

Financial Report

(January 1 ~ June 30, 2017)

August 8, 2017

SUMITOMO RUBBER INDUSTRIES

Key Subjects

SUMITOMO RUBBER GROUP

- 2017 2nd Quarter Financial Results Summary
  - Changes in Scope of Consolidation, Affiliated Companies
  - Financial Results Summary
- 2017 Annual Financial Results Forecast
  - Financial Results Forecast Summary
  - Capex / Depreciation, Tire Production Capacity etc.

Changes in Scope of Consolidation

SUMITOMO RUBBER GROUP

	Consolidated Subsidiaries 88 (vs 2016 year-end : +15)		Equity-method Affiliates 3 (vs 2016 year-end : -)	
	Newly Included +17	Excluded (2)	Newly Included -	Excluded -
Tires	Micheldever Group Ltd. Micheldever Tyre Services Ltd. Fleet Tyre Network Ltd. (U.K./Sales company of tires)			
Sports	Dunlop International Co. Ltd. (Japan/ Sporting goods business) Dunlop International 1902 Limited and 12 consolidated subsidiaries (U.K. and other/Sporting goods business)	Cleveland Golf Korea Co., Ltd. (Merged with Dunlop Sports Korea Co., Ltd.)		
Industrial & Other		Lonstroff Holding AG (Merged with Lonstroff AG)		

Affiliated Companies (Consolidated Subs: 88, Equity-method Affiliates : 3)

SUMITOMO RUBBER GROUP

	Manufacturing Companies	Sales Companies	Other Companies
Tires	Domestic 1	Domestic 11	Domestic 7
	Overseas 8 Asia Pacific 4 Europe and Africa 2 Americas 2	Overseas 18 Asia Pacific 10 Europe and Africa 6 Americas 2	Overseas 5 Asia Pacific 1 Europe and Africa 2 Americas 2
Sports	Domestic 2	Domestic 2	Domestic 5
	Overseas 3 Thailand, U.S., Philippines	Overseas 14 Malaysia, U.K., Australia, Canada, China, Hong Kong, South Africa, South Korea, Thailand, France, Germany	Overseas 7 U.K.
Industrial & Other	Domestic –	Domestic 3	Domestic –
	Overseas 4 Malaysia, China, Vietnam, Switzerland	Overseas 1 Hong Kong	Overseas –

TOTAL 91
Domestic 31
Overseas 60

Consolidated Financial Results (2017 Jan.-Jun.)

SUMITOMO RUBBER GROUP

IFRS

Billions of Yen

	2017 Jan.-Mar.	vs 2016	2017 Apr.-Jun.	vs 2016	2017 Jan.-Jun.	vs 2016	Feb. 14th & May 10th 2017 Forecast 2017 Jan.-Jun.	2016 Jan.-Jun.
Sales Revenue	192.1	108% 13.7	211.3	117% 30.7	403.4	112% 44.5	385.0	358.9
Business Profit (%) ※1	12.2 (6.3%)	86% (2.0)	9.7 (4.6%)	60% (6.5)	21.8 (5.4%)	72% (8.5)	15.0 (3.9%)	30.4 (8.5%)
Operating Profit (%)	11.8 (6.2%)	88% (1.6)	9.4 (4.4%)	60% (6.3)	21.2 (5.3%)	73% (7.9)	15.0 (3.9%)	29.1 (8.1%)
Profit ※2	8.6	105% 0.4	3.9	39% (5.9)	12.4	69% (5.6)	10.0	18.0

※1. Business Profit : Sales Revenue – (COS + SGA)
※2. Profit : Profit attributable to owners of parent

The above notes apply throughout this report.

Impact from Adoption of IFRS on Consolidated Statements of Income (2016 Jan.-Jun.)

SUMITOMO RUBBER GROUP

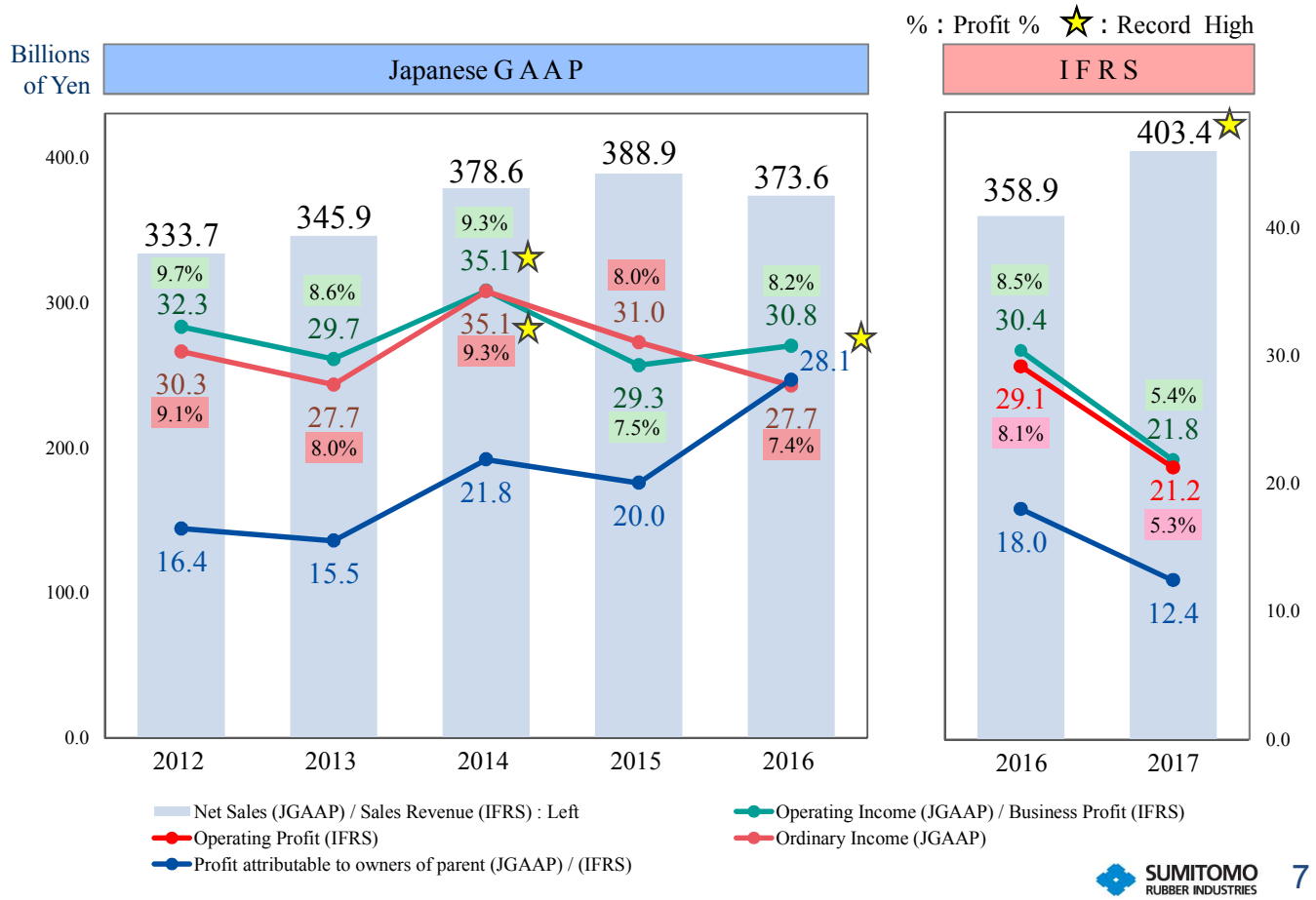
IFRS | Japanese GAAP

Billions of Yen

	2016 Jan.-Jun.		2016 Jan.-Jun.	Impact	Main Factors
Sales Revenue	358.9	Net Sales	373.6	(14.7)	Offset of Sales revenue and Incentive bonus (16.5) Provisions for sales return +2.4
Business Profit (%)	30.4 (8.5%)	Operating Income (%)	30.8 (8.2%)	(0.4)	Cessation of amortization of Goodwill (0.4)
Operating Profit (%)	29.1 (8.1%)				
Profit	18.0	Profit	28.1	(10.1)	Recognize Gain on sales of investment securities as Other comprehensive income (Non-recognition in P/L) (8.0)

Consolidated Sales Revenue / Profit (Jan.-Jun.)

SUMITOMO RUBBER GROUP



Consolidated Sales Revenue / Business Profit by Reportable Segment (2017 Jan.-Jun.)

SUMITOMO RUBBER GROUP

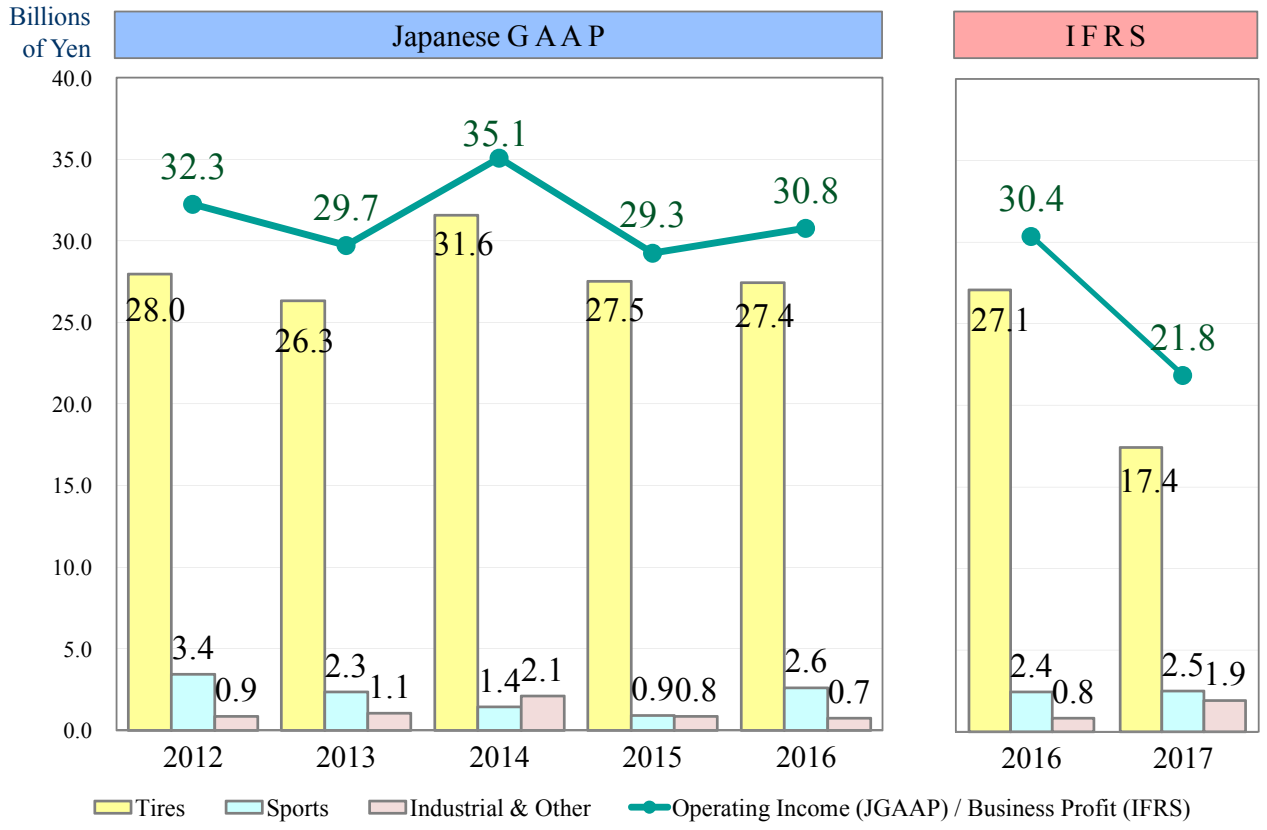
I F R S

Billions of Yen

		2017 Jan.-Mar.	vs 2016	2017 Apr.-Jun.	vs 2016	2017 Jan.-Jun.	vs 2016	Feb. 14th & May 10th 2017 Forecast 2017 Jan.-Jun.	2016 Jan.-Jun.
Sales Revenue	Tires	165.6	108%	180.7	118%	346.2	113%	330.0	306.2
	Sports	16.8	100%	21.1	108%	37.9	105%	38.0	36.3
	Industrial & Other	9.7	116%	9.6	118%	19.3	117%	17.0	16.5
	Total	192.1	108%	211.3	117%	403.4	112%	385.0	358.9
Business Profit	Tires	10.1	77%	7.4	52%	17.4	64%	12.5	27.1
	Sports	1.1	151%	1.4	82%	2.5	102%	1.5	2.4
	Industrial & Other	1.0	222%	0.9	236%	1.9	229%	1.0	0.8
	Total	12.2	86%	9.7	60%	21.8	72%	15.0	30.4

Consolidated Business Profit by Reportable Segment (Jan.-Jun.)

SUMITOMO RUBBER GROUP



Consolidated Business Profit by Geographic Areas (Jan.-Jun.)

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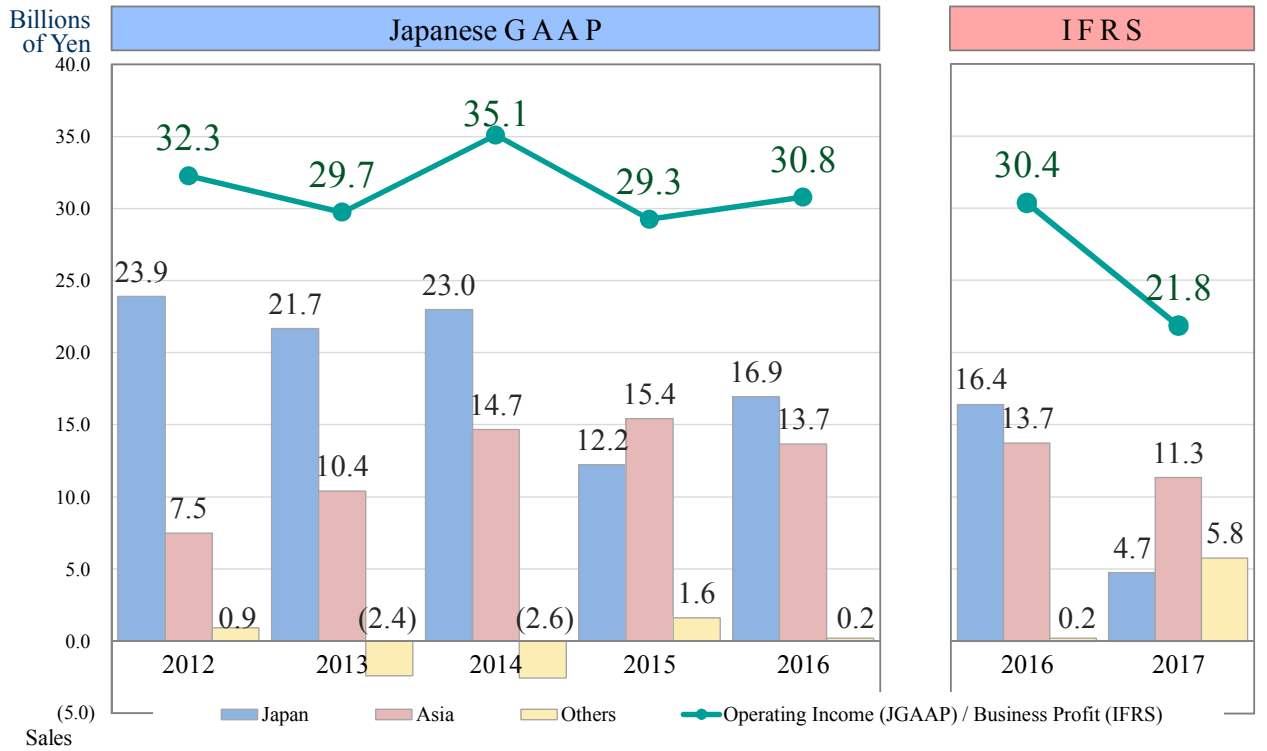
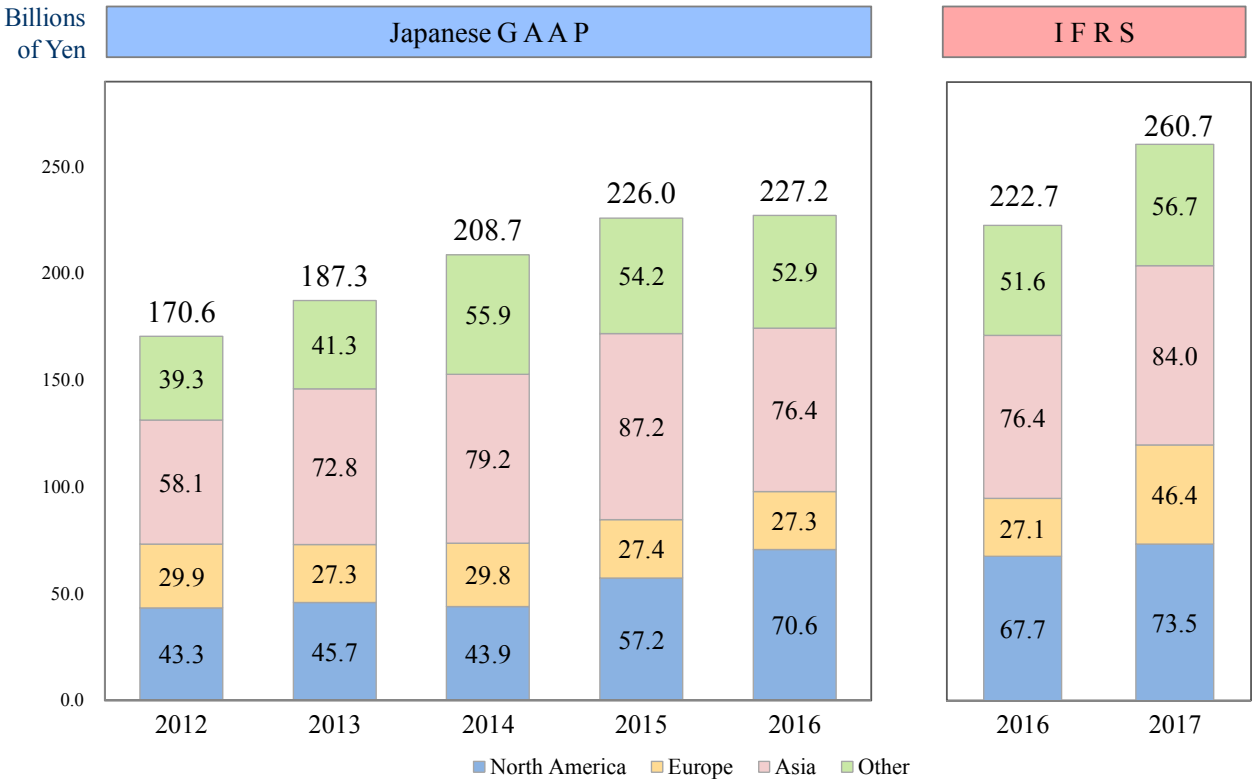


Sales							
Japan	204.6	198.6	210.4	204.9	181.2	167.7	175.9
Asia	54.8	69.6	75.4	82.7	71.9	71.9	80.8
Others	74.3	77.6	92.9	101.3	120.4	119.3	146.7
Total	333.7	345.9	378.6	388.9	373.6	358.9	403.4

※Sales and Profit for geographic areas on this page are based on sales company's location.

Overseas Sales Revenue (Jan.-Jun.)

SUMITOMO RUBBER GROUP

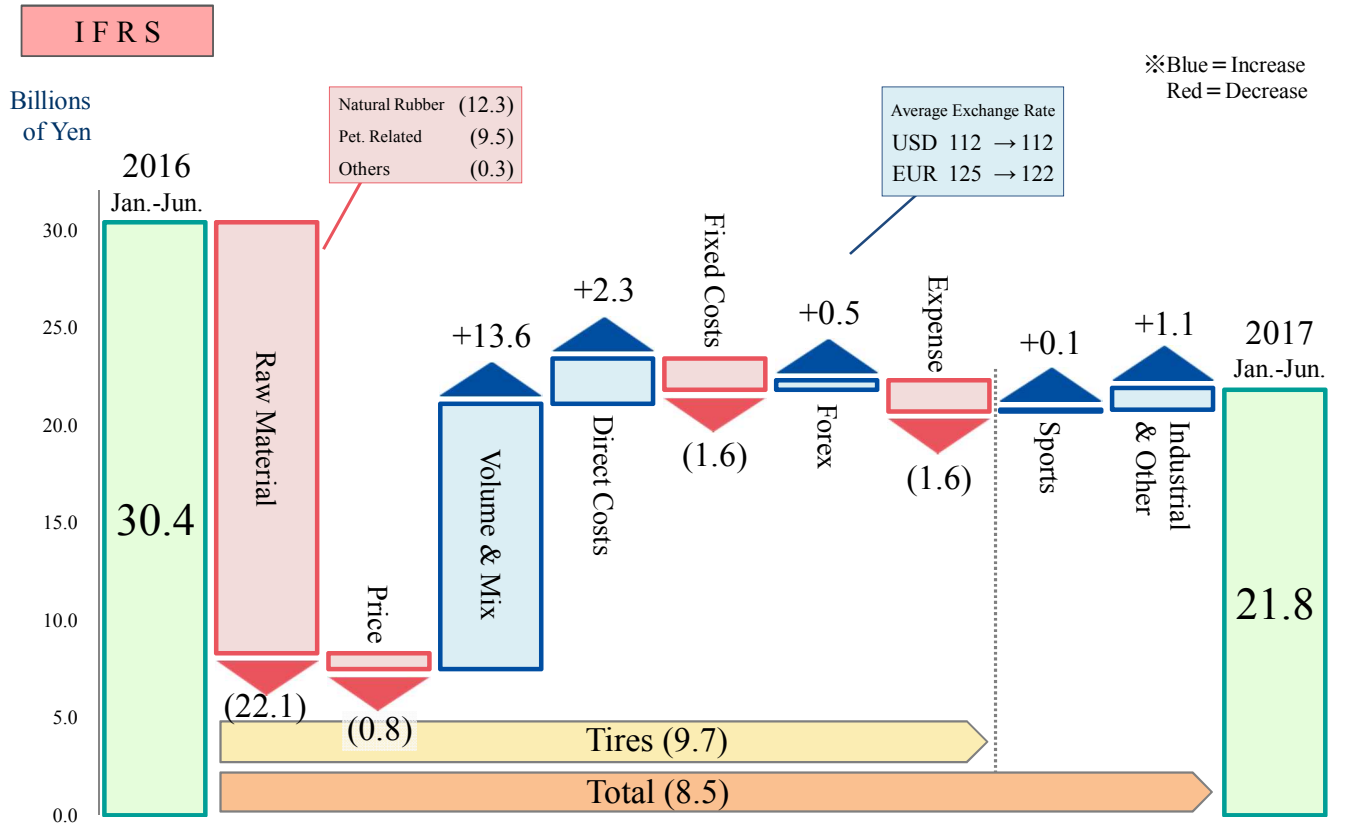


Consolidated Sales	333.7	345.9	378.6	388.9	373.6	358.9	403.4
% of Overseas	51%	54%	55%	58%	61%	62%	65%

※Overseas Sales on this page are based on customer's location.

Consolidated Business Profit Walk (2017 Jan.-Jun.)

SUMITOMO RUBBER GROUP



【Forecast】 Consolidated Financial Results

SUMITOMO RUBBER GROUP

IFRS

Billions of Yen

	Revised Forecast 2017	Actual 2016	YOY	Feb. 14th & May 10th 2017 Annual Forecast 2017	Revised Forecast 2017 Jul.-Dec.	vs 2016
Sales Revenue	860.0	756.7	114%	850.0	456.6	115%
Business Profit (%)	63.0 (7.3%)	74.9 (9.9%)	84%	50.0 (5.9%)	41.2 (9.0%)	92%
Operating Profit (%)	63.0 (7.3%)	73.3 (9.7%)	86%	50.0 (5.9%)	41.8 (9.1%)	95%
Profit	41.0	41.4	99%	33.0	28.6	122%

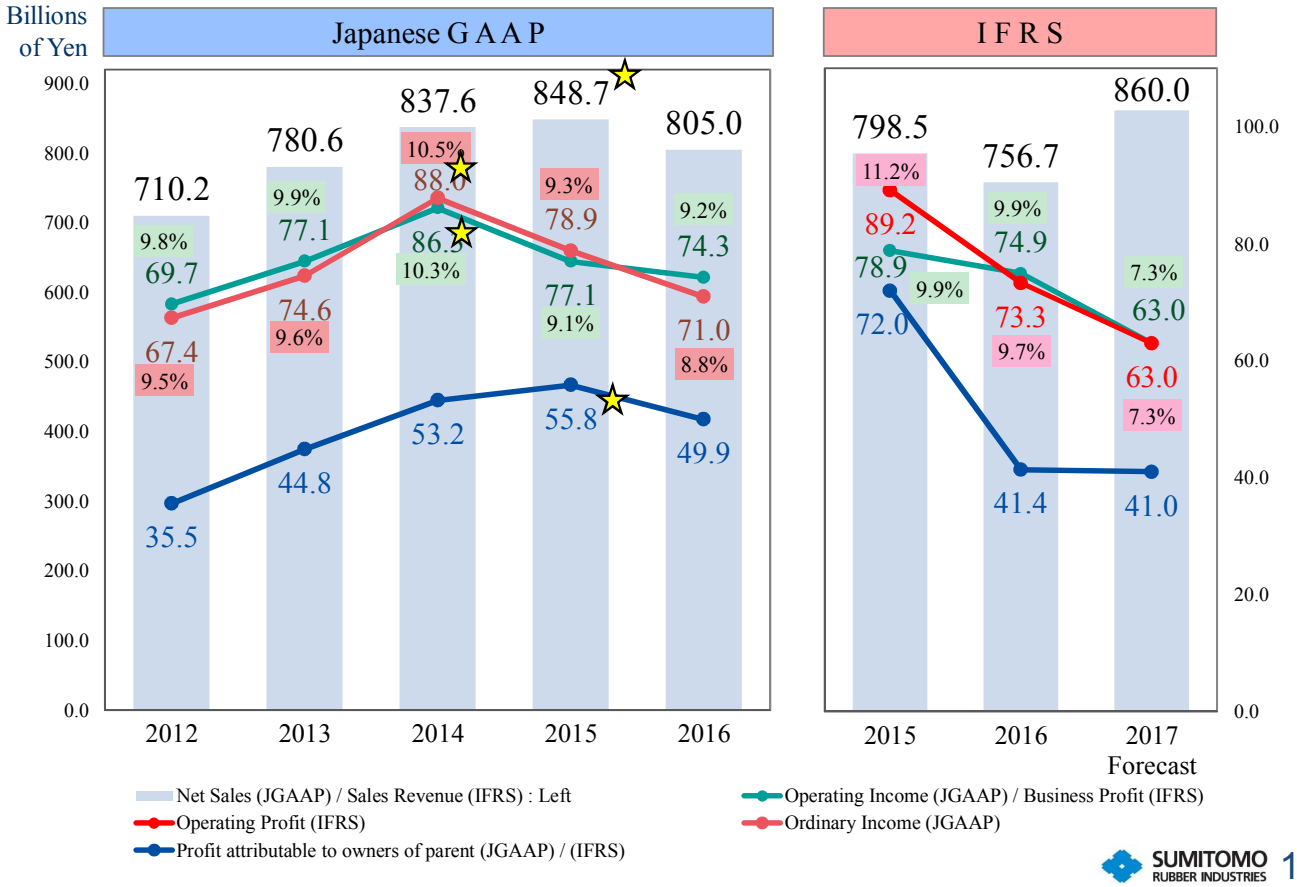
ROE	9.0%	9.7%	8.0%	
ROA※	6.5%	8.2%	5.5%	
D/E Ratio	0.6	0.5	0.6	

※ROA :
"Business Profit" / "Total Assets"

【Forecast】 Consolidated Sales Revenue / Profit

SUMITOMO RUBBER GROUP

% : Profit % ☆ : Record High



【Forecast】 Consolidated Sales Revenue / Business Profit by Reportable Segment

SUMITOMO RUBBER GROUP

IFRS

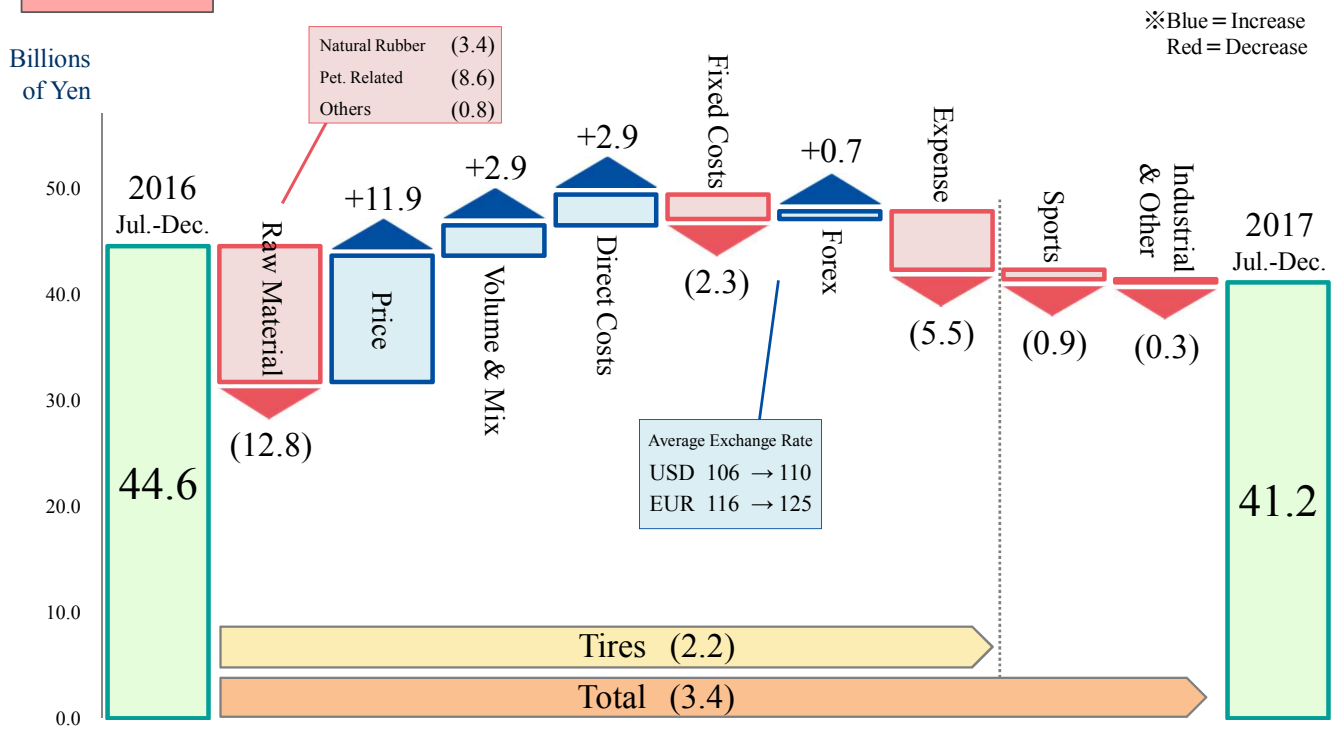
Billions of Yen

		Revised Forecast 2017	Actual 2016	YOY	Feb. 14th & May 10th 2017 Annual Forecast 2017	Revised Forecast 2017 Jul.-Dec.	vs 2016
Sales Revenue	Tires	741.0	648.4	114%	732.0	394.8	115%
	Sports	80.0	72.8	110%	80.0	42.1	115%
	Industrial & Other	39.0	35.5	110%	38.0	19.7	104%
	Total	860.0	756.7	114%	850.0	456.6	115%
Business Profit	Tires	56.0	67.9	82%	44.0	38.6	94%
	Sports	3.5	4.3	81%	3.0	1.0	54%
	Industrial & Other	3.5	2.7	130%	3.0	1.6	85%
	Total	63.0	74.9	84%	50.0	41.2	92%

【Forecast】 Consolidated Business Profit Walk (2017 Jul.-Dec.)

SUMITOMO RUBBER GROUP

IFRS



【Forecast】 Consolidated Business Profit Walk (2017 Annual)

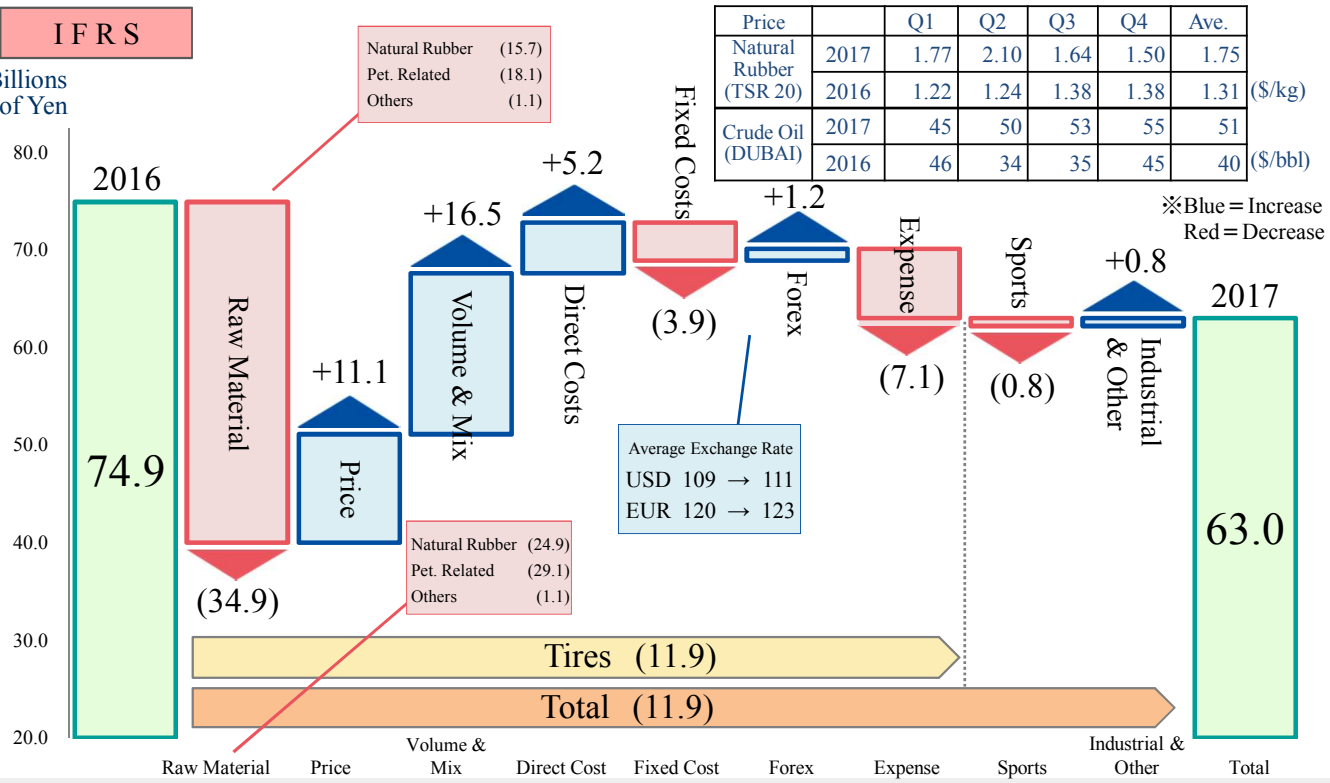
SUMITOMO RUBBER GROUP

IFRS

Billions of Yen

Price		Q1	Q2	Q3	Q4	Ave.	
Natural Rubber (TSR 20)	2017	1.77	2.10	1.64	1.50	1.75	($/kg)
	2016	1.22	1.24	1.38	1.38	1.31	
Crude Oil (DUBAI)	2017	45	50	53	55	51	($/bbl)
	2016	46	34	35	45	40	

※Blue = Increase
Red = Decrease



	Raw Material	Price	Volume & Mix	Direct Cost	Fixed Cost	Forex	Expense	Sports	Industrial & Other	Total
May10th Forecast	(55.1)	24.1	14.5	4.3	(5.1)	0.0	(6.6)	(1.3)	0.3	(24.9)
2015→2016	26.5	(20.7)	10.9	2.7	(11.6)	(8.7)	(5.2)	1.6	0.5	(4.0)

Consolidated Business Profit Analysis by Factors

SUMITOMO RUBBER GROUP

IFRS

Billions of Yen

Period		Business Profit	vs previous year	Factors: Raw Material	Price	Volume & Mix	Direct Cost	Fixed Cost	Forex	Expense	Sports	Industrial & Other
2016	Jan.-Mar.	14.2	-	-	-	-	-	-	-	-	-	-
	Apr.-Jun.	16.2	-	-	-	-	-	-	-	-	-	-
	Jul.-Dec.	44.6	-	-	-	-	-	-	-	-	-	-
	Annual	74.9	(4.0)	26.5	(20.7)	10.9	2.7	(11.6)	(8.7)	(5.2)	1.6	0.5
2017	Jan.-Mar.	12.2	(2.0)	(6.9)	(2.0)	6.3	1.3	(1.0)	(0.3)	(0.4)	0.4	0.6
	Apr.-Jun.	9.7	(6.5)	(15.2)	1.2	7.3	1.0	(0.6)	0.8	(1.2)	(0.3)	0.5
	Jul.-Dec.	41.2	(3.4)	(12.8)	11.9	2.9	2.9	(2.3)	0.7	(5.5)	(0.9)	(0.3)
	Annual	63.0	(11.9)	(34.9)	11.1	16.5	5.2	(3.9)	1.2	(7.1)	(0.8)	0.8
vs May 10th 2017 Forecast		13.0	13.0	20.2	(13.0)	2.0	0.9	1.2	1.2	(0.5)	0.5	0.5

Tire Sales Volume (Comparison %)

SUMITOMO RUBBER GROUP

		2016 Actual					2017 Jan.-Jun.Actual, Jul.-Dec. Forcast					2017 May 10th Forecast		
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Annual	Jan.-Mar.	**Apr.-Jun.**	Jul.-Sep.	Oct.-Dec.	Annual	Jan.-Jun.	Jul.-Dec.	Annual
Domestic O.E.		87%	92%	100%	108%	96%	113%	**111%**	107%	107%	109%	109%	103%	106%
Domestic Rep.		101%	101%	100%	101%	101%	103%	**114%**	93%	101%	102%	102%	102%	102%
Overseas O.E.		106%	101%	114%	102%	105%	114%	**107%**	110%	105%	109%	110%	107%	108%
Overseas Rep.		109%	106%	106%	98%	104%	112%	**112%**	115%	111%	113%	112%	113%	113%
Details	North America	118%	108%	105%	91%	104%	121%	**102%**	102%	105%	107%	112%	101%	106%
	Europe	97%	114%	105%	118%	108%	130%	**182%**	180%	147%	158%	150%	167%	159%
	Asia	99%	94%	101%	99%	98%	106%	**102%**	104%	105%	104%	104%	105%	105%
	Others	119%	112%	113%	96%	109%	98%	**105%**	107%	104%	104%	102%	107%	104%
Total		104%	102%	105%	100%	103%	111%	**112%**	109%	107%	110%	109%	109%	109%
Total Tire Sales (000 Units)		25,510	26,780	28,620	31,740	112,640	28,240	**29,920**	31,160	34,030	123,370	57,180	65,660	122,840

Tire Overseas Rep. Volume by Regional Segment

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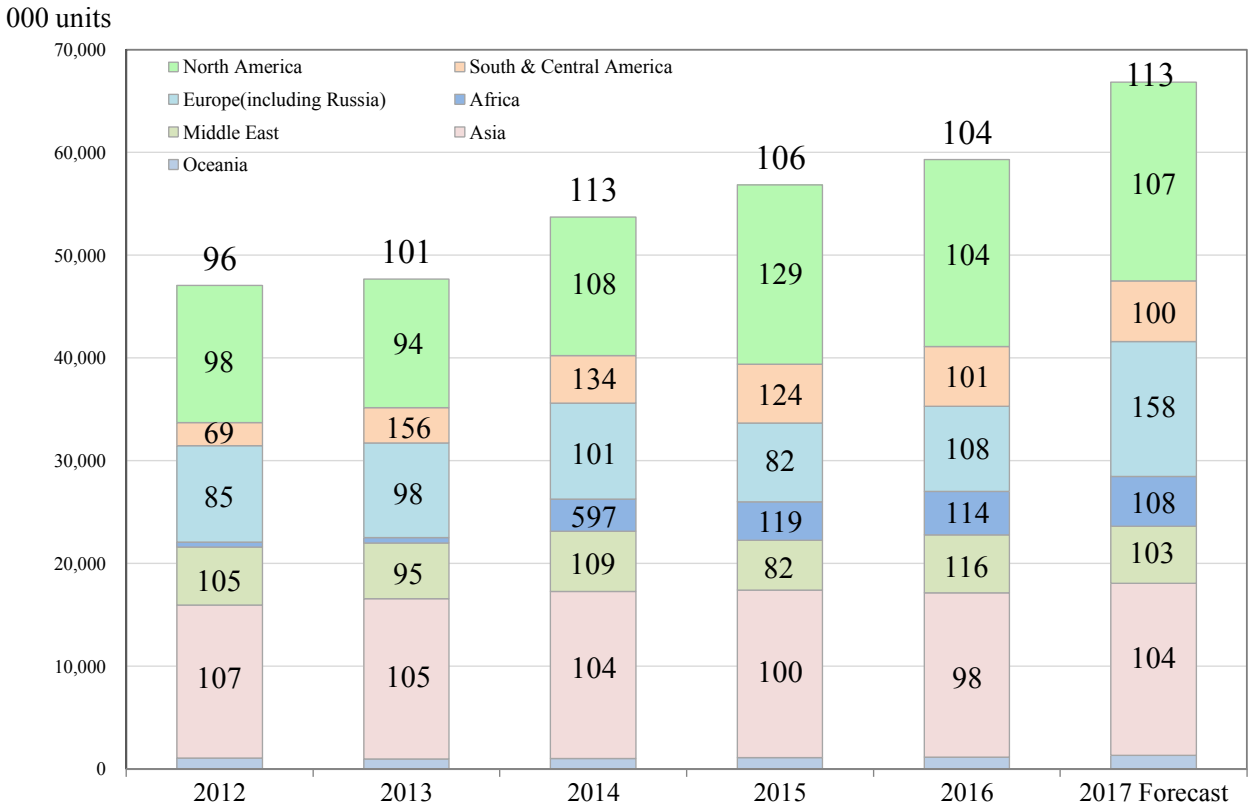

	2012	2013	2014	2015	2016	2017 Forecast
Forex (USD)	80	98	106	121	109	111

※Numbers shown in the bar graph are yoy% by region.

Equity / Interest-Bearing Debt

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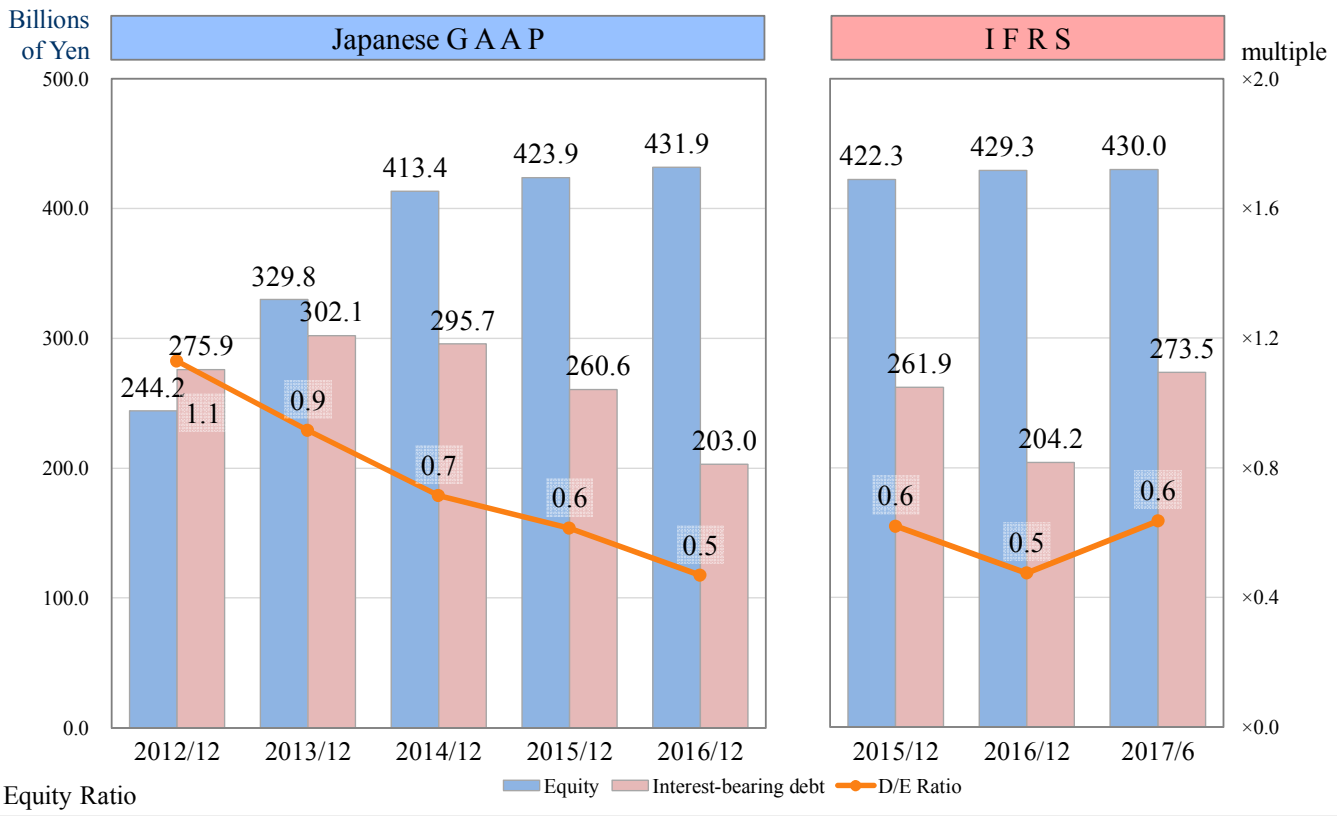

Cash Flows

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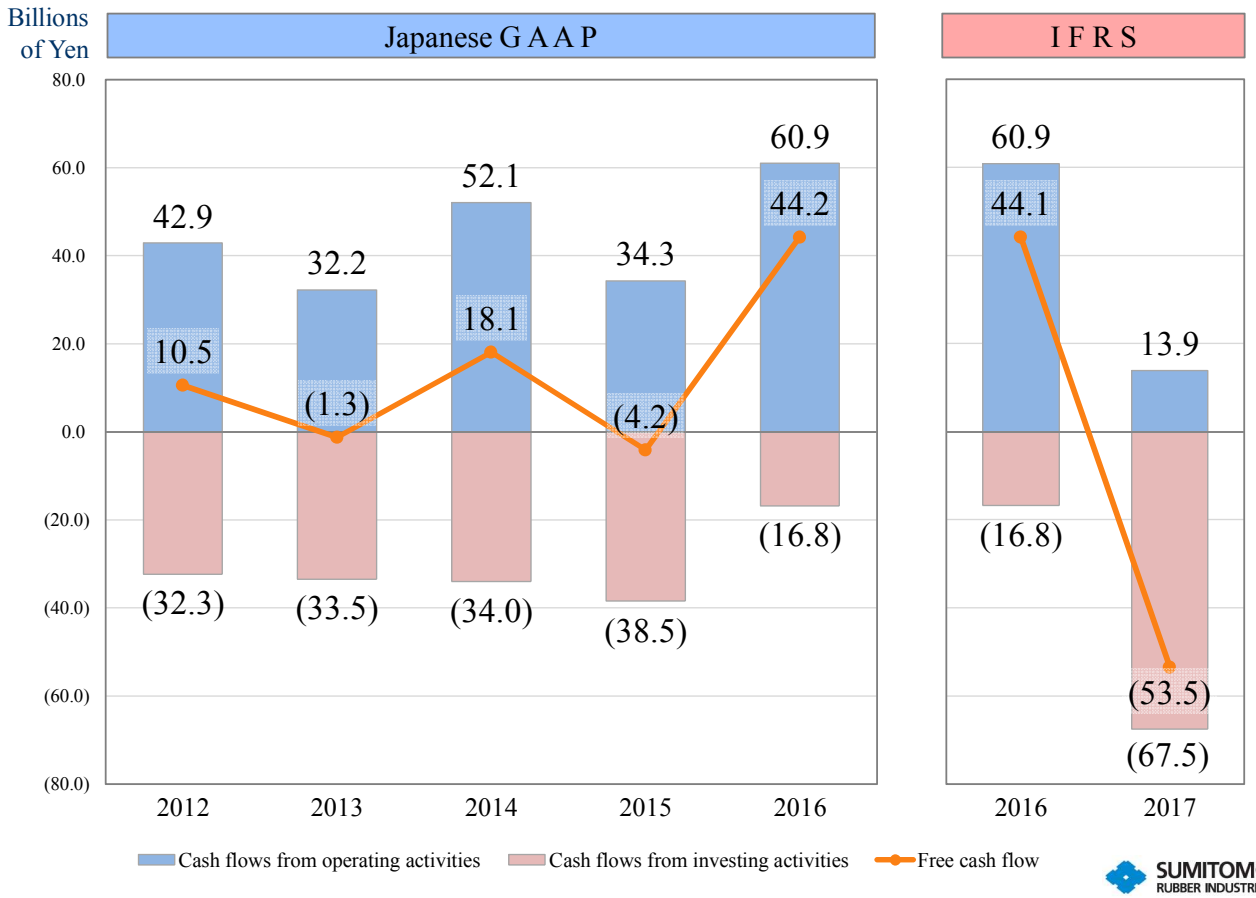

Capex and Depreciation (Tangible Assets Only)

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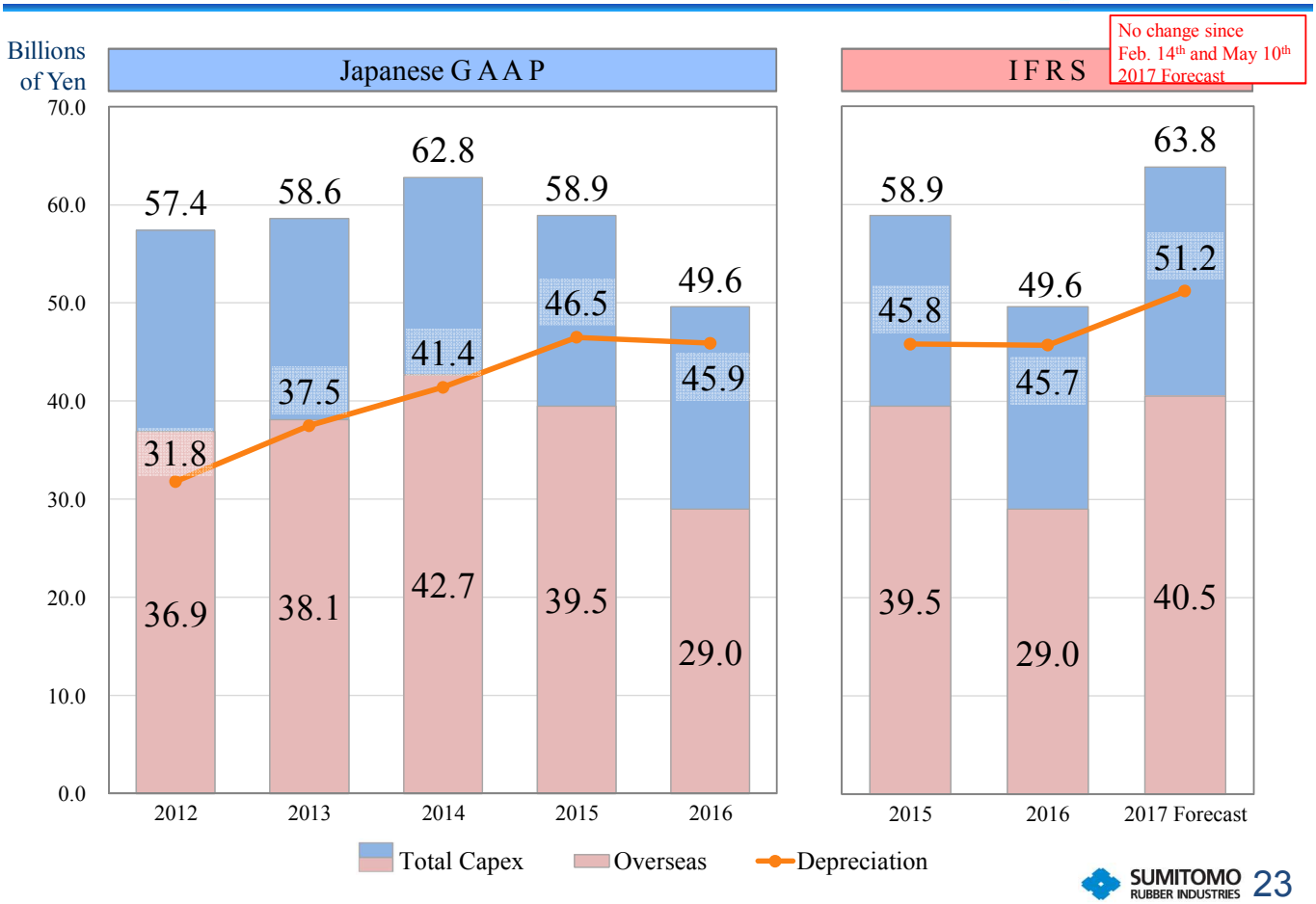
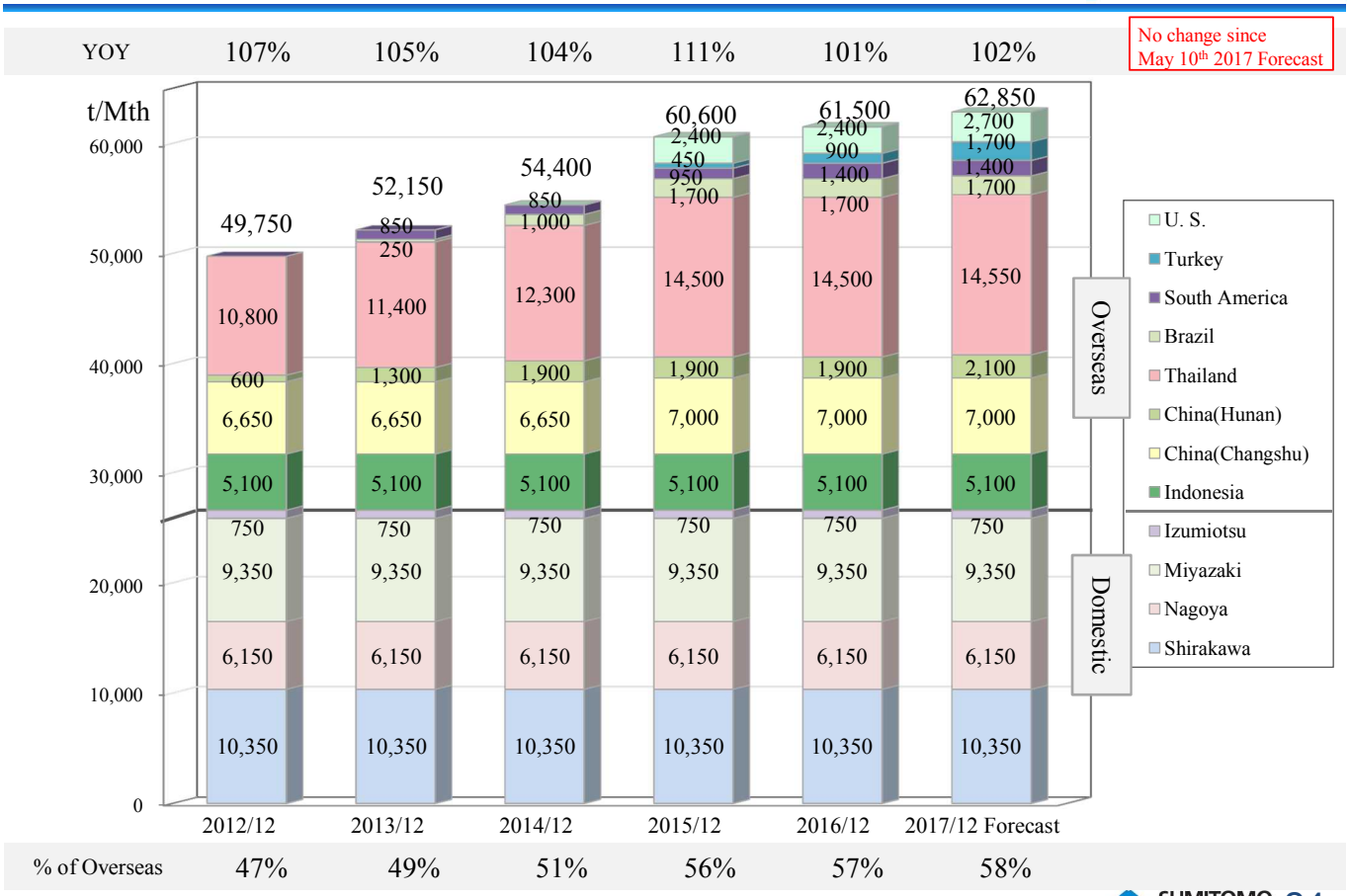


Tire Production Capacity

SUMITOMO RUBBER GROUP



Tire Production Volume and Operating Ratio

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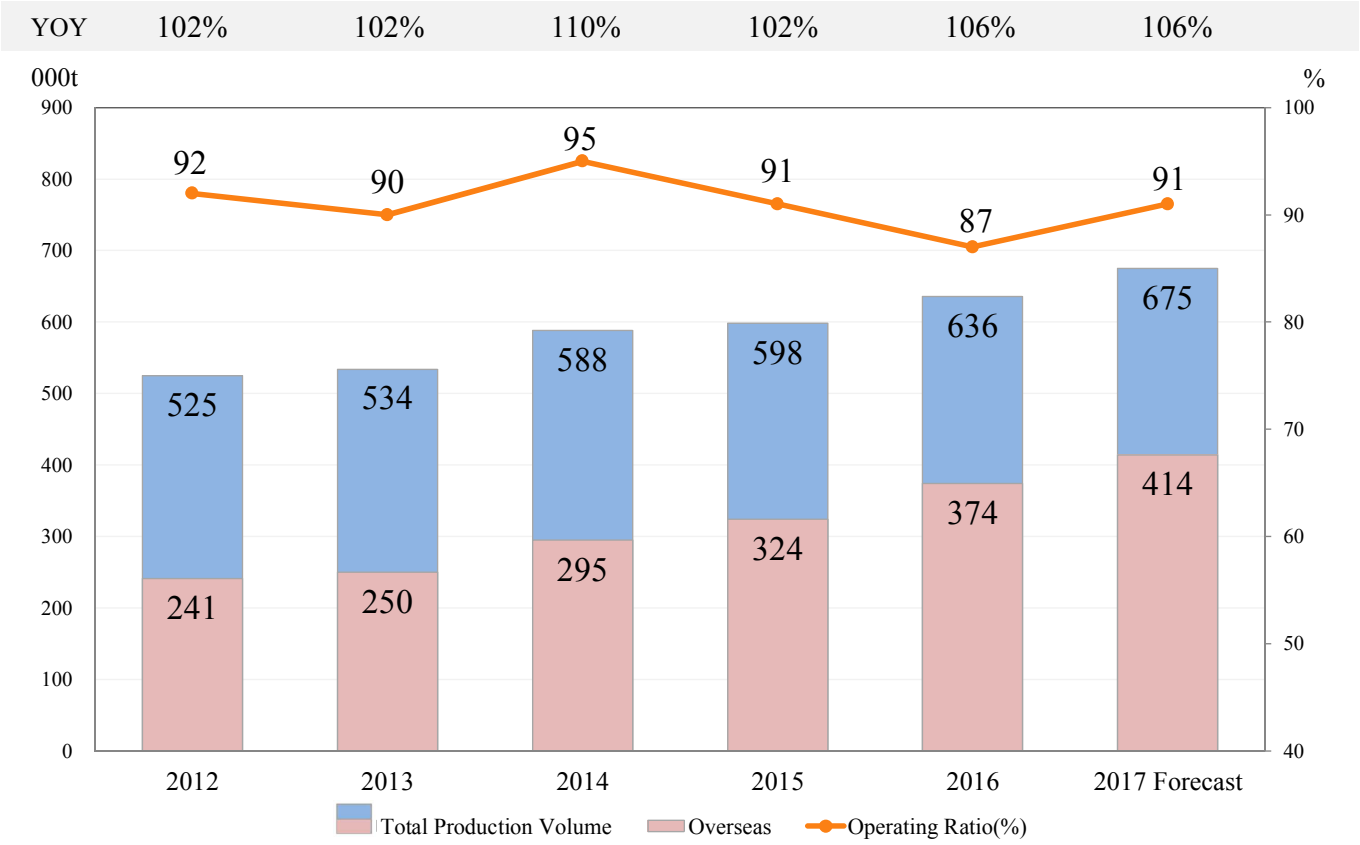

New Products / New Technologies

SUMITOMO RUBBER GROUP

DUNLOP

LE MANS V

WINTER MAXX 02

FALKEN

AZENIS FK453

Cleveland GOLF WHERE SCORING MATTERS

XXIO YOUR PRESTIGE PARTNER

SRIXON

Cleveland「RTX-3」

XXIO「SUPER SOFT X」

SRIXON「REVO CX」

Soft tennis ball「SRIXON」

Market Price : Natural Rubber / Crude Oil / Naphtha

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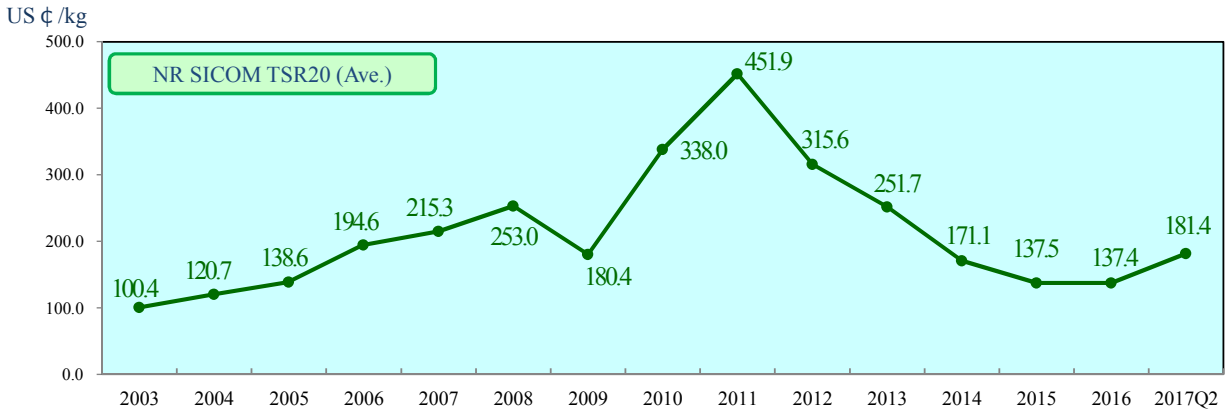

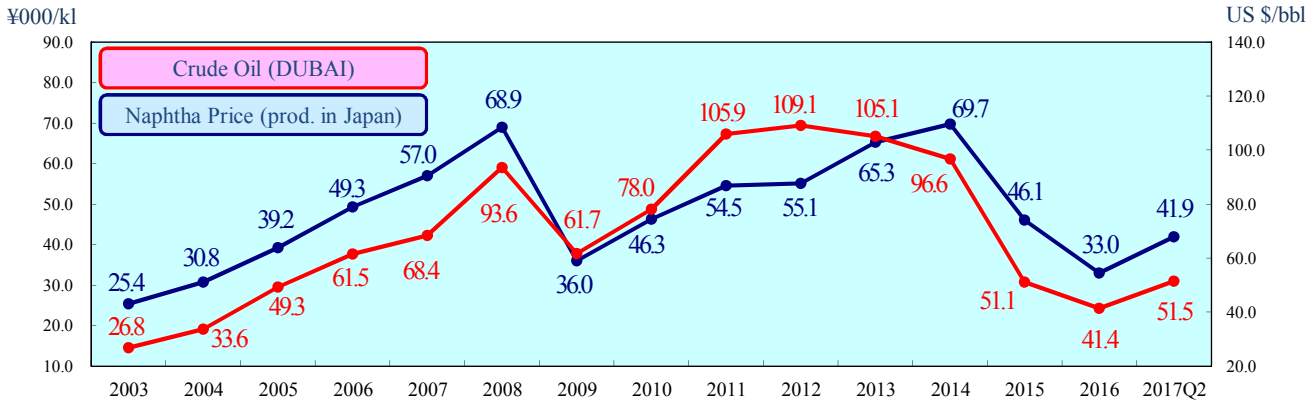

END

SUMITOMO RUBBER GROUP

for you, for the earth

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