

Financial Report

(January 1 ~ March 31, 2018)

May 8, 2018



SUMITOMO
RUBBER INDUSTRIES

Key Subjects

- 2018 1st Quarter
Financial Results Summary
 - Changes in Scope of Consolidation,
Affiliated Companies
 - Financial Results Summary

- 2018 Annual Financial Results Forecast
 - Financial Results Forecast Summary
 - Capex / Depreciation,
Tire Production Capacity etc.

	Consolidated Subsidiaries 90 (vs 2017 year-end : -)		Equity-method Affiliates 3 (vs 2017 year-end : -)	
	Newly Included +2	Excluded (2)	Newly Included -	Excluded -
Tires	Chengdu D Guard Automotive Services Co., Ltd. (China/ Sales company of tires)			
Sports		Dunlop Sports Co. Ltd. Dunlop International Co. Ltd. (Merged with Sumitomo Rubber Industries, Ltd.)		
Industrial & Other	Sports Surface Co., Ltd. (Japan/ Design and construction company of tennis courts)			

Affiliated Companies (Consolidated Subs: 90, Equity-method Affiliates : 3)

	Manufacturing Companies	Sales Companies	Other Companies
Tires	Domestic 1	Domestic 11	Domestic 7
	Overseas 8	Overseas 19	Overseas 5
	Asia Pacific 4	Asia Pacific 11	Asia Pacific 1
	Europe and Africa 2	Europe and Africa 6	Europe and Africa 2
	Americas 2	Americas 2	Americas 2
Sports	Domestic 1	Domestic 1	Domestic 5
	Overseas 3	Overseas 15	Overseas 7
	Thailand, U.S., Philippines	Malaysia, U.K., Australia, Canada, China, Hong Kong, South Africa, South Korea, Thailand, France, Germany	U.K.
Industrial & Other	Domestic 1	Domestic 3	Domestic -
	Overseas 5	Overseas 1	Overseas -
	Malaysia, China, Vietnam, Switzerland, Slovenia	Hong Kong	-

TOTAL 93
Domestic 30
Overseas 63

	2018 Jan.-Mar.	2017 Jan.-Mar.	vs 2017	Billions of Yen 2017 Annual
Sales Revenue	212.7	192.1	111%	877.9
Business Profit (%) ※1	14.3 (6.7%)	12.2 (6.3%)	117%	67.0 (7.6%)
Operating Profit (%)	14.0 (6.6%)	11.8 (6.2%)	118%	67.4 (7.7%)
Profit ※2	7.7	8.6	90%	47.0

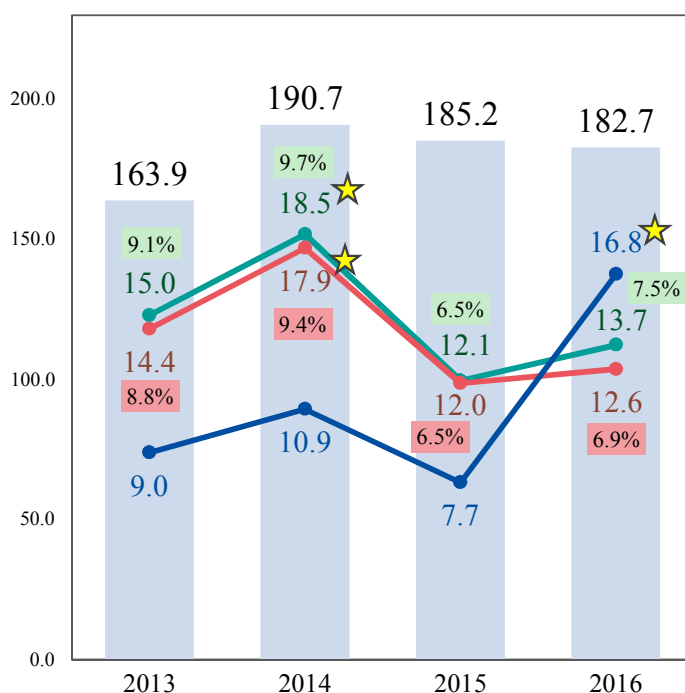
※1. Business Profit : Sales Revenue – (COS + SGA)
 ※2. Profit : Profit attributable to owners of parent

The above notes apply throughout this report.

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

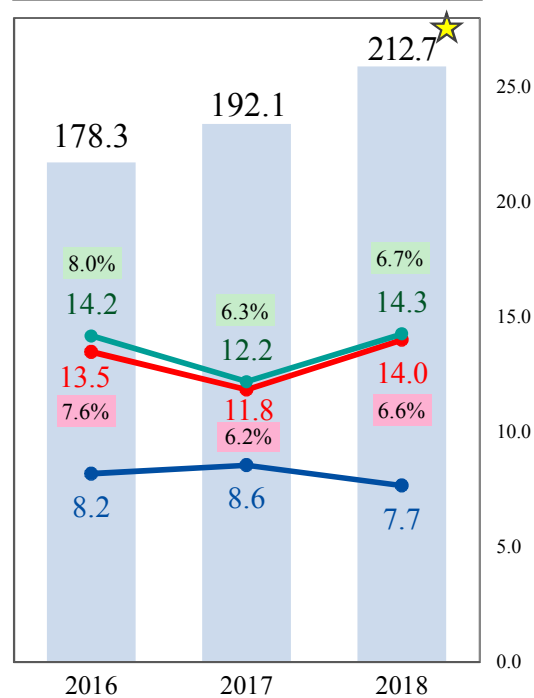
Billions
of Yen

Japanese G A A P



% : Profit % ★ : Record High

I F R S



— Net Sales (JGAAP) / Sales Revenue(IFRS) : Left

— Ordinary Income (JGAAP)

— Profit attributable to owners of parent (JGAAP) / (IFRS)

— Operating Income (JGAAP) / Business Profit (IFRS)

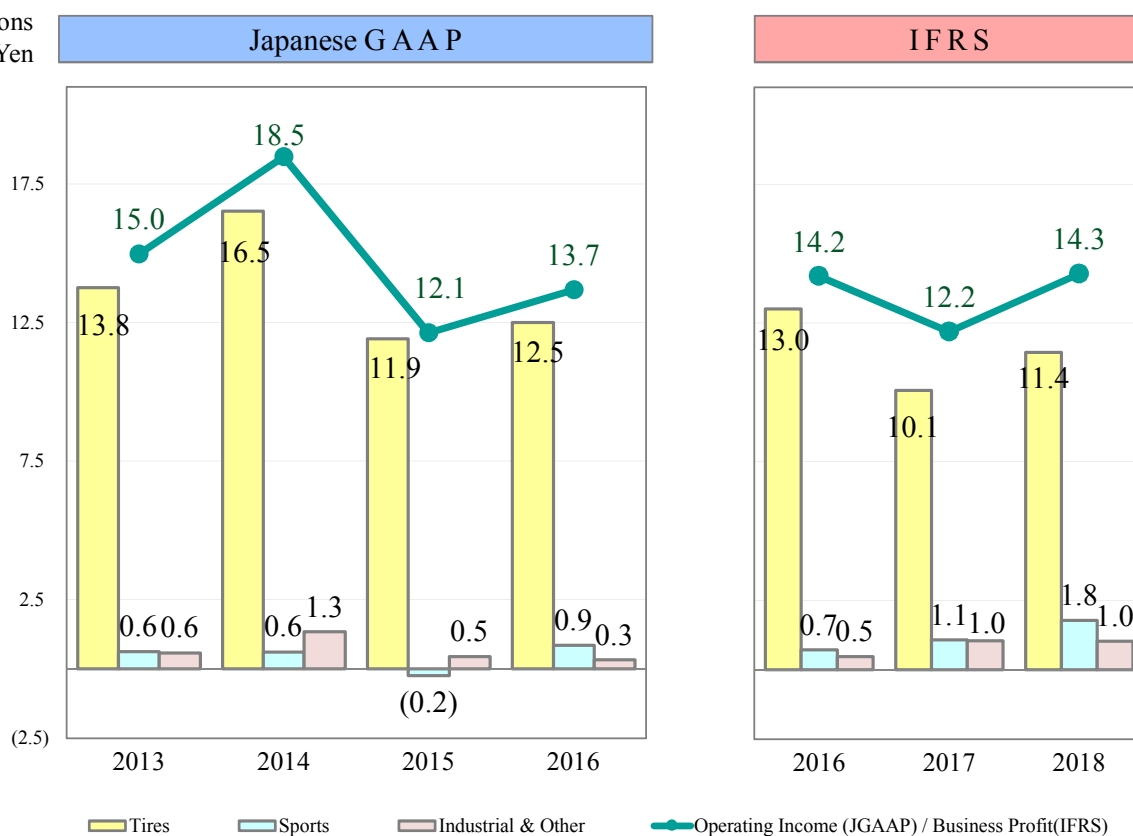
— Operating Profit (IFRS)

Billions of Yen

		2018 Jan.-Mar.	2017 Jan.-Mar.	vs 2017	2017 Annual
Sales Revenue	Tires	181.3	165.6	109%	756.6
	Sports	20.8	16.8	123%	81.7
	Industrial & Other	10.6	9.7	110%	39.6
	Total	212.7	192.1	111%	877.9
Business Profit	Tires	11.4	10.1	114%	58.3
	Sports	1.8	1.1	166%	4.4
	Industrial & Other	1.0	1.0	99%	4.3
	Total	14.3	12.2	117%	67.0

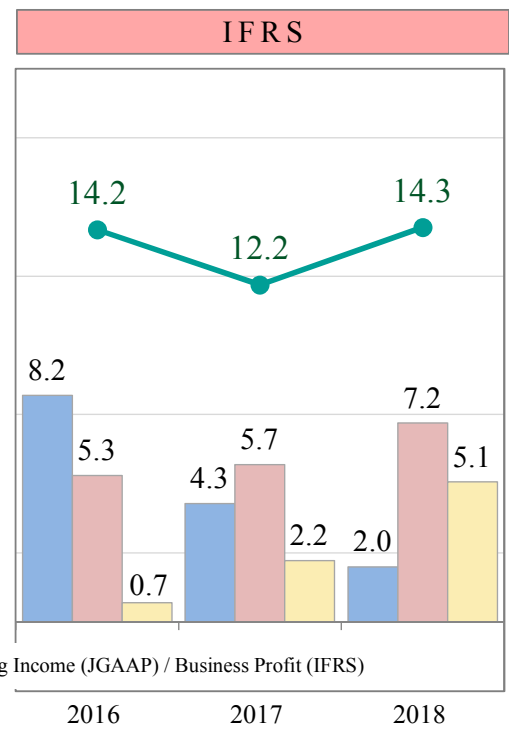
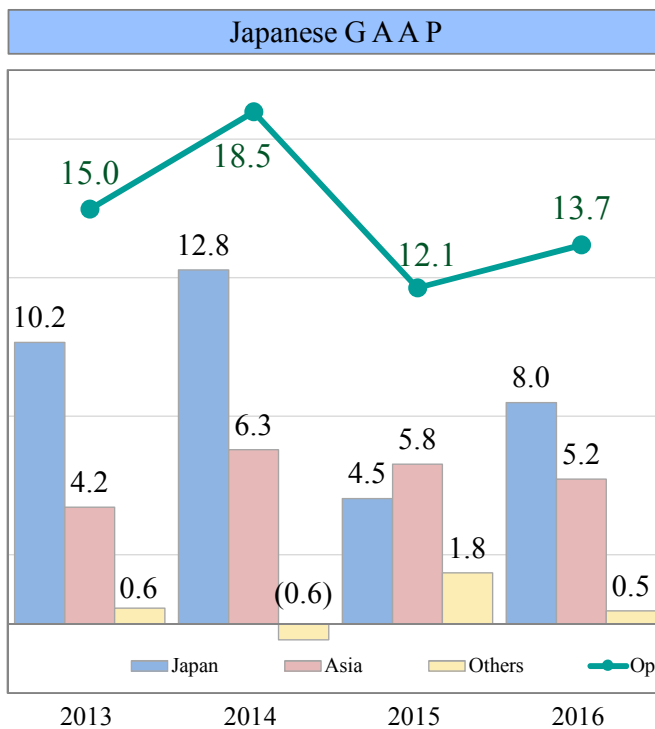
Consolidated Business Profit by Reportable Segment (Jan.-Mar.)

Billions of Yen



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

Billions of Yen

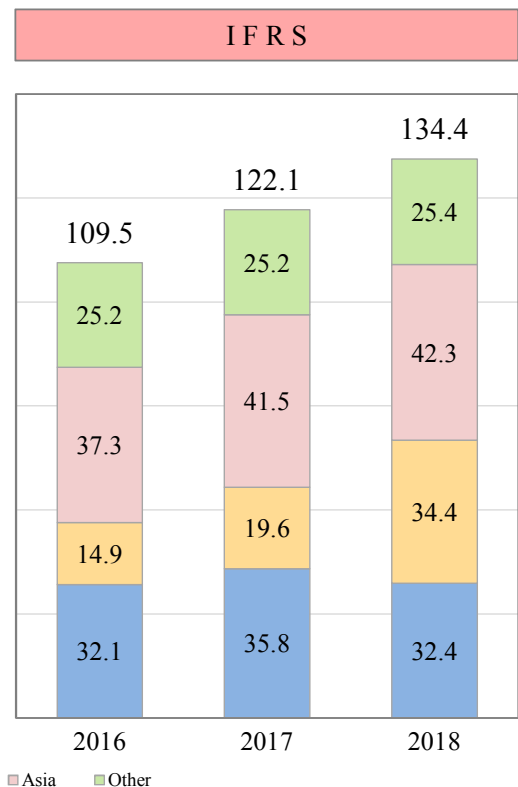


Sales Revenue	2013	2014	2015	2016	2016	2017	2018
Japan	94.3	109.1	97.4	86.3	82.6	85.8	92.5
Asia	32.4	35.5	38.2	35.2	35.2	40.1	40.8
Others	37.1	46.0	49.6	61.1	60.6	66.1	79.3
Total	163.9	190.7	185.2	182.7	178.3	192.1	212.7

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

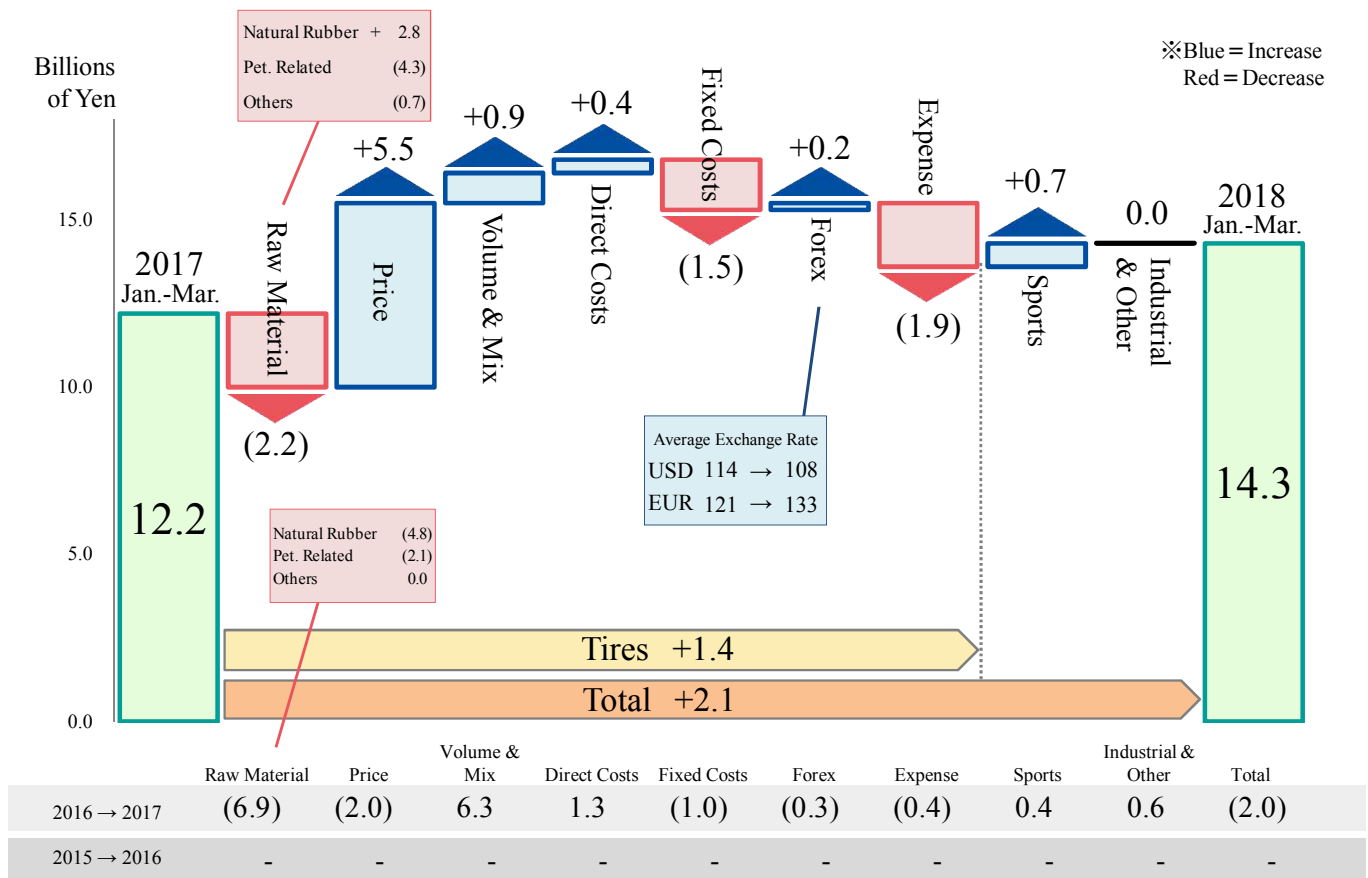
Overseas Sales Revenue (Jan.-Mar.)

Billions of Yen



Consolidated Sales Revenue	163.9	190.7	185.2	182.7	178.3	192.1	212.7
% of Overseas	54%	51%	57%	61%	61%	64%	63%

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

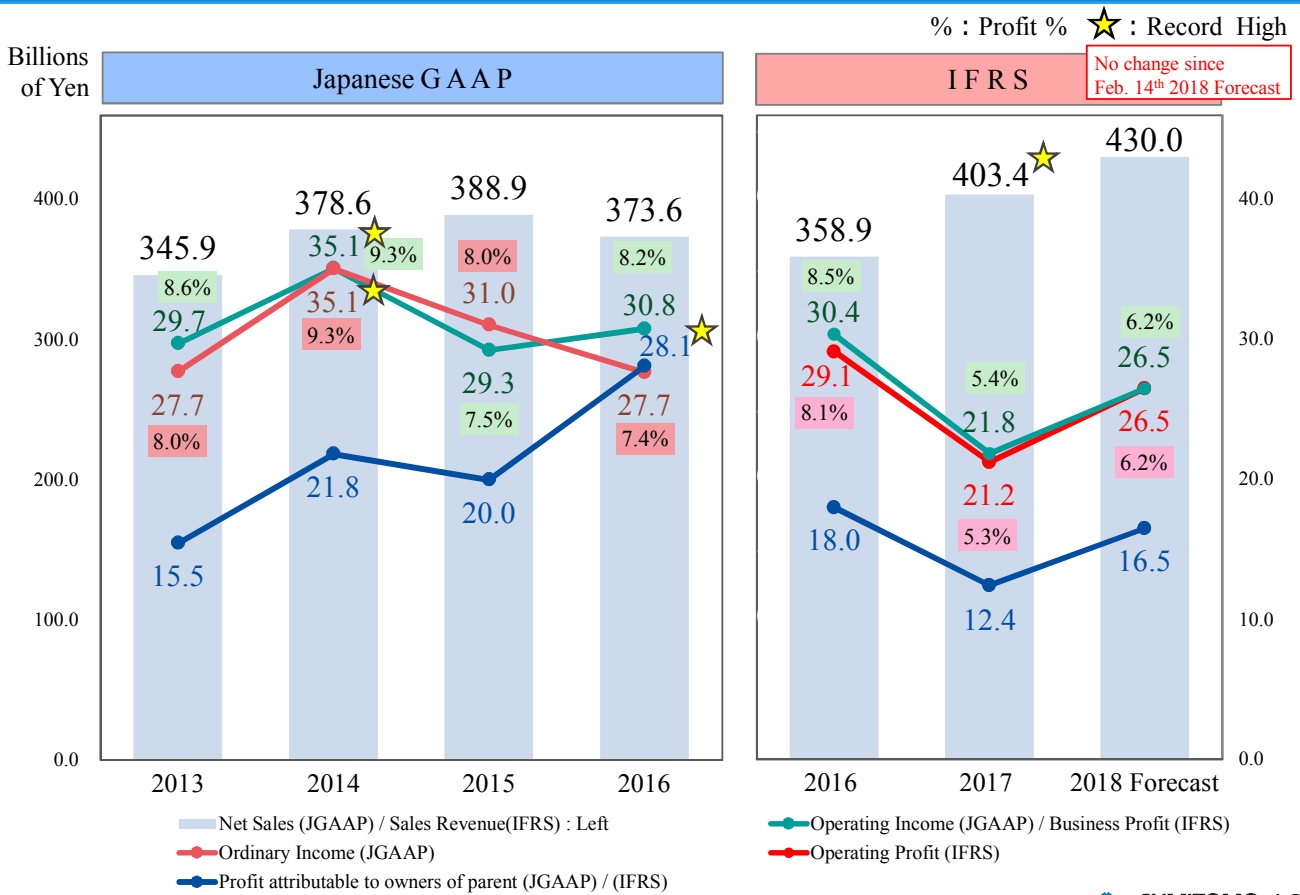


No change since Feb. 14th 2018 Forecast

Billions of Yen

	Forecast 2018 Jan.-Jun.	Actual 2017 Jan.-Jun.	vs 2017	Forecast 2018 Apr.-Jun.	Actual 2017 Apr.-Jun.
Sales Revenue	430.0	403.4	107%	217.3	211.3
Business Profit (%)	26.5 (6.2%)	21.8 (5.4%)	121%	12.2 (5.6%)	9.7 (4.6%)
Operating Profit (%)	26.5 (6.2%)	21.2 (5.3%)	125%	12.5 (5.7%)	9.4 (4.4%)
Profit	16.5	12.4	133%	8.8	3.9

【Forecast】 Consolidated Sales Revenue / Profit (Jan.-Jun.)

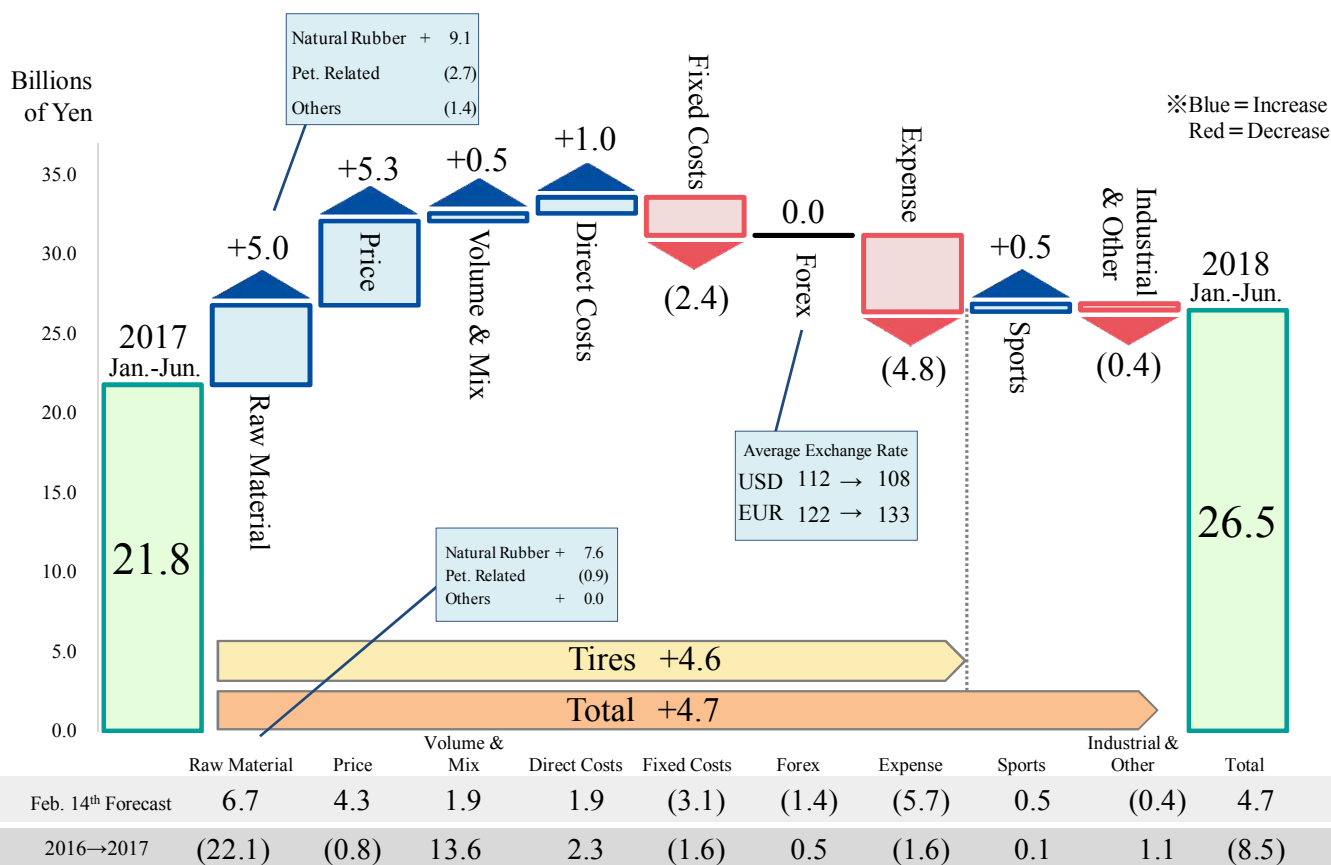


【Forecast】 Consolidated Sales Revenue / Business Profit by Reportable Segment (2018 Jan.-Jun.)

No change since Feb. 14th 2018 Forecast

Billions of Yen

		Forecast 2018 Jan.-Jun.	Actual 2017 Jan.-Jun.	vs 2017	Forecast 2018 Apr.-Jun.	Actual 2017 Apr.-Jun.
		Sales Revenue	Tires	367.0	346.2	106%
Sports	44.0		37.9	116%	23.2	21.1
Industrial & Other	19.0		19.3	99%	8.4	9.6
Total	430.0		403.4	107%	217.3	211.3
Business Profit	Tires	22.0	17.4	126%	10.6	7.4
	Sports	3.0	2.5	120%	1.2	1.4
	Industrial & Other	1.5	1.9	78%	0.5	0.9
	Total	26.5	21.8	121%	12.2	9.7



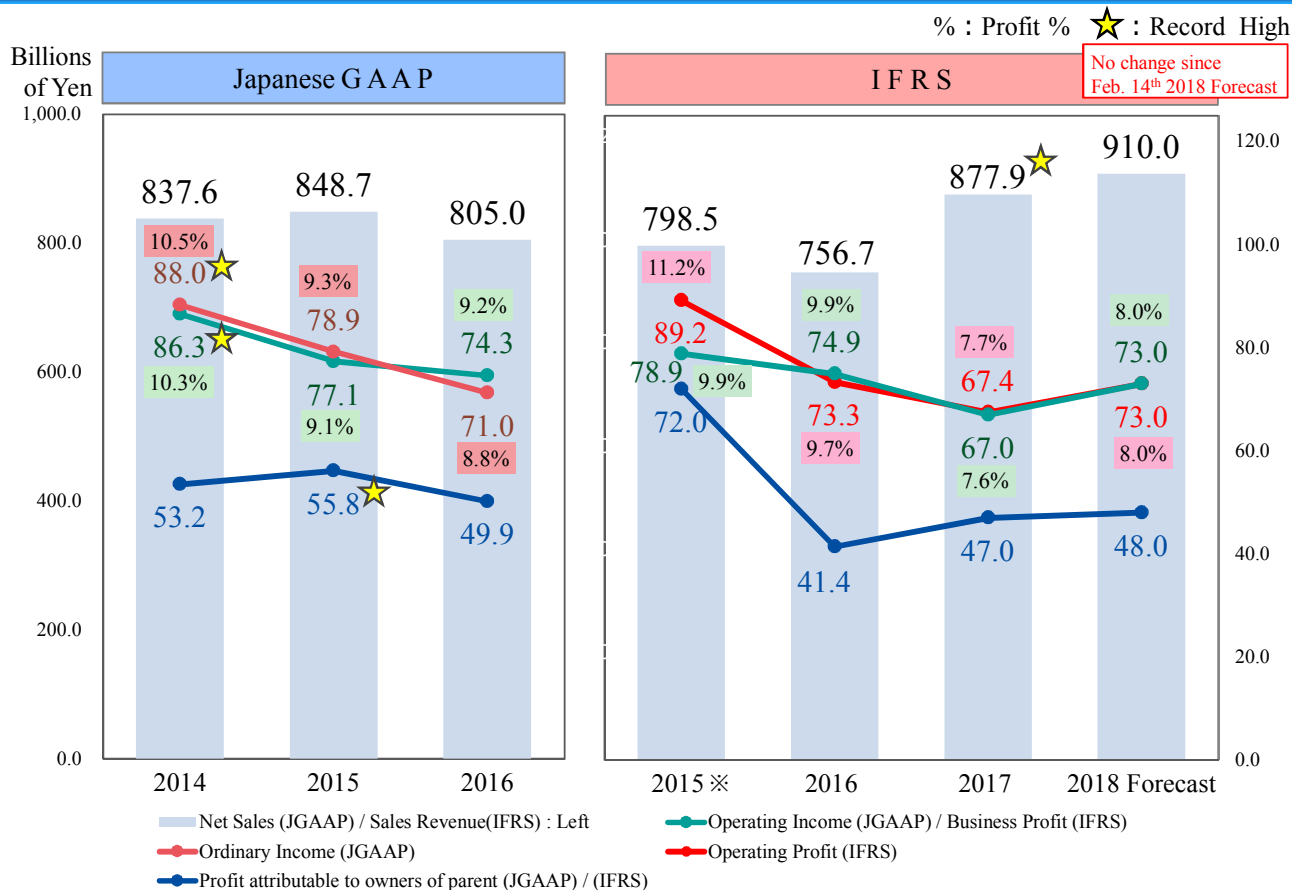
No change since Feb. 14th 2018 Forecast

Billions of Yen

	Forecast 2018	Actual 2017	YOY
Sales Revenue	910.0	877.9	104%
Business Profit (%)	73.0 (8.0%)	67.0 (7.6%)	109%
Operating Profit (%)	73.0 (8.0%)	67.4 (7.7%)	108%
Profit	48.0	47.0	102%

ROE	10.1%	10.6%
ROA ※	7.2%	7.0%
D/E Ratio	0.5	0.6

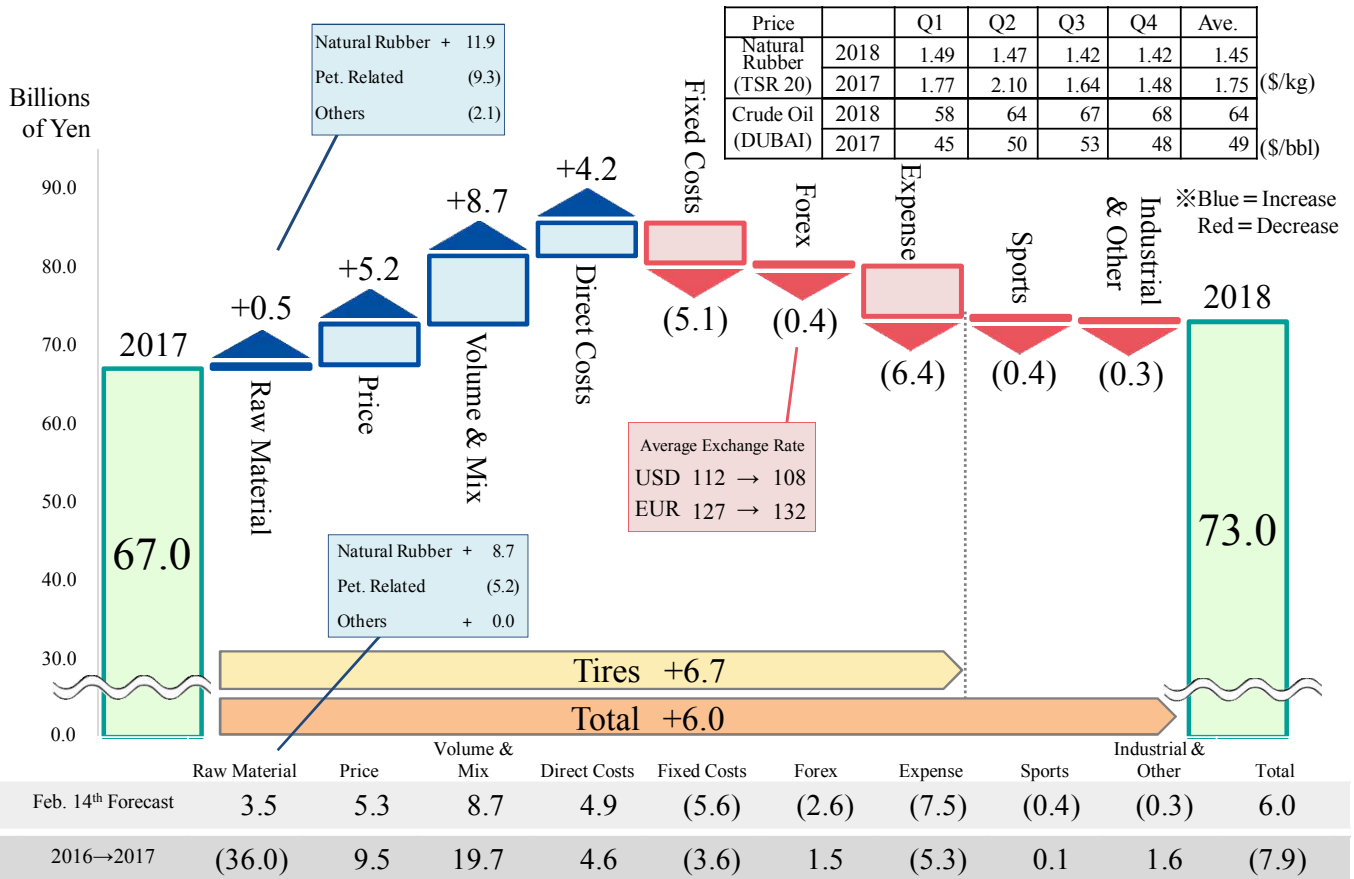
※ROA : “Business Profit” / “Total Assets”



※ 2015 IFRS numbers are unaudited, and are for reference throughout this report.

No change since Feb. 14th 2018 Forecast Billions of Yen

		Forecast 2018	Actual 2017	YOY
Sales Revenue	Tires	785.0	756.6	104%
	Sports	85.0	81.7	104%
	Industrial & Other	40.0	39.6	101%
	Total	910.0	877.9	104%
Business Profit	Tires	65.0	58.3	111%
	Sports	4.0	4.4	91%
	Industrial & Other	4.0	4.3	94%
	Total	73.0	67.0	109%



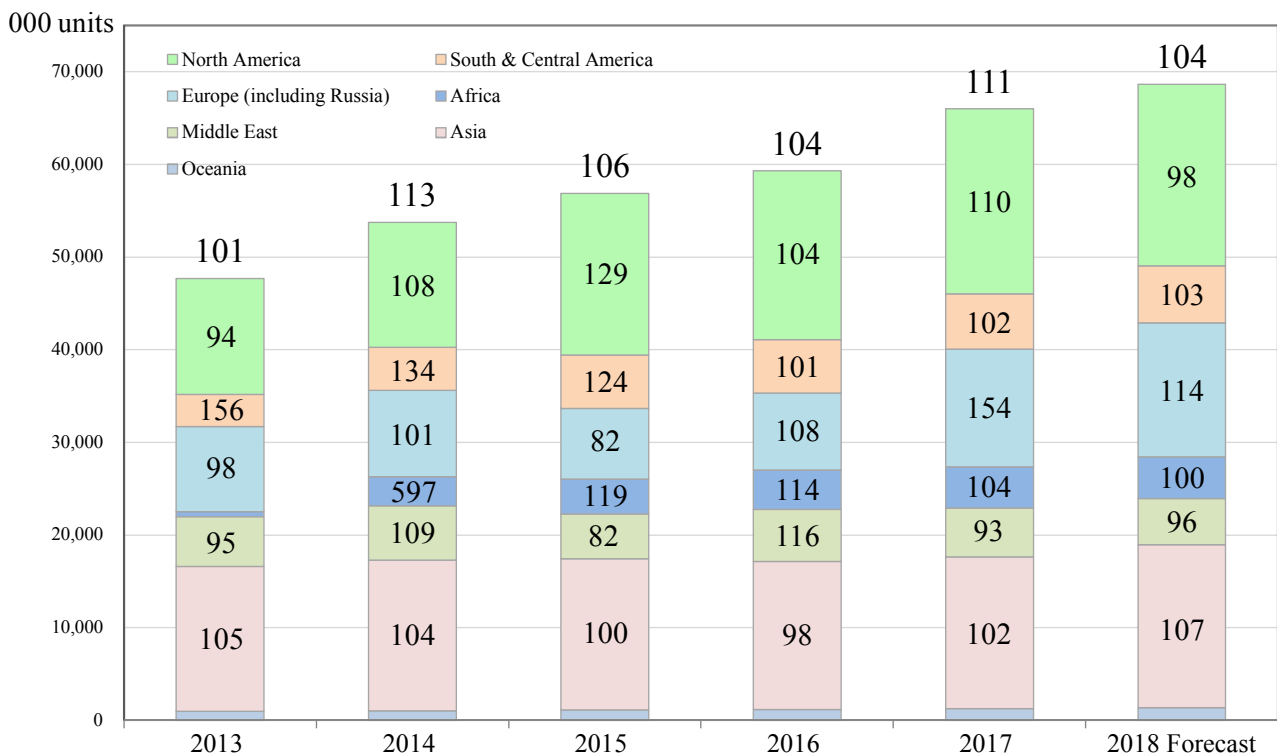
Consolidated Business Profit Analysis by Factors

Billions of Yen

Period	Business Profit		Factors									
		vs previous year	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	
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.	45.1 0.6	(13.9)	10.3	6.1	2.3	(2.0)	1.0	(3.7)	0.0	0.5	
	Annual	67.0 (7.9)	(36.0)	9.5	19.7	4.6	(3.6)	1.5	(5.3)	0.1	1.6	
2018	Jan.-Mar.	14.3 2.1	(2.2)	5.5	0.9	0.4	(1.5)	0.2	(1.9)	0.7	0.0	
	Apr.-Jun.	12.2 2.6	7.2	(0.2)	(0.4)	0.6	(0.9)	(0.2)	(2.9)	(0.2)	(0.4)	
	Jul.-Dec.	46.5 1.4	(4.5)	(0.1)	8.2	3.2	(2.7)	(0.4)	(1.6)	(0.9)	0.1	
	Annual	73.0 6.0	0.5	5.2	8.7	4.2	(5.1)	(0.4)	(6.4)	(0.4)	(0.3)	
(vs Feb. 14 th Forecast)		0.0	(3.0)	(0.1)	0.0	(0.7)	0.5	2.2	1.1	0.0	0.0	

	2017 Actual					2018 Jan.-Mar. Actual, Apr.-Dec. Forecast					2018 Feb.14th 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.	113%	111%	111%	107%	110%	103%	105%	98%	96%	100%	105%	96%	100%	
Domestic Rep.	103%	114%	106%	100%	105%	102%	96%	97%	104%	100%	98%	99%	99%	
Overseas O.E.	114%	107%	113%	104%	109%	100%	112%	130%	133%	119%	105%	128%	117%	
Overseas Rep.	112%	112%	112%	109%	111%	103%	101%	106%	105%	104%	106%	105%	106%	
Details	North America	121%	102%	107%	110%	87%	99%	102%	102%	98%	98%	101%	99%	
	Europe	130%	182%	173%	137%	142%	107%	107%	104%	114%	123%	101%	111%	
	Asia	106%	102%	104%	98%	102%	97%	111%	109%	110%	107%	108%	112%	110%
	Others	98%	105%	97%	101%	100%	99%	91%	107%	106%	101%	103%	106%	105%
Total	111%	112%	111%	106%	110%	102%	102%	107%	108%	105%	104%	106%	105%	
Total Tire Sales (000 Units)	28,230	29,920	31,810	33,510	123,470	28,880	30,510	33,940	36,140	129,480	60,730	69,260	129,990	

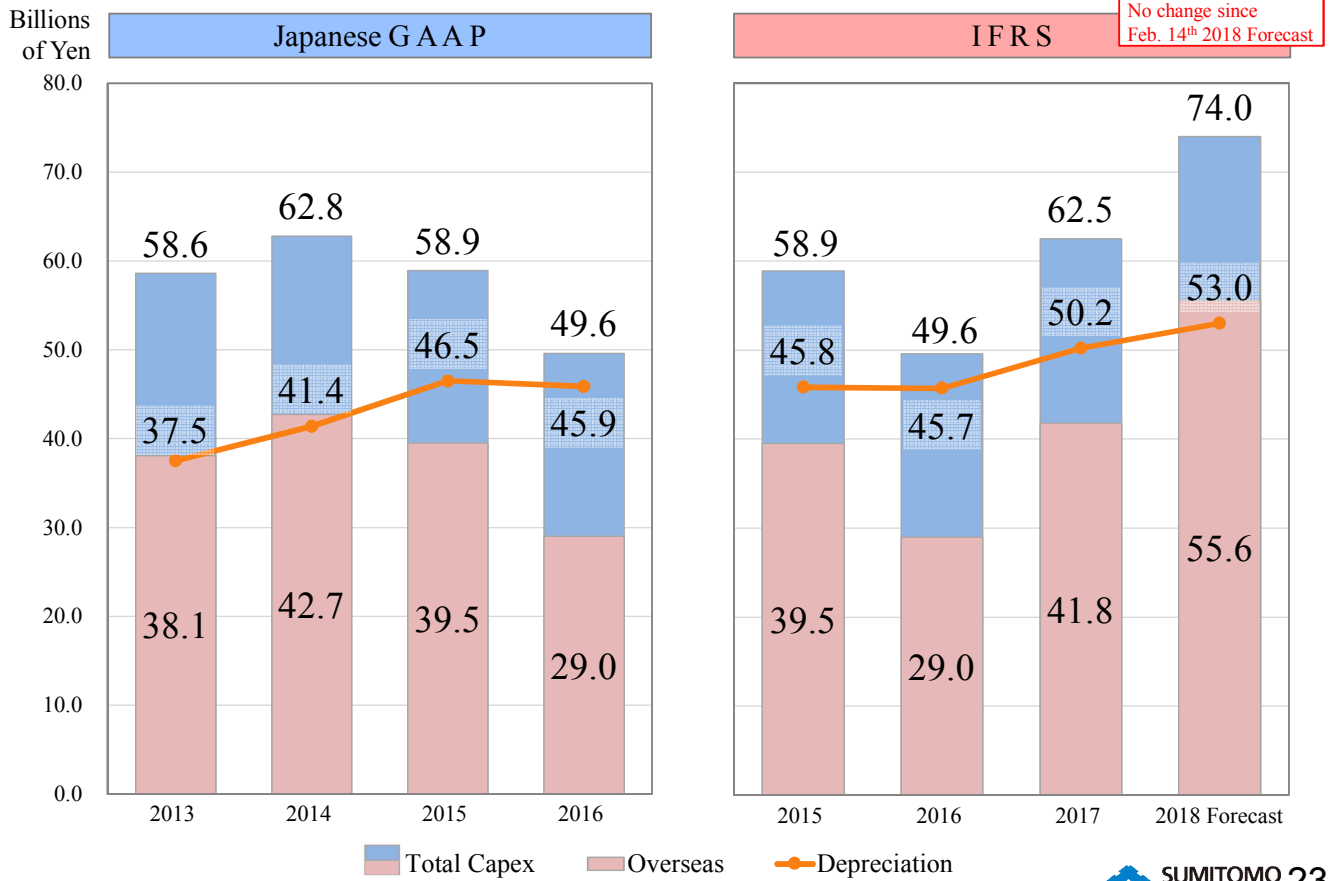
Tire Overseas Rep. Volume by Regional Segment



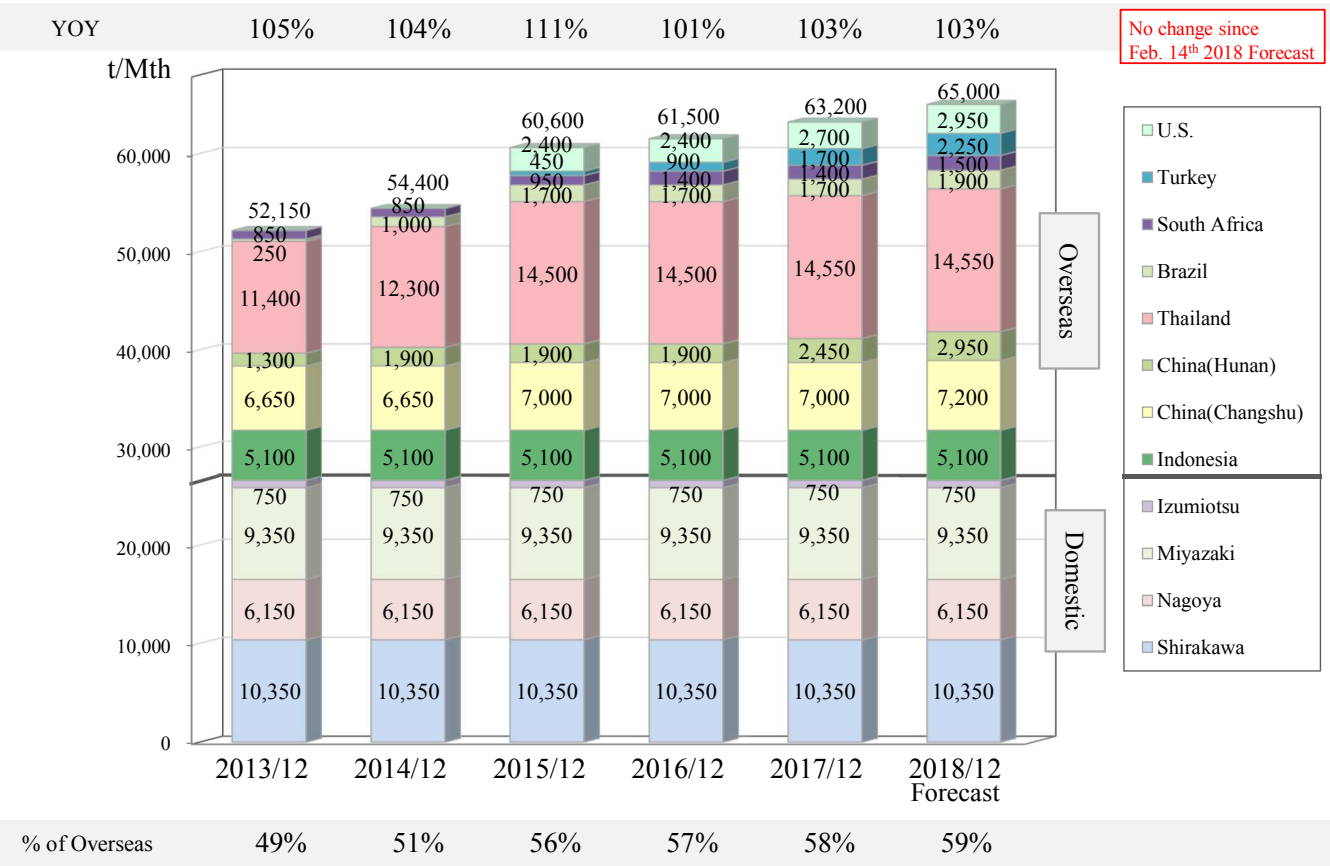
Forex(USD) 98 106 121 109 112 108

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

Capex and Depreciation (Tangible Assets Only)

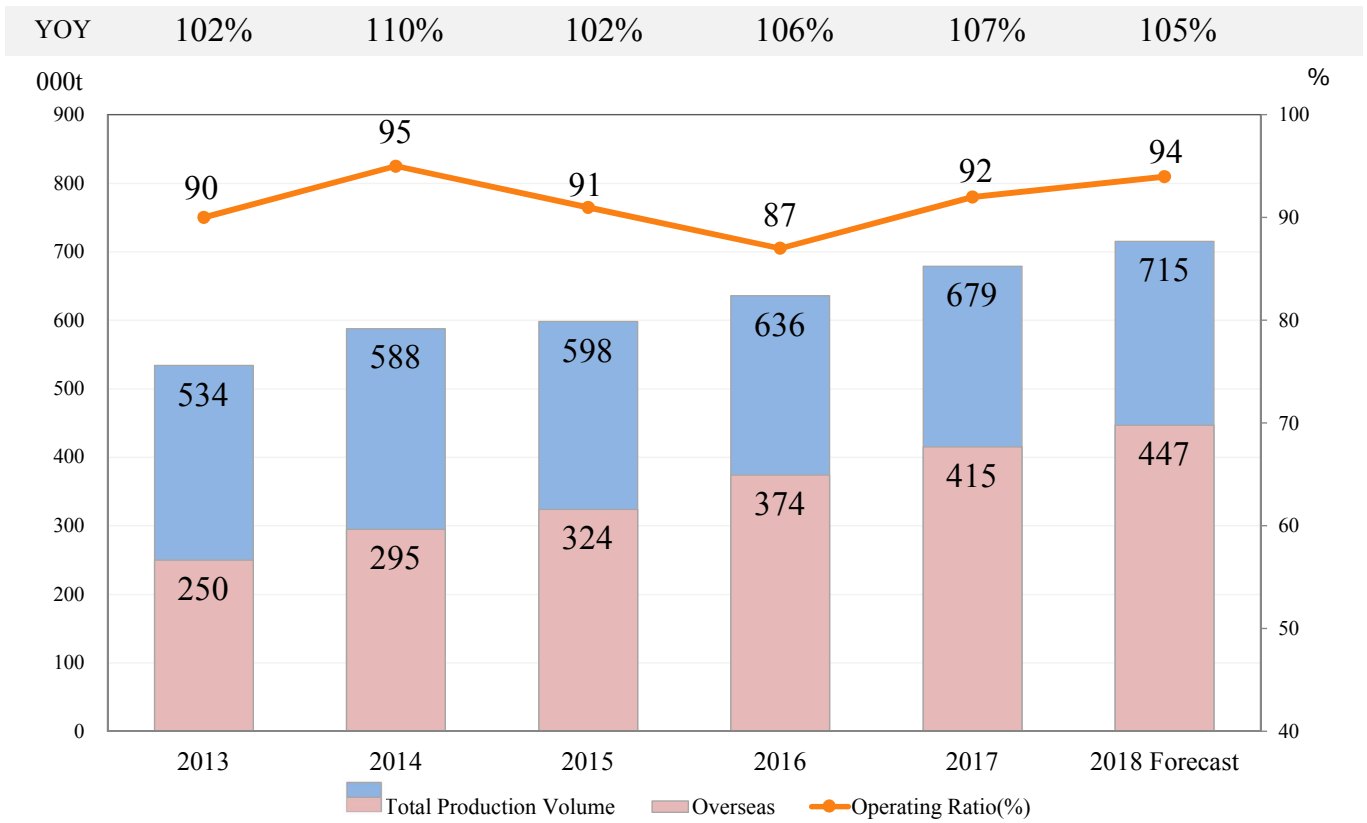


Tire Production Capacity



Tire Production Volume and Operating Ratio

SUMITOMO RUBBER GROUP



SUMITOMO 25 RUBBER INDUSTRIES

New Products / New Technologies

SUMITOMO RUBBER GROUP



LE MANS V

エナセーブ EC204

AZENIS FK510



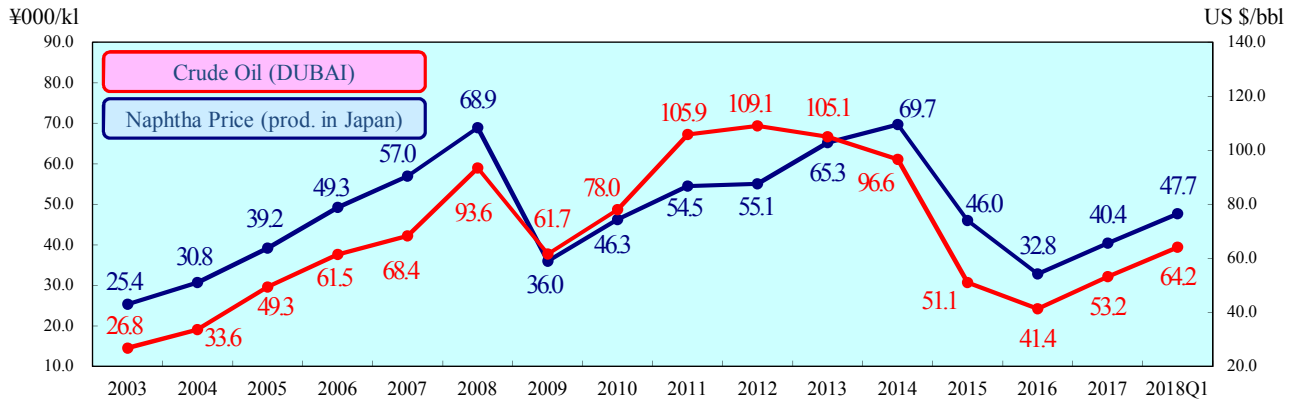
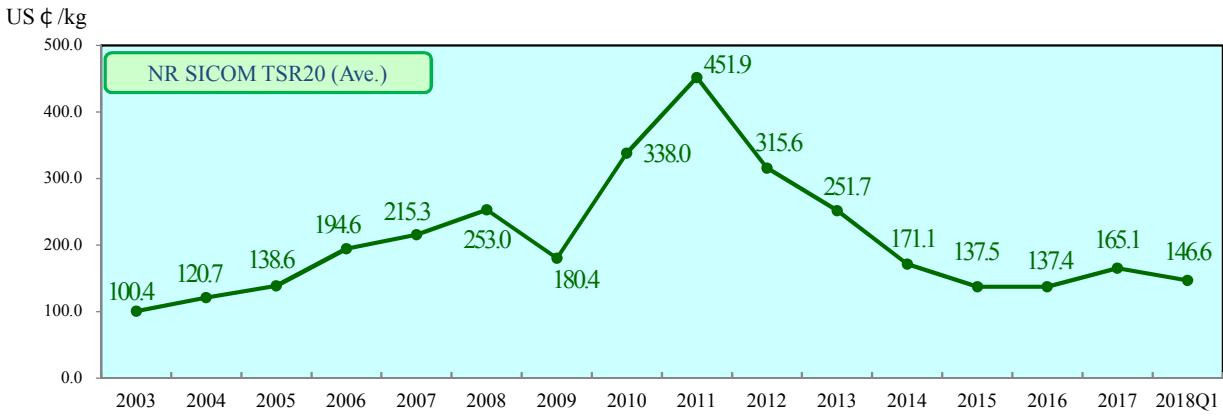
“XXIO X (TEN)”

SRIXON “REVO CX”

Babolat NEW “Pure Drive”

※Dunlop Sports Marketing Co. Ltd. is the sole selling agent of Babolat in Japan.

SUMITOMO 26 RUBBER INDUSTRIES



SUMITOMO RUBBER GROUP