

Financial Report

(January 1 ~ March 31, 2017)

May 10, 2017



SUMITOMO
RUBBER INDUSTRIES

Key Subjects

- 2017 1st 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.

	Consolidated Subsidiaries 76 (vs 2016 year-end : +3)		Equity-method Affiliates 3 (vs 2016 year-end : -)	
	Newly Included +4	Excluded (1)	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)	Cleveland Golf Korea Co., Ltd. (Merged with Dunlop Sports Korea Co., Ltd.)		
Industrial & Other				

Affiliated Companies (Consolidated Subs: 76, Equity-method Affiliates : 3)

	Manufacturing Companies	Sales Companies	Other Companies
Tires	Domestic 1	Domestic 11	Domestic 7
	Overseas 8	Overseas 18	Overseas 5
	Asia Pacific 4	Asia Pacific 10	Asia Pacific 1
	Europe and Africa 2	Europe and Africa 6	Europe and Africa 2
	Americas 2	Americas 2	Americas 2
Sports	Domestic 2	Domestic 2	Domestic 5
	Overseas 2	Overseas 9	Overseas -
	Thailand, U.S.	Malaysia, U.K., Australia Canada, China, Hong Kong, South Africa, South Korea, Thailand	-
Industrial & Other	Domestic -	Domestic 3	Domestic -
	Overseas 4	Overseas 1	Overseas 1
	Malaysia, China, Vietnam, Switzerland	Hong Kong	Switzerland

TOTAL 79
Domestic 31
Overseas 48

Billions of Yen

I F R S					Japanese G A A P		
	2017 Q1 Jan.-Mar.	2016 Q1 Jan.-Mar.	vs 2016	2016 Annual		2016 Q1 Jan.-Mar.	2016 Annual
Sales Revenue	192.1	178.3	108%	756.7	Net Sales	182.7	805.0
Business Profit (%) ※1	12.2 (6.3%)	14.2 (8.0%)	86%	74.9 (9.9%)	Operating Income (%)	13.7 (7.5%)	74.3 (9.2%)
Operating Profit (%)	11.8 (6.2%)	13.5 (7.6%)	88%	73.3 (9.7%)	Ordinary Income (%)	12.6 (6.9%)	71.0 (8.8%)
Profit ※2	8.6	8.2	105%	41.4	Profit ※2	16.8	49.9

※1. Business Profit : Sales Revenue – (COS + SGA)

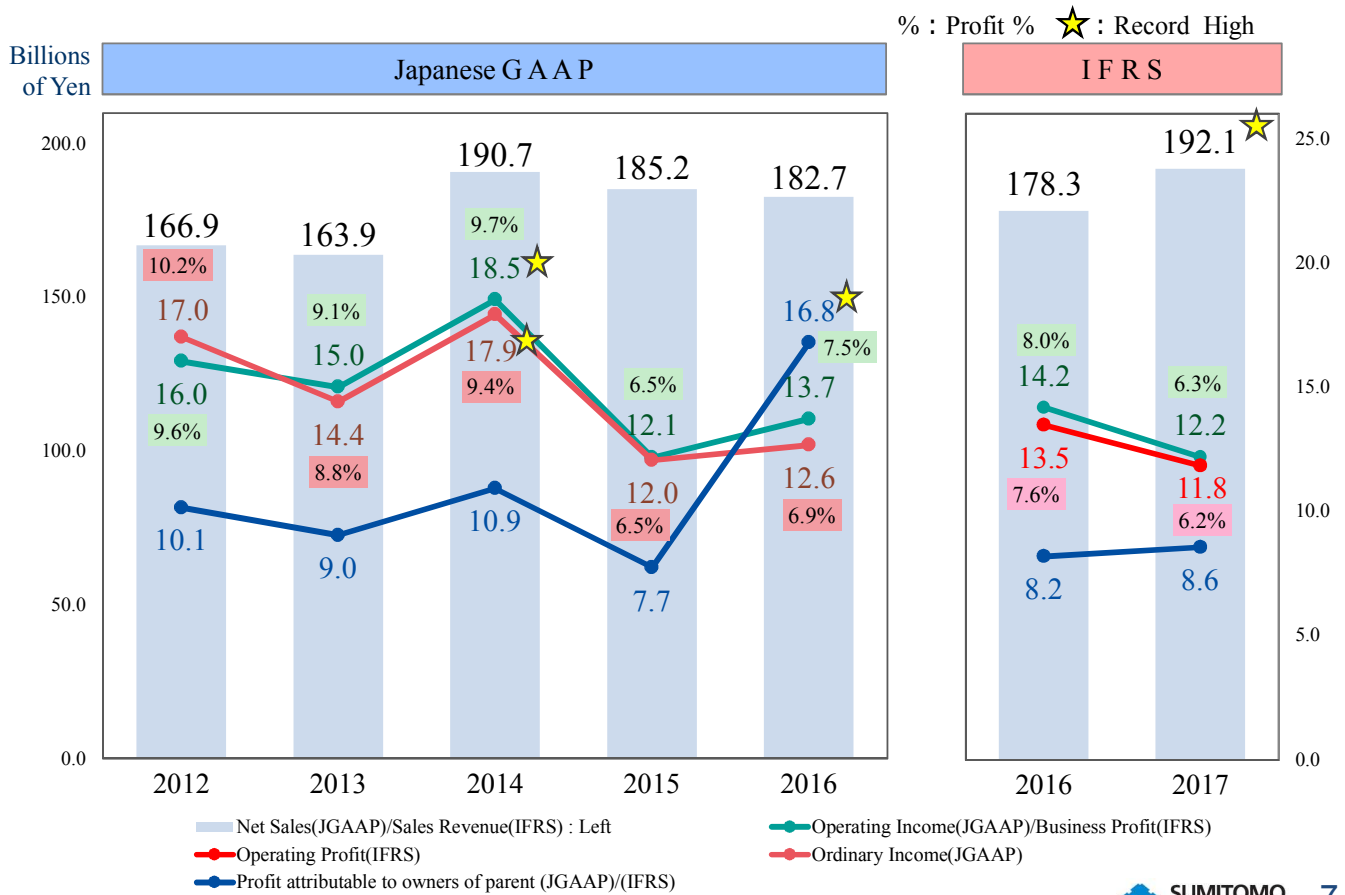
※2. Profit : Profit attributable to owners of parent

The above notes apply throughout this report.

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

I F R S		Japanese G A A P			Billions of Yen	
	2016 Q1 Jan.-Mar.		2016 Q1 Jan.-Mar.	Impact	Main Factors	
Sales Revenue	178.3	Net Sales	182.7	(4.3)	Offset of Sales revenue and Incentive bonus (7.0) Provisions for sales return +3.0	
Business Profit (%)	14.2 (8.0%)	Operating Income (%)	13.7 (7.5%)	+0.5	Cessation of amortization of Goodwill +0.5	
Operating Profit (%)	13.5 (7.6%)					
Profit	8.2	Profit	16.8	(8.6)	Recognize Gain on sales of investment securities as Other comprehensive income (Non-recognition in P/L) (8.0)	

Consolidated Sales Revenue / Profit (2017 Jan.-Mar.)

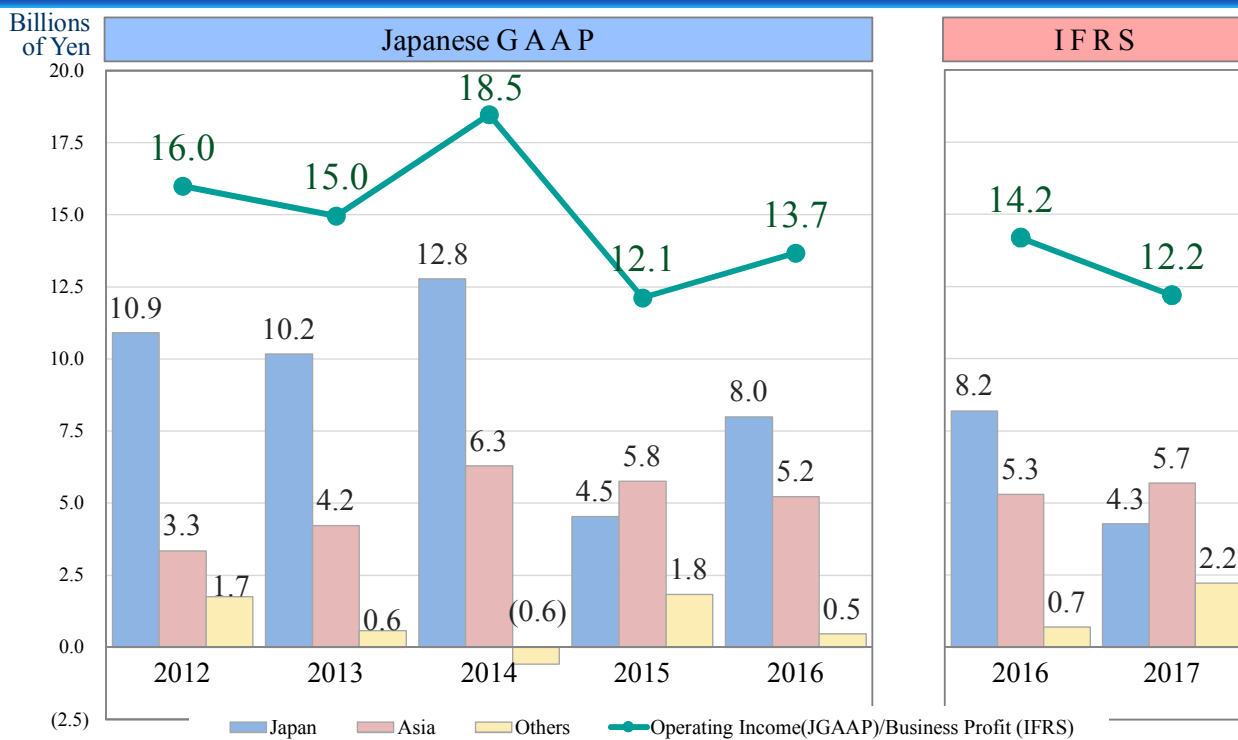
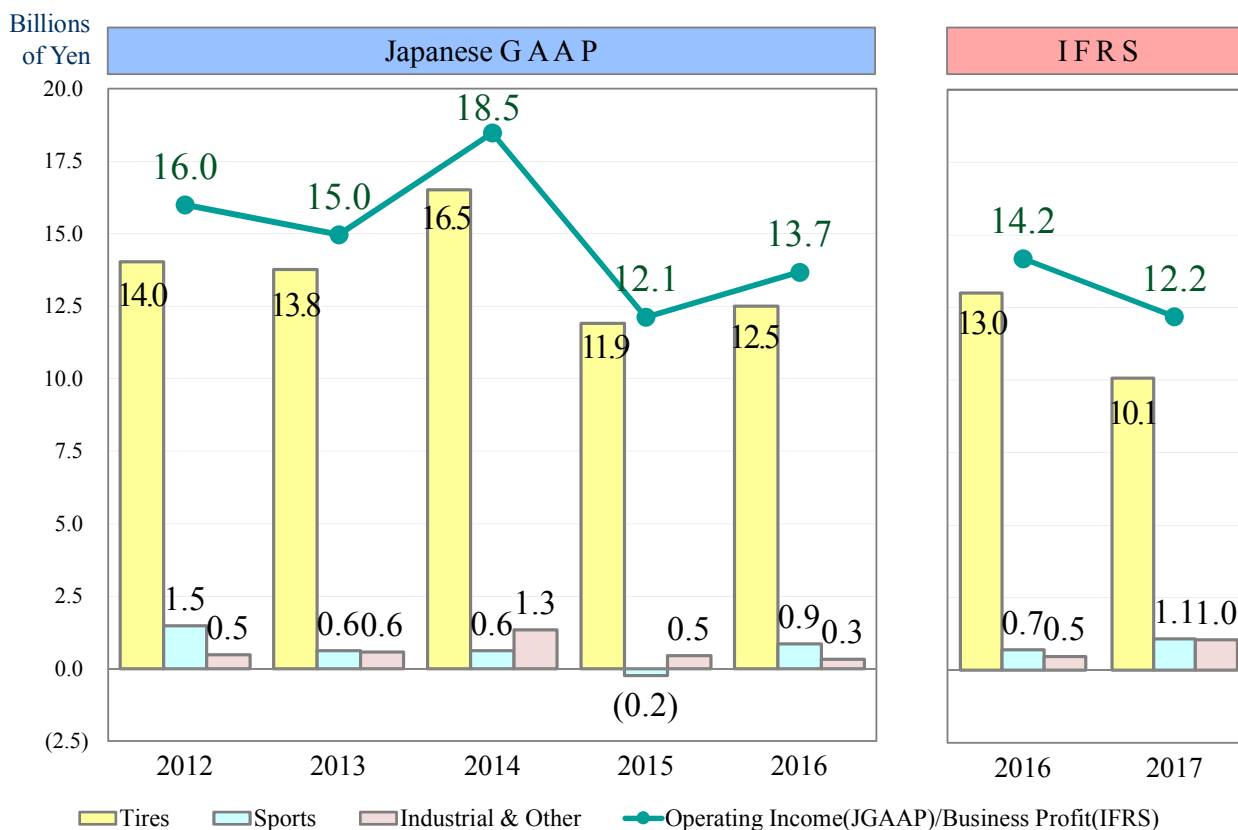


Consolidated Sales Revenue / Business Profit by Reportable Segment (2017 Jan.-Mar.)

IFRS

Billions of Yen

		2017 Q1 Jan.-Mar.	2016 Q1 Jan.-Mar.	vs 2016	2016 Annual
Sales Revenue	Tires	165.6	153.2	108%	648.4
	Sports	16.8	16.8	100%	72.8
	Industrial & Other	9.7	8.4	116%	35.5
	Total	192.1	178.3	108%	756.7
Business Profit	Tires	10.1	13.0	77%	67.9
	Sports	1.1	0.7	151%	4.3
	Industrial & Other	1.0	0.5	222%	2.7
	Total	12.2	14.2	86%	74.9

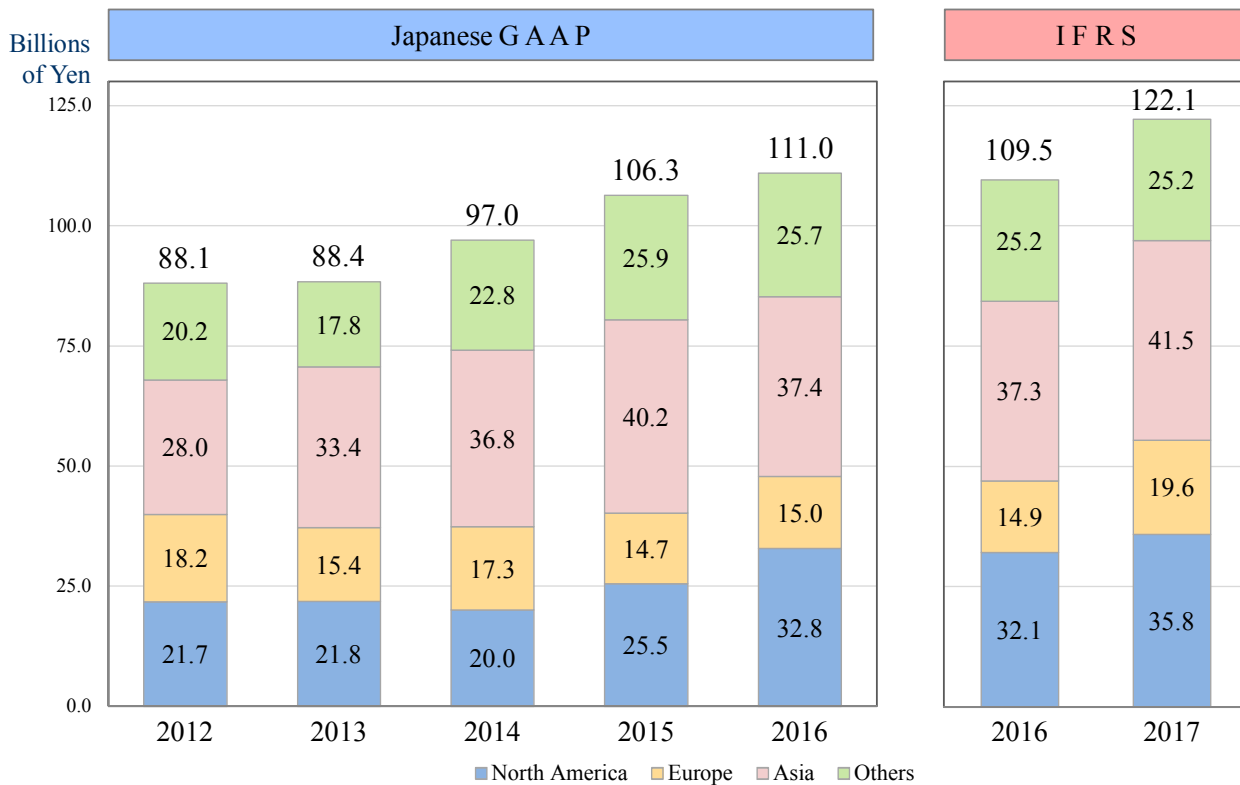


Sales

Japan	99.3	94.3	109.1	97.4	86.3	82.6	85.8
Asia	26.2	32.4	35.5	38.2	35.2	35.2	40.1
Others	41.4	37.1	46.0	49.6	61.1	60.6	66.1
Total	166.9	163.9	190.7	185.2	182.7	178.3	192.1

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

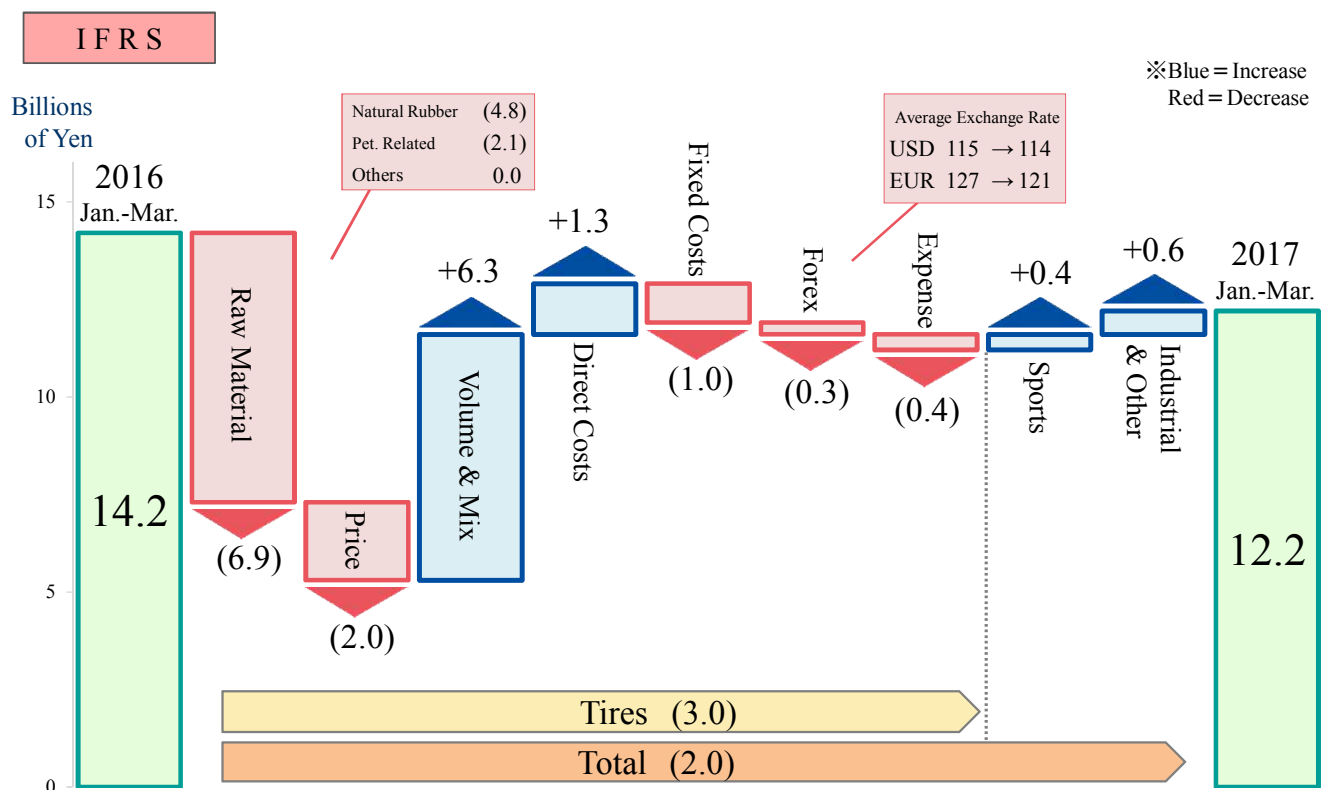
Overseas Sales Revenue (2017 Jan.-Mar.)



Consolidated Sales	166.9	163.9	190.7	185.2	182.7	178.3	192.1
% of Overseas	53%	54%	51%	57%	61%	61%	64%

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

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

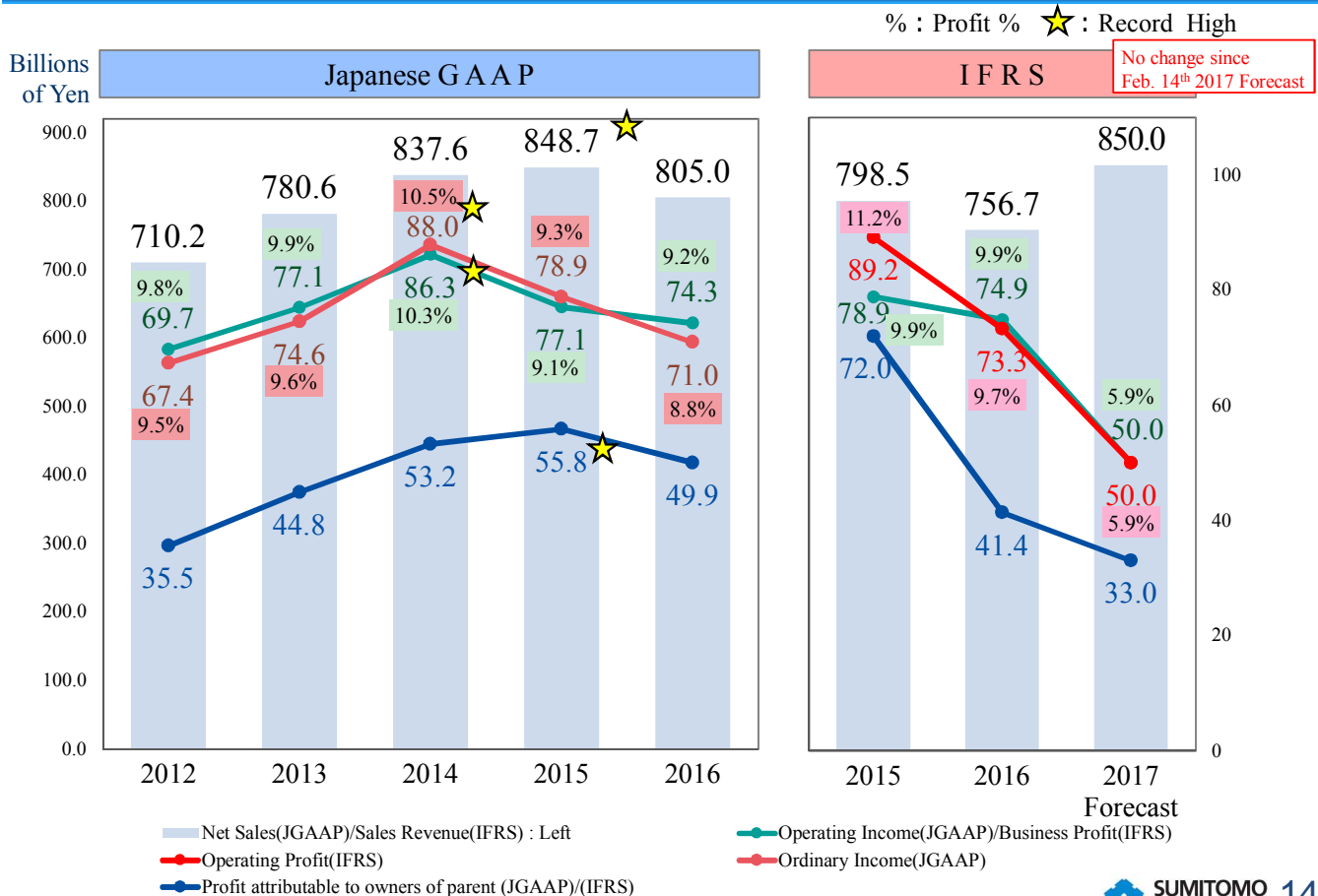


【Forecast】 Consolidated Financial Results

IFRS		No change since Feb. 14 th 2017 Forecast		Billions of Yen
	Annual Forecast 2017	Actual 2016	YOY	First half Forecast 2017
Sales Revenue	850.0	756.7	112%	385.0
Business Profit (%)	50.0 (5.9%)	74.9 (9.9%)	67%	15.0 (3.9%)
Operating Profit (%)	50.0 (5.9%)	73.3 (9.7%)	68%	15.0 (3.9%)
Profit	33.0	41.4	80%	10.0
ROE	8.0%	9.7%		
ROA※	5.5%	8.2%		
D/E Ratio	0.6	0.5		

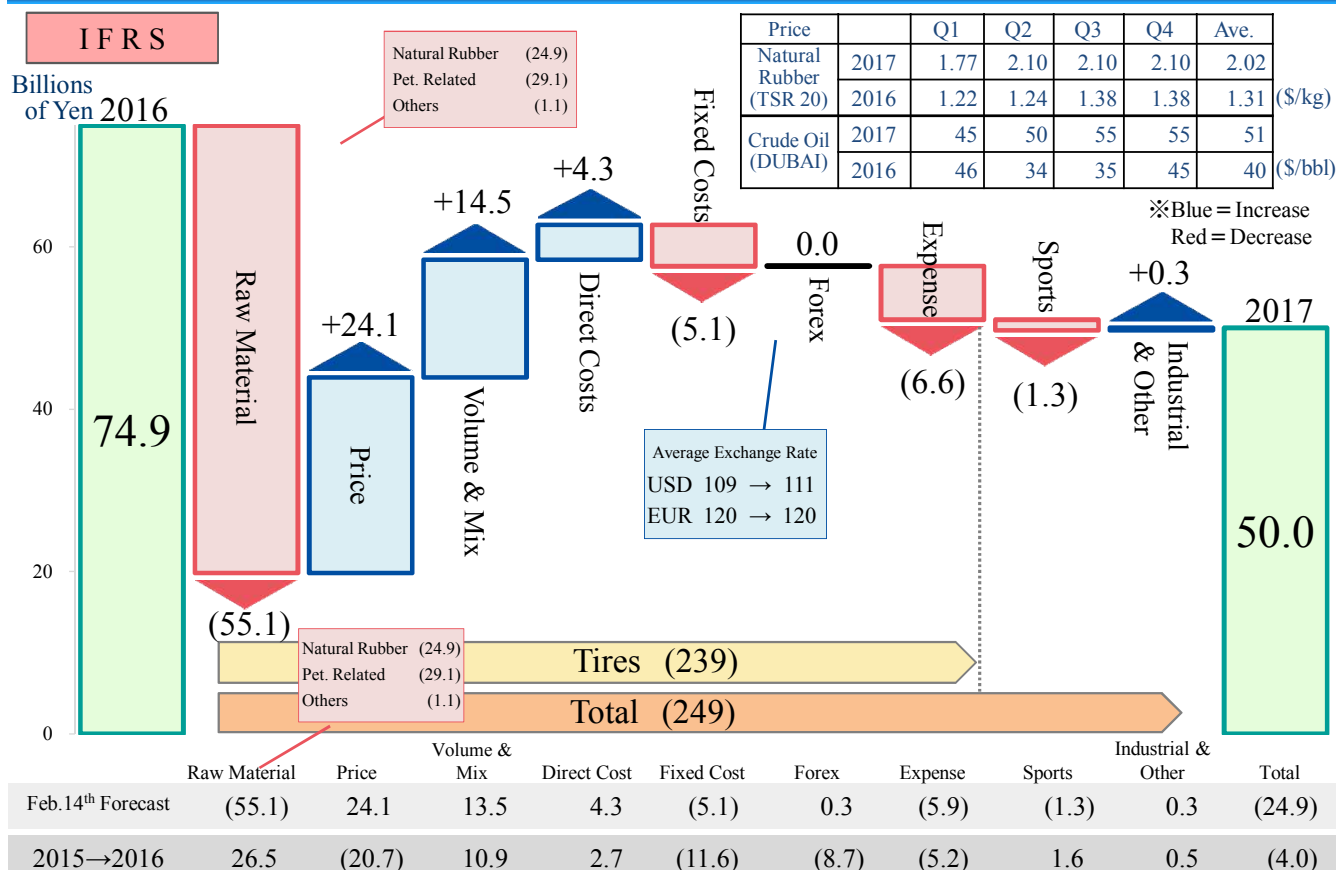
※ROA : “ Business Profit” / “Total Assets”

【Forecast】 Consolidated Sales Revenue / Profit



IFRS		No change since Feb. 14 th 2017 Forecast			Billions of Yen	
		Annual Forecast 2017	Actual 2016	YOY	First half Forecast 2017	
Sales Revenue	Tires	732.0	648.4	113%	330.0	
	Sports	80.0	72.8	110%	38.0	
	Industrial & Other	38.0	35.5	107%	17.0	
	Total	850.0	756.7	112%	385.0	
Business Profit	Tires	44.0	67.9	65%	12.5	
	Sports	3.0	4.3	70%	1.5	
	Industrial & Other	3.0	2.7	112%	1.0	
	Total	50.0	74.9	67%	15.0	

【Forecast】 Consolidated Business Profit Walk (2017 Annual)



I F R S

Billions of Yen

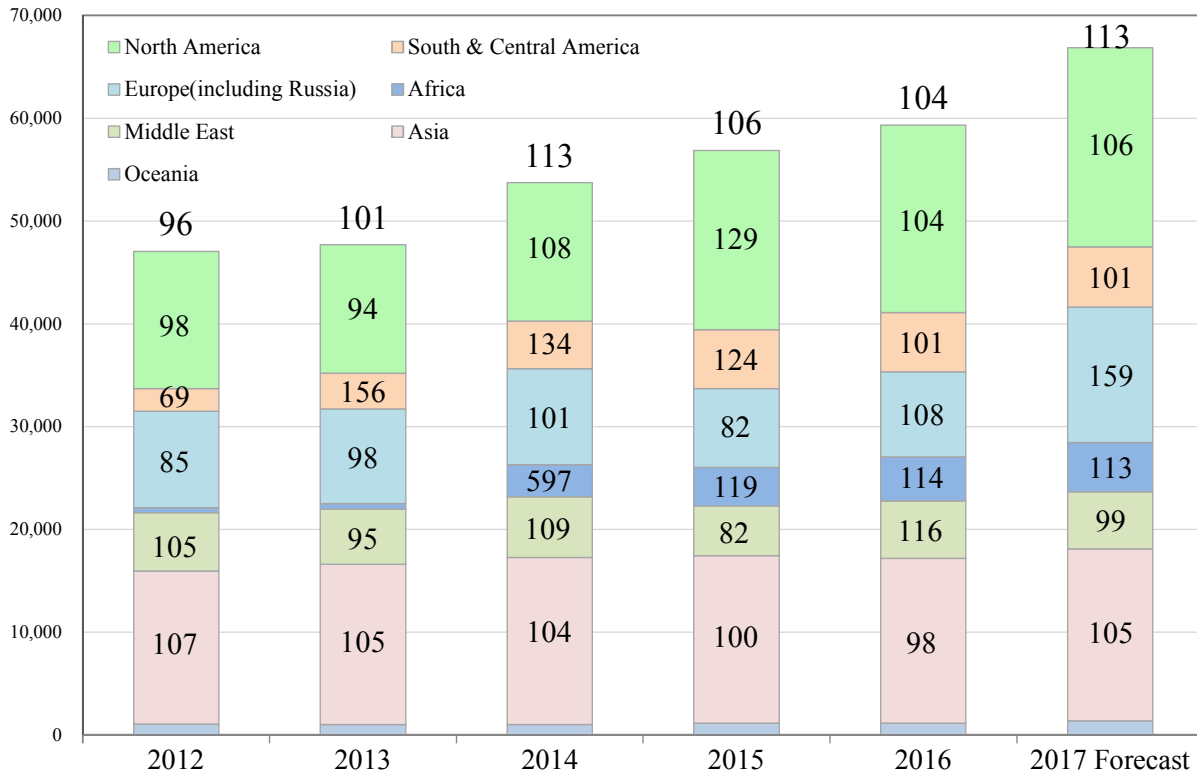
Period	Business Profit	Factors										
		vs previous year	Raw Material	Price	Volume & Mix	Direct Cost	Fixed Cost	Forex	Expense	Sports	Industrial & Other	
2016	Jan.-Mar.	14.2	-	-	-	-	-	-	-	-	-	-
	Apr.-Dec.	60.7	-	-	-	-	-	-	-	-	-	-
	Annual	74.9	(4.0)	26.5	(20.7)	10.9	2.7	(11.6)	(8.7)	(5.2)	1.6	0.5
2017	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.-Dec.	37.8	(22.9)	(48.2)	26.1	8.2	3.0	(4.1)	0.3	(6.2)	(1.7)	(0.3)
	Annual	50.0	(24.9)	(55.1)	24.1	14.5	4.3	(5.1)	0.0	(6.6)	(1.3)	0.3
vs. Feb. 14 th Forecast	-	-	0.0	0.0	1.0	0.0	0.0	(0.3)	(0.7)	0.0	0.0	

Tire Sales Volume (Comparison %)

	2016 Actual					2017 Jan.-Mar. Actual, Apr.-Dec. Forecast					2017 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.	87%	92%	100%	108%	96%	113%	105%	103%	103%	106%	106%	101%	103%	
Domestic Rep.	101%	101%	100%	101%	101%	103%	100%	101%	103%	102%	102%	103%	103%	
Overseas O.E.	106%	101%	114%	102%	105%	114%	106%	114%	102%	108%	102%	111%	107%	
Overseas Rep.	109%	106%	106%	98%	104%	112%	112%	116%	111%	113%	108%	114%	112%	
Details	North America	118%	108%	105%	91%	104%	121%	105%	101%	102%	106%	105%	99%	102%
	Europe	97%	114%	105%	118%	108%	130%	175%	187%	149%	159%	139%	174%	158%
	Asia	99%	94%	101%	99%	98%	106%	102%	106%	105%	105%	103%	106%	105%
	Others	119%	112%	113%	96%	109%	98%	105%	108%	106%	104%	102%	109%	105%
Total	104%	102%	105%	100%	103%	111%	108%	111%	107%	109%	106%	110%	108%	

Total Tire Sales (000 Units)	25,510	26,780	28,620	31,740	112,640	28,230	28,940	31,830	33,820	122,830	55,420	66,280	121,700
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000 units

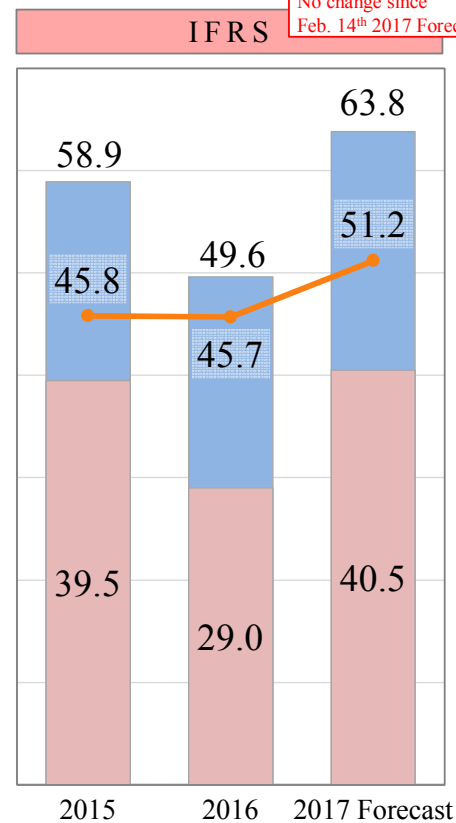
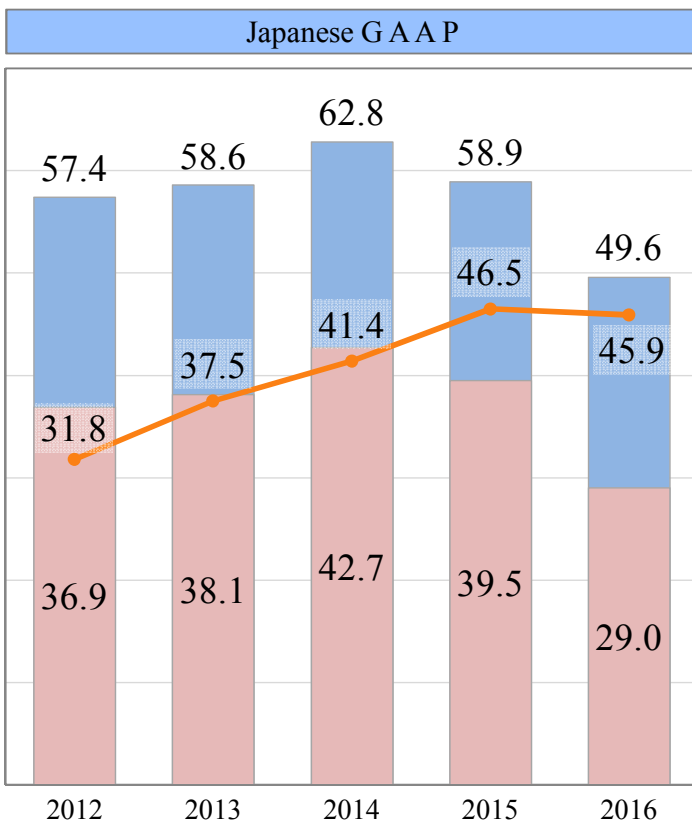


Forex(USD)	2012	2013	2014	2015	2016	2017 Forecast
	80	98	106	121	109	111

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

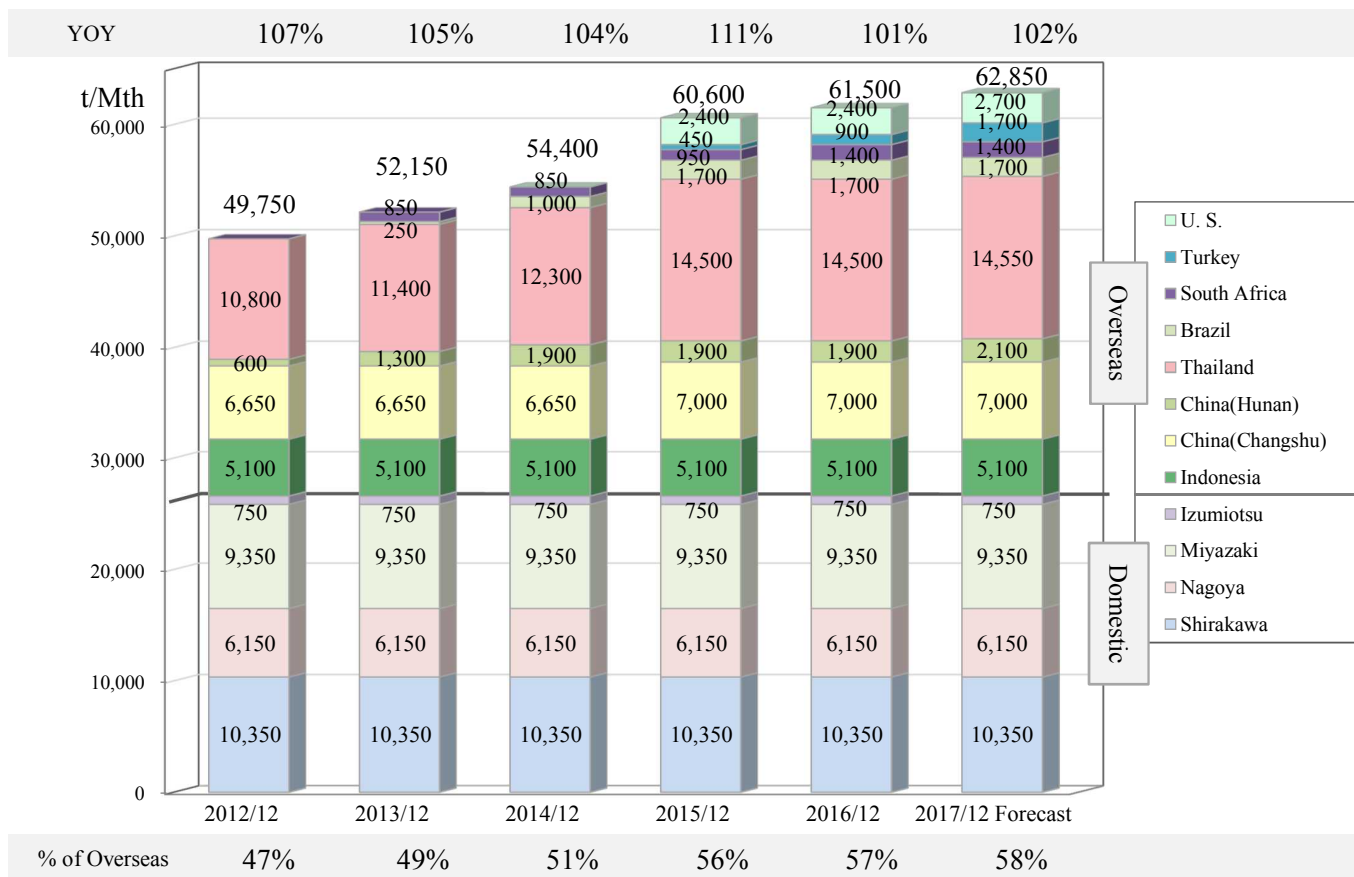
Capex and Depreciation (Tangible Assets Only)

Billions of Yen

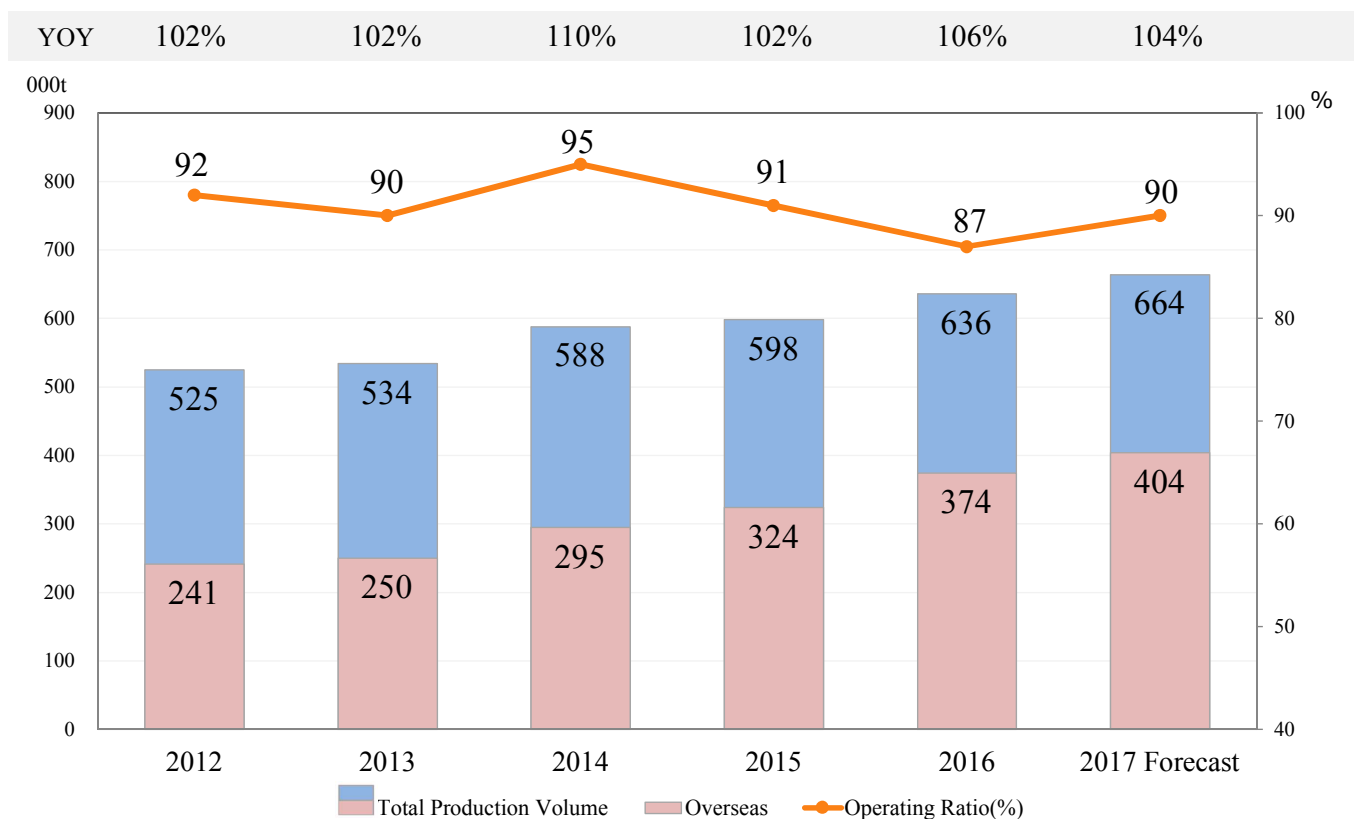


■ Total Capex ■ Overseas — Depreciation

Tire Production Capacity



Tire Production Volume and Operating Ratio





LE MANS V



WINTER MAXX 02



ZIEX ZE914 F



Cleveland 「RTX-3」



XXIO 「SUPER SOFT X」

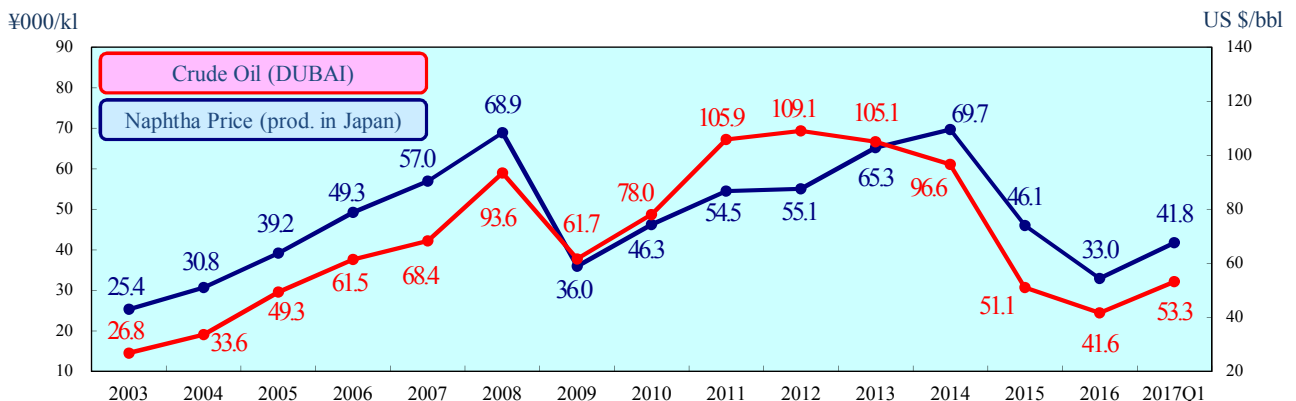
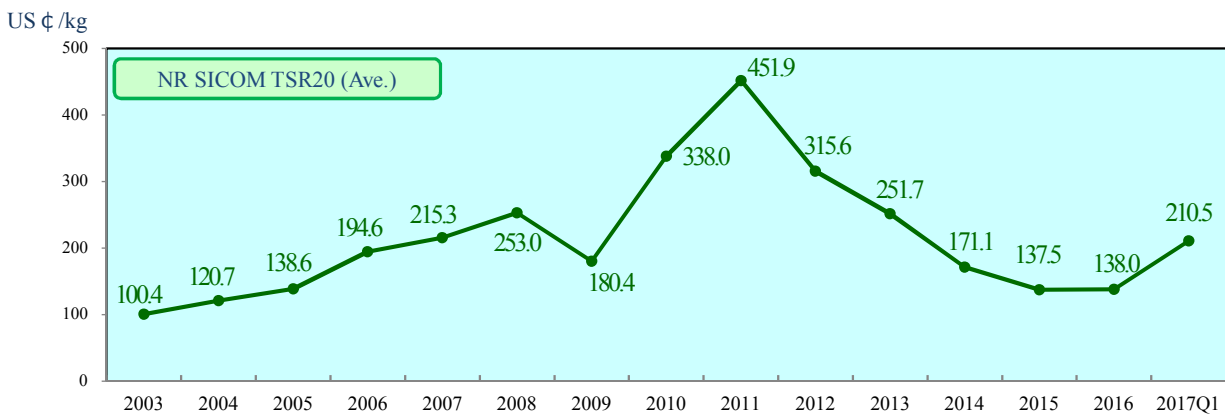


SRIXON 「REVO CX」



Soft tennis ball 「SRIXON」

Market Price : Natural Rubber / Crude Oil / Naphtha



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SUMITOMO RUBBER GROUP