

Consolidated Financial Results
for the Six Months Ended June 30, 2017
[IFRS]



August 8, 2017

Company name : Sumitomo Rubber Industries, Ltd.
 Stock exchange listing : Tokyo Stock Exchange
 Code number : 5110
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 Scheduled date of filing quarterly securities report : August 9, 2017
 Scheduled date of commencing dividend payments : September 6, 2017
 Supplementary documents for quarterly financial results : Yes
 Quarterly financial results briefing session : Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded to the nearest unit.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2017 (January 1, 2017 to June 30, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended										
June 30, 2017	403,377	12.4	21,846	(28.0)	21,236	(27.1)	12,429	(31.0)	7,774	-
June 30, 2016	358,901	-	30,359	-	29,138	-	18,001	-	(34,983)	-

(Note) "Business profit" is "Sales revenue" subtracted by "Cost of sales" and "Selling, general and administrative expenses."

	Basic profit per share	Diluted profit per share	Business profit to sales revenue ratio
Six months ended	Yen	Yen	%
June 30, 2017	47.38	-	5.4
June 30, 2016	68.62	-	8.5

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
As of	Million yen	Million yen	Million yen	%	Yen
June 30, 2017	954,658	460,559	429,975	45.0	1,639.16
December 31, 2016	897,634	459,541	429,316	47.8	1,636.63

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents as of June 30, 2017
Six months ended	Million yen	Million yen	Million yen	Million yen
June 30, 2017	13,937	(67,458)	49,393	61,177
June 30, 2016	60,890	(16,789)	(32,117)	57,804

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2016	-	30.00	-	25.00	55.00
December 31, 2017	-	25.00			
Fiscal year ending December 31, 2017 (Forecast)			-	30.00	55.00

(Note) Revision to the financial results forecast announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017 (January 1, 2017 to December 31, 2017)

(% indicates changes from the previous corresponding period.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Basic profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Full year	860,000	13.7	63,000	(15.9)	63,000	(14.0)	41,000	(0.9)	Yen 156.30

(Note) Revision to the financial results forecast announced most recently: Yes

Notes:

- (1) Changes in Significant Subsidiaries during the Six Months Ended June 30, 2017
(changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Changes in accounting policies and changes in accounting estimates
- 1) Changes in accounting policies required by IFRS : None
 - 2) Changes in accounting policies other than 1) : None
 - 3) Changes in accounting estimates : None
- (3) Total number of issued shares (common stock)
- 1) Total number of issued shares at the end of the period (including treasury stock)
 - June 30, 2017 : 263,043,057 shares
 - December 31, 2016 : 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period
 - June 30, 2017 : 728,072 shares
 - December 31, 2016 : 726,168 shares
 - 3) Average number of shares during the period
 - Six months ended June 30, 2017 : 262,315,997 shares
 - Six months ended June 30, 2016 : 262,318,395 shares

* Interim financial statements are outside the scope of the quarterly review procedures under the Financial Instruments and Exchange Act

* Explanation of the proper use of financial results forecast and other notes

The earnings projections and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to Sumitomo Rubber Industries, Ltd. (the “Company”) and its group companies (collectively, the “Group”) and do not constitute any promises by the Company that they will be realized. Actual results could differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.

With regard to the matters related to the underlying assumptions for the above forecasts, please refer to page 4 of the attached documents of the Consolidated Financial Results for the Period under Review, “1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Future Forecast.”

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Operating Results

	For the six months ended June 30, 2016	For the six months ended June 30, 2017	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	358,901	403,377	12.4
Tires	306,152	346,220	13.1
Sports	36,256	37,894	4.5
Industrial and Other Products	16,493	19,263	16.8
Business profit	30,359	21,846	(28.0)
Tires	27,077	17,423	(35.7)
Sports	2,437	2,494	2.3
Industrial and Other Products	901	1,886	109.4
Adjustments	(56)	43	-
Operating profit	29,138	21,236	(27.1)
Profit attributable to owners of parent	18,001	12,429	(31.0)

(Note) “Business profit” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”

Foreign exchange rates applied

	For the six months ended June 30, 2016	For the six months ended June 30, 2017	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	112	112	-
Yen / Euro	125	122	(3)

During the six months ended June 30, 2017, the U.S. economy continued to expand and the European economy remained on a gradual recovery trend. Signs of economic improvement were seen in China, thanks to various economic policies and indication of economic recovery were also seen in emerging countries except for some countries and regions. The overall global economy showed solid growth.

The Japanese economy saw a continued increase in capital investment and improvement of the employment and income environment, leading to a relatively steady growth.

Looking at the business environment surrounding the Sumitomo Rubber Group, the prices of natural rubber and petroleum-based materials, which were soaring from the end of the previous year to the beginning of this year, subsequently turned into a downward trend. On the other hand, the foreign exchange market was relatively stable. Competition with our competitors in the market continued to intensify, but mostly within our expectations.

Under these circumstances, the Group pursued various group-wide initiatives to achieve its long-term “VISION 2020” targets for fiscal 2020 aimed at driving business growth and improving profitability.

As a result, sales revenue of the Group increased 12.4% from the same period of the previous fiscal year to ¥403,377 million, business profit decreased 28.0% to ¥21,846 million, operating profit decreased 27.1% to ¥21,236 million and profit attributable to owners of parent decreased 31.0% to ¥12,429 million. Revenue increased from the same period of the previous fiscal year, driven by a solid growth of sales in the Group’s mainstay tire business against the backdrop of a recovering global economy; however, profit decreased in each profit item, affected primarily by soaring prices of raw materials.

Business performance by business segment was as follows.

Tire Business

Sales revenue in the tire business increased 13.1% from the same period of the previous fiscal year to ¥346,220 million, and business profit decreased 35.7% to ¥17,423 million.

In the domestic replacement market, sales revenue exceeded the level of the same period of the previous fiscal year. Under the Dunlop brand, we endeavored to expand sales of high-value-added products, mainly focusing on the new product “LE MANS V” equipped with our new technology “SHINOBI TECHNOLOGY” and a special noise-absorbing sponge “SILENT CORE,” which bring about the feel of comfort with dramatically improved ride quality and quietness. We also expanded sales of high-performance tires including our premium product “AZENIS FK453” while making efforts to enhance brand awareness, such as through co-sponsoring “Red Bull Air Race Chiba 2017” under the Falken brand.

In the domestic original equipment market, sales volume and sales revenue exceeded the level of the same period of the previous fiscal year, as a result of higher automobile production volume mainly in light vehicles compared to the same period of the previous fiscal year, as well as efforts to gain a higher market share by expanding the models of automobiles to be delivered.

In the overseas replacement market, sales volume and sales revenue exceeded the level of the same period of the previous fiscal year, mainly as a result of an increase in sales in North America, Europe and many other countries and regions, as well as the acquisition of the British tire sales company Micheldever Group Ltd. in February this year.

In the overseas original equipment market, sales volume and sales revenue exceeded the level of the same period of the previous fiscal year due to expanded delivery in China, Brazil and Turkey, as well as increased sales in Europe.

As a result, sales revenue in the tire business increased from the same period of the previous fiscal year; however, profit decreased due mainly to the effect of soaring raw material prices.

Sports Business

Sales revenue in the sports business increased 4.5% from the same period of the previous fiscal year to ¥37,894 million, and business profit increased 2.3% to ¥2,494 million.

In the golf goods market in Japan, the number of golf course visitors remained almost unchanged from the previous fiscal year. However, sales revenue fell below the level of the same period of the previous fiscal year, due mainly to sluggish sales of golf clubs amid increasingly fierce competition with other companies' products.

In overseas golf goods markets, we made aggressive efforts to globally expand sales of our brands “SRIXON” and “XXIO.” Sales revenue exceeded the level of the same period of the previous fiscal year, due mainly to sales expansion of “SRIXON” golf balls in the U.S.

Furthermore, the sports and licensing businesses acquired from Sports Direct International plc in April this year contributed to an increase in revenue.

As a result, sales revenue in the sports business exceeded the level of the same period of the previous fiscal year, and business profit also increased.

Industrial and Other Products Business

Sales revenue in the industrial and other products business increased 16.8% from the same period of the previous fiscal year to ¥19,263 million, and business profit increased 109.4% to ¥1,886 million.

Business of precision rubber parts for medical use and vibration control dampers remained strong, and sales of precision rubber parts for office machines increased following the recovery of manufacturers' production. Sales of products for infrastructure including civil works and marine facilities also remained strong. Consequently, sales revenue in the industrial and other products business exceeded the level of the same period of the previous fiscal year, and business profit also increased.

(2) Financial Position

	As of December 31, 2016	As of June 30, 2017	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	897,634	954,658	57,024
Total equity	459,541	460,559	1,018
Total equity attributable to owners of parent	429,316	429,975	659
Total equity attributable to owners of parent ratio (%)	47.8	45.0	(2.8)
Equity attributable to owners of parent per share	1,636.63 yen	1,639.16 yen	2.53 yen

The financial position of the Group at the end of the second quarter of the consolidated fiscal year under review was as follows.

Total assets increased ¥57,024 million from the end of the previous fiscal year to ¥954,658 million mainly as a result of an increase in goodwill and intangible assets associated with the acquisition of the British tire sales company Micheldever Group Ltd. and its subsidiaries, the acquisition of the trademark rights of the DUNLOP brand overseas and the sporting goods and licensing businesses of the DUNLOP brand, despite a decrease in trade and other receivables due to seasonal factors.

Total liabilities increased ¥56,006 million from the end of the previous fiscal year to ¥494,099 million mainly as a result of a temporary increase in interest-bearing debt associated with the acquisition of subsidiaries and businesses.

Total equity as of June 30, 2017 amounted to ¥460,559 million, of which equity attributable to owners of parent was ¥429,975 million. Equity attributable to owners of parent ratio was 45.0%, and equity attributable to owners of parent per share was ¥1,639.16.

(3) Consolidated Financial Results Forecast and Other Future Forecast

As profit for the six months ended June 30, 2017 exceeded the initial plan due to recovery of the global economy and other changes in the environment, revisions have been made as follows to the full year financial results forecast in the Consolidated Financial Results for the Three Months Ended March 31, 2017, which we announced on May 10, 2017.

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017 (January 1, 2017 to December 31, 2017)

	Revised forecast	Previous forecast	Increase (Decrease)	Change in ratio	(Reference) Results for the same period of the previous year
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Sales revenue	860,000	850,000	10,000	1.2	756,696
Tires	741,000	732,000	9,000	1.2	648,445
Sports	80,000	80,000	-	-	72,772
Industrial and Other Products	39,000	38,000	1,000	2.6	35,479
Business profit	63,000	50,000	13,000	26.0	74,916
Tires	56,000	44,000	12,000	27.3	67,924
Sports	3,500	3,000	500	16.7	4,303
Industrial and Other Products	3,500	3,000	500	16.7	2,673
Adjustments	-	-	-	-	16
Operating profit	63,000	50,000	13,000	26.0	73,284
Profit attributable to owners of parent	41,000	33,000	8,000	24.2	41,364

Foreign exchange rates applied

	Revised forecast	Previous forecast	Increase (Decrease)	(Reference) Rate applied for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	111	111	-	109
Yen / Euro	123	120	3	120

The results forecast and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to the Company and the Group as of the date of the release of this document and include potential risks and uncertainty. Please note that actual results may differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.

2. Condensed Interim Consolidated Financial Statements and Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	66,492	61,177
Trade and other receivables	182,855	165,917
Other financial assets	3,821	3,733
Inventories	138,993	171,191
Other current assets	20,398	26,467
Total current assets	412,559	428,485
Non-current assets		
Property, plant and equipment	363,293	362,189
Goodwill	15,351	46,020
Intangible assets	21,445	34,831
Investments accounted for using equity method	4,071	4,095
Other financial assets	41,239	39,979
Net defined benefit asset	20,635	20,588
Deferred tax assets	13,888	13,551
Other non-current assets	5,153	4,920
Total non-current assets	485,075	526,173
Total assets	897,634	954,658

(Millions of yen)

	As of December 31, 2016	As of June 30, 2017
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	77,056	150,036
Trade and other payables	120,236	112,437
Other financial liabilities	2,624	2,035
Income tax payable	9,960	6,496
Provisions	7,350	3,776
Other current liabilities	34,777	32,458
Total current liabilities	252,003	307,238
Non-current liabilities		
Bonds and loans payable	121,556	118,243
Other financial liabilities	4,577	4,208
Net defined benefit liability	22,188	23,798
Provisions	1,197	1,251
Deferred tax liabilities	12,154	15,325
Other non-current liabilities	24,418	24,036
Total non-current liabilities	186,090	186,861
Total liabilities	438,093	494,099
Equity		
Capital stock	42,658	42,658
Capital surplus	37,937	37,937
Retained earnings	389,970	395,924
Treasury stock	(570)	(574)
Other components of equity	(40,679)	(45,970)
Total equity attributable to owners of parent	429,316	429,975
Non-controlling interest	30,225	30,584
Total equity	459,541	460,559
Total liabilities and equity	897,634	954,658

(2) Condensed Interim Consolidated Statements of Income and Comprehensive Income
Condensed Interim Consolidated Statements of Income

(Millions of yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Sales revenue	358,901	403,377
Cost of sales	(239,849)	(285,139)
Gross profit	119,052	118,238
Selling, general and administrative expenses	(88,693)	(96,392)
Business profit	30,359	21,846
Other income	1,615	902
Other expenses	(2,836)	(1,512)
Operating profit	29,138	21,236
Financial income	3,937	1,727
Financial expenses	(6,797)	(2,371)
Equity in earnings of affiliates	13	28
Profit before tax	26,291	20,620
Income tax expenses	(7,920)	(6,903)
Profit	18,371	13,717
Profit attributable to:		
Owners of parent	18,001	12,429
Non-controlling interests	370	1,288
Profit	18,371	13,717
Profit per share		
Basic profit per share (Yen)	68.62	47.38

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Profit	18,371	13,717
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(3,091)	669
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	(1,441)	(556)
Currency translation differences of foreign operations	(48,822)	(6,056)
Other comprehensive income, net of tax	(53,354)	(5,943)
Comprehensive income	(34,983)	7,774
Comprehensive income attributable to:		
Owners of parent	(32,689)	6,941
Non-controlling interests	(2,294)	833
Comprehensive income	(34,983)	7,774

(3) Condensed Interim Consolidated Statements of Changes in Equity
For the six months ended June 30, 2016

(Millions of yen)

	Equity attributable to owners of parent					
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2016	42,658	37,916	360,143	(567)	(32,266)	(578)
Profit			18,001			
Other comprehensive income					(46,196)	(1,441)
Total comprehensive income	-	-	18,001	-	(46,196)	(1,441)
Purchase of treasury stock				(1)		
Disposal of treasury stock		0		0		
Dividends			(7,870)			
Changes in ownership interests in subsidiaries that do not result in loss of control		(5)				
Transfer to retained earnings			5,575			
Other increase and decrease						192
Total transactions with owners	-	(5)	(2,295)	(1)	-	192
Balance as of June 30, 2016	42,658	37,911	375,849	(568)	(78,462)	(1,827)

	Equity attributable to owners of parent				Non-controlling interests	Total Equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Total			
Balance as of January 1, 2016	14,981	-	(17,863)	422,287	29,550	451,837
Profit			-	18,001	370	18,371
Other comprehensive income	(3,053)		(50,690)	(50,690)	(2,664)	(53,354)
Total comprehensive income	(3,053)	-	(50,690)	(32,689)	(2,294)	(34,983)
Purchase of treasury stock			-	(1)		(1)
Disposal of treasury stock			-	0		0
Dividends			-	(7,870)	(488)	(8,358)
Changes in ownership interests in subsidiaries that do not result in loss of control			-	(5)	1,285	1,280
Transfer to retained earnings	(5,575)		(5,575)	-		-
Other increase and decrease			192	192		192
Total transactions with owners	(5,575)	-	(5,383)	(7,684)	797	(6,887)
Balance as of June 30, 2016	6,353	-	(73,936)	381,914	28,053	409,967

For the six months ended June 30, 2017

(Millions of yen)

	Equity attributable to owners of parent					
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2017	42,658	37,937	389,970	(570)	(49,657)	(185)
Profit			12,429			
Other comprehensive income					(5,624)	(557)
Total comprehensive income	-	-	12,429	-	(5,624)	(557)
Purchase of treasury stock				(4)		
Disposal of treasury stock		0		0		
Dividends			(6,558)			
Changes in ownership interests in subsidiaries that do not result in loss of control						
Transfer to retained earnings			83			
Other increase and decrease						280
Total transactions with owners	-	0	(6,475)	(4)	-	280
Balance as of June 30, 2017	42,658	37,937	395,924	(574)	(55,281)	(462)

	Equity attributable to owners of parent				Non-controlling interests	Total Equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Total			
Balance as of January 1, 2017	9,163	-	(40,679)	429,316	30,225	459,541
Profit			-	12,429	1,288	13,717
Other comprehensive income	693		(5,488)	(5,488)	(455)	(5,943)
Total comprehensive income	693	-	(5,488)	6,941	833	7,774
Purchase of treasury stock			-	(4)		(4)
Disposal of treasury stock			-	0		0
Dividends			-	(6,558)	(1,081)	(7,639)
Changes in ownership interests in subsidiaries that do not result in loss of control			-	-	607	607
Transfer to retained earnings	(83)		(83)	-		-
Other increase and decrease			280	280		280
Total transactions with owners	(83)	-	197	(6,282)	(474)	(6,756)
Balance as of June 30, 2017	9,773	-	(45,970)	429,975	30,584	460,559

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Cash flows from operating activities		
Profit before tax	26,291	20,620
Depreciation and amortization	26,505	27,347
Interest and dividends income	(1,152)	(1,324)
Interest expenses	2,198	2,151
Share of (profit) loss of entities accounted for using equity method	(13)	(28)
Decrease (increase) in inventories	(8,687)	(25,298)
Decrease (increase) in trade and other receivables	37,392	24,058
Increase (decrease) in trade and other payables	(22,374)	(15,083)
Other, net	655	(3,589)
Subtotal	60,815	28,854
Interest received	745	996
Dividend income received	397	321
Interest expenses paid	(1,983)	(2,124)
Income taxes (paid) refund	916	(14,110)
Net cash provided by (used in) operating activities	60,890	13,937
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,573)	(30,741)
Proceeds from sales of property, plants and equipment	306	440
Purchase of intangible assets	(2,508)	(2,209)
Proceeds from sales of investment securities	9,990	253
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(34,827)
Payment for transfer of business	-	(348)
Other, net	(4)	(26)
Net cash provided by (used in) investing activities	(16,789)	(67,458)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9,440)	56,231
Proceeds from long-term debt and newly issued bonds	11,709	12,553
Repayments of long-term debt and redemption of bonds	(26,293)	(11,293)
Proceeds from contributions of non-controlling interests	1,297	607
Cash dividends paid	(7,870)	(6,558)
Cash dividends paid to non-controlling interests	(488)	(1,081)
Other, net	(1,032)	(1,066)
Net cash provided by (used in) financing activities	(32,117)	49,393
Effect of exchange rate change on cash and cash equivalents	(7,736)	(1,187)
Net increase (decrease) in cash and cash equivalents	4,248	(5,315)
Cash and cash equivalents at the beginning of current period	53,556	66,492
Cash and cash equivalents at the end of current period	57,804	61,177

(5) Notes on Condensed Interim Consolidated Financial Statements
 (Notes on Going Concern Assumption)
 None

(Segment Information)

1. Information by reportable segment

Reportable segments of the Group are the units for which separate financial information is available and periodically reviewed by the Board of Directors as the highest decision-making body for the purposes of deciding the allocation of management resources and evaluating business performance.

The Group has three divisions based on operations in Tires, Sports and Industrial and Other Products. Each division formulates comprehensive strategies for both domestic and overseas markets and develops business activities.

Therefore, the Group identifies “Tires”, “Sports”, and “Industrial and Other Products” as reportable segments.

Major products and services or details of business that belong to each reportable segment are as follows:

Reportable segment	Major products and services or detail of business
Tires	Tires and tubes (for automobiles, construction vehicles, industrial vehicles, automotive races and rallies, motorcycles, etc.) Automotive system business (instant mobility systems, deflation warning systems, etc.)
Sports	Sporting goods (golf clubs, golf balls and other golf goods, tennis goods, etc.) Operation of golf tournaments Operation of golf and tennis schools Fitness business, and others
Industrial and Other Products	High-performance rubber products (vibration control dampers, precision rubber parts for office machines, precision rubber parts for medical use, etc.) Daily life supplies (rubber gloves for cooking and other operations, ramps for wheelchair use, etc.) Products for infrastructure (marine dock fenders, flooring materials for factories and sports facilities, etc.)

2. Reportable segment sales revenues and profit or loss

Inter-segment sales revenue are stated at wholesale prices based on current market values.

Figures for reportable segment are based on business profit.

Information for the reportable segments for the previous fiscal year and the current fiscal year is as follows:

For the six months ended June 30, 2016 (January 1, 2016 to June 30, 2016)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Interim Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	306,152	36,256	16,493	358,901	-	358,901
Inter-segment sales revenue	13	155	9	177	(177)	-
Total	306,165	36,411	16,502	359,078	(177)	358,901
Segment profit (Business profit) (Note 1)	27,077	2,437	901	30,415	(56)	30,359
Other income and expenses						(1,221)
Operating profit						29,138

(Notes)

1. “Segment profit (Business profit)” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”
2. Segment profit included in “Adjustment” comprised elimination of inter-segment transactions.

For the six months ended June 30, 2017 (January 1, 2017 to June 30, 2017)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Interim Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	346,220	37,894	19,263	403,377	-	403,377
Inter-segment sales revenue	12	113	355	480	(480)	-
Total	346,232	38,007	19,618	403,857	(480)	403,377
Segment profit (Business profit) (Note 1)	17,423	2,494	1,886	21,803	43	21,846
Other income and expenses						(610)
Operating profit						21,236

(Notes)

1. “Segment profit (Business profit)” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”
2. Segment profit included in “Adjustment” comprised elimination of inter-segment transactions.

(Significant Subsequent Events)

None