

Financial Report

(January 1 ~ September 30, 2017)

November 8, 2017



Key Subjects

- 2017 3rd 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 89 (vs 2016 year-end : +16)		Equity-method Affiliates 3 (vs 2016 year-end : -)	
	Newly Included +18	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 Medical Elastomer d.o.o. (Slovenia/ Manufacturing company of medical rubber parts)	Lonstroff Holding AG (Merged with Lonstroff AG)		

Affiliated Companies (Consolidated Subs: 89, 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 3	Overseas 14	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 -	Domestic 3	Domestic -
	Overseas 5	Overseas 1	Overseas -
	Malaysia, China, Vietnam, Switzerland, Slovenia	Hong Kong	-

TOTAL 92
Domestic 31
Overseas 61

IFRS

Billions of Yen

	2017		2017		2017		2017		2016 Jan.-Sep.
	Jan.-Mar.	vs 2016	Apr.-Jun.	vs 2016	Jul.-Sep.	vs 2016	Jan.-Sep.	vs 2016	
Sales Revenue	192.1	108% 13.7	211.3	117% 30.7	214.9	122% 39.4	618.3	116% 83.9	534.4
Business Profit (%) ※1	12.2 (6.3%)	86% (2.0)	9.7 (4.6%)	60% (6.5)	8.4 (3.9%)	71% (3.4)	30.3 (4.9%)	72% (11.9)	42.2 (7.9%)
Operating Profit (%)	11.8 (6.2%)	88% (1.6)	9.4 (4.4%)	60% (6.3)	8.8 (4.1%)	70% (3.7)	30.0 (4.9%)	72% (11.6)	41.7 (7.8%)
Profit ※2	8.6	105% 0.4	3.9	39% (5.9)	4.6	48% (4.9)	17.0	62% (10.5)	27.4

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

※2. Profit : Profit attributable to owners of parent

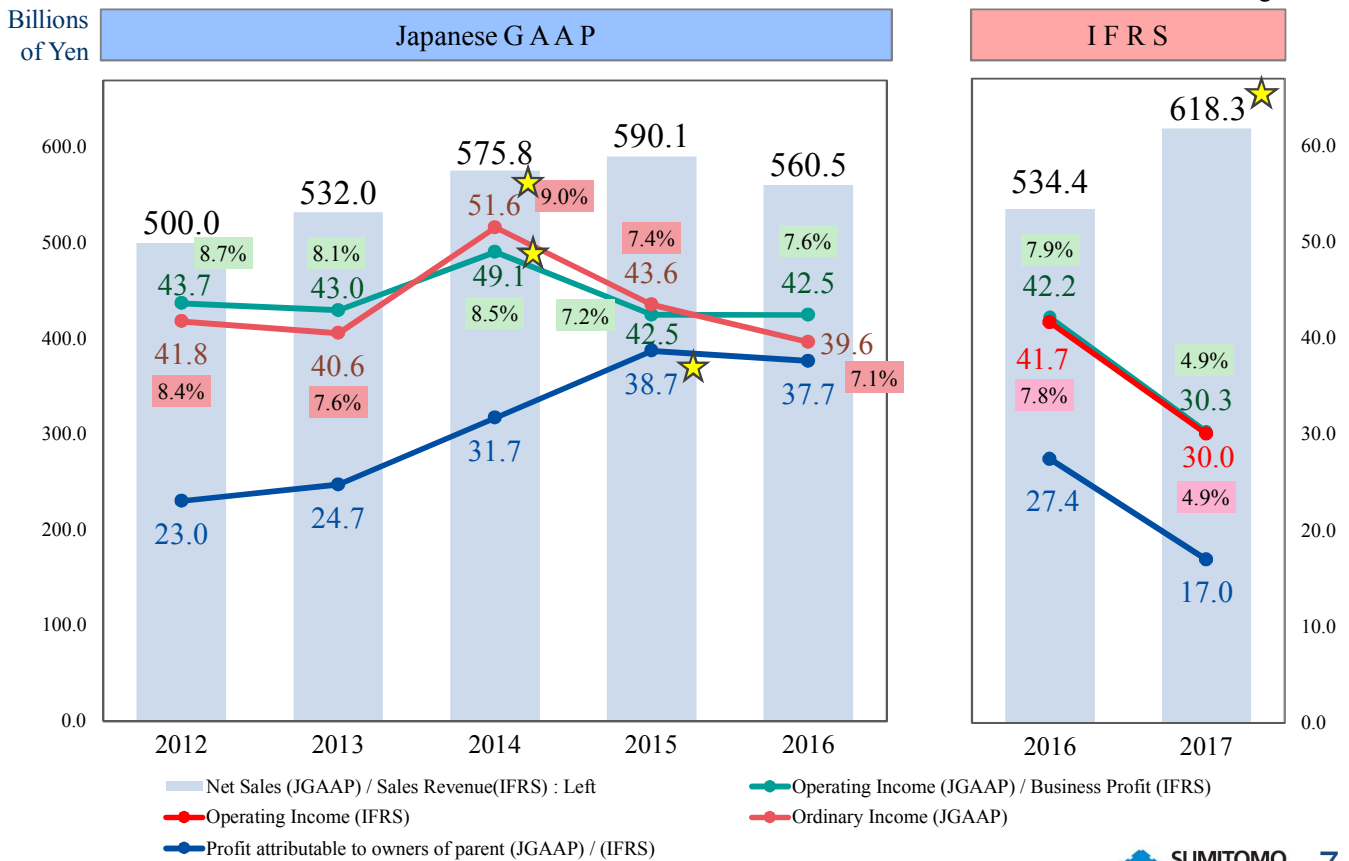
The above notes apply throughout this report.

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

IFRS		Japanese GAAP		Impact	Main Factors
	2016 Jan.-Sep.		2016 Jan.-Sep.		
Sales Revenue	534.4	Net Sales	560.5	(26.0)	Offset of Sales revenue and Incentive bonus (27.3) Provisions for sales return +2.1
Business Profit (%)	42.2 (7.9%)	Operating Income (%)	42.5 (7.6%)	(0.3)	One-time recording of Fixed asset tax as expenses (0.2)
Operating Profit (%)	41.7 (7.8%)				
Profit	27.4	Profit	37.7	(10.2)	Recognize Gain on sales of investment securities as Other comprehensive income (Non-recognition in P/L) (8.0)

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

% : Profit % ☆ : Record High



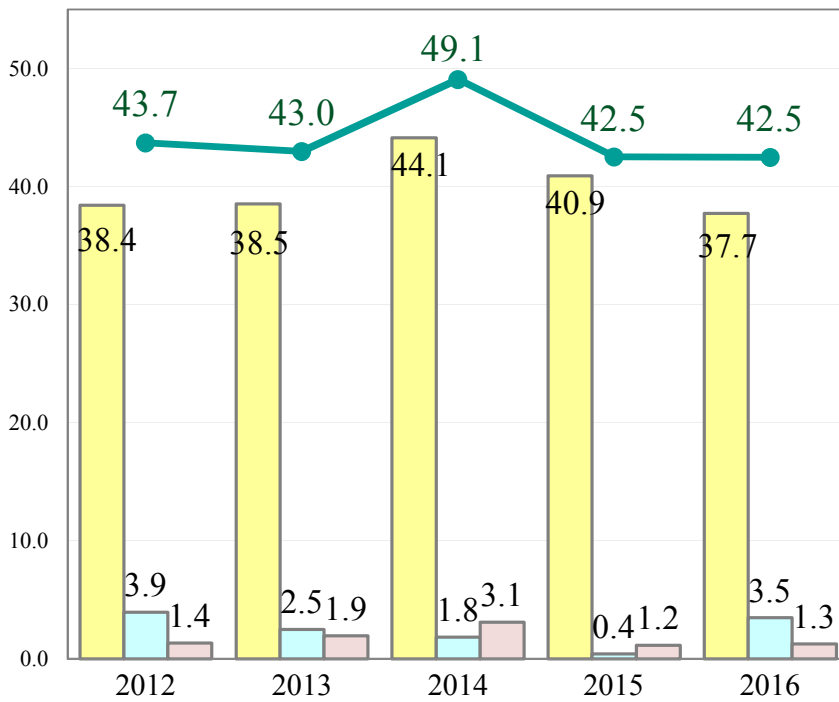
Consolidated Sales Revenue / Business Profit by Reportable Segment (2017 Jan.-Sep.)

I F R S		Billions of Yen								
		2017 Jan.-Mar.		2017 Apr.-Jun.		2017 Jul.-Sep.		2017 Jan.-Sep.		2016 Jan.-Sep.
			vs 2016		vs 2016		vs 2016		vs 2016	
Sales Revenue	Tires	165.6	108%	180.7	118%	184.4	124%	530.7	117%	455.2
	Sports	16.8	100%	21.1	108%	20.8	116%	58.7	108%	54.3
	Industrial & Other	9.7	116%	9.6	118%	9.6	114%	28.9	116%	25.0
	Total	192.1	108%	211.3	117%	214.9	122%	618.3	116%	534.4
Business Profit	Tires	10.1	77%	7.4	52%	6.8	66%	24.3	65%	37.4
	Sports	1.1	151%	1.4	82%	0.5	68%	3.0	94%	3.2
	Industrial & Other	1.0	222%	0.9	236%	1.1	147%	3.0	191%	1.6
	Total	12.2	86%	9.7	60%	8.4	71%	30.3	72%	42.2

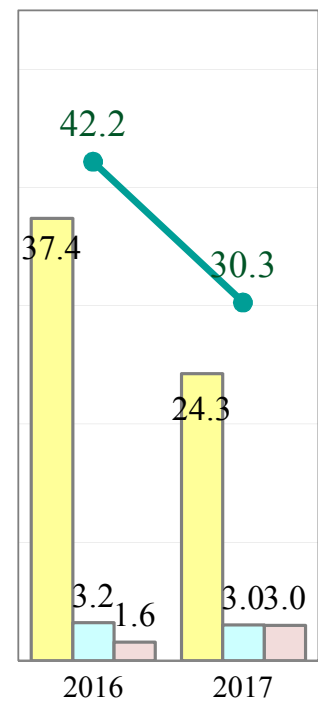
Consolidated Business Profit by Reportable Segment (Jan.-Sep.)

Billions of Yen

Japanese G A A P



IFRS

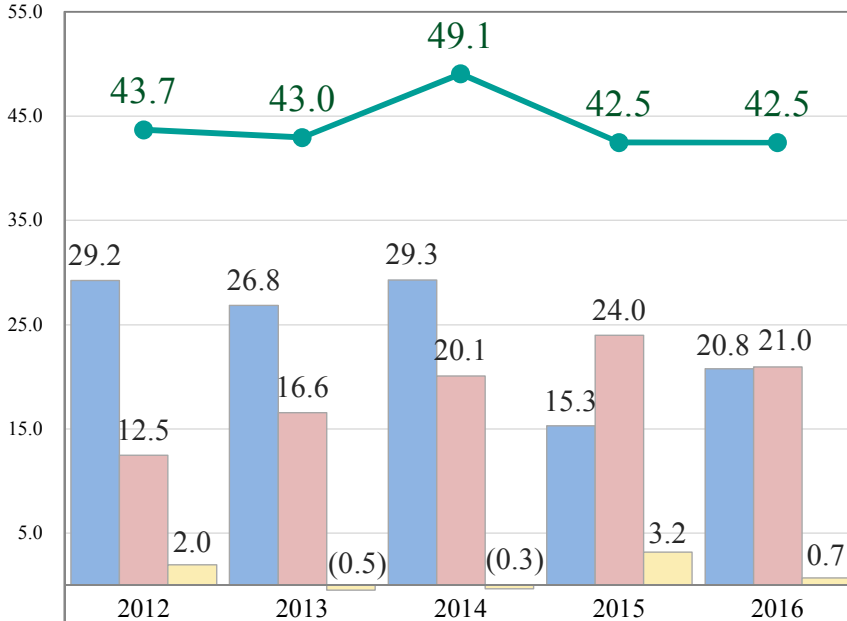


Legend: Tires (Yellow), Sports (Light Blue), Industrial & Other (Light Pink), Operating Income (JGAAP) / Business Profit (IFRS) (Green Line)

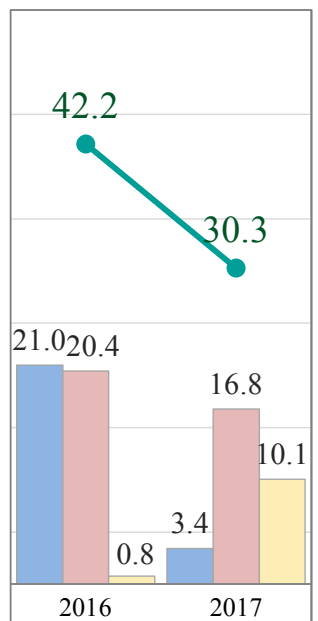
Consolidated Business Profit by Geographic Areas (Jan.-Sep.)

Billions of Yen

Japanese G A A P



IFRS

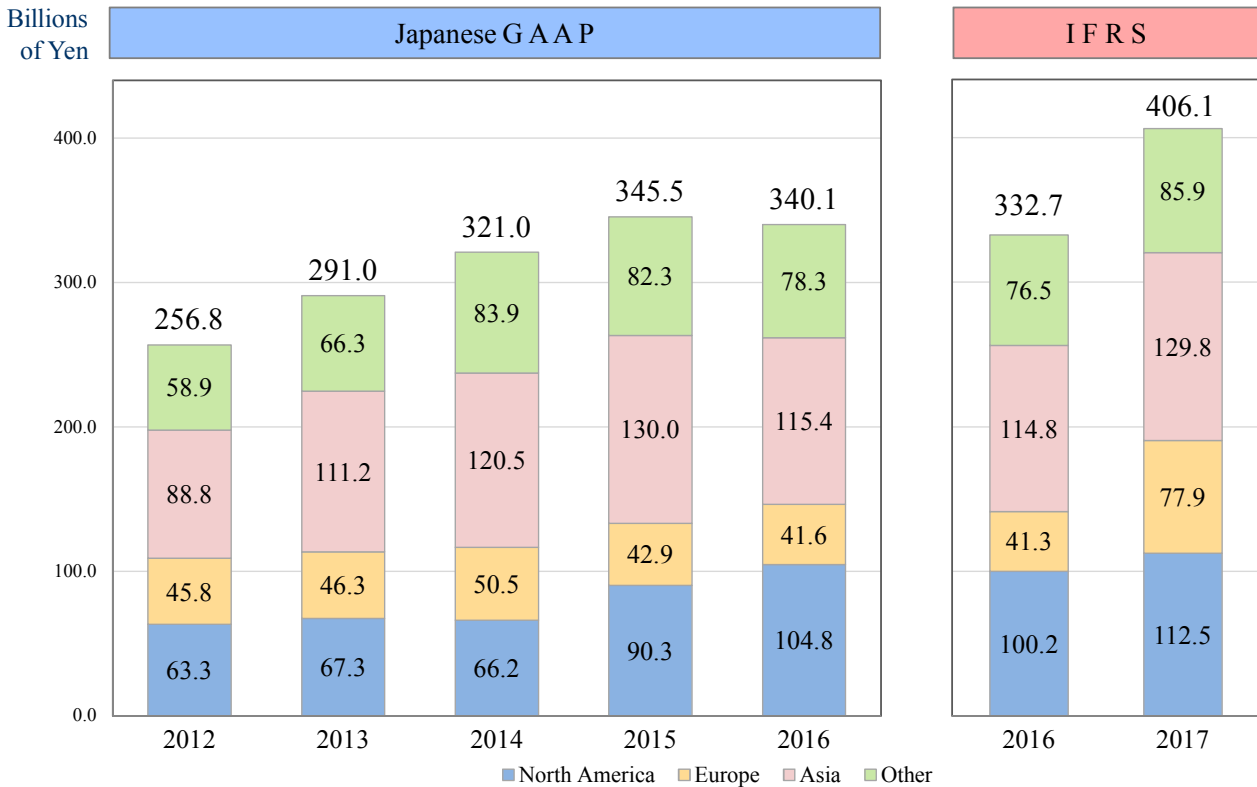


Legend: Japan (Blue), Asia (Red), Others (Yellow), Operating Income (JGAAP) / Business Profit (IFRS) (Green Line)

Sales

Japan	304.7	301.7	317.0	312.2	274.7	250.3	264.2
Asia	84.6	106.3	114.2	122.7	107.9	107.8	124.6
Others	110.6	124.0	144.6	155.2	177.9	176.3	229.5
Total	500.0	532.0	575.8	590.1	560.5	534.4	618.3

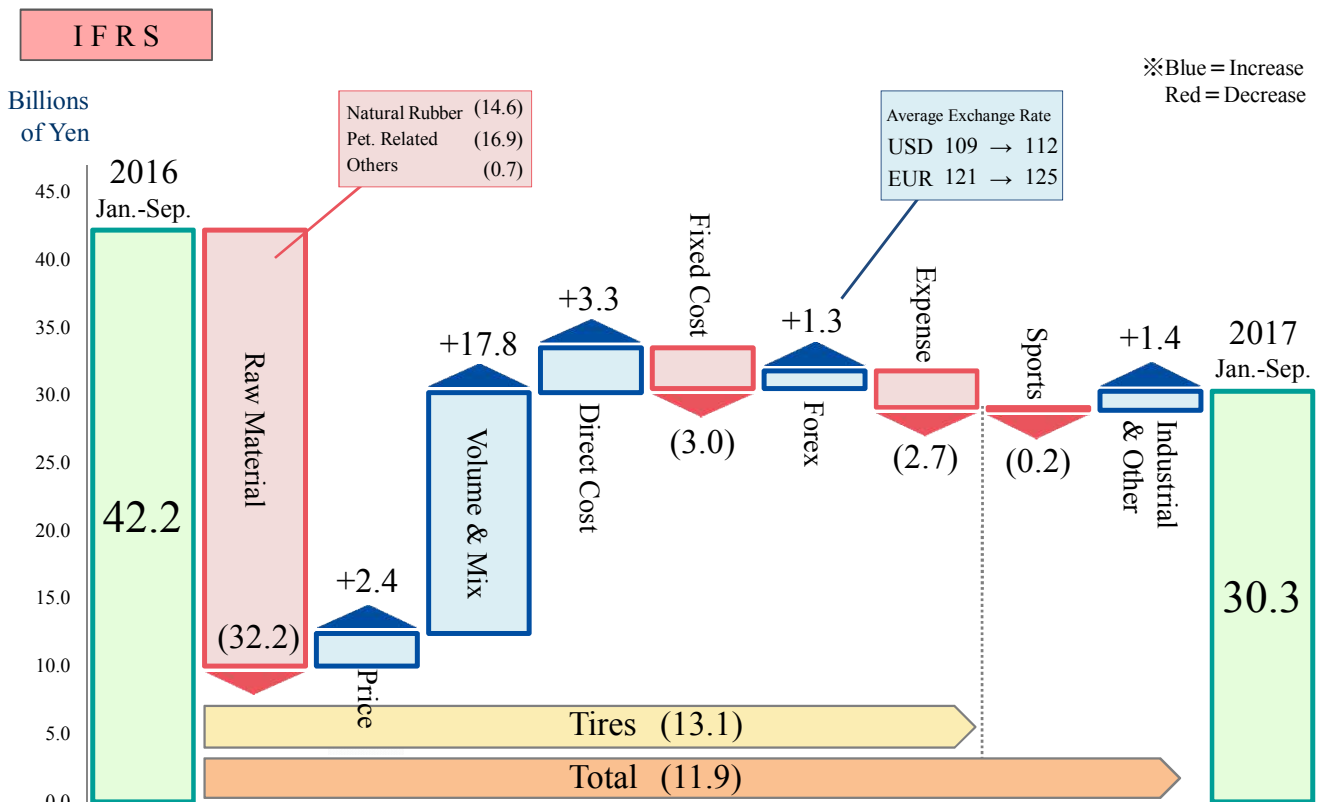
*Sales and Profit for geographic areas on this page are based on sales company's location.



	2012	2013	2014	2015	2016	2016	2017
Consolidated Sales	500.0	532.0	575.8	590.1	560.5	534.4	618.3
% of Overseas	51%	55%	56%	59%	61%	62%	66%


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

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

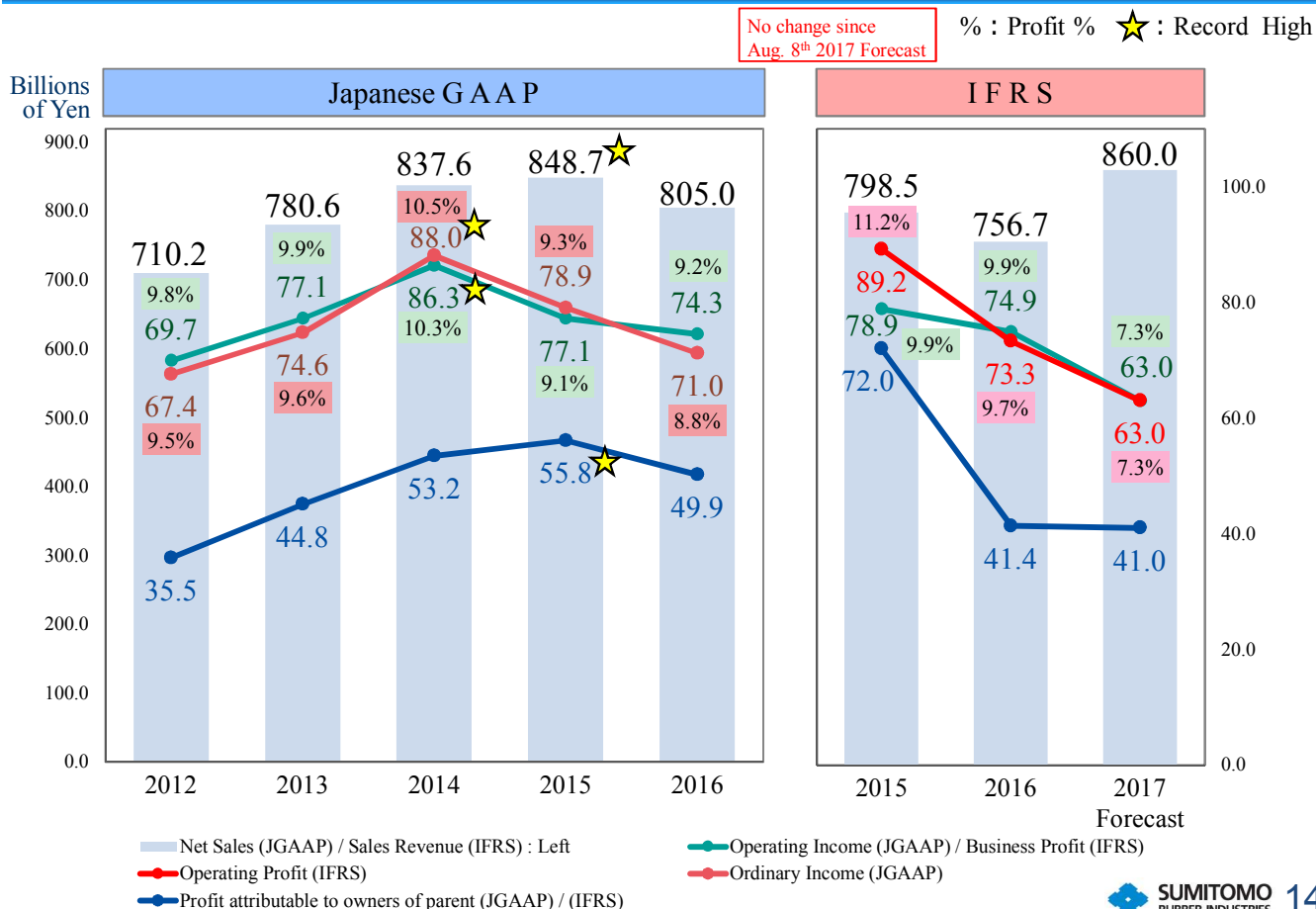


【Forecast】 Consolidated Financial Results

IFRS				No change since Aug. 8 th 2017 Forecast	
	Annual Forecast 2017	Actual 2016	YOY	Aug. 8 th 2017 Annual Forecast 2017	Feb. 14 th & May 10 th 2017 Annual Forecast 2017
Sales Revenue	860.0	756.7	114%	860.0	850.0
Business Profit (%)	63.0 (7.3%)	74.9 (9.9%)	84%	63.0 (7.3%)	50.0 (5.9%)
Operating Profit (%)	63.0 (7.3%)	73.3 (9.7%)	86%	63.0 (7.3%)	50.0 (5.9%)
Profit	41.0	41.4	99%	41.0	33.0
ROE	9.0%	9.7%		9.0%	8.0%
ROA ※	6.5%	8.2%		6.5%	5.5%
D/E Ratio	0.6	0.5		0.6	0.6

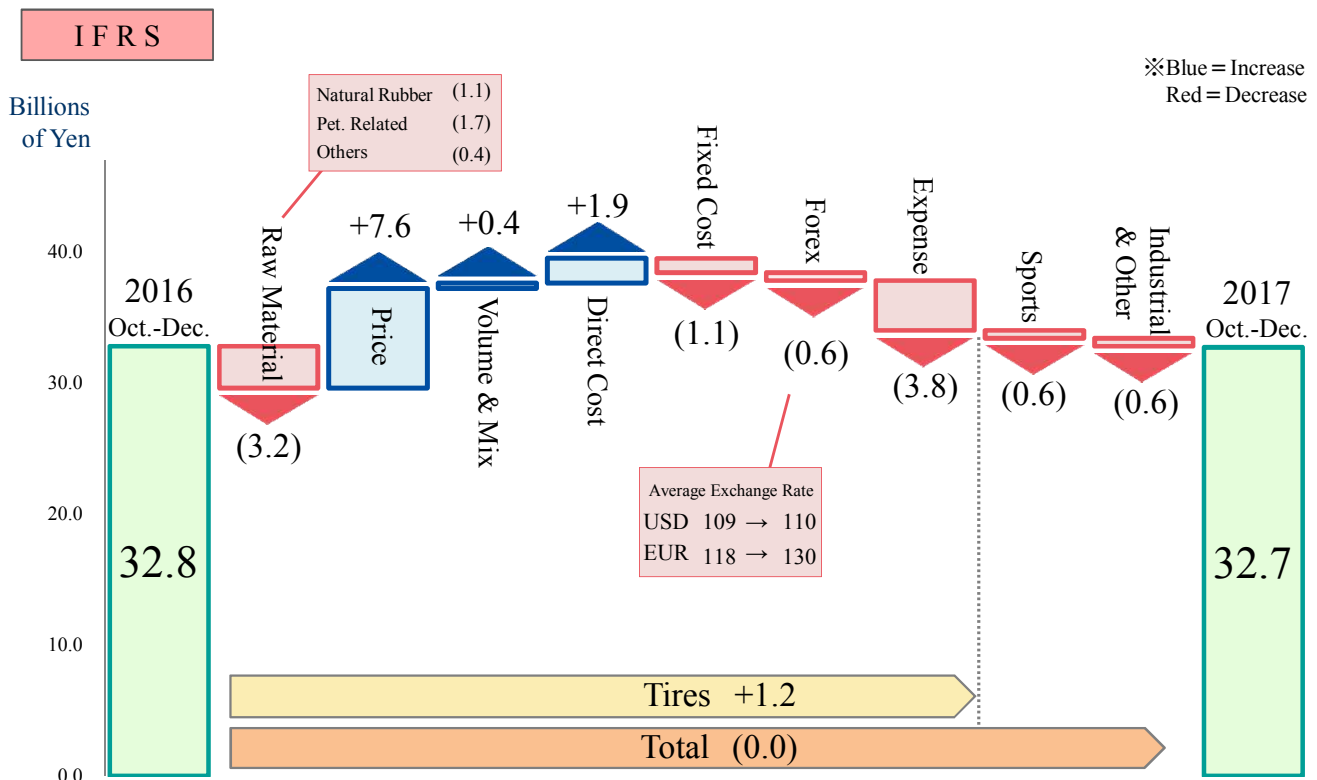
※ROA : "Business Profit" / "Total Assets"  SUMITOMO RUBBER INDUSTRIES 13

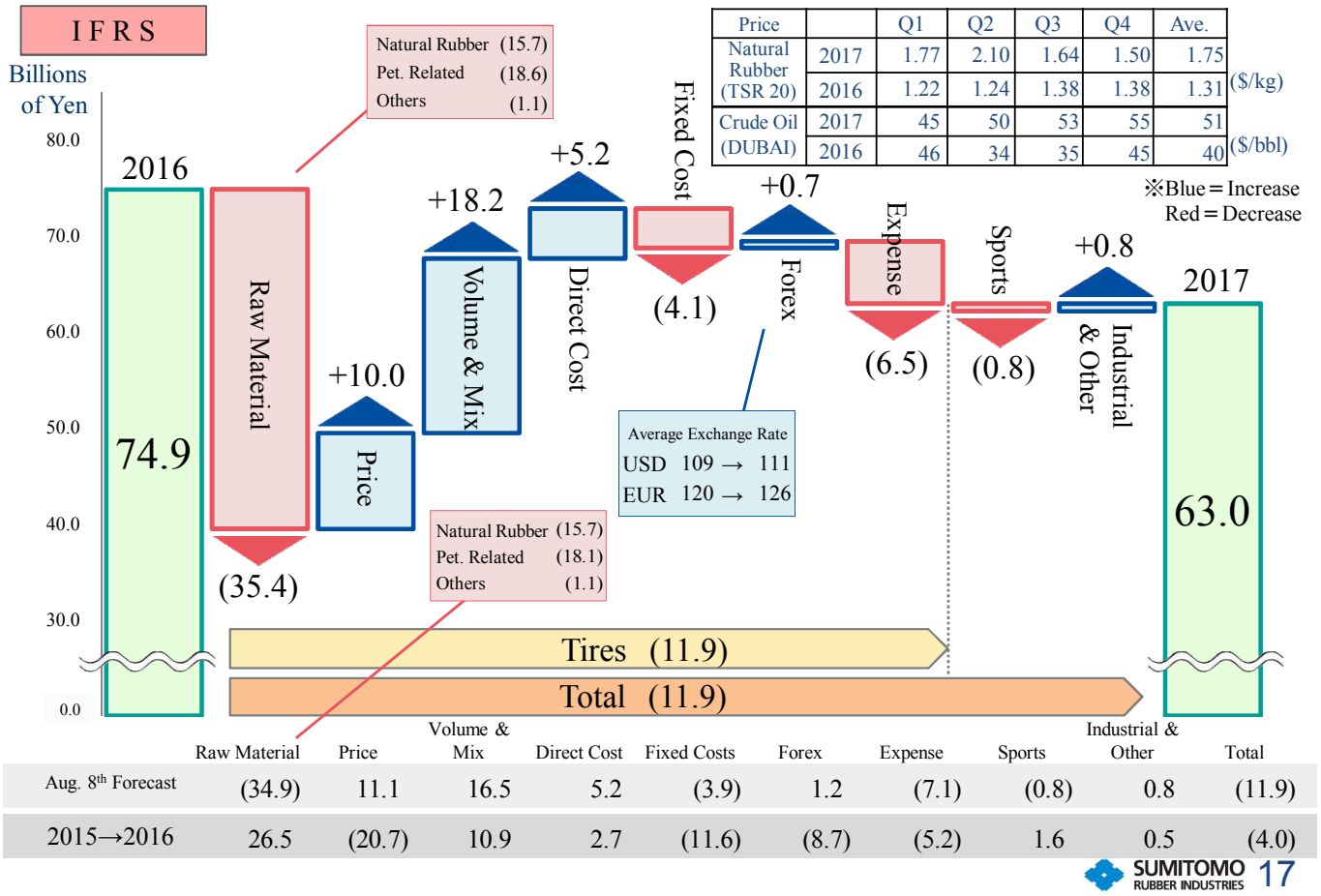
【Forecast】 Consolidated Sales Revenue / Profit



IFRS		No change since Aug. 8 th 2017 Forecast			Billions of Yen	
		Annual Forecast 2017	Actual 2016	YOY	Aug. 8 th 2017 Annual Forecast 2017	Feb. 14 th & May 10 th 2017 Annual Forecast 2017
Sales Revenue	Tires	741.0	648.4	114%	741.0	732.0
	Sports	80.0	72.8	110%	80.0	80.0
	Industrial & Other	39.0	35.5	110%	39.0	38.0
	Total	860.0	756.7	114%	860.0	850.0
Business Profit	Tires	56.0	67.9	82%	56.0	44.0
	Sports	3.5	4.3	81%	3.5	3.0
	Industrial & Other	3.5	2.7	130%	3.5	3.0
	Total	63.0	74.9	84%	63.0	50.0

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





Consolidated Business Profit Analysis by Factors

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.	-	-	-	-	-	-	-	-	-	-	-
	Apr.-Jun.	-	-	-	-	-	-	-	-	-	-	-
	Jul.-Sep.	-	-	-	-	-	-	-	-	-	-	-
	Oct.-Dec.	-	-	-	-	-	-	-	-	-	-	-
	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.	(2.0)	(6.9)	(2.0)	6.3	1.3	(1.0)	(0.3)	(0.4)	0.4	0.6	
	Apr.-Jun.	(6.5)	(15.2)	1.2	7.3	1.0	(0.6)	0.8	(1.2)	(0.3)	0.5	
	Jul.-Sep.	(3.4)	(10.1)	3.2	4.2	1.0	(1.4)	0.8	(1.1)	(0.3)	0.3	
	Oct.-Dec.	(0.0)	(3.2)	7.6	0.4	1.9	(1.1)	(0.6)	(3.8)	(0.6)	(0.6)	
	Annual	63.0	(11.9)	(35.4)	10.0	18.2	5.2	(4.1)	0.7	(6.5)	(0.8)	0.8
vs August 8 th 2017 Forecast	0.0	0.0	(0.5)	(1.1)	1.7	0.0	(0.2)	(0.5)	0.6	0.0	0.0	

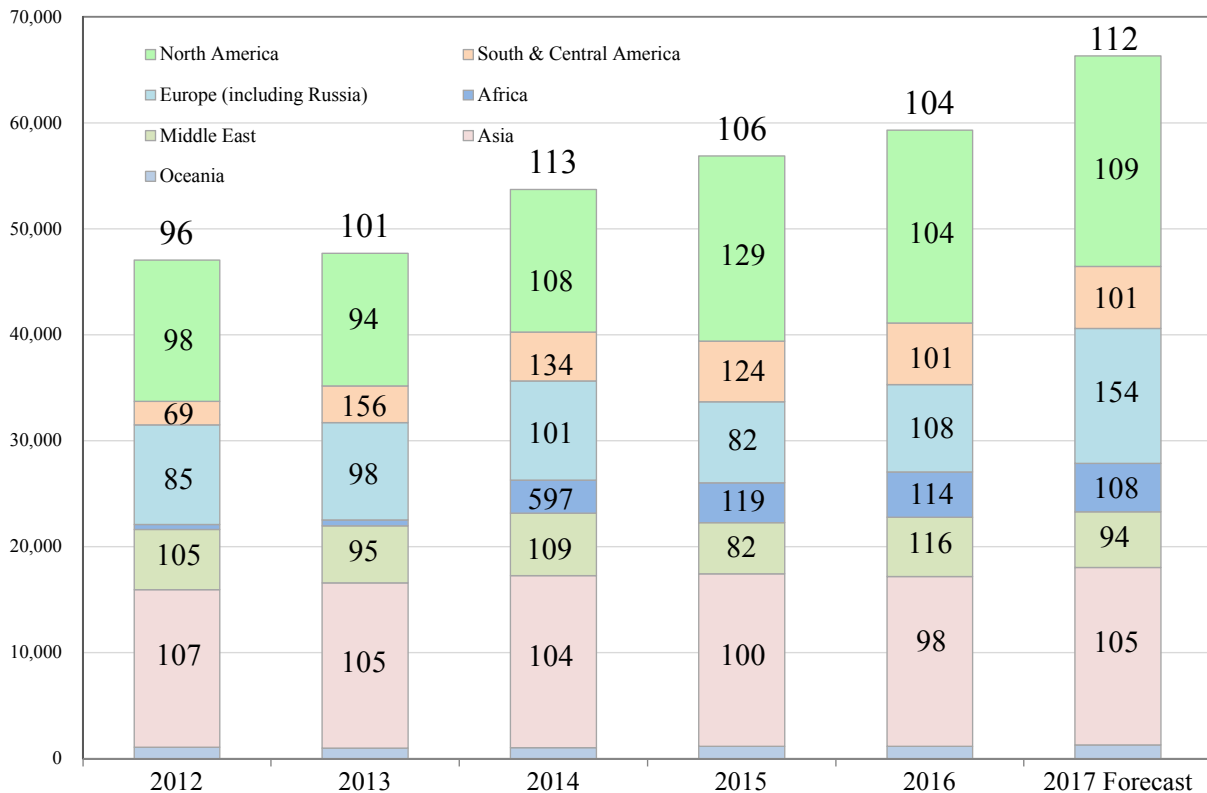
SUMITOMO RUBBER INDUSTRIES 18

	2016 Actual					2017 Jan.-Sep. Actual, Oct.-Dec. Forecast					2017 Aug.8th 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%	111%	108%	111%	112%	107%	109%	
Domestic Rep.	101%	101%	100%	101%	101%	103%	114%	106%	96%	104%	109%	98%	102%	
Overseas O.E.	106%	101%	114%	102%	105%	114%	107%	113%	102%	109%	110%	108%	109%	
Overseas Rep.	109%	106%	106%	98%	104%	112%	112%	112%	111%	112%	112%	113%	113%	
Details	North America	118%	108%	105%	91%	104%	121%	102%	107%	108%	109%	111%	104%	107%
	Europe	97%	114%	105%	118%	108%	130%	182%	173%	137%	154%	153%	163%	158%
	Asia	99%	94%	101%	99%	98%	106%	102%	104%	107%	105%	104%	104%	104%
	Others	119%	112%	113%	96%	109%	98%	105%	97%	103%	101%	102%	106%	104%
Total	104%	102%	105%	100%	103%	111%	112%	111%	105%	110%	111%	108%	110%	

Total Tire Sales (000 Units) 25,510 26,780 28,620 31,740 112,640 28,230 29,920 **31,810** 33,440 123,400 58,150 65,190 123,350

Tire Overseas Rep. Volume by Regional Segment

000 units



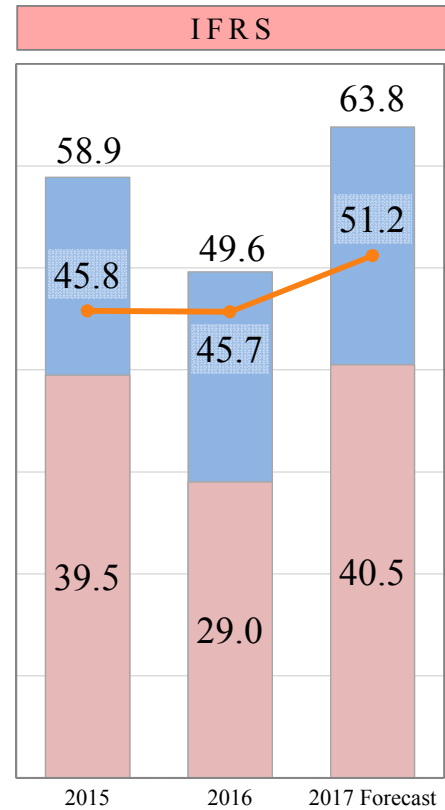
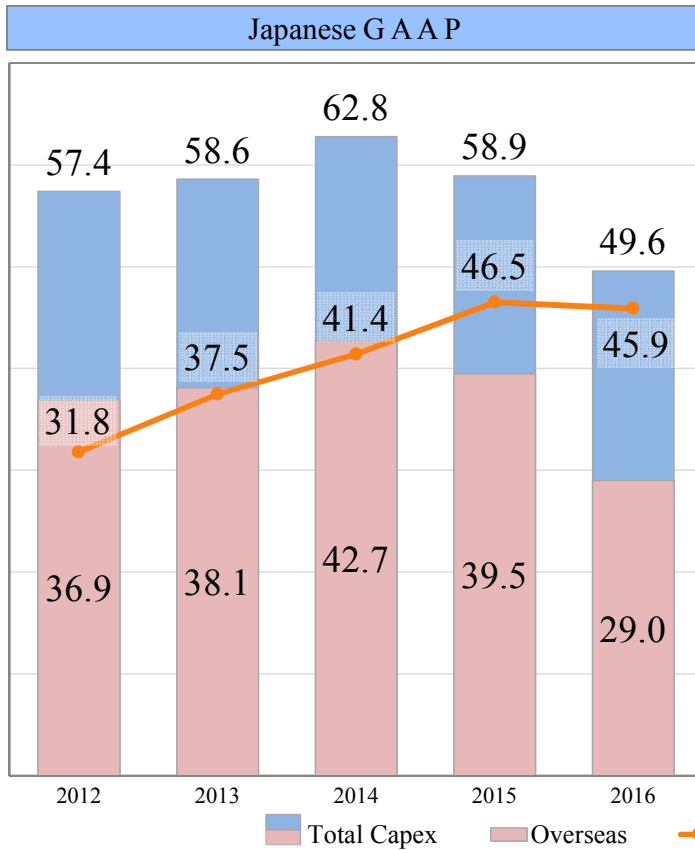
Forex (USD)

80 98 106 121 109 111

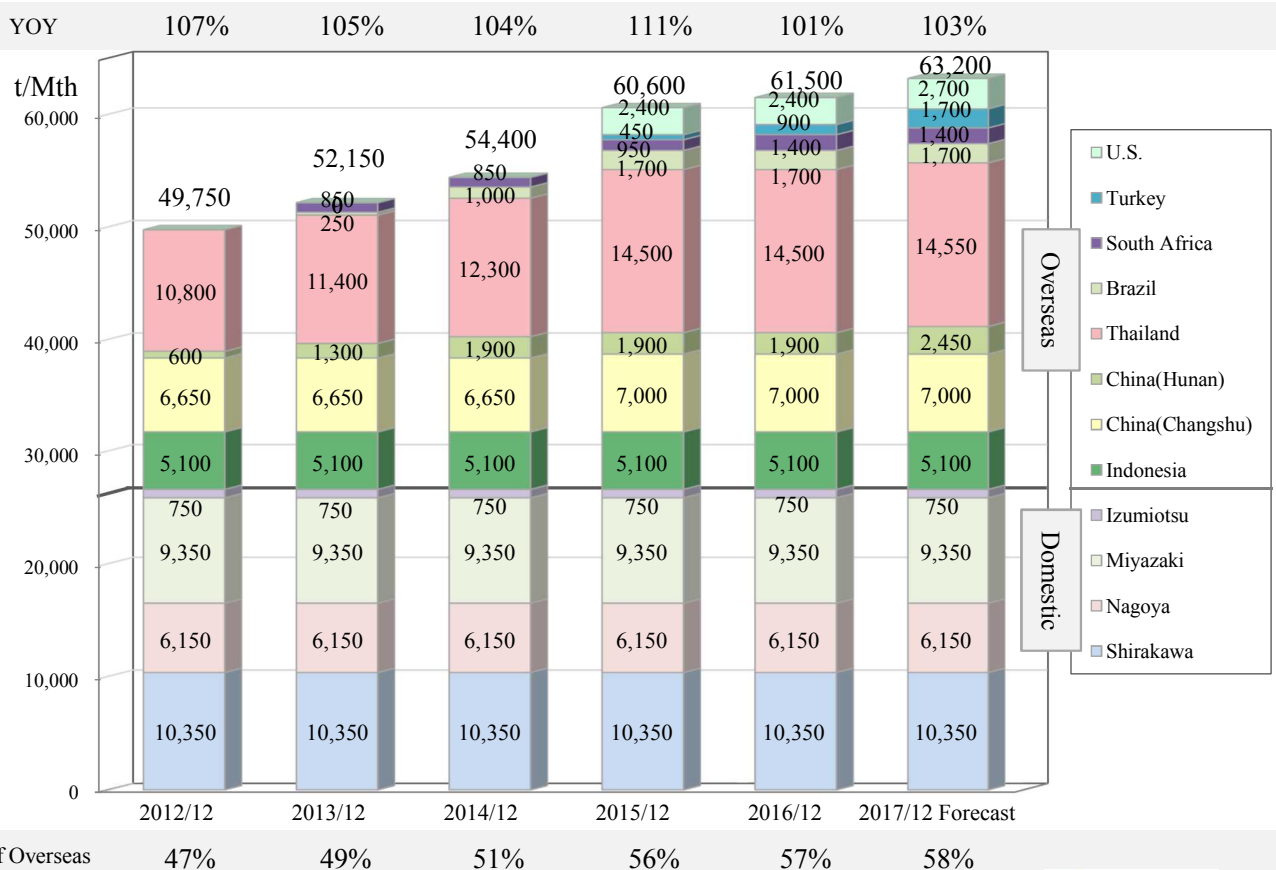
※Numbers shown in the bar graph are yoy% by region.

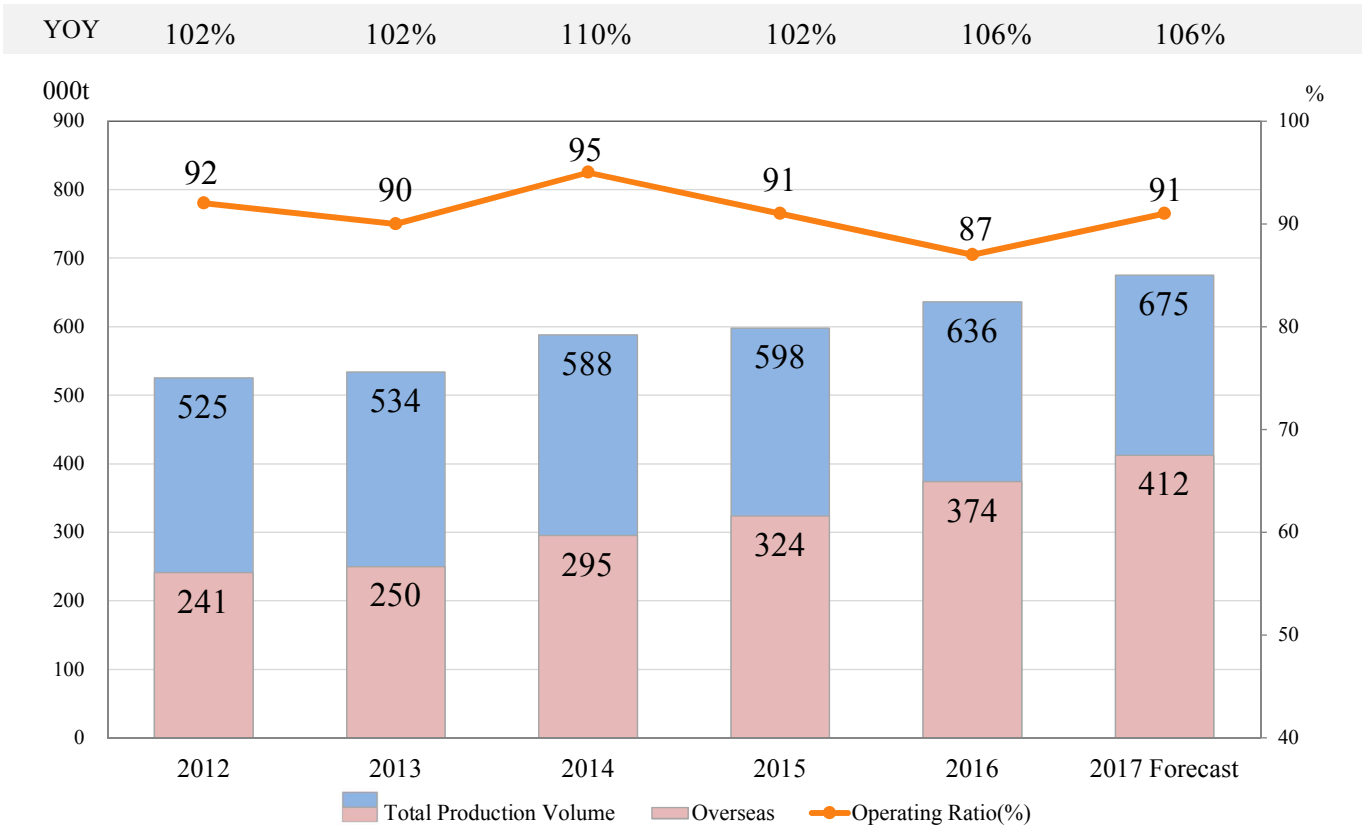
No change since Feb. 14th 2017 Forecast

Billions of Yen



Tire Production Capacity





New Products / New Technologies



LE MANS V

WINTER MAXX 02

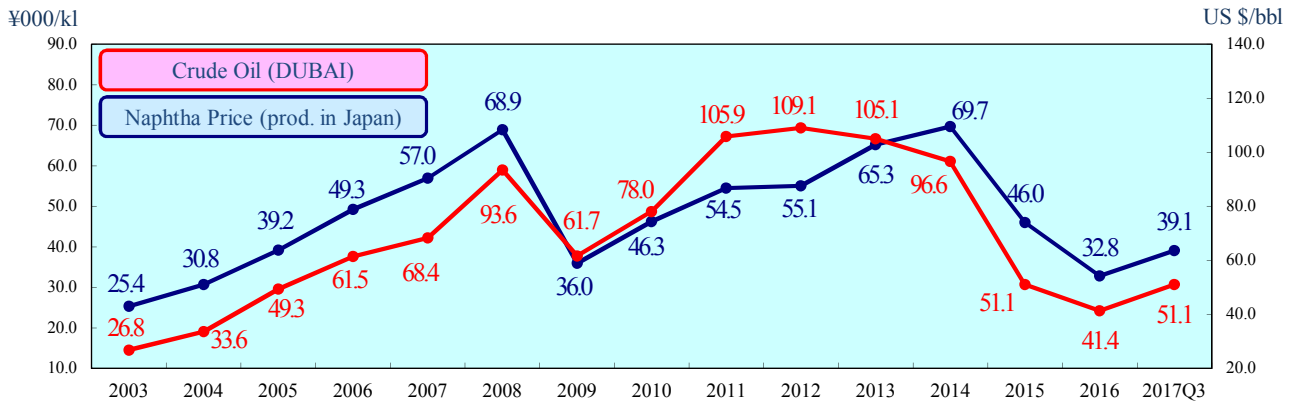
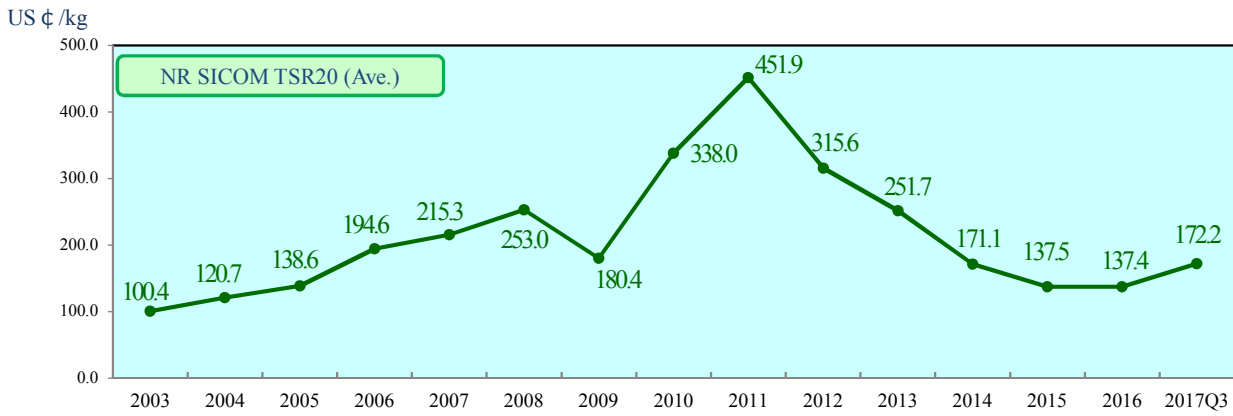
AZENIS FK453



「XXIO X(TEN)」

Babolat NEW「Pure Drive」

SRIXON 「REVO CZ」



for you, for the earth

SUMITOMO RUBBER GROUP