

**SUMITOMO RUBBER GROUP**



環境大臣認定  
エコ・ファースト企業

# Financial Report

(January 1 ~ March 31, 2016)



**SUMITOMO RUBBER INDUSTRIES, LTD.**

## Key Subjects

- 2016 1<sup>st</sup> Quarter  
Financial Results Summary
  - Changes in Scope of Consolidation,  
Affiliated Companies
  - Financial Results Summary
- 2016 Annual Financial Results Projection
  - Annual Financial Results Projection Summary
  - Capex/Depreciation,  
Tire Production Capacity etc.

## Changes in Consolidated Subsidiaries

Scope of Consolidation	Consolidated Subsidiaries 76 [(1)]		Equity-method Affiliates 4 [(1)]	
			Unconsolidated Subs 1	Affiliated Companies 3
# of changed Companies	Newly Included -	Excluded (1)	Newly Included -	Excluded (1)
	-	(1)	-	(1)
Tire		Dunlop Goodyear Tires, Ltd. (Japan/ Merged with Sumitomo Rubber Industries, Ltd.)		Aono Resort Co., Ltd.
Sports				
Industrial & Other				

				SUMITOMO RUBBER GROUP			
Affiliated Companies (Consolidated Subs: 76, Equity-method Affiliates: 4)							
	Manufacturing Companies		Sales Companies		Other Companies		
Tire	Domestic 1		Domestic 12		Domestic 7		
	Overseas 8		Overseas 19		Overseas 5		
	Asia Pacific	4	Asia Pacific	14	Asia Pacific	1	
	Europe and Africa	2	Europe and Africa	3	Europe and Africa	2	
	Americas	2	Americas	2	Americas	2	
Sports	Domestic 2		Domestic 1		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		

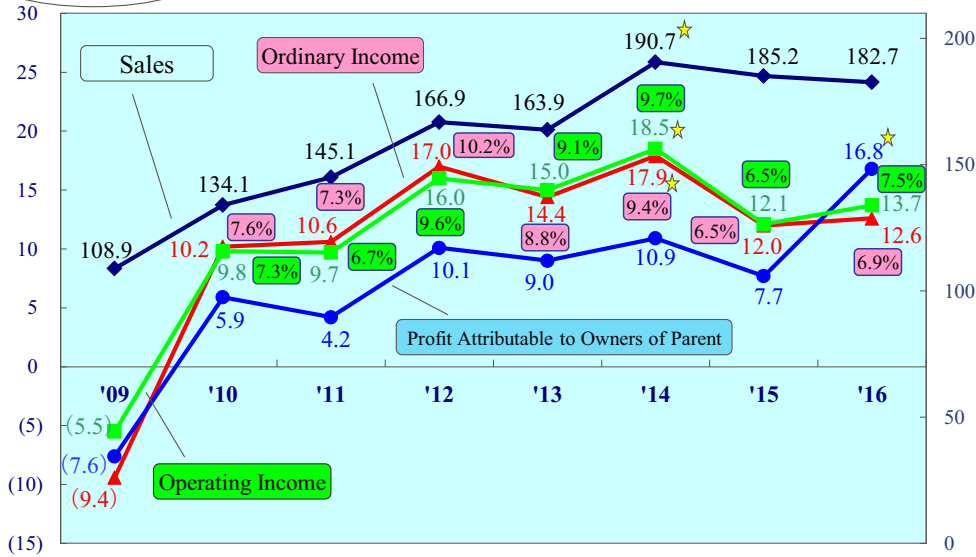
					SUMITOMO RUBBER GROUP	
Consolidated Financial Results						
Jan.-Mar.			Billions of Yen			
	2016 Q1 Jan.-Mar.	2015 Q1 Jan.-Mar.	'16 vs. '15	2015 Annual		
Sales	182.7	185.2	99%	848.7		
Operating Income (%)	13.7 (7.5%)	12.1 (6.5%)	113%	77.1 (9.1%)		
Ordinary Income (%)	12.6 (6.9%)	12.0 (6.5%)	105%	78.9 (9.3%)		
Profit Attributable to Owners of Parent	16.8	7.7	218%	55.8		
Equity Income	0.0	1.1	(1.1)	5.6		

## Consolidated Sales / Profit

SUMITOMO RUBBER GROUP

Jan.-Mar.

% Profit %, ★ Record High  
Billions of Yen



SUMITOMO RUBBER INDUSTRIES

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## Net Sales / Operating Income by Industry Segment

SUMITOMO RUBBER GROUP

Jan.-Mar.

Billions of Yen

		2016 Q1 Jan.-Mar.	2015 Q1 Jan.-Mar.	'16 vs. '15	2015 Annual
Sales	Tire	157.1	158.7	99%	732.2
	Sports	17.1	17.0	100%	77.6
	Industrial & Other	8.5	9.4	90%	38.9
	Consolidated	182.7	185.2	99%	848.7
Operating Income	Tire	12.5	11.9	105%	73.1
	Sports	0.9	(0.2)	—	2.0
	Industrial & Other	0.3	0.5	73%	1.9
	Consolidated	13.7	12.1	113%	77.1

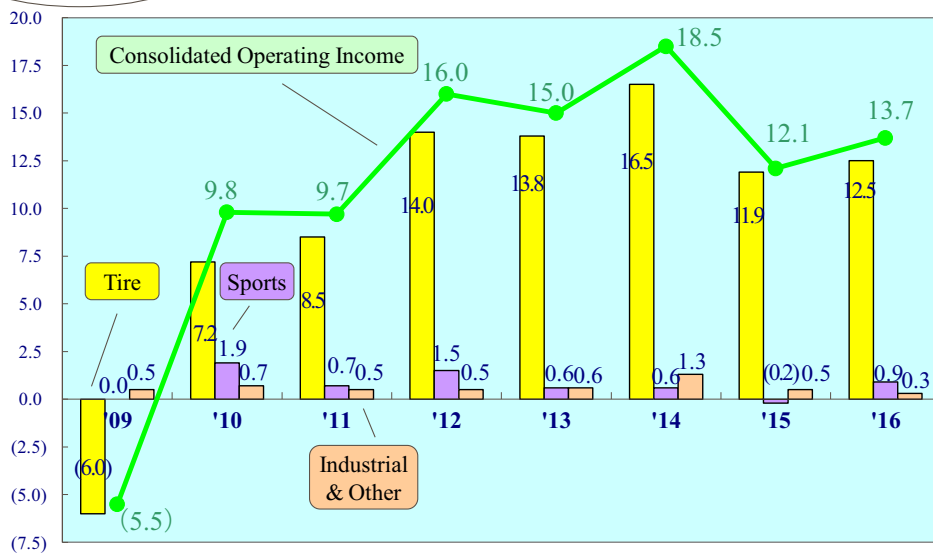
SUMITOMO RUBBER INDUSTRIES

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### Consolidated Operating Income by Industry Segment

Jan.-Mar.

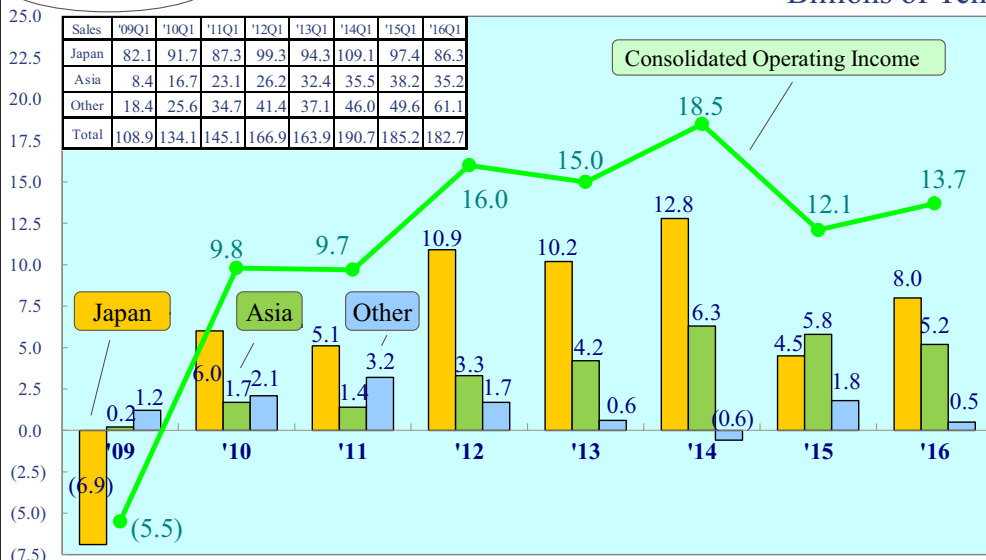
Billions of Yen



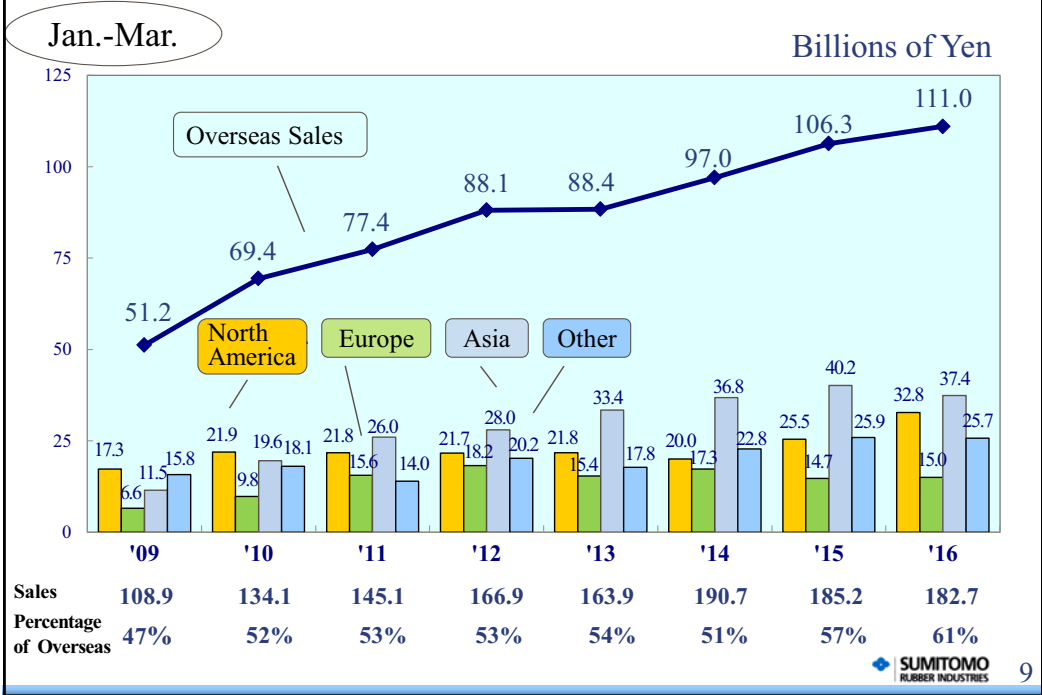
### Consolidated Operating Income by Geographic Area

Jan.-Mar.

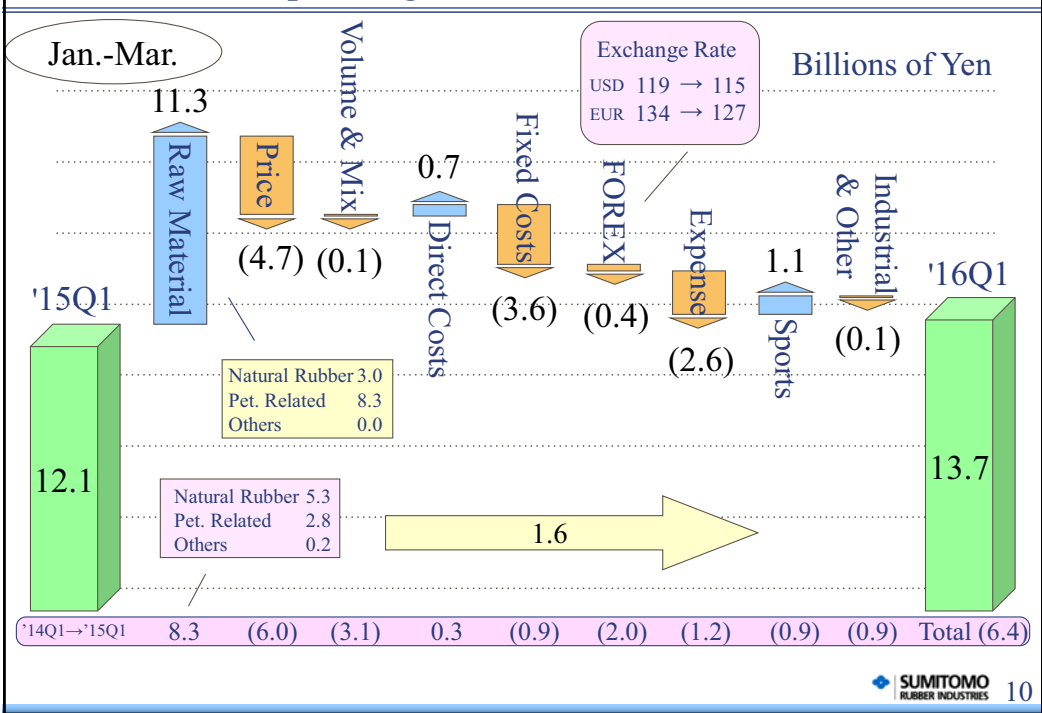
Billions of Yen



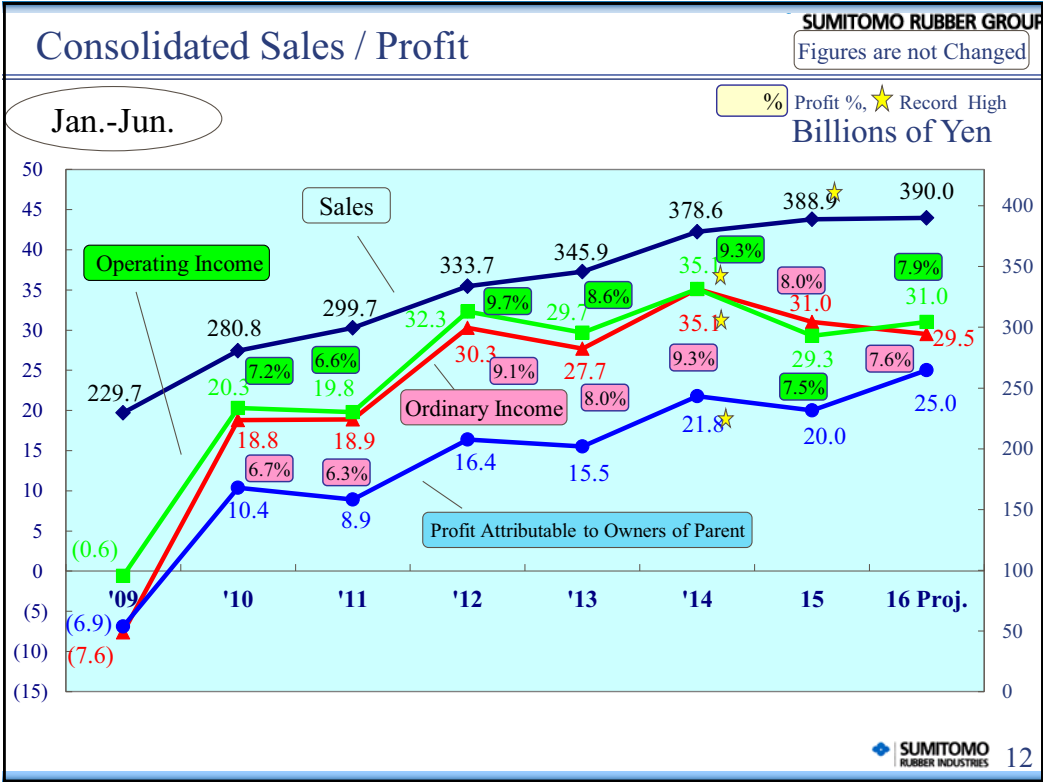
### Overseas Sales



### Consolidated Operating Income Walk



Consolidated Results Projection					SUMITOMO RUBBER GROUP	
Jan.-Jun.					Billions of Yen	
	Interim Proj. '16 Jan.-Jun.	Proj. Feb. 12 <sup>th</sup>	'15 Jan.-Jun.	'16 vs. '15	Proj. '16 Apr.-Jun.	'15 Apr.-Jun.
Sales	390.0	390.0	388.9	100%	207.3	203.7
Operating Income (%)	31.0 (7.9%)	31.0 (7.9%)	29.3 (7.5%)	106%	17.3 (8.4%)	17.1 (8.4%)
Ordinary Income (%)	29.5 (7.6%)	29.5 (7.6%)	31.0 (8.0%)	95%	16.9 (8.1%)	19.0 (9.3%)
Profit Attributable to Owners of Parent	25.0	25.0	20.0	125%	8.2	12.3
Equity Income	0.0	0.0	2.0	(2.0)	0.0	0.9



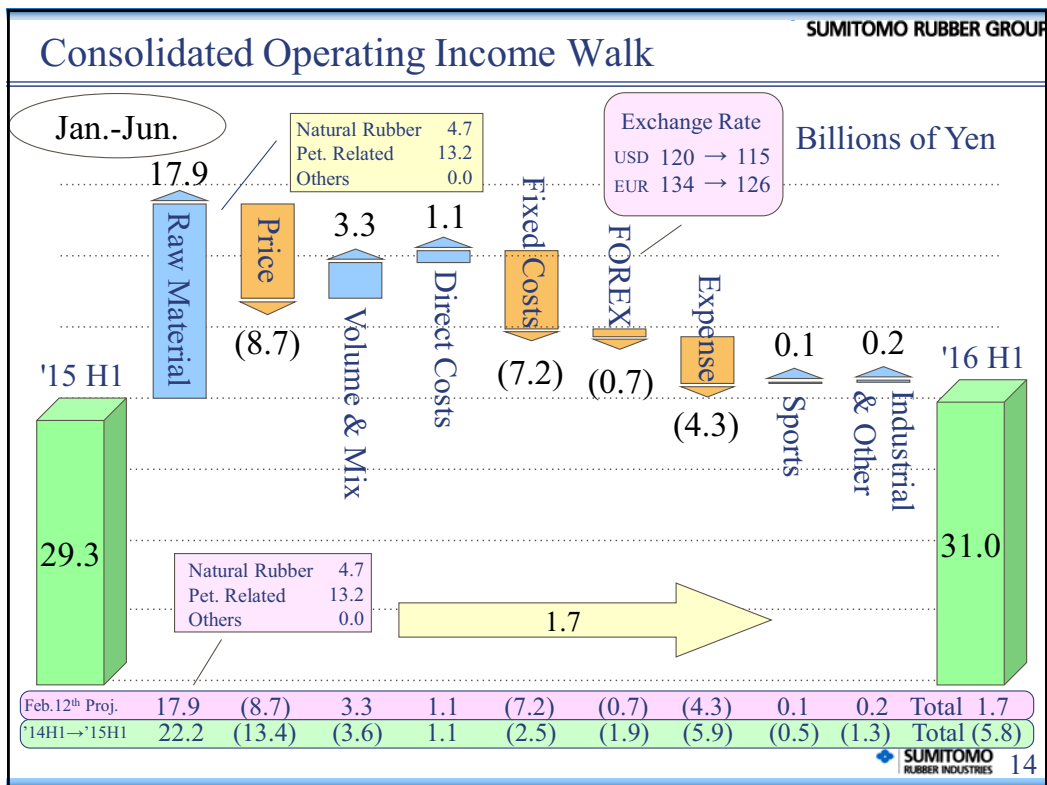
SUMITOMO RUBBER GROUP

## Net Sales / Operating Income by Industry Segment

Jan.-Jun. Billions of Yen

		Interim Proj. '16 Jan.-Jun.	Proj. Feb. 12 <sup>th</sup>	'15 Jan.-Jun.	'16 vs. '15	Proj. '16 Apr.-Jun.	'16 vs. '15
Sales	Tire	334.0	334.0	332.2	101%	176.9	173.4
	Sports	37.0	37.0	37.8	98%	19.9	20.8
	Industrial & Other	19.0	19.0	18.9	101%	10.5	9.5
	Consolidated	390.0	390.0	388.9	100%	207.3	203.7
Operating Income	Tire	29.0	29.0	27.5	105%	16.5	15.6
	Sports	1.0	1.0	0.9	112%	0.1	1.1
	Industrial & Other	1.0	1.0	0.8	120%	0.7	0.4
	Consolidated	31.0	31.0	29.3	106%	17.3	17.1

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# Consolidated Results Projection

SUMITOMO RUBBER GROUP  
Figures are not changed

Annual

Billions of Yen

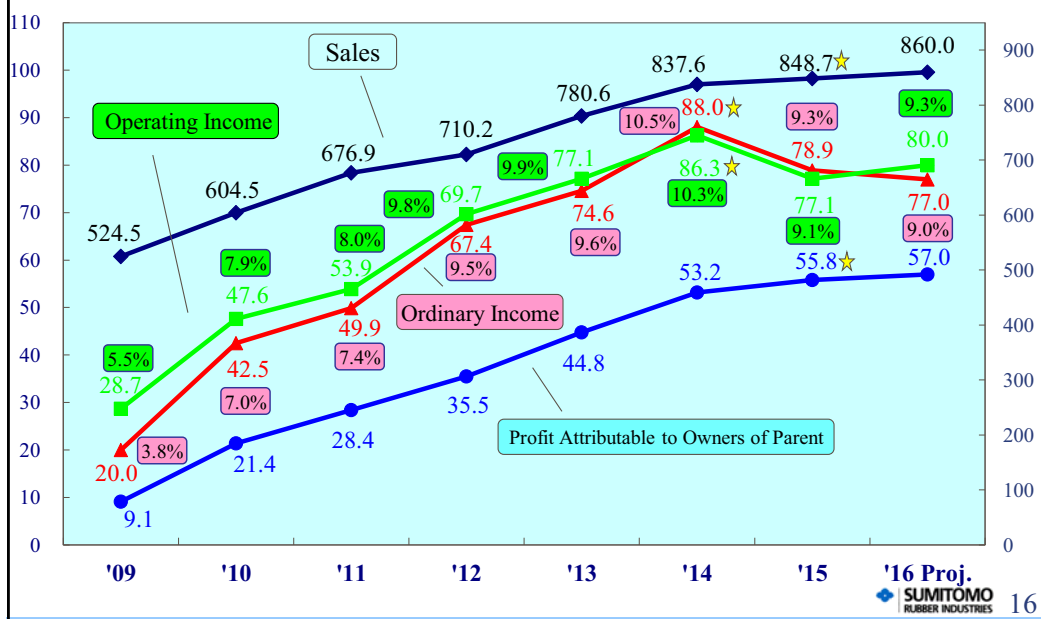
	Annual Proj. 2016	Proj. Feb. 12 <sup>th</sup>	Actual 2015	'16 vs. '15
Sales	860.0	860.0	848.7	101%
Operating Income (%)	80.0 (9.3%)	80.0 (9.3%)	77.1 (9.1%)	104%
Ordinary Income (%)	77.0 (9.0%)	77.0 (9.0%)	78.9 (9.3%)	98%
Profit Attributable to Owners of Parent	57.0	57.0	55.8	102%
Equity Income	0.0	0.0	5.6	(5.6)
ROE	14.0%	14.0%	13.3%	
d/e Ratio	0.6	0.6	0.6	

# Consolidated Sales / Profit

SUMITOMO RUBBER GROUP  
Figures are not changed

Annual

% Profit %, ★ Record High  
Billions of Yen



# Net Sales / Operating Income by Industrial Segment No change

Annual

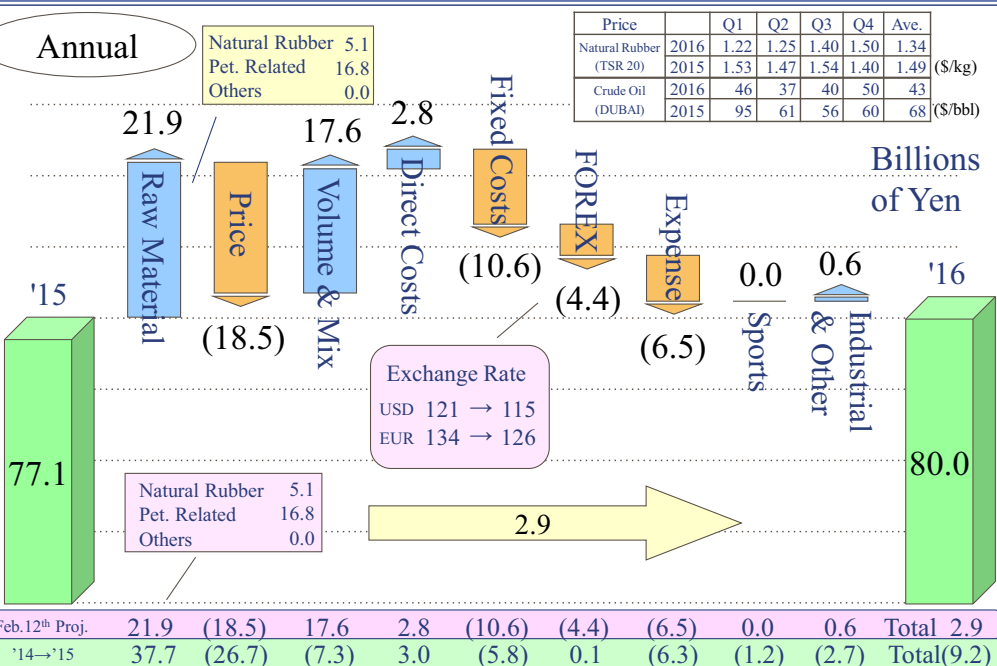
Billions of Yen

		Annual Proj. 2016	Proj. Feb. 12 <sup>th</sup>	Actual 2015	'16 vs.'15
Sales	Tire	740.0	740.0	732.2	101%
	Sports	78.0	78.0	77.6	100%
	Industrial & Other	42.0	42.0	38.9	108%
	Consolidated	860.0	860.0	848.7	101%

		Annual Proj. 2016	Proj. Feb. 12 <sup>th</sup>	Actual 2015	'16 vs.'15
Operating Income	Tire	75.5	75.5	73.1	103%
	Sports	2.0	2.0	2.0	99%
	Industrial & Other	2.5	2.5	1.9	129%
	Consolidated	80.0	80.0	77.1	104%

# Consolidated Operating Income Walk (2016 Proj.)

Annual



## Consolidated Operating Income Analysis

SUMITOMO RUBBER GROUP

Period	Operating Income		Factor									Billions of Yen		
		vs Pre. Year	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	FOREX	Expense	Sports	Industrial & Other			
'15	Q1	12.1 (6.4)	8.3	(6.0)	(3.1)	0.3	(0.9)	(2.0)	(1.2)	(0.9)	(0.9)			
	Q2	17.1 0.5	13.9	(7.4)	(0.5)	0.8	(1.6)	0.1	(4.7)	0.4	(0.4)			
	H2	47.8 (3.3)	15.5	(13.3)	(3.6)	1.9	(3.3)	2.0	(0.4)	(0.7)	(1.4)			
	Annual	77.1 (9.2)	37.7	(26.7)	(7.3)	3.0	(5.8)	0.1	(6.3)	(1.2)	(2.7)			
'16	Q1	13.7 1.6	11.3	(4.7)	(0.1)	0.7	(3.6)	(0.4)	(2.6)	1.1	(0.1)			
	Q2	17.3 0.1	6.6	(4.0)	3.4	0.4	(3.6)	(0.3)	(1.7)	(1.0)	0.3			
	H2	49.0 1.2	4.0	(9.8)	14.3	1.7	(3.4)	(3.7)	(2.2)	(0.1)	0.4			
	Annual	80.0 2.9	21.9	(18.5)	17.6	2.8	(10.6)	(4.4)	(6.5)	0.0	0.6			
vs. Feb. 12th Proj.	H1	— —	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
	H2	— —	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
	Annual	— —	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			

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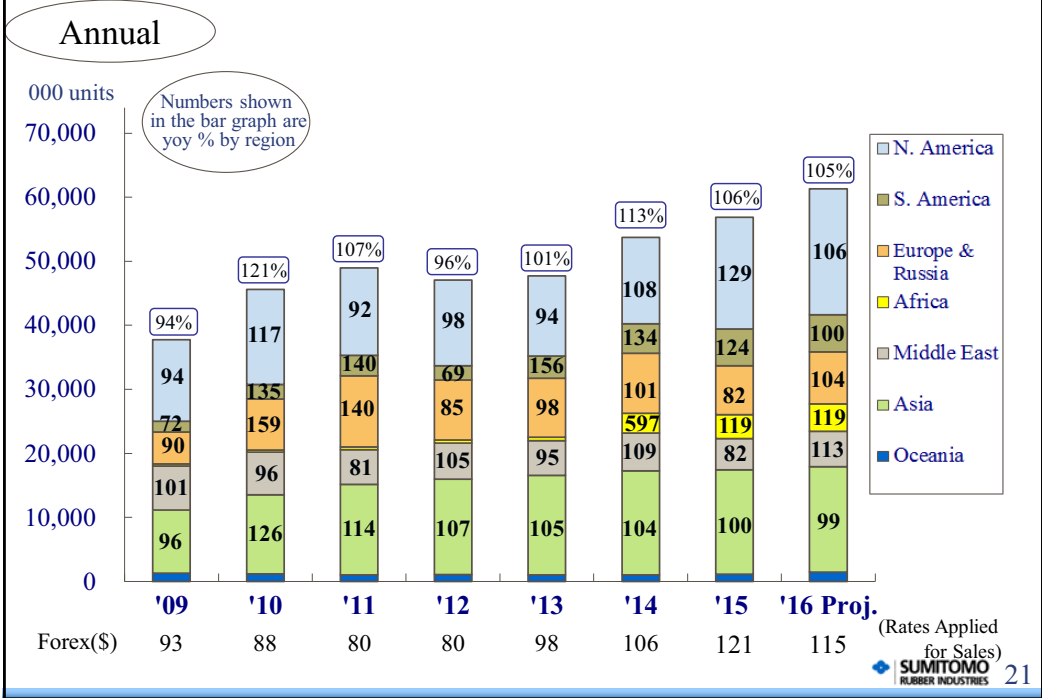
## Tire Sales Volume (Comparison %)

SUMITOMO RUBBER GROUP

	2015 ACT					2016 Jan.-Mar.ACT, Apr.-Dec.Proj.					2016 Feb.12th Proj.			
	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.	98%	89%	89%	92%	92%	<b>87%</b>	95%	100%	106%	97%	93%	103%	98%	
Overseas O.E.	104%	99%	90%	111%	101%	<b>106%</b>	102%	120%	104%	107%	103%	115%	109%	
Domestic Rep.	81%	107%	101%	89%	93%	<b>101%</b>	104%	105%	110%	105%	101%	106%	104%	
Overseas Rep.	101%	105%	107%	110%	106%	<b>109%</b>	107%	107%	99%	105%	109%	106%	108%	
Total	97%	102%	101%	102%	100%	<b>104%</b>	104%	107%	103%	104%	105%	107%	106%	
Total Tire Sales(000units)	24,640	26,150	27,250	31,580	109,620	<b>25,510</b>	27,210	29,210	32,510	114,450	53,080	62,880	115,970	
Overseas Rep.	North America	104%	127%	131%	154%	129%	<b>118%</b>	110%	107%	95%	106%	117%	109%	113%
	Asia	104%	98%	103%	97%	100%	<b>99%</b>	95%	101%	103%	99%	99%	103%	101%
	Middle East	85%	73%	76%	96%	82%	<b>104%</b>	129%	131%	91%	113%	111%	114%	113%
	Europe & Russia	98%	81%	74%	78%	82%	<b>97%</b>	116%	103%	102%	104%	105%	108%	106%

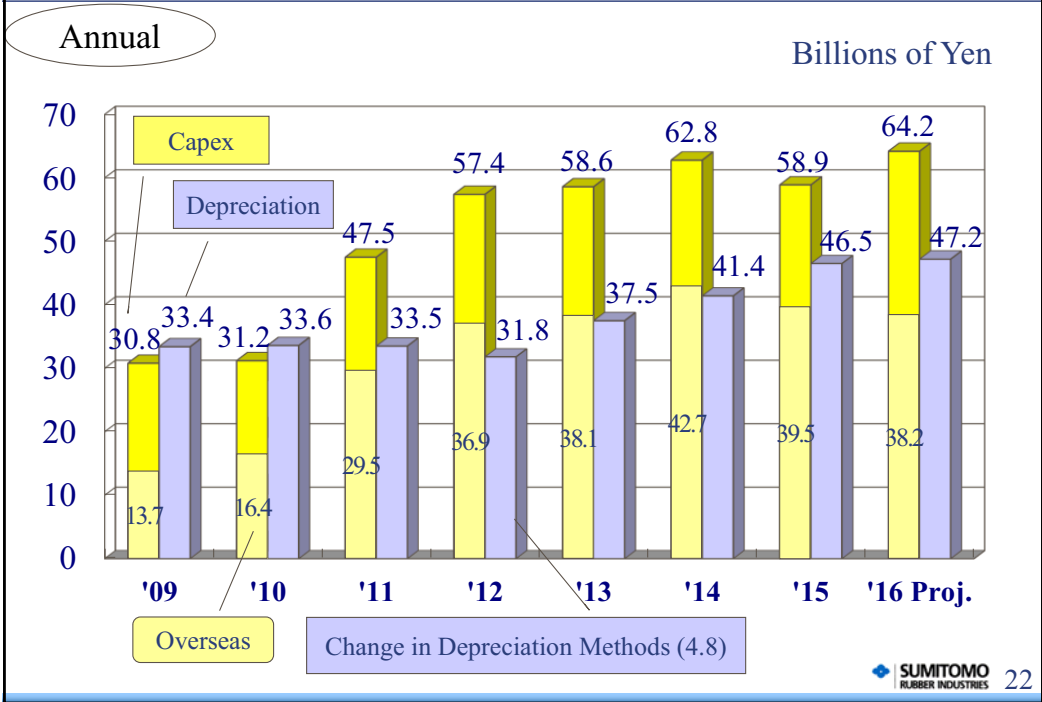
SUMITOMO RUBBER INDUSTRIES 20

### Tire Overseas Rep. Volume by Regional Segment



### Capex and Depreciation (Tangible Assets Only)

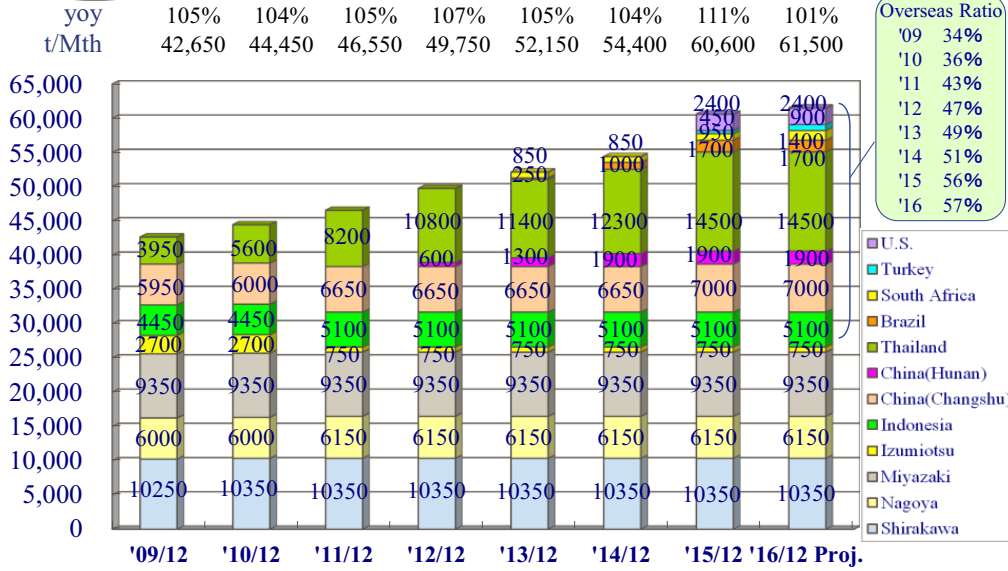
No change



# Tire Production Capacity

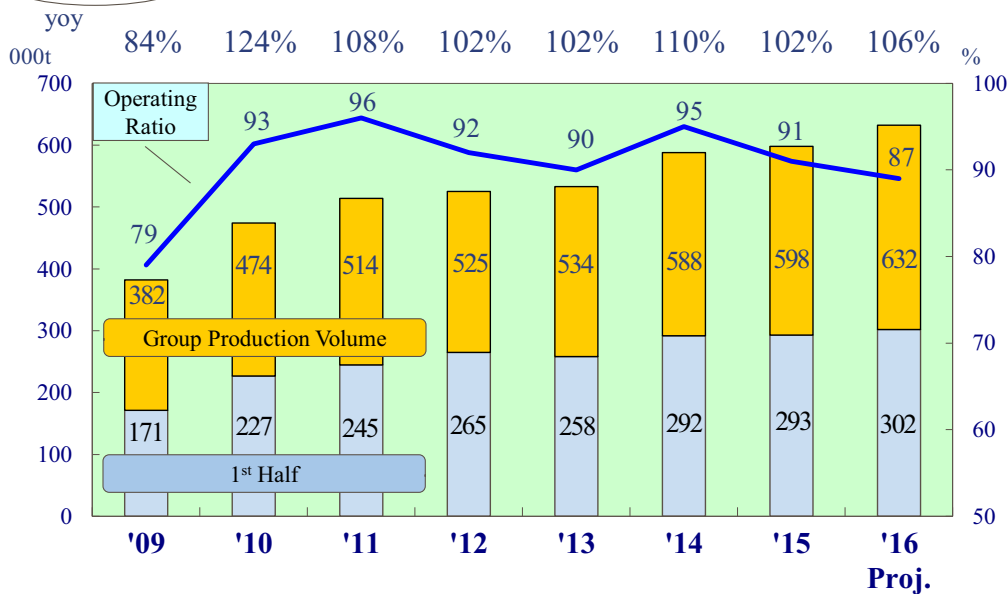
No change

## Annual



# Tire Production Volume and Operating Ratio

## Annual



## Sales in the Sports Business Results

Billions of Yen

	2016 Q1 Jan.-Mar.	2015 Q1 Jan.-Mar.	'16 vs. '15
Golf Clubs	8.2	8.0	103%
Golf Balls	3.1	3.8	82%
Golf Shoes, Accessories & Others	1.8	1.5	115%
Golf Goods	13.1	13.3	98%
Tennis Goods	1.6	1.4	114%
Licensing Income	0.1	0.1	83%
Sports Goods Business	14.7	14.8	100%
Other Business	2.4	2.2	109%
Total	17.1	17.0	100%

## Adoption of IFRS

 Figures are not changed

- SRI decided to adopt International Financial Reporting Standards (IFRS) from the fiscal year ending December 31, 2016.
  - To enhance the international comparability of financial information in capital markets.
  - To improve the quality of business management of the Group companies.

## Annual Projection 2016

Billions of Yen

	IFRS (Estimated)	J GAAP	Difference
<b>Sales</b>	810.0	860.0	(50.0)
<b>Operating Income (%)</b>	80.0 (9.9%)	80.0 (9.3%)	—
<b>Profit Attributable to Owners of Parent</b>	54.0	57.0	(3.0)

New Products / New Technology




**LE MANS 4**  
**SPORTMAX Q-13 SP**




**ZIEX ZE914E**




**Hibrid-Turf Eye**




**XXIO**  
YOUR PRESTIGE PARTNER

XXIO 9




**XXIO UX-AERO**

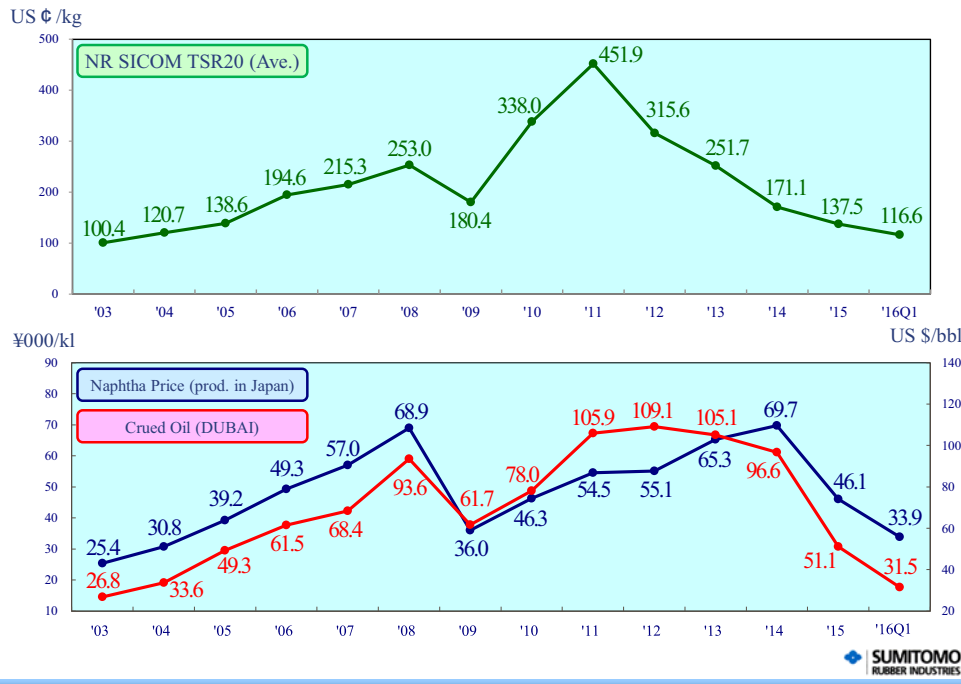



**SRIXON**

SRIXON REVO CV Series

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Market Price: Natural Rubber • Naphtha



END

SUMITOMO RUBBER GROUP

*for you, for the earth*

**SUMITOMO RUBBER GROUP**