

SUMITOMO RUBBER GROUP



環境大臣認定
エコ・ファースト企業

Financial Report

(January 1 ~ December 31, 2015)

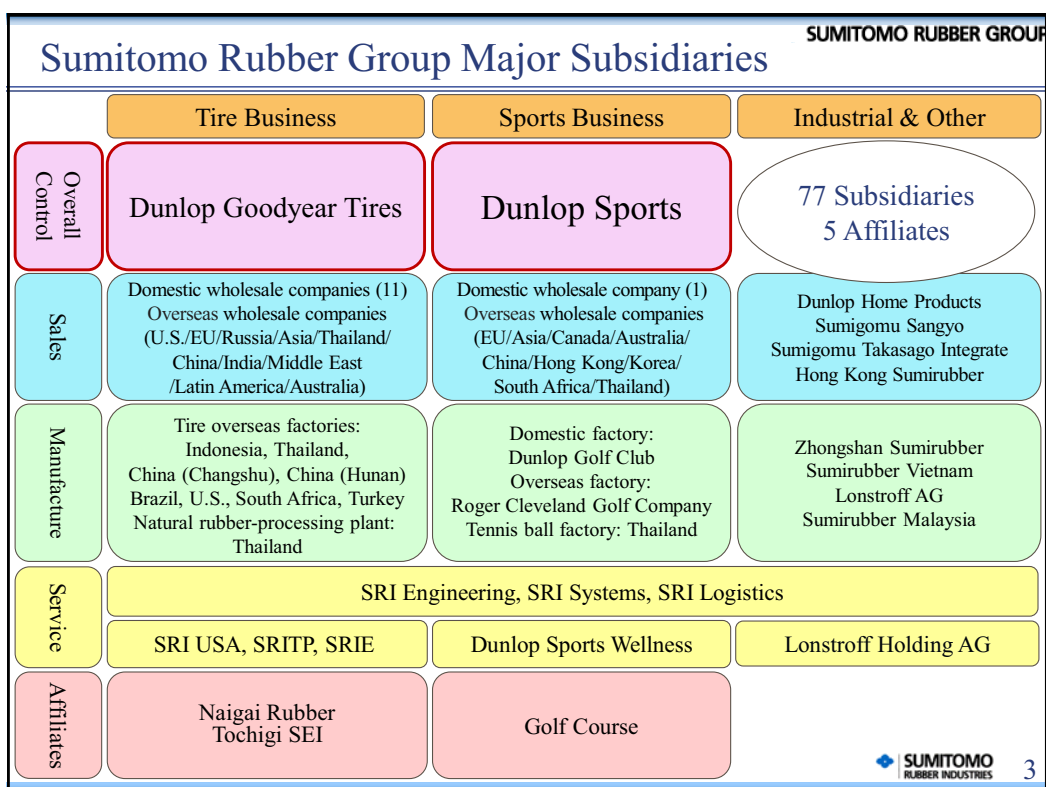
Sumitomo Rubber Industries, Ltd.

Key Subjects

- 2015 Annual Financial Results Summary
 - Changes in Scope of Consolidation, Major 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 77 [2]		Equity-method affiliates 5 [(6)]	
			Unconsolidated Subs 1	Affiliated companies 4
# of changed Companies	Newly included 4	Excluded (2)	Newly included -	Excluded (6)
	4	(2)	-	(6)
Tire Business	Goodyear Dunlop Tires North America, Ltd. (U.S./ Manufacturing and sales company)	Goodyear Japan, Ltd.		Goodyear Dunlop Tires North America, Ltd. Goodyear Dunlop Tires Europe B.V. Goodyear-SRI Global Purchasing Company Goodyear-SRI Global Technology LLC Tohoku GY Co., Ltd. GY Tires Kita Kanto Co., Ltd.
Sports Business	Srixon Sports (Thailand) Co., Ltd. (Thailand/ Sales company of golf products)	Dunlop Sports Plaza Co., Ltd. (Japan/ Merged with Dunlop Sports Wellness Co., Ltd.)		
Industrial & Other	Lonstroff Holding AG (Switzerland/ Holding company of Lonstroff AG) Lonstroff AG (Switzerland/ Manufacturing and sales company of medical rubber parts)			



SUMITOMO RUBBER GROUP

Consolidated Financial Results

	Actual 2015	Actual 2014	'15 vs. '14	Nov. 5 th Proj.	Actual 2013	Billions of Yen
Sales	848.7	837.6	101%	850.0	780.6	
Operating Income (%)	77.1 (9.1%)	86.3 (10.3%)	89%	78.0 (9.2%)	77.1 (9.9%)	
Ordinary Income (%)	78.9 (9.3%)	88.0 (10.5%)	90%	78.0 (9.2%)	74.6 (9.6%)	
Net Income	55.8	53.2	105%	58.0	44.8	
Equity Income	5.6	4.7	+0.9	5.1	(0.4)	
ROE	13.3%	14.3%		14.0%	15.6%	
d/e Ratio	0.6	0.7		0.6	0.9	

	2014 ACT	2015 Proj.				2015 ACT
		Feb.12 th	May. 7 th	Aug. 5 th	Nov.5 th	
Sales	837.6	900.0	900.0	900.0	850.0	848.7
Operating Income	86.3	90.0	90.0	90.0	78.0	77.1
Ordinary Income	88.0	88.0	88.0	88.0	78.0	78.9
Net Income	53.2	55.0	55.0	55.0	58.0	55.8

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Consolidated Financial Results

SUMITOMO RUBBER GROUP

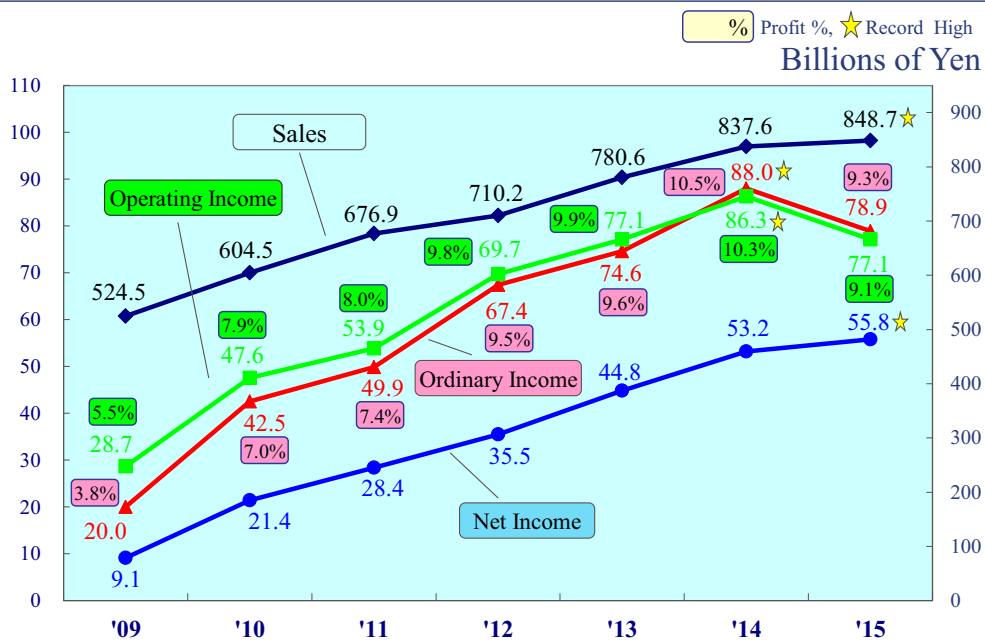
Annual

Billions of Yen

	Jan.-Mar.		Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Actual 2015	
		'15 vs. '14		'15 vs. '14		'15 vs. '14		'15 vs. '14		'15 vs. '14
Sales	185.2	97% (5.6)	203.7	108% +15.8	201.2	102% +4.0	258.6	99% (3.2)	848.7	101% +11.0
Operating Income (%)	12.1 (6.5%)	66% (6.4)	17.1 (8.4%)	103% +0.5	13.2 (6.6%)	95% (0.7)	34.6 (13.4%)	93% (2.6)	77.1 (9.1%)	89% (9.2)
Ordinary Income (%)	12.0 (6.5%)	67% (5.9)	19.0 (9.3%)	111% +1.9	12.5 (6.2%)	76% (4.1)	35.3 (13.7%)	97% (1.0)	78.9 (9.3%)	90% (9.1)
Net Income	7.7	71% (3.2)	12.3	112% +1.3	18.7	189% +8.8	17.1	80% (4.4)	55.8	105% +2.6
Equity Income	1.1	+0.6	0.9	(0.5)	3.1	(0.1)	0.4	+0.9	5.6	+0.9

Consolidated Sales / Income

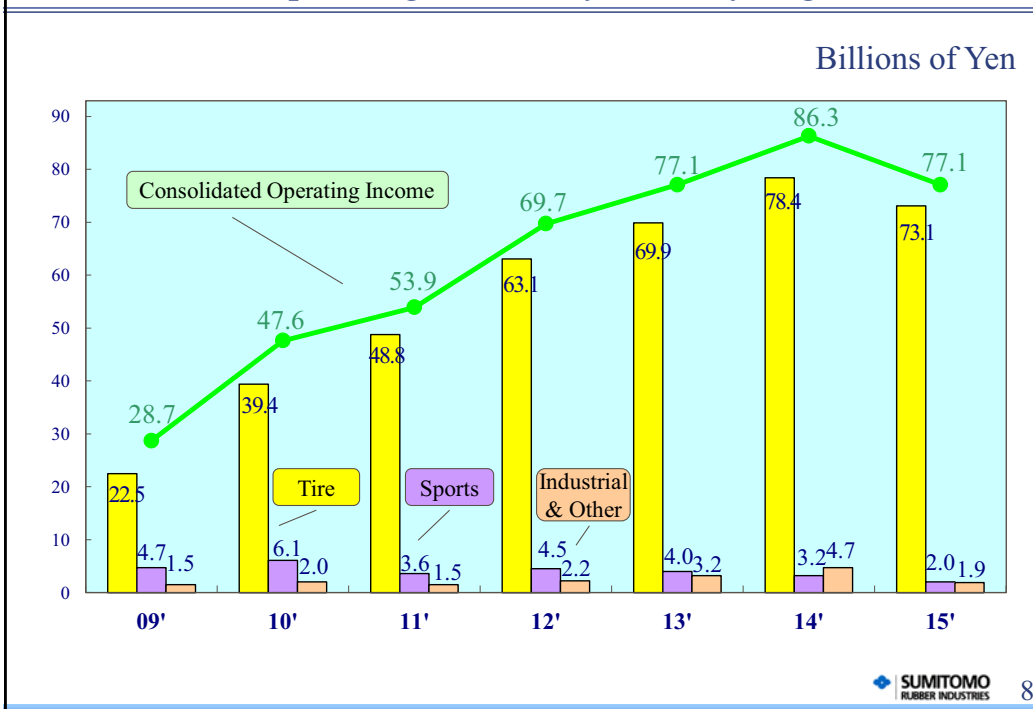
SUMITOMO RUBBER GROUP



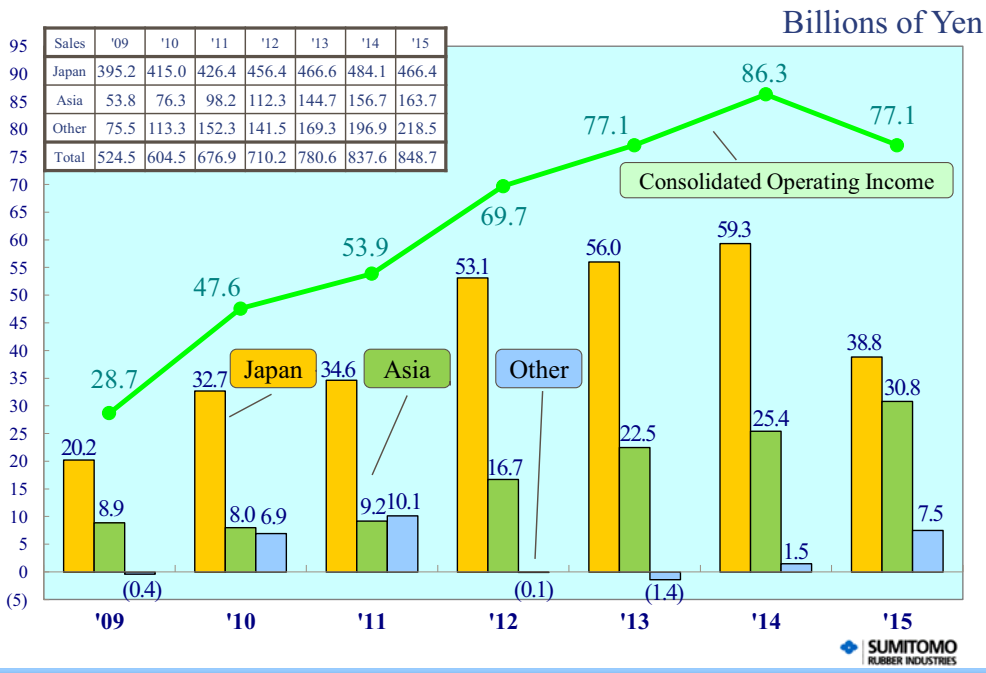
Net Sales / Operating Income by Industry Segment

		Jan.-Sep.		Oct.-Dec.		Actual 2015	Actual 2014	'15 vs. '14
		'15 vs. '14	'15 vs. '14					
Sales	Tire	505.9	101%	226.2	98%	732.2	731.2	100%
	Sports	56.1	113%	21.5	103%	77.6	70.5	110%
	Industrial & Other	28.0	110%	10.9	105%	38.9	35.9	108%
	Consolidated	590.1	102%	258.6	99%	848.7	837.6	101%
Operating Income	Tire	40.9	93%	32.2	94%	73.1	78.4	93%
	Sports	0.4	24%	1.6	117%	2.0	3.2	63%
	Industrial & Other	1.2	37%	0.8	50%	1.9	4.7	42%
	Consolidated	42.5	87%	34.6	93%	77.1	86.3	89%

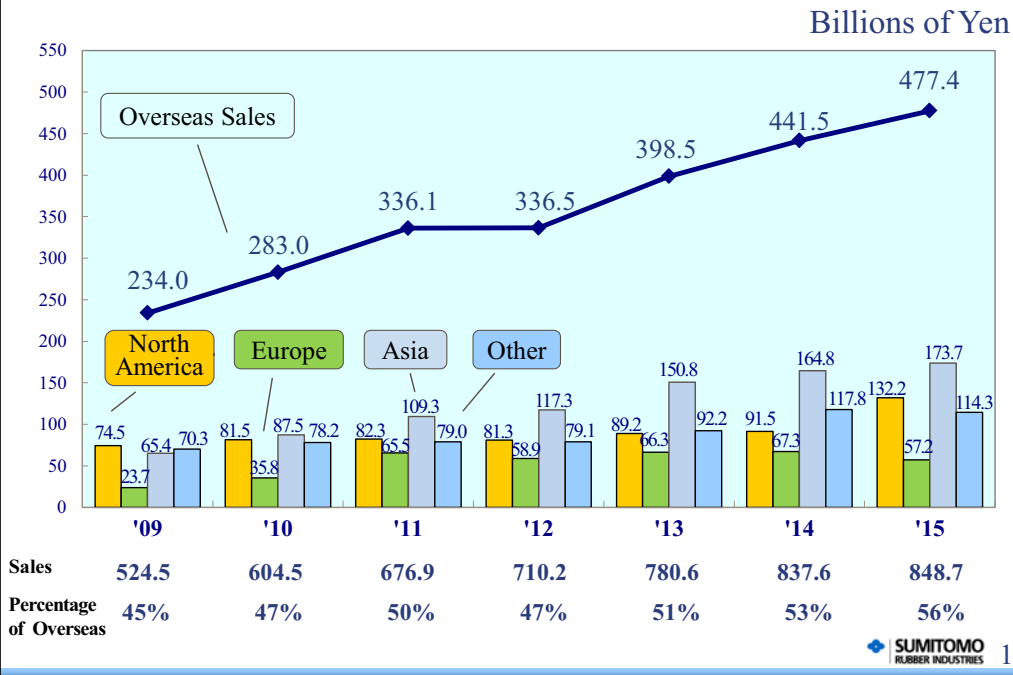
Consolidated Operating Income by Industry Segment

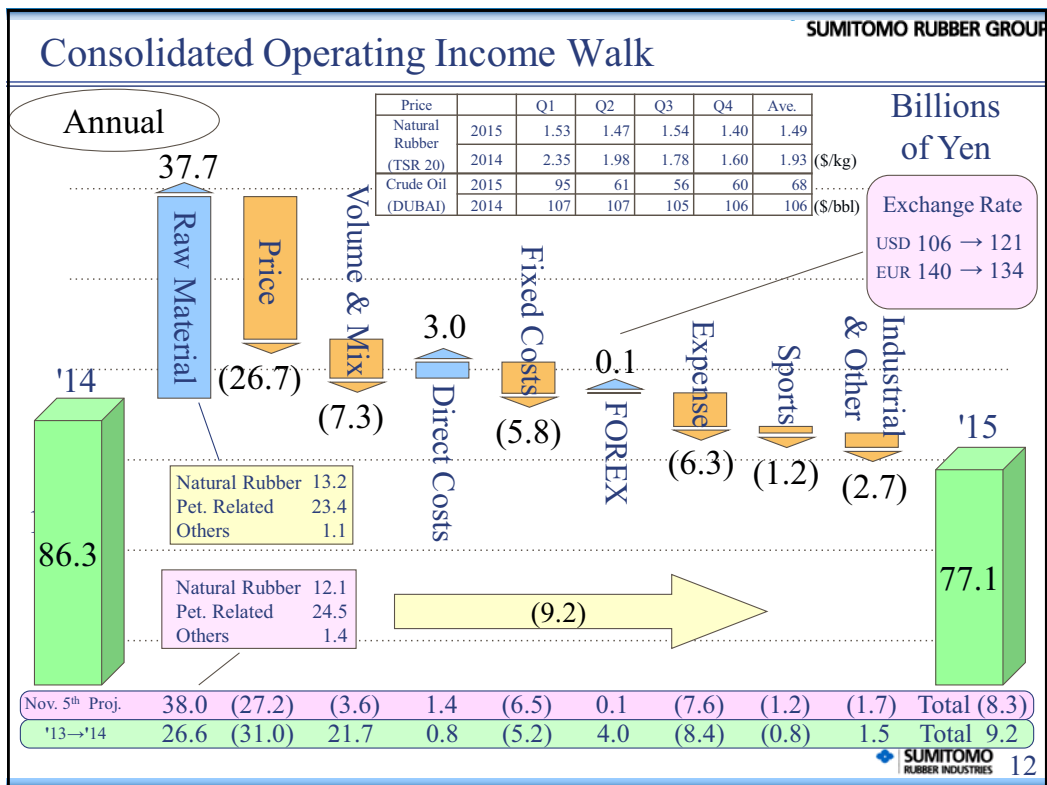
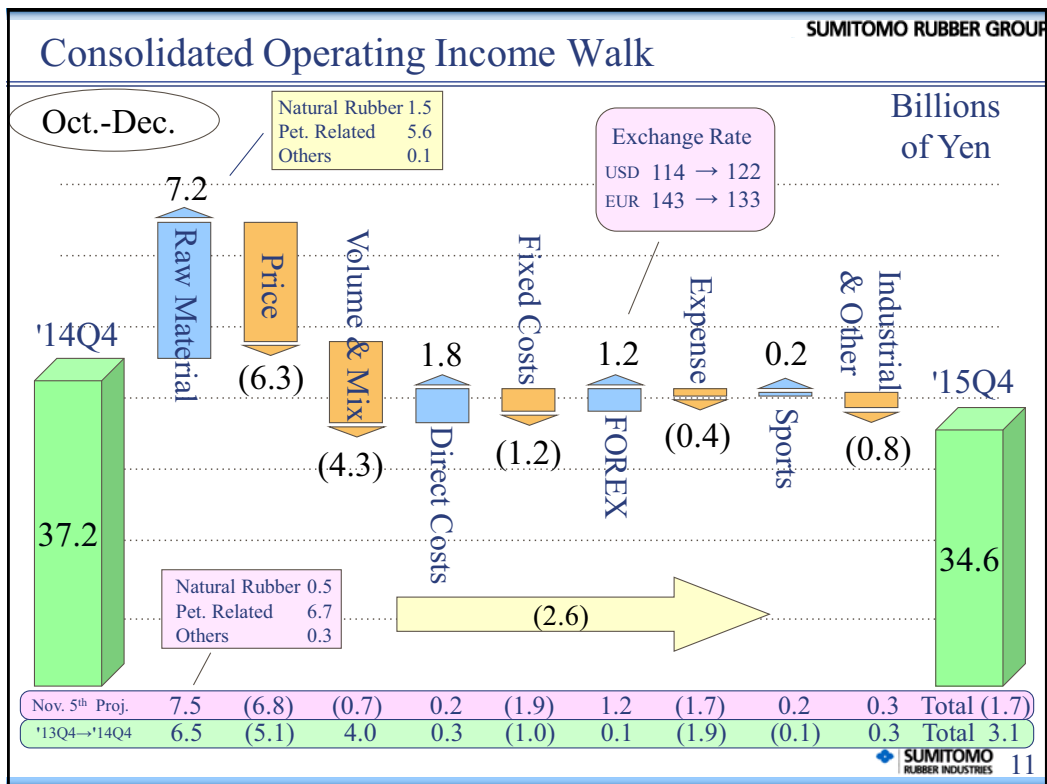


Consolidated Operating Income by Geographic Area



Overseas Sales





Consolidated Operating Income Analysis

Period	Operating Income		Factor									Billions of Yen		
		vs Pre. Year	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	FOREX	Expense	Sports	Industrial & Other			
'14	Q1	18.5	3.5	6.3	(8.7)	7.7	0.5	(1.3)	1.1	(2.9)	0.0	0.8		
	Q2	16.6	1.9	7.5	(9.0)	4.4	(0.6)	(1.6)	1.8	0.1	(0.9)	0.2		
	Q3	14.0	0.7	6.3	(8.2)	5.6	0.6	(1.3)	1.0	(3.7)	0.2	0.2		
	Q4	37.2	3.1	6.5	(5.1)	4.0	0.3	(1.0)	0.1	(1.9)	(0.1)	0.3		
	Annual	86.3	9.2	26.6	(31.0)	21.7	0.8	(5.2)	4.0	(8.4)	(0.8)	1.5		
'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)		
	Q3	13.2	(0.7)	8.3	(7.0)	0.7	0.1	(2.1)	0.8	0.0	(0.9)	(0.7)		
	Q4	34.6	(2.6)	7.2	(6.3)	(4.3)	1.8	(1.2)	1.2	(0.4)	0.2	(0.8)		
	Annual	77.1	(9.2)	37.7	(26.7)	(7.3)	3.0	(5.8)	0.1	(6.3)	(1.2)	(2.7)		
(vs Nov. 5 th Proj.)		(0.9)	(0.3)	0.5	(3.7)	1.6	0.7	0.0	1.3	0.0	(1.0)			

Consolidated Balance Sheets

Billions of Yen			
	2015	2014	'15 vs '14
Current assets	433.4	440.3	(6.9)
Noncurrent assets	502.7	533.3	(30.6)
Total Assets	936.2	973.6	(37.4)
Current liabilities	284.2	292.3	(8.1)
Noncurrent liabilities	198.2	234.3	(36.1)
Liabilities	482.4	526.6	(44.2)
Shareholders' equity	382.5	346.8	+ 35.7
AOCI	41.4	66.6	(25.2)
Minority interests	29.9	33.6	(3.7)
Net Assets	453.8	447.0	+ 6.8
Total Liabilities and Net Assets	936.2	973.6	(37.4)
Net Assets	423.9	413.4	+ 10.5
Equity ratio	45.3%	42.5%	+ 2.8P

Cash and Deposits	(0.9)
Accounts Receivable-trade	(20.1)
Inventory	+5.1
Accounts Receivable	+7.2
Tangible Fixed Assets	+8.0
Intangible Fixed Assets	+9.0
Investments in Securities	(44.5)
Net Defined Benefit Asset	(6.0)
Interest-bearing Debt	(35.1)
	(260.6 ← 295.7)
Income Tax Payable	(9.2)
Accounts Payable	(5.7)
Net Defined Benefit Liabilities	+5.8
Net Income	+55.8
Dividends Paid	(14.4)
Effect of the Change in the method of Calculating Retirement Benefit Obligation and Service Cost	(5.6)
Foreign Currency Translation Adjustments	(40.5)
Remeasurements of Defined Benefit Plans	+15.4

Consolidated Results Projection (2016)

SUMITOMO RUBBER GROUP

Annual

Billions of Yen

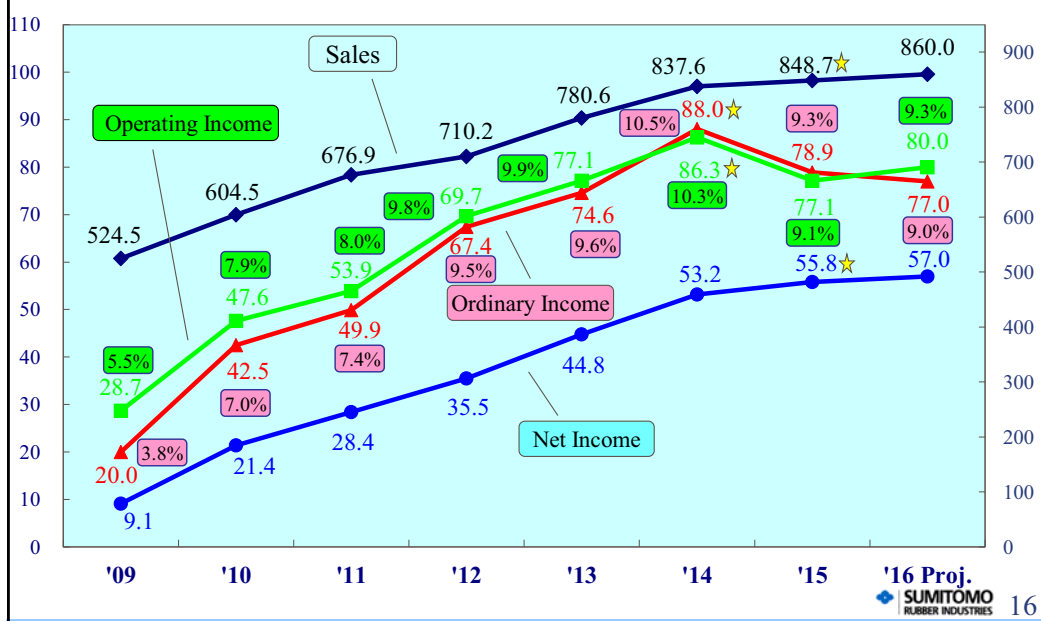
	Annual Proj. 2016	Actual 2015	'16 vs. '15	Jan.-Jun. Proj.	'16 vs. '15
Sales	860.0	848.7	101%	390.0	100%
Operating Income (%)	80.0 (9.3%)	77.1 (9.1%)	104%	31.0 (7.9%)	106%
Ordinary Income (%)	77.0 (9.0%)	78.9 (9.3%)	98%	29.5 (7.6%)	95%
Net Income	57.0	55.8	102%	25.0	125%
Equity Income	0.0	5.6	(5.6)		
ROE	14.0%	13.3%			
d/e Ratio	0.6	0.6			

Consolidated Sales / Income

SUMITOMO RUBBER GROUP

Annual

% Profit %, ★ Record High
Billions of Yen



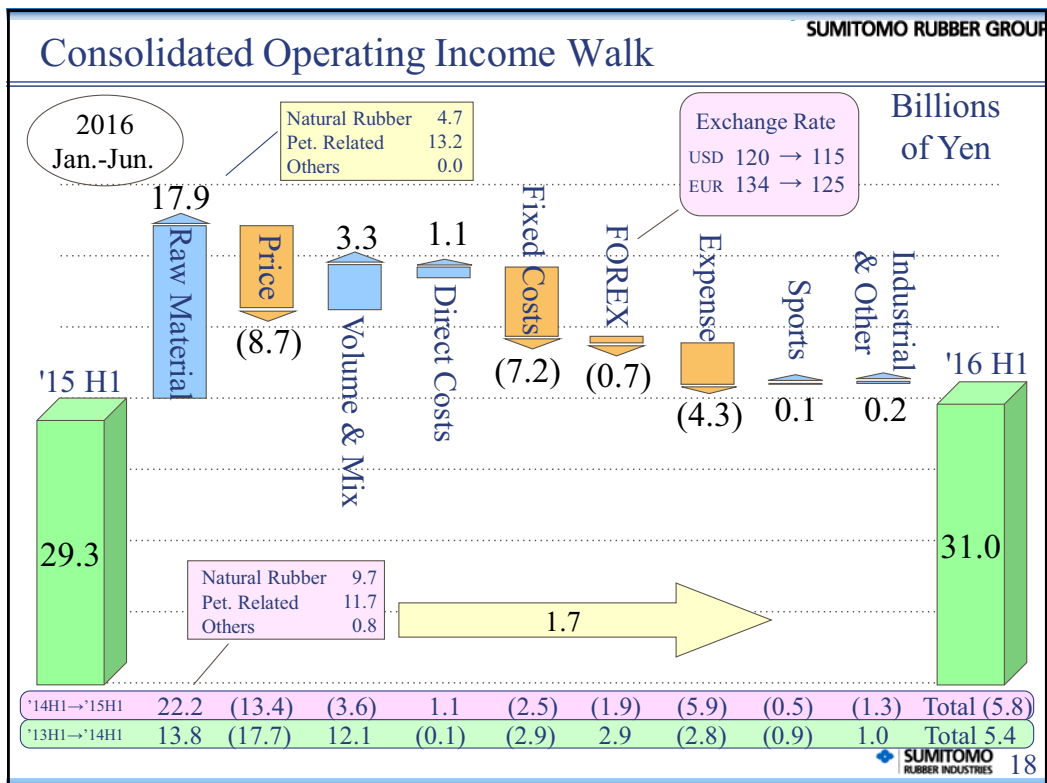
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Net Sales / Operating Income by Industry Segment

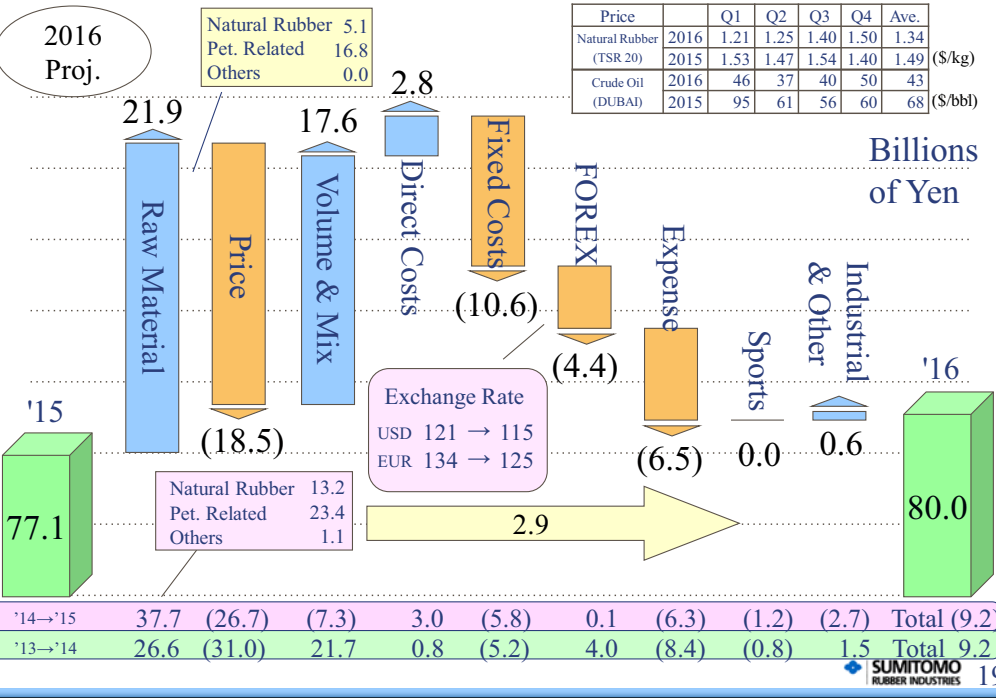
Annual Billions of Yen

		Annual Proj. 2016	Actual 2015	'16 vs. '15	Jan.-Jun. Proj.	'16 vs. '15
Sales	Tire	740.0	732.2	101%	334.0	101%
	Sports	78.0	77.6	100%	37.0	98%
	Industrial & Other	42.0	38.9	108%	19.0	101%
	Consolidated	860.0	848.7	101%	390.0	100%
Operating Income	Tire	75.5	73.1	103%	29.0	105%
	Sports	2.0	2.0	99%	1.0	112%
	Industrial & Other	2.5	1.9	129%	1.0	120%
	Consolidated	80.0	77.1	104%	31.0	106%

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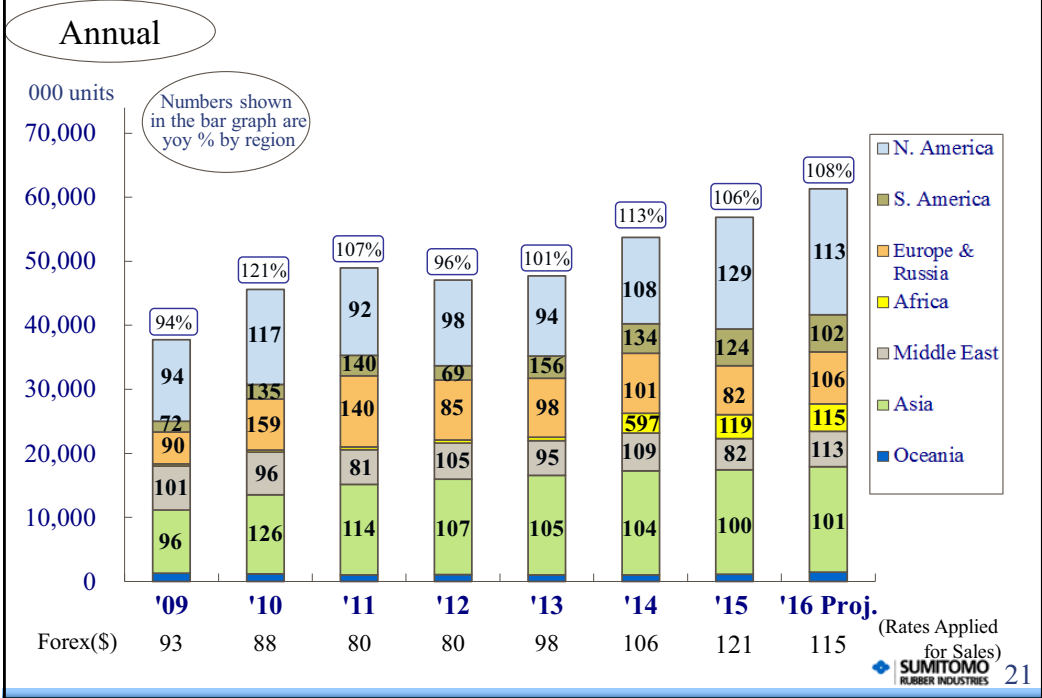
Consolidated Operating Income Walk



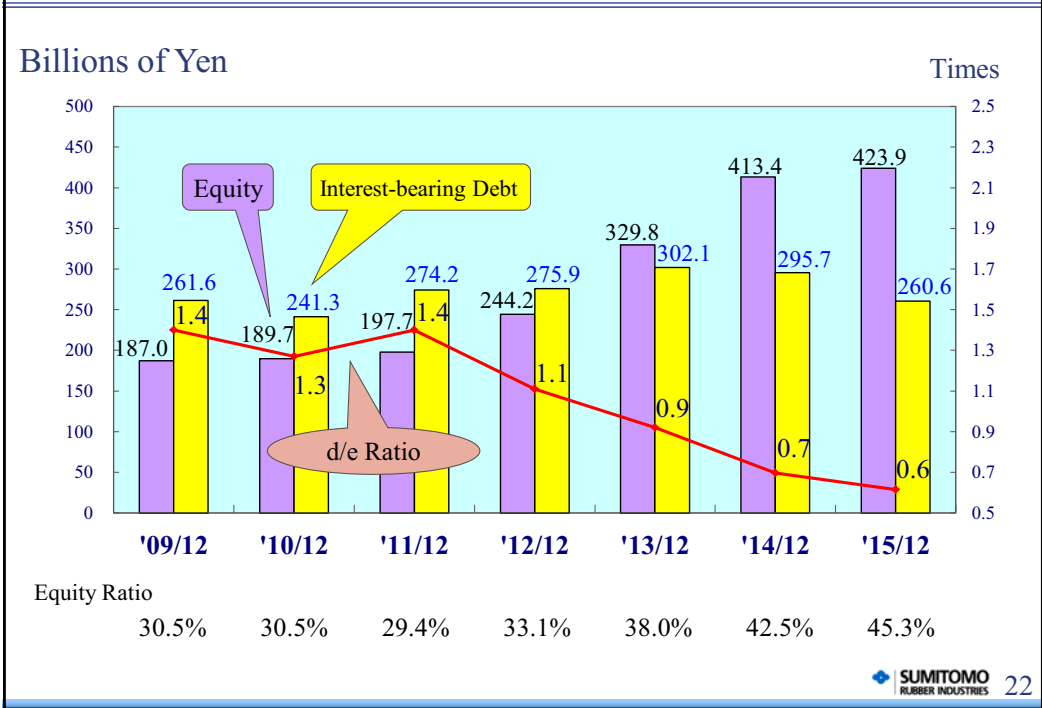
Tire Sales Volume (Comparison %)

	2014 ACT					2015 ACT					2016 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.	106%	106%	101%	100%	103%	98%	89%	89%	92%	92%	93%	103%	98%	
Overseas O.E.	117%	132%	109%	101%	113%	104%	99%	90%	111%	101%	103%	115%	109%	
Domestic Rep.	125%	88%	101%	97%	102%	81%	107%	101%	89%	93%	101%	106%	104%	
Overseas Rep.	113%	118%	111%	109%	113%	101%	105%	107%	110%	106%	109%	106%	108%	
Total	115%	111%	107%	103%	109%	97%	102%	101%	102%	100%	105%	107%	106%	
Total Tire Sales(000units)	25,520	25,630	27,040	30,950	109,140	24,640	26,150	27,250	31,580	109,620	53,080	62,880	115,970	
<i>Overseas Rep.</i>	North America	110%	103%	113%	107%	108%	104%	127%	131%	154%	129%	117%	109%	113%
	Asia	100%	112%	102%	102%	104%	104%	98%	103%	97%	100%	99%	103%	101%
	Middle East	124%	126%	100%	95%	109%	85%	73%	76%	96%	82%	111%	114%	113%
	Europe & Russia	94%	118%	111%	90%	101%	98%	81%	74%	78%	82%	105%	108%	106%

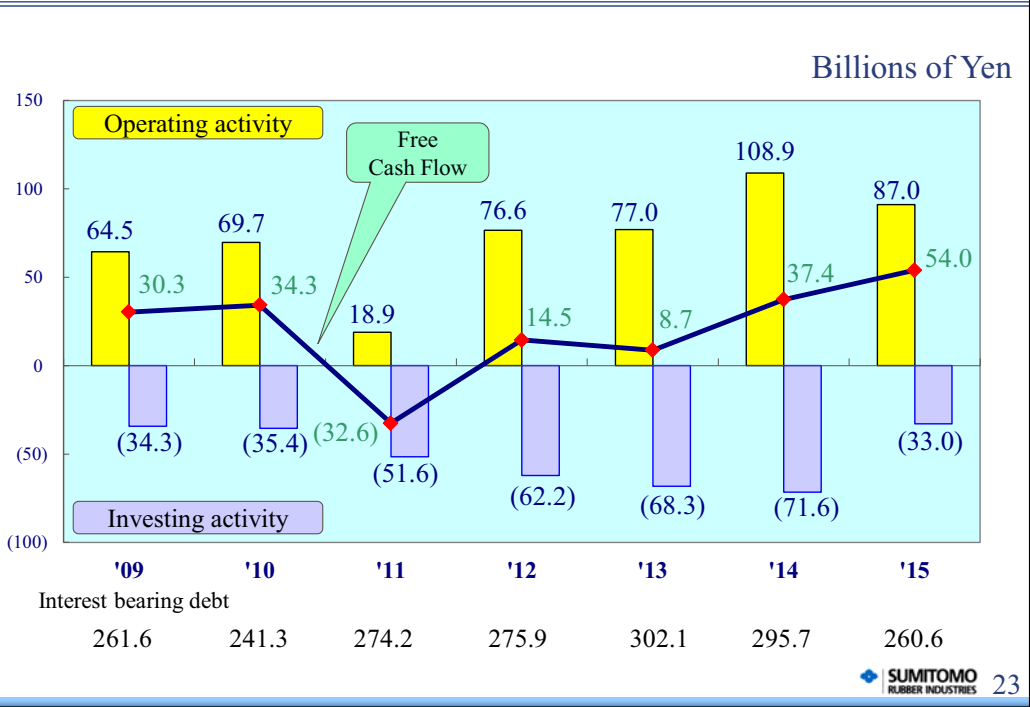
Tire Overseas Rep. Volume by Regional Segment



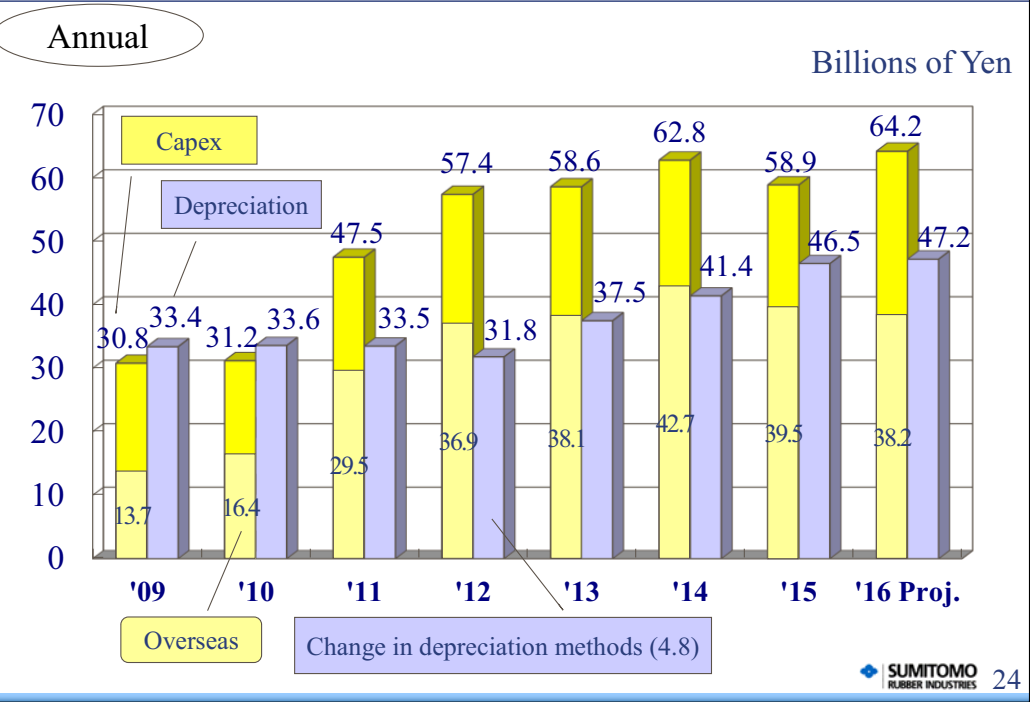
Equity / Interest-bearing Debt



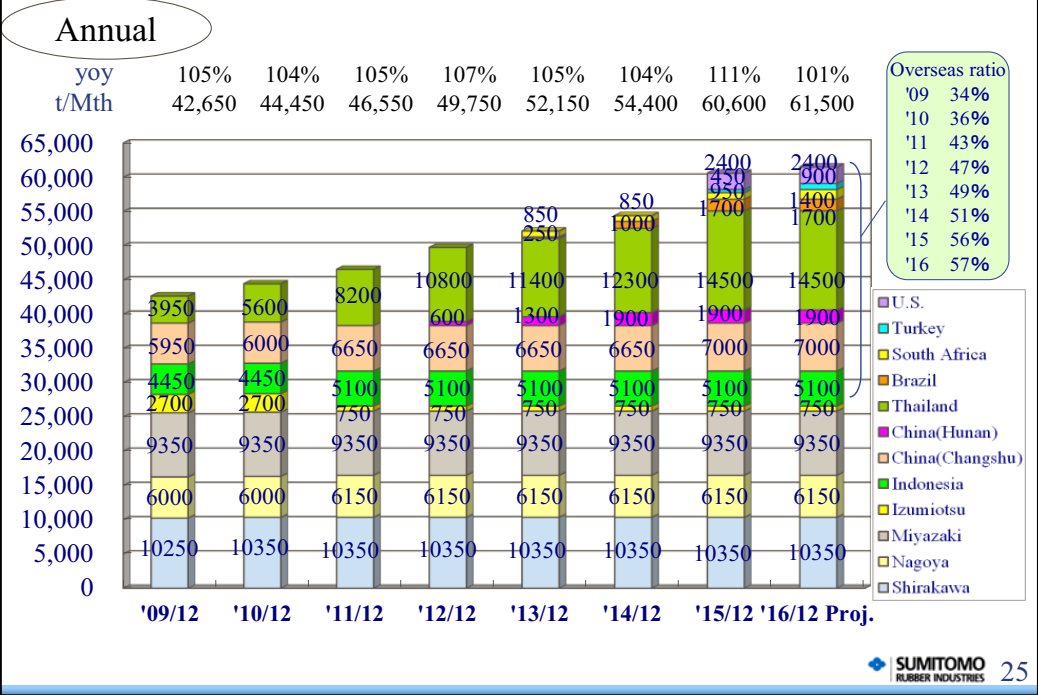
Cash Flow



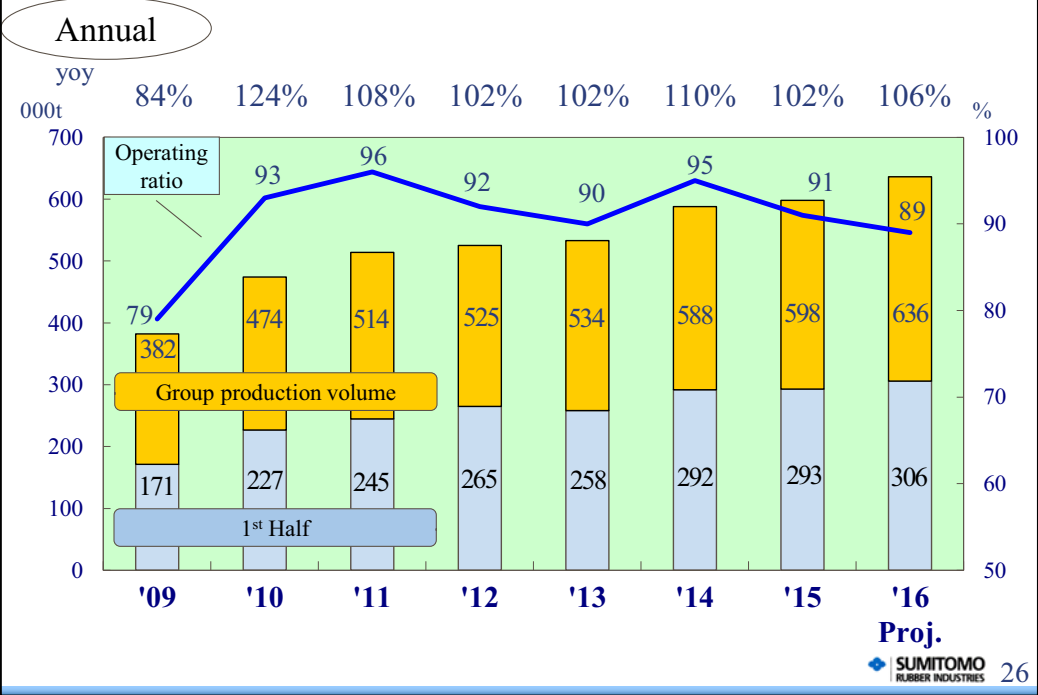
Capex and Depreciation (Tangible Assets Only)



Tire Production Capacity



Tire Production Volume and Operating Ratio



Sales in the Sports Business Results

Annual

Billions of Yen

	2015	2014	'15 vs. '14	Annual Proj. 2016
Golf Clubs	36.3	34.5	105%	37.3
Golf Balls	14.9	14.5	103%	15.0
Golf Shoes, Accessories & Others	7.7	7.9	98%	6.4
Golf Goods	58.9	56.9	104%	58.7
Tennis Goods	6.5	6.3	103%	6.6
Licensing Income	0.4	0.4	98%	0.6
Sports Goods Business	65.9	63.7	103%	65.9
Other Business	11.7	6.8	172%	12.1
Total	77.6	70.5	110%	78.0

Adoption of IFRS

- SRI decided to adopt International Financial Reporting Standards (IFRS) from the fiscal year ending December 31, 2016.
 - AIMS①: To enhance the international comparability of financial information in capital markets.
 - AIMS②: To improve the quality of business management of the Group companies.

Annual Projection 2016

Billions of Yen

	IFRS (Estimated)	J GAAP	Difference
Sales	810.0	860.0	(50.0)
Operating Income (%)	80.0 (9.9%)	80.0 (9.3%)	—
Net Income	54.0	57.0	(3.0)

New Products / New Technology




LE MANS 4
SPORTMAX Q-13 SP




ZE914E




Hibrid-Turf EVO




XXIO
YOUR PRESTIGE PARTNER

XXIO 9




XXIO UX-AERO



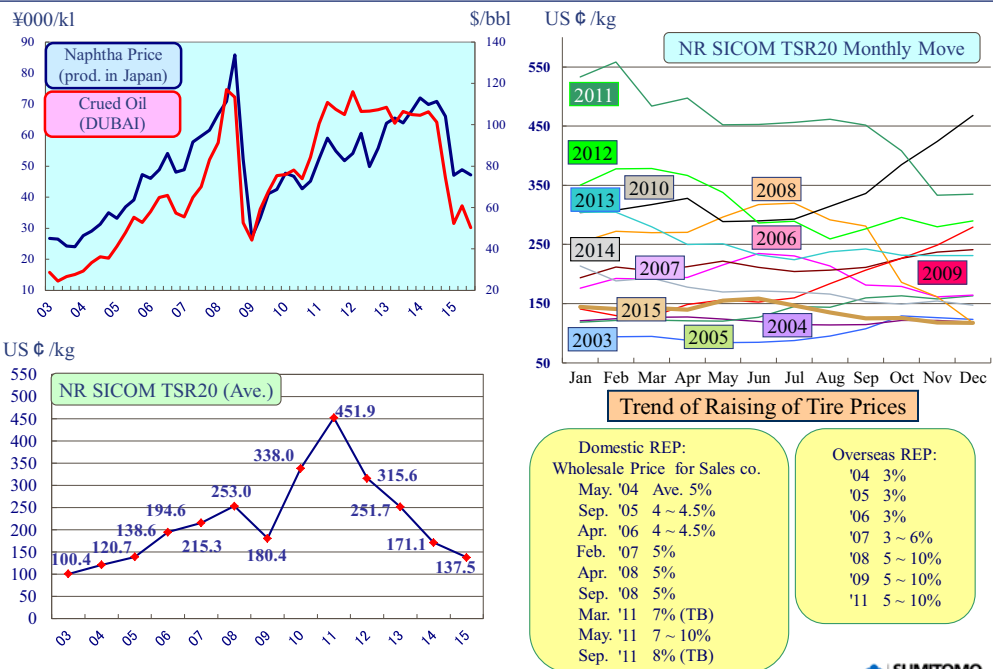

SRIXON

SRIXON REVO CV Series



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Market Price: Natural Rubber • Naphtha



END

SUMITOMO RUBBER GROUP

for you, for the earth

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