



# Financial Report

(January 1 ~ September 30, 2014)

Sumitomo Rubber Industries, Ltd.

- 2014 3<sup>rd</sup> Quarter  
Financial Results Summary
  - Changes in Scope of Consolidation,  
Major Affiliated Companies
  - Financial Results Summary
- 2014 Annual Financial Results Projection
  - Annual Financial Results Projection Summary
  - Capex/Depreciation,  
Tire Production Capacity etc.

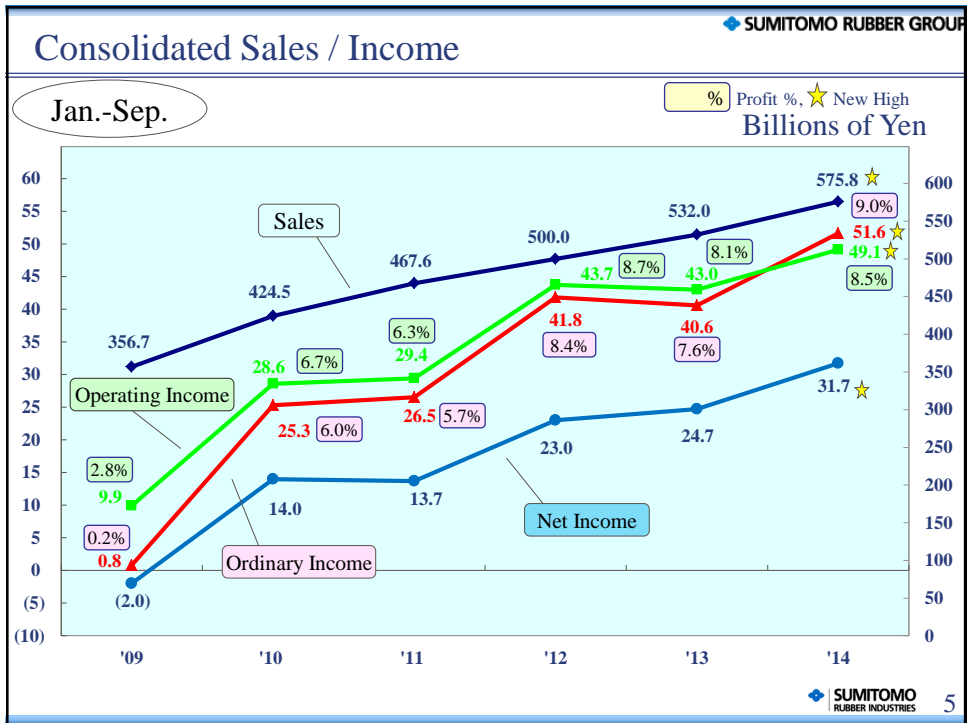
## Changes in Consolidated Subsidiaries

No change

Scope of Consolidation	Consolidated Subsidiaries 72 [3]		Equity-method affiliates 12 [(1)]	
			Unconsolidated Subs 3	
			Affiliated companies 9	
# of changed Companies	Newly included 4	Excluded (1)	Newly included -	Excluded (1)
	4	(1)	-	(1)
	Wako Tennis Co., Ltd. SRI Europe GmbH Sumitomo Rubber AKO Lastik Sanayi ve Ticaret A.Ş. Sumigomu Takasago Integrate, Ltd.	(Merged with Dunlop Sports Marketing Co., Ltd.) Dunlop Sports Okinawa Co., Ltd.		Wako Tennis Co., Ltd.

Sumitomo Rubber Group Major Subsidiaries			SUMITOMO RUBBER GROUP
			No change
	Tire business	Sports business	Industrial & Other
Overall Control	Goodyear Japan Dunlop Goodyear Tires	Dunlop Sports	
Sales	Domestic wholesale companies (11) Overseas wholesale company (U.S/EU/Asia/Russia/Thailand/China /India /Middle East/Latin America)	Domestic wholesale companies(1) Overseas wholesale company (Canada/EU/Asia/Australia /Korea/China/Hong Kong/ South Africa/Thailand)	Dunlop Home Products Sumigomu Sangyo Sumigomu Takasago Integrate Hong Kong Sumirubber
Manufacture	Tire Overseas Factories: Indonesia, Thailand, China(Changshu), China(Hunan) Brazil, South Africa Under construction:Turkey Natural Rubber-Processing Plant: Thailand	Domestic factory: Dunlop Golf Club Overseas Factory: Roger Cleveland Golf Company Tennis ball factory:Thailand	Zhongshan Sumirubber Sumirubber Vietnam Sumirubber Malaysia
Service	SRI Engineering, SRI Systems, SRI Logistics		
	SRI USA,SRITP,SRIE,Other	Wako Tennis Co., Ltd.	72 Subsidiaries 12 Affiliates
Affiliates	JV:GDTE,GDTNA Naigai Rubber Tochigi SEI GSGPC,GSGTL	Golf Course	

Consolidated Financial Results			SUMITOMO RUBBER GROUP		
Jan.-Sep.			Billions of Yen		
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Jan.-Sep.	
Sales	190.7	187.9	197.2	575.8	
	'14 vs'13 116% +26.8	'14 vs'13 103% +5.9	'14 vs'13 106% +11.1	'14 vs'13 108% +43.8	
Operating Income (%)	18.5 (9.7%)	16.6 (8.8%)	14.0 (7.1%)	49.1 (8.5%)	114% +6.1
	123% +3.5	113% +1.8	106% +0.7		
Ordinary Income (%)	17.9 (9.4%)	17.2 (9.1%)	16.6 (8.4%)	51.6 (9.0%)	127% +11.0
	124% +3.5	129% +3.8	129% +3.7		
Net Income	10.9	11.0	9.9	31.7	128% +7.0
	121% +1.9	169% +4.5	107% +0.6		
Equity Income	0.6	1.3	3.2	5.1	+5.3
	+1.3	+1.8	+2.2		



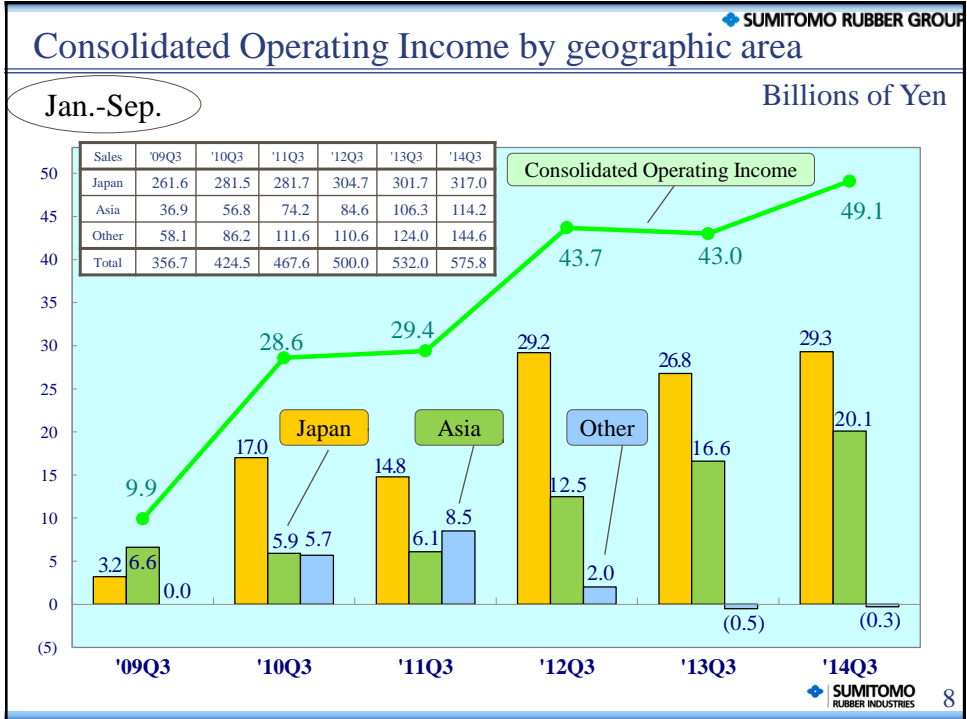
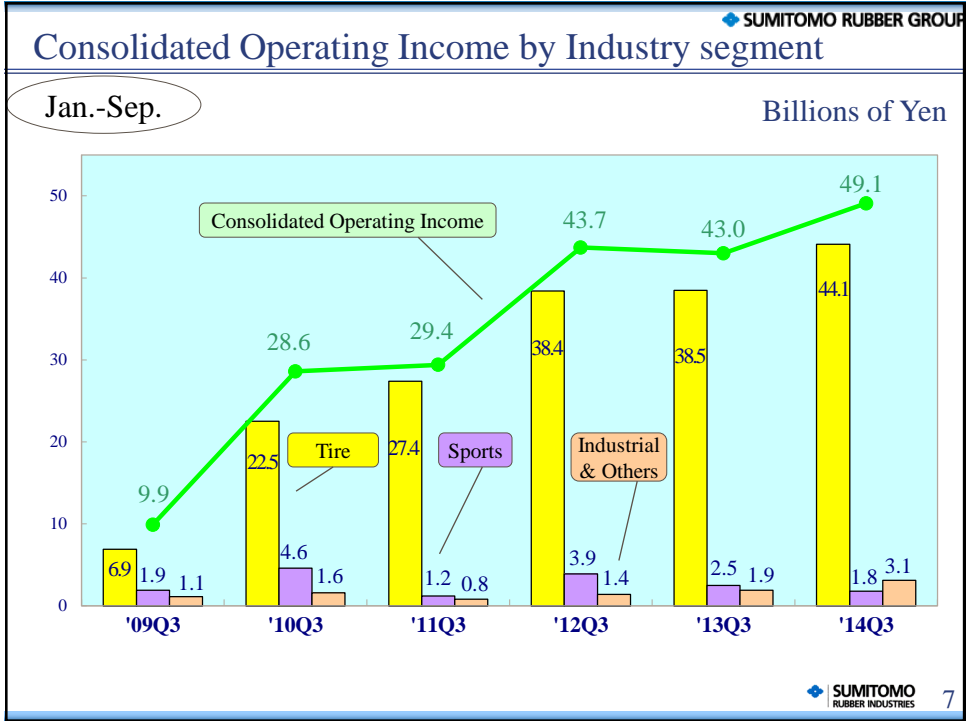
◆ SUMITOMO RUBBER GROUP

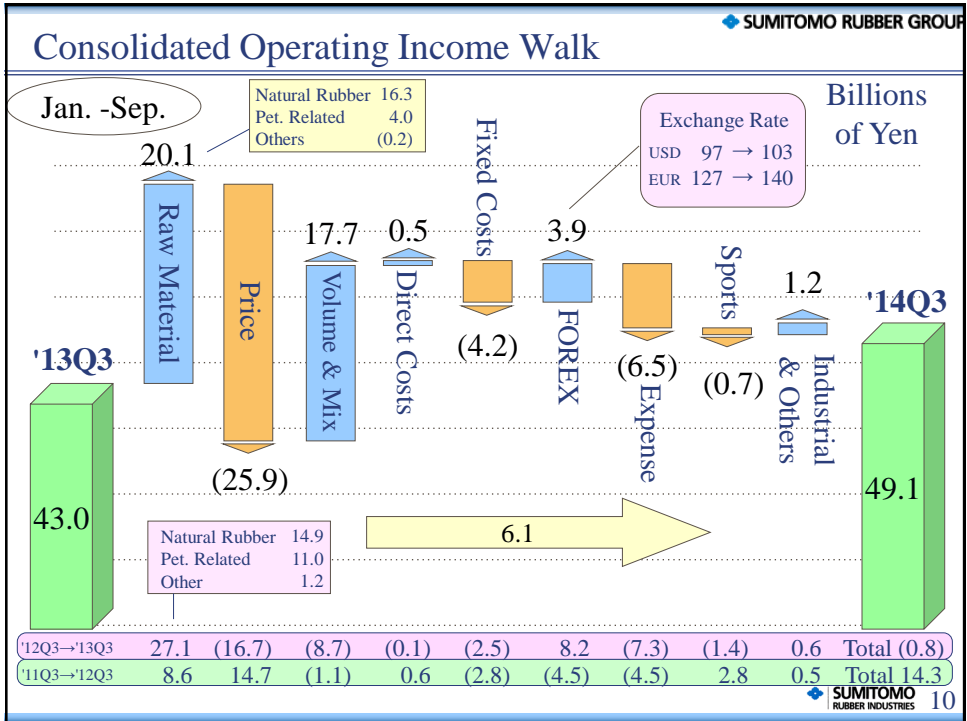
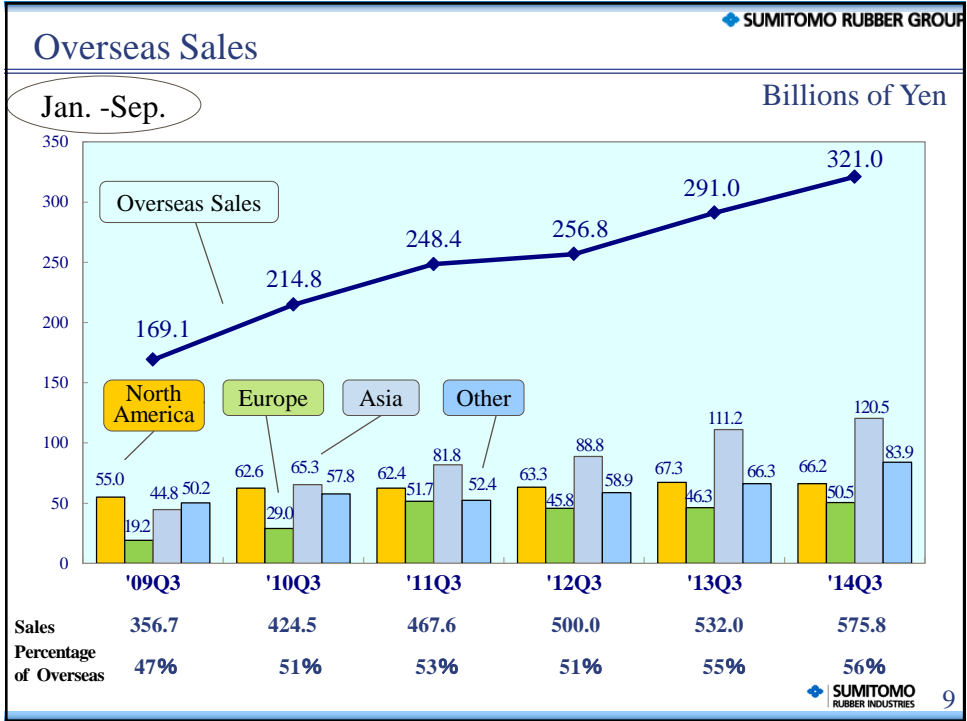
## Net Sales / Operating Income by Industry Segment

Jan.-Sep. Billions of Yen

	Jan.-Mar.		Apr.-Jun.		Jul.-Sep.		Jan.-Sep.		
		'14 vs'13		'14 vs'13		'14 vs'13		'14 vs'13	
Sales	Tire	165.9	117%	163.2	105%	171.6	105%	500.7	109%
	Sports	15.6	111%	17.1	91%	16.9	114%	49.6	104%
	Industrial & Others	9.2	120%	7.6	99%	8.7	106%	25.6	108%
	Consolidated	190.7	116%	187.9	103%	197.2	106%	575.8	108%
Operating Income	Tire	16.5	120%	15.1	120%	12.6	103%	44.1	115%
	Sports	0.6	100%	0.8	46%	0.4	263%	1.8	73%
	Industrial & Others	1.3	231%	0.8	159%	1.0	114%	3.1	160%
	Consolidated	18.5	123%	16.6	113%	14.0	106%	49.1	114%

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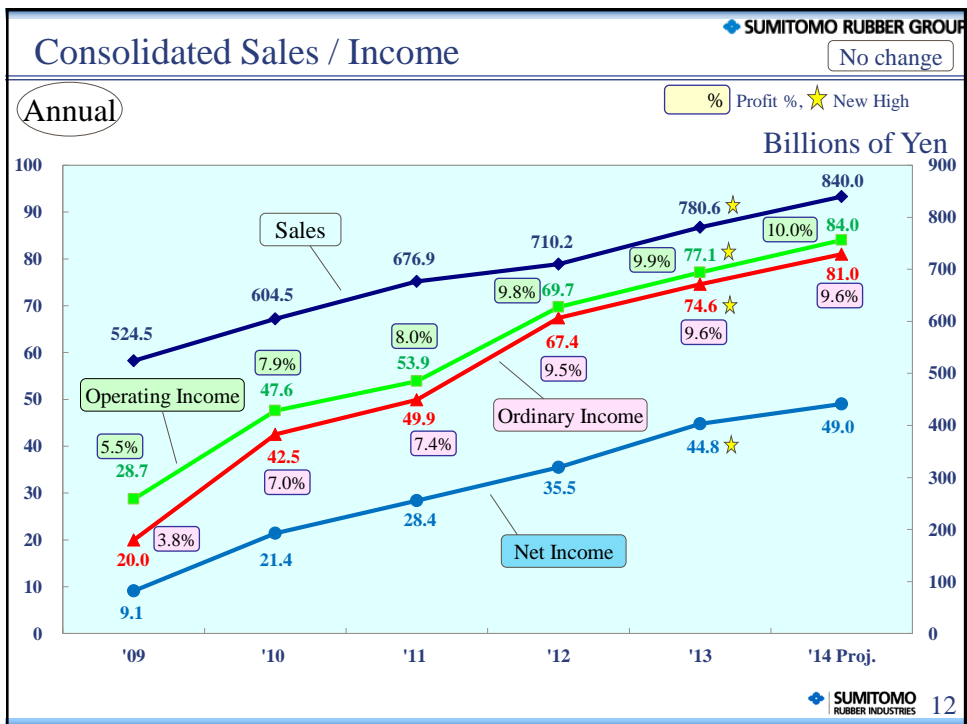
## Consolidated Results Projection

No change

Annual Billions of Yen

	Annual Proj. 2014	Actual 2013	'14 vs '13
<b>Sales</b>	840.0	780.6	108%
<b>Operating Income (%)</b>	84.0 (10.0%)	77.1 (9.9%)	109%
<b>Ordinary Income (%)</b>	81.0 (9.6%)	74.6 (9.6%)	109%
<b>Net Income</b>	49.0	44.8	109%
<b>Equity Income</b>	5.1	(0.4)	+5.5
<b>ROE</b>	14.0%	15.6%	(1.6)P
<b>D/E Ratio</b>	0.8	0.9	-

◆ SUMITOMO RUBBER INDUSTRIES 11



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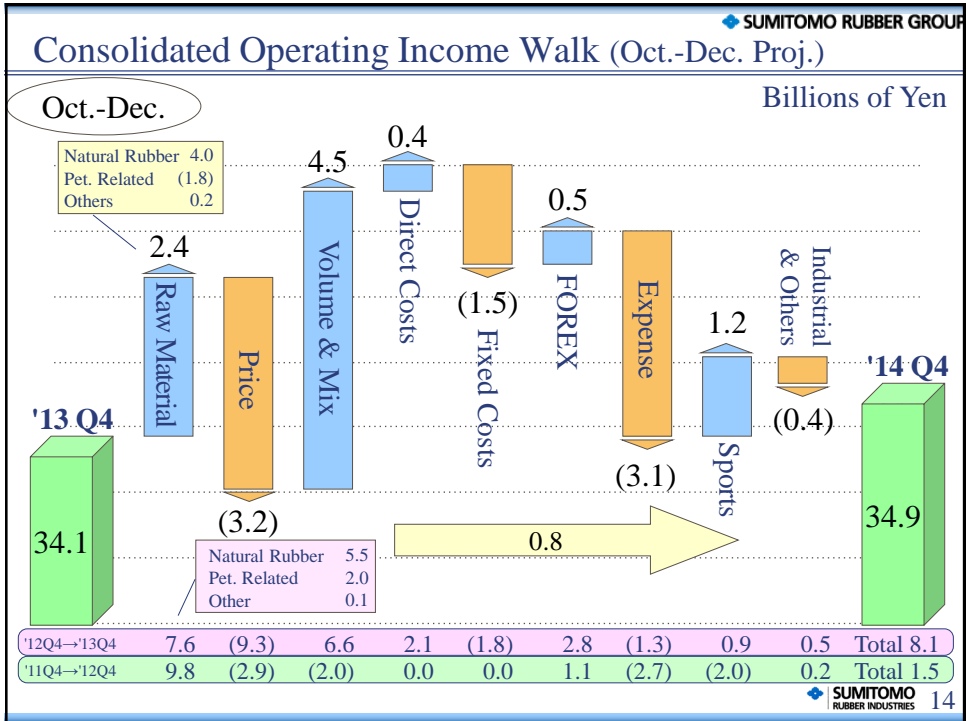
## Net Sales / Operating Income by Industry Segment

No change

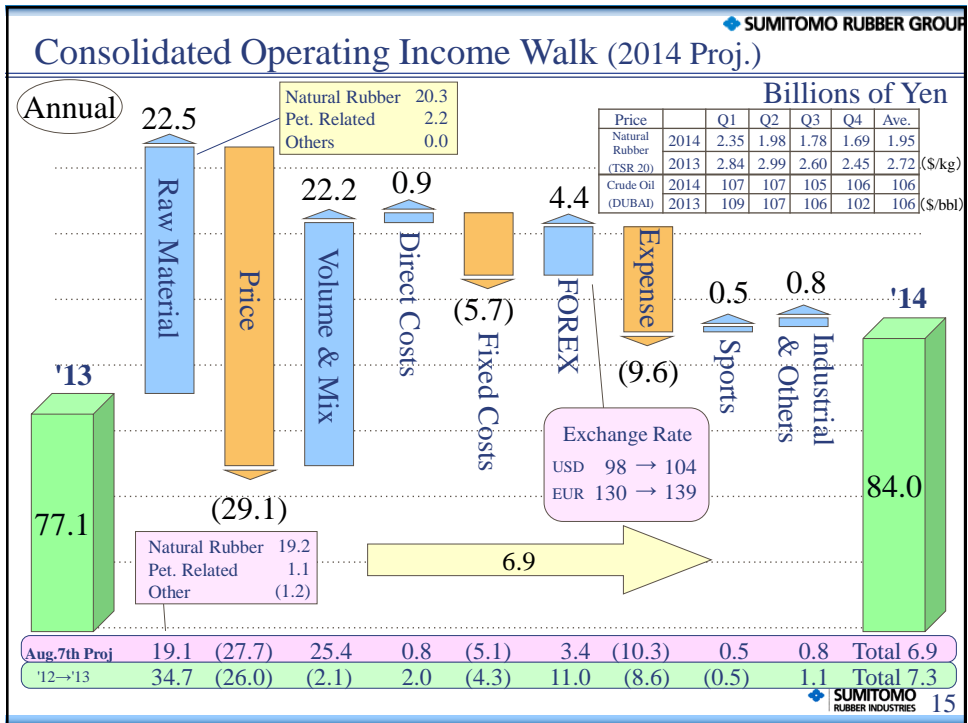
**Annual** Billions of Yen

		Annual Proj. 2014	Actual 2013	'14 vs '13
Sales	Tire	735.0	681.1	108%
	Sports	67.0	66.3	101%
	Industrial & Others	38.0	33.2	114%
	Consolidated	840.0	780.6	108%
Operating Income	Tire	75.5	69.9	108%
	Sports	4.5	4.0	113%
	Industrial & Others	4.0	3.2	124%
	Consolidated	84.0	77.1	109%

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## Consolidated Operating Income Analysis

Billions of Yen

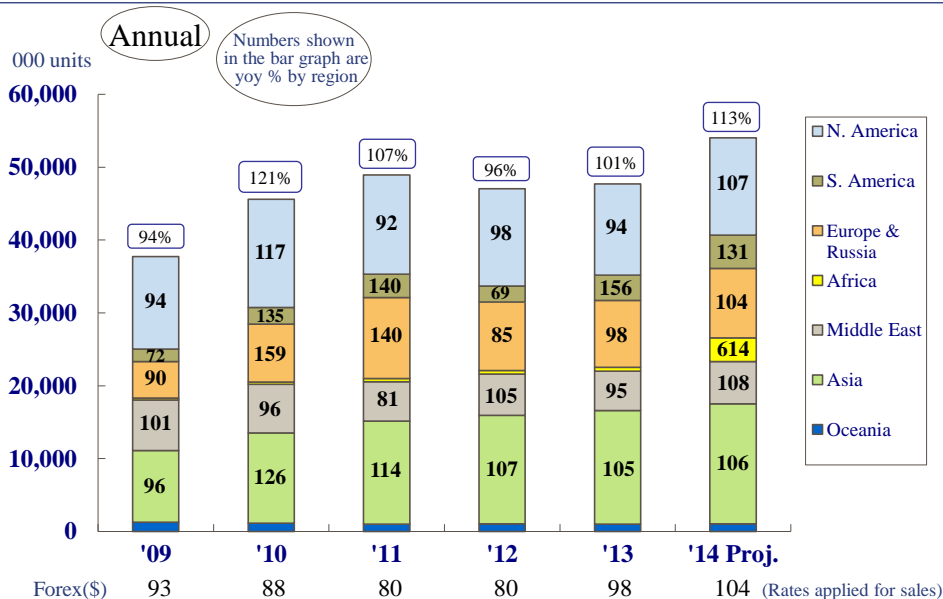
Period	Operating Income	vs Pre. Year	Factor									
			Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	FOREX	Expense	Sports	Industrial & Others	
'13	Q1	(1.0)	7.9	(3.8)	(3.1)	(0.5)	(0.6)	1.7	(1.8)	(0.9)	0.1	
	Q2	(1.5)	8.8	(5.4)	(1.8)	(0.2)	(1.4)	1.3	(2.7)	(0.2)	0.1	
	Q3	1.7	10.4	(7.5)	(3.8)	0.6	(0.5)	5.2	(2.8)	(0.3)	0.4	
	Q4	8.1	7.6	(9.3)	6.6	2.1	(1.8)	2.8	(1.3)	0.9	0.5	
	Annual	7.3	34.7	(26.0)	(2.1)	2.0	(4.3)	11.0	(8.6)	(0.5)	1.1	
'14	Q1	3.5	6.3	(8.7)	7.7	0.5	(1.3)	1.1	(2.9)	0.0	0.8	
	Q2	1.9	7.5	(9.0)	4.4	(0.6)	(1.6)	1.8	0.1	(0.9)	0.2	
	Q3	0.7	6.3	(8.2)	5.6	0.6	(1.3)	1.0	(3.7)	0.2	0.2	
	Q4	0.8	2.4	(3.2)	4.5	0.4	(1.5)	0.5	(3.1)	1.2	(0.4)	
	Annual	6.9	22.5	(29.1)	22.2	0.9	(5.7)	4.4	(9.6)	0.5	0.8	
(vs Aug. 7th Proj.)		0.0	3.4	(1.4)	(3.2)	0.1	(0.6)	1.0	0.7	0.0	0.0	

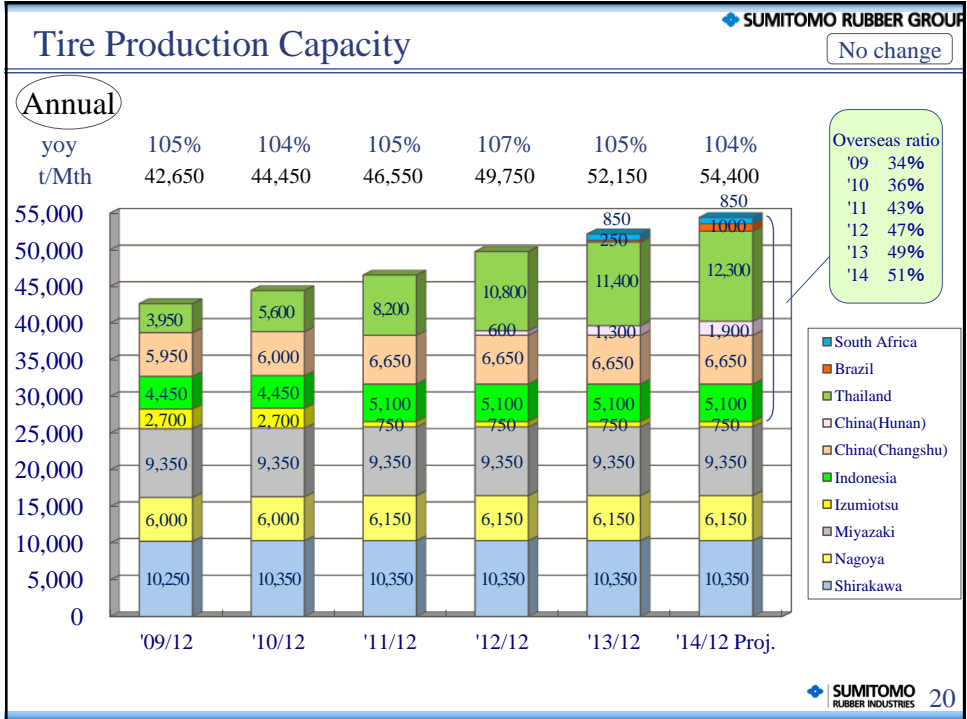
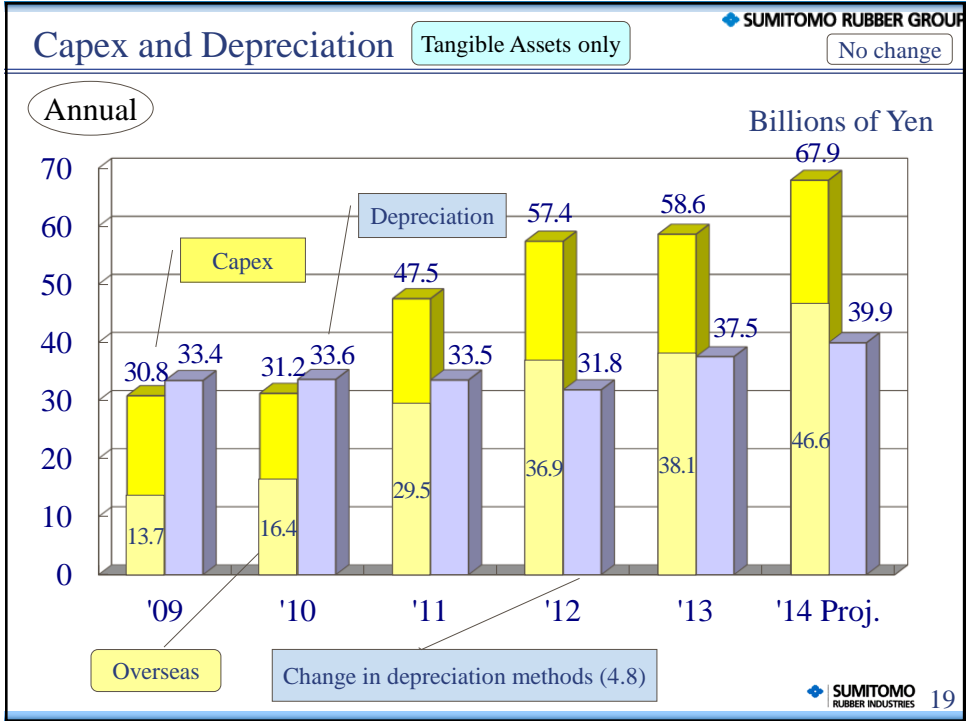
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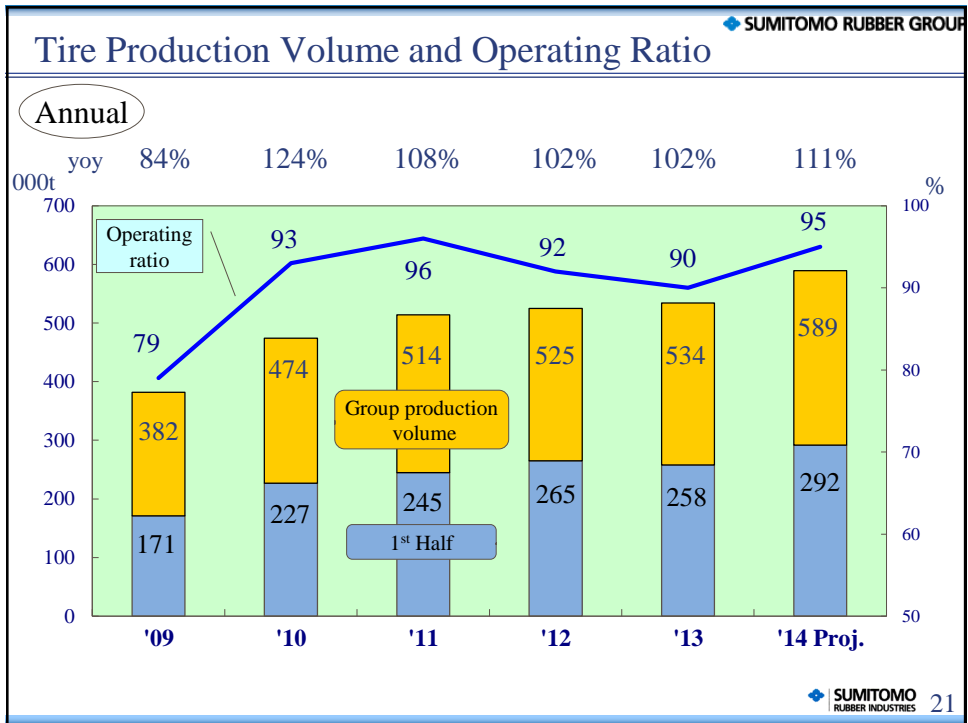
### Tire Sales Volume (Comparison %)

	2013 ACT					2014 Jan.-Sep.ACT. Oct.-Dec.Proj.					2014 Aug.7th 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.	87%	92%	97%	105%	95%	106%	106%	<b>101%</b>	99%	103%	106%	97%	102%	
Overseas O.E.	120%	117%	122%	159%	129%	117%	132%	<b>109%</b>	109%	116%	124%	121%	122%	
Domestic Rep.	103%	101%	106%	106%	104%	125%	88%	<b>101%</b>	97%	101%	106%	97%	101%	
Overseas Rep.	90%	99%	101%	116%	101%	113%	118%	<b>111%</b>	112%	113%	116%	118%	117%	
<b>Total</b>	<b>95%</b>	<b>100%</b>	<b>104%</b>	<b>116%</b>	<b>104%</b>	<b>115%</b>	<b>111%</b>	<b>107%</b>	<b>105%</b>	<b>109%</b>	<b>113%</b>	<b>110%</b>	<b>111%</b>	
Total Tire Sales(000units)	22,200	23,020	25,280	29,930	100,420	25,520	25,630	<b>27,040</b>	31,510	109,700	51,150	60,750	111,900	
<i>Overseas Rep</i>	North America	85%	96%	90%	104%	94%	110%	103%	<b>113%</b>	102%	107%	106%	113%	109%
	Asia	102%	99%	104%	114%	105%	100%	112%	<b>102%</b>	107%	106%	107%	113%	110%
	Middle East	69%	95%	93%	128%	95%	124%	126%	<b>100%</b>	89%	108%	125%	98%	109%
	Europe & Russia	85%	95%	97%	116%	98%	94%	118%	<b>111%</b>	98%	104%	104%	107%	106%

### Tire Overseas Rep. Volume by Regional Segment







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### Sales in the Sports Business Results

Billions of Yen

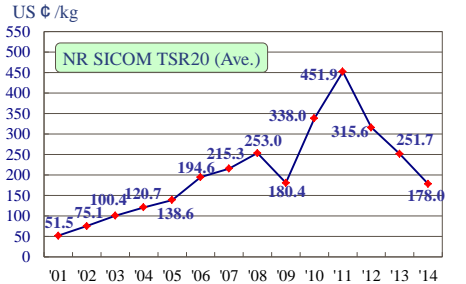
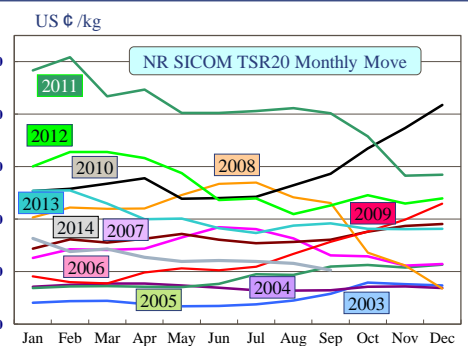
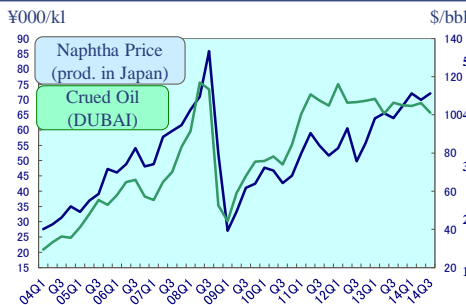
	2014 Q3 Jan.-Sep.	2013 Q3 Jan.-Sep.	'14 vs '13	Annual Proj. 2014
Golf Clubs	24.7	23.0	108%	34.0
Golf Balls	10.5	10.9	97%	14.2
Golf Shoes, Accessories & Others	5.8	5.4	106%	7.6
Golf goods	41.1	39.2	105%	55.7
Tennis goods	4.6	4.8	94%	6.3
Licensing income	0.3	0.3	116%	0.4
Sports goods business	46.0	44.4	104%	62.4
Other business	3.6	3.1	115%	4.6
Total	49.6	47.5	104%	67.0

SUMITOMO RUBBER INDUSTRIES 22

## New Products / New Technology



## Market Price: Natural Rubber • Naphtha



### Trend of Raising of tire prices

Domestic REP:		Overseas REP:	
Whole Sale price for sales co.			
May '04	Ave. 5%	'04	3%
Sep. '05	4 ~ 4.5%	'05	3%
Apr. '06	4 ~ 4.5%	'06	3%
Feb. '07	5%	'07	3 ~ 6%
Apr. '08	5%	'08	5 ~ 10%
Sep. '08	5%	'09	5 ~ 10%
Mar. '11	7% (TB)	'11	5 ~ 10%
May. '11	7 ~ 10%		
Sep. '11	8% (TB)		

END

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*for you, for the earth*

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