

Consolidated Financial Results
for the Three Months Ended March 31, 2020
[IFRS]



May 18, 2020

Company name : Sumitomo Rubber Industries, Ltd.
 Stock exchange listing : Tokyo Stock Exchange
 Code number : 5110
 URL : <http://www.srigroup.co.jp/>
 Representative : Satoru Yamamoto, President and CEO, Representative Director
 Contact : Naoki Okawa, Executive Officer and General Manager, Accounting & Finance
 Department
 Phone : +81-78-265-3000
 Scheduled date of filing quarterly securities report : May 19, 2020
 Scheduled date of commencing dividend payments : –
 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 Three Months Ended March 31, 2020 (January 1, 2020 to March 31, 2020)

(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	%
Three months ended										
March 31, 2020	190,794	(9.7)	2,575	(54.7)	2,753	(54.0)	(3,403)	-	(32,050)	-
March 31, 2019	211,283	(0.6)	5,681	(60.2)	5,987	(57.3)	2,855	(62.8)	7,440	-

(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
Three months ended	Yen	Yen	%
March 31, 2020	(12.94)	-	1.3
March 31, 2019	10.85	-	2.7

(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
March 31, 2020	976,382	435,376	421,413	43.2	1,602.31
December 31, 2019	1,035,484	475,537	460,800	44.5	1,752.07

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of current period
Three months ended	Million yen	Million yen	Million yen	Million yen
March 31, 2020	16,716	(12,848)	7,379	68,243
March 31, 2019	18,784	(19,171)	3,668	78,489

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, 2019	-	25.00	-	30.00	55.00
December 31, 2020	-				
Fiscal year ending					
December 31, 2020 (Forecast)		-	-	-	-

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

As we withdrew and have voided the consolidated financial results forecast for the fiscal period ending December 31, 2020 announced on February 13, 2020, the dividend amounts have also been voided. We will announce the new amounts as soon as the consolidated financial results forecast is determined.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2020 (January 1, 2020 to December 31, 2020)

(% 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	%	Yen
First half	-	-	-	-	-	-	-	-	-
Full year	-	-	-	-	-	-	-	-	-

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

The consolidated forecast announced on February 13, 2020 was withdrawn and have voided due to uncertainties regarding the business impact due to stragnation of economic activities been caused by COVID-19 outbreak, which prevent us from reasonably forecasting consolidated performance. We will announce the new amounts as soon as the consolidated financial results forecast is determined.

Notes:

- (1) Changes in Significant Subsidiaries during the Three Months Ended March 31, 2020
(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)
 - March 31, 2020 : 263,043,057 shares
 - December 31, 2019 : 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period
 - March 31, 2020 : 40,410 shares
 - December 31, 2019 : 39,499 shares
 - 3) Average number of shares during the period
 - Three months ended March 31, 2020 : 263,003,240 shares
 - Three months ended March 31, 2019 : 263,007,910 shares

* Quarterly financial statements are outside the scope of the quarterly review procedures to be conducted by certified public accountants or auditing firms.

* 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.”

Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review	2
(1) Operating Results	2
(2) Financial Position	4
(3) Consolidated Financial Results Forecast and Other Future Forecast	4
2. Condensed Quarterly Consolidated Financial Statements and Primary Notes	6
(1) Condensed Quarterly Consolidated Statement of Financial Position.....	6
(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income	8
(3) Condensed Quarterly Consolidated Statements of Changes in Equity.....	10
(4) Condensed Quarterly Consolidated Statements of Cash Flows	12
(5) Notes on Condensed Quarterly Consolidated Financial Statements	14
(Notes on Going Concern Assumption)	14
(Segment Information)	14
(Significant Subsequent Events)	15

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

(1) Operating Results

	For the three months ended March 31, 2019	For the three months ended March 31, 2020	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	211,283	190,794	(9.7)
Tires	181,721	163,186	(10.2)
Sports	20,165	17,351	(14.0)
Industrial and Other Products	9,397	10,257	9.2
Business profit (loss)	5,681	2,575	(54.7)
Tires	4,290	2,077	(51.6)
Sports	857	(397)	-
Industrial and Other Products	528	887	67.9
Adjustments	6	8	-
Operating profit	5,987	2,753	(54.0)
Profit (Loss) attributable to owners of parent	2,855	(3,403)	-

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

Foreign exchange rates applied

	For the three months ended March 31, 2019	For the three months ended March 31, 2020	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	110	109	(1)
Yen / Euro	125	120	(5)

During the three months ended March 31, 2020, the global economy faced a sharp downturn due to the spread of the coronavirus disease (COVID-19) and economic activities slowed down drastically.

The Japanese economy also experienced a sharp downturn, and its outlook has become challenging because economic activities in Japan were restricted and the employment situation weakened in addition to lower personal consumption, export and production due to the impact of COVID-19.

The business environment surrounding the Sumitomo Rubber Group remained extremely severe, as the sharp economy downturn due to the impact of COVID-19 caused the sales environment to deteriorate significantly, and the appreciation of the Japanese Yen against the Euro and emerging country currencies continued, while the prices of natural rubber and petroleum-based raw materials fell and remained low.

Under these circumstances, the Group pursued various initiatives to reinforce our business foundations and improve profitability with the goal of accomplishing the New Mid-Term Plan, which sets 2025 as the target fiscal year. However, business operations struggled under a significant decline in demand due to the impact of COVID-19.

As a result, sales revenue of the Group decreased 9.7% from the same period of the previous fiscal year to ¥190,794 million, business profit decreased 54.7% to ¥2,575 million and operating profit decreased 54.0% to ¥2,753 million. The Group posted loss attributable to owners of parent of ¥3,403 million, the profit in the same period of the previous fiscal year was ¥2,855 million.

Business performance by business segment was as follows.

Tire Business

Sales revenue in the tire business decreased 10.2% from the same period of the previous fiscal year to ¥163,186 million, and business profit decreased 51.6% to ¥2,077 million.

In the domestic original equipment market, sales revenue fell below the level of the same period of the previous fiscal year because of a decrease in automobile production by auto manufacturers although there was growth in market share by expanding original equipment fitment and sales expansion of high-performance products, particularly fuel-efficient tires.

In the domestic replacement market, we expanded sales of high-performance products, particularly fuel-efficient tires under the DUNLOP brand, including the new “VEURO VE304.” However, sales revenue fell below the level of the same period of the previous fiscal year because sales of winter tires fell below the level of the same period of the previous fiscal year due to the effects of a warm winter, and the market slowed down under the impact of COVID-19.

In the overseas original equipment market, sales revenue fell below the level of the same period of the previous fiscal year due to suspended operation of factories and lower production at auto manufacturers mainly in China.

In the overseas replacement market, sales revenue fell below the level of the same period of the previous fiscal year. Demand declined sharply in the Asia and Oceania region as large-scale lockdowns were enforced to prevent the spread of COVID-19, especially in China. Similarly, markets were weak in the Europe and Africa region and the Americas region due to the impact of COVID-19.

As a result, sales revenue and business profit in the tire business fell below the level of the same period of the previous fiscal year.

Sports Business

Sales revenue in the sports business decreased 14.0% from the same period of the previous fiscal year to ¥17,351 million, and ¥397 million was recorded as a business loss, the profit in the same period of the previous fiscal year was ¥857 million.

In the golf goods markets, “XXIO ELEVEN” and “XXIO X-eks-” golf clubs made a successful start in Japan and overseas. However, sales revenue fell below the level of the same period of the previous fiscal year both in Japan and overseas affected by the cancellation of events, a voluntary restraint atmosphere, lockdowns and other measures against COVID-19.

Similarly, sales revenue in the tennis goods markets fell below the level of the same period of the previous fiscal year.

In the wellness business, sales revenue fell below the level of the same period of the previous fiscal year as well mainly because sports clubs temporarily suspended their operations as a measure to prevent the spread of COVID-19.

As a result, sales revenue in the sports business fell below the level of the same period of the previous fiscal year, and a business loss was posted.

Industrial and Other Products Business

Sales revenue in the industrial and other products business increased 9.2% from the same period of the previous fiscal year to ¥10,257 million, and business profit increased 67.9% to ¥887 million.

Businesses of precision rubber parts for medical use, infrastructure-based products and gloves showed solid growth. As a result, sales revenue and business profit in the industrial and other products business exceeded the level of the same period of the previous fiscal year.

(2) Financial Position

	As of December 31, 2019	As of March 31, 2020	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	1,035,484	976,382	(59,102)
Total equity	475,537	435,376	(40,161)
Total equity attributable to owners of parent	460,800	421,413	(39,387)
Total equity attributable to owners of parent ratio (%)	44.5	43.2	(1.3)
Equity attributable to owners of parent per share	1,752.07 yen	1,602.31 yen	149.76 yen

Total assets decreased ¥59,102 million from the end of the previous fiscal year to ¥976,382 million mainly as a result of a decrease in trade and other receivables due to seasonal factors.

Total liabilities decreased ¥18,941 million from the end of the previous fiscal year to ¥541,006 million mainly as a result of a decrease in trade and other payables.

Total equity as of March 31, 2020 decreased ¥40,161 million from the end of the previous fiscal year to ¥435,376 million, of which equity attributable to owners of parent accounted for ¥421,413 million, and non-controlling interest accounted for ¥13,963 million.

As a result, equity attributable to owners of parent ratio was 43.2%, and equity attributable to owners of parent per share was ¥1,602.31.

(3) Consolidated Financial Results Forecast and Other Future Forecast

The full year financial results forecast in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2020, which we announced on February 13, 2020, was withdrawn and has been voided, because it is difficult to reasonably determine the impact of COVID-19. We will disclose a new full year financial results forecast when possible.

Consolidated Financial Results Forecast for Six Months Ending June 30, 2020 (January 1, 2020 to June 30, 2020)

	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	-	430,000	-	-	429,279
Tires	-	366,500	-	-	367,277
Sports	-	44,500	-	-	42,935
Industrial and Other Products	-	19,000	-	-	19,067
Business profit	-	16,500	-	-	16,482
Tires	-	13,000	-	-	12,504
Sports	-	2,500	-	-	2,802
Industrial and Other Products	-	1,000	-	-	1,166
Adjustments	-	-	-	-	10
Operating profit	-	16,500	-	-	16,457
Profit attributable to owners of parent	-	8,000	-	-	6,322

Foreign exchange rates applied

	Forecast	Previous forecast	Increase (Decrease)	(Reference) Results for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen/U.S. Dollar	-	110	-	110
Yen/Euro	-	120	-	124

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2020 (January 1, 2020 to December 31, 2020)

	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	-	910,000	-	-	893,310
Tires	-	784,000	-	-	767,551
Sports	-	85,000	-	-	84,705
Industrial and Other Products	-	41,000	-	-	41,054
Business profit	-	55,000	-	-	53,878
Tires	-	47,500	-	-	46,183
Sports	-	4,000	-	-	4,282
Industrial and Other Products	-	3,500	-	-	3,397
Adjustments	-	-	-	-	16
Operating profit	-	54,000	-	-	33,065
Profit attributable to owners of parent	-	35,500	-	-	12,072

Foreign exchange rates applied

	Forecast	Previous forecast	Increase (Decrease)	(Reference) Results for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen/U.S. Dollar	-	110	-	109
Yen/Euro	-	120	-	122

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 Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	60,631	68,243
Trade and other receivables	190,261	160,295
Other financial assets	1,314	1,337
Inventories	182,769	179,524
Other current assets	25,079	26,136
Total current assets	460,054	435,535
Non-current assets		
Property, plant and equipment	420,924	395,640
Goodwill	26,547	25,077
Intangible assets	43,445	41,680
Investments accounted for using equity method	4,258	4,312
Other financial assets	33,440	27,649
Net defined benefit asset	29,352	29,619
Deferred tax assets	14,798	14,713
Other non-current assets	2,666	2,157
Total non-current assets	575,430	540,847
Total assets	1,035,484	976,382

(Millions of yen)

	As of December 31, 2019	As of March 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	106,644	115,816
Trade and other payables	127,040	103,557
Other financial liabilities	12,446	11,903
Income tax payable	4,851	3,907
Provisions	835	731
Other current liabilities	37,031	36,326
Total current liabilities	288,847	272,240
Non-current liabilities		
Bonds and loans payable	157,589	162,065
Other financial liabilities	49,716	46,053
Net defined benefit liability	21,833	21,378
Provisions	1,565	1,828
Deferred tax liabilities	17,570	15,943
Other non-current liabilities	22,827	21,499
Total non-current liabilities	271,100	268,766
Total liabilities	559,947	541,006
Equity		
Capital stock	42,658	42,658
Capital surplus	39,486	39,486
Retained earnings	444,783	433,465
Treasury stock	(75)	(76)
Other components of equity	(66,052)	(94,120)
Total equity attributable to owners of parent	460,800	421,413
Non-controlling interests	14,737	13,963
Total equity	475,537	435,376
Total liabilities and equity	1,035,484	976,382

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

Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

	For the three months ended March 31, 2019	For the three months ended March 31, 2020
Sales revenue	211,283	190,794
Cost of sales	(155,407)	(139,049)
Gross profit	55,876	51,745
Selling, general and administrative expenses	(50,195)	(49,170)
Business profit	5,681	2,575
Other income	935	1,271
Other expenses	(629)	(1,093)
Operating profit	5,987	2,753
Financial income	891	317
Financial expenses	(1,978)	(6,596)
Equity in earnings of affiliates	5	56
Profit (Loss) before tax	4,905	(3,470)
Income tax expenses	(1,987)	255
Profit (Loss)	2,918	(3,215)
Profit (Loss) attributable to:		
Owners of parent	2,855	(3,403)
Non-controlling interests	63	188
Profit (Loss)	2,918	(3,215)
Profit (Loss) per share		
Basic profit (loss) per share (Yen)	10.85	(12.94)

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended March 31, 2019	For the three months ended March 31, 2020
Profit (Loss)	2,918	(3,215)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	390	(3,387)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	(17)	(93)
Currency translation differences of foreign operations	4,149	(25,355)
Other comprehensive income, net of tax	4,522	(28,835)
Comprehensive income	7,440	(32,050)
Comprehensive income attributable to:		
Owners of parent	7,483	(31,496)
Non-controlling interests	(43)	(554)
Comprehensive income	7,440	(32,050)

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended March 31, 2019

(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, 2019	42,658	39,487	441,062	(69)	(74,482)	(391)
Changes in accounting policies			(991)			
Balance after restatement	42,658	39,487	440,071	(69)	(74,482)	(391)
Profit			2,855			
Other comprehensive income					4,255	(17)
Total comprehensive income	-	-	2,855	-	4,255	(17)
Purchase of treasury stock				(1)		
Disposal of treasury stock		(0)		0		
Dividends			(6,575)			
Transfer to retained earnings			75			
Transfer to capital surplus						
Total transactions with owners	-	(0)	(6,500)	(1)	-	-
Balance as of March 31, 2019	42,658	39,487	436,426	(70)	(70,227)	(408)

	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, 2019	9,662	-	(65,211)	457,927	14,880	472,807
Changes in accounting policies			-	(991)	(12)	(1,003)
Balance after restatement	9,662	-	(65,211)	456,936	14,868	471,804
Profit			-	2,855	63	2,918
Other comprehensive income	390		4,628	4,628	(106)	4,522
Total comprehensive income	390	-	4,628	7,483	(43)	7,440
Purchase of treasury stock			-	(1)		(1)
Disposal of treasury stock			-	0		0
Dividends			-	(6,575)	(342)	(6,917)
Transfer to retained earnings	(75)		(75)	-		-
Transfer to capital surplus			-	-		-
Total transactions with owners	(75)	-	(75)	(6,576)	(342)	(6,918)
Balance as of March 31, 2019	9,977	-	(60,658)	457,843	14,483	472,326

For the three months ended March 31, 2020

(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, 2020	42,658	39,486	444,783	(75)	(76,471)	(278)
Loss			(3,403)			
Other comprehensive income					(24,613)	(93)
Total comprehensive income	-	-	(3,403)	-	(24,613)	(93)
Purchase of treasury stock				(1)		
Disposal of treasury stock		(0)		0		
Dividends			(7,890)			
Transfer to retained earnings			(25)			
Transfer to capital surplus		0	(0)			
Total transactions with owners	-	-	(7,915)	(1)	-	-
Balance as of March 31, 2020	42,658	39,486	433,465	(76)	(101,084)	(371)

	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, 2020	10,697	-	(66,052)	460,800	14,737	475,537
Loss			-	(3,403)	188	(3,215)
Other comprehensive income	(3,387)		(28,093)	(28,093)	(742)	(28,835)
Total comprehensive income	(3,387)	-	(28,093)	(31,496)	(554)	(32,050)
Purchase of treasury stock			-	(1)		(1)
Disposal of treasury stock			-	0		0
Dividends			-	(7,890)	(220)	(8,110)
Transfer to retained earnings	25		25	-		-
Transfer to capital surplus			-	-		-
Total transactions with owners	25	-	25	(7,891)	(220)	(8,111)
Balance as of March 31, 2020	7,335	-	(94,120)	421,413	13,963	435,376

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended March 31, 2019	For the three months ended March 31, 2020
Cash flows from operating activities		
Profit (Loss) before tax	4,905	△3,470
Depreciation and amortization	17,135	16,986
Interest and dividends income	(500)	(304)
Interest expenses	1,663	1,484
Share of (profit) loss of entities accounted for using equity method	(5)	(56)
Decrease (increase) in inventories	(7,934)	(5,584)
Decrease (increase) in trade and other receivables	16,511	24,641
Increase (decrease) in trade and other payables	(9,379)	(17,555)
Other, net	2,372	3,659
Subtotal	24,768	19,801
Interest received	454	248
Dividend income received	10	17
Interest expenses paid	(1,423)	(1,395)
Income taxes paid	(5,025)	(1,955)
Net cash provided by (used in) operating activities	18,784	16,716
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,543)	(12,102)
Proceeds from sales of property, plant and equipment	26	129
Purchase of intangible assets	(1,796)	(860)
Proceeds from sales of investment securities	152	-
Payments for transfer of business	(110)	-
Other, net	100	(15)
Net cash provided by (used in) investing activities	(19,171)	(12,848)

(Millions of yen)

	For the three months ended March 31, 2019	For the three months ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	19,293	12,195
Proceeds from issuance of bonds and long-term debt	-	8,000
Repayments of long-term debt and redemption of bonds	(6,054)	(1,422)
Repayments of lease obligations	(2,653)	(3,284)
Cash dividends paid	(6,575)	(7,890)
Cash dividends paid to non-controlling interests	(342)	(220)
Other, net	(1)	0
Net cash provided by (used in) financing activities	3,668	7,379
Effect of exchange rate change on cash and cash equivalents	682	(3,635)
Net increase (decrease) in cash and cash equivalents	3,963	7,612
Cash and cash equivalents at the beginning of current period	74,526	60,631
Cash and cash equivalents at the end of current period	78,489	68,243

(5) Notes on Condensed Quarterly 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 details 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 revenues are stated at wholesale prices based on current market values.

Figures for reportable segment are based on business profit or loss.

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

For the three months ended March 31, 2019 (January 1, 2019 to March 31, 2019)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Quarterly Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	181,721	20,165	9,397	211,283	-	211,283
Inter-segment sales revenue	315	49	266	630	(630)	-
Total	182,036	20,214	9,663	211,913	(630)	211,283
Segment profit (Business profit) (Note 1)	4,290	857	528	5,675	6	5,681
Other income and expenses						306
Operating profit						5,987

(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 three months ended March 31, 2020 (January 1, 2020 to March 31, 2020)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Quarterly Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	163,186	17,351	10,257	190,794	-	190,794
Inter-segment sales revenue	177	43	230	450	(450)	-
Total	163,363	17,394	10,487	191,244	(450)	190,794
Segment profit (loss) (Business profit) (Note 1)	2,077	(397)	887	2,567	8	2,575
Other income and expenses						178
Operating profit						2,753

(Notes)

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

(Significant Subsequent Events)

None