



Financial Report

(January 1 ~ June 30, 2020)

August 6, 2020



SUMITOMO
RUBBER INDUSTRIES

- 2020 2nd Quarter
Financial Results Summary
 - Changes in Scope of Consolidation,
Affiliated Companies
 - Financial Results Summary

- 2020 Annual Financial Results Forecast
 - Financial Results Forecast Summary
 - Capex, Depreciation,
Tire Production Capacity etc.

Changes in Scope of Consolidation

	Consolidated Subsidiaries 96 (vs 2019 year-end : +1)		Equity-method Affiliates 3 (vs 2019 year-end : -)	
	Newly Included +1	Excluded -	Newly Included -	Excluded -
Tires	Sumitomo Rubber Singapore Pte.Ltd. (Singapore / Procurement of natural rubber)			
Sports				
Industrial & Other				

Affiliated Companies (Consolidated Subs: 96, Equity-method Affiliates : 3)

	Manufacturing Companies	Sales Companies	Other Companies
Tires	Domestic 1	Domestic 11	Domestic 7
	Overseas 8	Overseas 21	Overseas 6
	Asia Pacific 4	Asia Pacific 12	Asia Pacific 2
	Europe and Africa 2	Europe and Africa 6	Europe and Africa 2
	Americas 2	Americas 3	Americas 2
Sports	Domestic 1	Domestic 1	Domestic 5
	Overseas 3	Overseas 15	Overseas 10
	Thailand, U.S., Philippines	Malaysia, U.K., Australia, Canada, China, Hong Kong, South Africa, South Korea, Thailand, France, Germany	U.K.
Industrial & Other	Domestic 1	Domestic 3	Domestic –
	Overseas 5	Overseas 1	Overseas –
	Malaysia, China, Vietnam, Switzerland, Slovenia	Hong Kong	–

TOTAL 99
Domestic 30
Overseas 69

Consolidated Financial Results (2020 Jan.-Jun.)

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RUBBER GROUP

Billions of Yen

	2020		Impact of Covid-19 ※1	2020		Impact of Covid-19 ※1	2020		Impact of Covid-19 ※1	2019 Jan.-Jun.
	Jan.-Mar.	vs 2019		Apr.-Jun.	vs 2019		Jan.-Jun.	vs 2019		
Sales Revenue	190.8	90% (20.5)	(16.7)	149.2	68% (68.8)	(75.9)	340.0	79% (89.2)	(92.6)	429.3
Business Profit (%) ※2	2.8 (1.5%)	49% (3.0)	(8.2)	(5.1) -	- (16.0)	(26.9)	(2.3) -	- (19.0)	(35.1)	16.7 (3.9%)
Operating Profit (%)	2.8 (1.4%)	46% (3.2)	(8.2)	(5.7) -	- (16.2)	(26.9)	(3.0) -	- (19.4)	(35.1)	16.5 (3.8%)
Profit ※4	(3.4)	- (6.3)	(5.2)	(5.9)	- (9.4)	(17.8)	(9.3)	- (15.7)	(23.0)	6.3

※1. Impact of Covid-19 : Impact of declining demand on sales and profit and impact of cost increase due to drop of operating ratio of factories.

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

Business Profit of 2020 Jan.-Mar. and 2019 is adjusted due to the change of accounting policy.

※3. Gain(Loss) on foreign exchange and derivatives 2020Jan.-Jun. (6.2)← 2019 Jan.-Jun. (3.1)

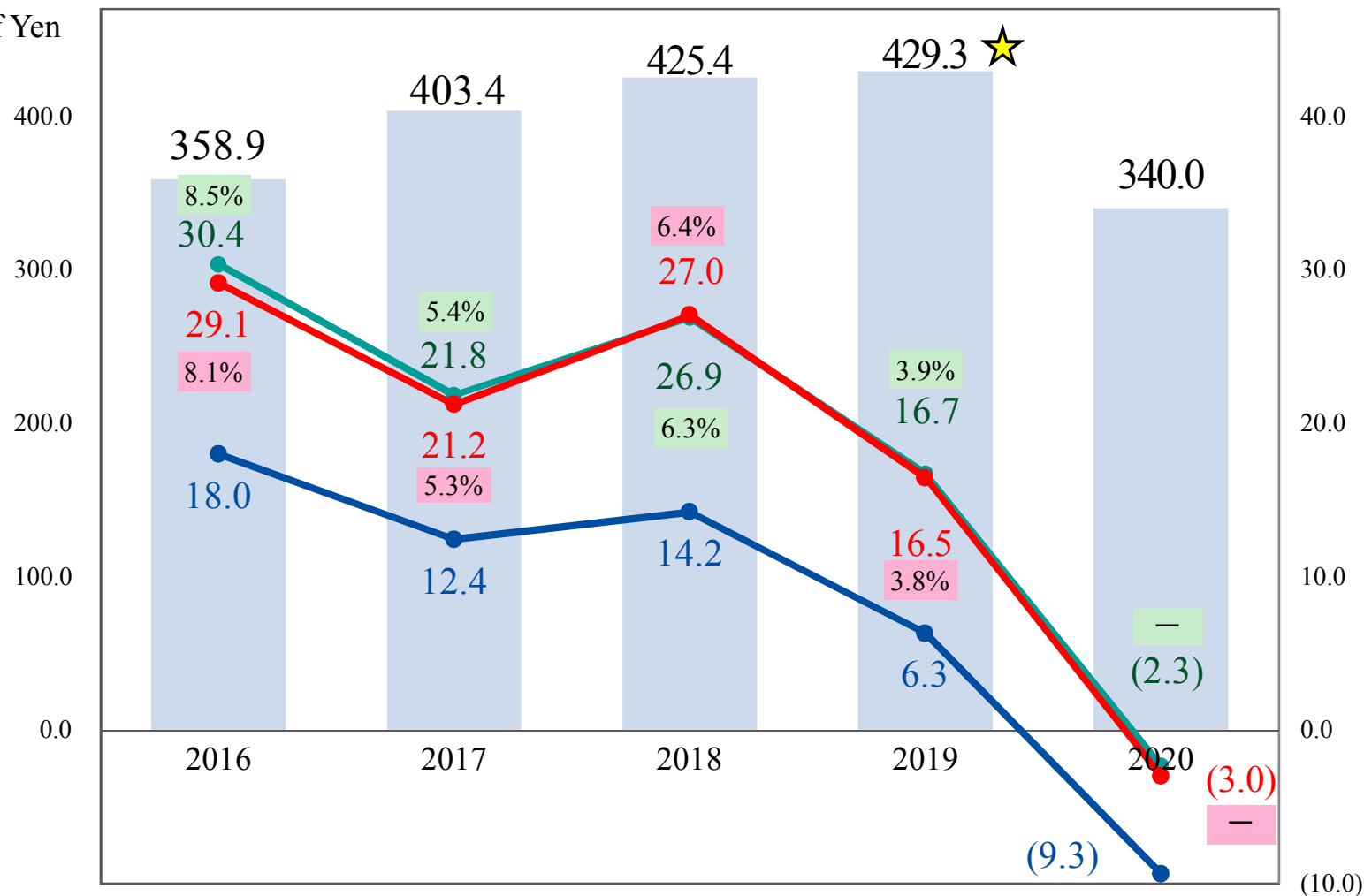
※4. Profit : Profit attributable to owners of parent

The notes 1,2,4 apply throughout this report.

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

Billions of Yen

% : Profit % ★ : Record High



— Sales Revenue : Left — Business Profit — Operating Profit — Profit attributable to owners of parent

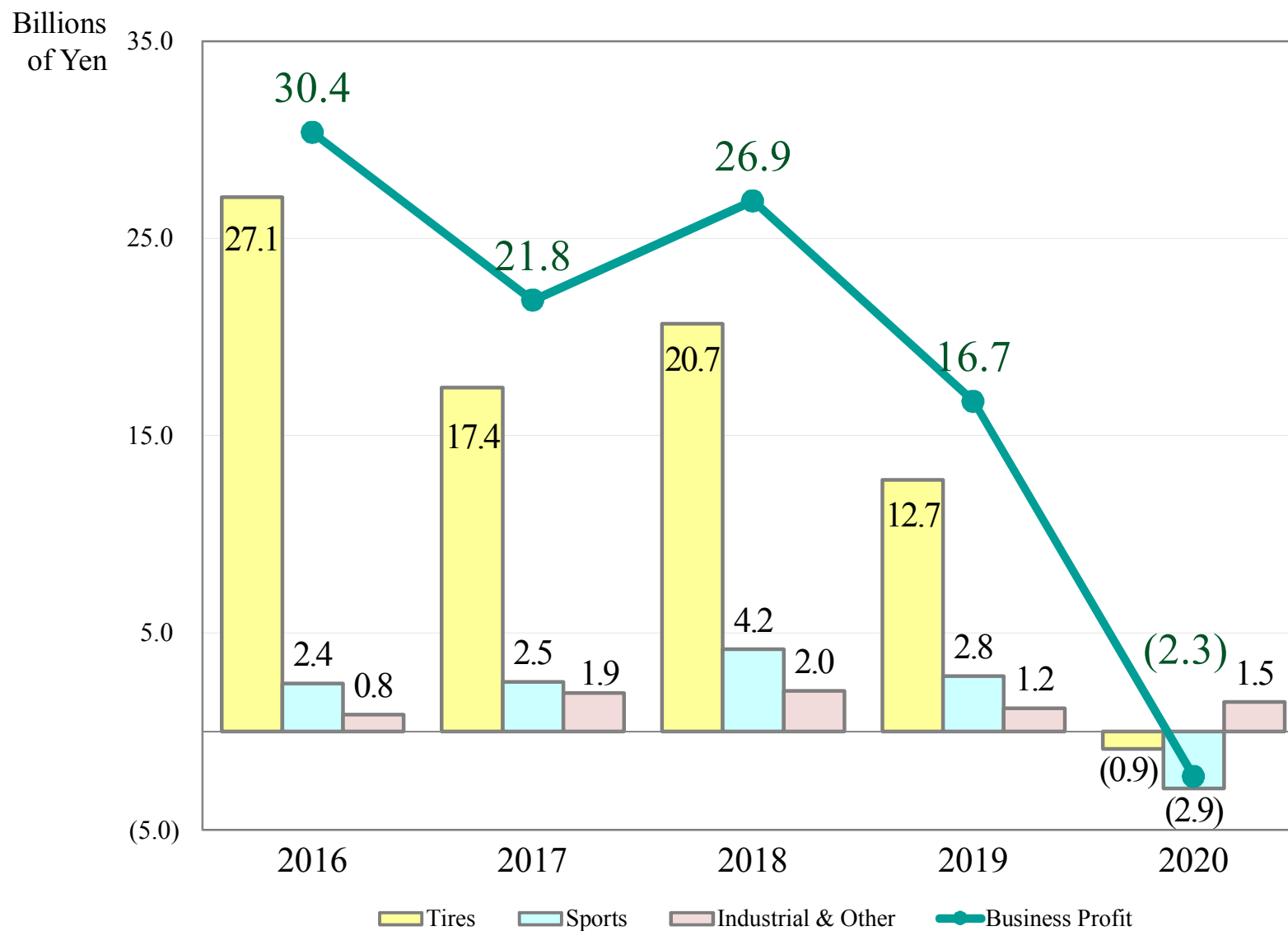
Consolidated Sales Revenue / Business Profit by Reportable Segment (2020 Jan.-Jun.)

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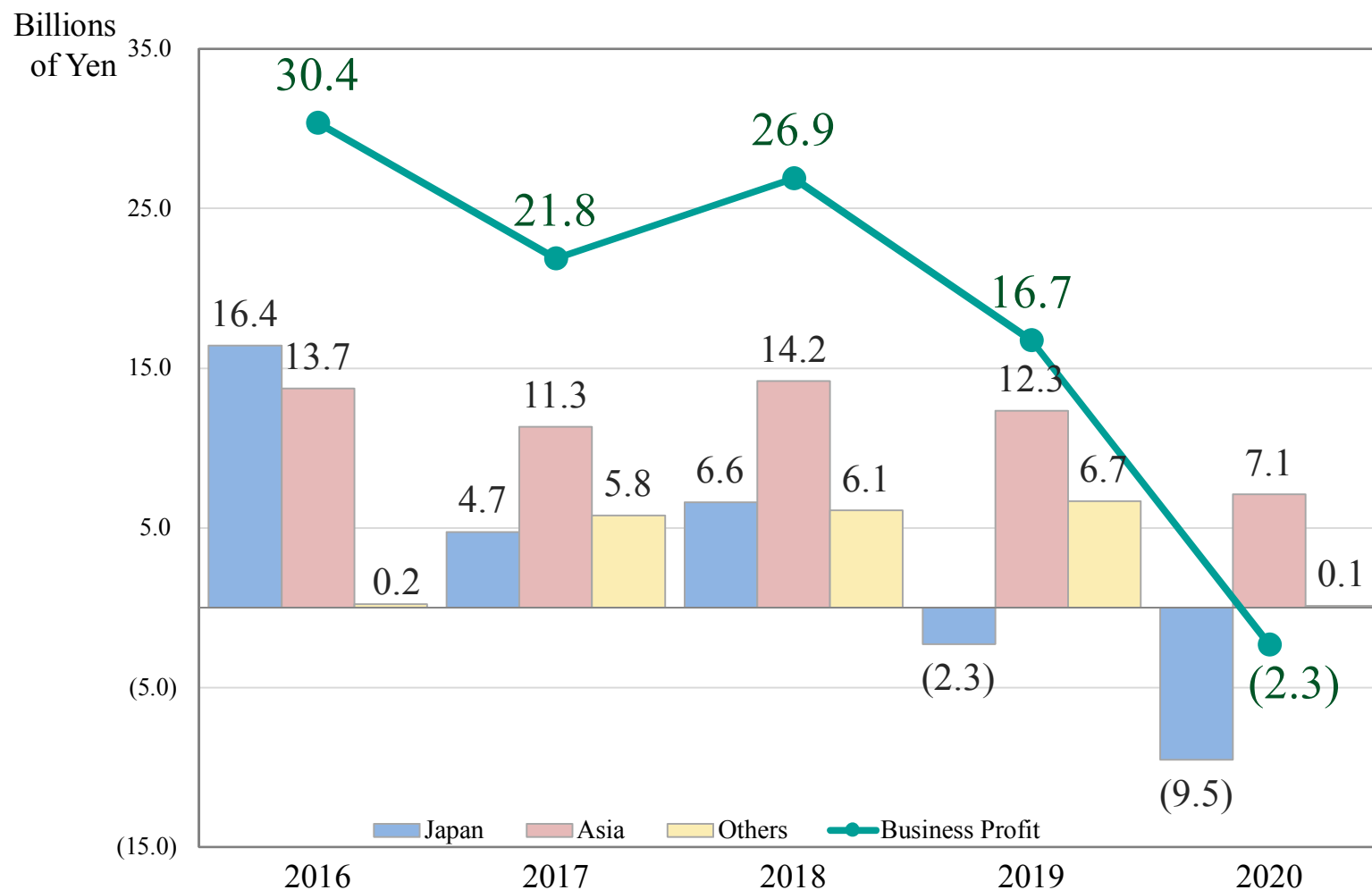
Billions of Yen

		2020		Impact of Covid-19	2020		Impact of Covid-19	2020		Impact of Covid-19	2019 Jan.-Jun.
		Jan.-Mar.	vs 2019		Apr.-Jun.	vs 2019		Jan.-Jun.	vs 2019		
Sales Revenue	Tires	163.2	90%	(13.2)	127.7	69%	(67.3)	290.8	79%	(80.5)	367.3
	Sports	17.4	86%	(3.5)	12.5	55%	(7.9)	29.8	69%	(11.4)	42.9
	Industrial & Other	10.3	109%	0.1	9.1	94%	(0.7)	19.4	102%	(0.7)	19.1
	Total	190.8	90%	(16.7)	149.2	68%	(75.9)	340.0	79%	(92.6)	429.3
Business Profit	Tires	2.4	53%	(6.1)	(3.2)	-	(23.1)	(0.9)	-	(29.2)	12.7
	Sports	(0.4)	-	(2.0)	(2.5)	-	(3.6)	(2.9)	-	(5.6)	2.8
	Industrial & Other	0.9	167%	0.0	0.6	92%	(0.3)	1.5	126%	(0.3)	1.2
	Total	2.8	49%	(8.2)	(5.1)	-	(26.9)	(2.3)	-	(35.1)	16.7

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



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

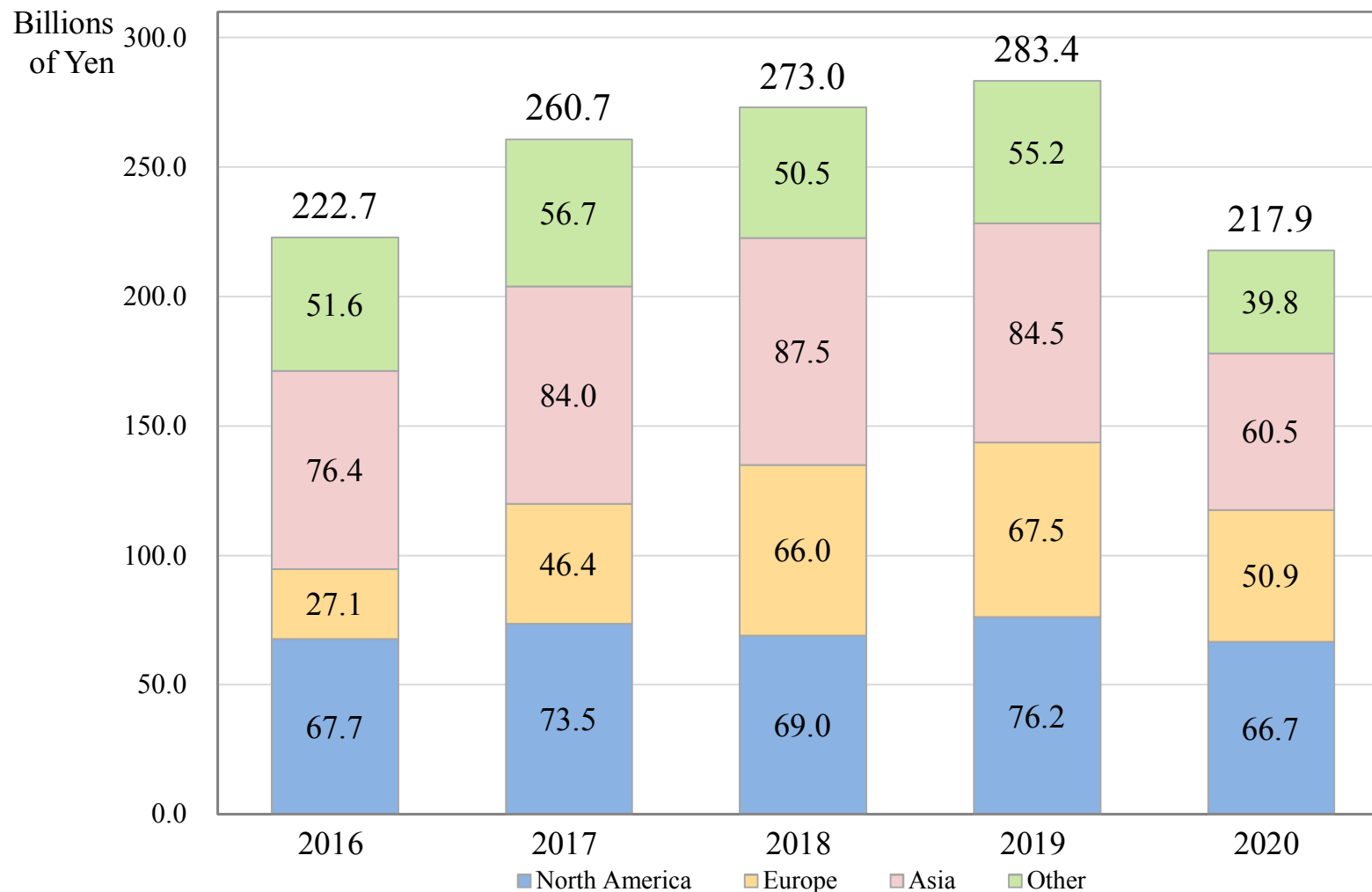


Sales Revenue

Japan	167.7	175.9	182.7	183.1	145.6
Asia	71.9	80.8	83.7	79.5	57.8
Others	119.3	146.7	159.0	166.7	136.5
Total	358.9	403.4	425.4	429.3	340.0

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

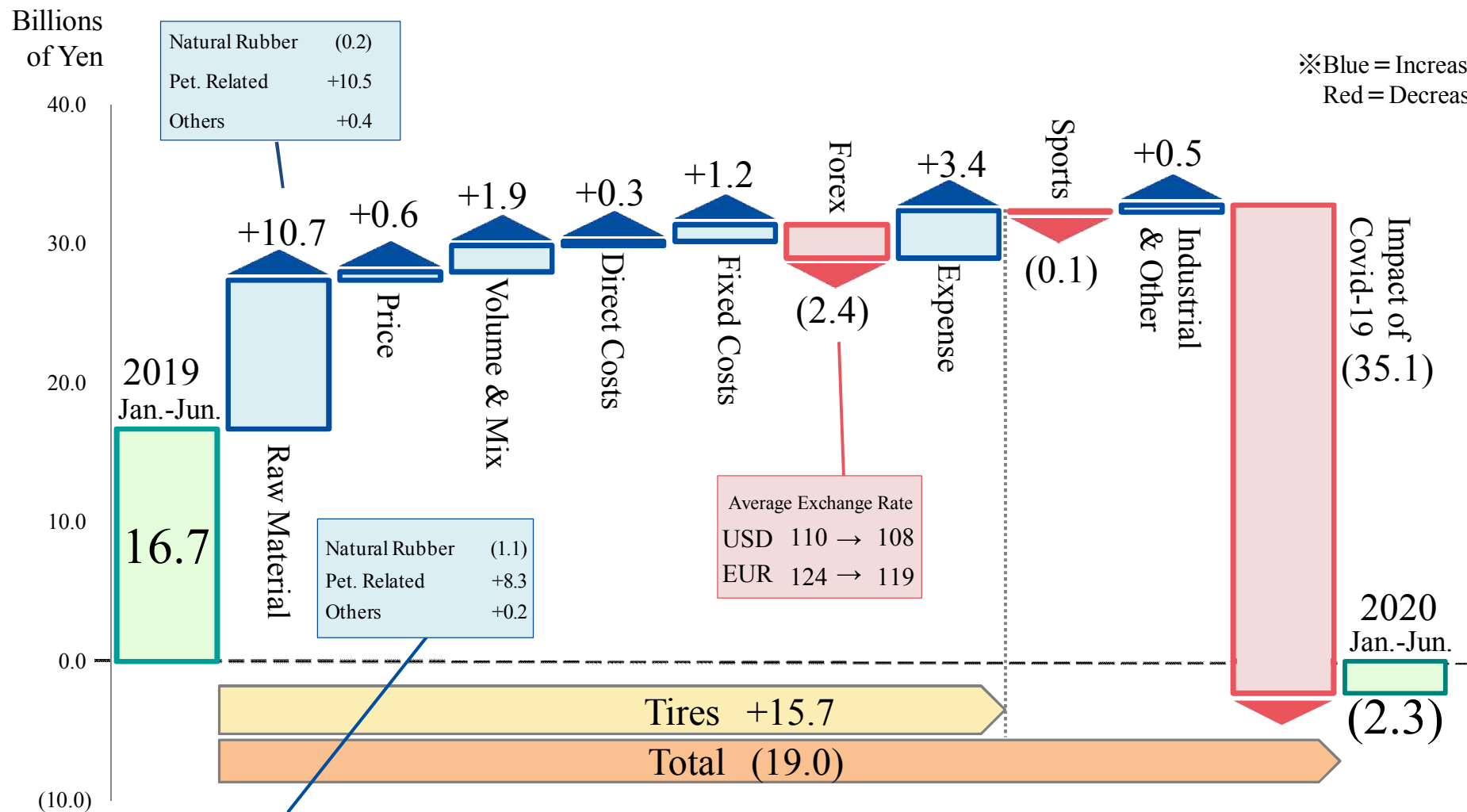
Overseas Sales Revenue (Jan.-Jun.)



Consolidated Sales Revenue	358.9	403.4	425.4	429.3	340.0
% of Overseas	62%	65%	64%	66%	64%

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

Consolidated Business Profit Walk (2020 Jan.-Jun.)



Natural Rubber (0.2)
Pet. Related +10.5
Others +0.4

Natural Rubber (1.1)
Pet. Related +8.3
Others +0.2

Average Exchange Rate
USD 110 → 108
EUR 124 → 119

	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Impact of Covid-19	Total
Feb 13 th Forecast	7.4	0.3	1.1	0.6	(2.5)	(1.6)	(4.8)	(0.3)	(0.2)	-	0.0
2018 → 2019	(0.5)	(1.6)	0.2	(0.2)	(1.7)	(3.4)	(0.8)	(1.3)	(0.9)	-	(10.3)

【Forecast】 Consolidated Financial Results

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Billions of Yen

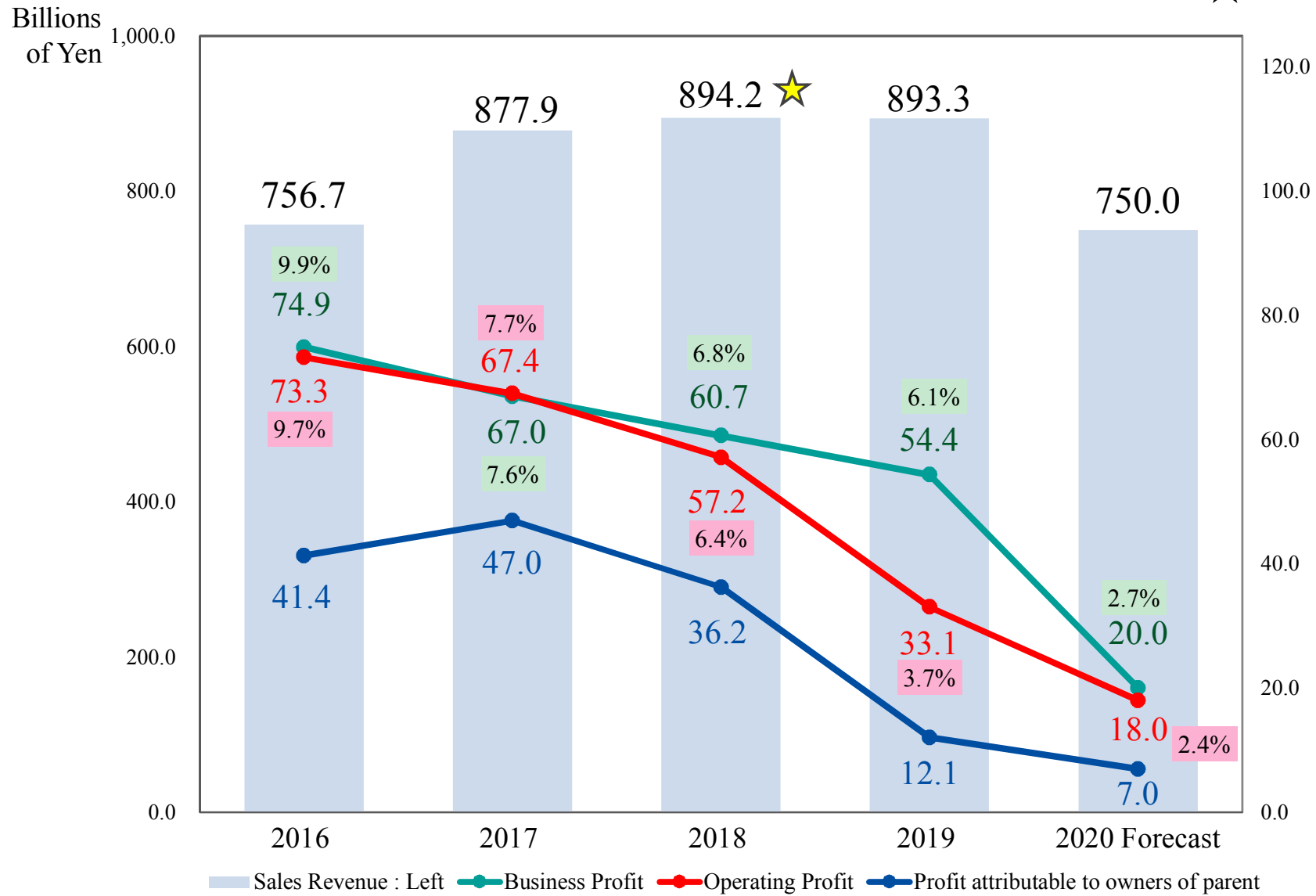
	Revised Forecast 2020	Impact of Covid-19	Actual 2019	YOY	Revised Forecast 2020 Jul.-Dec.	Impact of Covid-19	vs 2019
Sales Revenue	750.0	(167.0)	893.3	84%	410.0	(74.4)	88%
Business Profit (%)	20.0 (2.7%)	(62.8)	54.4 (6.1%)	37%	22.3 (5.4%)	(27.7)	59%
Operating Profit (%)	18.0 (2.4%)	(62.8)	33.1 (3.7%)	54%	21.0 (5.1%)	(27.7)	126%
Profit	7.0	(42.0)	12.1	58%	16.3	(19.0)	284%

ROE	1.6%	2.6%
ROA ※	1.9%	5.2%
D/E Ratio	0.9	0.7

※ ROA : “Business Profit” / “Total Assets”

【Forecast】 Consolidated Sales Revenue / Profit

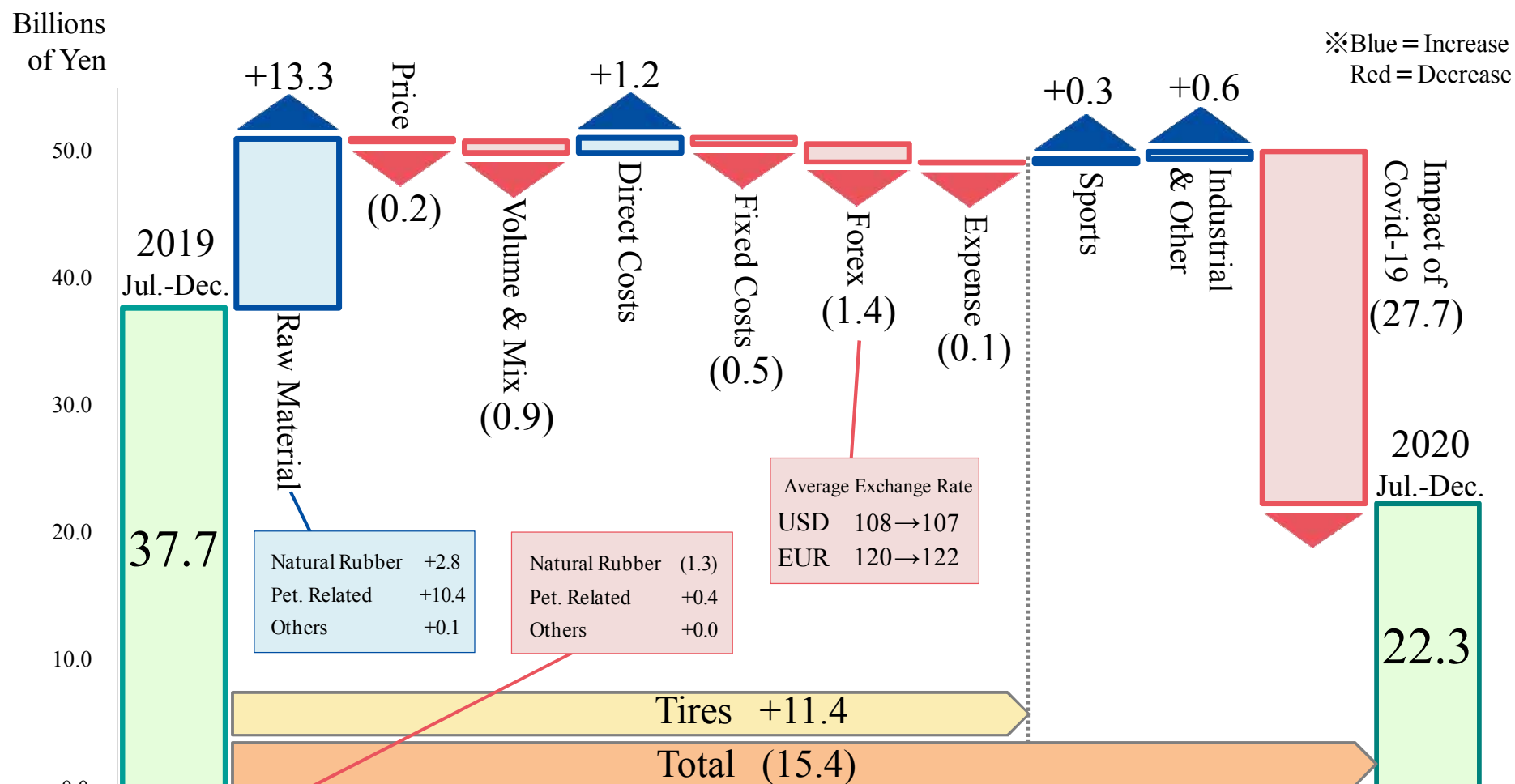
% : Profit % ★ : Record High



Billions of Yen

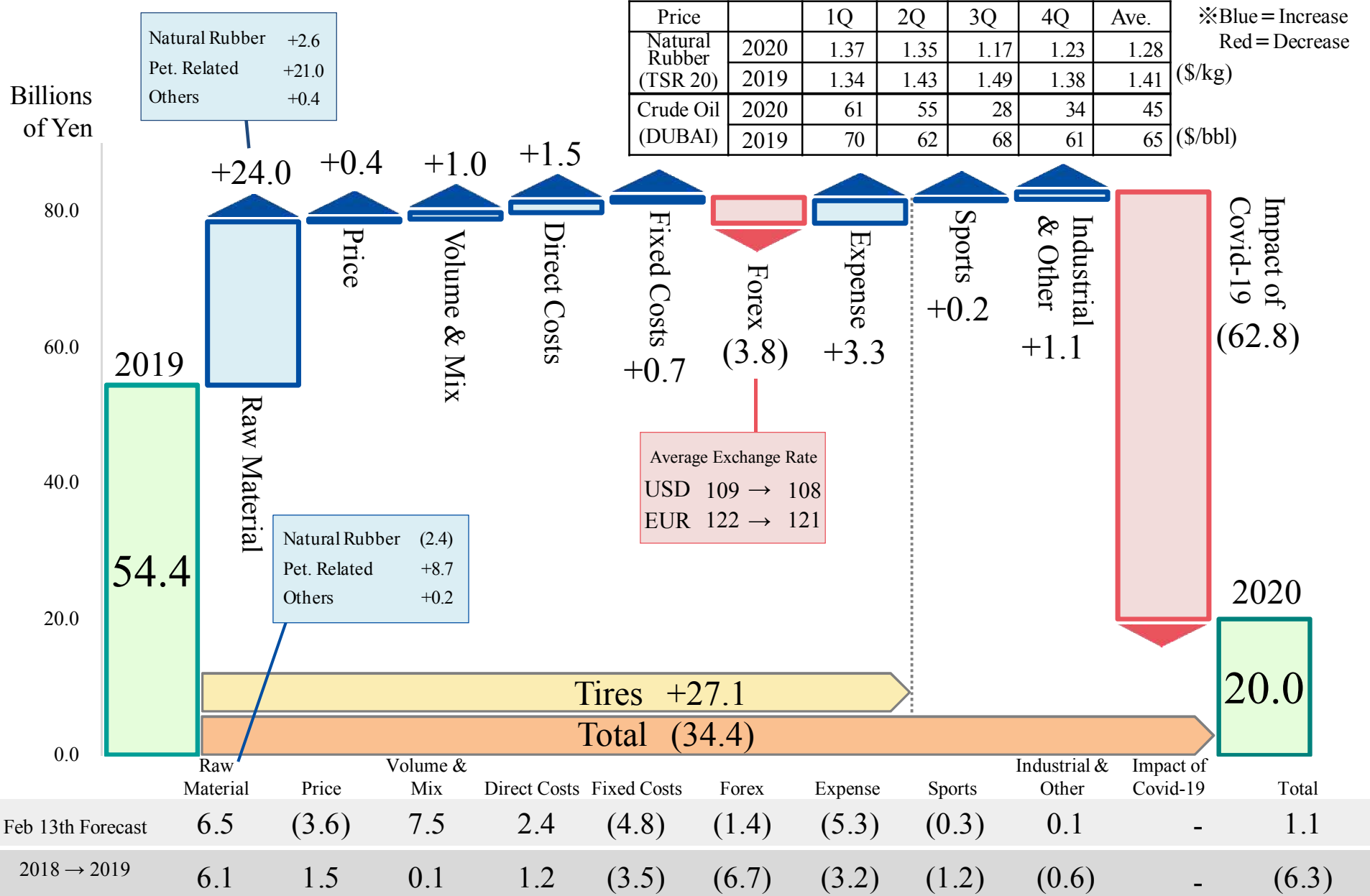
		Revised Forecast 2020	Impact Of Covid-19	Actual 2019	YOY	Revised Forecast Jul.-Dec.	Impact of Covid-19	YOY
Sales Revenue	Tires	645.0	(148.3)	767.6	84%	354.2	(67.8)	88%
	Sports	64.0	(17.3)	84.7	76%	34.2	(5.8)	82%
	Industrial & Other	41.0	(1.4)	41.1	100%	21.6	(0.8)	98%
	Total	750.0	(167.0)	893.3	84%	410.0	(74.4)	88%
Business Profit	Tires	20.0	(53.8)	46.7	43%	20.9	(24.5)	62%
	Sports	(4.0)	(8.5)	4.3	-	(1.1)	(2.9)	-
	Industrial & Other	4.0	(0.5)	3.4	117%	2.5	(0.3)	112%
	Total	20.0	(62.8)	54.4	37%	22.3	(27.7)	59%

【Forecast】 Consolidated Business Profit Walk (2020 Jul.-Dec.)



	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Impact of Covid-19	Total
Feb 13 th Forecast	(0.9)	(3.9)	6.4	1.8	(2.3)	0.2	(0.5)	0.0	0.3	-	1.1
2018 → 2019	6.6	3.1	(0.1)	1.4	(1.8)	(3.3)	(2.4)	0.1	0.3	-	3.9

【Forecast】 Consolidated Business Profit Walk (2020 Annual)



Consolidated Business Profit Analysis by Factors

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Billions of Yen

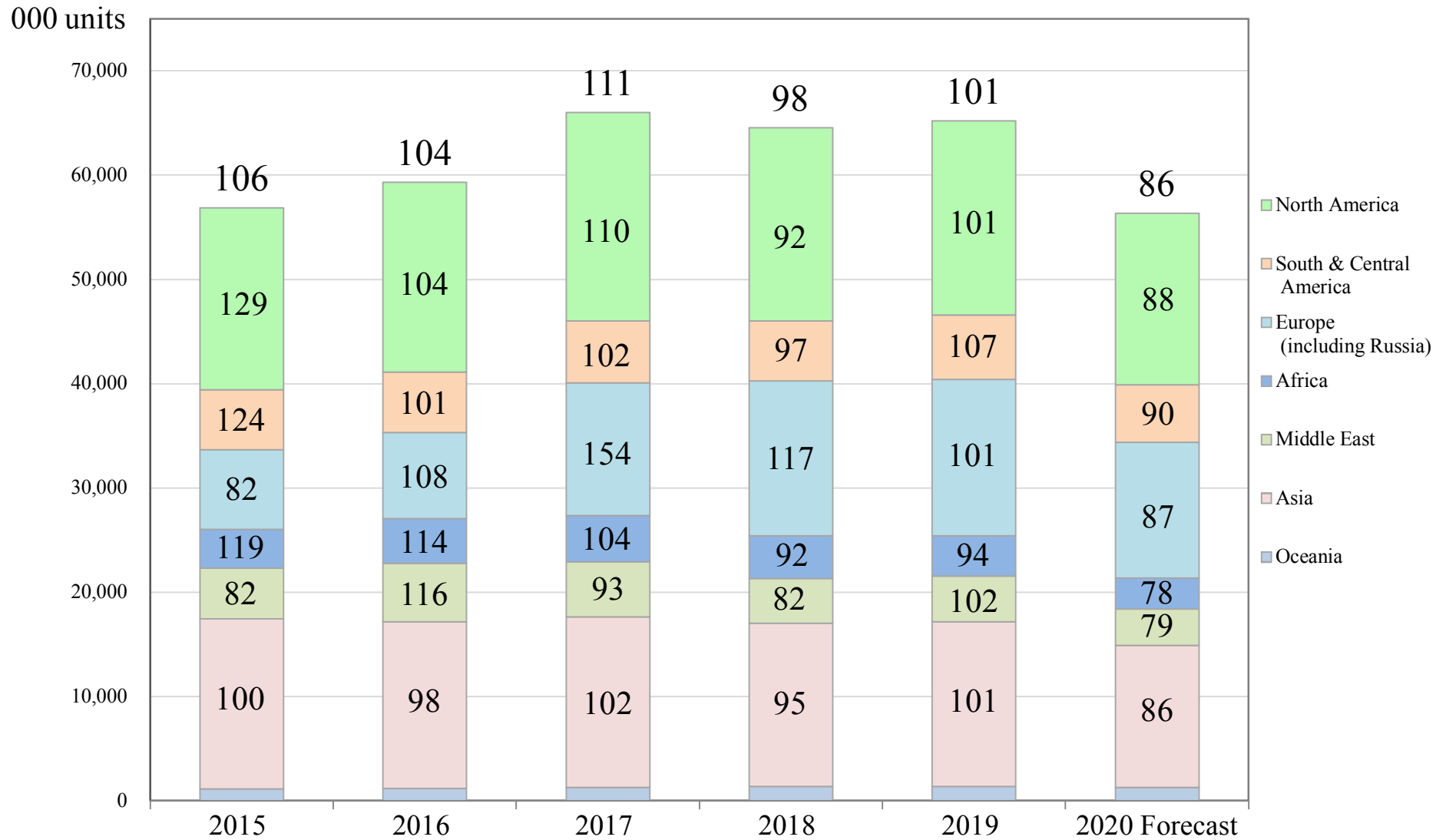
Period	Business Profit		Factors										
		vs previous year	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Impact of Covid-19	
2019	Jan.-Mar.	5.8	(8.5)	(1.8)	(1.2)	0.8	(0.3)	(1.3)	(2.2)	(1.1)	(0.9)	(0.5)	-
	Apr.-Jun.	10.9	(1.7)	1.3	(0.4)	(0.6)	0.1	(0.4)	(1.2)	0.3	(0.4)	(0.4)	-
	Jul.-Dec.	37.7	3.9	6.6	3.1	(0.1)	1.4	(1.8)	(3.3)	(2.4)	0.1	0.3	-
	Annual	54.4	(6.3)	6.1	1.5	0.1	1.2	(3.5)	(6.7)	(3.2)	(1.2)	(0.6)	-
2020	Jan.-Mar.	2.8	(3.0)	5.4	1.2	(1.4)	1.0	(0.1)	(1.2)	(0.8)	0.8	0.4	(8.2)
	Apr.-Jun.	(5.1)	(16.0)	5.3	(0.6)	3.3	(0.7)	1.3	(1.2)	4.2	(0.9)	0.1	(26.9)
	Jul.-Dec.	22.3	(15.4)	13.3	(0.2)	(0.9)	1.2	(0.5)	(1.4)	(0.1)	0.3	0.6	(27.7)
	Annual	20.0	(34.4)	24.0	0.4	1.0	1.5	0.7	(3.8)	3.3	0.2	1.1	(62.8)

Tire Sales Volume (Comparison %)

		2019 Actual					2020 Jan.-Jun. Actual, Jul.-Dec. Forecast				
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Annual	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Annual
Domestic O.E.		106%	108%	103%	95%	103%	92%	54%	81%	91%	80%
Domestic Rep.		94%	94%	112%	79%	93%	95%	90%	70%	99%	88%
Overseas O.E.		110%	106%	107%	104%	107%	72%	54%	72%	82%	70%
Overseas Rep.		102%	105%	103%	96%	101%	93%	67%	87%	98%	86%
Details	North America	103%	105%	101%	96%	101%	96%	66%	90%	101%	88%
	Europe	105%	98%	103%	98%	101%	90%	65%	89%	101%	87%
	Asia	101%	102%	102%	99%	101%	82%	80%	90%	92%	86%
	Others	97%	114%	105%	91%	102%	105%	59%	80%	97%	84%
Total		102%	103%	105%	93%	101%	90%	67%	81%	95%	83%

Total Tire Sales (000 Units)	29,540	30,290	32,720	31,810	124,360	26,510	20,360	26,430	30,160	103,470
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Tire Overseas Rep. Volume by Regional Segment



Forex(USD)

121

109

112

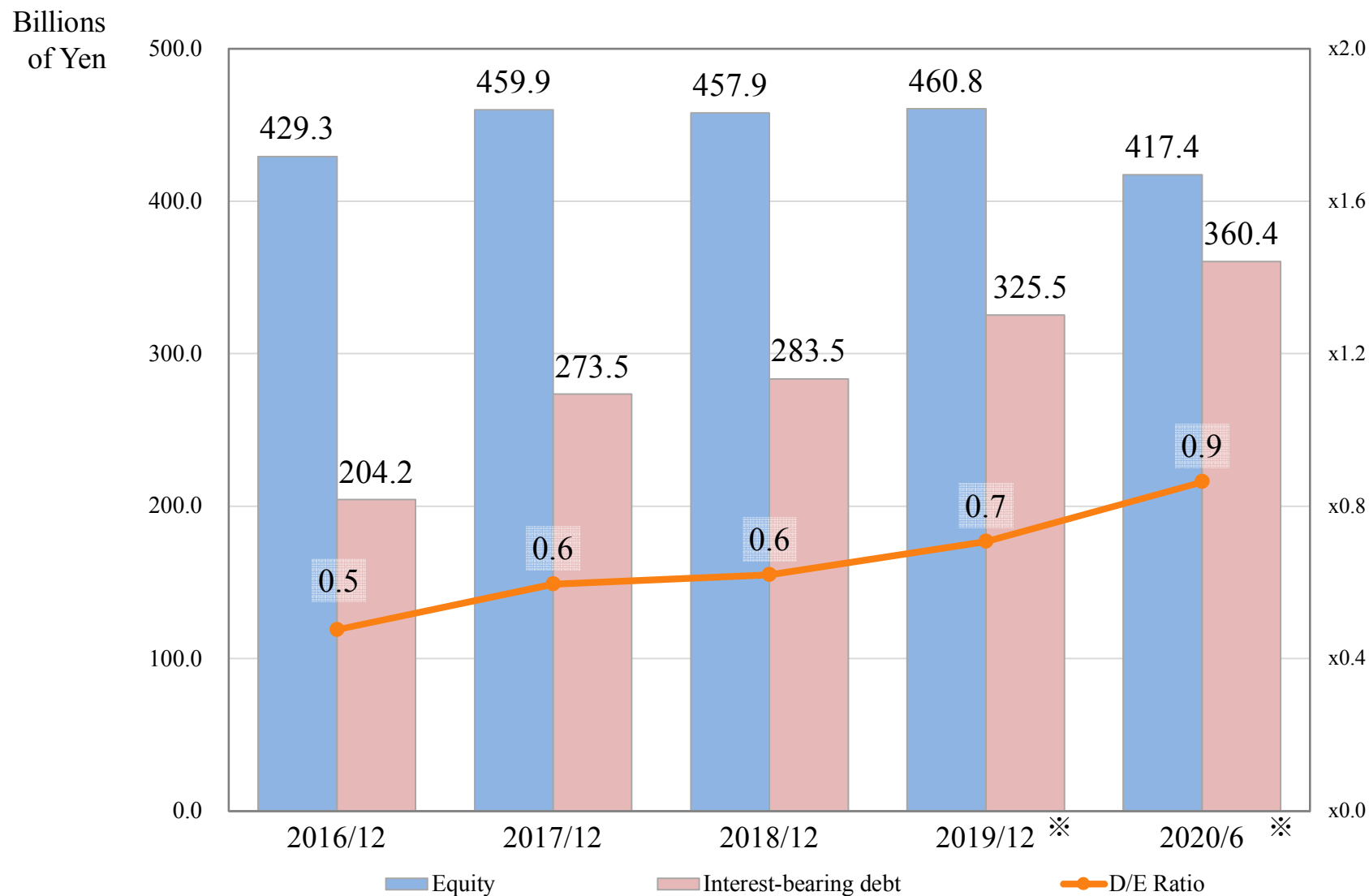
110

109

108

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

Equity / Interest-Bearing Debt



Equity Ratio

47.8%

45.2%

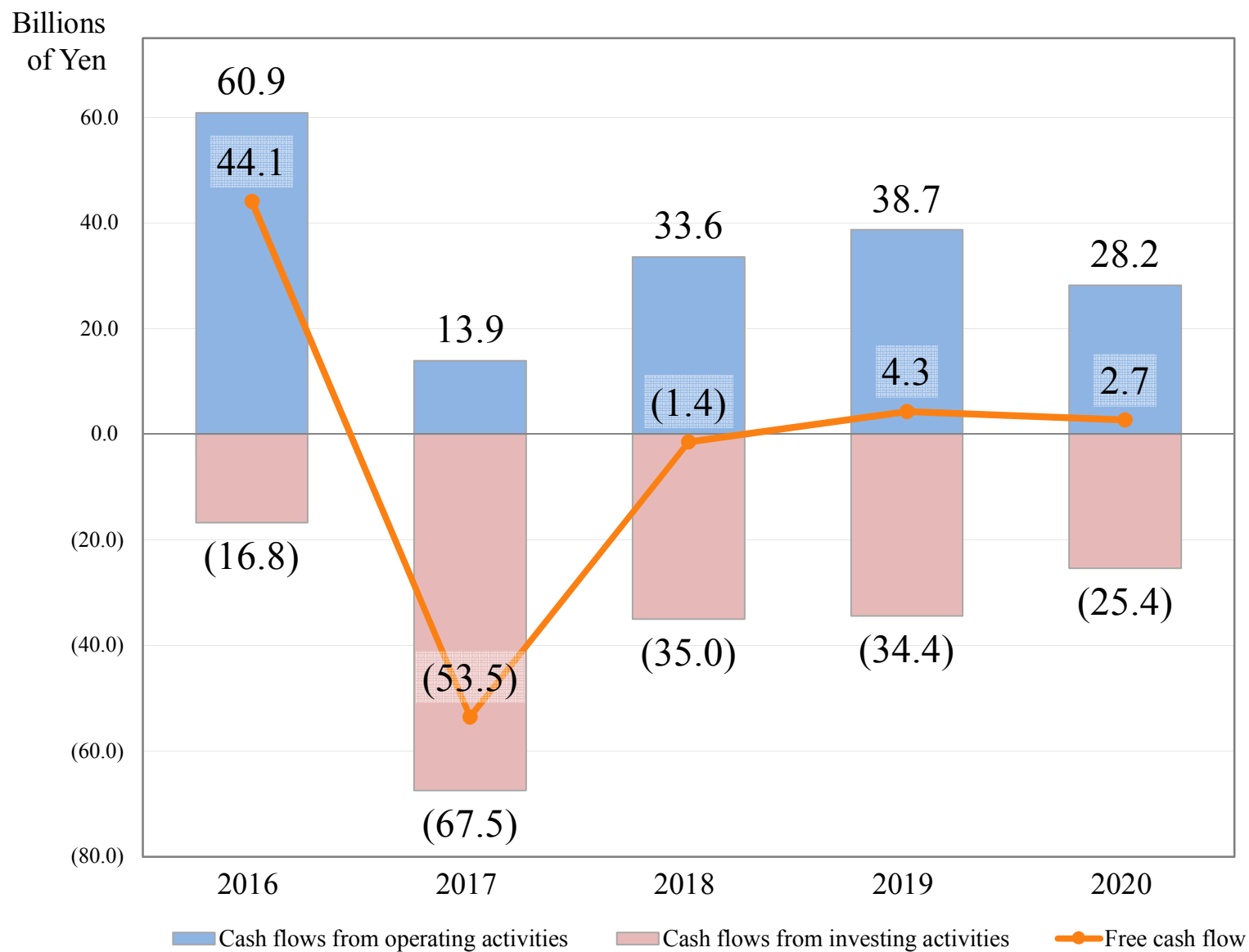
45.7%

44.5%

43.0%

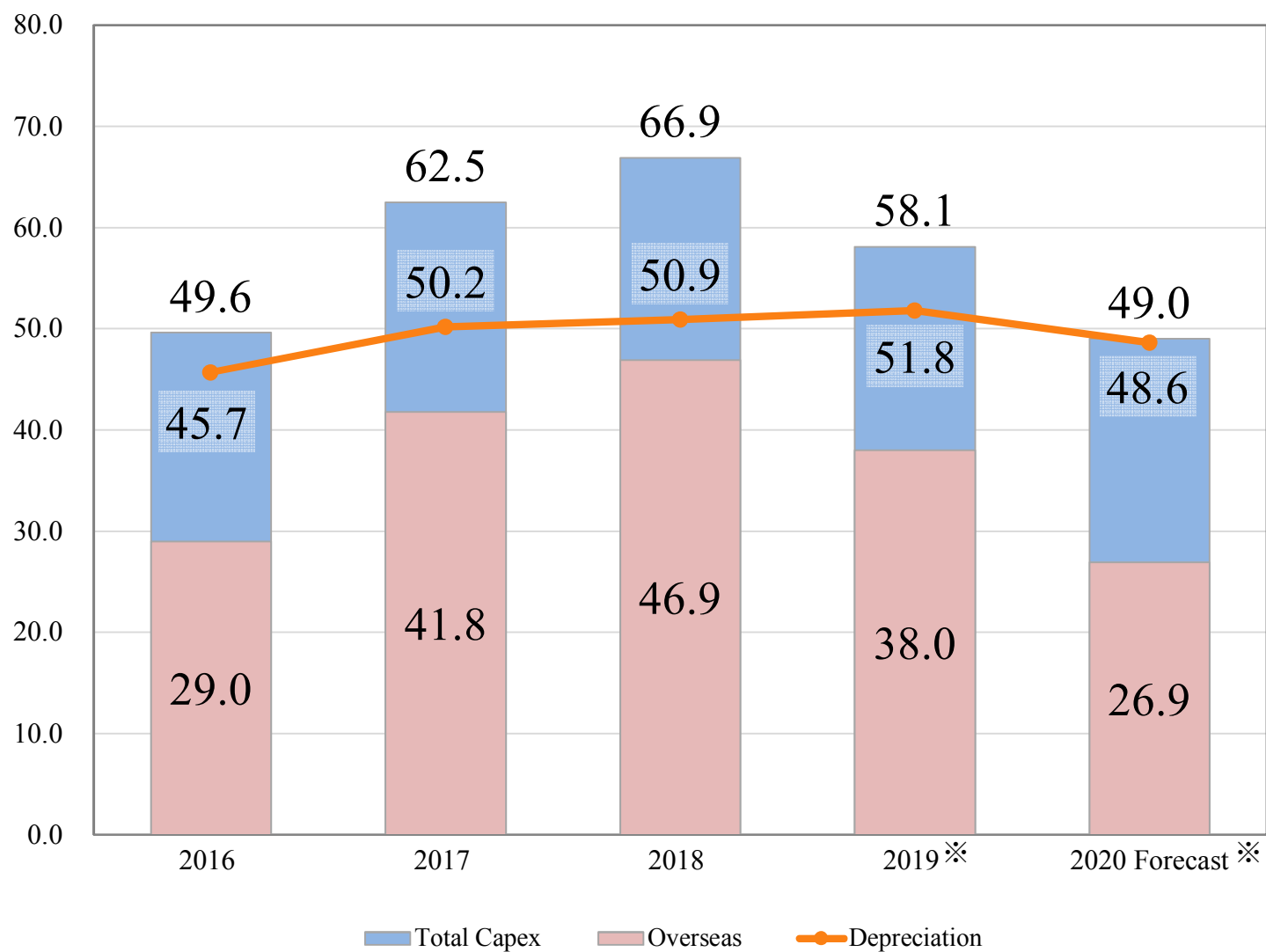
※ IFRS16(Lease) impact is included.

Cash Flows (2020 Jan.-Jun.)



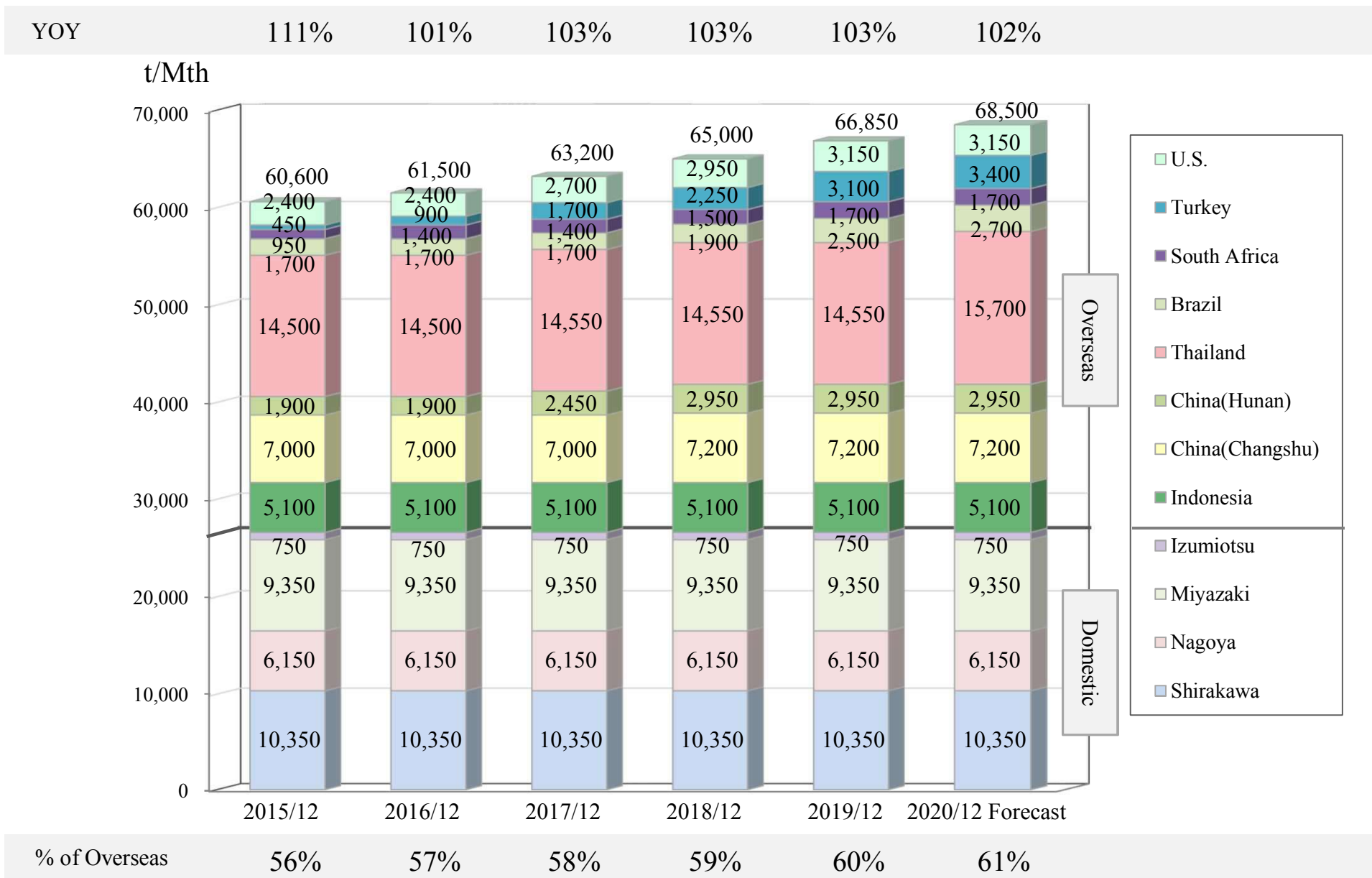
Capex and Depreciation (Tangible Assets Only)

Billions
of Yen



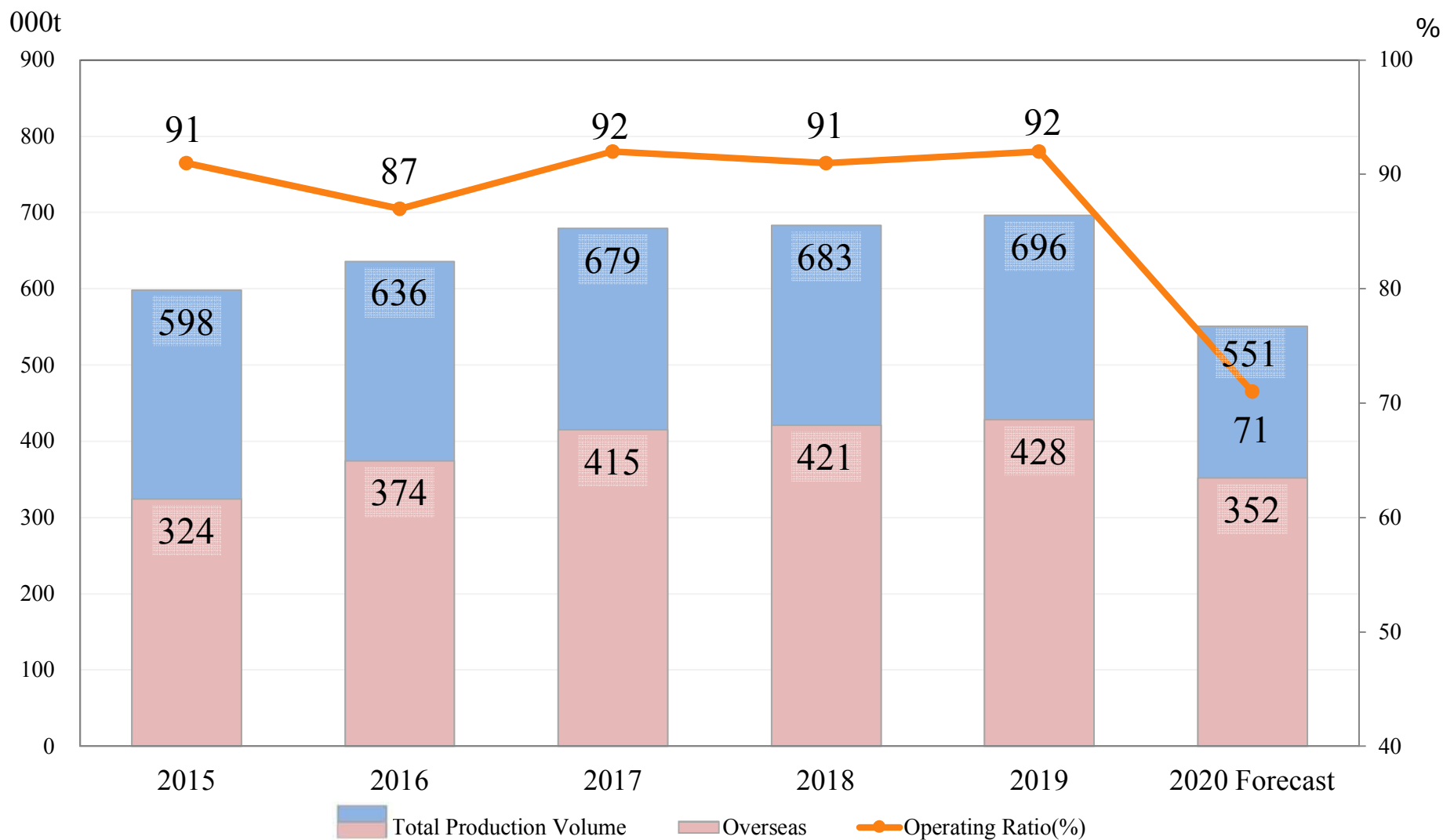
*IFRS 16 (Lease) impact is not included.

Tire Production Capacity



Tire Production Volume and Operating Ratio

YOY 102% 106% 107% 101% 102% 79%





VEURO
VE304



WINTER
MAXX 03



SPORTMAX
ROADSMART IV



WILDPEAK
A/T 3W



String for tennis

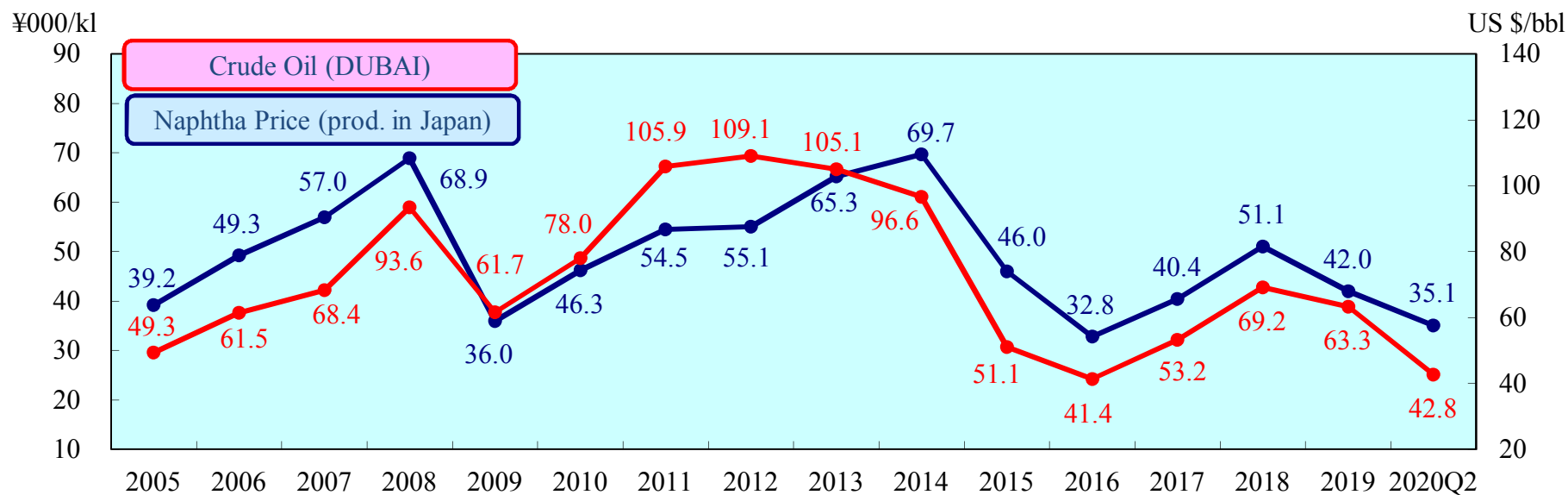
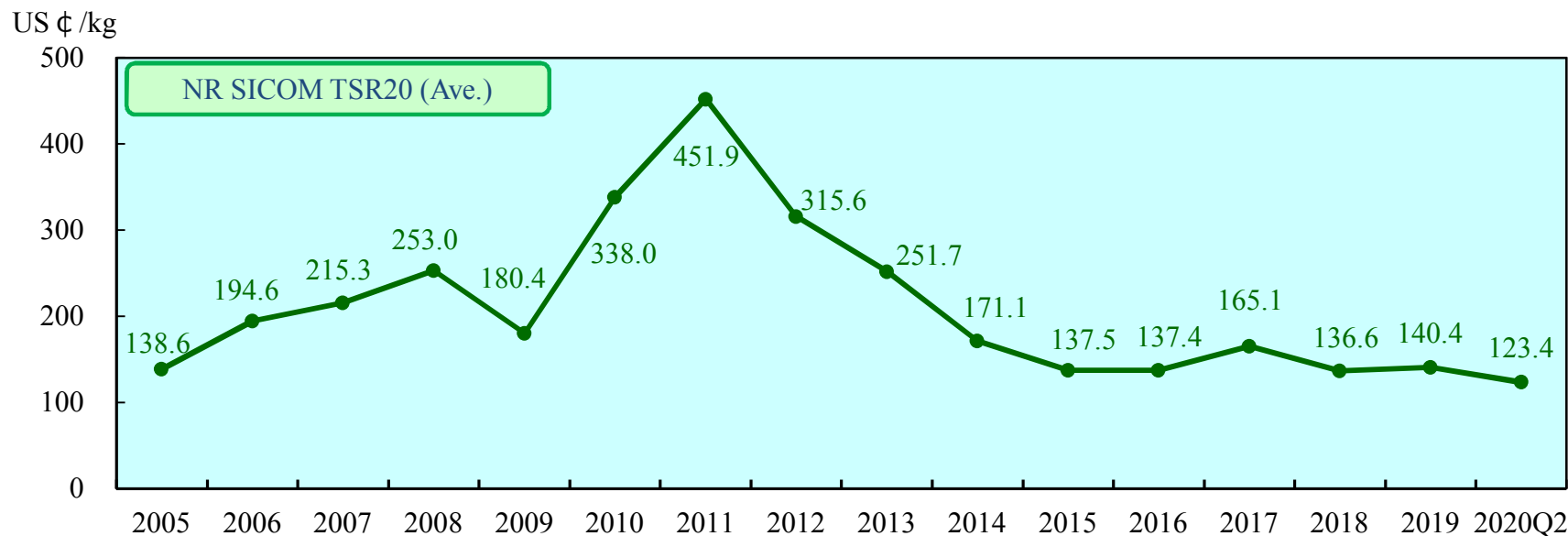


XXIO Eleven • XXIO X-eks-



SRIXON X²

Market Price : Natural Rubber / Crude Oil / Naphtha



END

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