

Value Creation Model

Our Beliefs

A unique belief in the material possibilities of rubber. A track record of multiple world firsts through industry-leading rubber technology and beyond that, relentless dedication to the innovation and development of new technologies. A singular focus on creating value that exceeds expectations in response to the trust our customers and society place in us. Supporting individuals, society, and the future; creating a future of joy and well-being for all through innovation. We are Sumitomo Rubber Industries, and this is what we are for.

The Sumitomo Rubber Group is committing a variety of management resources, both internal and external, to growing the business. Today, based on its newly formulated Midterm Plan, it is leading the way to further enhancements in economic and societal corporate value, with the aim of contributing to the sustainable development of society.

Key Management Resources (fiscal 2020)

Financial Capital
Sound financial position and stable earnings structure

Total assets	Total equity
¥974.8 billion	¥467.1 billion

Manufactured Capital
Diverse production network covering Japan and overseas

Domestic	Foreign
6 bases	16 bases

Human Capital
Diverse human resources in which the Sumitomo Business Spirit has taken root

Number of consolidated employees **39,298**

Intellectual Capital
Abundant intellectual property to drive the next phase of growth

R&D expenses **¥24.2 billion**

Social Capital
Steadily building favorable relationships with all stakeholders

The number of tires sold	The number of countries in which we engage in tire sales
108.83 million	159

Natural Capital
Efficient use of environmental resources to reduce environmental impact and realize a recycling-based society

CO₂ emissions	Water usage
1,018 kt-CO ₂ e	13,068,000 m ³

Business Activities and Growth Strategy

Current Business Activities

Composition of Sales Revenue by Business Segment

Sports Business	8.9%
Tire Business	86.0%
Industrial and Other Products Business	5.1%

Overseas Sales Ratio 63.8%

Composition of Sales Revenue by Region

Japan	36.2%
North America	19.8%
Europe	14.6%
Asia	18.2%
Others	11.2%

Tire Business [▶ p.31](#)
Provides a variety of tires for passenger cars, trucks, buses and motorcycles in Japan and overseas.

Sports Business [▶ p.33](#)
Manufactures and sells golf clubs, golf balls, tennis rackets and tennis balls, and manages fitness club businesses.

Industrial and Other Products Business [▶ p.35](#)
Provides items ranging from daily life supplies, such as rubber gloves and products used in care-giving, to industrial materials, including artificial turf, rubber parts for medical applications, and vibration control dampers.

Value Driver

- Developing & Promoting Sales of Advanced Products
- Creating New Value
- Promoting ESG Management

Current Status and Medium-Term Targets

Economic Value

Target Indices	Fiscal 2020	Target Vision for 2025 Performance
Growth Potential Sales Revenue	¥790.8 billion	→ At Least ¥1 Trillion
Profit Potential Business Profit	¥43.4 billion	→ At Least ¥100 Billion
Invested Capital Profit Potential ROE	4.9%	→ At Least 10%
Financial Soundness D/E ratio	0.6 times	→ 0.5 times or Lower

Societal Value

Contribution to the United Nations Sustainable Development Goals (SDGs)
Realizing a sustainable society

Enhance our economic value → ESG (Environmental, social and governance issues) → Enhance our societal value

Economic value + Societal value = Sustainable growth and value creation

Our Philosophy | **The Sumitomo Business Spirit**

Societal value being created

Create solutions that offer safety, comfort, and high performance

Contribute to the next-generation mobility society via the development of new technologies and products

Help curb environmental burden through our business operations and participation in community activities

Promote diversity & inclusion

Deliver improved value to stakeholders