

Financial Section

Consolidated Financial/Non-financial Data

Millions of yen

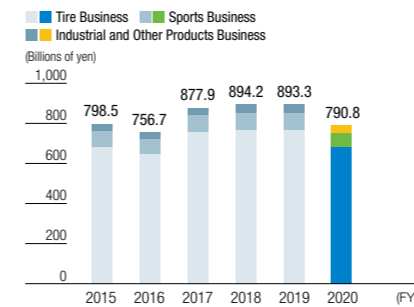
Years ended December 31	IFRS						
	2015	2016	2017	2018	2019	2020	
Earnings for the year:							
Sales revenue	798,483	756,696	877,866	894,243	893,310	790,817	
Overseas sales ratio (%)	59	59	63	63	63	64	
Cost of sales	528,393	499,650	611,185	632,756	637,658	558,638	
Selling, general and administrative expenses	191,237	182,130	199,706	200,806	201,261	188,791	
Business profit**	78,853	74,916	66,975	60,681	54,391	43,388	
Business profit ratio (%)	9.9	9.9	7.6	6.8	6.1	5.5	
Operating profit	89,173	73,284	67,449	57,155	33,065	38,701	
Operating profit ratio (%)	11.2	9.7	7.7	6.4	3.7	4.9	
Profit attributable to owners of the parent**	71,976	41,364	46,979	36,246	12,072	22,596	
Profit attributable to owners of the parent to sales (%)	9.0	5.5	5.4	4.1	1.4	2.9	
Financial position at year-end:							
Total assets	932,432	897,634	1,018,266	1,002,383	1,035,484	974,805	
Total equity	451,837	459,541	490,886	472,807	475,537	467,097	
Total equity attributable to owners of parent	422,287	429,316	459,907	457,927	460,800	454,743	
Interest-Bearing Debt	261,867	204,218	273,452	283,482	325,490	276,739	
Cash flows for the year:							
Cash flows from operating activities	86,864	128,190	76,109	82,820	91,458	123,504	
Cash flows from investing activities	(30,672)	(42,144)	(100,724)	(65,494)	(63,417)	(45,594)	
Free cash flows	56,192	86,046	(24,615)	17,326	28,041	77,910	
Cash flows from financing activities	(52,707)	(71,055)	21,706	(2,122)	(40,979)	(61,881)	
Related information:							
Capital expenditures	58,911	49,606	62,494	66,857	58,129	41,923	
Depreciation and amortization	51,419	51,248	56,010	57,365	67,941	67,665	
R&D expenses	23,372	24,257	25,720	25,780	26,198	24,215	
Management-related and financial data:							
Tire sales volume (millions of tires)	109.62	112.64	123.47	123.61	124.36	108.83	
ROE (%)	17.5	9.7	10.6	7.9	2.6	4.9	
ROA (%) (business profit base)	8.4	8.2	7.0	6.0	5.2	4.3	
D/E ratio (times)	0.6	0.5	0.6	0.6	0.7	0.6	
Ratio of equity attributable to owners of parent (%)	45.3	47.8	45.2	45.7	44.5	46.6	
Sustainability-related indicators:							
Number of trees planted (thousands of trees)	77	72	44	51	39	19	
Total CO ₂ Emissions (global environmental data of domestic and overseas factories) (kt-CO ₂ e)	786	1,011	1,036	1,073	1,095	1,018	
Employees at ISO 14001 certified sites as a percentage of all employees (%)	79	89	84	84	86	79	
Number of Japanese and foreign patents (number of patents held)	7,849	8,745	9,183	9,199	9,156	10,063	
Tire production capacity (tons/month)	60,600	61,500	63,200	65,000	66,850	68,500	
Number of employees in Japan and overseas	33,197	33,792	36,650	37,852	39,233	39,298	
Number of employees using childcare leave system (Sumitomo Rubber Industries, Ltd. (non-consolidated basis))	16	23	20	29	33	30	
Ratio of new female employees to the total number of new employees (Sumitomo Rubber Industries, Ltd. (non-consolidated basis)) (%)	29	30	28	27	26	26	
Ratio of female employees to the total number of employees (Sumitomo Rubber Industries, Ltd. (non-consolidated basis)) (%)	7	8	8	9	11	11	
Ratio of female managers to the total number of managers	2.2	2.1	2.6	2.7	3.1	3.3	
Average years of service (Sumitomo Rubber Industries, Ltd. (non-consolidated basis))	Men (years)	16.8	16.7	16.4	16.3	16.1	16.2
Women (years)	13.3	13.3	13.0	12.6	12.2	12.5	
Number of complaints and whistleblowing incidents filed by employees with the Corporate Ethics Helpline (Compliance Consultation office) (Sumitomo Rubber Industries, Ltd. (non-consolidated basis)) (cases)	14	13	13	23	25	29	
Total amount of CSR Fund subsidy (thousand yen)	6,940	6,960	7,850	8,930	11,090	13,140	

*1 Defined by Sumitomo Rubber Industries, Ltd. as its primary management indicator, business profit is calculated using the following formula: Sales revenue - (Cost of sales + Selling, general and administrative expenses)

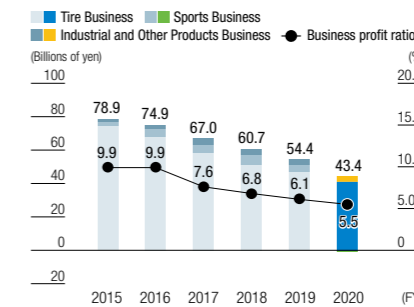
*2 Profit attributable to owners of the parent as calculated under IFRS

Main Financial Indicators (Fiscal 2020)

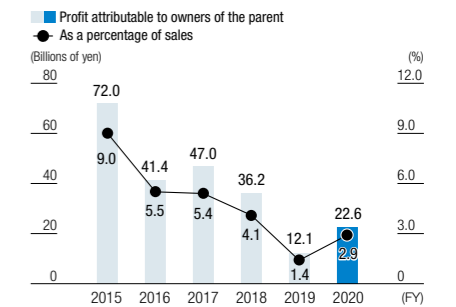
Sales Revenue



Business Profit (Ratio)*

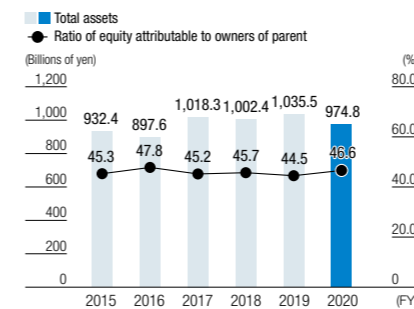


Profit Attributable to Owners of the Parent (Ratio)

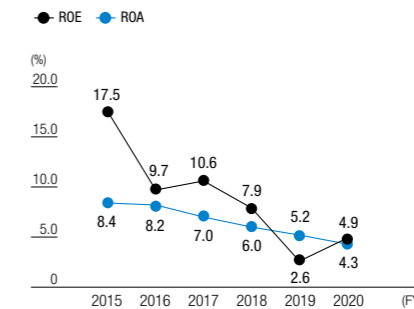


*Business profit = Sales revenue - (Cost of sales + Selling, general and administrative expenses)

Total Assets / Ratio of Equity Attributable to Owners of Parent



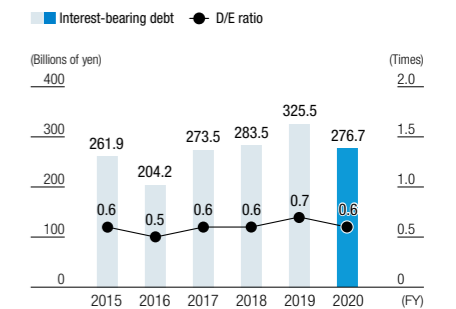
ROE*1 and ROA*2 (business profit base)



*1 ROE = (Net income / Average of total equity at the beginning and end of the fiscal year) x 100

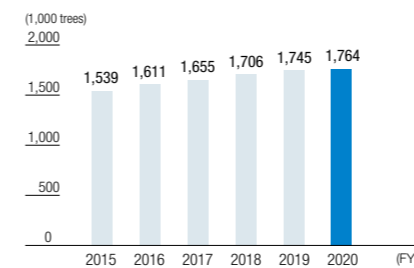
*2 ROA = (Business profit / Average of total assets at the beginning and end of the fiscal year) x 100

Interest-Bearing Debt / D/E Ratio

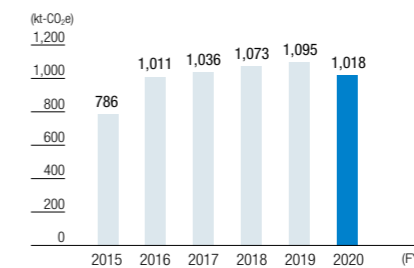


Sustainability-Related Indicators (Fiscal 2020)

Trees Planted (fiscal year cumulative basis)

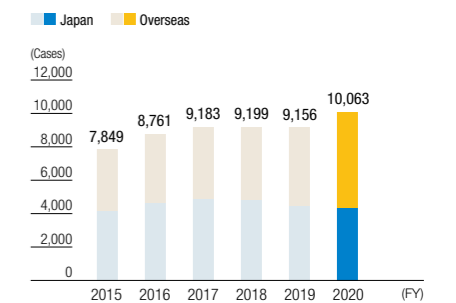


Global Environmental Data (total CO₂ emissions)

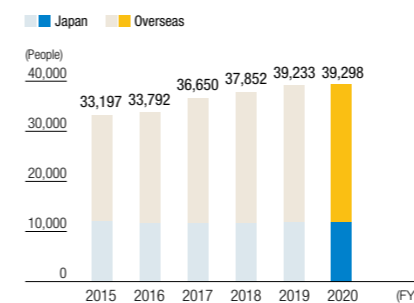


Note: Figure for fiscal 2016 increased substantially due to the inclusion of six overseas bases (Brazil, South Africa, United States, Turkey, Switzerland, and Germany).

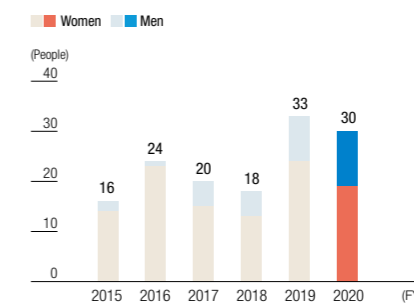
Number of Japanese and Foreign Patents



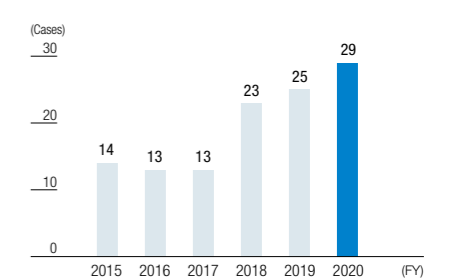
Number of Employees in Japan and Overseas



Number of Employees Using Childcare Leave System



Number of Complaints and Whistleblowing Incidents Filed by Employees with the Corporate Ethics Helpline (Compliance Consultation office)



Consolidated Statement of Financial Position

	Millions of yen	
	Fiscal 2019 (As of December 31, 2019)	Fiscal 2020 (As of December 31, 2020)
Assets		
Current assets		
Cash and cash equivalents	60,631	74,203
Trade and other receivables	190,261	179,635
Other financial assets	1,314	1,399
Inventories	182,769	151,253
Other current assets	25,079	30,162
Total current assets	460,054	436,652
Non-current assets		
Property, plant and equipment	420,924	389,184
Goodwill	26,547	23,378
Intangible assets	43,445	41,402
Investments accounted for using equity method	4,258	4,323
Other financial assets	33,440	33,159
Net defined benefit asset	29,352	32,451
Deferred tax assets	14,798	13,449
Other non-current assets	2,666	807
Total non-current assets	575,430	538,153
Total assets	1,035,484	974,805
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	106,644	62,256
Trade and other payables	127,040	123,261
Other financial liabilities	12,446	12,816
Income tax payable	4,851	7,790
Provisions	835	1,170
Other current liabilities	37,031	38,835
Total current liabilities	288,847	246,128
Non-current liabilities		
Bonds and loans payable	157,589	155,177
Other financial liabilities	49,716	48,164
Net defined benefit liability	21,833	22,202
Provisions	1,565	2,189
Deferred tax liabilities	17,570	11,282
Other non-current liabilities	22,827	22,566
Total non-current liabilities	271,100	261,580
Total liabilities	559,947	507,708
Equity		
Capital stock	42,658	42,658
Capital surplus	39,486	39,486
Retained earnings	444,783	461,720
Treasury stock	(75)	(77)
Other components of equity	(66,052)	(89,044)
Total equity attributable to owners of parent	460,800	454,743
Non-controlling interests	14,737	12,354
Total equity	475,537	467,097
Total liabilities and equity	1,035,484	974,805

Consolidated Statement of Income

	Millions of yen	
	Fiscal 2019 (Jan. 1 to Dec. 31, 2019)	Fiscal 2020 (Jan. 1 to Dec. 31, 2020)
Sales revenue	893,310	790,817
Cost of sales	(637,658)	(558,638)
Gross profit	255,652	232,179
Selling, general and administrative expenses	(201,261)	(188,791)
Business profit	54,391	43,388
Other income	2,427	3,818
Other expenses	(23,753)	(8,505)
Operating profit	33,065	38,701
Financial income	2,173	1,735
Financial expenses	(7,988)	(10,733)
Equity in earnings of affiliates	45	68
Profit before tax	27,295	29,771
Income tax expenses	(14,124)	(6,761)
Profit for the year	13,171	23,010
Profit attributable to:		
Owners of parent	12,072	22,596
Non-controlling interests	1,099	414
Profit for the year	13,171	23,010
Earnings per share		
Basic earnings per share (yen)	45.90	85.92

Consolidated Statement of Cash Flows

	Millions of yen	
	Fiscal 2019 (Jan. 1 to Dec. 31, 2019)	Fiscal 2020 (Jan. 1 to Dec. 31, 2020)
Cash flows from operating activities	91,458	123,504
Cash flows from investing activities	(63,417)	(45,594)
Cash flows from financing activities	(40,979)	(61,881)
Effect of exchange rate change on cash and cash equivalents	(957)	(2,457)
Net increase (decrease) in cash and cash equivalents	(13,895)	13,572
Cash and cash equivalents at the beginning of current period	74,526	60,631
Cash and cash equivalents at the end of current period	60,631	74,203