Financial Report

(January 1 ~ June 30, 2022)

August 8, 2022

SUMITOMO RUBBER INDUSTRIES

Key Subjects

SUMITOMO RUBBER INDUSTRIES

- 2022 2nd Quarter Financial Results Summary
  - Changes in Scope of Consolidation, Affiliated Companies
  - Financial Results Summary
- 2022 Annual Financial Results Forecast
  - Financial Results Forecast Summary
  - Capex, Depreciation, Tire Production Capacity etc.
  - Shareholder Returns

Changes in Scope of Consolidation

SUMITOMO RUBBER INDUSTRIES

	Consolidated Subsidiaries 98 (vs 2021 year-end : -)		Equity-method Affiliates 3 (vs 2021 year-end : -)	
	Newly Included +2	Excluded (2)	Newly Included -	Excluded -
Tires	Mid Devon Tyres Limited Darcy's Garage Limited (U.K./Sales)			
Sports		Dunlop International (HK) Limited (Hong Kong/Sales) Dunlop International (Far East) Sdn.Bhd. (Malaysia/Sales)		
Industrial & Other				

Affiliated Companies

SUMITOMO RUBBER INDUSTRIES

	Manufacturing Companies	Sales Companies	Other Companies
Tires	Domestic 1	Domestic 11	Domestic 7
	Overseas 8	Overseas 31	Overseas 6
	Asia Pacific 4 Europe and Africa 2 Americas 2	Asia Pacific 12 Europe and Africa 16 Americas 3	Asia Pacific 2 Europe and Africa 2 Americas 2
Sports	Domestic 1	Domestic 1	Domestic 3
	Overseas 3	Overseas 12	Overseas 7
	Thailand, U.S., Philippines	Malaysia, U.K., Canada, Australia, 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 101

Domestic 28

Overseas 73

Economic Environment and Initiatives of the Group
(2022 Jan.-Jun.)

SUMITOMO RUBBER INDUSTRIES

Economic Environment

- **Uncertain Economic Environment**
  - ・COVID-19
  - ・Ukraine Situation
  - ・Inflationary Pressure
  - ・Restraints on Economic Activities in China
- **Decrease in Automobile Production due to the Shortage of Semiconductors**
- **Soaring Freight Costs and Rising Prices for Raw Materials**

Initiatives of the Group

Strengthening our Competitiveness with a Global Business Framework

- **Pushing Ahead with Group-Wide Projects to Reinforce our Business Foundations**
- **Developing Advanced Products to Meet the Needs of Customers**
- **Enhancing our Brand Value**

→Maximizing the Impact of our Robust Network of Manufacturing and Sales Bases in Major Markets around the World

Accelerate Efforts for Practical Application of our Proprietary SENSING CORE Technology

Consolidated Financial Results (2022 Jan.-Jun.)

SUMITOMO RUBBER INDUSTRIES

Billions of Yen

	2022 Jan.-Mar.	vs 2021	2022 Apr.-Jun.	vs 2021	**2022 Jan.-Jun.**	**vs 2021**	May 13th 2022 Forecast 2022 Jan.-Jun.	2021 Jan.-Jun.
Sales Revenue	250.5	117% + 36.8	261.6	116% + 35.2	**512.1**	**116% + 72.0**	530.0	440.1
Business Profit (%) ※1,3	14.8 5.9%	91% (1.4)	(0.6) -	- (14.5)	**14.2** **2.8%**	**47%** **(15.9)**	15.0 2.8%	30.1 6.8%
Operating Profit (%) ※3	14.2 5.7%	91% (1.4)	(1.6) -	- (14.6)	**12.6** **2.5%**	**44%** **(16.0)**	14.0 2.6%	28.6 6.5%
Profit ※2,3	11.8	110% + 1.1	5.4	55% (4.4)	**17.2**	**84% (3.3)**	13.0	20.5

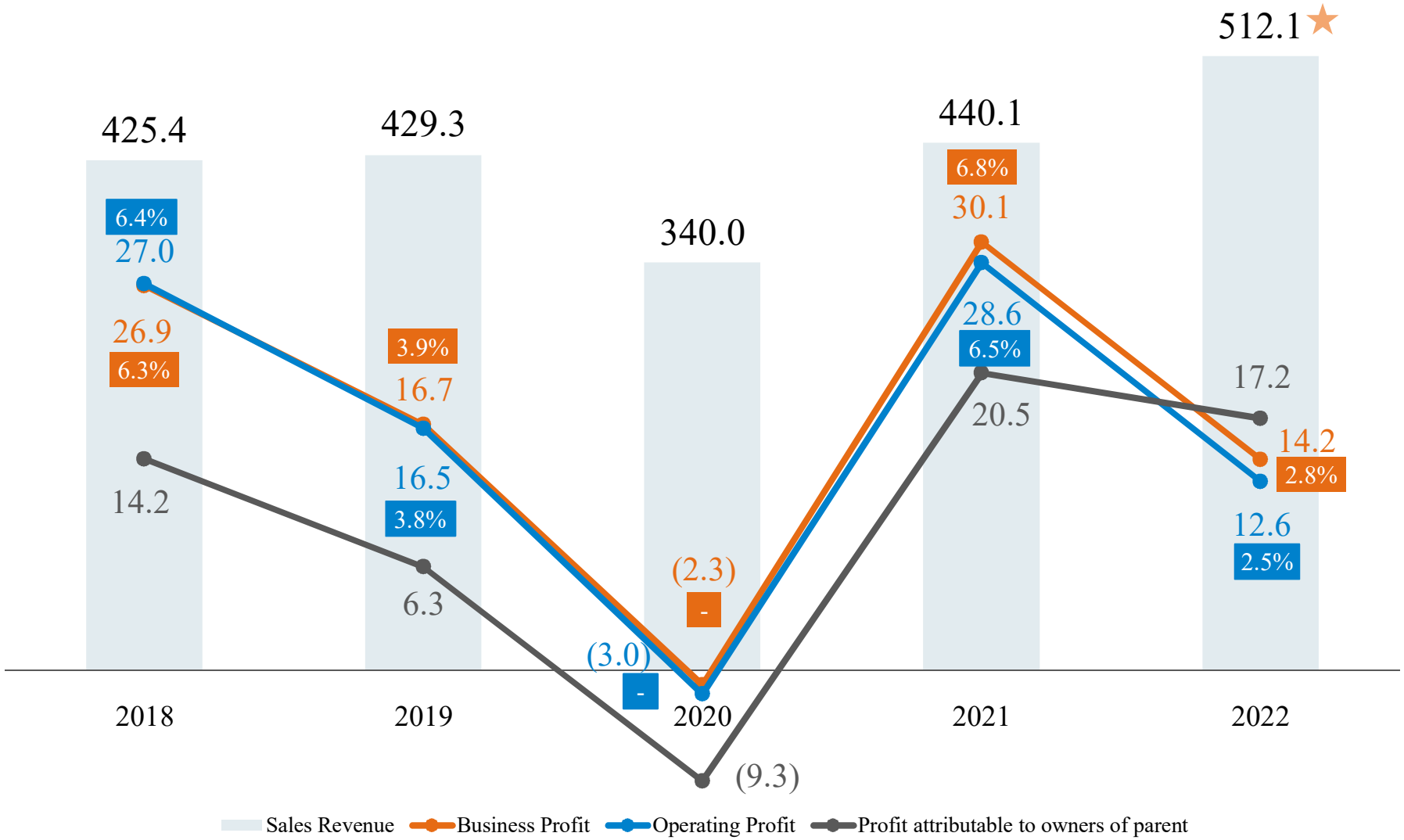
※1. Business Profit : Sales Revenue – (COS + SGA)
※2. Profit : Profit attributable to owners of parent
※3. Accounting adjustments have been applied since this quarter, as pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies”.(Refer to p.27)

The above notes 1,2,3 apply throughout this report.

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

SUMITOMO RUBBER INDUSTRIES

Billions of Yen　% : Profit Ratio　★ : Record High



Consolidated Sales Revenue / Business Profit by Reportable Segment
(2022 Jan.-Jun.)

SUMITOMO RUBBER INDUSTRIES

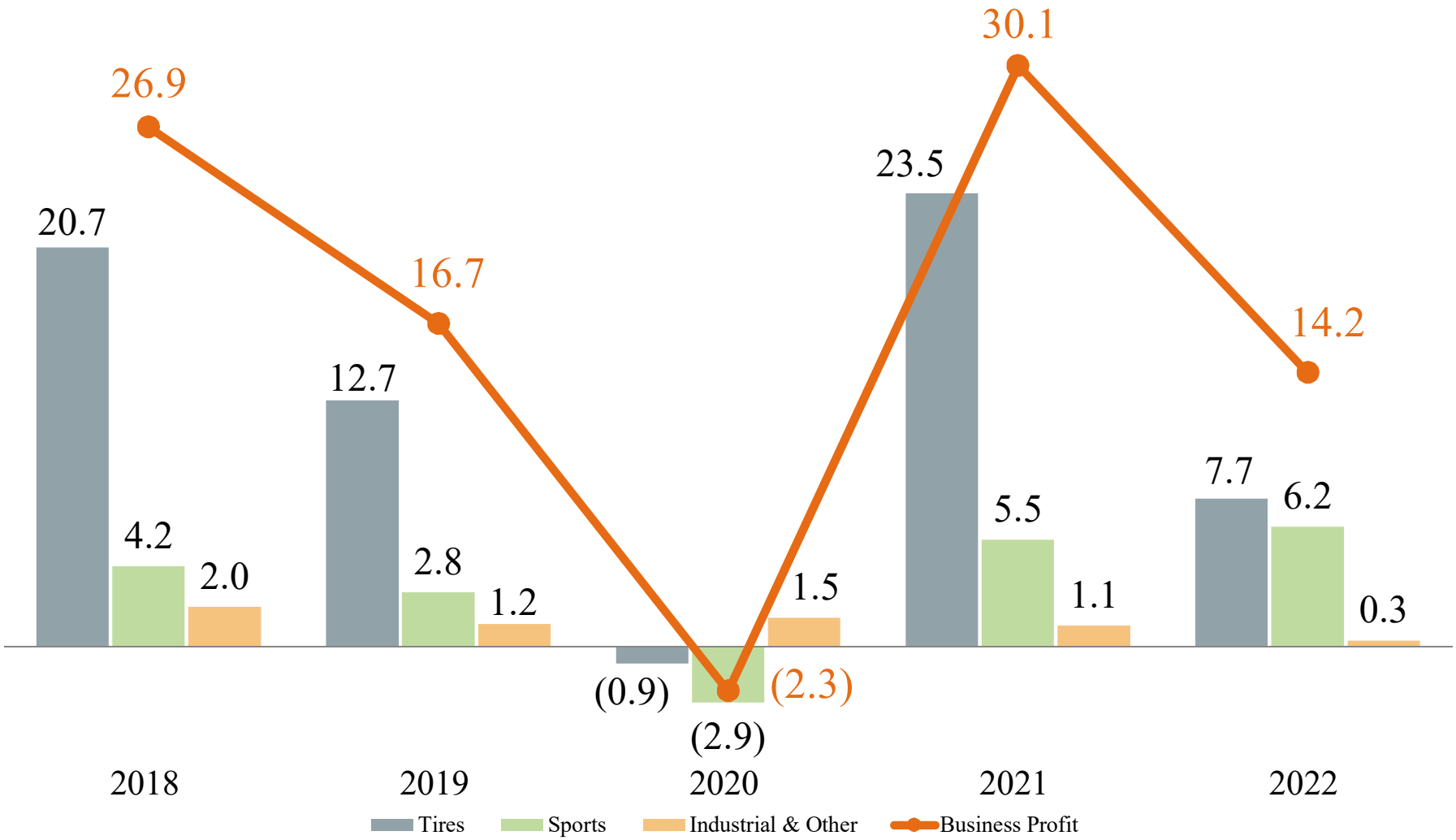
Billions of Yen

		2022 Jan.-Mar.	vs 2021	2022 Apr.-Jun.	vs 2021	**2022 Jan.-Jun.**	**vs 2021**	May 13th 2022 Forecast 2022 Jan.-Jun.	2021 Jan.-Jun.
Sales Revenue	Tires	210.9	117%	220.0	116%	**430.9**	**117%**	451.5	369.3
	Sports	29.7	127%	31.8	113%	**61.5**	**120%**	59.0	51.4
	Industrial & Other	9.9	99%	9.8	105%	**19.7**	**102%**	19.5	19.4
	Total	250.5	117%	261.6	116%	**512.1**	**116%**	530.0	440.1
Business Profit	Tires	10.5	80%	(2.8)	-	**7.7**	**33%**	8.5	23.5
	Sports	4.0	161%	2.2	73%	**6.2**	**113%**	6.0	5.5
	Industrial & Other	0.3	59%	(0.0)	-	**0.3**	**29%**	0.5	1.1
	Total	14.8	91%	(0.6)	-	**14.2**	**47%**	15.0	30.1

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

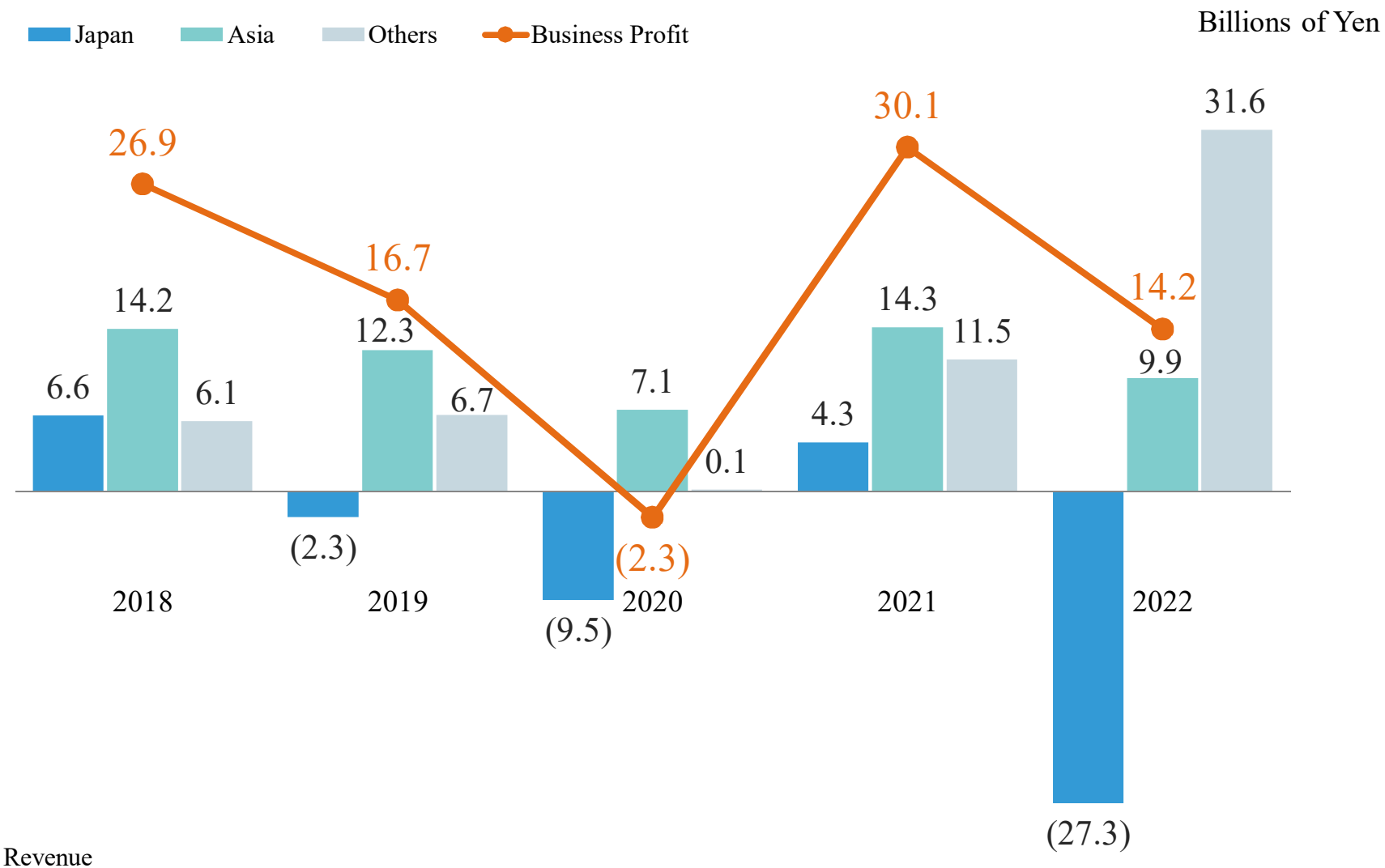
SUMITOMO RUBBER INDUSTRIES

Billions of Yen



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

SUMITOMO RUBBER INDUSTRIES



Sales Revenue

Japan	182.7	183.1	145.6	166.5	174.5
Asia	83.7	79.5	57.8	79.9	86.8
Others	159.0	166.7	136.5	193.7	250.8
Total	425.4	429.3	340.0	440.1	512.1

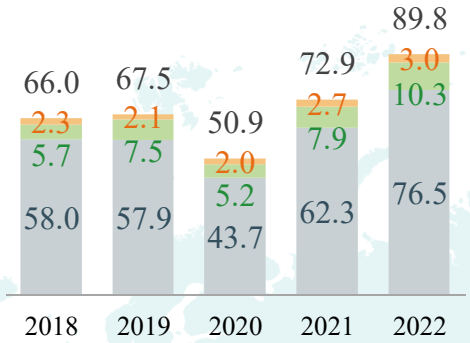
※Sales and Profit for geographic areas on this page are based on sales company's location.

Sales Revenue by Destination (Jan.-Jun.)

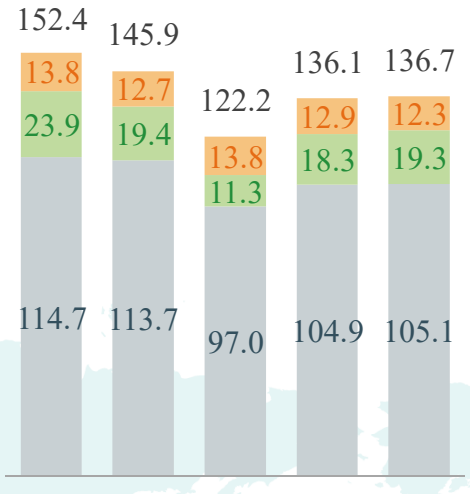
SUMITOMO RUBBER INDUSTRIES

Billions of Yen

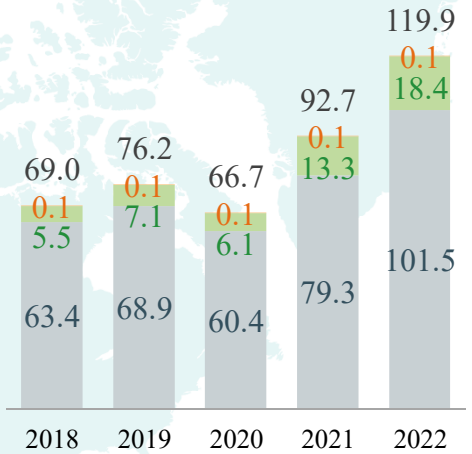
Tires | Sports | Industrial & Other



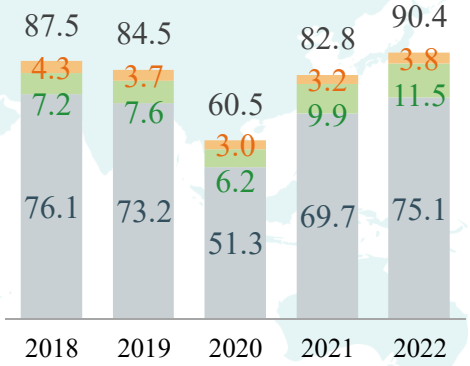
Europe



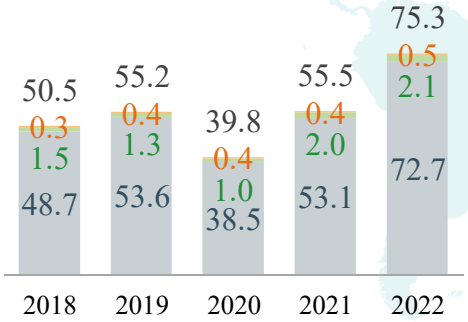
Japan



North America



Asia



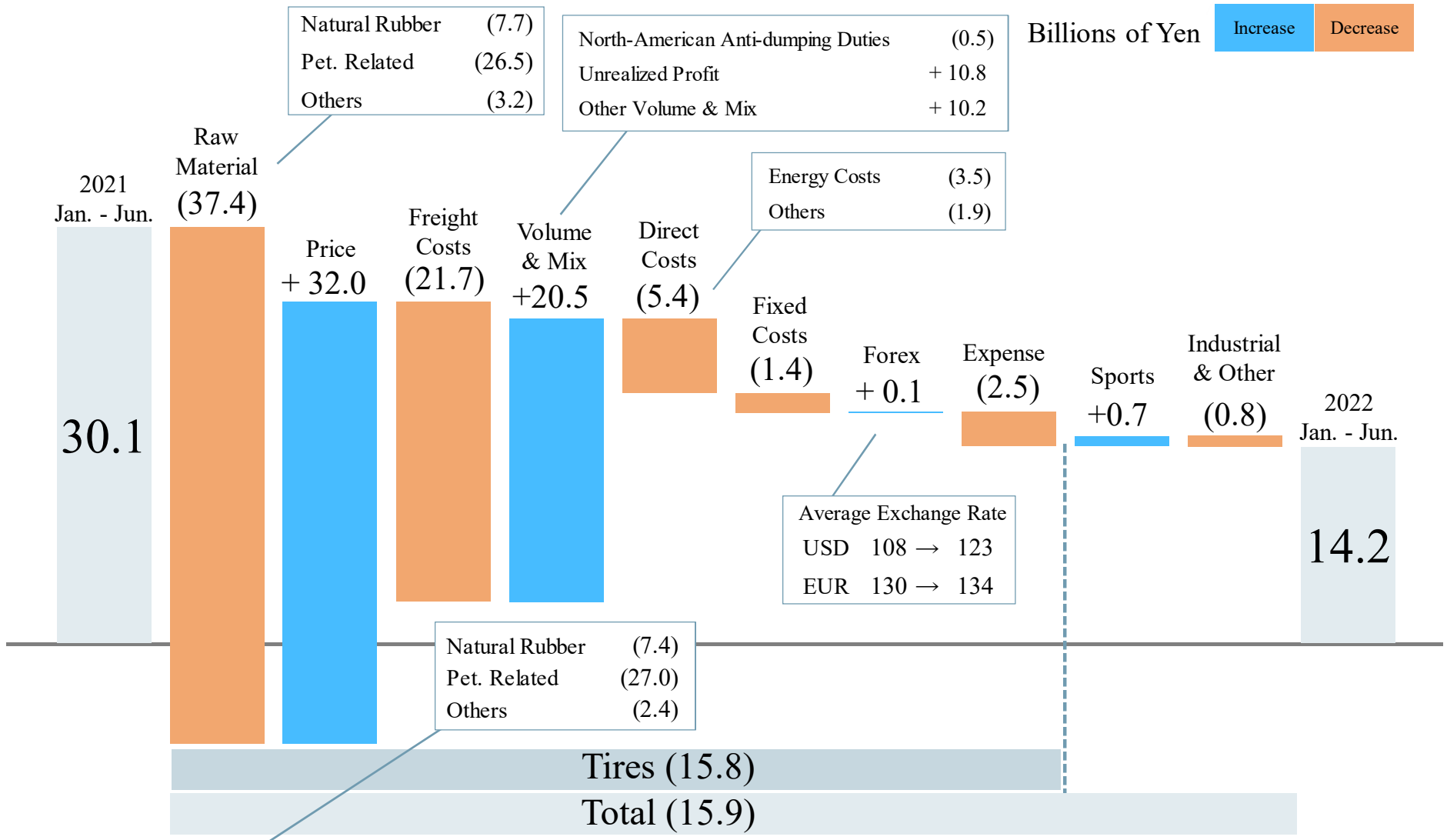
Others

	2018	2019	2020	2021	2022
Consolidated Sales Revenue	425.4	429.3	340.0	440.1	512.1
% of Overseas	64%	66%	64%	69%	73%

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

Consolidated Business Profit Walk (2022 Jan.-Jun.)

SUMITOMO RUBBER INDUSTRIES



	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
May 13th Forecast	(36.8)	31.5	(21.2)	18.6	(4.0)	(1.5)	0.1	(1.7)	0.5	(0.6)	(15.1)
2020 → 2021	(4.1)	5.3	(6.3)	25.7	6.7	(2.5)	1.9	(2.3)	8.4	(0.4)	32.4

【Forecast】Consolidated Financial Results (2022 Annual)

SUMITOMO RUBBER INDUSTRIES

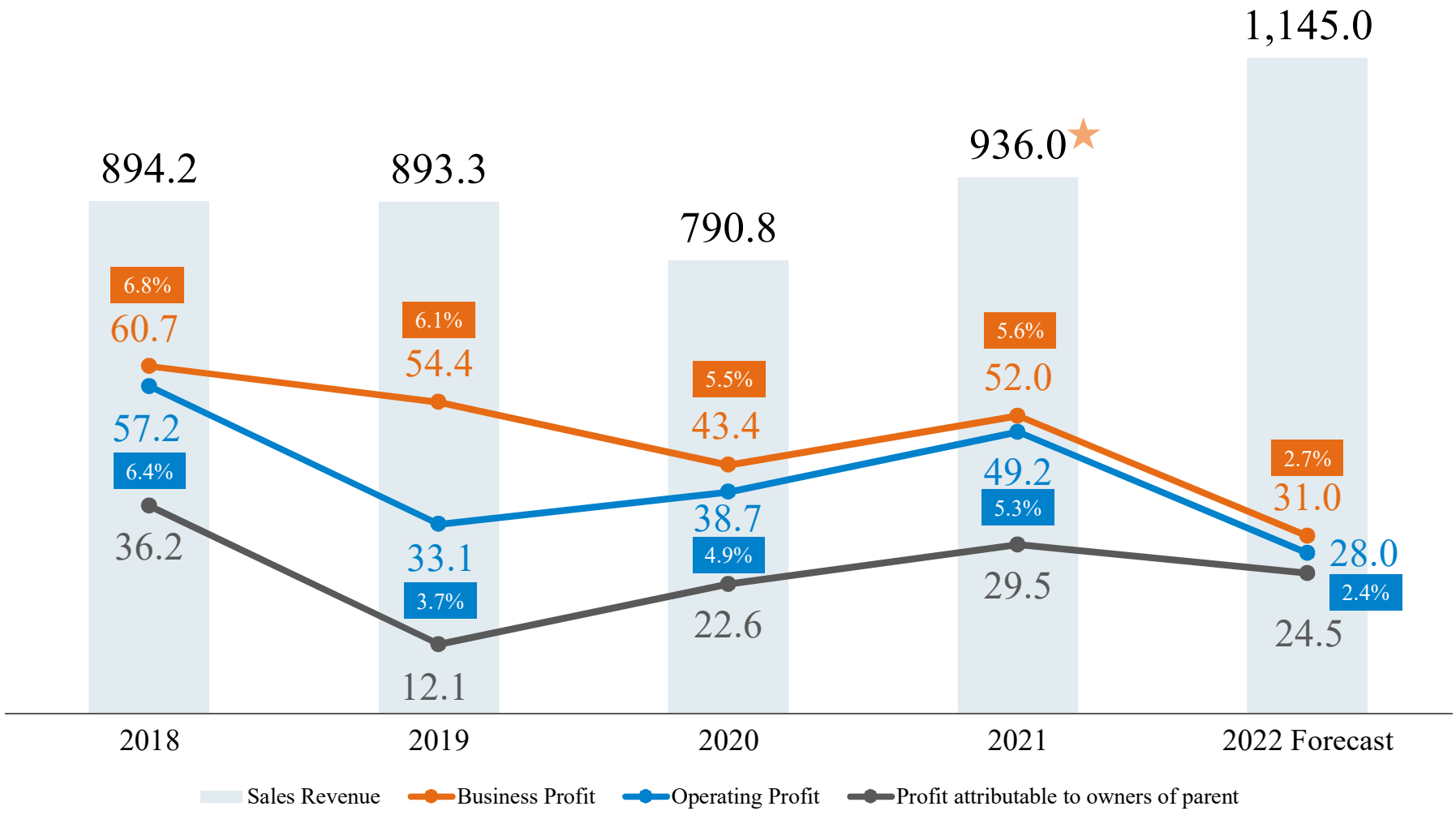
Billions of Yen

	Revised Forecast 2022	Actual 2021	YOY	May 13th 2022 Forecast 2022	Revised Forecast 2022 Jul.-Dec.	vs 2021
Sales Revenue	**1,145.0**	936.0	122%	1,140.0	632.9	128%
Business Profit (%)	**31.0** **2.7%**	52.0 5.6%	60%	42.0 3.7%	16.8 2.7%	77%
Operating Profit (%)	**28.0** **2.4%**	49.2 5.3%	57%	39.5 3.5%	15.4 2.4%	75%
Profit	**24.5**	29.5	83%	29.0	7.3	82%
ROE	**4.6%**	6.2%		5.5%		
ROA ※	**2.6%**	5.0%		3.6%		
D/E Ratio	**0.7**	0.6		0.6		

※ROA : Business Profit / Total Assets

【Forecast】 Consolidated Sales Revenue / Profit

Billions of Yen　% : Profit Ratio ★ : Record High



【Forecast】 Consolidated Sales Revenue / Business Profit by Reportable Segment (2022 Annual.)

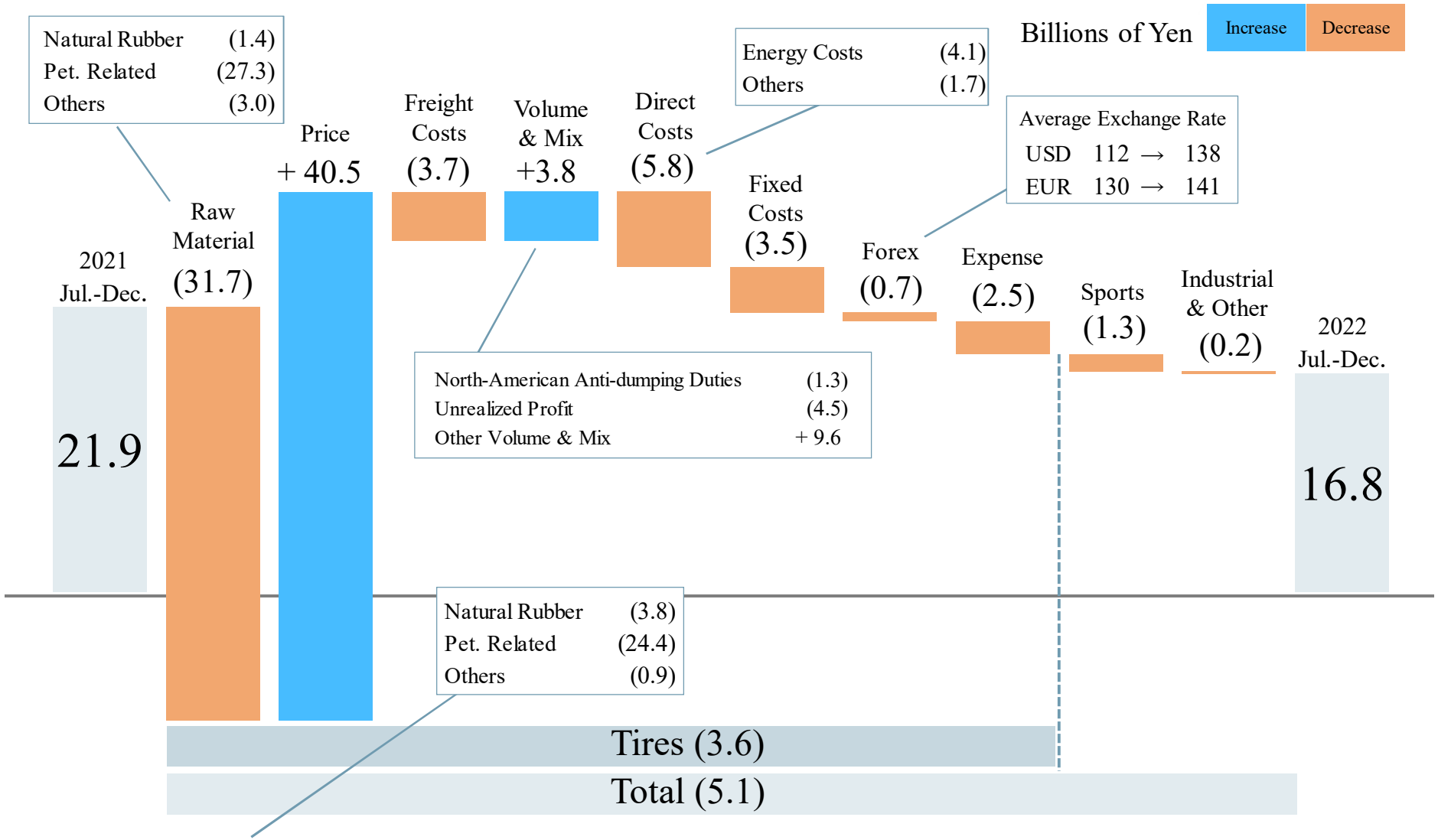
SUMITOMO RUBBER INDUSTRIES

Billions of Yen

		Revised Forecast 2022	Actual 2021	YOY	May 13th 2022 Forecast 2022	Revised Forecast 2022 Jul.-Dec.	vs 2021
Sales Revenue	Tires	**987.0**	795.0	124%	991.5	556.1	131%
	Sports	**115.5**	101.4	114%	107.5	54.0	108%
	Industrial & Other	**42.5**	39.6	107%	41.0	22.8	113%
	Total	**1,145.0**	936.0	122%	1,140.0	632.9	128%
Business Profit	Tires	**22.0**	41.4	53%	32.0	14.3	80%
	Sports	**8.0**	8.6	93%	8.0	1.8	58%
	Industrial & Other	**1.0**	2.0	51%	2.0	0.7	78%
	Total	**31.0**	52.0	60%	42.0	16.8	77%

【Forecast】 Consolidated Business Profit Walk (2022 Jul.-Dec.)

SUMITOMO RUBBER INDUSTRIES



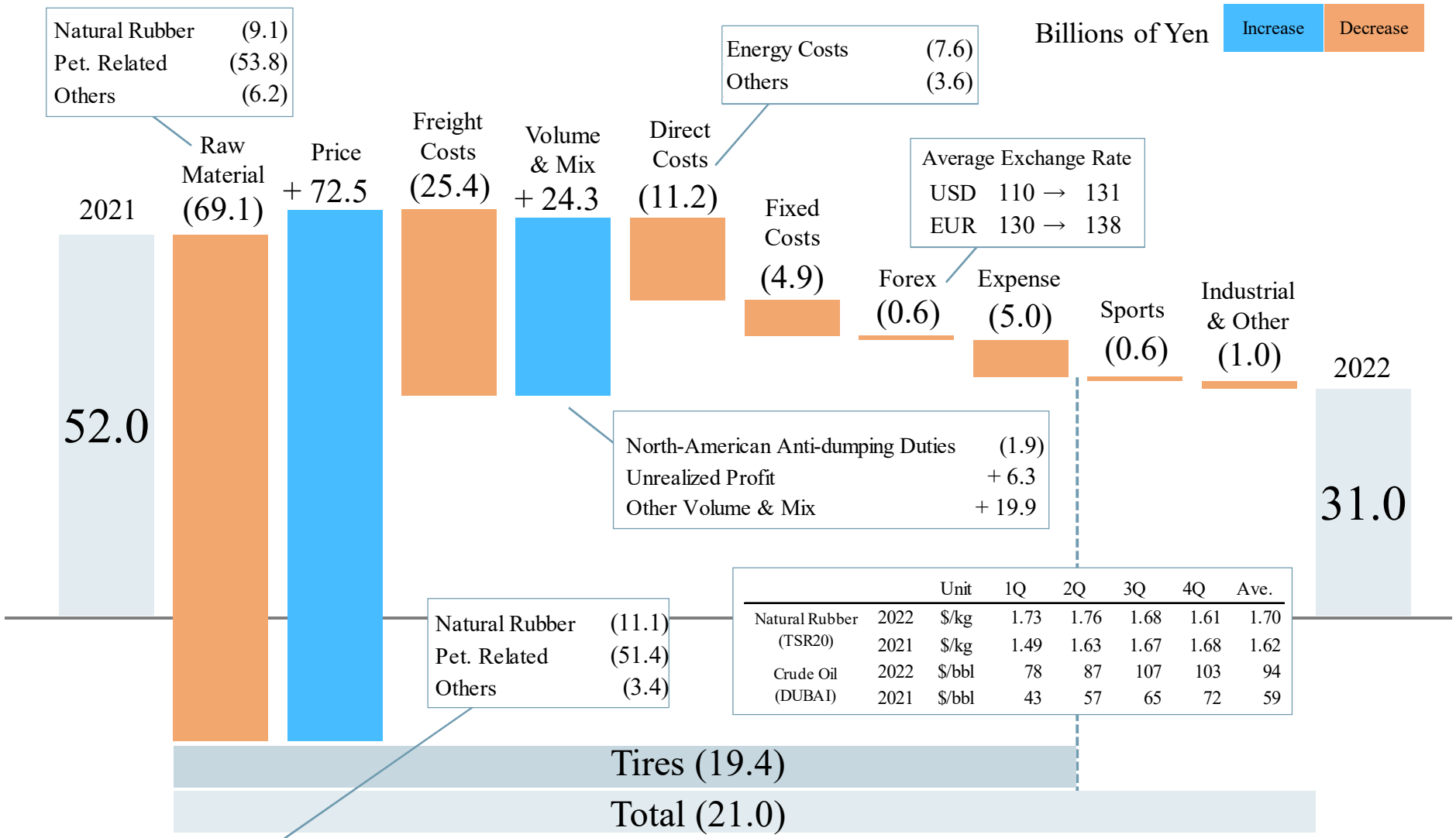
	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
May 13th Forecast	(29.1)	43.9	(5.5)	2.2	(2.0)	(1.3)	1.4	(4.0)	(1.1)	0.6	5.1
2020 Jul.-Dec. → 2021 Jul.-Dec.	(32.9)	19.3	(16.0)	4.8	(0.8)	(2.6)	3.0	1.2	1.0	(0.8)	(23.8)

【Forecast】 Consolidated Business Profit Walk (2022 Annual)

SUMITOMO RUBBER INDUSTRIES

Billions of Yen

Increase | Decrease



		Unit	1Q	2Q	3Q	4Q	Ave.
Natural Rubber (TSR20)	2022	$/kg	1.73	1.76	1.68	1.61	1.70
	2021	$/kg	1.49	1.63	1.67	1.68	1.62
Crude Oil (DUBAI)	2022	$/bbl	78	87	107	103	94
	2021	$/bbl	43	57	65	72	59

	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
May 13th Forecast	(65.9)	75.4	(26.7)	20.8	(6.0)	(2.8)	1.5	(5.7)	(0.6)	0.0	(10.0)
2020 → 2021	(37.0)	24.6	(22.3)	30.5	5.9	(5.1)	4.9	(1.1)	9.4	(1.2)	8.6

Consolidated Business Profit Analysis by Factors

SUMITOMO RUBBER INDUSTRIES

Billions of Yen

Period		Business Profit	vs Previous year	Factors									
				Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other
2021	Jan.-Mar.	16.2	13.4	1.8	1.2	(2.6)	8.8	1.0	(0.2)	0.3	0.5	2.9	(0.3)
	Apr.-Jun.	13.9	19.0	(5.9)	4.1	(3.7)	16.9	5.7	(2.3)	1.6	(2.8)	5.5	(0.1)
	Jul.-Dec.	21.9	(23.8)	(32.9)	19.3	(16.0)	4.8	(0.8)	(2.6)	3.0	1.2	1.0	(0.8)
	Annual	52.0	8.6	(37.0)	24.6	(22.3)	30.5	5.9	(5.1)	4.9	(1.1)	9.4	(1.2)
2022	Jan.-Mar.	14.8	(1.4)	(19.7)	15.1	(11.2)	17.0	(2.0)	(0.6)	0.0	(1.2)	1.5	(0.3)
	Apr.-Jun.	(0.6)	(14.5)	(17.7)	16.9	(10.5)	3.5	(3.4)	(0.8)	0.1	(1.3)	(0.8)	(0.5)
	Jul.-Dec.	16.8	(5.1)	(31.7)	40.5	(3.7)	3.8	(5.8)	(3.5)	(0.7)	(2.5)	(1.3)	(0.2)
	Annual	31.0	(21.0)	(69.1)	72.5	(25.4)	24.3	(11.2)	(4.9)	(0.6)	(5.0)	(0.6)	(1.0)
vs May 13th Forecast			(11.0)	(3.2)	(2.9)	1.3	3.5	(5.2)	(2.1)	(2.1)	0.7	0.0	(1.0)

Tire Sales Volume (Comparison %)

SUMITOMO RUBBER INDUSTRIES

vs Previous year		2021 Actual					2022 Jan.-Jun. Actual, Jul.-Dec. Forecast					2022 May 13th Forecast		
		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.		97%	148%	79%	80%	96%	81%	84%	134%	127%	104%	92%	136%	112%
Domestic Rep.		99%	107%	101%	102%	102%	116%	93%	102%	101%	102%	104%	100%	102%
Overseas O.E.		116%	146%	94%	95%	109%	106%	102%	147%	120%	118%	114%	127%	120%
Overseas Rep.		110%	151%	96%	97%	110%	97%	93%	101%	92%	96%	97%	102%	99%
Details	North America	106%	141%	83%	92%	101%	90%	91%	93%	83%	89%	93%	97%	95%
	Europe	100%	165%	112%	114%	118%	106%	98%	89%	87%	95%	103%	100%	101%
	Asia	138%	131%	90%	99%	111%	88%	86%	117%	102%	98%	92%	108%	100%
	Others	103%	177%	106%	89%	112%	105%	98%	108%	97%	102%	99%	103%	101%
Total		107%	140%	95%	96%	107%	99%	93%	111%	102%	101%	100%	108%	104%
Total Tire Sales (000 Units)		28,410	28,510	27,080	32,030	116,030	28,180	26,600	30,010	32,520	117,300	56,800	64,090	120,890

Composition Ratio		2020 Actual	2021 Actual	2022 Forecast
Advanced Tires ※	O.E.	40%	44%	45%
	Rep.	29%	31%	34%
	Total	32%	34%	37%

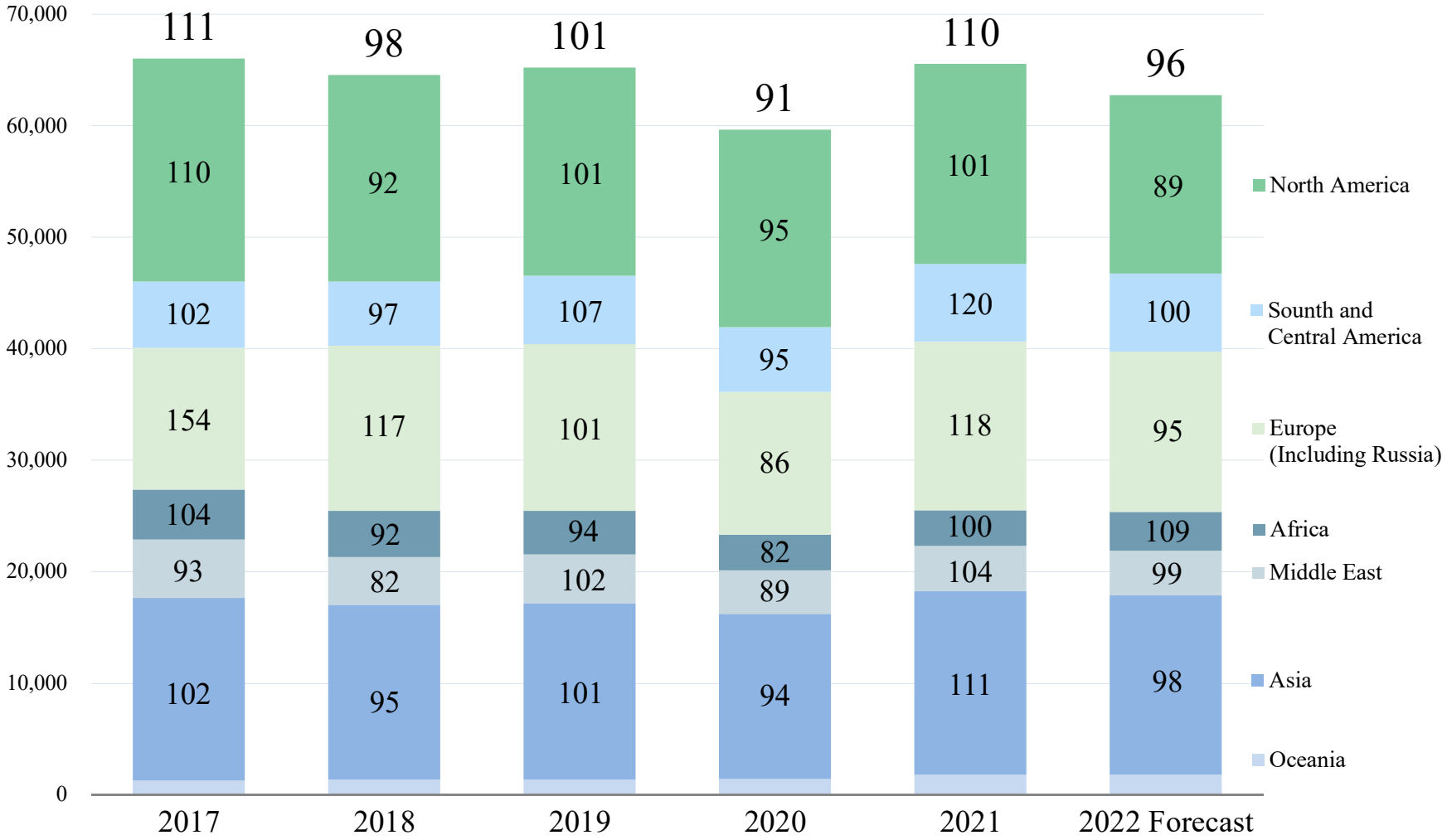
※Advanced Tires : Primarily for SUVs and Passenger car tires with a size of 18” or larger

Tire Overseas Rep. Volume by Regional Segment

SUMITOMO RUBBER INDUSTRIES

Unit : 000

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

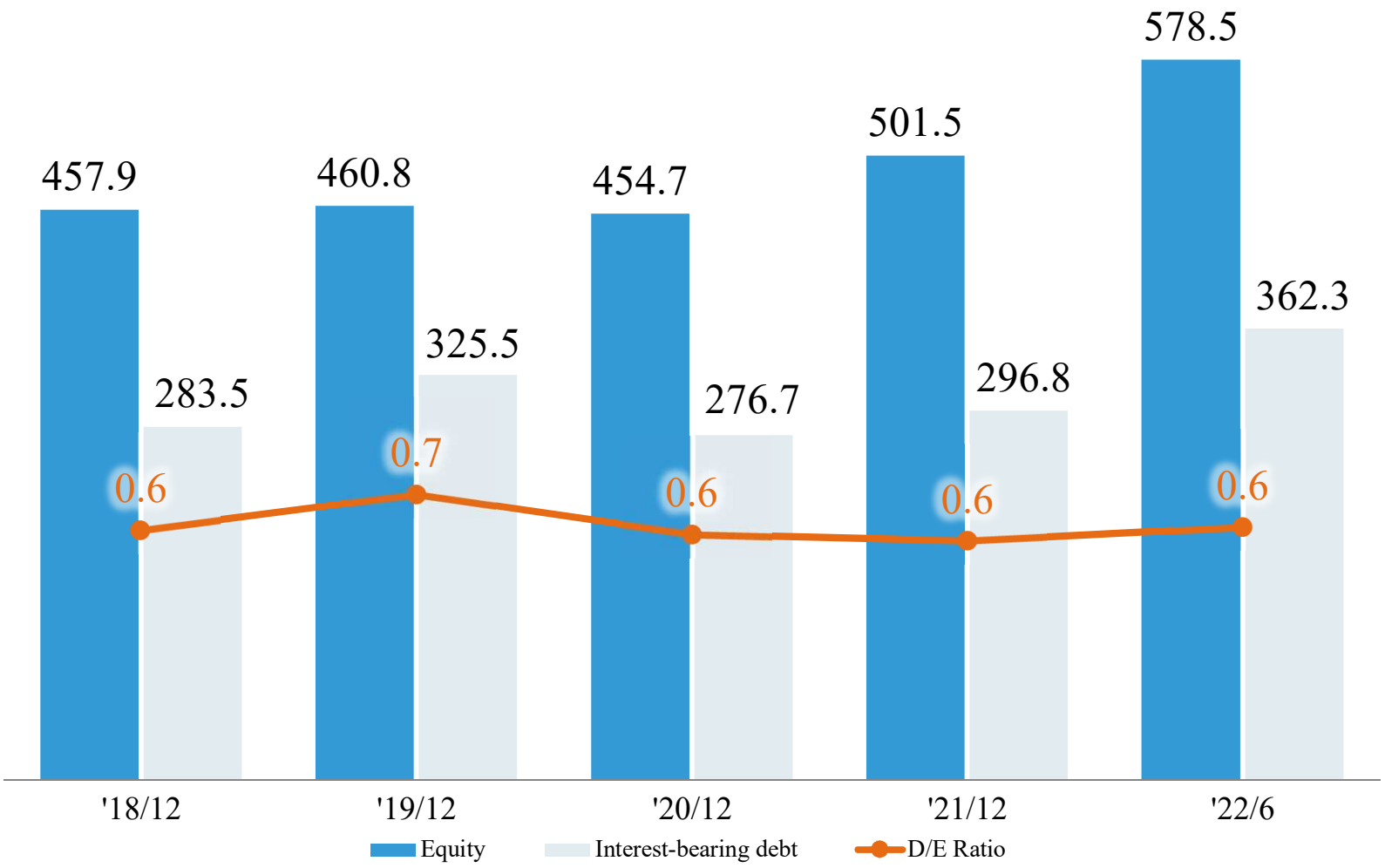


	2017	2018	2019	2020	2021	2022 Forecast
Forex (USD)	112	110	109	107	110	131

Equity / Interest-Bearing Debt

SUMITOMO RUBBER INDUSTRIES

Billions of Yen



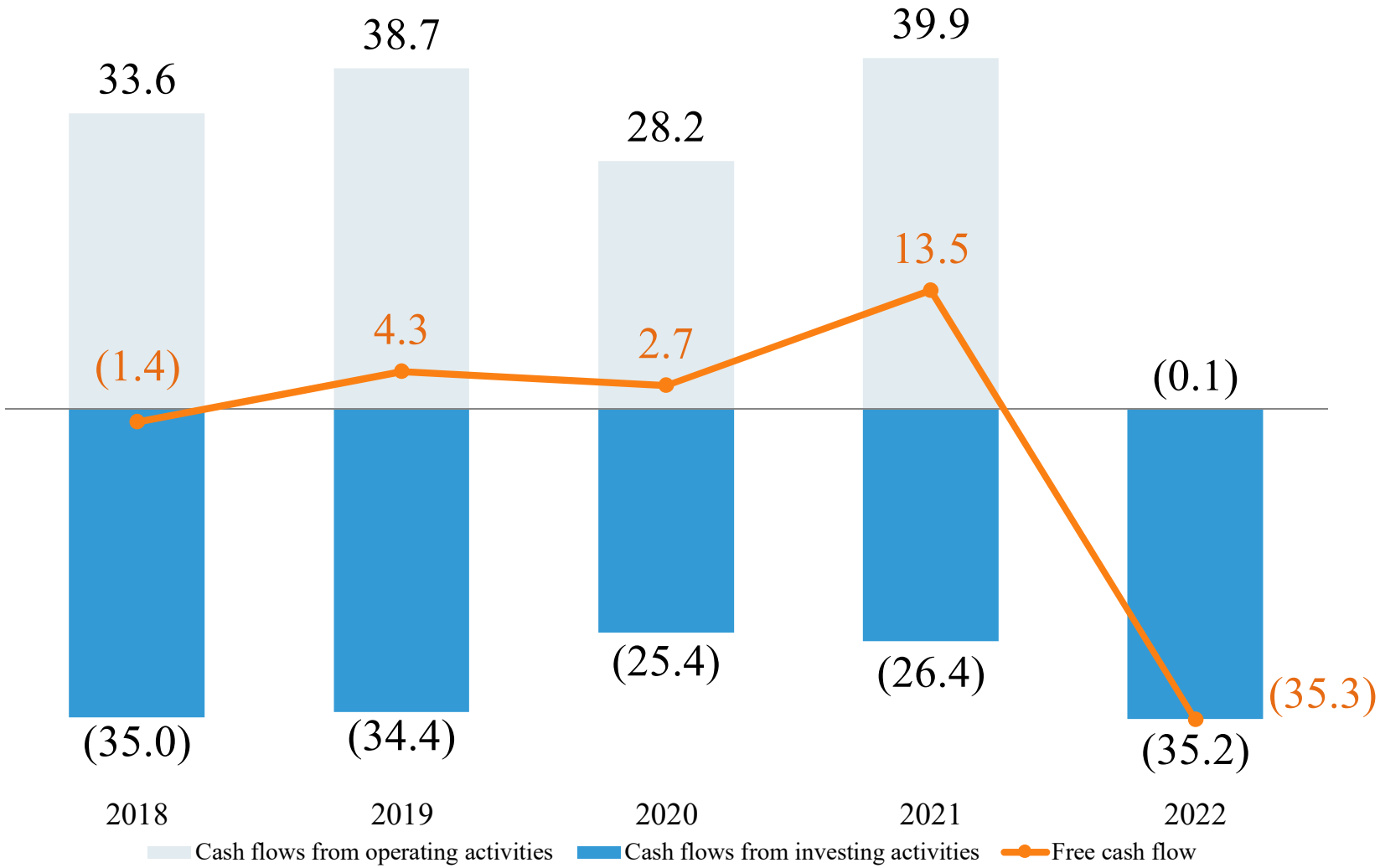
※IFRS 16 (Lease) impact has been included since 2019.

Equity Ratio	45.7%	44.5%	46.6%	46.2%	46.5%

Cash Flows (Jan.-Jun.)

SUMITOMO RUBBER INDUSTRIES

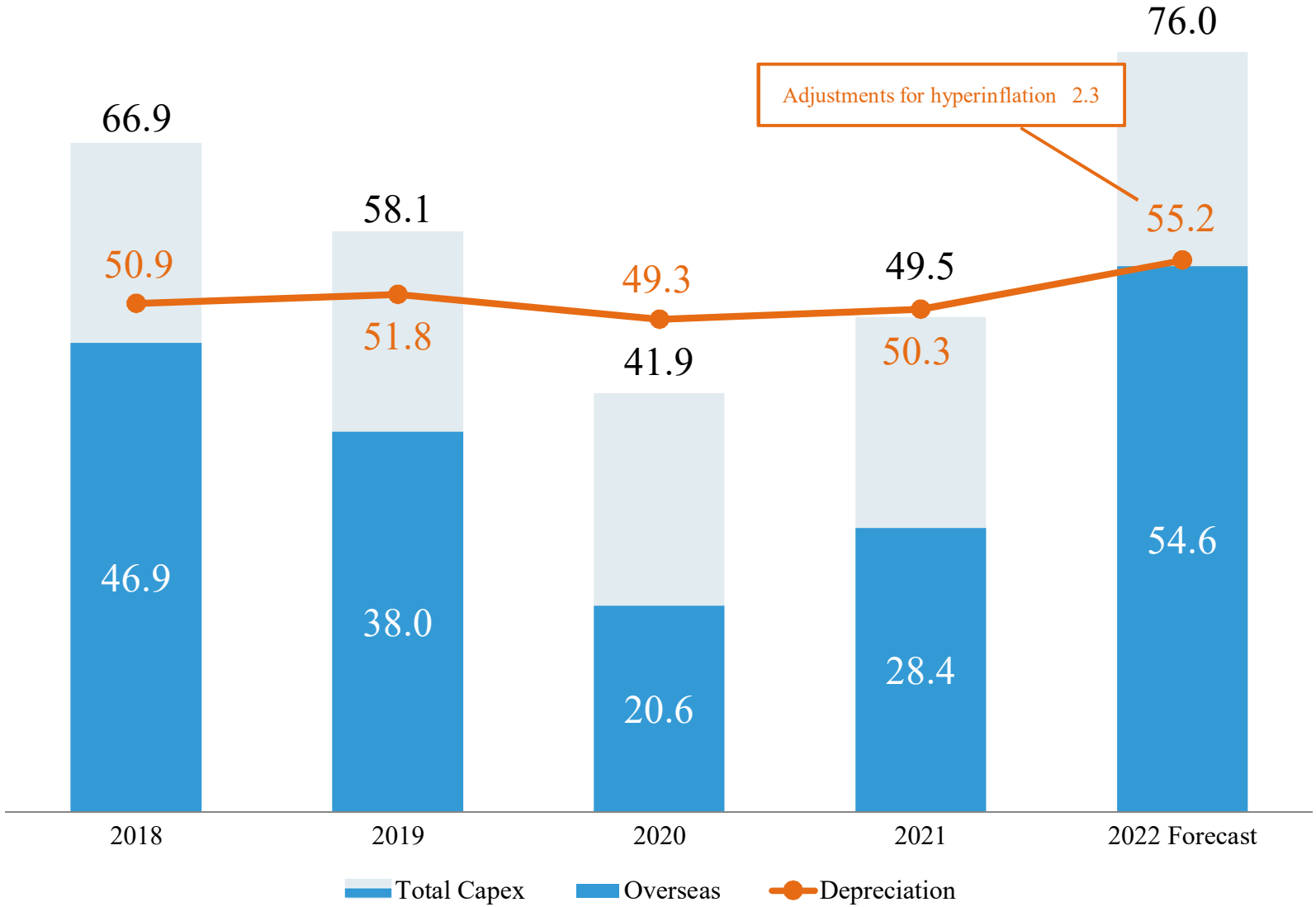
Billions of Yen



Capex and Depreciation (Tangible Assets Only)

SUMITOMO RUBBER INDUSTRIES

Billions of Yen



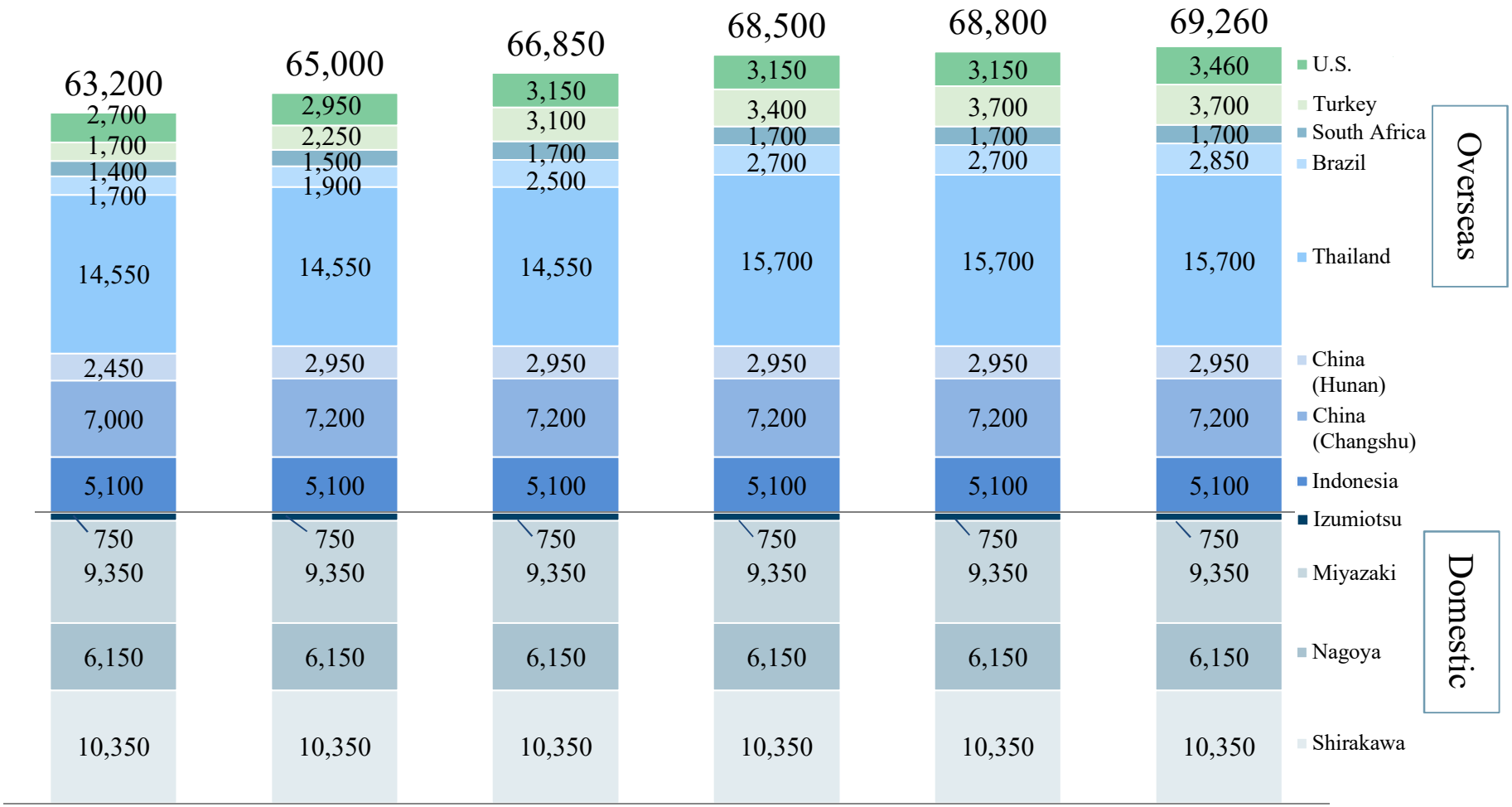
※IFRS 16 (Lease) impact has not been included since 2019.

Tire Production Capacity

SUMITOMO RUBBER INDUSTRIES

No change since
Feb. 9th 2022 Forecast

Unit : t/Month

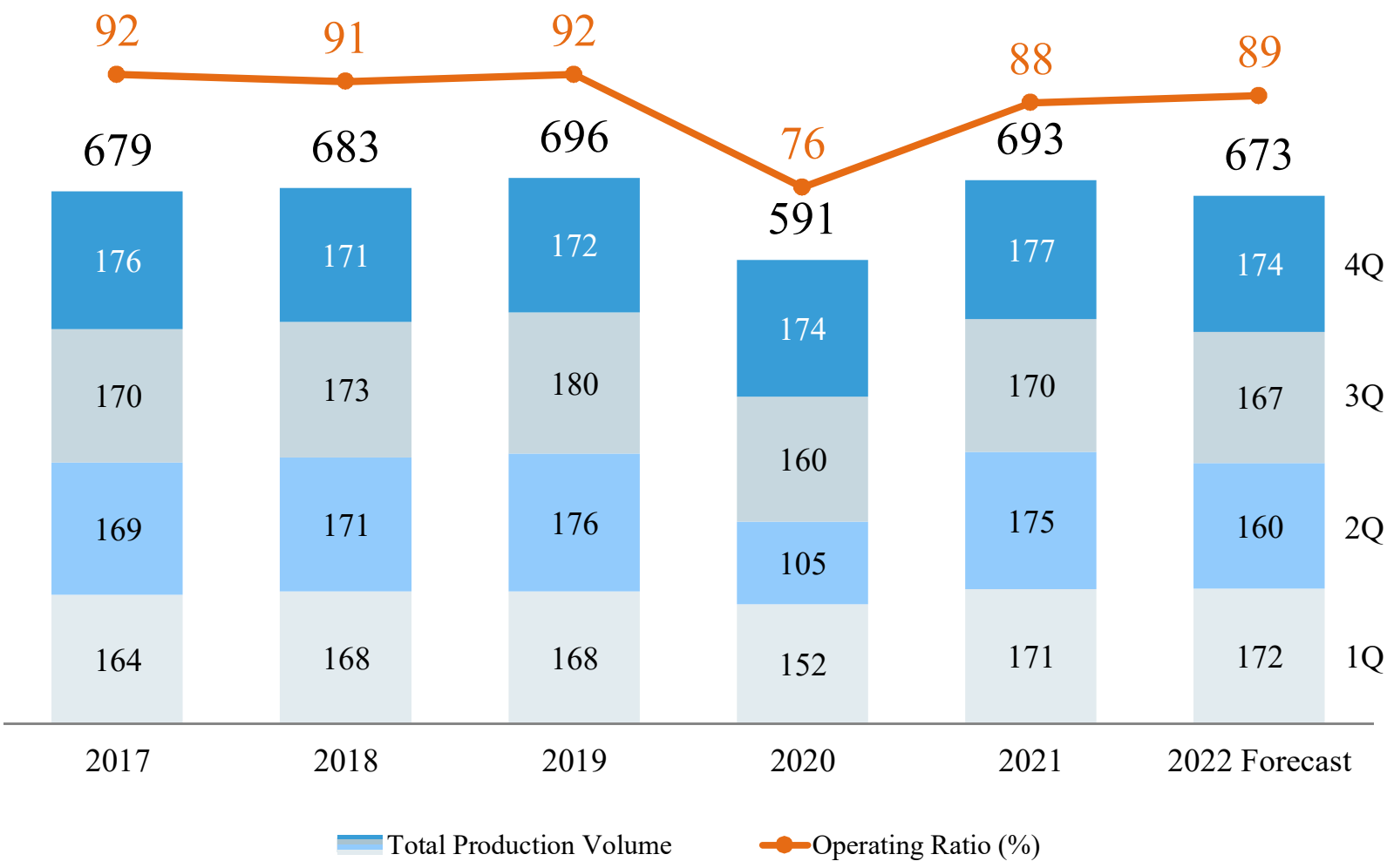


	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12 Forecast
% of Overseas	58%	59%	60%	61%	61%	62%
YOY	103%	103%	103%	102%	100%	101%

Tire Production Volume and Operating Ratio

SUMITOMO RUBBER INDUSTRIES

Unit : 000t



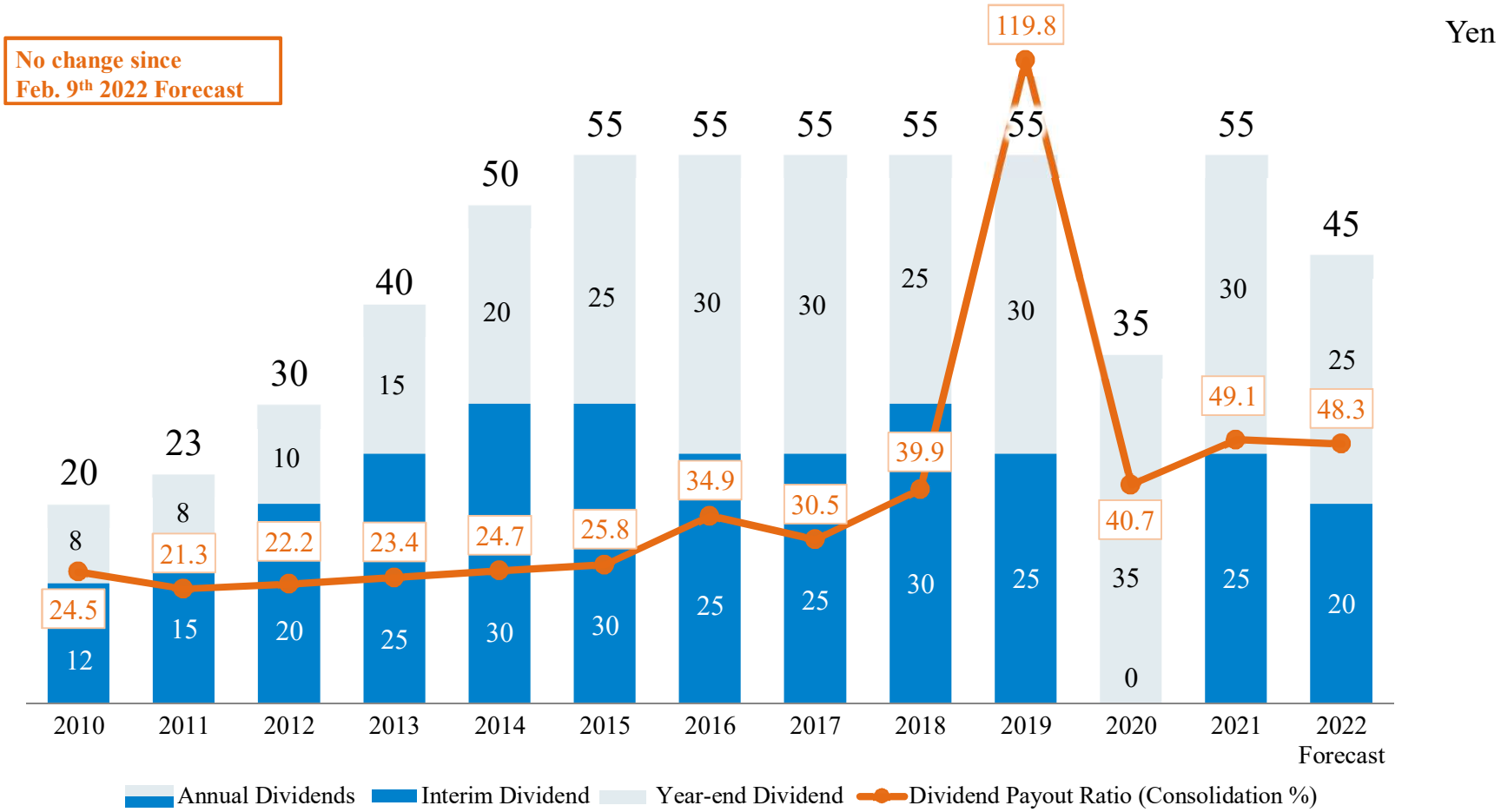
% of Overseas	61%	62%	61%	63%	63%	63%
YOY	107%	101%	102%	85%	117%	97%

Shareholder Returns

SUMITOMO RUBBER INDUSTRIES

We consider the return of gains to shareholders to be a matter deserving of the utmost priority. Accordingly, our basic policy is to ensure a long-term, stable stream of shareholder returns based on comprehensive consideration of dividend payout ratios, performance prospects, retained earnings levels and other such indicators on a consolidated basis.

2022 Year-end Dividend Forecast:
Based on consolidated financial results forecast of 2022, the year-end dividend forecast is as below.



Adjustments for Hyperinflation (Factory in Turkey)

SUMITOMO RUBBER INDUSTRIES

As required pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies," the Group has revised the financial statements of its subsidiary in a Hyperinflationary Economy to reflect the unit of measurement that is current as of the period end date and has included said revised financial statements in its consolidated financial statements.

Impact on Consolidated Financial Statement

Billions of Yen

	Consolidated Statement of Financial Position		Consolidated Statement of Income	
2022Jan.-Jun.	Assets	+16.7	Business profit	(6.0)
	Liabilities	-	Operating profit	(6.0)
	Equity	+16.7	Profit attributable to owners of parent	+1.6
2022Jan.-Dec. Forecast※	Assets	+16.7	Business profit	(1.7)
	Liabilities	-	Operating profit	(1.7)
	Equity	+16.7	Profit attributable to owners of parent	+0.7

※As it is difficult to predict future increases in prices, the Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 does not reflect the impact of increasing prices in the second half of the year. Due to future price increases and exchange rate fluctuations, there may be some discrepancy between predicted values and actual values.

The subsidiary has restated the acquisition costs of its non-monetary assets, including tangible assets, by applying a conversion coefficient based on the initial acquisition date thereof.
Monetary items held at current cost have not been restated, as they are expressed in terms of the measuring unit current at the period end date.

Our Flagship Products

SUMITOMO RUBBER INDUSTRIES

DUNLOP

Designed for premium vehicles, our global flagship tires feature enhanced performance when it comes to high-speed stability, cornering and wet grip.

SP SPORT MAXX 060+

DUNLOP

Our first replacement tires for electric vehicles achieve the highest level of fuel (electricity) efficiency in our group's history.
(Available in China)

e. SPORT MAXX

FALKEN

Since it was first released on markets worldwide, our AZENIS FK510 has received consistently high marks all around and even received the No. 1 overall rating from a leading industry publication※ in 2021.

※Per the results of tire testing published in February 2021 by Europe's largest automotive association, ADAC (General German Automobile Club).

AZENIS FK510

XXIO EXPERIENCE THE DIFFERENCE

We recently released the 12th Generation of our XXIO Golf Clubs, one of our top brands and a perennial favorite on the Japanese market.

XXIO 12

Promoting ESG Management

Recent Activities

https://www.srigroup.co.jp/english/newsrelease/2022/index.html

For further information, please refer to the news release on our website.

2022	May	Sumitomo Rubber Signs on to the UN Global Compact
	Jan.	Sumitomo Rubber Group Achieves Shift to 100% Renewable Energy to Meet the Electric Power Needs of Tire Factories in China
2021	Aug.	Sumitomo Rubber Group Updates "Sustainable Natural Rubber Policy"
	Aug.	Sumitomo Rubber Establishes Long-Term Sustainability Policy: "Driving Our Future Challenge 2050"
	Jul.	Sumitomo Rubber to Begin Proof of Concept Toward Harnessing Hydrogen Energy at Tire Factory in Fukushima Prefecture ~Part of Our Ongoing Efforts to Achieve Carbon Neutral Tire Manufacturing~
	Jul.	Sumitomo Rubber Selected for Inclusion in Leading Indexes for ESG Investment: "FTSE4Good Index Series" & "FTSE Blossom Japan Index"
	Jun.	Sumitomo Rubber Supports "Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations
	Feb.	Sumitomo Rubber Joins Japan Hydrogen Association
	Feb.	Sumitomo Rubber Establishes Goal for 2050: Reducing Factory CO2 Emissions by 100%

SUMITOMO RUBBER INDUSTRIES

SUMITOMO RUBBER GROUP