



# Financial Report

(January 1 ~ December 31, 2021)

February 9, 2022



**SUMITOMO**  
RUBBER INDUSTRIES

- 2021 Annual 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

	Consolidated Subsidiaries 98 (vs 2020 year-end : +2 )		Equity-method Affiliates 3 (vs 2020 year-end : - )	
	Newly Included +8	Excluded (6)	Newly Included -	Excluded -
Tires	Budget Motorist Centres Limited Abbotsinch Tyres & Exhausts Ltd and 6 companies (U.K. / Sales company of tires)			
Sports		Dunlop Golf School Co.Ltd. Dunlop Tennis School Co. Ltd. (Merged with Dunlop Sports Wellness Co. Ltd.)  Dunlop International Group Holdings Limited and 3 companies (U.K. / Other, Hong Kong / Sales)		
Industrial & Other				

# Affiliated Companies (Consolidated Subs: 98, Equity-method Affiliates: 3)

	Manufacturing Companies	Sales Companies	Other Companies
Tires	Domestic 1	Domestic 11	Domestic 7
	Overseas 8	Overseas 29	Overseas 6
	Asia Pacific 4	Asia Pacific 12	Asia Pacific 2
	Europe and Africa 2	Europe and Africa 14	Europe and Africa 2
	Americas 2	Americas 3	Americas 2
Sports	Domestic 1	Domestic 1	Domestic 3
	Overseas 3	Overseas 14	Overseas 7
	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 101**  
Domestic 28  
Overseas 73

# Consolidated Financial Results (2021 Jan.-Dec.)

Billions of Yen

	Actual 2021	Actual 2020	YOY	Nov. 9 <sup>th</sup> Forecast	Actual 2019
Sales Revenue	936.0	790.8	118%	925.0	893.3
Business Profit (%) ※1	52.0 (5.6%)	43.4 (5.5%)	120%	46.0 (5.0%)	54.4 (6.1%)
Operating Profit (%)	49.2 (5.3%)	38.7 (4.9%)	127%	43.0 (4.6%)	33.1 (3.7%)
Profit ※2	29.5	22.6	130%	29.0	12.1
ROE	6.2%	4.9%		6.1%	2.6%
ROA ※3	5.0%	4.3%		4.5%	5.2%
D/E Ratio ※4	0.6	0.6		0.6	0.7

	2021 Forecast			
	Feb. 9 <sup>th</sup>	May. 12 <sup>th</sup>	Aug. 5 <sup>th</sup>	Nov. 9 <sup>th</sup>
Sales Revenue	870.0	910.0	930.0	925.0
Business Profit	46.0	50.0	55.0	46.0
Operating Profit	43.0	47.0	52.0	43.0
Profit	29.0	33.0	35.5	29.0

※1. Business Profit : Sales Revenue – (COS + SGA)  
Business Profit of 2020 Jan.-Mar. and 2019 is adjusted due to the change of accounting policy last year.

※2. Profit : Profit attributable to owners of parent

※3. ROA : Business Profit / Net Assets

※4. D/E Ratio : Includes IFRS16 (lease) effect from 2019.

The above notes apply throughout this report.

# Consolidated Financial Results by Quarter

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RUBBER GROUP

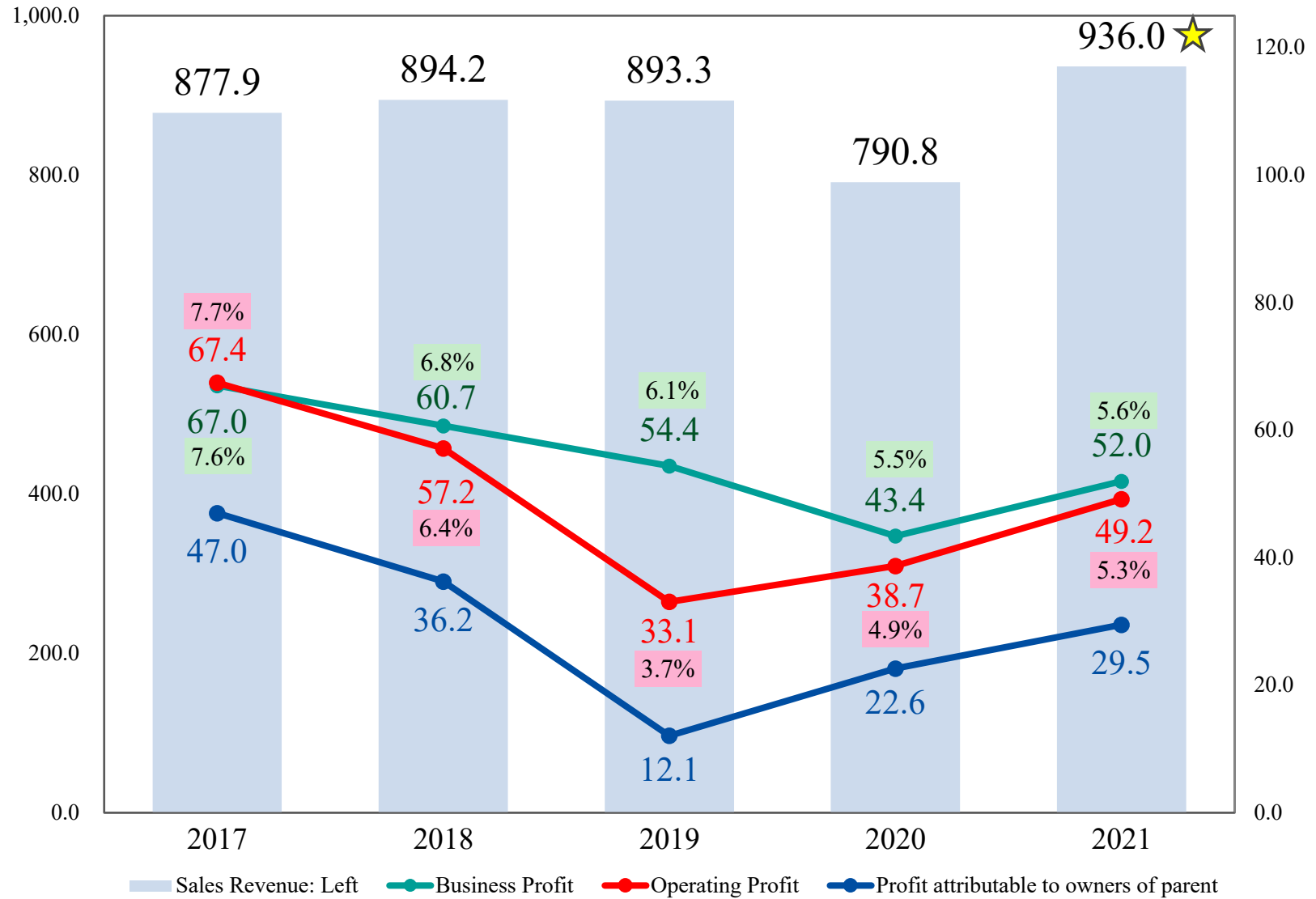
Billions of Yen

	2021		2021		2021		2021		Actual	
	Jan.-Mar.	vs 2020	Apr.-Jun.	vs 2020	Jul.-Sep.	vs 2020	Oct.-Dec.	vs 2020	2021	vs 2020
Sales Revenue	213.7	112% 22.9	226.4	152% 77.1	216.9	108% 16.7	279.0	111% 28.4	936.0	118% 145.2
Business Profit (%)	16.2 (7.6%)	569% 13.4	13.9 (6.1%)	- 19.0	2.0 (0.9%)	19% (8.2)	19.9 (7.1%)	56% (15.6)	52.0 (5.6%)	120% 8.6
Operating Profit (%)	15.6 (7.3%)	566% 12.8	13.0 (5.7%)	- 18.7	1.3 (0.6%)	14% (8.2)	19.3 (6.9%)	60% (12.9)	49.2 (5.3%)	127% 10.5
Profit	10.7	- 14.1	9.8	- 15.8	0.2	9% (2.3)	8.7	30% (20.6)	29.5	130% 6.9

# Consolidated Sales Revenue / Profit (Jan.-Dec.)

Billions of Yen

% : Profit % ★ : Record High



# Consolidated Sales Revenue / Business Profit by Reportable Segment (2021 Jan.-Dec.)

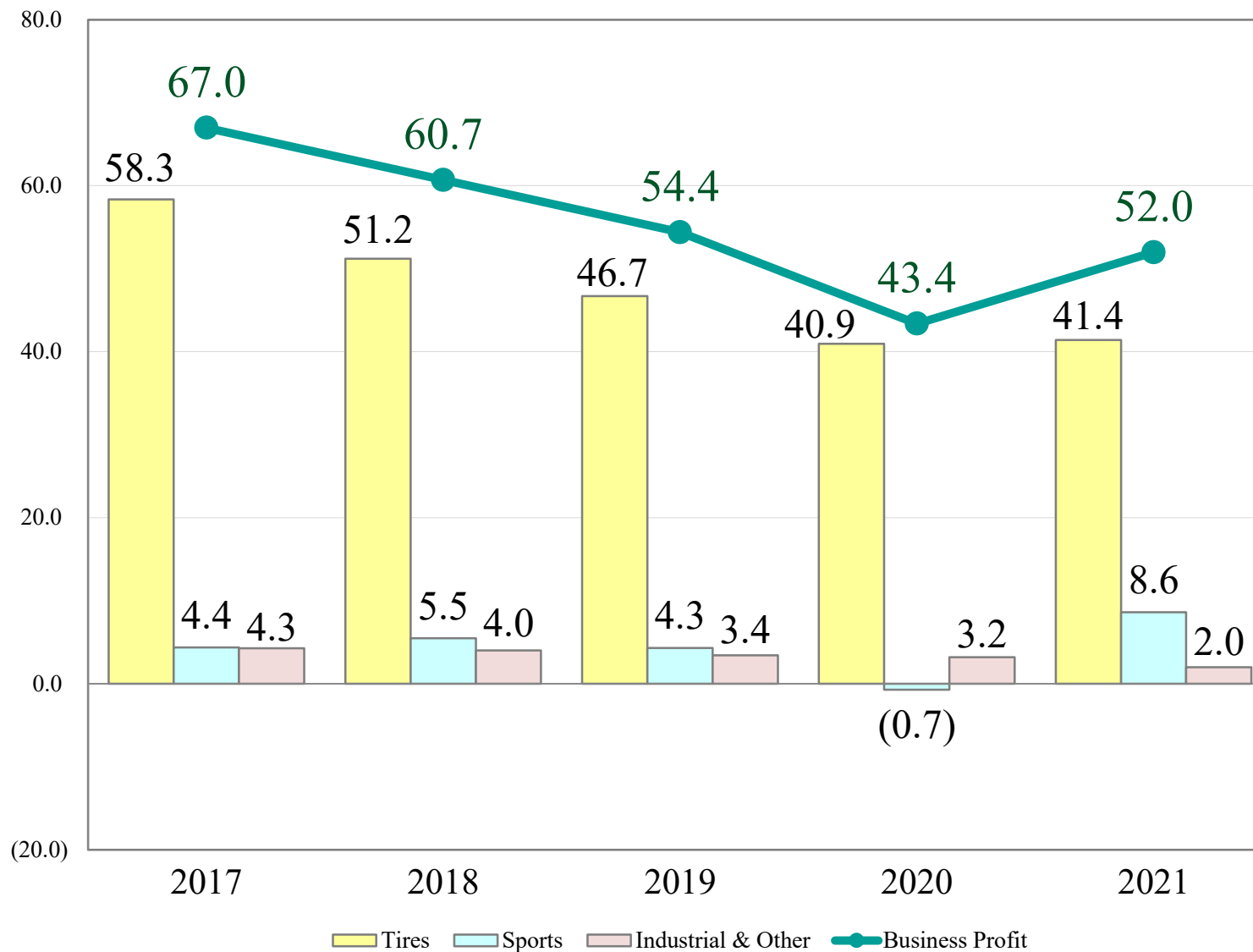
Billions of Yen

		2021		2021		Actual		Actual
		Jan.-Sep.	vs 2020	Oct.-Dec.	vs 2020	2021	vs 2020	2020
Sales Revenue	Tires	551.9	120%	243.2	111%	795.0	117%	679.9
	Sports	76.1	153%	25.3	124%	101.4	144%	70.3
	Industrial & Other	29.0	99%	10.5	93%	39.6	97%	40.7
	Total	657.0	122%	279.0	111%	936.0	118%	790.8
Business Profit	Tires	23.3	302%	18.1	54%	41.4	101%	40.9
	Sports	7.2	-	1.4	129%	8.6	-	(0.7)
	Industrial & Other	1.6	79%	0.4	32%	2.0	62%	3.2
	Total	32.1	406%	19.9	56%	52.0	120%	43.4



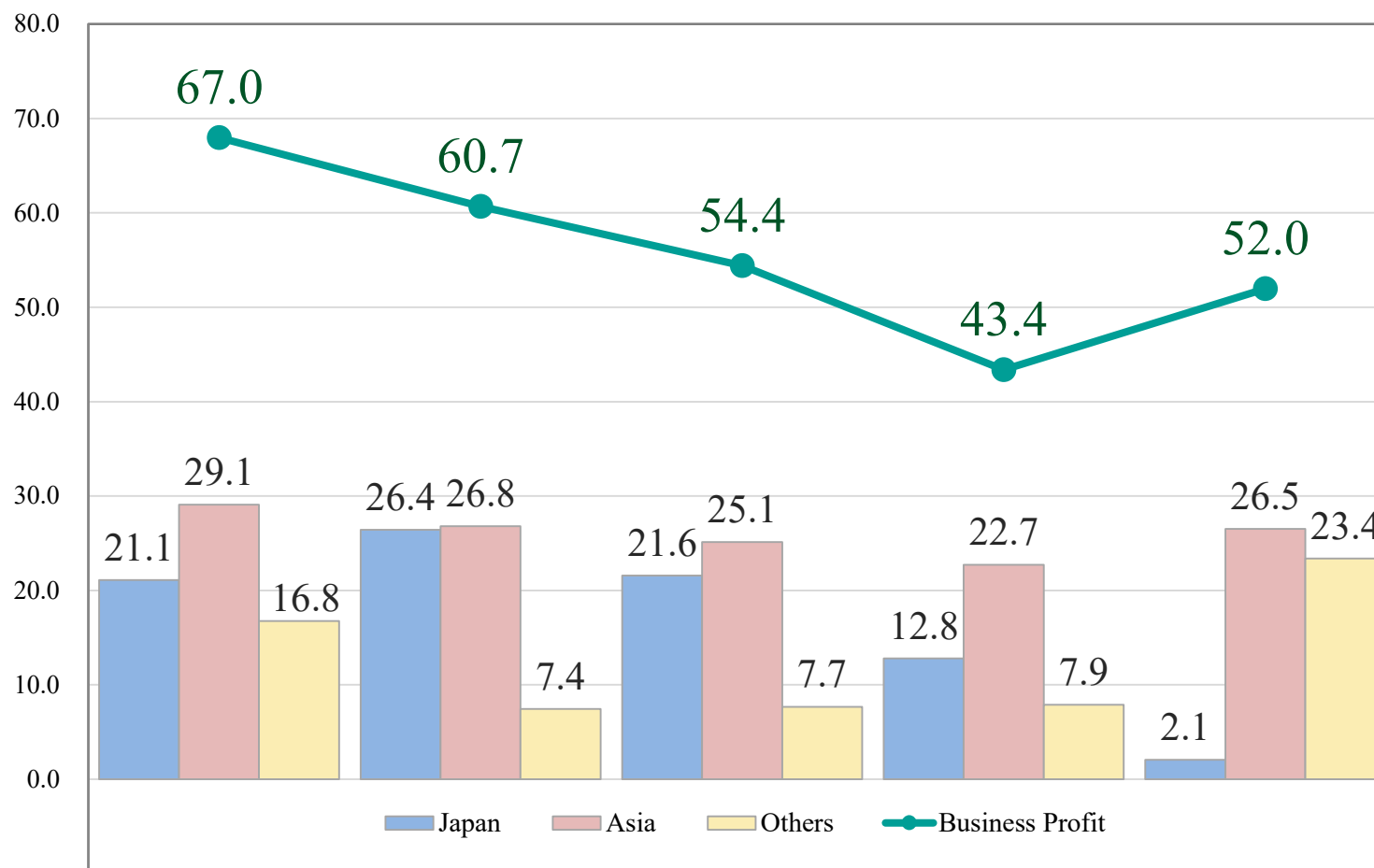
# Consolidated Business Profit by Reportable Segment (Jan.-Dec.)

Billions of Yen



# Consolidated Business Profit by Geographic Areas (Jan.-Dec.)

Billions of Yen

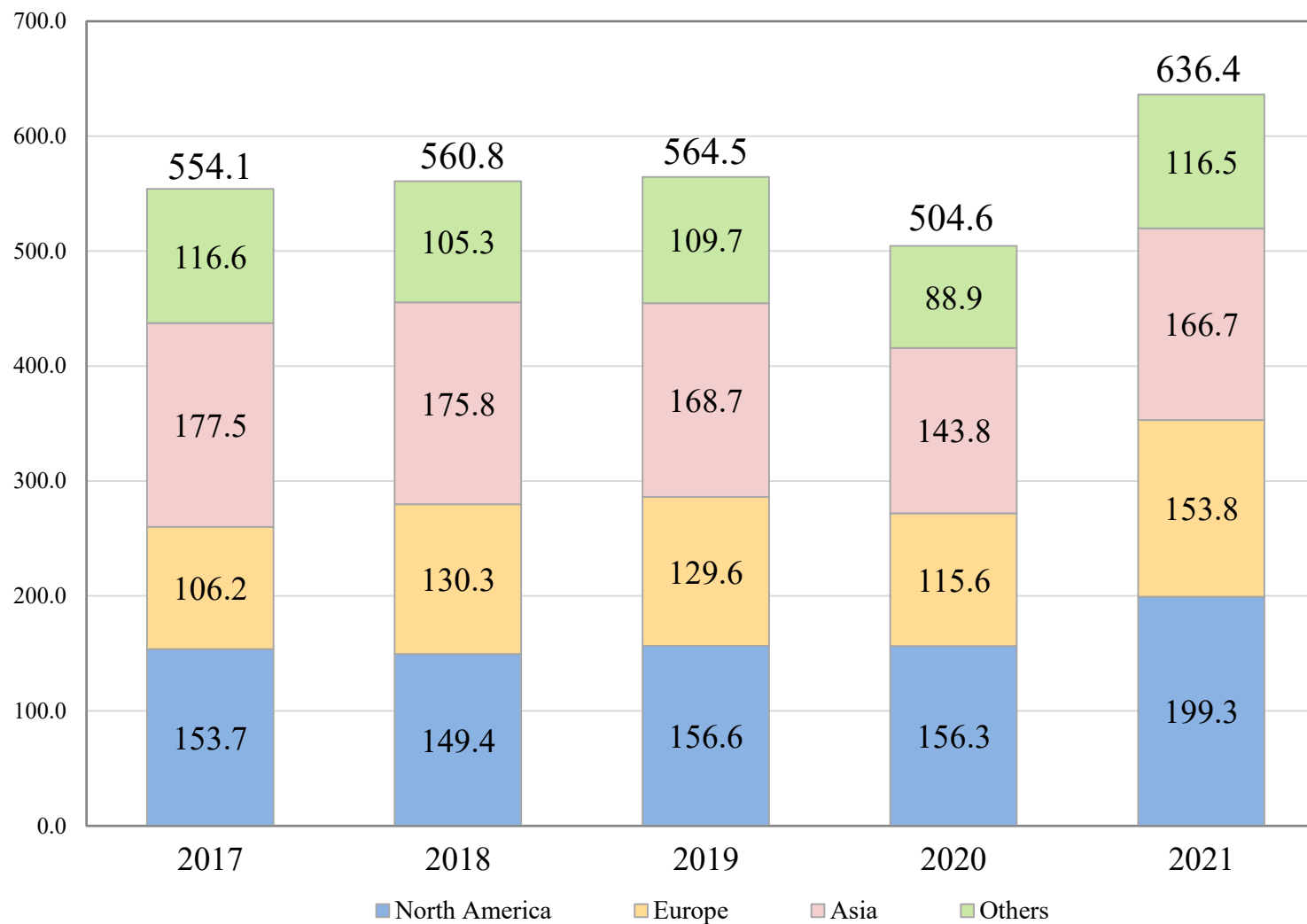


	2017	2018	2019	2020	2021
Sales Revenue					
Japan	400.4	404.2	399.9	344.2	368.2
Asia	169.5	167.8	160.3	137.0	160.5
Others	308.1	322.3	333.1	309.6	407.4
Total	877.9	894.2	893.3	790.8	936.0

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

# Overseas Sales Revenue (Jan.-Dec.)

Billions of Yen



Consolidated Sales Revenue	877.9	894.2	893.3	790.8	936.0
% of Overseas	63%	63%	63%	64%	68%

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

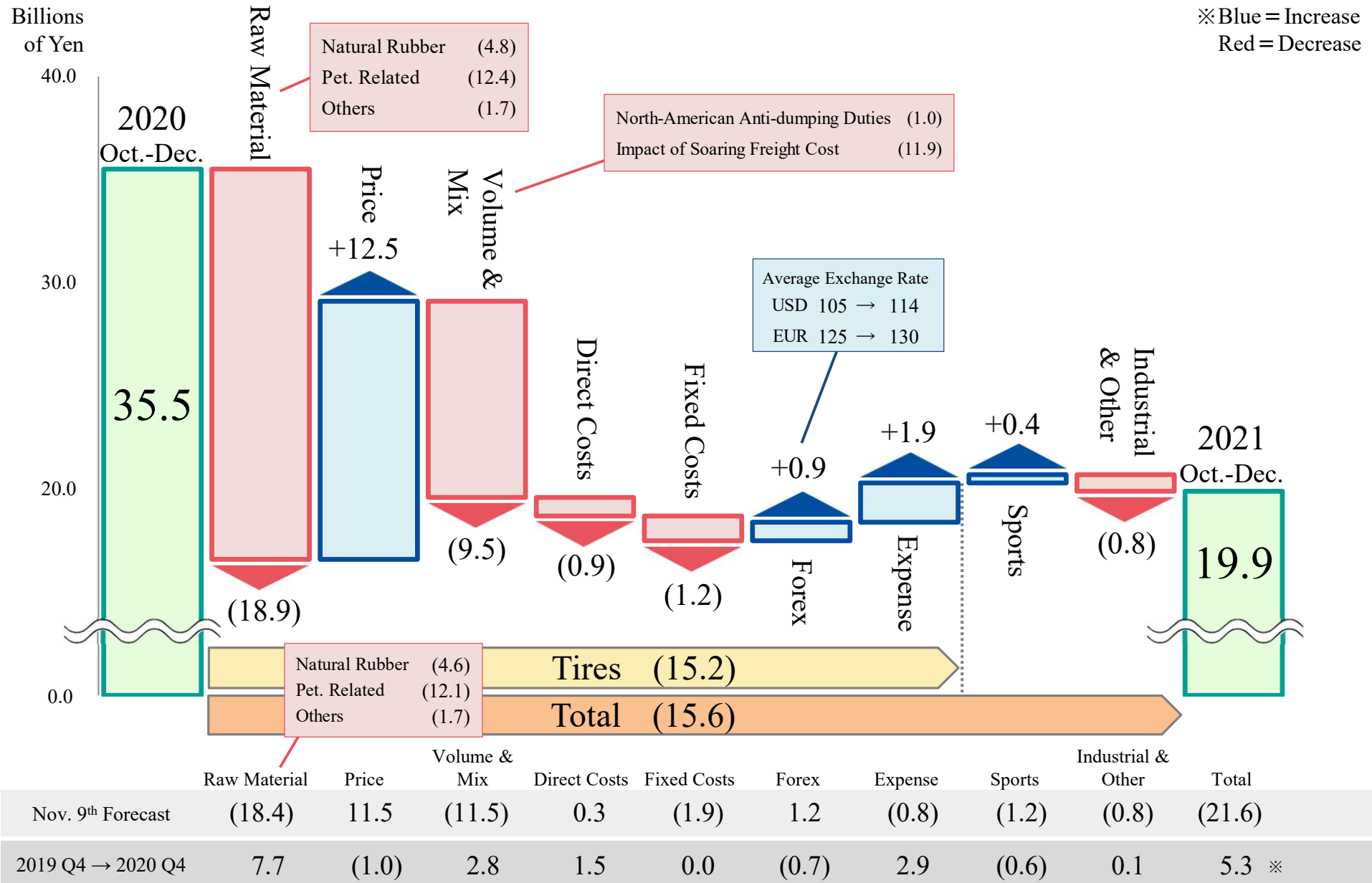
# Sales Revenue by Destination (Jan.-Dec.)

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		Tires	Sports	Industrial & Other	Total	Billions of Yen
Japan	2021	231.5	42.0	26.1	299.7	
	2020	228.1	29.7	28.4	286.2	
	2019	253.5	47.3	28.1	328.8	
North America	2021	174.4	24.8	0.2	199.3	
	2020	141.3	14.6	0.4	156.3	
	2019	143.9	12.5	0.2	156.6	
Europe	2021	134.6	13.9	5.4	153.8	
	2020	100.5	10.8	4.4	115.6	
	2019	114.3	11.0	4.2	129.6	
Asia	2021	143.1	16.5	7.1	166.7	
	2020	124.5	12.4	6.9	143.8	
	2019	149.5	11.3	7.9	168.7	
Other	2021	111.4	4.2	0.8	116.5	
	2020	85.5	2.8	0.6	88.9	
	2019	106.4	2.6	0.7	109.7	
Total	2021	795.0	101.4	39.6	936.0	
	2020	679.9	70.3	40.7	790.8	
	2019	767.6	84.7	41.1	893.3	

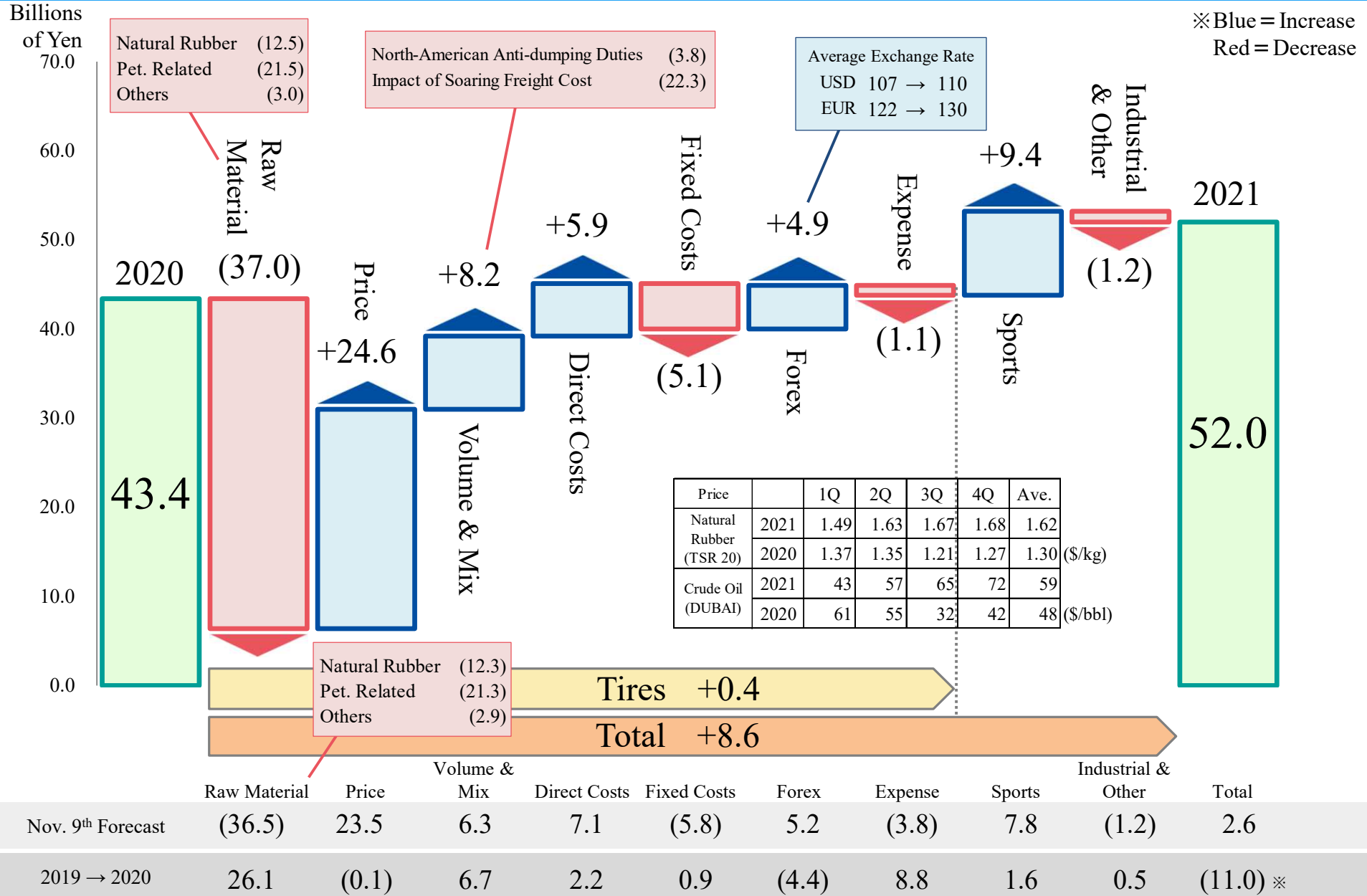
※ Sales Revenue on this page are based on customer's location.

# Consolidated Business Profit Walk (2021 Oct.-Dec.)



※ Includes Impact of COVID-19, (7.3).

# Consolidated Business Profit Walk (2021 Jan.-Dec.)



※ Includes Impact of COVID-19, (53.3).

# 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	
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.-Sep.	10.2 2.7	7.7	0.3	2.0	0.4	(0.3)	(1.3)	2.6	2.3	(0.1)	(10.9)	
	Oct.-Dec.	35.5 5.3	7.7	(1.0)	2.8	1.5	0.0	(0.7)	2.9	(0.6)	0.1	(7.3)	
	Annual	43.4 (11.0)	26.1	(0.1)	6.7	2.2	0.9	(4.4)	8.8	1.6	0.5	(53.3)	
2021	Jan.-Mar.	16.2 13.4	1.8	1.2	6.2	1.0	(0.2)	0.3	0.5	2.9	(0.3)	-	
	Apr.-Jun.	13.9 19.0	(5.9)	4.1	13.2	5.7	(2.3)	1.6	(2.8)	5.5	(0.1)	-	
	Jul.-Sep.	2.0 (8.2)	(14.0)	6.7	(1.6)	0.1	(1.4)	2.1	(0.7)	0.6	(0.0)	-	
	Oct.-Dec.	19.9 (15.5)	(18.9)	12.5	(9.5)	(0.9)	(1.2)	0.9	1.9	0.4	(0.8)	-	
	Annual	52.0 8.6	(37.0)	24.6	8.2	5.9	(5.1)	4.9	(1.1)	9.4	(1.2)	-	
(vs Nov. 9 <sup>th</sup> Forecast)		6.0	(0.5)	1.1	1.9	(1.2)	0.7	(0.3)	2.7	1.6	0.0	-	

# Consolidated Statement of Financial Position

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Billions of Yen

	Actual 2021 year-end	Actual 2020 year-end	YOY	Main Factors
Current assets	533.1	436.7	+96.4	
Non-current assets	553.1	538.1	+15.0	
<b>Total assets</b>	<b>1,086.2</b>	<b>974.8</b>	<b>+111.4</b>	Trade and other receivables + 17.7 Inventories + 66.8 Other current assets + 10.4
Current liabilities	296.7	246.1	+50.6	
Non-current liabilities	276.0	261.6	+14.4	
<b>Total liabilities</b>	<b>572.7</b>	<b>507.7</b>	<b>+65.0</b>	Interest-bearing debt + 20.1 (296.8 ← 276.7) Trade and other payables + 37.6
Total equity attributable to owners of parent	501.5	454.7	+46.8	
Non-controlling interest	12.0	12.4	(0.4)	
<b>Total equity</b>	<b>513.5</b>	<b>467.1</b>	<b>+46.4</b>	Profit + 29.5 Dividends paid (15.8) Foreign currency translation adjustment + 25.0
<b>Total liabilities and equity</b>	<b>1,086.2</b>	<b>974.8</b>	<b>+111.4</b>	
<b>Equity ratio</b>	<b>46.2%</b>	<b>46.6%</b>	<b>(0.4P)</b>	



# 【Forecast】 Consolidated Financial Results (2022 Jan.-Dec.)

**SUMITOMO**  
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Billions of Yen

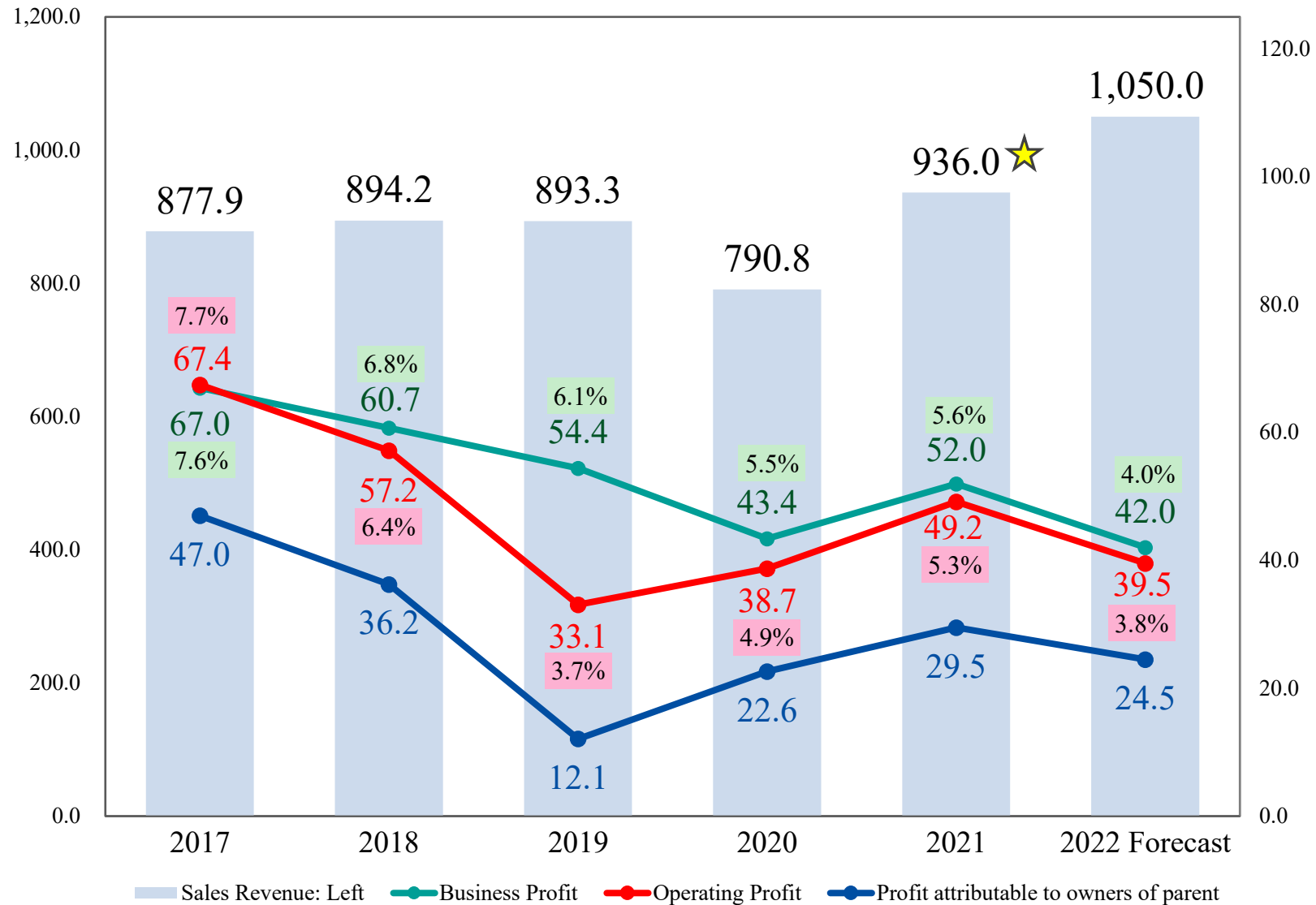
	Annual Forecast 2022	Actual 2021	YOY	First half Forecast 2022	vs 2021
Sales Revenue	1,050.0	936.0	112%	500.0	114%
Business Profit (%)	42.0 (4.0%)	52.0 (5.6%)	81%	12.0 (2.4%)	40%
Operating Profit (%)	39.5 (3.8%)	49.2 (5.3%)	80%	10.5 (2.1%)	37%
Profit	24.5	29.5	83%	6.0	29%

ROE	4.8%	6.2%
ROA	3.8%	5.0%
D/E Ratio	0.6	0.6

# 【Forecast】 Consolidated Sales Revenue / Profit (Jan.-Dec.)

Billions of Yen

% : Profit % ★ : Record High



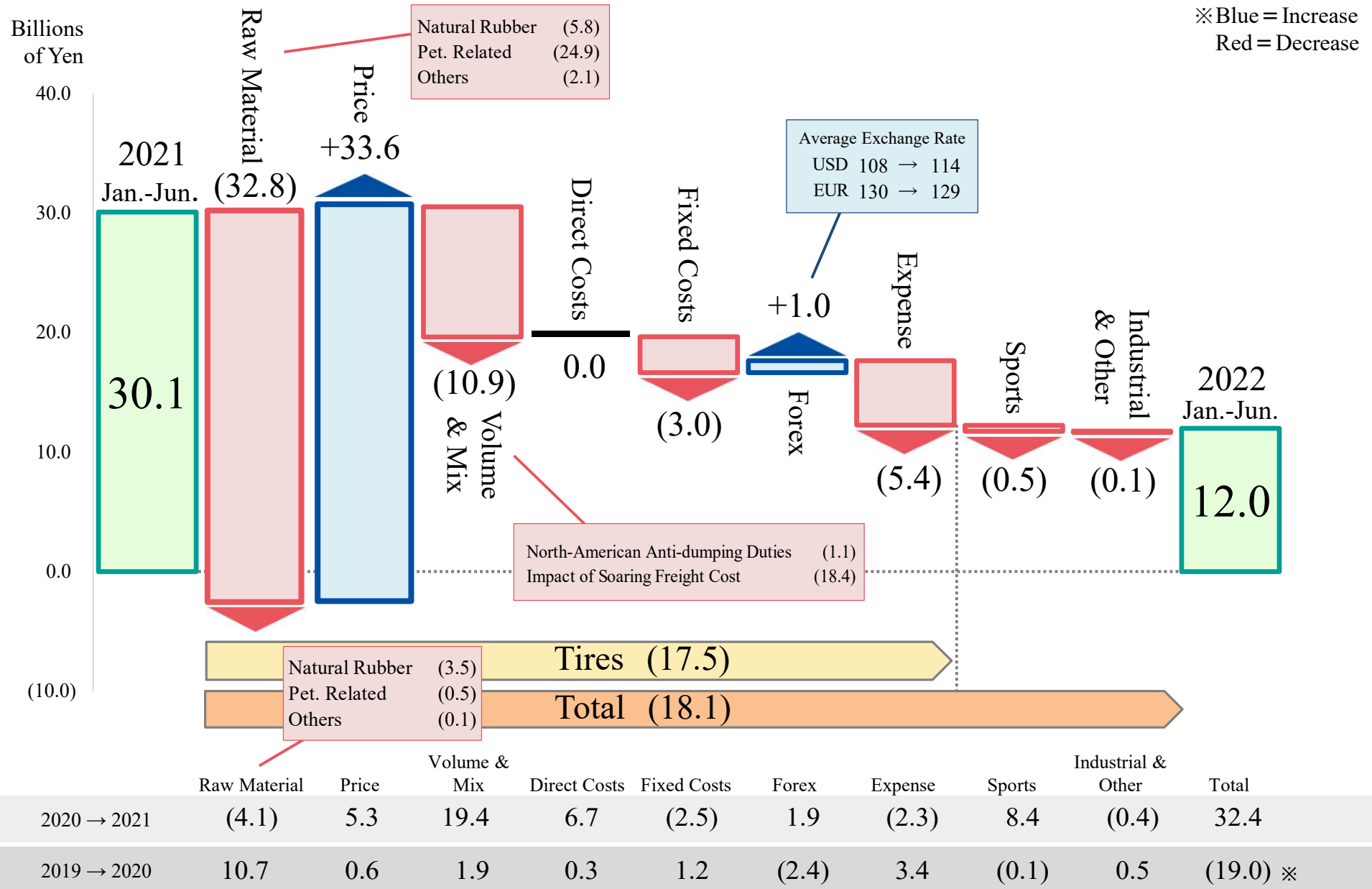
**【Forecast】 Consolidated Sales Revenue / Business Profit**  
by Reportable Segment (2022 Jan.-Dec.)

Billions of Yen

		Annual Forecast 2022	Actual 2021	YOY	First half Forecast 2022	vs 2021
Sales Revenue	Tires	903.5	795.0	114%	423.0	115%
	Sports	105.5	101.4	104%	57.5	112%
	Industrial & Other	41.0	39.6	104%	19.5	101%
	Total	1,050.0	936.0	112%	500.0	114%
Business Profit	Tires	32.5	41.4	79%	6.0	26%
	Sports	7.0	8.6	81%	5.0	91%
	Industrial & Other	2.5	2.0	127%	1.0	91%
	Total	42.0	52.0	81%	12.0	40%

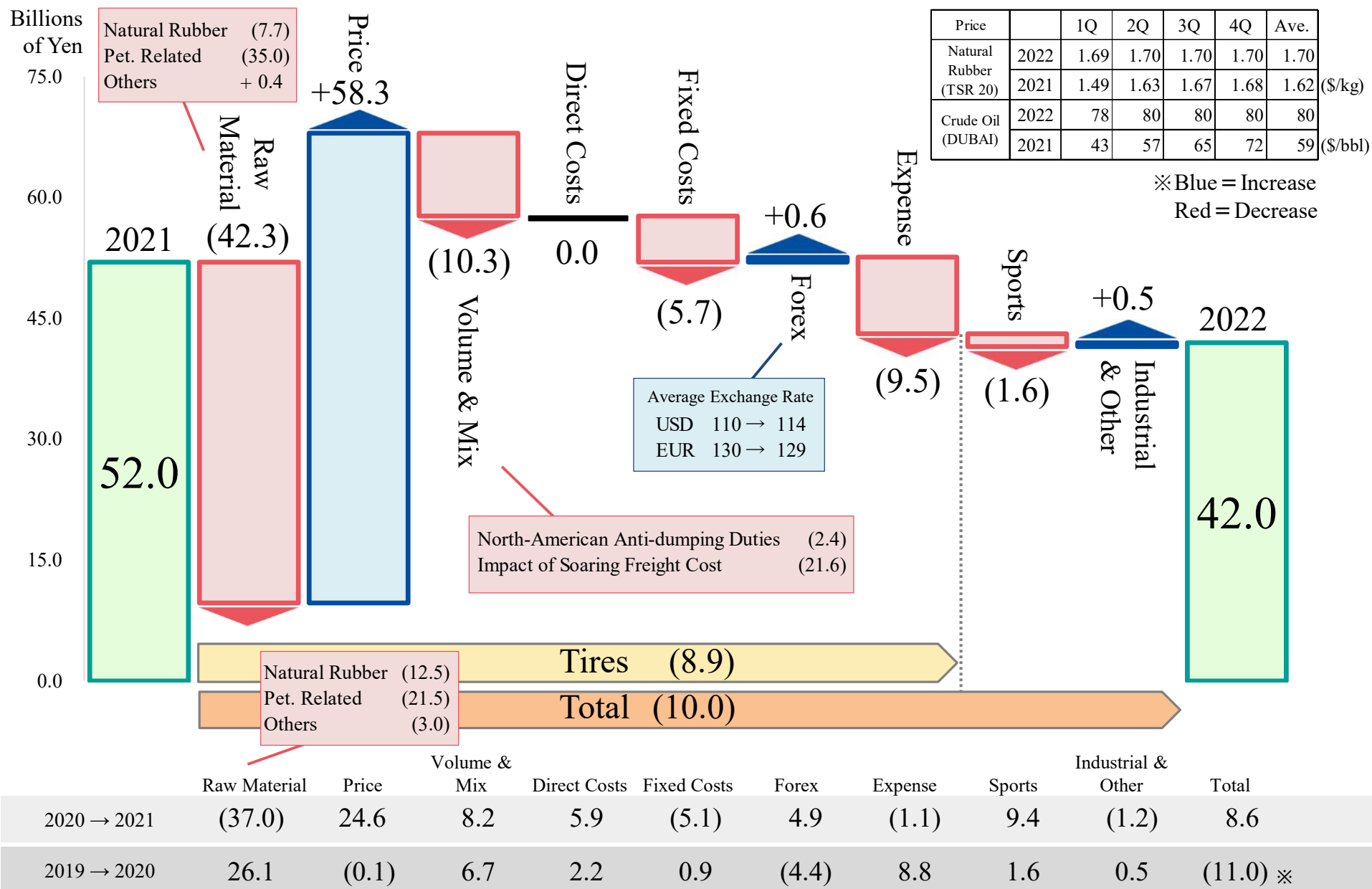
# 【Forecast】 Consolidated Business Profit Walk (2022 Jan.-Jun.)

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※Includes Impact of COVID-19, (35.1).

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



※ Includes Impact of COVID-19, (53.3).

# Tire Sales Volume (Comparison %)

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		2020 Actual					2021 Actual					2022 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.		92%	54%	86%	100%	83%	97%	148%	79%	80%	96%	114%	135%	124%
Domestic Rep.		95%	90%	72%	108%	91%	99%	107%	101%	102%	102%	107%	100%	103%
Overseas O.E.		72%	54%	76%	95%	74%	116%	146%	94%	95%	109%	120%	125%	123%
Overseas Rep.		93%	67%	97%	108%	91%	110%	151%	96%	97%	110%	99%	101%	100%
Details	North America	96%	66%	107%	111%	95%	106%	141%	83%	92%	101%	100%	97%	98%
	Europe	90%	65%	91%	94%	86%	100%	165%	112%	114%	118%	103%	96%	99%
	Asia	82%	80%	102%	109%	94%	138%	131%	90%	99%	111%	99%	109%	104%
	Others	105%	59%	87%	116%	91%	103%	177%	106%	89%	112%	94%	103%	98%
Total		90%	67%	87%	105%	88%	107%	140%	95%	96%	107%	105%	108%	106%

Total Tire Sales  
(000 Units)

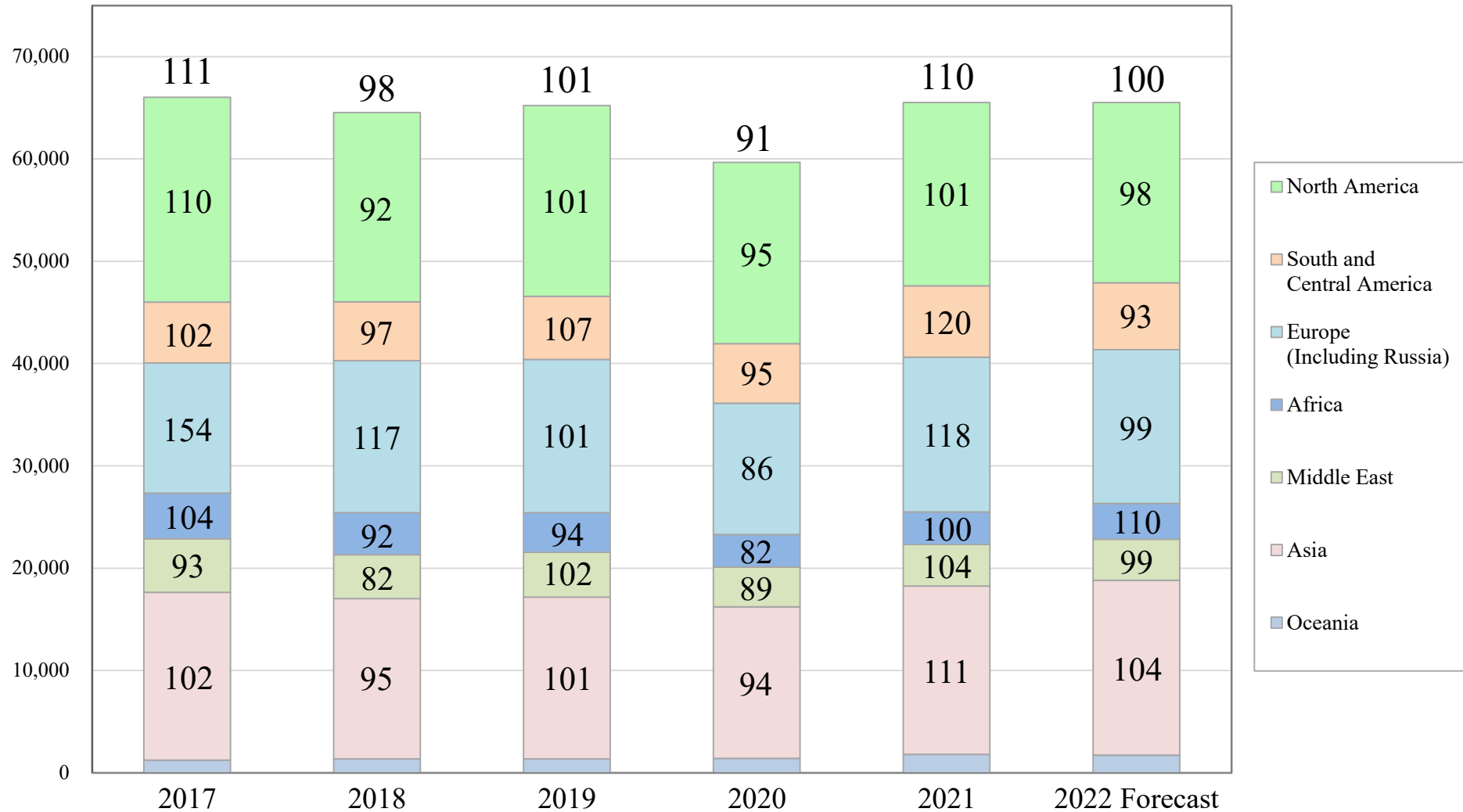
26,510    20,360    28,590    33,370    108,830    28,410    28,510    27,080    32,030    116,030    59,890    63,650    123,540

Composition Ratio		2020 Actual	2021 Actual	2022 Forecast
Advanced Tires ※	O.E.	40%	44%	47%
	Rep.	29%	31%	33%
	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 (Jan.-Dec.)

000 units

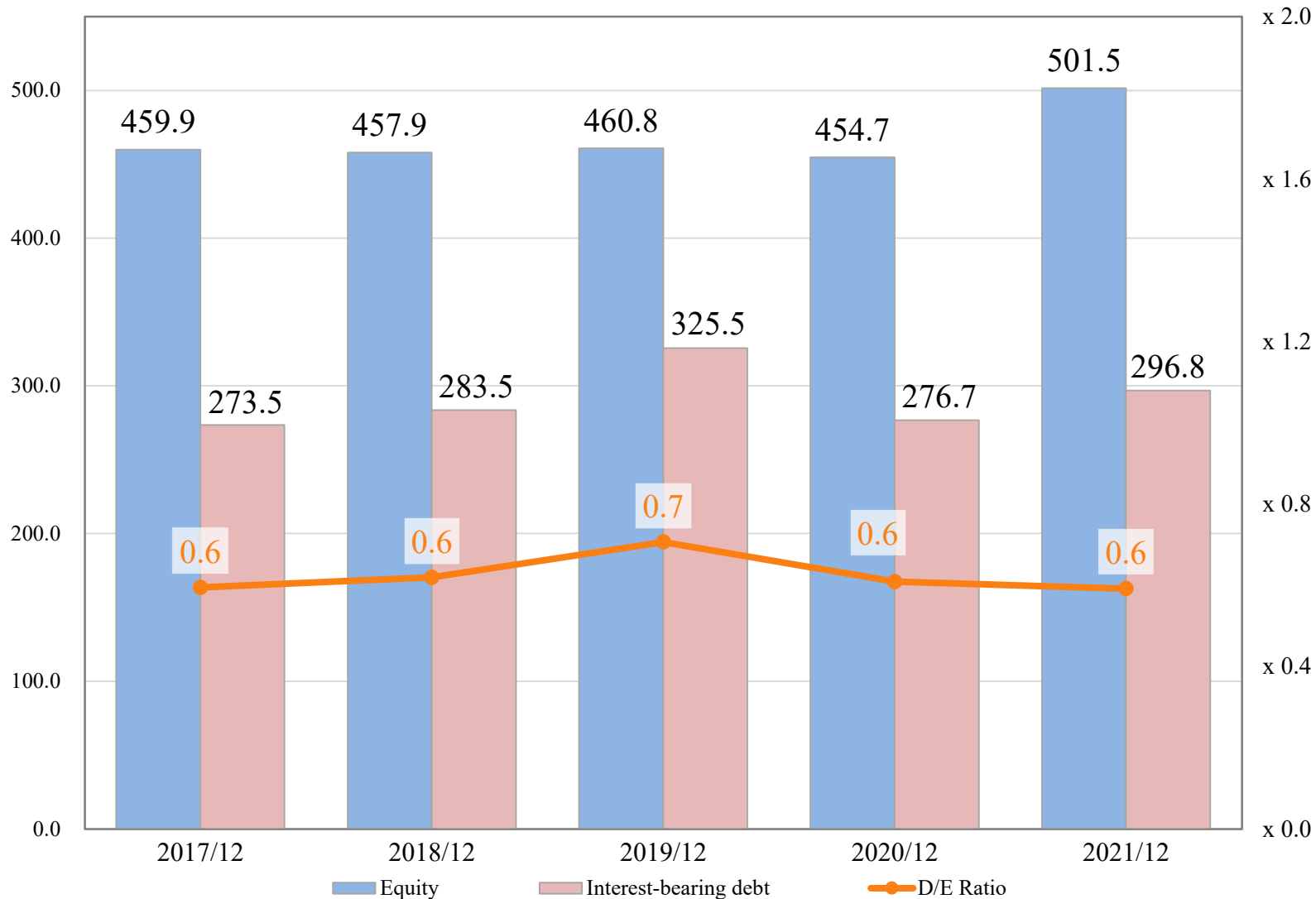


Forex (USD)	2017	2018	2019	2020	2021	2022 Forecast
	112	110	109	107	110	114

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

# Equity / Interest-Bearing Debt

Billions of Yen

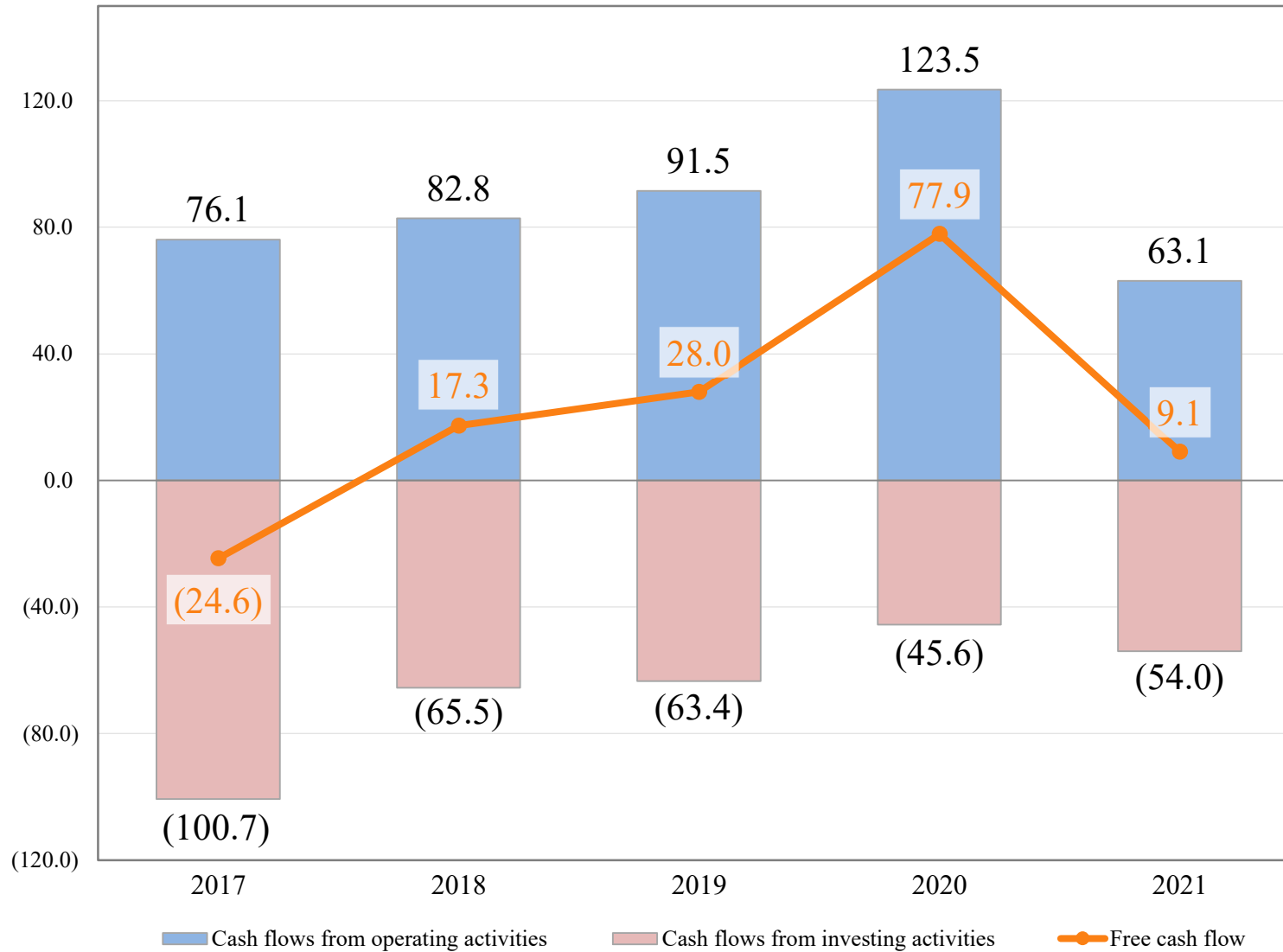


Equity Ratio	2017/12	2018/12	2019/12	2020/12	2021/12
Equity Ratio	45.2%	45.7%	44.5%	46.6%	46.2%



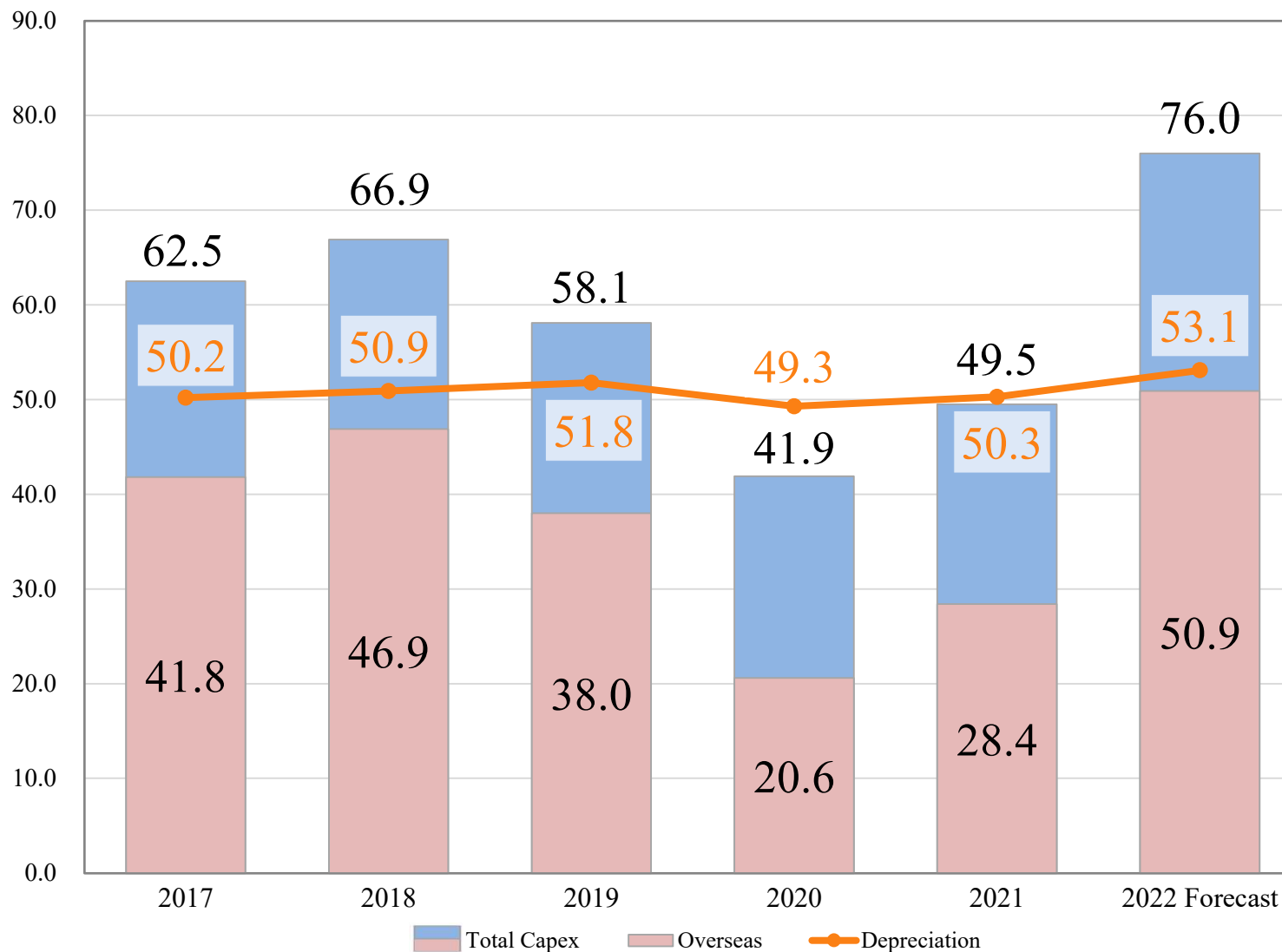
# Cash Flows (Jan.-Dec.)

Billions of Yen



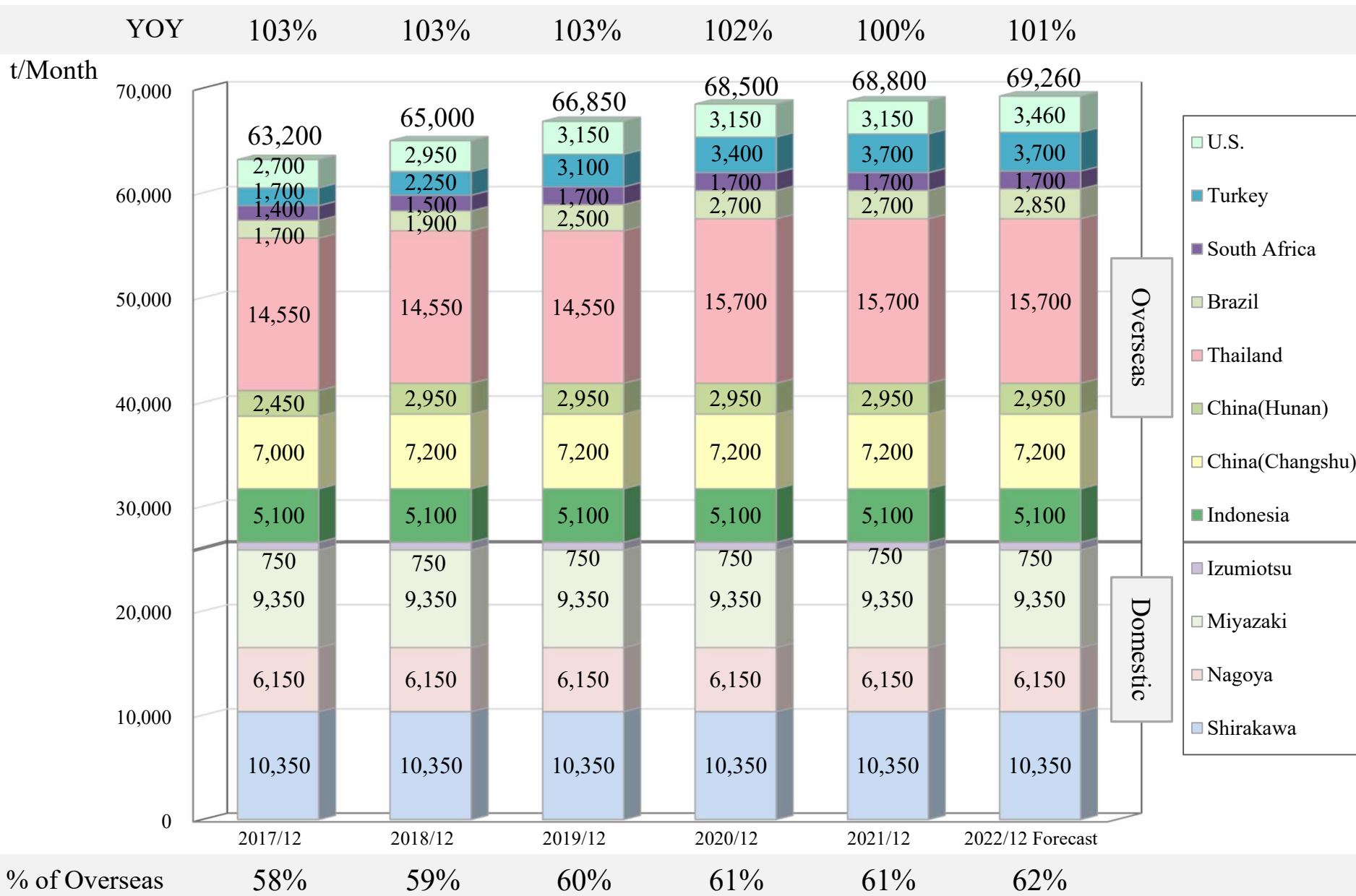
# Capex and Depreciation (Tangible Assets Only)

Billions of Yen



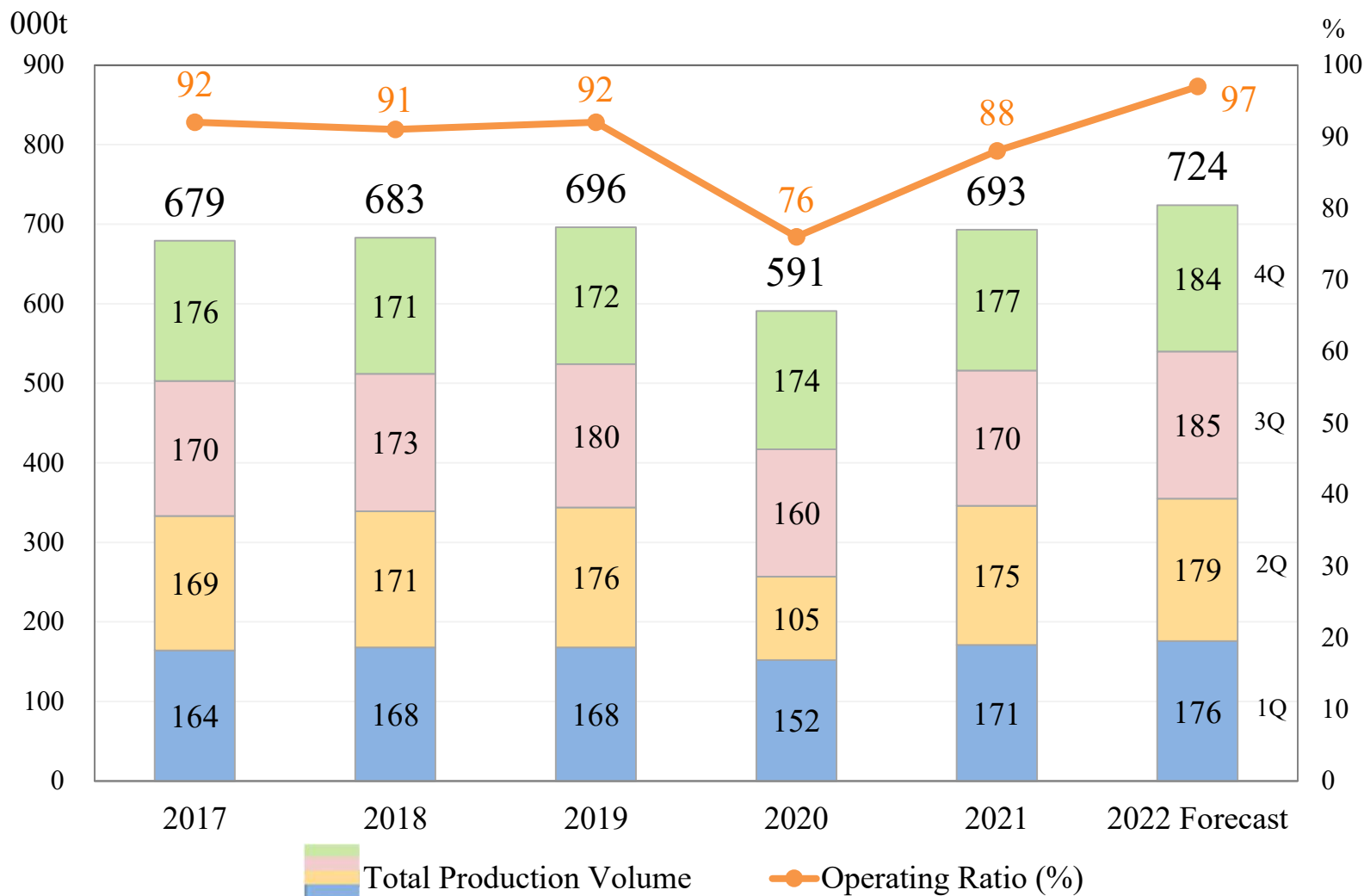
※IFRS 16 (Lease) impact is not included since 2019.

# Tire Production Capacity



# Tire Production Volume and Operating Ratio

YOY 107% 101% 102% 85% 117% 104%

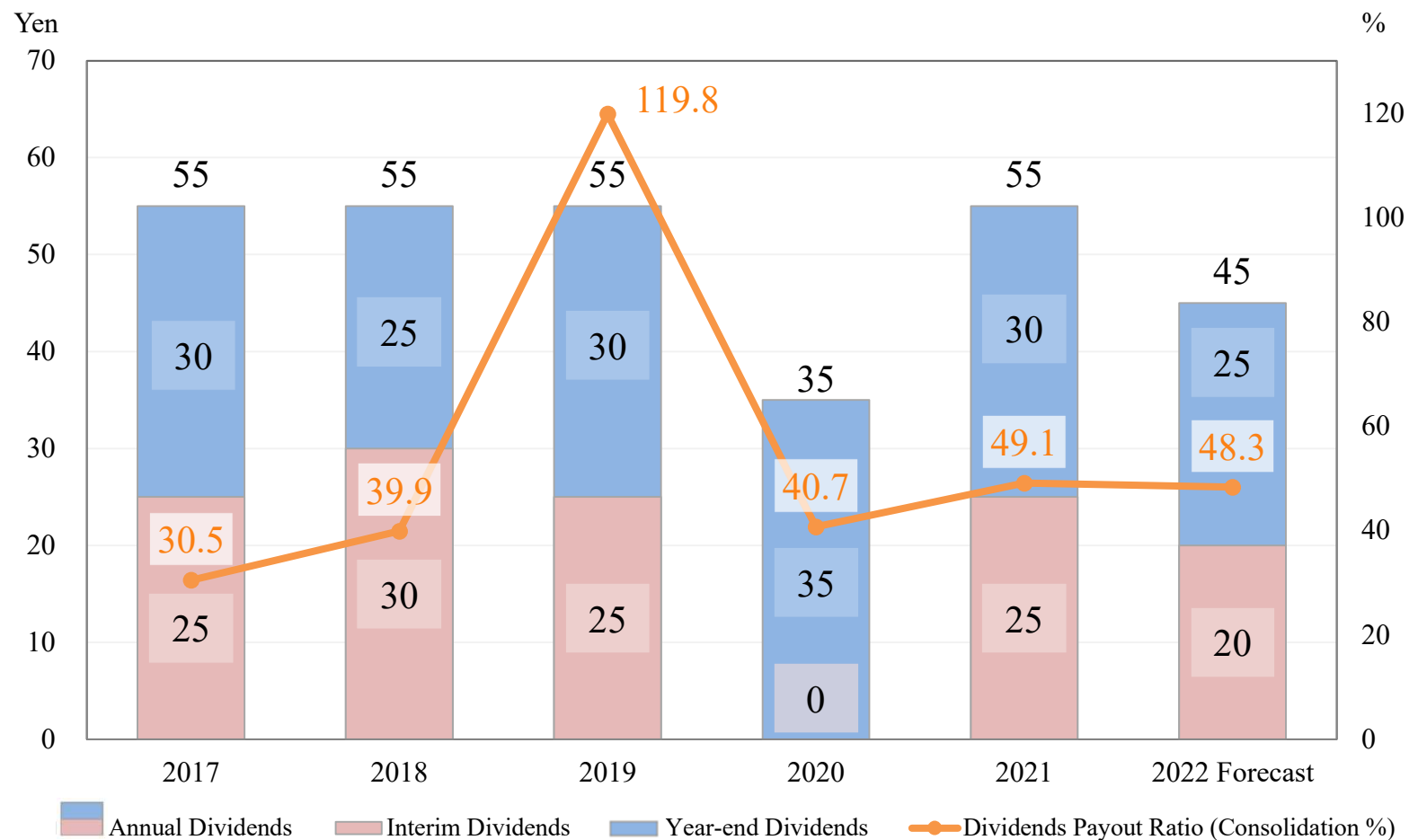


% of Overseas 61% 62% 61% 63% 63% 63%

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 Annual Dividends Forecast:

Based on consolidated financial results forecast of 2022, the annual dividends forecast is as below.





**WINTER MAXX  
SJ8+**

Our latest studless tires for SUVs feature Performance Sustaining Technology, one of the key technologies of our “SMART TYRE CONCEPT.”



**GRANDTREK PT5**

Our first tires for the Chinese Replacement Tire Market to feature SILENT CORE (specialized noise-absorbing sponges).



**AZENIS  
FK510**

Since it was first released overseas, 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)



The 12<sup>th</sup> generation of our XXIO Series, the bestselling golf clubs in Japan for 20 consecutive years\*.

\*The No. 1 selling sub-brand (by total annual sales revenue) for woods and irons for 20 consecutive years from 2000 through 2019. Per the results of nationwide surveys of in-store sales performance at major nationwide retailers conducted by Yano Research Institute.

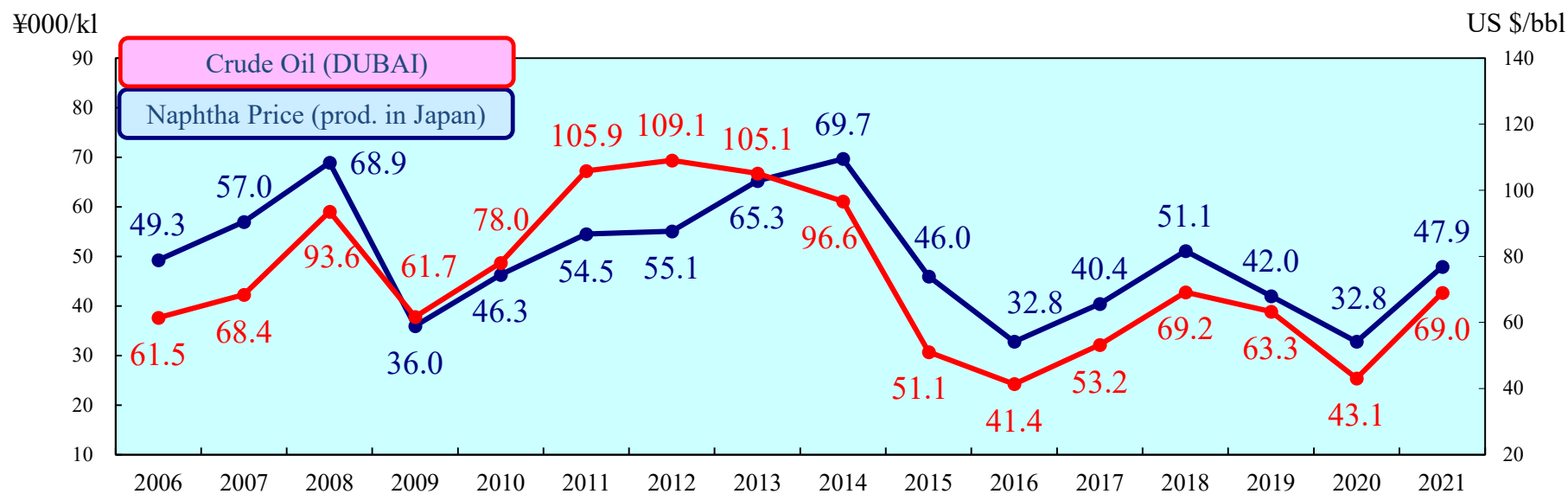
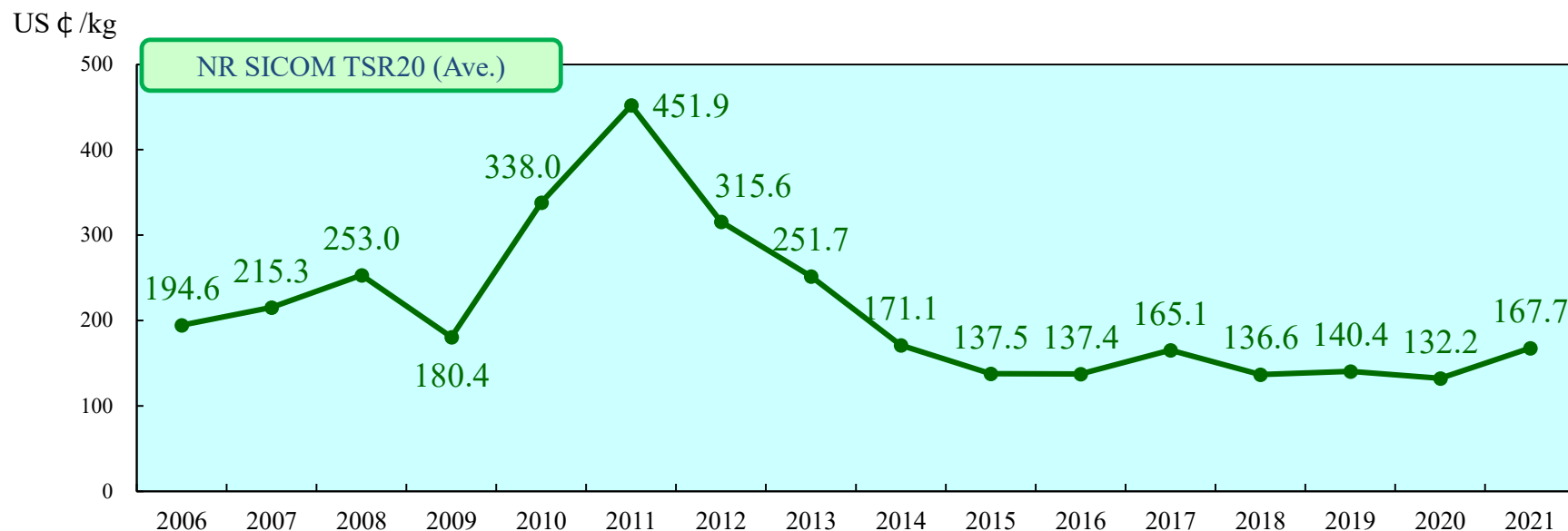


## Recent Activities (For further information, please refer to the news release on our website.)

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

- 2022 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 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 CO<sub>2</sub> Emissions by 100%

# Market Price: Natural Rubber / Crude Oil / Naphtha





**END**

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# **SUMITOMO RUBBER GROUP**