

# Financial Report

(January 1 ~ March 31, 2022)

May 13, 2022






**SUMITOMO**  
RUBBER INDUSTRIES




- 2022 1<sup>st</sup> 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

Consolidated Subsidiaries **97**  
(vs 2021 year-end : (1))

Equity-method Affiliates **3**  
(vs 2021 year-end : -)

|   | Newly Included - | Excluded (1)   | Newly Included - | Excluded - |
|---|------------------|--|------------------|------------|
| <p>Tires</p>                     |                  |  |                  |            |
| <p>Sports</p>                   |                  | Dunlop International (HK) Limited<br>(Hong Kong / Sales) |                  |            |
| <p>Industrial &amp; Other</p>  |                  |  |                  |            |

|  | Manufacturing Companies |   | Sales Companies |   | Other Companies |                   |   |
|--|-------------------------|---|-----------------|---|-----------------|-------------------|---|
| <b>Tires</b><br>                    | 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 |
| <b>Sports</b><br>                  | Domestic                | 1   | Domestic        | 1   | Domestic        | 3                 |   |
|  | Overseas                | 3   | Overseas        | 13  | Overseas        | 7                 |   |
|  |                         | Thailand, U.S., Philippines                     |                 | Malaysia, U.K., Canada, Australia, China, Hong Kong, South Africa, South Korea, Thailand, France, Germany |                 | U.K.              |   |
| <b>Industrial &amp; Other</b><br> | Domestic                | 1   | Domestic        | 3   | Domestic        | -                 |   |
|  | Overseas                | 5   | Overseas        | 1   | Overseas        | -                 |   |
|  |                         | Malaysia, China, Vietnam, Switzerland, Slovenia |                 | Hong Kong   |                 | -                 |   |

|              |            |
|--------------|------------|
| <b>Total</b> | <b>100</b> |
| Domestic     | 28         |
| Overseas     | 72         |

# Consolidated Financial Results (2022 Jan.-Mar.)



Billions of Yen

|                           | <b>2022<br/>Jan.-Mar.</b>  | 2021<br>Jan.-Mar. | vs<br>2021 | 2021<br>Annual |
|---------------------------|----------------------------|-------------------|------------|----------------|
| Sales Revenue             | <b>250.5</b>               | 213.7             | 117%       | 936.0          |
| Business Profit (%)<br>※1 | <b>14.8</b><br><b>5.9%</b> | 16.2<br>7.6%      | 91%        | 52.0<br>5.6%   |
| Operating Profit (%)      | <b>14.2</b><br><b>5.7%</b> | 15.6<br>7.3%      | 91%        | 49.2<br>5.3%   |
| Profit<br>※2              | <b>11.8</b>                | 10.7              | 110%       | 29.5           |

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

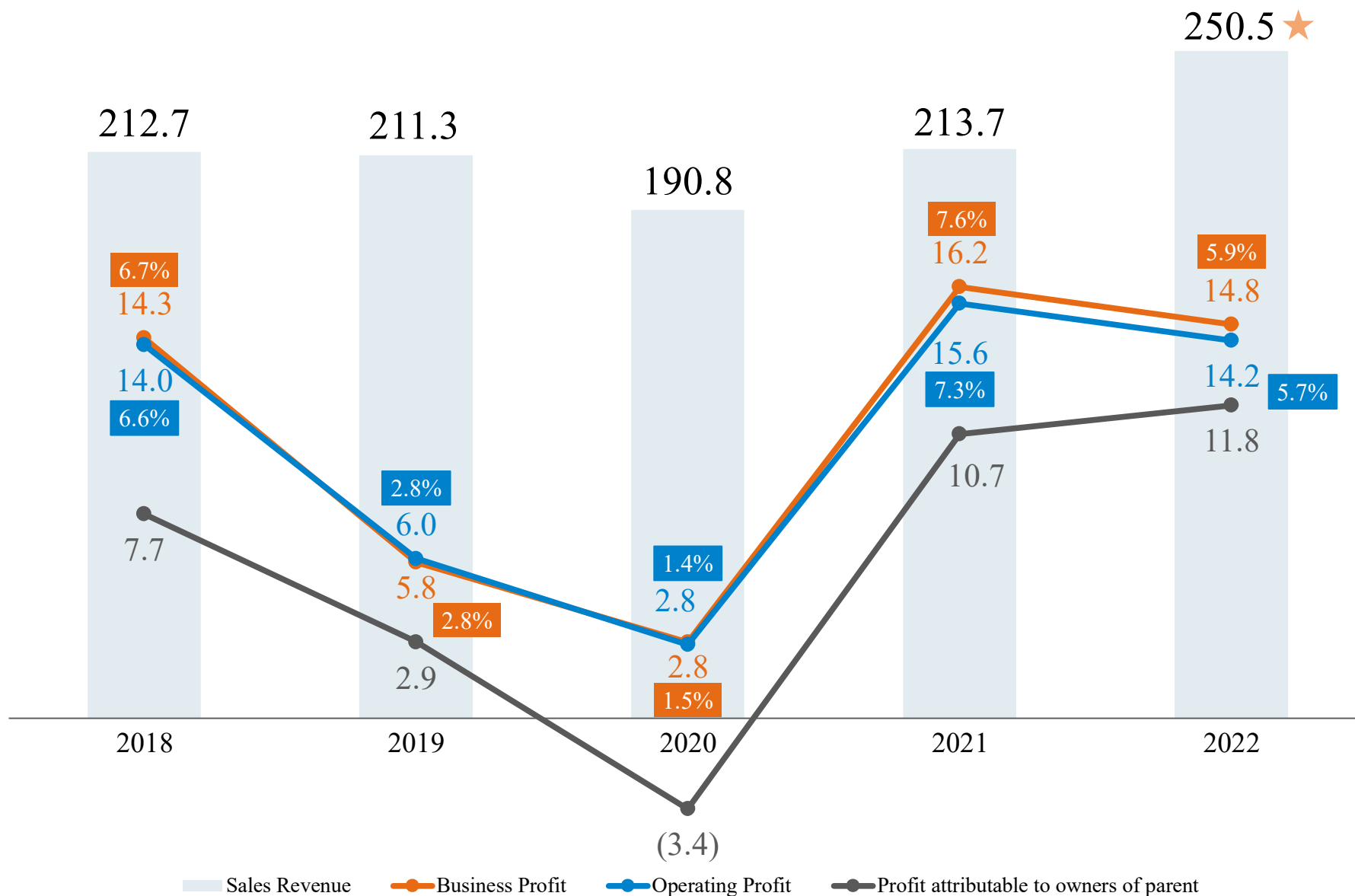
※2. Profit : Profit attributable to owners of parent

The above notes 1, 2 apply throughout this report.

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



Billions of Yen % : Profit Ratio ★ : Record High



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



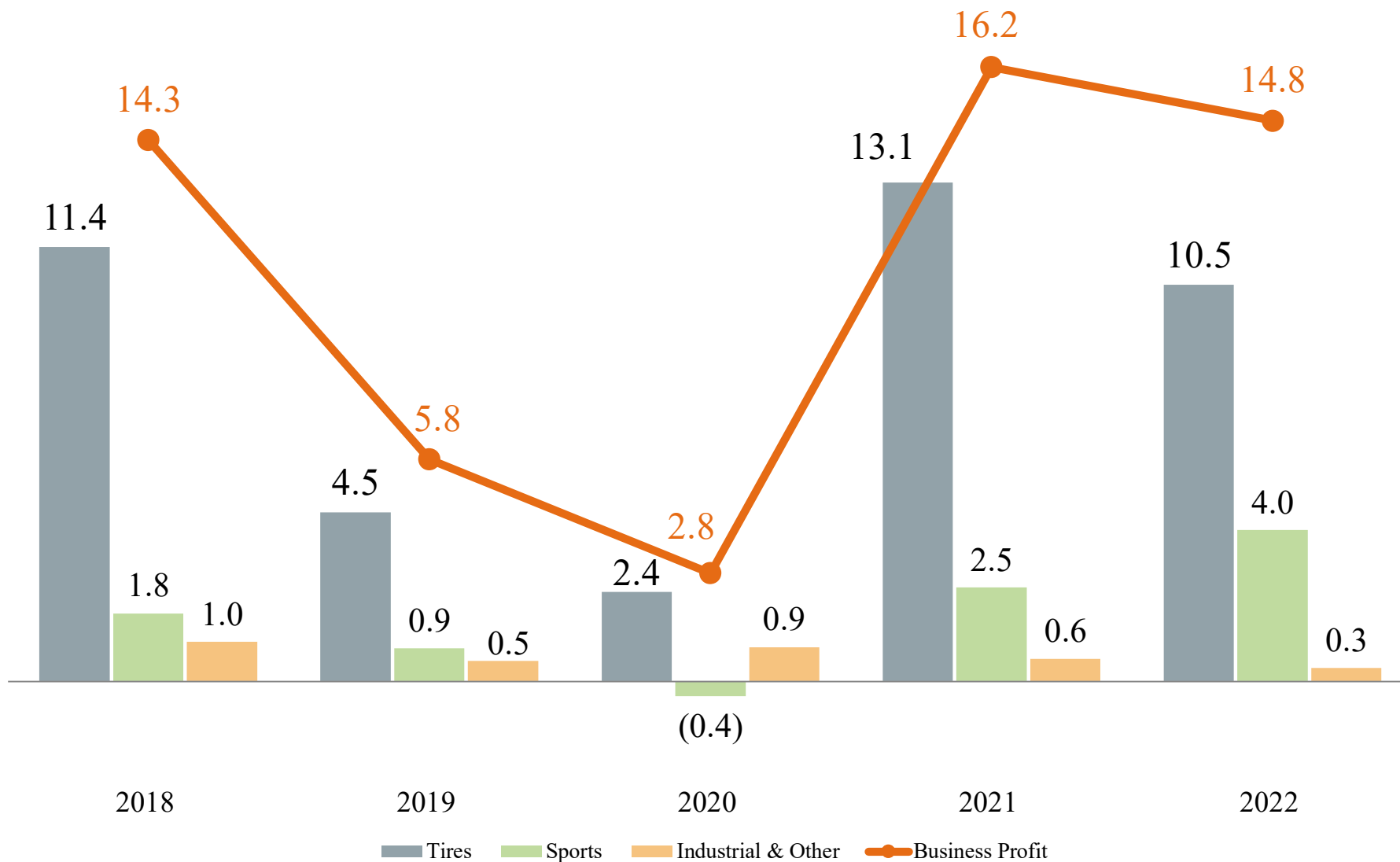
Billions of Yen

|                 | <b>2022<br/>Jan.-Mar.</b> | 2021<br>Jan.-Mar. | vs<br>2021 | 2021<br>Annual |
|-----------------|---------------------------|-------------------|------------|----------------|
| Sales Revenue   | <b>210.9</b>              | 180.3             | 117%       | 795.0          |
|                 | <b>29.7</b>               | 23.3              | 127%       | 101.4          |
|                 | <b>9.9</b>                | 10.1              | 99%        | 39.6           |
|                 | <b>250.5</b>              | 213.7             | 117%       | 936.0          |
| Business Profit | <b>10.5</b>               | 13.1              | 80%        | 41.4           |
|                 | <b>4.0</b>                | 2.5               | 161%       | 8.6            |
|                 | <b>0.3</b>                | 0.6               | 59%        | 2.0            |
|                 | <b>14.8</b>               | 16.2              | 91%        | 52.0           |

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

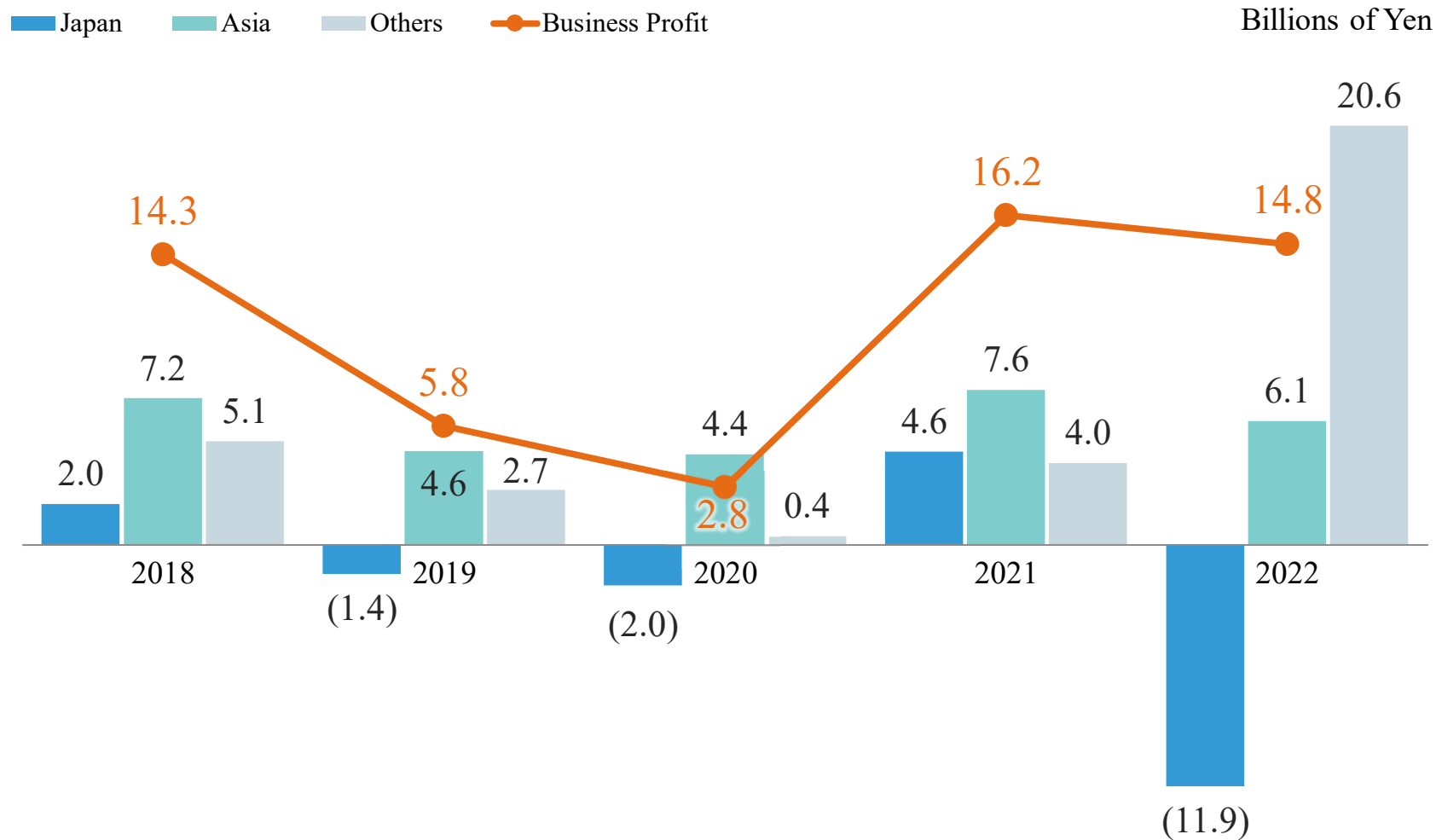


Billions of Yen





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



## Sales Revenue

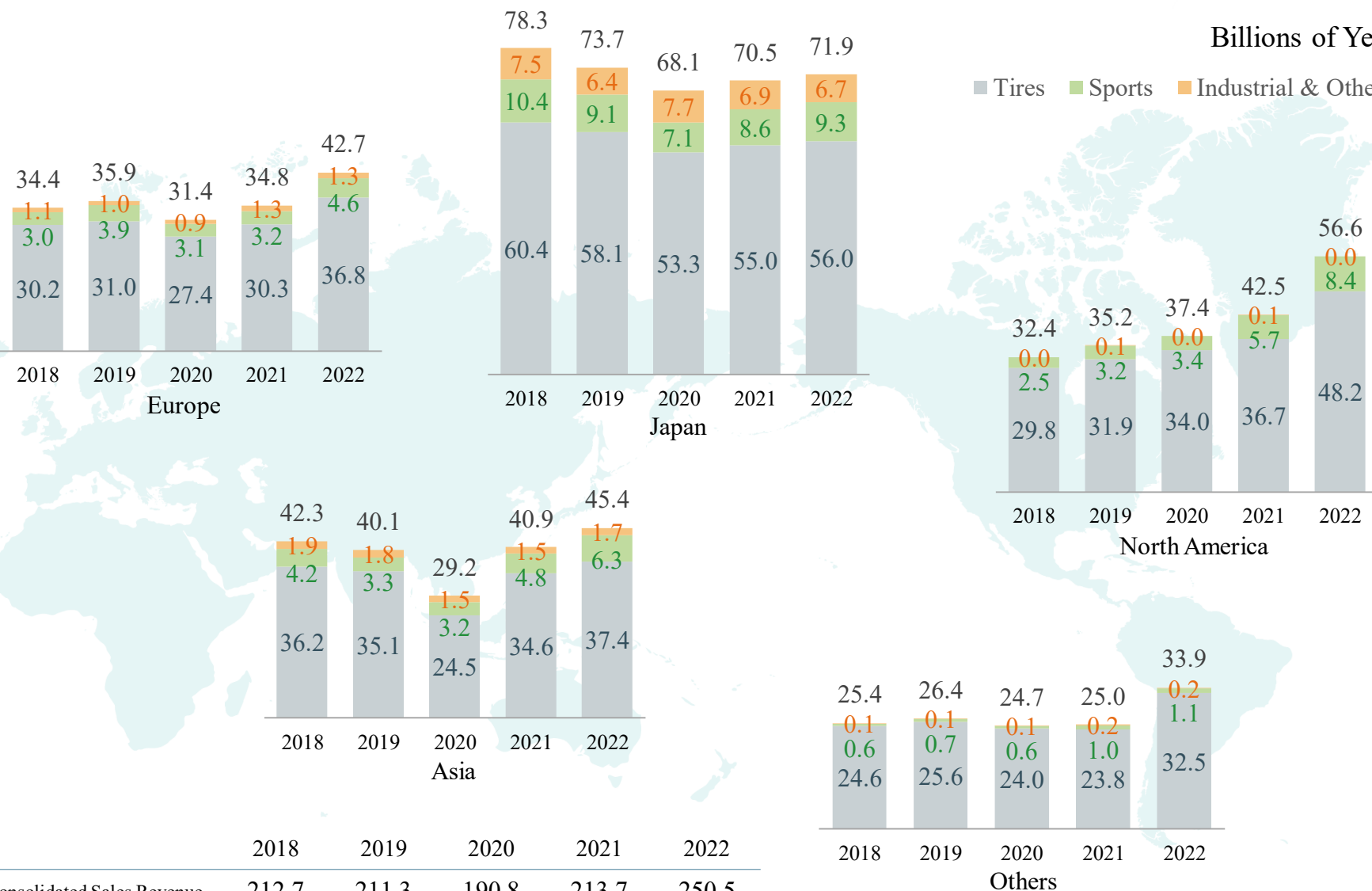
|        |       |       |       |       |       |
|--------|-------|-------|-------|-------|-------|
| Japan  | 92.5  | 91.6  | 84.4  | 85.1  | 90.0  |
| Asia   | 40.8  | 37.7  | 27.7  | 39.5  | 43.5  |
| Others | 79.3  | 81.9  | 78.7  | 89.1  | 117.0 |
| Total  | 212.7 | 211.3 | 190.8 | 213.7 | 250.5 |

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

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

Billions of Yen

■ Tires ■ Sports ■ Industrial & Other

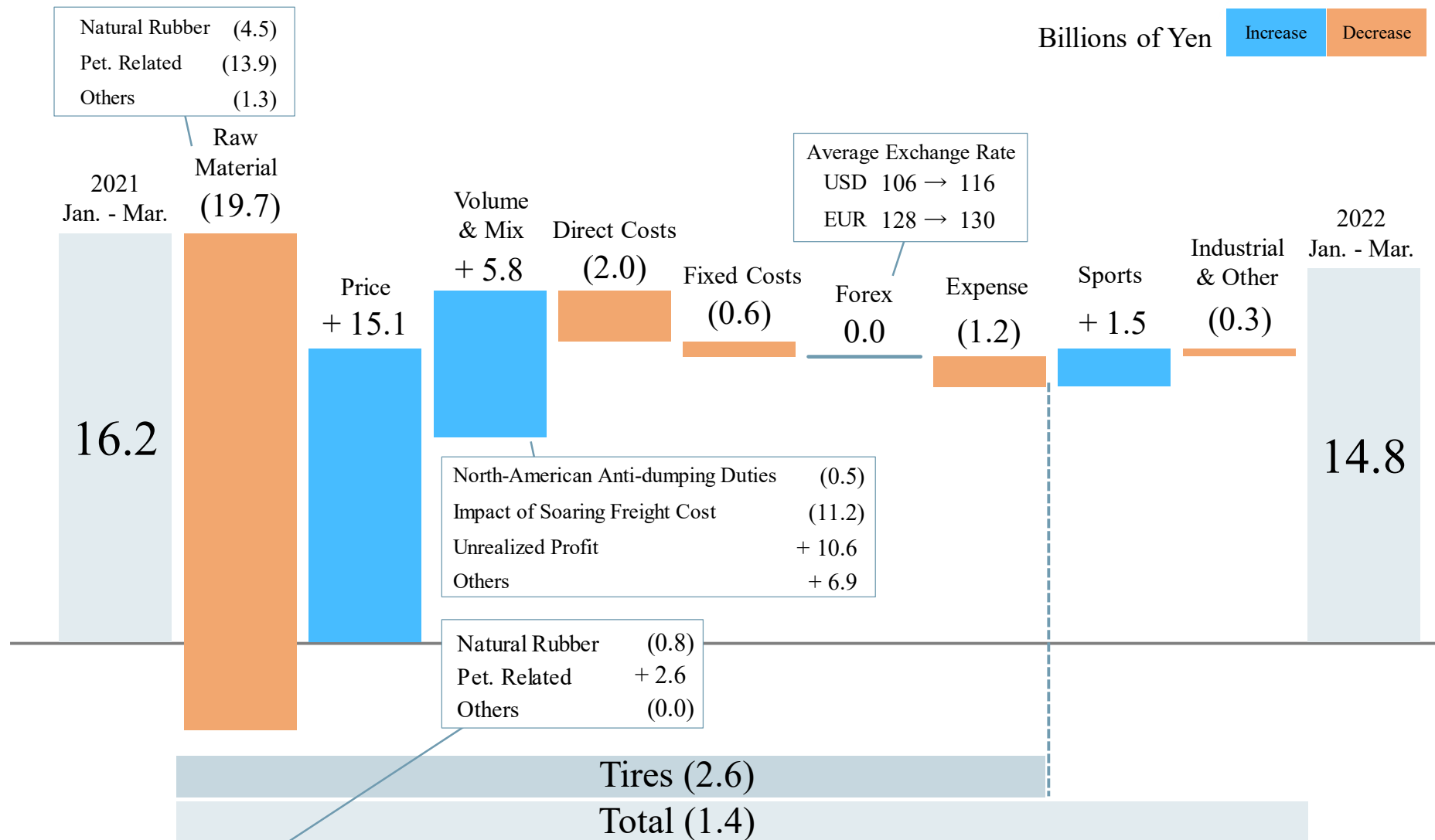


|                            | 2018  | 2019  | 2020  | 2021  | 2022  |
|----------------------------|-------|-------|-------|-------|-------|
| Consolidated Sales Revenue | 212.7 | 211.3 | 190.8 | 213.7 | 250.5 |
| % of Overseas              | 63%   | 65%   | 64%   | 67%   | 71%   |

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

# Consolidated Business Profit Walk (2022 Jan.-Mar.)

Billions of Yen Increase Decrease



|             | Raw Material | Price | Volume & Mix | Direct Costs | Fixed Costs | Forex | Expense | Sports | Industrial & Other | Total  |
|-------------|--------------|-------|--------------|--------------|-------------|-------|---------|--------|--------------------|--------|
| 2020 → 2021 | 1.8          | 1.2   | 6.2          | 1.0          | (0.2)       | 0.3   | 0.5     | 2.9    | (0.3)              | 13.4   |
| 2019 → 2020 | 5.4          | 1.2   | (1.4)        | 1.0          | (0.1)       | (1.2) | (0.8)   | 0.8    | 0.4                | (3.0)※ |

※ Includes Impact of COVID-19, (8.2).

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



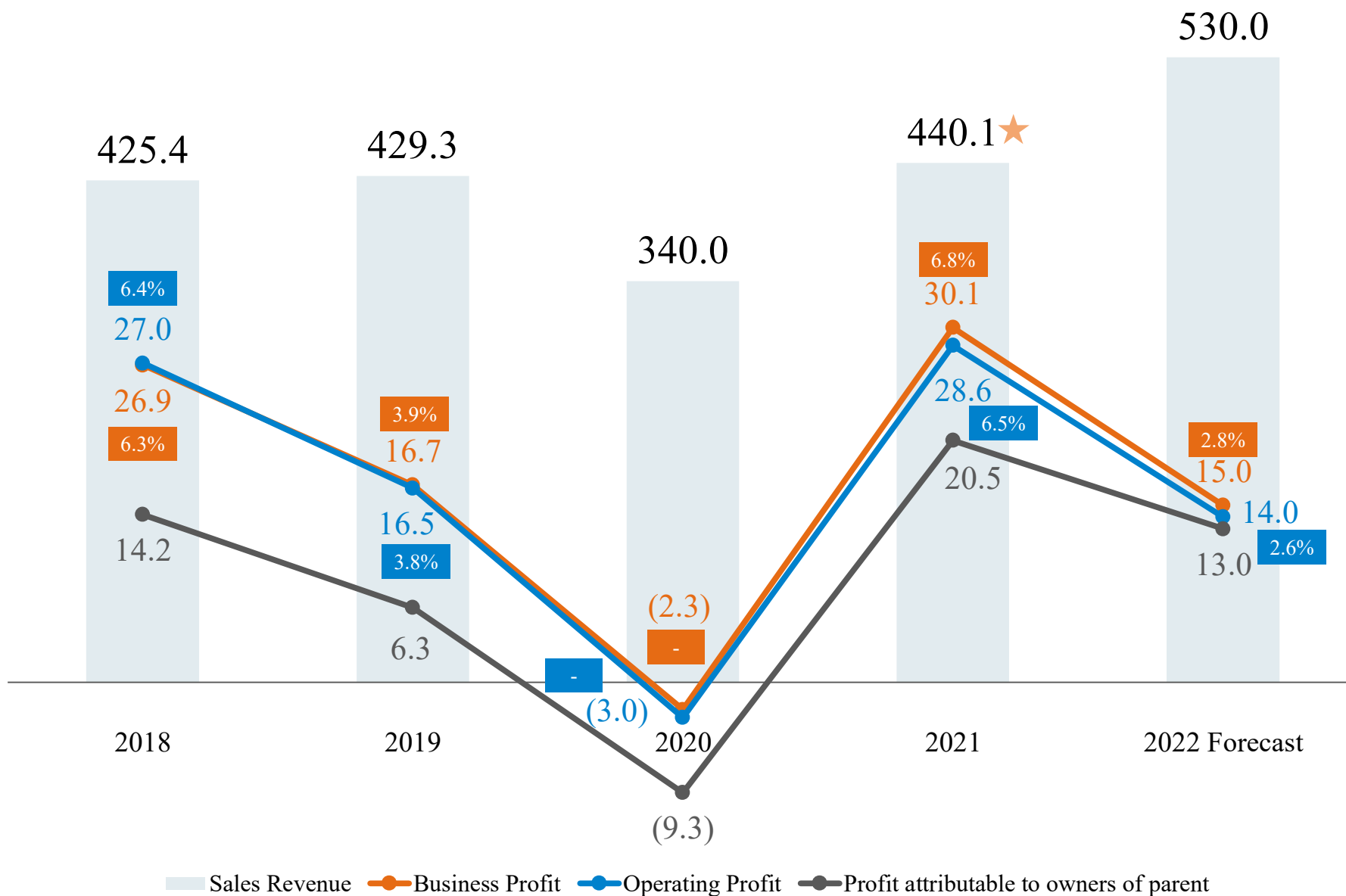
Billions of Yen

|                         | Revised Forecast<br><b>2022<br/>Jan.-Jun.</b> | Actual<br>2021<br>Jan.-Jun. | vs<br>2021 | Feb. 9 <sup>th</sup> 2022<br>Forecast<br>2022<br>Jan.-Jun. | Revised Forecast<br>2022<br>Apr.-Jun. | Actual<br>2021<br>Apr.-Jun. |
|-------------------------|---|-----------------------------|------------|--|---------------------------------------|-----------------------------|
| Sales Revenue           | <b>530.0</b>                                  | 440.1                       | 120%       | <b>500.0</b>   | <b>279.5</b>                          | <b>226.4</b>                |
| Business<br>Profit (%)  | <b>15.0<br/>2.8%</b>                          | 30.1<br>6.8%                | 50%        | 12.0<br>2.4%   | 0.2<br>0.1%                           | 13.9<br>6.1%                |
| Operating<br>Profit (%) | <b>14.0<br/>2.6%</b>                          | 28.6<br>6.5%                | 49%        | 10.5<br>2.1%   | (0.2)<br>-                            | 13.0<br>5.7%                |
| Profit                  | <b>13.0</b>                                   | 20.5                        | 63%        | <b>6.0</b>   | <b>1.2</b>                            | <b>9.8</b>                  |

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



Billions of Yen % : Profit Ratio ★ : Record High



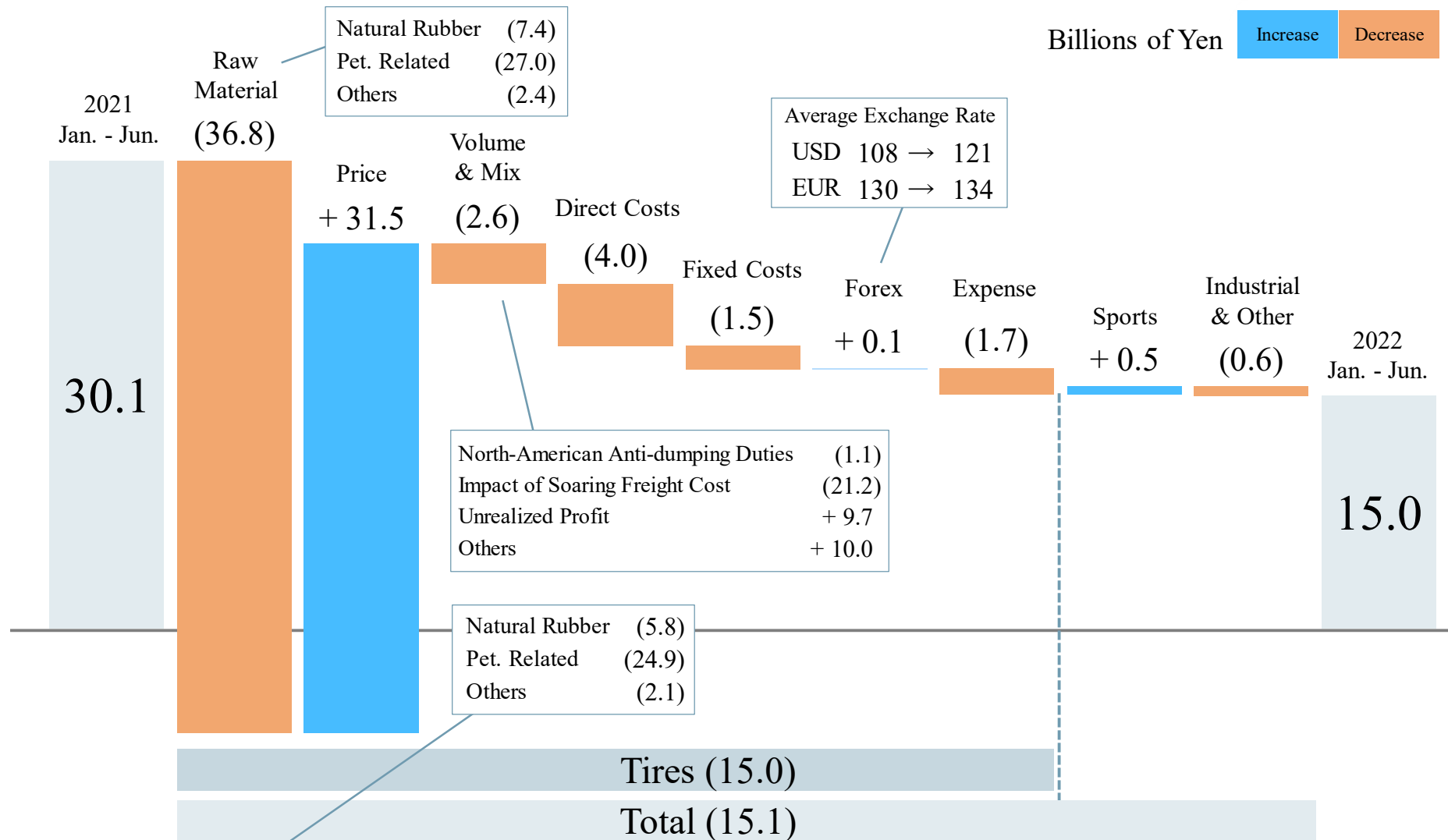
**【Forecast】 Consolidated Sales Revenue / Business Profit  
by Reportable Segment (2022 Jan.-Jun.)**

Billions of Yen

|                        | <b>Revised Forecast<br/>2022<br/>Jan.-Jun.</b> | <b>Actual<br/>2021<br/>Jan.-Jun.</b> | <b>vs<br/>2021</b> | <b>Feb. 9<sup>th</sup> 2022<br/>Forecast<br/>2022<br/>Jan.-Jun.</b> | <b>Revised Forecast<br/>2022<br/>Apr.-Jun.</b> | <b>Actual<br/>2021<br/>Apr.-Jun.</b> |
|------------------------|--|--------------------------------------|--------------------|---|--|--------------------------------------|
| <b>Sales Revenue</b>   | Tires  | 451.5                                | 369.3              | 122%  | 423.0  | 189.0                                |
|                        | Sports   | 59.0                                 | 51.4               | 115%  | 57.5   | 28.1                                 |
|                        | Industrial<br>& Other                          | 19.5                                 | 19.4               | 101%  | 19.5   | 9.3                                  |
|                        | <b>Total</b>                                   | <b>530.0</b>                         | 440.1              | 120%  | 500.0  | 226.4                                |
| <b>Business Profit</b> | Tires  | 8.5                                  | 23.5               | 36%   | 6.0  | 10.3                                 |
|                        | Sports   | 6.0                                  | 5.5                | 109%  | 5.0  | 3.1                                  |
|                        | Industrial<br>& Other                          | 0.5                                  | 1.1                | 46%   | 1.0  | 0.5                                  |
|                        | <b>Total</b>                                   | <b>15.0</b>                          | 30.1               | 50%   | 12.0   | 13.9                                 |

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

Billions of Yen Increase Decrease



|                               | Raw Material | Price | Volume & Mix | Direct Costs | Fixed Costs | Forex | Expense | Sports | Industrial & Other | Total  |
|-------------------------------|--------------|-------|--------------|--------------|-------------|-------|---------|--------|--------------------|--------|
| Feb. 9 <sup>th</sup> Forecast | (32.8)       | 33.6  | (10.9)       | 0.0          | (3.0)       | 1.0   | (5.4)   | (0.5)  | (0.1)              | (18.1) |
| 2020 → 2021                   | (4.1)        | 5.3   | 19.4         | 6.7          | (2.5)       | 1.9   | (2.3)   | 8.4    | (0.4)              | 32.4   |

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



Billions of Yen

Feb. 9<sup>th</sup> 2022  
Forecast  
2022

|                      | Revised Forecast<br><b>2022</b> | Actual<br>2021 | YOY  |              |
|----------------------|---------------------------------|----------------|------|--------------|
| Sales Revenue        | <b>1,140.0</b>                  | 936.0          | 122% | 1,050.0      |
| Business Profit (%)  | <b>42.0</b><br><b>3.7%</b>      | 52.0<br>5.6%   | 81%  | 42.0<br>4.0% |
| Operating Profit (%) | <b>39.5</b><br><b>3.5%</b>      | 49.2<br>5.3%   | 80%  | 39.5<br>3.8% |
| Profit               | <b>29.0</b>                     | 29.5           | 98%  | 24.5         |
| ROE                  | <b>5.5%</b>                     | 6.2%           |      | 4.8%         |
| ROA                  | <b>3.6%</b>                     | 5.0%           |      | 3.8%         |
| D/E Ratio            | <b>0.6</b>                      | 0.6            |      | 0.6          |

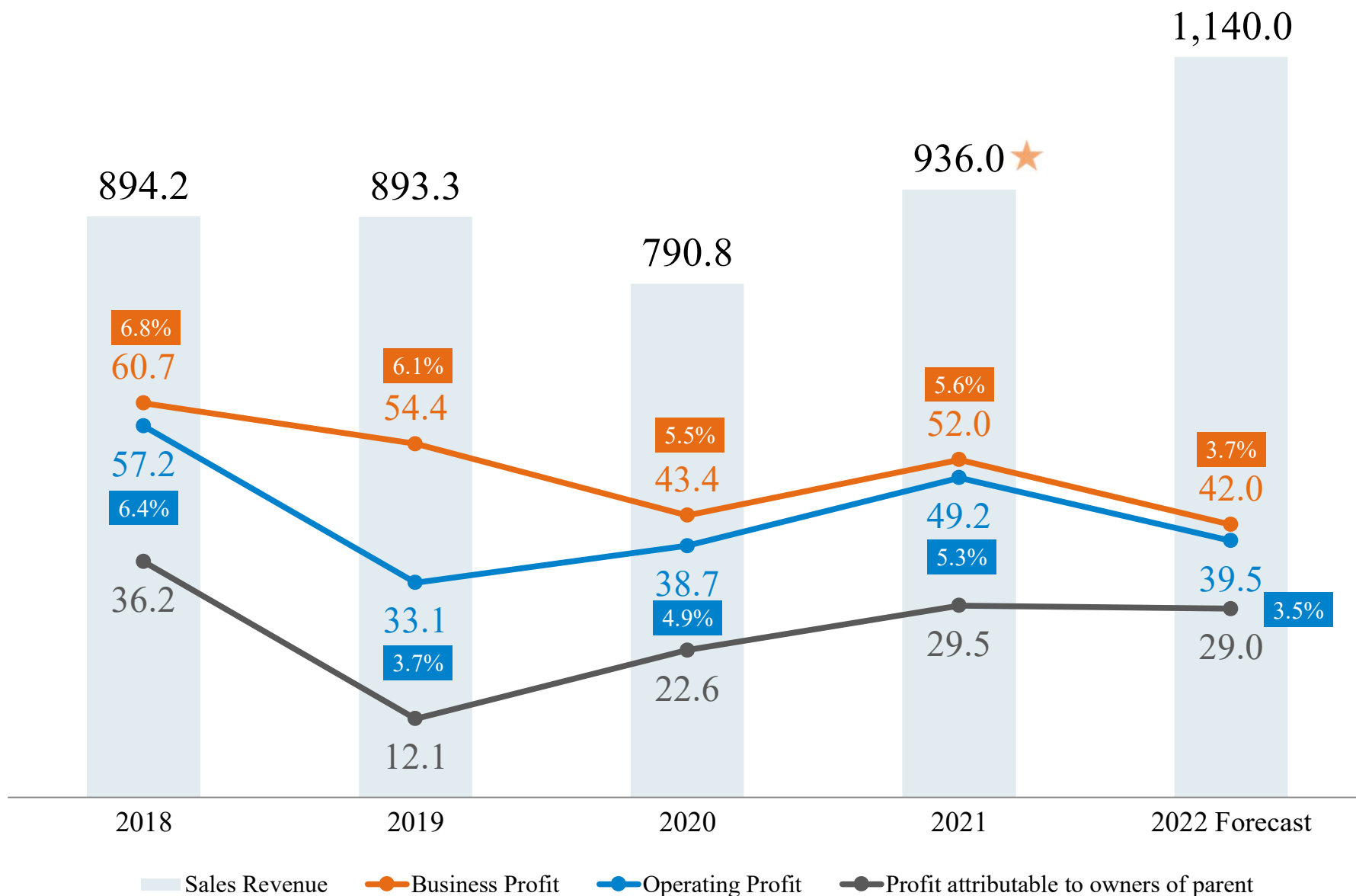
※ROA : Business Profit / Total Assets



# 【Forecast】 Consolidated Sales Revenue / Profit



Billions of Yen % : Profit Ratio ★ : Record High



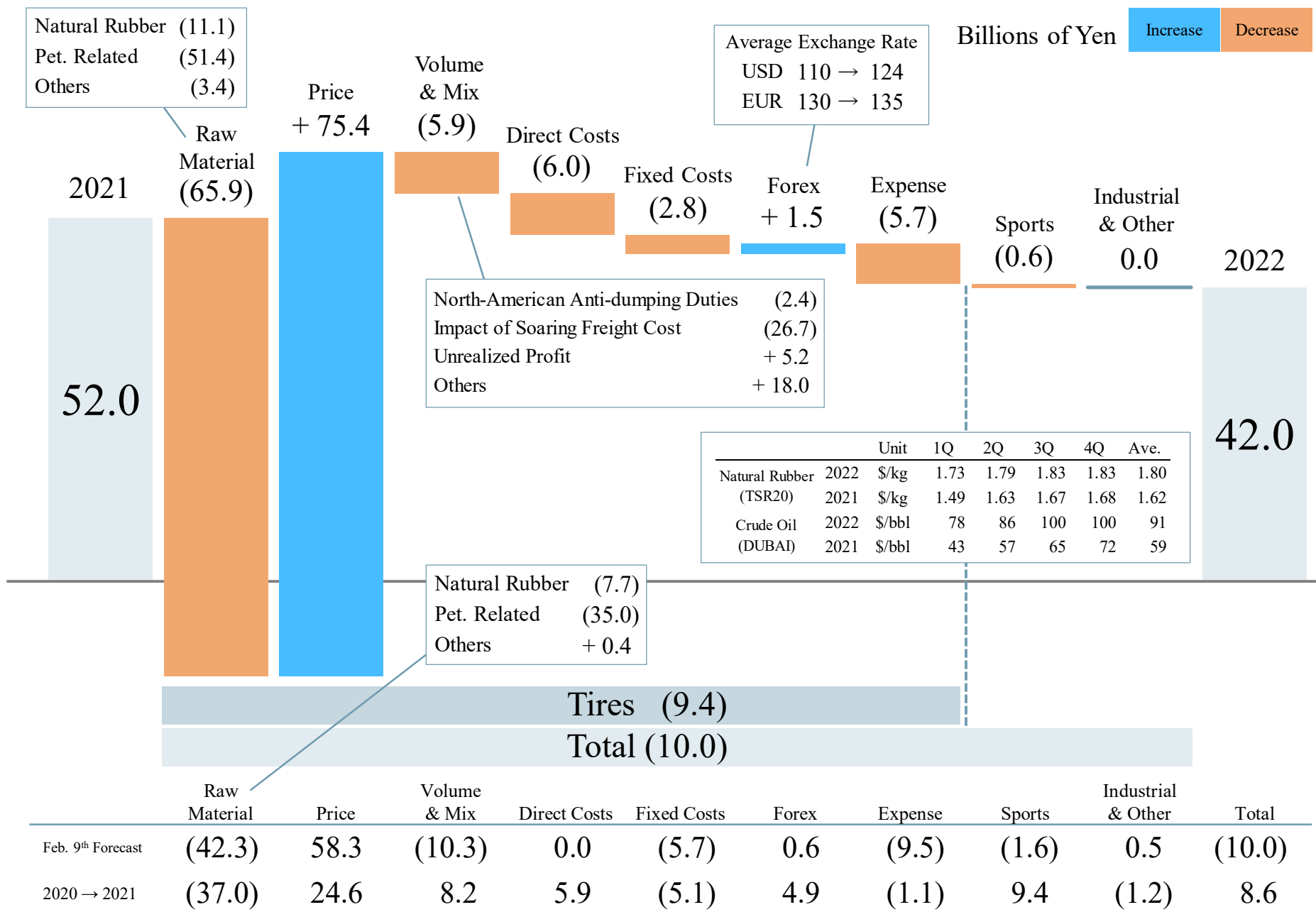
**【Forecast】 Consolidated Sales Revenue / Business Profit  
by Reportable Segment (2022 Jan.-Dec.)**



Billions of Yen

|                 |                       | <b>Revised Forecast<br/>2022</b> | Actual<br>2021 | YOY  | Feb. 9 <sup>th</sup> 2022 Forecast<br>2022 |
|-----------------|-----------------------|----------------------------------|----------------|------|--|
| Sales Revenue   | Tires                 | <b>991.5</b>                     | 795.0          | 125% | 903.5                                      |
|                 | Sports                | <b>107.5</b>                     | 101.4          | 106% | 105.5                                      |
|                 | Industrial<br>& Other | <b>41.0</b>                      | 39.6           | 104% | 41.0                                       |
|                 | Total                 | <b>1,140.0</b>                   | 936.0          | 122% | 1,050.0                                    |
| Business Profit | Tires                 | <b>32.0</b>                      | 41.4           | 77%  | 32.5                                       |
|                 | Sports                | <b>8.0</b>                       | 8.6            | 93%  | 7.0  |
|                 | Industrial<br>& Other | <b>2.0</b>                       | 2.0            | 101% | 2.5  |
|                 | Total                 | <b>42.0</b>                      | 52.0           | 81%  | 42.0                                       |

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



# Consolidated Business Profit Analysis by Factors



Billions of Yen

| Period                           | Business Profit |                  | Factors      |        |              |              |             |       |         |        |                    |       |
|----------------------------------|-----------------|------------------|--------------|--------|--------------|--------------|-------------|-------|---------|--------|--------------------|-------|
|                                  |                 | vs Previous year | Raw Material | Price  | Volume & Mix | Direct Costs | Fixed Costs | Forex | Expense | Sports | Industrial & Other |       |
| 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.-Dec.       | 21.9             | (23.8)       | (32.9) | 19.3         | (11.2)       | (0.8)       | (2.6) | 3.0     | 1.2    | 1.0                | (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) |
| 2022                             | Jan.-Mar.       | 14.8             | (1.4)        | (19.7) | 15.1         | 5.8          | (2.0)       | (0.6) | 0.0     | (1.2)  | 1.5                | (0.3) |
|                                  | Apr.-Jun.       | 0.2              | (13.7)       | (17.1) | 16.4         | (8.4)        | (2.0)       | (0.9) | 0.1     | (0.5)  | (1.0)              | (0.3) |
|                                  | Jul.-Dec.       | 27.0             | 5.1          | (29.1) | 43.9         | (3.3)        | (2.0)       | (1.3) | 1.4     | (4.0)  | (1.1)              | 0.6   |
|                                  | Annual          | 42.0             | (10.0)       | (65.9) | 75.4         | (5.9)        | (6.0)       | (2.8) | 1.5     | (5.7)  | (0.6)              | 0.0   |
| vs Feb. 9 <sup>th</sup> Forecast |                 |                  | 0.0          | (23.6) | 17.1         | 4.4          | (6.0)       | 2.9   | 0.9     | 3.8    | 1.0                | (0.5) |

# Tire Sales Volume (Comparison %)



| vs<br>Previous year             | 2021 Actual   |             |            |            |             | 2022 Jan.-Mar. Actual, Apr.-Dec. Forecast |             |             |             |             | 2022 Feb. 9th 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%                                       | 105%        | 143%        | 130%        | 112%        | 114%                   | 135%        | 124%        |      |
| Domestic Rep.                   | 99%           | 107%        | 101%       | 102%       | 102%        | 116%                                      | 93%         | 97%         | 103%        | 102%        | 107%                   | 100%        | 103%        |      |
| Overseas O.E.                   | 116%          | 146%        | 94%        | 95%        | 109%        | 106%                                      | 121%        | 142%        | 115%        | 120%        | 120%                   | 125%        | 123%        |      |
| Overseas Rep.                   | 110%          | 151%        | 96%        | 97%        | 110%        | 97%                                       | 97%         | 107%        | 97%         | 99%         | 99%                    | 101%        | 100%        |      |
| Details                         | North America | 106%        | 141%       | 83%        | 92%         | 101%                                      | 90%         | 96%         | 101%        | 93%         | 95%                    | 100%        | 97%         | 98%  |
|                                 | Europe        | 100%        | 165%       | 112%       | 114%        | 118%                                      | 106%        | 101%        | 101%        | 99%         | 101%                   | 103%        | 96%         | 99%  |
|                                 | Asia          | 138%        | 131%       | 90%        | 99%         | 111%                                      | 88%         | 97%         | 120%        | 98%         | 100%                   | 99%         | 109%        | 104% |
|                                 | Others        | 103%        | 177%       | 106%       | 89%         | 112%                                      | 105%        | 94%         | 109%        | 98%         | 101%                   | 94%         | 103%        | 98%  |
| <b>Total</b>                    | <b>107%</b>   | <b>140%</b> | <b>95%</b> | <b>96%</b> | <b>107%</b> | <b>99%</b>                                | <b>100%</b> | <b>114%</b> | <b>104%</b> | <b>104%</b> | <b>105%</b>            | <b>108%</b> | <b>106%</b> |      |
| Total Tire Sales<br>(000 Units) | 28,410        | 28,510      | 27,080     | 32,030     | 116,030     | 28,180                                    | 28,620      | 30,790      | 33,300      | 120,890     | 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% |

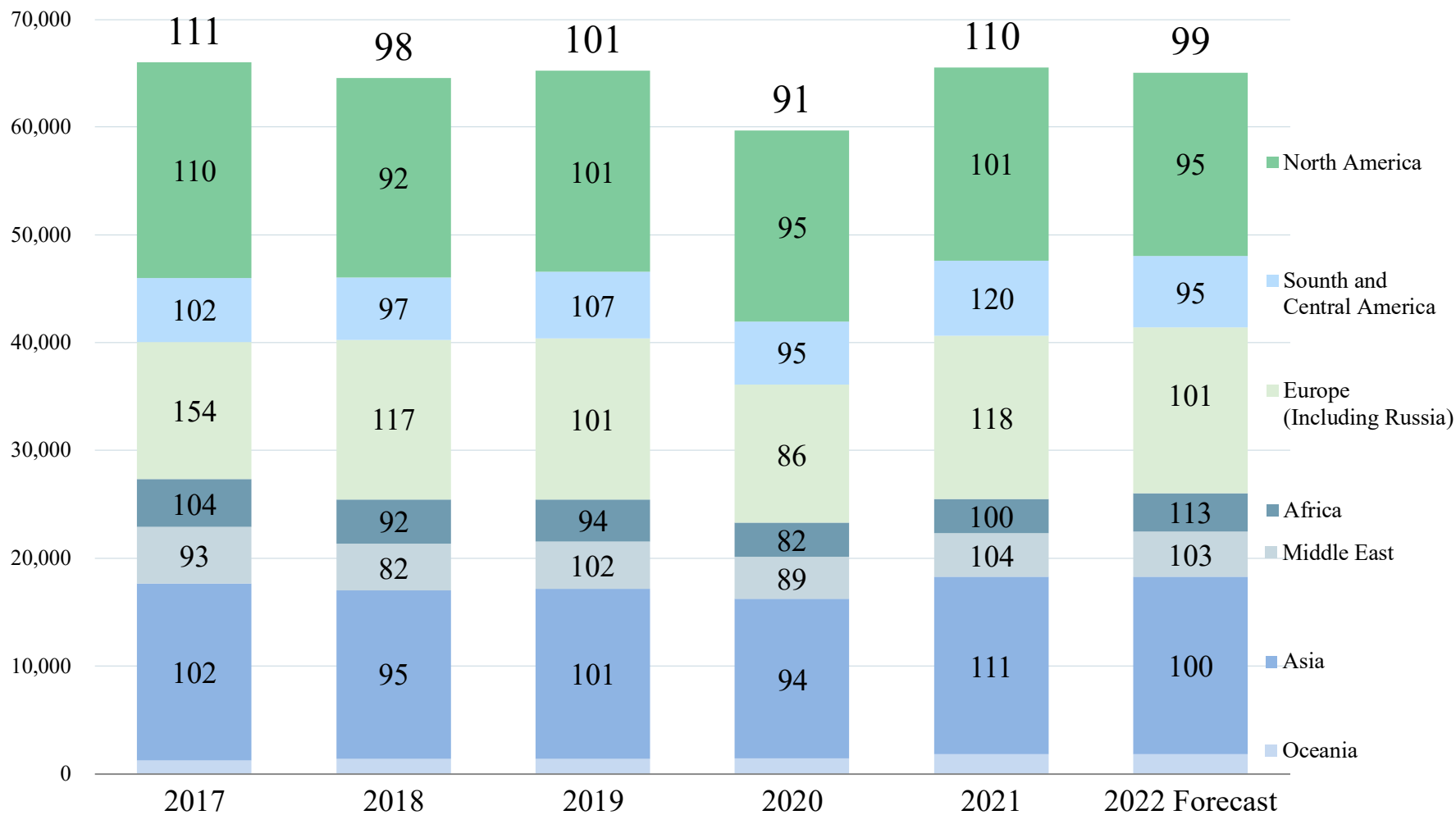
※ Advanced Tires : Primarily for SUVs and Passenger car tires with a size of 18" or larger

# Tire Overseas Rep. Volume by Regional Segment



Unit : 000

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



Forex (USD)

112

110

109

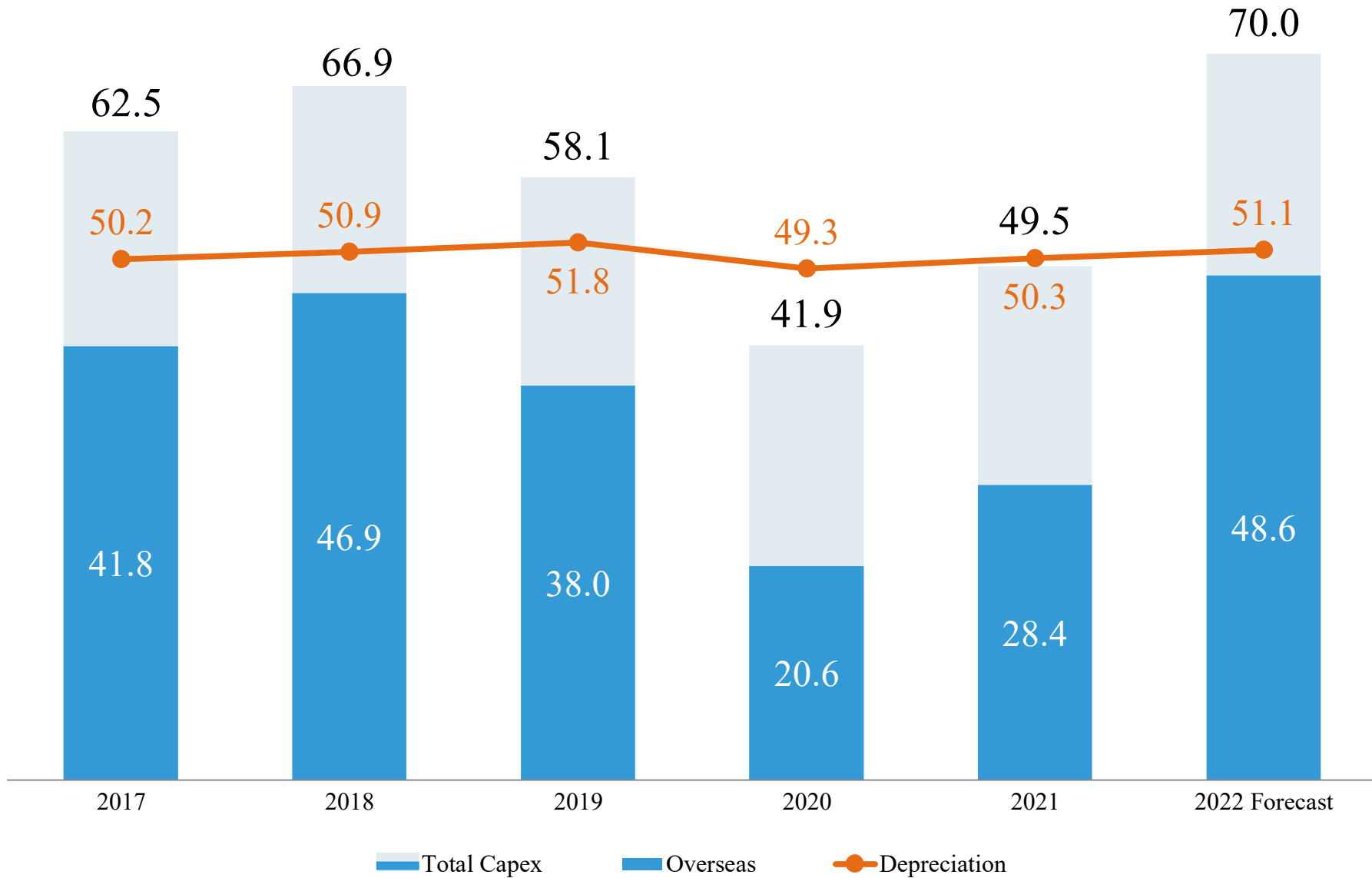
107

110

124

# Capex and Depreciation (Tangible Assets Only)

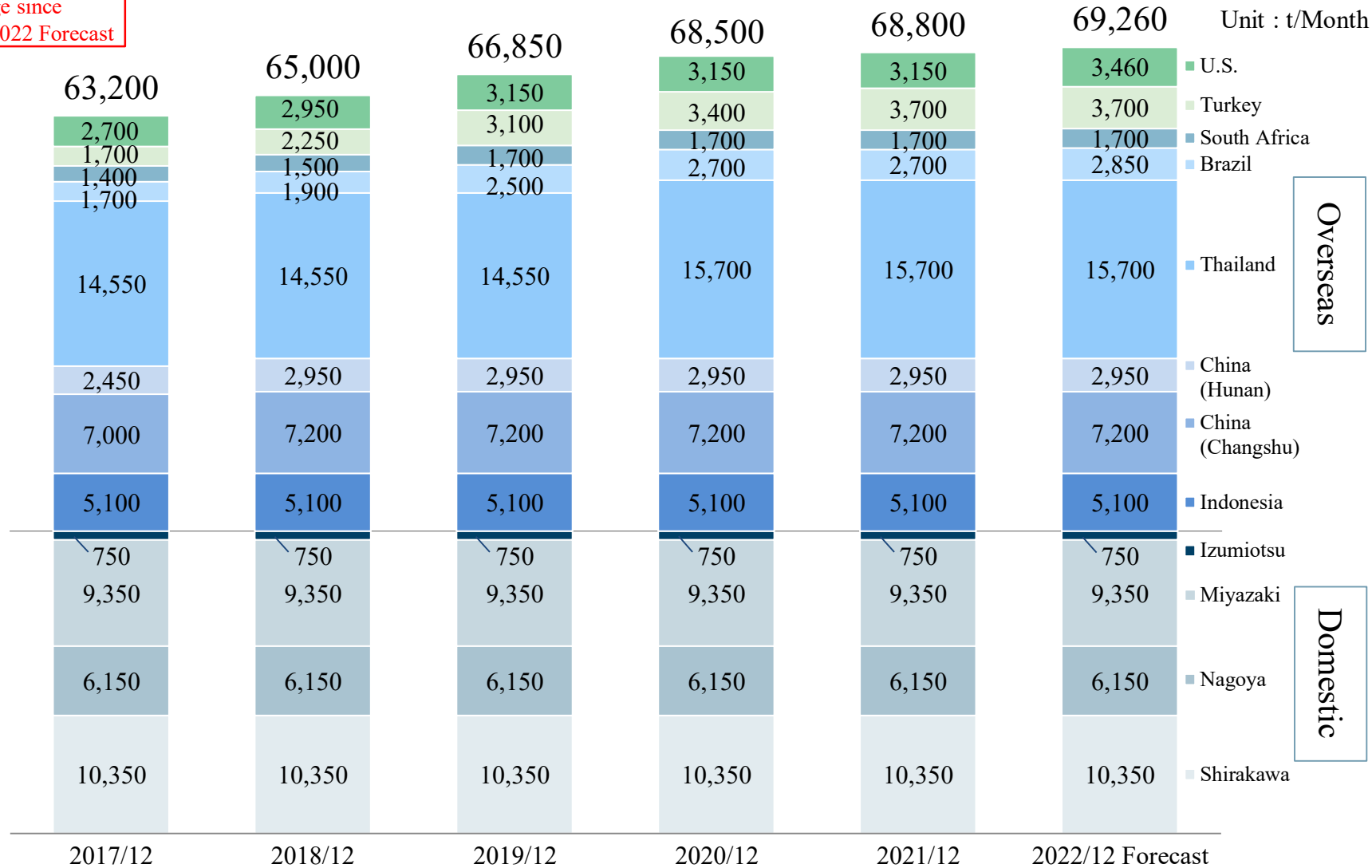
Billions of Yen



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

# Tire Production Capacity

No change since  
Feb. 9<sup>th</sup> 2022 Forecast

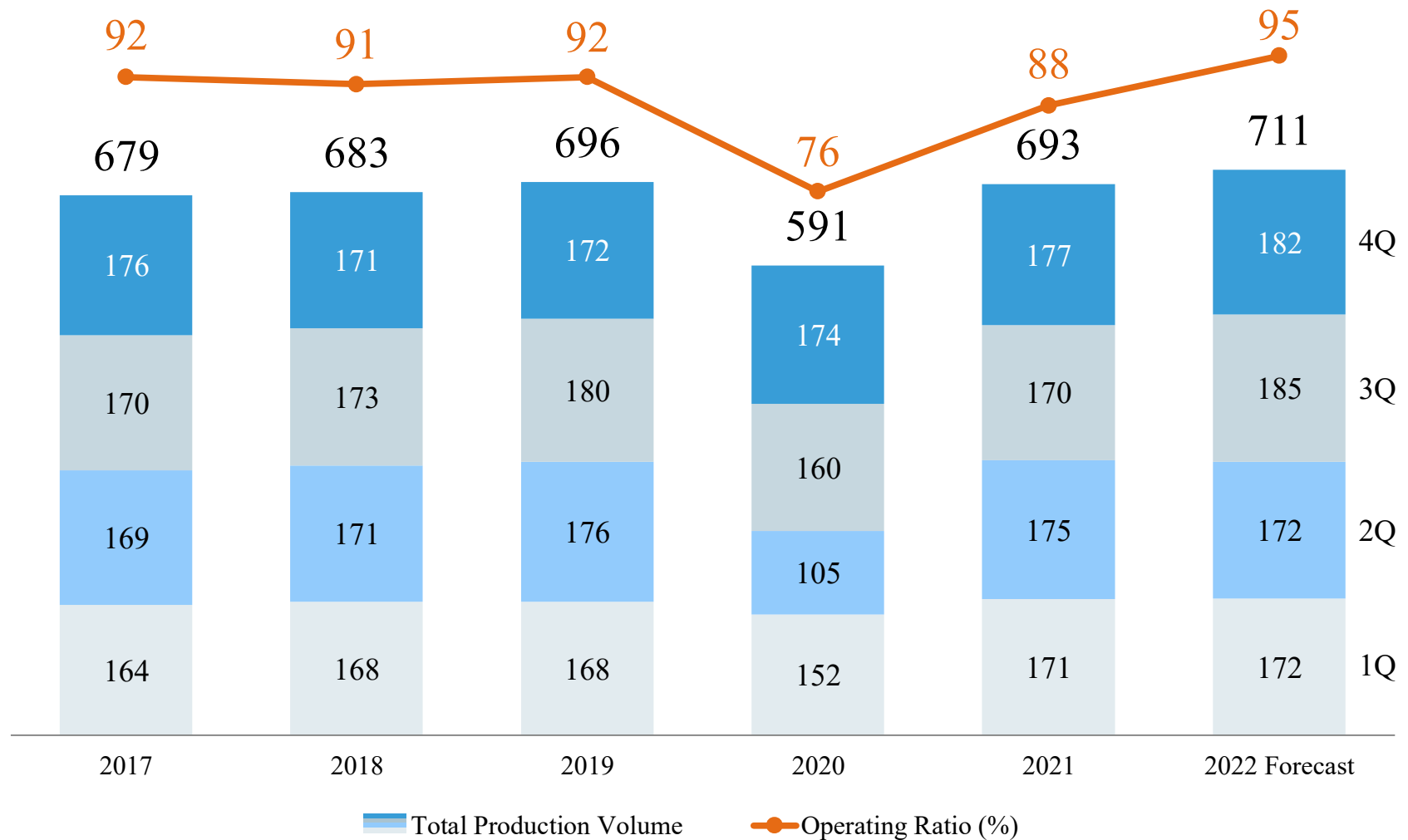


|               |      |      |      |      |      |      |
|---------------|------|------|------|------|------|------|
| % of Overseas | 58%  | 59%  | 60%  | 61%  | 61%  | 62%  |
| YOY           | 103% | 103% | 103% | 102% | 100% | 101% |



# Tire Production Volume and Operating Ratio

Unit : 000t

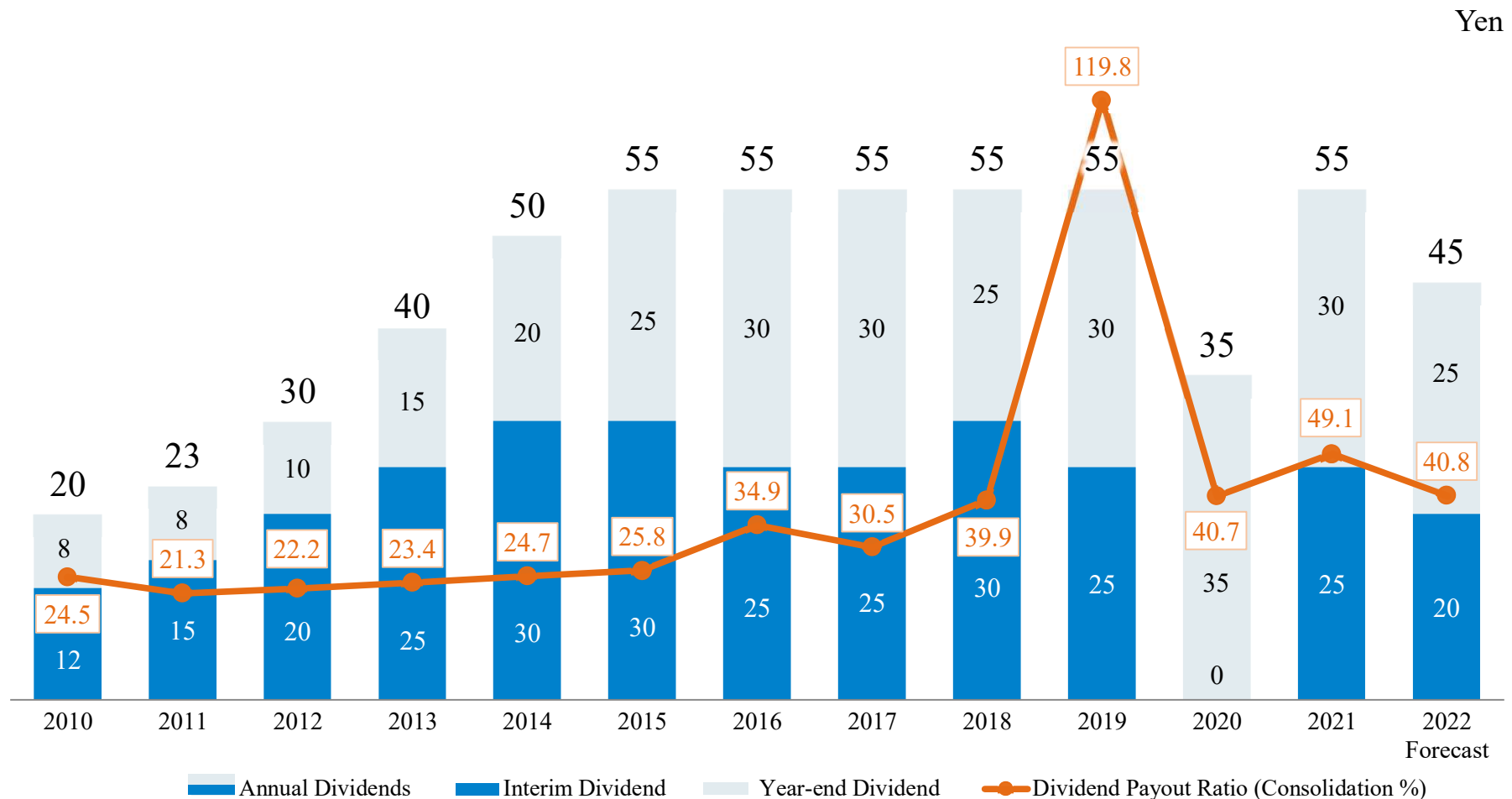


|               |      |      |      |     |      |      |
|---------------|------|------|------|-----|------|------|
| % of Overseas | 61%  | 62%  | 61%  | 63% | 63%  | 64%  |
| YOY           | 107% | 101% | 102% | 85% | 117% | 103% |

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.



# Our Flagship Products



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 050+**



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**



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.

**AZENIS  
FK510**

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



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





## 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 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%**

END

# SUMITOMO RUBBER GROUP