

**Consolidated Financial Results**  
**for the Six Months Ended June 30, 2022**  
**[IFRS]**



August 8, 2022

Company name : Sumitomo Rubber Industries, Ltd.  
 Stock exchange listing : Tokyo Stock Exchange  
 Code number : 5110  
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 Scheduled date of filing quarterly securities report : August 9, 2022  
 Scheduled date of commencing dividend payments : September 6, 2022  
 Supplementary documents for quarterly financial results : Yes  
 Quarterly financial results briefing session : Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded to the nearest unit.)

**1. Consolidated Financial Results for the Six Months Ended June 30, 2022 (January 1, 2022 to June 30, 2022)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended										
June 30, 2022	512,112	16.4	14,184	(52.9)	12,572	(56.0)	17,187	(16.2)	80,508	83.6
June 30, 2021	440,082	29.4	30,088	-	28,576	-	20,501	-	43,850	-

(Note) “Business profit” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”

	Basic profit per share	Diluted profit per share	Business profit to sales revenue ratio
Six months ended	Yen	Yen	%
June 30, 2022	65.35	-	2.8
June 30, 2021	77.95	-	6.8

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
June 30, 2022	1,244,142	594,783	578,501	46.5	2,199.55
December 31, 2021	1,086,169	513,543	501,540	46.2	1,907.03

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Six months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2022	(110)	(35,217)	41,945	93,310
June 30, 2021	39,918	(26,448)	(11,198)	79,334

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2021	-	25.00	-	30.00	55.00
December 31, 2022	-	20.00			
Fiscal year ending					
December 31, 2022 (Forecast)			-	25.00	45.00

(Note) Revision to the dividends forecast announced most recently: None

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 1, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Basic profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,145,000	22.3	31,000	(40.4)	28,000	(43.1)	24,500	(16.9)	93.15

(Note) Revision to the financial results forecast announced most recently: Yes

Notes:

- (1) Changes in significant subsidiaries during the six months ended June 30, 2022  
(changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Changes in accounting policies and changes in accounting estimates
- 1) Changes in accounting policies required by IFRS : None
  - 2) Changes in accounting policies other than 1) : None
  - 3) Changes in accounting estimates : None
- (3) Total number of issued shares (common stock)
- 1) Total number of issued shares at the end of the period (including treasury stock)
    - June 30, 2022 : 263,043,057 shares
    - December 31, 2021 : 263,043,057 shares
  - 2) Total number of treasury stock at the end of the period
    - June 30, 2022 : 33,734 shares
    - December 31, 2021 : 47,064 shares
  - 3) Average number of shares during the period
    - Six months ended June 30, 2022 : 263,001,225 shares
    - Six months ended June 30, 2021 : 262,999,698 shares

\* Quarterly financial statements are outside the scope of the quarterly review procedures to be conducted by certified public accountants or auditing firms.

\* Explanation of the proper use of financial results forecast and other notes

The earnings projections and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to Sumitomo Rubber Industries, Ltd. (the “Company”) and its group companies (collectively, the “Group”) and do not constitute any promises by the Company that they will be realized. Actual results could differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.

With regard to the matters related to the underlying assumptions for the above forecasts, please refer to page 4 of the attached documents of the Consolidated Financial Results for the Period under Review, “1. Qualitative Information on Interim Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Future Forecast.”

## Table of Contents

1. Qualitative Information on Interim Financial Results for the Period under Review .....	2
(1) Operating Results .....	2
(2) Financial Position .....	4
(3) Consolidated Financial Results Forecast and Other Future Forecast .....	4
2. Condensed Interim Consolidated Financial Statements and Primary Notes .....	6
(1) Condensed Interim Consolidated Statement of Financial Position .....	6
(2) Condensed Interim Consolidated Statements of Income and Comprehensive Income .....	8
(3) Condensed Interim Consolidated Statements of Changes in Equity .....	10
(4) Condensed Interim Consolidated Statements of Cash Flows .....	12
(5) Notes on Condensed Interim Consolidated Financial Statements .....	13
(Notes on Going Concern Assumption) .....	13
(Significant Accounting Policies) .....	13
(Segment Information) .....	14
(Significant Subsequent Events) .....	16

# 1. Qualitative Information on Interim Financial Results for the Period under Review

## (1) Operating Results

	For the six months ended June 30, 2021	For the six months ended June 30, 2022	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	440,082	512,112	16.4
Tires	369,289	430,853	16.7
Sports	51,439	61,533	19.6
Industrial and Other Products	19,354	19,726	1.9
Business profit	30,088	14,184	(52.9)
Tires	23,477	7,659	(67.4)
Sports	5,518	6,210	12.5
Industrial and Other Products	1,069	291	(72.7)
Adjustments	24	24	-
Operating profit	28,576	12,572	(56.0)
Profit attributable to owners of profit	20,501	17,187	(16.2)

(Note) “Business profit” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”

### Foreign exchange rates applied

	For the six months ended June 30, 2021	For the six months ended June 30, 2022	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	108	123	15
Yen / Euro	130	134	4

During the six months ended June 30, 2022, the economic environment saw the effects of the situation in Ukraine and COVID-19, in addition along with growing inflationary pressures and restrictions on economic activities in China and remained highly uncertain.

In the business environment surrounding the Group, in addition to the impact of a decline in automotive production volume due to the shortage of semiconductors, the impact of soaring freight costs and the rising prices of raw materials continued.

Under these circumstances, the Group strongly promoted company-wide projects that aim to reinforce our business foundation with the goal of accomplishing the Mid-Term Plan, which sets 2025 as the target year. At the same time, we worked to strengthen our competitive advantage in a global structure through such efforts as developing advanced products that meet the needs of customers and raising their brand value with the aim of maximizing the effects of the manufacturing and sales bases we have established in major markets around the world.

As a result, sales revenue of the Group increased 16.4% from the same period of the previous fiscal year to ¥512,112 million, business profit decreased 52.9% to ¥14,184 million, operating profit decreased 56.0% to ¥12,572 million and profit attributable to owners of parent decreased 16.2% to ¥17,187 million.

Operating results by business segment was as follows.

### **Tire Business**

Sales revenue in the tire business increased 16.7% from the same period of the previous fiscal year to ¥430,853 million, and business profit decreased 67.4% to ¥7,659 million.

In the domestic original equipment market, sales fell below the level of the same period of the previous fiscal year mainly because of the effects of a decrease in automobile production by auto manufacturers due to the global shortage of semiconductors.

In the domestic replacement market, sales of new products, namely the global flagship tires, and premium products were strong in the summer tire category. All-season tires, which are well received as a product less susceptible to seasonal changes and offering safety and reliability, also saw a growth in sales, as they attracted more interest, due to the snowfall in the urban areas at the beginning of this year. Sales of winter tires were also strong due to the effects of snowfall. As a result, sales exceeded the level of the same period of the previous fiscal year.

In the overseas original equipment market, there was the impact of the global shortage of semiconductors resulting in a decrease in automobile production, but sales exceeded the previous fiscal year, as orders received recovered from the previous fiscal year, when there was a significant drop due to the impact of COVID-19.

In the overseas replacement market, sales fell below the level of the previous fiscal year in the Asia and Oceania region, due to sluggish sales in China as a result of its zero-COVID policy, among others, as well as the impact of the COVID-related restrictions on activities in Indonesia. In Europe, sales volume rose due in part to increased supply from factories in Asia, as the demand for tires recovered. In the Americas region, while sales volume in North America slightly declined, we were able to improve our product mix as a result of cutting back on the sales of low-profit products. In South America, we were able to increase sales in response to robust local demand for replacement tires by leveraging the advantage of selling locally-produced products.

As a result, sales revenue in the tire business exceeded the level of the same period of the previous fiscal year, but business profit decreased.

### **Sports Business**

Sales revenue in the sports business increased 19.6% from the same period of the previous fiscal year to ¥61,533 million, and business profit increased 12.5% from the same period of the previous fiscal year to ¥6,210 million.

In the golf goods market, despite the shortage of parts caused by the rise in global golf demand, sales in each of the major markets grew, due to the increasing number of users of golf courses, and sales revenue exceeded the level of the same period of the previous fiscal year.

Similarly, in the tennis goods markets, sales revenue exceeded the level of the same period of the previous fiscal year.

In the wellness business, despite the modest pace of recovery mainly due to the effects of the focused measures to prevent the spread of COVID-19, sales revenue exceeded the level of the same period of the previous fiscal year.

As a result, sales revenue and business profit in the sports business exceeded the level of the same period of the previous fiscal year.

### **Industrial and Other Products Business**

Sales revenue in the industrial and other products business increased 1.9% from the same period of the previous fiscal year to ¥19,726 million, and business profit decreased 72.7% to ¥291 million.

Although sales of disposable rubber gloves declined in Japan, orders received for rubber parts for medical applications and precision rubber parts for office machines increased.

As a result, sales revenue in the industrial and other products business exceeded the level of the same period of the previous fiscal year, but business profit decreased.

## (2) Financial Position

	As of December 31, 2021	As of June 30, 2022	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	1,086,169	1,244,142	157,973
Total equity	513,543	594,783	81,240
Total equity attributable to owners of parent	501,540	578,501	76,961
Total equity attributable to owners of parent ratio (%)	46.2	46.5	0.3
Equity attributable to owners of parent per share	1,907.03 yen	2,199.55 yen	292.52 yen

The financial position of the Group as of June 30, 2022 was as follows.

Total assets increased ¥157,973 million from the end of the previous fiscal year to ¥1,244,142 million mainly as a result of increase in inventories, acquisition of tangible assets and effects of foreign currency translation, although there was decrease in trade and other receivables decreased due to seasonal factors.

Total liabilities increased ¥76,733 million from the end of the previous fiscal year to ¥649,359 million mainly as a result of increase in interest-bearing debt.

Total equity as of June 30, 2022 increased ¥81,240 million from the end of the previous fiscal year to ¥594,783 million, of which equity attributable to owners of parent accounted for ¥578,501 million, and non-controlling interest accounted for ¥16,282 million.

As a result, ratio of equity attributable to owners of parent was 46.5%, and equity attributable to owners of parent per share was ¥2,199.55.

(3) Consolidated Financial Results Forecast and Other Future Forecast

As for the consolidated financial results for six months ended June 30, 2022, sales revenue, business profit and operating profit fell below the previously announced forecast because of the impact of a decline in automotive production volume due to the shortage of semiconductors, the impact of soaring freight costs and the rising prices of raw materials. Profit attributable to owners of parent exceeded the previous forecast due to the effects of foreign currency translation and other factors.

Regarding consolidated financial results forecast for the fiscal year ending December 31, 2022, the Group has revised the previous forecast as follows, based on latest trend of business.

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 1, 2022 to December 31, 2022)

	Forecast	Previous forecast	Increase (Decrease)	Change in ratio	(Reference) Results for the same period of the previous year
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Sales revenue	1,145,000	1,140,000	5,000	0.4	936,039
Tires	987,000	991,500	(4,500)	(0.5)	795,045
Sports	115,500	107,500	8,000	7.4	101,429
Industrial and Other Products	42,500	41,000	1,500	3.7	39,565
Business profit	31,000	42,000	(11,000)	(26.2)	51,975
Tires	22,000	32,000	(10,000)	(31.2)	41,398
Sports	8,000	8,000	-	-	8,604
Industrial and Other Products	1,000	2,000	(1,000)	(50.0)	1,945
Adjustments	-	-	-	-	28
Operating profit	28,000	39,500	(11,500)	(29.1)	49,169
Profit attributable to owners of parent	24,500	29,000	(4,500)	(15.5)	29,470

Foreign exchange rates applied

	Forecast	Previous forecast	Increase (Decrease)	(Reference) Rate applied for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	131	124	7	110
Yen / Euro	138	135	3	130

The results forecast and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to the Company and the Group as of the date of the release of this document and include potential risks and uncertainty. Please note that actual results may differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.



## 2. Condensed Interim Consolidated Financial Statements and Primary Notes

### (1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and cash equivalents	75,093	93,310
Trade and other receivables	197,320	187,343
Other financial assets	2,096	4,065
Inventories	218,019	302,536
Other current assets	40,553	52,546
Total current assets	533,081	639,800
Non-current assets		
Tangible assets	389,795	434,252
Goodwill	26,287	28,213
Intangible assets	42,794	44,932
Investments accounted for using equity method	4,430	4,455
Other financial assets	36,889	37,232
Net defined benefit asset	41,458	42,526
Deferred tax assets	10,641	11,620
Other non-current assets	794	1,112
Total non-current assets	553,088	604,342
Total assets	1,086,169	1,244,142

(Millions of yen)

	As of December 31, 2021	As of June 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	68,143	148,513
Trade and other payables	160,902	158,656
Other financial liabilities	12,100	13,186
Income tax payable	6,301	7,650
Provisions	1,604	1,344
Other current liabilities	47,535	53,490
Total current liabilities	296,585	382,839
Non-current liabilities		
Bonds and loans payable	170,502	152,988
Other financial liabilities	46,919	49,147
Net defined benefit liability	23,417	24,961
Provisions	1,818	1,424
Deferred tax liabilities	12,093	15,441
Other non-current liabilities	21,292	22,559
Total non-current liabilities	276,041	266,520
Total liabilities	572,626	649,359
Equity		
Capital stock	42,658	42,658
Capital surplus	39,715	39,705
Retained earnings	481,455	492,551
Treasury stock	(85)	(59)
Other components of equity	(62,203)	3,646
Total equity attributable to owners of parent	501,540	578,501
Non-controlling interest	12,003	16,282
Total equity	513,543	594,783
Total liabilities and equity	1,086,169	1,244,142

(2) Condensed Interim Consolidated Statements of Income and Comprehensive Income  
Condensed Interim Consolidated Statements of Income

(Millions of yen)

	For the six months ended June 30, 2021	For the six months ended June 30, 2022
Sales revenue	440,082	512,112
Cost of sales	(308,502)	(384,201)
Gross profit	131,580	127,911
Selling, general and administrative expenses	(101,492)	(113,727)
Business profit	30,088	14,184
Other income	797	786
Other expenses	(2,309)	(2,398)
Operating profit	28,576	12,572
Financial income	2,855	16,021
Financial expenses	(1,540)	(1,702)
Equity in earnings of affiliates	57	27
Profit before tax	29,948	26,918
Income tax expenses	(8,490)	(8,295)
Profit	21,458	18,623
Profit attributable to:		
Owners of parent	20,501	17,187
Non-controlling interests	957	1,436
Profit	21,458	18,623
Profit per share		
Basic profit per share (Yen)	77.95	65.35

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2021	For the six months ended June 30, 2022
Profit	21,458	18,623
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,150	(298)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	67	42
Currency translation differences of foreign operations	20,175	62,141
Other comprehensive income, net of tax	22,392	61,885
Comprehensive income	43,850	80,508
Comprehensive income attributable to:		
Owners of parent	42,693	76,708
Non-controlling interests	1,157	3,800
Comprehensive income	43,850	80,508

(3) Condensed Interim Consolidated Statements of Changes in Equity  
For the six months ended June 30, 2021

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2021	42,658	39,486	461,720	(77)	(99,270)	(241)
Profit			20,501			
Other comprehensive income					19,975	67
Total comprehensive income	-	-	20,501	-	19,975	67
Purchase of treasury stock				(5)		
Disposal of treasury stock						
Dividends			(9,205)			
Capital increase of consolidated subsidiaries						
Share-based payment transactions						
Transfer to retained earnings			13			
Transfer to capital surplus						
Other						
Total transactions with owners	-	-	(9,192)	(5)	-	-
Balance as of June 30, 2021	42,658	39,486	473,029	(82)	(79,295)	(174)

	Equity attributable to owners of parent				Non-controlling interests	Total Equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Total			
Balance as of January 1, 2021	10,467	-	(89,044)	454,743	12,354	467,097
Profit			-	20,501	957	21,458
Other comprehensive income	2,150		22,192	22,192	200	22,392
Total comprehensive income	2,150	-	22,192	42,693	1,157	43,850
Purchase of treasury stock			-	(5)		(5)
Disposal of treasury stock			-	-		-
Dividends			-	(9,205)	(934)	(10,139)
Capital increase of consolidated subsidiaries			-	-	1,325	1,325
Share-based payment transactions			-	-		-
Transfer to retained earnings	(13)		(13)	-		-
Transfer to capital surplus			-	-		-
Other			-	-		-
Total transactions with owners	(13)	-	(13)	(9,210)	391	(8,819)
Balance as of June 30, 2021	12,604	-	(66,865)	488,226	13,902	502,128

For the six months ended June 30, 2022

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2022	42,658	39,715	481,455	(85)	(74,238)	(126)
Hyperinflation adjustment			1,811		6,328	
Restated balances as of January 1, 2022	42,658	39,715	483,266	(85)	(67,910)	(126)
Profit			17,187			
Other comprehensive income					59,777	42
Total comprehensive income	-	-	17,187	-	59,777	42
Purchase of treasury stock				(1)		
Disposal of treasury stock		(0)		0		
Dividends			(7,890)			
Capital increase of consolidated subsidiaries						
Share-based payment transactions		(10)		27		
Transfer to retained earnings			(0)			
Transfer to capital surplus		10	(10)			
Other		(10)	(2)			
Total transactions with owners	-	(10)	(7,902)	26	-	-
Balance as of June 30, 2022	42,658	39,705	492,551	(59)	(8,133)	(84)

	Equity attributable to owners of parent				Non-controlling interests	Total Equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Total			
Balance as of January 1, 2022	12,161	-	(62,203)	501,540	12,003	513,543
Hyperinflation adjustment			6,328	8,139	2,035	10,174
Restated balances as of January 1, 2022	12,161	-	(55,875)	509,679	14,038	523,717
Profit			-	17,187	1,436	18,623
Other comprehensive income	(298)		59,521	59,521	2,364	61,885
Total comprehensive income	(298)	-	59,521	76,708	3,800	80,508
Purchase of treasury stock			-	(1)		(1)
Disposal of treasury stock			-	0		0
Dividends			-	(7,890)	(1,556)	(9,446)
Capital increase of consolidated subsidiaries			-	-		-
Share-based payment transactions			-	17		17
Transfer to retained earnings	0		0	-		-
Transfer to capital surplus			-	-		-
Other			-	(12)		(12)
Total transactions with owners	0	-	0	(7,886)	(1,556)	(9,442)
Balance as of June 30, 2022	11,863	-	3,646	578,501	16,282	594,783

## (4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2021	For the six months ended June 30, 2022
<b>Cash flows from operating activities</b>		
Profit before tax	29,948	26,918
Depreciation and amortization	34,233	37,202
Interest and dividends income	(825)	(1,438)
Interest expenses	1,540	1,702
Share of (profit) loss of entities accounted for using equity method	(57)	(27)
Decrease (increase) in inventories	(32,309)	(60,448)
Decrease (increase) in trade and other receivables	20,497	26,017
Increase (decrease) in trade and other payables	(3,024)	(4,771)
Other, net	(815)	(16,189)
Subtotal	49,188	8,966
Interest received	434	978
Dividend income received	393	449
Interest expenses paid	(1,449)	(1,593)
Income taxes paid	(8,648)	(8,910)
Net cash provided by (used in) operating activities	39,918	(110)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(23,065)	(32,712)
Proceeds from sales of tangible assets	196	254
Purchase of intangible assets	(2,070)	(3,319)
Payment for transfer of business	(273)	(375)
Other, net	(1,236)	935
Net cash provided by (used in) investing activities	(26,448)	(35,217)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	24,382	54,067
Proceeds from long-term debt and newly issued bonds	-	10,000
Repayments of long-term debt and redemption of bonds	(20,499)	(6,280)
Repayments of lease obligations	(6,267)	(6,398)
Proceeds from share insurance to non-controlling interests	1,325	-
Cash dividends paid	(9,199)	(7,888)
Cash dividends paid to non-controlling interests	(934)	(1,556)
Other, net	(6)	(0)
Net cash provided by (used in) financing activities	(11,198)	41,945
Effect of exchange rate change on cash and cash equivalents	2,859	11,599
Net increase (decrease) in cash and cash equivalents	5,131	18,217
Cash and cash equivalents at the beginning of current period	74,203	75,093
Cash and cash equivalents at the end of current period	79,334	93,310

(5) Notes on Condensed Interim Consolidated Financial Statements  
(Notes on Going Concern Assumption)  
None

(Significant Accounting Policies)

Significant accounting policies adopted for these Condensed Quarterly Consolidated Financial Statements are the same as the accounting policies adopted for the Consolidated Financial Statements for the previous fiscal year, except for the following item.

Income tax expenses for the six months ended June 30, 2022 were calculated using the estimated average annual effective tax rate.

(Adjustments for hyperinflation)

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.

The Group has revised the financial results of its subsidiary in Turkey, where cumulative 3-year inflation exceeded 100% during the six months ended June 30, 2022.

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 will be restated, as they are expressed in terms of the measuring unit current at the period end date. The effect of inflation on the net monetary position is presented in the financial income or expenses section of the condensed interim consolidated statements of income.

The financial results of the subsidiary have been converted at the spot exchange rate as of June 30, 2022, and these converted results have been reflected in the Group's condensed interim consolidated financial statement. As a result, business profit of the Group decreased ¥552 million and profit attributable to owners of parent increased ¥1,622 million during the the six months ended June 30, 2022, and total assets increased ¥16,730 million as of June 30, 2022.



(Segment Information)

1. Information by reportable segment

Reportable segments of the Group are the units for which separate financial information is available and periodically reviewed by the Board of Directors as the highest decision-making body for the purposes of deciding the allocation of management resources and evaluating business performance.

The Group has three divisions based on operations in Tires, Sports and Industrial and Other Products. Each division formulates comprehensive strategies for both domestic and overseas markets and develops business activities.

Therefore, the Group identifies “Tires”, “Sports”, and “Industrial and Other Products” as reportable segments.

Major products and services or details of business that belong to each reportable segment are as follows:

Reportable segment	Major products and services or details of business
Tires	Tires and tubes (for automobiles, construction vehicles, industrial vehicles, automotive races and rallies, motorcycles, etc.) Automotive system business (instant mobility systems, deflation warning systems, etc.)
Sports	Sporting goods (golf clubs, golf balls and other golf goods, tennis goods, etc.) Operation of golf tournaments Operation of golf and tennis schools Fitness business, and others
Industrial and Other Products	High-performance rubber products (vibration control dampers, precision rubber parts for office machines, rubber parts for medical applications, etc.) Daily life supplies (rubber gloves for cooking and other operations, ramps for wheelchair use, etc.) Products for infrastructure (marine dock fenders, flooring materials for factories and sports facilities, etc.)

2. Reportable segment sales revenues and profit or loss

Inter-segment sales revenues are stated at wholesale prices based on current market values.

Figures for reportable segment are based on business profit.

Information about reportable segment sales revenues and profit or loss is as follows.

For the six months ended June 30, 2021 (January 1, 2021 to June 30, 2021)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Interim Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	369,289	51,439	19,354	440,082	-	440,082
Inter-segment sales revenue	450	85	480	1,015	(1,015)	-
Total	369,739	51,524	19,834	441,097	(1,015)	440,082
Segment profit (Business profit) (Note 1)	23,477	5,518	1,069	30,064	24	30,088
Other income and expenses						(1,512)
Operating profit						28,576

(Notes)

1. "Segment profit (Business profit)" is "Sales revenue" subtracted by "Cost of sales" and "Selling, general and administrative expenses."
2. Segment profit or loss included in "Adjustment" comprised elimination of inter-segment transactions.

For the six months ended June 30, 2022 (January 1, 2022 to June 30, 2022)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Interim Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	430,853	61,533	19,726	512,112	-	512,112
Inter-segment sales revenue	673	75	606	1,354	(1,354)	-
Total	431,526	61,608	20,332	513,466	(1,354)	512,112
Segment profit (Business profit) (Note 1)	7,659	6,210	291	14,160	24	14,184
Other income and expenses						(1,612)
Operating profit						12,572

(Notes)

1. "Segment profit (Business profit)" is "Sales revenue" subtracted by "Cost of sales" and "Selling, general and administrative expenses."
2. Segment profit included in "Adjustment" comprised elimination of inter-segment transactions.

(Significant Subsequent Events)

None