

# Financial Report

(January 1 ~ September 30, 2022)




November 9, 2022




- 2022 3<sup>rd</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 **100**  
(vs 2021 year-end : +2 )

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

	Newly Included +4	Excluded (2)	Newly Included -	Excluded -
<b>Tires</b>  <p>Mid Devon Tyres Limited Darcy's Garage Limited Selecta Tyre Limited Cribb Tyre &amp; Battery Ltd (U.K./Sales)</p>				
<b>Sports</b>  <p>Dunlop International (HK) Limited (Hong Kong/Sales) Dunlop International (Far East) Sdn. Bhd. (Malaysia/Sales)</p>				
<b>Industrial &amp; Other</b> 				

	Manufacturing Companies		Sales Companies		Other Companies		
<b>Tires</b> 	Domestic	1	Domestic	11	Domestic	7	
	Overseas	8	Overseas	33	Overseas	6	
		Asia Pacific	4	Asia Pacific	12	Asia Pacific	2
		Europe and Africa	2	Europe and Africa	18	Europe and Africa	2
		Americas	2	Americas	3	Americas	2
<b>Sports</b> 	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.	
<b>Industrial &amp; Other</b> 	Domestic	1	Domestic	3	Domestic	-	
	Overseas	5	Overseas	1	Overseas	-	
		Malaysia, China, Vietnam, Switzerland, Slovenia		Hong Kong		-	

**Total 103**  
 Domestic 28  
 Overseas 75

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



Billions of Yen

	2022 Jan.-Mar.	vs 2021	2022 Apr.-Jun.	vs 2021	2022 Jul.-Sep.	vs 2021	<b>2022 Jan.-Sep.</b>	<b>vs 2021</b>	2021 Jan.-Sep.
Sales Revenue	250.5	117% + 36.8	261.6	116% + 35.2	269.4	124% + 52.5	<b>781.5</b>	<b>119% + 124.5</b>	657.0
Business Profit (%)	14.8 5.9%	91% (1.4)	(0.6) -	- (14.5)	(1.8) -	- (3.8)	<b>12.4 1.6%</b>	<b>39% (19.7)</b>	32.1 4.9%
Operating Profit (%)	14.2 5.7%	91% (1.4)	(1.6) -	- (14.6)	(2.7) -	- (4.0)	<b>9.8 1.3%</b>	<b>33% (20.0)</b>	29.9 4.5%
Profit	11.8	110% + 1.1	5.4	55% (4.4)	(2.8)	- (3.0)	<b>14.4</b>	<b>69% (6.4)</b>	20.7

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

※2. Profit : Profit attributable to owners of parent

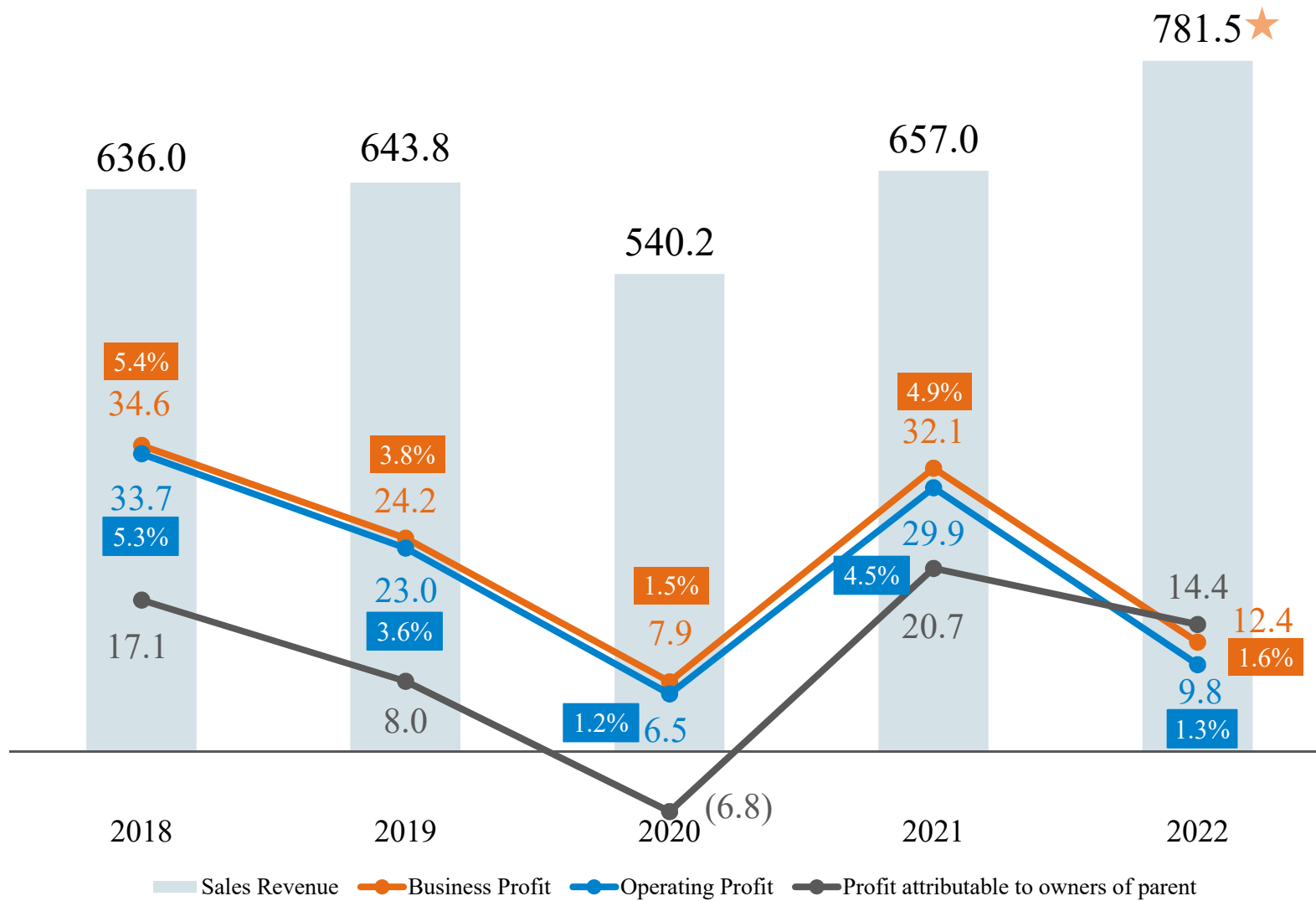
※3. Accounting adjustments have been applied since 2<sup>nd</sup> quarter, as pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies”. (Refer to p.24)

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

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



Billions of Yen % : Profit Ratio ★ : Record High



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



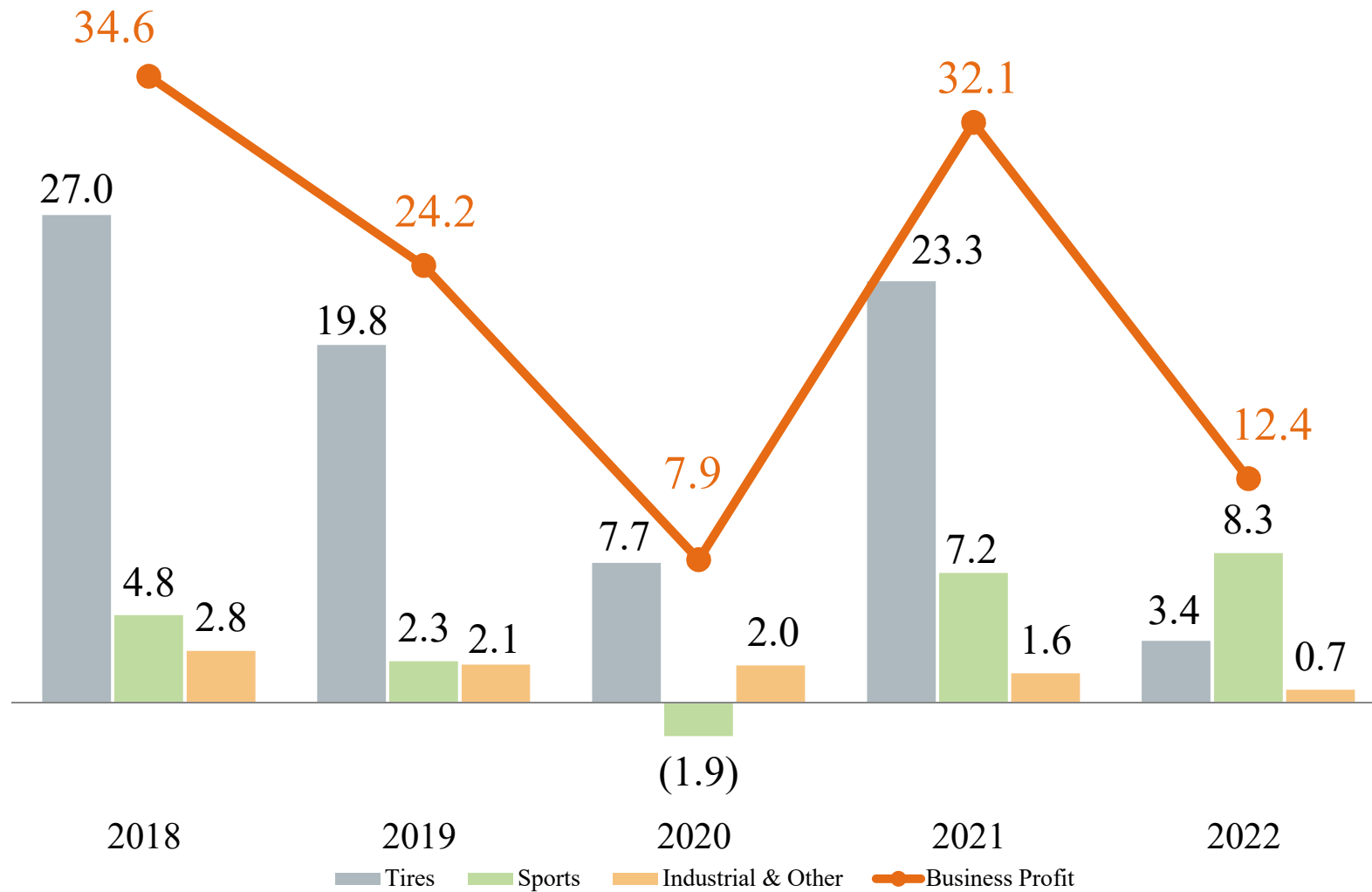
Billions of Yen

		2022 Jan.-Mar.	vs 2021	2022 Apr.-Jun.	vs 2021	2022 Jul.-Sep.	vs 2021	<b>2022 Jan.-Sep.</b>	<b>vs 2021</b>	2021 Jan.-Sep.
Sales Revenue	Tires	210.9	117%	220.0	116%	230.4	126%	<b>661.3</b>	<b>120%</b>	551.9
	Sports	29.7	127%	31.8	113%	28.4	115%	<b>89.9</b>	<b>118%</b>	76.1
	Industrial & Other	9.9	99%	9.8	105%	10.6	109%	<b>30.3</b>	<b>104%</b>	29.0
	Total	250.5	117%	261.6	116%	269.4	124%	<b>781.5</b>	<b>119%</b>	657.0
Business Profit	Tires	10.5	80%	(2.8)	-	(4.3)	-	<b>3.4</b>	<b>15%</b>	23.3
	Sports	4.0	161%	2.2	73%	2.0	124%	<b>8.3</b>	<b>115%</b>	7.2
	Industrial & Other	0.3	59%	(0.0)	-	0.4	77%	<b>0.7</b>	<b>44%</b>	1.6
	Total	14.8	91%	(0.6)	-	(1.8)	-	<b>12.4</b>	<b>39%</b>	32.1

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



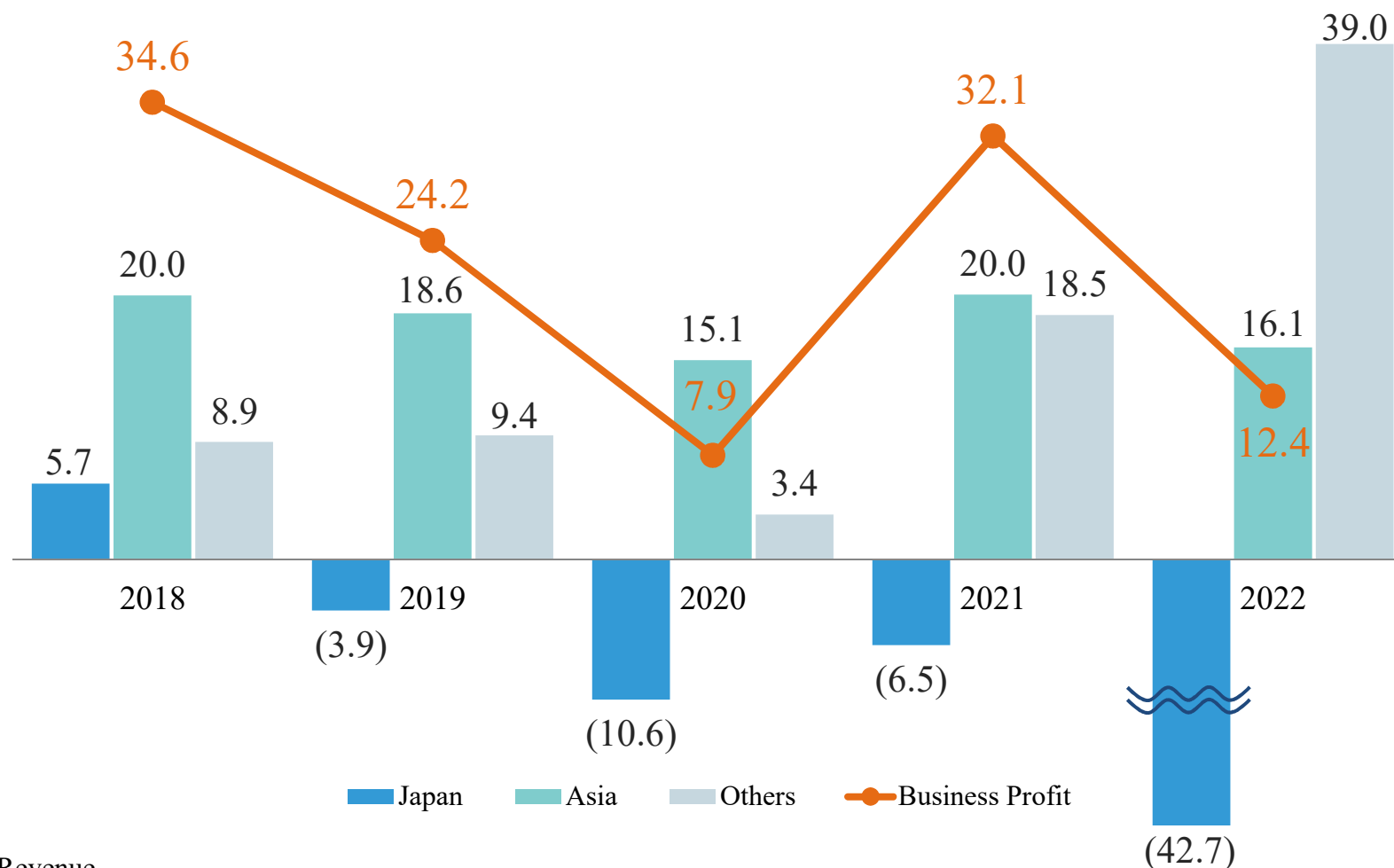
Billions of Yen





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

Billions of Yen



## Sales Revenue

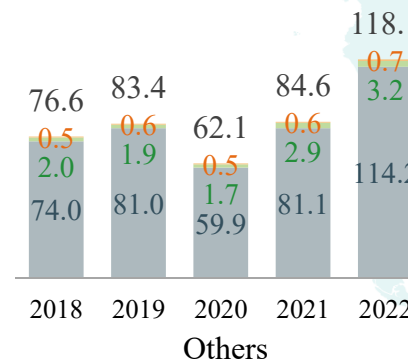
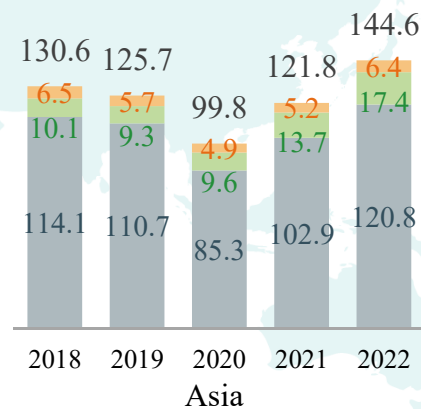
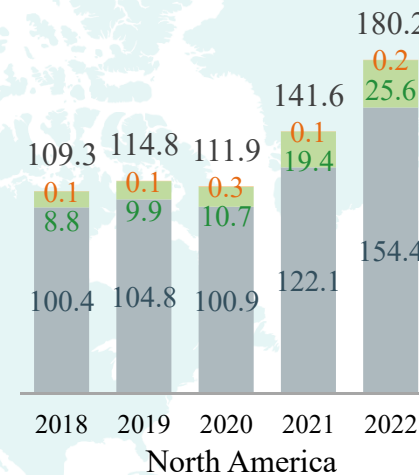
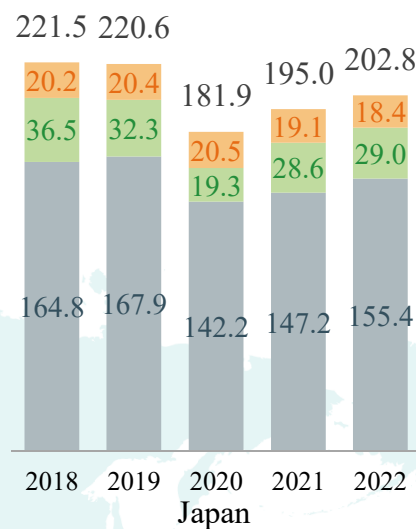
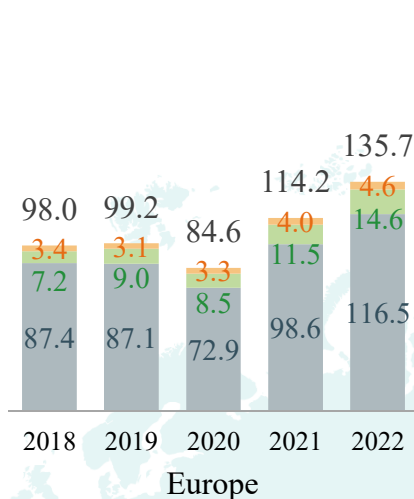
Japan	269.7	273.5	222.2	241.8	260.8
Asia	124.7	119.7	95.4	117.1	139.3
Others	241.6	250.6	222.7	298.1	381.3
Total	636.0	643.8	540.2	657.0	781.5

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

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

Billions of Yen

■ Tires ■ Sports ■ Industrial & Other

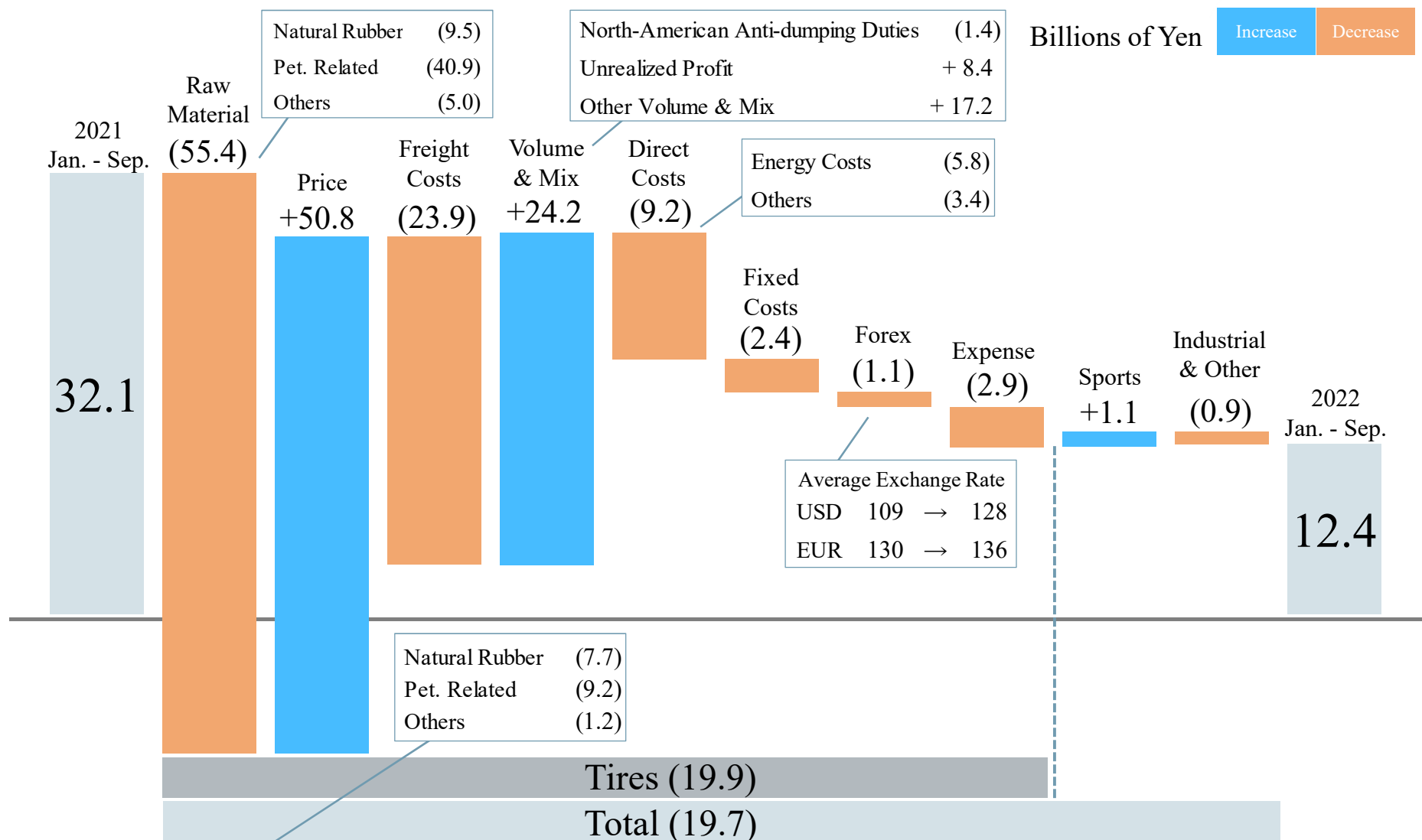


	2018	2019	2020	2021	2022
Consolidated Sales Revenue	636.0	643.8	540.2	657.0	781.5
% of Overseas	65%	66%	66%	70%	74%

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

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

Billions of Yen Increase Decrease



Average Exchange Rate  
 USD 109 → 128  
 EUR 130 → 136

	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
2020 → 2021	(18.1)	+12.0	(10.4)	+28.2	+6.8	(3.9)	+4.0	(3.0)	+9.0	(0.4)	+24.2
2019 → 2020	+18.4	+0.9	-	+3.9	+0.7	+0.9	(3.7)	+6.0	+2.2	+0.4	(16.3)※

※Includes Impact of COVID-19, (46.0).

# 【Forecast】 Consolidated Financial Results (2022 Annual)



Billions of Yen

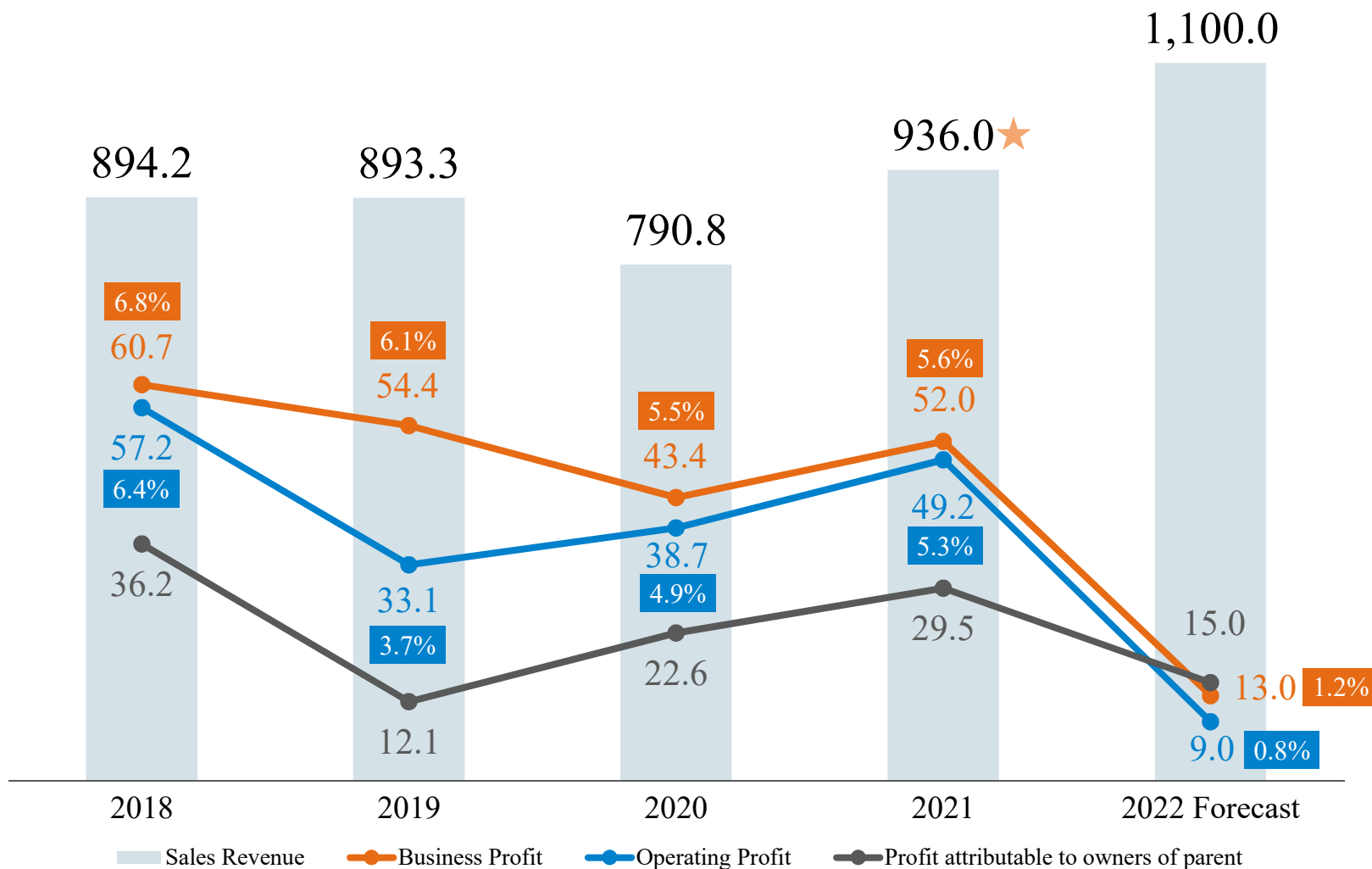
	<b>Revised Forecast 2022</b>	Actual 2021	YOY	Aug. 8 <sup>th</sup> 2022 Forecast 2022	Feb. 9 <sup>th</sup> 2022 Forecast 2022
Sales Revenue	<b>1,100.0</b>	936.0	118%	1,145.0	1,050.0
Business Profit (%)	<b>13.0</b> <b>1.2%</b>	52.0 5.6%	25%	31.0 2.7%	42.0 4.0%
Operating Profit (%)	<b>9.0</b> <b>0.8%</b>	49.2 5.3%	18%	28.0 2.4%	39.5 3.8%
Profit	<b>15.0</b>	29.5	51%	24.5	24.5
ROE	<b>2.8%</b>	6.2%		4.6%	4.8%
ROA <small>※</small>	<b>1.1%</b>	5.0%		2.6%	3.8%
D/E Ratio	<b>0.7</b>	0.6		0.7	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)**



Billions of Yen

		<b>Revised Forecast 2022</b>	Actual 2021	YOY	Aug. 8 <sup>th</sup> 2022 Forecast 2022	Feb. 9 <sup>th</sup> 2022 Forecast 2022
<b>Sales Revenue</b>	Tires	<b>941.0</b>	795.0	118%	987.0	903.5
	Sports	<b>117.0</b>	101.4	115%	115.5	105.5
	Industrial & Other	<b>42.0</b>	39.6	106%	42.5	41.0
	<b>Total</b>	<b>1,100.0</b>	936.0	118%	1,145.0	1,050.0
<b>Business Profit</b>	Tires	<b>4.0</b>	41.4	10%	22.0	32.5
	Sports	<b>8.5</b>	8.6	99%	8.0	7.0
	Industrial & Other	<b>0.5</b>	2.0	25%	1.0	2.5
	<b>Total</b>	<b>13.0</b>	52.0	25%	31.0	42.0

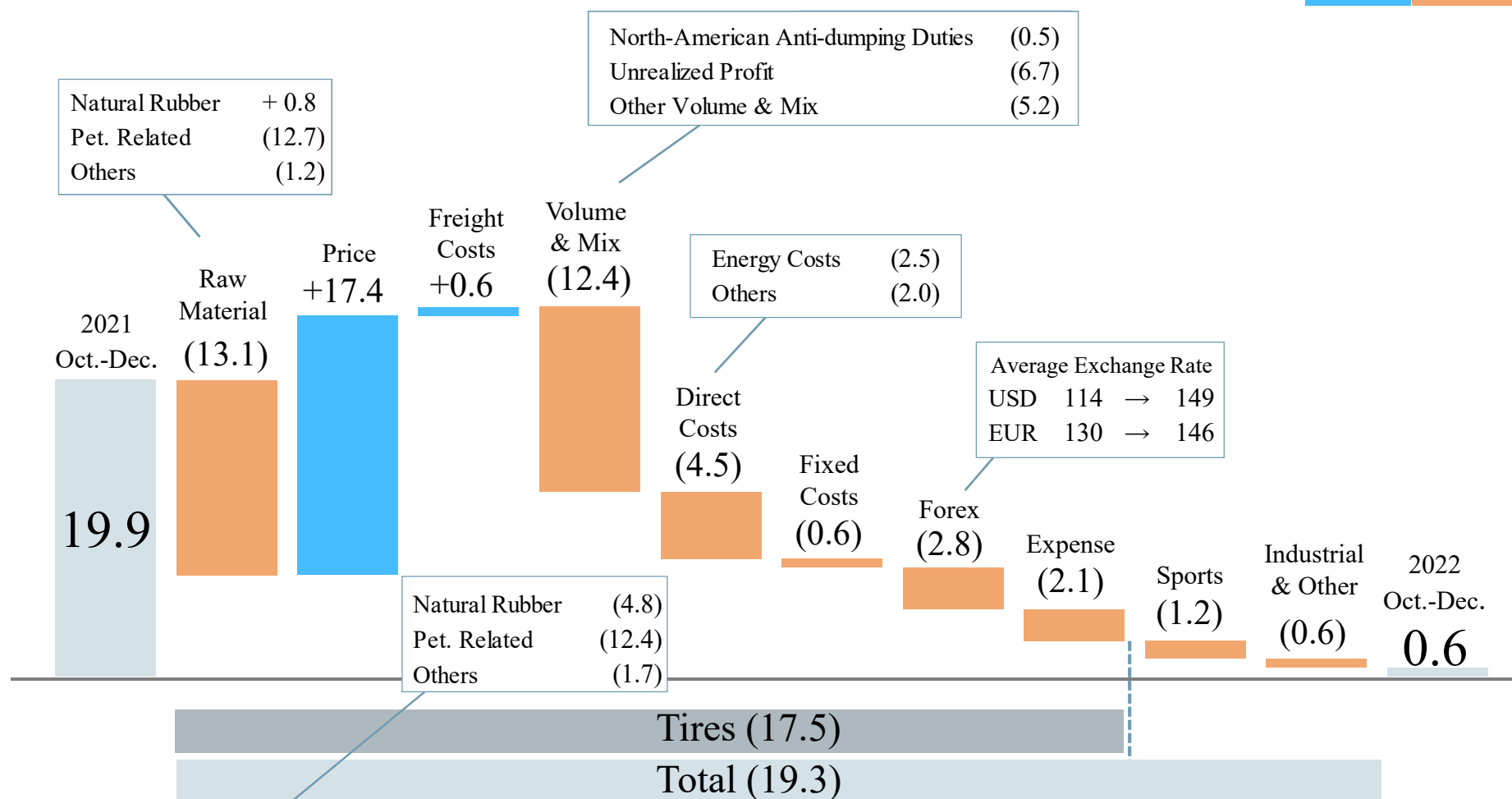
# 【Forecast】 Consolidated Business Profit Walk (2022 Oct.-Dec.)



Billions of Yen

Increase

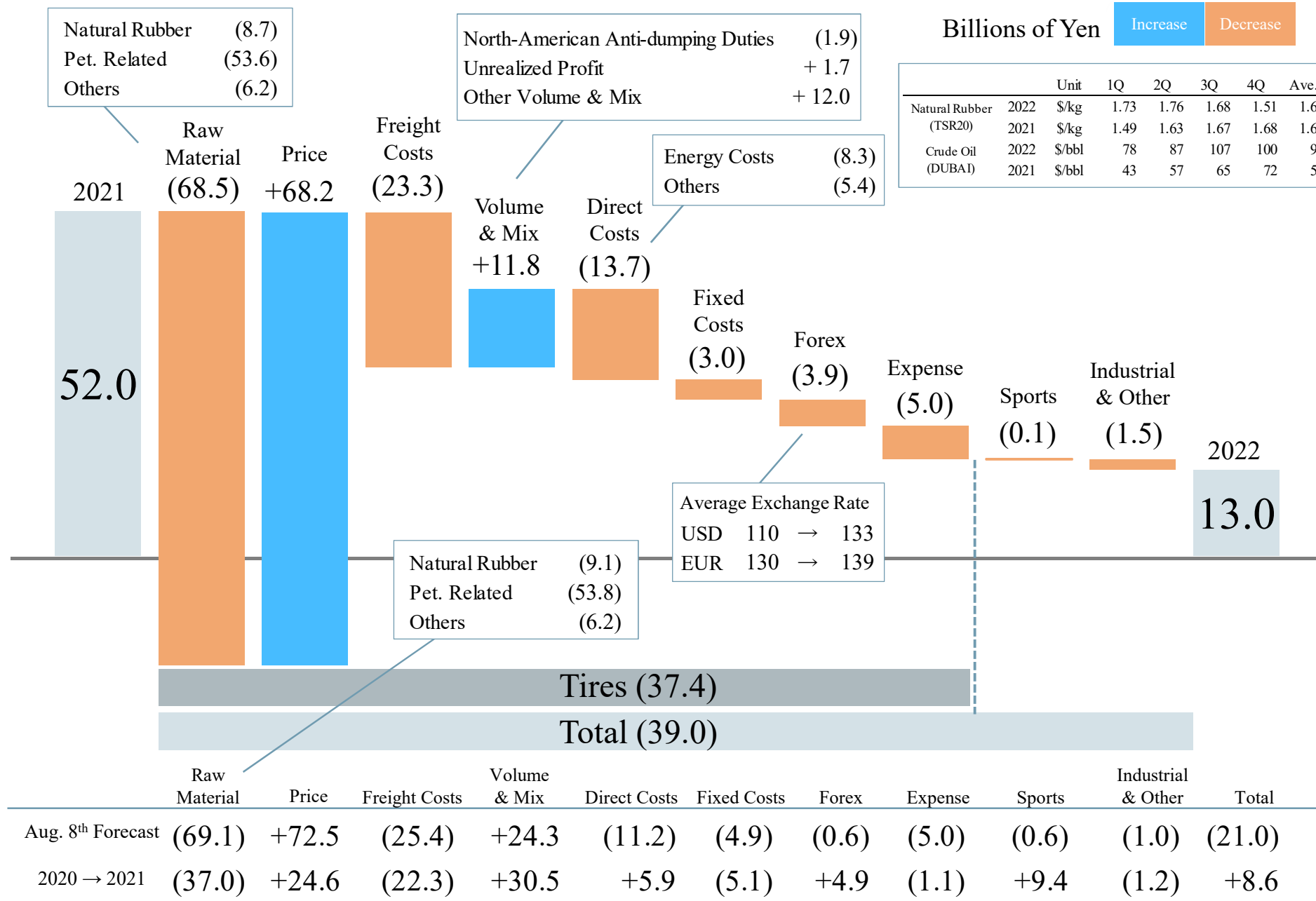
Decrease



	Raw Material	Price	Freight Costs	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
2020 → 2021 Oct.-Dec. Oct.-Dec.	(18.9)	+12.6	(11.9)	+2.3	(0.9)	(1.2)	+0.9	+1.9	+0.4	(0.8)	(15.6)
2019 → 2020 Oct.-Dec. Oct.-Dec.	+7.7	(1.0)	-	+2.8	+1.5	+0.0	(0.7)	+2.9	(0.6)	+0.1	+5.3※

※Includes Impact of COVID-19, (7.3).

# 【Forecast】 Consolidated Business Profit Walk (2022 Annual)





# Consolidated Business Profit Analysis by Factors



Billions of Yen

Period	Business Profit		Factors										
		vs Previous year	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.-Sep.	2.0	(8.2)	(14.0)	+6.7	(4.1)	+2.5	+0.1	(1.4)	+2.1	(0.7)	+0.6	(0.0)
	Oct.-Dec.	19.9	(15.6)	(18.9)	+12.6	(11.9)	+2.3	(0.9)	(1.2)	+0.9	+1.9	+0.4	(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.-Sep.	(1.8)	(3.8)	(18.0)	+18.8	(2.2)	+3.7	(3.8)	(1.0)	(1.2)	(0.4)	+0.4	(0.1)
	Oct.-Dec.	0.6	(19.3)	(13.1)	+17.4	+0.6	(12.4)	(4.5)	(0.6)	(2.8)	(2.1)	(1.2)	(0.6)
	Annual	13.0	(39.0)	(68.5)	+68.2	(23.3)	+11.8	(13.7)	(3.0)	(3.9)	(5.0)	(0.1)	(1.5)
vs Aug. 8 <sup>th</sup> Forecast		(18.0)	+0.6	(4.3)	+2.1	(12.5)	(2.5)	+1.9	(3.3)	+0.0	+0.5	(0.5)	

# Tire Sales Volume (Comparison %)

vs Previous year	2021 Actual					2022 Jan.-Sep. Actual, Oct.-Dec. Forecast					2022 Aug. 8th 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%	122%	124%	101%	82%	130%	104%	
Domestic Rep.	99%	107%	101%	102%	102%	116%	93%	111%	96%	103%	104%	101%	102%	
Overseas O.E.	116%	146%	94%	95%	109%	106%	102%	136%	120%	116%	104%	132%	118%	
Overseas Rep.	110%	151%	96%	97%	110%	97%	93%	91%	82%	91%	95%	97%	96%	
Details	North America	106%	141%	83%	92%	101%	90%	91%	76%	67%	81%	91%	88%	89%
	Europe	100%	165%	112%	114%	118%	106%	98%	84%	84%	93%	102%	88%	95%
	Asia	138%	131%	90%	99%	111%	88%	86%	104%	92%	92%	87%	109%	98%
	Others	103%	177%	106%	89%	112%	105%	98%	103%	87%	98%	101%	102%	102%
<b>Total</b>	<b>107%</b>	<b>140%</b>	<b>95%</b>	<b>96%</b>	<b>107%</b>	<b>99%</b>	<b>93%</b>	<b>104%</b>	<b>95%</b>	<b>98%</b>	<b>96%</b>	<b>106%</b>	<b>101%</b>	
Total Tire Sales (000 Units)	28,410	28,510	27,080	32,030	116,030	28,180	26,600	28,070	30,340	113,190	54,780	62,530	117,300	

Composition Ratio	2020 Actual	2021 Actual	2022 Forecast	
Advanced Tires ※	O.E.	40%	44%	46%
	Rep.	29%	31%	30%
	Total	32%	34%	35%

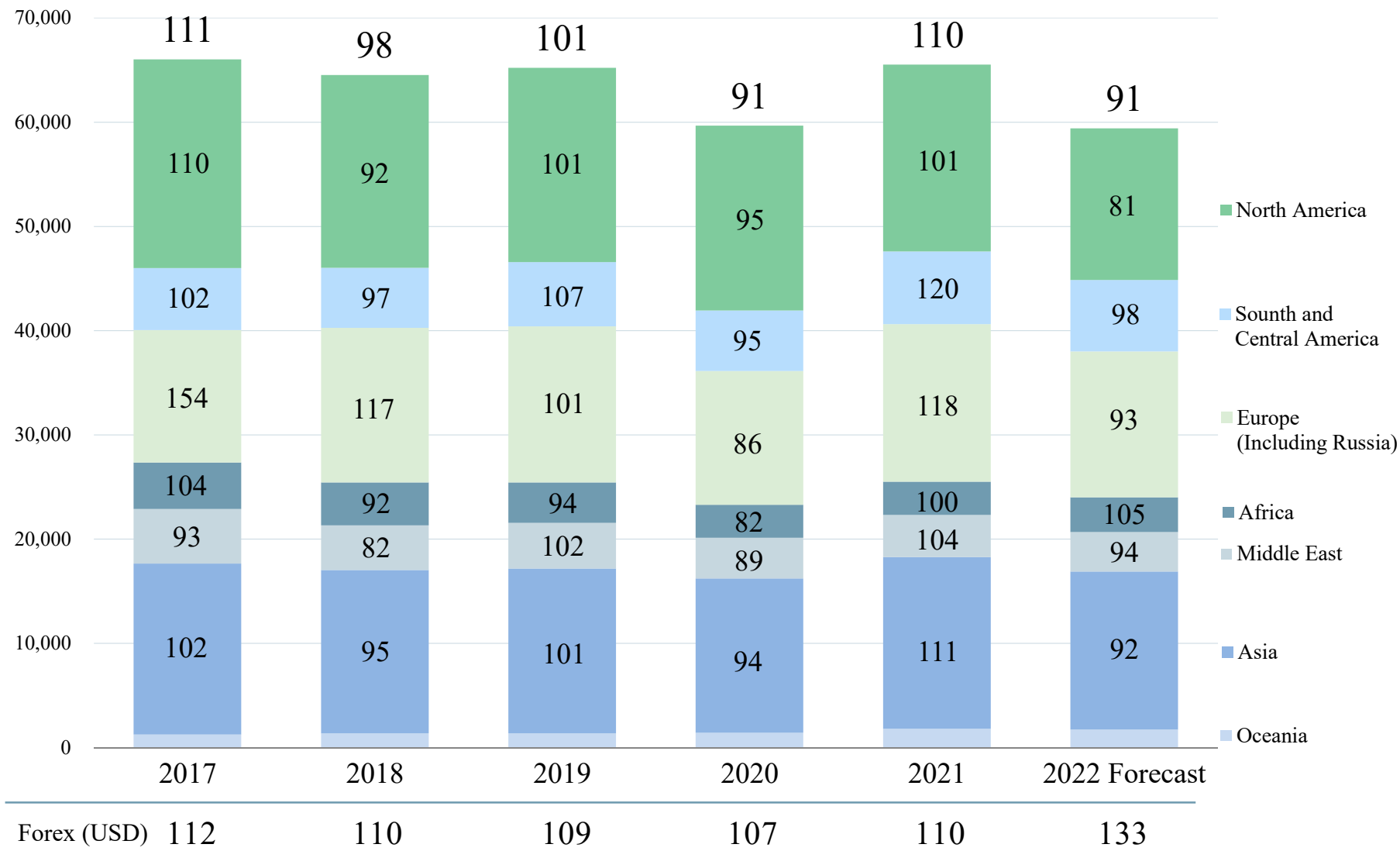
※ Advanced Tires : Primarily for SUVs and Passenger car tires with a size of 18" or larger

# Tire Overseas Rep. Volume by Regional Segment



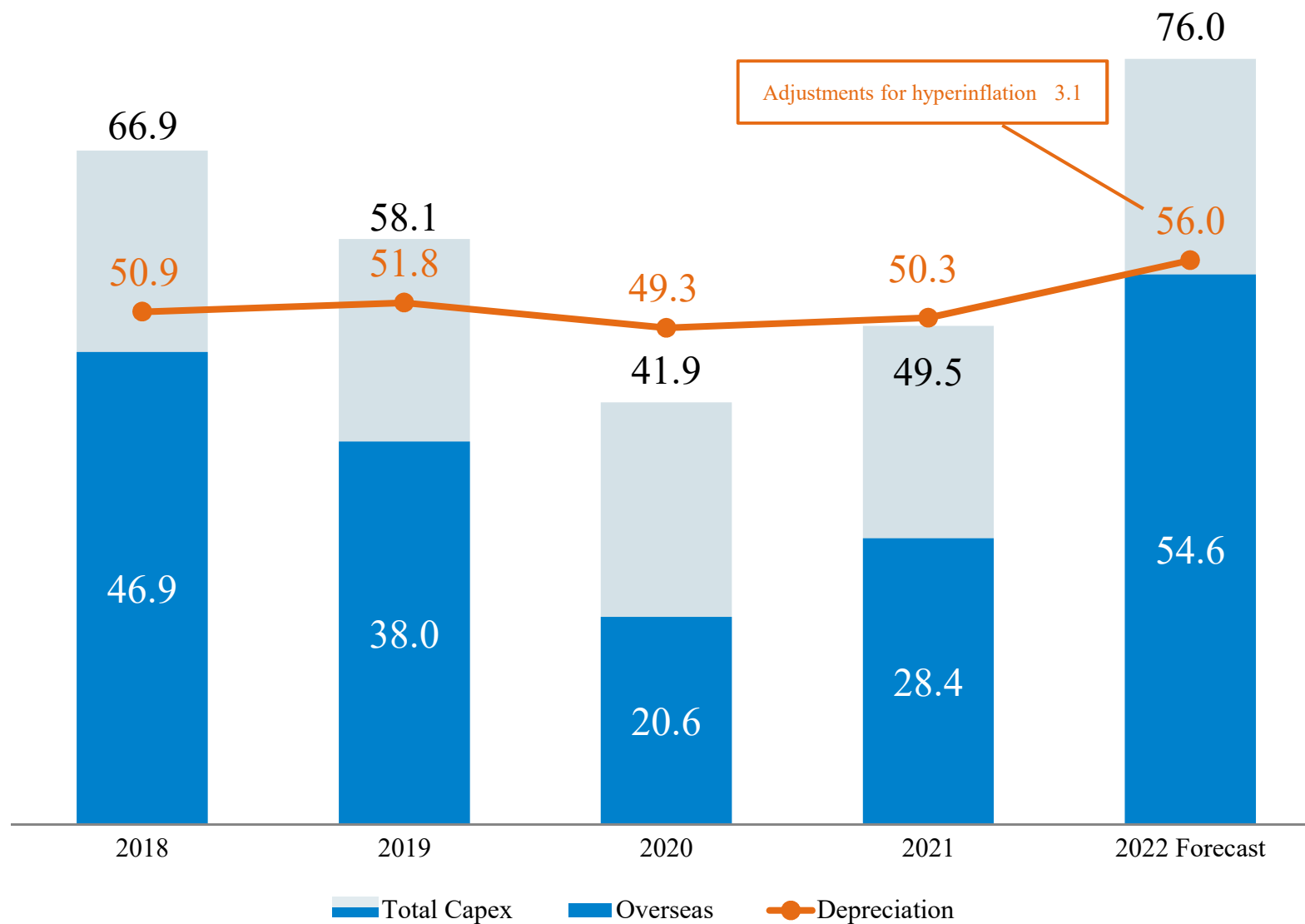
Unit : 000

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



# Capex and Depreciation (Tangible Assets Only)

Billions of Yen

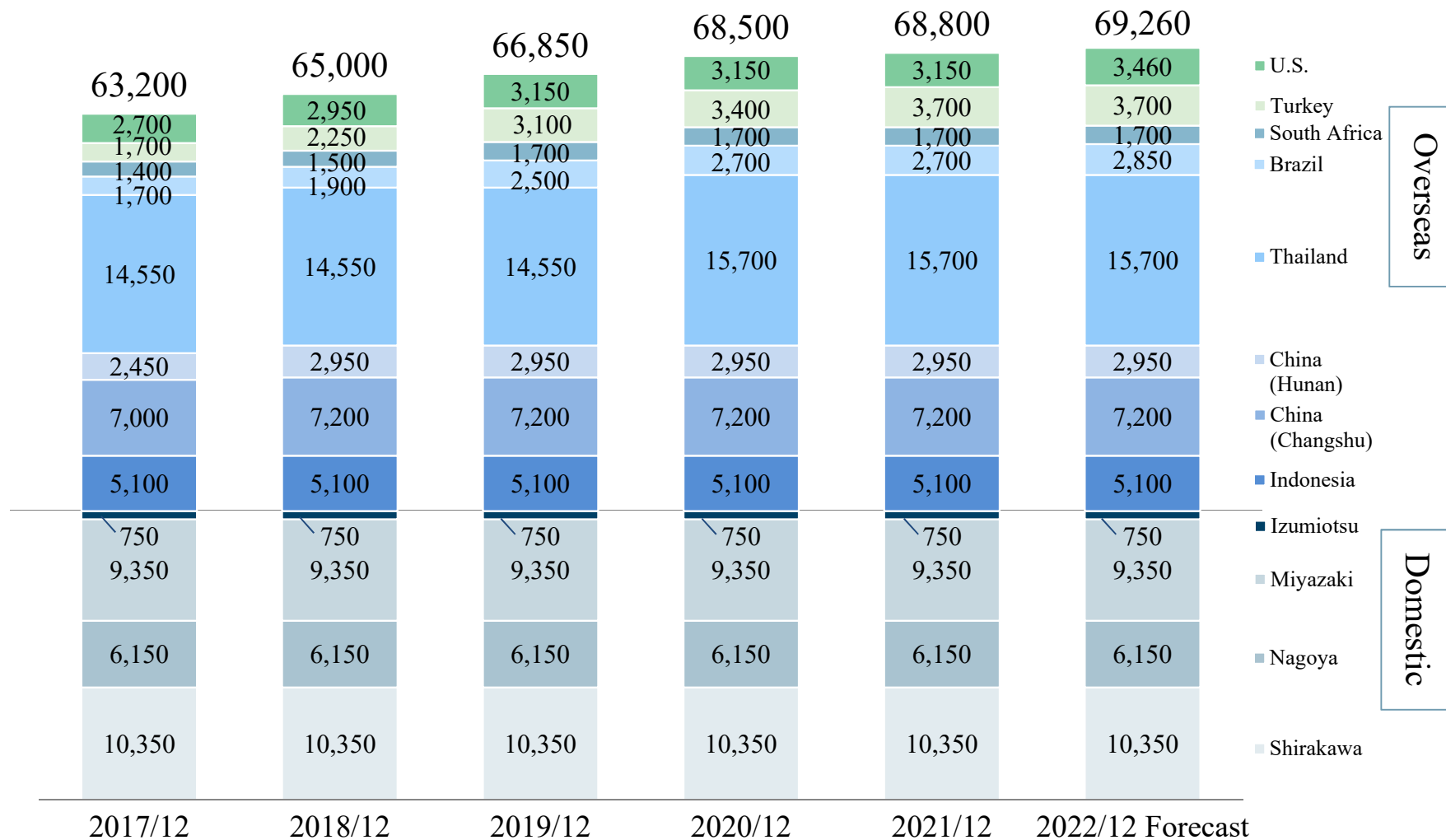


※IFRS 16 (Lease) impact has not been included since 2019.

# Tire Production Capacity

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

Unit : t/Month

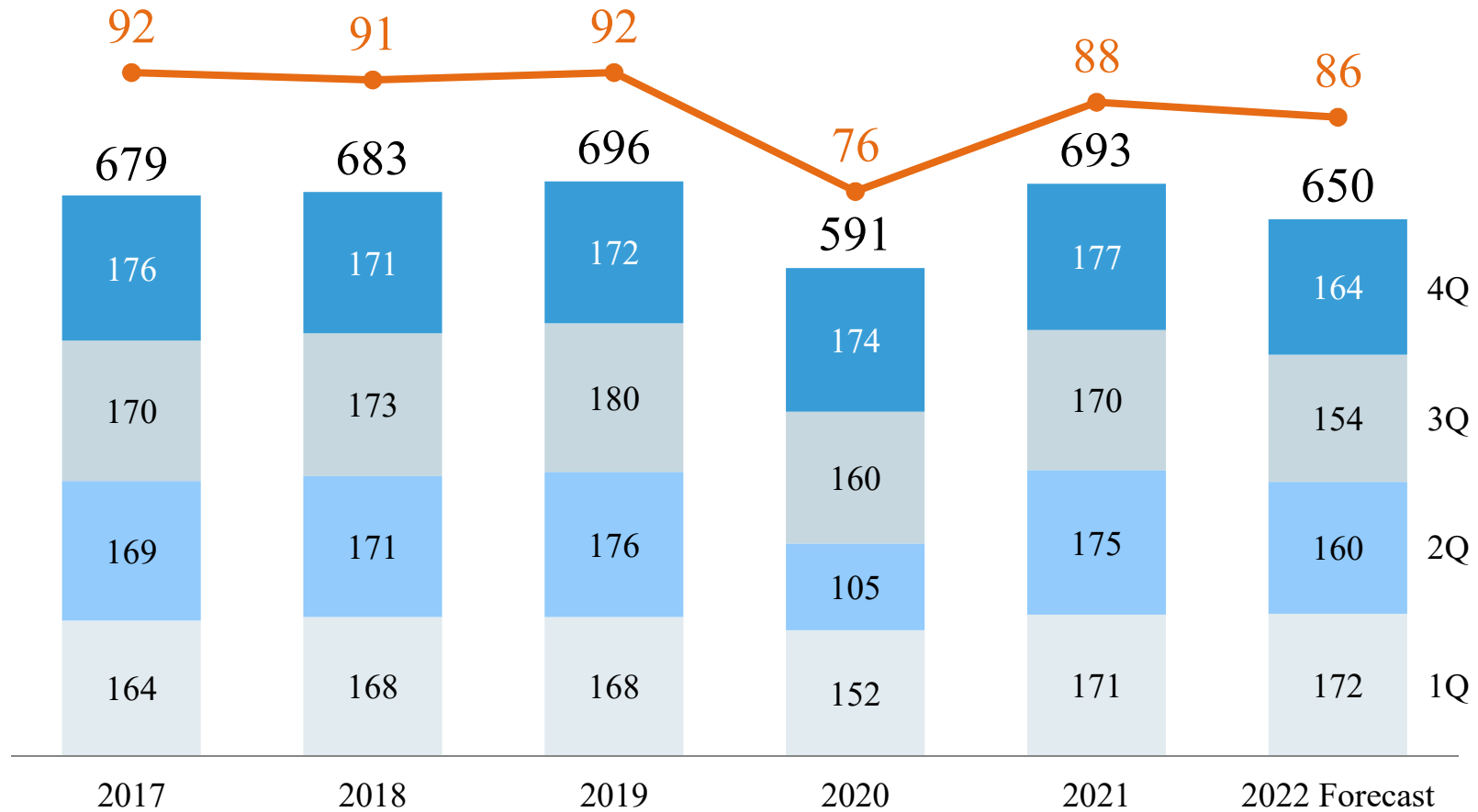


% of Overseas	58%	59%	60%	61%	61%	62%
YOY	103%	103%	103%	102%	100%	101%

# Tire Production Volume and Operating Ratio



Unit : 000t



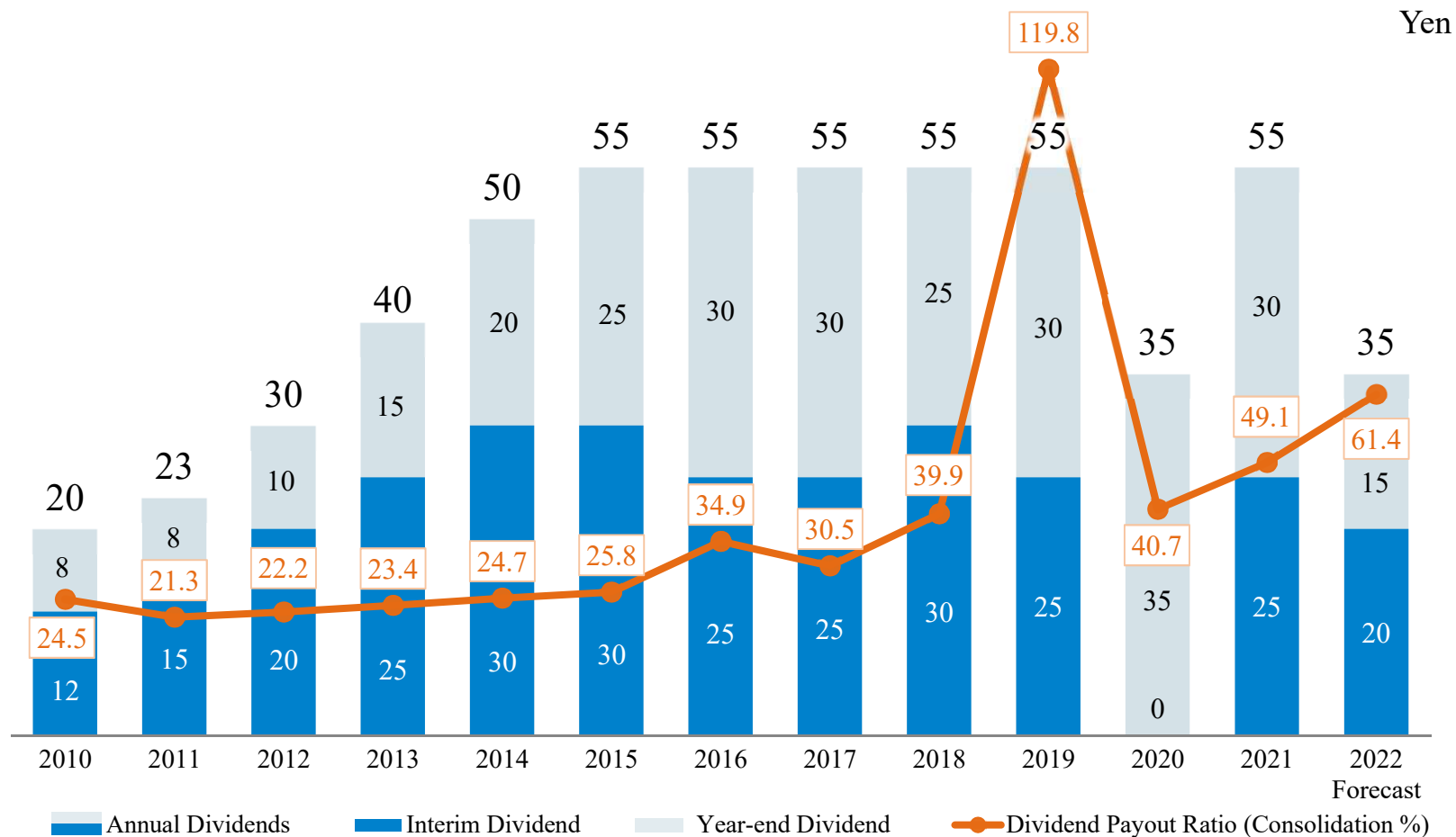
■ Total Production Volume
 —●— Operating Ratio (%)

% of Overseas	61%	62%	61%	63%	63%	63%
YOY	107%	101%	102%	85%	117%	94%

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)

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	
2022 Jan.-Sep.	Assets	+16.9	Business profit	(0.9)
	Liabilities	-	Operating profit	(1.0)
	Equity	+16.9	Profit attributable to owners of parent	+1.3
2022 Jan.-Dec. Forecast※	Assets	+21.3	Business profit	(1.4)
	Liabilities	-	Operating profit	(3.2)
	Equity	+21.3	Profit attributable to owners of parent	+1.8

※The Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 is premised on the assumption that current trends in terms of the average monthly increase in prices for the year to date will continue through the end of the fiscal 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.





**WINTER  
MAXX 03**

These studless tires provide outstanding performance on ice thanks to the adoption of “Nano-Dimpling Rubber,” an innovative new technology developed with a focus on speedier drainage and removal of that thin layer of water found on icy road surfaces.



**e.SPORT MAXX**

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



**AZENIS  
FK510**

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).



Our brand-new SRIXON ZX5 Mk II golf clubs achieve the highest ball speed in SRIXON History.

※ Available in Japan from November 19 & Other Markets Soon After

**ZX SERIES**  
Mk II



## Recent Activities

<https://www.srigroup.co.jp/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 Policy aiming to Achieve Carbon Neutrality by 2050   |

END

# SUMITOMO RUBBER GROUP