

Consolidated Financial Results
for the Three Months Ended March 31, 2023
[IFRS]



May 15, 2023

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 : May 15, 2023
 Scheduled date of commencing dividend payments : -
 Supplementary documents for quarterly financial results : Yes
 Quarterly financial results briefing session : Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)

(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	%
Three months ended March 31, 2023	276,761	10.5	7,976	(46.1)	7,767	(45.2)	4,006	(65.9)	14,825	(65.9)
March 31, 2022	250,501	17.2	14,784	(8.8)	14,178	(9.0)	11,754	10.2	43,432	47.9

(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
Three months ended	Yen	Yen	%
March 31, 2023	15.23	-	2.9
March 31, 2022	44.69	-	5.9

(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
March 31, 2023	1,242,701	574,712	556,053	44.7	2,114.21
December 31, 2022	1,225,202	563,863	546,200	44.6	2,076.74

(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 the period
Three months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	10,507	(14,652)	6,741	77,592
March 31, 2022	(614)	(15,720)	21,507	85,770

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, 2022	-	20.00	-	15.00	35.00
December 31, 2023	-				
Fiscal year ending					
December 31, 2023 (Forecast)		-	-	35.00	35.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

(% 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	%	
First half	550,000	7.4	12,000	(15.4)	11,000	(12.5)	6,500	(62.2)	24.71
Full year	1,160,000	5.6	44,000	100.3	34,500	130.2	21,000	123.0	79.85

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

Notes:

- (1) Changes in Significant Subsidiaries during the Three Months Ended March 31, 2023
(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)
 - March 31, 2023 : 263,043,057 shares
 - December 31, 2022 : 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period
 - March 31, 2023 : 35,233 shares
 - December 31, 2022 : 34,841 shares
 - 3) Average number of shares during the period
 - Three months ended March 31, 2023 : 263,008,028 shares
 - Three months ended March 31, 2022 : 262,995,070 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 Quarterly Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Future Forecast.”

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

(1) Operating Results

	For the three months ended March 31, 2022	For the three months ended March 31, 2023	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	250,501	276,761	10.5
Tires	210,866	229,792	9.0
Sports	29,685	35,468	19.5
Industrial and Other Products	9,950	11,501	15.6
Business profit	14,784	7,976	(46.1)
Tires	10,454	1,934	(81.5)
Sports	3,980	5,459	37.2
Industrial and Other Products	338	572	69.6
Adjustments	12	11	-
Operating profit	14,178	7,767	(45.2)
Profit attributable to owners of parent	11,754	4,006	(65.9)

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

Foreign exchange rates applied

	For the three months ended March 31, 2022	For the three months ended March 31, 2023	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	116	132	16
Yen / Euro	130	142	12

During the three months ended March 31, 2023, the economic environment continued to raise concerns over economic growth, due to the geopolitical tension reflecting the situation in Ukraine, in addition to the high levels of inflation in certain regions and drastic interest rate hikes to appease such rise in prices. The Japanese economy, while also expected to recover as the effects of COVID-19 subside, has witnessed rising uncertainty, including trends in foreign exchange and prices.

In the business environment surrounding the Group, while the impact of soaring energy costs and a decline in automotive production volume due to the shortage of semiconductors were still observed, there has been a lull in the impact of soaring freight costs and raw material prices. 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 2027 as the target year. At the same time, we worked to strengthen our competitive advantage through such efforts as developing and expanding sales of high-performance products that meet the needs of customers.

As a result, sales revenue of the Group increased 10.5% from the same period of the previous fiscal year to ¥276,761 million, business profit decreased 46.1% to ¥7,976 million, operating profit decreased 45.2% to ¥7,767 million and profit attributable to owners of parent decreased 65.9% to ¥4,006 million.

Business Performance by business segment was as follows.

Tire Business

Sales revenue in the tire business increased 9.0% from the same period of the previous fiscal year to ¥229,792 million, and business profit decreased 81.5% to ¥1,934 million.

In the domestic original equipment market, signs of recovery were seen such as recent sales exceeding the level of the same period of the previous fiscal year, although the fallout from ongoing production cuts at auto manufacturers, which mainly stemmed from the global shortage of semiconductors, led to sluggish sales.

In the domestic replacement market, sales as a whole resulted in a slight decrease from the same period of the previous fiscal year although sales of premium products in the winter tire category achieved the higher sales year on year with strong market acceptance.

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 slightly exceeded the same period of the previous fiscal year, as orders received recovered compared to the same period of the previous fiscal year when orders significantly declined due to the impact of COVID-19.

In the overseas replacement market, sales fell below the level of the same period of the previous fiscal year in the Asia and Oceania region although sales in China gradually recovered partly because of the lifting of its zero-COVID policy. In Indonesia and Thailand, sales exceeded the level of the same period of the previous fiscal year, showing a recovery trend partly due to the easing of the impact of COVID-19 compared to a year ago. In Europe, sales volume fell below the level of the same period of the previous fiscal year because demand for tires is somewhat slowing down due in part to the growing inflation. In the Americas region, we were able to maintain momentum in the sales of the highly accepted WILDPEAK Series in North America. In South America, we continued to achieve solid sales backed by robust local demand.

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 19.5% from the same period of the previous fiscal year to ¥35,468 million, and business profit increased 37.2% from the same period of the previous fiscal year to ¥5,459 million.

In the golf goods market, sales revenue exceeded the level of the same period of the previous fiscal year as we were able to maintain strong sales performance primarily in overseas markets such as North America and South Korea, with the additional effects of the new product launches.

In the tennis goods markets, sales revenue exceeded the level of the same period of the previous fiscal year, keeping strong sales in each of the markets mainly in Europe.

In the wellness business, sales revenue exceeded the level of the same period of the previous fiscal year thanks to the effects of the price increases as well as comprehensive facilities newly opened during the period.

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 15.6% from the same period of the previous fiscal year to ¥11,501 million, and business profit increased 69.6% to ¥572 million.

While sales of disposable rubber gloves and rubber parts for office equipment declined in Japan, orders received increased for rubber parts for medical applications, infrastructure products, and other products.

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

(2) Financial Position

	As of December 31, 2022	As of March 31, 2023	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	1,225,202	1,242,701	17,499
Total equity	563,863	574,712	10,849
Total equity attributable to owners of parent	546,200	556,053	9,853
Total equity attributable to owners of parent ratio (%)	44.6	44.7	0.1
Equity attributable to owners of parent per share	2,076.74 yen	2,114.21 yen	37.47 yen

The financial position of the Group as of March 31, 2023 was as follows.

Total assets increased ¥17,499 million from the end of the previous fiscal year to ¥1,242,701 million mainly as a result of increase in trade and other receivables.

Total liabilities increased ¥6,650 million from the end of the previous fiscal year to ¥667,989 million mainly as a result of an increase in interest-bearing debt.

Total equity as of March 31, 2023 increased ¥10,849 million from the end of the previous fiscal year to ¥574,712 million, of which equity attributable to owners of parent accounted for ¥556,053 million, and non-controlling interest accounted for ¥18,659 million.

As a result, equity attributable to owners of parent ratio was 44.7%, and equity attributable to owners of parent per share was ¥2,114.21.

(3) Consolidated Financial Results Forecast and Other Future Forecast

As for the forecast of consolidated financial results for six months ending June 30, 2023 and the fiscal year ending December 31, 2023, the sales revenue is expected to fall below the previous financial results forecast mainly because the impact of production cuts at auto manufacturers which stemmed from the shortage of semiconductors continues longer than we expected. However, the business profit, operating profit and profit attributable to owners of parent are expected to exceed the previous forecast because of alleviation of soaring freight costs and the rising prices of raw materials, therefore we have decided to revise consolidated financial results forecast as follows.

Consolidated Financial Results Forecast for Six Months Ending June 30, 2023 (January 1, 2023 to June 30, 2023)

	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	550,000	570,000	(20,000)	(3.5)	512,112
Tires	458,000	472,500	(14,500)	(3.1)	430,853
Sports	70,000	75,500	(5,500)	(7.3)	61,533
Industrial and Other Products	22,000	22,000	-	-	19,726
Business profit	12,000	7,000	5,000	71.4	14,184
Tires	5,000	1,000	4,000	400.0	7,659
Sports	7,000	6,000	1,000	16.7	6,210
Industrial and Other Products	0	0	-	-	291
Adjustments	-	-	-	-	24
Operating profit	11,000	5,000	6,000	120.0	12,572
Profit attributable to owners of parent	6,500	1,000	5,500	550.0	17,187

Foreign exchange rates applied

	Forecast	Previous forecast	Increase (Decrease)	(Reference) Results for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	132	130	2	123
Yen / Euro	142	142	-	134

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

	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	1,160,000	1,200,000	(40,000)	(3.3)	1,098,664
Tires	988,000	1,022,500	(34,500)	(3.4)	939,941
Sports	127,500	132,500	(5,000)	(3.8)	116,597
Industrial and Other Products	44,500	45,000	(500)	(1.1)	42,126
Business profit	44,000	35,000	9,000	25.7	21,963
Tires	33,000	26,000	7,000	26.9	12,311
Sports	10,000	8,000	2,000	25.0	8,943
Industrial and Other Products	1,000	1,000	-	-	680
Adjustments	-	-	-	-	29
Operating profit	34,500	30,000	4,500	15.0	14,988
Profit attributable to owners of parent	21,000	18,000	3,000	16.7	9,415

Foreign exchange rates applied

	Forecast	Previous forecast	Increase (Decrease)	(Reference) Results for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	132	130	2	132
Yen / Euro	142	142	-	138

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 Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	73,846	77,592
Trade and other receivables	209,009	217,704
Other financial assets	6,950	3,841
Inventories	283,501	285,101
Other current assets	50,593	48,950
Total current assets	623,899	633,188
Non-current assets		
Tangible assets	436,307	439,777
Goodwill	26,412	27,420
Intangible assets	45,919	46,705
Investments accounted for using equity method	4,462	4,430
Other financial assets	34,303	35,092
Net defined benefit asset	38,899	39,042
Deferred tax assets	12,953	14,933
Other non-current assets	2,048	2,114
Total non-current assets	601,303	609,513
Total assets	1,225,202	1,242,701

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	100,895	117,356
Trade and other payables	176,151	157,623
Other financial liabilities	14,431	15,007
Income tax payable	7,980	10,654
Provisions	1,299	1,741
Other current liabilities	52,152	58,169
Total current liabilities	352,908	360,550
Non-current liabilities		
Bonds and loans payable	210,907	208,998
Other financial liabilities	48,191	48,532
Net defined benefit liability	21,333	21,531
Provisions	1,654	1,411
Deferred tax liabilities	4,690	5,547
Other non-current liabilities	21,656	21,420
Total non-current liabilities	308,431	307,439
Total liabilities	661,339	667,989
Equity		
Capital stock	42,658	42,658
Capital surplus	39,705	39,702
Retained earnings	478,379	478,465
Treasury stock	(61)	(61)
Other components of equity	(14,481)	(4,711)
Total equity attributable to owners of parent	546,200	556,053
Non-controlling interests	17,663	18,659
Total equity	563,863	574,712
Total liabilities and equity	1,225,202	1,242,701

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

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Sales revenue	250,501	276,761
Cost of sales	(180,958)	(209,658)
Gross profit	69,543	67,103
Selling, general and administrative expenses	(54,759)	(59,127)
Business profit	14,784	7,976
Other income	665	840
Other expenses	(1,271)	(1,049)
Operating profit	14,178	7,767
Financial income	4,988	2,922
Financial expenses	(740)	(1,763)
Equity in earnings of affiliates	(5)	(27)
Profit before tax	18,421	8,899
Income tax expenses	(6,143)	(4,215)
Profit	12,278	4,684
Profit attributable to:		
Owners of parent	11,754	4,006
Non-controlling interests	524	678
Profit	12,278	4,684
Profit per share		
Basic profit per share (Yen)	44.69	15.23

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Profit	12,278	4,684
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	8	629
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	39	20
Currency translation differences of foreign operations	31,107	9,492
Other comprehensive income, net of tax	31,154	10,141
Comprehensive income	43,432	14,825
Comprehensive income attributable to:		
Owners of parent	42,360	13,773
Non-controlling interests	1,072	1,052
Comprehensive income	43,432	14,825

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
For the three months ended March 31, 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)
Profit			11,754			
Other comprehensive income					30,559	39
Total comprehensive income	-	-	11,754	-	30,559	39
Purchase of treasury stock				(0)		
Disposal of treasury stock		(0)		0		
Dividends			(7,890)			
Transfer to retained earnings			4			
Transfer to capital surplus		0	(0)			
Other		(12)				
Total transactions with owners	-	(12)	(7,886)	(0)	-	-
Balance as of March 31, 2022	42,658	39,703	485,323	(85)	(43,679)	(87)

	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
Profit			-	11,754	524	12,278
Other comprehensive income	8		30,606	30,606	548	31,154
Total comprehensive income	8	-	30,606	42,360	1,072	43,432
Purchase of treasury stock			-	(0)		(0)
Disposal of treasury stock			-	0		0
Dividends			-	(7,890)	(123)	(8,013)
Transfer to retained earnings	(4)		(4)	-		-
Transfer to capital surplus			-	-		-
Other			-	(12)		(12)
Total transactions with owners	(4)	-	(4)	(7,902)	(123)	(8,025)
Balance as of March 31, 2022	12,165	-	(31,601)	535,998	12,952	548,950

For the three months ended March 31, 2023

(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, 2023	42,658	39,705	478,379	(61)	(25,144)	27
Profit			4,006			
Other comprehensive income					9,118	20
Total comprehensive income	-	-	4,006	-	9,118	20
Purchase of treasury stock				(0)		
Disposal of treasury stock		(0)		0		
Dividends			(3,945)			
Transfer to retained earnings			(3)			
Transfer to capital surplus		0	(0)			
Other		(3)	28			
Total transactions with owners	-	(3)	(3,920)	(0)	-	-
Balance as of March 31, 2023	42,658	39,702	478,465	(61)	(16,026)	47

	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, 2023	10,636	-	(14,481)	546,200	17,663	563,863
Profit			-	4,006	678	4,684
Other comprehensive income	629		9,767	9,767	374	10,141
Total comprehensive income	629	-	9,767	13,773	1,052	14,825
Purchase of treasury stock			-	(0)		(0)
Disposal of treasury stock			-	0		0
Dividends			-	(3,945)	(52)	(3,997)
Transfer to retained earnings	3		3	-		-
Transfer to capital surplus			-	-		-
Other			-	25	(4)	21
Total transactions with owners	3	-	3	(3,920)	(56)	(3,976)
Balance as of March 31, 2023	11,268	-	(4,711)	556,053	18,659	574,712

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Cash flows from operating activities		
Profit before tax	18,421	8,899
Depreciation and amortization	17,402	18,937
Interest and dividends income	(492)	(588)
Interest expenses	739	1,344
Share of (profit) loss of entities accounted for using equity method	5	27
Decrease (increase) in inventories	(40,595)	673
Decrease (increase) in trade and other receivables	8,523	(4,601)
Increase (decrease) in trade and other payables	47	(16,095)
Other, net	84	7,407
Subtotal	4,134	16,003
Interest received	447	522
Dividend income received	30	34
Interest expenses paid	(640)	(1,319)
Income taxes paid	(4,585)	(4,733)
Net cash provided by (used in) operating activities	(614)	10,507
Cash flows from investing activities		
Purchase of tangible assets	(14,533)	(15,860)
Proceeds from sales of tangible assets	42	585
Purchase of intangible assets	(1,537)	(2,037)
Payment for transfer of business	(87)	-
Other, net	395	2,660
Net cash provided by (used in) investing activities	(15,720)	(14,652)

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	32,373	14,034
Repayments of lease obligations	(3,046)	(3,376)
Cash dividends paid	(7,696)	(3,866)
Cash dividends paid to non-controlling interests	(123)	(52)
Other, net	(1)	1
Net cash provided by (used in) financing activities	21,507	6,741
Effect of exchange rate change on cash and cash equivalents	5,504	1,150
Net increase (decrease) in cash and cash equivalents	10,677	3,746
Cash and cash equivalents at the beginning of current period	75,093	73,846
Cash and cash equivalents at the end of current period	85,770	77,592

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

(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, rubber parts for office equipment, 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 three months ended March 31, 2022 (January 1, 2022 to March 31, 2022)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Quarterly Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	210,866	29,685	9,950	250,501	-	250,501
Inter-segment sales revenue	332	34	307	673	(673)	-
Total	211,198	29,719	10,257	251,174	(673)	250,501
Segment profit (Business profit)(Note 1)	10,454	3,980	338	14,772	12	14,784
Other income and expenses						(606)
Operating profit						14,178

(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.

For the three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Quarterly Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	229,792	35,468	11,501	276,761	-	276,761
Inter-segment sales revenue	397	32	322	751	(751)	-
Total	230,189	35,500	11,823	277,512	(751)	276,761
Segment profit (Business profit) (Note 1)	1,934	5,459	572	7,965	11	7,976
Other income and expenses						(209)
Operating profit						7,767

(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