

Financial Report

(January 1 ~ March 31, 2024)

May 13, 2024



SUMITOMO
RUBBER INDUSTRIES

- 2024 1st Quarter Financial Results Summary
 - Changes in Scope of Consolidation, Affiliated Companies
 - Financial Results Summary

- 2024 Annual Financial Results Forecast
 - Financial Results Forecast Summary
 - Capex, Depreciation, Tire Production Capacity etc.
 - Shareholder Returns




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Changes in Scope of Consolidation

Consolidated Subsidiaries **84**
(vs 2023 year-end : (13))

Equity-method Affiliates **3**
(vs 2023 year-end : -)

	Newly Included +1	Excluded (14)	Newly Included -	Excluded -
<p>Tires</p> 	<p>DUNLOP TYRE JAPAN,LTD.(Japan/Sales)*</p>	<p>Dunlop Tire Hokkaido Ltd. And 10 other companies* (Japan/Sales) Dunlop Tire Trading (Tianjin) Co.,Ltd.(China/Sales)</p>		
<p>Sports</p> 				
<p>Industrial & Other</p> 		<p>Lonstroff AG (Switzerland/Manufacture) Lonstroff Medical Elastomer d.o.o.(Slovenia/Manufacture)</p>		

*As of January 1, 2024, Dunlop Tire Hokkaido Ltd. and 10 other domestic tire sales subsidiaries have been merged into Dunlop TYRE JAPAN,LTD. along with part of the Replacement Sales Division function of Sumitomo Rubber Industries Tire Domestic Operations.

	Manufacturing Companies		Sales Companies		Other Companies		
Tires 	Domestic	1	Domestic	1	Domestic	7	
	Overseas	8	Overseas	30	Overseas	6	
		Asia Pacific	4	Asia Pacific	8	Asia Pacific	2
		Europe and Africa	2	Europe and Africa	19	Europe and Africa	2
		Americas	2	Americas	3	Americas	2
Sports 	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.	
Industrial & Other 	Domestic	1	Domestic	2	Domestic	-	
	Overseas	3	Overseas	1	Overseas	-	
		Malaysia, China, Vietnam		Hong Kong		-	

Total 87
 Domestic 17
 Overseas 70

2024 1st Quarter Financial Results

- **Sales revenue(291.4 B of yen), business profit(23.2 B of yen), operating profit(20.7 B of yen) and profit attributable to owners of parents(24.8 B of yen) have reached record high in the 1st quarter. Business profit(%) was 8.0%.**
- **Tires: Sales revenue and business profit have reached record high in the 1st quarter.**
Revenue and profit increased YoY, due to increase in sales of overseas REP. market in North America and Europe.
- **Sports: Sales revenue has reached record high in the 1st quarter.**
Revenue increased, but profit decreased YoY, because sales volume of golf business has increased in Japan and North America, while sales volume of tennis business has decreased in Europe.
- **Industrial & other: Revenue decreased, but profit increased YoY, because of increase in sales of infrastructure-related products, decrease in sales of rubber parts for office equipment, household goods and rubber parts for medical applications.**

Current main initiatives

■ **Tires business: Restructuring of management and organizational system**

Establishment of the Tires Business Unit integrating manufacturing, sales, and technology by early 2024, aiming for further revenue improvement.

■ **Structural reforms**

North America business and businesses that are taking a leading approach outside of North America business will determine its direction by the end of 2024.

■ **Laying the groundwork for growth lines of business**

- **ACTIVE TREAD Technology ~Rubber to fit all road~**
The market release for all-season tires equipped with active treads is slated for fall 2024.
- **SENSING CORE ~To detect danger in advance with sensing technology~**
Adopted by fleet operators and automakers, contributing to the field of autonomous driving



Consolidated Financial Results (2024 Jan.-Mar.)



Billions of Yen

	2024 Jan.-Mar.	2023 Jan.-Mar.	vs 2023	2023 Actual
Sales Revenue	291.4	276.8	105%	1,177.4
Business Profit (%) <small>*1,3</small>	23.2 8.0%	8.0 2.9%	291%	77.7 6.6%
Operating Profit (%) <small>*3</small>	20.7 7.1%	7.8 2.8%	266%	64.5 5.5%
Profit <small>*2,3</small>	24.8	4.0	620%	37.0

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

*2. Profit : Profit attributable to owners of parent

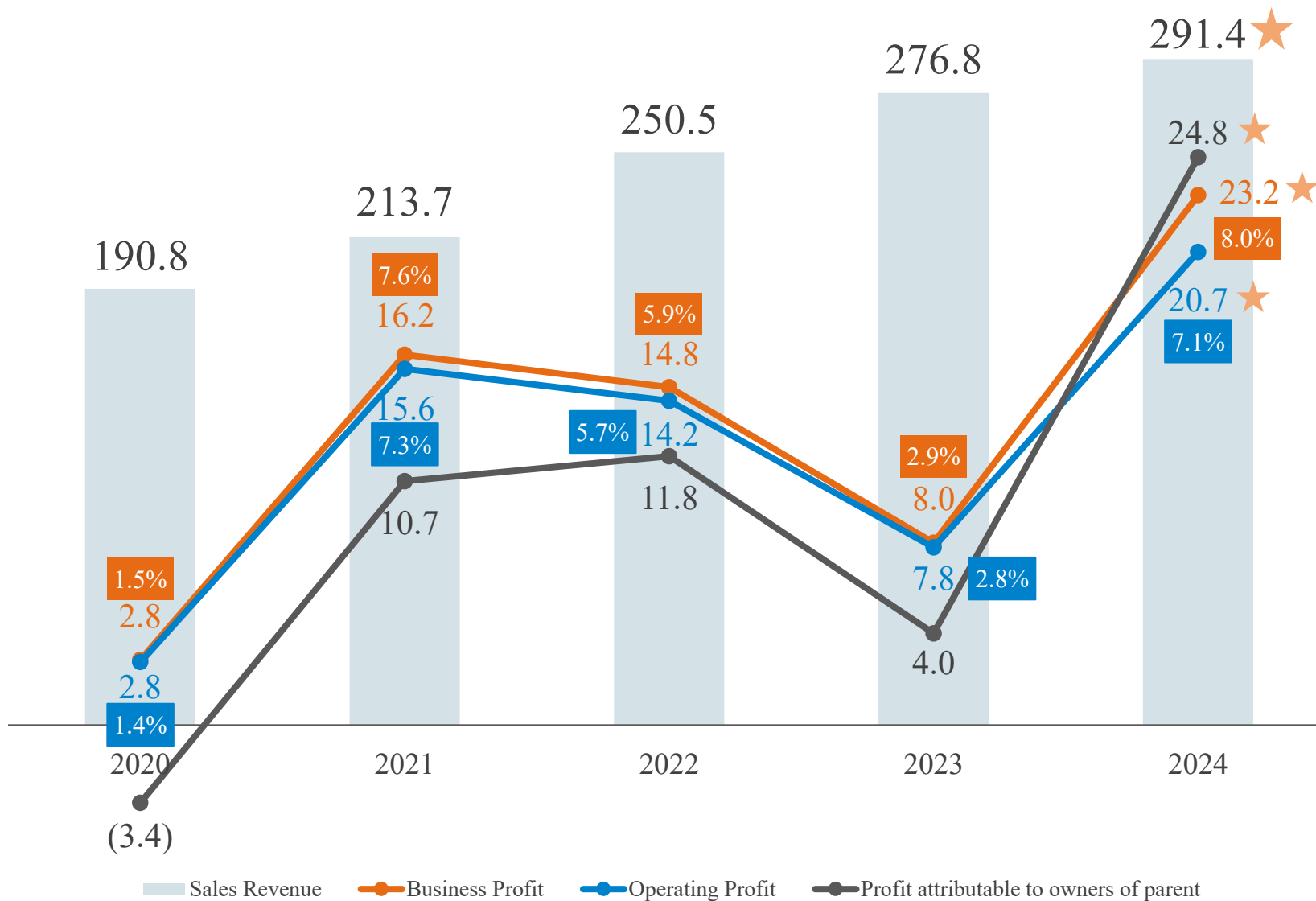
*3. Accounting adjustments have been applied since 2nd quarter, 2022, as pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies”.

The above notes 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 (2024 Jan.-Mar.)



Billions of Yen

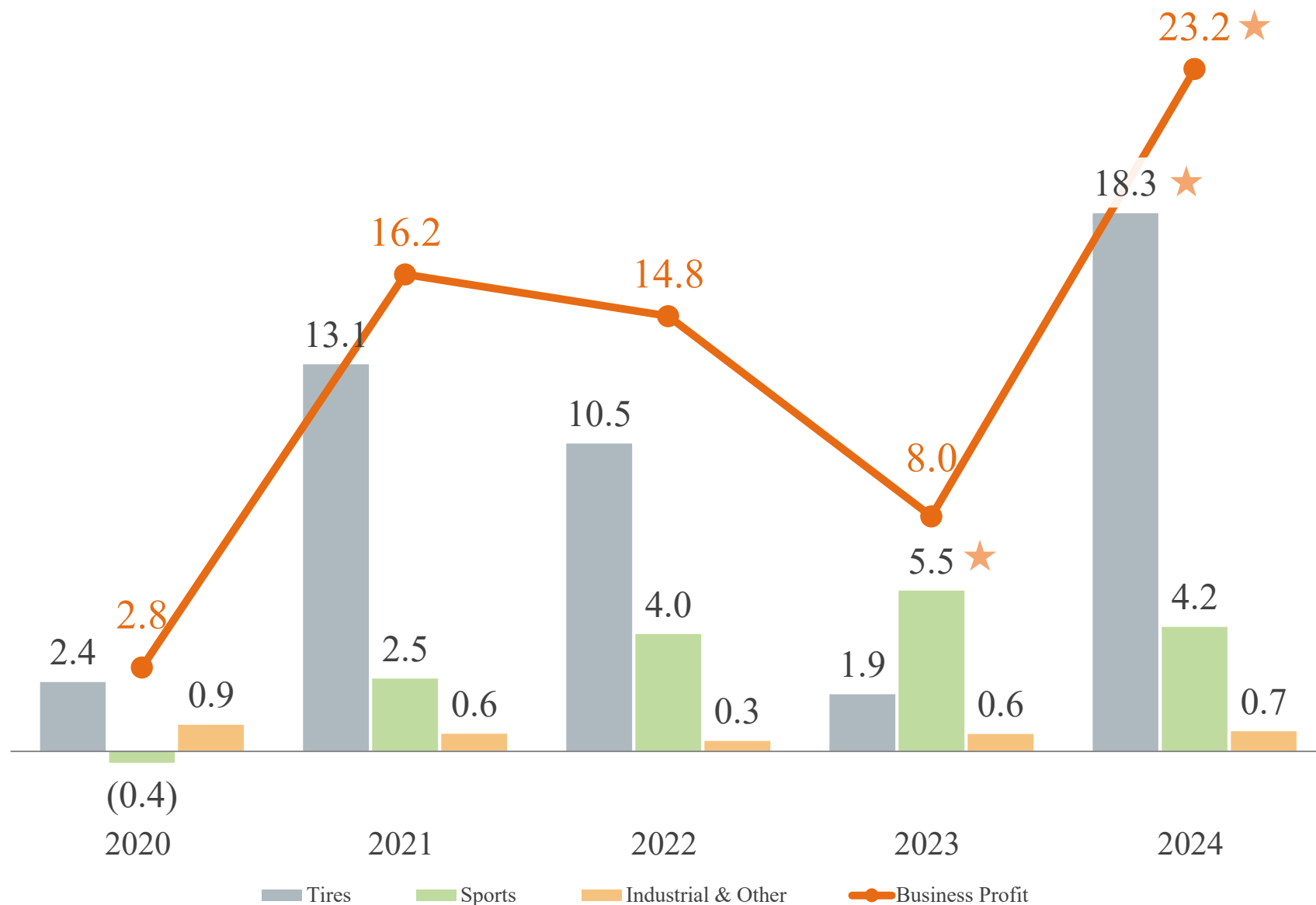
		2024 Jan.-Mar.	2023 Jan.-Mar.	VS 2023	2023 Actual
Sales Revenue	Tires	244.1	229.8	106%	1,006.4
	Sports	36.7	35.5	103%	126.6
	Industrial & Other	10.6	11.5	92%	44.4
	Total	291.4	276.8	105%	1,177.4
Business Profit	Tires	18.3	1.9	945%	63.6
	Sports	4.2	5.5	77%	12.5
	Industrial & Other *	0.7	0.6	117%	1.6
	Total	23.2	8.0	291%	77.7

*The elimination of inter-segment transactions is included.

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



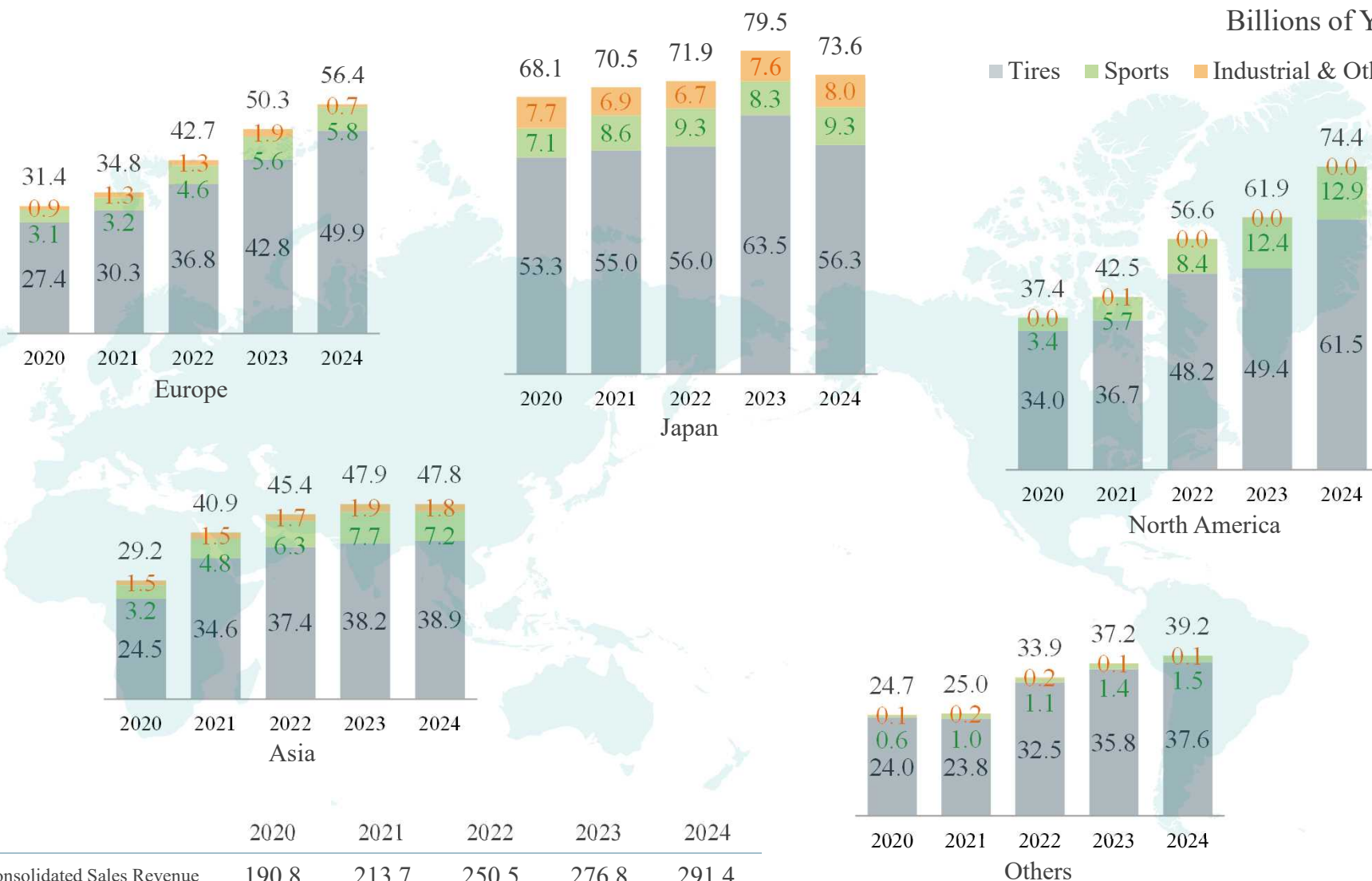
Billions of Yen ★: Record High



Sales Revenue by Destination (Jan.-Mar.)

Billions of Yen

■ Tires ■ Sports ■ Industrial & Other

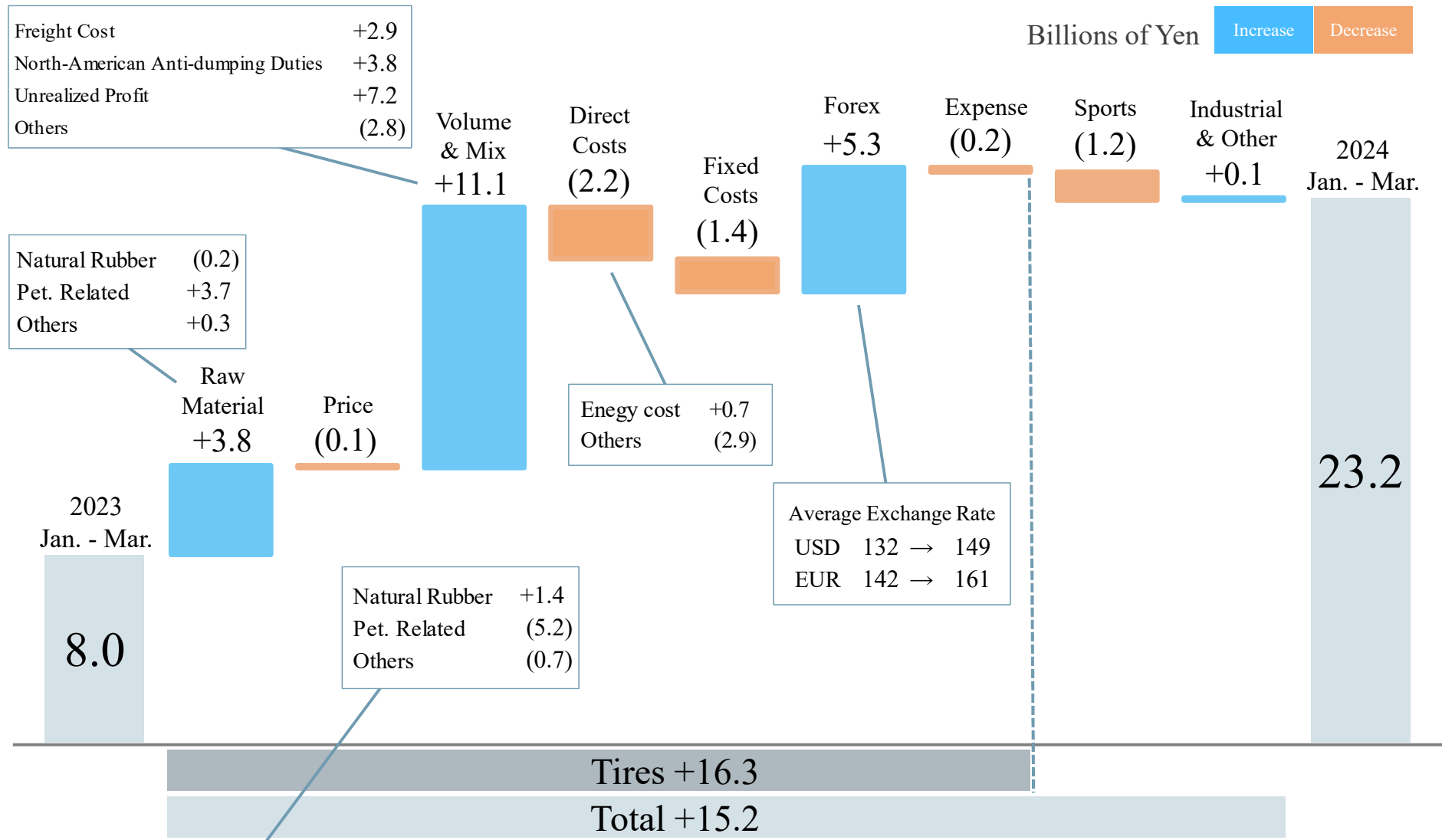


	2020	2021	2022	2023	2024
Consolidated Sales Revenue	190.8	213.7	250.5	276.8	291.4
% of Overseas	64%	67%	71%	71%	75%

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

Consolidated Business Profit Walk (2024 Jan.-Mar.)

Billions of Yen Increase Decrease



Freight Cost	+2.9
North-American Anti-dumping Duties	+3.8
Unrealized Profit	+7.2
Others	(2.8)

Natural Rubber	(0.2)
Pet. Related	+3.7
Others	+0.3

Raw Material	+3.8
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Energy cost	+0.7
Others	(2.9)

Average Exchange Rate	
USD	132 → 149
EUR	142 → 161

Natural Rubber	+1.4
Pet. Related	(5.2)
Others	(0.7)

	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
2022 → 2023	(4.5)	+10.8	(8.9)	(3.9)	(0.7)	(0.3)	(1.0)	+1.5	+0.2	(6.8)
2021 → 2022	(19.7)	+15.1	+5.8	(2.0)	(0.6)	+0.0	(1.2)	+1.5	(0.3)	(1.4)

Consolidated Statement of Profit & Loss Statement



Billions of Yen

	2023 Jan.-Mar.	2024 Jan.-Mar.	vs 2023 Jan.- Mar.
Sales revenue	276.8	291.4	+14.6
Cost of sales	(209.7)	(202.3)	+7.3
Selling, general and administrative expenses	(59.1)	(65.8)	(6.7)
Business profit	8.0	23.2	+15.2
Other income	0.8	0.8	(0.1)
Other expenses	(1.0)	(3.3)	(2.2)
Operating profit	7.8	20.7	+12.9
Financial income	2.9	6.9	+4.0
Financial expenses	(1.8)	(1.7)	+0.0
Equity in earnings of affiliates	(0.0)	(0.0)	+0.0
Profit before tax	8.9	25.9	+17.0
Income tax expenses	(4.2)	0.4	+4.6
Non-controlling interests	(0.7)	(1.4)	(0.7)
Profit	4.0	24.8	+20.8

Main factor

1 Business profit

Refer to page.6 to 12 for details

2 Other income

	Actual	vs 2023 Jan.- Mar.
Non-operating profit	0.4 B of yen	(0.1) B of yen
Other extraordinary profit	0.3 B of yen	+0.0 B of yen

3 Other expenses

Non-operating expenses	(2.4) B of yen	(1.9) B of yen
Other extraordinary expenses	(0.7) B of yen	(0.4) B of yen
Loss on retirement or sales of non-current assets	(0.2) B of yen	+0.1 B of yen

4 Financial income

Foreign exchange profit	3.2 B of yen	+2.7 B of yen
Gain on net monetary position	2.5 B of yen	+0.6 B of yen
Interest received	1.1 B of yen	+0.6 B of yen

5 Financial expenses

Interest expenses	(1.7) B of yen	(0.4) B of yen
Loss on valuation of derivatives	-	+0.4 B of yen

Consolidated Statement of Financial Position



Billions of Yen

	As of Dec. 31, 2023	As of Mar. 31, 2024	vs Dec. 31, 2023	Main factor
Current assets	624.7	637.3	① +12.6	① Current assets vs Dec. 31, 2023 Inventories +14.6 B of yen Cash and cash equivalents (7.7) B of yen Other current assets +4.0 B of yen Trade and other receivables +1.8 B of yen
Non-current assets	642.0	670.2	② +28.2	
Total assets	1,266.7	1,307.5	+40.8	
Current liabilities	331.1	327.5	(3.6)	
Non-current liabilities	294.2	299.0	+4.8	② Non-current assets Tangible assets +11.6 B of yen Other financial assets +7.5 B of yen Intangible assets(including goodwill) +4.2 B of yen Deferred tax assets +2.0 B of yen
Total liabilities	625.3	626.5	③ +1.2	
Total equity attributable to owners of parent	624.1	661.6	④ +37.4	③ Total liabilities Interest-bearing debt +13.3 B of yen (310.9 → 324.2) Income tax payable (9.0) B of yen Trade and other payables (7.5) B of yen Other current liabilities +4.6 B of yen
Non-controlling interest	17.3	19.4	+2.1	
Total equity	641.4	681.0	+39.6	
Total liabilities and equity	1,266.7	1,307.5	+40.8	
Equity ratio	49.3%	50.6%	+1.3P	④ Equity Profit +24.8 B of yen Foreign currency translation adjustment +22.8 B of yen Dividends paid (13.9) B of yen

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【Forecast】 Consolidated Financial Results (2024 Jan.-Jun.)



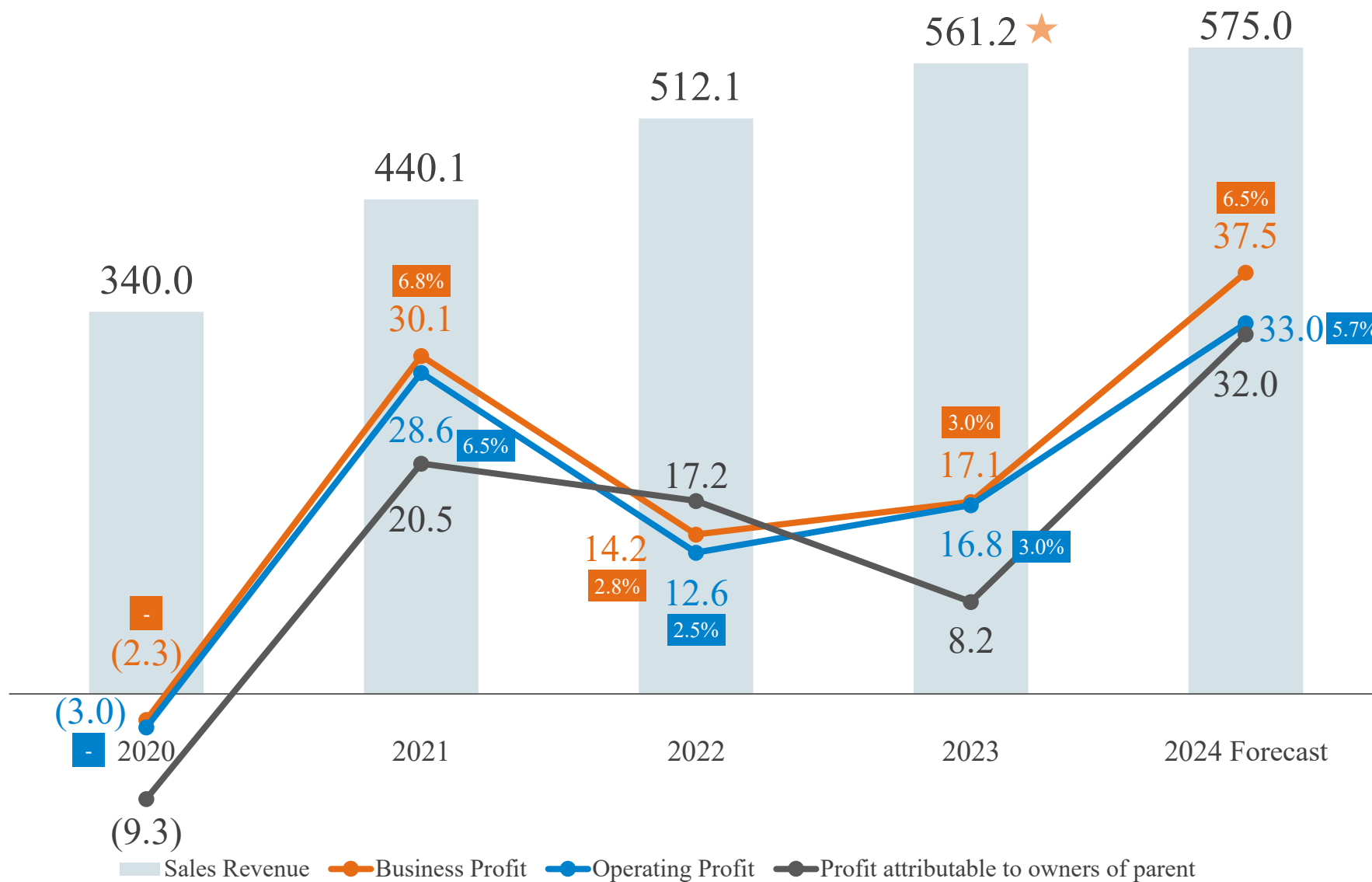
Billions of Yen

	Revised Forecast 2024 Jan.-Jun.	Actual 2023 Jan.-Jun.	vs 2023	Feb. 14 th 2024 Forecast 2024 Jan.-Jun.	Revised Forecast 2024 Apr.-Jun.	Actual 2023 Apr.-Jun.
Sales Revenue	575.0	561.2	102%	575.0	283.6	284.4
Business Profit (%)	37.5 6.5%	17.1 3.0%	220%	34.5 6.0%	14.3 5.0%	9.1 3.2%
Operating Profit (%)	33.0 5.7%	16.8 3.0%	196%	30.0 5.2%	12.3 4.3%	9.0 3.2%
Profit	32.0	8.2	390%	23.5	7.2	4.2

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



Billions of Yen % : Profit Ratio ★ : Record High



**【Forecast】 Consolidated Sales Revenue / Business Profit
by Reportable Segment (2024 Jan.-Jun.)**



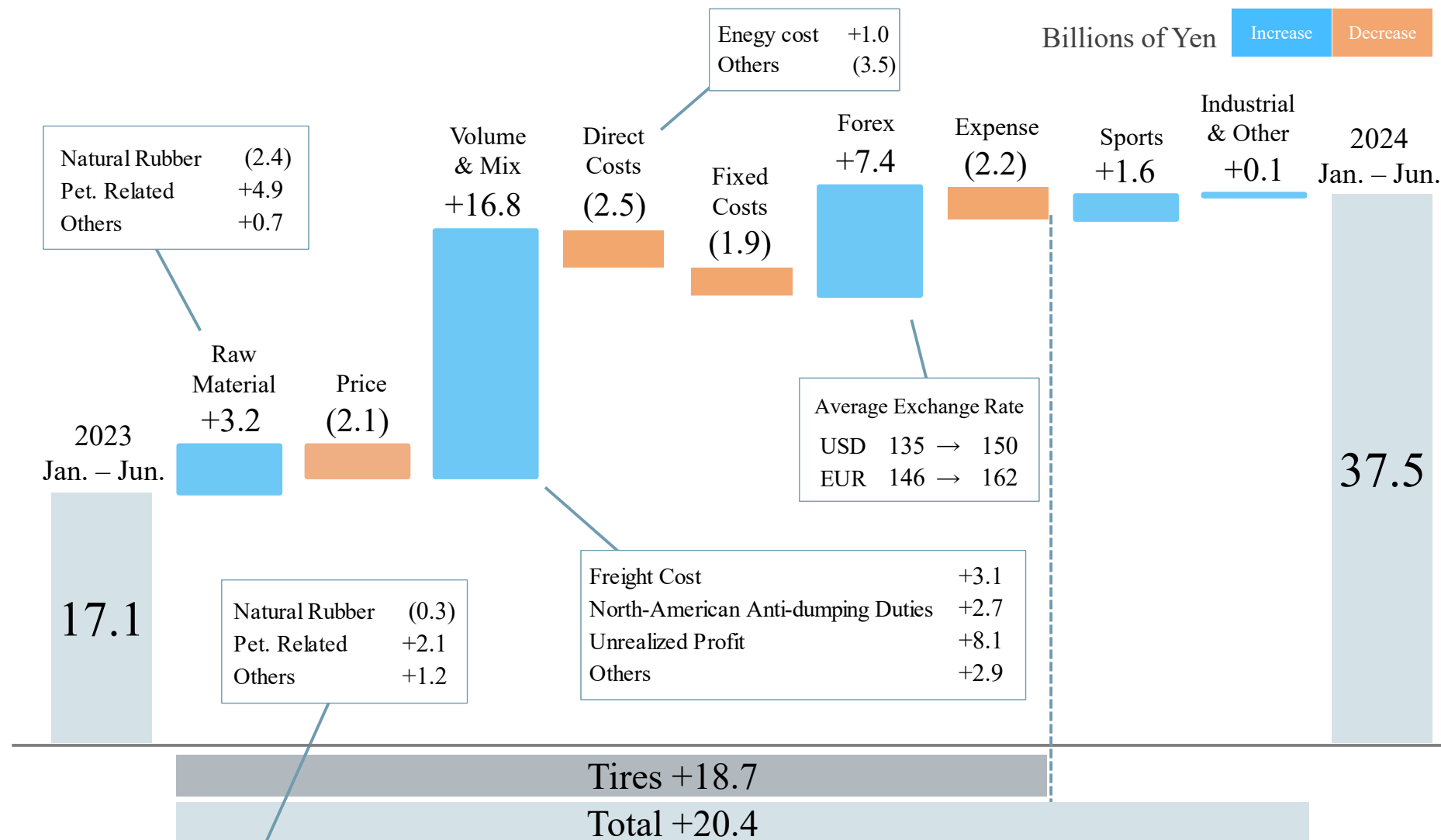
Billions of Yen

		Revised Forecast 2024 Jan.-Jun.	Actual 2023 Jan.-Jun.	vs 2023	Feb. 14 th 2024 Forecast 2024 Jan.-Jun.	Revised Forecast 2024 Apr.-Jun.	Actual 2023 Apr.-Jun.
Sales Revenue	Tires	482.0	471.1	102%	483.5	237.9	241.3
	Sports	74.5	68.1	109%	74.5	37.8	32.7
	Industrial & Other	18.5	21.9	84%	17.0	7.9	10.4
	Total	575.0	561.2	102%	575.0	283.6	284.4
Business Profit	Tires	28.5	9.8	292%	25.5	10.2	7.8
	Sports	8.0	6.4	124%	8.0	3.8	1.0
	Industrial & Other *	1.0	0.9	113%	1.0	0.3	0.3
	Total	37.5	17.1	220%	34.5	14.3	9.1

*The elimination of inter-segment transactions is included. 18

Consolidated Business Profit Walk (2024 Jan.-Jun.)

Billions of Yen Increase Decrease



	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
Feb. 14 th Forecast	+3.0	(2.7)	+19.7	(0.6)	(3.1)	+3.7	(4.3)	+1.6	+0.1	+17.4
2022 → 2023	(3.3)	+18.9	(4.8)	(6.5)	(0.7)	+0.3	(1.8)	+0.2	+0.6	+2.9

【Forecast】 Consolidated Financial Results (2024 Annual)



Billions of Yen

	Revised Forecast 2024	Actual 2023	YoY	Feb. 14 th 2024 Forecast 2024
Sales Revenue	1,200.0	1,177.4	102%	1,200.0
Business Profit (%)	80.0 6.7%	77.7 6.6%	103%	80.0 6.7%
Operating Profit (%)	61.0 5.1%	64.5 5.5%	95%	61.0 5.1%
Profit	38.0	37.0	103%	37.0
ROIC ^{*1}	5.7%	5.7%		5.7%
ROE	5.9%	6.3%		5.7%
ROA ^{*2}	6.2%	6.2%		6.2%
D/E Ratio	0.5	0.5		0.5

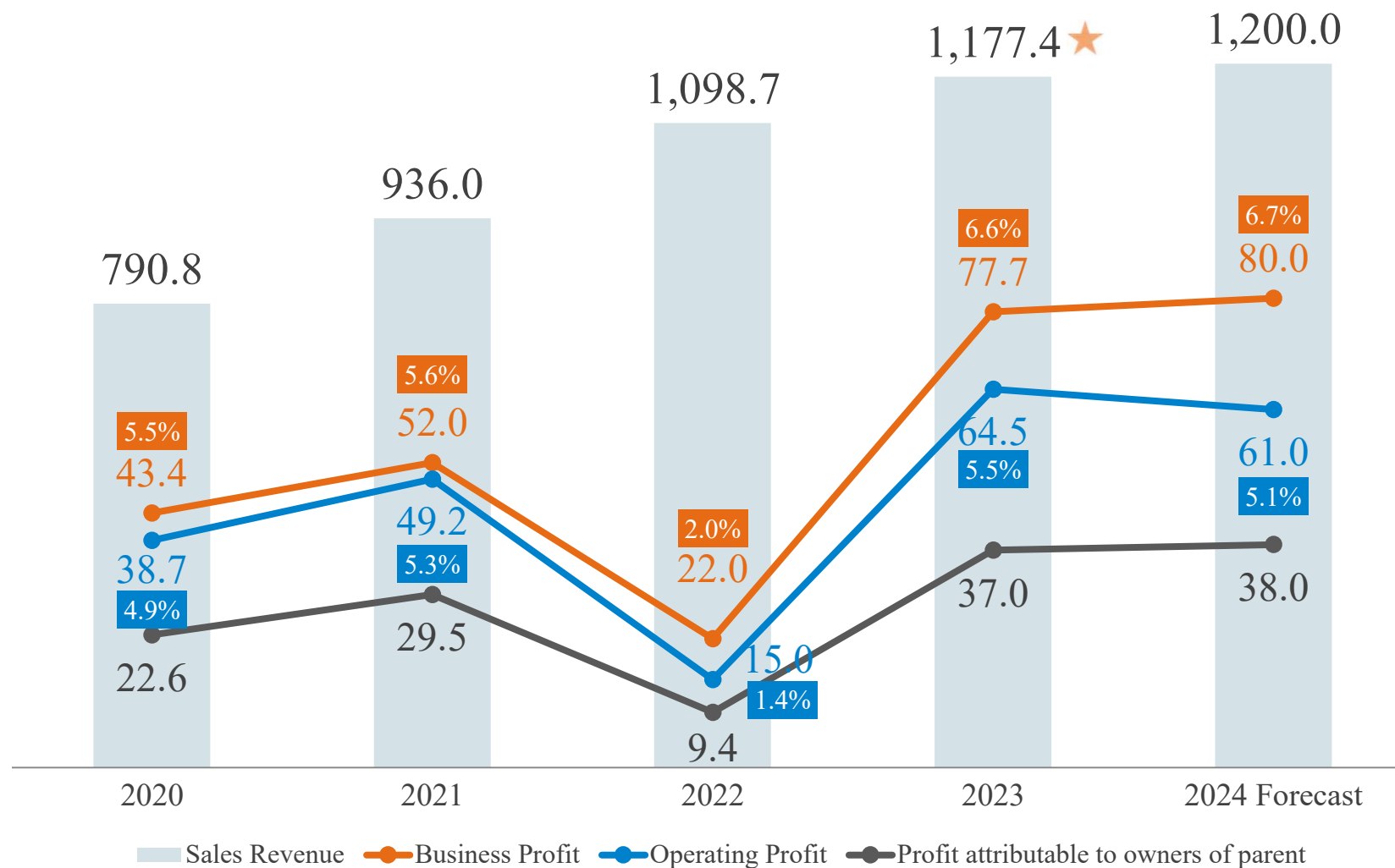
*1. ROIC : Net Business Profit After Tax / Invested Capital

*2. 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 (2024 Jan.-Dec.)**



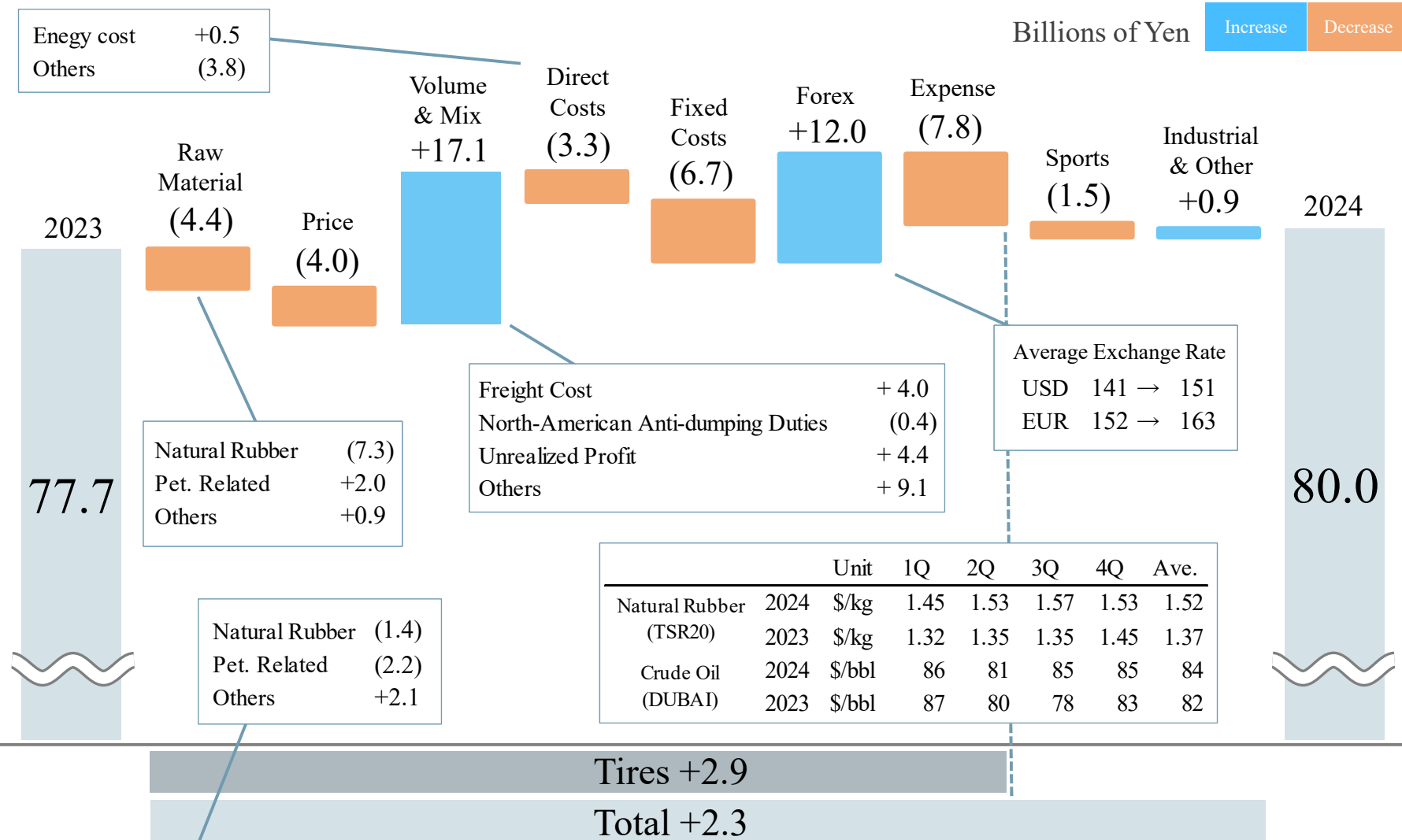
Billions of Yen

Feb. 14th 2024
Forecast
2024

		Revised Forecast 2024	Actual 2023	vs 2023	
Sales Revenue	Tires	1,032.0	1,006.4	103%	1,033.0
	Sports	131.5	126.6	104%	131.5
	Industrial & Other	36.5	44.4	82%	35.5
	Total	1,200.0	1,177.4	102%	1,200.0
Sales Revenue	Tires	66.5	63.6	105%	66.5
	Sports	11.0	12.5	88%	11.0
	Industrial & Other *	2.5	1.6	155%	2.5
	Total	80.0	77.7	103%	80.0

*The elimination of inter-segment transactions is included. 22

【Forecast】 Consolidated Business Profit Walk (2024 Jan.-Dec.)



	Unit	1Q	2Q	3Q	4Q	Ave.
Natural Rubber	2024 \$/kg	1.45	1.53	1.57	1.53	1.52
(TSR20)	2023 \$/kg	1.32	1.35	1.35	1.45	1.37
Crude Oil	2024 \$/bbl	86	81	85	85	84
(DUBAI)	2023 \$/bbl	87	80	78	83	82

	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
Feb. 14 th Forecast	(1.5)	(3.9)	+21.5	(1.4)	(6.7)	+4.2	(9.3)	(1.5)	+0.9	+2.3
2022 → 2023	+17.1	+25.4	+22.3	(8.5)	(4.0)	+4.3	(5.3)	+3.5	+0.9	+55.7

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
2023	Jan.-Mar.	8.0 (6.8)	(4.5)	+10.8	(8.9)	(3.9)	(0.7)	(0.3)	(1.0)	+1.5	+0.2
	Apr.-Jun.	9.1 +9.7	+1.2	+8.1	+4.1	(2.6)	(0.0)	+0.6	(0.8)	(1.3)	+0.4
	Jul.-Dec.	60.6 +52.8	+20.4	+6.5	+27.1	(2.0)	(3.3)	+4.0	(3.5)	+3.3	+0.3
	Annual	77.7 +55.7	+17.1	+25.4	+22.3	(8.5)	(4.0)	+4.3	(5.3)	+3.5	+0.9
2024	Jan.-Mar.	23.2 +15.2	+3.8	(0.1)	+11.1	(2.2)	(1.4)	+5.3	(0.2)	(1.2)	+0.1
	Apr.-Jun.	14.3 +5.2	(0.6)	(2.0)	+5.7	(0.3)	(0.5)	+2.1	(2.0)	+2.8	+0.0
	Jul.-Dec.	42.5 (18.1)	(7.6)	(1.9)	+0.3	(0.8)	(4.8)	+4.6	(5.6)	(3.1)	+0.8
	Annual	80.0 +2.3	(4.4)	(4.0)	+17.1	(3.3)	(6.7)	+12.0	(7.8)	(1.5)	+0.9
vs Feb. 14 th Forecast		+0.0	(2.9)	(0.1)	(4.4)	(1.9)	+0.0	+7.8	+1.5	+0.0	+0.0

Tire Sales Volume (Comparison %)



vs Previous year	2023 Actual					2024 Jan.-Mar. Actual, Apr.-Dec. Forecast					2024 Feb. 14th 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.	112%	121%	108%	108%	112%	78%	95%	96%	96%	91%	99%	99%	99%	
Domestic Rep.	98%	108%	89%	97%	98%	86%	99%	107%	110%	101%	96%	109%	102%	
Overseas O.E.	101%	108%	92%	101%	100%	90%	92%	101%	101%	96%	100%	105%	102%	
Overseas Rep.	87%	94%	97%	96%	93%	100%	97%	108%	108%	103%	98%	109%	103%	
Details	North America	81%	92%	109%	100%	95%	107%	92%	104%	104%	102%	99%	103%	101%
	Europe	90%	85%	100%	91%	92%	102%	108%	103%	103%	104%	102%	104%	103%
	Asia	91%	104%	89%	92%	94%	93%	92%	119%	118%	105%	95%	118%	106%
	Others	85%	93%	91%	102%	92%	100%	97%	107%	107%	103%	98%	110%	104%
Total	94%	101%	96%	99%	97%	93%	96%	105%	106%	100%	98%	107%	102%	
Total Tire Sales (000 Units)	26,450	26,860	26,850	28,190	108,360	24,610	25,830	28,240	29,770	108,460	52,280	58,720	111,000	

Tire Volume by Category (Comparison %)

vs Previous Year	Actual 2023 Jan.-Mar.				Actual 2023 Jan.-Dec.			
	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio
Passenger Tires	104%	92%	95%	89%	105%	96%	98%	88%
Advanced Tires ^{*1}	111%	102%	105%	37% ^{*2}	117%	103%	108%	38% ^{*2}
Truck & Bus Tires	114%	82%	84%	3%	112%	83%	85%	4%
Motorcycle, Industrial & Other Tires	111%	67%	84%	8%	103%	85%	92%	9%
Total	105%	90%	94%	100%	105%	94%	97%	100%

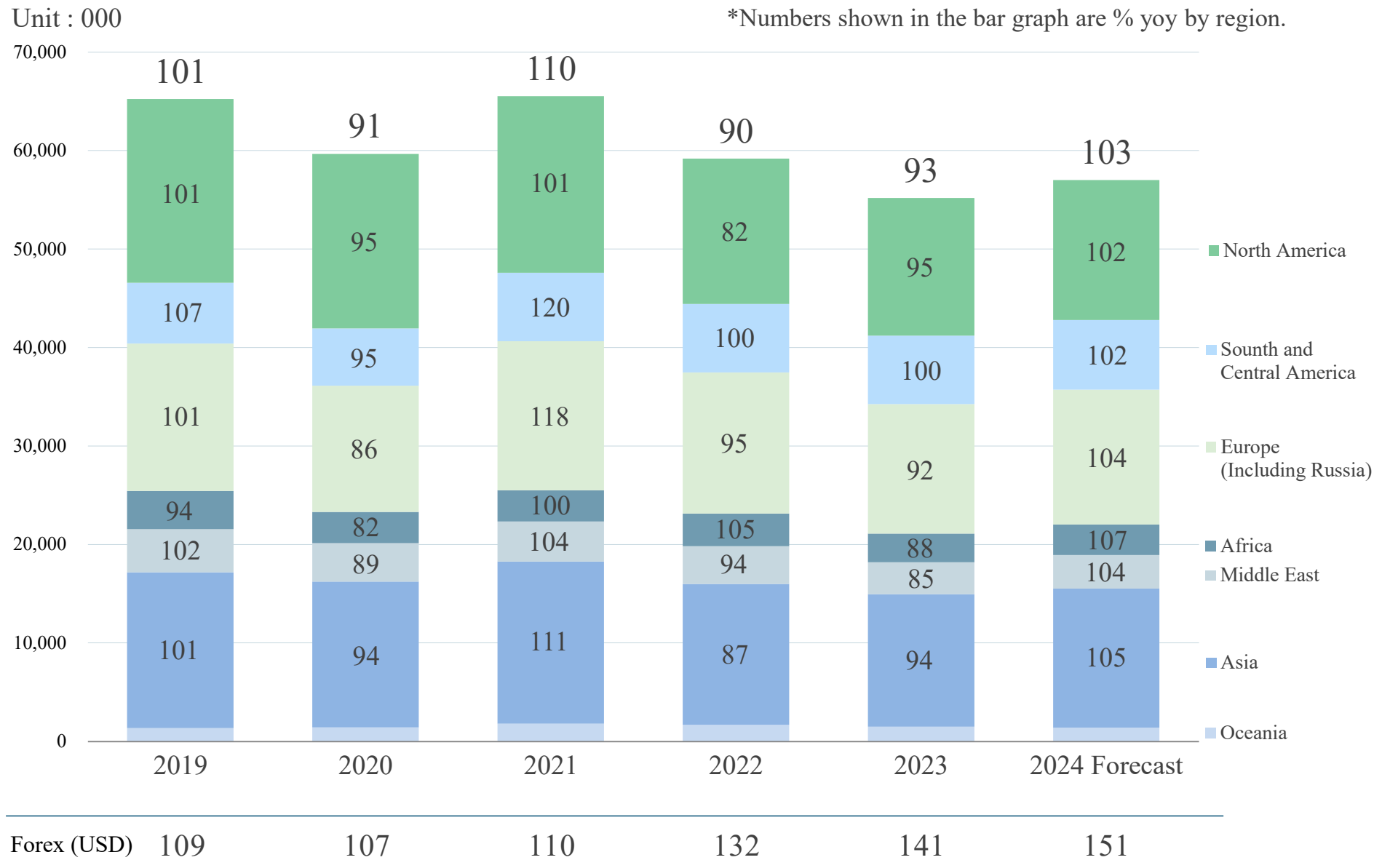
vs Previous Year	Actual 2024 Jan.-Mar.				2024 Jan.-Dec. Forecast			
	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio
Passenger Tires	86%	95%	92%	88%	93%	101%	99%	87%
Advanced Tires ^{*1}	99%	102%	101%	41% ^{*2}	103%	106%	105%	40% ^{*2}
Truck & Bus Tires	106%	87%	89%	3%	119%	103%	104%	4%
Motorcycle, Industrial & Other Tires	76%	121%	98%	9%	102%	116%	110%	10%
Total	85%	96%	93%	100%	94%	103%	100%	100%

< Advanced Tires Composition Ratio by Year > ^{*2}

		2022 Actual	2023 Actual	2024 Forecast
Advanced Tires ^{*1}	O.E.	44%	50%	55%
	Rep.	31%	33%	34%
	Total	35%	38%	40%

*1.Advanced Tires: Primarily for SUVs and Passenger car tires with a size of 18" or larger
*2.Composition Ratio to Passenger Tires

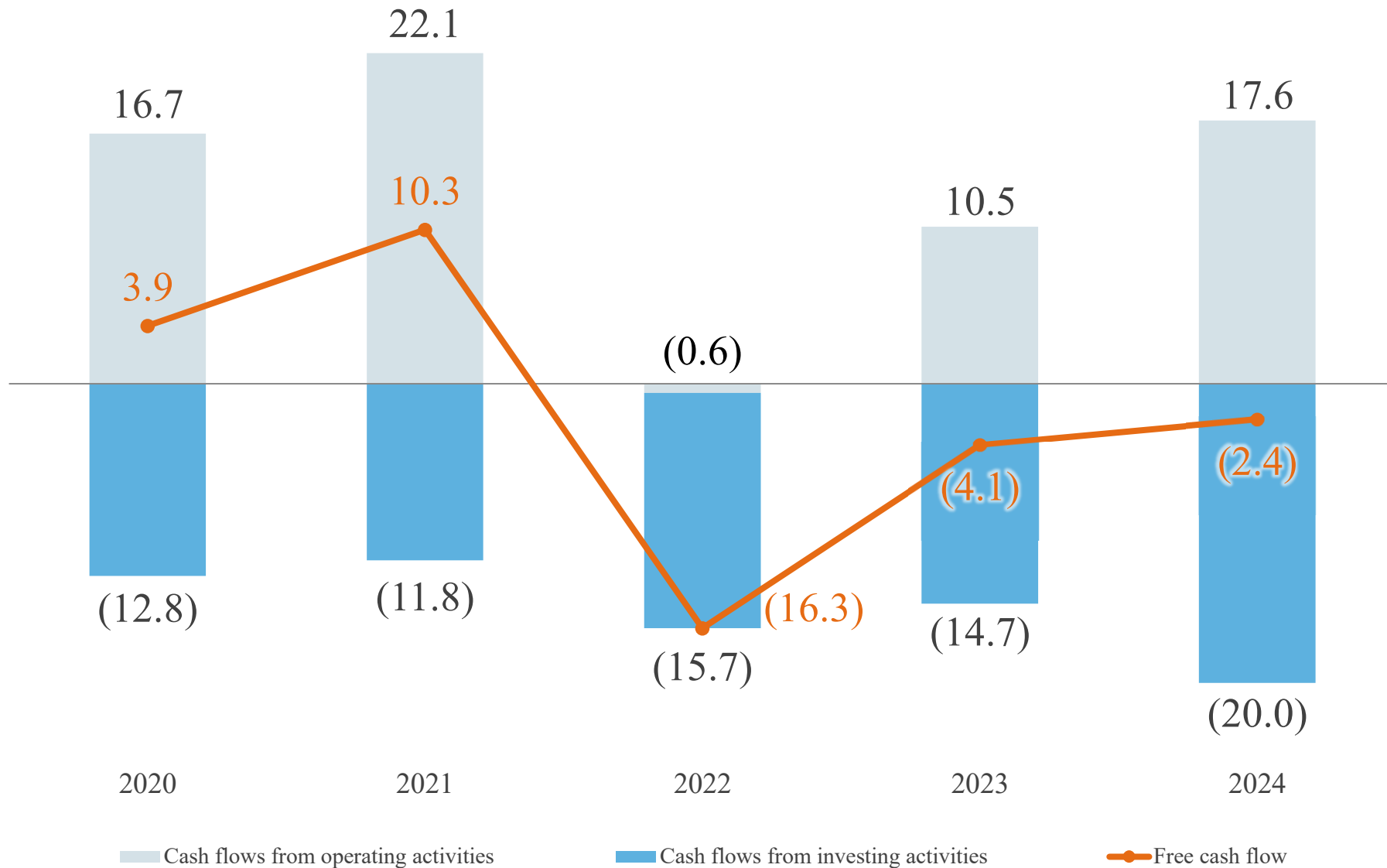
Tire Overseas Rep. Volume by Regional Segment



Cash Flows (Jan.-Mar.)



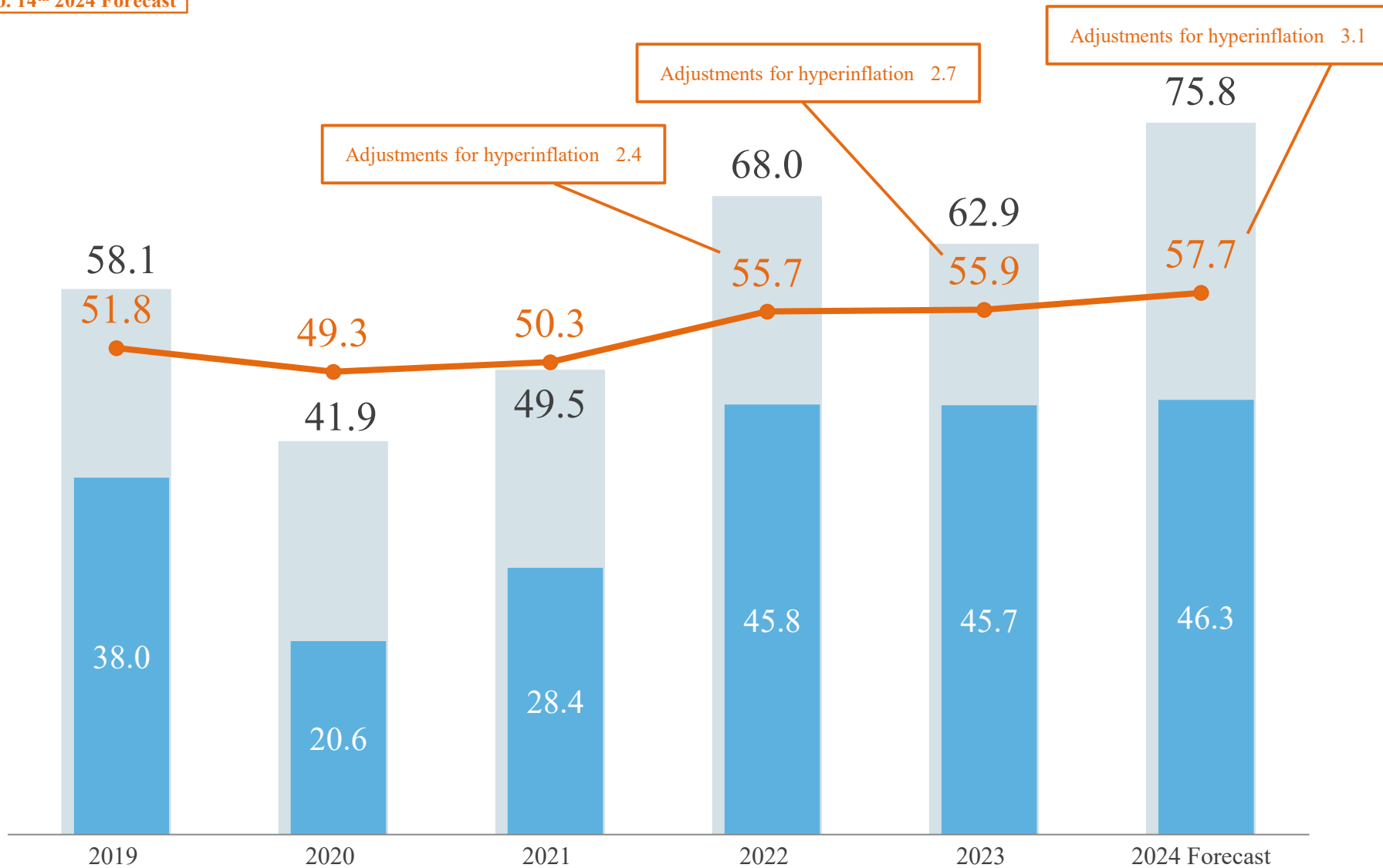
Billions of Yen



Capex and Depreciation (Tangible Assets Only)

No change since
Feb. 14th 2024 Forecast

Billions of Yen

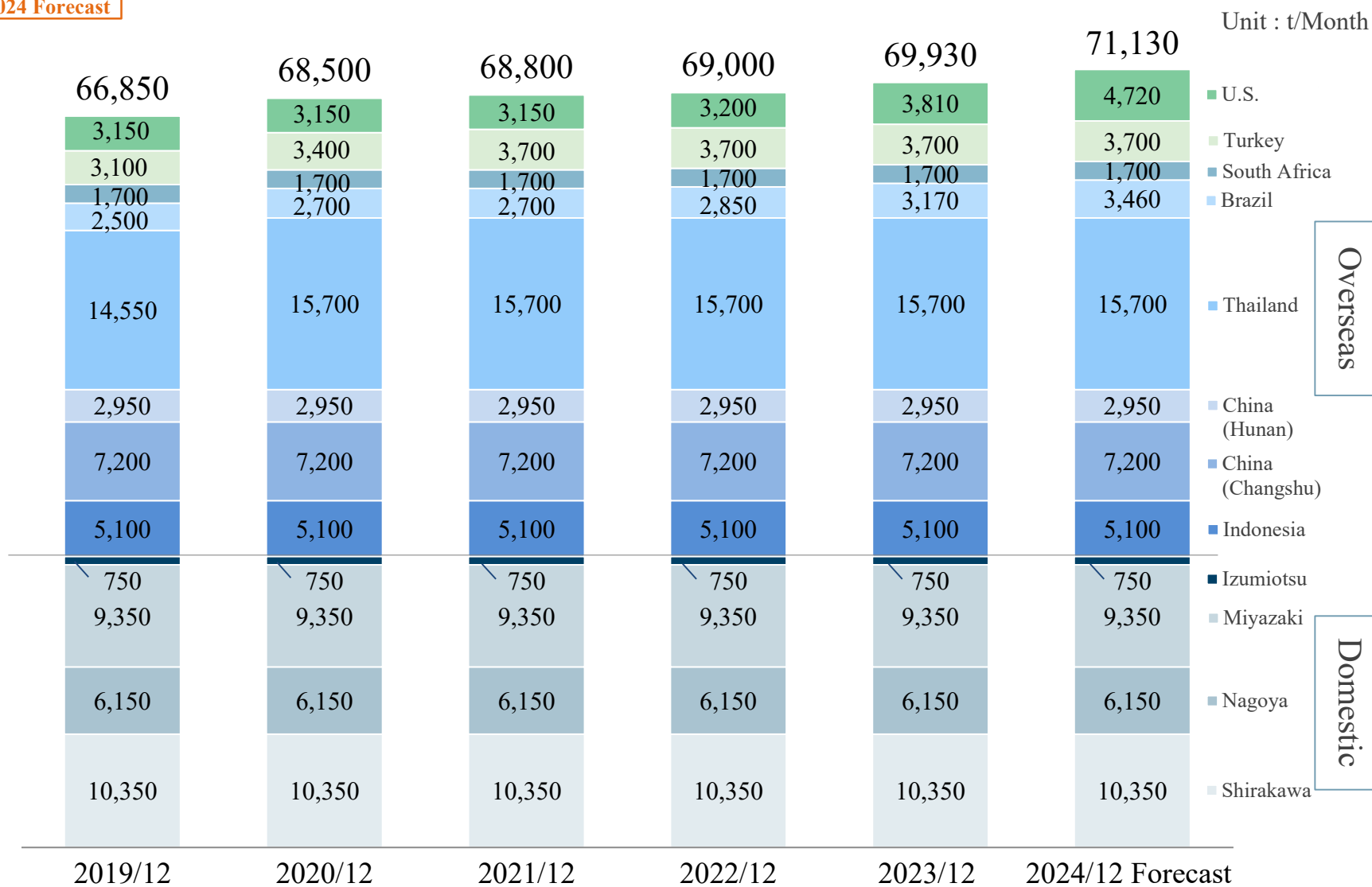


■ Total Capex
 ■ Overseas
 —●— Depreciation

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

Tire Production Capacity

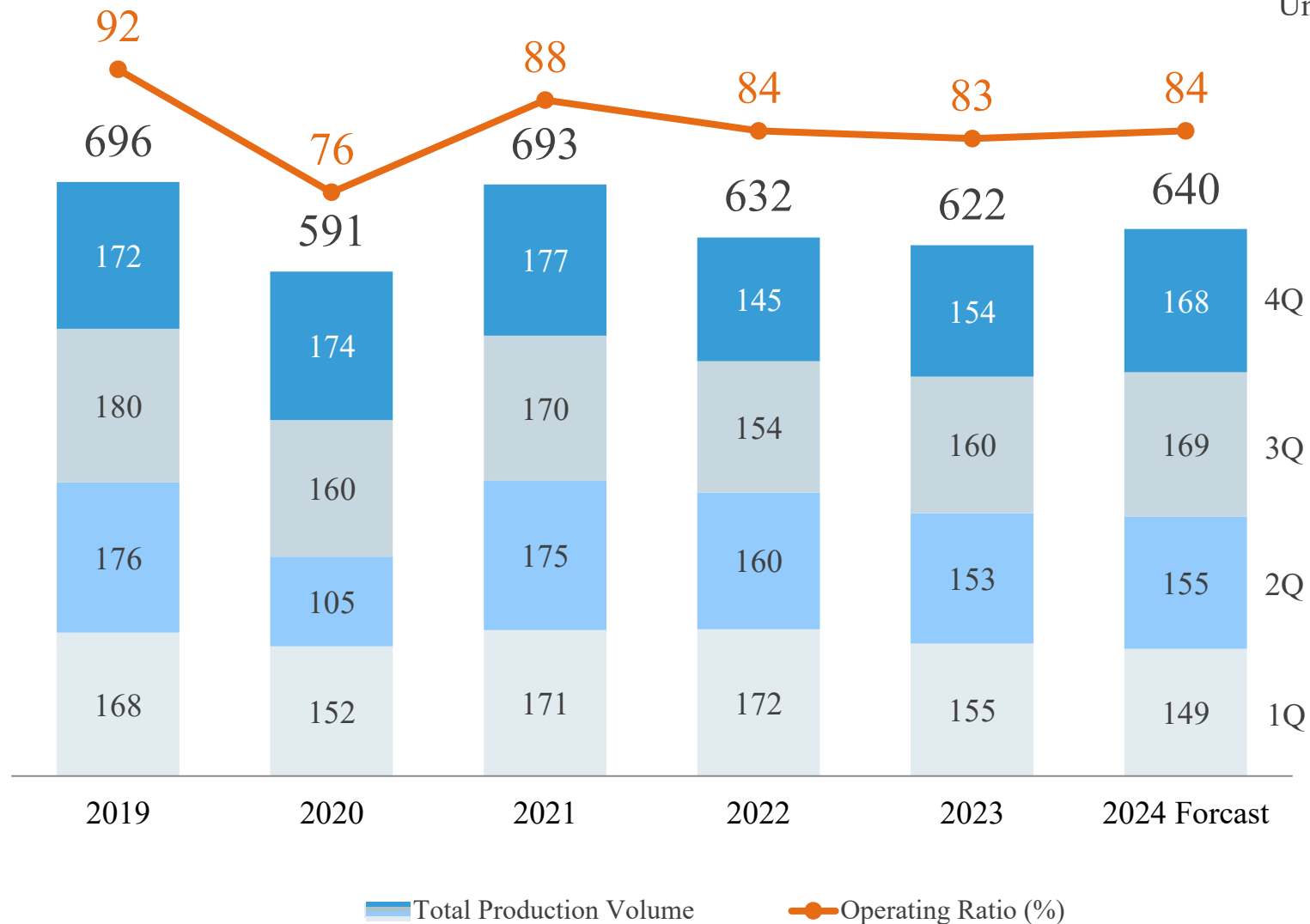
No change since
Feb. 14th 2024 Forecast



% of Overseas	60%	61%	61%	61%	62%	63%
YoY	103%	102%	100%	100%	101%	102%

Tire Production Volume and Operating Ratio

Unit : 000t



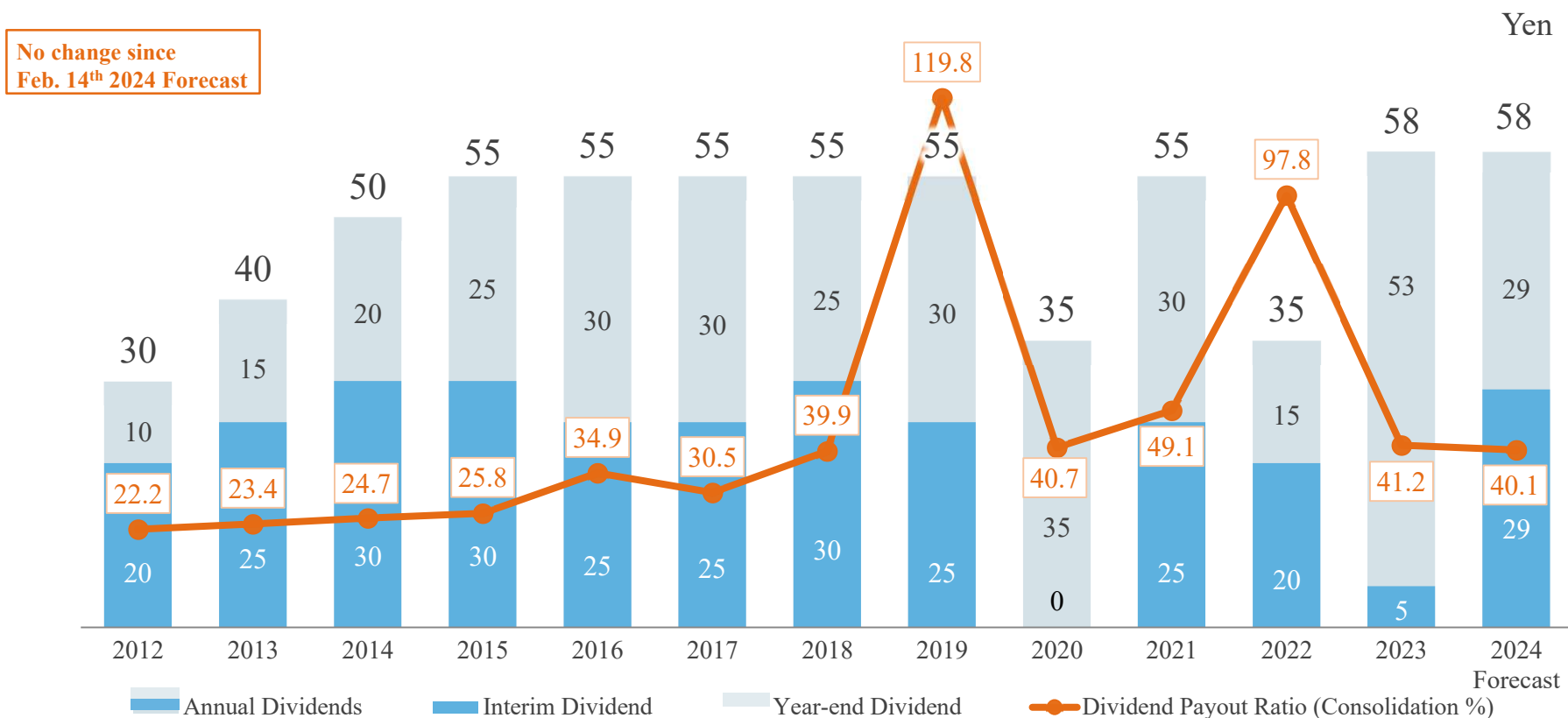
% of Overseas	61%	63%	63%	63%	64%	65%
YoY	102%	85%	117%	91%	98%	103%

Shareholder Returns

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.

Forecast of 2024 Annual Dividends:

Regarding forecast of 2024 annual dividends, we currently plan to pay an annual dividend of 58 yen per share, consisting of an interim dividend of 29 yen per share and a year-end dividend of 29 yen per share.



	2019	2020	2021	2022	2023
Total Shareholder Return	107.1%	75.2%	101.3%	102.5%	136.2%
Dividend Yield *	4.1%	3.9%	4.7%	3.0%	3.8%

*Dividend Yield = Annual Dividends per share / End of each financial year's closing price



Our first replacement tire for EV launched for the Chinese market, where EV adoption is growing rapidly.

e.SPORT MAXX



Flagship tire for premium vehicles that achieve handling performance and grip at high levels.

*It will be launched in June.

SPORT MAXX RS



Replacement tire for EV with our highest level of energy efficiency for the European market.

e.ZIEX



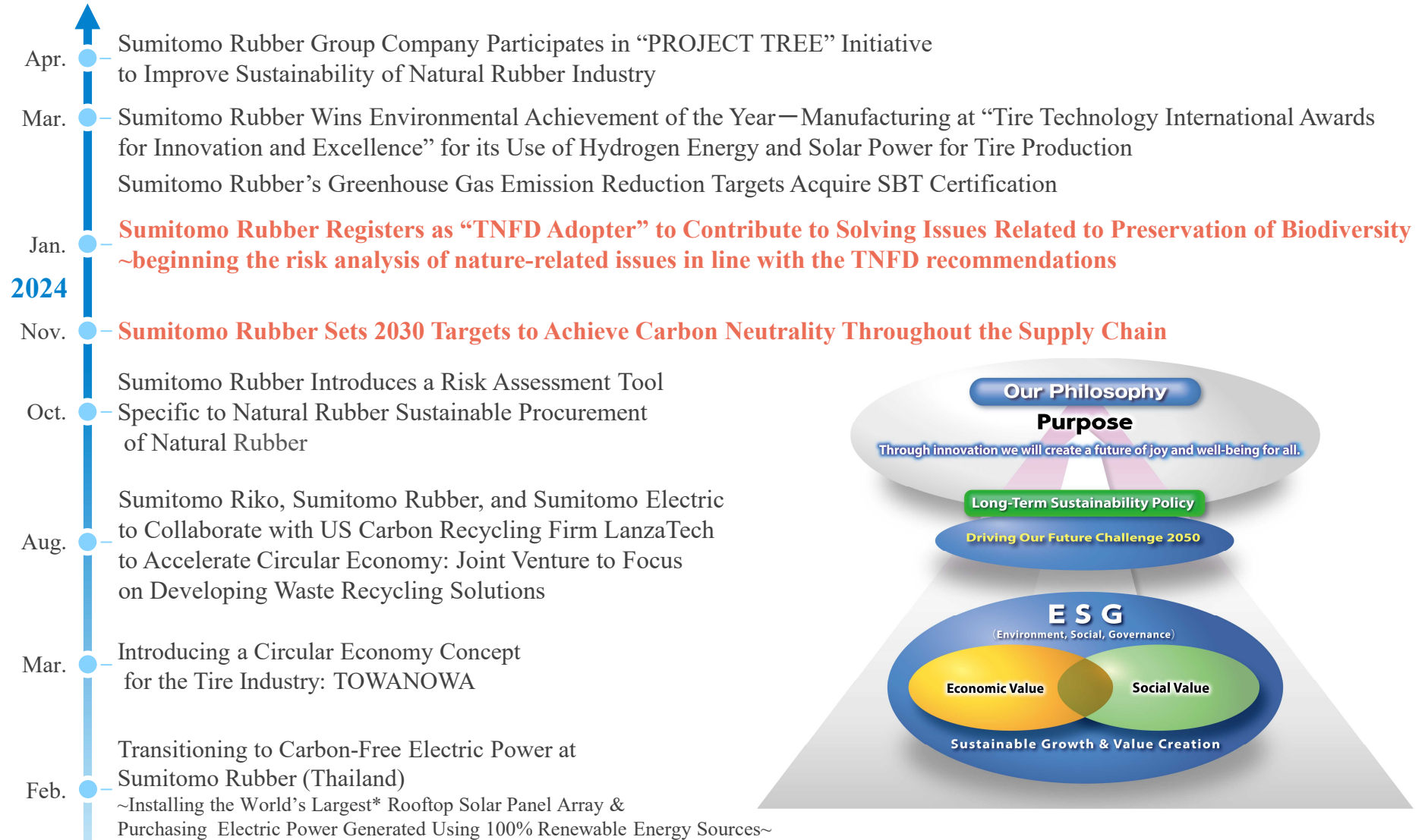
13th Generation of Our XXIO Golf Clubs, Consistently Ranked Among the Top Golf Brands in Japan.

XXIO 13



Recent Activities

For further information, please refer to the news release on our website. (<https://www.srigroup.co.jp/english/newsrelease/2024/index.html>)



*As of Feb. 1st 2023, this will be the largest world’s rooftop solar panel array installed at a single facility. (According to Internal KEPCO Research)

END

SUMITOMO RUBBER GROUP