

**Consolidated Financial Results
for the Three Months Ended March 31, 2024
[IFRS]**



May 13, 2024

Company name : Sumitomo Rubber Industries, Ltd.
 Stock exchange listing : Tokyo Stock Exchange
 Code number : 5110
 URL : <https://www.srigroup.co.jp/english/index.html>
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 Scheduled date of filing quarterly securities report : May 14, 2024
 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 million yen are rounded to the nearest unit.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(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, 2024 | 291,360 | 5.3 | 23,183 | 190.7 | 20,696 | 166.5 | 24,841 | 520.2 | 53,605 | 261.6 |
| March 31, 2023 | 276,761 | 10.5 | 7,976 | (46.1) | 7,767 | (45.2) | 4,006 | (65.9) | 14,825 | (65.9) |

(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, 2024 | 94.45 | - | 8.0 |
| March 31, 2023 | 15.23 | - | 2.9 |

(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, 2024 | 1,307,493 | 680,995 | 661,555 | 50.6 | 2,515.25 |
| December 31, 2023 | 1,266,732 | 641,430 | 624,114 | 49.3 | 2,372.90 |

(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, 2024 | 17,611 | (20,046) | (8,535) | 82,574 |
| March 31, 2023 | 10,507 | (14,652) | 6,741 | 77,592 |

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, 2023 | - | 5.00 | - | 53.00 | 58.00 |
| December 31, 2024 | - | | | | |
| Fiscal year ending | | | | | |
| December 31, 2024 (Forecast) | | 29.00 | - | 29.00 | 58.00 |

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(% 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 | 575,000 | 2.5 | 37,500 | 119.6 | 33,000 | 96.3 | 32,000 | 290.4 | Yen 121.67 |
| Full year | 1,200,000 | 1.9 | 80,000 | 3.0 | 61,000 | (5.4) | 38,000 | 2.6 | 144.48 |

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

Notes:

- (1) Changes in Significant Subsidiaries during the Three Months Ended March 31, 2024
(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, 2024 : 263,043,057 shares
 - December 31, 2023 : 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period
 - March 31, 2024 : 26,026 shares
 - December 31, 2023 : 25,265 shares
 - 3) Average number of shares during the period
 - Three months ended March 31, 2024 : 263,017,410 shares
 - Three months ended March 31, 2023 : 263,008,028 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, 2023 | For the three months ended March 31, 2024 | Change in ratio |
|---|---|---|-----------------|
| | Millions of yen | Millions of yen | % |
| Sales revenue | 276,761 | 291,360 | 5.3 |
| Tires | 229,792 | 244,092 | 6.2 |
| Sports | 35,468 | 36,708 | 3.5 |
| Industrial and Other Products | 11,501 | 10,560 | (8.2) |
| Business profit | 7,976 | 23,183 | 190.7 |
| Tires | 1,934 | 18,278 | 845.2 |
| Sports | 5,459 | 4,225 | (22.6) |
| Industrial and Other Products | 572 | 668 | 16.8 |
| Adjustments | 11 | 12 | - |
| Operating profit | 7,767 | 20,696 | 166.5 |
| Profit attributable to owners of parent | 4,006 | 24,841 | 520.2 |

(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, 2023 | For the three months ended March 31, 2024 | Increase (Decrease) |
|-------------------|---|---|---------------------|
| | Yen | Yen | Yen |
| Yen / U.S. Dollar | 132 | 149 | 17 |
| Yen / Euro | 142 | 161 | 19 |

During the three months ended March 31, 2024, the economic environment continued to recover gradually, though some regions remain at a standstill. While the Japanese economy is expected to continue to recover steadily with the improvement in the employment and income environment, there is a risk that the deceleration in overseas economies may depress the domestic business conditions, which is due primarily to the impact of global monetary tightening and the concern about the Chinese economy outlook, and an uncertainty of the situation in Middle East as well as the trends in foreign exchange, interest, and prices.

In the business environment surrounding the Group, while the impact of some automotive manufacturers’ production stoppages was still ongoing, there were an impact of depreciation of the yen and a lull in the soaring freight costs, raw material prices and energy costs, which considerably improved the profit as compared with the same period a year ago. 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 5.3% from the same period of the previous fiscal year to ¥291,360 million, business profit increased 190.7% to ¥23,183 million, operating profit increased 166.5% to ¥20,696 million and profit attributable to owners of parent increased 520.2% to ¥24,841 million.

Business Performance by business segment was as follows.

Tire Business

Sales revenue in the tire business increased 6.2% from the same period of the previous fiscal year to ¥244,092 million, and business profit increased 845.2% to ¥18,278 million.

In the domestic original equipment market, sales significantly fell below the level of the same period of the previous fiscal year, as some of auto manufacturers reduced their production.

In the domestic replacement market, sales declined from the same period of the previous fiscal year due to rush demand before the prices increase in the same period of the last year and delay in changing from winter tires to summer tires stemming from cold weather until late March.

In the overseas original equipment market, sales declined from the level of the same period of the previous fiscal year due to decreased shipments in Southeast Asia despite increased sales in a major market, China.

In the overseas replacement market, in Asia-Oceania region, sales in China remained at a low level due to its market stagnation. Likewise, sales in Southeast Asia fell below from the level of the same period of the previous fiscal year amid the overall sluggish market. In Europe region, sales exceeded the level of the same period of the previous fiscal year, as we made efforts to increase sales of winter tires and all-season tires in a market environment where the sales period of winter tires was postponed until this spring. In the American region, sales exceeded the level of the same period of the previous fiscal year as the sales continued to be strong with a flagship product, WILDPEAK Series whose new products were released at the beginning of the year. In South America, our sales were on par with the level of the previous fiscal year, having nearly as much sales as we planned, although import products increased in the market against the backdrop of a decline in ocean freight.

As a result, sales revenue and business profit in the tire business exceeded the level of the same period of the previous fiscal year thank to the impact of the depreciation of the yen, though the sales volume declined from the level of the same of the previous fiscal year.

Sports Business

Sales revenue in the sports business increased 3.5% from the same period of the previous fiscal year to ¥36,708 million, and business profit decreased 22.6% from the same period of the previous fiscal year to ¥4,225 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 keep strong sales performance for the newly launched 13th generation XXIO club primarily in the markets such as Japan and North America.

In the tennis goods markets, sales declined from the level of the previous fiscal year due to sluggish sales 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 a result, sales revenue in the sports business exceeded the level of the same period of the previous fiscal year, but business profit decreased.

Industrial and Other Products Business

Sales revenue in the industrial and other products business decreased 8.2% from the same period of the previous fiscal year to ¥10,560 million, and business profit increased 16.8% to ¥668 million.

While sales of rubber parts for medical applications produced domestically increased, the sales in Europe substantially declined as we conducted a stock transfer of our subsidiary engaged in manufacturing and sales of medical rubber products in Europe at the end of January 2024, which decreased the overall sales. In addition, orders received increased for infrastructure products, but sales of disposable rubber gloves, vibration control business and rubber parts for office equipment decreased.

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

(2) Financial Position

| | As of December 31, 2023 | As of March 31, 2024 | Increase (Decrease) |
|---|----------------------------|-------------------------|------------------------|
| | Millions of yen | Millions of yen | Millions of yen |
| Total assets | 1,266,732 | 1,307,493 | 40,761 |
| Total equity | 641,430 | 680,995 | 39,565 |
| Total equity attributable to owners of parent | 624,114 | 661,555 | 37,441 |
| Total equity attributable to owners of parent ratio (%) | 49.3 | 50.6 | 1.3 |
| Equity attributable to owners of parent per share | 2,372.90 yen | 2,515.25 yen | 142.35 yen |

The financial position of the Group as of March 31, 2024 was as follows.

Total assets increased ¥40,761 million from the end of the previous fiscal year to ¥1,307,493 million mainly as a result of increase in inventories and trade and other receivables.

Total liabilities increased ¥1,196 million from the end of the previous fiscal year to ¥626,498 million mainly as a result of an increase in interest-bearing debt.

Total equity as of March 31, 2024 increased ¥39,565 million from the end of the previous fiscal year to ¥680,995 million, of which equity attributable to owners of parent accounted for ¥661,555 million, and non-controlling interest accounted for ¥19,440 million.

As a result, equity attributable to owners of parent ratio was 50.6%, and equity attributable to owners of parent per share was ¥2,515.25.

(3) Consolidated Financial Results Forecast and Other Future Forecast

During the half year ending June 30, 2024, the profitability is expected to exceed the previous forecast mainly due to the depreciation of the yen, although sales volume of tires will decrease slightly than anticipated. Regarding to the fiscal year ending December 31, 2024, we expect the impact of raw material price hikes in the second half of the fiscal year. As a result, we have revised the consolidated results forecasts for the half year and full-year as below.

Consolidated Financial Results Forecast for Six Months Ending June 30, 2024 (January 1, 2024 to June 30, 2024)

| | 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 | 575,000 | 575,000 | - | - | 561,161 |
| Tires | 482,000 | 483,500 | (1,500) | (0.3) | 471,076 |
| Sports | 74,500 | 74,500 | - | - | 68,149 |
| Industrial and Other Products | 18,500 | 17,000 | 1,500 | 8.8 | 21,936 |
| Business profit | 37,500 | 34,500 | 3,000 | 8.7 | 17,080 |
| Tires | 28,500 | 25,500 | 3,000 | 11.8 | 9,759 |
| Sports | 8,000 | 8,000 | - | - | 6,435 |
| Industrial and Other Products | 1,000 | 1,000 | - | - | 868 |
| Adjustments | - | - | - | - | 18 |
| Operating profit | 33,000 | 30,000 | 3,000 | 10.0 | 16,810 |
| Profit attributable to owners of parent | 32,000 | 23,500 | 8,500 | 36.2 | 8,196 |

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 | 150 | 148 | 2 | 135 |
| Yen / Euro | 162 | 156 | 6 | 146 |

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

| | 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 | 1,200,000 | 1,200,000 | - | - | 1,177,399 |
| Tires | 1,032,000 | 1,033,000 | (1,000) | (0.1) | 1,006,381 |
| Sports | 131,500 | 131,500 | - | - | 126,647 |
| Industrial and Other Products | 36,500 | 35,500 | 1,000 | 2.8 | 44,371 |
| Business profit | 80,000 | 80,000 | - | - | 77,670 |
| Tires | 66,500 | 66,500 | - | - | 63,572 |
| Sports | 11,000 | 11,000 | - | - | 12,482 |
| Industrial and Other Products | 2,500 | 2,500 | - | - | 1,603 |
| Adjustments | - | - | - | - | 13 |
| Operating profit | 61,000 | 61,000 | - | - | 64,490 |
| Profit attributable to owners of parent | 38,000 | 37,000 | 1,000 | 2.7 | 37,048 |

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 | 151 | 148 | 3 | 141 |
| Yen / Euro | 163 | 156 | 7 | 152 |

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, 2023 | As of March 31, 2024 |
|---|-------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 90,251 | 82,574 |
| Trade and other receivables | 215,970 | 217,756 |
| Other financial assets | 2,896 | 2,778 |
| Inventories | 262,456 | 277,012 |
| Other current assets | 51,368 | 57,149 |
| Subtotal | 622,941 | 637,269 |
| Assets related to disposal groups classified as held for sale | 1,778 | - |
| Total current assets | 624,719 | 637,269 |
| Non-current assets | | |
| Tangible assets | 451,621 | 463,233 |
| Goodwill | 29,704 | 31,240 |
| Intangible assets | 50,332 | 52,987 |
| Investments accounted for using equity method | 4,486 | 4,480 |
| Other financial assets | 33,056 | 40,586 |
| Net defined benefit asset | 53,474 | 54,268 |
| Deferred tax assets | 17,357 | 19,312 |
| Other non-current assets | 1,983 | 4,118 |
| Total non-current assets | 642,013 | 670,224 |
| Total assets | 1,266,732 | 1,307,493 |

(Millions of yen)

| | As of December 31, 2023 | As of March 31, 2024 |
|---|-------------------------|----------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Bonds and loans payable | 61,209 | 71,368 |
| Trade and other payables | 175,844 | 168,382 |
| Other financial liabilities | 16,542 | 14,447 |
| Income tax payable | 17,450 | 8,402 |
| Provisions | 2,235 | 1,954 |
| Other current liabilities | 56,271 | 62,958 |
| Subtotal | 329,551 | 327,511 |
| Liabilities related to disposal groups classified as held for sale | 1,538 | - |
| Total current liabilities | 331,089 | 327,511 |
| Non-current liabilities | | |
| Bonds and loans payable | 184,166 | 184,610 |
| Other financial liabilities | 52,139 | 54,198 |
| Net defined benefit liability | 23,027 | 24,422 |
| Provisions | 1,431 | 1,303 |
| Deferred tax liabilities | 12,219 | 12,782 |
| Other non-current liabilities | 21,231 | 21,672 |
| Total non-current liabilities | 294,213 | 298,987 |
| Total liabilities | 625,302 | 626,498 |
| Equity | | |
| Capital stock | 42,658 | 42,658 |
| Capital surplus | 39,702 | 39,828 |
| Retained earnings | 522,716 | 533,623 |
| Treasury stock | (43) | (45) |
| Other components of equity | 19,081 | 45,491 |
| Total equity attributable to owners of parent | 624,114 | 661,555 |
| Non-controlling interests | 17,316 | 19,440 |
| Total equity | 641,430 | 680,995 |
| Total liabilities and equity | 1,266,732 | 1,307,493 |

(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, 2023 | For the three months ended March 31, 2024 |
|--|--|--|
| Sales revenue | 276,761 | 291,360 |
| Cost of sales | (209,658) | (202,335) |
| Gross profit | 67,103 | 89,025 |
| Selling, general and administrative expenses | (59,127) | (65,842) |
| Business profit | 7,976 | 23,183 |
| Other income | 840 | 763 |
| Other expenses | (1,049) | (3,250) |
| Operating profit | 7,767 | 20,696 |
| Financial income | 2,922 | 6,883 |
| Financial expenses | (1,763) | (1,715) |
| Equity in earnings of affiliates | (27) | (2) |
| Profit before tax | 8,899 | 25,862 |
| Income tax expenses | (4,215) | 359 |
| Profit | 4,684 | 26,221 |
| Profit attributable to: | | |
| Owners of parent | 4,006 | 24,841 |
| Non-controlling interests | 678 | 1,380 |
| Profit | 4,684 | 26,221 |
| Profit per share | | |
| Basic profit per share (Yen) | 15.23 | 94.45 |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the three months ended March 31, 2023 | For the three months ended March 31, 2024 |
|---|--|--|
| Profit | 4,684 | 26,221 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | 629 | 3,621 |
| Items that may be reclassified subsequently to profit or loss | | |
| Cash flow hedges | 20 | 7 |
| Currency translation differences of foreign operations | 9,492 | 23,756 |
| Other comprehensive income, net of tax | 10,141 | 27,384 |
| Comprehensive income | 14,825 | 53,605 |
| Comprehensive income attributable to: | | |
| Owners of parent | 13,773 | 51,257 |
| Non-controlling interests | 1,052 | 2,348 |
| Comprehensive income | 14,825 | 53,605 |

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
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 |

For the three months ended March 31, 2024

(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, 2024 | 42,658 | 39,702 | 522,716 | (43) | 10,201 | (4) |
| Profit | | | 24,841 | | | |
| Other comprehensive income | | | | | 20,888 | 7 |
| Total comprehensive income | - | - | 24,841 | - | 20,888 | 7 |
| Purchase of treasury stock | | | | (2) | | |
| Disposal of treasury stock | | | | | | |
| Dividends | | | (13,940) | | | |
| Transfer to retained earnings | | | 6 | | | |
| Transfer to capital surplus | | | | | | |
| Other | | 126 | | | | |
| Total transactions with owners | - | 126 | (13,934) | (2) | - | - |
| Balance as of March 31, 2024 | 42,658 | 39,828 | 533,623 | (45) | 31,089 | 3 |

| | 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 | Other components of equity relating to disposal groups classified as held for sale | Total | | | |
| Balance as of January 1, 2024 | 10,784 | - | (1,900) | 19,081 | 624,114 | 17,316 | 641,430 |
| Profit | | | | - | 24,841 | 1,380 | 26,221 |
| Other comprehensive income | 3,621 | | 1,900 | 26,416 | 26,416 | 968 | 27,384 |
| Total comprehensive income | 3,621 | - | 1,900 | 26,416 | 51,257 | 2,348 | 53,605 |
| Purchase of treasury stock | | | | - | (2) | | (2) |
| Disposal of treasury stock | | | | - | - | | - |
| Dividends | | | | - | (13,940) | (98) | (14,038) |
| Transfer to retained earnings | (6) | | | (6) | - | | - |
| Transfer to capital surplus | | | | - | - | | - |
| Other | | | | - | 126 | (126) | - |
| Total transactions with owners | (6) | - | - | (6) | (13,816) | (224) | (14,040) |
| Balance as of March 31, 2024 | 14,399 | - | - | 45,491 | 661,555 | 19,440 | 680,995 |

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

| | For the three months ended March 31, 2023 | For the three months ended March 31, 2024 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 8,899 | 25,862 |
| Depreciation and amortization | 18,937 | 20,087 |
| Interest and dividends income | (588) | (1,157) |
| Interest expenses | 1,344 | 1,716 |
| Share of (profit) loss of entities accounted for using equity method | 27 | 2 |
| Decrease (increase) in inventories | 673 | (5,239) |
| Decrease (increase) in trade and other receivables | (4,601) | 5,097 |
| Increase (decrease) in trade and other payables | (16,095) | (9,255) |
| Other, net | 7,407 | (8,444) |
| Subtotal | 16,003 | 28,669 |
| Interest received | 522 | 1,112 |
| Dividend income received | 34 | 20 |
| Interest expenses paid | (1,319) | (1,675) |
| Income taxes paid | (4,733) | (10,515) |
| Net cash provided by (used in) operating activities | 10,507 | 17,611 |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (15,860) | (14,449) |
| Proceeds from sales of tangible assets | 585 | 99 |
| Purchase of intangible assets | (2,037) | (3,285) |
| Other, net | 2,660 | (2,411) |
| Net cash provided by (used in) investing activities | (14,652) | (20,046) |

(Millions of yen)

| | For the three months ended March 31, 2023 | For the three months ended March 31, 2024 |
|--|--|--|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 14,034 | 11,861 |
| Repayments of long-term debt and redemption of bonds | - | (2,000) |
| Repayments of lease obligations | (3,376) | (4,587) |
| Cash dividends paid | (3,866) | (13,709) |
| Cash dividends paid to non-controlling interests | (52) | (98) |
| Other, net | 1 | (2) |
| Net cash provided by (used in) financing activities | 6,741 | (8,535) |
| Effect of exchange rate change on cash and cash equivalents | 1,150 | 3,293 |
| Net increase (decrease) in cash and cash equivalents | 3,746 | (7,677) |
| Cash and cash equivalents at the beginning of current period | 73,846 | 90,251 |
| Cash and cash equivalents at the end of current period | 77,592 | 82,574 |

(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, 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.

For the three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(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 | 244,092 | 36,708 | 10,560 | 291,360 | - | 291,360 |
| Inter-segment sales revenue | 316 | 31 | 296 | 643 | (643) | - |
| Total | 244,408 | 36,739 | 10,856 | 292,003 | (643) | 291,360 |
| Segment profit (Business profit) (Note 1) | 18,278 | 4,225 | 668 | 23,171 | 12 | 23,183 |
| Other income and expenses | | | | | | (2,487) |
| Operating profit | | | | | | 20,696 |

(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