

Financial Report

(January 1 ~ June 30, 2024)

August 7, 2024



SUMITOMO
RUBBER INDUSTRIES

- **2024 2nd 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

■ 2024 2nd Quarter Financial Results Summary

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■ 2024 Annual Financial Results Forecast

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Changes in Scope of Consolidation

Consolidated Subsidiaries **83**
(vs 2023 year-end : (14))

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

	Newly Included +1	Excluded (15)	Newly Included -	Excluded -
<p>Tires</p> 	DUNLOP TYRE JAPAN,LTD.* (Japan/Sales)	Dunlop Tire Hokkaido Ltd. And 10 other companies* (Japan/Sales) Dunlop Tire Trading (Tianjin) Co.,Ltd.(China/Sales) Dunlop Tire Trading (Shanghai) Co.,Ltd. (China/Sales)		
<p>Sports</p> 				
<p>Industrial & Other</p> 		Lonstroff AG (Switzerland/Manufacture) Lonstroff Medical Elastomer d.o.o.(Slovenia/Manufacture)		

*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	29	Overseas	6	
		Asia Pacific	4	Asia Pacific	7	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 86
 Domestic 17
 Overseas 69

Financial Results (2024 Jan.-Jun.)

- **Sales revenue (587.0 B of yen), business profit (42.3 B of yen), operating profit (42.0 B of yen) and profit attributable to owners of parent (38.7 B of yen) have reached record high in the 2nd quarter. Business profit (%) was 7.2%.**
- **Tires: Sales revenue and business profit have reached record high in the 2nd quarter.**
Revenue and profit increased YoY, due to increase in sales of overseas REP. in Europe and increase in sales of overseas O.E. in North America.
- **Sports: Sales revenue and business profit have reached record high in the 2nd quarter.**
Revenue and profit increased YoY because sales volume of golf business has increased in Japan, North America, and Europe, and sales volume of tennis business has increased in Japan.
- **Industrial & other: Revenue decreased but profit increased YoY due to decrease in sales of rubber parts for medical applications with the sale of a subsidiary in Europe, while business profit (%) improved.**

Current main initiatives

Structural reforms

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

Laying the groundwork for growth lines of business

- **ACTIVE TREAD Technology** ~Rubber to fit all roads~
Next-generation all-season tires “SYNCHRO WEATHER”
Announced the product on July 22, 2024 and to be launched on October 1, 2024
- **SENSING CORE** ~To detect danger in advance with sensing technology~
Start offering for passenger cars



Consolidated Financial Results (2024 Jan.-Jun.)



Billions of Yen

	2024 Jan.-Mar.	vs 2023	2024 Apr.-Jun.	vs 2023	2024 Jan.-Jun.	vs 2023	May 13 th 2024 Forecast 2024 Jan.-Jun.	2023 Jan.-Jun.
Sales Revenue	291.4	105% +14.6	295.7	104% +11.3	587.0	105% +25.9	575.0	561.2
Business Profit (%) <small>*1,3</small>	23.2 8.0%	291% +15.2	19.1 6.5%	210% +10.0	42.3 7.2%	248% +25.2	37.5 6.5%	17.1 3.0%
Operating Profit (%) <small>*3</small>	20.7 7.1%	266% +12.9	21.3 7.2%	235% +12.2	42.0 7.1%	250% +25.1	33.0 5.7%	16.8 3.0%
Profit <small>*2,3</small>	24.8	620% +20.8	13.9	331% +9.7	38.7	473% +30.5	32.0	8.2

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

*2. Profit : Profit attributable to owners of parent

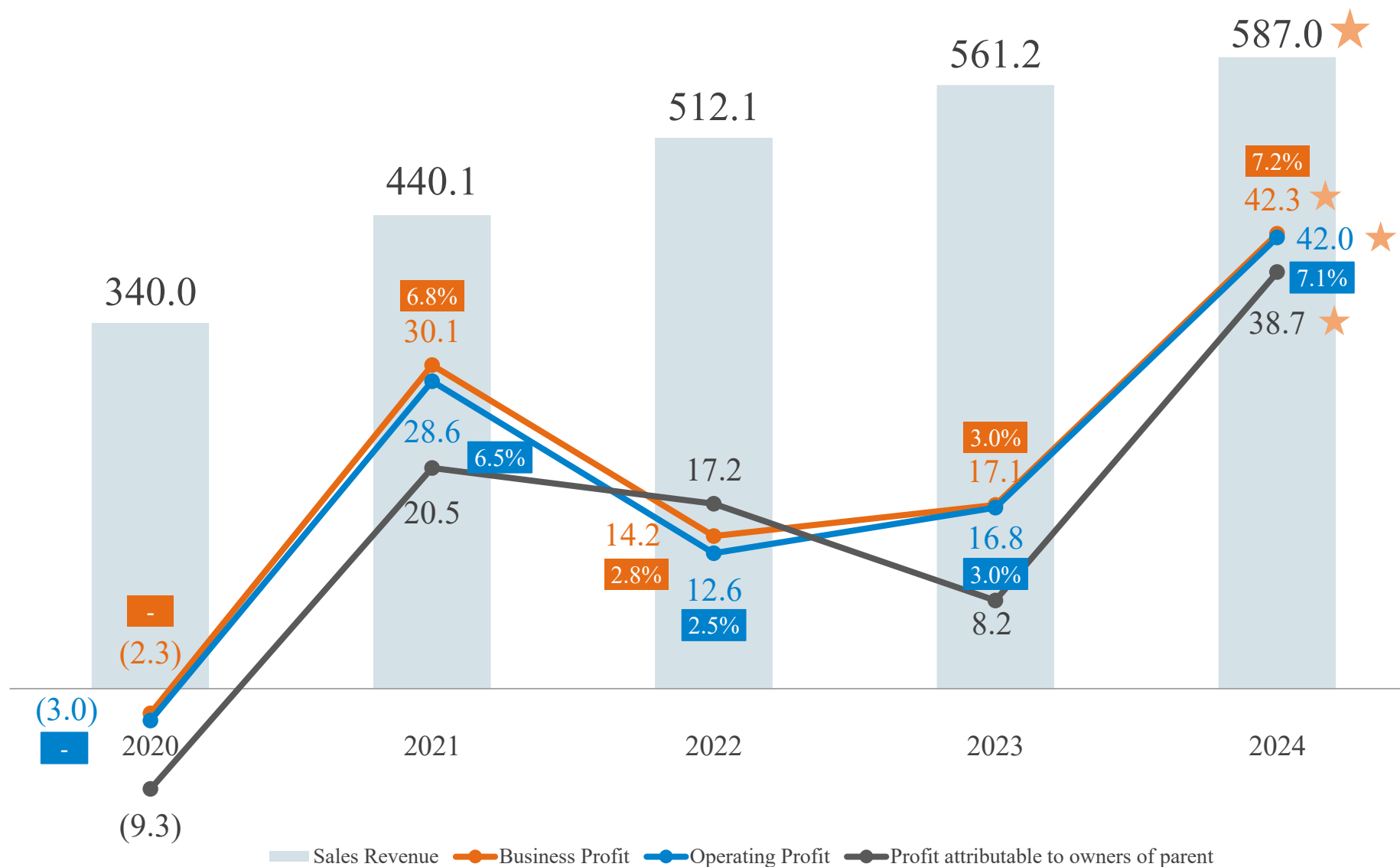
*3. Accounting adjustments have been applied since 2nd quarter, 2022, as pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies”.

The above notes apply throughout this report.

Consolidated Sales Revenue / Profit (Jan.-Jun.)



Billions of Yen % : Profit Ratio ★ : Record High



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



Billions of Yen

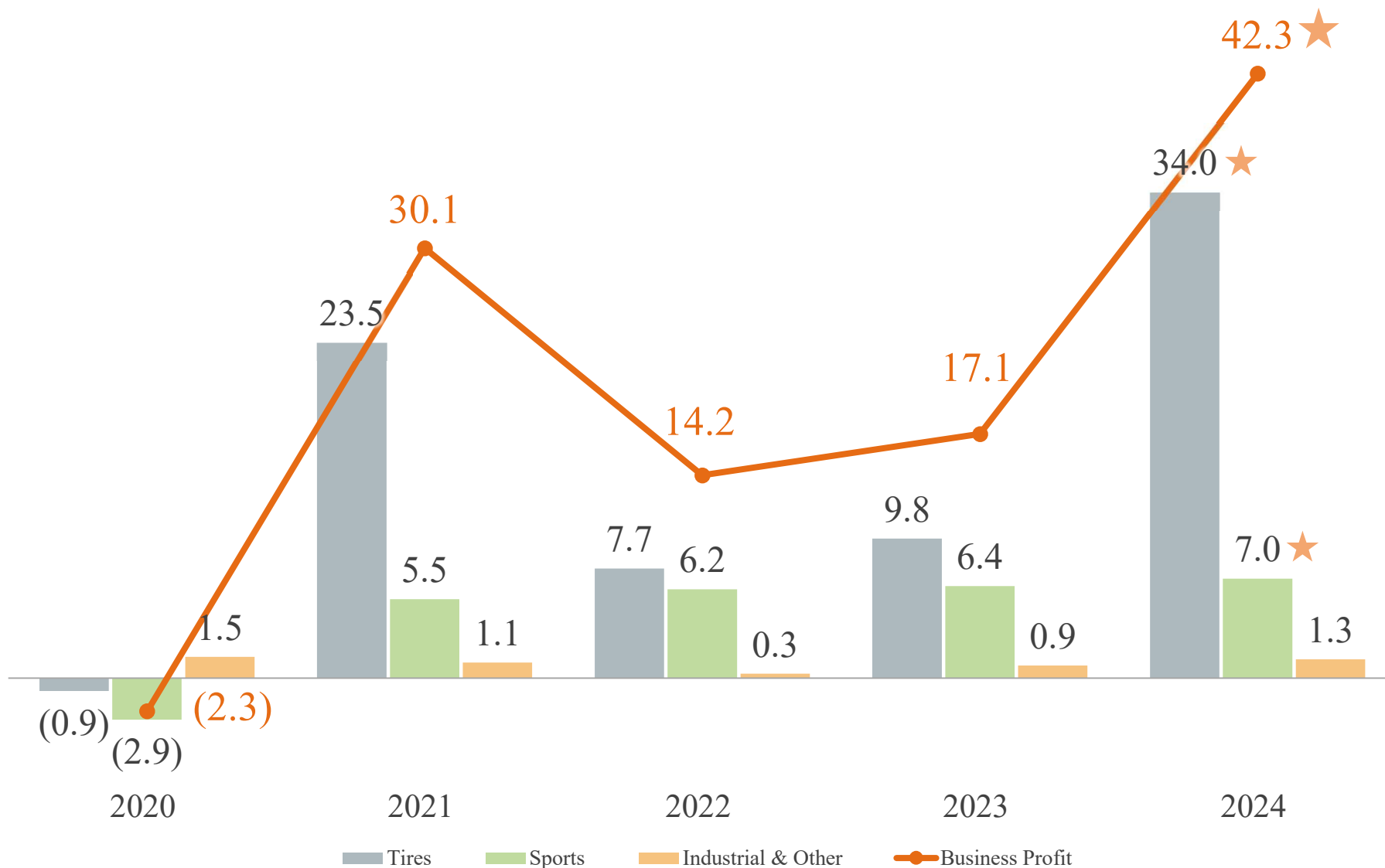
	2024 Jan.-Mar.	vs 2023	2024 Apr.-Jun.	vs 2023	2024 Jan.-Jun.	vs 2023	May 13 th 2024 Forecast 2024 Jan.-Jun.	2023 Jan.-Jun.	
Sales Revenue	Tires	244.1	106%	252.0	104%	496.1	105%	482.0	471.1
	Sports	36.7	103%	34.9	107%	71.6	105%	74.5	68.1
	Industrial & Other	10.6	92%	8.8	84%	19.4	88%	18.5	21.9
	Total	291.4	105%	295.7	104%	587.0	105%	575.0	561.2
Business Profit	Tires	18.3	945%	15.7	201%	34.0	349%	28.5	9.8
	Sports	4.2	77%	2.7	281%	7.0	108%	8.0	6.4
	Industrial & Other *	0.7	117%	0.6	210%	1.3	149%	1.0	0.9
	Total	23.2	291%	19.1	210%	42.3	248%	37.5	17.1

*The elimination of inter-segment transactions is included.

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



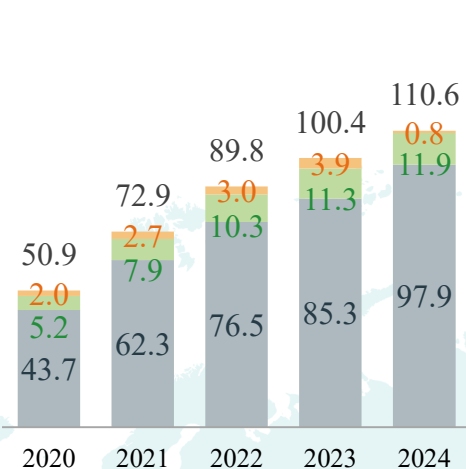
Billions of Yen ★: Record High



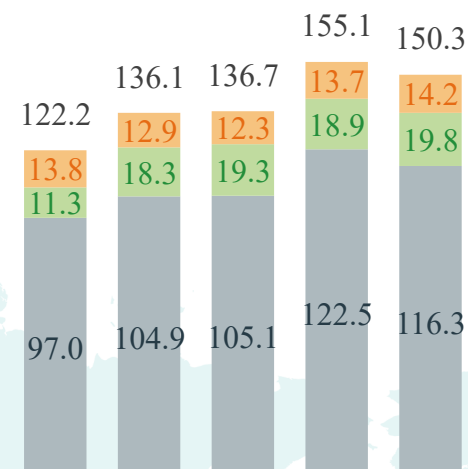
Sales Revenue by Destination (Jan.-Jun.)

Billions of Yen

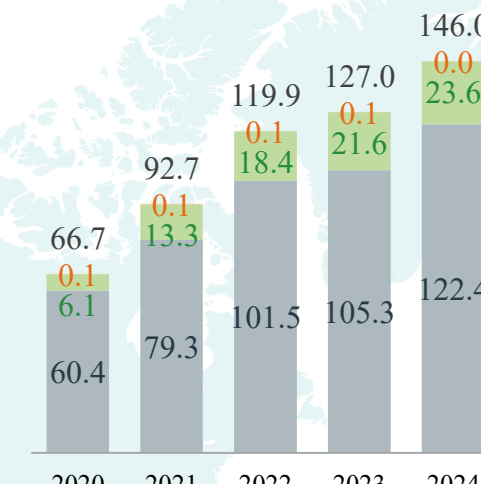
■ Tires ■ Sports ■ Industrial & Other



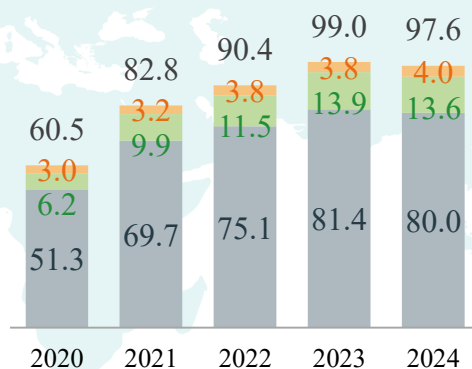
Europe



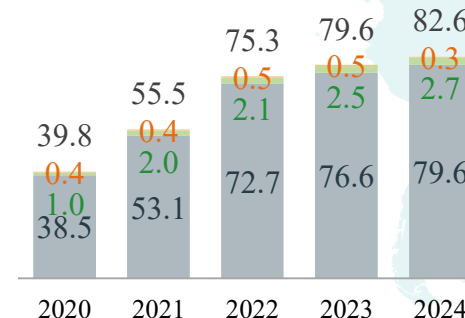
Japan



North America



Asia

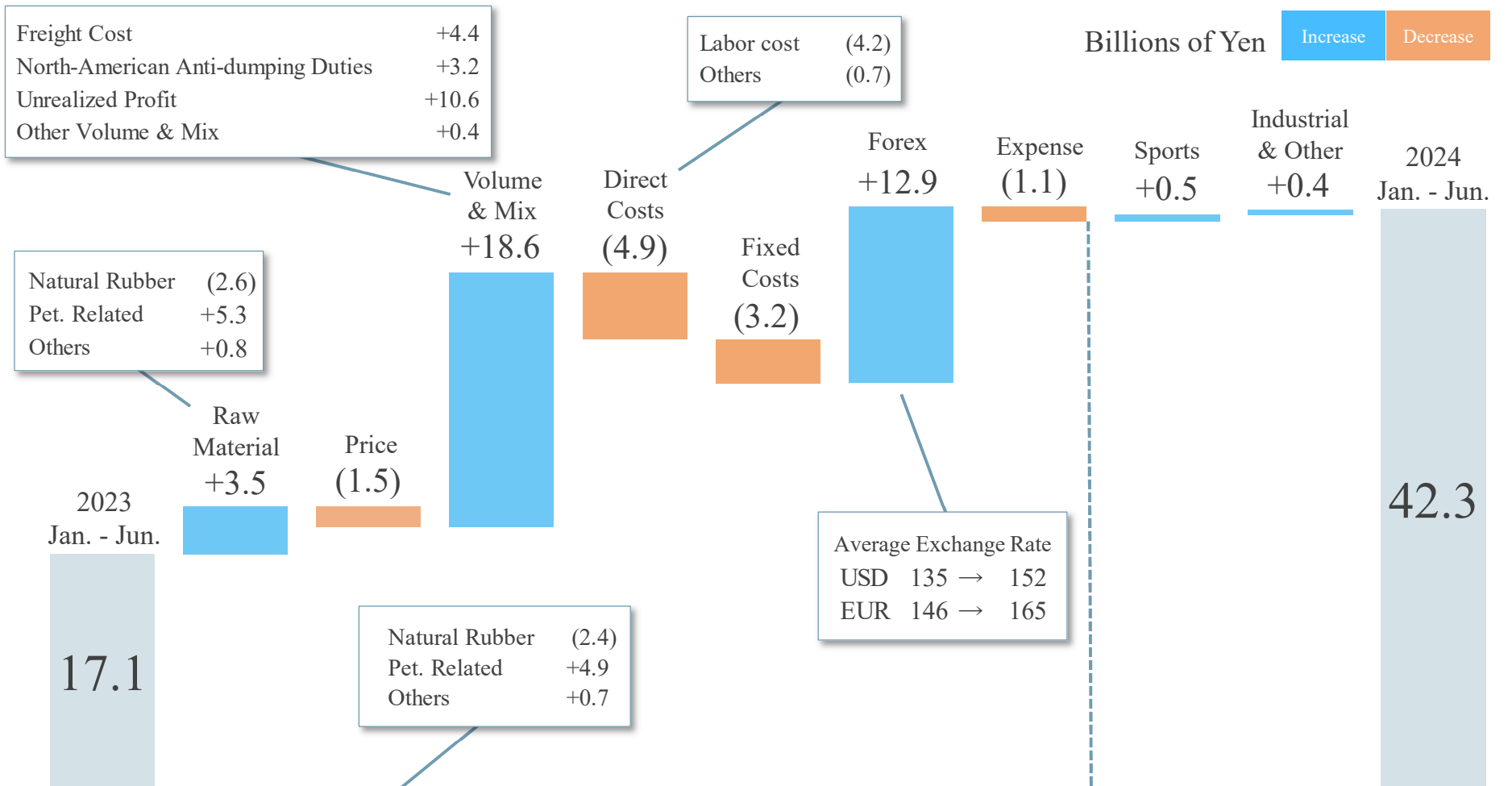


Others

	2020	2021	2022	2023	2024
Consolidated Sales Revenue	340.0	440.1	512.1	561.2	587.0
% of Overseas	64%	69%	73%	72%	74%

*Sales Revenues on this page are classified by country or region based on customer's location.

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



	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
May 13 th Forecast	+3.2	(2.1)	+16.8	(2.5)	(1.9)	+7.4	(2.2)	+1.6	+0.1	+20.4
2022 → 2023	(3.3)	+18.9	(4.8)	(6.5)	(0.7)	+0.3	(1.8)	+0.2	+0.6	+2.9

Tires +24.3

Total +25.2

Consolidated Statement of Profit & Loss



Billions of Yen

	2023 Jan.-Jun.	2024 Jan.-Jun.	vs 2023 Jan.- Jun.
Sales revenue	561.2	587.0	+25.9
Cost of sales	(424.8)	(410.3)	+14.5
Selling, general and administrative expenses	(119.3)	(134.5)	(15.2)
Business profit	17.1	① 42.3	+25.2
Other income	1.4	② 2.3	+0.9
Other expenses	(1.7)	③ (2.7)	(1.0)
Operating profit	16.8	42.0	+25.1
Financial income	5.7	④ 15.8	+10.1
Financial expenses	(3.6)	⑤ (4.1)	(0.6)
Equity in earnings of affiliates	(0.0)	(0.0)	+0.0
Profit before tax	18.9	53.6	+34.7
Income tax expenses	(11.3)	(12.4)	(1.1)
Non-controlling interests	0.6	(2.4)	(3.0)
Profit	8.2	38.7	+30.5

Main factor

① Business profit

Refer to page.6 to 12 for details

② Other income

	Actual	vs 2023
Non-operating profit	1.4 B of yen	+0.5 B of yen
Other extraordinary profit	0.7 B of yen	+0.4 B of yen

③ Other expenses

Non-operating expenses	(1.3) B of yen	(0.5) B of yen
Other extraordinary expenses	(0.9) B of yen	(0.5) B of yen
Loss on retirement and sales of non-current assets	(0.5) B of yen	+0.1 B of yen

④ Financial income

Foreign exchange profit	9.4 B of yen	+7.5 B of yen
Gain on net monetary position	4.3 B of yen	+2.1 B of yen
Interest received	1.6 B of yen	+0.4 B of yen

⑤ Financial expenses

Interest expenses	(3.6) B of yen	(0.7) B of yen
Loss on valuation of derivatives	(0.6) B of yen	+0.2 B of yen

Consolidated Statement of Financial Position



Billions of Yen

	As of Dec. 31, 2023	As of Jun. 30, 2024	vs Dec. 31, 2023
Current assets	624.7	647.5	① +22.7
Non-current assets	642.0	708.2	② +66.2
Total assets	1,266.7	1,355.7	+89.0
Current liabilities	331.1	318.6	(12.5)
Non-current liabilities	294.2	320.7	+26.5
Total liabilities	625.3	639.3	③ +14.0
Total equity attributable to owners of parent	624.1	697.4	④ +73.3
Non-controlling interests	17.3	19.0	+1.7
Total equity	641.4	716.4	+75.0
Total liabilities and equity	1,266.7	1,355.7	+89.0
Equity ratio	49.3%	51.4%	+2.1P

Main factor

	vs Dec. 31, 2023
① Current assets	
Inventories	+42.1 B of yen
Cash and cash equivalents	(14.4) B of yen
Trade and other receivables	(9.1) B of yen
Other current assets	+4.9 B of yen
② Non-current assets	
Tangible assets	+46.5 B of yen
Intangible assets (including goodwill)	+9.9 B of yen
Other financial assets	+7.8 B of yen
Deferred tax assets	+1.7 B of yen
③ Total liabilities	
Interest-bearing debt	+10.3 B of yen (310.9 → 321.2)
Trade and other liabilities	+6.5 B of yen
④ Equity	
Foreign currency translation adjustment	+45.7 B of yen
Profit	+38.7 B of yen
Dividends paid	(13.9) B of yen

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【Forecast】 Consolidated Financial Results (2024 Annual)



Billions of Yen

	Revised Forecast 2024	Actual 2023	YOY	May 13th 2024 Forecast 2024	Revised Forecast 2024 Jul.-Dec.	vs 2023
Sales Revenue	1,200.0	1,177.4	102%	1,200.0	613.0	99%
Business Profit (%)	80.0 6.7%	77.7 6.6%	103%	80.0 6.7%	37.7 6.2%	62%
Operating Profit (%)	61.0 5.1%	64.5 5.5%	95%	61.0 5.1%	19.0 3.1%	40%
Profit	41.0	37.0	111%	38.0	2.3	8%
ROIC *1	5.7%	5.7%		5.7%		
ROE	6.1%	6.3%		5.9%		
ROA *2	6.1%	6.2%		6.2%		
D/E Ratio	0.5	0.5		0.5		

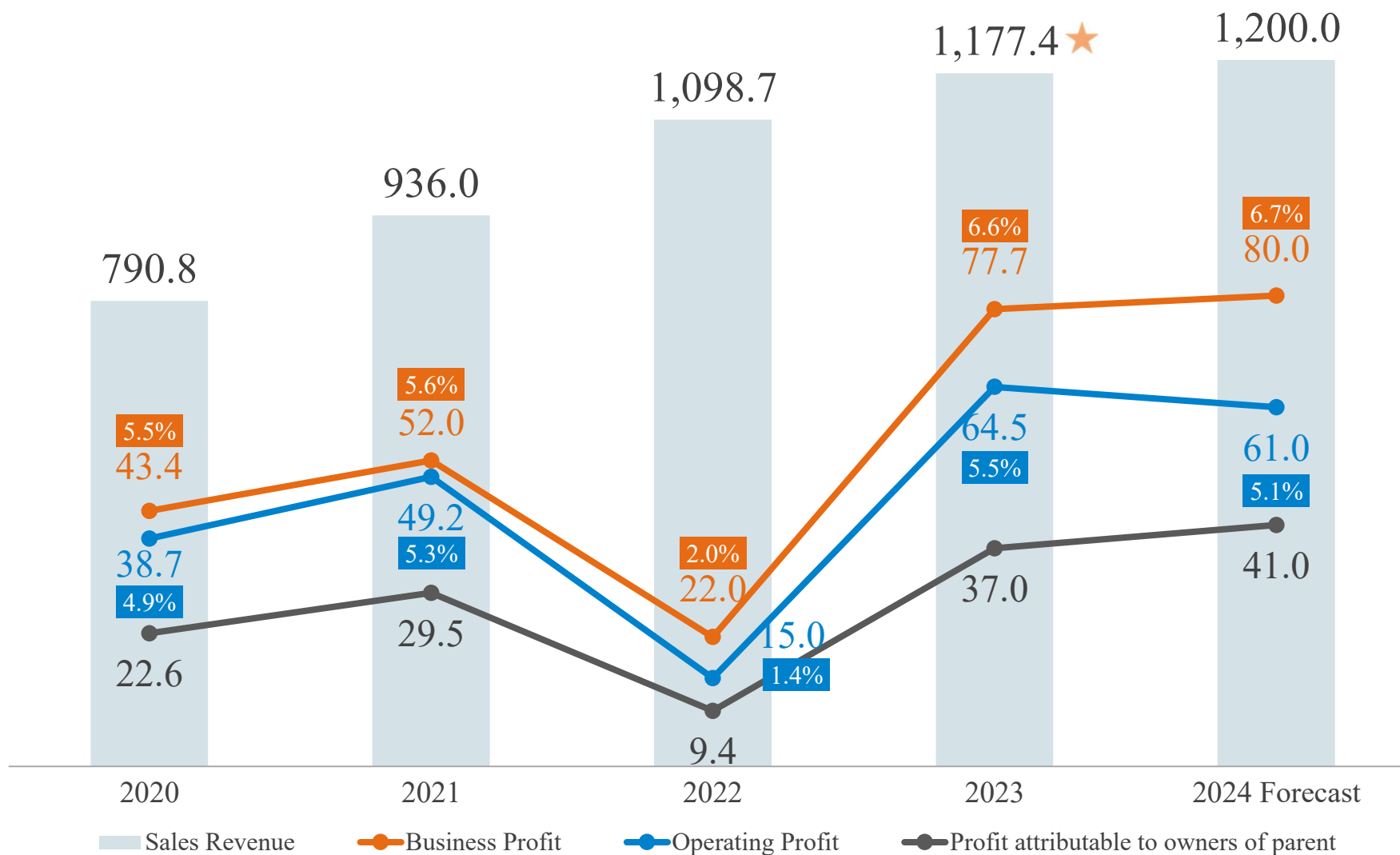
*1. ROIC : Net Business Profit After Tax / Invested Capital

*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 Annual)



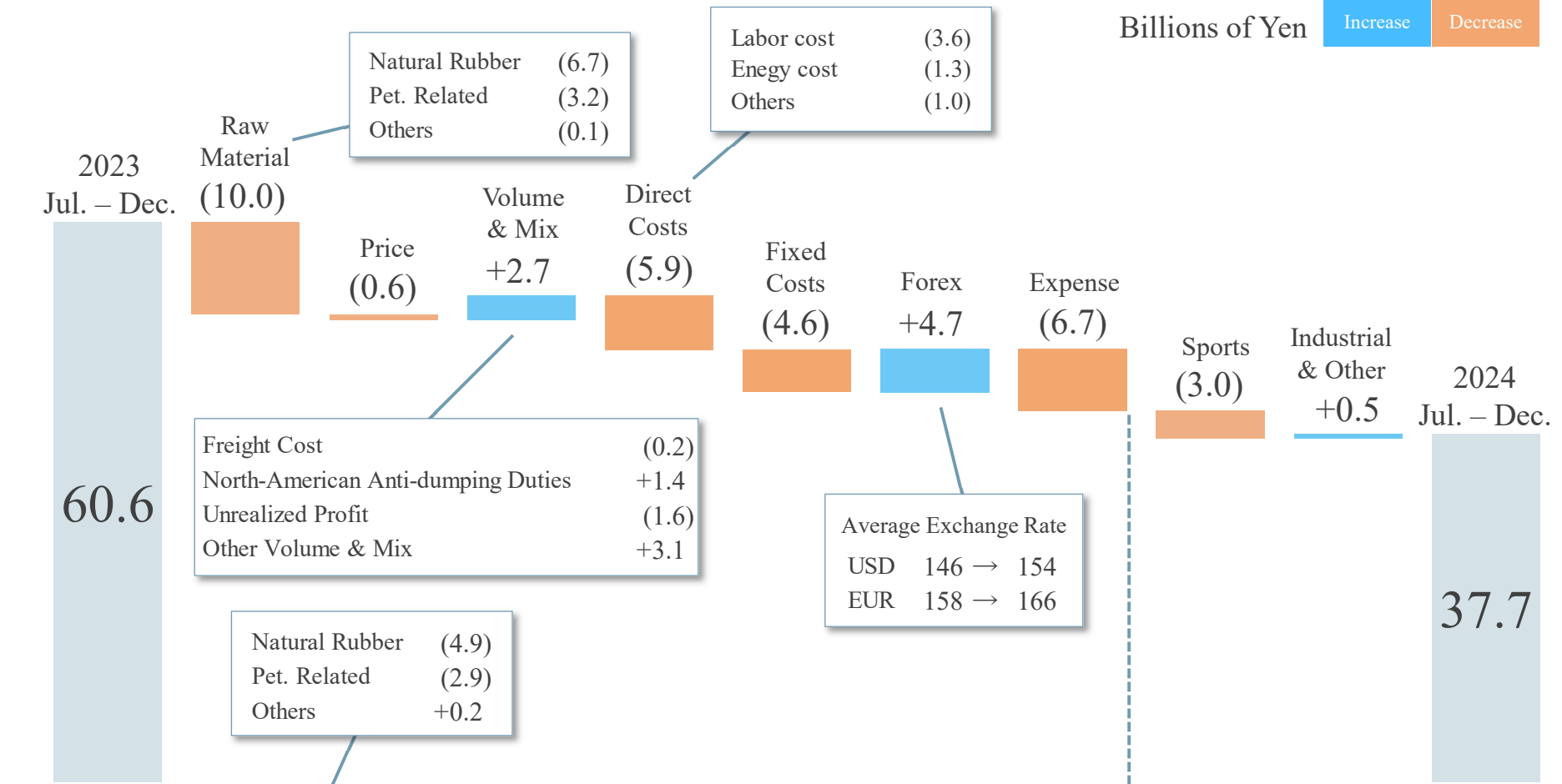
Billions of Yen

	Revised Forecast 2024	Actual 2023	YOY	May 13 th 2024 Forecast 2024	Revised Forecast 2024 Jul.-Dec.	vs 2023
Sales Revenue	Tires	1,030.0	1,006.4	102%	1,032.0	533.9 100%
	Sports	132.5	126.6	105%	131.5	60.9 104%
	Industrial & Other	37.5	44.4	85%	36.5	18.1 81%
	Total	1,200.0	1,177.4	102%	1,200.0	613.0 99%
Business Profit	Tires	67.5	63.6	106%	66.5	33.5 62%
	Sports	10.0	12.5	80%	11.0	3.0 50%
	Industrial & Other *	2.5	1.6	155%	2.5	1.2 162%
	Total	80.0	77.7	103%	80.0	37.7 62%

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

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

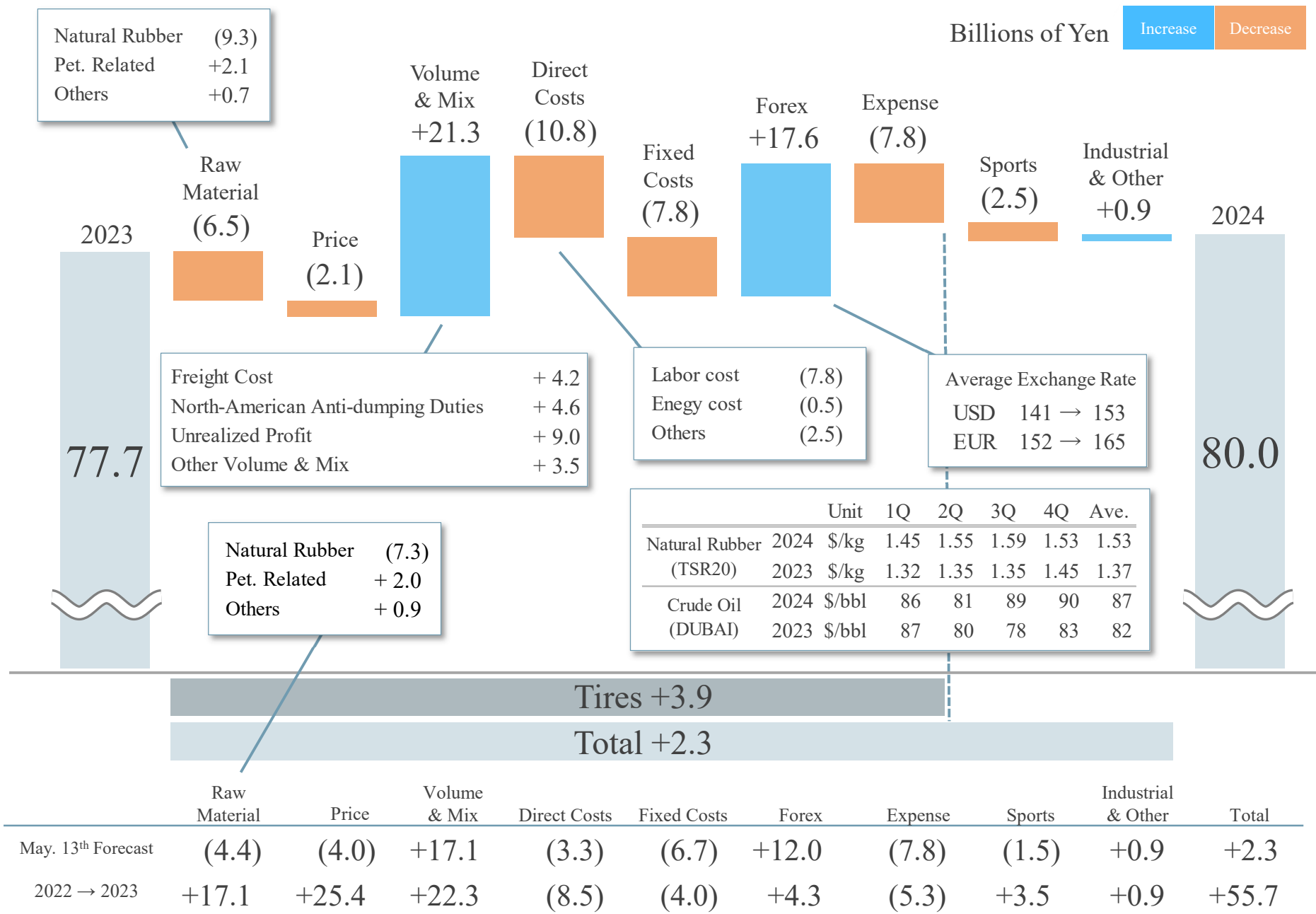
Billions of Yen Increase Decrease



	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	Total
May 13 th Forecast	(7.6)	(1.9)	+0.3	(0.8)	(4.8)	+4.6	(5.6)	(3.1)	+0.8	(18.1)
2022 Jul.-Dec. → 2023 Jul.-Dec.	+20.4	+6.5	+27.1	(2.0)	(3.3)	+4.0	(3.5)	+3.3	+0.3	+52.8

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

Billions of Yen Increase Decrease



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.	19.1	+10.0	(0.3)	(1.4)	+7.5	(2.7)	(1.8)	+7.6	(0.9)	+1.7	+0.3
	Jul.-Dec.	37.7	(22.9)	(10.0)	(0.6)	+2.7	(5.9)	(4.6)	+4.7	(6.7)	(3.0)	+0.5
	Annual	80.0	+2.3	(6.5)	(2.1)	+21.3	(10.8)	(7.8)	+17.6	(7.8)	(2.5)	+0.9
vs May 13 th Forecast			+0.0	(2.1)	+1.9	+4.2	(7.5)	(1.1)	+5.6	+0.0	(1.0)	+0.0

Tire Sales Volume (Comparison %)



vs Previous year	2023 Actual					2024 Jan.-Jun. Actual, Jul.-Dec. Forecast					May 13th 2024 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%	90%	90%	94%	88%	86%	96%	91%	
Domestic Rep.	98%	108%	89%	97%	98%	86%	97%	112%	110%	102%	93%	109%	101%	
Overseas O.E.	101%	108%	92%	101%	100%	90%	89%	89%	91%	90%	91%	101%	96%	
Overseas Rep.	87%	94%	97%	96%	93%	100%	93%	101%	108%	101%	99%	108%	103%	
Details	North America	81%	92%	109%	100%	95%	107%	86%	101%	102%	99%	99%	104%	102%
	Europe	90%	85%	100%	91%	92%	102%	105%	94%	103%	101%	105%	103%	104%
	Asia	91%	104%	89%	92%	94%	93%	89%	105%	123%	102%	93%	119%	105%
	Others	85%	93%	91%	102%	92%	100%	93%	105%	106%	101%	98%	107%	103%
Total	94%	101%	96%	99%	97%	93%	93%	99%	104%	97%	95%	105%	100%	
Total Tire Sales (000 Units)	26,450	26,860	26,850	28,190	108,360	24,610	24,870	26,710	29,280	105,480	50,440	58,010	108,460	

Tire Volume by Category (Comparison %)

vs Previous Year	Actual 2023 Jan.-Jun.				Actual 2023 Jan.-Dec.			
	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio
Passenger Tires	107%	94%	98%	87%	105%	96%	98%	88%
Advanced Tires ^{*1}	117%	100%	106%	37% ^{*2}	117%	103%	108%	38% ^{*2}
Truck & Bus Tires	118%	82%	84%	3%	112%	83%	85%	4%
Motorcycle, Industrial & Other Tires	118%	84%	96%	9%	103%	85%	92%	9%
Total	109%	93%	97%	100%	105%	94%	97%	100%

vs Previous Year	Actual 2024 Jan.-Jun.				2024 Jan.-Dec. Forecast			
	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio
Passenger Tires	89%	95%	93%	88%	90%	101%	97%	88%
Advanced Tires ^{*1}	98%	99%	99%	39% ^{*2}	98%	102%	100%	39% ^{*2}
Truck & Bus Tires	106%	89%	91%	3%	118%	98%	100%	4%
Motorcycle, Industrial & Other Tires	74%	97%	87%	9%	82%	99%	92%	8%
Total	87%	95%	92%	100%	89%	101%	97%	100%

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

		2022 Actual	2023 Actual	2024 Forecast
Advanced Tires ^{*1}	O.E.	44%	50%	54%
	Rep.	31%	33%	33%
	Total	35%	38%	39%

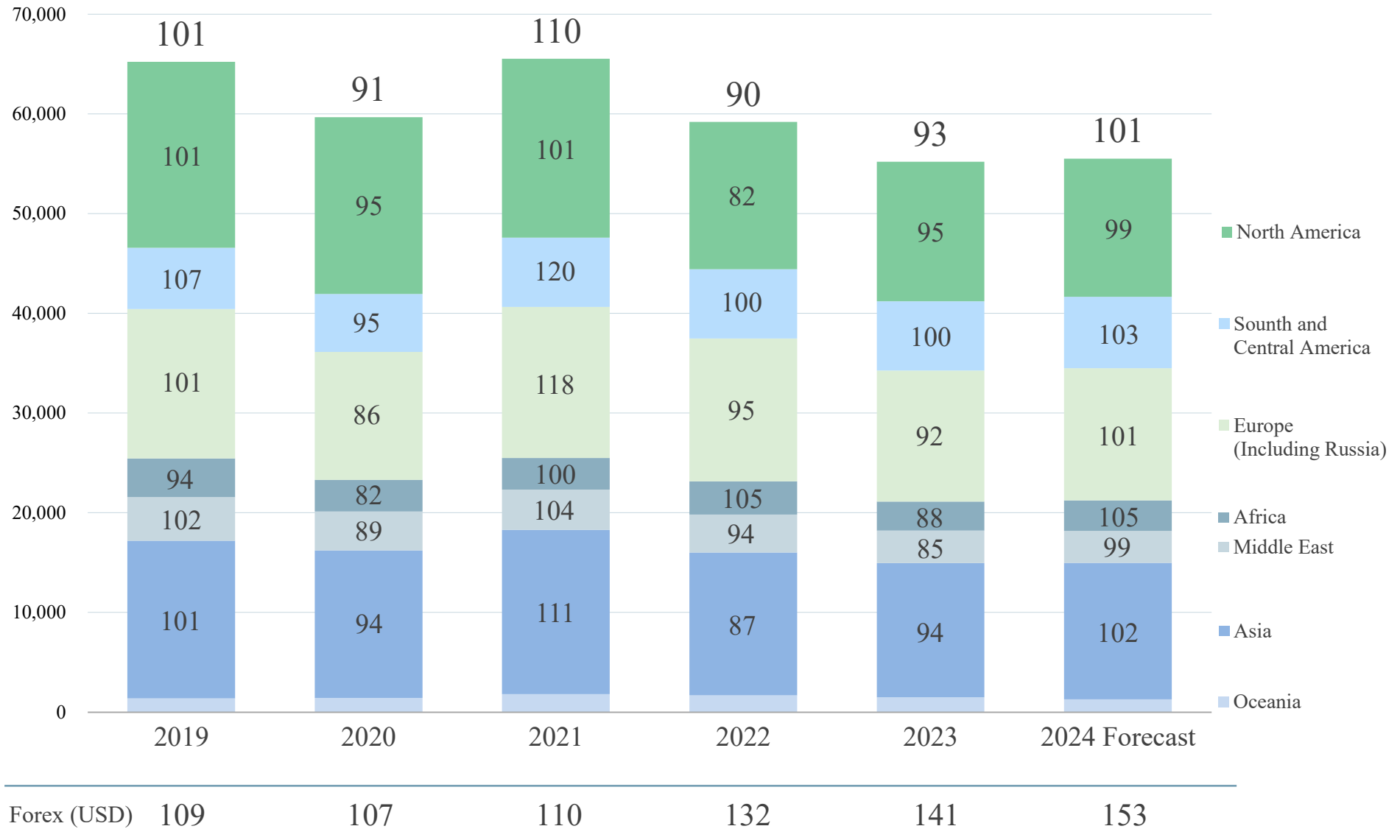
*1. Advanced Tires: Primarily for SUVs and Passenger car tires with a size of 18" or larger
 *2. Composition Ratio to Passenger Tires

Tire Overseas Rep. Volume by Regional Segment



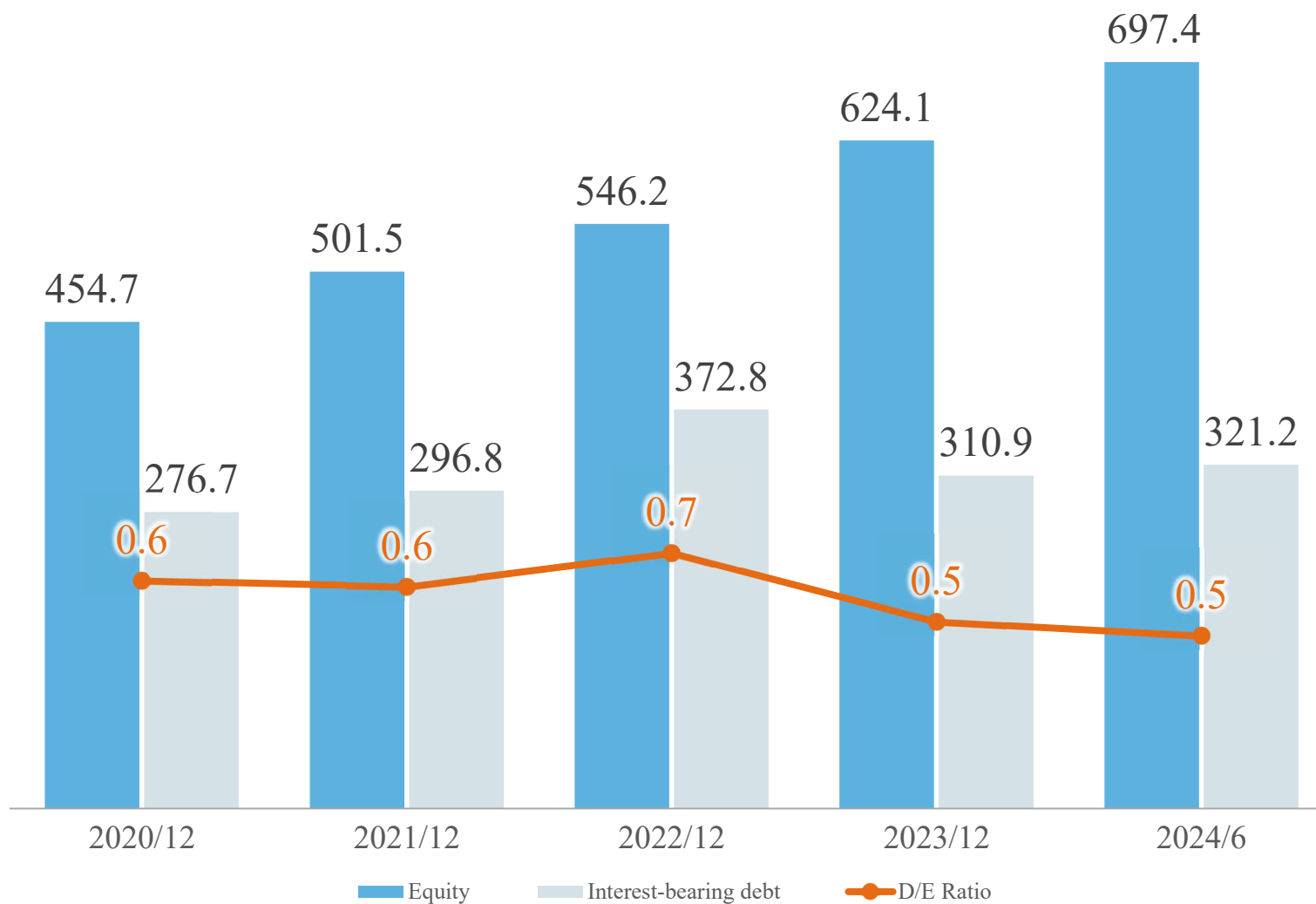
Unit : 000

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



Equity / Interest-Bearing Debt

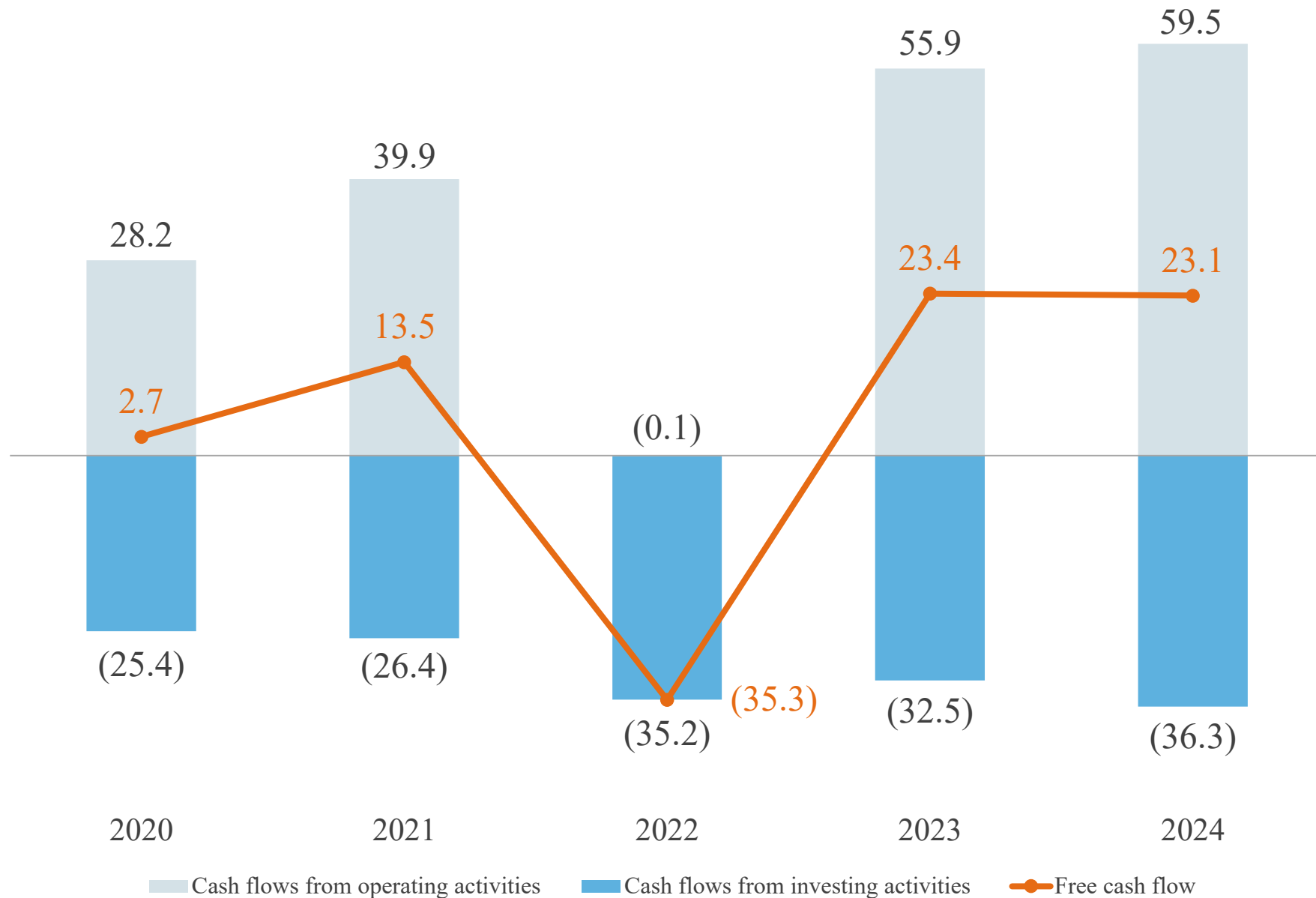
Billions of Yen



Equity Ratio	46.6%	46.2%	44.6%	49.3%	51.4%
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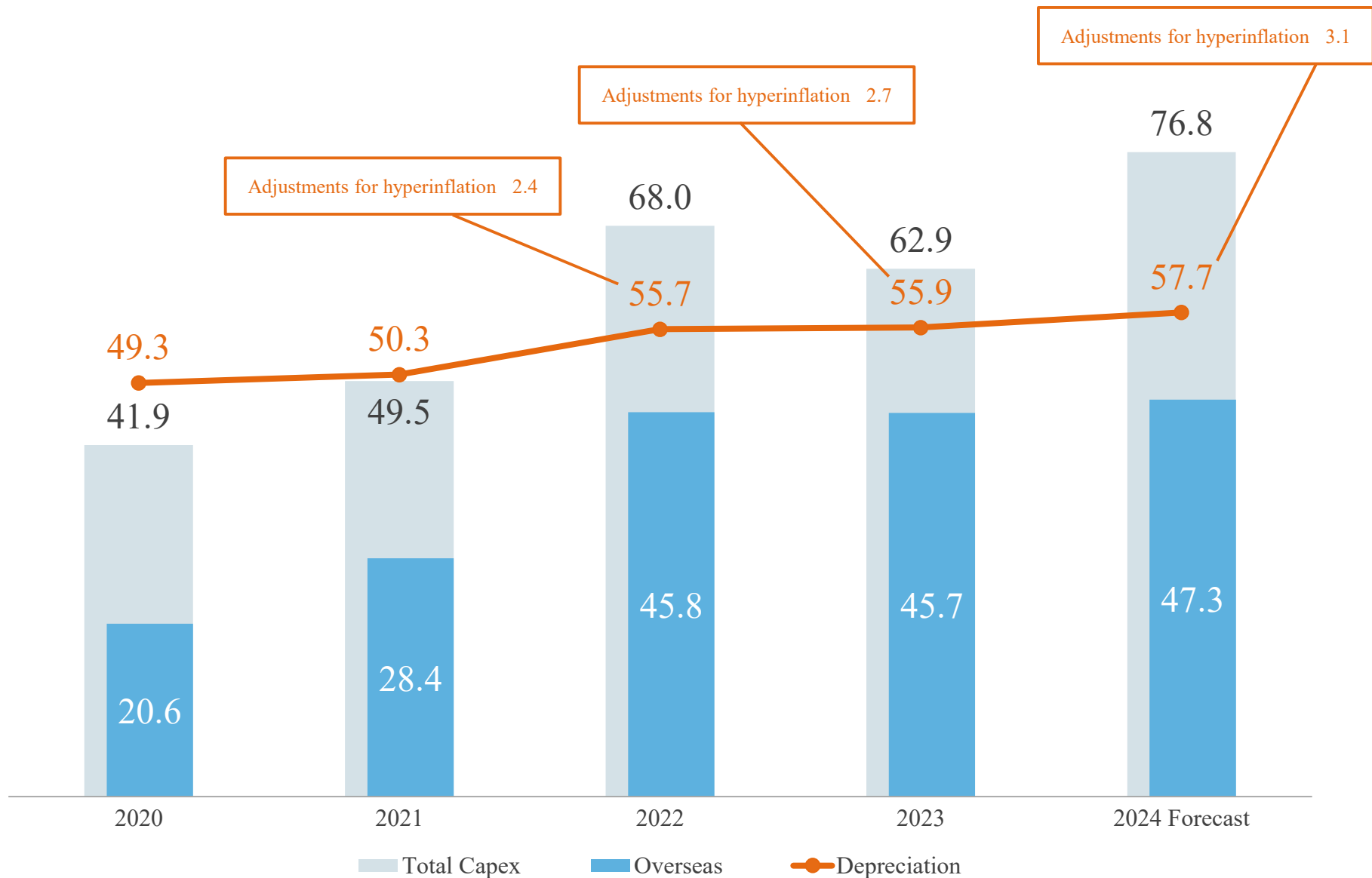
Cash Flows (Jan.-Jun.)

Billions of Yen



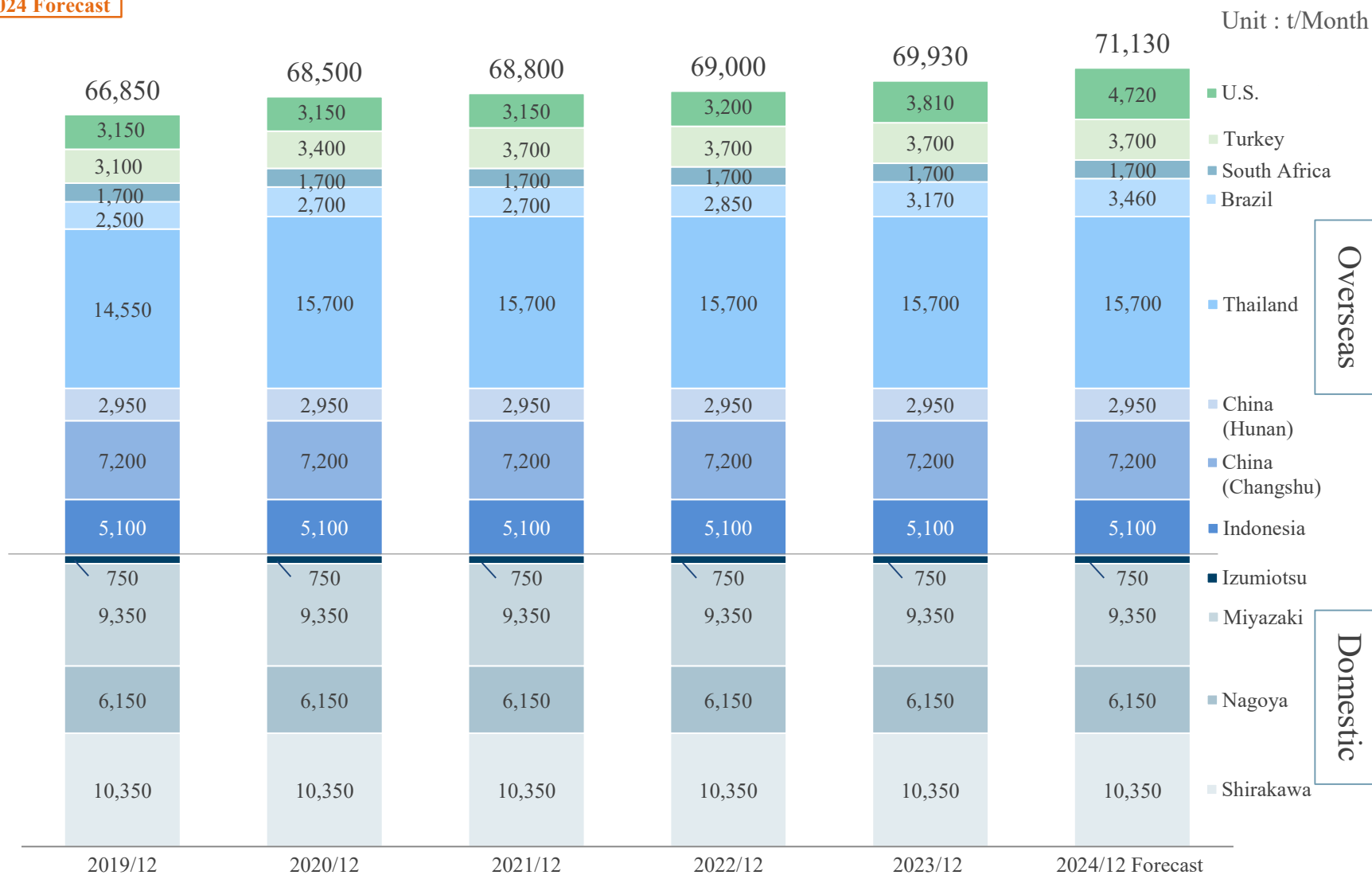
Capex and Depreciation (Tangible Assets Only)

Billions of Yen



Tire Production Capacity

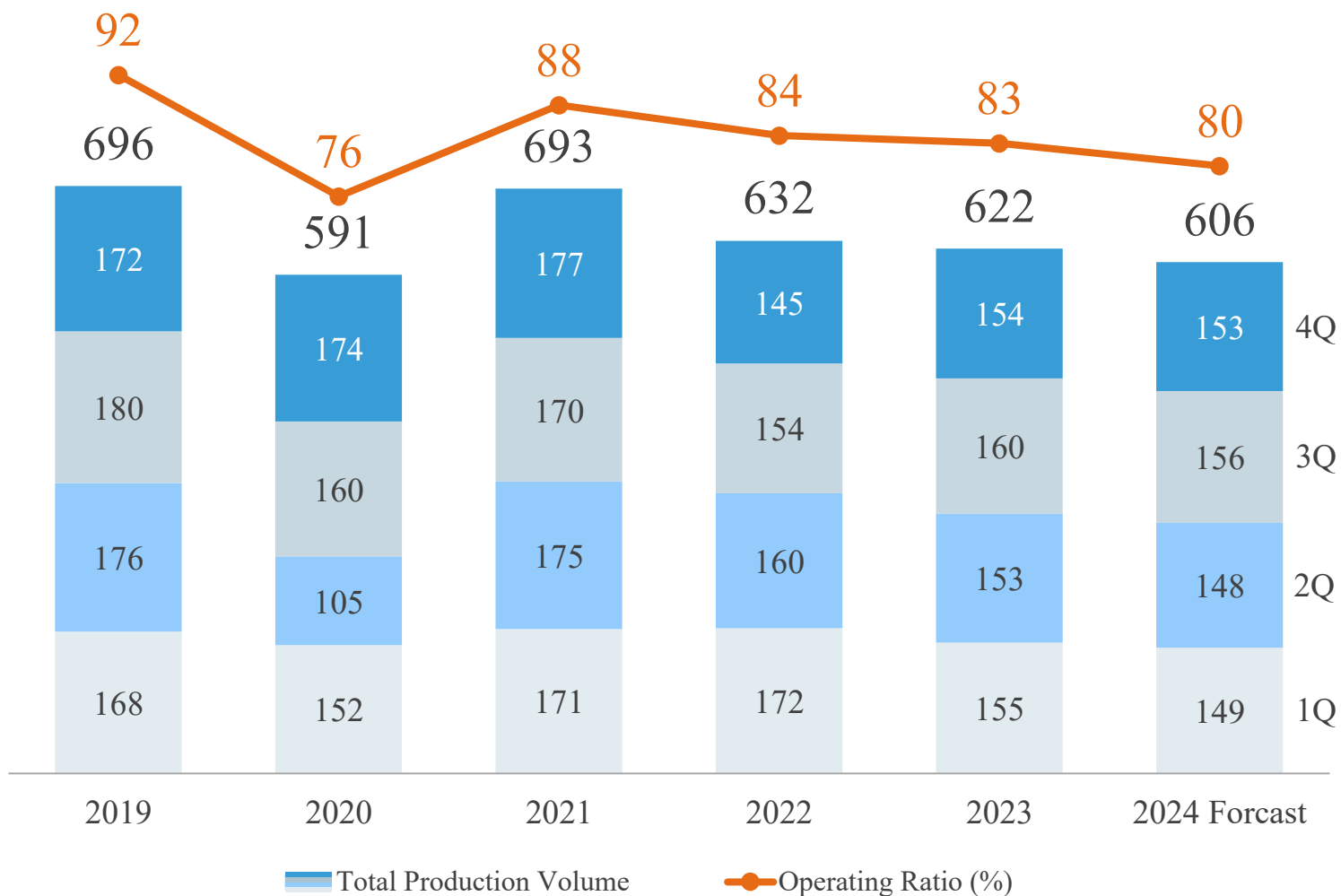
No change since
Feb. 14th 2024 Forecast



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

Tire Production Volume and Operating Ratio

Unit : 000t



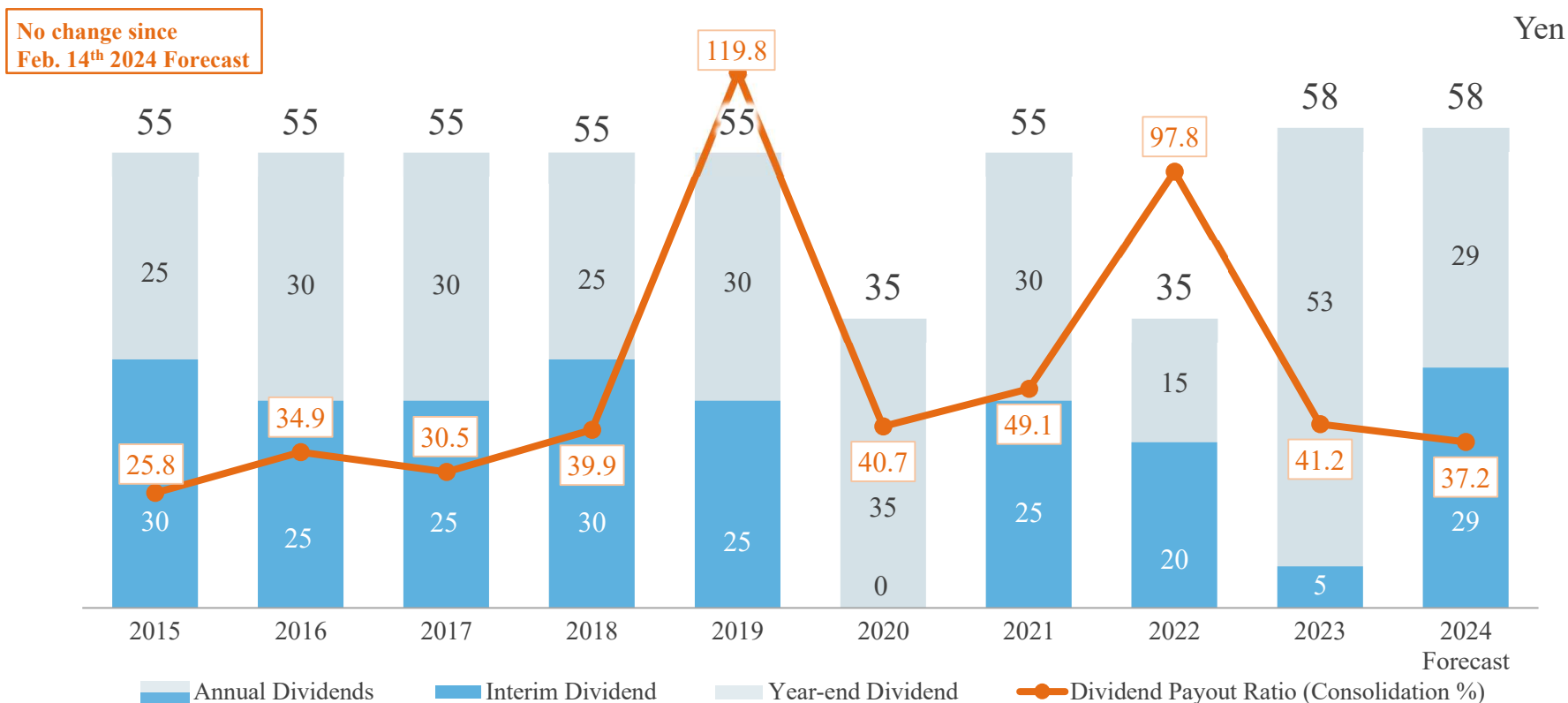
% of Overseas	61%	63%	63%	63%	64%	64%
YoY	102%	85%	117%	91%	98%	97%

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.

Determination of 2024 Interim Dividend Payment and Forecast of Annual Dividends :

Based on the consolidated financial results for the six months ended Jun. 30, 2024, we have decided to pay an interim dividend of 29 yen per share (unchanged from Feb. 14, 2024 forecast). We have kept the year-end dividend of 29 yen per share, the same as Feb. 14, 2024 forecast, and the annual dividends are expected to be 58 yen.



	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

Announced SYNCHRO WEATHER, the first product line equipped with Active Tread technology

To be launched on October 1, 2024



“SYNCHRO WEATHER” product announcement event



Appointed Shohei Ohtani for promotional activities

SYNCHRO WEATHER

- ✓ Next-generation all-season tires that synchronize with every road surface
- ✓ A tire changes its rubber properties according to road surface conditions, responding to water and temperature.
- ✓ A new standard tire ensuring a more secure and stress-free driving experience both in summer and winter
- ✓ Less environmental impact is expected by reducing the number of waste tires.
- ✓ Shohei Ohtani is appointed to promote the product.



SYNCHRO WEATHER

Next-generation all-season tire utilizing the new ACTIVE TREAD technology that changes the functional traits of rubber depending on road surface conditions.



SPORT MAXX RS

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



e.ZIEX

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



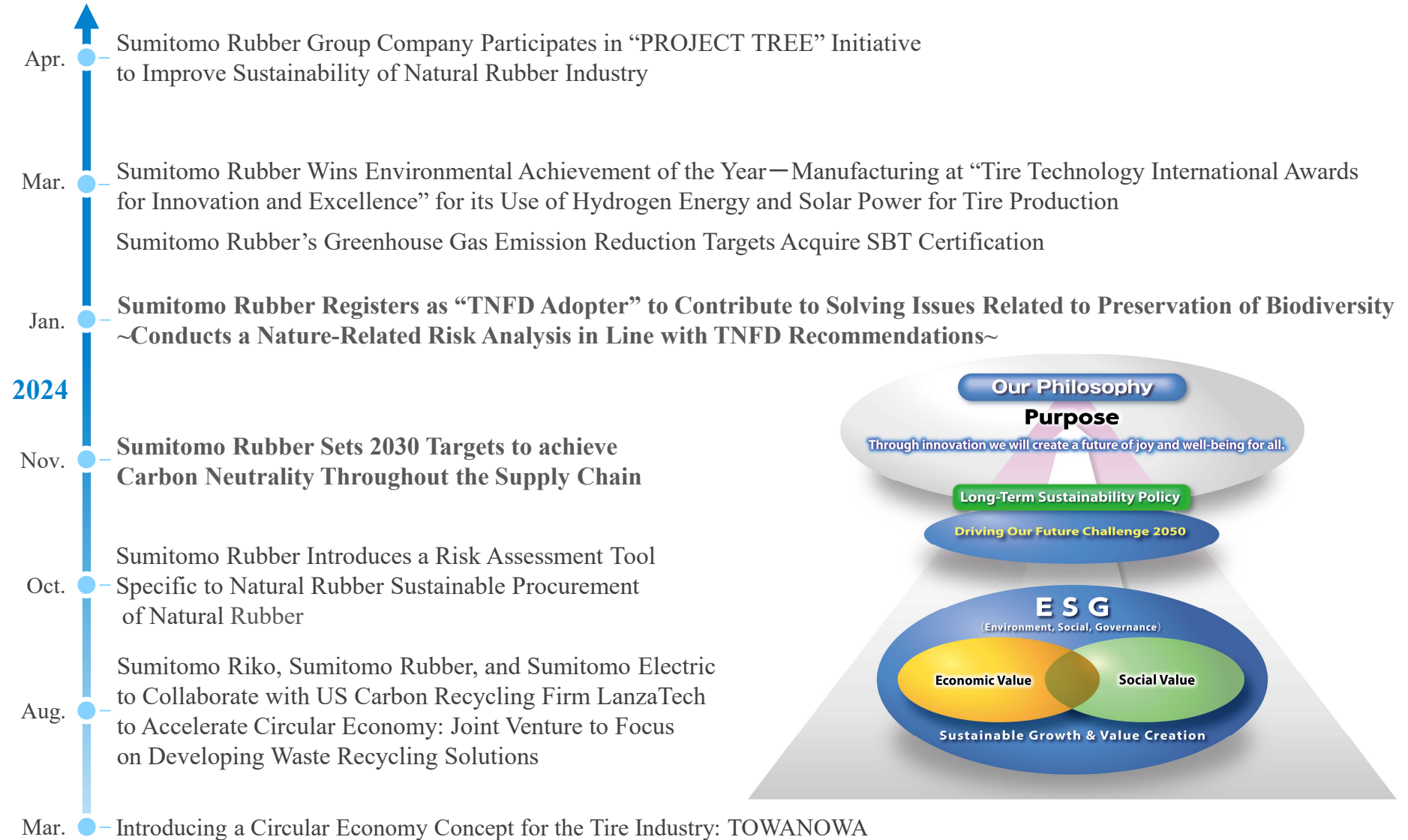
XXIO 13



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

Recent Activities

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



END

SUMITOMO RUBBER GROUP