

FLASH REPORT

Consolidated Quarterly Financial Results for the period from January 1 to March 31, 2010

Sumitomo Rubber Industries, Ltd. announced its consolidated interim financial results for the period from January 1 to March 31, 2010

(The following financial information is prepared in accordance with the accounting principles and practices generally accepted in Japan.)

CONSOLIDATED FIGURES (Quarter year ended March 31, 2010)
OPERATING RESULTS

	3 months ended		Year ended
	Mar. 31, 2010	Mar. 31, 2009	Dec. 31, 2009
Net sales (million yen)	134,120	108,931	524,534
Operating income (million yen)	9,770	(5,545)	28,738
Ordinary income* (million yen)	10,197	(9,413)	20,029
Net income (million yen)	5,868	(7,570)	9,093
Net income per share (yen)	22.36	(28.85)	34.66
Diluted net income per share (yen)	-	-	-

*Before extraordinary profit and loss and income taxes.

FINANCIAL POSITION

	Mar. 31, 2010	Mar. 31, 2009	Dec. 31, 2009
Total assets (million yen)	596,280	623,655	613,230
Owners' equity (million yen)	213,425	198,840	209,052
Owners' equity ratio	32.0%	28.5%	30.5%
Owners' equity per share (yen)	727.81	677.74	712.91

- Notes (1) Figures of less than 1 million yen are omitted.
 (2) The number of consolidated subsidiaries: 70
 (3) The number of non-consolidated subsidiaries: 17
 (4) The number of affiliates: 15

Balance Sheet

	(millions of yen)		
	<u>Mar. 31, 2010</u>	<u>Dec. 31, 2009</u>	<u>Mar. 31, 2009</u>
Assets			
Current assets:			
Cash and time deposits	25,811	28,221	24,051
Notes and accounts receivable - trade	110,155	126,346	91,538
Inventories	80,612	74,444	97,213
Securities	200	200	-
Deferred tax assets	8,912	9,082	8,969
Short-term loans	330	364	311
Other	12,714	18,614	26,031
Allowance for doubtful accounts	(1,750)	(1,900)	(1,550)
Total current assets	236,986	255,373	246,566
Fixed assets:			
Property, plant and equipment			
Buildings and structures	69,919	69,396	66,921
Machinery, equipment and vehicles	105,027	115,956	110,434
Land	35,919	35,876	36,308
Other	23,346	12,743	32,363
Total property, plant and equipment	234,212	233,972	246,027
Intangible fixed assets			
Goodwill	7,279	7,500	7,889
Trademarks and other	9,400	7,835	8,076
Total intangible fixed assets	16,680	15,335	15,965
Investments and other assets			
Investments in securities	61,395	61,327	65,258
Long-term loans	3,205	3,253	3,329
Deferred tax assets	5,673	5,415	5,218
Prepaid pension expenses	26,970	26,800	27,948
Other	12,506	13,151	14,891
Allowance for doubtful accounts	(1,350)	(1,400)	(1,550)
Total investments and other assets	108,400	108,547	115,095
Total assets	596,280	613,230	623,655

Balance Sheet

	(millions of yen)		
	<u>Mar. 31, 2010</u>	<u>Dec. 31, 2009</u>	<u>Mar. 31, 2009</u>
Liabilities and Shareholders' Equity			
Current liabilities:			
Notes and accounts payable - trade	58,350	60,495	59,587
Bonds	10,000	10,000	20,000
Commercial paper	3,000	12,000	35,000
Short-term borrowings	66,029	65,259	96,291
Accounts payable - other and accrued expenses	30,019	37,200	29,611
Accrued income taxes	3,626	4,195	823
Accrued bonuses	5,837	2,513	5,725
Other	7,064	8,418	5,968
Total current liabilities	183,928	200,083	253,007
Long-term liabilities:			
Bonds	75,000	75,000	65,000
Long-term debt	91,990	97,400	75,972
Deferred tax liabilities	10,419	10,791	11,059
Accrued retirement and severance benefits	11,247	10,988	11,124
Other	10,268	9,913	8,650
Total long-term liabilities	198,926	204,094	171,807
Total liabilities	382,854	404,178	424,815
	(millions of yen)		
	<u>Mar. 31, 2010</u>	<u>Dec. 31, 2009</u>	<u>Mar. 31, 2009</u>
Net Assets			
Shareholder's equity			
Common Stock	42,658	42,658	42,658
Capital surplus	38,661	38,661	38,661
Retained Earnings	112,892	109,348	101,354
Treasury stock, at cost	(534)	(533)	(531)
Total shareholder's equity	193,667	190,134	182,141
Valuation and Translation Adjustments			
Unrealized gains on available-for-sale securities	4,147	4,401	1,441
Deferred gains and losses on hedges	(123)	(31)	(198)
Currency translation adjustments	(6,766)	(7,476)	(5,580)
Total valuation and translation adjustments	(2,741)	(3,106)	(4,337)
Minority interests in consolidated subsidiaries	22,489	22,024	21,035
Total net assets	213,425	209,052	198,840
Total liabilities and net assets	596,280	613,230	623,655

Statement of Income

	(millions of yen)		
	<u>3 months ended</u>		<u>Year ended</u>
	<u>Mar. 31, 2010</u>	<u>Mar. 31, 2009</u>	<u>Dec. 31, 2009</u>
Net Sales	134,120	108,931	524,534
Cost of sales	84,008	75,649	334,249
Gross Profit	50,111	33,282	190,285
Selling, general and administrative expenses	40,341	38,828	161,546
Operating income	9,770	(5,545)	28,738
Non-operating income:			
Interest and dividend income	170	242	1,156
Other	2,235	893	2,970
	2,405	1,136	4,126
Non-operating expenses:			
Interest expenses	1,071	1,280	4,722
Other	907	3,723	8,113
	1,978	5,004	12,836
Ordinary income	10,197	(9,413)	20,029
Extraordinary income	-	-	-
Extraordinary loss	135	267	2,733
Income before income taxes	10,061	(9,681)	17,296
Income taxes-current	3,433	(1,473)	8,321
Income taxes-deferred	(85)	(598)	(2,043)
Minority interests in consolidated subsidiaries	844	(39)	1,925
Net income	5,868	(7,570)	9,093

Consolidated Statement of Cash Flows

	(Millions of yen)	
	Mar. 31, 2010	Mar. 31, 2009
Cash flows from operating activities:		
Income before income taxes	10,061	(9,681)
Adjustments to reconcile income before income taxes to net cash provided by operating activities—		
Depreciation and amortization	8,905	9,174
Equity in (earnings) loss of unconsolidated subsidiaries and affiliates	(1,104)	2,616
Interest expenses	1,071	1,280
Decrease in notes and accounts receivable	16,791	28,735
Increase (Decrease) in inventories	(5,769)	2,207
Decrease in notes and accounts payable	(2,517)	(23,061)
Other	(972)	(121)
Subtotal	26,464	11,149
Interest and dividend received	166	213
Interest paid	(1,006)	(1,316)
Income taxes paid	(3,198)	(3,818)
Net cash provided by operating activities	22,426	6,227
Cash flows from investing activities:		
Capital expenditures	(8,253)	(13,101)
Other	(1,127)	606
Net cash used in investing activities	(9,381)	(12,495)
Cash flows from financing activities:		
Net (decrease) increase in short-term borrowings	(6,484)	19,971
Repayments of long-term debt and redemption of bonds	(7,629)	(5,129)
Dividends paid	(2,098)	(2,098)
Other	(616)	(779)
Net cash (used in) provided by financing activities	(16,829)	11,963
Effect of exchange rate changes on cash and cash equivalents	164	561
Net (decrease) increase in cash and cash equivalents	(3,619)	6,256
Cash and cash equivalents at beginning of year	27,527	18,525
Increase in cash and cash equivalents due to change in reporting entities	474	618
Cash and cash equivalents at end of year	24,381	25,400

Segment Information

(1) Information by industry segment

	(millions of yen)		
	<u>3 months ended</u>		<u>Year ended</u>
	<u>Mar. 31, 2010</u>	<u>Mar. 31, 2009</u>	<u>Dec. 31, 2009</u>
Net sales:			
Tires-			
Sales to unaffiliated customers	111,574	88,401	433,411
Intersegment sales and transfers	7	35	60
	<hr/> 111,582	<hr/> 88,437	<hr/> 433,472
Sports-			
Sales to unaffiliated customers	15,733	14,171	65,219
Intersegment sales and transfers	70	66	345
	<hr/> 15,804	<hr/> 14,237	<hr/> 65,565
Industrial Products (beds, marine fenders, etc)-			
Sales to unaffiliated customers	6,812	6,358	25,903
Intersegment sales and transfers	11	155	670
	<hr/> 6,823	<hr/> 6,514	<hr/> 26,574
Adjustments and eliminations	(89)	(258)	(1,076)
	<hr/> 134,120	<hr/> 108,931	<hr/> 524,534
Operating income:			
Tires	7,212	(6,040)	22,518
Sports	1,900	27	4,734
Industrial Products	654	329	1,418
	<hr/> 9,767	<hr/> (5,683)	<hr/> 28,671
Adjustments and eliminations	2	137	67
	<hr/> 9,770	<hr/> (5,545)	<hr/> 28,738

(2) Information by geographic area

Net sales:			
Japan-			
Sales to unaffiliated customers	91,745	82,143	395,245
Sales between geographic areas	19,451	13,246	59,202
	<hr/> 111,197	<hr/> 95,389	<hr/> 454,448
Asia-			
Sales to unaffiliated customers	16,744	8,365	53,782
Sales between geographic areas	12,108	12,840	45,208
	<hr/> 28,852	<hr/> 21,205	<hr/> 98,990
Other areas-			
Sales to unaffiliated customers	25,630	18,423	75,507
Sales between geographic areas	383	516	1,171
	<hr/> 26,014	<hr/> 18,939	<hr/> 76,678
Adjustments and eliminations	(31,943)	(26,602)	(105,582)
	<hr/> 134,120	<hr/> 108,931	<hr/> 524,534
Operating income:			
Japan	5,989	(6,914)	20,278
Asia	1,686	197	8,897
Other areas	1,686	92	(95)
	<hr/> 9,362	<hr/> (6,625)	<hr/> 29,080
Adjustments and eliminations	407	1,079	(341)
	<hr/> 9,770	<hr/> (5,545)	<hr/> 28,738

Segment Information

(3) Sales outside Japan by the Company and its consolidated subsidiaries

	(millions of yen)		
	<u>3 months ended</u>		<u>Year ended</u>
	<u>Mar. 31, 2010</u>	<u>Mar. 31, 2009</u>	<u>Dec. 31, 2009</u>
Net sales			
North America	21,860	17,335	74,545
Europe	9,812	6,629	23,739
Asia	19,574	11,467	65,356
Other areas	18,103	15,794	70,314
Total	69,350	51,227	233,955

Percentage of such sales in consolidated net sales

	(Percentage)		
	<u>Mar. 31, 2010</u>	<u>Mar. 31, 2009</u>	<u>Dec. 31, 2009</u>
	North America	16.3%	15.9%
Europe	7.3%	6.1%	4.5%
Asia	14.6%	10.5%	12.5%
Other areas	13.5%	14.5%	13.4%
Total	51.7%	47.0%	44.6%