

FLASH REPORT

Consolidated Quarterly Financial Results for the period from January 1 to September 30, 2010

Sumitomo Rubber Industries, Ltd. announced its consolidated interim financial results for the period from January 1 to September 30, 2010

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

CONSOLIDATED FIGURES (Quarter year ended September 30, 2010)

OPERATING RESULTS	9 months ended		Year ended
	Sep. 30, 2010	Sep. 30, 2009	Dec. 31, 2009
Net sales (million yen)	424,514	356,662	524,534
Operating income (million yen)	28,640	9,875	28,738
Ordinary income* (million yen)	25,311	766	20,029
Net income (million yen)	14,036	(1,999)	9,093
Net income per share (yen)	53.50	(7.62)	34.66
Diluted net income per share (yen)	-	-	-

*Before extraordinary profit and loss and income taxes.

FINANCIAL POSITION

	Sep. 30, 2010	Sep. 30, 2009	Dec. 31, 2009
Total assets (million yen)	597,774	590,026	613,230
Owners' equity (million yen)	207,632	197,210	209,052
Owners' equity ratio	31.0%	29.9%	30.5%
Owners' equity per share (yen)	706.14	671.77	712.91

- Notes (1) Figures of less than 1 million yen are omitted.
 (2) The number of consolidated subsidiaries: 62
 (3) The number of non-consolidated subsidiaries: 19
 (4) The number of affiliates: 15

Balance Sheet

	(millions of yen)		
	<u>Sep. 30, 2010</u>	<u>Dec. 31, 2009</u>	<u>Sep. 30, 2009</u>
Assets			
Current assets:			
Cash and time deposits	26,727	28,221	24,507
Notes and accounts receivable - trade	109,499	126,346	88,471
Inventories	89,950	74,444	84,298
Securities	—	200	200
Deferred tax assets	10,372	9,082	11,281
Short-term loans	276	364	388
Other	16,101	18,614	18,145
Allowance for doubtful accounts	(1,650)	(1,900)	(1,450)
Total current assets	251,277	255,373	225,842
Fixed assets:			
Property, plant and equipment			
Buildings and structures	67,250	69,396	69,159
Machinery, equipment and vehicles	101,941	115,956	103,723
Land	35,696	35,876	36,003
Other	21,309	12,743	27,332
Total property, plant and equipment	226,197	233,972	236,218
Intangible fixed assets			
Goodwill	8,399	7,500	7,643
Trademarks and other	7,898	7,835	8,054
Total intangible fixed assets	16,298	15,335	15,697
Investments and other assets			
Investments in securities	58,030	61,327	63,508
Long-term loans	3,182	3,253	3,309
Deferred tax assets	5,556	5,415	5,753
Prepaid pension expenses	26,445	26,800	27,046
Other	12,136	13,151	14,199
Allowance for doubtful accounts	(1,350)	(1,400)	(1,550)
Total investments and other assets	104,001	108,547	112,267
Total assets	597,774	613,230	590,026

Balance Sheet

	(millions of yen)		
	<u>Sep. 30, 2010</u>	<u>Dec. 31, 2009</u>	<u>Sep. 30, 2009</u>
Liabilities and Shareholders' Equity			
Current liabilities:			
Notes and accounts payable - trade	58,855	60,495	47,920
Bonds	20,000	10,000	30,000
Commercial paper	7,000	12,000	-
Short-term borrowings	77,364	65,259	78,334
Accounts payable - other and accrued expenses	30,316	37,200	26,651
Accrued income taxes	4,000	4,195	2,006
Accrued bonus	6,044	2,513	5,980
Other	8,238	8,418	6,128
Total current liabilities	211,819	200,083	197,022
Long-term liabilities:			
Bonds	55,000	75,000	75,000
Long-term debt	91,765	97,400	88,925
Deferred tax liabilities	9,259	10,791	12,021
Accrued retirement and severance benefits	11,962	10,988	10,706
Other	10,334	9,913	9,140
Total long-term liabilities	178,322	204,094	195,793
Total liabilities	390,142	404,178	392,815
	(millions of yen)		
	<u>Sep. 30, 2010</u>	<u>Dec. 31, 2009</u>	<u>Sep. 30, 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	119,187	109,348	102,268
Treasury stock, at cost	(535)	(533)	(533)
Total shareholder's equity	199,971	190,134	183,054
Valuation and Translation Adjustments			
Unrealized gains on available-for-sale securities	2,861	4,401	4,457
Deferred gains and losses on hedges	(229)	(31)	(154)
Currency translation adjustment	(17,352)	(7,476)	(11,121)
Total valuation and translation adjustment	(14,720)	(3,106)	(6,819)
Minority interest in consolidated subsidiaries	22,381	22,024	20,975
Total net assets	207,632	209,052	197,210
Total liabilities and net assets	597,774	613,230	590,026

Statement of Income

	(millions of yen)		
	<u>9 months ended</u>		<u>Year ended</u>
	<u>Sep. 30, 2010</u>	<u>Sep. 30, 2009</u>	<u>Dec. 31, 2009</u>
Net Sales	424,514	356,662	524,534
Cost of sales	274,943	232,398	334,249
Gross Profit	149,570	124,263	190,285
Selling, general and administrative expenses	120,929	114,388	161,546
Operating income	28,640	9,875	28,738
Non-operating income:			
Interest and dividend income	566	894	1,156
Other	3,388	1,943	2,970
	3,955	2,837	4,126
Non-operating expenses:			
Interest expenses	3,166	3,513	4,722
Other	4,118	8,432	8,113
	7,284	11,946	12,836
Ordinary income	25,311	766	20,029
Extraordinary income	-	-	-
Extraordinary loss	1,987	971	2,733
Income before income taxes	23,323	(204)	17,296
Income taxes-current	8,870	4,383	8,321
Income taxes-deferred	(1,637)	(3,348)	(2,043)
Minority interest in consolidated subsidiaries	2,053	760	1,925
Net income	14,036	(1,999)	9,093

Segment Information

(1) Information by industry segment

	(millions of yen)		
	<u>9 months ended</u>		<u>Year ended</u>
	<u>Sep. 30, 2010</u>	<u>Sep. 30, 2009</u>	<u>Dec. 31, 2009</u>
Net sales:			
Tires-			
Sales to unaffiliated customers	357,557	292,294	433,411
Intersegment sales and transfers	19	52	60
	<u>357,577</u>	<u>292,347</u>	<u>433,472</u>
Sports-			
Sales to unaffiliated customers	46,971	46,126	65,219
Intersegment sales and transfers	258	251	345
	<u>47,230</u>	<u>46,378</u>	<u>65,565</u>
Industrial Products (beds, marine fenders, etc)-			
Sales to unaffiliated customers	19,984	18,241	25,903
Intersegment sales and transfers	32	435	670
	<u>20,016</u>	<u>18,677</u>	<u>26,574</u>
Adjustments and eliminations	(310)	(740)	(1,076)
	<u>424,514</u>	<u>356,662</u>	<u>524,534</u>
Operating income:			
Tires	22,462	6,902	22,518
Sports	4,626	1,899	4,734
Industrial Products	1,542	1,000	1,418
	<u>28,631</u>	<u>9,802</u>	<u>28,671</u>
Adjustments and eliminations	9	73	67
	<u>28,640</u>	<u>9,875</u>	<u>28,738</u>

(2) Information by geographic area

	(millions of yen)		
	<u>9 months ended</u>		<u>Year ended</u>
	<u>Sep. 30, 2010</u>	<u>Sep. 30, 2009</u>	<u>Dec. 31, 2009</u>
Net sales:			
Japan-			
Sales to unaffiliated customers	281,451	261,624	395,245
Sales between geographic areas	71,860	44,259	59,202
	<u>353,312</u>	<u>305,884</u>	<u>454,448</u>
Asia-			
Sales to unaffiliated customers	56,826	36,888	53,782
Sales between geographic areas	39,758	34,240	45,208
	<u>96,585</u>	<u>71,129</u>	<u>98,990</u>
Other areas-			
Sales to unaffiliated customers	86,235	58,149	75,507
Sales between geographic areas	1,072	882	1,171
	<u>87,308</u>	<u>59,032</u>	<u>76,678</u>
Adjustments and eliminations	(112,691)	(79,383)	(105,582)
	<u>424,514</u>	<u>356,662</u>	<u>524,534</u>
Operating income:			
Japan	17,034	3,229	20,278
Asia	5,855	6,604	8,897
Other areas	5,086	123	(95)
	<u>27,977</u>	<u>9,956</u>	<u>29,080</u>
Adjustments and eliminations	663	(81)	(341)
	<u>28,640</u>	<u>9,875</u>	<u>28,738</u>

Segment Information

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

	(millions of yen)		
	<u>9 months ended</u>		<u>Year ended</u>
	<u>Sep. 30, 2010</u>	<u>Sep. 30, 2009</u>	<u>Dec. 31, 2009</u>
Net sales			
North America	62,617	54,991	74,545
Europe	29,028	19,159	23,739
Asia	65,312	44,753	65,356
Other areas	57,801	50,203	70,314
Total	214,760	169,108	233,955

	(Percentage)		
	<u>Sep. 30, 2010</u>	<u>Sep. 30, 2009</u>	<u>Dec. 31, 2009</u>
Percentage of such sales in consolidated net sales			
North America	14.8%	15.4%	14.2%
Europe	6.8%	5.4%	4.5%
Asia	15.4%	12.5%	12.5%
Other areas	13.6%	14.1%	13.4%
Total	50.6%	47.4%	44.6%