

# FLASH REPORT

**Consolidated Quarterly Financial Results for the period from January 1 to March 31, 2011**

*Sumitomo Rubber Industries, Ltd. announced its consolidated quarterly financial results for the period from January 1 to March 31, 2011*

*(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, 2011)**
**OPERATING RESULTS**

|                                    | 3 months ended |               | Year ended    |
|------------------------------------|----------------|---------------|---------------|
|                                    | Mar. 31, 2011  | Mar. 31, 2010 | Dec. 31, 2010 |
| Net sales (million yen)            | 145,072        | 134,120       | 604,548       |
| Operating income (million yen)     | 9,711          | 9,770         | 47,571        |
| Ordinary income* (million yen)     | 10,573         | 10,197        | 42,478        |
| Net income (million yen)           | 4,242          | 5,868         | 21,427        |
| Net income per share (yen)         | 16.17          | 22.36         | 81.67         |
| Diluted net income per share (yen) | -              | -             | -             |

\*Before extraordinary profit and loss and income taxes.

**FINANCIAL POSITION**

|                                | Mar. 31, 2011 | Mar. 31, 2010 | Dec. 31, 2010 |
|--------------------------------|---------------|---------------|---------------|
| Total assets (million yen)     | 616,016       | 596,280       | 622,243       |
| Owners' equity (million yen)   | 212,294       | 213,425       | 212,963       |
| Owners' equity ratio           | 30.6%         | 32.0%         | 30.5%         |
| Owners' equity per share (yen) | 719.10        | 727.81        | 723.04        |

- Notes (1) Figures of less than 1 million yen are omitted.  
 (2) The number of consolidated subsidiaries: 65  
 (3) The number of non-consolidated subsidiaries: 15  
 (4) The number of affiliates: 14

# Balance Sheet

|  | (millions of yen)    |                      |                      |
|--|----------------------|----------------------|----------------------|
|  | <u>Mar. 31, 2011</u> | <u>Dec. 31, 2010</u> | <u>Mar. 31, 2010</u> |
| <b>Assets</b>                              |                      |                      |                      |
| <b>Current assets:</b>                     |                      |                      |                      |
| Cash and time deposits                     | 29,405               | 35,391               | 25,811               |
| Notes and accounts receivable - trade      | 118,773              | 130,398              | 110,155              |
| Securities                                 | —                    | —                    | 200                  |
| Inventories                                | 101,817              | 85,570               | 80,612               |
| Other                                      | 28,051               | 31,664               | 21,957               |
| Allowance for doubtful accounts            | (1,380)              | (1,540)              | (1,750)              |
| <b>Total current assets</b>                | <b>276,667</b>       | <b>281,485</b>       | <b>236,986</b>       |
| <b>Fixed assets:</b>                       |                      |                      |                      |
| <b>Property, plant and equipment</b>       |                      |                      |                      |
| Buildings and structures                   | 66,307               | 66,057               | 69,919               |
| Machinery, equipment and vehicles          | 98,249               | 97,019               | 105,027              |
| Other                                      | 64,126               | 62,452               | 59,265               |
| <b>Total property, plant and equipment</b> | <b>228,682</b>       | <b>225,530</b>       | <b>234,212</b>       |
| <b>Intangible fixed assets</b>             |                      |                      |                      |
| Goodwill                                   | 8,011                | 8,163                | 7,279                |
| Trademarks and other                       | 8,096                | 8,115                | 9,400                |
| <b>Total intangible fixed assets</b>       | <b>16,107</b>        | <b>16,278</b>        | <b>16,680</b>        |
| <b>Investments and other assets</b>        |                      |                      |                      |
| Investments in securities                  | 51,910               | 56,129               | 61,395               |
| Other                                      | 43,847               | 44,019               | 48,355               |
| Allowance for doubtful accounts            | (1,200)              | (1,200)              | (1,350)              |
| <b>Total investments and other assets</b>  | <b>94,558</b>        | <b>98,949</b>        | <b>108,400</b>       |
| <b>Total assets</b>                        | <b>616,016</b>       | <b>622,243</b>       | <b>596,280</b>       |

## Balance Sheet

|   |                      | (millions of yen)    |                      |
|---|----------------------|----------------------|----------------------|
|   | <u>Mar. 31, 2011</u> | <u>Dec. 31, 2010</u> | <u>Mar. 31, 2010</u> |
| <b>Liabilities and Shareholders' Equity</b> |                      |                      |                      |
| <b>Current liabilities:</b>                 |                      |                      |                      |
| Notes and accounts payable - trade          | 66,375               | 72,813               | 58,350               |
| Bonds                                       | 20,000               | 20,000               | 10,000               |
| Commercial paper                            | —                    | —                    | 3,000                |
| Short-term borrowings                       | 78,930               | 67,984               | 66,029               |
| Accrued income taxes                        | 1,042                | 8,338                | 3,626                |
| Provision                                   | 8,853                | 6,858                | 6,809                |
| Other                                       | 45,514               | 50,179               | 36,112               |
| <b>Total current liabilities</b>            | <b>220,717</b>       | <b>226,174</b>       | <b>183,928</b>       |
| <b>Long-term liabilities:</b>               |                      |                      |                      |
| Bonds                                       | 55,000               | 55,000               | 75,000               |
| Long-term debt                              | 93,081               | 94,137               | 91,990               |
| Accrued retirement and severance benefits   | 11,929               | 11,955               | 11,247               |
| Other provision                             | 203                  | 303                  | 300                  |
| Other                                       | 22,791               | 21,708               | 20,387               |
| <b>Total long-term liabilities</b>          | <b>183,005</b>       | <b>183,105</b>       | <b>198,926</b>       |
| <b>Total liabilities</b>                    | <b>403,722</b>       | <b>409,279</b>       | <b>382,854</b>       |

|   |                      | (millions of yen)    |                      |
|---|----------------------|----------------------|----------------------|
|   | <u>Mar. 31, 2011</u> | <u>Dec. 31, 2010</u> | <u>Mar. 31, 2010</u> |
| <b>Net Assets</b>                                     |                      |                      |                      |
| <b>Shareholder's equity</b>                           |                      |                      |                      |
| Common Stock  | 42,658               | 42,658               | 42,658               |
| Capital surplus                                       | 38,661               | 38,661               | 38,661               |
| Retained Earnings                                     | 121,151              | 127,595              | 112,892              |
| Treasury stock, at cost                               | (537)                | (537)                | (534)                |
| <b>Total shareholder's equity</b>                     | <b>201,932</b>       | <b>208,377</b>       | <b>193,677</b>       |
| <b>Valuation and Translation Adjustments</b>          |                      |                      |                      |
| Valuation difference on available-for-sale securities | 3,639                | 3,420                | 4,147                |
| Deferred gains or losses on hedges                    | (23)                 | (137)                | (123)                |
| Foreign currency translation adjustment               | (16,899)             | (21,976)             | (6,766)              |
| <b>Total valuation and translation adjustments</b>    | <b>(13,283)</b>      | <b>(18,693)</b>      | <b>(2,741)</b>       |
| <b>Minority interests in income</b>                   | <b>23,644</b>        | <b>23,279</b>        | <b>22,489</b>        |
| <b>Total net assets</b>                               | <b>212,294</b>       | <b>212,963</b>       | <b>213,425</b>       |
| <b>Total liabilities and net assets</b>               | <b>616,016</b>       | <b>622,243</b>       | <b>596,280</b>       |

## Statement of Income

|  | (millions of yen)     |                      |                      |
|--|-----------------------|----------------------|----------------------|
|  | <u>3 months ended</u> |                      | <u>Year ended</u>    |
|  | <u>Mar. 31, 2011</u>  | <u>Mar. 31, 2010</u> | <u>Dec. 31, 2010</u> |
| Net Sales                                    | 145,072               | 134,120              | 604,548              |
| Cost of sales                                | 93,875                | 84,008               | 387,678              |
| <b>Gross Profit</b>                          | <b>51,196</b>         | <b>50,111</b>        | <b>216,870</b>       |
| Selling, general and administrative expenses | 41,484                | 40,341               | 169,299              |
| <b>Operating income</b>                      | <b>9,711</b>          | <b>9,770</b>         | <b>47,571</b>        |
| Non-operating income:                        |                       |                      |                      |
| Interest and dividends income                | 158                   | 170                  | 754                  |
| Other  | 2,409                 | 2,235                | 4,112                |
|  | 2,567                 | 2,405                | 4,866                |
| Non-operating expenses:                      |                       |                      |                      |
| Interest expenses                            | 1,165                 | 1,071                | 4,276                |
| Other  | 540                   | 907                  | 5,682                |
|  | 1,706                 | 1,978                | 9,959                |
| <b>Ordinary income</b>                       | <b>10,573</b>         | <b>10,197</b>        | <b>42,478</b>        |
| Extraordinary loss                           | 4,220                 | 135                  | 6,277                |
| <b>Income before income taxes</b>            | <b>6,352</b>          | <b>10,061</b>        | <b>36,201</b>        |
| Income taxes                                 | 1,173                 | 3,348                | 11,735               |
| Income before minority interests             | 5,179                 | —                    | —                    |
| Minority interests in income                 | 936                   | 844                  | 3,038                |
| <b>Net income</b>                            | <b>4,242</b>          | <b>5,868</b>         | <b>21,427</b>        |

## Segment Information

### Information by industry segment

|                                  | (millions of yen) |                |                |
|----------------------------------|-------------------|----------------|----------------|
|                                  | 3 months ended    |                | Year ended     |
|                                  | Mar. 31, 2011     | Mar. 31, 2010  | Dec. 31, 2010  |
| <b>Net sales:</b>                |                   |                |                |
| Tires-                           |                   |                |                |
| Sales to unaffiliated customers  | 124,311           | 111,574        | 513,774        |
| Intersegment sales and transfers | 5                 | 7              | 26             |
|                                  | 124,316           | 111,582        | 513,801        |
| Sports-                          |                   |                |                |
| Sales to unaffiliated customers  | 13,606            | 15,733         | 63,224         |
| Intersegment sales and transfers | 39                | 70             | 330            |
|                                  | 13,646            | 15,804         | 63,555         |
| Industrial and other products-   |                   |                |                |
| Sales to unaffiliated customers  | 7,153             | 6,812          | 27,549         |
| Intersegment sales and transfers | 14                | 11             | 45             |
|                                  | 7,168             | 6,823          | 27,594         |
| Adjustments and eliminations     | (58)              | (89)           | (401)          |
|                                  | <b>145,072</b>    | <b>134,120</b> | <b>604,548</b> |
| <b>Operating income:</b>         |                   |                |                |
| Tires                            | 8,465             | 7,212          | 39,412         |
| Sports                           | 702               | 1,900          | 6,114          |
| Industrial Products              | 542               | 654            | 2,122          |
|                                  | 9,710             | 9,767          | 47,649         |
| Adjustments and eliminations     | 1                 | 2              | (77)           |
|                                  | <b>9,711</b>      | <b>9,770</b>   | <b>47,571</b>  |