

# FLASH REPORT

**Consolidated Interim Financial Results for the period from January 1 to June 30, 2011**

*Sumitomo Rubber Industries, Ltd. announced its consolidated interim financial results for the period from January 1 to June 30, 2011*

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

**CONSOLIDATED FIGURES (Half year ended June 30, 2011)**
**OPERATING RESULTS**

	6 months ended		Year ended
	Jun. 30, 2011	Jun. 30, 2010	Dec. 31, 2010
Net sales (million yen)	<b>299,716</b>	280,797	604,548
Operating income (million yen)	<b>19,779</b>	20,342	47,571
Ordinary income* (million yen)	<b>18,852</b>	18,780	42,478
Net income (million yen)	<b>8,936</b>	10,438	21,427
Net income per share (yen)	<b>34.06</b>	39.78	81.67
Diluted net income per share (yen)	-	-	-

\*Before extraordinary profit and loss and income taxes.

**FINANCIAL POSITION**

	Jun. 30, 2011	Jun. 30, 2010	Dec. 31, 2010
Total assets (million yen)	<b>633,073</b>	580,476	622,243
Owners' equity (million yen)	<b>213,434</b>	207,220	212,963
Owners' equity ratio	<b>30.0%</b>	31.8%	30.5%
Owners' equity per share (yen)	<b>723.12</b>	703.01	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: 15

## Balance Sheet

	(millions of yen)		
	<u>Jun. 30, 2011</u>	<u>Dec. 31, 2010</u>	<u>Jun. 30, 2010</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and time deposits	41,620	35,391	24,314
Notes and accounts receivable - trade	108,437	130,398	102,448
Inventories	116,740	85,570	85,376
Other	25,642	31,664	23,385
Allowance for doubtful accounts	(1,300)	(1,540)	(1,650)
<b>Total current assets</b>	<b>291,141</b>	<b>281,485</b>	<b>233,875</b>
<b>Fixed assets:</b>			
<b>Property, plant and equipment</b>			
Buildings and structures	66,622	66,057	68,157
Machinery, equipment and vehicles	97,776	97,019	103,460
Other	63,631	62,452	56,816
<b>Total property, plant and equipment</b>	<b>228,030</b>	<b>225,530</b>	<b>228,434</b>
<b>Intangible fixed assets</b>			
Goodwill	7,790	8,163	8,581
Trademarks and other	10,834	8,115	7,725
<b>Total intangible fixed assets</b>	<b>18,625</b>	<b>16,278</b>	<b>16,306</b>
<b>Investments and other assets</b>			
Investments in securities	51,794	56,129	55,144
Other	44,682	44,019	48,065
Allowance for doubtful accounts	(1,200)	(1,200)	(1,350)
<b>Total investments and other assets</b>	<b>95,277</b>	<b>98,949</b>	<b>101,859</b>
<b>Total assets</b>	<b>633,073</b>	<b>622,243</b>	<b>580,476</b>

## Balance Sheet

	(millions of yen)		
	<u>Jun. 30, 2011</u>	<u>Dec. 31, 2010</u>	<u>Jun. 30, 2010</u>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities:</b>			
Notes and accounts payable - trade	63,717	72,813	57,804
Bonds	20,000	20,000	—
Commercial paper	—	—	14,000
Short-term borrowings	82,105	67,984	63,187
Accrued income taxes	2,024	8,338	4,326
Provision	4,444	6,858	3,795
Other	44,061	50,179	35,260
<b>Total current liabilities</b>	<b>216,353</b>	<b>226,174</b>	<b>178,373</b>
<b>Long-term liabilities:</b>			
Bonds	75,000	55,000	75,000
Long-term debt	93,402	94,137	88,663
Accrued retirement and severance benefits	11,920	11,955	11,238
Other provision	197	303	295
Other	22,765	21,708	19,684
<b>Total long-term liabilities</b>	<b>203,285</b>	<b>183,105</b>	<b>194,881</b>
<b>Total liabilities</b>	<b>419,638</b>	<b>409,279</b>	<b>373,255</b>
<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	125,834	127,595	117,511
Treasury stock, at cost	(538)	(537)	(534)
<b>Total shareholder's equity</b>	<b>206,614</b>	<b>208,377</b>	<b>198,295</b>
<b>Valuation and Translation Adjustments</b>			
Valuation difference on available-for-sale securities	3,884	3,420	2,779
Deferred gains or losses on hedges	(36)	(137)	(3)
Foreign currency translation adjustment	(20,759)	(21,976)	(16,640)
<b>Total valuation and translation adjustments</b>	<b>(16,910)</b>	<b>(18,693)</b>	<b>(13,864)</b>
<b>Minority interests in income</b>	<b>23,731</b>	<b>23,279</b>	<b>22,789</b>
<b>Total net assets</b>	<b>213,434</b>	<b>212,963</b>	<b>207,220</b>
<b>Total liabilities and net assets</b>	<b>633,073</b>	<b>622,243</b>	<b>580,476</b>

## Statement of Income

	(millions of yen)		
	<u>6 months ended</u>		<u>Year ended</u>
	<u>Jun. 30, 2011</u>	<u>Jun. 30, 2010</u>	<u>Dec. 31, 2010</u>
Net Sales	299,716	280,797	604,548
Cost of sales	195,429	178,974	387,678
<b>Gross Profit</b>	<b>104,287</b>	<b>101,822</b>	<b>216,870</b>
Selling, general and administrative expenses	84,507	81,480	169,299
<b>Operating income</b>	<b>19,779</b>	<b>20,342</b>	<b>47,571</b>
Non-operating income:			
Interest and dividends income	448	488	754
Other	2,015	2,798	4,112
	2,464	3,287	4,866
Non-operating expenses:			
Interest expenses	2,316	2,138	4,276
Other	1,074	2,710	5,682
	3,391	4,848	9,959
<b>Ordinary income</b>	<b>18,852</b>	<b>18,780</b>	<b>42,478</b>
Extraordinary loss	5,221	361	6,277
<b>Income before income taxes</b>	<b>13,630</b>	<b>18,418</b>	<b>36,201</b>
Income taxes	3,107	6,383	11,735
Income before minority interests	10,523	—	—
Minority interests in income	1,587	1,596	3,038
<b>Net income</b>	<b>8,936</b>	<b>10,438</b>	<b>21,427</b>

## Segment Information

### Information by industry segment

	(millions of yen)		
	<u>6 months ended</u>		<u>Year ended</u>
	<u>Jun. 30, 2011</u>	<u>Jun. 30, 2010</u>	<u>Dec. 31, 2010</u>
<b>Net sales:</b>			
Tires-			
Sales to unaffiliated customers	257,723	234,310	513,774
Intersegment sales and transfers	10	12	26
	<hr/> 257,734	<hr/> 234,323	<hr/> 513,801
Sports-			
Sales to unaffiliated customers	28,309	33,235	63,224
Intersegment sales and transfers	117	177	330
	<hr/> 28,427	<hr/> 33,413	<hr/> 63,555
Industrial and other products-			
Sales to unaffiliated customers	13,683	13,251	27,549
Intersegment sales and transfers	30	19	45
	<hr/> 13,713	<hr/> 13,270	<hr/> 27,594
Adjustments and eliminations	(158)	(210)	(401)
	<hr/> <b>299,716</b>	<hr/> <b>280,797</b>	<hr/> <b>604,548</b>
<b>Operating income:</b>			
Tires	18,008	15,361	39,412
Sports	1,203	4,103	6,114
Industrial Products	565	873	2,122
	<hr/> 19,776	<hr/> 20,338	<hr/> 47,649
Adjustments and eliminations	2	3	(77)
	<hr/> <b>19,779</b>	<hr/> <b>20,342</b>	<hr/> <b>47,571</b>