

FLASH REPORT

Consolidated Interim Financial Results for the period from January 1 to June 30, 2013

Sumitomo Rubber Industries, Ltd. announced its consolidated interim financial results for the period from January 1 to June 30, 2013

(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, 2013)
OPERATING RESULTS

6 months ended

	Jun. 30, 2012	Jun. 30, 2013
Net sales (millions of yen)	333,734	345,886
Operating income (millions of yen)	32,265	29,728
Ordinary income* (millions of yen)	30,323	27,716
Net income (millions of yen)	16,422	15,478
Net income per share (yen)	62.60	59.00

*Before extraordinary profit and loss and income taxes.

FINANCIAL POSITION

	Dec. 31, 2012	Jun. 30, 2013
Total assets (millions of yen)	737,528	774,845
Net Assets (millions of yen)	271,102	311,396
Owners' equity ratio	33.1%	36.6%

Notes (1) Figures of less than 1 million yen are omitted.

(2) The number of consolidated subsidiaries: 69

(3) The number of non-consolidated subsidiaries: 11

(4) The number of affiliates: 14

Consolidated Balance Sheets

(millions of yen)

	<u>Dec. 31, 2012</u>	<u>Jun. 30, 2013</u>
Assets		
Current assets:		
Cash and time deposits	33,514	35,815
Notes and accounts receivable - trade	162,925	148,417
Merchandise and finished goods	78,808	95,274
Work in process	5,180	5,234
Raw materials and supplies	38,919	39,036
Other	38,365	31,531
Allowance for doubtful accounts	(1,540)	(1,473)
Total current assets	356,174	353,837
Fixed assets:		
Property, plant and equipment		
Buildings and structures (net)	74,871	80,248
Machinery, equipment and vehicles (net)	110,660	118,756
Other	85,292	99,064
Net property, plant and equipment	270,824	298,069
Intangible fixed assets		
Goodwill	6,413	5,974
Other	12,704	15,219
Total intangible fixed assets	19,118	21,194
Investments and other assets		
Investments in securities	47,905	55,888
Other	44,494	46,890
Allowance for doubtful accounts	(990)	(1,035)
Total investments and other assets	91,410	101,744
Total fixed assets	381,353	421,008
Total assets	737,528	774,845

Consolidated Balance Sheets

	(millions of yen)	
	<u>Dec. 31, 2012</u>	<u>Jun. 30, 2013</u>
Liabilities		
Current liabilities:		
Notes and accounts payable - trade	72,806	70,180
Current portion of bonds	10,000	20,000
Commercial paper	3,000	-
Short-term borrowings	68,384	91,614
Current portion of long-term debt	14,112	15,752
Accrued income taxes	15,642	5,242
Provision	7,107	5,781
Other	61,617	51,654
Total current liabilities	252,671	260,224
Long-term liabilities:		
Bonds	65,000	45,000
Long-term debt	110,142	116,247
Accrued retirement benefits	12,777	13,401
Other provision	162	116
Other	25,671	28,458
Total long-term liabilities	213,753	203,224
Total liabilities	466,425	463,448

	(millions of yen)	
	<u>Dec. 31, 2012</u>	<u>Jun. 30, 2013</u>
Net Assets		
Shareholder's equity		
Common Stock	42,658	42,658
Capital surplus	38,661	38,661
Retained Earnings	188,699	198,503
Treasury stock, at cost	(542)	(547)
Total shareholder's equity	269,476	279,275
Accumulated other comprehensive income		
Net unrealized gains and losses on available-for-sale securities	4,736	8,298
Deferred gains and losses on hedges	158	(177)
Currency translation adjustments	(8,736)	17,234
Adjustments for retirement obligation of foreign affiliates	(21,470)	(21,089)
Total accumulated other comprehensive income	(25,311)	4,266
Minority interests	26,938	27,854
Total net assets	271,102	311,396
Total liabilities and net assets	737,528	774,845

Consolidated Statements of Income

	(millions of yen)	
	6 months ended	
	Jun. 30, 2012	Jun. 30, 2013
Net Sales	333,734	345,886
Cost of sales	213,442	217,766
Gross Profit	120,292	128,119
Selling, general and administrative expenses	88,026	98,391
Operating income	32,265	29,728
Other income:		
Interest income	442	438
Dividends income	213	269
Equity in earnings of affiliates	244	-
Gain on valuation of derivatives	193	2,085
Other	1,198	979
	2,292	3,772
Other expenses:		
Interest expenses	2,363	2,465
Foreign exchange losses	1,109	1,174
Equity in losses of affiliates	-	1,207
Other	760	937
	4,234	5,785
Ordinary income	30,323	27,716
Extraordinary income		
Gain on sales of noncurrent assets	-	578
	-	578
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	477	293
Impairment loss	18	50
Loss on voluntary recall of products	521	-
	1,017	343
Income before income taxes	29,306	27,951
Income taxes	9,996	10,360
Income before minority interests	19,310	17,590
Minority interests in income	2,887	2,111
Net income	16,422	15,478

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	6 months ended	
	Jun. 30, 2012	Jun. 30, 2013
Income before minority interests	19,310	17,590
Other comprehensive income		
Net unrealized gains and losses on available-for-sale securities	431	3,596
Deferred gains and losses on hedges	46	(335)
Currency translation adjustments	678	23,901
Adjustments for retirement obligation of foreign affiliates	29	28
Share of other comprehensive income of affiliates under equity method	60	3,520
	1,246	30,710
Comprehensive income	20,556	48,300
Comprehensive income attributed to:		
Owners of the Company	17,574	45,057
Minority interests	2,981	3,243

Segment Information

Information by reportable segment

	(millions of yen)	
	6 months ended	
	<u>Jun. 30, 2012</u>	<u>Jun. 30, 2013</u>
Net sales:		
Tires-		
Sales to unaffiliated customers	287,986	297,786
Intersegment sales and transfers	6	6
	<hr/> 287,993	<hr/> 297,793
Sports-		
Sales to unaffiliated customers	31,724	32,731
Intersegment sales and transfers	166	169
	<hr/> 31,891	<hr/> 32,901
Industrial and other products-		
Sales to unaffiliated customers	14,023	15,367
Intersegment sales and transfers	18	54
	<hr/> 14,042	<hr/> 15,422
Adjustments and eliminations	(192)	(231)
	<hr/> 333,734	<hr/> 345,886
Operating income:		
Tires	27,970	26,328
Sports	3,440	2,345
Industrial and other products	853	1,048
	<hr/> 32,263	<hr/> 29,722
Adjustments and eliminations	2	6
	<hr/> 32,265	<hr/> 29,728