

FLASH REPORT

Consolidated Quarterly Financial Results for the period from January 1 to September 30, 2013

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

(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, 2013)
OPERATING RESULTS

	9 months ended	
	Sep. 30, 2012	Sep. 30, 2013
Net sales (millions of yen)	499,961	531,985
Operating income (millions of yen)	43,714	42,964
Ordinary income* (millions of yen)	41,818	40,582
Net income (millions of yen)	23,020	24,746
Net income per share (yen)	87.75	94.33

*Before extraordinary profit and loss and income taxes.

FINANCIAL POSITION

	Dec. 31, 2012	Sep. 30, 2013
Total assets (millions of yen)	737,528	796,062
Net Assets (millions of yen)	271,102	317,892
Owners' equity ratio	33.1%	36.5%

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

(2) The number of consolidated subsidiaries: 68

(3) The number of non-consolidated subsidiaries: 12

(4) The number of affiliates: 14

Consolidated Balance Sheets

(millions of yen)

Dec. 31, 2012

Sep. 30, 2013

Assets

Current assets:

Cash and time deposits	33,514	34,557
Notes and accounts receivable - trade	162,925	152,786
Merchandise and finished goods	78,808	94,374
Work in process	5,180	5,632
Raw materials and supplies	38,919	42,679
Other	38,365	40,982
Allowance for doubtful accounts	(1,540)	(1,570)
Total current assets	356,174	369,442

Noncurrent assets:

Property, plant and equipment

Buildings and structures (net)	74,871	86,644
Machinery, equipment and vehicles (net)	110,660	122,293
Other (net)	85,292	90,515
Net property, plant and equipment	270,824	299,454

Intangible assets

Goodwill	6,413	5,744
Other	12,704	15,669
Total intangible assets	19,118	21,414

Investments and other assets

Investments in securities	47,905	62,950
Other	44,494	43,810
Allowance for doubtful accounts	(990)	(1,010)
Total investments and other assets	91,410	105,750

Total noncurrent assets	381,353	426,619
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Total assets	737,528	796,062
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Consolidated Balance Sheets

	(millions of yen)	
	<u>Dec. 31, 2012</u>	<u>Sep. 30, 2013</u>
Liabilities		
Current liabilities:		
Notes and accounts payable - trade	72,806	62,873
Current portion of bonds	10,000	20,000
Commercial paper	3,000	18,000
Short-term borrowings	68,384	83,612
Current portion of long-term debt	14,112	25,745
Accrued income taxes	15,642	2,836
Provision	7,107	10,916
Other	61,617	51,492
Total current liabilities	252,671	275,476
Long-term liabilities:		
Bonds	65,000	45,000
Long-term debt	110,142	114,761
Accrued retirement benefits	12,777	13,347
Other provision	162	119
Other	25,671	29,465
Total long-term liabilities	213,753	202,693
Total liabilities	466,425	478,170

	(millions of yen)	
	<u>Dec. 31, 2012</u>	<u>Sep. 30, 2013</u>
Net Assets		
Shareholder's equity		
Common Stock	42,658	42,658
Capital surplus	38,661	38,661
Retained Earnings	188,699	204,617
Treasury stock, at cost	(542)	(549)
Total shareholder's equity	269,476	285,386
Accumulated other comprehensive income		
Net unrealized gains and losses on available-for-sale securities	4,736	10,163
Deferred gains and losses on hedges	158	(1)
Currency translation adjustments	(8,736)	15,914
Adjustments for retirement obligation of foreign affiliates	(21,470)	(20,928)
Total accumulated other comprehensive income	(25,311)	5,147
Minority interests	26,938	27,357
Total net assets	271,102	317,892
Total liabilities and net assets	737,528	796,062

Consolidated Statements of Income

	(millions of yen)	
	9 months ended	
	Sep. 30, 2012	Sep. 30, 2013
Net Sales	499,961	531,985
Cost of sales	323,276	337,937
Gross Profit	176,684	194,047
Selling, general and administrative expenses	132,970	151,083
Operating income	43,714	42,964
Other income:		
Interest income	637	744
Dividends income	228	273
Equity in earnings of affiliates	833	-
Gain on valuation of derivatives	-	2,026
Other	2,043	1,655
	3,743	4,699
Other expenses:		
Interest expenses	3,513	3,690
Foreign exchange losses	35	1,789
Equity in losses of affiliates	-	171
Other	2,091	1,429
	5,639	7,081
Ordinary income	41,818	40,582
Extraordinary income		
Gain on sales of noncurrent assets	-	607
Subsidy income	500	-
	500	607
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	633	421
Loss on sales of stocks of subsidiaries and affiliates	-	308
Impairment loss	37	98
Loss on voluntary recall of products	521	-
	1,192	828
Income before income taxes	41,125	40,361
Income taxes	14,316	13,724
Income before minority interests	26,808	26,636
Minority interests in income	3,788	1,889
Net income	23,020	24,746

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	9 months ended	
	Sep. 30, 2012	Sep. 30, 2013
Income before minority interests	26,808	26,636
Other comprehensive income		
Net unrealized gains and losses on available-for-sale securities	(49)	5,484
Deferred gains and losses on hedges	30	(160)
Currency translation adjustments	(599)	21,917
Adjustments for retirement obligation of foreign affiliates	48	56
Share of other comprehensive income of affiliates under equity method	(48)	4,326
	(618)	31,624
Comprehensive income	26,189	58,261
Comprehensive income attributed to:		
Owners of the Company	22,349	55,205
Minority interests	3,840	3,055

Segment Information

Information by reportable segment

	(millions of yen)	
	9 months ended	
	<u>Sep. 30, 2012</u>	<u>Sep. 30, 2013</u>
Net sales:		
Tires-		
Sales to unaffiliated customers	433,055	460,883
Intersegment sales and transfers	9	10
	<hr/> 433,065	<hr/> 460,894
Sports-		
Sales to unaffiliated customers	45,747	47,518
Intersegment sales and transfers	233	237
	<hr/> 45,981	<hr/> 47,755
Industrial and other products-		
Sales to unaffiliated customers	21,157	23,583
Intersegment sales and transfers	44	69
	<hr/> 21,202	<hr/> 23,652
Adjustments and eliminations	(288)	(317)
	<hr/> 499,961	<hr/> 531,985
Operating income:		
Tires	38,422	38,521
Sports	3,940	2,500
Industrial and other products	1,349	1,935
	<hr/> 43,711	<hr/> 42,957
Adjustments and eliminations	3	7
	<hr/> 43,714	<hr/> 42,964