

**Consolidated Financial Results
for the Three Months Ended March 31, 2015
[Japanese GAAP]**



May 7, 2015

Company name : Sumitomo Rubber Industries, Ltd.
 Stock exchange listing : Tokyo Stock Exchange
 Code number : 5110
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 Scheduled date of filing quarterly securities report : May 8, 2015
 Scheduled date of commencing dividend payments : -
 Supplementary documents for quarterly financial results : Yes
 Quarterly financial results briefing session : Yes (for institutional investors)

(Amounts of less than one million yen are rounded to the nearest unit.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2015 (January 1, 2015 to March 31, 2015)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2015	185,160	(2.9)	12,125	(34.4)	12,011	(32.8)	7,694	(29.3)
March 31, 2014	190,710	16.4	18,478	23.5	17,882	24.4	10,877	21.0

(Note) Comprehensive income: Three months ended March 31, 2015: ¥ (4,731) million (-%)

Three months ended March 31, 2014: ¥ 4,853 million (decrease of 84.8%)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
March 31, 2015	29.33	-
March 31, 2014	41.47	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2015	939,957	426,993	42.1	1,506.96
December 31, 2014	973,587	446,960	42.5	1,575.82

(Reference) Equity: As of March 31, 2015 : ¥ 395,307 million

As of December 31, 2014 : ¥ 413,374 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2014	-	20.00	-	30.00	50.00
December 31, 2015	-				
Fiscal year ending December 31, 2015 (Forecast)		25.00	-	25.00	50.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2015 (January 1, 2015 to December 31, 2015)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	400,000	5.6	30,000	(14.5)	29,000	(17.3)	18,000	(17.6)	68.62
Full year	900,000	7.4	90,000	4.3	88,000	0.0	55,000	3.4	209.67

(Note) Revision to the financial results forecast announced most recently: No

Notes:

- (1) Changes in Significant Subsidiaries during the Three Months Ended March 31, 2015
(changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Adoption of Accounting Methods Specific to Preparation of Quarterly Consolidated Financial Statements : None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards : Yes
 - 2) Changes in accounting policies other than 1) : None
 - 3) Changes in accounting estimates : None
 - 4) Retrospective restatement : None
- (4) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the period (including treasury stock):

March 31, 2015	: 263,043,057 shares
December 31, 2014	: 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period:

March 31, 2015	: 721,845 shares
December 31, 2014	: 720,365 shares
 - 3) Average number of shares during the period:

Three months ended March 31, 2015	: 262,322,085 shares
Three months ended March 31, 2014	: 262,327,076 shares

* Presentation regarding the implementation status of the quarterly review procedures

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act have not been completed.

* Explanation of the proper use of financial results forecast and other notes

The earnings projections and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to Sumitomo Rubber Industries, Ltd. (the “Company”) and its group companies (collectively, the “Group”) and include potential risks and uncertainty. Actual results could differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.

With regard to the matters related to the underlying assumptions for the above forecasts, please refer to page 5 of the attached documents to the Consolidated Financial Results for the Period under Review, “1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Future Forecast.”

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

	For the three months ended March 31, 2015	For the three months ended March 31, 2014	Increase (Decrease)
	Millions of yen	Millions of yen	%
Net sales	185,160	190,710	(2.9)
Tires	158,713	165,873	(4.3)
Sports	17,034	15,617	9.1
Industrial and Other Products	9,413	9,220	2.1
Operating income (Loss)	12,125	18,478	(34.4)
Tires	11,916	16,519	(27.9)
Sports	(242)	618	-
Industrial and Other Products	449	1,337	(66.4)
Adjustments	2	4	-
Ordinary income	12,011	17,882	(32.8)
Net income	7,694	10,877	(29.3)

Foreign exchange rates applied

	For the three months ended March 31, 2015	For the three months ended March 31, 2014	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	119	103	16
Yen / Euro	134	141	(7)

During the three months ended March 31, 2015, the overall global economy was weak as a whole due to the following factors. Although the U.S. economy saw continued expansion on a moderate pace, the recovery of the European economies remained stagnant and further slowdown in economic growth was seen in China. In some emerging markets including Russia and Brazil, economic stagnation became apparent.

The Japanese economy saw a continued improvement in corporate earnings due to sustained yen depreciation. However, the economic climate was slow as a whole, mainly due to the prolonged low personal consumption after the consumption tax hike in April 2014.

Looking at the business environment surrounding the Sumitomo Rubber Group, despite prices in the natural rubber market remaining at low levels and improvements in the export environment due to yen depreciation, business conditions remained severe due to factors such as intensified competition with our competitors in the overseas replacement market and weakening market conditions in many countries and regions.

Under these circumstances, the Group pursued various group-wide initiatives to achieve its long-term "VISION 2020" targets for fiscal 2020 aimed at driving business growth and improving profitability. However, the sales volume decreased compared to the same period of the previous fiscal year due to the deteriorating sales environment in our leading tire business.

As a result, for the three months ended March 31, 2015, consolidated net sales of the Group decreased 2.9% from the same period of the previous fiscal year to ¥185,160 million, consolidated operating income decreased 34.4% to ¥12,125 million, consolidated ordinary income decreased 32.8% to ¥12,011 million and consolidated net income decreased 29.3% to ¥7,694 million, and resulted in decrease both in income and profit.

Business performance by business segment was as follows.

Tire Business

Net sales in the tire business decreased 4.3% from the same period of the previous fiscal year to ¥158,713 million, and operating income decreased 27.9% to ¥11,916 million.

In the domestic replacement market, although we made efforts to expand sales centering on the “ENASAVE” series, long-lasting fuel-efficient tires under the Dunlop brand, sales volume significantly fell below the same period of the previous fiscal year, and sales fell below the same period of the previous fiscal year due to low sales of studless snow tires during the current period, and the temporary rise in demand that occurred accompanying the increase in the consumption tax rate in the same period of the previous fiscal year.

In the domestic original equipment market, sales fell below the level of the same period of the previous fiscal year due to the decrease in sales volume from automobile production volume falling below the same period of the previous fiscal year due to low consumer sentiment accompanying the increase in the consumption tax rate, despite our continued efforts to expand the volume delivered of high-value-added tires mainly focusing on fuel-efficient tires.

In the overseas replacement market, sales exceeded the level of the same period of the previous fiscal year due to factors including the effect of yen depreciation in addition to the increase in sales volume from expansion of the U.S. economy despite low consumption in markets such as Europe, Russia and Brazil and severe market condition due to the effect of the depreciation of local currencies.

In the overseas original equipment market, sales exceeded the level of the same period of the previous fiscal year due to an expansion of new volume delivered in Europe and North America, in addition to increased sales volume in Thailand where economy is recovering despite the decrease in sales volume in Indonesia from stagnation in the economy in addition to the production adjustment by Japanese automakers in China.

As a result, net sales in the tire business fell below the level of the same period of the previous fiscal year.

Sports Business

Net sales in the sports business increased 9.1% from the same period of the previous fiscal year to ¥17,034 million, and recorded operating loss of ¥242 million (the same period of the previous year recorded operating profit of ¥618 million)

In the domestic market, sales decreased from the same period of the previous fiscal year due to factors such as our flagship “XXIO 8” golf clubs reaching two years since its introduction, and the temporary rise in demand accompanying the increase in the consumption tax rate in the same period of the previous fiscal year, despite the introduction of new products in the golf equipment market such as a golf ball “XXIO AERO DRIVE,” which was introduced in March, with improvement for longer distance and softer feeling.

In overseas golf equipment markets, sales exceeded the level of the same period of the previous fiscal year due to factors including the effect of yen depreciation, despite sluggish sales in Europe, North America, China, and Southeast Asia led by slowdown of the economies.

In addition, the wellness business we entered in the fourth quarter of fiscal 2014 contributed to the increase in sales.

As a result, net sales in the sports business exceeded the level of the same period of the previous fiscal year.

Industrial and Other Products Business

Net sales in the industrial and other products business increased 2.1% from the same period of the previous fiscal year to ¥9,413 million, and operating income decreased 66.4% to ¥449 million.

In the domestic market, although sales were sluggish due to stagnant consumer spending and public investments, sales of precision rubber parts for printers and photocopiers steadily increased overseas, and the business expanded due to making a Swiss medical rubber parts company into our subsidiary in January.

As a result, net sales in the industrial and other products business exceeded the level of the same period of the previous fiscal year.

(2) Explanation of Financial Position

	As of March 31, 2015	As of December 31, 2014	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	939,957	973,587	(33,630)
Net assets	426,993	446,960	(19,967)
[excluding minority interests]	[395,307]	[413,374]	[(18,067)]
Equity ratio (%)	42.1	42.5	(0.4)
Net assets per share	1,506.96 yen	1,575.82 yen	(68.86) yen

The financial position of the Group at the end of the first quarter of the consolidated fiscal year under review was as follows.

Total assets decreased ¥33,630million from the end of the previous fiscal year to ¥939,957 million as a result of a decrease in notes and accounts receivable - trade due to seasonal factors, etc.

Total liabilities decreased ¥13,663 million from the end of the previous fiscal year to ¥512,964million mainly due to a decrease in notes and accounts payable - trade.

Net assets decreased ¥19,967 million from the end of the previous fiscal year to ¥426,993million as a result of factors including a decrease in foreign currency translation adjustment due to cash dividends paid and yen appreciation despite recording of ¥7,694 million in net income. As a result, equity ratio was 42.1%, a decrease of 0.4% from the end of the previous fiscal year.

(3) Consolidated Financial Results Forecast and Other Future Forecast

Although there were changes in the environment such as exchange rate fluctuations and a drop in crude oil prices, as the results for the three months ended March 31, 2015 progressed in general as initially planned, no revisions have been made to the six-months and full year financial results forecast in the Consolidated Financial Results for the Fiscal Year Ending December 31, 2015, which we announced on February 12, 2015.

Consolidated Financial Results Forecast for Six Months Ending June 30, 2015 (January 1, 2015 to June 30, 2015)

	Forecast	Previous forecast	Increase (Decrease)	Change in ratio	(Reference) Results for the same period of the previous year
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Net sales	400,000	400,000	-	-	378,618
Tires	344,000	344,000	-	-	329,078
Sports	38,000	38,000	-	-	32,692
Industrial and Other Products	18,000	18,000	-	-	16,848
Operating income	30,000	30,000	-	-	35,091
Tires	29,000	29,000	-	-	31,578
Sports	0	0	-	-	1,419
Industrial and Other Products	1,000	1,000	-	-	2,086
Adjustments	-	-	-	-	8
Ordinary income	29,000	29,000	-	-	35,052
Net income	18,000	18,000	-	-	21,845

Foreign exchange rates applied

	Revised forecast	Previous forecast	Increase (Decrease)	(Reference) Rate applied for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	117	115	2	102
Yen / Euro	132	130	2	140

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2015 (January 1, 2015 to December 31, 2015)

	Forecast	Previous forecast	Increase (Decrease)	Change in ratio	(Reference) Results for the same period of the previous year
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Net sales	900,000	900,000	-	-	837,647
Tires	780,000	780,000	-	-	731,245
Sports	78,000	78,000	-	-	70,462
Industrial and Other Products	42,000	42,000	-	-	35,940
Operating income	90,000	90,000	-	-	86,251
Tires	85,000	85,000	-	-	78,416
Sports	2,000	2,000	-	-	3,170
Industrial and Other Products	3,000	3,000	-	-	4,648
Adjustments	-	-	-	-	17
Ordinary income	88,000	88,000	-	-	87,968
Net income	55,000	55,000	-	-	53,206

Foreign exchange rates applied

	Revised forecast	Previous forecast	Increase (Decrease)	(Reference) Rate applied for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	116	115	1	106
Yen / Euro	131	130	1	140

The results forecast and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to the Company and the Group as of the date of the release of this document and include potential risks and uncertainty. Please note that actual results may differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.

2. Matters Concerning Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Three Months Ended March 31, 2015

None

(2) Adoption of Accounting Methods Specific to Preparation of Quarterly Consolidated Financial Statements

None

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

(Changes in Accounting Policies)

Effective from the first quarter of the consolidated fiscal year under review, the Company has applied the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012, hereinafter the “Accounting Standard”) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015, hereinafter the “Guidance”) with respect to the provisions stated in the main clause of Article 35 of the Accounting Standard and the main clause of Article 67 of the Guidance, whereby the method of calculating retirement benefit obligations and service cost has been reviewed, and the method of attributing expected retirement benefit to periods has been changed from the straight-line basis to benefit formula basis, while the method of determining discount rates has been changed to the method using a single-weighted average discount rate reflecting the period up to the expected timing of retirement benefits payment, as well as the amount of retirement benefits payment for each period.

For the application of the Accounting Standard and other standards, in accordance with the transitional treatment stipulated by Article 37 of the Accounting Standard, effect of the change in the method of calculating retirement benefit obligation and service cost is reflected to retained earnings at the beginning of the first quarter of the consolidated fiscal year under review.

As a result, net defined benefit liability increased ¥1,110 million, net defined benefit asset (including “Other” of Investments and other assets) decreased ¥7,777 million, and retained earnings decreased ¥5,570 million at the beginning of the first quarter of the consolidated fiscal year under review. The impact on operating income, ordinary income and income before income taxes and minority interests for the three months ended March 31, 2015 was immaterial.

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	54,476	52,846
Notes and accounts receivable-trade	210,027	170,279
Merchandise and finished goods	87,901	101,814
Work in process	6,240	6,391
Raw materials and supplies	47,902	45,754
Other	35,770	37,545
Allowance for doubtful accounts	(2,020)	(1,755)
Total current assets	440,296	412,874
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	102,677	102,680
Machinery, equipment and vehicles, net	145,715	141,879
Other, net	111,563	113,572
Total property, plant and equipment	359,955	358,131
Intangible assets		
Goodwill	10,465	15,358
Other	20,185	21,618
Total intangible assets	30,650	36,976
Investments and other assets		
Investment securities	81,430	77,906
Other	62,181	54,980
Allowance for doubtful accounts	(925)	(910)
Total investments and other assets	142,686	131,976
Total noncurrent assets	533,291	527,083
Total assets	973,587	939,957

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	74,990	63,529
Commercial papers	1,000	32,000
Short-term loans payable	82,008	72,969
Current portion of long-term loans payable	28,812	34,640
Income taxes payable	12,714	3,408
Provision	7,568	9,430
Other	85,213	70,474
Total current liabilities	292,305	286,450
Noncurrent liabilities		
Bonds payable	65,000	65,000
Long-term loans payable	113,184	107,786
Net defined benefit liability	17,018	18,430
Other provision	115	118
Other	39,005	35,180
Total noncurrent liabilities	234,322	226,514
Total liabilities	526,627	512,964
Net assets		
Shareholders' equity		
Capital stock	42,658	42,658
Capital surplus	38,661	38,661
Retained earnings	265,997	260,135
Treasury stock	(559)	(562)
Total shareholders' equity	346,757	340,892
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,246	15,432
Deferred gains or losses on hedges	507	229
Foreign currency translation adjustment	62,913	50,907
Remeasurements of defined benefit plans	(11,049)	(12,153)
Total accumulated other comprehensive income	66,617	54,415
Minority interests	33,586	31,686
Total net assets	446,960	426,993
Total liabilities and net assets	973,587	939,957

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income
 Three Months Ended March 31

(Millions of yen)

	For the three months ended March 31, 2014	For the three months ended March 31, 2015
Net sales	190,710	185,160
Cost of sales	116,493	113,715
Gross profit	74,217	71,445
Selling, general and administrative expenses	55,739	59,320
Operating income	18,478	12,125
Non-operating income		
Interest income	474	538
Dividends income	8	23
Equity in earnings of affiliates	579	1,134
Other	699	779
Total non-operating income	1,760	2,474
Non-operating expenses		
Interest expenses	1,173	1,026
Foreign exchange losses	521	572
Other	662	990
Total non-operating expenses	2,356	2,588
Ordinary income	17,882	12,011
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	162	183
Impairment loss	13	118
Total extraordinary losses	175	301
Income before income taxes and minority interests	17,707	11,710
Income taxes	6,041	3,947
Income before minority interests	11,666	7,763
Minority interests in income	789	69
Net income	10,877	7,694

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended March 31

(Millions of yen)

	For the three months ended March 31, 2014	For the three months ended March 31, 2015
Income before minority interests	11,666	7,763
Other comprehensive income		
Valuation difference on available-for-sale securities	(307)	1,196
Deferred gains or losses on hedges	(408)	(277)
Foreign currency translation adjustment	(7,096)	(9,341)
Pension liability adjustments in affiliated foreign companies	14	-
Remeasurements of defined benefit plans	-	239
Share of other comprehensive income of entities accounted for using equity method	984	(4,311)
Total other comprehensive income	(6,813)	(12,494)
Comprehensive income	4,853	(4,731)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,395	(4,508)
Comprehensive income attributable to minority interests	458	(223)

(3) Notes on Quarterly Consolidated Financial Statements
 (Notes on Going Concern Assumption)
 None

(Notes in the Case of Significant Changes in Shareholders' Equity)
 None

(Segment Information, etc.)

Segment Information

I. For the three months ended March 31, 2014 (January 1, 2014 to March 31, 2014)

1. Information on net sales and the amounts of income by reportable segment

(Millions of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in Quarterly Consolidated Statements of Income (Note 2)
	Tires	Sports	Industrial and Other Products	Total		
Net sales						
Net sales to outside customers	165,873	15,617	9,220	190,710	-	190,710
Inter-segment net sales or transfers	3	94	3	100	(100)	-
Total	165,876	15,711	9,223	190,810	(100)	190,710
Segment income	16,519	618	1,337	18,474	4	18,478

(Notes)

1. The adjustment for segment income of ¥4 million includes the amounts that offset inter-segment transactions.
2. For the calculation of segment income, necessary adjustments were made to the operating income that is posted in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss of noncurrent assets or goodwill, etc. by reportable segment
 Information is omitted since it is immaterial.

II. For the three months ended March 31, 2015 (January 1, 2015 to March 31, 2015)

1. Information on net sales and the amounts of income by reportable segment

(Millions of yen)

	Reportable segment				Adjustments (Note 1)	Amount recorded in Quarterly Consolidated Statements of Income (Note 2)
	Tires	Sports	Industrial and Other Products	Total		
Net sales						
Net sales to outside customers	158,713	17,034	9,413	185,160	-	185,160
Inter-segment net sales or transfers	3	64	10	77	(77)	-
Total	158,716	17,098	9,423	185,237	(77)	185,160
Segment income (Loss)	11,916	(242)	449	12,123	2	12,125

(Notes)

1. The adjustment for segment income (Loss) of ¥2 million includes the amounts that offset inter-segment transactions.
2. For the calculation of segment income (Loss), necessary adjustments were made to the operating income that is posted in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss of noncurrent assets or goodwill, etc. by reportable segment
(Significant impairment loss of noncurrent assets)
Information is omitted since it is immaterial.

(Significant changes in amount of goodwill)

In the “Industrial and Other Products” segment, following the acquisition of Lonstroff Holding AG, this company and Lonstroff AG, its wholly owned subsidiary, has been included in the scope of consolidation. The increased amount of goodwill resulting from the relevant event was ¥4,812 million for the three months ended March 31, 2015.