

Consolidated Financial Results for the Nine Months Ended September 30, 2021 [IFRS]



November 9, 2021

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 : November 10, 2021
 Scheduled date of commencing dividend payments : -
 Supplementary documents for quarterly financial results : Yes
 Quarterly financial results briefing session : Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2021 (January 1, 2021 to September 30, 2021)

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

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Comprehensive income	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2021	657,019	21.6	32,071	306.2	29,861	358.7	20,726	-	39,773	-
September 30, 2020	540,247	(16.1)	7,896	(67.3)	6,510	(71.7)	(6,793)	-	(38,377)	-

(Note) “Business profit” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”

	Basic profit per share	Diluted profit per share	Business profit to sales revenue ratio
Nine months ended	Yen	Yen	%
September 30, 2021	78.80	-	4.9
September 30, 2020	(25.83)	-	1.5

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
September 30, 2021	1,034,397	490,253	477,512	46.2	1,815.66
December 31, 2020	974,805	467,097	454,743	46.6	1,729.05

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Nine months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2021	37,743	(37,565)	(5,537)	72,353
September 30, 2020	67,997	(36,258)	13,798	101,688

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year 2020	-	0.00	-	35.00	35.00
Fiscal year 2021	-	25.00	-		
Fiscal year 2021 (Forecast)				30.00	55.00

(Note) Revision to the dividends forecast announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021)

(% indicates changes from the previous corresponding period.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Basic profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	925,000	17.0	46,000	6.0	43,000	11.1	29,000	28.3	Yen 110.27

(Note) Revision to the financial results forecast announced most recently: Yes

Notes:

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021
(changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Changes in accounting policies and changes in accounting estimates
- 1) Changes in accounting policies required by IFRS : None
 - 2) Changes in accounting policies other than 1) : None
 - 3) Changes in accounting estimates : None
- (3) Total number of issued shares (common stock)
- 1) Total number of issued shares at the end of the period (including treasury stock)
 - September 30, 2021 : 263,043,057 shares
 - December 31, 2020 : 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period
 - September 30, 2021 : 46,598 shares
 - December 31, 2020 : 41,905 shares
 - 3) Average number of shares during the period
 - Nine months ended September 30, 2021 : 262,998,854 shares
 - Nine months ended September 30, 2020 : 263,002,805 shares

* Consolidated financial results are outside the scope of the quarterly review procedures to be conducted by certified public accountants or auditing firms.

* 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 do not constitute any promises by the Company that they will be realized. 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 4 of the attached documents of 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) Operating Results

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	540,247	657,019	21.6
Tires	461,029	551,895	19.7
Sports	49,799	76,102	52.8
Industrial and Other Products	29,419	29,022	(1.4)
Business profit (loss)	7,896	32,071	306.2
Tires	7,713	23,297	202.1
Sports	(1,861)	7,164	-
Industrial and Other Products	2,032	1,577	(22.4)
Adjustments	12	33	-
Operating profit	6,510	29,861	358.7
Profit (Loss) attributable to owners of parent	(6,793)	20,726	-

(Note) “Business profit (loss)” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”

Foreign exchange rates applied

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	108	109	1
Yen / Euro	121	130	9

During the nine months ended September 30, 2021, the outlook of the global economy continued to recover as a whole, although it continued to face harsh conditions in some areas due to the impact of COVID-19.

The Japanese economy witnessed signs of weakness in personal consumption and exports, but there have been solid developments in production and the employment situation. Although the economy overall continues to pick up while it remains severe, the pace of recovery has slowed down.

The business environment surrounding the Group was impacted mainly due to the effects of the rising prices of natural rubber and petroleum-based raw materials as well as soaring marine transport costs, although there were positive signs, such as the recovery trend in many markets including the US and Chinese markets, in addition to the improvement in the export environment due to the weakening of the yen against other currencies.

Under these circumstances, the Group strongly promoted company-wide projects to reinforce our business foundation with the goal of accomplishing the Mid-Term Plan, which sets 2025 as the target year. At the same time, we worked to strengthen our competitive advantage in a global structure through such efforts as developing and expanding sales of high-performance products that meet the needs of customers in each region, with the aim of maximizing the effects of the manufacturing and sales bases we have established in major markets around the world.

As a result, sales revenue of the Group increased 21.6% from the same period of the previous fiscal year to ¥657,019 million, business profit was ¥32,071 million (increased 306.2% from the same period of the previous fiscal year), operating profit was ¥29,861 million (increased 358.7% from the same period of the previous fiscal year), and profit attributable to owners of parent was 20,726 million (loss attributable to owners of parent of ¥6,793 million for the same period of the previous fiscal year).

Operating results by business segment were as follows.

Tire Business

Sales revenue in the tire business was ¥551,895 million (increased 19.7% from the same period of the previous fiscal year) and business profit was ¥23,297 million (increased 202.1% from the same period of the previous fiscal year).

In the domestic original equipment market, despite the impact of the decrease in automobile production by auto manufacturers due to the global shortage of semiconductors, sales revenue exceeded the level of the same period of the previous fiscal year as a result of the sharp drop in sales during the nine months ended September 30, 2020, due to the impact of COVID-19.

In the domestic replacement market, as a result of efforts to expand sales of fuel-efficient tires under the DUNLOP brand, including “VEURO VE304,” which was launched last year, and products such as “ALL SEASON MAXX AS1,” an all-season tire less susceptible to changes in weather, we were able to improve sales from the previous fiscal year and sales revenue exceeded the level of the same period of the previous fiscal year.

In the overseas original equipment market, there was the impact of the global shortage of semiconductors as seen in the domestic original equipment market, but sales revenue increased from the same period of the previous fiscal year as a result of recovery from the impact of COVID-19.

In the overseas replacement market, sales increased in the Asia and Oceania region, mainly in China, where the economy showed some recovery. In the Europe and Africa region, we sold more units than in the same period of the previous fiscal year due to our efforts to expand sales amid the recovering market conditions. In the Americas region, sell-out was strong in the North America especially in terms of SUV tires, and we were able to increase sales, including those of the WILDPEAK Series and other high-performance products. However, the volume of imports was restricted as a result of the tight supply and demand situation of shipping containers, and the business was greatly affected by soaring transportation costs. In the South America, we also increased sales on the back of strong demand.

As a result, sales revenue and business profit in the tire business exceeded the level of the same period of the previous fiscal year.

Sports Business

Sales revenue in the sports business was ¥76,102 million (increased 52.8% from the same period of the previous fiscal year) and business profit was ¥7,164 million (business loss of ¥1,861 million for the same period of the previous fiscal year).

In the golf goods market, there were a reversal of the market contraction caused by COVID-19 and an increase in the number of visitors to golf courses. Sales increased mainly in the major markets, resulting in higher sales revenue than in the same period of the previous fiscal year.

Similarly, in the tennis goods markets, sales revenue exceeded the level of the same period of the previous fiscal year.

In the wellness business, sales revenue exceeded the level of the same period of the previous fiscal year due to increased motivation to exercise, despite the impact of a state of emergency and emergency measures in response to COVID-19.

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

Industrial and Other Products Business

Sales revenue in the industrial and other products business was ¥29,022 million (decreased 1.4% from the same period of the previous fiscal year) and business profit was ¥1,577 million (decreased 22.4% from the same period of the previous fiscal year).

While large-scale projects in infrastructure-based products decreased, sales increased for precision rubber parts for medical use and office machines due to increases in orders received, therefore sales revenue was almost same as the previous year.

As a result, sales revenue and business profit in the industrial and other products business fell below the level of the same period of the previous fiscal year.

(2) Financial Position

	As of December 31, 2020	As of September 30, 2021	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	974,805	1,034,397	59,592
Total equity	467,097	490,253	23,156
Total equity attributable to owners of parent	454,743	477,512	22,769
Total equity attributable to owners of parent ratio (%)	46.6	46.2	(0.4)
Equity attributable to owners of parent per share	1,729.05 yen	1,815.66 yen	86.61 yen

The financial position of the Group was as follows

Total assets increased ¥59,592 million from the end of the previous fiscal year to ¥1,034,397 million mainly as a result of increase in inventories although there was decrease in trade and other receivables decreased due to seasonal factors.

Total liabilities increased ¥36,436 million from the end of the previous fiscal year to ¥544,144 million mainly as a result of increase in interest-bearing debt.

Total equity as of September 30, 2021 increased ¥23,156 million from the end of the previous fiscal year to ¥490,253 million, of which equity attributable to owners of parent accounted for ¥477,512 million, and non-controlling interest accounted for ¥12,741 million.

As a result, ratio of equity attributable to owners of parent was 46.2%, and equity attributable to owners of parent per share was ¥1,815.66.

(3) Consolidated Financial Results Forecast and Other Future Forecast

To reflect changes in the business environment such as the recent rise in raw material prices and soaring marine transport costs, revisions have been made as follows to the full year financial results forecast in the Consolidated Financial Results for the Six Months Ended Jun 30, 2021, which we announced on August 5, 2021.

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021)

	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
Sales revenue	925,000	930,000	(5,000)	(0.5)	790,817
Tires	787,000	794,000	(7,000)	(0.9)	679,860
Sports	98,000	95,000	3,000	3.2	70,257
Industrial and Other Products	40,000	41,000	(1,000)	(2.4)	40,700
Business profit	46,000	55,000	(9,000)	(16.4)	43,388
Tires	37,000	46,500	(9,500)	(20.4)	40,949
Sports	7,000	6,000	1,000	16.7	(741)
Industrial and Other Products	2,000	2,500	(500)	(20.0)	3,186
Adjustments	-	-	-	-	(6)
Operating profit	43,000	52,000	(9,000)	(17.3)	38,701
Profit attributable to owners of parent	29,000	35,500	(6,500)	(18.3)	22,596

Foreign exchange rates applied

	Forecast	Previous forecast	Increase (Decrease)	(Reference) Rate applied for the same period of the previous year
Yen / U.S. Dollar	Yen 110	Yen 109	Yen 1	Yen 107
Yen / Euro	131	130	1	122

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. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	74,203	72,353
Trade and other receivables	179,635	162,044
Other financial assets	1,399	5,132
Inventories	151,253	213,668
Other current assets	30,162	40,460
Total current assets	436,652	493,657
Non-current assets		
Property, plant and equipment	389,184	384,609
Goodwill	23,378	25,465
Intangible assets	41,402	41,869
Investments accounted for using equity method	4,323	4,385
Other financial assets	33,159	37,414
Net defined benefit asset	32,451	32,900
Deferred tax assets	13,449	13,247
Other non-current assets	807	851
Total non-current assets	538,153	540,740
Total assets	974,805	1,034,397

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	62,256	109,273
Trade and other payables	123,261	125,395
Other financial liabilities	12,816	11,945
Income tax payable	7,790	6,067
Provisions	1,170	1,628
Other current liabilities	38,835	49,137
Total current liabilities	246,128	303,445
Non-current liabilities		
Bonds and loans payable	155,177	133,066
Other financial liabilities	48,164	47,602
Net defined benefit liability	22,202	23,115
Provisions	2,189	1,608
Deferred tax liabilities	11,282	12,579
Other non-current liabilities	22,566	22,729
Total non-current liabilities	261,580	240,699
Total liabilities	507,708	544,144
Equity		
Capital stock	42,658	42,658
Capital surplus	39,486	39,569
Retained earnings	461,720	466,684
Treasury stock	(77)	(83)
Other components of equity	(89,044)	(71,316)
Total equity attributable to owners of parent	454,743	477,512
Non-controlling interest	12,354	12,741
Total equity	467,097	490,253
Total liabilities and equity	974,805	1,034,397

(2) Condensed Quarterly Consolidated Statements of Income and Comprehensive Income
Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
Sales revenue	540,247	657,019
Cost of sales	(394,978)	(473,556)
Gross profit	145,269	183,463
Selling, general and administrative expenses	(137,373)	(151,392)
Business profit	7,896	32,071
Other income	1,947	1,814
Other expenses	(3,333)	(4,024)
Operating profit	6,510	29,861
Financial income	933	3,834
Financial expenses	(12,612)	(2,787)
Equity in earnings of affiliates	118	41
Profit (Loss) before tax	(5,051)	30,949
Income tax expenses	(2,048)	(9,041)
Profit (Loss)	(7,099)	21,908
Profit (Loss) attributable to:		
Owners of parent	(6,793)	20,726
Non-controlling interests	(306)	1,182
Profit (Loss)	(7,099)	21,908
Profit (Loss) per share		
Basic profit (loss) per share (Yen)	(25.83)	78.80

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
Profit (Loss)	(7,099)	21,908
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,394)	2,399
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	7	95
Currency translation differences of foreign operations	(29,891)	15,371
Other comprehensive income, net of tax	(31,278)	17,865
Comprehensive income	(38,377)	39,773
Comprehensive income attributable to:		
Owners of parent	(36,907)	38,473
Non-controlling interests	(1,470)	1,300
Comprehensive income	(38,377)	39,773

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2020

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2020	42,658	39,486	444,783	(75)	(76,471)	(278)
Loss			(6,793)			
Other comprehensive income					(28,726)	7
Total comprehensive income	-	-	(6,793)	-	(28,726)	7
Purchase of treasury stock				(1)		
Disposal of treasury stock		(0)		0		
Dividends			(7,890)			
Capital increase of consolidated subsidiaries						
Changes in ownership interests in subsidiaries that do not result in loss of control						
Transfer to retained earnings			(21)			
Transfer to capital surplus		0	(0)			
Total transactions with owners	-	(0)	(7,911)	(1)	-	-
Balance as of September 30, 2020	42,658	39,486	430,079	(76)	(105,197)	(271)

	Equity attributable to owners of parent				Non-controlling interests	Total Equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Total			
Balance as of January 1, 2020	10,697	-	(66,052)	460,800	14,737	475,537
Loss			-	(6,793)	(306)	(7,099)
Other comprehensive income	(1,395)		(30,114)	(30,114)	(1,164)	(31,278)
Total comprehensive income	(1,395)	-	(30,114)	(36,907)	(1,470)	(38,377)
Purchase of treasury stock			-	(1)		(1)
Disposal of treasury stock			-	0		0
Dividends			-	(7,890)	(1,592)	(9,482)
Capital increase of consolidated subsidiaries			-	-		-
Changes in ownership interests in subsidiaries that do not result in loss of control			-	-		-
Transfer to retained earnings	21		21	-		-
Transfer to capital surplus			-	-		-
Total transactions with owners	21	-	21	(7,891)	(1,592)	(9,483)
Balance as of September 30, 2020	9,323	-	(96,145)	416,002	11,675	427,677

For the nine months ended September 30, 2021

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2021	42,658	39,486	461,720	(77)	(99,270)	(241)
Profit			20,726			
Other comprehensive income					15,253	95
Total comprehensive income	-	-	20,726	-	15,253	95
Purchase of treasury stock				(7)		
Disposal of treasury stock		(1)		1		
Dividends			(15,780)			
Capital increase of consolidated subsidiaries						
Changes in ownership interests in subsidiaries that do not result in loss of control		83				
Transfer to retained earnings			19			
Transfer to capital surplus		1	(1)			
Total transactions with owners	-	83	(15,762)	(6)	-	-
Balance as of September 30, 2021	42,658	39,569	466,684	(83)	(84,017)	(146)

	Equity attributable to owners of parent				Non-controlling interests	Total Equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Total			
Balance as of January 1, 2021	10,467	-	(89,044)	454,743	12,354	467,097
Profit			-	20,726	1,182	21,908
Other comprehensive income	2,399		17,747	17,747	118	17,865
Total comprehensive income	2,399	-	17,747	38,473	1,300	39,773
Purchase of treasury stock			-	(7)		(7)
Disposal of treasury stock			-	0		0
Dividends			-	(15,780)	(1,801)	(17,581)
Capital increase of consolidated subsidiaries			-	-	1,325	1,325
Changes in ownership interests in subsidiaries that do not result in loss of control			-	83	(437)	(354)
Transfer to retained earnings	(19)		(19)	-		-
Transfer to capital surplus			-	-		-
Total transactions with owners	(19)	-	(19)	(15,704)	(913)	(16,617)
Balance as of September 30, 2021	12,847	-	(71,316)	477,512	12,741	490,253

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
Cash flows from operating activities		
Profit (Loss) before tax	(5,051)	30,949
Depreciation and amortization	50,478	50,657
Interest and dividends income	(933)	(1,120)
Interest expenses	2,948	2,035
Share of (profit) loss of entities accounted for using equity method	(118)	(41)
Decrease (increase) in inventories	8,097	(57,274)
Decrease (increase) in trade and other receivables	30,268	22,671
Increase (decrease) in trade and other payables	(24,544)	1,904
Other, net	17,853	2,920
Subtotal	78,998	52,701
Interest received	605	657
Dividend income received	315	467
Interest expenses paid	(2,731)	(1,808)
Income taxes paid	(9,190)	(14,274)
Net cash provided by (used in) operating activities	67,997	37,743
Cash flows from investing activities		
Purchase of property, plant and equipment	(32,905)	(32,936)
Proceeds from sales of property, plants and equipment	179	877
Purchase of intangible assets	(2,827)	(3,352)
Proceeds from sales of investment securities	21	5
Payment for transfer of business	-	(899)
Other, net	(726)	(1,260)
Net cash provided by (used in) investing activities	(36,258)	(37,565)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	13,474	46,583
Proceeds from long-term debt and newly issued bonds	40,342	2
Repayments of long-term debt and redemption of bonds	(19,876)	(25,049)
Repayments of lease obligations	(10,660)	(10,513)
Proceeds from share insurance to non-controlling interests	-	1,325
Purchase of shares of non-controlling interests	-	(433)
Cash dividends paid	(7,890)	(15,644)
Cash dividends paid to non-controlling interests	(1,592)	(1,801)
Purchase of treasury stocks	(1)	(6)
Other, net	1	(1)
Net cash provided by (used in) financing activities	13,798	(5,537)
Effect of exchange rate change on cash and cash equivalents	(4,480)	3,509
Net increase (decrease) in cash and cash equivalents	41,057	(1,850)
Cash and cash equivalents at the beginning of current period	60,631	74,203
Cash and cash equivalents at the end of current period	101,688	72,353

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

(Segment Information)

1. Information by reportable segment

Reportable segments of the Group are the units for which separate financial information is available and periodically reviewed by the Board of Directors as the highest decision-making body for the purposes of deciding the allocation of management resources and evaluating business performance.

The Group has three divisions based on operations in Tires, Sports and Industrial and Other Products. Each division formulates comprehensive strategies for both domestic and overseas markets and develops business activities.

Therefore, the Group identifies “Tires”, “Sports”, and “Industrial and Other Products” as reportable segments.

Major products and services or details of business that belong to each reportable segment are as follows:

Reportable segment	Major products and services or details of business
Tires	Tires and tubes (for automobiles, construction vehicles, industrial vehicles, automotive races and rallies, motorcycles, etc.) Automotive system business (instant mobility systems, deflation warning systems, etc.)
Sports	Sporting goods (golf clubs, golf balls and other golf goods, tennis goods, etc.) Operation of golf tournaments Operation of golf and tennis schools Fitness business, and others
Industrial and Other Products	High-performance rubber products (vibration control dampers, precision rubber parts for office machines, precision rubber parts for medical use, etc.) Daily life supplies (rubber gloves for cooking and other operations, ramps for wheelchair use, etc.) Products for infrastructure (marine dock fenders, flooring materials for factories and sports facilities, etc.)

2. Reportable segment sales revenues and profit or loss

Inter-segment sales revenues are stated at wholesale prices based on current market values.

Figures for reportable segment are based on business profit.

Information for the reportable segments for the previous fiscal year and the current fiscal year is as follows:

For the nine months ended September 30, 2020 (January 1, 2020 to September 30, 2020)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Quarterly Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	461,029	49,799	29,419	540,247	-	540,247
Inter-segment sales revenue	676	112	636	1,424	(1,424)	-
Total	461,705	49,911	30,055	541,671	(1,424)	540,247
Segment profit or loss (Business profit or loss) (Note 1)	7,713	(1,861)	2,032	7,884	12	7,896
Other income and expenses						(1,386)
Operating profit						6,510

(Notes)

1. "Segment profit or loss (Business profit or loss)" is "Sales revenue" subtracted by "Cost of sales" and "Selling, general and administrative expenses."
2. Segment profit or loss included in "Adjustment" comprised elimination of inter-segment transactions.

For the nine months ended September 30, 2021 (January 1, 2021 to September 30, 2021)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Quarterly Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	551,895	76,102	29,022	657,019	-	657,019
Inter-segment sales revenue	706	121	581	1,408	(1,408)	-
Total	552,601	76,223	29,603	658,427	(1,408)	657,019
Segment profit (Business profit) (Note 1)	23,297	7,164	1,577	32,038	33	32,071
Other income and expenses						(2,210)
Operating profit						29,861

(Notes)

1. "Segment profit (Business profit)" is "Sales revenue" subtracted by "Cost of sales" and "Selling, general and administrative expenses."
2. Segment profit included in "Adjustment" comprised elimination of inter-segment transactions.

(Significant Subsequent Events)

None