Company name: DUNLOP SPORTS CO. LTD.
Representative: Kazuo Kinameri, President and Representative Director
Contact: Takahiko Fujii, General Manager, Finance Department, Tel. +81-78-265-3200
Scheduled date to file quarterly report: August 7, 2015
Scheduled starting date of dividend payment: September 2, 2015
Quarterly earnings supplementary information material: Yes
Quarterly earnings explanatory meeting: Yes (for institutional investors)

(Millions of yen with fractional amounts discarded)


(Percentages indicate year-on-year changes.)

<table>
<thead>
<tr>
<th>Sales</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Operating income</td>
<td>Ordinary income</td>
<td>Net income</td>
</tr>
<tr>
<td>Second Quarter, Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
</tr>
<tr>
<td>December 2015 37,921</td>
<td>15.4</td>
<td>394</td>
<td>-54.1</td>
</tr>
<tr>
<td>December 2014 32,854</td>
<td>-0.1</td>
<td>860</td>
<td>-48.0</td>
</tr>
</tbody>
</table>

Note: Comprehensive income: As of FY 2015 Second Quarter -2 million yen (−%)  
As of FY 2014 Second Quarter 13 million yen (-99.0%)

<table>
<thead>
<tr>
<th>Net income per share</th>
<th>Diluted net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Quarter, Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>December 2015 -12.36</td>
<td>—</td>
</tr>
<tr>
<td>December 2014 5.75</td>
<td>—</td>
</tr>
</tbody>
</table>

(2) Consolidated financial position

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Net assets</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>Second Quarter, December 2015 64,932</td>
<td>38,091</td>
<td>56.6</td>
</tr>
<tr>
<td>December 2014 65,242</td>
<td>39,096</td>
<td>58.2</td>
</tr>
</tbody>
</table>

(Reference) Shareholders’ equity: As of FY 2015 Second Quarter 36,741 million yen  
As of FY 2014 37,950 million yen

2. Cash Dividends

<table>
<thead>
<tr>
<th>First quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fiscal year-end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December, 2014</td>
<td>—</td>
<td>20.00</td>
<td>—</td>
<td>10.00</td>
</tr>
<tr>
<td>December, 2015</td>
<td>—</td>
<td>10.00</td>
<td>—</td>
<td>10.00</td>
</tr>
</tbody>
</table>

Note: Modification in the dividend projection from the latest announcement: None

3. Forecast for Consolidated Results for FY 2015 (from January 1, 2015 to December 31, 2015)

(Percentage indicates year-on-year change)

<table>
<thead>
<tr>
<th>Sales</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Net income</th>
<th>Net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
</tr>
<tr>
<td>Full year 79,000</td>
<td>11.4</td>
<td>2,000</td>
<td>-4.3</td>
<td>2,500</td>
</tr>
</tbody>
</table>

Note: Modification in forecast for consolidated results from the latest announcement: None
* Others
(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the scope of consolidation): None

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatements:
   ( i ) Changes due to the revision of accounting standards: Yes
   ( ii ) Changes other than ( i ): No
   ( iii ) Changes in accounting estimates: No
   ( iv ) Restatements: No

Note: For further details please see 2-(3) Changes in accounting policies.

(4) Number of issued shares (common stock)
   1) Total number of issued shares at the end of the period (including treasury stock)
      As of Second Quarter December, 2015 29,000,000 shares
      As of December, 2014 29,000,000 shares
   2) Number of share of treasury stocks as of the end of the period
      As of Second Quarter December, 2015 183 shares
      As of December, 2014 183 shares
   3) Average number of shares during the period (cumulative from the beginning of the fiscal year)
      For Second Quarter December, 2015 28,999,817 shares
      For Second Quarter December, 2014 28,999,857 shares

* Notice pertaining to status of quarterly review process
This quarterly summary of financial results is not subject to the quarterly review process based on the Financial Instruments and Exchange Act. The review process of the quarterly consolidated financial statements based on the Financial Instruments and Exchange Act is not completed at the time of the disclosure of the quarterly financial results.

* Explanation pertaining to the appropriate use of earnings forecast and other special notes
The above earnings forecast was prepared based on information available at the time of the announcement of this material; therefore, the actual results may differ significantly from the forecast due to various factors that may occur going forward. For matters pertaining to the earnings forecast, please refer to 1-(3) Outline of future predictions including consolidated earnings forecast.
1. Quantitative information on earnings for the quarter

(1) Outline of consolidated earnings report

Looking at global economy for this consolidated cumulative second quarter period (from January 1, 2015 to June 30, 2015), the United States enjoys continued recovery and Europe shows a turnaround. As for the Asian area, China suffers a more gradual pace of economic expansion and South Korea faces a slowdown. Accordingly, the global economy generally shows a gradual recovery despite weakness in some areas. In Japan, the economy continues to be on a gradual recovery trend with an improvement trend in general corporate earnings and a sign of turnaround of consumer spending.

With regard to the environment surrounding our company group, in United States, the number of golf course visitors increased from the same period the previous year when the golf season started later than usual years, and sales in golf equipment market were higher than that for the same period of the previous year. The golf equipment market in Asia shrank from the previous year with consumer sentiment dampened in China due to tighter regulations on golf courses by the central government and sluggishness in Southeast Asia in light of slower economic growth in China.

On the other hand, in Japan, the number of golf course visitors exceeded that in the same period of the previous year as we had good weather in February and March, when we saw snow fall in the previous year, and May with the Golden Week holidays. The golf equipment market remained better than that in the same period of the previous year as it had remained weak since April 2014 due to reaction after a last-minute increase in demand before the consumption tax rate hike. Domestic tennis equipment market was better than that in the same period of the previous year thanks to continuing Nishikori effect seen since the last year.

Under such business environment, the company group’s golf equipment business launched the new golf ball Srixon Z-Star series at the domestic market in February. The product, which features windproof, stronger trajectory, and softer feeling, remains strong partially due to good results of our contracted players, including Hideki Matsuyama. As for golf clubs, the core product XXIO 8, entered its second year on the market although it maintained solid sales while the 588 RTX 2.0 Precision Forged Wedge supervised by Hideki Matsuyama was launched in March and was well favored. In result, domestic sales were higher than the figure for the same period of the previous year. In overseas markets, however, sales were lower than the figure for the same period of the previous year on a local currency basis with solid sales in Korea, Australia, and South Africa and a sales decline in North America.

Tennis equipment business achieved sales higher than that for the same period of the previous year with solid sales in rackets including the Srixon “Revo CX” series, which was launched in April, and Babolat’s “Pure Drive” and “AeroPro Drive”.

Since we entered the wellness business in the fourth quarter of the previous year, there is no
figure for the year ago period and all income is accounted for as an increase in revenue.

In terms of profits, operating income was lower than that for the same period of the previous year mainly due to a rise in purchase cost resulting from the weaker yen. As a result of the above, sales were 37,921 million yen (up 15.4% y-o-y), operating income was 394 million yen (down 54.1% y-o-y), ordinary income was 821 million yen (down 29.9% y-o-y), and net loss was 358 million yen (compared to net income of 166 million yen for the same period of the previous year) for this consolidated cumulative second quarter period.

(2) Outline of financial situation

Regarding the financial situation as of the end of the second quarter of the current consolidated fiscal year (cumulative), total assets amounted to 64,932 million yen. Products and finished goods increased 2,052 million yen though bills and accounts payable increased 1,176 million yen and intangible fixed assets decreased 875 million yen. As a result, total assets decreased by 310 million yen from the end of the previous consolidated fiscal year.

Total liabilities ended at 26,841 million yen. Bills and accounts payable decreased 981 million yen and other liabilities fell 716 million yen while short-term borrowings increased 2,372 million yen. Consequently, total liabilities increased 649 million yen from the end of the previous consolidated fiscal year.

Net assets reached 38,091 million yen. Retained earnings decreased 1,206 million yen mainly due to dividend payments and from posting a quarterly net loss, and so net assets fell 1,005 million yen from the end of the previous consolidated fiscal year.

As a result of the above, the capital-to-asset ratio ended at 56.6%, down 1.6 point from the end of the previous consolidated fiscal year.

(3) Outline of future predictions including consolidated earnings forecast

With regard to our consolidated full-year earnings forecasts, there is no change in our estimates disclosed at the time of profit announcement for the fiscal year ended December 2014 (February 10, 2015).
2. Matters pertaining to Summary Information (notes)

(1) Changes in significant subsidiaries during the cumulative consolidated quarterly period
None

(2) Adoption of special accounting treatments for quarterly consolidated financial statements
None

(3) Changes in accounting policies, changes in accounting estimates, and restatements
   (Changes in accounting policies)
   (Application of the Accounting Standard for Retirement Benefits, etc.)
   Regarding the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 of May 17, 2012, hereinafter referred to as the Retirement Benefits Accounting Standard) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of March 26, 2015, hereinafter referred to as the Retirement Benefits Guidance), the provisions set forth in the texts of Paragraph 35 of the Retirement Benefits Accounting Standard and Paragraph 67 of the Retirement Benefits Guidance have been adopted starting this consolidated cumulative first quarter fiscal period. Accordingly, the calculation methods for retirement benefit obligations and service costs have been revised; the basis of attributing expected benefit to periods has been changed from the straight-line basis to the benefit formula basis and the method of determining discount rates has been changed to use a single weighted average discount rate reflecting the estimated timing and amount of benefit payment for the respective estimated timing.
   The Retirement Benefits Accounting Standard and other standards have been applied in accordance with the transitional treatment set forth in Paragraph 37 of the Retirement Benefits Accounting Standard, and the effect of the change in calculation methods of retirement benefit obligations and service costs were added to or deducted from retained earnings as of the beginning of this consolidated cumulative second quarter fiscal period.
   As a result, net defined benefit asset (recorded as included in Others of Investments and Other Assets) decreased by 349 million yen, net defined benefit liability increased by 245 million yen and retained earnings decreased by 384 million yen as of the beginning of this consolidated cumulative second quarter period. The impact on this consolidated cumulative second quarter period’s earnings is negligible.