

Consolidated Financial Results for the Six Months Ended June 30, 2025 [IFRS]



August 7, 2025

Company name : Sumitomo Rubber Industries, Ltd.
 Stock exchange listing : Tokyo Stock Exchange
 Code number : 5110
 URL : <https://www.srigroup.co.jp/english/index.html>
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 Scheduled date of filing securities report : August 8, 2025
 Scheduled date of commencing dividend payments : September 5, 2025
 Supplementary documents for financial results : Yes
 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 Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(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 | |
|------------------|-----------------|-------|-----------------|--------|------------------|--------|---|--------|----------------------|------|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| June 30, 2025 | 572,192 | (2.5) | 28,310 | (33.1) | 27,034 | (35.6) | 14,374 | (62.9) | (14,391) | - |
| June 30, 2024 | 587,041 | 4.6 | 42,294 | 147.6 | 41,951 | 149.6 | 38,729 | 372.5 | 91,602 | 92.1 |

(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 |
|------------------|------------------------|--------------------------|--|
| Six months ended | Yen | Yen | % |
| June 30, 2025 | 54.66 | - | 4.9 |
| June 30, 2024 | 147.25 | - | 7.2 |

(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 |
| June 30, 2025 | 1,352,985 | 659,261 | 641,464 | 47.4 | 2,440.54 |
| December 31, 2024 | 1,341,123 | 675,810 | 656,134 | 48.9 | 2,494.54 |

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of the period |
|------------------|---|---|---|--|
| Six months ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| June 30, 2025 | 70,577 | (138,036) | 57,505 | 85,984 |
| June 30, 2024 | 59,463 | (36,349) | (43,869) | 75,861 |

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, 2024 | - | 29.00 | - | 29.00 | 58.00 |
| December 31, 2025 | - | 35.00 | | | |
| Fiscal year ending December 31, 2025 (Forecast) | | | - | 35.00 | 70.00 |

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% 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 | 1,215,000 | 0.3 | 95,000 | 8.0 | 84,000 | 650.9 | 45,000 | 356.2 | Yen 171.16 |

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

Notes:

- (1) Changes in significant subsidiaries during the six months ended June 30, 2025
(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 : Yes
- (3) Total number of issued shares (common stock)
- 1) Total number of issued shares at the end of the period (including treasury stock)
 - June 30, 2025 : 263,043,057 shares
 - December 31, 2024 : 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period
 - June 30, 2025 : 205,986 shares
 - December 31, 2024 : 15,195 shares
 - 3) Average number of shares during the period
 - Six months ended June 30, 2025 : 262,974,572 shares
 - Six months ended June 30, 2024 : 263,022,153 shares

* Review by certified public accountants or auditing firms of the attached quarterly financial statements: None

* 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 5 of the attached documents of the Consolidated Financial Results for the Period under Review, “1. Qualitative Information on Interim Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Future Forecast.”

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

(1) Operating Results

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 | Change in ratio |
|---|---|---|-----------------|
| | Millions of yen | Millions of yen | % |
| Sales revenue | 587,041 | 572,192 | (2.5) |
| Tires | 496,113 | 488,329 | (1.6) |
| Sports | 71,573 | 64,686 | (9.6) |
| Industrial and Other Products | 19,355 | 19,177 | (0.9) |
| Business profit | 42,294 | 28,310 | (33.1) |
| Tires | 34,009 | 22,205 | (34.7) |
| Sports | 6,966 | 4,044 | (42.0) |
| Industrial and Other Products | 1,297 | 2,069 | 59.5 |
| Adjustments | 22 | (8) | - |
| Operating profit | 41,951 | 27,034 | (35.6) |
| Profit attributable to owners of parent | 38,729 | 14,374 | (62.9) |

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

Foreign exchange rates applied

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 | Increase (Decrease) |
|-------------------|---|---|------------------------|
| | Yen | Yen | Yen |
| Yen / U.S. Dollar | 152 | 148 | (4) |
| Yen / Euro | 165 | 162 | (3) |

During the fiscal year ended June 30, 2025, the economic environment continued to recover gradually, some regions remain at a standstill and uncertainty prevails due to the U.S. tariff policy. Increased attention is required in response to changes in the financial and capital markets. While the Japanese economy is expected to continue to recover steadily in the situation where the employment and income environment are improving and the consumer sentiment is weakening, there is a risk of the economic downturn which is stemming from the impact of the U.S. tariff policy and ongoing inflation.

As the Group steadily implements the Mid-Term Plan and reaches the turning point in 2025, in January, it concluded an agreement to acquire the trademark and other rights of DUNLOP in tires for four-wheel vehicles in Europe, North America, and the Oceania region, and closed the transaction on May 7. The Group has since launched the DUNLOP business in North America and Oceania as the first step. Additionally, in March, the Group announced the Long-term Corporate Strategy to 2035. The Long-term Corporate Strategy encapsulates the Group’s desire of “Continuing to Provide ‘New Experiential Value’ Born from Rubber to Everyone,” and to this end, it aims to promote the premiumization of tires and build new sources of revenue. The Group will also promote global brand management centered around DUNLOP.

In the business environment surrounding the Group, tire sales volume through the fiscal year ended June 30, 2025 was lower than the level of the same period of the previous fiscal year due to the market stagnation caused by inflation and other factors as well as the discontinuation of some low-profit products. The effect of increase in the unit price of tire raw materials reduced the profit as compared with the same period a year ago.

As a result, sales revenue of the Group decreased 2.5% from the same period of the previous fiscal year to ¥572,192 million, business profit decreased 33.1% to ¥28,310 million, operating profit decreased 35.6% to ¥27,034 million and profit attributable to owners of parent decreased 62.9% to ¥14,374 million.

Operating results by business segment was as follows.

Tire Business

Sales revenue in the tire business decreased 1.6% from the same period of the previous fiscal year to ¥488,329 million, and business profit decreased 34.7% to ¥22,205 million.

In the domestic original equipment market, sales volume significantly exceeded the level of the same period of the previous fiscal year due to production cutbacks at some automobile manufacturers during the same period of the previous year.

In the domestic replacement market, sales volume fell below the level of the same period last year, due to the discontinuation of low-priced products last fall and a decline in orders for offtake products.

In the overseas original equipment market, a significant drop occurred in the sales volume to automobile manufacturers in Asia, particularly China compared to the level of the same period of the previous fiscal year.

In the overseas replacement market, our flagship products maintained a stable sales volume in China, reaching the level of the same period of the previous fiscal year, despite a challenging competitive environment for international brands, including ours due to aggressive sales initiatives launched by major Chinese brands. Overall sales volume in the Asia-Oceania region was also on par with the level of the same period of the previous fiscal year. In Europe, overall sales volume declined from the level of the same period of the previous fiscal year as we focused on profitability amid intensified price competition from other companies, though sales volume of all-season tires which constitute strong points of our FALKEN brand increased through the expansion of the products. In the American region, while the flagship WILDPEAK Series maintained strong sales in North America, overall sales in the region fell below the levels of the same period of the previous fiscal year, due to the high sales volume in the same period a year ago and the continued expansion of market share by competitors' low-priced products since the second half of last year. In South America, sales volume increased due to efforts to expand sales by flexibly cooperating with the distributors, as well as the decrease in imports of our competitors entering the market primarily as a result of the rapidly depreciating Brazilian currency and delays in customs clearance for imports into Brazil.

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

Sports Business

Sales revenue in the sports business decreased 9.6% from the same period of the previous fiscal year to ¥64,686 million, and business profit decreased 42.0% from the same period of the previous fiscal year to ¥4,044 million.

In the golf goods market, sales revenue fell below the level of the same period of the previous fiscal year due to the significant impact of deteriorating market conditions in South Korea, despite sales increases in the Japanese and American markets.

In the tennis goods markets, sales exceeded the level of the previous fiscal year due to increased sales in the major markets of Japan, Europe and North America.

In addition to the above results, as we transferred all shares of the target company's wellness business, excluding the golf and tennis schools, to new shareholders in early December 2024, sales revenue and business profit in the sports business fell below 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 decreased 0.9% from the level of the same period of the previous fiscal year to ¥19,177 million, and business profit increased 59.5% to ¥2,069 million.

Sales in the industrial and other products business fell below the level of the previous fiscal year due to a decline in sales in the business of civil works and marine facilities and rubber glove, as well as withdrawal from the gas pipe business at the end of March and a stock transfer of our subsidiary engaged in manufacturing and sales of medical rubber products in Europe last year. Business profit in the industrial and other products business exceeded the level of the previous fiscal year due to robust domestic sales of medical rubber products and solid sales performance in the vibration control business.

(2) Financial Position

| | As of December 31, 2024 | As of June 30, 2025 | Increase (Decrease) |
|--|----------------------------|------------------------|------------------------|
| | Millions of yen | Millions of yen | Millions of yen |
| Total assets | 1,341,123 | 1,352,985 | 11,862 |
| Total liabilities | 665,313 | 693,724 | 28,411 |
| Total equity | 675,810 | 659,261 | (16,549) |
| Total equity attributable to owners of parent | 656,134 | 641,464 | (14,670) |
| Total equity attributable to owners of parent ratio (%) | 48.9 | 47.4 | (1.5) |
| Equity attributable to owners of parent per share | 2,494.54 yen | 2,440.54 yen | (54.00) yen |

The financial position of the Group as of June 30, 2025 was as follows.

Total assets increased ¥11,862 million from the end of the previous fiscal year to ¥1,352,985 million as a result of increase in intangible assets, although there was decrease in trade and other receivables and net defined benefit asset.

Total liabilities increased ¥28,411 million from the end of the previous fiscal year to ¥693,724 million mainly as a result of increase in interest-bearing debt, although there was decrease in trade and other payables.

Total equity as of June 30, 2025 decreased ¥16,549 million from the end of the previous fiscal year to ¥659,261 million, of which equity attributable to owners of parent accounted for ¥641,464 million, and non-controlling interest accounted for ¥17,797 million.

As a result, ratio of equity attributable to owners of parent was 47.4%, and equity attributable to owners of parent per share was ¥2,440.54.

(3) Consolidated Financial Results Forecast and Other Future Forecast

Regarding the fiscal year ending December 31, 2025, we expect to maintain the initial forecast due to the decline in raw material prices, the yen depreciation, and the easing of the impact from reciprocal tariff hikes by the United States, despite the negative impact from a decrease in tire sales volume compared to the previous forecast.

As a result, we have revised the consolidated results forecasts for the full-year as below.

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

| | 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 | 1,215,000 | 1,220,000 | (5,000) | (0.4) | 1,211,856 |
| Tires | 1,049,500 | 1,054,000 | (4,500) | (0.4) | 1,046,394 |
| Sports | 124,000 | 124,500 | (500) | (0.4) | 125,650 |
| Industrial and Other Products | 41,500 | 41,500 | - | - | 39,812 |
| Business profit | 95,000 | 95,000 | - | - | 87,941 |
| Tires | 84,000 | 83,000 | 1,000 | 1.2 | 76,181 |
| Sports | 6,500 | 7,500 | (1,000) | (13.3) | 7,878 |
| Industrial and Other Products | 4,500 | 4,500 | - | - | 3,725 |
| Adjustments | - | - | - | - | 157 |
| Operating profit | 84,000 | 84,000 | - | - | 11,186 |
| Profit attributable to owners of parent | 45,000 | 45,000 | - | - | 9,865 |

Foreign exchange rates applied

| | Forecast | Previous forecast | Increase (Decrease) | (Reference) Rate applied for the same period of the previous year |
|-------------------|----------|-------------------|------------------------|---|
| | Yen | Yen | Yen | Yen |
| Yen / U.S. Dollar | 149 | 144 | 5 | 152 |
| Yen / Euro | 168 | 162 | 6 | 164 |

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 Interim Consolidated Financial Statements and Primary Notes

(1) Condensed Interim Consolidated Statements of Financial Position

(Millions of yen)

| | As of December 31, 2024 | As of June 30, 2025 |
|---|-------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 100,382 | 85,984 |
| Trade and other receivables | 221,679 | 186,460 |
| Other financial assets | 2,262 | 1,455 |
| Inventories | 290,947 | 289,962 |
| Other current assets | 54,492 | 66,695 |
| Total current assets | 669,762 | 630,556 |
| Non-current assets | | |
| Tangible assets | 444,047 | 431,855 |
| Goodwill | 29,457 | 29,366 |
| Intangible assets | 59,087 | 166,502 |
| Investments accounted for using equity method | 4,529 | 4,595 |
| Other financial assets | 34,000 | 30,746 |
| Net defined benefit asset | 62,378 | 25,083 |
| Deferred tax assets | 34,687 | 31,133 |
| Other non-current assets | 3,176 | 3,149 |
| Total non-current assets | 671,361 | 722,429 |
| Total assets | 1,341,123 | 1,352,985 |

(Millions of yen)

| | As of December 31, 2024 | As of June 30, 2025 |
|---|-------------------------|---------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Bonds and loans payable | 89,805 | 162,560 |
| Trade and other payables | 186,587 | 161,808 |
| Other financial liabilities | 14,272 | 14,491 |
| Income tax payable | 6,339 | 8,890 |
| Provisions | 7,178 | 3,339 |
| Other current liabilities | 66,434 | 57,787 |
| Total current liabilities | 370,615 | 408,875 |
| Non-current liabilities | | |
| Bonds and loans payable | 162,637 | 164,324 |
| Other financial liabilities | 64,877 | 63,068 |
| Net defined benefit liability | 24,578 | 24,466 |
| Provisions | 871 | 878 |
| Deferred tax liabilities | 19,644 | 10,857 |
| Other non-current liabilities | 22,091 | 21,256 |
| Total non-current liabilities | 294,698 | 284,849 |
| Total liabilities | 665,313 | 693,724 |
| Equity | | |
| Capital stock | 42,658 | 42,658 |
| Capital surplus | 39,788 | 39,791 |
| Retained earnings | 520,815 | 526,101 |
| Treasury stock | (26) | (366) |
| Other components of equity | 52,899 | 33,280 |
| Total equity attributable to owners of parent | 656,134 | 641,464 |
| Non-controlling interest | 19,676 | 17,797 |
| Total equity | 675,810 | 659,261 |
| Total liabilities and equity | 1,341,123 | 1,352,985 |

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

(Millions of yen)

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 |
|--|---|---|
| Sales revenue | 587,041 | 572,192 |
| Cost of sales | (410,282) | (405,963) |
| Gross profit | 176,759 | 166,229 |
| Selling, general and administrative expenses | (134,465) | (137,919) |
| Business profit | 42,294 | 28,310 |
| Other income | 2,320 | 1,451 |
| Other expenses | (2,663) | (2,727) |
| Operating profit | 41,951 | 27,034 |
| Financial income | 15,781 | 11,831 |
| Financial expenses | (4,134) | (18,859) |
| Equity in earnings of affiliates | (9) | 69 |
| Profit before tax | 53,589 | 20,075 |
| Income tax expenses | (12,444) | (4,423) |
| Profit | 41,145 | 15,652 |
| Profit attributable to: | | |
| Owners of parent | 38,729 | 14,374 |
| Non-controlling interests | 2,416 | 1,278 |
| Profit | 41,145 | 15,652 |
| Profit per share | | |
| Basic profit per share (Yen) | 147.25 | 54.66 |

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 |
|---|---|---|
| Profit | 41,145 | 15,652 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | 2,644 | (271) |
| Remeasurements of defined benefit plan | - | (2,432) |
| Items that may be reclassified subsequently to profit or loss | | |
| Cash flow hedges | 10 | (7,781) |
| Currency translation differences of foreign operations | 47,803 | (19,559) |
| Other comprehensive income, net of tax | 50,457 | (30,043) |
| Comprehensive income | 91,602 | (14,391) |
| Comprehensive income attributable to: | | |
| Owners of parent | 87,094 | (14,480) |
| Non-controlling interests | 4,508 | 89 |
| Comprehensive income | 91,602 | (14,391) |

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the six months ended June 30, 2024

(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, 2024 | 42,658 | 39,702 | 522,716 | (43) | 10,201 | (4) |
| Profit | | | 38,729 | | | |
| Other comprehensive income | | | | | 43,810 | 10 |
| Total comprehensive income | - | - | 38,729 | - | 43,810 | 10 |
| Purchase of treasury stock | | | | (3) | | |
| Disposal of treasury stock | | | | | | |
| Dividends | | | (13,940) | | | |
| Share-based payment transactions | | 2 | | 21 | | |
| Transfer to retained earnings | | | 11 | | | |
| Transfer to capital surplus | | | | | | |
| Other | | 126 | | | | |
| Total transactions with owners | - | 128 | (13,929) | 18 | - | - |
| Balance as of June 30, 2024 | 42,658 | 39,830 | 547,516 | (25) | 54,011 | 6 |

| | 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 | Other components of equity relating to disposal groups classified as held for sale | Total | | | |
| Balance as of January 1, 2024 | 10,784 | - | (1,900) | 19,081 | 624,114 | 17,316 | 641,430 |
| Profit | | | | - | 38,729 | 2,416 | 41,145 |
| Other comprehensive income | 2,645 | | 1,900 | 48,365 | 48,365 | 2,092 | 50,457 |
| Total comprehensive income | 2,645 | - | 1,900 | 48,365 | 87,094 | 4,508 | 91,602 |
| Purchase of treasury stock | (11) | | | - | (3) | (2,718) | (3) |
| Disposal of treasury stock | | | | - | - | | - |
| Dividends | | | | - | (13,940) | | (16,658) |
| Share-based payment transactions | | | | - | 23 | | 23 |
| Transfer to retained earnings | | | | (11) | - | | - |
| Transfer to capital surplus | | | | - | - | | - |
| Other | | | | - | 126 | | (126) |
| Total transactions with owners | (11) | - | - | (11) | (13,794) | (2,844) | (16,638) |
| Balance as of June 30, 2024 | 13,418 | - | - | 67,435 | 697,414 | 18,980 | 716,394 |

For the six months ended June 30, 2025

(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, 2025 | 42,658 | 39,788 | 520,815 | (26) | 43,499 | 5 |
| Profit | | | 14,374 | | | |
| Other comprehensive income | | | | | (18,371) | (7,780) |
| Total comprehensive income | - | - | 14,374 | - | (18,371) | (7,780) |
| Purchase of treasury stock | | | | (357) | | |
| Disposal of treasury stock | | | | 0 | | |
| Dividends | | | (7,628) | | | |
| Share-based payment transactions | | 3 | | 17 | | |
| Transfer to retained earnings | | | (1,460) | | | |
| Transfer to capital surplus | | | | | | |
| Transfer to non-financial assets | | | | | | 7,780 |
| Other | | | | | | (5) |
| Total transactions with owners | - | 3 | (9,088) | (340) | - | 7,775 |
| Balance as of June 30, 2025 | 42,658 | 39,791 | 526,101 | (366) | 25,128 | - |

| | 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, 2025 | 9,395 | - | 52,899 | 656,134 | 19,676 | 675,810 |
| Profit | | | - | 14,374 | 1,278 | 15,652 |
| Other comprehensive income | (271) | (2,432) | (28,854) | (28,854) | (1,189) | (30,043) |
| Total comprehensive income | (271) | (2,432) | (28,854) | (14,480) | 89 | (14,391) |
| Purchase of treasury stock | | | - | (357) | | (357) |
| Disposal of treasury stock | | | - | 0 | | 0 |
| Dividends | | | - | (7,628) | (1,968) | (9,596) |
| Share-based payment transactions | | | - | 20 | | 20 |
| Transfer to retained earnings | (972) | 2,432 | 1,460 | - | | - |
| Transfer to capital surplus | | | - | - | | - |
| Transfer to non-financial assets | | | 7,780 | 7,780 | | 7,780 |
| Other | | | (5) | (5) | | (5) |
| Total transactions with owners | (972) | 2,432 | 9,235 | (190) | (1,968) | (2,158) |
| Balance as of June 30, 2025 | 8,152 | - | 33,280 | 641,464 | 17,797 | 659,261 |

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

| | For the six months ended June 30, 2024 | For the six months ended June 30, 2025 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before tax | 53,589 | 20,075 |
| Depreciation and amortization | 41,635 | 37,967 |
| Impairment loss | - | 116 |
| Interest and dividends income | (2,120) | (1,994) |
| Interest expenses | 3,572 | 3,525 |
| Share of (profit) loss of entities accounted for using equity method | 9 | (69) |
| Decrease (increase) in inventories | (22,303) | (9,783) |
| Decrease (increase) in trade and other receivables | 23,084 | 30,986 |
| Increase (decrease) in trade and other payables | 107 | (10,922) |
| Changes in assets and liabilities related to retirement benefits | (37) | 33,551 |
| Other, net | (21,153) | (26,746) |
| Subtotal | 76,383 | 76,706 |
| Interest received | 1,617 | 1,454 |
| Dividend income received | 481 | 501 |
| Interest expenses paid | (3,530) | (3,261) |
| Income taxes paid | (15,488) | (4,823) |
| Net cash provided by (used in) operating activities | 59,463 | 70,577 |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (27,141) | (30,213) |
| Proceeds from sales of tangible assets | 270 | 36 |
| Purchase of intangible assets | (6,882) | (109,883) |
| Proceeds from sales of investment securities | 10 | 2,359 |
| Other, net | (2,606) | (335) |
| Net cash provided by (used in) investing activities | (36,349) | (138,036) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 16,297 | 55,277 |
| Proceeds from long-term debt and newly issued bonds | - | 20,000 |
| Repayments of long-term debt and redemption of bonds | (35,000) | - |
| Repayments of lease obligations | (8,514) | (7,819) |
| Cash dividends paid | (13,932) | (7,628) |
| Cash dividends paid to non-controlling interests | (2,718) | (1,968) |
| Other, net | (2) | (357) |
| Net cash provided by (used in) financing activities | (43,869) | 57,505 |
| Effect of exchange rate change on cash and cash equivalents | 6,365 | (4,444) |
| Net increase (decrease) in cash and cash equivalents | (14,390) | (14,398) |
| Cash and cash equivalents at the beginning of current period | 90,251 | 100,382 |
| Cash and cash equivalents at the end of current period | 75,861 | 85,984 |

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

(Change in Accounting Estimate)

As required pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies,” the Group has, since the second quarter of the fiscal year ended December 31, 2022, revised the financial statements of its Turkish subsidiary, whose functional currency is the Turkish lira, to reflect the unit of measurement that is current as of the period end, and has included said revised financial statements in its consolidated financial statements. When restating the acquisition costs of non-monetary items by applying a conversion coefficient based on the initial acquisition date thereof, certain assumptions were made. With the availability of new information, the Group refined its estimates and accordingly changed its accounting estimates in the fiscal year ended June 30, 2025. As a result of this change in estimates, tangible assets increased ¥6,229 million, intangible assets increased ¥38 million, cost of sales increased ¥88 million, selling, general and administrative expenses increased ¥20 million, and financial income increased ¥6,375 million.

(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 (Note) |
| Industrial and Other Products | High-performance rubber products (vibration control dampers, rubber parts for office equipment, rubber parts for medical applications, 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.) |

(Note)

In early December, 2024, the sale of all shares of the target company of the fitness business has been completed.

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 about reportable segment sales revenues and profit or loss is as follows.

For the six months ended June 30, 2024 (January 1, 2024 to June 30, 2024)

(Millions of yen)

| | Reportable segment | | | Total | Adjustments (Note 2) | Amounts recorded in Condensed Interim Consolidated Statements of Income |
|--|--------------------|--------|-------------------------------------|---------|-------------------------|---|
| | Tires | Sports | Industrial and Other Products | | | |
| Sales revenue from external customers | 496,113 | 71,573 | 19,355 | 587,041 | - | 587,041 |
| Inter-segment sales revenue | 597 | 65 | 669 | 1,331 | (1,331) | - |
| Total | 496,710 | 71,638 | 20,024 | 588,372 | (1,331) | 587,041 |
| Segment profit (Business profit) (Note 1) | 34,009 | 6,966 | 1,297 | 42,272 | 22 | 42,294 |
| Other income and expenses | | | | | | (343) |
| Operating profit | | | | | | 41,951 |

(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.

For the six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(Millions of yen)

| | Reportable segment | | | Total | Adjustments (Note 2) | Amounts recorded in Condensed Interim Consolidated Statements of Income |
|--|--------------------|--------|-------------------------------------|---------|-------------------------|---|
| | Tires | Sports | Industrial and Other Products | | | |
| Sales revenue from external customers | 488,329 | 64,686 | 19,177 | 572,192 | - | 572,192 |
| Inter-segment sales revenue | 522 | 61 | 654 | 1,237 | (1,237) | - |
| Total | 488,851 | 64,747 | 19,831 | 573,429 | (1,237) | 572,192 |
| Segment profit (Business profit) (Note 1) | 22,205 | 4,044 | 2,069 | 28,318 | (8) | 28,310 |
| Other income and expenses | | | | | | (1,276) |
| Operating profit | | | | | | 27,034 |

(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)

Regarding lawsuit filed by a consolidated subsidiary

In July 2025, SUMITOMO RUBBER (CHINA) CO., LTD, a Company's consolidated subsidiary, filed a lawsuit against Changshu Yanjiang Comprehensive Services Co., Ltd. and Changshu Sunchen Supply Chain Management Co., Ltd. with Suzhou Intermediate People's Court, seeking cancellation of the contract for the warehouse lease, and payment of damages. It is difficult to reasonably estimate impact on the consolidated financial results of the Group from the lawsuit at the present moment.