

Long-term Corporate Strategy R.I.S.E. 2035 Progress Report

- Start of a profit growth phase – a solid upward in 2026

November 12, 2025

1. Roadmap for R.I.S.E. 2035

2. Growth Strategies and Revenue expansion Pathways by Business unit

- Tyre Business / Sensing and Failure Prediction
- Sports Business
- Industrial Products Business

3. Efforts to further strengthen the profit base

- Progress of Structural Reforms
- Tariff Impact on the North American Market and Future Measures
- Project ARK Progress

We are steadily executing our long-term corporate strategy, R.I.S.E. 2035.

Our Vision for 2035

Continuing to Provide 'New Experiential Value' Born from Rubber to Everyone.

Realization of
Our
Philosophy

In addition to the U.S. and Australia, **new DUNLOP brand products** are scheduled to be sold in Europe from **2026**

2025-2027
Further
Strengthening
DUNLOP

2028-2030
Reaching New
Heights with an
Established Brand

2031-2035
Achieving a
Sustainable Business
Structure

Image of
the
business
expansion

Preparing for Growth Businesses

Enhancing profitability
through tyre premiumization

Challenges in growth businesses

Maximizing generated cash
Establishing a solid position

Transforming the portfolio
through the expansion of growth
businesses

Continuous creation of
innovative products and
services

Growth
driver.

Innovation Driven by Rubber-based technologies

Strengthening Brand Management

Building a Resilient Management Foundation

2025

2027

2030

1-2. Image of profit accumulation through strategy promotion

We are implementing initiatives to steadily accumulate business profits from 2026, exceed the 2027 target, and ensure the realization of the 2030 perspective

R.I.S.E. 2035 Initiatives

Preparing for Growth Businesses

Overseas expansion of industrial products, diversification, and sympathetic products

Target expansion of golf business

Sensing Core and Failure Prediction

tyre premiumization

Revenue enhancement by DUNLOP and Active tread

All-Season & All-Weather

Ultra-High Performance Sports

Pickup trucks and SUVs

Building a Resilient Management Foundation

Improving tyre costs through technological innovation

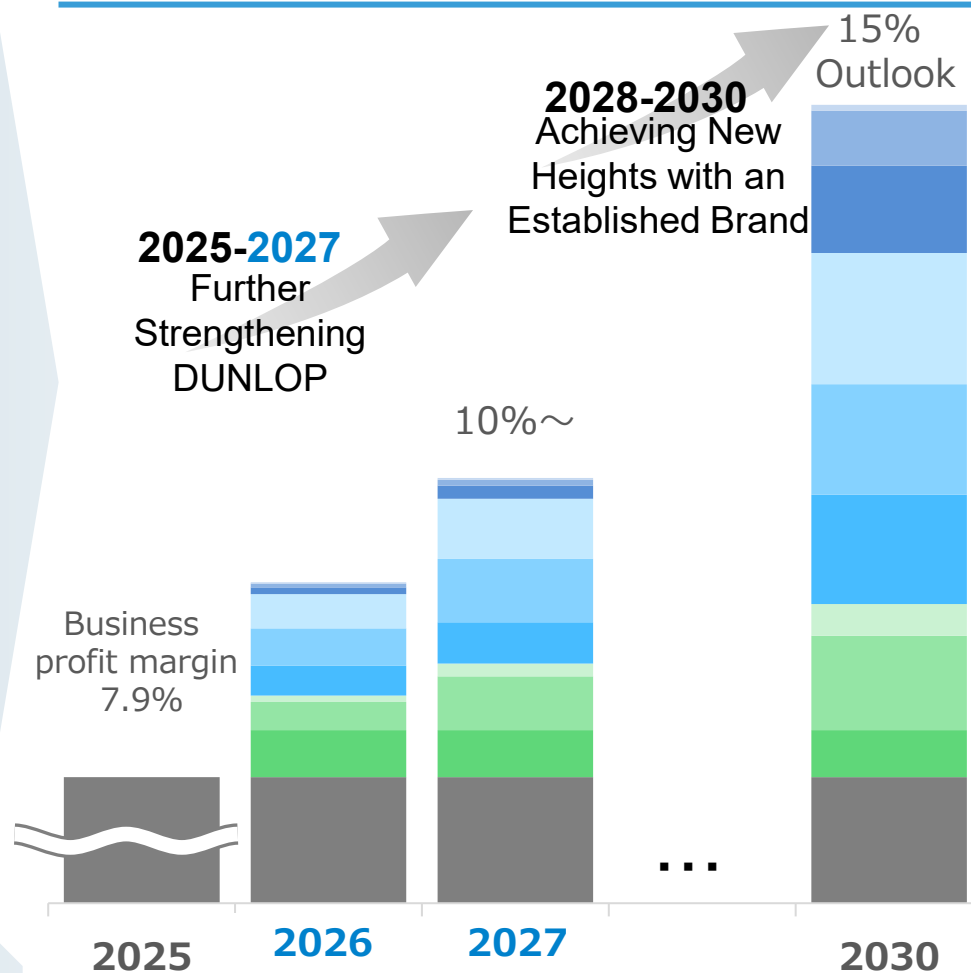
Further Profitability Improvement

Effects of structural reforms up to 2024

Additional Initiatives

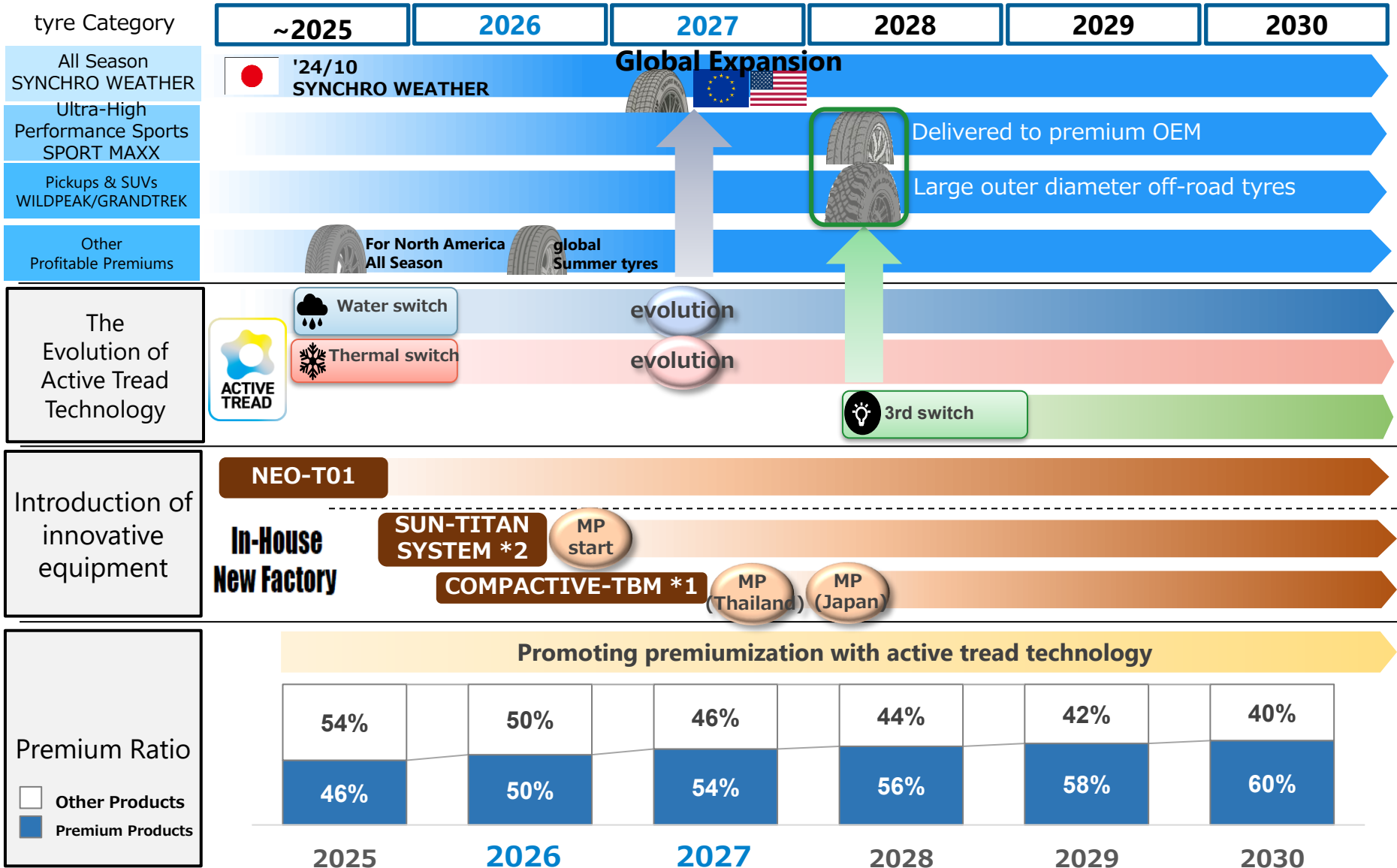
Project ARK

Visualization of business profit accumulation (Compared to 2025 forecast)



2-1. Tyre Business: Roadmap for Premiumization

Promoting technology development and equipment introduction as planned to promote premiumization.



*1 Compact Adaptive tyre Building Machine
*2 An evolved version of our original manufacturing method "Taiyo".

2-1. Tyre Business: Expansion of active tread strategy

Expand sales of "premium year-round tyres" in Europe and the United States with DUNLOP brand + active tread technology



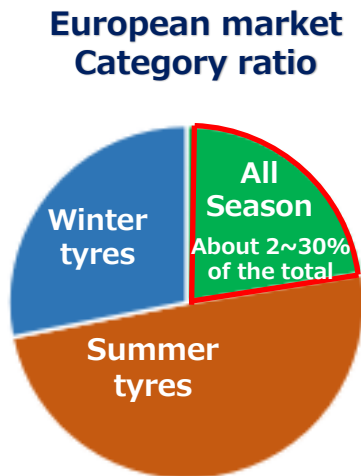
European Market

All-season tyres are expanding due to warming climate and reduced snowfall.
Selling all-season tyres under the Dunlop brand

*Displayed as an index when 2024 is set to 100

Trends in the number of units sold by our company
(all-season category)

Premium Position



Comparison for 2024
4.3x

100
FALKEN

2024



2030

190
FALKEN

240
DUNLOP
SYNCHRO
WEATHER



North American Market

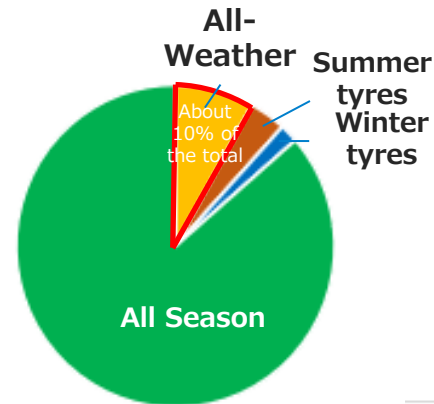
All-weather tyre market is expanding
Selling all-weather tyres under the Dunlop brand

*Displayed as an index when 2024 is set to 100

Trends in the number of units sold by our company
(all-weather category)

Premium Position

North American market Category ratio



Comparison for 2024
6x

100
FALKEN

2024



2030

230
FALKEN

370
DUNLOP
SYNCHRO
WEATHER

Gain a premium position with DUNLOP / Maintain a top position within Tier 2 with FALKEN"
Utilizing Active Tread Technology to Steadily Promote Multi-Brand Strategies

We have received numerous awards both domestically and internationally, earning high praise for our technology that addresses long-standing issues in tyre performance—particularly under wet and snowy conditions.



R&D Breakthrough of the Year



Evaluating **tyre breakthrough technology**



2024 Nikkei Excellent Products and Services Awards Awards for Excellence

First tyre product



Evaluation **as a revolutionary product** with
reduced replacement time
and physical load



The Society of Rubber Science and Technology Award



Evaluating the
fact that the research results
were applied to
tyres



Nikkan Jidosha Shimbun Automotive Accessories Award 2025 Grand Prix



Evaluation of **user convenience** by reducing
the time and cost of
replacement

We are expanding Synchro Weather to approximately 100 sizes,
including premium options for compact vehicles, driving continued growth and profitability beyond 2026

2-1. Tyre business:

-Evolution of active tread technology for Europe and the United States

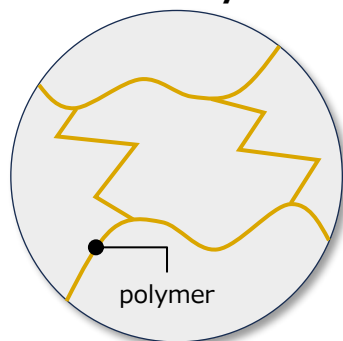
Further evolution of active tread technology for the European and American markets
Performance exceeds market expectations on wet and snowy roads

Patented

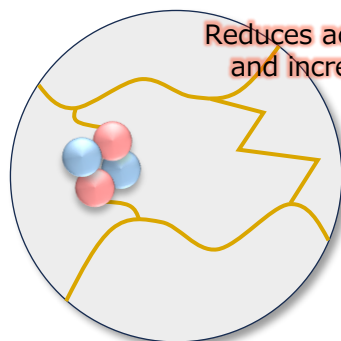


Water switch

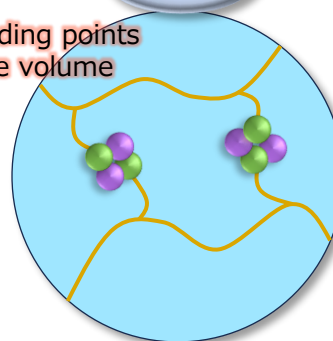
General tyres



Water switch



evolution

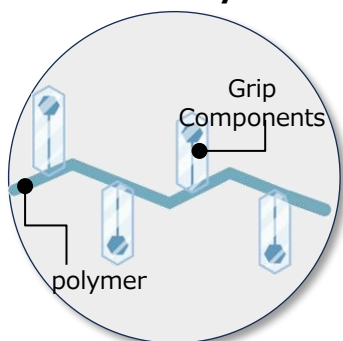


Increased softness during wet and further improved wet performance

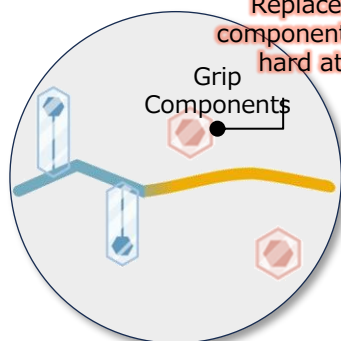


Thermal switch

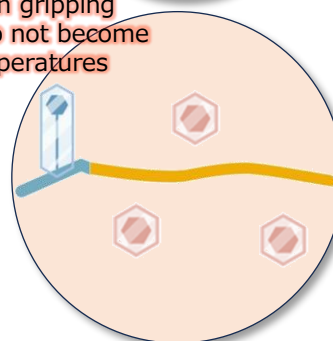
General tyres



Thermal switch



evolution



Softness at low temperatures increases, further improving safety on snowy roads

Dry performance and life performance are improved by evolution of materials and formulation basic technologies

2-1. Tyre Business: -Development of Active Tread Technology for Europe and the U.S.

Introduced advanced active tread technology to achieve a high level of snow performance while meeting the high performance needs of the European and American markets

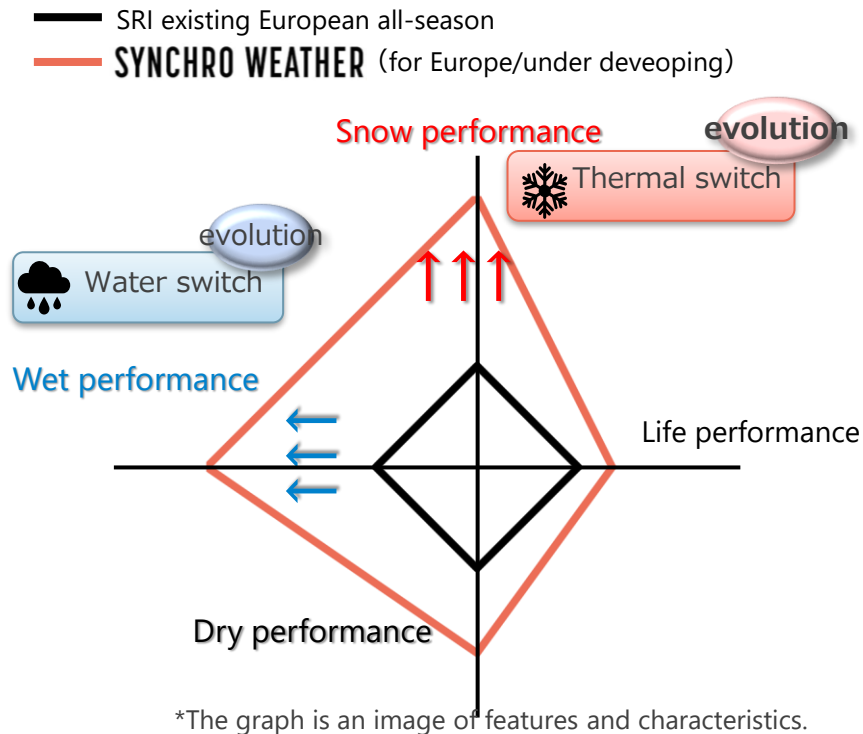


All Season for Europe

Performance needs

- Realization of high wet performance
- Balance between wet performance and snow performance

Development Goals

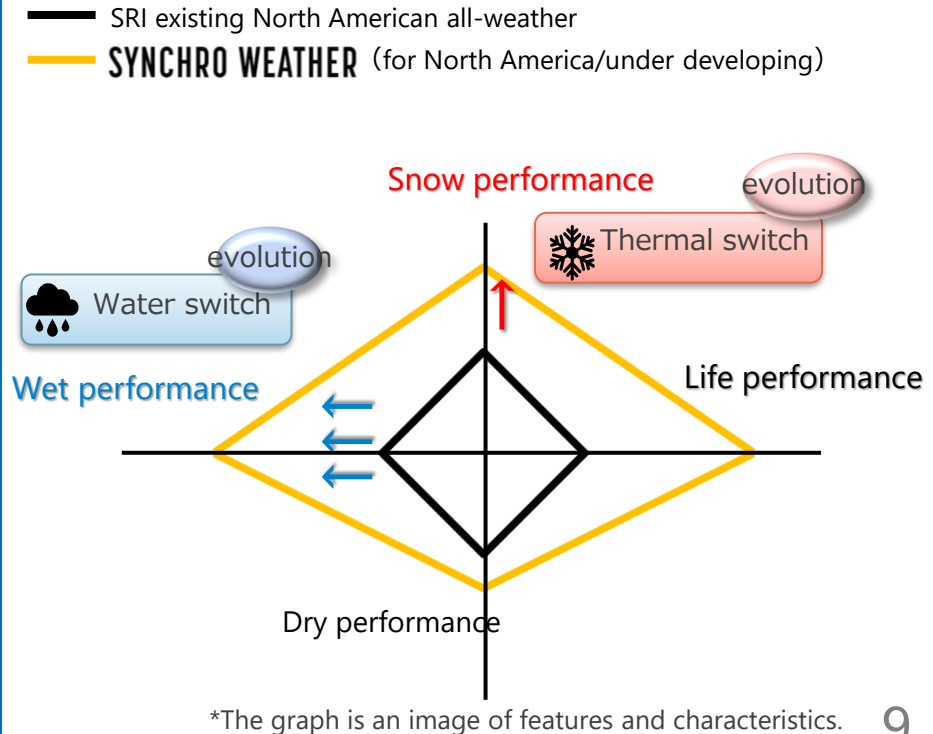


All-Weather for North America

Performance needs

- Realization of high life performance
- Balance between life performance and wet/snow performance

Development Goals



Utilizing 3 GeV Synchrotron Radiation Facility in Japan "Nano Terasu"
Creating rubber-based innovations such as the "3rd switch"



3rd switch

Patent pending

Developing for product application after 2028

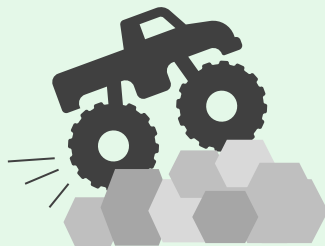
In response to the force exerted
on the rubber
Increased grip
||

**The rubber becomes
soft or stiff**

When accelerating



When driving off-road



NanoTerasu

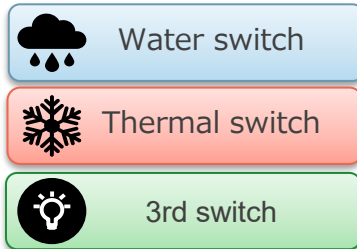


- 2001 Started cutting-edge research on SPring-8
- 2018 Started technology development with a view to operating the nano terasu
- 2024 Announcing the first research results of Nano Terasu (Lithium sulfur battery material)
→ being used in research on high-performance rubber materials

2-1. Tyre business: Expansion to premium OEM

A next-generation molding machine compatible with active tread produces tyres with outstanding performance. Strengthening European development system and developing high-performance tyres to premium new car manufacturers

Equipped with active tread technology



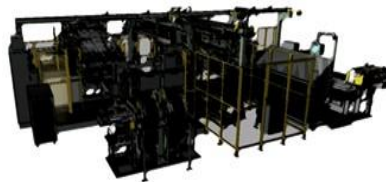
Realization of dry/wet performance that exceeds the expectations of OEM



High-precision and high-efficiency active tread compatible in-house developed next-generation molding machine

NEO-T01

COMPACTIVE-TBM



Metal core construction method
Fully automatic coupling control

Realizing **high-performance tyres that can withstand ultra-high speeds** that exceed the expectations of European premium OEM.

Strengthening the European Development System

Since the acquisition of the DUNLOP brand, the offer of European OEM has expanded rapidly

Highly specialized human resources



Investment in technology research and development



MBD*

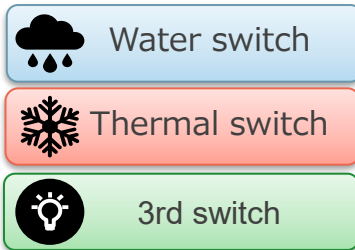


Identify needs in close contact with local conditions, communicate closely with OEM, and promote **speedy development**.

2-1. Tyre Business: Development of large-diameter off-road tyres

Large outer diameter tyres for SUVs and pickups are also equipped with active tread technology. Combined with a new manufacturing system, we are working to bring high-quality, high-performance, and high-design products to the market.

Equipped with active tread

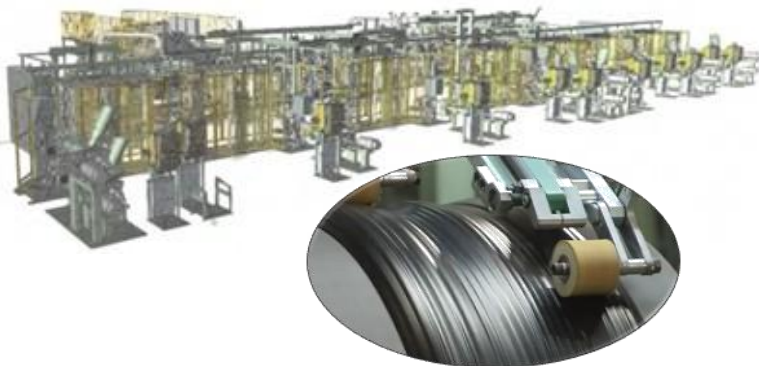


Grip on all road surfaces such as rocky, muddy and snowy roads



SUN-TITAN SYSTEM, a new manufacturing system that achieves high design, high roundness, and weight reduction at a high level

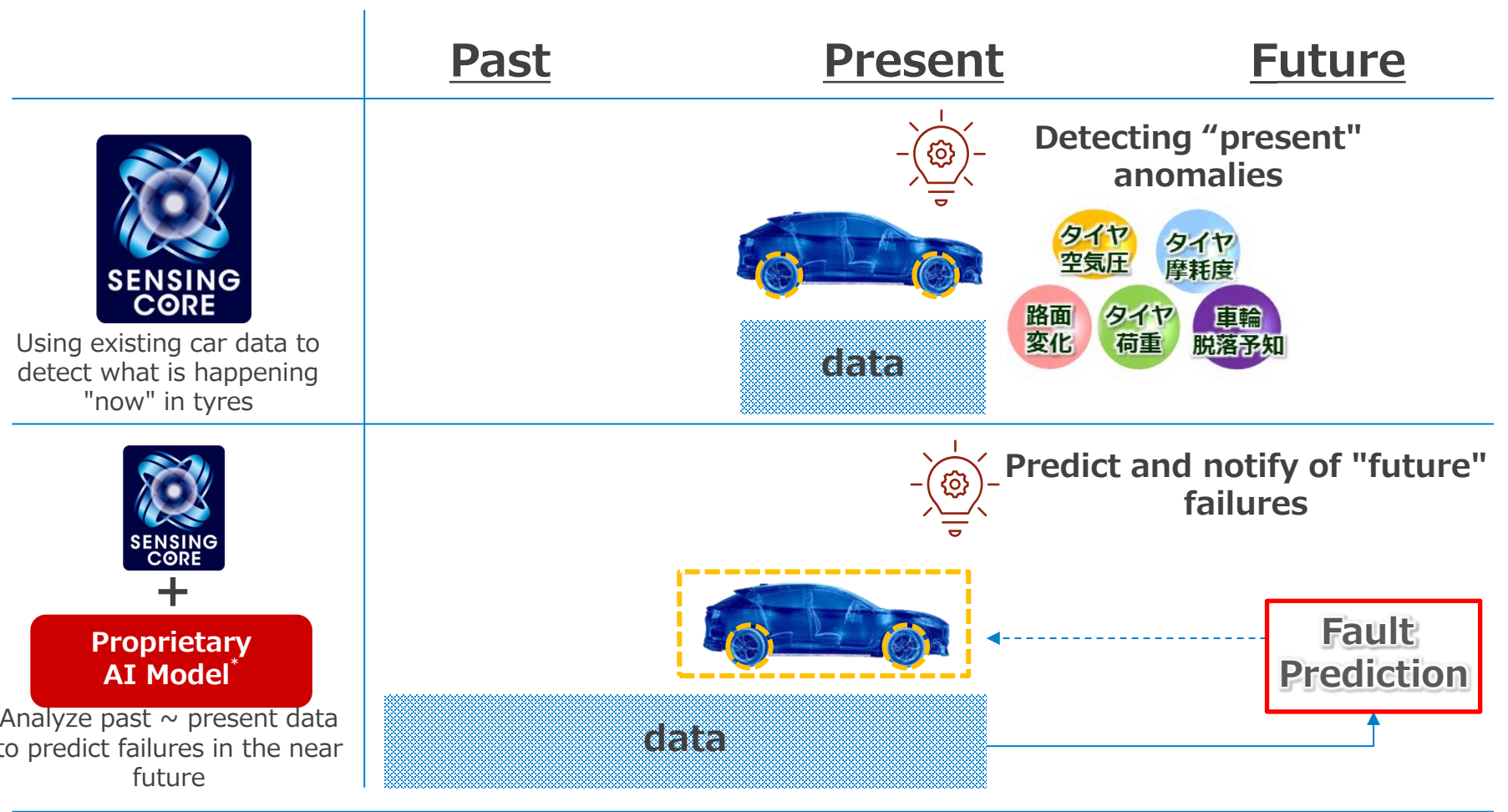
*Also compatible with active tread



Capable of producing tyres with **large outer diameter** sizes and **aggressive designs** required by the North American market



Sensing core detects "now", proprietary AI model detects "future" Our strength is high-precision failure prediction based on "past" and "present" data.



*Proprietary AI model technology: Technology that automatically integrates big data and enables early detection of anomalies through root cause analysis.

2-1. Sensing Core and failure prediction: -Strengths of our technology

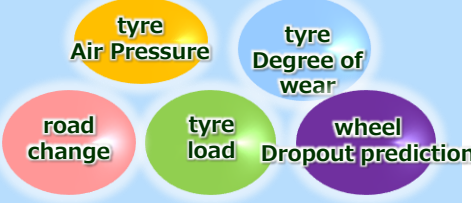
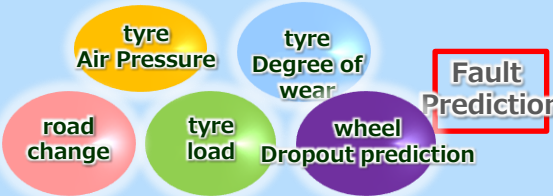
In addition to the advantages of the non-sensor type, the anomaly detection of "present" and "future" combined with the proprietary AI model can be extended to other industries other than tyres

*Comparison based on our research

Target		Sumitomo Rubber	Sensing Competitors	Tyre Competitors
Around the tyre	feature	 Non-sensor Combined with tyre data/know-how Detects the "now" state with high accuracy	Non-sensor	Sensor type
	Maintainability	No sensor parts required, resistant to heat, vibration, and dirt, maintenance-free		 Maintenance required
	Extensibility	Evolve with updates		 Not updated
	Scope of application	automobile Large Vehicles	 —	 —
Other than tyres ~Other industries	technology	Proprietary AI Model*	-	-
	feature	Analyze past ~ present data to predict failures in the near future	-	-

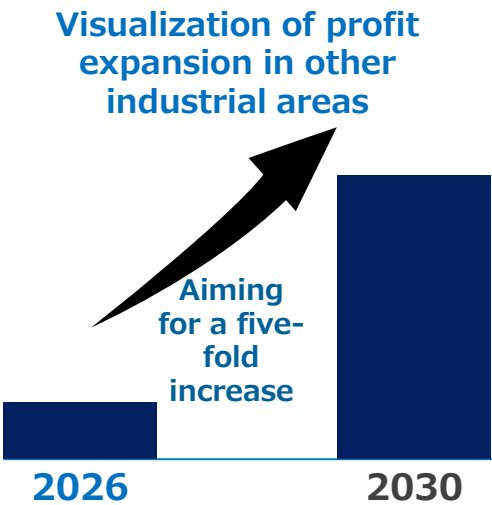
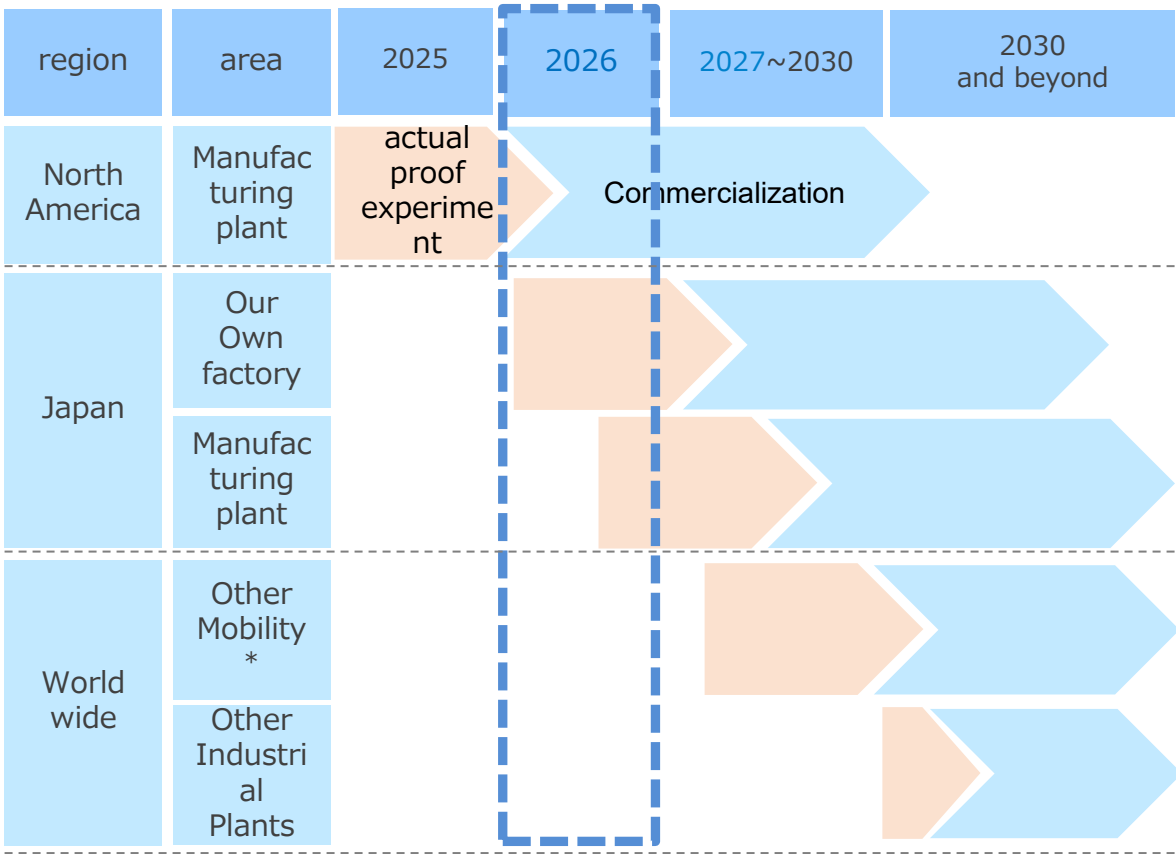
2-1. Sensing core and failure prediction:
-Expansion of failure prediction business

Combining sensing cores and proprietary AI models, expanding into accident prevention and failure prediction businesses with a view toward autonomous vehicles

technology	DWS  *Deflation Warning System	Sensing Core 	Sensing Core + Proprietary AI Model 
purpose	Puncture accident prevention	Preventing accidents caused by tyres	Vehicle failure prediction
target	tyre	Around the tyre	Tyre Area + Vehicle Parts
Value Provided	Preventing accidents caused by low tyre pressure	Accident prevention by detecting abnormalities around tyres To Isuzu's new "Giga" Standard (sold in October 2025)	Improving fleet business efficiency by preventing failures Improving the safety of autonomous vehicles through anomaly detection

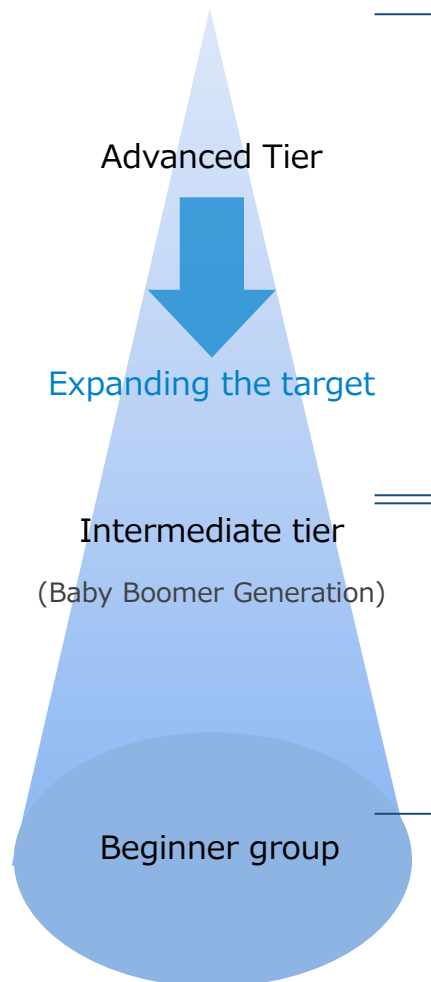
2-1. Sensing core and failure prediction:
-Expansion to other industrial businesses

Analysis of the cause of failure and high-precision prediction of failure timing using a proprietary AI model contributes to the reduction of warranty and maintenance costs in the manufacturing process



Growing in North America*₁, the largest market, and achieving the top 3 global markets by 2030

Maximizing the value of business brand DUNLOP



Advanced Tier

Expanding the target

Intermediate tier
(Baby Boomer Generation)

Beginner group

Image by
Golf Skill Layer

SRIXON

2nd place *₂ in brand exposure on the PGA Tour*₃

Expanding market share based on high recognition



"Expanding the target"

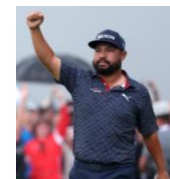


Take the offensive with
"differentiated products"

XXIO



Hitting experience×
Advanced Design

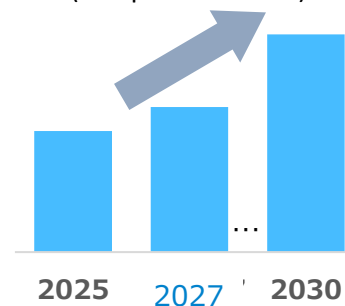


J.J. Spaun



Yamashita
Miyuu

North American sales
1.8 times
(compared to 2025)



Maximizing sales with differentiation strategies that capture the baby boomer generation*₄

The world's first VR titanium equipped "one-hit flight"

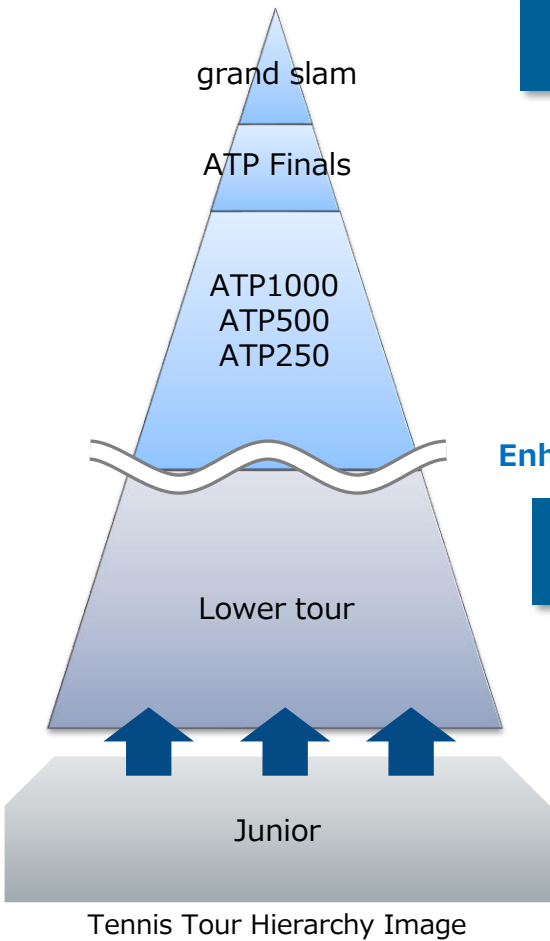
*₁ The North American market accounts for approximately 60% of the global golf market (according to our research in 2024).

*₂ Abbreviation for Professional Golfers' Association Tour. One of the major tours of men's professional golf held mainly in the United States.

*₃ According to the Darrell Survey, as of October 22, 25 (SRIXON, Cleveland Golf, DUNLOP total)

*₄ As of 2025, the generation is 61~79 years old. The XXIO Club is designed for those who prefer lightweight.

Leading the enhancing of brand value as a frontrunner of the DUNLOP brand



Business Strategy

ball

Continues to hold the No. 1 ball share in ATP* with performance recognized by professionals



by spillover effect,
become the world's No. 1 brand of balls (2030)



Australian Open
tournament ball

Enhancing DUNLOP brand value and increasing sales by 1.5 times in 2030 (compared to 2025)

racket

Developing top professionals from juniors and expanding racket usage
Expanding market share by utilizing ball sales channels

DUNLOP Junior Program



Partnered with
famous academies



Signing promising
pro & juniors
Junior Camp



This season's best World rank No. 4
Jack Draper

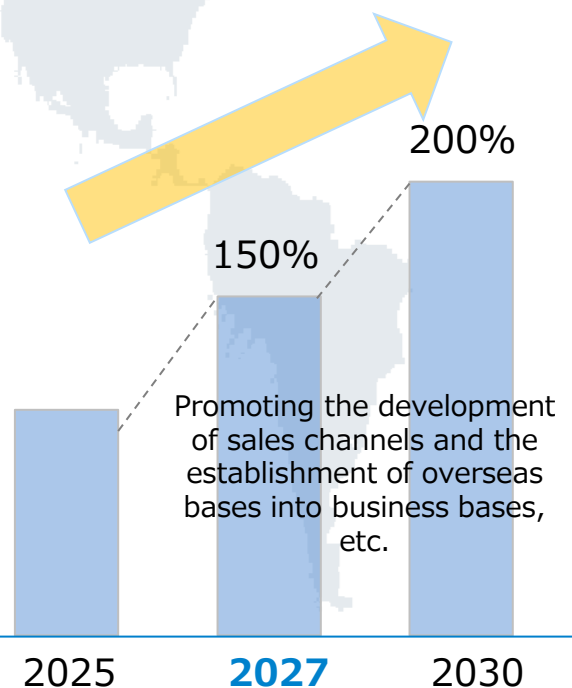
Launching products that have received a lot of support due to the evolution of our rubber technology in overseas markets

Strengthening Overseas Business

~Exporting products that are supported by customers for their quality, functionality, and durability~

Products	Expansion area	the period to begin sales reinforcement	profit growth rate (25→30)
Medical Rubber 	Europe, North America	<u>2026 Q1</u>	220%
Vibration Control Dampers for building 	South east Asia	<u>2027 Q1</u>	300%
Fender 	Asia	<u>2027 Q1</u>	300%
Rubber Parts for Office equipment 	China	<u>2026 Q1</u>	140%

Aiming to double profits in overseas business in 2030
 (compared to 2025)



We develop products that utilize our own rubber technology.
 10 products will be launched in Japan by 2027 and 15 products by 2030.

New launch of "empathetic products" that create value for customers

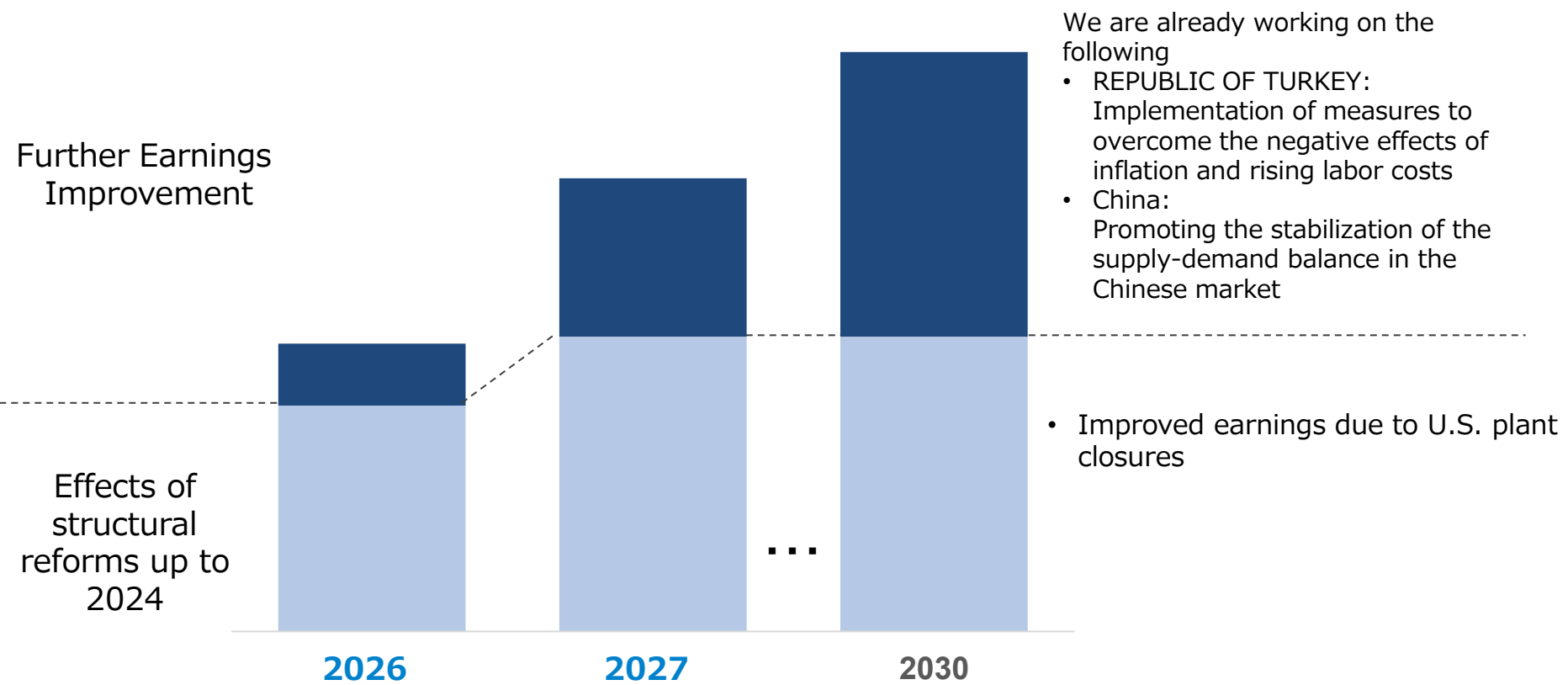
~Promoting product development that meets diverse social needs~

Sales products		Points that lead to customer "empathy"	Launch ing period
Vibration Control Dampers for Residential Buildings		Improving the degree of freedom of floor plan in urban housing	2026
Foam fenders		Improved sense of security through the first domestically produced and highly durable	
Artificial Turf for Sporting Facilities		Improving the ease of passing from the player's point of view Pursuing ease of competition	
Wheelchair ramp		Further improvement in stability through the highest product strength ever	
Logistics Ramp		Portability contributes to improving work efficiency in the logistics industry	

Approximately 10 businesses and products are scheduled to complete all targets by the end of the year

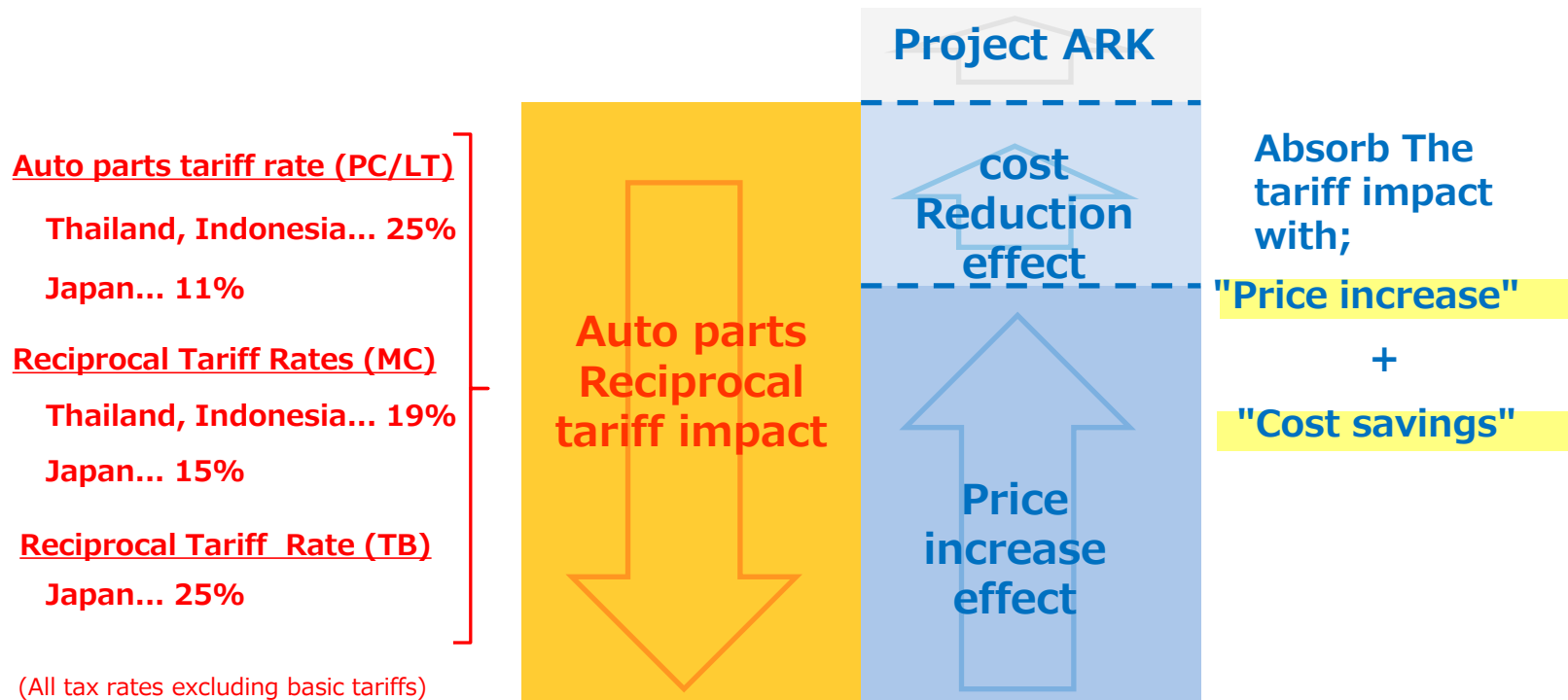
We will continue to work on new structural reforms without slackening.

Image of improving business profits
(Compared to 2025 forecast)



3-2. Tariff Impact on the North American Market and Future Measures

The closure of the high-cost U.S. plant was carried out at the best time. Negotiations with the union also have progressed smoothly. Although there is a tariff impact, the North American business Profitability improves.



The impact of tariffs in the North American market will be absorbed by price increases and cost reductions, and further supported by Project ARK (total cost reduction activities)

Continuing to build up measures and ideas

*204 cases at the end of October 25

Target amount and progress for each year

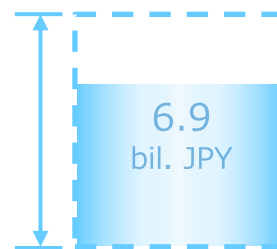
(100 million yen)	Jan. to Sep.	Q4	year
Tyre direct cost	+7	+11	+18
Cost	+0	+2	+3
Sport	+0	+2	+2
Industrial Products	+1	+0	+1
sum	+8	+16	+24

3 bil. JPY



2025

10 bil. JPY



2026

17 bil. yen



2027

Expected Measure Effect

Estimated amount of policy effect

Target amount

3-year cumulative 23.6 billion yen/30 billion yen

Main Measures and Ideas



Utilization of AI for tyre demand prediction & shortening development lead time through virtual prototyping



Consolidation and abolition across business divisions of subsidiaries and bases (offices, warehouses)



Cost reduction at the Thailand plant, the main plant for the U.S. market



Reducing raw material costs by reducing tyre weight (currently being applied to new products for replacement)



Rubber and Beyond, Driving Our Future



SUMITOMO
RUBBER INDUSTRIES