



**Sumitomo Rubber Industries, Ltd.
Long-term Corporate Strategy
R.I.S.E. 2035 Progress Report**

February 12, 2026

TAKING YOU BEYOND

1 Long-term Corporate Strategy R.I.S.E. 2035 Roadmap

2 Growth Strategies for 2026-2027 and Path to Revenue Expansion

- Tyre Business
- Project ARK

3 Preparation of Growth Business

- Sensing Core Business Concept

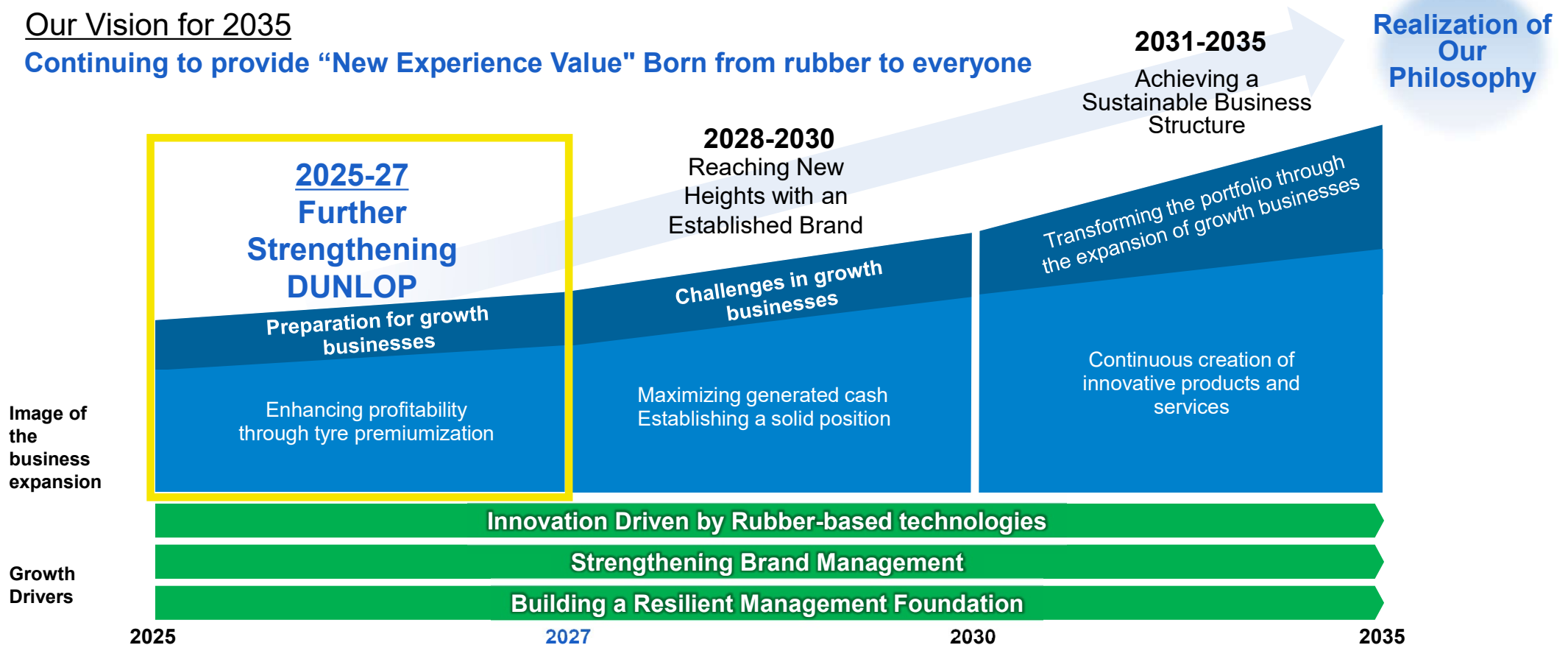
1-1. Roadmap for Long-Term Management Strategy R.I.S.E. 2035

From 2026, the company will shift its focus to a full-fledged growth strategy and improve its corporate value with DUNLOP.



Our Vision for 2035

Continuing to provide “New Experience Value” Born from rubber to everyone



1-2. Image of business profit accumulation through strategy promotion

Focusing on the expansion of premium products through DUNLOP, the company will significantly improve its business profit margin from 2026.



R.I.S.E. 2035 Initiatives

✓ Today, we will explain

Preparation of growth businesses

Overseas expansion of industrial products, diversification, and sympathetic products

Target expansion of golf business

✓ Sensing core and failure prediction

✓ Tyre premiumization

DUNLOP brand + revenue enhancement with active tread

All-Season, All-Weather

Ultra-High Performance Sports

Pickup trucks and SUVs

Building a management foundation that is resilient to change

Improving Tyre costs through technological innovation

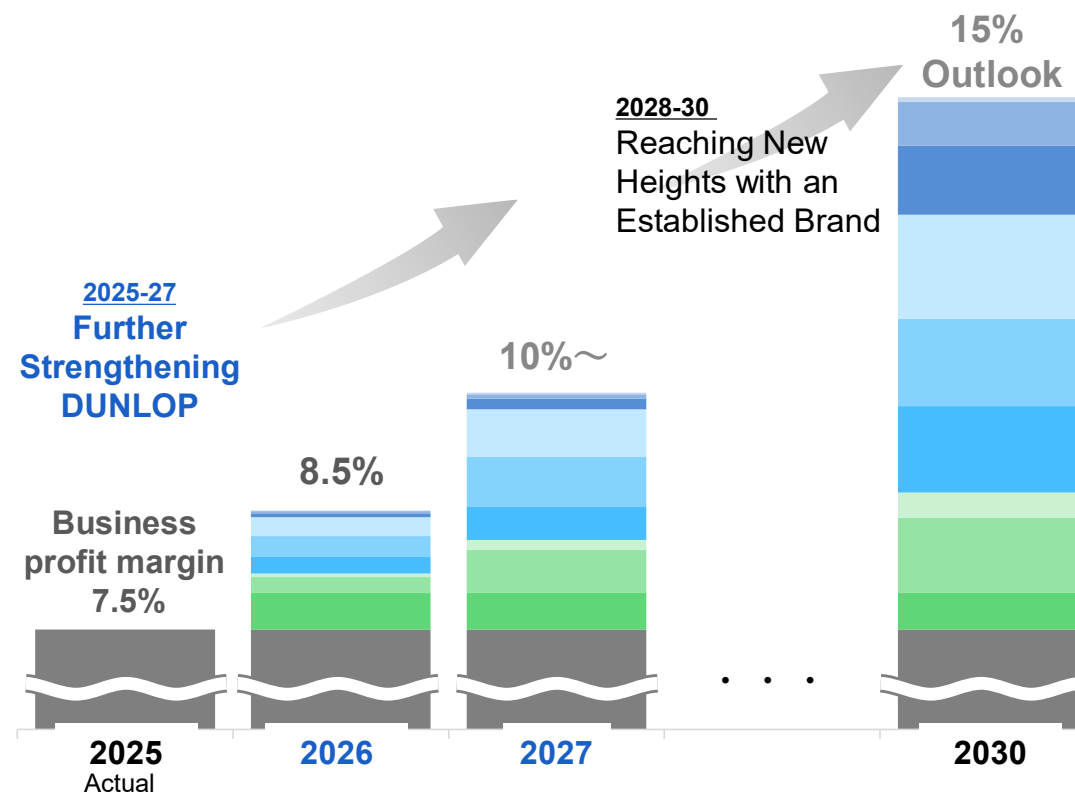
Further Profitability Improvement

Effects of structural reforms up to 2024

Additional Initiatives

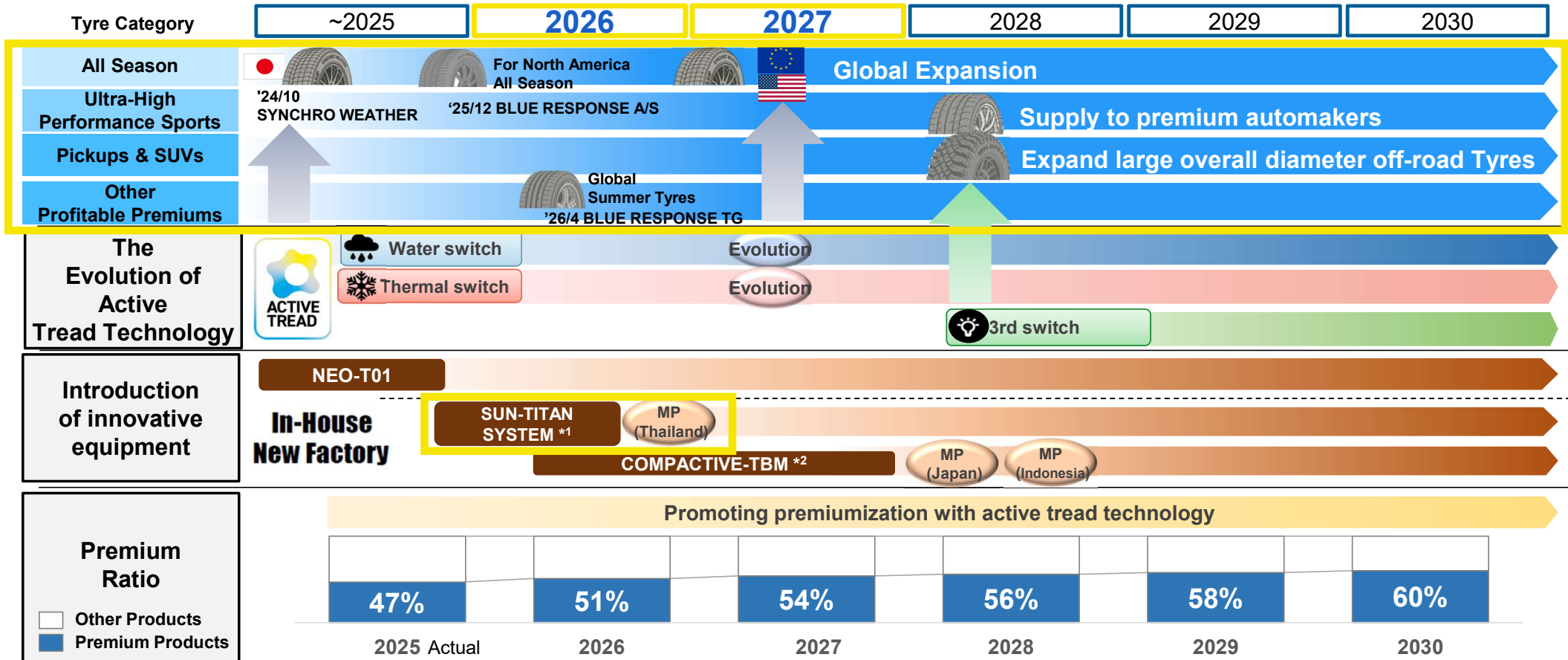
✓ Project ARK

Image of business profit accumulation (Compared to 2025 Actual)



2-1. Tyre Premium Product Plan

In order to promote premiumization, we are promoting the introduction of new products, technology development, and equipment as planned.



*1 An evolved version of our original manufacturing method "Taiyo". It is possible to achieve high design, high roundness, and weight reduction of large outer diameter Tyres at a high level.

*2 Compact Adaptive Tyre Building Machine. It is a compact next-generation molding machine that can be installed in existing plants, and can produce high-performance Tyres with high precision and efficiency.

2-2. Expansion of Tyre Premium Products

By expanding sales of SYNCHRO WEATHER in Japan and introducing new DUNLOP products in Europe, the United States, and Australia, **the premium ratio is expected to be increased to 51% in 2026, and the target of 50% in 2027 is expected to be achieved.**



Domestic for after market '25→'26 +0.8M units

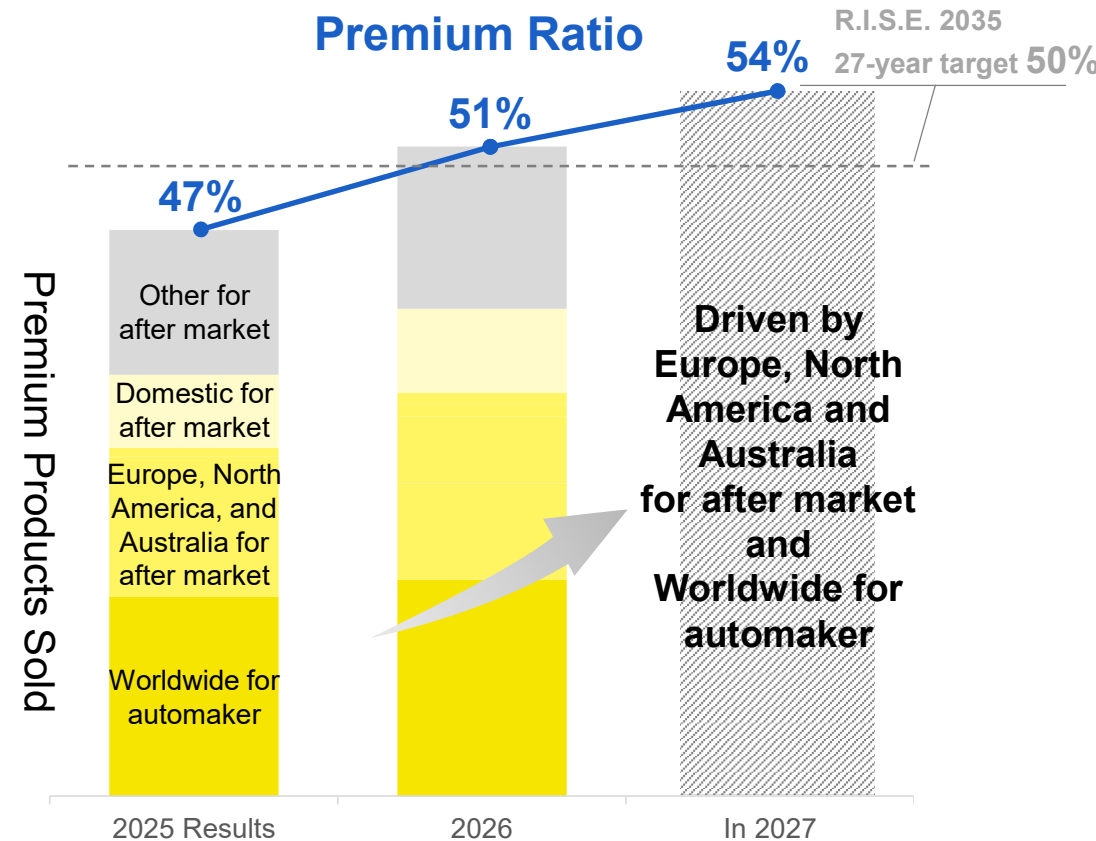
- SYNCHRO WEATHER expansion
 - Further size expansion
 - Strong sales performance

Europe, North America and Australia for after market '25→'26 +2.6M units

- Launch of new DUNLOP products in Europe and Australia
- Increased sales of FALKEN WILDPEAK, the flagship in North America.

Worldwide for automaker '25→'26 +1.2M units

- Expansion of high-inch ratio among automakers in Japan and China
- European premium automakers evaluate technology, production, and brand strength, and increase development offers.



2-3. [Domestic] SYNCHRO WEATHER sales status and future strategies

Increase market awareness with sales of 1 million units and **establish an all-season category in the domestic market. In the all-season category, 90% of the first recommendation*1 was received. Further strengthen efforts to expand sales.**

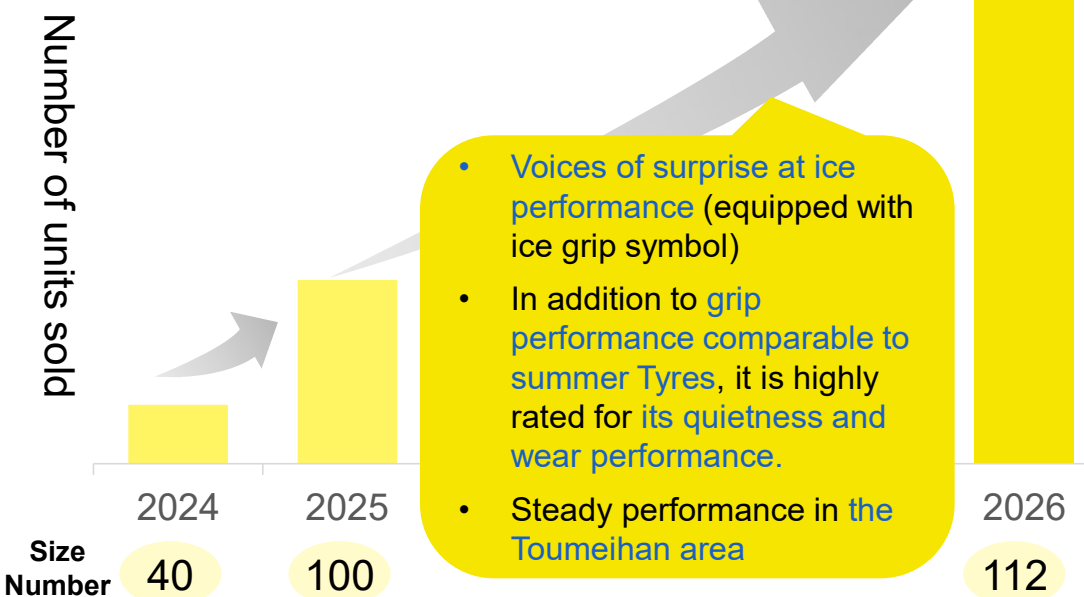


*1: According to Dunlop Tyre Co., Ltd.;

<In-store survey > (period) November 10, 2025 ~ December 5, 2025 / (area) Tokyo, Saitama, Kanagawa, Chiba, Aichi, Gifu, Osaka, Hyogo, Miyagi / (targets) 104 certified stores

Sales Volume Trend of SYNCHRO WEATHER

The season has come full circle since its release, and it is a solid evaluation



Initiatives to expand the all-season market

Increasing consumer and dealer appeal and market awareness, focusing on expanding sales in the summer

Awareness campaign

- TV, SNS, YouTube, etc.

Strengthening and expanding existing certified stores

- dealer option settings, etc.

Initiatives for Market Expansion

- Improving the value provided by approaching according to the business type (corporation, leasing), etc.

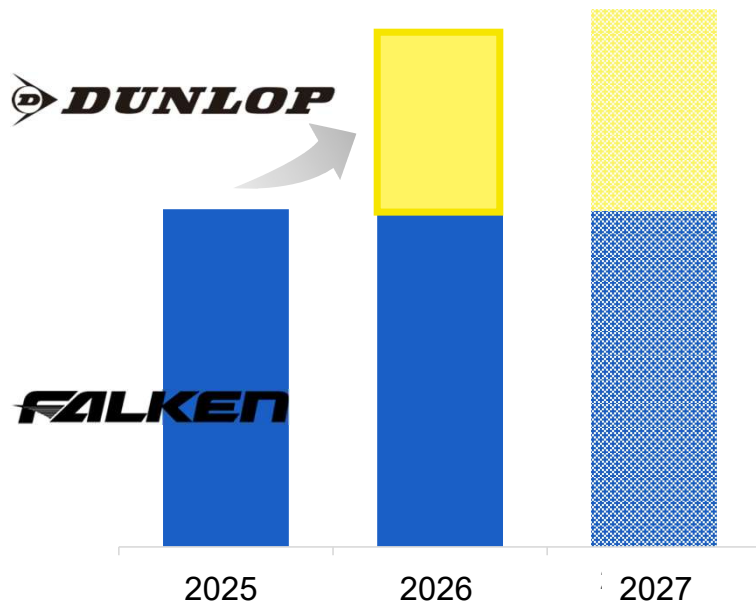


2-4. [Europe] DUNLOP sales status and future strategies

Off-take products from GOODYEAR have started off well in both reputation and sales. Accelerate sales expansion by launching **new DUNLOP products and utilizing the sales channels built by FALKEN besides a sales channel inherited from GOODYEAR.**

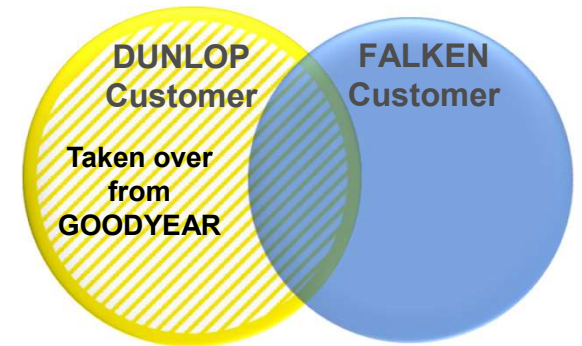


Europe Sales
(Passenger Car Tyres)



< Customer development status (as of the end of January)>

- Orders will begin on January 2, 2026. We **started off well from the first day**. DUNLOP's orders for January reached **1.5 times the budget**.
(DUNLOP received orders from 680 customers)
- In preparation for the full-fledged spring demand, we will also strengthen our approach to retail.



< What customers say>



New products, advertising, support programs, service structures, **We expect an increase in stable supply from the new DUNLOP.**

Thank you for coming back. I am looking forward to the new product as soon as possible.



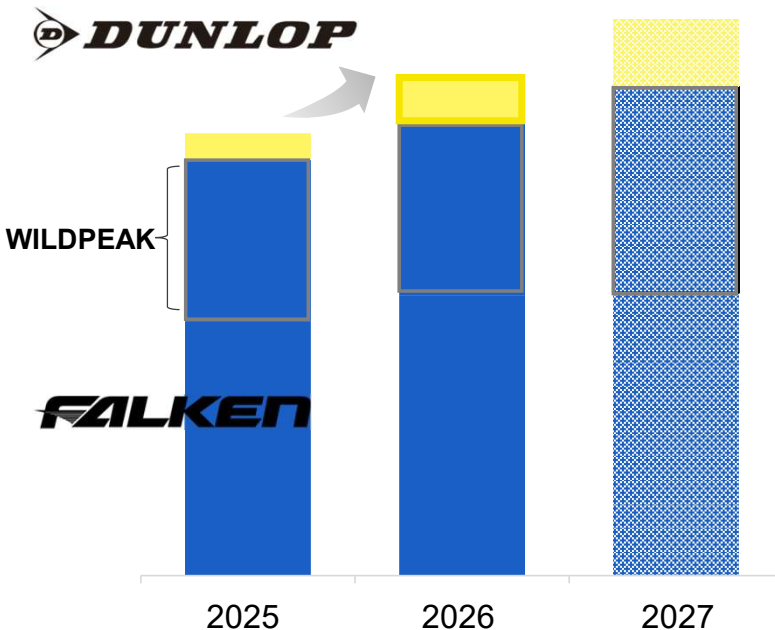
First New Product
BLUE RESPONSE TG
(April '26~).

2-5. [North America] DUNLOP sales status and future strategies

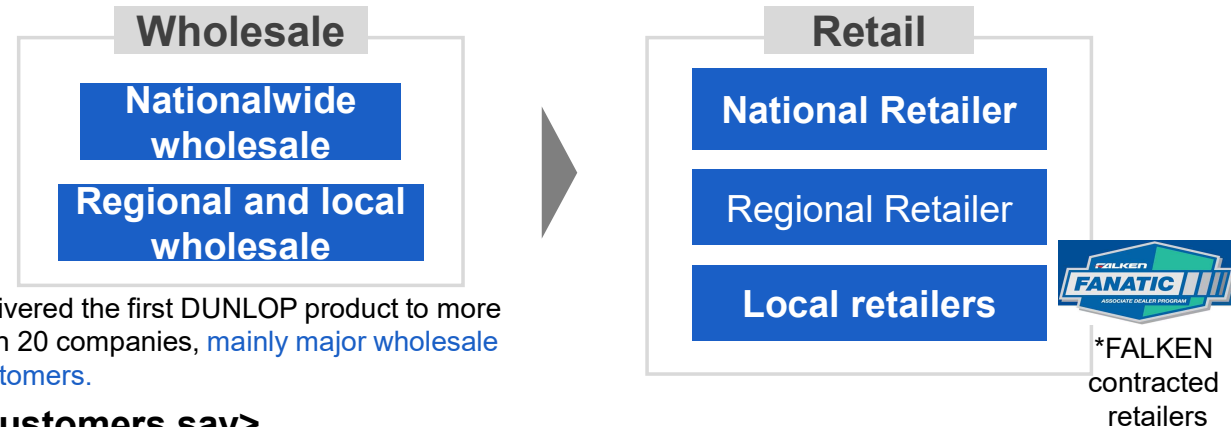
In December last year, DUNLOP launched first new product **mainly for major customers**. We will engage in sales activities to existing chain retailers and **FALKEN contracted retailers** and **steadily expand our market share**. (The second new product is scheduled to be launched by the end of the year)



North America Sales
(Passenger Car Tyres)



< Customer development status (as of the end of January)>



< What customers say>



With its rich history and nostalgia, a wide range of consumers and dealers expect DUNLOP to revitalize.

The design of the new product BLUE RESPONSE is good, and the full warranty program is attractive, and **I am very excited to see what kind of results it will achieve in the market.**

Expectations for further size expansion.

2-6. [North America] 4x4 sales strategy



DUNLOP will be introduced to on-road (H/T) and all-terrain (A/T) and be linked with automakers to build a solid foundation. The company aims to increase its market share by **introducing new FALKEN products** mainly for off-road and expanding the size of the large outer diameter.

1 < Strengthening the product strength of H/T, A/T; DUNLOP >



GRANDTREK



GRANDTREK

Launched 4x4 products (2026~)

2 < Strengthening the product strength of R/T, M/T; FALKEN >



WILDPEAK



equipped



WILDPEAK



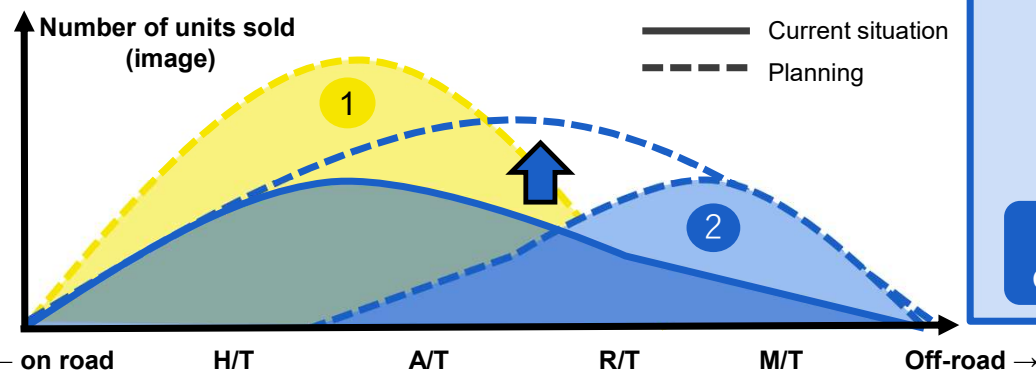
equipped

Equipping ACTIVE TREAS as a successor product (2028~)



Aim for the pinnacle of off-road by participating in racing events

**“The MINT400”
Unlimited Truck 4WD
優勝(2025)**

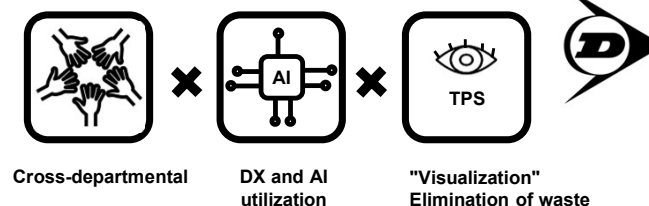


2-7. Project ARK Progress

The cumulative effect is expected to reach 25.9 billion yen, compared to the target amount of 30 billion yen.

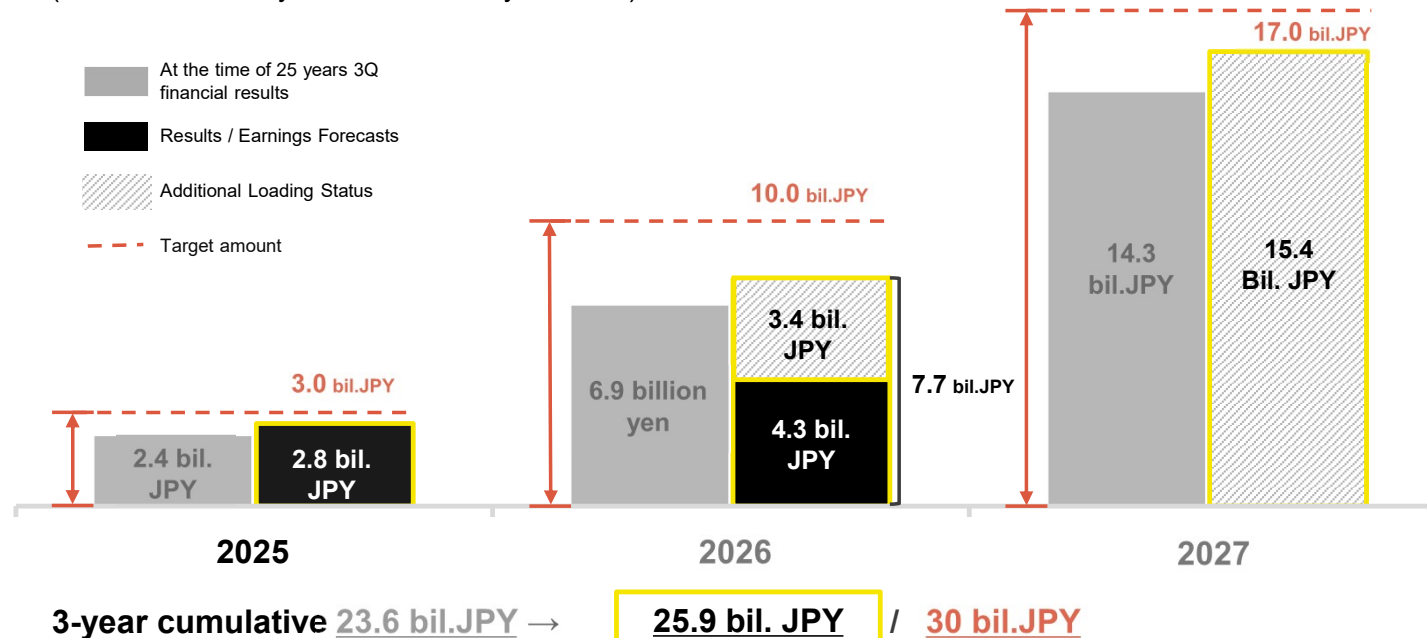
(cumulative total by the end of fiscal year 2027)

The 3 elements of Project ARK



Measure effect amount

(100 mil. JPY)	2025	2026	
		Earnings Forecasts	Additional Loading Status
Tyre	+21	+28	+28
Direct Cost	+3	+5	+6
Sport	+3	+5	+0
Industrial Products	+2	+5	+1
Sum	+28	+43	+34



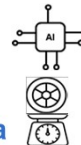
Main Measures and Ideas



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



Cost reduction at the Thailand plant, the main plant for North America



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

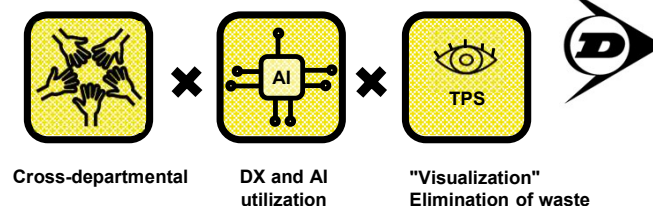
Reducing raw material costs by reducing tyre weight (currently being applied to new products for after market)

*1 TPS: Toyota Production System

2-8. Shortening Development Lead Time

The "SDI Process"^{*1}, which utilizes AI design and virtual development, will dramatically improve the development efficiency of DUNLOP products for Europe and North America.

The 3 elements of Project ARK



Conventional conceptual design

Take a lot of Time to conceive high-performance tyres

New!

AI-powered pattern design

Started operation in 2026

Utilizing unique simulation technology for pattern design Previous: 3-4 months → Pattern verification in 1 day

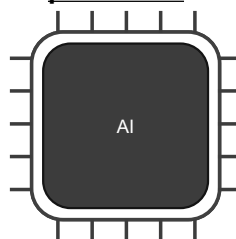
Design

- Category designation
- Pattern features
- Performance image etc..

Pattern generation



Performance prediction



Conventional prototyping and evaluation

If the target is not reached, the prototype is redone.

New!

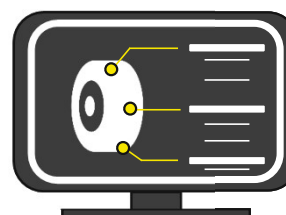
Evaluate virtually

Applied in actual development

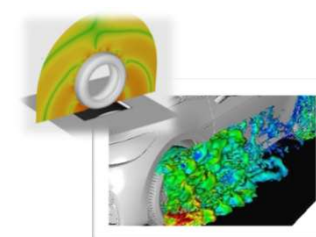
Reducing prototyping man-hours and mold costs by conducting tyre prototyping and evaluation virtually

2026: 3.0 bil. JPY
2027: 5.0 bil. JPY

tyre modeling



Simulation



^{*1} Sumitomo Rubber **Evolution Process**: Development process technology that realizes high-precision performance prediction, development efficiency, and reduction of prototyping and evaluation using AI and simulation

2-9. Cost Reduction at Thailand Plant

In addition to local members, head office departments will support the development of a promotion system **to mitigate tariff impacts in North America and strengthen the profit base.**

Vertical launch of innovative TBM

[Renewal of the Fac.-1] SUN-TITAN SYSTEM



Aggressive design and **weight reduction**

→ Vertical launch will be carried out through collaboration local with headquarters **and mass production will begin within 2026**

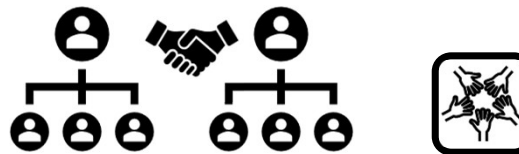
[Renewal of the Fac.-3]

Replacing with high-performance TBM to improve premium A/S supply capacity and quality for Europe and North America

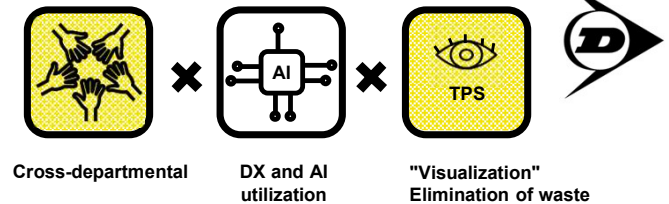
Collaboration between local & headquarters

In addition to local members, we have formed a cross-cutting team involving procurement, design, logistics, sales, and quality at the head office.

Thailand Factory × Headquarters



The 3 elements of Project ARK



Thorough elimination of muri-mura-muda from the TPS perspective

- We will continue to strengthen our cost competitiveness by promoting the development of technologies that will "eliminate differences in tyre performance" even when raw materials are different.
- Increase production capacity by 3% by improving bottleneck in production capacity.



- Dramatically improved production efficiency
- Realization of lightweight tyres

2026: 2.0 bil. JPY
2027: 3.6 bil. JPY

3-1. SENSING CORE Business Concept



SENSING CORE technology **detects and predicts "conditions around tyres" from vehicle data.**
Delivering value in accident prevention and downtime minimization to automakers and fleet management.

According to your needs,
SENSING CORE provides the optimal package.



Business for automakers

Participating in the mobility industry
where SDV^{*1} adoption is advancing

Contributing to an autonomous driving society by focusing on AD/ADAS ^{*2} initiatives



Business for fleet management

Services to improve vehicle utilization
by predicting tyre and other parts failures

Contributing to businesses through services that predict tyre
and vehicle component failures and lead to vehicle maintenance services



**Aiming for a business profit of more than 10 billion yen by 2030,
we are promoting initiatives centered on the sensing core.**

^{*1} Software Defined Vehicle (a vehicle in which software controls the functions and performance of the vehicle in an integrated manner)

^{*2} AD/ADAS: Autonomous Driving / Advanced Driving Assistant System

3-2. Business for Automakers: Progress and Outlook



Leveraging our track record in value delivery to enhance added value for the next functional expansion, we will achieve gradual business growth by expanding our target to the global market.

Value Provided

- Abnormal detection and failure prediction around tyres
- Safety and Security

Our Strengths

- Compatible with passenger cars and commercial vehicles
- No sensor parts required
- Resistant to heat, vibration and dirt
- **Evolve with updates** over the network
- **Maintenance-free**

Market needs

Expanding functions through technological development and broadening business opportunities

Achieving business growth by increasing added value (unit price up) × expanding the market (sales volume)



'30 ~ Expansion in North America (market size *1: 48 million units)
• Functions can be added via the network

'28 ~ Expansion in Asia and Europe (market size *1: 33 million units)
• Expansion by expanding the number of functions provided

'26 ~ Expansion in Asia and Europe (market size *1: 10 million units)
• Focusing on air pressure detection and wheel fall off prediction

★ Achievements

- Installed in overseas automakers ('26)
- Standard installed on the new Isuzu [Giga] ('25)
- Installed in overseas automakers ('24)

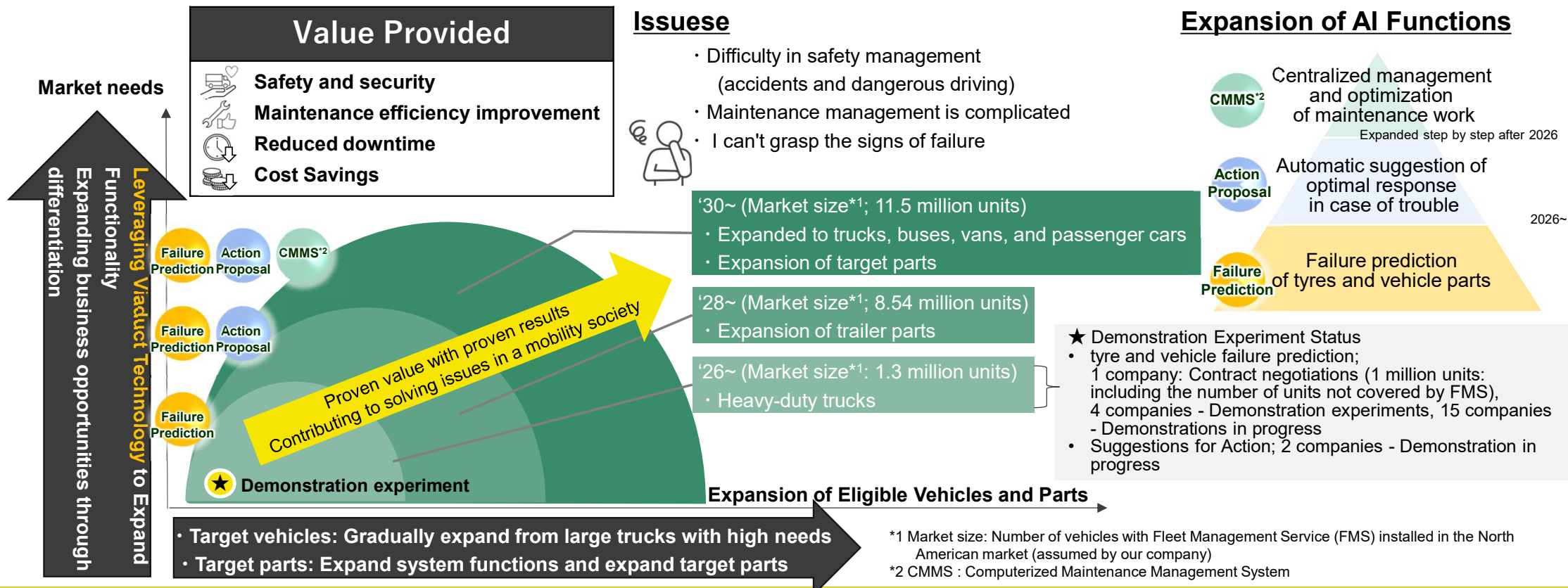
Demonstration experiments are being conducted in Asia and Europe
Receiving positive feedback from automakers and responding to the next step

*1 Market size: Indirect pneumatic alarm system market + production volume of commercial vehicles and passenger cars in each market (assumed by our company)

3-3. Business for Fleet Management: Progress and Outlook



Viaduct AI's "future prediction" technology is combined with the "now" information of the SENSING CORE to improve the accuracy of fault prediction. The company aims to expand the range of target vehicles and parts and expand business opportunities.

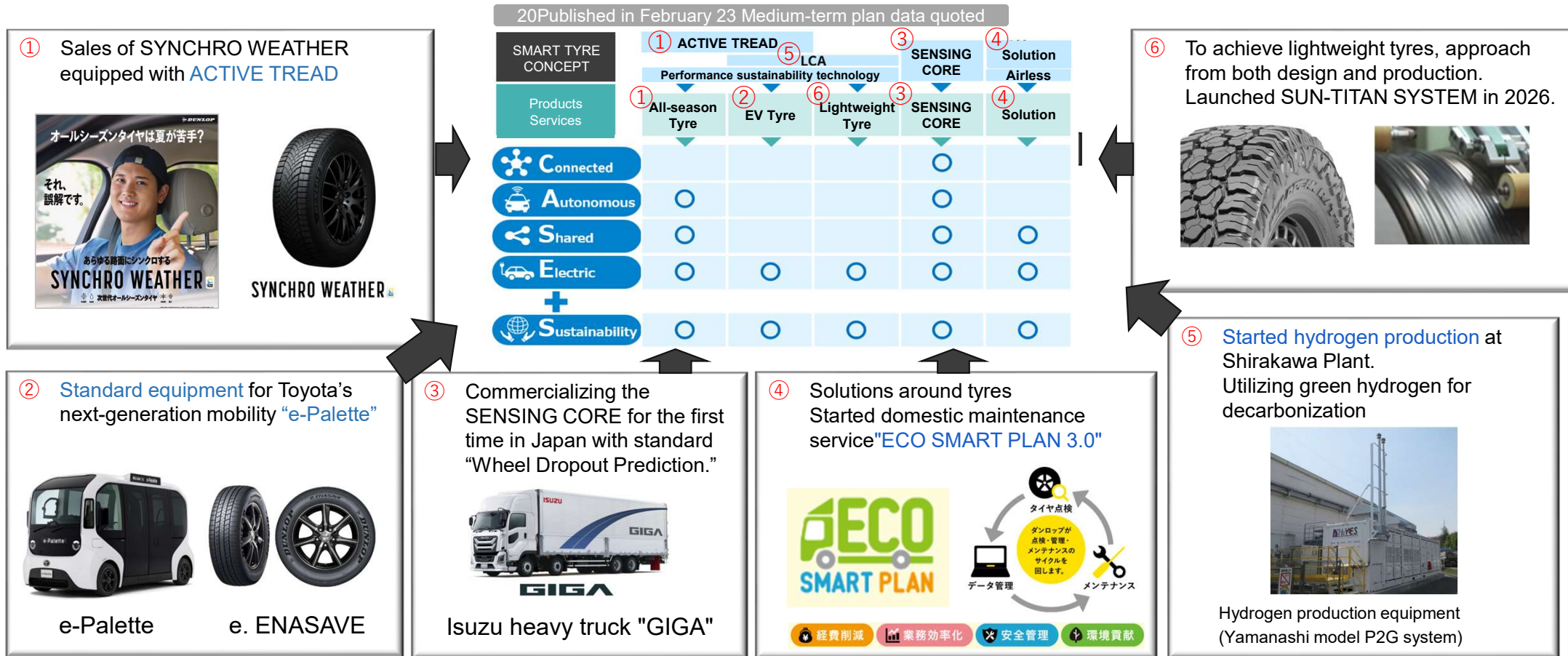


3-4. DUNLOP's Contribution to a Mobility Society



We respond to CASE and a sustainable society, providing **the highest level of safety and joy.**

We are steadily advancing technology development and commercialization to achieve this.



3-5. DUNLOP's Contribution to a Mobility Society



Combining our proprietary **SENSING CORE**, **ACTIVE TREAD**, and **Viaduct technology**, We will provide value in all aspects of safety, experience, economy, and environment to the next-generation mobility society.



- By obtaining ever-changing road surface condition data from the **SENSING CORE**, the system selects the optimal route.
- Depending on the road surface conditions, tyres equipped with **ACTIVE TREAD** proactively adjust themselves.
- Using **Viaduct's technology**, abnormalities and failures are accurately predicted, while AI proposes optimal responses and optimizes maintenance operations.



Feel



×



Change

Next-generation switch
under research



×



Viaduct AI

As the only component touching the road, the tyre senses conditions and adapts proactively, enhancing safety for society as a whole.

Viaduct's AI technology further boosts autonomous vehicle safety by predicting failures and detecting anomalies.

