Sumitomo Rubber Industries, Ltd.

Financial Results Briefing for Nine Months Ended September 30, 2026

November 12, 2026

Event Summary

[Company Name]	Sumitomo Rubber Industries, Ltd.
[Company ID]	5110-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	Financial Results Briefing for Nine Months Ended September 30, 2026
[Fiscal Period]	FY2026 Q3
[Date]	November 12, 2026
[Number of Pages]	40
[Time]	17:00 – 18:09 (Total: 69 minutes, Presentation: 31 minutes, Q&A: 38 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	4

Yasuaki Kuniyasu	Representative Director, President and CEO
Hitoshi Hino	Director, Senior Executive Officer
Masahiro Tsuzaki	Director, Senior Executive Officer
Shinji Araki	Executive Officer

[Analyst Names]*	
Shiro Sakamaki	BofA Securities
Arifumi Yoshida	Citigroup Global Markets
Kazunori Maki	SMBC Nikko Securities
Tairiku Sakaguchi	Mizuho Securities
Shinya Naruse	Okasan Securities
Wataru Ishimoto	Nomura Securities

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

Presentation

Futamura: We will now begin the Q3 financial results briefing for the fiscal year ending December 2026 for DUNLOP, Sumitomo Rubber Industries, Ltd. I am Futamura of Investor Relations, and I will be serving as today's moderator. Thank you for your cooperation.

I would like to introduce today's attendees. Yasuaki Kuniyasu, Representative Director, President and CEO.

Kuniyasu: I am Kuniyasu. Thank you.

Futamura: Hitoshi Hino, Director, Senior Executive Officer.

Hino: I am Hino. Thank you.

Futamura: Masahiro Tsuzaki, Director, Senior Executive Officer.

Tsuzaki: I am Tsuzaki. Thank you.

Futamura: Shinji Araki, Executive Officer, General Manager of Finance and Accounting Division.

Araki: I am Araki. Thank you.

Futamura: Today, we will proceed with the presentation based on the material posted on our website. The material will also be displayed on the screen.

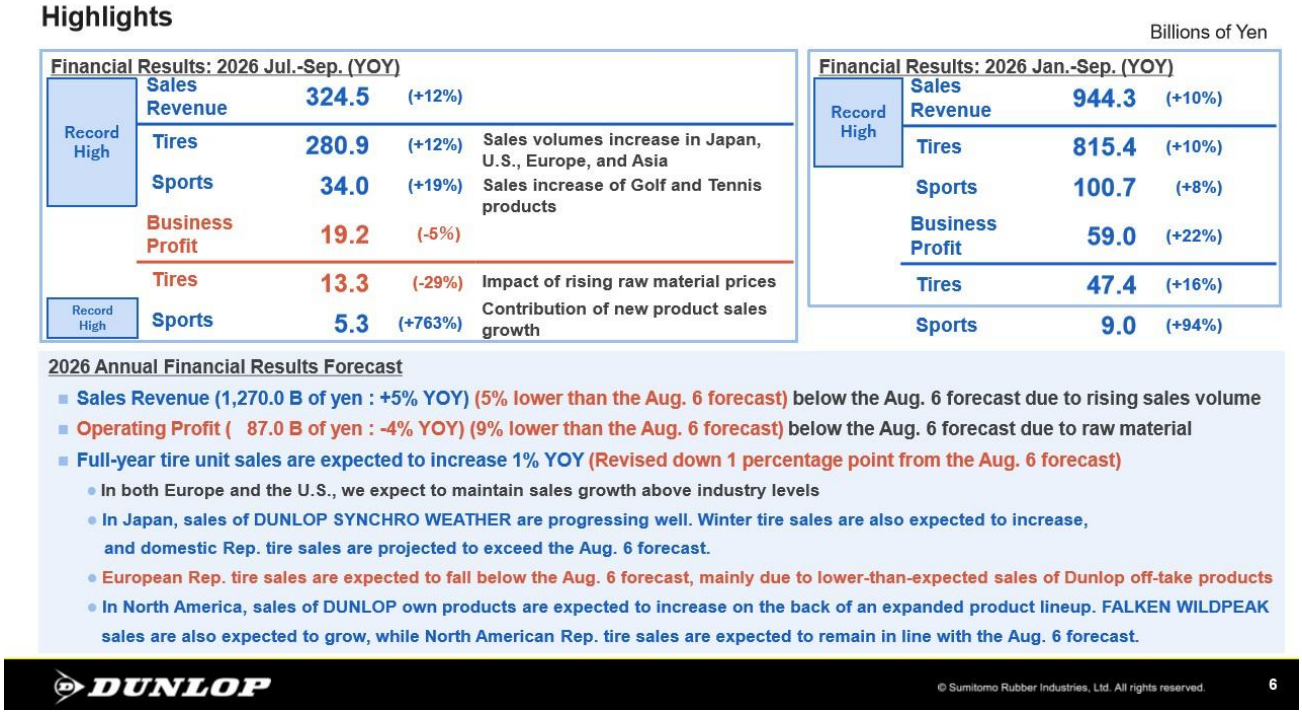
Key Subjects

- **2026 3rd Quarter Financial Results Summary**
  - Changes in Scope of Consolidation, Affiliated Companies
  - Highlights, Financial Results Summary
- **2026 Annual Financial Results Forecast**
  - Financial Results Forecast Summary
  - Capex, Depreciation, Tire Production Capacity etc.
  - Shareholder Returns etc.

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved.

First, our President, Kuniyasu, will explain the summary of the financial results and the full-year earnings forecast. Next, Senior Executive Officer Hino will explain the details of the financial results. After the presentation, we will take your questions. Thank you.

Mr. Kuniyasu will now make a presentation.



Kuniyasu: Once again, I am Kuniyasu, the President. Thank you very much for joining us today for our Q3 financial results briefing for the fiscal year ending December 2026, despite your busy schedules.

I will provide an overview of our Q3 performance and our full-year earnings forecast.

Please look at page six.

The Group's sales revenue from July to September 2026 was JPY324.5 billion, a 12% increase YoY, marking a record high.

Tire unit sales from July to September increased YoY. The main factors for this were increased sales in Japan, the US, Europe, and Asia, which allowed tire revenue to exceed the previous year and reach a record high. Sales revenue in the Sports segment exceeded the previous year due to increased sales in both golf and tennis, reaching a record high.

On the other hand, the Group's business profit for the period from July to September 2026 was JPY19.2 billion, a 5% decrease YoY.

Although we strove to recover through price pass-throughs and internal efforts, business profit in the Tires segment fell below the previous year due to the impact of soaring raw material prices. Business profit in the Sports segment significantly exceeded the previous year, as the expansion of sales for new products, mainly the XXIO 14 and SRIXON golf clubs, contributed to the profit increase.

The Group's sales revenue for the period from January to September also exceeded the previous year, reaching a record high.

I will now explain our full-year earnings forecast for 2026.

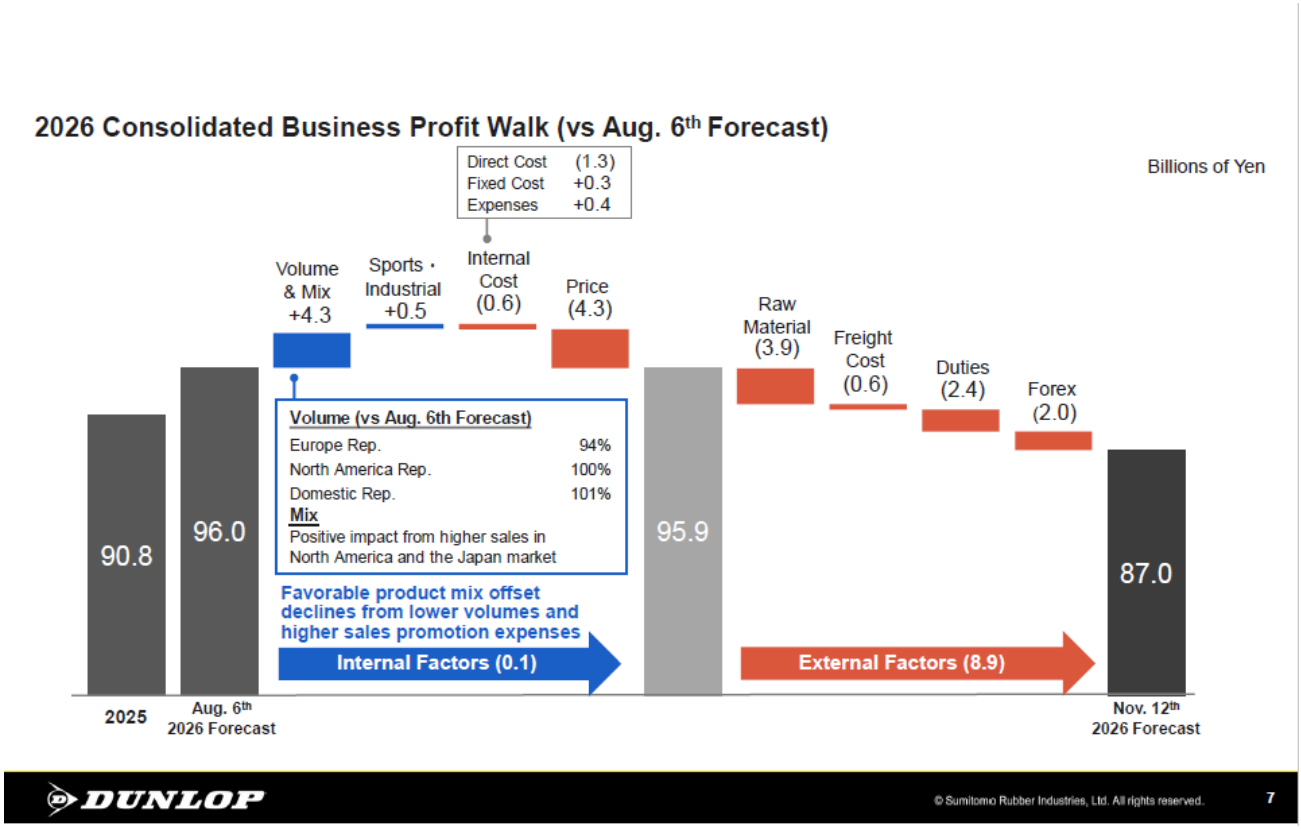
Sales revenue is expected to be JPY1.27 trillion, a 5% increase YoY and a 5% decrease from the previous forecast, while business profit is expected to be JPY87 billion, a 4% decrease YoY and a 9% decrease from the previous forecast. This incorporates our results from January to September, sales forecasts from October onwards, the impact of rising raw material prices, and the impact of exchange rates.

Annual tire unit sales are expected to exceed the previous fiscal year but will be 1 percentage point lower than the previously announced forecast.

In Japan, in addition to increased sales of SYNCHRO WEATHER, we expect growth in winter tires, starting with the new WINTER MAXX ICE Pro product, and domestic replacement tire unit sales are expected to exceed the previous forecast.

On the other hand, unit sales of European DUNLOP off-take products are expected to be significantly lower than the previous forecast. We will continue to work on various sales initiatives.

Although the market environment in North America remains challenging, we expect the North American replacement tire business to perform as previously announced, due to factors such as the expansion of the in-house DUNLOP product lineup since July and the anticipated sales growth of the FALKEN WILDPEAK.



Please turn to page seven.

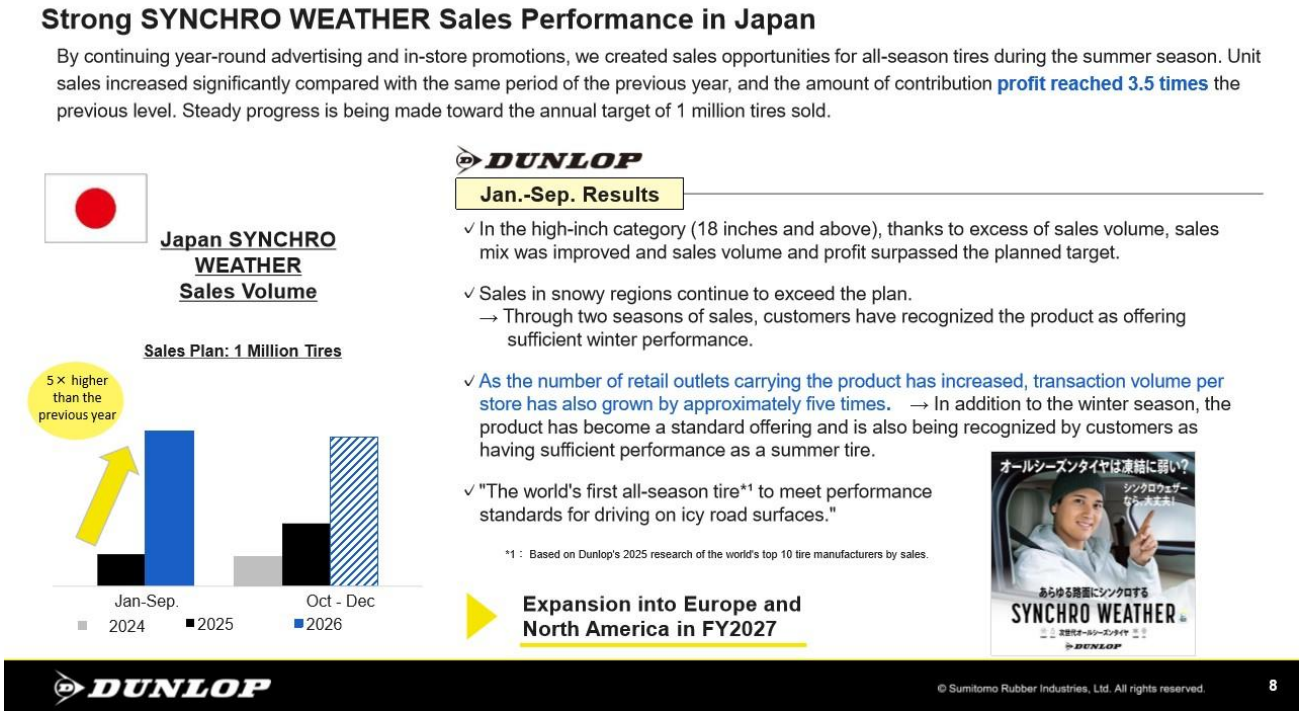
I will now explain the summary of the difference in the 2026 business profit forecast compared to our previous announcement.

If we only consider changes in internal factors, we expect business profit to be at the same level as previously announced, but we have revised our profit forecast because we cannot absorb the impact of external factors occurring in H2 elsewhere.

Among internal factors, the positive impact from volume & mix is expected to be JPY4.3 billion higher than the previously announced value, mainly due to an improvement in the product mix that offsets the decline in sales volume mainly in Europe. The sports and industrial products businesses are expected to be positive factors, while internal costs and price are expected to be negative factors.

Regarding external factors, we previously explained that raw material would be a negative factor of JPY24 billion due to the impact of rising unit prices, mainly caused by the situation in the Middle East, but we have now added another JPY3.9 billion to that negative factor. Including other negative factors such as freight cost, duties, and forex, external factors are expected to be a negative factor of JPY8.9 billion.

As a result, we expect total business profit to be JPY87 billion, which is JPY9 billion lower than the previously announced JPY96 billion.



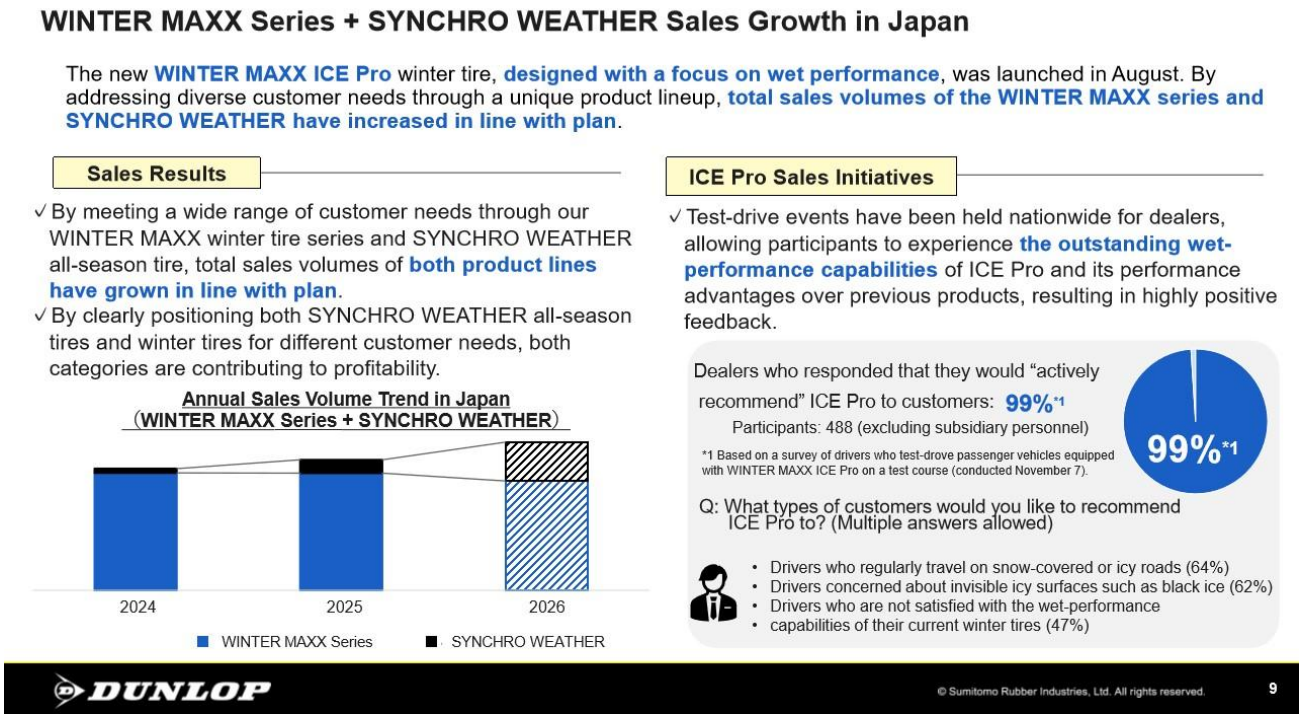
Please turn to page eight.

I will now explain the situation regarding the domestic replacement tire business.

For SYNCHRO WEATHER, by continuing advertising and in-store promotions throughout the year, we were able to create sales opportunities for all-season tires during the summer season. Sales volume from January to September grew significantly to approximately five times that of the same period last year, and the marginal profit also increased by 3.5 times. We are making steady progress toward achieving our annual sales target of 1 million units.

In the high-inch category of 18 inches and above, sales exceeded our plans, which improved the product mix and resulted in sales and profits surpassing our targets. Sales have continued to exceed plans, particularly in snowy regions. Through two seasons of sales, SYNCHRO WEATHER has been recognized by customers as a product with sufficient winter performance. In addition, the number of stores carrying the product has expanded, and the transaction volume per store has also grown by approximately five times. This has become a staple product even in seasons other than winter, and customers have recognized it as a product with sufficient performance as a summer tire.

We will further evolve this SYNCHRO WEATHER and expand it to Europe and North America in H2 of FY2027.



Please see page nine.

In August, we launched WINTER MAXX ICE Pro, a new winter tire specialized for performance on ice. By meeting the needs of different customers with our unique product lineup, the total sales volume of the WINTER MAXX series and SYNCHRO WEATHER is growing as planned.

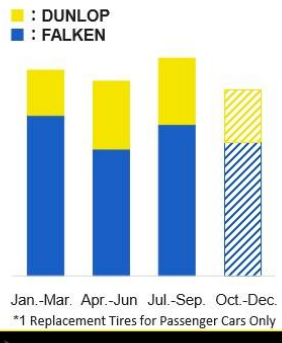
The differentiation between the WINTER MAXX series of winter tires and the SYNCHRO WEATHER all-season tires is clearly established, and both categories are contributing to profits.

As a sales strategy for ICE Pro, we held test-drive events for retailers nationwide, and 488 people participated. They experienced ice performance that sets it apart from conventional products, and 99% of those who test-drove it evaluated it as a product they would actively recommend to customers. We will connect this to maximizing sales and expanding profits this winter.

Europe: DUNLOP/FALKEN Sales Performance

Unit sales for January-September increased significantly to 131%*1 of the previous year, as DUNLOP steadily expanded its customer base and further grew winter tire sales.

Europe Sales Volume*1
(Replacement Market)



*1 Replacement Tires for Passenger Cars Only

Europe Tire Demand*1
(compared to last year)

	Jan.-Sep.
Industry	101%
DUNLOP +FALKEN + SUMITOMO TYRES	131%

DUNLOP

Jan.-Sep. Results

- New customer acquisitions and transaction volume **increased 2.6-fold** compared with the beginning of the year.
- Optimized staffing and strengthened sales and warehouse operations.
- Leveraging sales channels established through FALKEN, **we further expanded sales of highly rated winter tires**.
- Pursuing new business opportunities with automotive dealer networks and major leasing companies.
- "BLUE RESPONSE TG" has **maintained its premium price positioning**.
- DUNLOP off-take product sales for July-September were 62% of plan due to distribution inventory adjustments.

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 10

Please see page 10.

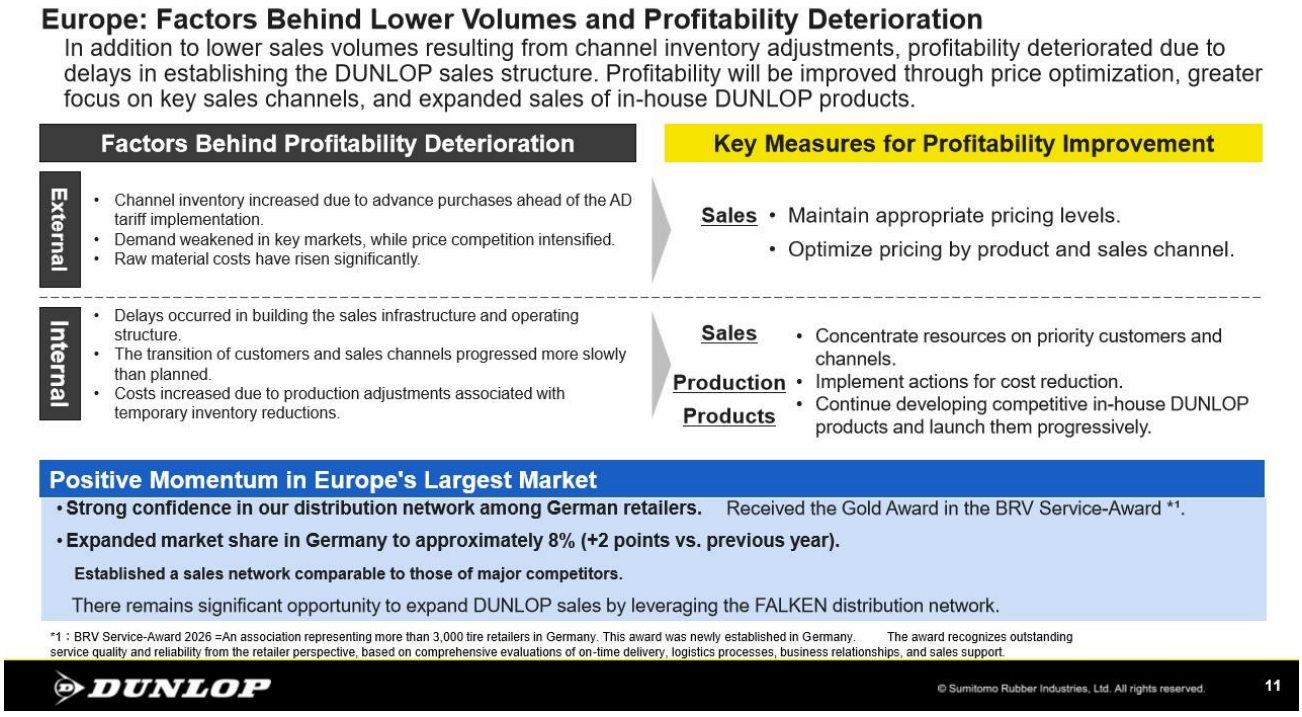
I will explain the situation in Europe.

Our sales volume from January to September grew significantly to 131% YoY.

DUNLOP has been expanding its customer base and promoting winter tire sales, with the number of transactions increasing 2.6 times since the beginning of the year. DUNLOP winter tires are off-take products, and they received high praise in European magazine reviews.

The summer tire BLUE RESPONSE TG also maintains a premium price position due to the effect of high ratings in European magazine reviews.

On the other hand, sales of DUNLOP off-take products from July to September were 62% of the plan as a result of adjusting distribution inventory.



Please see page 11.

In Europe, there was a decrease in volume and a deterioration in profitability.

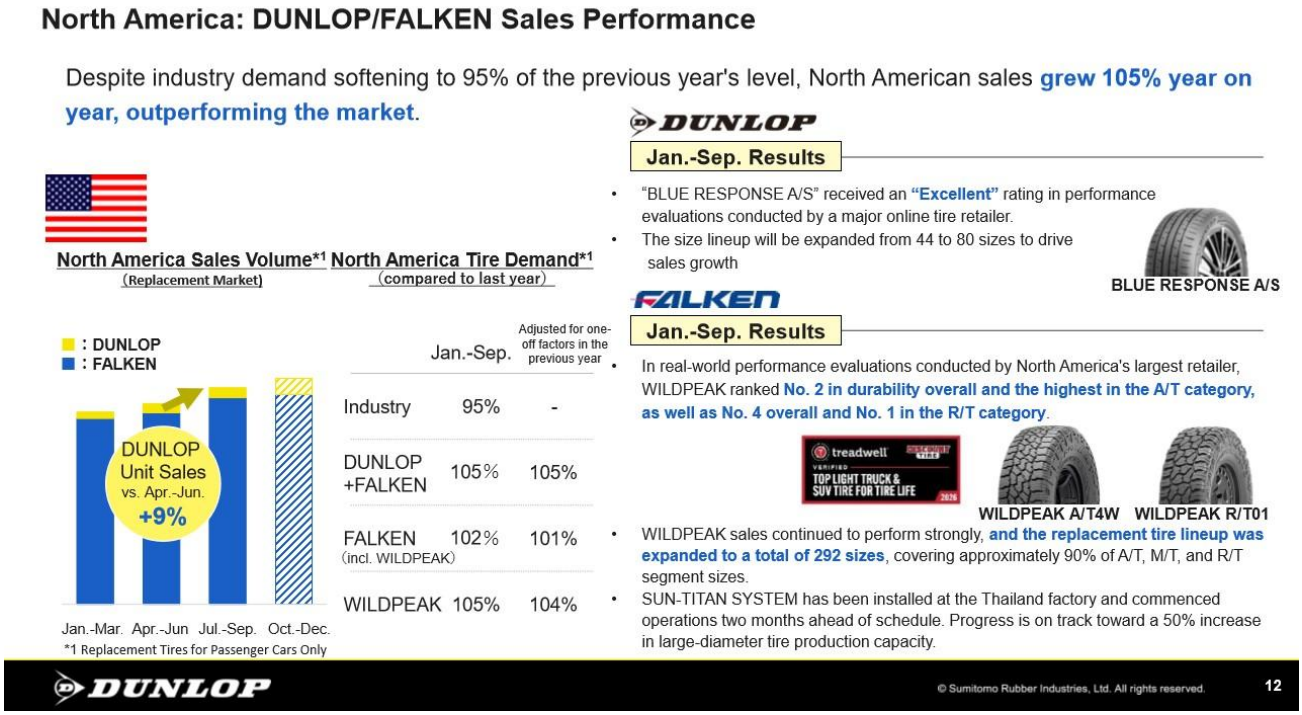
External factors included an increase in distribution inventory due to last-minute imports of Chinese tires before the imposition of anti-dumping duties, sluggish demand and price competition in major countries, and soaring raw material costs.

Internal factors included delays in building the sales infrastructure, delays in transitioning customers and sales channels, and cost deterioration due to production adjustments accompanying temporary inventory adjustments.

On the other hand, we also feel a positive response to our sales expansion efforts. In Germany, the largest market in Europe, our sales channels have earned high trust from tire retailers, and we received the Gold Award at the Service-Award of the BRV, an organization with over 3,000 member retailers. Our market share in Germany is approximately 8%, an increase of 2 percentage points from the previous year. We have been able to build a sales network comparable to that of our major competitors, and we believe there is significant room to expand DUNLOP sales by leveraging the FALKEN sales network.

Leveraging this sales foundation, on the sales side, we will concentrate resources on priority channels, such as by implementing price increases by product and channel while maintaining appropriate price levels.

On the production side, we will work on cost reduction activities, and on the product side, we will proceed with the launch of competitive in-house DUNLOP products, such as expanding the BLUE RESPONSE TG size lineup from 99 to 128 sizes to be launched next year, expanding the DUNLOP winter tire size lineup, and introducing SYNCHRO WEATHER in Europe, to improve future profitability.



Please turn to page 12.

I will explain the situation in North America.

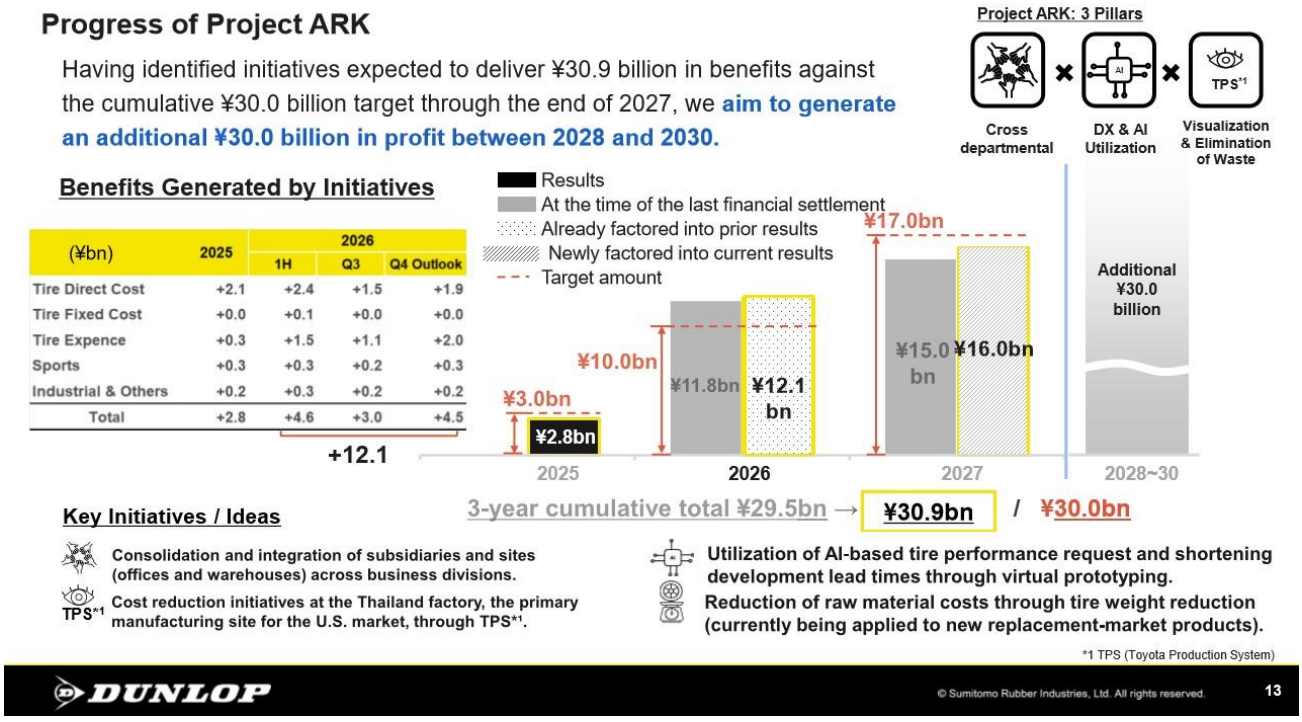
While industry demand in North America from January to September softened to 95% YoY, our sales in North America grew to 105% YoY, outperforming the market.

For DUNLOP, the BLUE RESPONSE all-season tire earned an Excellent rating in a performance evaluation by a major online retailer. The size lineup also expanded from 44 to 80 sizes, and sales growth progressed. DUNLOP's sales volume for July-September increased by 9% compared to April-June.

For FALKEN, WILDPEAK earned second and fourth place in durability performance for light truck tires in a real-world driving evaluation by a major North American retailer. We received the highest ratings in the all-terrain and rugged-terrain categories, respectively.

WILDPEAK sales remain strong at 104% YoY, and we have expanded the replacement tire size lineup to a total of 292 sizes. With this, we cover approximately 90% of the number of sizes in the all-terrain, mud-terrain, and rugged-terrain categories.

Regarding supply, the SUN-TITAN SYSTEM at the Thailand plant also began operations in October, two months ahead of schedule. We are continuing our efforts to increase production capacity for large-diameter tires by 1.5 times.



Please turn to page 13.

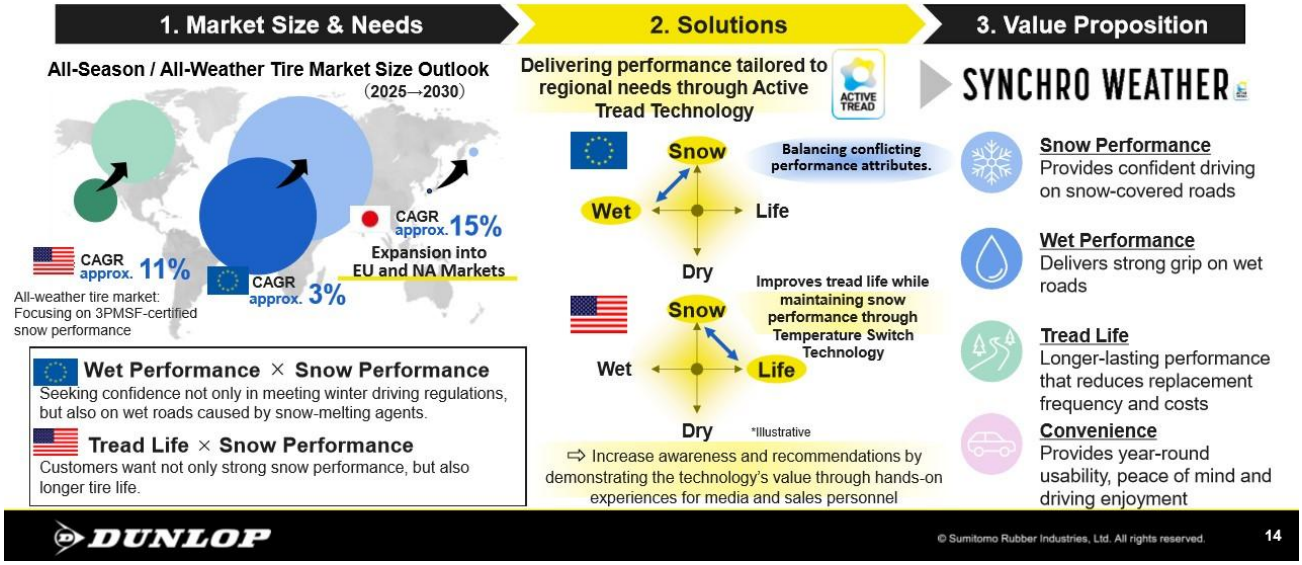
I will explain the progress of Project ARK.

We are working on three elements: cross-departmental initiatives, the utilization of DX and AI, and visualization and waste elimination through TPS, with the goal of generating a cumulative JPY30 billion in benefits by the end of 2027.

In 2026, we accumulated benefits of JPY4.6 billion in H1 and JPY3 billion in Q3, mainly in direct tire costs and expenses. Including the JPY4.5 billion forecast for Q4, the annual total will be JPY12.1 billion, which is expected to exceed the target of JPY10 billion.

Combining the JPY2.8 billion result for 2025 and the JPY16 billion forecast for 2027, the cumulative effect over the three years will be JPY30.9 billion. Mainly by accumulating cost reduction measures at overseas plants, we have increased the amount from the JPY29.5 billion at the time of the previous financial results briefing, and we are now in a position to achieve the cumulative target of JPY30 billion. Furthermore, we aim to create an additional JPY30 billion in effects from 2028 to 2030.

We will continue to steadily implement these measures and lead to the strengthening of our profitability.



Please look at page 14.

I will explain the overseas expansion of SYNCHRO WEATHER for the next fiscal year.

The Company will launch the new SYNCHRO WEATHER, equipped with evolved Active Tread Technology, in Europe and North America in H2 of 2027.

We expect the all-season tire market to grow at an average annual rate of approximately 15% in Japan and approximately 3% in Europe from 2025 to 2030. In addition, the market size for all-weather tires is expected to grow at an average annual rate of approximately 11% in North America.

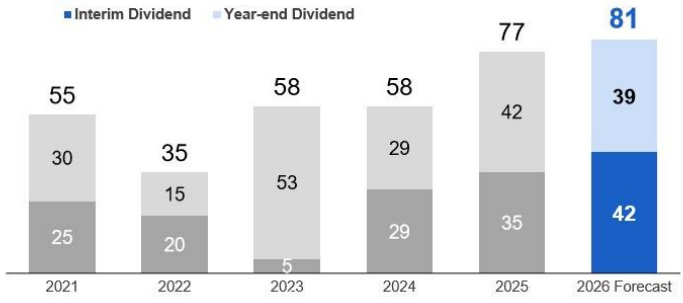
Customers in Europe, where the market size is large, require not only compliance with winter regulations but also the peace of mind to drive on roads wet with snow-melting agents and the like. North American customers have a need for tires that are not only capable of driving on snowy roads but also have a long life and high economic efficiency. Active Tread Technology is exactly what is suited to meet these needs.

For the European market, we will further evolve the performance of the domestic SYNCHRO WEATHER to improve wet and snow performance. For the North American market, we will upgrade the temperature switch to improve tire life while ensuring snow performance. We will promote the value of the technology through opportunities for sales staff to actually experience driving, thereby expanding awareness and recommendations.

Shareholder Returns

We regard shareholder returns as one of our highest management priorities. Accordingly, our basic policy is to ensure a long-term, stable stream of shareholder returns, targeting from 2026 a consolidated dividend payout ratio of 40%+ and a dividend on equity (DOE) of 3%+.

Determination of 2026 Interim Dividend Payment and Forecast of Annual Dividends :
In light of the revision to the annual consolidated financial results forecast for the fiscal year ending December 31, 2026, we have also revised our year-end dividend forecast to 39 yen per share and our annual dividend forecast to 81 yen per share.



(Reference) Trends in Dividend Payout Ratio and DOE (%)

	2021	2022	2023	2024	2025	2026 Forecast
Dividend Payout Ratio	49.1	97.8	41.2	154.6	40.2	44.4%
DOE	3.0	1.8	2.6	2.4	3.0	3.0%

*DOE = Total dividends / Equity
*DOE prior to fiscal year 2025 is for reference only.

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 40

I would like you to look at page 40.

Regarding dividends, in addition to the standard of a consolidated dividend payout ratio of 40% or more, we have also been using the concept of a DOE of 3% or more since this year.

With this revision to the full-year earnings forecast for FY2026, we would like to set the year-end dividend for 2026 at JPY39, a decrease of JPY3 from the previous announcement, for an annual total of JPY81, which represents a DOE of 3%.

This concludes my explanation. Thank you very much.

Futamura: Next, our Senior Executive Officer, Hino, will explain the details of the financial results for Q3 of the fiscal year ending December 2026.

Consolidated Financial Results (2026 Jan.-Sep.)

Billions of Yen

	2026 Jan.-Mar.	vs 2025	2026 Apr.-Jun.	vs 2025	2026 Jul.-Sep.	vs 2025	**2026 Jan.-Sep.**	**vs 2025**	2025 Jan.-Sep.
Sales Revenue	302.2	105% +14.4	317.6	112% +33.2	324.5	112% +35.0	**944.3**	**110% +82.7**	861.6
Business Profit (%) *1,3	16.8 5.6%	119% +2.7	23.0 7.2%	162% +8.8	19.2 5.9%	95% (1.0)	**59.0 6.3%**	**122% +10.5**	48.5 5.6%
Operating Profit (%) *3	15.1 5.0%	122% +2.7	23.1 7.3%	157% +8.4	16.4 5.1%	86% (2.7)	**54.6 5.8%**	**118% +8.4**	46.1 5.4%
Profit *2,3	8.6	241% +5.0	17.3	160% +6.5	9.5	82% (2.1)	**35.4**	**136% +9.3**	26.0

*1. Business Profit : Sales Revenue – (COS + SGA)
*2. Profit : Profit attributable to owners of parent
*3. Accounting adjustments have been applied since 2nd quarter, 2022, as pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies".

The above notes apply throughout this report.

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 15

Hino: I am Hino. Thank you very much for joining our financial results briefing today. We would also like to express our sincere gratitude to all our stakeholders for their continued great support.

I will now explain the financial results for Q3 of the fiscal year ending December 2026.

Please turn to page 15.

Consolidated results from January to September were JPY944.3 billion in sales revenue, JPY59 billion in business profit, JPY54.6 billion in operating profit, and JPY35.4 billion in net profit. The business profit margin rose from 5.6% in the same period of the previous year to 6.3%.

Consolidated Sales Revenue / Business Profit by Reportable Segment (2026 Jan.-Sep.)

Billions of Yen

		2026 Jan.-Mar.	vs 2025	2026 Apr.-Jun.	vs 2025	2026 Jul.-Sep.	vs 2025	**2026 Jan.-Sep.**	**vs 2025**	2025 Jan.-Sep.
Sales Revenue	Tires	259.9	106%	274.5	113%	280.9	112%	**815.4**	**110%**	740.2
	Sports	32.2	99%	34.5	107%	34.0	119%	**100.7**	**108%**	93.2
	Industrial & Other	10.1	93%	8.6	103%	9.5	105%	**28.2**	**100%**	28.3
	Total	302.2	105%	317.6	112%	324.5	112%	**944.3**	**110%**	861.6
Business Profit	Tires	14.8	135%	19.4	172%	13.3	71%	**47.4**	**116%**	40.9
	Sports	0.9	53%	2.8	123%	5.3	863%	**9.0**	**194%**	4.7
	Industrial & Other *	1.1	76%	0.8	137%	0.7	76%	**2.6**	**89%**	2.9
	Total	16.8	119%	23.0	162%	19.2	95%	**59.0**	**122%**	48.5

*The elimination of inter-segment transactions is included.

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 17

Please turn to page 17.

I will now explain the financial results by segment.

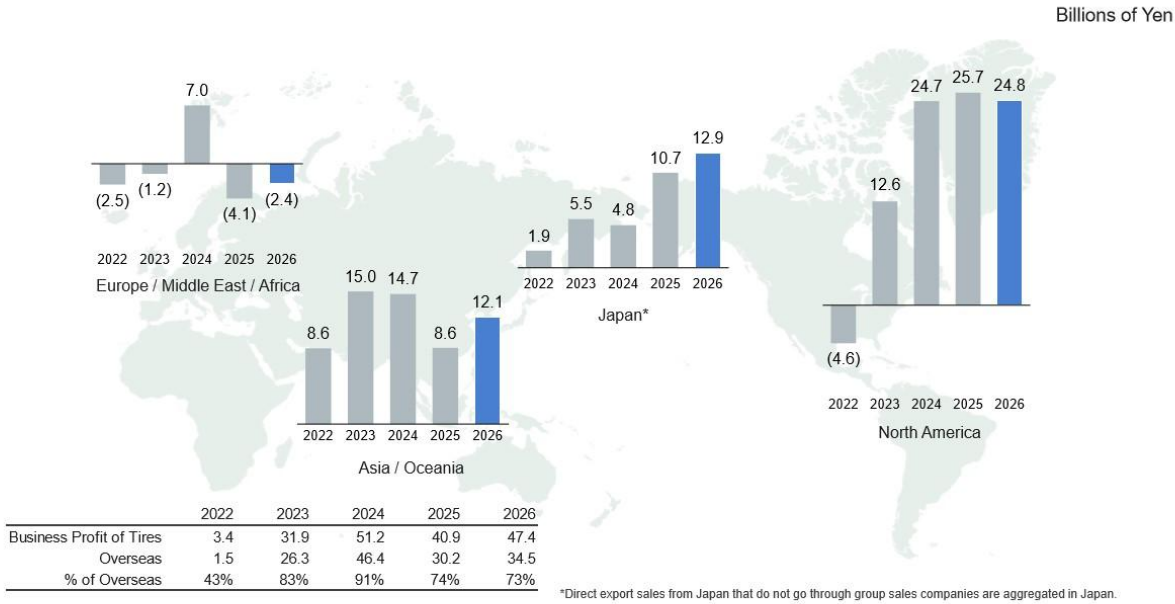
The results for each segment are as shown in the blue box on the right side of the slide.

The tires business saw an increase in both sales revenue and business profit, as sales volume for replacement tires both in Japan and overseas exceeded the same period of the previous year, and the composition ratio of premium tires increased.

The sports business saw an increase in both sales revenue and business profit, due to steady sales of the flagship XXIO 14, as well as the effects of new SRIXON products and tariff refunds.

In the industrial & other business, while sales were strong in the vibration control business, the decrease in large-scale projects in the construction business had an impact, resulting in sales revenue on par with the previous year and a decrease in business profit.

Consolidated Tire Business Profit by Region (Jan.-Sep.)



	2022	2023	2024	2025	2026
Business Profit of Tires	3.4	31.9	51.2	40.9	47.4
Overseas	1.5	26.3	46.4	30.2	34.5
% of Overseas	43%	83%	91%	74%	73%

*Direct export sales from Japan that do not go through group sales companies are aggregated in Japan.

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 20

Please turn to page 20.

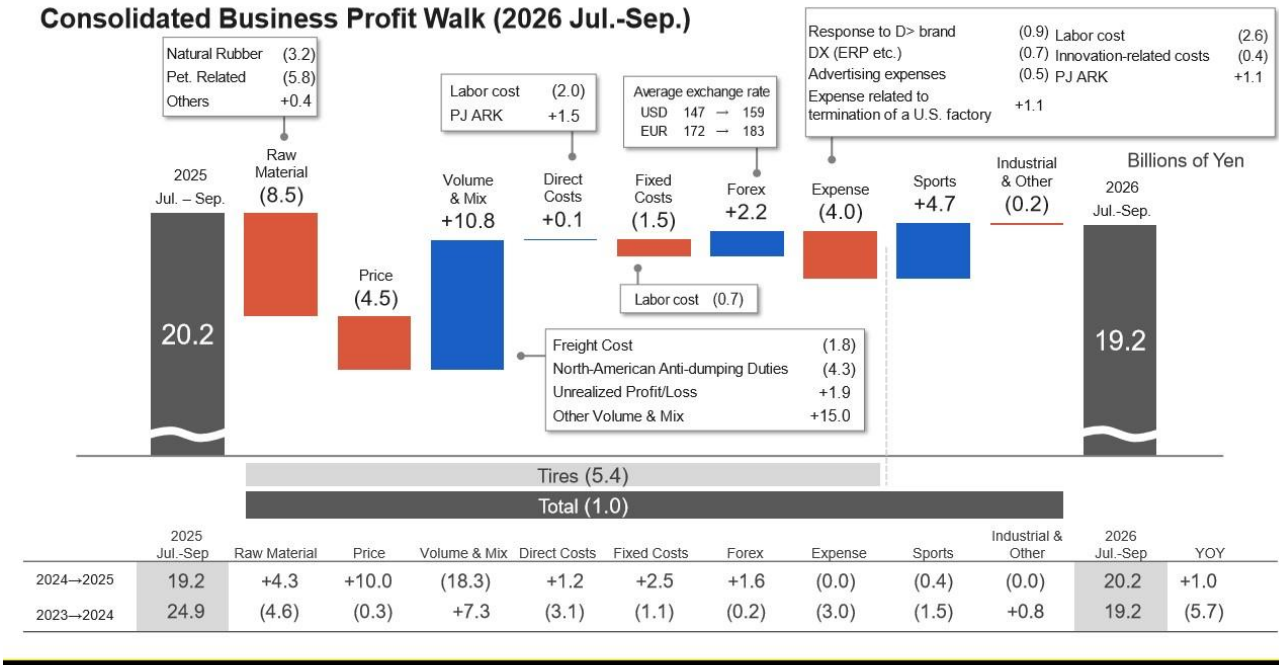
This shows the transition of business profit by region in the tire business.

From the right of the chart, in the Americas, business profit was lower than the same period of the previous year due to worsening market conditions, as well as an increased tariff burden and the impact of the situation in the Middle East.

In Japan, business profit exceeded the same period of the previous year due to increased sales of replacement tires in the domestic market and an improved product mix of premium products, including SYNCHRO WEATHER.

In Asia and Oceania, while market conditions have yet to show signs of improvement, business profit exceeded the same period of the previous year, partly due to increased replacement tire sales in China driven by promotions.

In Europe, the Middle East, and Africa, while we expanded the sales base for DUNLOP in Europe, we recorded a loss due to production adjustments and other factors associated with temporary inventory adjustments caused by sluggish demand.



	2025 Jul.-Sep	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	2026 Jul.-Sep	YOY
2024→2025	19.2	+4.3	+10.0	(18.3)	+1.2	+2.5	+1.6	(0.0)	(0.4)	(0.0)	20.2	+1.0
2023→2024	24.9	(4.6)	(0.3)	+7.3	(3.1)	(1.1)	(0.2)	(3.0)	(1.5)	+0.8	19.2	(5.7)

© Sumitomo Rubber Industries, Ltd. All rights reserved.

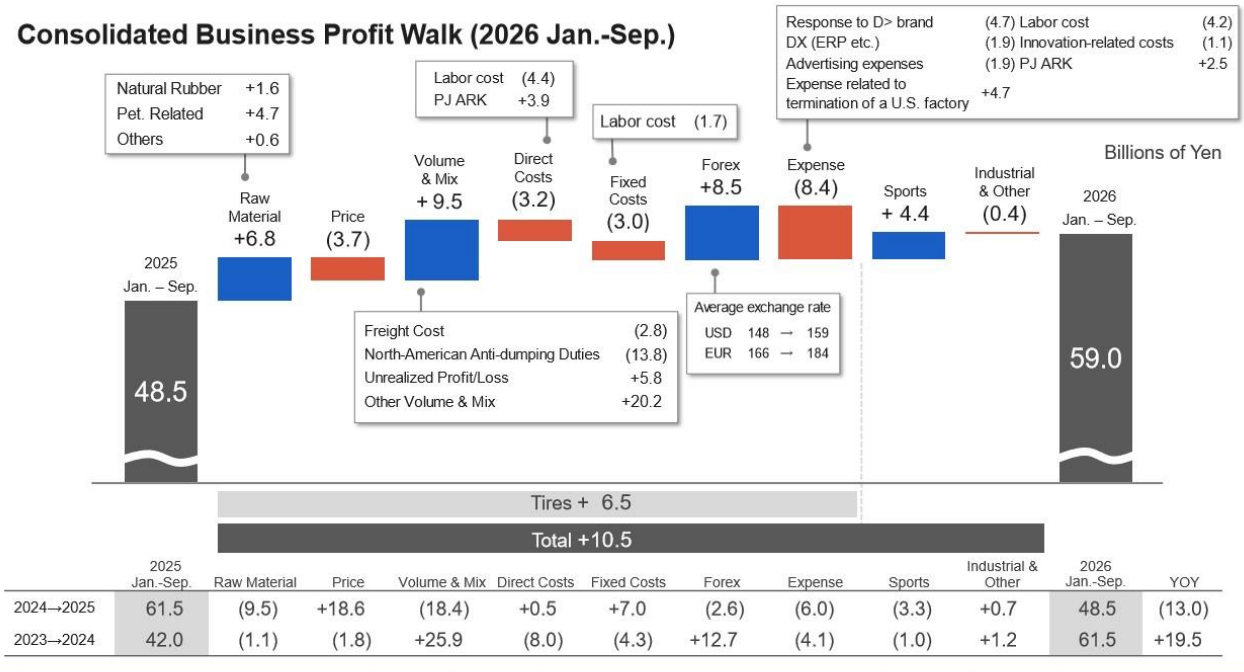
Please turn to page 21.

I will explain the factors behind the increase or decrease in business profit compared to the same period of the previous year.

First, I will explain the business profit for July through September.

Raw material was a negative factor of JPY8.5 billion due to rising petroleum-based raw material prices caused by the situation in the Middle East and soaring natural rubber prices due to poor weather in producing regions. On the other hand, volume & mix was a positive factor of JPY10.8 billion due to improvements in product mix accompanying the expansion of premium product sales. Forex was a positive factor of JPY2.2 billion, and expense was a negative factor of JPY4 billion due to costs such as sales promotion expenses for the DUNLOP brand.

As a result, the tires business saw a profit decrease of JPY5.4 billion. On the other hand, the sports business saw a profit increase of JPY4.7 billion due to the strong performance of new SRIXON products. The Company as a whole saw a profit decrease of JPY1 billion.



	2025 Jan.-Sep.	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	2026 Jan.-Sep.	YOY
2024→2025	61.5	(9.5)	+18.6	(18.4)	+0.5	+7.0	(2.6)	(6.0)	(3.3)	+0.7	48.5	(13.0)
2023→2024	42.0	(1.1)	(1.8)	+25.9	(8.0)	(4.3)	+12.7	(4.1)	(1.0)	+1.2	61.5	+19.5

© Sumitomo Rubber Industries, Ltd. All rights reserved.

Please turn to page 22.

These are the factors behind the increase or decrease in business profit from January to September compared to the same period of the previous year.

For the cumulative period from January to September, the factors contributing to the profit increase included a decline in raw material prices in H1, the launch of DUNLOP brand products in Europe, improvements in volume & mix due to the expansion of premium product sales, and the impact of the yen's depreciation.

As a result, the tires business saw a profit increase of JPY6.5 billion, and the Company as a whole saw a profit increase of JPY10.5 billion.

SCRIPTS Asia's Meetings, Globally

Consolidated Statement of Profit & Loss

Billions of Yen	2025 Jan.-Sep.	2026 Jan.-Sep.	YOY
Sales Revenue	861.6	**944.3**	+82.7
Cost of sales	(608.9)	**(653.2)**	(44.2)
Selling, general and administrative expenses	(204.2)	**(232.0)**	(27.9)
Business profit	48.5	① **59.0**	+10.5
Other income	2.4	② **2.3**	(0.1)
Other expenses	(4.8)	③ **(6.8)**	(2.0)
Operating profit	46.1	**54.6**	+8.4
Financial income	15.7	④ **8.7**	(7.0)
Financial expenses	(21.5)	⑤ **(12.9)**	+8.5
Equity in earnings of affiliates	0.1	**0.1**	+0.0
Profit before tax	40.5	**50.5**	+10.0
Income tax expense	(12.2)	**(12.8)**	(0.6)
Non-controlling interests	(2.3)	**(2.3)**	(0.1)
Profit	26.0	**35.4**	+9.3

Main factor

① **Business profit**
Refer to page.6 to 7 and 15 to 22 for details.

	Actual	vs 2025
② **Other income**		
Other non-operating profit	1.9 B of yen	(0.3) B of yen
Gain on Sale of Fixed Assets	0.4 B of yen	+0.3 B of yen
③ **Other expenses**		
Other extraordinary expenses	(1.1) B of yen	(0.7) B of yen
Structual reform in North America	(0.9) B of yen	(0.8) B of yen
④ **Financial income**		
Gain on net monetary position	4.8 B of yen	(7.1) B of yen
⑤ **Financial expenses**		
Interest expenses	(6.9) B of yen	(1.5) B of yen
Foreign exchange loss	(5.5) B of yen	+10.3 B of yen

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 23

Please turn to page 23.

I will explain the items below business profit, focusing on those with significant changes from the same period of the previous year.

In financial income, gain on net monetary position decreased by JPY7.1 billion due to inflation adjustments in Turkey. In financial expenses, while foreign exchange loss improved by JPY10.3 billion compared to the same period of the previous year, interest expenses increased by JPY1.5 billion.

As a result, operating profit was JPY54.6 billion, and net profit was JPY35.4 billion.

Consolidated Statement of Financial Position

Billions of Yen	As of Dec. 31, 2025	As of Sep. 30, 2026	YOY
Current assets	679.3	**742.8**	① +63.5
Non-current assets	780.6	**788.3**	② +7.7
Total assets	1,459.9	**1,531.1**	+71.2
Current liabilities	379.9	**444.4**	+64.4
Non-current liabilities	343.7	**329.8**	(13.9)
Total liabilities	723.6	**774.2**	③ +50.6
Total equity attributable to owners of parent	716.1	**736.3**	④ +20.3
Non-controlling interest	20.2	**20.6**	+0.4
Total equity	736.3	**756.9**	+20.6
Total liabilities and equity	1,459.9	**1,531.1**	+71.2
Equity ratio	49.0%	**48.1%**	(0.9P)

Main factor

① **Current assets** (vs Dec. 31, 2025)
- Inventories +60.0 B of yen
- Trade and other receivables +16.6 B of yen
- Other current assets (9.9) B of yen

② **Non-current assets**
- Intangible assets (including goodwill) +8.1 B of yen
- Tangible assets +6.3 B of yen
- Deferred tax assets (7.2) B of yen

③ **Total liabilities**
- Bonds and loans payable +62.2 B of yen
- Other non-current liabilities +13.9 B of yen
- Deferred tax liabilities (12.3) B of yen
- Income tax payable (11.8) B of yen

④ **Equity**
- Profit +35.4 B of yen
- Foreign currency translation adjustment +6.4 B of yen
- Dividends paid (22.1) B of yen

Interest-bearing debt +60.4 B of yen (406.6→467.1)

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved.

Please turn to page 24.

I will explain the status of the balance sheet.

Total assets in September were JPY1.5311 trillion, an increase of JPY71.2 billion from the end of the previous year. The main factors are an increase of JPY60 billion in inventories due to the DUNLOP brand and snow tire stockpiling, and an increase of JPY16.6 billion in trade and other receivables.

Interest-bearing debt increased from JPY406.6 billion at the end of the previous period to JPY467.1 billion. Equity stood at JPY[736.3] billion, due to the recording of net profit and an increase of foreign currency translation adjustment, while there were also payments of dividends and other factors.

We will continue to work on improving capital efficiency and ensuring financial soundness while remaining conscious of our capital structure.

【Forecast】Consolidated Financial Results (2026 Jan.-Dec.)

Billions of Yen

	Revised Forecast 2026	Actual 2025	YOY	Aug. 6th Forecast 2026	Feb.12th Forecast 2026
Sales Revenue	**1,270.0**	1,207.1	105%	1,330.0	1,320.0
Business Profit (%)	**87.0** **6.9%**	90.8 7.5%	96%	96.0 7.2%	112.0 8.5%
Operating Profit (%)	**80.0** **6.3%**	82.6 6.8%	97%	89.0 6.7%	100.0 7.6%
Profit	**48.0**	50.4	95%	55.0	55.0
ROIC *1	**5.2%**	6.2%		5.8%	6.9%
ROE	**6.5%**	7.3%		7.4%	7.5%
ROA *2	**5.7%**	6.5%		6.3%	7.5%
D/E Ratio	**0.6**	0.6		0.6	0.6

*1. ROIC : Net Business Profit After Tax / Invested Capital
*2. ROA : Business Profit / Total Assets

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 27

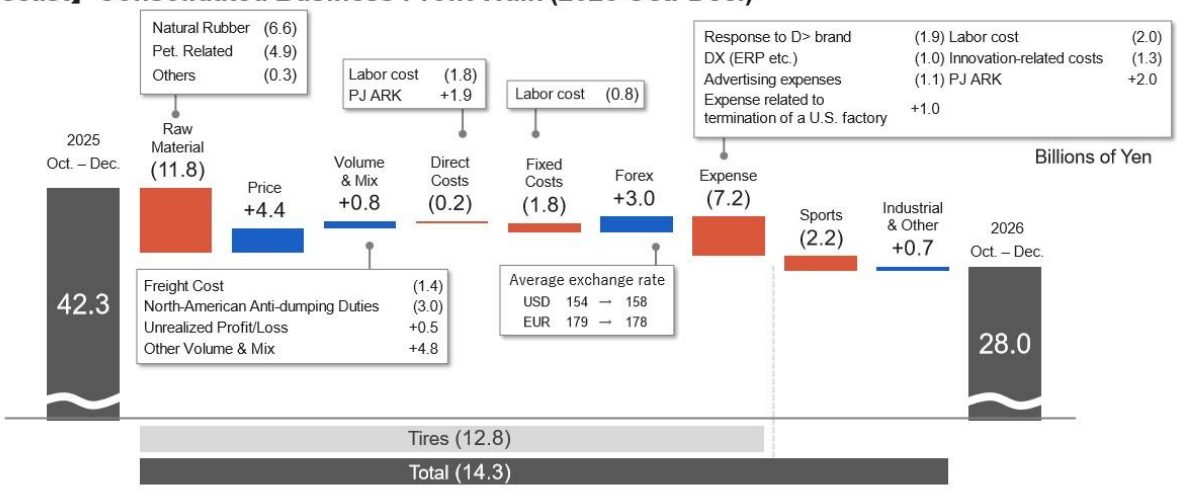
Please turn to page 27.

This is the full-year consolidated earnings forecast.

The full-year earnings forecast for FY2026 is JPY1.27 trillion in sales revenue, JPY87 billion in business profit, JPY80 billion in operating profit, and JPY48 billion in net profit. Compared to the previous period, we expect a 5% increase in sales revenue, while business profit is expected to decrease by 4%.

Compared to the previously announced forecast, we have revised down our sales revenue, taking into account the decrease in sales volume, primarily in Europe. Regarding profit, as Kuniyasu explained earlier, we have revised down our business profit by JPY9 billion.

【Forecast】Consolidated Business Profit Walk (2026 Oct.-Dec.)



	2025 Oct.-Dec.	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	2026 Oct.-Dec.	YOY
2024→2025	26.4	+8.8	+6.7	(6.8)	+3.7	(0.0)	+1.8	+0.0	+2.2	(0.5)	42.3	+15.9
2023→2024	35.7	(6.7)	+0.1	+1.4	(3.6)	+0.2	+0.8	+1.1	(3.6)	+1.0	26.4	(9.3)

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 30

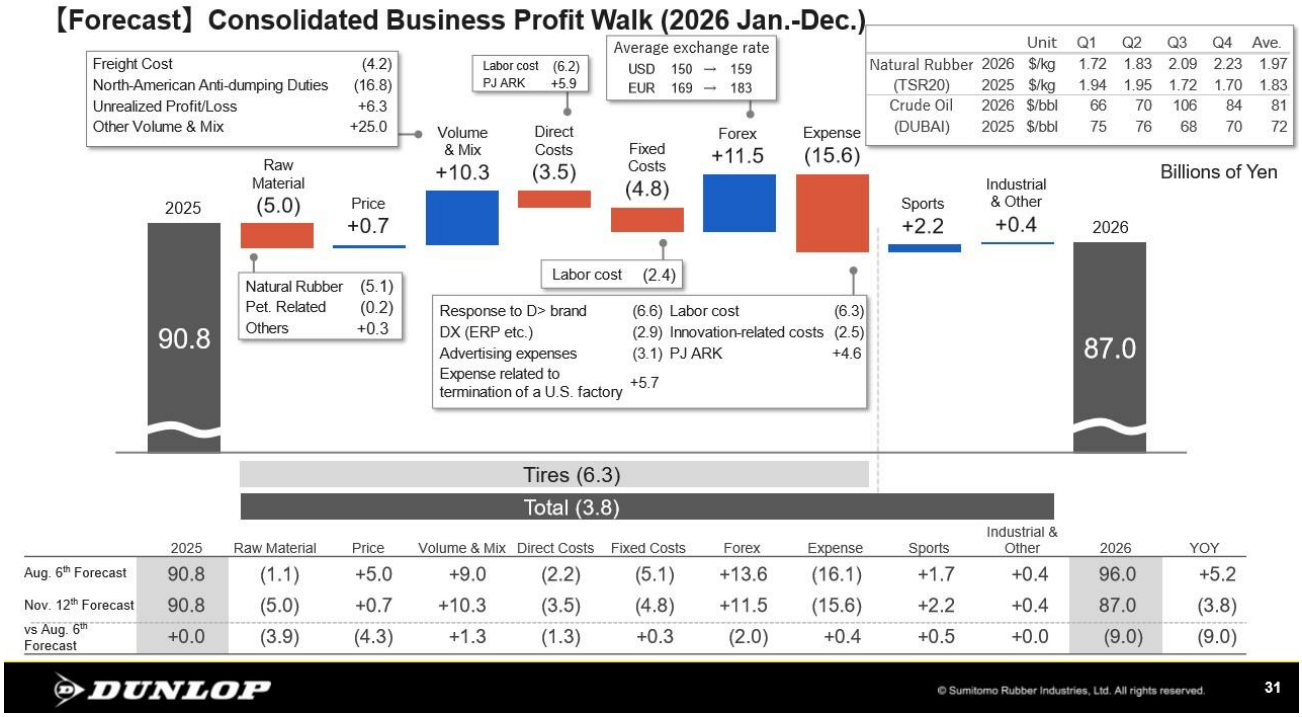
Please turn to page 30.

These are the factors for the increase or decrease in business profit for the October to December period compared to the same period of the previous year.

From October to December, the rise in raw material prices due to the impact of the situation in the Middle East is expected to continue to be a negative factor of JPY11.8 billion.

Price is expected to be a positive factor of JPY4.4 billion due to the effects of price increases both domestically and internationally, and forex is expected to be a positive factor of JPY3 billion. On the other hand, expense is expected to be a negative factor of JPY7.2 billion due to sales expansion costs for the DUNLOP brand and DX-related expenses. In the sports business, we anticipate a profit decrease of JPY2.2 billion, partly due to the reaction to the launch of the high-profit-margin XXIO 14 in the previous year.

As a result, we expect the company-wide business profit for October to December to be JPY28 billion.



	2025	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other	2026	YOY
Aug. 6th Forecast	90.8	(1.1)	+5.0	+9.0	(2.2)	(5.1)	+13.6	(16.1)	+1.7	+0.4	96.0	+5.2
Nov. 12th Forecast	90.8	(5.0)	+0.7	+10.3	(3.5)	(4.8)	+11.5	(15.6)	+2.2	+0.4	87.0	(3.8)
vs Aug. 6th Forecast	+0.0	(3.9)	(4.3)	+1.3	(1.3)	+0.3	(2.0)	+0.4	+0.5	+0.0	(9.0)	(9.0)

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved.

Please turn to page 31.

These are the factors for the increase or decrease in full-year business profit.

For the full year, while volume & mix, forex, and sports will be factors for profit growth, raw material prices, direct costs, and fixed costs will be factors for profit decline due to cost increases and an increase of temporary expenses.

As a result, we expect full-year business profit to be JPY87 billion, a decrease of JPY3.8 billion.

SCRIPTS Asia's Meetings, Globally

Tire Sales Volume (Comparison %)

vs Previous year		2025 Actual					2026 Jan.-Sep. Actual, Oct.-Dec. Forecast					Aug. 6th 2026 Forecast				
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Annual	Jan.-Mar.	Apr.-Jun.	**Jul.-Sep.**	Oct.-Dec.	**Annual**	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Annual
Domestic O.E.		120%	104%	98%	102%	105%	107%	99%	**101%**	103%	**102%**	107%	99%	107%	100%	103%
Domestic Rep.		96%	91%	98%	93%	94%	96%	108%	**106%**	94%	**101%**	96%	108%	98%	99%	100%
Overseas O.E.		91%	92%	92%	87%	90%	97%	97%	**89%**	99%	**96%**	97%	97%	95%	98%	97%
Overseas Rep.		94%	96%	90%	92%	93%	96%	103%	**107%**	103%	**102%**	96%	103%	114%	107%	105%
Details	North America	83%	97%	81%	87%	87%	89%	92%	**105%**	108%	**98%**	89%	92%	104%	109%	98%
	Europe	97%	90%	108%	98%	98%	113%	127%	**122%**	119%	**120%**	113%	127%	135%	135%	127%
	Asia	104%	95%	89%	96%	96%	98%	103%	**111%**	90%	**100%**	98%	103%	113%	90%	101%
	Others	94%	100%	86%	90%	92%	81%	92%	**89%**	98%	**90%**	81%	92%	103%	95%	93%
Total		97%	95%	93%	93%	94%	97%	102%	**103%**	100%	**101%**	97%	102%	107%	103%	102%
Total Tire Sales (000 Units)		23,850	23,690	24,210	25,800	97,560	23,220	24,250	**25,010**	25,880	**98,360**	23,220	24,250	25,870	26,510	99,850

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 33

Please turn to page 33.

Annual tire sales volume for 2026 is expected to be 101% of the previous year, as increased sales for domestic replacement, domestic original equipment, and overseas replacement will offset the decline in overseas original equipment sales.

For domestic replacement, we will focus on expanding sales of premium products such as SYNCHRO WEATHER and WINTER MAXX ICE Pro. For overseas replacement, we will proceed with strengthening the sales foundation of the DUNLOP brand in Europe, North America, and Australia.

Tire Volume by Category (Comparison %)

vs Previous Year	Actual 2025 Jan.-Sep.				Actual 2025 Jan.-Dec.			
	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio
Passenger Tires	97%	94%	95%	88%	96%	94%	94%	88%
Advanced Tires*	100%	97%	98%	46%	99%	95%	97%	47%
Truck & Bus Tires	110%	96%	97%	3%	112%	93%	95%	4%
Motorcycle, Industrial & Other Tires	98%	91%	94%	9%	96%	91%	93%	8%
Total	98%	94%	95%	100%	97%	93%	94%	100%

vs Previous Year	Actual 2026 Jan.-Sep.				2026 Jan.-Dec. Forecast			
	O.E.	Rep.	Total	Composition ratio	O.E.	Rep.	Total	Composition ratio
Passenger Tires	**98%**	**102%**	**101%**	**88%**	99%	102%	101%	88%
Advanced Tires	**99%**	**111%**	**107%**	**48%**	100%	110%	106%	50%
Truck & Bus Tires	**95%**	**95%**	**95%**	**3%**	91%	95%	95%	4%
Motorcycle, Industrial & Other Tires	**95%**	**103%**	**99%**	**8%**	94%	103%	100%	8%
Total	**98%**	**102%**	**101%**	**100%**	98%	101%	101%	100%

Premium Tires Composition Ratio by Year

	Premium Tires		
	O.E.	Rep.	Total
Actual 2024	56%	42%	46%
Actual 2025	57%	44%	47%
2026 Forecast	58%	47%	50%

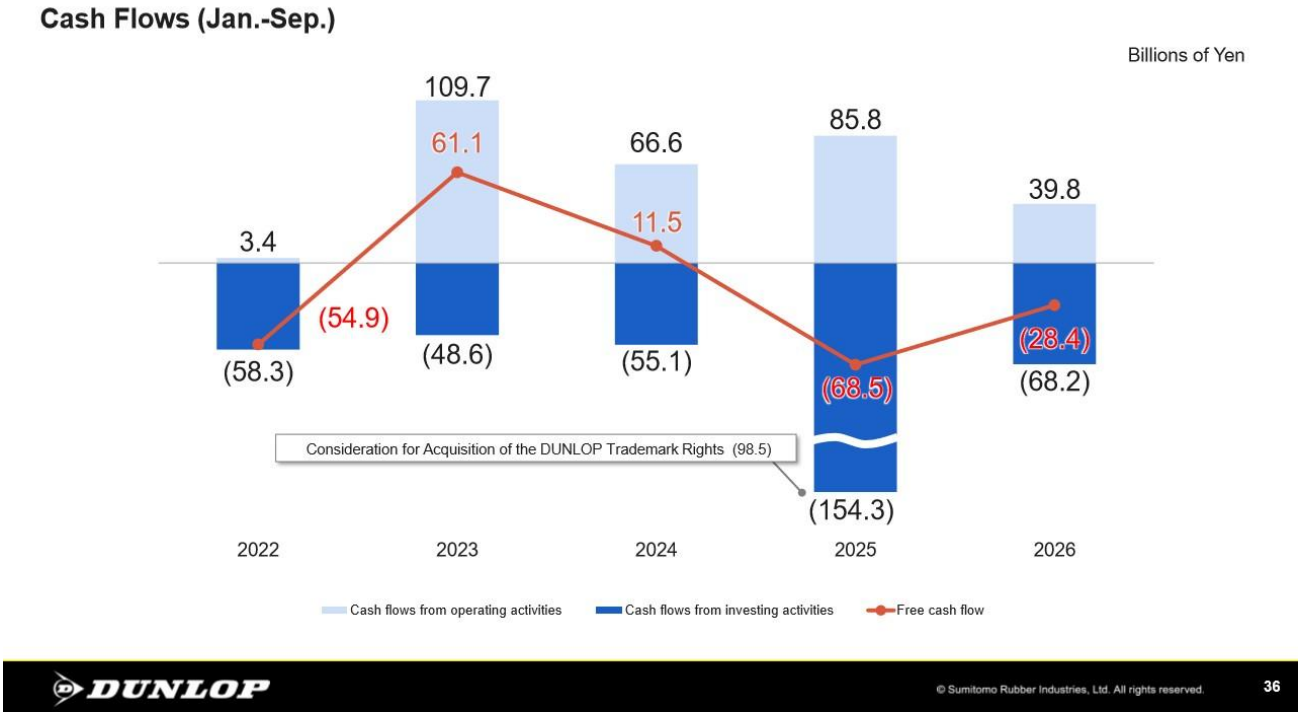
*Premium Tires
Differentiated products(SYNCHRO WEATHER, WILDPEAK, European all-season tires, Winter tires, etc.), SUVs and Passenger car tires with a size of 18" or larger

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 34

Please turn to page 34.

The composition ratio of premium tires was 48% from January to September, an increase of 2 percentage points from the same period last year. We plan to increase this to 50% for the full year.

We aim to improve profitability by expanding sales volume and improving our product mix.



Please turn to page 36.

This is the cash flow.

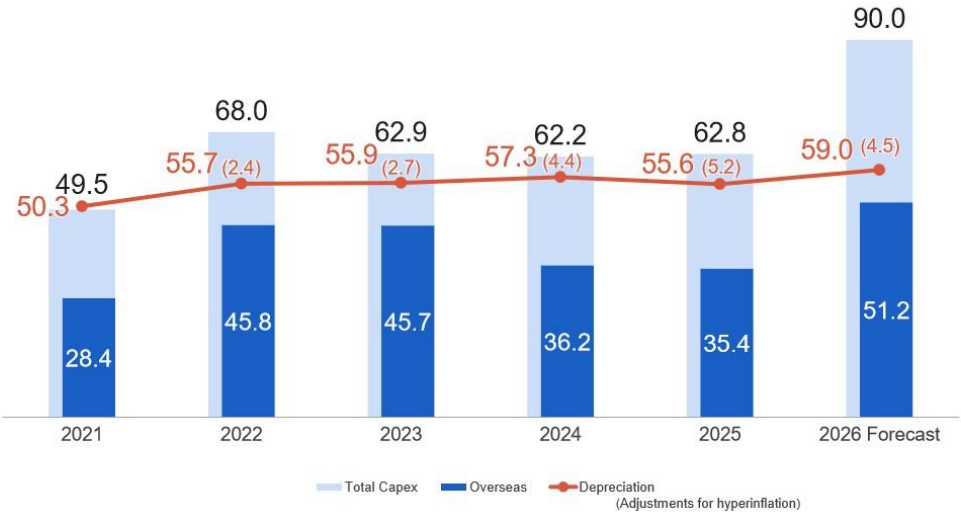
Operating cash flow for the period from January to September was a positive JPY39.8 billion, despite

the impact of an increase in inventory. Investing cash flow was a negative JPY68.2 billion due to capital expenditures and other factors.

As a result, free cash flow was a negative JPY28.4 billion.

Capex and Depreciation (Tangible Assets Only)

Billions of Yen



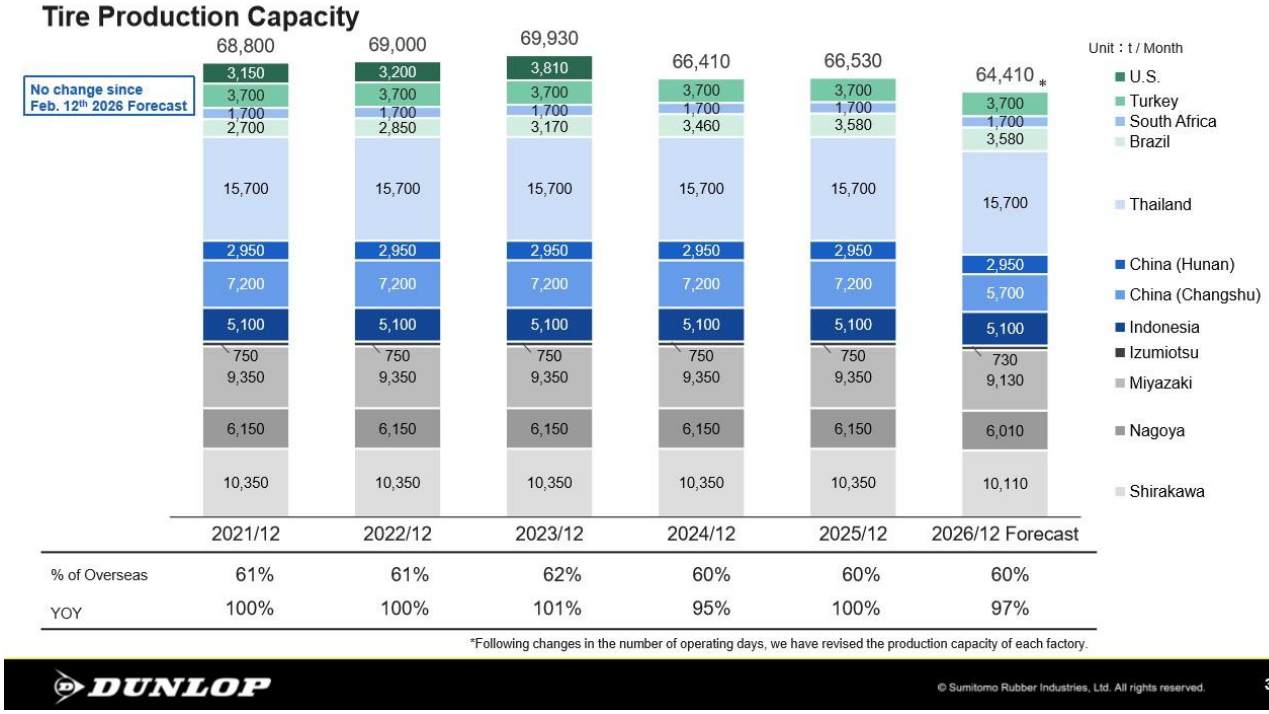
© Sumitomo Rubber Industries, Ltd. All rights reserved.

Please turn to page 37.

This is the capital expenditure for 2026.

We will continue strategic investments such as premiumization while curbing the total investment amount. Incorporating the effects of this, we have reduced the forecast by JPY10 billion from the previous projection, and the investment amount is expected to be JPY90 billion.

Depreciation and amortization are expected to be JPY59 billion.

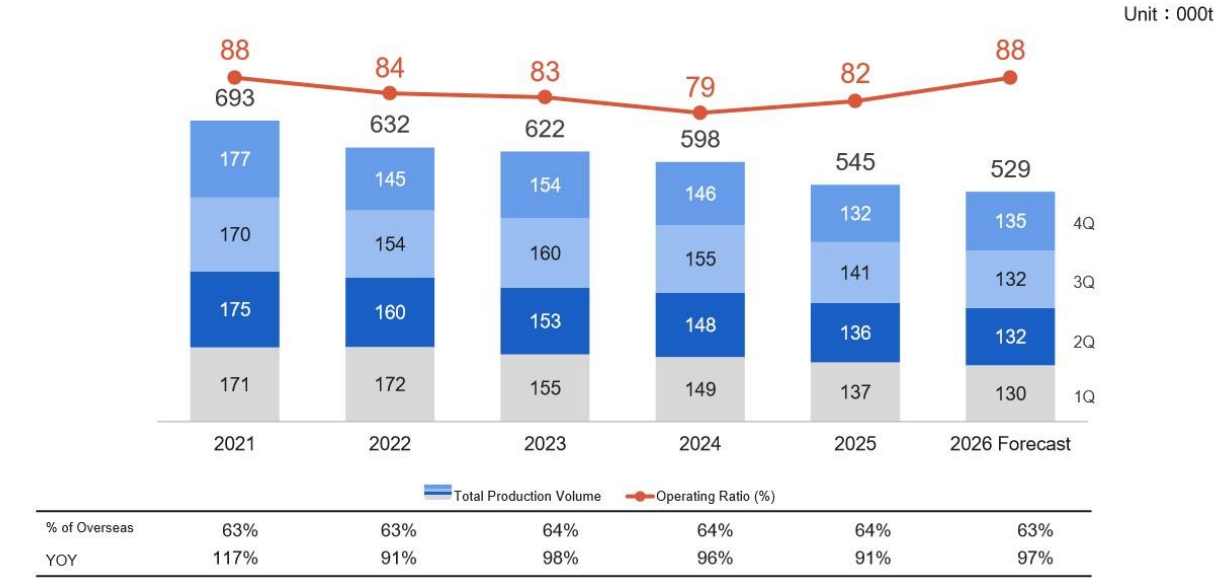


© Sumitomo Rubber Industries, Ltd. All rights reserved.

Please turn to page 38.

The monthly production capacity for tires is expected to be 64,410 tons, which is unchanged from our initial forecast for the year.

Tire Production Volume and Operating Ratio



	2021	2022	2023	2024	2025	2026 Forecast
% of Overseas	63%	63%	64%	64%	64%	63%
YOY	117%	91%	98%	96%	91%	97%

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved. 39

Please turn to page 39.

We anticipate an annual tire production volume of 529,000 tons and a facility utilization rate of 88%. While appropriately managing the balance between production capacity and supply and demand, we will continue to strengthen our supply system for high-inch tires and high-value-added products.

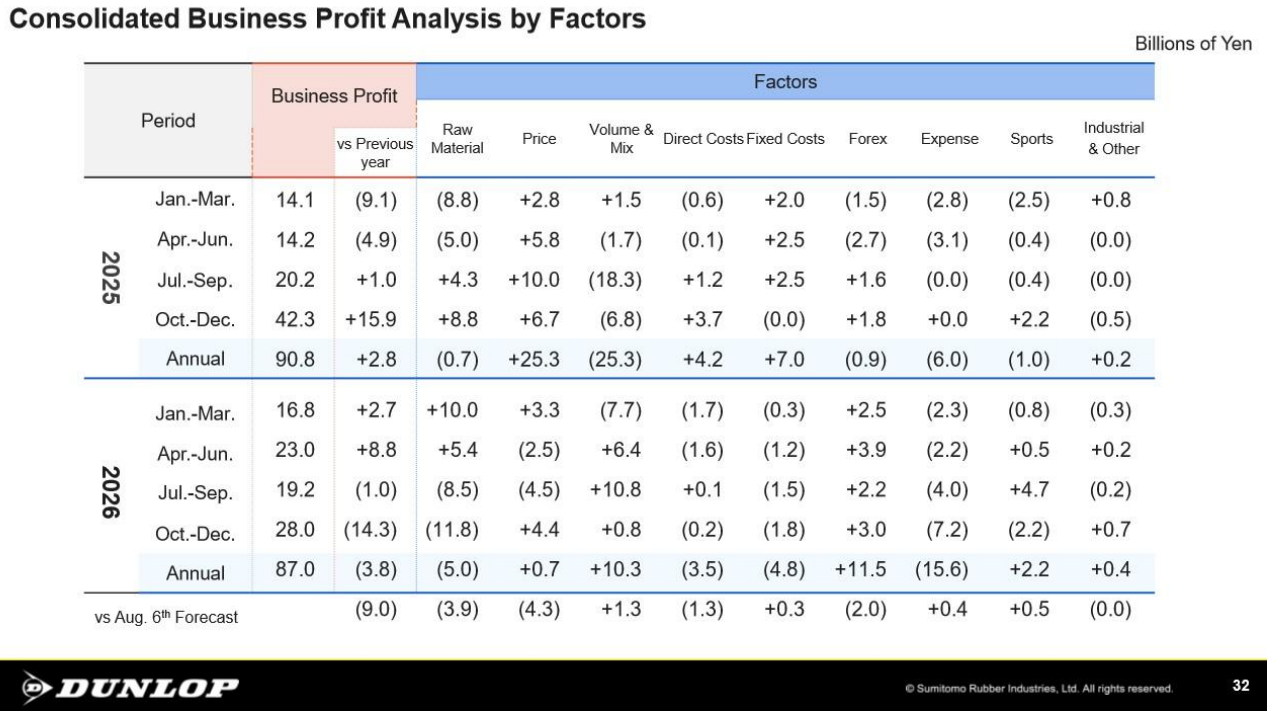
As for page 40, Kuniyasu has already explained it, so I will skip that explanation.

This concludes my explanation. Thank you very much.

Question & Answer

Futamura [M]: We will now take questions from you.

Mr. Sakamaki from BofA Securities, please unmute yourself and go ahead.



Consolidated Business Profit Analysis by Factors

Billions of Yen

Period		Business Profit		Factors								
			vs Previous year	Raw Material	Price	Volume & Mix	Direct Costs	Fixed Costs	Forex	Expense	Sports	Industrial & Other
2025	Jan.-Mar.	14.1	(9.1)	(8.8)	+2.8	+1.5	(0.6)	+2.0	(1.5)	(2.8)	(2.5)	+0.8
	Apr.-Jun.	14.2	(4.9)	(5.0)	+5.8	(1.7)	(0.1)	+2.5	(2.7)	(3.1)	(0.4)	(0.0)
	Jul.-Sep.	20.2	+1.0	+4.3	+10.0	(18.3)	+1.2	+2.5	+1.6	(0.0)	(0.4)	(0.0)
	Oct.-Dec.	42.3	+15.9	+8.8	+6.7	(6.8)	+3.7	(0.0)	+1.8	+0.0	+2.2	(0.5)
	Annual	90.8	+2.8	(0.7)	+25.3	(25.3)	+4.2	+7.0	(0.9)	(6.0)	(1.0)	+0.2
2026	Jan.-Mar.	16.8	+2.7	+10.0	+3.3	(7.7)	(1.7)	(0.3)	+2.5	(2.3)	(0.8)	(0.3)
	Apr.-Jun.	23.0	+8.8	+5.4	(2.5)	+6.4	(1.6)	(1.2)	+3.9	(2.2)	+0.5	+0.2
	Jul.-Sep.	19.2	(1.0)	(8.5)	(4.5)	+10.8	+0.1	(1.5)	+2.2	(4.0)	+4.7	(0.2)
	Oct.-Dec.	28.0	(14.3)	(11.8)	+4.4	+0.8	(0.2)	(1.8)	+3.0	(7.2)	(2.2)	+0.7
	Annual	87.0	(3.8)	(5.0)	+0.7	+10.3	(3.5)	(4.8)	+11.5	(15.6)	+2.2	+0.4
vs Aug. 6th Forecast			(9.0)	(3.9)	(4.3)	+1.3	(1.3)	+0.3	(2.0)	+0.4	+0.5	(0.0)

DUNLOP © Sumitomo Rubber Industries, Ltd. All rights reserved.

Sakamaki [Q]: I am looking at page 32 of the material. Regarding the trends in factors increasing or decreasing consolidated business profit, could you please tell me about price and volume?

First, regarding the negative impact of JPY4.5 billion from price for July to September, how much of that is accounted for by RMI for OEM, and could you provide a breakdown by region?

As you mentioned earlier, I believe you will be raising prices outside of Japan in Q4. If this goes well, I assume it will have a positive effect in the next fiscal period. To what extent will you be able to offset these high raw material costs in the next fiscal period through price increases?

In North America and other regions, the industry as a whole attempted to raise prices in August, but it ultimately did not happen, and it appears that Yokohama and others have lowered them even further since entering Q3. I would like to understand the certainty of these positive factors for October to December, and what exactly dragged down performance from July to September.

Kuniyasu [M]: Mr. Hino will answer regarding the detailed figures.

Hino [A]: First, regarding the breakdown of the negative JPY4.5 billion due to price from July to September, the ratio is roughly 5 for REP and 3 for OE, both of which are negative factors. The major components included in REP are the United States and China, with South America also included to a small extent. However, this has been a positive factor in Japan. On the other hand, OE is a slightly negative factor in China.

The JPY4.4 billion positive impact from price in October to December is basically expected to be primarily a positive impact from REP. In particular, we plan to pass on the surge in raw material prices to REP price increases in Japan, China, and other parts of Asia.

Mr. Tsuzaki, could you please talk about the specific timing of the price increases?

Tsuzaki [A]: First, in North America, we are raising prices starting from Q3 of this year, so there was also some last-minute demand at the end of August. We are planning a price increase of a few percent, and we believe we will be able to have this take hold. On the other hand, in July to September, prices fell slightly due to a campaign before the last-minute demand. Price is expected to be a positive factor in Q4.

Also, this year, we have implemented price increases from spring through autumn in almost all areas, excluding the Middle East. We anticipate a positive impact of over JPY10 billion from those price increases in the next fiscal year.

Sakamaki [Q]: If it is ten-odd billion yen , it seems that price and raw material will become negative factors in the next fiscal year if raw material costs remain at this level. Is that unavoidable in the current market environment?

Tsuzaki [A]: The over JPY10 billion I just mentioned is the effect of price increases reflecting the surge in raw material costs following the Middle East situation this spring. As you say, raw material prices are rising further now and are not falling, so further price pass-through is becoming necessary.

In China and Asia, we are implementing additional price increases. In other areas as well, we are considering further price increases in order to expand profits, while monitoring market trends and product mix, and also making corporate efforts to reduce costs.

Kuniyasu [A]: Let me add a little supplementary information.

First, in the United States, we also feel firsthand that market conditions have recovered significantly since H1. Partly because of that, I believe we will be able to make the September price increase stick. In addition to that, I believe we must implement another round of price increases in North America due to the soaring cost of raw materials. Considering the current product strength of WILDPEAK and other factors, I think we will be able to do that as well.

In Europe, I think that the digestion of channel inventory of Chinese-made tires that entered due to anti-dumping will likely progress significantly during H2. If that happens, I expect it will become relatively easier to raise prices. We would like to watch for the right timing and firmly implement price increases.

As you mentioned, we are very concerned about the soaring cost of raw materials next year, so we would like to prepare during H2 to firmly offset that.

Sakamaki [Q]: The second point is about the factors for offsetting.

Excluding unrealized items, tariffs, I think the effect of volume & mix is about JPY15 billion net for the 3 months of Q3. This is a significant change from the approximately JPY6 billion in Q2. Was there something that caused the mix to improve?

Conversely, this will become smaller in Q4. Is this simply because the premise is that snow tires will not sell, so there is no need to worry too much? If the significant improvement in the mix seen in Q3 is not temporary, does Q3 provide a sense that you can offset the impact of raw material prices through the mix in the next fiscal year as well?

Please tell me why the fluctuation in the impact of volume & mix in Q3 is so large, and whether the forecast for Q4 is conservative.

Kuniyasu [M]: Mr. Tsuzaki will answer.

Tsuzaki [A]: First, the improvement in the mix in Q3 is mainly in North America and Japan.

In Japan, in addition to increased sales of SYNCHRO WEATHER, we were able to sell a large number of high-margin winter tires due to pre-price-hike demand. In North America, sales of WILDPEAK are very strong, and we expect this to continue into Q4.

Hino [A]: I will add a supplementary explanation.

Regarding Q3, because WILDPEAK fell only in Q3 last year due to the backlash from price increases, the positive impact of mix appears larger YoY.

Sakamaki [Q]: Can you increase profits in the current external environment? Has the direction of aiming for that changed within the Company?

Kuniyasu [A]: Naturally, we intend to aim for profit growth. We are still in the process of formulating next year's plan within the Company toward that end. Also, regarding raw material costs, we will aim for profit growth by carrying out cost reduction activities company-wide. I cannot say for sure right now, but we would like to proceed with that determination.

Futamura [M]: Mr. Yoshida from Citigroup Global Markets, please go ahead.

Yoshida [Q]: This is Yoshida from Citigroup.

First point, I assume the dividend forecast was lowered in accordance with the profit. On the other hand, I think there might have been potential to firmly grow profits from the next fiscal year onward and significantly increase dividends in line with that. Is it really necessary to lower this by JPY3 this year?

If one takes a cynical view, it could be interpreted as a lack of confidence in the next fiscal year. Is that not the case at all? I would like you to explain the intention behind this JPY3 dividend reduction.

Kuniyasu [A]: As you rightly said, it is not because we lack confidence. We have decided to pay dividends firmly based on a DOE of 3% under stable dividends, and we decided this in accordance with that level. However, considering that profit has decreased, we decided on this amount this time in line with the 3% DOE.

If Mr. Hino has anything to add, please go ahead.

Hino [A]: I agree with that.

Meanwhile, free cash flow has also turned negative, and borrowing is increasing. Naturally, for the next fiscal year, we are aiming to significantly increase dividends through the achievement of R.I.S.E. I would like you to understand that we have responded in accordance with the current situation.

Yoshida [Q]: Second point, how much of a negative impact did the decrease in DUNLOP off-take products have on this forecast? In total, you have been able to compensate for this with mix of other regions. How critical was this impact?

How do you plan to handle off-take products in the future? If you have a contract, I think you will probably have to do it properly next year. How do you plan to sell 4.5 million units or more? To begin with, are you

seeing any progress in clearing out the inventory? I would like you to tell us a little about the current situation and your strategy for off-take products for next year.

Kuniyasu [M]: Mr. Tsuzaki will answer regarding the current situation. I would like to answer regarding the handling of off-take products.

Tsuzaki [A]: First, sales of off-take products were at 62% of the plan, as stated here, which was below the plan. I will explain the external and internal factors chronologically.

In Q1, sales were negative due to system or logistics issues. In Q2, we balanced price and volume due to the impact of sales brought forward into the previous year-end and other factors. In Q3, there were issues with all-season tires and the handover of sales channels. The causes are clear, so we will work to recover from these and increase our volume.

Kuniyasu [A]: Regarding the handling of off-take products, I believe next year will be a year in which we must sell more of our own products due to the expansion of the BLUE RESPONSE TG size and the long-awaited launch of SYNCHRO WEATHER in Europe. Since we want to concentrate our resources there, we are currently discussing within the Company how we will handle off-take products. We would like to think about a way of handling them that can firmly maximize our profits.

Yoshida [Q]: Please let me know when things become a little clearer.

Please allow me to ask a supplementary question. Sales for the current term were 62% of the plan. Does this mean that the impact of off-take products in Q3, such as the deficit in Europe, is approximately JPY3 billion?

Kuniyasu [A]: No, off-take products account for about one-third of that. I will refrain from providing specific numbers.

Yoshida [Q]: It is not that large, so is the negative impact around JPY1 billion?

Kuniyasu [A]: That is correct.

Futamura [M]: Mr. Maki from SMBC Nikko Securities, please go ahead.

Maki [Q]: This is Maki from SMBC Nikko Securities.

First, regarding the next fiscal year, assuming there is a certain degree of impact from raw materials, I would like to ask about growth for the next fiscal year. I believe you previously mentioned that there were growth factors of JPY50 billion. For example, do you still believe that you can reliably capture the growth areas you initially envisioned, including SYNCHRO WEATHER, DUNLOP, WILDPEAK, ARK, pricing, and what you explained earlier? If there have been any changes, I would appreciate your comments.

Kuniyasu [A]: I believe I spoke about the target figures for the next fiscal year last time, and I believe that plan is progressing steadily. We are also properly carrying out equipment replacements to produce high-value-added products.

In the current fiscal year, the SUN-TITAN SYSTEM began operation in Thailand, and the second unit will also start moving early next year, so we are becoming able to manufacture large-diameter products that contribute significantly to profits.

At the Nagoya Plant, the installation of molding machines for larger-inch tires has been completed, and production began in H2. I have heard that the development of the product lineup we envisioned is also progressing smoothly, and I believe that it will be achievable.

For Project ARK, we have secured the outlook for JPY16 billion next year. The rest is how we will execute it. I would like to have Mr. Araki talk about the extent of that confidence later.

Also, since WILDPEAK has grown firmly as a brand, we want to think carefully about ways to make money in the United States. The size lineup and measures for expanding sales. We are doing it firmly now, but the market has become quite solid and is trending upward, so I would like to ensure we do not miss this wave.

The thing I am most concerned about is the rise in raw material prices. We are currently in the process of putting together next year's plan to determine if our current measures are sufficient. Once that becomes clear, I would like to plan so that we can properly address how to handle any shortfalls.

Mr. Araki will now speak about Project ARK.

Araki [A]: The results of Project ARK are steadily accumulating, and as I mentioned, the JPY16 billion target for the next fiscal year is coming into view.

Regarding initiatives through 2027, for tire raw materials, we are first working on weight reduction, exploring whether we can replace them with lower-cost materials including those from China, and implementing consolidated production. How we can minimize changeovers within the factory to produce tires. We aim to consolidate sizes and finish production all at once. We are engaged in these types of productivity improvement activities.

Also, regarding expenses, we are reviewing consulting contracts and re-examining insurance contracts from scratch on a global basis to ensure total benefits. By accumulating these things, we are also achieving results in terms of expenses.

We announced at the last financial results briefing that we will take on a new JPY30 billion challenge starting in 2028. We have already begun discussions on what specifically to do.

We are about to begin initiatives to focus more on cost planning activities in order to reduce raw material costs for tires. A mechanism for visualizing the production development process has already started. Also, we have launched a new accounting system in August, and within that system, we will be able to visualize costs. We will show the target figures and connect them to actual cost reduction activities. In this way, we have also started activities aimed at reducing material costs from 2028 onwards.

Maki [Q]: As a follow-up, I think inventory is currently building up at DUNLOP in Europe due to anti-dumping measures.

Other tire manufacturers say that in some cases, Chinese products are coming into Europe by bypassing through ASEAN. Is this a structural problem in Europe? Will things return to normal once the inventory created by tariffs is cleared? How do you view the competitive environment in Europe?

Kuniyasu [M]: Regarding this, Mr. Tsuzaki will answer.

Tsuzaki [A]: We expect direct exports from China to Europe to decrease almost entirely. However, as you mentioned, production from Chinese manufacturers' overseas bases is also increasing rapidly, so we expect that several tens of percent will remain. Also, there are some bypass routes. We will carefully assess those areas, and in any case, there is no doubt that market competition is intense, so we intend to firmly increase our value and promote our products.

Maki [Q]: My second question is about North America. Sales of the WILDPEAK you introduced increased by 5% from July to September. I believe it was under 100% in Q2, so I think it grew significantly in Q3. I believe you raised the price of WILDPEAK, but could you tell me the background behind the sales growth this time?

I suspect that competitors like TOYO are also raising prices, so perhaps that is having an impact. Please tell us about WILDPEAK in North America.

Kuniyasu [M]: Mr. Tsuzaki will answer this as well.

Tsuzaki [A]: Regarding WILDPEAK, we are selling it while continuously enhancing its product appeal and brand strength. In the July-September period, there were some irregular factors, and the recovery from the significant drop in sales due to special factors in the previous year is also a one-time factor. However, since the overall North American market has also recovered slightly in H2 and our products have competitiveness, we have been able to achieve YoY sales growth in July-September and October-December.

We are enhancing product sizes, brand, sales channels, and production capacity, and we intend to continue this momentum into the next fiscal year and beyond.

Maki [Q]: I often hear that in the general US economy, expensive items do not sell well, and cheaper items are easier to sell from the perspective of being affordable.

Is the reason your company's sales are improving now because sales were not very good in H1 due to cold waves and the like? Or are competitors raising prices significantly, causing customers to come to your company? How do you analyze this?

Tsuzaki [A]: The market was quite sluggish in H1. I believe inventory adjustments are also starting to ease slightly. However, compared to the year before last, the market has not grown much yet; while it is on a recovery trend, I do not consider it to be exceptionally good.

Regarding competition, we also raised prices in Q3, so there was a temporary demand effect from that as well. We will continue to monitor how the competition unfolds in that environment, while we ourselves intend to sell by increasing value.

Futamura [M]: Mr. Sakaguchi from Mizuho Securities, please go ahead.

Sakaguchi [Q]: I am Sakaguchi from Mizuho Securities.

Having heard your explanations so far, I would like to ask whether your management team recognizes the 10% business profit margin target for the next fiscal year as achievable.

According to page seven, as you explained, you expect to achieve the original plan through internal factors, and the deterioration of external factors led to a downward revision of the forecast this fiscal year. Looking ahead to next year, these internal factors—specifically volume & mix—will expand, driven by the essential strategy of launching new products for Europe, the continued growth of WILDPEAK, and the strong performance of SYNCHRO WEATHER in the domestic market. On the other hand, while the negative impact from materials and other factors could potentially be greater next year, you have already been implementing various initiatives since this H2. Alternatively, you will carefully examine whether additional initiatives will be necessary depending on the material situation. We have received such comments.

Are you saying that, as a result, factors that offset the deterioration caused by external factors continue to accumulate toward the next fiscal period? I would appreciate your comments on how this looks when

compared to the targets of the medium-term management plan, rather than just the profit increase for next year.

Kuniyasu [A]: First of all, although we are formulating the budget for the next fiscal year aiming for 10%, we are currently examining in detail how much of it is affected by raw material costs and other factors that we cannot control. I believe that the areas we can control, such as new products and pricing, are also influenced by the surrounding environment, including other companies. Therefore, I believe we must anticipate a certain buffer for such areas.

It is difficult to answer, but our intention is to aim for 10%. I believe we must provide a clear explanation next year regarding what the final figures will be once next year's budget is finalized.

Sakaguchi [Q]: Compared to the previous forecast, are you feeling more confident about volume & mix?

Kuniyasu [A]: Regarding volume & mix, we are feeling various positive signs this year as well. Please understand that we are confident.

Futamura [M]: Mr. Naruse from Okasan Securities, please go ahead.

Naruse [Q]: I am Naruse from Okasan Securities.

I would like you to explain the pricing again, although it is a repetition of questions already asked.

Earlier, at the beginning, you provided an explanation regarding the YoY figures. Was the JPY4.3 billion shortfall against the plan realized in Q3, or will it be also realized in Q4, and in which region did it occur?

You commented that you would like to offset rising raw material costs with additional price increases next fiscal year, but is the environment truly conducive to doing so? Of course, you commented that the US market conditions have recovered to some extent since Q3. I would like you to comment on that again.

Kuniyasu [M]: Mr. Hino will answer this.

Hino [A]: I believe you are asking about the details of the negative JPY4.3 billion written on page seven.

The comment at the bottom of the page mentions declines from higher sales promotion expenses. Specifically, although we raised prices, in order to capture market share, we responded with incentives and the like in some regions, such as North America and China, and as a result, prices did not increase. This corresponds to the difference from the previously announced figures. In total, I would like you to understand this as a trade-off between pricing and securing sales volume and mix.

Naruse [Q]: Could you give us a brief comment again on the environment for the next fiscal year?

Kuniyasu [A]: Regarding the next fiscal year, as I explained earlier, I think the probability is high to some extent in North America. In Europe as well, assuming that the kind of turmoil that occurred this year has subsided, and by introducing our company's products, I think we will be able to raise prices.

What I am most worried about is that Chinese tire manufacturers are exporting a significant amount of tires that they cannot export to Europe and the US to Asia, as well as Africa and South America. We are currently discussing with our local teams whether we can control prices there.

Futamura [M]: Mr. Ishimoto from Nomura Securities, please go ahead.

Ishimoto [Q]: This is Ishimoto from Nomura Securities.

The first point is regarding the margin in Europe. The deficit in Q3 is quite large at JPY3 billion. Could you please tell us the background behind the expansion of the deficit from Q2, given that the volume has increased this much?

I believe you mentioned earlier that the impact of the decrease in off-take products was about JPY1 billion. What is the remaining JPY2 billion or so due to? There was likely a production adjustment, so it is possible that operations declined and margins worsened. The impact of AD tariffs is also becoming significant, so please also tell us if that impact will appear in Europe.

Kuniyasu [M]: Mr. Hino will answer this.

Hino [A]: It is just as you said. We actually carried out production adjustments at our factory in Turkey due to an increase in distribution inventory and, precisely, the accumulation of inventory. I would like you to understand that we significantly reduced the operating rate from July to September, and as a result, we were unable to recover fixed costs, leading to a loss.

Ishimoto [Q]: In which region is the impact of the AD tariffs being felt ?

Hino [A]: This is in the United States; due to the review results of the AD tariffs on shipments from Thailand to the United States, the difference between the initial provisional tax rate and the finally determined tax rate was decided this time, and this amount was incurred.

Ishimoto [Q]: Second point, I believe the profit for the sports business in Q3 was significant. On the other hand, you are forecasting a slight loss in Q4. Please tell us the background behind why it was good in Q3 and the reason it will drop this much in Q4.

Kuniyasu [A]: One of the factors for the strong profit in the Sports business in Q3 is the IEEPA tariff refund of approximately JPY2 billion in the United States. Another factor is that we launched new SRIXON golf clubs in September, which have been very well received and are selling well globally. Due to this impact as well, sports profits accumulated.

The reason profit in the sports business is negative YoY in October to December is the reaction to that.

Hino[A]: I will add a supplement.

In the sports business, XXIO 14 was launched in October-December 2025, and profits increased all at once. As a reaction to that, conversely, it has become a negative factor for profit in October to December 2026.

Futamura [M]: With this, we conclude the Q3 FY2026 earnings presentation for DUNLOP, Sumitomo Rubber Industries, Ltd. Thank you very much for joining us today despite your busy schedule.

[END]

_____

Document Notes

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

Disclaimer

JPX Market Innovation & Research, Inc. (“JPXI”) reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case JPXI shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources JPXI believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, JPXI does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which JPXI’s event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company’s most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH JPXI ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES JPXI OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY JPXI. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. JPXI DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of JPXI’s content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of JPXI. JPXI’s content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by JPXI at any time without notice.

Copyright © 2026 JPX Market Innovation & Research, Inc. (“JPXI”), except where explicitly indicated otherwise. All rights reserved.