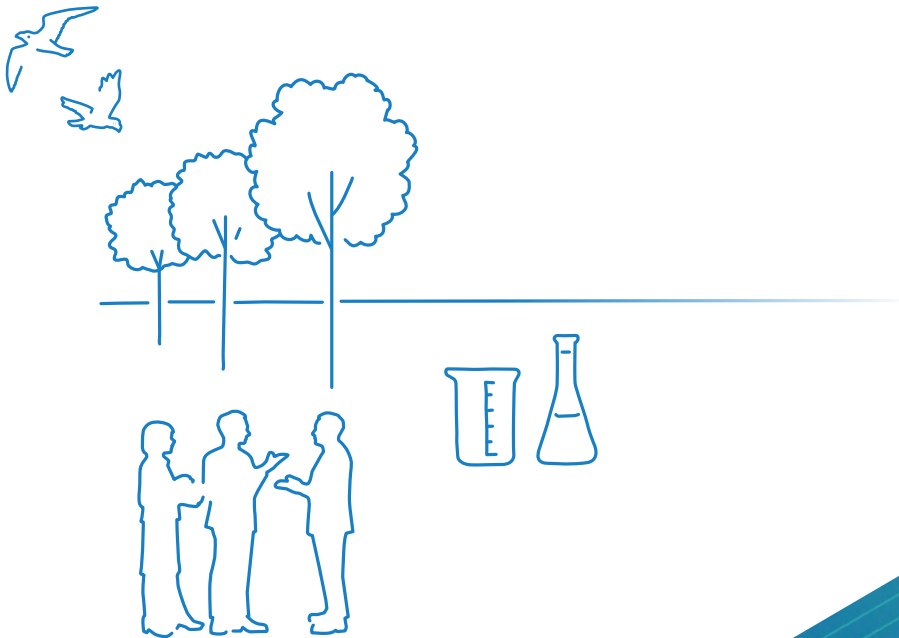




# Sustainability as a Growth Foundation



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# Strengthening Competitiveness through Innovation

The Company provides industry-leading rubber technologies in addition to new technologies and services that these technologies generate. We are always striving to provide new value with the aim of creating a healthy and prosperous society full of joy.

Related Material Issues P.11



Innovation to  
Address Social  
Issues

## Value creation P.10

### ● Creation of a healthy and prosperous society filled with joy and well-being

#### Social value

Improve QOL through the provision of new experiential value to stakeholders

#### Economic value

- Provide products that support safe, secure, and comfortable living
- Provide high-value-added products through technical innovation

### Outcomes

- Strategic utilization of intellectual properties P.30
- Refinement of technologies that deliver safety, joy, and well-being P.31
- Advancement of technologies to address global environmental challenges P.31
- Evolution of analytical and diagnostic technologies through co-creation with partners P.31
- Accumulation and transfer of development expertise through AI utilization P.32
- Continuous creation of new products and services P.33
- Enhancement of production capacity and optimization of the production system P.24

## Risks and Opportunities

Opportunities	Risks
<ul style="list-style-type: none"> <li>● Increase in revenue through the creation of solutions driven by technical innovation</li> <li>● Expansion in demand for sustainable and low environmental impact products due to stricter environmental regulations</li> <li>● Growth in demand for products that address disaster preparedness and health-conscious needs</li> <li>● Improved corporate reputation through enhanced user QOL</li> </ul>	<ul style="list-style-type: none"> <li>● Decline in market share due to competitors' advanced development</li> <li>● Decrease in demand for existing products</li> </ul>

## Intellectual Property Strategy

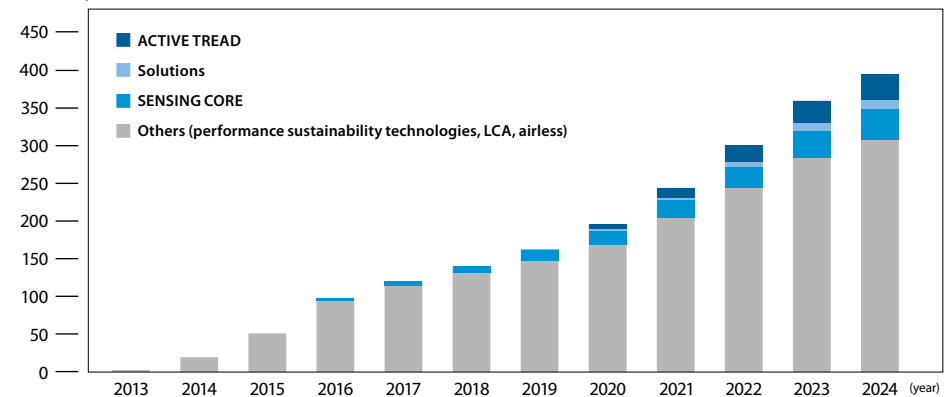
We aim to protect our products and technologies through the acquisition of intellectual property rights, while exercising great care to manage risks and prevent infringement by other parties.

The importance of intellectual property strategy is increasing, and as part of our efforts, we are focusing on obtaining patents that align with our business strategy. In addition to product development, we are also aiming to secure rights for software and services. We are shifting toward a proactive intellectual property strategy—one that not only secures the patents necessary for product development, but also actively seeks out the essential pieces needed for the Company.

From the perspective of differentiation and technological advancement, acquiring and disseminating cutting-edge technologies is essential. Rather than limiting these efforts to tires, we aim to apply such technologies across a wide range of fields to expand business opportunities. We also recognize that the effective utilization of our existing patents and the protection of rights for future technological development are critical challenges. Therefore, we are conducting benchmarking surveys for each product to clarify their current positioning, and systematically identifying the patents we should acquire moving forward. This approach enables us to obtain intellectual property rights strategically. Through this intellectual property strategy, we aim to enhance our competitiveness and achieve sustainable growth.

### ■ Transition in the Number of Published Patents Related to Advanced Technologies and Solution Services (Cumulative Total)

(Number of patents)



\* According to NGB Corporation



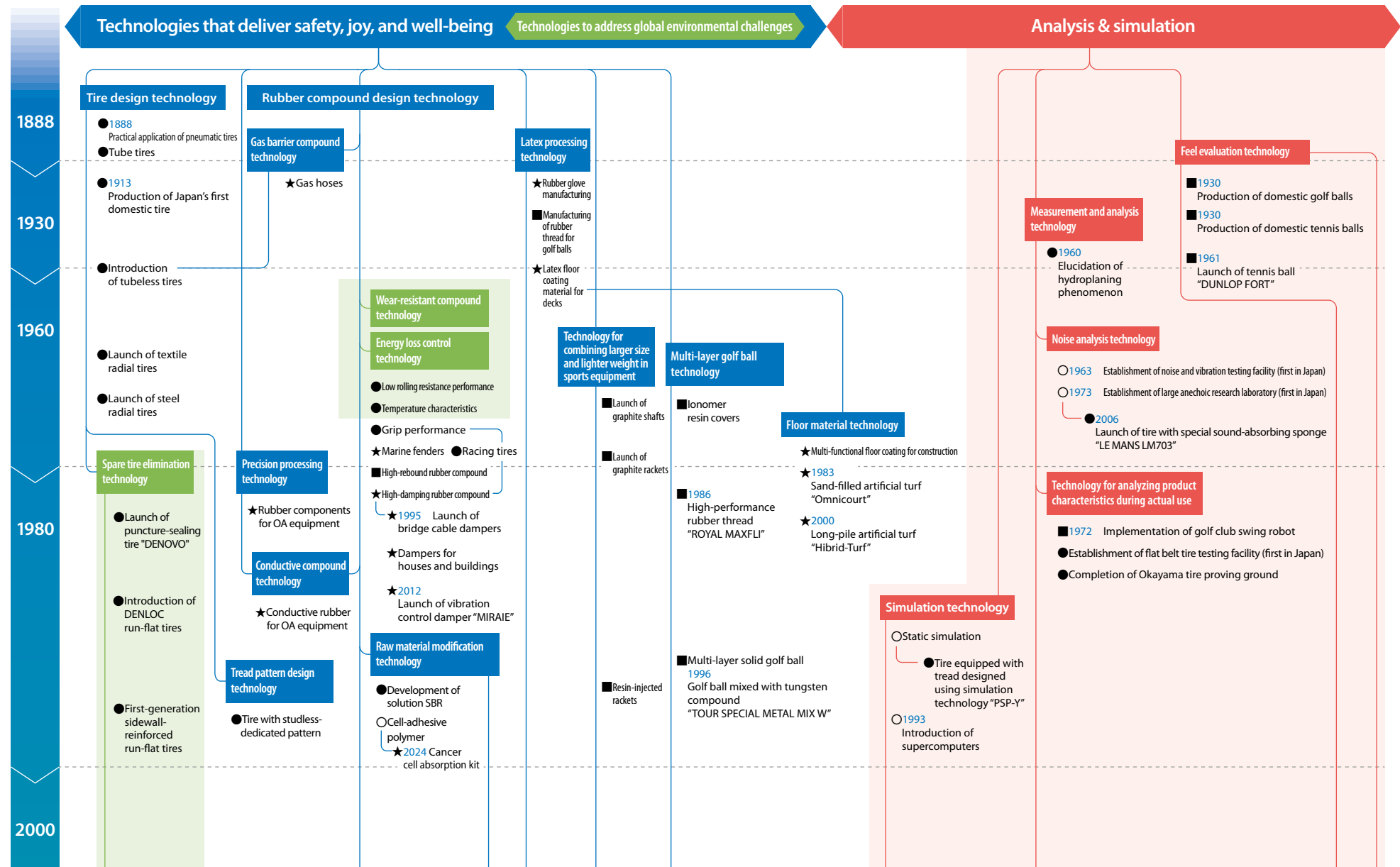
## Strengthening Competitiveness through Innovation

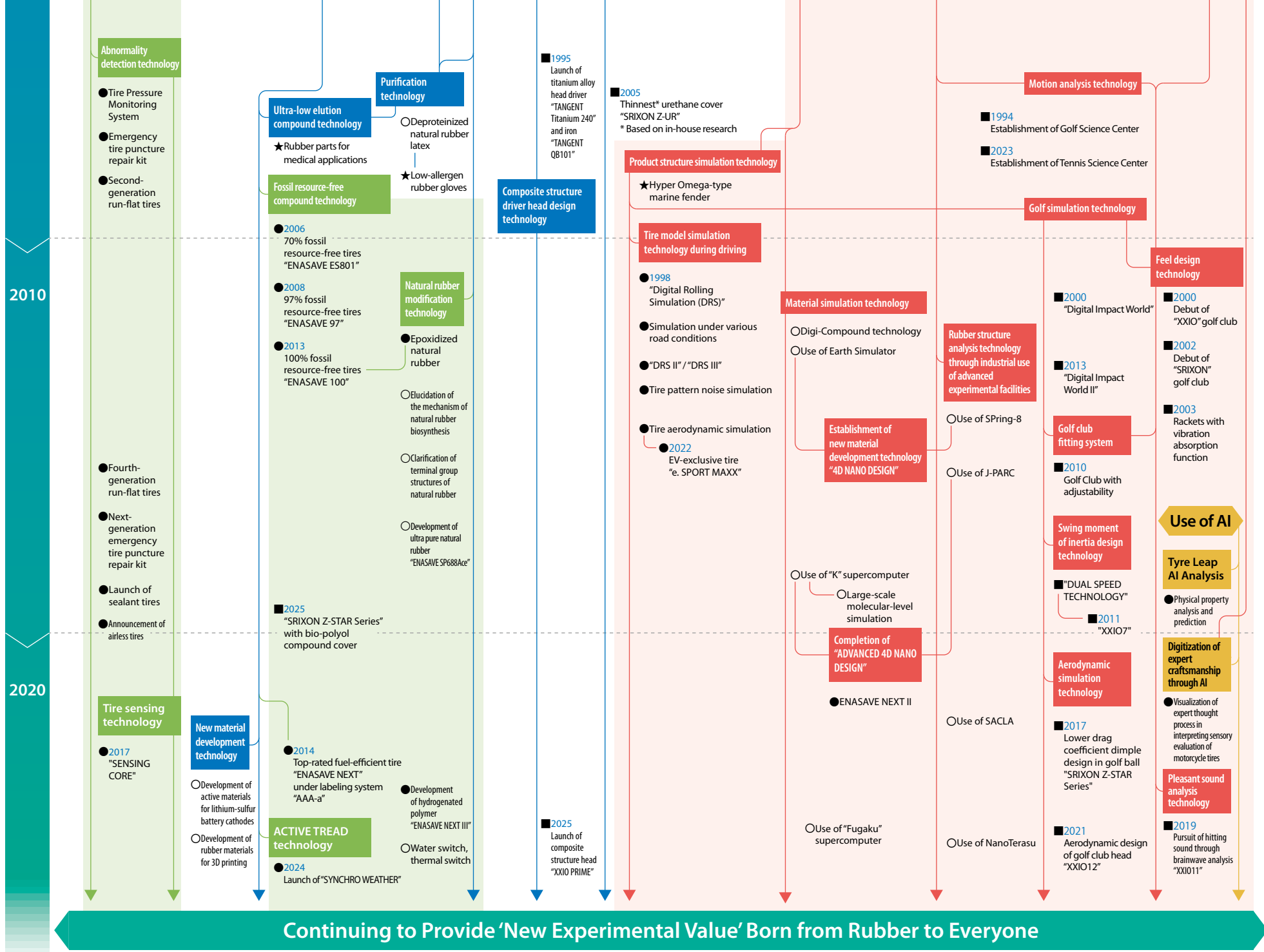
## The Lineage of Innovations in the Sumitomo Rubber Group

Since the invention of the pneumatic tire in 1888, we have spent over a century developing innovations from rubber—delivering safety, joy, and well-being to our customers, caring for the global environment, and advancing analytical technologies that support these efforts. These innovations have formed the foundational technologies across all of our businesses: tires, sports, and industrial products. Leveraging synergies among them has led to the creation of new technologies.

The evolution of these innovations is the driving force behind the future technologies that will realize our long-term corporate strategy, “R.I.S.E. 2035”, which aspires to “Continuing to Provide ‘New Experimental Value’ Born from Rubber to Everyone.” Believing in the limitless potential of rubber, we will continue to expand and strengthen our core technologies.

●Tires ■Sports ★Industrial products ○Basic research and others







Strengthening Competitiveness through Innovation

# SYNCHRO WEATHER



Official website: SYNCHRO WEATHER (Japanese Only)

## Product Overview of SYNCHRO WEATHER

SYNCHRO WEATHER is a next-generation all-season tire that adapts its performance according to road conditions. It is designed to handle all types of road surfaces—including icy roads, which were previously beyond the capabilities of conventional all-season tires. This tire features our proprietary ACTIVE TREAD rubber technology for the first time.

In addition to the widely recognized snow flake mark commonly found on winter tires, SYNCHRO WEATHER is also engraved with the Ice Grip Symbol\*.

\* Ice Grip Symbol: A mark that can only be engraved on tires that meet the ice performance standards defined by United Nations regulations

## Benefits Provided by SYNCHRO WEATHER

SYNCHRO WEATHER offers customers peace of mind by enabling safe travel regardless of season or weather conditions. Since it eliminates the need to switch between summer and winter tires, it reduces both the economic burden and the hassle of storing extra tires and wheels.

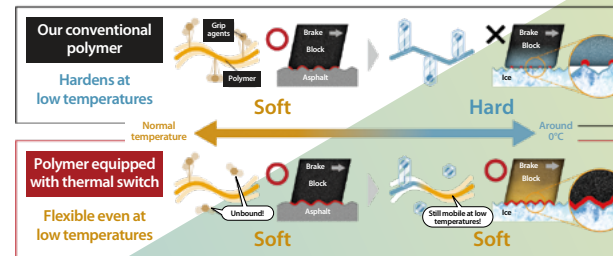
Furthermore, by eliminating the need to own two separate sets of tires, it helps reduce rubber consumption, thereby contributing to a lower environmental impact.

## Technologies Featured in SYNCHRO WEATHER

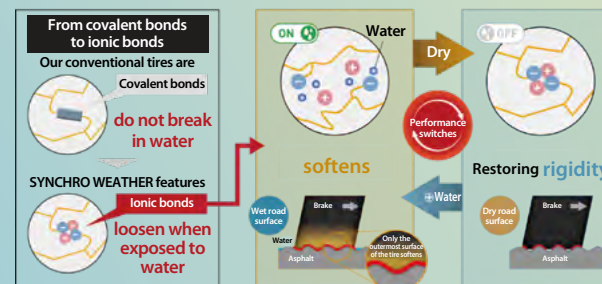
### Technology(1) | ACTIVE TREAD

ACTIVE TREAD is an innovative technology in which the rubber's properties change in response to external environmental conditions. The rubber compound incorporates both a thermal switch and a water switch, allowing the tire to deliver high performance on dry, wet, and icy road surfaces.

- Thermal switch: By optimizing components in the rubber that typically harden at low temperatures, the tire maintains softness even in icy (low temperature) conditions. This enhances surface contact on icy roads and improves grip performance.



- Water switch: Some strong "covalent bonds" between polymers are replaced with "ionic bonds" that can dissociate in the presence of water. When exposed to water, these bonds loosen, softening the rubber surface and enhancing grip on wet roads.



### Technology(2) | Noise-Reducing V-Shaped Pattern

The V-shaped directional tread pattern offers superior snow-biting and water drainage performance. However, it traditionally posed challenges in terms of driving noise.

By designing two types of tread blocks with different shapes and arranging them in a random but optimized sequence along the tire circumference, the pattern helps control the frequencies generated by the tire. This results in a comfortable and quiet ride comparable to that of summer tires.

It also meets the voluntary industry standard for low exterior noise tires set by the Japan Automobile Tyre Manufacturers Association.





## Strengthening Competitiveness through Innovation

### Using Digital Simulation Technology, we conduct analysis that extends into the physical responses and sensory perceptions of athletes. By combining this with actual swing data, we leverage the insights to support the development of new products

In 1930, we began manufacturing and selling Japan's first domestically produced golf balls and tennis balls. Since then, we have consistently pursued quality by listening to user feedback and incorporating insights from top professional athletes. At our Golf Science Center in Tamba City, Hyogo Prefecture, we collect a vast amount of data, including a wide variety of swing types—from top professionals to average golfers. We conduct comprehensive measurement, analysis, and evaluation of this data. By integrating this extensive and highly precise data with our digital simulation analysis system, Digital Impact, we are advancing technological development aimed at continuous innovation.

Digital Impact is a proprietary technology that analyzes the moment of impact between a golf club and the ball by breaking it down into intervals as short as one one-hundred-millionth of a second. Today, its analytical capabilities have expanded beyond the point of impact to encompass areas such as the interaction between the player and the gear, the feel of the shot, and even the crisp sound of the impact—diving deep into human perception and sensory experience.

In recent years, we have also focused on developing environmentally conscious, sustainable products. In 2025, we launched a golf ball featuring a urethane cover blended with a corn-derived material.



XXIO, one of Japan's leading brands, is highly regarded for its exceptional distance, ease of use, and crisp impact sound

SRIXON has contributed to numerous victories by tour professionals



SRIXON Z-STAR, our flagship ball series, features a corn-derived material in its construction

### Production Technology That Enables Stable Supply of High-Quality Balls Supports Tournaments Worldwide

Tennis balls used in official tournaments (approved balls) must meet defined numerical tolerances for diameter, weight, rebound rate, and deformation. At the Company, we go beyond these regulations by strictly adhering to the principle of "consistency across every ball" and leveraging our advanced production technologies to ensure stable, high-volume manufacturing. While maintaining this commitment to uniformity, we also conduct extensive research from all angles—including the rubber material, felt, solvents used inside the ball core, and more. Through daily improvements, we strive to achieve the optimal hitting performance and feel.

By holding ourselves to standards far stricter than international regulations, our 1960 release, DUNLOP FORT, has earned the lasting support of players and remains a long-selling product to this day. This high level of technological excellence has been recognized globally, leading us to become the official sponsor of the Australian Open, one of the four Grand Slam tournaments, since 2019.

In recent years, we have also been actively working toward carbon neutrality, taking industry-leading steps such as replacing PET can lids with paper lids and switching plastic shrink packaging to paper.



Plastic lids replaced with paper for "DUNLOP AO" and "DUNLOP FORT"



We also supply balls for ATP (Association of Tennis Professionals) tournaments. Plastic lids and shrink packaging replaced with paper.



### Vibration-Damping Technology Inspired by Racing Tire Compounds Protects People's Lives and Cultural Heritage

In the 1995 Great Hanshin-Awaji Earthquake, our Kobe Factory and office building were completely destroyed. After witnessing not only the damage to our own facilities but also the devastation across the Kobe region, we committed ourselves to developing solutions that could provide as many people as possible with safe and secure housing in preparation for future major earthquakes.

Development leveraging our high-damping rubber technology—originally developed for racing tires to efficiently convert kinetic energy into heat—bore fruit in 2005, and we began supplying vibration control dampers to major housing manufacturers.

The Great East Japan Earthquake in 2011 prompted us to begin developing the MIRAIE vibration control unit—an affordable solution designed to minimize structural damage even after experiencing multiple large earthquakes. Aimed at making installation possible in all homes, we began shipping MIRAIE to general construction contractors in 2012. In 2016, we launched MAMORY, a version suitable for seismic retrofitting of existing houses. Together, these systems have now been installed in over 142,000 homes.

Going forward, we will continue developing solutions to increase the adoption rate of vibration control dampers, which currently account for less than 20% of new residential buildings. We are also expanding globally by supplying building-grade vibration control dampers to earthquake-prone regions outside Japan, starting with Taiwan. In addition, we are promoting the development and dissemination of vibration control dampers to protect temples and shrines, which are regional cultural heritage sites.



Vibration control unit "MIRAIE" for detached housing, developed from the experience of two major earthquakes

### Leveraging Sumitomo Rubber's Full Expertise in Analysis, Simulation, and Compounding to Pioneer the Frontier of Medical Rubber Products

Our medical rubber product business began in 1997 with the aim of contributing to the "safety and security" of pharmaceuticals, starting with the development of rubber stoppers used in vials that contain drugs. Production started at the Izumiotsu Factory in 2000, and in 2010, it expanded to the Kakogawa Factory, leading to the growth of the business.

Our core products, such as rubber stoppers for vials and gaskets and caps used in pre-filled syringes that contain drugs in advance, come into direct contact with the medication and therefore must meet the same high quality standards as the drugs themselves. With our proprietary rubber compounding technology—which minimizes the elution of impurities that may affect the drug—as a key strength, we are advancing product development to meet required performance standards by utilizing analytical and simulation technologies cultivated through our tire business. In addition, by automating the inspection process and more, we have achieved a high level of quality and secured a leading domestic market share.

Future growth engines will be the expansion of production capacity and the development of high value-added gaskets for biopharmaceuticals. We will first build a solid foundation for global expansion based on the trust-based relationships with customers that we have cultivated in Japan, and then take on the challenge of entering the mega pharma markets of Europe and the U. S.



#### Industrial Products



Medical rubber products that meet high quality standards



# Contribution to a Sustainable Global Environment

Our business activities involve environmental risks such as the worsening of climate change due to GHG emissions and impacts on ecosystems caused by the use of natural resources and chemical substances.

We aim for harmony with the global environment by understanding the interconnection between climate change, a circular economy, and biodiversity, and by taking an integrated approach to these issues.

## Related Material Issues

P.11



Climate  
Change



Circular  
Economy



Biodiversity

## Value creation P.10

- Realization of a decarbonized society
- Establishment of a sustainable value chain
- Pass-on of blessings of nature to future generations

### Social value

- Aim to achieve carbon neutrality
- Promote resource circulation
- Preserve and restore biodiversity

### Economic value

- Expand revenue through environmentally friendly products and services/increase sales and investment

### Outcomes

- Promotion of climate change measures P.36
- Prevention of waste discharge P.37
- Efficient use of resources P.37
- Contribution to biodiversity conservation P.37

## Risks and Opportunities

Opportunities	Risks
<ul style="list-style-type: none"> <li>● Growing demand for next-generation products</li> <li>● Product development and new business creation driven by expanding recycling need</li> <li>● Reduced cost due to improved resource efficiency</li> <li>● Improved corporate value through contributions to Nature Positive</li> </ul>	<ul style="list-style-type: none"> <li>● Decreased production capacity due to intensified disasters and reduced availability of water resources caused by climate change</li> <li>● Decline in corporate reputation due to pollution from chemical substances and waste</li> <li>● Increased costs due to stricter regulations and the introduction of carbon pricing</li> </ul>

## Targets and Results

Challenge Target Themes	Action Plans	Targets (Target Year)	2024 Targets	2024 Results
Carbon Neutrality	Carbon Neutrality (Scope 1 and 2)	•Achieving 55% reduction in emissions compared to 2017 base year (2030), full carbon neutrality (2050)	•Implementing initiatives toward a 55% reduction compared to 2017 levels (by 2030) and full carbon neutrality (by 2050) •Acquisition of SBT (Science Based Targets) certification	•Implementing initiatives toward a 55% reduction compared to 2017 base year (by 2030) and full carbon neutrality (by 2050) •Acquisition of SBT certification •Reduction of 35% compared to 2017 base year
	Carbon Neutrality (Scope 3)	•Reduction of 25% in Category 1 emissions compared to 2021 base year and a 10% reduction in Category 4 emissions (2030)	•Implementing initiatives toward a 25% reduction in Category 1 and a 10% reduction in Category 4 compared to 2021 base year (2030) •Acquisition of SBT certification (Category 1)	•Implementing initiatives toward a 25% reduction in Category 1 and a 10% reduction in Category 4 compared to 2021 base year (2030) •Acquisition of SBT certification (Category 1) •Reduction of 23% in Category 1 emissions compared to 2021 base year and a 3% reduction in Category 4 emissions
	The Utilization of Hydrogen	•Introducing hydrogen production equipment for use in hydrogen boilers (2025)	•Addressing issues with continuous operation of hydrogen boilers	•Completed demonstration testing of hydrogen boilers in March and will continue to operate them as power equipment
Resource Circulation/ Sustainable Raw Materials	Increasing the Usage Rate of Sustainable Raw Materials	•Sustainable raw material content targets by product line •Tires: 40% (2030)/100%(2050) •Sports: 20% of Practice Golf Balls (2030), 100% of All Golf Balls (2050) •Launch of Tennis Balls Made from 100% Sustainable Raw Materials (2030), 100% of All Tennis Balls (2050) •Industrial Products (by Weight): 40% (2030), 100% (2050)	•Continuing to develop rubber formulations using sustainable raw materials to achieve the 2030 target •Continuing discussions to raise the recycling rate •Continuing discussions to identify candidates for alternative raw materials •Discussing facility upgrades while planning measures to introduce novel types of raw materials •Increasing the ratio of sustainable raw materials toward the 2030 target	•Promoted initiatives to improve recycling rates •Continuing discussions to identify candidates for alternative raw materials •Formulated plans for facility upgrades to introduce novel types of raw materials •Started initiatives for resource circulation of Carbon Black for tires (collaboration) •Evaluated processes to increase the ratio of sustainable raw materials in golf balls
	Reducing Plastic Usage	•Reduction of 40% in plastic used in tire labels, packing materials, sales promotion tools, etc., compared with 2019 base year (2030)	•Enhancing initiatives to reduce plastic used in tire labels •Continuing initiatives to eliminate plastic used in tire packaging materials •Changing the lids and labels on tennis ball packages to paper and the plastics used in those packages to recycled plastics overseas	•Reduction of 34% compared to 2019 base year
Water Resources	Reducing Water Usage	•Recycled water usage of 100% at bases of operations in areas with high water security risk (2050)	•Creating a scenario for achieving 100% water recycling at bases with high water risk	•Created scenarios for achieving 100% water recycling



## Contribution to a Sustainable Global Environment

### Main Initiatives in This Fiscal Year

#### Climate Change

##### ● Scope 1, Scope 2

To achieve carbon neutrality by 2050, we are implementing a wide range of continuous initiatives, including promoting energy efficiency, introducing renewable energy, and exploring the use of hydrogen.

In 2025, we will further promote the development of effective CO<sub>2</sub> reduction measured beyond 2030, taking into account changes in social conditions to enhance the feasibility of our plans. At the same time, we will establish new sustainability investment criteria that consider climate-related risks and reflect them in our financial planning. We will continue to strengthen our efforts toward the early achievement of our 2030 target of a 55% reduction in CO<sub>2</sub> emissions compared to base year 2017.

##### ● Initiative to Utilize Hydrogen Energy at Shirakawa Factory

As part of our Scope 1 reduction efforts, we are promoting a fuel switch to hydrogen. In April 2025, we introduced hydrogen production equipment at our Shirakawa Factory and began producing green hydrogen using electricity from renewable energy sources. By supplying this hydrogen to boilers, we can reduce CO<sub>2</sub> emissions associated with conventional hydrogen production and transportation. Through this initiative, we are taking on the challenge of achieving "local production and consumption of hydrogen" within our own facility—from hydrogen generation to supply, combustion, and steam utilization.



Hydrogen production equipment (Yamanashi Model P2G System)

##### ● Scope 3, Category 1

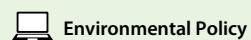
The Group aims to reduce CO<sub>2</sub> emissions in line with the SBT 1.5°C pathway and held a briefing session on Scope 3 reduction initiatives for all suppliers of tire raw material. At this briefing session, we explained our procurement policy, the background of the Paris Agreement, and examples of CO<sub>2</sub> reduction measures. We also requested the provision of primary data\*. Going forward, we will consider replacement with primary data and work together with our suppliers to implement CO<sub>2</sub> reduction measures that reflect actual conditions. Furthermore, we have started engaging with some of our tire raw material suppliers to assess the status of their CO<sub>2</sub> reduction initiatives and have conducted interviews. We will continue to promote CO<sub>2</sub> emission reduction initiatives through ongoing dialogue with our suppliers.

\* The actual CO<sub>2</sub> emissions data submitted by suppliers.

##### ● Scope 3, Category 4

We interviewed some logistics companies and our group bases regarding decarbonization measures and explored transportation methods with low CO<sub>2</sub> emissions. Our efforts to assess the current situation have led to developing a CO<sub>2</sub> reduction policy and roadmap for 2030. In 2025, we will hold briefings at each base of operations to explain the company-wide reduction policy for Category 4 and work collaboratively to refine CO<sub>2</sub> reduction scenarios and implement specific measures that take regional characteristics into account. In addition, we will hold briefings for some logistics operators on our CO<sub>2</sub> reduction policy and modal shift, facilitate the sharing of primary data, and work together on future reduction measures.

#### Related Information



Environmental Policy



[Appendix of Environmental Policy] Individual Initiatives for the Environment



Sustainability Vision Management Structure



Environmental Management System



Information disclosure aligned with the TCFD and TNFD recommendations



Climate Change



Supply Chain Management



Financial and Non-Financial Data



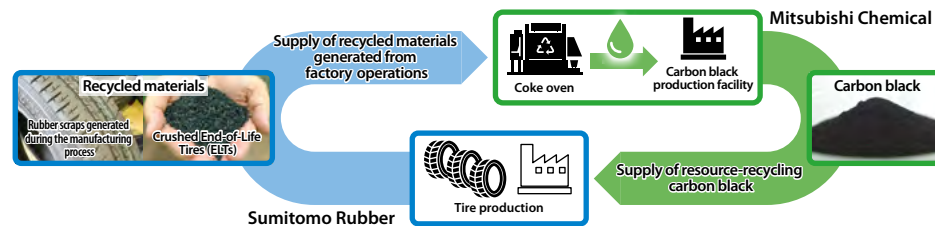
## Contribution to a Sustainable Global Environment

### Circular Economy

#### ● Increasing the Usage Rate of Sustainable Raw Materials

As part of the Group's original circular economy initiative "TOWANOWA," we are working to utilize used tires as recycled raw materials. In collaboration with Mitsubishi Chemical Corporation, we have begun efforts to promote resource circulation for carbon black, a key raw material in tire production. Rubber chippings generated during our tire manufacturing process and crushed used tires (recycled materials) are fed into Mitsubishi Chemical's coke ovens as part of the raw materials for chemical recycling\*. The resulting tar is then used to produce "sustainable carbon black." This carbon black will be used in some racing and passenger car tires starting in 2025, with plans to expand its use from 2026 onward.

\* The recycled materials are mixed with coal and fed into a coke oven. Chemical recycling refers to a method of recycling in which used resources are chemically broken down and converted back into raw materials.



#### ● Reducing Plastic Usage

The Sumitomo Rubber Group has been making efforts to achieve a 40% reduction of plastics usage compared to 2019 base year by 2030. As a result of efforts across all business divisions, including the review of product packaging materials, we achieved a 34% reduction in 2024. We expect to reach the 40% reduction target in 2025.

### Biodiversity

Based on the Taskforce on Nature-related Financial Disclosures (hereinafter "TNFD") final recommendations, we analyzed risks and opportunities related to our dependence on and impact on nature across all business operations.

To analyze medium- to long-term risks and opportunities, we conducted scenario analysis based on two assumptions: a "business-as-usual" scenario in which regulations do not progress and nature continues to degrade, and a "nature-positive" scenario in which regulations are strengthened and nature is preserved. In order to further explore the relationship between our business activities and nature-related issues, we assessed nature-related risks at each stage of the value chain for key issues in each business, using tools such as IBAT and Aqueduct to identify hotspots. Based on the results of these analyses, we are formulating and implementing measures to mitigate risks and capture opportunities.

#### ● Water Recycling Scenario

In line with the Group's Long-Term Sustainability Targets, we are promoting initiatives aimed at achieving 100% recycling of factory wastewater at seven of our global factories identified as having high water risk. In 2024, Thailand's first and second factories achieved 100% recycling of factory wastewater. Building on this success, we are actively working toward achieving 100% water recycling at other factories as well, by formulating concrete scenarios.

#### TOPICS

#### Response to Tire and Road Wear Particles (TRWP) and Tire Anti-Aging Chemical (6PPD)

As a member of the tire industry, the Company is actively addressing the environmental impacts associated with TRWP and 6PPD.



Environmental Management System

#### Related Information



Circular Economy



Environmental Management System



Information disclosure aligned with the TCFD and TNFD recommendations



Water Resource Conservation



Waste Reduction



Initiatives for the Conservation of Endangered Animals and Plants



Environmental Conservation Efforts through Greening Activities



About Nature Coexistence Sites in Fukushima Prefecture - Fukushima Prefecture Website (Japanese Only)



Initiatives to Address the Issue of Microplastics Originating from Artificial Turf for Sports Use (Japanese Only)



Financial and Non-Financial Data



# Building Strong Relationships with Stakeholders

The Company's businesses are entwined with the lives of many people, including customers, suppliers, local ecosystems around our bases, and surrounding communities.

We work in collaboration with all stakeholders involved in our business to address challenges within the supply chain, promote ecosystem conservation, and respect human rights.

Through these efforts, we will continue to provide our diverse stakeholders with joy and well-being.

Related Material Issues P.11



Human  
Rights

## Value creation P.10

- Creation of a healthy and prosperous society filled with joy and well-being

- Establishment of a sustainable value chain

### Social value

- Provide joy to stakeholders through the creation of new value
- Respect human rights
- Live up to the trust of society

### Economic value

- Provide new technologies and services
- Establish a strong and flexible management foundation

## Outcomes

- Enhancing and maintaining collaborative relationships with supply chain partners (Risk management and respect for human rights utilizing a third-party organization) P.39
- Improvement of products and services through co-creation with customers P.39
- Fulfillment of fair tax obligations
- Promotion of good relationships with local communities

## Risks and Opportunities

Opportunities	Risks
<ul style="list-style-type: none"><li>● Stable supply of products in terms of both quantity and quality</li><li>● Improved corporate value through contributions to Nature Positive</li><li>● Improved productivity through initiatives related to natural rubber</li></ul>	<ul style="list-style-type: none"><li>● Reduction in supply volume and quality due to a decline in supplier productivity</li><li>● Soaring resource prices</li><li>● Decline in corporate reputation due to human rights violations such as child labor</li></ul>

## Targets and Results

Challenge Target Themes	Action Plans	Targets (Target Year)	2024 Targets	2024 Results
Supply Chain Management	Sustainable Natural Rubber (SNR) Policy	•Raw material procurement in line with the SNR policy •Applied to major suppliers (2030), applied to all suppliers (2050)	•Specifying goals and target values for GPSNR*1 KPIs, and reflecting them in the mid-term plan •Strengthening our cooperative relationships with suppliers and other related stakeholders to ensure that we understand EU requirements and comply with EUDR*2	•GPSNR: Participated in discussions on industry KPIs and developed response plans for four key items •EUDR: Conducted on-site audits to strengthen cooperation with natural rubber suppliers
Supply Chain Management (Third-Party Evaluation)	Utilization of Third-Party Evaluation Services (EcoVadis)	•Procurement of 95% of tire raw materials by purchase value from suppliers who score at least 45 points on the standard evaluation by 2030 * Planning the phased rollout of this procurement approach to business divisions other than the Tire Business.	—	•We achieved our 2030 target by procuring 97% of purchases (by value) from suppliers who scored 45 points or higher.
Respect for Human Rights	Establishing a Human Rights Management System	•Creation of human rights management system and due diligence process (2024), establishment and implementation of human rights due diligence (2025)	•Establishment of a human rights management system and human rights due diligence process •Identifying and clarifying human rights issues within the Group, and developing a human rights due diligence roadmap	•Assessed human rights risks and identified critical human rights issues •Assessed initiatives to address critical human rights issues at manufacturing bases within the Group •Assessed the effectiveness of complaint handling mechanisms at all bases within the Group

\*1 Global Platform for Sustainable Natural Rubber \*2 EU Regulation on Deforestation-free products



## Building Strong Relationships with Stakeholders

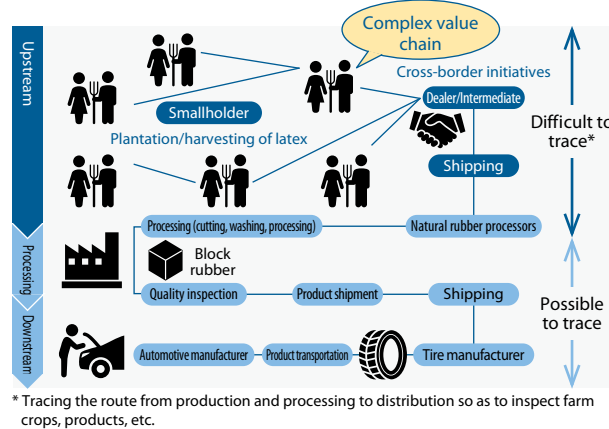
### Main Initiatives in This Fiscal Year

#### Initiatives for Sustainable Rubber Procurement

##### ● Risk in the Natural Rubber Supply Chain (1):

Importance to ensure traceability and risk assessment for the supply chain

The natural rubber supply chain is extremely complex, consisting of approximately 6 million smallholders as well as plantations, dealers, and natural rubber processors around the globe. Additionally, transactions often take place across regions and national borders, making it difficult to clarify (to ensure the traceability of) the distribution route from a producer to a processing plant. On the other hand, it is essential to gain a comprehensive understanding of the entire supply chain, assess risks such as deforestation and human rights violations, and procure natural rubber with minimal associated risks.



##### ● Response to Risk (1):

Initiative for risk assessment for the supply chain

#### Utilization of RubberWay<sup>®</sup>\*1 an Environmental/Social Risk Assessment Tool Dedicated to Natural Rubber

To ensure sustainable natural rubber procurement, the Sumitomo Rubber Group believes it is extremely important that we identify risks in our natural rubber supply chain. Therefore, we have implemented RubberWay<sup>®</sup>, the environmental and social risk assessment tool dedicated to natural rubber, since July 2023.

Scope	Natural rubber supply chain
Content	Assessment of the magnitude of environmental and social risks.
Risk mitigation	Assessment and identification of risks, followed by the development of mitigation measures for high-risk areas

\*1 An application software developed by Michelin, Continental, and the software developer SMAG

Sumitomo Rubber Introduces a Risk Assessment Tool Specific to the Sustainable Procurement of Natural Rubber

##### ● Risk in the Natural Rubber Supply Chain (2): Smallholders

Approximately 85% of natural rubber producers are smallholders. Positioned at the upstream end of the natural rubber supply chain, these smallholders are exposed to risks such as poverty and human rights violations. Support is essential to establish systems that enable their sustainable production.



##### ● Response to Risk (2): Initiatives to Support Smallholders

#### Capacity Building

Item	Period	Content
Providing training to neighboring farmers in Thailand	From 2017 onward	We support farmers operating in the neighborhood of Sumirubber Thai Eastern Corporation Co., Ltd., one of the Sumitomo Rubber Group's natural rubber processing bases. Specifically, we offer them seedlings and share our knowledge of fertilization and other farming practices, with the ultimate goal of improving their standard of living.
Initiatives to improve the living standard of natural rubber farmers	2022-2025	We promote support activities for natural rubber farmers with the natural rubber processors. Through surveys, training programs, and the provision of fertilizers, the project aims to enhance traceability and improve the livelihoods of farmers.
Financial support for improving smallholders' income and agricultural practices (GPSNR <sup>*2</sup> Project)	2023-2026	We are providing financial assistance to the Capacity Building Project undertaken by the GPSNR <sup>*2</sup> in Thailand to support smallholders. The objectives of this project include helping farmers achieve higher incomes and promoting Good Agricultural Practices (GAP).

\*2 Global Platform for Sustainable Natural Rubber

#### TOPICS

##### (1) Responding to EU Deforestation Regulation (EUDR<sup>\*3</sup>)

Compliance with the EUDR will become mandatory from the end of 2025. All Directors, officers, and employees of the Company, from the management team to front-line employees, understand their commitment to the sustainability of natural rubber and will work to ensure the Company's compliance with EUDR through measures such as collaborations across the industry and system development. Furthermore, we are promoting efforts to ensure EUDR compliance by visiting natural rubber processors and auditing their EUDR compliance status.

\*3 EU Regulation on Deforestation-free products

##### (2) Research on Natural Rubber

We are conducting research and development on various aspects of natural rubber, including elucidation of its biosynthesis mechanisms, growth promotion of rubber trees and improved latex yield through the use of production of saplings through tissue culture techniques and ethylene stimulants, as well as odor reduction of natural rubber.

Sustainable Natural Rubber Initiative



## Building Strong Relationships with Stakeholders

### Supply Chain Risk Management

#### ● Establishment of Procurement Guidelines

The Group aims to achieve sustainable procurement and has published the 8th edition of its Sustainable Procurement Guidelines in July 2024.

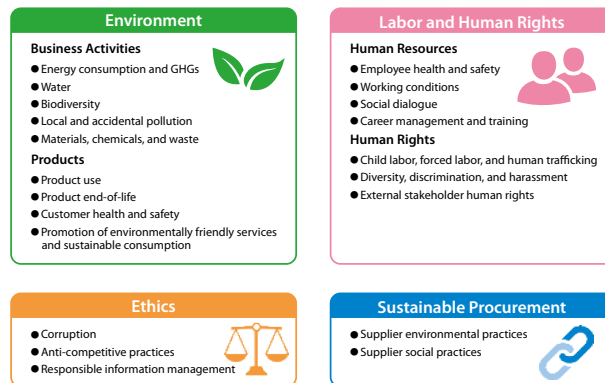
The guidelines request that all suppliers comply with the laws and regulations regarding human rights in each country and region, and engage in efforts to respect human rights.

 **Procurement Guidelines 8th Edition (Japanese)**

 **Other Languages (English, Chinese, Spanish, Indonesian, and Thai)**

#### ● Evaluation by EcoVadis, an International Third-Party Assessment Organization for Human Rights, Governance, and the Environment in the Supply Chain

Since January 2022, we have been working with EcoVadis to evaluate our suppliers based on sustainability standards. For new suppliers as well, we perform due diligence in a similar fashion, with an emphasis on assessing and mitigating corruption risks.



\* As of January 2025

Scope	Suppliers of raw materials for tires
Content	<ul style="list-style-type: none"> <li>● Through evaluations by a third-party organization, we aim to enhance the transparency of our sustainability activities and build trust with our suppliers.</li> <li>● Sustainability initiatives are quantitatively assessed across four key areas: Environment, Labor &amp; Human Rights, Ethics, and Sustainable Procurement.</li> <li>● The same due diligence is conducted when initiating new supplier relationships, including the assessment and prevention of corruption risks.</li> </ul>
Risk Mitigation	If the results of our due diligence and assessment of a supplier fail to meet certain criteria, we ask that they make improvements.

 **Supply Chain Management**

#### ● Initiatives Related to Respect for Human Rights

The Group firmly recognizes its responsibility to respect the human rights of all individuals involved in our business activities, including employees, customers, suppliers, and local communities surrounding our bases of operations. To fulfill this important responsibility, we have established a clear policy on human rights and developed the necessary organizational structure. We will continue to uphold our responsibility to respect human rights through our business operations.

<b>Framework Development</b>	In January 2024, we established the "Human Rights Subcommittee," a cross-functional organization within the Company, and held four subcommittee meetings. In these meetings, we reviewed the status and challenges of initiatives in each department, held discussions on key issues, and shared best practices.
<b>Policy Formulation</b>	Our policy was formulated in December 2023, approved by the Board of Directors, and publicly disclosed.
<b>Human Rights Due Diligence</b>	With guidance from external experts, we identified key human rights issues that the Group should prioritize. To understand the actual state of human rights risks, we conducted human rights due diligence through site visits to natural rubber plantations, raw material processing facilities, and domestic and overseas production bases, as well as through dialogue with stakeholders. In 2024, our efforts focused on production bases within the Group. Going forward, we will expand these activities to include the Group's sales bases and the broader value chain.

In May 2025, the Group published its first Human Rights Report. This report is structured in accordance with the human rights due diligence process outlined in the United Nations Guiding Principles on Business and Human Rights and incorporates insights from human rights experts. It provides comprehensive disclosure of our efforts to respect human rights across the entire value chain, including our organizational framework for promoting human rights, the status of due diligence implementation, and the establishment of grievance mechanisms.



Our employee (left) engaging in dialogue with local smallholders



 **Human Rights Policy**

 **Human Rights Report**



# An Organization That Can Boldly Take on Challenges by Uniting Diverse Strengths

We recognize that every individual has the right to be respected and to fully leverage their unique strengths. By fostering a fair and equitable workplace environment where colleagues acknowledge and elevate one another, we aim to enhance overall team capabilities and, ultimately, increase our corporate value.

Related Material Issues P.11



Human  
Rights



Diverse  
Talents

## Value creation P.10

- Creation of human resources that contribute to solving social issues
- Establishment of a value chain based on trust

### Social value

- Contribute as a company committed to solving social issues

### Economic value

- Provide products and services leveraging diverse perspectives
- Enhance corporate value through collective team strength

### Outcomes

- Development of Global Senior Management Human Resources P.42
- Development of Innovative Human Resources P.43
- Development of DX-Related Human Resources P.43
- Promoting D&I Initiatives P.44
- Improvement of Employee Performance P.44

## Risks and Opportunities

Opportunities	Risks
<ul style="list-style-type: none"> <li>● Recruitment and retention of high-quality talent and enhancement of corporate value through the promotion of D&amp;I</li> <li>● Improved employee engagement and productivity through the provision of a safe, secure, fair, and equitable working environment</li> <li>● Stable factory operations and product supply through successful talent acquisition</li> </ul>	<ul style="list-style-type: none"> <li>● Increase in turnover rate</li> <li>● Decline in employee engagement and productivity</li> <li>● Rising compensation costs and deterioration of corporate reputation due to workplace injuries or serious accidents</li> </ul>

## Targets and Results

Challenge Target Themes	Human Capital Strategies	Action Plans	Indicators	Targets (Target Year)	2024 Results	Remarks
Fostering corporate climate and culture	Development of Global Senior Management Human Resources	Executive coaching for executives	Number of coaching participants	—	28	
		Leadership improvement cycle	Positive response rate to "Opportunities to discuss career and growth with direct supervisor" in the Organizational Culture Survey		70.6%	Sumitomo Rubber Industries, Ltd. only
			Positive response rate to "provision of growth opportunities and setting of ambitious goals by direct supervisor" in the above survey	80% or higher	75.6%	From 2025 Onward, the survey indicators are planned to shift focus toward engagement-related content. A review of the indicators is also scheduled.
			Positive response rate to "strict adherence to bad news fast/first (reporting bad news promptly)" in the above survey		83.2%	
			Positive response rate to "ensuring psychological safety" in the above survey		75.6%	
	Development of Innovative Human Resources	Development of innovative human resources	Number of participants in the innovative human resource development program	—	22	
	DX Literacy Training	DX-related human resource training program	Number of participants in the DX literacy program	3,500 (2025)	3,540	Sumitomo Rubber Industries, Ltd. only
			Number of Open Badge Business Core Course completers	480 (2025)	269	
			Number of Open Badge ProProfessional Course completers	70 (2025)	122	
			Number of Open Badge Data Engineer Course completers	300 (2025)	192	
	RPA user development	Business efficiency improvement hours achieved through RPA implementation		107,000 hours	94,200 hours	
Respect for Diversity & Harmony	Promoting D&I Initiatives		Ratio of female executives (directors and auditors)	—	9.1%	Sumitomo Rubber Industries, Ltd. only
			Ratio of female managers	7% (2025)	5.0%	
			Percentage of male employees who took childcare leave	100% (2024)	105.5%	
	Initiatives to improve employee performance		Our Philosophy entrenchment survey: ratio of "empathy" or "practice"	80% or higher (2030)	49.6%	Sumitomo Rubber Industries, Ltd. only
Safety & Health	Expediting Diversity Among All Employees and Improving Performance		Transfer results through career matching	—	20 cases	Sumitomo Rubber Industries, Ltd. only
			Percentage of persons with recognition of the Sumitomo Rubber Group Health & Productivity Management Declaration	100% (2025)	53.8%	Sumitomo Rubber Industries, Ltd. only
			Absenteeism (sickness absence days rate)	0.5% or less (2025)	0.85%	*1 Presenteeism: A state where productivity is reduced due to working while suffering from illness or symptoms
			Work engagement	3 points (2025)	2.4	*2 Workplace social capital: Characteristics of an organization which include relationships with superiors and colleagues within the workplace, trust, information networks, etc.
	Promoting health and productivity management		Number of workplaces rated "C" for Presenteeism*1 (WFun)	0 (2025)	3 points	
			Percentage of persons with moderate to severe work function disability for Presenteeism	Less than 15% (2025)	19.5%	
			WSC (Workplace Social Capital)*2	Average of each item: 4.0 points (2025)	3.7 points	



## An Organization that can Boldly Take on Challenges by Uniting Diverse Strengths

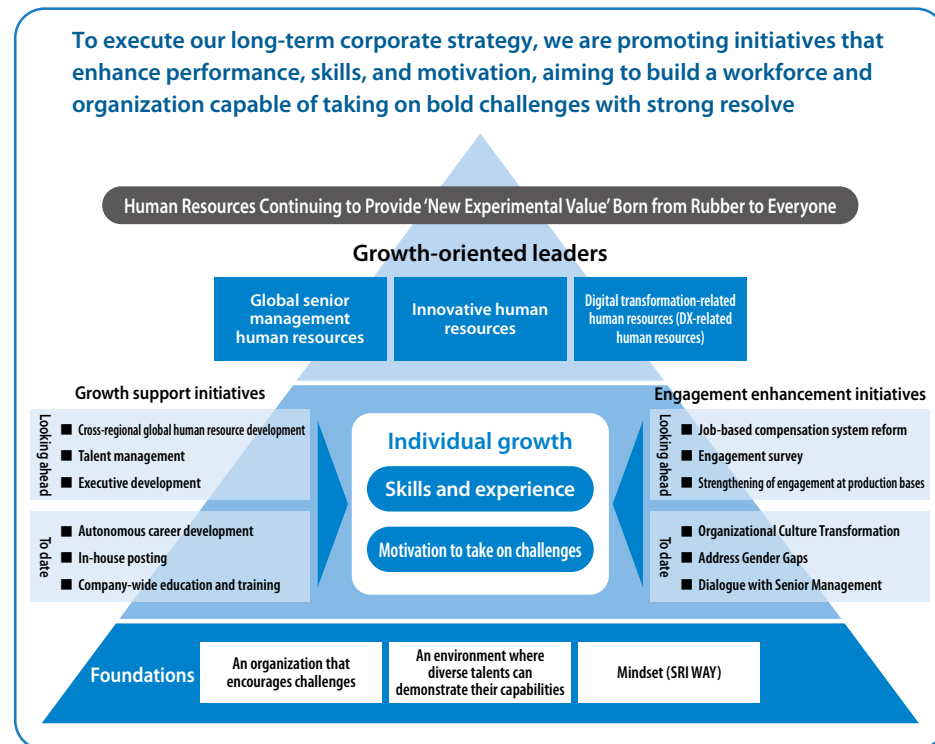
### Main Initiatives in This Fiscal Year

#### Human Capital Strategies

Sumitomo Rubber is advancing human capital management to realize its organizational "Vision": "Uniting our diverse strengths, growing together, driving and thriving on change."

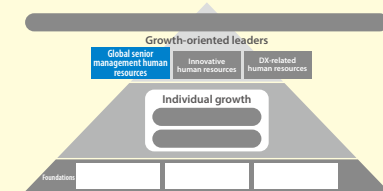
We recognize global senior management human resources, innovative human resources, and digital transformation-related human resources (DX-related human resources) as sources of competitive advantage. These individuals are positioned as the drivers of business expansion in our growing lines of business and the foundation of our sustained development, and we are actively implementing training initiatives to support their development. As part of establishing a foundation where individuals can thrive, we are fostering a corporate climate that respects the unique attributes and values of each person and ensures a sense of purpose in their work.

We are confident that we can provide joy and well-being for our stakeholders through innovation by mobilizing the collective efforts of our diverse human resources to create value.



#### Strategy 1 ▶ Development of Global Senior Management Human Resources

At the Company, we prioritize developing global senior management human resources capable of calmly making decisions and taking proactive action even in uncertain situations.



#### ● Executive Coaching for Executives

We invite executive coaches from outside the Company to provide monthly coaching to executive officers and above (and some locally recruited CEOs overseas). Discussions on management and organizational challenges have improved the leadership skills of executives and strengthened the relationships and cooperation between them, leading to greater unity within the organization.

We also hold "Executive Roundtable Discussions" facilitated by executive coaches, where executives share their thoughts and ideas with employees. We will continue to provide executive coaching to further improve the leadership skills of our executives, while also strengthening coaching at our overseas bases to promote leadership development from a global perspective.

#### ● Leadership Improvement Cycle for Executives, Managers, and Assistant Managers

To continuously improve leadership—an essential element of senior management human resources—we implement an annual cycle that involves knowledge input, behavioral output, and feedback from others. Regarding knowledge input, we have established training programs on leadership, followership, and communication, and individuals can autonomously select and attend the courses they need. Feedback from others can be obtained through 360° Feedback and organizational culture surveys. Through 360° Feedback, they objectively examine their leadership habits and status, and through organizational culture surveys, they measure and visualize the status of the organization to which they belong. Based on this input and feedback, they formulate and implement specific action plans, which lead to outputs in the form of actions.

The annual "Organizational Culture Survey" results regarding "Leadership" have shown a steady improvement in employee feedback. The overall positive response rate for leadership-related questions was 73.2%, an increase of 0.9 points from the previous year. Specifically, the response rate for "ensuring psychological safety" was 75.3%, an increase of 4.2 points from the prior year. Starting in 2024, we have begun training programs to improve management judgment and decision-making capabilities by reflecting on our company's management cases, and we plan to expand these initiatives further.

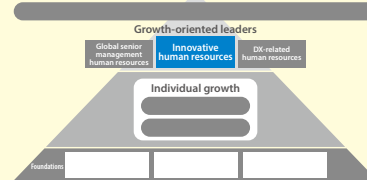




## An Organization that can Boldly Take on Challenges by Uniting Diverse Strengths

### Strategy 2 ▶ Development of Innovative Human Resources

We will cultivate both the human resources and the corporate climate necessary to continue driving innovation in a new era.



#### ● Innovative Human Resource Development Program

This program aims to develop innovative human resources and transform corporate culture by cultivating individuals with the skills and knowledge necessary to generate new ideas and technologies, fostering an innovation-driven corporate culture, and creating an environment where all employees can actively propose and implement new ideas. In 2023, we will launch the SRI Innovation Academy, a human resources program for employees interested in innovation, regardless of whether they work in administrative or technical fields. This program is an industry-academia collaboration curriculum in which participants take a series of lectures while planning new lines of business. In the second year, 2024, 22 participants in six teams participated in the program. As their final output, each team devised a proposal for a new line of business and gave a final pitch to executives. In addition, more than 100 audience members watched online each time, experiencing the program to foster an innovative mindset for themselves. In the future, we will implement systematic training in ways of thinking, technical approaches, and business model promotion skills through practical experience.

#### ● Expansion of Specialist Track

We are gradually revising our job-based human resources system to create an environment where employees from diverse backgrounds can perform at their best. In 2021, we restructured the previously linear management system into two tracks—the Management track and a Specialist track—to create a framework that enables specialized talent to thrive in their respective fields. We launched a program to certify specialists who will leverage their advanced expertise as industry leaders to drive highly strategic and innovative solutions to issues directly related to the promotion of our business. In January 2025, two fellows were appointed. We are also revising our personnel evaluation system for general employees, reducing the role of seniority in evaluations, and shifting toward a system based on job performance and results. We are preparing to implement this revised system by the end of 2025.

#### ● Challenge Awards Day

To improve employee motivation, promote innovation, and create a corporate climate that encourages challenges, we hold an event at the end of each year to recognize the year's achievements.

Awards are given in three categories: the Techno-Science Award, the BTC (Be the Change) Annual Award, and the Sustainability Award.

<2024 Award Recipients>

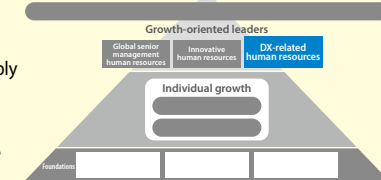
- Techno-Science Award: 1 Grand Prize, 6 Excellence Awards
- BTC (Be the Change) Annual Award: 1 Grand Prize, 4 Excellence Awards
- Sustainability Award: 3 Grand Prizes, 11 Excellence Awards, 4 Special Merit Prizes



The Fourth Sustainability Awards Ceremony (Japanese Only)

### Strategy 3 ▶ Development of DX-Related Human Resources

We are developing DX-related human resources who can apply digital technology knowledge to business and create new value, while also demonstrating leadership in driving digital transformation within the organization. At the same time, we are building a system that enables such resources to thrive.



#### ● DX-Related Human Resource Training Program

By 2025, the Company will provide DX literacy education to approximately 3,500 staff employees to lay the foundation for data-driven decision-making and actions throughout the entire company.

Aligned with the three skill areas necessary for DX-related human resource development, we are implementing a talent development program consisting of three courses: Business Core (applying and promoting DX in business), Pro (executing advanced data analysis using AI), and Data Engineer (efficiently collecting, utilizing, and managing necessary data), based on DX literacy education.

As of the end of 2024, 3,540 employees have completed DX literacy training, achieving our target.

#### ● RPA User Development

The Company promotes using RPA throughout the company to improve the efficiency of routine administrative tasks, shift resources to higher value-added work, and improve employees' digital literacy. We offer training programs that enable even those without programming experience to develop RPA tools. Even those with no programming experience can develop tools through our training program.

#### ● An Example of Tableau\* Utilization

The Company promotes using "Tableau" to foster a culture that enables quick and advanced decision-making through data visualization. It is widely used in various departments, including manufacturing, SCM, sales, and solutions, and contributes to improving operational efficiency and sophistication through automatic report creation and analysis using dashboards. In 2024, we held an internal BI (Tableau) competition, which allowed many employees to improve their skills while having fun.

\* Tableau: A visual analytics platform that visualizes exploration and management of data.

#### ● Internal Customization and Utilization of Generative AI "Microsoft Copilot"

To apply "Microsoft Copilot" to internal operations, we have implemented customization tailored to the needs of each department, as well as training and workshop activities, aiming at enhancing employee productivity and operational efficiency. AI is utilized across various business processes, including document creation support, data analysis automation, and internal meeting efficiency improvements.

#### ● Digital Innovation Day

To share knowledge to become a data-driven organization, stimulate communication between users, and create synergies, we have been holding this event every year since 2022 to promote new communication that will lead to future innovation by sharing DX activities in each department and base of operations, and learning about the initiatives of other companies.

In 2024, Digital Innovation Day was held in June and October, with 410 participants in June and 550 in October.



## An Organization that can Boldly Take on Challenges by Uniting Diverse Strengths

### Strategy 4 ▶ Expediting Diversity Among All Employees and Improving Performance

Developing talent to lead continuous growth requires the growth of both the organization and individuals as foundational elements, as well as the enhancement of their performance.

We believe that combining diverse strengths is essential for improving organizational performance.

At the same time, it is also important to improve the performance of each individual. We are working to build a system and corporate climate that will enable our employees to share “Our Philosophy” and goals, walk together with us, be highly engaged and healthy in mind and body, and acquire advanced knowledge, skills, and extensive experience so that they can provide high value to our stakeholders.



### ● Promoting D&I Initiatives

Creating an organization and corporate climate where diverse individuals can fully demonstrate their strengths and play an active role will increase employee engagement and productivity, realizing our Vision. We will continue to commit ourselves further to realize workplaces in which people mutually recognize each other, thereby strengthening the total capabilities of our teams and ultimately increasing corporate value.

### Initiatives to Address Gender Gaps

We recognize that various gender-based disparities have emerged within the context of past social structures and corporate climates—such as differences in career development opportunities and available workstyle options. In response, we are advancing initiatives aimed at creating a society where individuals can fully leverage their strengths, regardless of gender.

### —Promoting Diverse Workstyles for Men: Encouraging Paternal Leave

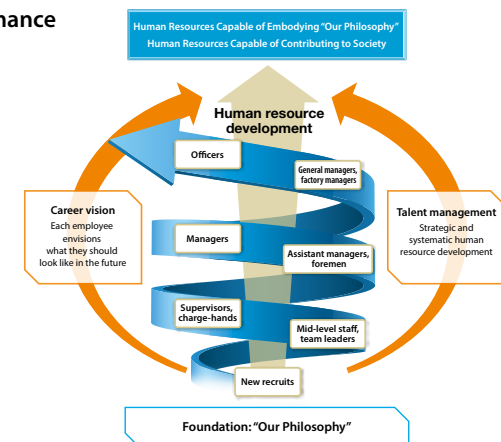
The Company recognizes that men's participation in childcare is essential for improving corporate productivity and creating a workplace where diverse employees can work comfortably, and is working to promote the use of childcare leave. We are fostering a corporate climate that encourages leave-taking by conducting various lectures and training programs across all employee levels and by introducing the initiative of “Iku-Boss”—managers who actively promote D&I. On the policy side, we have trialed a paid leave system for childcare. As a result of these initiatives, we achieved a 100% male parental leave uptake rate in 2024 (including use of internal systems). We plan to fully implement the paid leave system for childcare in 2025.

### —Utilization of External Programs and Appointment of the First Female Executive

In addition to internal initiatives, we are accelerating our efforts by leveraging external programs. These include hosting the Kobe Technical Women's Networking Event, in collaboration with two manufacturing companies based in the Kobe area, to promote the advancement of women across the region, as well as participating in Kyoto University's Next-Generation Female Executive Development Program. In March 2025, the Company appointed its first female executive from within the organization. Building on this achievement, we will continue to develop and promote female leaders.

### ● In Order to Improve Employee Performance

To support each employee in realizing their career vision, we are fostering self-directed talent who proactively pursue skill development and personal growth. In addition, to drive a growth cycle aligned with our HR system and performance management framework, we are implementing various initiatives that support career autonomy—such as career vision training and career consulting interviews. Through talent management, we also provide various development programs aimed at long-term growth goals. These include training, job rotations, reassignments, and participation in projects—helping employees advance both their development and career formation.



### ● Promoting Health and Productivity Management

To realize health and productivity management through the cooperation of the Company, employees, labor union, and health insurance association, we have revised our “Health & Productivity Management Declaration” to align with our corporate philosophy framework, Our Philosophy. We are advancing health promotion initiatives through cross-organizational collaboration, including the strengthening of the collabo-health\* framework and the implementation of health conferences composed of the company-wide health management division, the health insurance association, and the labor union. As part of these efforts, we collect, aggregate, and analyze a variety of health-related data as evaluation indicators for these initiatives and continuously monitor the evaluation results.

\* Collabo-health: A coordinated approach in which companies and health insurance associations work together effectively to promote the health and well-being of their members

### Related Information/Detailed Information



Human Capital Management



Implementing Measures to Enhance the Performance of Human Resources



Developing Human Resources to Support Consistent Growth



Financial and Non-Financial Data



Promoting D&I Initiatives



Promoting Health and Productivity Management



Occupational Safety and Health



# Employees Roundtable Talk: Future Factory Project for Better Workplaces



## Aiming for a Factory Where Everyone Wants to Work

In July 2024, the Sumitomo Rubber Group launched the “Future Factory Project for Better Workplaces” with factories and the head office working together to solve various issues at manufacturing sites.

Here, three factory workers participating in the project gathered to discuss the issues they face at their manufacturing sites and made recommendations for creating a workplace environment that makes employees want to work there.

### Issues Faced at Tire Manufacturing Sites

**Kohara** I am the plant manager of the Miyazaki Factory. In Japan, the percentage of young people working in the manufacturing industry is decreasing year by year, and at our factory, we are also concerned about whether we will be able to secure human resources for manufacturing divisions in the future. Although we have been working to develop multi-skilled workers so that when someone is absent from work, another person can take over, we feel that employees at manufacturing sites are becoming exhausted due to the physically demanding nature of the work and working styles.

**Okamoto** I am the assistant manager at the Izumiotsu Factory and oversee the production department. In manufacturing, improving productivity and meeting production targets have always been key indicators, and the number of workers needed is calculated based on past attendance and productivity, so we've had to make do with limited staff. As a result, issues with work styles and the working environment have been put on the back burner. Even though there is a vacation policy in place, it is difficult to take time off. There have been gradual improvements through company initiatives such as the treatment of employees, but there are still many other issues that need to be addressed, such as dealing with the aging of the factory.

**Okuma** I am in charge of the Nagoya Factory Quality Control Section. After joining the Company, I was assigned to the factory's production technology division and then worked in design at the head office for several years. I am now back at the factory again. During the past 10 years or so, I feel that there has been no progress in the improvement of the work environment at manufacturing sites. Factories are still male-dominated and it is difficult for women to demonstrate their capabilities.

**Kohara** Addressing issues at factories was up to individuals at each factory, and I felt there was a lot of room for improvement.

### Building on the Success of the Predecessor Project and Taking on Challenges for Reforms Toward a “Future Factory”

**Okuma** In response to the situation at the time, the “Team for Increasing the Ratio of Female Operators,” one of the teams in the ROESG Project, and the predecessor of this project, was launched in 2021. As we continued our activities to increase the number of female operators and promote women's empowerment, we became acutely aware that fundamental improvements to the workplace environment and working styles require an adequate budget. We also realized that company-wide rules must also be reviewed, and that it would be difficult to solve the issues through on-site efforts alone. As a result, with the end of the ROESG project period, our activities developed into this company-wide project.



## Employees Roundtable Talk: Future Factory Project for Better Workplaces

**Okamoto** At the Izumiotsu Factory, we heard about the results of the workplace improvement effort made by Ms. Okuma and her team. I feel that the situation is gradually improving, as factories are now sharing examples of work improvement efforts and upgrading welfare facilities such as restrooms.

**Okuma** A women-friendly workplace is a workplace that is friendly to anyone regardless of gender or age. Let me introduce an example. For example, when we lowered the height of work shelves from a female viewpoint, it was also well received by men, who said they were “easy to use.” With this in mind, the starting point of the discussion in the “Future Factory Project for Better Workplaces” is to aim for factories that are friendly to everyone.

**Kohara** The project owner is Senior Executive Officer and Member of the Board of Directors Mr. Kuniyasu. The project targeted four domestic factories (Miyazaki, Izumiotsu, Nagoya, and Shirakawa Factories) and we established a system in which the factories and related departments at the head office worked together to address various issues at manufacturing sites. In addition to members from the factories, the human resources and manufacturing divisions from the head office also participated. A company-wide effort was to be made to tackle the issues.

The reason for narrowing down the targeted factories from six to four was that production facilities and working practices differ depending on the product line, making it difficult to implement



improvements uniformly. In addition, we started with our tire factories in Japan because we believed that it was urgent to improve working conditions at our domestic factories, which are the mother factories for our Group.

As the leader on the factory side, I am in charge of coordinating with individual divisions of the head office to move the project forward. Interviews conducted at each factory in 2024 revealed a number of issues, ranging from working styles and the work environment, evaluation and treatment, and corporate culture.

**Okamoto** Although systems for an employee-friendly workplace, such as employee benefits, are in place, the use of these systems in the workplace is not sufficient. We have also established our vision for 2035 so that factory employees can use these systems in the same way as head office employees.

**Kohara** Previously this was an initiative left up to each factory, but now as it is positioned as a top-down priority issue, we expect to see an acceleration of the initiative in the future. As President Yamamoto and other officers inspected each manufacturing site and listened sincerely to the voices of on-site workers, the importance of the project has been widely recognized.

Also, since the project was launched, multiple working teams have started to work on each issue. As measures to address immediate issues, we are already working to improve the work environment by revising the factory operation calendar to make it easier for workers to take time off, reducing on-site workload, and upgrading welfare facilities.

### The Most Difficult Challenge Is How to Respond to the Different Issues at Each Manufacturing Site

**Kohara** As we were working with this project, it became clear that there were many issues for which the responsibility was unclear and no department in charge was defined. The situation was not so simple and the issues could not be solved by the joint effort of the head office and the factory alone; it requires involving management and divisions other

than those involved in the project, and tackling issues that have not been addressed before.

**Okamoto** Even though they are all tire factories, each factory has a different history and are also different in scale. As for the Izumiotsu Factory, our site is not particularly large, so we have to work to improve quality and productivity, as well as to make the factory employee-friendly with limited facilities and manpower.

**Okuma** The Nagoya Factory has significant constraints on the equipment layout at the manufacturing site, and we have a problem of not being able to automate tasks that are physically demanding, such as transportation. Also, due to the nature of the region, there are many factories of major manufacturers nearby, which intensified competition to secure human resources.

**Kohara** As for the Miyazaki Factory, we have managed to hire the number of workers we need through our hard work in recruiting, but we are aware that the number of job applicants is decreasing year by year. A decline in the population of surrounding areas is inevitable in the future, so we must start preparing for the future now.

Even just looking at the circumstances of the three factories, it is clear that each factory faces different challenges. In this regard, we must reflect on the fact that investment in human capital in factories has not necessarily been given high priority. We need a management vision for how to manage domestic production. The solution to these issues ultimately depends on how management thinks about them.

At the same time, it is important for us factory workers to take pride in our work and to feel fulfilled. In addition to moving forward with the project's measures, we are also considering ways to evaluate the return on investment, such as employee satisfaction.

**Okamoto** It is essential to share the belief that each individual's work is valuable, and in order to achieve this, I believe that management and other leaders of the organization need to communicate the significance of manufacturing.



## Employees Roundtable Talk: Future Factory Project for Better Workplaces

**Kohara** I think that public relations within the Company is also important. At the Miyazaki Factory, we communicate information to coworkers, for example, providing explanations of the project's outline on a large monitor installed in the factory cafeteria. I hope this will give them a sense of anticipation for the next improvement.

**Okuma** I want employees to take ownership of the various measures. That's why it's important how these measures are communicated. For example, improving the work environment for women is often viewed as a topic that has nothing to do with men. However, changing it to create a senior people-friendly workplace will attract attention from everyone regardless of gender.

### Toward the Realization of Our Vision Reforms for the Future Taken on by Head Office and Manufacturing Sites

**Kohara** "A factory where people can work with confidence and enthusiasm, and feel pride and joy in manufacturing" which was put up as our "vision" for 2035 was decided upon after much discussions among all project members. The project is promoted through a two-pillar approach: with measures that involve backcasting from the Ideal State where we want to be in 2035, and with measures that involve building up solutions for current issues in order to reach that



Ideal State.

Through this project, each factory and the head office are working more closely together than ever before, and exchanging information more frequently. As an example, between factories and the production planning division at head office, discussions are ongoing to revise rules to create personnel plans so that it will be easier for employees to take paid leave and secure time for training. Also, many measures have been achieved through the efforts of the head office team, including expanding the budget for improving the work environment.

**Okamoto** I am pleased that this project has given us more opportunities to present the urgent opinions of those at manufacturing sites to executives in the organization. For example, for the measures against heat in processes where temperatures exceed 40°C in the summer, a budget has been allocated for 2025 after one in 2024, making it possible to invest in workplace improvements.

**Okuma** In general, the facilities at domestic tire factories are aging, and updating them is a major issue. On the other hand, even though overseas factories are relatively new, they will face the problem of aging in about 10 years or so. There are also bases where the declining birthrate and aging population are becoming a social issue, like in Japan. With such problems in mind, we believe it is important to first achieve results through projects at our domestic factories that will help us realize our vision. We will then be able to apply the results to our global bases in the future.

**Okamoto** In terms of facilities, converting to an In-House New Factory concept is also a major issue. It is not easy to renew existing facilities while keeping them in operation, so we need to think about how to make effective use of the available space.



#### Long-term Corporate Strategy "R.I.S.E. 2035"

**Kohara** It is difficult to pursue further improvement of production efficiency, labor savings, and automation while existing facilities are still in operation. However, precisely because it is difficult, it makes the challenge worthwhile, and I believe the challenge will provide a good



opportunity for innovation at manufacturing sites. Our corporate culture is open and we are encouraged to try anything, and when we decide to take on a project like this, the management team is sincere when listening to our opinions. I hope that future generations will understand this corporate culture and play an active part, with pride in manufacturing and motivation for challenges.

**Okamoto** Personally, I am always grateful to my seniors for helping me grow into a full-fledged professional. That's why I want to return the favor. I want to provide proper guidance to young people and nurture as many workers as possible to lead the Future Factory.

**Okuma** Since joining the Company, I have devoted myself to my work hoping that I will make cool tires. Now, I strongly hope to create a cool factory to produce cool tires. And I want to pursue my dream of making my factory the number one factory and the Company the number one tire manufacturer in Japan. All project members will work together to promote this project so that in 10 years' time we can proudly say, "Our current quantum leap began with our project in 2025."



# Corporate Governance

■ Director  
□ Outside Director  
■ Auditor  
□ Outside Audit & Supervisory Board Member



- |  |  |   |   |   |   |   |  |   |
|--|--|---|---|---|---|---|--|---|
| 14<br><b>Hirofumi Yasuhara</b><br>Outside Audit & Supervisory Board Member | 3<br><b>Naoki Okawa</b><br>Director (Senior Executive Officer) | 7<br><b>Takashi Tanisho</b><br>Outside Director   | 10<br><b>Yoshihisa Ueda</b><br>Outside Director                                       | 13<br><b>Asli M. Colpan</b><br>Outside Audit & Supervisory Board Member | 4<br><b>Yasuaki Kuniyasu</b><br>Director (Senior Executive Officer) | 12<br><b>Hiroki Ishida</b><br>Standing Audit & Supervisory Board Member | 5<br><b>Hideaki Kawamatsu</b><br>Director (Senior Executive Officer)     | 15<br><b>Toshikazu Tagawa</b><br>Outside Audit & Supervisory Board Member |
|  | 6<br><b>Mari Sonoda</b><br>Outside Director                    | 2<br><b>Hidekazu Nishiguchi</b><br>Representative Director (Managing Executive Officer) | 1<br><b>Satoru Yamamoto</b><br>President and CEO, Representative Director (President) |   | 8<br><b>Misao Fudaba</b><br>Outside Director                        | 9<br><b>Naomi Motojima</b><br>Outside Director                          | 11<br><b>Kazuo Kinameri</b><br>Standing Audit & Supervisory Board Member |   |



## Corporate Governance

### Our Policy

Our Group regards “Our Philosophy” as the foundation for all decision-making and the starting point for our actions. Under this guiding principle, we strive to enhance not only economic value but also social value, with the aim of contributing to the development of a sustainable society. Based on this policy, we consider the strengthening of corporate governance to be one of our key management priorities.

In order to ensure overall managerial efficiency, strengthen the relationship of trust between our company and society, and enhance our fairness and transparency, we have established the following fundamental principles and will further enhance corporate governance.

- ① Develop an environment that protects the rights of shareholders and helps them exercise such rights
- ② Strive to improve corporate value via sound collaboration with a broad range of stakeholders
- ③ Disclose the Company’s financial and non-financial information in an accurate and timely manner
- ④ Work to enhance the content of discussions undertaken by the Board of Directors regarding management policies, medium- to long-term business planning and other matters related to the general direction of the Company by establishing the Management Meeting, which is tasked with deliberating a large proportion of business execution matters. In addition, we strive to secure fairness in the Board of Directors’ operations via rigorous audits by standing and outside Audit & Supervisory Board Members as well as the objective supervision offered by Independent Outside Directors
- ⑤ Endeavor to achieve the sustainable improvement of corporate value via engagement in shareholder dialogue

### Overview of the Governance Structure (As of March 27, 2025)

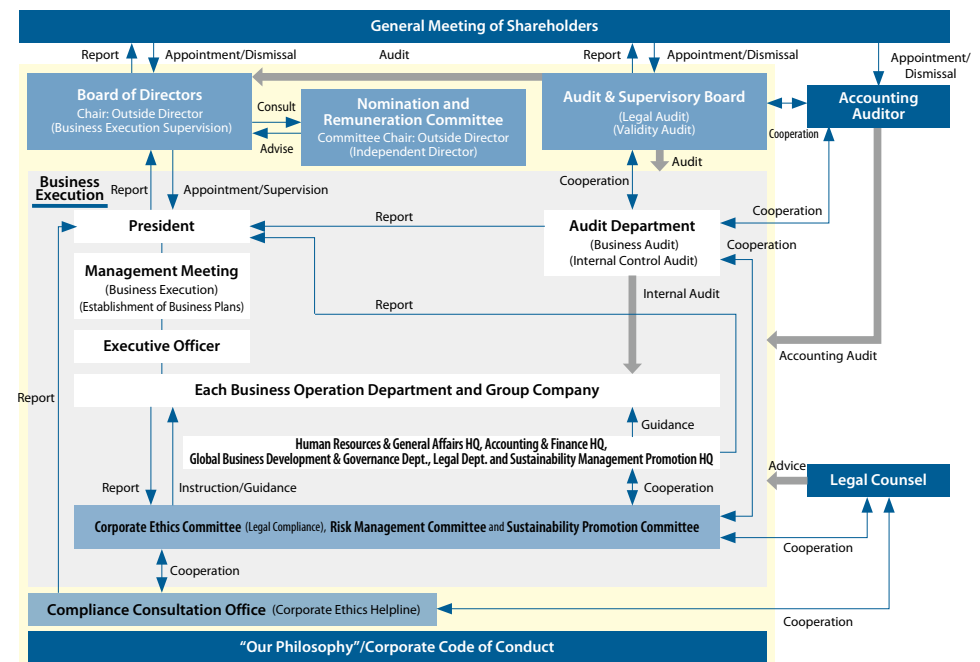
<b>Organizational design</b>	A Company with an Audit & Supervisory Board	<b>Executive Officer System</b>	Yes
<b>Directors (Outside Directors)</b>	10 (5)	<b>Advisory Body to the Board of Directors</b>	Nomination and Remuneration Committee
<b>Audit &amp; Supervisory Board Members (Outside Audit &amp; Supervisory Board Members)</b>	5 (3)	<b>Officer Remuneration System</b>	Fixed remuneration, short-term performance based remuneration and medium- to long-term incentives
<b>Term of Directors</b>	1 year	<b>Accounting Auditor</b>	KPMG AZSA LLC

### Corporate Governance Structure

We adopted a Company with an Audit & Supervisory Board governance system and consider the audit functions the Audit & Supervisory Board and its members provide to be a matter of critical importance to the development of an integrated management framework encompassing the entire Sumitomo Rubber Group. These functions are also essential to strengthening our relationship of trust with society and enhancing the transparency of the Group’s overall governance and business operations. As part of its efforts to enhance corporate governance, since 2016 the Group has voluntarily established the Nomination and Remuneration Committee, an advisory body to the Board of Directors. The majority of committee membership is accounted for by independent officers, with an Independent Outside Director acting as the committee chair. This committee is tasked with improving the objectivity and transparency of officer candidate selection and other key procedures. Moreover, we have appointed five Independent Outside Directors and distribute annual questionnaires targeting Directors and Audit & Supervisory Board Members to identify issues to be addressed. The implementation of these and other measures ensures that the Board of Directors’ effectiveness is continually enhanced.

#### Corporate Governance Structure

(As of March 27, 2025)





## Corporate Governance



### Financial and Non-Financial Data

## Concepts regarding the Balanced Distribution of Specialist Strengths among Members of the Board of Directors and Its Compositional Diversity, etc.

At Sumitomo Rubber Industries, the competencies required of Directors and Audit & Supervisory Board Members in their areas of specialty have been mapped out in the form of a skills matrix. Our intention in adopting the skills matrix is to enable the Board of Directors to properly engage in decision-making and fulfill its management supervisory functions and thereby realize “Our Philosophy”—our corporate philosophy structure—address medium- to long-term material issues via the promotion of sustainability management and execute the Long-term Corporate Strategy. Each skills matrix item has been determined by the Board of Directors after being deliberated by the Nomination and Remuneration Committee, with due consideration given to the business environment, the Company’s management plan and characteristics of its business. Through this process, we have identified up to four items per individual to determine strengths required of each Director and Audit & Supervisory Board Member in his/her area of specialty.

The selection of candidates for Directors and Audit & Supervisory Board Members is thus informed by the skills matrix to form an optimally sized, well-functioning Board of Directors with a balanced portfolio of specialists in diverse fields.

### ■ Skills Matrix for Directors and Audit & Supervisory Board Members

Name	Position*1	Years in Office	Corporate Management and Business Strategy	Production and Technology	International Business	Sales and Marketing	Legal and Governance	Financial Strategy and Accounting	DX and IT	Fiscal 2024 Status of Attendance	
										Board of Directors	Audit & Supervisory Board
Satoru Yamamoto	President and CEO, Representative Director (President)	10 years	●		●	●				14/14	—
Hidekazu Nishiguchi	Representative Director (Managing Executive Officer)	4 years	●		●	●			●	14/14	—
Naoki Okawa	Director (Senior Executive Officer)	3 years			●			●		14/14	—
Yasuaki Kuniyasu	Director (Senior Executive Officer)	2 years	●	●					●	14/14	—
Hideaki Kawamatsu	Director (Senior Executive Officer)	1 year	●	●	●	●				11/11	—
Mari Sonoda	Outside Director*2	4 years					●	●	●	14/14	—
Takashi Tanisho	Outside Director	2 years	●	●		●			●	14/14	—
Misao Fudaba	Outside Director*3	2 years	●				●	●		14/14	—
Naomi Motojima	Outside Director	1 year	●			●				11/11	—
Yoshihisa Ueda	Outside Director	Newly appointed					●	●		—	—
Kazuo Kinameri	Standing Audit & Supervisory Board Member*4	2 years	●		●	●	●			14/14	12/12
Hiroki Ishida	Standing Audit & Supervisory Board Member	3 years	●		●		●	●		14/14	12/12
Asli M. Colpan	Outside Audit & Supervisory Board Member	7 years	●		●		●			14/14	12/12
Hirofumi Yasuhara	Outside Audit & Supervisory Board Member	5 years	●		●			●		14/14	11/12
Toshikazu Tagawa	Outside Audit & Supervisory Board Member	1 year	●		●			●		10/11	10/10

Note: Up to four skill items are presented per individual in line with the Company’s expectations regarding their contributions in their respective areas of specialty.

The above matrix does not fully describe the business experience and expertise possessed by each individual.

\*1 The position in parentheses is the position held as an Executive Officer of the Company.

\*2 Chair of the Nomination and Remuneration Committee

\*3 Chair of the Board of Directors

\*4 Chair of the Audit & Supervisory Board

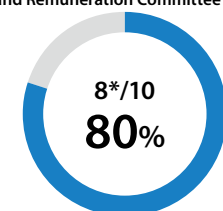
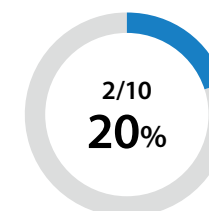
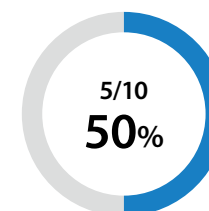
### ■ Reasons for Adopting Skills Matrix Items

Skill Item	Reasons for Adoption
Corporate Management and Business Strategy	Realization of “joy and well-being for all” requires Board Members who are capable of formulating sustainable growth strategies, including sustainability management (such as carbon neutrality and D&I), and who possess experience and a solid track record in corporate management. Moreover, in order to bring the Company’s economic and social values to even higher levels, it is essential to create new value. In order to achieve this, it is necessary to have Board Members who identify business changes promptly, pursue new possibilities beyond existing businesses, and have skills and expertise in business portfolio strategy formulation and organizational transformation.
Production and Technology	We aim to provide customers with “joy and well-being for all.” To this end, it is necessary for the Company to have Board Members who have a wealth of knowledge about the advanced technologies that the Company has cultivated through tireless technological innovation, and who have skills and knowledge related to the creation of human and environmentally friendly products for the realization of a sustainable recycling-oriented society.
International Business	In order to maximize the results of the global business framework in the Company’s business, it is necessary to have Board Members who have experience in representation at overseas subsidiaries and equivalent positions as an overseas representative, and have skills and knowledge related to overseas business management.
Sales and Marketing	In order to expand global sales of high-performance products created by the Company’s advanced technologies and to continue to provide high-value-added products that respond to rapidly developing CASE and MaaS, thereby creating value that exceeds expectations from customers and society, the Company needs Board Members with skills and knowledge in understanding market trends and formulating sales strategies.
Legal and Governance	The foundation for the Company’s continued global expansion and the creation of “joy and well-being for all” is the establishment of an appropriate governance system. In order to improve the effectiveness of management supervision throughout the Group, the Company needs Board Members with legal knowledge and skills and expertise in corporate governance and risk management.
Financial Strategy and Accounting	In order to maximize corporate value through efficient management of the Company’s capital, the Company needs Board Members who have the skills and knowledge necessary for accurate financial reporting, establishment of a strong financial base, promotion of growth investments (including M&As) for sustainable enhancement of corporate value, and formulation of appropriate financial and capital strategies to enhance shareholder returns.
DX and IT	In order to realize “innovation creating a future,” it is necessary to establish a data-driven corporate culture that makes active use of AI and the IoT. The Company needs Board Members who have track records of promoting various innovations, and skills and knowledge in the digital technology field.

### ■ Ratio of Outside Directors

### ■ Ratio of Female Directors

### ■ Ratio of Outside Directors and Audit & Supervisory Board in the Nomination and Remuneration Committee



\* Number of Outside Directors: 5    Number of Outside Audit & Supervisory Board Members: 3



## Corporate Governance

### Initiatives to Enhance the Effectiveness of the Board of Directors' Operations

In order to improve the effectiveness of the Board of Directors, the Company has been conducting effectiveness evaluations of the Board of Directors since 2016. Last year, questionnaires and interviews were conducted by an independent third party assessment firm for the first time in three years as part of the effectiveness evaluations of the Board of Directors. The results showed that the majority of respondents felt that, generally, the Board of Directors was functioning effectively. In the interviews, many respondents answered that the improvement efforts to date have made the Board of Directors' operations more effective, and that free and open discussions and exchanges of opinions were enabled under the accurate and fair management of meetings by the Chair of the Board of Directors, who is an Outside Director. On the other hand, the results revealed that there are still issues to be addressed, such as delegating authority to individual Directors and subcommittees, and following up on the progress of matters that had been resolved at previous board meetings.

Going forward, in order to increase the effectiveness of the Board of Directors and further improve our corporate value, we will work on various measures, such as reviewing the criteria for tabling an item at a Board of Directors meeting so that sufficient time can be allocated for discussing issues of particular importance.

#### Conducting Questionnaires regarding the Board of Directors' Effectiveness

Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
<b>■ Evaluation methods</b> • Questionnaires and interviews targeting members of the Board of Directors were conducted by an external assessment firm (an independent third party). The Board of Directors received and deliberated on a report from said assessment firm at its meeting. (Fiscal 2021 and 2024) • Questionnaires targeting the Board members were sent out by the secretariat. The completed questionnaires were analyzed for quantitative data, while comments from respondents regarding qualitative matters were similarly consolidated. Based on the results, issues were identified and measures were implemented. (Fiscal 2022 and 2023)			
<b>■ Evaluation results</b> The Company's Board of Directors is equipped with strengths in (1) enhanced information sharing involving outside officers and (2) securing diversity, and it was confirmed that the overall effectiveness of its operations is robust.	<b>■ Evaluation results</b> Improvement was confirmed in both of the following items, which were identified as issues in the course of the fiscal 2021 evaluation. • More time for discussions at the Board room must be secured • More complete information needs to be provided to outside officers in advance	<b>■ Evaluation results</b> Various efforts, including open exchanges of opinions at two off-site meetings and the addition of new IR activity reports, have improved the questionnaire score of items at issue. On the other hand, issues were identified, such as diversity of Board Members and insufficient discussion of some topics.	<b>■ Evaluation results</b> Many respondents said that the improvement efforts to date have made the Board of Directors' operations more effective, and that free and open discussions and exchanges of opinions were enabled under the accurate and fair management of meetings by the chair of the Board of Directors, who is an Outside Director.
<b>■ Main Initiatives based on the results</b> • Further review of criteria for tabling an item at a Board of Directors meeting • Enhancement of opportunities for information sharing involving Outside Directors	<b>■ Main Initiatives based on the results</b> • Enhancement of opportunities for discussions regarding important themes • Enhancement of opportunities for information sharing related to IR/SR activities	<b>■ Main Initiatives based on the results</b> • Appointment of one female Director • A total of eight off-site meetings were held, ensuring sufficient time for discussions of important topics	<b>■ Main Initiatives based on the results</b> • Delegating authority to individual Directors and subcommittees • Follow up on the progress of matters previously resolved by the Board of Directors

#### Main topics of discussion at 2024 Board of Directors meetings (agenda items)

- Reviews and decisions on Mid-Term Plan and supervision of their progress
- Reviews and decisions on the structural reforms and supervision of their progress to optimize the business portfolio
- Monitoring of the status of business execution on a global basis and making decisions to ensure timely and appropriate response
- Confirming the status of cross-shareholdings and deciding to sell cross-shareholdings to reduce such shareholdings
- Conducting questionnaires to confirm the Board of Directors' effectiveness and determining responses to the issues identified via these questionnaires

#### The Board of Directors' activity policy for fiscal 2025

Regarding the insufficient delegation of authority, which was identified in the effectiveness evaluations, the Company aims to facilitate delegation of authority and secure more time for discussions at Board of Directors meetings by, for example, considering review of criteria for tabling an item at a Board of Directors meeting. Regarding the tracking of progress on resolutions for agendas, which was also identified as an issue, a change will be made to focus on reporting about projects that are behind schedule. In addition, reports on capital investment projects will be revised to track changes in investment profitability, which are currently not being adequately monitored.

### The Board of Directors' Operations

To ensure that agenda items submitted to the Board of Directors are fully examined and discussed, we provide Outside Directors and Outside Audit & Supervisory Board Members with materials describing these items and presentations prior to each meeting based on their questions about said items. Also, the content of discussions at the Management Meeting is shared with the above individuals. With regard to decision-making on management matters of particular importance and requiring discussion at the Board of Directors, Executive Officers in charge of such matters occasionally provide prior briefings outlining agenda items. These are but a few examples of our initiatives to enhance the content of discussions undertaken by the Board of Directors. In addition, the Board of Directors has been chaired by an Independent Outside Director, resulting in even more open and constructive discussions and exchanges of opinions.

### Training for Directors and Audit & Supervisory Board Members

The Company provides Directors, Audit & Supervisory Board Members and Executive Officers with the opportunities to participate in external executive training at its own expense. By doing so, we ensure that these individuals are fully equipped with the knowledge necessary to serve as members of a key decision-making body of a listed company. We also hold guidance briefings for newly appointed Internal Directors, inviting external specialists to deliver lectures to help said individuals acquire understanding of their roles and responsibilities as Directors. Furthermore, we provide individuals who are newly appointed as outside officers with opportunities to be briefed on such topics as the Sumitomo Rubber Group's business outline, its operating results and challenges it is currently facing, as such, we are creating a system to help deepen their understanding of our business and enhance their ability to present well-informed advice on improving the Company's standing.

### Developing the Next Generation Senior Management (Succession Plan)

The Personnel Committee, which is made up of inside Directors, has identified key posts that will have a significant impact on future management and contribute to the development of the next generation senior managers. The Committee selects multiple candidates to succeed these posts and has discussions on the status of their development, etc. From now on, we will build a system that allows young employees to gain experience in stretching work assignments to help them develop into senior managers.



## Corporate Governance

### Remuneration of Directors

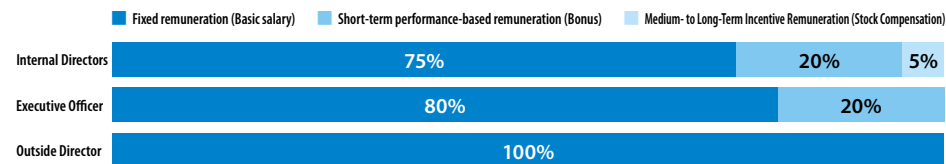
With regard to the remuneration of Directors and Executive Officers, the Company's basic policy is to adopt a remuneration system that is linked to the interests of shareholders, so that it effectively functions as an incentive package rewarding members for their efforts to sustainably enhance corporate value. The Company also ensures that the remuneration of individual recipients is set at an appropriate level in light of their respective responsibilities.

Specifically, remuneration for Directors (excluding Outside Directors) and Executive Officers consists of a basic salary constituting a fixed portion and bonuses constituting a performance-based portion. Except for Outside Directors, Directors are also granted stock-based remuneration as medium- to long-term incentives. For Outside Directors who assume management supervisory functions, the Company furnishes only a basic salary with a view to ensuring their professional independence. Remuneration for Directors and Executive Officers is subject to objective and fair consideration by the Nomination and Remuneration Committee whose majority of membership is accounted for by Independent Outside Directors, and determined following recommendations to the Board of Directors.

Remuneration of the Audit & Supervisory Board Members is determined and paid within the limit of the amount approved at the General Meeting of Shareholders and through discussion among the Audit & Supervisory Board Members.

From 2023, we started a system in which the remuneration of individual Directors and Executive Officers reflects the achievement level of sustainability goals, such as climate change, D&I including empowerment of women, and supply chain management. The progress toward achieving sustainability goals of Directors and Executive Officers is also subject to evaluation by the Nomination and Remuneration Committee and reflected in their remuneration.

#### ■ Type of Remuneration and Proportional Composition



Note: Notwithstanding the foregoing, the actual amount of performance-based remuneration may fluctuate due to such factors as consolidated business profit. Proportional composition can fluctuate accordingly.

#### ■ Policy for the Determination of the Content and Amount of Remuneration

Fixed remuneration (Basic salary)	Short-term performance-based remuneration (Bonus)	Medium- to Long-Term Incentive Remuneration (Stock Compensation)
<ul style="list-style-type: none"> <li>Monthly fixed remuneration based on position, responsibilities, and years in office.</li> <li>Decisions are made taking into consideration the level of remuneration at peer companies, the business performance of the Company, and salary levels for employees.</li> <li>Determined based on the basic salary tables.</li> </ul>	<ul style="list-style-type: none"> <li>Cash remuneration that reflects performance indicators to enhance recipients' awareness of their duty to improve business performance.</li> <li>An amount corresponding to the degree to which performance indicators have been met is paid as a bonus.</li> <li>Revised in accordance with changes in the environment, taking into consideration any recommendations from the Nomination and Remuneration Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Incentives designed to motivate recipients to strive for the sustainable improvement of the Company's corporate value.</li> <li>Shares with transfer restrictions are granted to promote the sharing of value between Directors and shareholders.</li> <li>The number of shares according to each position is determined taking into consideration of the level of remuneration at peer companies, employee salaries and other factors.</li> </ul>

#### ■ Total Amount of Remuneration etc. for Directors, Audit & Supervisory Board Members

Classifications of Officers	Total Amount of Remuneration Etc.	Total Amount of Remuneration, Etc. by Type			Number of Persons to be Paid
		Fixed Remuneration (Basic Salary)	Short-term Performance-based Remuneration (Bonus)	Medium- to Long-term Incentive Remuneration (Stock Compensation)	
Director (of which, Outside Director)	JPY 461 million (JPY 60 million)	JPY 351 million (JPY 60 million)	JPY 88 million (—)	(JPY 22 million) (—)	13 (5)
Audit & Supervisory Board Member (of which, Outside Audit & Supervisory Board Member)	JPY 88 million (JPY 32 million)	JPY 88 million (JPY 32 million)	— (—)	— (—)	6 (4)

(Note) The above number of persons to be paid includes one Director and one Audit & Supervisory Board Member who retired as of March 28, 2024.

#### Resolution Passed at the General Meeting of Shareholders regarding Remuneration

The limits on the total amount of remuneration for Directors and Audit & Supervisory Board Members have been set based on a resolution by the 133rd Ordinary General Meeting of Shareholders held on March 27, 2025, as detailed below: Directors: up to ¥800 million per year (of this amount, remuneration for Outside Directors: up to ¥100 million per year); Audit & Supervisory Board Members: up to ¥150 million per year. At the time of the above resolution, the Board of Directors consisted of 10 Directors (including five Outside Directors), while the Audit & Supervisory Board consisted of five Members (including three Outside Audit & Supervisory Board Members).

The limits on the total amount of remuneration for the grant of shares with transfer restrictions to Directors (excluding Outside Directors) is separate from the above limits, and the current limit was resolved by the 130th Ordinary General Meeting of Shareholders held on March 24, 2022, as detailed below: up to ¥40 million per year, and up to 20,000 shares per year. At the time of the above resolution, the number of Directors (excluding Outside Directors) was seven.

#### Nomination and Remuneration Committee

The Company has established a voluntary Nomination and Remuneration Committee, the chair of which is an Outside Director, and the majority of its members are Outside Directors. From last year, in order to ensure sufficient time for deliberation in the Nomination and Remuneration Committee, we extended meeting times and increased the number of meetings from three to four. At last year's committee meeting, in addition to the usual topics, specific discussions on issues such as the term of Directors and the expansion of performance-based compensation were made. Going forward, we will continue to work to create a system that enables Directors to lead the entire Group toward achieving our medium-term plan.



#### Financial and Non-Financial Data



## Corporate Governance

### Risk Management

#### Basic Perspective

The Sumitomo Rubber Group has established a fundamental risk management policy of eliminating and mitigating risks that could significantly impact stable business activities and compliance with laws and regulations, to promote the realization of “Our Philosophy.”

#### Governance

Management risks involving product quality, the law, the environment, credit, accidents, disasters, etc., that may materially and adversely affect our business activities, shall be addressed by the relevant division and/or subsidiary in advance, through the analysis of those risks and the planning of countermeasures in accordance with the Regulations Concerning Risk Control, which define risk management methods for the entire Sumitomo Rubber Group. These risks shall be then referred to the Management Meeting and other bodies for discussion. If necessary, advice and guidance may be sought from professionals, including legal counsel, in analyzing and planning countermeasures for such risks.

#### Strategy

In response to changes in business risks and environment, periodic review of risks is conducted. We evaluate risks based on a five-point scale for the impact and frequency of occurrence. In assessing the impact, we conduct a quantitative evaluation from five perspectives: monetary damages, human loss, environmental impact, damage to social reputation, and impact on research and development, manufacturing, and sales activities. We define major risks that could cause significant damage to the Group’s business and prioritize them as requiring an immediate response.

#### Major Risks

- Risks associated with natural disasters
- Risks associated with occupational accidents, fires, etc.
- Risks associated with product quality management
- Risks associated with the political situation and economic trends
- Risks associated with compliance
- Risks associated with information security
- Risks associated with sustainability management
- Risks associated with violation of human rights
- Risks associated with acquisition of human resources
- Risks associated with intellectual properties



#### Risk Management

### Risk Management

#### ● Risk Management System

The Group has established its risk management system with reference to ISO31000 and developed a risk analysis flow. Based on this risk analysis flow, the Risk Management Committee identifies and evaluates major risks that may possibly inhibit the execution of the Midterm Plan and the achievement of its objectives. The committee then formulates action plans aimed at countering such risks while providing follow-up monitoring over their implementation status, with the aim of maintaining robust risk management for the entire Company.

Each department of Sumitomo Rubber and Group company reports risks and their response status to the Risk Management Committee (chaired by the President and consisting of Executive Officers appointed by the chairman). The committee monitors them, and at the same time, identify and evaluate major risks across the entire Group, formulates action plans and provides follow-up monitoring over their implementation status. These initiatives are reported to the Board of Directors, which monitors them to verify the effectiveness of risk management.

#### ■ Group-wide Risk Management System



#### ● Targets

Fiscal 2025 Targets	Medium- to long-term targets
<ul style="list-style-type: none"> <li>● Review of the Regulations Concerning Risk Control</li> <li>● Reconstruction of risk management system covering the entire Group</li> <li>● Education for persons in charge of risk management</li> </ul>	<ul style="list-style-type: none"> <li>● Improve the effectiveness of risk management by instilling a risk management system that covers the entire Group.</li> <li>● Risk analysis survey for the entire Company, periodic review of priority risks</li> <li>● Strengthening risk management education</li> </ul>



## Corporate Governance

### Compliance

#### Basic Perspective

In the Sumitomo Rubber Group, we believe that “legal compliance and the upholding of corporate ethics form the cornerstone of a company’s survival and are crucial to long-term corporate vitality and competitiveness.”

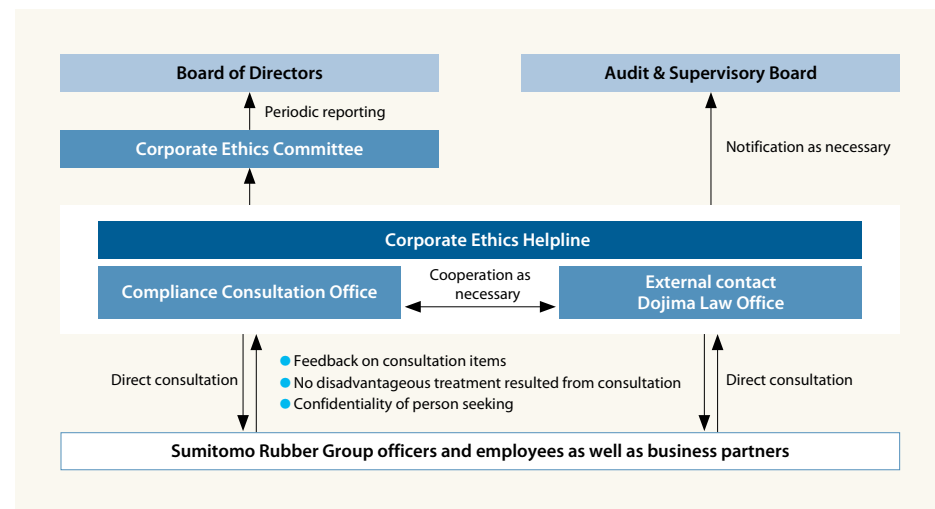
#### Governance

In February 2003, the Sumitomo Rubber Group formulated the “Rules Concerning Systems & Organizations for the Promotion of Corporate Ethics” and the Corporate Ethics Committee chaired by the President meets on a quarterly basis. In 2004 as a Corporate Ethics Helpline, we established a Corporate Ethics Consultation Office offering an in-house point of contact and have also commissioned an external lawyer to serve as an external contact. If a problem is discovered through a report to the point of contact, we have a system in place to investigate the facts while taking great care to ensure that the person making the report does not suffer any disadvantage.



#### Code of Conduct and Corporate Ethics Helpline

#### Structure of Compliance Initiatives



#### Strategy, Risks and Opportunities

In 2003, we established “Sumitomo Rubber Group Corporate Code of Conduct,” which has been translated to eight languages including Japanese and known to all officers and employees. It provides clear guidelines regarding the basic stance they should take and the mindset they should adopt in the course of their business activities from the aspect of legal and regulatory compliance. Also, we provide all employees with a compliance card featuring a message designed to instill compliance awareness as well as the contact information of the Corporate Ethics Helpline. In this way, we ensure that every employee knows about the compliance reporting line, which operates outside the regular reporting lines within the job hierarchy, and that any misconduct is detected promptly.



#### Compliance

#### Risk Management

We have designated every October as “Legal Compliance and Corporate Ethics Month,” during which we continually carry out various activities designed to cement compliance. During the month, we implement the following initiatives every year.

- All employees of the Sumitomo Rubber Group receive messages from their division heads and the presidents of their companies emphasizing the importance of compliance.
- We confirm that all employees have their Corporate Code of Conduct and compliance cards and read the contents aloud.
- We publish articles in our internal newsletter to raise awareness of the Corporate Ethics Helpline.

#### Targets and Results

Fiscal 2024 Targets	Fiscal 2024 results	Fiscal 2025 Targets
<b>[All bases in Japan and overseas]</b> ① Dissemination of messages regarding compliance ② Check that employees have Corporate Code of Conduct ③ Reading of Human Rights Policy and Basic Policy on Customer Harassment (domestic bases only) <b>[Overseas subsidiaries]</b> Understanding the status of the establishment of unique reporting channels	<b>[All bases in Japan and overseas]</b> ① Dissemination of messages to approximately 39,500 employees at all bases in Japan and overseas ② Check that employees have Corporate Code of Conduct at each base ③ Confirm that reading of Human Rights Policy and Basic Policy on Customer Harassment is conducted <b>[Overseas subsidiaries]</b> Checking the status of the establishment of reporting channels	<b>[All bases in Japan and overseas]</b> Dissemination of messages regarding compliance and continued activities to instill awareness of the Corporate Code of Conduct <b>[Overseas subsidiaries]</b> Understanding the current status of reporting desks and improvement



# Communication with Shareholders and Investors

## Fundamental Perspective to Disclose Information

We fully recognize that timely and appropriate disclosure of company information to investors is the foundation of a healthy securities market. With this in mind, our sincere stance is to provide investors with company information in a timely and appropriate manner and make efforts such as enhancing internal systems so that accurate and fair company information can be disclosed to investors promptly from their viewpoint all the time.

### Information Disclosure by Individual Divisions

Accounting & Finance HQ	Human Resources & General Affairs HQ	Sustainability Management Promotion HQ
<ul style="list-style-type: none"> <li>Quarterly Financial Report</li> <li>Securities Report/Semi-Annual Report</li> <li>Financial Results Briefing Materials (presentations, audios, videos, scripts)</li> <li>Fact Book</li> </ul>	<ul style="list-style-type: none"> <li>SR Meeting</li> <li>General Meeting of Shareholders</li> <li>Corporate Governance Report</li> <li>Stocks, ratings and corporate bond information</li> <li>Convocation Notice of Annual General Meeting of Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Integrated Report</li> <li>Sustainability Website</li> <li>Handling of ESG Evaluation Agencies</li> </ul>



IR



Sustainability

## Dialogue Achievements in Fiscal Year 2024

Activity Achievements	Fiscal 2022	Fiscal 2023	Fiscal 2024
<b>Financial Results Briefing</b> ● Targets: Institutional investors and analysts	4 times	4 times	4 times
<b>IR Meeting</b> ● Targets: Institutional investors and analysts	122 times	167 times	213 times
<b>JAPAN</b>	76 times	96 times	122 times
<b>OVERSEAS</b>	46 times	71 times	91 times
<b>SR* Meeting</b> * Shareholder Relations ● Targets: Institutional investors	12 companies	11 companies	12 companies

## Main Topics of Fiscal 2024 Dialogues

### Business Activities

- Disclosure of efforts to achieve ROE targets
- Withdrawal criteria for structural reforms and monitoring of KPIs
- Disclosure of ROIC and balance sheet monitoring status by business segment, disclosure of dividend payout ratio, etc.
- Disclosure of overall financial strategy and Cash Conversion Cycle (CCC)
- Management that is conscious of cost of capital and stock price
- Recognition of "As-is" issues, measures and progress towards realizing "To-be"

### Sustainability Activities

- Climate change
  - Progress and targets for GHG emission reduction, calculation standards for GHG emissions, etc.
- Natural Capital
  - Analysis and disclosure items in line with the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), feedback to company-wide risk management, etc.
- Human Capital
  - Status and goals of employee engagement
- Human Rights
  - Progress of human rights due diligence, information disclosure, etc.
- D&I
  - Progress in achieving the target ratio of female managers, issues, countermeasures, etc.
- Governance
  - Review of remuneration of Directors
  - Nomination and Compensation Committee (number of members, ratio of Outside Directors, details of discussions, etc.)

### TOPICS

#### Establishment of a Sustainability Advisory Board

In January 2025, aiming to integrate sustainability and business, we established a Sustainability Advisory Board where dialogue between external experts and management is facilitated.



We held our first Sustainability Advisory Board meeting! (Japanese Only)

## Main Communications Tools

Publications (including websites)	Links	
<b>Integrated Report</b> (once a year)	In Japanese	In English
<b>Fact Book</b> (once a year)	In Japanese	In English
<b>Shareholder Newsletters</b> (twice a year)	In Japanese	
<b>IR website</b> (updated as necessary)	In Japanese	In English
<b>Sustainability website</b> (updated as necessary)	In Japanese	In English



## Outside Directors Roundtable Talk : Front Line of Sumitomo Rubber Group's Governance



**Mari Sonoda**  
Outside Director

**Misao Fudaba**  
Outside Director

**Naomi Motojima**  
Outside Director

### Sumitomo Rubber Group's Challenges and Progress from the Perspective of Its Outside Directors

#### The Year 2024, Marked by Two Major Decisions

**Fudaba** In fiscal 2024, the Board of Directors made two major decisions. One was the closure of our tire plant in the U.S., and the other was the acquisition of the DUNLOP trademark rights and related assets. In both cases, we did not limit ourselves to a single option but engaged in open discussions. From the depth and frequency of the discussions to the decision-making process itself, I believe each matter was thoroughly examined from all relevant perspectives.

**Sonoda** Regarding the U.S. tire plant, closure was not a foregone conclusion. A wide range of options was

carefully considered, and senior management from the Head Office were stationed locally to lead thorough reform efforts. The process included discussions on improving productivity, boosting employee motivation, digitizing manufacturing processes, and evaluating potential outcomes in the event of closure. Some of these discussions were conducted online between the Head Office and the U.S. plant. I believe that the sincere and committed efforts to improve the local plant played an important role in gaining the understanding of stakeholders when the final decision to close the plant was made.

**Fudaba** Acquiring the DUNLOP trademark rights and related assets was a long-standing aspiration for the Company. However, we carefully and repeatedly discussed whether it was truly the right move to make. There were even moments when we determined that, if the terms were not acceptable, it would be appropriate to walk away from the negotiating table. In the end, I would say the deal reflects the outcome of a thoughtful and well-structured process.

**Sonoda** The proposal to acquire the trademark rights did not begin with a predetermined assumption that we must acquire them. Instead, we engaged in multifaceted discussions, asking questions such as "What would it take to acquire them?", "What if we do acquire them?", and "What would the business look like without acquiring them?" Information was shared repeatedly, not only during Board meetings but also through off-site meetings. We examined various projections in pursuit of the best answer, and the decision was the result of those thorough deliberations.

**Motojima** During my first year in the role, I felt a tense atmosphere as two bold initiatives moved forward simultaneously. I believe that the off-site meetings and the pre-briefings held on the day of the Board meetings serve not merely as sessions for individual explanations, but as valuable opportunities where all members come together for open and substantive discussions. There were times during this process when outside directors offered candid input, even urging a change in direction. Thanks to prior information sharing, the Board has been able to engage in deep, meaningful discussions, enabling well-informed decisions to be made within a limited timeframe.

#### President's Leadership and Revitalization of the Board of Directors

**Fudaba** As the major matters mentioned earlier have progressed, it is clear that President Yamamoto is the one most deeply contemplating and concerned about the future of the Sumitomo Rubber Group. One aspect of his leadership style is that he deliberately sets up meetings where he does not participate, in order to encourage open and active discussions among Directors and Executive Officers. At the same time, he devotes significant time to engaging directly with employees. His leadership is clearly reflected



## Outside Directors Roundtable Talk : Front Line of Sumitomo Rubber Group's Governance



in the way he listens closely to voices from within the Company, especially from the front lines, while guiding the organization forward.

**Sonoda** The first time I truly felt President Yamamoto's leadership was during the BTC (Be the Change) Project<sup>\*1</sup>, which aimed to reinforce our foundation for profitability. At a time when the Company was facing significant financial challenges, every effort was made to improve profitability. Under the President's direct leadership, all employees took a bottom-up approach to thoroughly reevaluate business processes from scratch, and the project delivered significant results. I think that this experience played a key role in shaping the President's ability to make the kind of major decisions we are now facing.

<sup>\*1</sup> "Be the Change" Project – A transformative project led directly by the president that was launched in 2020. It aims to enhance organizational culture and strengthen foundations for profitability.

**Motojima** At key moments during Board meetings, President Yamamoto takes the opportunity to explain the background and intent of agenda items, and to express his enthusiasm and commitment. His remarks do not dominate the discussions; rather, they strike a well-measured balance, which I find very appropriate. Last year, I had the opportunity to attend an in-house awards ceremony related to

sustainability. I witnessed firsthand how President Yamamoto attentively engages with employees and expresses sincere appreciation for their efforts. Through moments like these, I could truly sense how he fosters effective communication within the Company.



### The Fourth Sustainability Awards Ceremony (Japanese Only)

**Sonoda** As the diversity of the Board of Directors has increased, the perspectives brought to discussions have also become more varied. There were moments when I sensed that employees, too, recognized that new ways of thinking, different from traditional approaches, were embraced within the Company.

**Motojima** In my opinion, the composition of the Board of Directors and the skills required of its members vary depending on the Company's stage of development—there is no one-size-fits-all model. It would be ideal if we could engage in discussions about the future structure of the Board while keeping in mind the direction we want the Company to take over the next 10 years.

**Fudaba** Since 2023, the Chair of the Board of Directors has been an Outside Director. In general, internal Directors tend to become more reserved during Board discussions, but the previous Chair managed that dynamic skillfully. Whenever discussions stalled or became unfocused, the Chair calmly helped clarify what needed to be done, by when, and how, thus guiding the Board in the right direction. Starting this year, I have assumed the role of Chair, and I hope to carry on that responsibility. I will continue to foster a Board of Directors where we make full use of our diversity—both internal and external—and where members feel free to express their views, whether in agreement or disagreement.

**Sonoda** With an Outside Director serving as Chair, there is a healthy sense of tension in the Board, but at the same time, it has created an atmosphere where not only external members but also internal officers feel more comfortable speaking up on matters outside their immediate

responsibilities. This has significantly energized our discussions—a major positive change. I also feel that having an Outside Director in the Chair position allows for a more objective, big-picture perspective in summarizing the overall direction.

**Motojima** From an external and objective perspective, I help identify what may be lacking for effective decision-making within the Sumitomo Rubber Group. This includes sorting out which topics should be discussed in advance briefings or off-site meetings. Such leadership by the Chair enables the Board to efficiently handle multiple important resolutions within the limited time available.

**Sonoda** Compared to the past, the Nomination and Remuneration Committee now engages in more discussions with succession planning in mind. While decisions made by the Committee represent the final answer, it is also important to support appropriate placement and development of talent through prior dialogue between the executive team and outside directors. Going forward, we aim to build a governance framework that promotes the active utilization of diverse talent and enables an organic and well-coordinated composition of the board of directors.





## Outside Directors Roundtable Talk : Front Line of Sumitomo Rubber Group's Governance

### Toward the Achievement of the Long-Term Corporate Strategy and Mid-Term Plan

**Sonoda** The labor shortage is an urgent issue facing all companies in Japan, and it is no exaggeration to say that the ability to implement effective countermeasures at the operational level will determine the future of the Company. As mentioned earlier, the BTC project is a bottom-up initiative involving full participation across all departments, and I believe this approach can also be leveraged to address the labor shortage. At our plants, such efforts are beginning to take shape at the front-line level. One of our key challenges will be to create attractive workplaces by utilizing our technological strengths, and to become a company that people actively choose to work for.

**Motojima** The launch of SYNCHRO WEATHER is a symbolic milestone in our sustainability efforts. There is a growing sense within the Company that creating products that truly benefit society is of vital importance. In 2025, the Sustainability Advisory Board\*<sup>2</sup> was established, ensuring a structured platform for discussing the sustainability of our business.

 **Official website : SYNCHRO WEATHER (Japanese Only)**



**Fudaba** The year 2025 marks a turning point in our mid-term plan, and it is also the year we announced our Long-Term Corporate Strategy, "R.I.S.E. 2035", with a view toward 2035. One of the key responsibilities of the Board of Directors in achieving these goals is progress tracking. While input from the front lines has been incorporated into the formulation of the long-term strategy, various challenges are expected during the execution phase. It is essential to continuously monitor whether employees at the operational level can truly take ownership and carry out the strategy as their own. Moreover, the world continues to change rapidly, even after a plan has been established. Given this reality, it is crucial to manage initiatives appropriately and adapt as needed. The closure of the U.S. tire plant and the acquisition of the DUNLOP brand are both foundational steps within the long-term strategy, and their progress must also be tracked carefully. It is essential that Directors and Auditors with diverse backgrounds and skill sets—both internal and external—collaborate effectively to make decisions that further enhance corporate value.



#### Long-term Corporate Strategy "R.I.S.E. 2035"

**Sonoda** In the course of serving as an outside director, I sometimes find myself naturally adopting an internal perspective. However, it's essential to always maintain an external viewpoint, keeping the interests of all stakeholders in mind. As the Company enters a major turning point, even when there is consensus on strategy and direction, having diverse perspectives—particularly on methodology and risk—can be highly valuable. That's why, even if my views may be in the minority at times, I intend to speak up and contribute to the discussion with courage.

**Motojima** With the long-term corporate strategy now providing a clear direction, I intend to closely monitor progress to ensure we do not veer off course. At the same time, I would like to support the executive team in taking necessary risks and embracing a mindset and actions geared toward growth. I also hope to expand dialogue with employees and officers as much as possible, and to accompany the process of deeply thinking through—and ultimately realizing—a truly sustainable business over the long term.

\*<sup>2</sup> In January 2025, we established the Sustainability Advisory Board to facilitate dialogue between external stakeholders and management, aiming to integrate business and sustainability. To continue growing as a company in an increasingly uncertain external environment, we invited external experts to provide advice on our business's sustainability strategies. Executive Officers from each business division participated on behalf of the Company, engaging in dialogue on how to effectively integrate sustainability into their respective business operations.

### Greetings from the Newly Appointed Outside Director



**Yoshihisa Ueda**

Outside Director

Today, the world is marked by growing political and economic uncertainty, along with increasingly diverse values. Without the ability to turn such complex changes into opportunities, sustainable corporate development cannot be achieved.

My background includes serving at the former Ministry of Finance, working in fiscal and financial policy, and later with international organizations and JICA, where I was involved in assistance for developing countries. I also served on the front lines of diplomacy as Ambassador Extraordinary and Plenipotentiary. Since retiring from public service, I have been practicing law, focusing particularly on legal matters related to corporate governance.

Drawing on this experience and my global network, I am committed to bringing a fresh perspective to the management of Sumitomo Rubber. While supporting the officers and employees who are driving transformation, I will strive to contribute to the Company's growth and value creation—and to meet the expectations of our shareholders and investors.



## Honors and Certifications from Outside Organizations

Some honors and certifications related to sustainability activities that the Sumitomo Rubber Group has received from outside organizations are listed below.



### Honors and Certifications from Outside Organizations

#### Inclusion in the ESG Index Series



FTSE4Good



FTSE Blossom  
Japan Index

The Company was selected for inclusion in the FTSE4 Good Index Series and FTSE Blossom Japan Index for the third consecutive year. Moreover, the Company was selected for inclusion in the FTSE Blossom Japan Sector Relative Index, which was newly launched in fiscal 2022.



FTSE Blossom  
Japan Sector  
Relative Index

#### 2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

The Group has been selected as a constituent of the MSCI Nihonkabu ESG Select Leaders Index.

Inclusion of Sumitomo Rubber Industries, Ltd. in the MSCI Index, and the use of MSCI logos, trademarks, service marks, or index names do not imply sponsorship, endorsement, or promotion of Sumitomo Rubber Industries by MSCI or its affiliates. The MSCI Index is the exclusive property of MSCI. The names and logos of MSCI and the MSCI Index are trademarks or service marks of MSCI or its affiliates.

#### Evaluation for Sustainability Activities and Disclosure



The Company was granted a "Bronze" rating based on a survey conducted by EcoVadis, an international rating agency specializing in the assessment of corporate sustainability performance.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Company received a certification for its GHG emissions reduction targets for 2030 from The Science Based Targets initiative (SBTi) based on the recognition that its reduction targets are consistent with scientific knowledge.



For the second consecutive year, the Company received an "A-" rating for climate change category in the international non-profit organization CDP Questionnaire 2024.



We were chosen for the ninth consecutive year by the Ministry of the Economy, Trade and Industry as well as the Nippon Kenko Kaigi (Japan Health Council) for certification as an excellent company under the "2025 Certified Health and Productivity Management Organization Recognition Program."



For the third consecutive year, the Company was certified by the Japan Sports Agency as a "Sports Yell Company 2025+" under the agency's 2024 selection program in recognition of its efforts to support and promote sports activities among its employees.



For the second consecutive year, the Company received the highest accolade of "Best Workplace" certification at the D&I AWARD, Japan's largest award for evaluating, certifying, and honoring companies committed to Diversity & Inclusion (D&I).



The Company acquired a "Gold" rating for the third consecutive year under the PRIDE Index 2024 rating program designed to assess the level of initiatives undertaken by businesses and other organizations to protect the rights of sexual minorities, including members of the LGBTQ+ community.



The Company was certified as a DX Certified Business Operator under the Ministry of Economy, Trade and Industry's DX Certification System.



## Third-Party Remarks



### Katsuhiko Kokubu

Professor at the Graduate School of Business Administration, Kobe University

Completed a doctoral program in business administration at Osaka City University Graduate School. After serving as an assistant professor at Osaka City University and Kobe University, he assumed his current position in 2001. Head of the Graduate School of Business Administration at Kobe University from 2014 to 2016 and from 2021 to the present. Has served concurrently as the head of the Graduate School of Business Administration at Kobe University (from 2019 to 2021) and as Head of Kobe University Value School (since 2020). His recent publications include "From Accountability to Management Ethics" (Yuhikaku Publishing Co., Ltd.), "Emergent-Type Responsibility Management" (Nikkei Publishing Inc.), "Education for Value Creation" (Kobe University Publishing Association), and "Ethics as Responsibility" (Minerva Shobo).

### Positioning Sustainability Management in Long-Term Corporate Strategy

Sumitomo Rubber Industries, Ltd. announced its Long-term Corporate Strategy for 2025 to 2035. For a long-term corporate strategy in an increasingly uncertain and unpredictable environment, as the company claims, "Building a Resilient Management Foundation" is essential. Under such difficult environment, the company positions human capital management and sustainability management as a means to strengthen its foundation, which demonstrates its commitment to building the foundation of the company's management on human resources and society, which is highly commendable. Going forward, it is necessary to integrate human capital management into sustainability management and steadily promote development. To achieve this, it is necessary to go beyond balancing *social value* and *customer value*, and to provide *social value* as *customer value* respectively and show a path to evolve *customer value* into *social value*. I believe it will be a way to embody a future created through innovation, and I look forward to the company's future activities.

### Providing Multilayered Company Messages

One of the features of this year's report is that messages are delivered individually or in the form of dialogue by internal members at diverse levels, including the President and CEO, outside directors, responsible executive, executives, and front-line managers. In particular, the articles in the form of roundtable talk feature sincere discussions about the issues and risks within the company, show a strong attitude toward striving for improvement, and it makes clear that the company's policies are permeated throughout the company. In the future, if opinions of diverse stakeholders including customers, investors, students and local residents are incorporated into the report, I feel it would be easier for readers to understand the entire picture more objectively. I am aware that in this integrated report, the priority is placed on posting information intended for institutional investors. I think disclosing more detailed information about engagement with institutional investors would be worth considering.

### Role of Integrated Reports as Part of Sustainability Information Disclosure

The Integrated Reporting Framework has been integrated into the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), both of which are under the IFRS Foundation, and an integrated report is expected to become a report that should be positioned within the overall sustainability information disclosure scheme in the future. To this end, it is extremely important to combine the sustainability information dictated by ISSB S1 and S2 sustainability disclosure standards with the value creation concept of the Integrated Reporting Framework. Sustainability information disclosure tends to be mere formality; however, I hope that the company will properly apply the criteria for material issues in integrated reporting and evolve its reports which promote substantive sustainability activities from a long-term perspective.

### Response to Third-Party Remarks

I would like to thank Professor Kokubu for his always insightful opinions and valuable advice.

In 2024, amid changes in the business environment surrounding our Group, we renewed the material issues of our Group, which were a prerequisite for formulating our Long-Term Corporate Strategy. Taking into consideration of the opinions of Professor Kokubu, we had repeated dialogues with our management team based on our corporate philosophy, the "Sumitomo Business Spirit" and announced our "Vision" and "The Company's Intentions." In January 2025, we established a Sustainability Advisory Board to facilitate dialogue between external stakeholders and management team, and are currently working to collaborate with stakeholders.

In our long-term corporate strategy announced in March 2025, our vision in 10 years is defined as "Continuing to Provide 'New Experiential Value' Born from Rubber to Everyone." To achieve this, we believe that linking human capital management with sustainability management and steadily promoting them will lead to building a resilient management foundation. In terms of human capital management, we will implement measures that will lead to the development of human resources who will open the way to the future, and also, we will create an environment in which employees can thrive with a sense of fulfillment in their own way while remaining healthy, both physically and mentally. As part of our initiatives to build a foundation for creating new value, we chose to feature the topic of "Future Factory Project for Better Workplaces" in a roundtable talk among employees.

As with the last year's edition, we aimed to deliver messages to readers that are easy to understand from the management team including the President and CEO, as well as outside directors and employees. We hope that this integrated report will provide insight into our thoughts and the actual state of initiatives toward value creation through our Long-Term Corporate Strategy, which could not be conveyed in other disclosed documents. In addition, a roundtable talk among outside directors provides cutting-edge information on governance within our Group.

As Professor Kokubu mentioned, we recognize that disclosure of information regarding communication with stakeholders is an issue that needs to be addressed in the future. In particular, we will keep trying to create value in the medium to long term through constructive dialogue with our shareholders and investors, and will also promote information disclosure.

In order to ensure that sustainability information disclosure is not merely a formality, we will take a long-term perspective based on the material issues and promote activities that will lead to value creation aimed at resolving social issues through our business.



### Hitoshi Hino

Executive Officer  
Head of Corporate Planning and  
Global New Site Project  
(Responsible for Sustainability, DX,  
Cybersecurity, PR)