DUNLOP

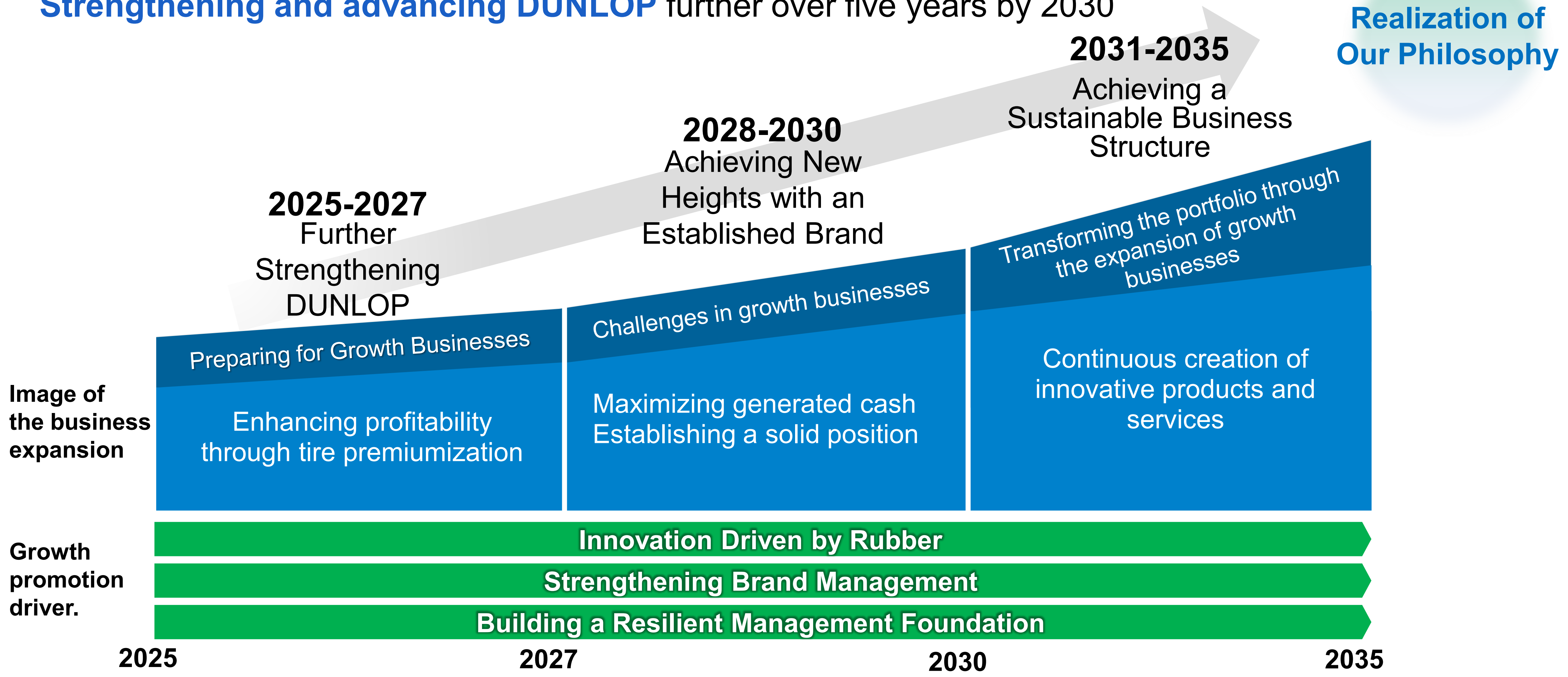
Sumitomo Rubber Industries, Ltd.
Long-Term Management Strategy
R.I.S.E. 2035 Progress Report

August 6, 2026

TAKING YOU BEYOND

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

Strengthening and advancing DUNLOP further over five years by 2030



2. Initiatives to Strengthen Profitability Toward 2027

Three key initiatives to achieve a 10% business profit margin by 2027

Main Initiatives	Specific Actions
Expanding Global Revenue through the Growth of Premium Tires	
● Launch of Active Tread tire products in Japan, Europe and the US ● Expansion of DUNLOP's retail network and product lineup ● Increase of production capacity for premium tires (In-House New Factory)	● In 2027, all season tires and all weather tires will be launched in each region ● Enhancing growth opportunities through DUNLOP retail stores and capturing synergies between DUNLOP and FALKEN ● Thailand Factory: Ready to start mass production ● Indonesia factory and domestic factories: project launched
Ensuring stable profitability	
● Maintaining appropriate sales prices and make it well-known ● Stabilizing the offtake business in Europe	● Implemented price revisions in 2026
Reducing total costs and enhancing profitability through Project ARK	
● Optimize global production footprint to reduce costs ● Streamline SG&A expenses through DX ● Accelerate Project ARK initiatives	● Implementing globally and harvesting the benefits generated in the overseas factories ● Driving forward SDI platform and SDI process

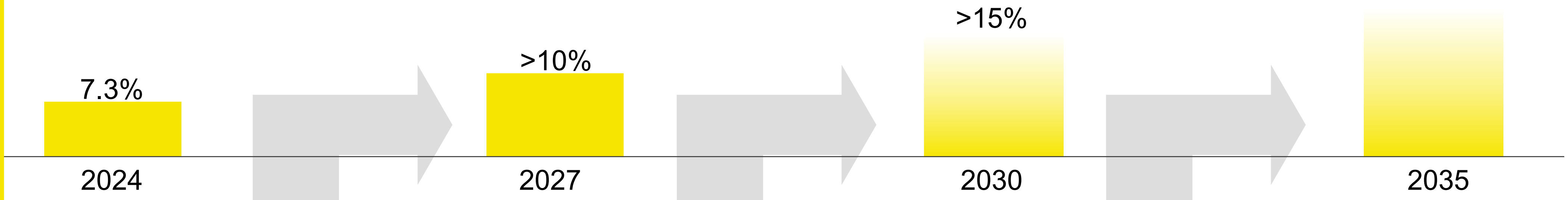
3-1. Tire Business Business Strategy

Quoted from "R.I.S.E. 2035"
(2035 Long-term Corporate Strategy,
published on March 7, 2025)

Steadily implementing the initiatives outlined in R.I.S.E. 2035

Further Strengthening DUNLOP → Achieving New Heights with an Established Brand → Achieving a Sustainable Business Structure

tire Business Business Profit (%)



Strategy

- Strengthening DUNLOP brand → Establish the DUNLOP brand within the Premium tire market
- Expansion of the ACTIVE TREAD in European and North American market → ACTIVE TREAD evolution (Third and Next-Gen Switch)
- Development Process Evolution Using AI-Powered SDI Processes and SDI Platforms
- Optimization of production capability → Production Innovation within In-House New Factory → Optimization of global production allocation

Details will be revealed in following pages

Major Investment Themes

- Optimization of production size composition → Consideration of production outsourcing and collaboration
- Expansion of production lines for ACTIVE TREAD (Thailand and major Japanese factories) → Global product expansion

3-2. Brand x Technology x Development & Production Structure

Combining brand, technology, and structure, accelerating the growth in the premium tire markets in Europe and North America

Brand

Consolidating the DUNLOP brand

Consolidating the brand presence in the premium markets in EU and NA

- ✓ Motorsports
- ✓ British Heritage

Multi-Pathway Strategy
(Three-Brands Strategy)

Delivering optimal solutions tailored to needs of each region, customer, and usage

- ✓ Covering all ranges and customer segments by three-brands
- ✓ Tier 1 & 2 for premium value, and Tier 3 for supply capability and cost competitiveness
- ✓ Driving upselling through customer touchpoints established in each country

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Technology

Advancing Active Tread Technology

Unique technology adapting tire performance to environmental change

- ✓ Enhancing sensitivity to water and temperature conditions
- ✓ Achieving outstanding performance through multiple adaptive technologies
- ✓ Expanding Active Tread application from all season category to others
- ✓ Accelerating differentiated technology through AI-supported developments

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Development and Production Structure

Development Process Evolution

Change of development process and enhancement of local engineering capabilities

- ✓ Increasing development capacity
- ✓ Reinforcement of overseas technical centers

Production Innovation at In-House New Factory

Reinforcing the manufacturing foundation

- ✓ Operation of the new manufacturing system "SUN-TITAN SYSTEM"

The History of DUNLOP | **FALKEN's Achievements Built in Europe and the US**

3-3. Multi Pathway Strategy – Overview of the Three-Brands Strategy

(1) Building optimal customer touchpoints by country, region, and purpose

(2) Driving upselling through the customer touchpoints

Tier 1

DUNLOP

Concentrating resources on premium and high-value-added offerings

Tier 2

FALKEN

Global expansion with positioning the brand as the top category of Tier 2 brands

Our strength: a strong global Tier 2 brand

Tier 3

ENTRY BRAND

Securing supply capacity and cost competitiveness by utilizing external sourcing

3-4. Multi Pathway Strategy – Overview of the Three-Brand Strategy in Europe

Achieving to offer the optimal mix of three brands and products by capturing Europe's diverse demand

The Need for the Three-Brand Strategy in the European Market

(1) Market Characteristics

Market characteristics vary by country, then difficult to go with a single brand.

(2) Dealer Preferences

Dealers welcome multi-brand offerings from the perspectives of product variety and inventory efficiency.

(3) Diversifying Customer Needs

A growing number of customers are prioritizing price amid inflation and rise of cost for vehicle ownership.

Our Brand Portfolio

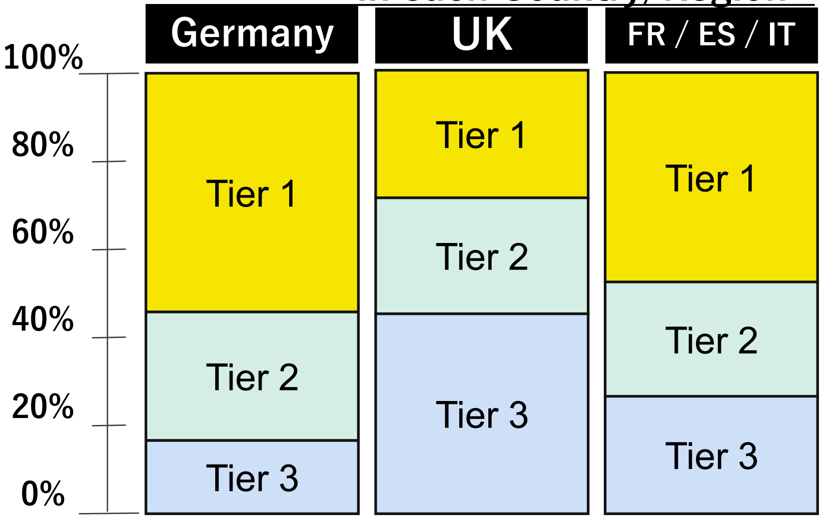
Tier 1 DUNLOP

Tier 2 FALKEN

Tier 3 PNEUMANT
Will be launched in Q1 2027

Optimizing the brand and product mix for each market's structure to maximize the demand

Image of Market Share by Tier in each Country/Region*1



*1 Prepared by SRI based on GfK data.

3-5. Multi Pathway Strategy - Three-Brands Strategy in North America

Accelerating growth in North America by piling up DUNLOP's premium on FALKEN's firm foundation

Tier 1

DUNLOP

Pursuing premium and high-value-added products by concentrating resources on it

Tier 2

FALKEN

Establish a distinctive position as a leading Tier 2 brand

Tier 3

SUMITOMO TIRES

Prepare the lineup of all-season and ultra-high-performance sports tires by 2030

From 2027

Developing and launching the new product lineup featuring ACTIVE TREAD

2026

- Sales channel expansion: Significant increase in retail outlets
  Approximately 2.1 times of deals (vs. Q1)
- Capacity expansion and new equipmet for large-diameter tires
- Reinforcing the Technical Center in NA

Until 2025

Foundation: FALKEN's business platform & relationships with car makers

3-6. Evolution of Active Tread Technology

Active tread is a unique technology where the rubber changes its behavior depending on the road surface and environment. The technology creates new value across diverse categories as a next-generation platform with broad applications.

The Five Switching Technologies

- Water Switch — Lv.1 (Launched), Lv.2
- Temperature Switch — Lv.1 (Launched), Lv.2
- The 3rd Switch — Lv.1, Lv.2
- The 4th Switch
- ⋮
- Next Generation Switch

Expansion of Categories

- **2027** SYNCHRO WEATHER successor
- **2028** Ultra-high-performance sports tires
- **2028** Next-generation UHP tires
- **2028** 4 × 4 tires
- ⋮
- **203X** Tires for automated driving

Provided Values

- Reliable under all weather / Free from Changing Tires
- Grip and Fuel Efficiency
- Improvement of Safety, Electricity Comsmption, and Quietness
- Driving Capability on Off-Roads / Comfort on On-Roads
- Automated Driving / Pavement Sensing

Four contributing areas

- **CASE**
  Contributing to Mobility Transformation
- **Environment and Resource Circulation**
  TRWP / Waste Tires
  CO_2 Reduction and Resource Conservation
- **Social Infrastructure**
  Fleet Efficiency
  Cost Reduction for vehicle ownerships
- **Experience & Health**
  Driving Safety
  Security in aging societies

3-7. The Source of the Evolution of Active Tread

Creating next-generation technologies through rubber-based innovation by leveraging cutting-edge analytical data through advanced research foundations.

Embracing the state-of-the-art analytical facilities

SPring-8

NanoTerasu

Advancement of the Infrastructure for Research and Development with NEC (Strategic Partnership)

Ready for **95% reduction** of designing period for compound development

※: Imitates the mechanism of quantum computers, Technology for efficiently solving complex optimization problems on a regular computer

AI enables to **shorten the searching time by 70%** for finding candidates of materials with succeeded implicit knowledge

Creating new frontiers through rationalization enables to accelerate market entry and deliver "valuable experiences for the future,"

3-8. Transforming the Development Process

Expanded development capacity by approximately 1.3 times*1 through unique AI simulation.
The simulation has been applied to the new flagship products.

Utilization of Simulation and AI

Development Process Technology
: "SDI*2 Process"

- **High-Precision Performance Prediction**

  Reducing Design Review Time

  Pattern Planning and Performance Prediction with Generative AI

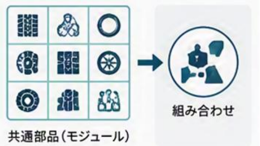
- **Development Efficiency**

  Reducing the number of prototyping and evaluation

Platform Design and Development

Design Technology
: "SDI*2 Platform"

- **Standardization of specifications and family development**



  Reducing development man-hours with common specifications
  Efficiently releasing diverse products with the combination of parts,

- **Productivity improvement through reduced material types**

  Reducing the burden of material change and inventory management at production sites

Our Uniqueness

A unique platform constructed with the evaluation and simulation data for long years and integrated with AI

Improving development capabilities and quality by connecting expertise from designing to production

Striking a balance between accuracy and speed by the combination of forecasting tech and platform designing

Further process transformation to increase development speed and capacity by approximately 1.5 times*1 (target: 2028)

*1 vs. 2024 results, *2 SDI: **S**umitomo Rubber **D**evelopment **I**nnovation

3-9. Reinforcing Overseas Technical Centers

The structure building proceeded as planned.
The cycle of "local development -> technical proposals to car makers -> order from car maker" is beginning to work in each region

North America

Development phase has begun

Structure
Gradually expanding development capabilities

Develop ment
Beginnig to start the local tire developments including WILDPEA for SUV and Pick-Up vehicles

Europe

Full-operation working

Structure
Full-operation is working with the development capacity increased by 50%

Develop ment
Taking responsibility of develoments for premium car makers
→RFQ 3x (YoY)

China

Reinforcing Development

Structure
Established a new technical sales base in Shanghai

Develop ment
Quick-delivery development for car makers in China
→RFQ 1.5x (YoY)

Japan

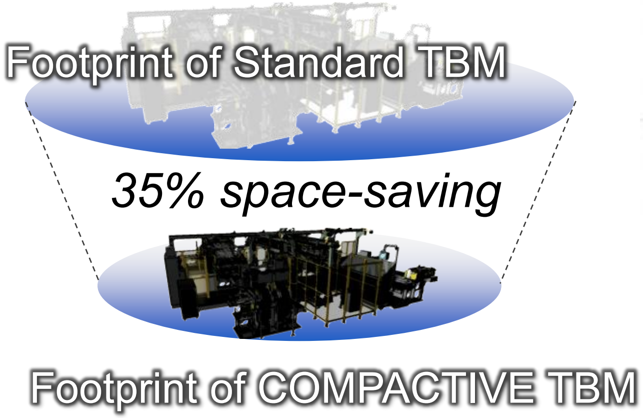
Structure
Global Technology Hub

Develop ment
Dvelopment of Active Tread technology
Platform design development, DX implementation
Tech and Process Development to support global developments

3-10. "In-House New Factory"

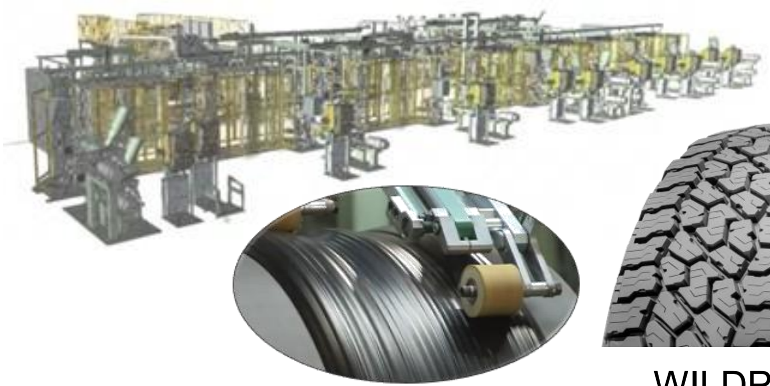
Innovative manufacturing systems have been introduced to factories in Japan, Thailand and Indonesia. Expanding premium tire supply capacity as planned.

**COMPACTIVE-TBM*
(Japan & Indonesia)**



Equipment for ultra-high-performance sports tires (mass production from 2027)

SUN-TITAN SYSTEM in operation (Thailand)



WILDPEAK A/T4W

Quality improvements and weight reduction confirmed in prototypes

Direct contribution to earnings with increase of high-profit output

(1) Quality improvement and weight reduction
Better roundness and Approx. 1 kg lighter/tire ➔ Reduction of material cost and variable cost

(2) Better size mix
Conversion of PC tire line to WILDPEAK production

(3) Volume
+250,000 units/yr
Highly profitable tires

Potential for contribution to profit
several billion yen/yr
(marginal profit)

Project ARK

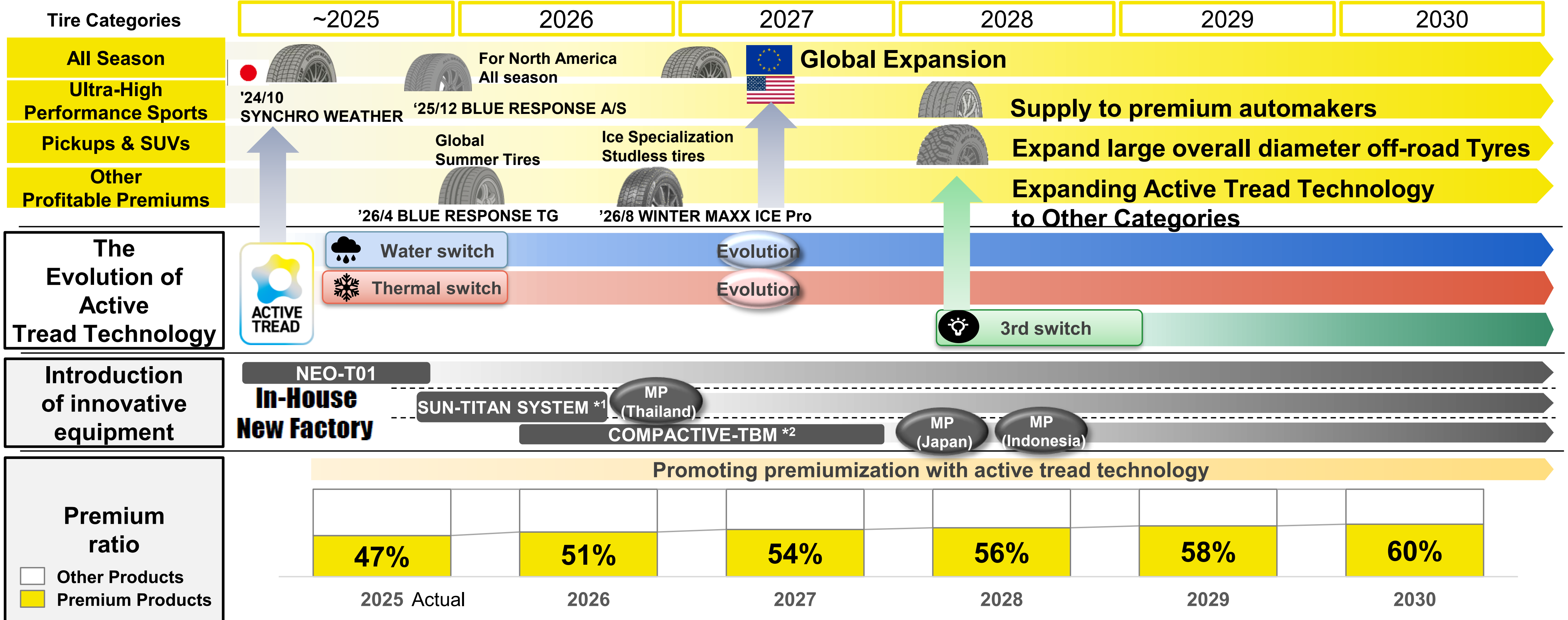
Putting resources for launching (supports from Japan)
Mass production has moved forward from the original plan (Q4 2026)

*1 Compact Adaptive Tire Building Machine. This compact next-generation molding machine can be installed in existing factories, enabling high-performance tires to be produced with high precision and efficiency.

3-11. Premium Tire Product Plan

Quoted from Financial Results Published in November 2025

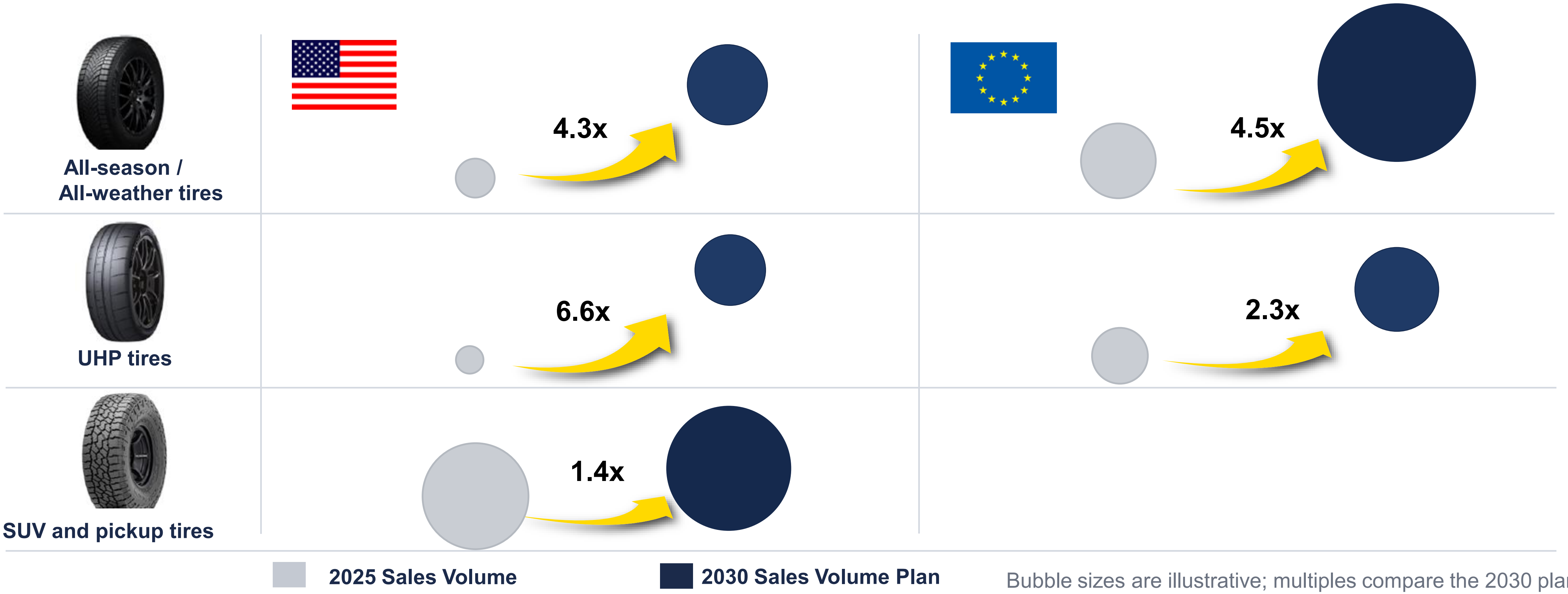
To promote premiumization, we are launching new products, developing technology, and introducing equipment as planned.



*1 An evolved version of our original manufacturing method "Taiyo". It is possible to achieve high design, high roundness, and weight reduction of large outer diameter Tyres at a high level.
*2 Compact Adaptive Tyre Building Machine. It is a compact next-generation molding machine that can be installed in existing plants, and can produce high-performance Tyres with high precision and efficiency.

3-12. Expansion of Premium Product Sales: 2025 Results -> 2030 Sales Plan

Steadily expanding premium product sales in Europe and the US toward the target in 2030 by releasing optimal products to regional features.



Bubble sizes are illustrative; multiples compare the 2030 plan with 2025 results.

3-13. Initiatives to Enhance Brand Value for ONE DUNLOP

Focusing on Europe and the United States, driving the growth of premium products by the enhancement of brand value to expand customer touchpoints.

DUNLOP

"A Global Premium Brand Symbolising Challenge"

QUALITY

Ensuring stable play for players

Main Initiatives — **No.1 Ball on the ATP Tour**

Australian Open/ATP Finals European Masters Official Ball

MOTORSPORTS

Racing Activities

Main Initiatives — **Goodwood Revival Sponsorship**

(Presented by DUNLOP)

Performance demonstrated at Nürburgring 24H/ Super GT

EMOTION

Moving experiences created by the athletes' performances

Main Initiatives — **Contracts with professional sports players**

Yui Kamiji, Jack Draper
Hideki Matsuyama, Miyu Yamashita, and others

NEW EXPERIENCE

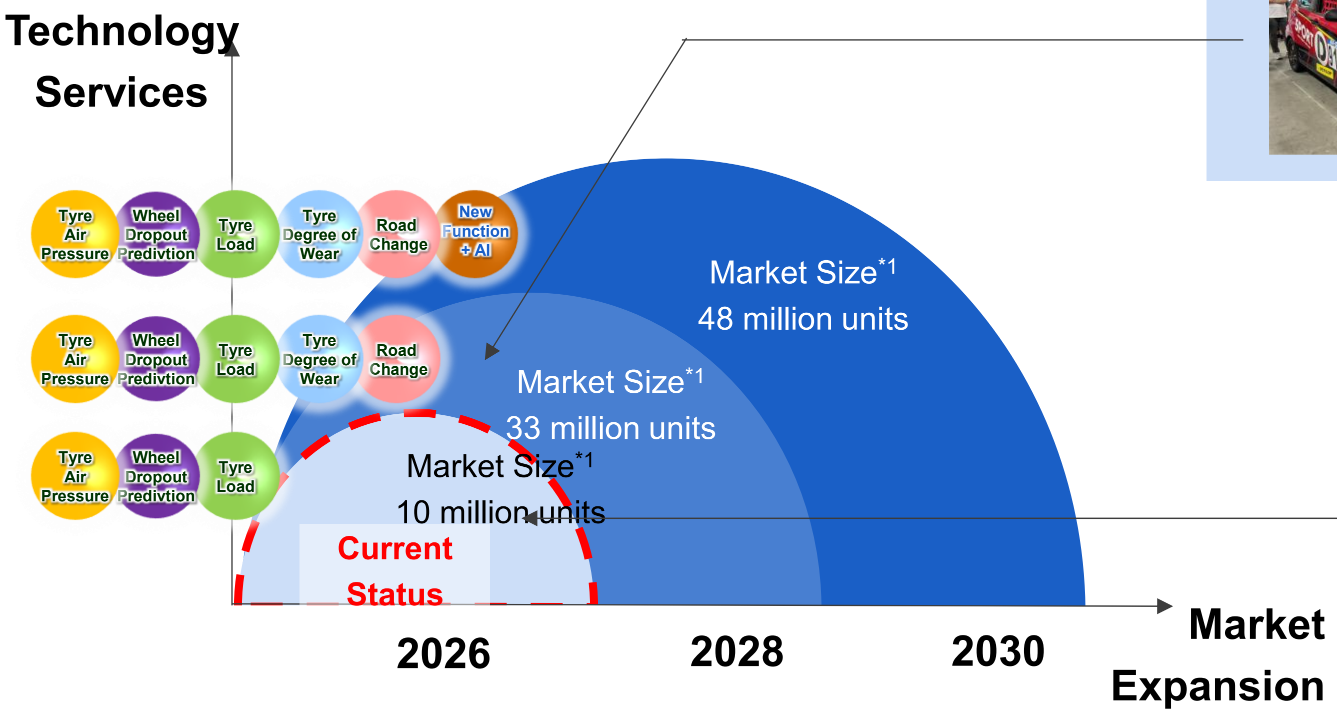
Creating new experiential value

Main Initiatives — **Contribution to the Next-Generation Motorsports**

Gran Turismo Sponsorship

3-14. Sensing Core

With the gaining value of sensing core, expanding adoption of sensing core with its safety function as the point of origin.



Validating Performance in Motorsports

Road Change

Early detection of slippery road surfaces contributes to safer operation and reduced accident risk.

Toward future in-vehicle adoption, advancing Real-World Validation

Standard installation to Isuzu ERGA (from July 2026~)

Wheel Dropout Predivtion

Early detection of abnormalities for enhanced safety

Wheel Drop Warning Detection
+2 models scheduled
for adoption within 2026

Provided by: Isuzu Motors Co., Ltd.

World's first standard installation for commercial EV of an overseas car maker*2

Tyre Load

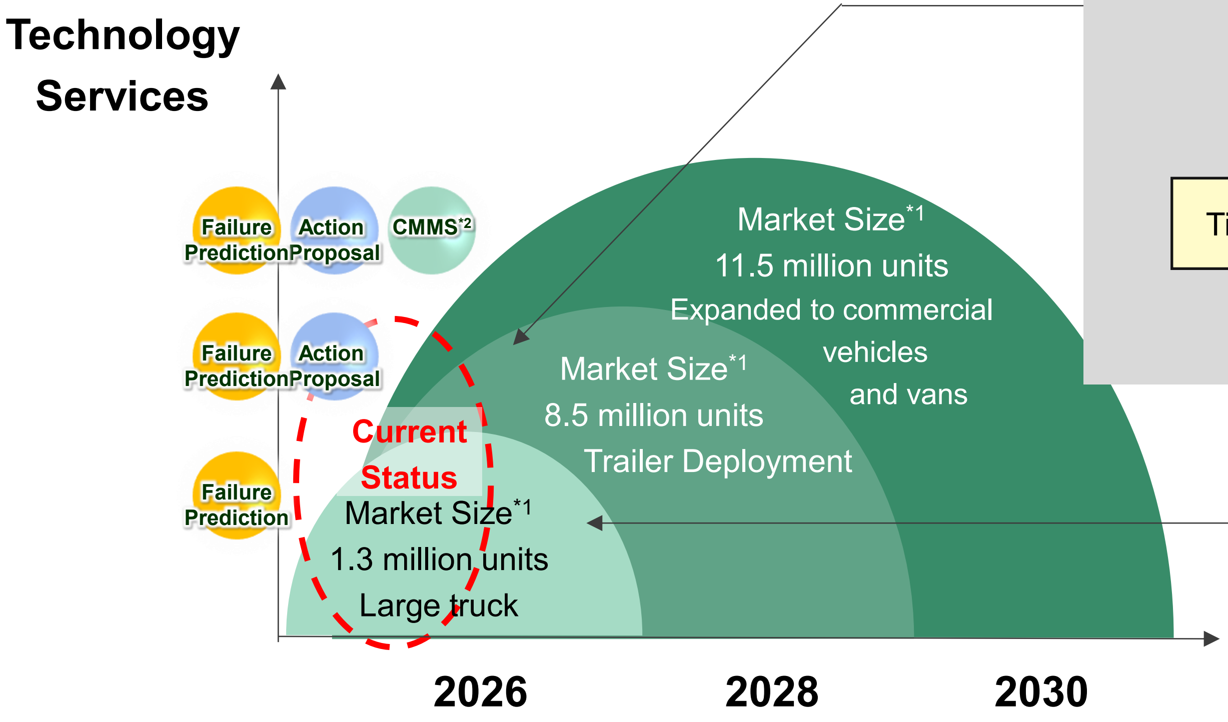
Contributing to reduction of drivers' stress and stable transportation of shipments by stabilizing handling feeling under load changes

*1 Market size: indirect TPMS market + commercial and passenger vehicle production in each region (company estimate). Coverage: Asia and Europe from 2028, North America from 2030.
*2 Based on our tire load detection installations to date.

3-15. Fleet Management

Japan: building a revenue base via “Eco Smart Plan”, a fleet management

North America: advancing demonstrations with Viaduct AI



Expanding eligible rolling stock and parts coverage

Eco Smart Plan: Building a continuous revenue base in three stages

Exploring solutions utilizing Viaduct AI

Leveraging vehicle data for fault prediction and countermeasures; from monitoring to predictive maintenance

ESP1.0	ESP2.0	ESP3.0	Next move
Tire installment	+ Full maintenance	+ Data management	+Viaduct AI Alignment

20,000 units contracted in total

Failure Prediction | Action Proposal

Viaduct AI: currently under validation

Discussions progressing toward contracts with multiple fleet, rental, and logistics companies

*1 Market size: Estimated from the number of vehicles equipped with fleet management services (FMS) in the North American market (our assumption)

3-16. Industrial Products Business

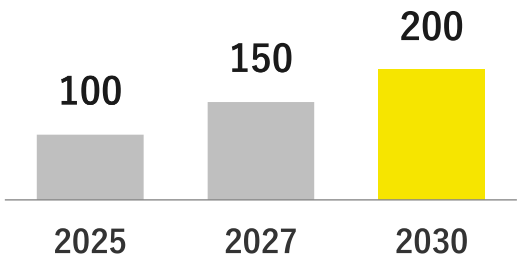
Contributing to solve social issues globally with good foundation of technology which got Japan's top-market share. Steady progress with four consecutive years of profit growth.

Expansion of Overseas Business

Business Profits Overseas × 2

Items	Area	Growth rate
Medical rubber	Europe and America	220%
Seismic damper for buildings	Southeast Asia	300%
Fender	Asia	300%
Rubber for OA Equipment	China	140%

Overseas business profits*1



✓ Reinforcing sales of high-quality/high value-added products in Asia, Europe, and the US

✓ Leading expansion by DUNLOP and the technology supported by the top share in Japan

Progress

- **Preparations for overseas sales of fender materials are progressing in good pace**
- **Other products are flexibly adapted to market conditions**

New Launch of 'Empathy Products'*2

2030 Cumulative Number of Products Launched **15+ Products**

Products launching in 2025

Backless work gloves "POWERFUL FIT"

Artificial turf for sports "Hibrid-Turf REX"

Products launching in 2026

Foam Fenders

Portable ramp for wheelchairs "DUNLOP Slope"

Will be released sequentially from summer '26*3

Residential Seismic Damper "MIRAIE S"

*1 An index based on 2025 results at 100, *2 Products that respond to diverse social needs
*3 Announcement to home builders is scheduled at the beginning of summer 2026, product shipments from winter 2026

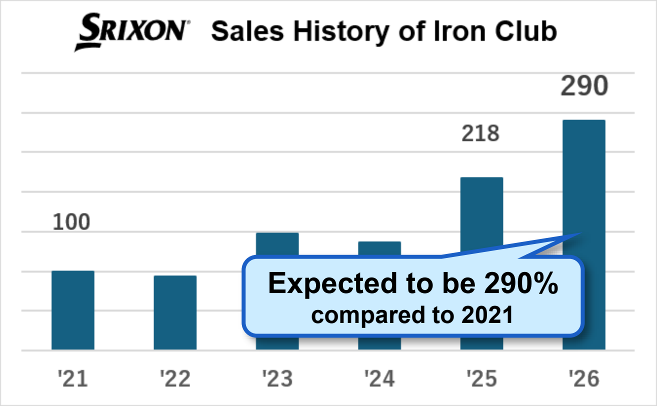
3-17. Sports Business

With professionally proven performance, driving enhancement of DUNLOP's brand value and expansion of its fan

Top (Pro) Player usage → **Performance Certification** → **Amateur upper class** → **For beginners affect**

Golf

✓ **Steadily enhancing our presence in NA to become a global top 3**
- Increased professional use and their victories in Europe and the US have led to the strong iron club sales.
- Developing differentiated golf ball in accordance with the new rule
- Strengthening the foundation for growth to aim for the global top 3



Ryan Fox
The Open Championship Winner

✓ **Implementing SRIXON rebranding to expand the target customers**

Tennis

✓ **Frontrunner in enhancing brand value**
- Aiming to achieve No.1 sales share by 2030, left a good footprint becoming No.1 in ATP usage rate
- Modeled after the strong performance in Europe, our ball was also nominated as an official ball on the US Tour
- Expanding business toward becoming No.1 in ball market share


Yui Kamiji
Achieved Lifetime Golden Slam

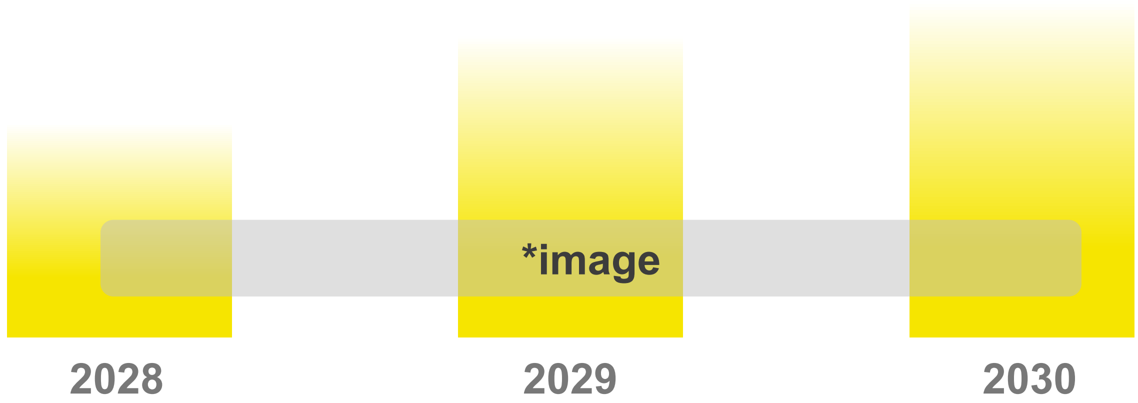
"Padel" the popular game in Europe
Actively expanding the sales for it

eSports

✓ **Strengthening initiatives as the third pillar of the business**
- Signed with the top team and contributed to appealing to younger D> fans.

3-18. Project ARK Expansion Plan

Targeting to add **¥30 billion** in profit from 2028 onward



2028-2030
Targeting to add cumulative profit improvement of ¥30 billion

Key Initiatives

- (Ongoing) Reduction of tire manufacturing costs: reducing raw material expenses
- (Ongoing) Reduction of tire manufacturing costs: shortening tire development lead times

★ **Reduction of tire manufacturing costs: Harvesting In-House New Factory results** ← Starting from 2027

★ **Reduction of tire manufacturing costs: The new ERP system: utilizing costs by size and process (Cost Planning and Cost Improvement)** ← Starting from 2027

★ **DUNLOP Tire sales: Quantification of value gains from brand enhancement and new technologies** ← Starting from 2028

3-19. AI Fault Prediction and Cause Investigation Solutions

As part of the total cost reduction activities, operational efficiency improvements at our own factories was demonstrated. Exploring the potential to sale externally.

Three Values Provided by Viaduct AI

- Acceleration of cause investigation
- Reduction of downtime
- Streamlining of maintenance

Demonstrated Case: Miyazaki Factory

Solutions for Manufacturing
～Core Manufacturing～

Target: **Streamlining maintenance and analysis**

Key achievements:

▶ Maintenance time: approx. **45% reduction**
(81 min→43 min)

▶ Analysis time: approx. **80% reduction**
(545 min→120 min)

Integrating scattered data of equipment and maintenance,
AI suggests the appropriate repair method

Future Developments

STEP1 Make it effective in-house

Expand the method horizontally to other in-house sites, then contributing to the reduction of total costs across the entire group

STEP2 Exploring the potential for external offerings

Receiving inquiries from manufacturing companies facing similar on-site challenges, discussions with them for PoCs ongoing.

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