

**Consolidated Financial Results**  
**for the Fiscal Year Ended December 31, 2024**  
**[IFRS]**



February 13, 2025

Company name : Sumitomo Rubber Industries, Ltd.  
 Stock exchange listing : Tokyo Stock Exchange  
 Code number : 5110  
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 Scheduled date of ordinary shareholders' meeting : March 27, 2025  
 Scheduled date of commencing dividend payments : March 28, 2025  
 Scheduled date of filing annual securities report : March 28, 2025  
 Supplementary documents for financial results : Yes  
 Financial results briefing session : Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded to the nearest unit.)

**1. Consolidated Financial Results for Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended										
December 31, 2024	1,211,856	2.9	87,941	13.2	11,186	(82.7)	9,865	(73.4)	58,691	(31.4)
December 31, 2023	1,177,399	7.2	77,670	253.6	64,490	330.3	37,048	293.5	85,565	55.7

(Note) "Business profit" is "Sales revenue" subtracted by "Cost of sales" and "Selling, general and administrative expenses."

	Basic profit per share	Diluted profit per share	Profit to equity attributable to owners of parent ratio	Business profit to total assets ratio	Business profit to sales revenue ratio
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	37.51	-	1.5	6.7	7.3
December 31, 2023	140.86	-	6.3	6.2	6.6

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2024	1,341,123	675,810	656,134	48.9	2,494.54
December 31, 2023	1,266,732	641,430	624,114	49.3	2,372.90

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	104,325	(64,659)	(35,623)	100,382
December 31, 2023	169,800	(62,230)	(95,568)	90,251

## 2. Dividends

	Annual dividends					Total dividends (Annual)	Payout ratio (Consoli- dated)	Dividends on equity attributable to owners of parent (Consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year- end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2023	-	5.00	-	53.00	58.00	15,255	41.2	2.6
December 31, 2024	-	29.00	-	29.00	58.00	15,256	154.6	2.4
Fiscal year ending December 31, 2025 (Forecast)	-	35.00	-	35.00	70.00		40.9	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Basic profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	600,000	2.2	30,000	(29.1)	25,000	(40.4)	13,000	(66.4)	49.42
Full year	1,250,000	3.1	95,000	8.0	84,000	650.9	45,000	356.2	171.08

**Notes:**

- (1) Changes in Significant Subsidiaries during the Fiscal Year Ended December 31, 2024  
(Changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Changes in accounting policies and changes in accounting estimates  
 1) Changes in accounting policies required by IFRS : Yes  
 2) Changes in accounting policies other than 1) : None  
 3) Changes in accounting estimates : None
- (3) Total number of issued shares (common stock)  
 1) Total number of issued shares at the end of the period (including treasury stock)  
     December 31, 2024 : 263,043,057 shares  
     December 31, 2023 : 263,043,057 shares  
 2) Total number of treasury stock at the end of the period  
     December 31, 2024 : 15,195 shares  
     December 31, 2023 : 25,265 shares  
 3) Average number of shares during the period  
     Fiscal year ended December 31, 2024 : 263,024,919 shares  
     Fiscal year ended December 31, 2023 : 263,015,337 shares

**(Reference) Summary of Non-Consolidated Financial Results****Non-Consolidated Financial Results (From January 1, 2024 to December 31, 2024)****(1) Non-Consolidated Operating Results**

Fiscal year ended	Sales revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	623,735	1.3	26,651	(33.7)	57,627	(28.3)	44,298	(28.9)
December 31, 2023	615,529	8.7	40,222	-	80,396	280.7	62,263	213.2

Fiscal year ended	Basic profit per share	Diluted profit per share
	Yen	Yen
December 31, 2024	168.42	-
December 31, 2023	236.73	-

**(2) Non-Consolidated Financial Position**

Fiscal year ended	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2024	945,687	458,874	48.5	1,744.59
December 31, 2023	907,978	437,559	48.2	1,663.61

**(Reference) Shareholder's equity**

As of December 31, 2024: ¥458,874 million    As of December 31, 2023: ¥437,559 million

\* These financial results are outside the scope of auditing.

\* Explanation of the proper use of financial results forecast and other notes

The earnings projections and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to Sumitomo Rubber Industries, Ltd. (the “Company”) and its group companies (collectively, the “Group”) and do not constitute any promises by the Company that they will be realized. Please note that actual results could differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.

With regard to the matters related to the underlying assumptions for the above forecasts, please refer to page 6 of the attached documents of the Consolidated Financial Results for the Period under Review, “1. Overview of Operating Results, (2) Business Forecast for Fiscal 2025.”

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## 1. Overview of Operating Results

### (1) Overview of Operating Results and Financial Position

#### 1) Operating Results for the Fiscal Year under review

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	1,177,399	1,211,856	2.9
Tires	1,006,381	1,046,394	4.0
Sports	126,647	125,650	(0.8)
Industrial and Other Products	44,371	39,812	(10.3)
Business profit	77,670	87,941	13.2
Tires	63,572	76,181	19.8
Sports	12,482	7,878	(36.9)
Industrial and Other Products	1,603	3,725	132.3
Adjustments	13	157	-
Operating profit	64,490	11,186	(82.7)
Profit attributable to owners of parent	37,048	9,865	(73.4)

(Note) “Business profit” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”

#### Foreign exchange rates applied

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	141	152	11
Yen / Euro	152	164	12

During the fiscal year ended December 31, 2024, the economic environment continued to recover gradually, though some regions remain at a standstill. Consumer prices in Japan are increasing, with the improvement in the employment and income environment. While the Japanese economy is expected to continue to recover gradually, there is a risk that the deceleration in overseas economies may depress the domestic business conditions, which is due primarily to the impact of continued high interest rates in the U.S. and Europe and the stagnation of the real estate market in China, and an uncertainty of the situation in Middle East as well as the trends in interest rates and prices.

In the business environment surrounding the Group, while tire sales volume through the fiscal year ended December 31, 2024 was lower than the level of the same period of the previous fiscal year, which stemmed from the impact of production halted at some automobile manufacturers and the market stagnation due mainly to inflation, the effect such as foreign exchange considerably improved the profit as compared with the same period a year ago. Under these circumstances, the Group strongly promoted company-wide projects that aim to reinforce our business foundation with the goal of accomplishing the Mid-Term Plan, which sets 2027 as the target year. At the same time, we worked to strengthen our competitive advantage through such efforts as developing and expanding sales of high-performance products that meet the needs of customers. Moreover, in addition to making the decision to terminate production at the U.S. tire factory and to dissolve the subsidiary operating the factory, we strongly promoted structural reforms, including the completion of the sales of the medical rubber products business in Europe and the fitness business in Japan.

As a result, sales revenue of the Group increased 2.9% from the same period of the previous fiscal year to ¥1,211,856 million, business profit increased 13.2% to ¥87,941 million, operating profit decreased 82.7% to ¥11,186 million and profit attributable to owners of parent decreased 73.4% to ¥9,865 million.

Business performance by business segment was as follows.

### **Tire Business**

Sales revenue in the tire business increased 4.0% from the same period of the previous fiscal year to ¥1,046,394 million, and business profit increased 19.8% to ¥76,181 million.

In the domestic original equipment market, sales significantly fell below the level of the same period of the previous fiscal year due to the typhoon that occurred at the end of August, 2024 as well as production cutbacks at some automobile manufacturers.

In the domestic replacement market, though the sales volume of summer tires increased from the previous fiscal year, the sales volume of winter tires fell below that of the previous fiscal year. Overall sales volume fell below the levels of the previous fiscal year due in part to having strategically reduced low-profit products. “SYNCHRO WEATHER,” the next-generation all-season tire equipped with our new unique “Active Tread” technology, was launched in October, 2024. It has been well received by the market and outperformed the sales targets for the initial year.

In the overseas original equipment market, sales substantially declined from the level of the same period of the previous fiscal year mainly due to decreased sale to Japanese automobile manufacturers in Asia.

In the overseas replacement market, sales slightly fell below the level of the same period of the previous fiscal year. In Asia-Oceania region, sales in China remained at a low level due to its market stagnation. Sales in Asia Pacific region were on par with the level of the same period of the previous fiscal year, despite the overall sluggish market in Southeast Asia. In Europe, sales dipped from the level of the same period of the previous fiscal year because all-season tires and other products which constitute strong points of our FALKEN brand temporarily fallen into short supply, having contributed to sales growth through the expansion of the products. In the American region, though sales volume slightly fell below the level of the same period of the previous fiscal year, the sales of a flagship product, WILDPEAK Series increased primarily, and motorcycle tire sales also performed steadily. In South America, sales exceeded the level of the previous fiscal year, as we made efforts to expand sales in the difficult sales environment where import products increased in the market against the backdrop of a decline in ocean freight, having been working with the distributors.

As a result, sales revenue and business profit in the tire business exceeded the level of the same period of the previous fiscal year thanks to the impact of foreign exchange, though the sales volume declined below the level of the same of the previous fiscal year.

## **Sports Business**

Sales revenue in the sports business decreased 0.8% from the same period of the previous fiscal year to ¥125,650 million, and business profit decreased 36.9% from the same period of the previous fiscal year to ¥7,878 million.

In the golf goods market, sales revenue fell below the level of the same period of the previous fiscal year due to deteriorating market conditions in South Korea and intensification of competitive environments in North America, despite solid sales performance for SRIXON golf clubs and the impact of foreign exchange.

In the tennis goods markets, sales exceeded the level of the previous fiscal year due to increased sales in Japan and North America in spite of decreased sales in Europe.

Regarding the wellness business excluding golf and tennis schools, we transferred all shares of the target company to new shareholders in early December, 2024.

As a result, sales revenue in the sports business were lower than the level of the same period of the previous fiscal year, and business profit decreased as a result of the deceleration of the main golf business in Japan, North America and South Korea, all of which are our key markets.

## **Industrial and Other Products Business**

Sales revenue in the industrial and other products business decreased 10.3% from the same period of the previous fiscal year to ¥39,812 million, and business profit increased 132.3% to ¥3,725 million.

Sales of rubber parts for medical applications decreased as we conducted a stock transfer of our subsidiary engaged in manufacturing and sales of medical rubber products in Europe at the end of January, 2024 and temporarily halted the domestic factory operations because of the construction aimed at enhancing the production capacity. In addition, sales for daily life supplies fell below the level of the same period of the previous fiscal year, but sales for infrastructure products and rubber parts for office equipment and vibration dampers increased.

As a result, sales revenue in the industrial and other products business declined from the level of the same period of the previous fiscal year, though the sales revenue increased when excluding the impact of the transfer of the stock share of the subsidiary for medical rubber products in Europe. Business profit more than doubled compared to the level of the same period of the previous fiscal year, resulting in a significant increase.



## 2) Financial Position

	As of December 31, 2023	As of December 31, 2024	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	1,266,732	1,341,123	74,391
Total liabilities	625,302	665,313	40,011
Total equity	641,430	675,810	34,380
Total equity attributable to owners of parent	624,114	656,134	32,020
Ratio of equity attributable to owners of parent (%)	49.3	48.9	(0.4)
ROE (%)	6.3	1.5	(4.8)
ROA (%)	6.2	6.7	0.5
Interest-bearing debt	310,932	331,218	20,286
D/E ratio	0.5	0.5	-
Equity attributable to owners of parent per share	2,372.90 yen	2,494.54 yen	121.64 yen

(Notes) The ROA figures are calculated using consolidated business profit.

Total assets as of December 31, 2024 increased ¥74,391 million from the end of the previous fiscal year to ¥1,341,123 million. Total current assets increased ¥45,043 million, mainly as a result of increase in inventories. Total non-current assets increased ¥29,348 million, mainly as a result of increase in deferred tax assets.

Total liabilities as of December 31, 2024 increased ¥40,011 million from the end of the previous fiscal year to ¥665,313 million. Interest-bearing debt increased ¥20,286 million to ¥331,218 million.

Total equity as of December 31, 2024 amounted to ¥675,810 million, of which equity attributable to owners of parent was ¥656,134 million. Ratio of equity attributable to owners of parent was 48.9%, and equity attributable to owners of parent per share was ¥2,494.54.

## 3) Cash Flows

Net cash provided by operating activities was ¥104,325 million, the increase being primarily due to the recording of impairment loss of ¥45,124 million and the recording of depreciation and amortization of ¥83,168 million, although there were cash outflows such as income taxes paid of ¥27,474 million.

Net cash used in investing activities was ¥64,659 million, mainly due to the purchase of tangible assets of ¥56,797 million.

As a result, free cash flow, which is computed by subtracting the net cash used in investing activities from the net cash provided by operating activities, was a positive balance of ¥39,666 million.

Net cash used in financing activities was ¥35,623 million, primarily due to cash outflows including repayment of long-term debt and bonds of ¥35,000 million, cash dividends paid of ¥21,561 million and repayment of lease obligation of ¥20,267 million, in spite of cash inflows such as short-term loans payable of ¥43,997 million.

As a result, cash and cash equivalents at the end of the fiscal year under review were ¥100,382 million after reflecting the effects such as exchange rate change on cash and cash equivalents.

(2) Business Forecast for Fiscal 2025

During the fiscal year ending December 31, 2025, while the Group anticipates increased sales in North America and Australia due to the acquisition of the DUNLOP trademark rights as well as increased profits from an improvement in the ratio of premium tires, some of the transition-related costs due to the acquisition of the trademark rights from Goodyear will be recognized in 2025.

In addition, regarding the impact of the production termination at the U.S. tire manufacturing subsidiary, business restructuring expenses will be accounted for in 2025 as well, continuing from 2024.

The Group is working to strengthen its corporate foundation responding quickly to the change in the business environment and considering the quality of profits and the sustainability of growth. The current estimates of the Group's future business performance at this time are as follows.

Business Forecast for Fiscal 2025

	Full year	Change in ratio	First half	Change in ratio
	Millions of yen	%	Millions of yen	%
Sales revenue	1,250,000	3.1	600,000	2.2
Tires	1,088,500	4.0	513,500	3.5
Sports	124,500	(0.9)	68,500	(4.3)
Industrial and Other Products	37,000	(7.1)	18,000	(7.0)
Business profit	95,000	8.0	30,000	(29.1)
Tires	83,000	9.0	24,000	(29.4)
Sports	8,000	1.6	4,500	(35.4)
Industrial and Other Products	4,000	3.0	1,500	13.7
Operating profit	84,000	650.9	25,000	(40.4)
Profit attributable to owners of parent	45,000	356.2	13,000	(66.4)

(Note) "Business profit" is "Sales revenue" subtracted by "Cost of sales" and "Selling, general and administrative expenses."

Foreign exchange rates applied

	Full year	Increase (Decrease)	First half	Increase (Decrease)
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	155	3	155	3
Yen / Euro	160	(4)	160	(5)

The results forecast, and other forward-looking statements herein are based on certain assumptions made in light of the information currently available to the Company and the Group as of the date of the release of this document and include potential risks and uncertainty. Please note that actual results may differ significantly from these forecasts due to changes in various factors surrounding the businesses of the Company and the Group.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal 2024 and 2025

The Company considers the return of gains to shareholders to be a matter deserving of the utmost priority. Accordingly, our basic policy is to ensure a long-term, stable stream of shareholder returns based on comprehensive consideration of dividend payout ratios, performance prospects, retained earnings levels and other such indicators on a consolidated basis. The Company also fully intend to utilize our retained earnings as a means of securing funds for capital expenditures, R&D and other forward-looking investments with the aim of expanding our group's earnings base well into the future.

For fiscal 2024, we intend to pay a year-end dividend of ¥29 per share. Combined with an interim dividend of ¥29 per share, which has already been paid, the annual dividend for fiscal 2024 will be ¥58 per share.

For fiscal 2025, we currently plan to pay an annual dividend of ¥70 per share, consisting of an interim dividend of ¥35 per share and a year-end dividend of ¥35 per share.

## 2. Basic Approach to the Selection of Accounting Standards

The Group has adopted IFRS from the fiscal year ended December 31, 2016, with a view to enhancing the international comparability of financial statements in capital markets and improving the quality of business management of the Group companies.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	90,251	100,382
Trade and other receivables	215,970	221,679
Other financial assets	2,896	2,262
Inventories	262,456	290,947
Other current assets	51,368	54,492
Subtotal	622,941	669,762
Assets related to disposal groups classified as held for sale	1,778	-
Total current assets	624,719	669,762
Non-current assets		
Tangible assets	451,621	444,047
Goodwill	29,704	29,457
Intangible assets	50,332	59,087
Investments accounted for using equity method	4,486	4,529
Other financial assets	33,056	34,000
Net defined benefit asset	53,474	62,378
Deferred tax assets	17,357	34,687
Other non-current assets	1,983	3,176
Total non-current assets	642,013	671,361
Total assets	1,266,732	1,341,123

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	61,209	89,805
Trade and other payables	175,844	186,587
Other financial liabilities	16,542	14,272
Income tax payable	17,450	6,339
Provisions	2,235	7,178
Other current liabilities	56,271	66,434
Subtotal	329,551	370,615
Liabilities related to disposal groups classified as held for sale	1,538	-
Total current liabilities	331,089	370,615
Non-current liabilities		
Bonds and loans payable	184,166	162,637
Other financial liabilities	52,139	64,877
Net defined benefit liability	23,027	24,578
Provisions	1,431	871
Deferred tax liabilities	12,219	19,644
Other non-current liabilities	21,231	22,091
Total non-current liabilities	294,213	294,698
Total liabilities	625,302	665,313
Equity		
Capital stock	42,658	42,658
Capital surplus	39,702	39,788
Retained earnings	522,716	520,815
Treasury stock	(43)	(26)
Other components of equity	19,081	52,899
Total equity attributable to owners of parent	624,114	656,134
Non-controlling interest	17,316	19,676
Total equity	641,430	675,810
Total liabilities and equity	1,266,732	1,341,123

(2) Consolidated Statement of Income and Comprehensive Income  
Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Sales revenue	1,177,399	1,211,856
Cost of sales	(850,898)	(853,568)
Gross profit	326,501	358,288
Selling, general and administrative expenses	(248,831)	(270,347)
Business profit	77,670	87,941
Other income	2,609	4,221
Other expenses	(15,789)	(80,976)
Operating profit	64,490	11,186
Financial income	11,933	12,305
Financial expenses	(13,705)	(7,289)
Equity in earnings of affiliates	27	49
Profit before tax	62,745	16,251
Income tax expenses	(24,239)	(3,304)
Profit	38,506	12,947
Profit attributable to:		
Owners of parent	37,048	9,865
Non-controlling interests	1,458	3,082
Profit	38,506	12,947
Profit per share		
Basic profit per share (Yen)	140.86	37.51

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	38,506	12,947
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,941	1,680
Remeasurements of defined benefit plan	8,600	6,758
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	(31)	9
Currency translation differences of foreign operations	34,549	37,297
Other comprehensive income, net of tax	47,059	45,744
Comprehensive income	85,565	58,691
Comprehensive income attributable to:		
Owners of parent	83,038	53,485
Non-controlling interests	2,527	5,206
Comprehensive income	85,565	58,691

(3) Consolidated Statement of Changes in Equity  
For the fiscal year ended December 31, 2023

(Millions of yen)

	Equity attributable to owners of parent					
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2023	42,658	39,705	478,379	(61)	(25,144)	27
Profit			37,048			
Other comprehensive income					33,445	(31)
Total comprehensive income	-	-	37,048	-	33,445	(31)
Purchase of treasury stock				(3)		
Disposal of treasury stock		(0)		0		
Dividends			(5,260)			
Share-based payment transactions		(7)		21		
Transfer to retained earnings			12,428			
Transfer to capital surplus		7	(7)			
Transfer to other components of equity relating to disposal groups classified as held for sale					1,900	
Other		(3)	128			
Total transactions with owners	-	(3)	7,289	18	1,900	-
Balance as of December 31, 2023	42,658	39,702	522,716	(43)	10,201	(4)

	Equity attributable to owners of parent					Non-controlling interests	Total
	Other components of equity				Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Other components of equity relating to disposal groups classified as held for sale	Total			
Balance as of January 1, 2023	10,636	-	-	(14,481)	546,200	17,663	563,863
Profit				-	37,048	1,458	38,506
Other comprehensive income	3,942	8,634		45,990	45,990	1,069	47,059
Total comprehensive income	3,942	8,634	-	45,990	83,038	2,527	85,565
Purchase of treasury stock				-	(3)		(3)
Disposal of treasury stock				-	0		0
Dividends				-	(5,260)	(2,870)	(8,130)
Share-based payment transactions				-	14		14
Transfer to retained earnings	(3,794)	(8,634)		(12,428)	-		-
Transfer to capital surplus				-	-		-
Transfer to other components of equity relating to disposal groups classified as held for sale			(1,900)	-	-		-
Other				-	125	(4)	121
Total transactions with owners	(3,794)	(8,634)	(1,900)	(12,428)	(5,124)	(2,874)	(7,998)
Balance as of December 31, 2023	10,784	-	(1,900)	19,081	624,114	17,316	641,430



For the fiscal year ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of parent					
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Currency translation differences of foreign operations	Cash flow hedges
Balance as of January 1, 2024	42,658	39,702	522,716	(43)	10,201	(4)
Profit			9,865			
Other comprehensive income					33,298	9
Total comprehensive income	-	-	9,865	-	33,298	9
Purchase of treasury stock				(4)		
Disposal of treasury stock		(0)		0		
Dividends			(21,568)			
Share-based payment transactions		2		21		
Transfer to retained earnings			9,802			
Transfer to capital surplus						
Other		84				
Total transactions with owners	-	86	(11,766)	17	-	-
Balance as of December 31, 2024	42,658	39,788	520,815	(26)	43,499	5

	Equity attributable to owners of parent					Non-controlling interests	Total
	Other components of equity				Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Other components of equity relating to disposal groups classified as held for sale	Total			
Balance as of January 1, 2024	10,784	-	(1,900)	19,081	624,114	17,316	641,430
Profit				-	9,865	3,082	12,947
Other comprehensive income	1,681	6,732	1,900	43,620	43,620	2,124	45,744
Total comprehensive income	1,681	6,732	1,900	43,620	53,485	5,206	58,691
Purchase of treasury stock				-	(4)		(4)
Disposal of treasury stock				-	0		0
Dividends				-	(21,568)	(2,788)	(24,356)
Share-based payment transactions				-	23		23
Transfer to retained earnings	(3,070)	(6,732)		(9,802)	-		-
Transfer to capital surplus				-	-		-
Other				-	84	(58)	26
Total transactions with owners	(3,070)	(6,732)	-	(9,802)	(21,465)	(2,846)	(24,311)
Balance as of December 31, 2024	9,395	-	-	52,899	656,134	19,676	675,810

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
<b>Cash flows from operating activities</b>		
Profit before tax	62,745	16,251
Depreciation and amortization	78,559	83,168
Impairment loss	11,399	45,124
Interest and dividends income	(3,538)	(3,716)
Interest expenses	6,417	7,289
Share of (profit) loss of entities accounted for using equity method	(27)	(49)
Loss (gain) on sales and retirement of non-current assets	841	1,147
Decrease (increase) in inventories	26,586	(20,598)
Decrease (increase) in trade and other receivables	545	2,996
Increase (decrease) in trade and other payables	(2,938)	(990)
Other, net	12,583	4,426
Subtotal	193,172	135,048
Interest received	2,774	2,834
Dividend income received	851	877
Interest expenses paid	(6,274)	(6,960)
Income taxes paid	(20,723)	(27,474)
Net cash provided by (used in) operating activities	169,800	104,325
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(63,295)	(56,797)
Proceeds from sales of tangible assets	1,126	388
Purchase of intangible assets	(8,997)	(15,440)
Purchase of investment securities	(244)	(240)
Proceeds from sales of investment securities	7,060	4,998
Other, net	2,120	2,432
Net cash provided by (used in) investing activities	(62,230)	(64,659)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(42,516)	43,997
Proceeds from long-term debt and newly issued bonds	6,237	-
Repayments of long-term debt and redemption of bonds	(34,305)	(35,000)
Repayments of lease obligations	(16,847)	(20,267)
Cash dividends paid	(5,264)	(21,561)
Cash dividends paid to non-controlling interests	(2,870)	(2,788)
Other, net	(3)	(4)
Net cash provided by (used in) financing activities	(95,568)	(35,623)
Effect of exchange rate change on cash and cash equivalents	5,336	6,088
Net increase (decrease) in cash and cash equivalents	17,338	10,131
Cash and cash equivalents at the beginning of current period	73,846	90,251
Cash and cash equivalents included in assets relating to disposal groups classified as held for sale	(933)	-
Cash and cash equivalents at the end of current period	90,251	100,382

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

(Notes on Material accounting policy)

The material accounting policies adopted for the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2023, except for the following item.

(Supplier Finance Arrangements - IAS 7 and IFRS 7)

The Group has applied the standard IAS 7 "Statement of Cash Flows" (amended in May 2023) and IFRS 7 "Financial Instruments: Disclosures" (amended in May 2023), (expanded disclosure of Supplier Finance Arrangements) effective for the fiscal year ended December 31, 2024.

(Notes on Impairment loss)

For the fiscal year ended December 31, 2023

As part of business restructuring, the Company transferred all shares it holds in subsidiary LAG to NCM Investments VII B.V., a subsidiary of private equity fund Nimbus Investment Fund V Coöperatief U.A. operated by Nimbus, an investment fund company headquartered in the Netherlands. The transfer was completed on January 31, 2024 after the resolution and conclusion of a share transfer agreement for the share transfer at the Board of Directors meeting held on December 20, 2023. As a result of this share transfer, LSI, a wholly owned subsidiary of LAG that manufactures medical rubber products in Slovenia, will also no longer be a subsidiary of the Company.

Accordingly, the carrying amount of the manufacturing equipment, etc. of LAG and LSI was written down to the recoverable value calculated using the fair value (classified as "Level 3" within the fair value hierarchy) based on the planned sale price and other factors. An impairment loss of 11,303 million yen was recorded in "Other expenses".

For the fiscal year ended December 31, 2024

The Company resolved at the Board of Directors meeting held on November 7, 2024, to terminate all production activities at SRUSA, a consolidated subsidiary of the Company, and to dissolve SRUSA as part of business structure reform after making the necessary preparations. We will proceed with necessary procedures for dissolution in accordance with local laws and regulations.

Accordingly, the carrying amount of the manufacturing equipment of SRUSA was written down to the recoverable value using the fair value less costs to sell (classified as "Level 3" within the fair value hierarchy). An impairment loss of 41,770 million yen was recorded in "Other expenses".

(Notes on Other income and expenses)

Other income and expenses consist of the following.

1. Other income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Gain on sale of goods	1,235	754
Insurance income	300	900
Gain on sales of non-current assets	437	263
Others	637	2,304
Total	2,609	4,221

2. Other expenses

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Impairment loss (Note 1) (Note 2)	11,399	45,124
Loss on sales and retirement of non-current assets	1,278	1,410
Losses related to voluntary product recalls	345	4,052
Business restructuring expenses (Note 2)	-	27,618
Others	2,767	2,772
Total	15,789	80,976

(Notes)

1. Details of impairment loss are described in Notes on Impairment loss.
2. During the fiscal year ended December 31, 2024, regarding the termination of production and dissolution of SRUSA, impairment loss and business restructuring expenses, including special retirement allowances and inventory write-downs, have been recognized.

(Segment Information)

1. Information by reportable segment

Reportable segments of the Group are the units for which separate financial information is available and periodically reviewed by the Board of Directors as the highest decision-making body for the purposes of deciding the allocation of management resources and evaluating business performance.

The Group has three divisions based on operations in Tires, Sports and Industrial and Other Products. Each division formulates comprehensive strategies for both domestic and overseas markets and develops business activities.

Therefore, the Group identifies “Tires”, “Sports”, and “Industrial and Other Products” as reportable segments.

Major products and services or details of business that belong to each reportable segment are as follows:

Reportable segment	Major products and services or detail of business
Tires	Tires and tubes (for automobiles, construction vehicles, industrial vehicles, automotive races and rallies, motorcycles, etc.) Automotive system business (instant mobility systems, deflation warning systems, etc.)
Sports	Sporting goods (golf clubs, golf balls and other golf goods, tennis goods, etc.) Operation of golf tournaments Operation of golf and tennis schools Fitness business (Note 1), and others
Industrial and Other Products	High-performance rubber products (vibration control dampers, rubber parts for office equipment, rubber parts for medical applications, etc.) Daily life supplies (rubber gloves for cooking and other operations, ramps for wheelchair use, etc.) Products for infrastructure (marine dock fenders, flooring materials for factories and sports facilities, etc.)

(Note)

1. In early December, 2024, the sale of all shares of the target company of the fitness business has been completed.

2. Reportable segment sales revenues and profit or loss

Inter-segment sales revenue and transfers are stated at wholesale prices based on current market values. Figures for reportable segment are based on business profit.

Information for the reportable segments for the previous fiscal year and the current fiscal year is as follows:

(1) For the fiscal year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	1,006,381	126,647	44,371	1,177,399	-	1,177,399
Inter-segment sales revenue	1,449	152	1,288	2,889	(2,889)	-
Total	1,007,830	126,799	45,659	1,180,288	(2,889)	1,177,399
Segment profit (Business profit) (Note 1)	63,572	12,482	1,603	77,657	13	77,670
Other income and expenses						(13,180)
Operating profit						64,490
Other major items						
Depreciation and Amortization	70,273	5,691	2,595	78,559	-	78,559
Impairment loss	96	-	11,303	11,399	-	11,399
Capital expenditures	66,660	2,479	1,312	70,451	-	70,451

(Notes)

1. “Segment profit (Business profit)” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”
2. Segment profit included in “Adjustment” comprised elimination of inter-segment transactions.

(2) For the fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	1,046,394	125,650	39,812	1,211,856	-	1,211,856
Inter-segment sales revenue	1,303	134	1,405	2,842	(2,842)	-
Total	1,047,697	125,784	41,217	1,214,698	(2,842)	1,211,856
Segment profit (Business profit) (Note 1)	76,181	7,878	3,725	87,784	157	87,941
Other income and expenses						(76,755)
Operating profit						11,186
Other major items						
Depreciation and Amortization	75,670	5,989	1,509	83,168	-	83,168
Impairment loss	41,931	3,193	-	45,124	-	45,124
Capital expenditures	72,057	4,364	1,644	78,065	-	78,065

(Notes)

1. “Segment profit (Business profit)” is “Sales revenue” subtracted by “Cost of sales” and “Selling, general and administrative expenses.”

2. Segment profit included in “Adjustment” comprised elimination of inter-segment transactions.

3. Information about products and services

Disclosure of this information is omitted because the segmentation of products and services is equal to that of reportable segments.

4. Information by geographic area

Sales revenue and non-current assets from external customers by country and geographic area are as follows:

(1) Sales revenue from external customers

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Japan	347,394	344,547
North America	263,463	285,525
Europe	204,942	213,528
Asia	200,550	199,992
Other areas	161,050	168,264
Total	1,177,399	1,211,856

(Note) Sales revenues are classified based on the location of sales destination.

(2) Non-current assets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Japan	218,618	213,252
North America	56,858	19,019
Europe	56,776	66,984
Asia	121,908	149,506
Other areas	79,480	87,006
Total	533,640	535,767

(Note) Non-current assets are classified based on the physical location where the assets are located. Investments accounted for using equity method, other financial assets, net defined benefit assets and deferred tax assets are not included.

5. Information about major customers

Disclosure of this information is omitted because sales revenue from transactions with a single external customer does not exceed 10% of the Group’s consolidated sales revenue.



(Per Share Amounts)

1. Basic profit per share

Basic profit per share is as follows:

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Basic profit per share (Yen)	140.86	37.51

2. Basis for calculation of basic profit per share

The basis for calculation of basic profit per share is as follows:

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit attributable to owners of parent (Millions of yen)	37,048	9,865
Single-weighted average number of issued share (Thousands of share)	263,015	263,025

Diluted profit per share is not presented because there were no potentially dilutive securities.

(Significant Subsequent Events)

The Group resolved at the Board of Directors meeting, held on January 8, 2025, about the Company's acquisition of the trademark and other rights of DUNLOP in tires for four-wheel vehicles in Europe, North America, and the Oceania region from The Goodyear Tire & Rubber Company (Head Office: the State of Ohio, the United States of America; hereinafter "Goodyear") and concluded the transfer agreement.

1. Purposes of the acquisition of DUNLOP trademark and other rights

The Group has been considering means for further maximizing the value of products, which use our unique technologies for differentiation, to steadily implement the structural reform under the New Mid-Term Plan and to accelerate the growth of our core tire business. Through this acquisition of the trademark and other rights of DUNLOP in tires for four-wheel vehicles from Goodyear, the Group will deploy the DUNLOP brand on a global scale with the exceptions of some regions and product lines. Taking advantage of the benefits of the DUNLOP brand, a brand with a high degree of recognition that can maximize the value globally, the Group will differentiate our products from those of other companies by using advanced technologies and will increase the ratio of premium products globally. In addition, the Group will strengthen its companywide brand strategies in coordination with the DUNLOP brand in the sports business, which it already holds, to expand the sales of DUNLOP brand products.

2. Overview of the transaction

(1) The trademark and other rights to be acquired

The trademark and other rights of DUNLOP in tires for four-wheel vehicles in Europe, North America, and the Oceania region

(2) The items and amounts of assets and liabilities to be acquired

The main assets and others to be acquired amount to 526 million US dollars, including trademark rights and contract rights.

(3) Acquisition price and a method of settlement

Acquisition price: 526 million US dollars \*

Method of settlement: Cash settlement with own and borrowed funds, etc.

\*An additional amount of 105 million US dollars, representing expenses for sale support services including the transition of customers in Europe, and the purchase price for inventory and other will be paid along with the above acquisition price. Such inventory purchase price etc. are yet to be determined and the Group will pay estimated amount at closing, subject to a true-up, where after closing, the inventory will be examined, and price adjustment will be made as necessary

3. Overview of the counterparty

(1) Company name	The Goodyear Tire & Rubber Company	
(2) Address	Akron, Ohio, USA	
(3) Representative	Chief Executive Officer and President: Mark Stewart	
(4) Business description	Manufacture and sale of tires, etc.	
(5) Share capital	284 million US dollars (as of the end of December 2023)	
(6) Establishment	1898	
(7) Net assets	4,837 million US dollars (as of the end of December 2023)	
(8) Total assets	21,582 million US dollars (as of the end of December 2023)	
(9) Relationship between the listed company and the company concerned	Capital relationship	None
	Personnel relationship	None
	Business relationship	Sale of tires
	Status as a related party	None

Business performance of Goodyear (Results for the fiscal year ended December 31, 2023)

	Goodyear (on a consolidated basis)
Sales	20,066 million US dollars
Gross profit	3,509 million US dollars
Operating profit	695 million US dollars

4. Schedule (Japan time)

(1) Date of the dissolution at the Board of Directors meeting	January 8, 2025
(2) Date of the conclusion of the agreement	January 8, 2025
(3) Date of the closing	May 2025 (tentative)

5. Overview of the accounting process

The accounting process of this transaction and the impact on future business performance is under review.