

# Regarding the Acquisition of DUNLOP Trademark Rights, etc., from GOODYEAR

January 8th, 2025



**住友ゴム工業株式会社**  
SUMITOMO RUBBER INDUSTRIES, LTD.

## **1. Progress of the Mid-Term Plan**

## **2. The Significance and Purpose of Acquiring This Trademark Right**

## **3. Overview of This Transaction**

## **4. Business Development Direction after Acquiring the Trademark Rights, etc.**

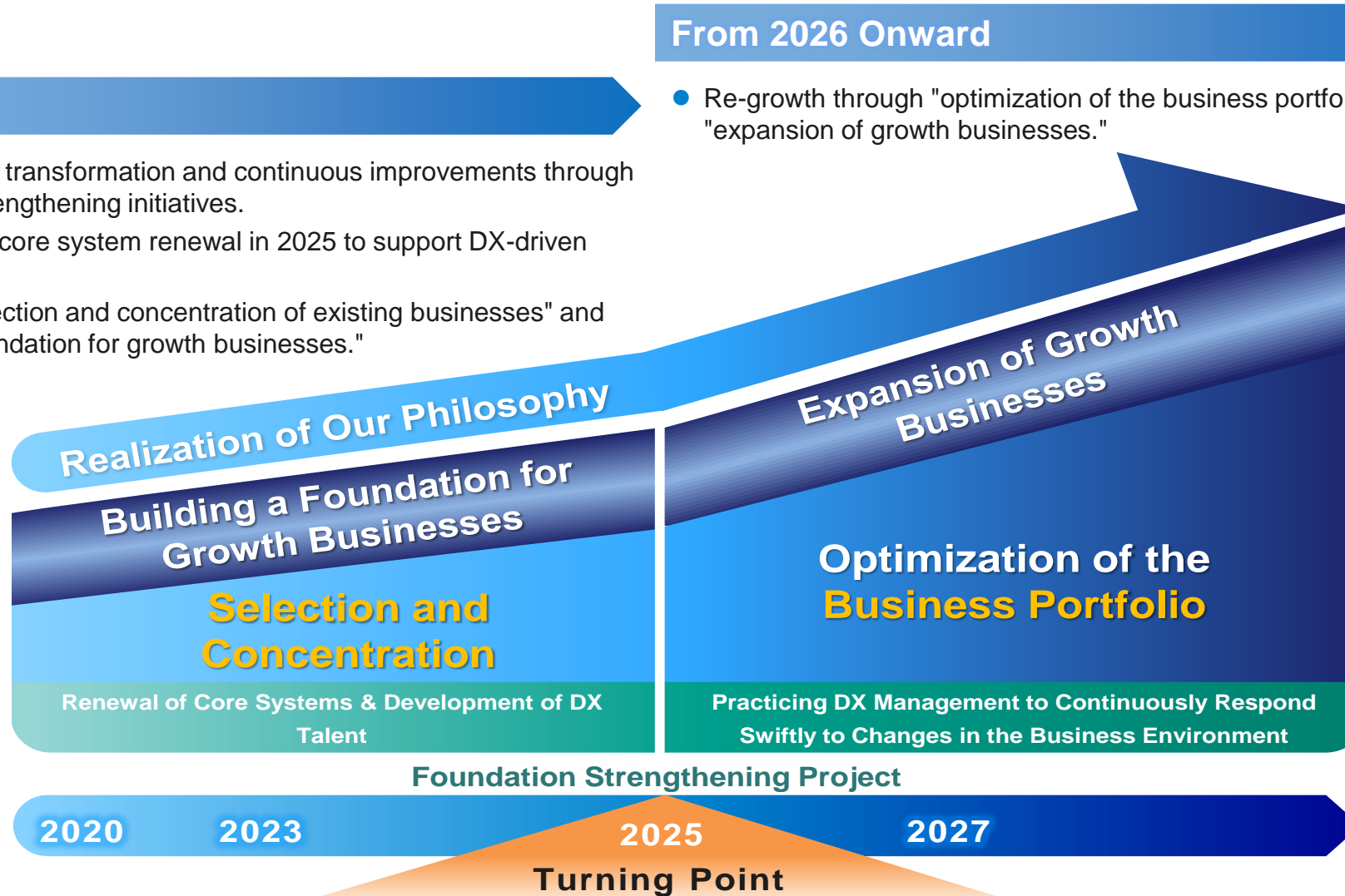
The current mid-term plan is being steadily executed, reaching a turning point in 2025.

## By 2025

- Organizational transformation and continuous improvements through foundation-strengthening initiatives.
- Completion of core system renewal in 2025 to support DX-driven management.
- Focus on "selection and concentration of existing businesses" and "building a foundation for growth businesses."

## From 2026 Onward

- Re-growth through "optimization of the business portfolio" and "expansion of growth businesses."



We have been steadily executing structural reforms while developing proprietary technologies and maximizing product value.

**Selection and Concentration of Existing Businesses**

## Steady Execution of Structural Reforms

- Decision was taken to terminate production and dissolve the North American tire manufacturing subsidiary. Out of approximately 10 targeted businesses, 6 have been addressed.

▶ **Building a Strong Execution Base to Adapt to Change**

**Foundation Building for Growth Businesses**

## Development of Proprietary Technologies and Products

- Launched SYNCHRO WEATHER in the domestic market.
- Advanced active tread technology with plans for expansion into the European and U.S. markets.

▶ **Mastering Rubber Technology and Maximizing Product Value**

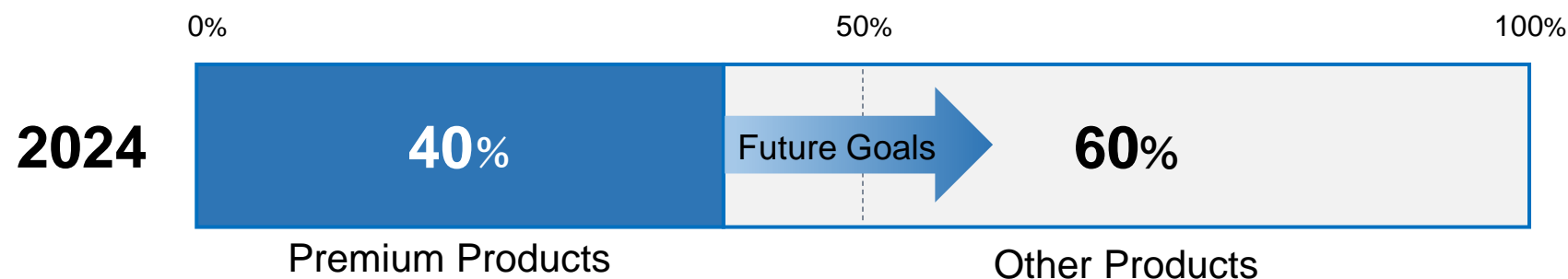


**To accelerate the growth of our core tire business, we have been exploring ways to further maximize the value of differentiated products utilizing our proprietary technologies.**

## 2. The Significance and Purpose of Acquiring This Trademark Right : Promotion of Premiumization in Our Tire Business

We continue to explore premium strategies and ways to maximize product value in the tire business, which is the core driver of our growth.

### Our Consumer Tire Premium Ratio (Based on Volume)



### Consumer Tire Segment: Our Premium Products

*All-Season Tires*



**SYNCHRO WEATHER**

*Ultra-High-Performance Tires*



**SPORT MAXX**  
**e.SPORT MAXX**

*Tires for SUVs/Pickups*



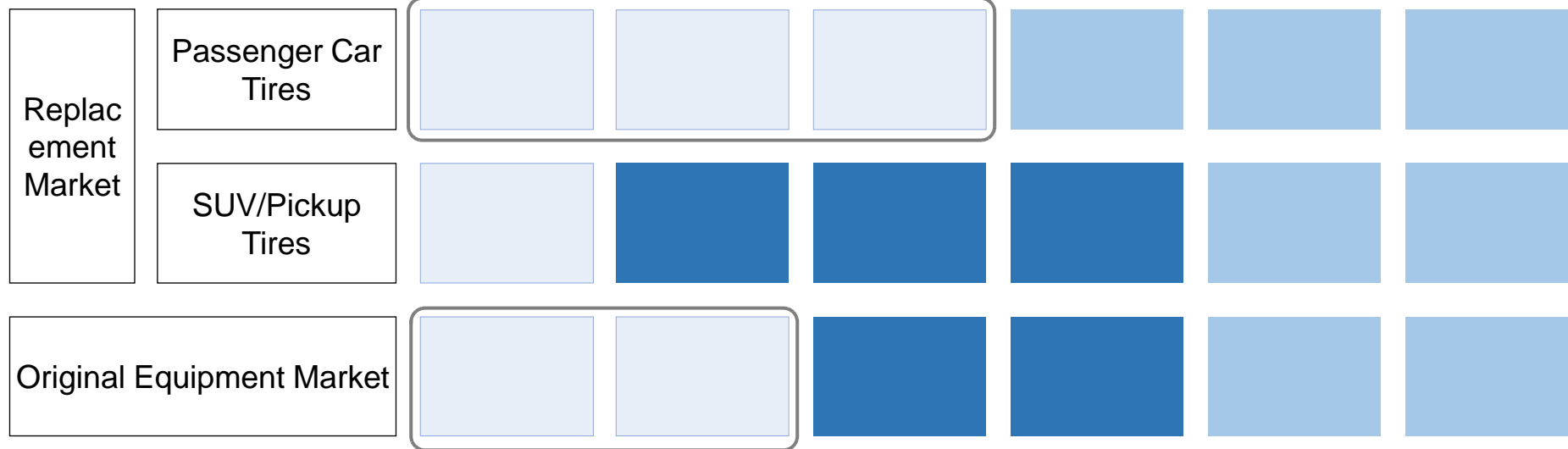
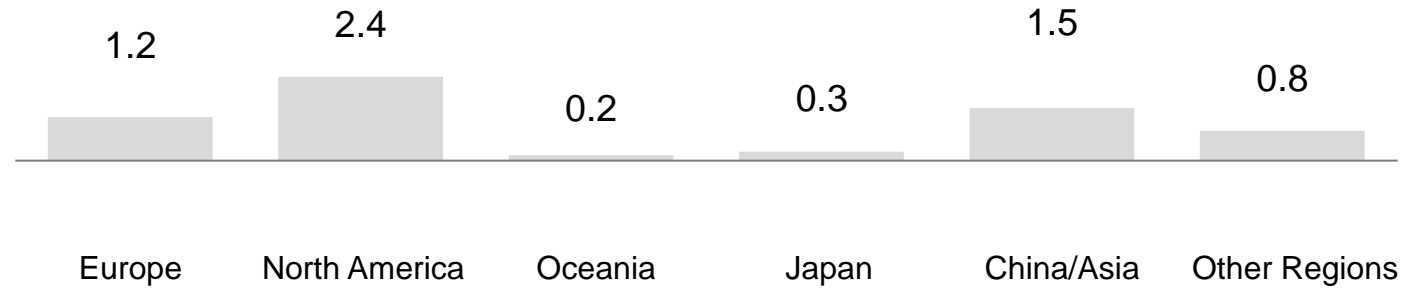
**WILDPEAK**  
**GRANDTREK**

The above differentiated products, along with SUV tires and passenger car tires of 18 inches or larger, are defined as premium products.

## 2. The Significance and Purpose of Acquiring This Trademark Right : Current Position of Our Company in the Consumer Premium Tire Segment

**Capturing the passenger car tire markets, which are key segments in Europe, North America, and Oceania, is essential for future growth.**

Premium Tire Market  
(Hundreds of Millions of Units)  
(Company Estimates)



Our Position



Further growth potential exists



Comparable position to competitors



Position established

**We are focused on maximizing the value of differentiated products equipped with our proprietary technologies on a global scale.**

### <Japan & Asia Markets>

Leveraging two brands to penetrate the consumer tire market, particularly the premium product segment.

Successfully introduced differentiated products utilizing our proprietary technologies, achieving notable results.

### <Europe, North America, and Oceania Markets>

Achieved market success in the SUV/Pickup segment through the expansion of the FALKEN brand.

Preparing to fully target the premium product segment globally.



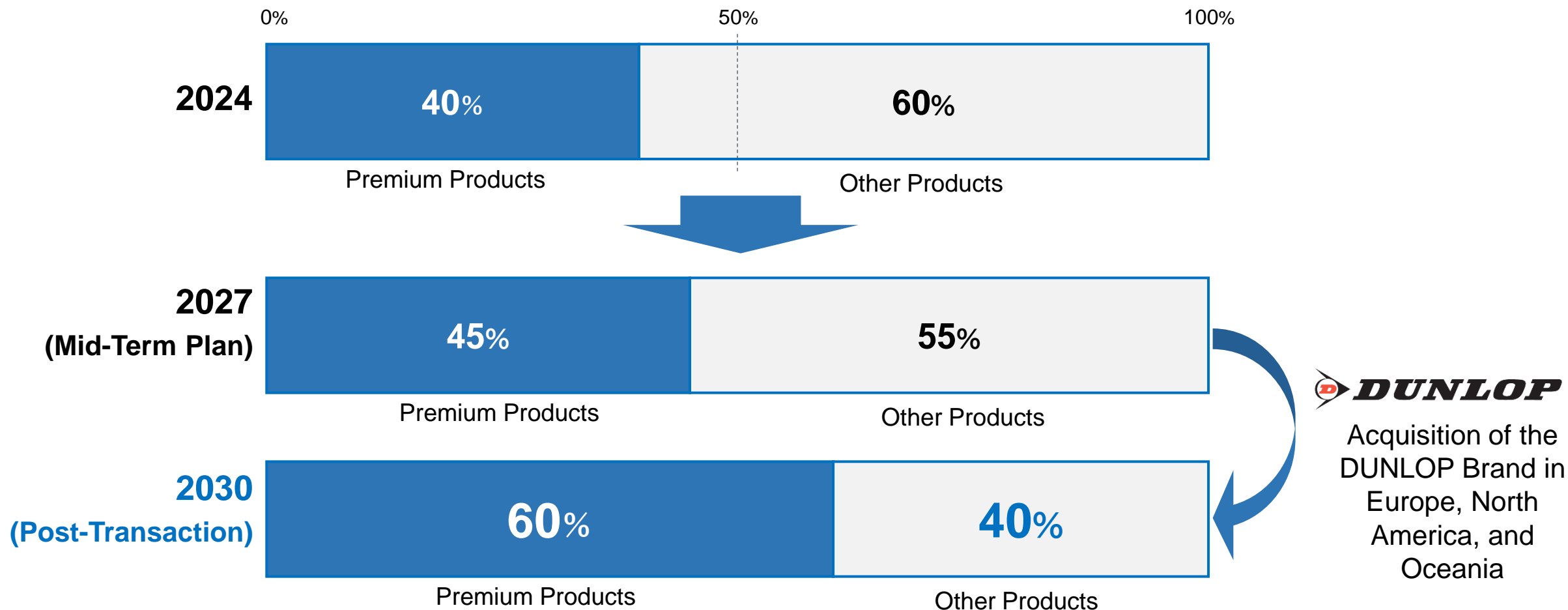
**Acquisition of the DUNLOP Trademark Rights held by  
GOODYEAR in Europe, North America, and Oceania.**



## 2. The Significance and Purpose of Acquiring This Trademark Right : Promotion of Premiumization in Our Tire Business

**We will expand the share of premium products by introducing differentiated products under the DUNLOP brand in Europe, North America, and Oceania.**

**Our Consumer Tire Premium Ratio (Based on Volume)**





Exchange rate at time of acquisition = ¥157 to the dollar (¥157/ USD )

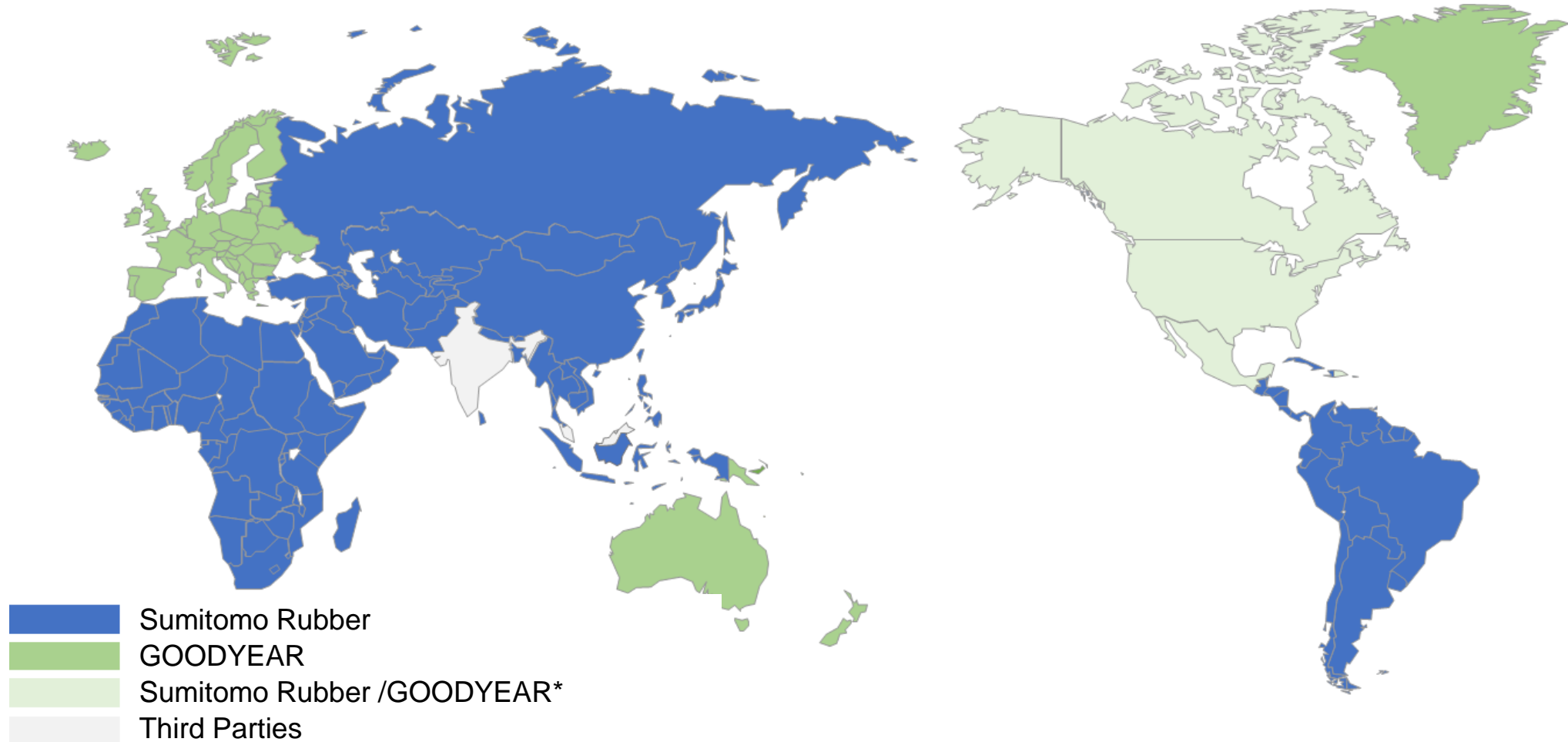
Target	<b>Acquisition of DUNLOP trademark rights for four-wheeler tires in Europe, North America, and Oceania.</b>
Acquisition price	<b>USD 526 million (JPY 82.6 billion)</b>
Pro Forma DUNLOP EBITDA <sup>※1</sup>	<b>USD 93 million (JPY 14.6 billion).</b>
EV/EBITDA Multiple <sup>※1</sup>	<b>5.7x</b>
Closing	<b>Scheduled for May 2025 (subject to approval under the competition laws of respective countries).</b>
Funding	<b>Combination of self-financing and borrowings.</b>
Other contractual terms	<ul style="list-style-type: none"> <li>- <b>Transition support costs of USD 105 million related to customer transition for European DUNLOP products and the purchase of initial inventory will be paid together with the acquisition price at the time of closing.</b></li> <li>- <b>A product supply agreement with GOODYEAR (for a period of 3-5 years until full transition to in-house manufacturing).</b></li> </ul>
Manufacturing site	<b>The acquisition does not include the transfer of GOODYEAR's manufacturing facilities.</b>

Note 1: Our Pro Forma DUNLOP EBITDA is estimated based on the FY2023 sales performance of the DUNLOP business.

Note 2: The purchase cost of initial inventory is currently undetermined. An estimated amount will be provisionally paid at the time of closing, with a subsequent review of inventory after closing. Price adjustments will be made as necessary based on this review.

### 3. Overview of This Transaction : Current Status of the DUNLOP Trademark (Tires)

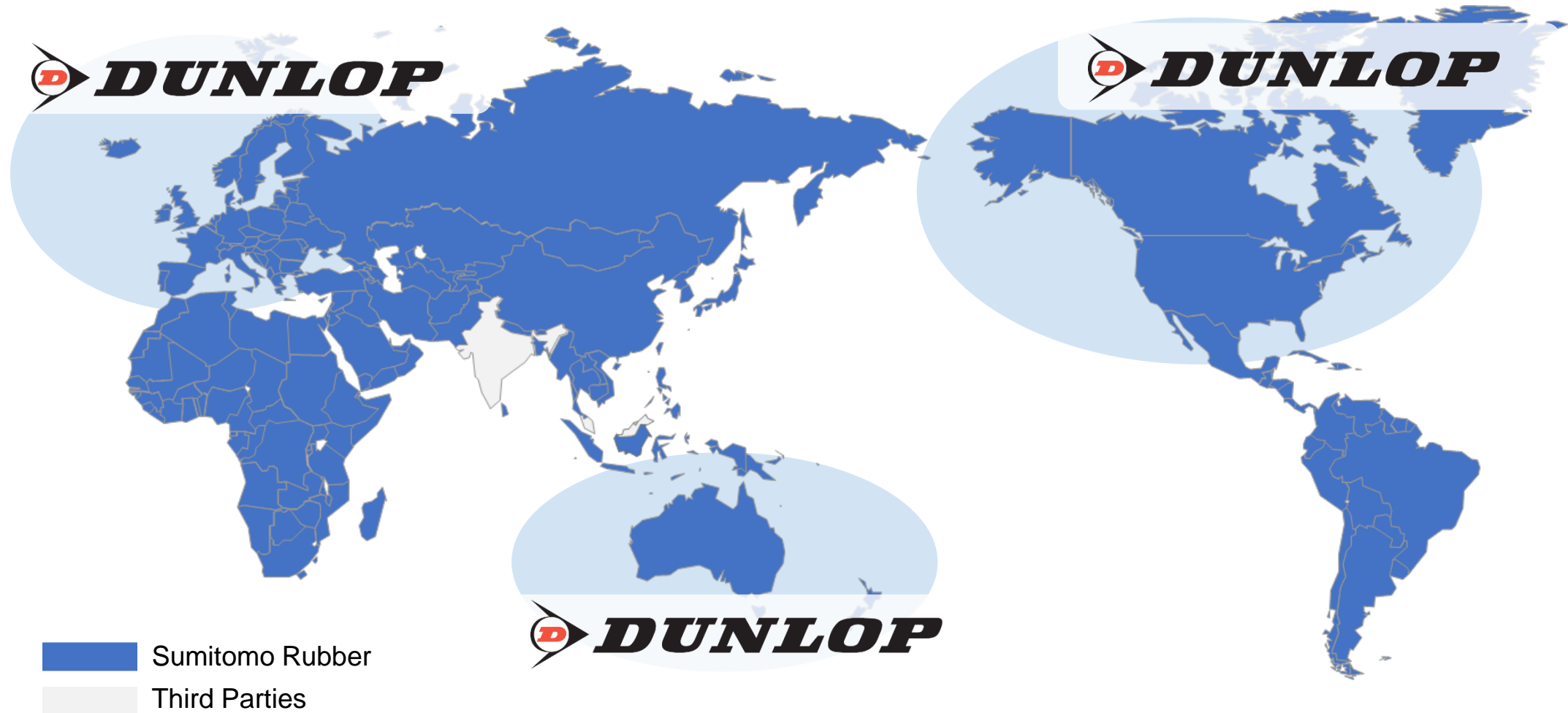
**In Europe, North America, and Oceania, the DUNLOP brand could not be used. As a result, these markets have primarily been developed with the FALKEN brand.**



\*Sumitomo Rubber retains the rights to use the DUNLOP trademark in North America for original equipment (OE) tires supplied to Japanese automakers, as well as for motorcycle tires.

### 3. Overview of This Transaction : DUNLOP Trademark Rights (Tires) After This Transaction

We acquired the DUNLOP trademark rights for tires in Europe, North America, and Oceania, previously held by GOODYEAR. Sumitomo Rubber will globally expand the DUNLOP brand, with some exceptions for specific regions and product categories.



\*GOODYEAR will retain the rights to use the DUNLOP trademark for motorcycle tires in Europe and Oceania.

# 4. Business Development Direction after Acquiring : Brand Recognition

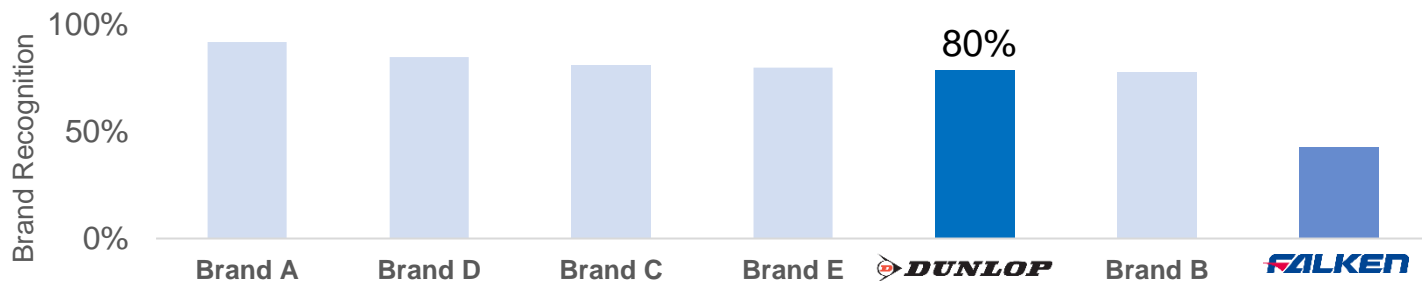
**DUNLOP enjoys a high level of brand recognition among Tier 1 brands, particularly in the following categories:**



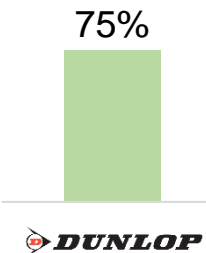
**Europe**

## Tires

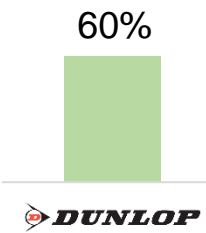
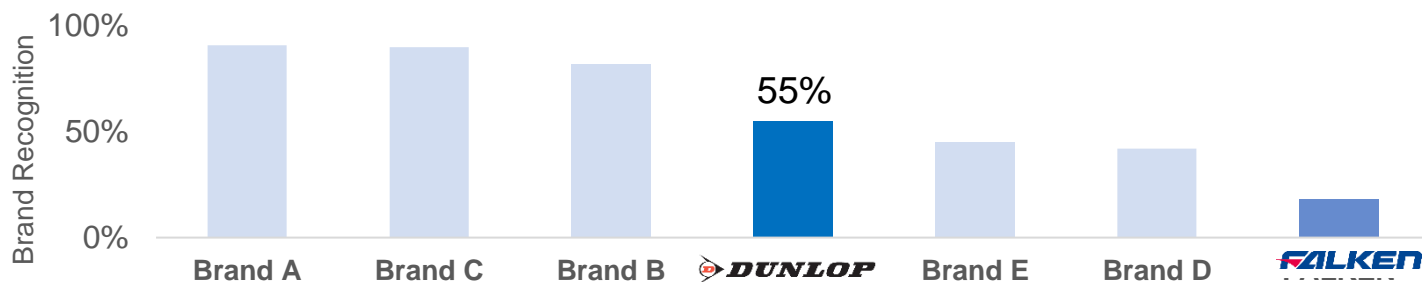
Brands A to E are categorized as Tier 1 brands.



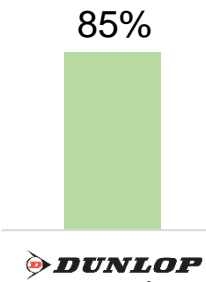
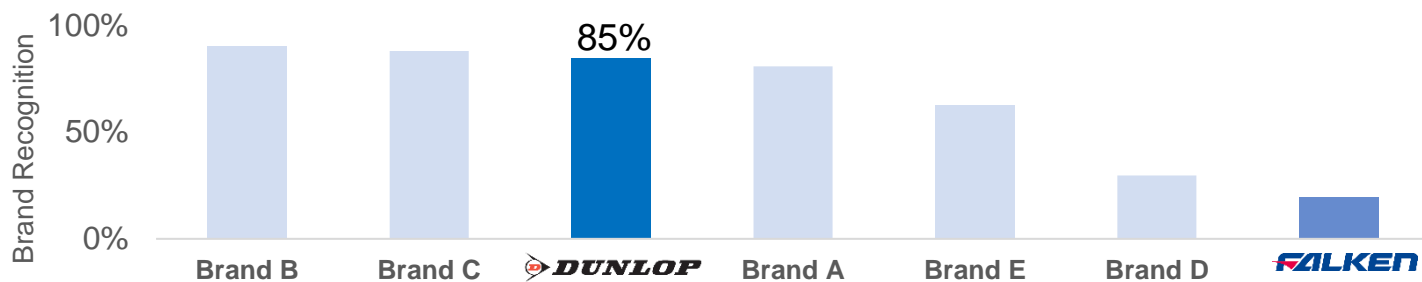
## Sports (Tennis)



**North America**



**Oceania**



Recognition rates are based on our company's aided recall surveys conducted between 2018 and 2024. For Europe, tire data is based on surveys in Germany, and sports data is based on surveys in France.

High Global Recognition

Tier1

## Tier 1: Premium Category



### Global Consumer Premium Tires

- Passenger car/SUV tires utilizing "Active Tread" technology
- Flagship tires differentiated by proprietary technologies



SYNCHRO WEATHER



- Premium original equipment (OE) tires for high-end vehicles



**SPORT MAXX**  
**GRANDTREK**

- Tires for motorsports



Cross-Marketing with the  
Sports Business

Tier2

## Tier 2: Top Category



Edgy tires targeted at the fan base cultivated in North America and Europe.

**AZENIS WILDPEAK**

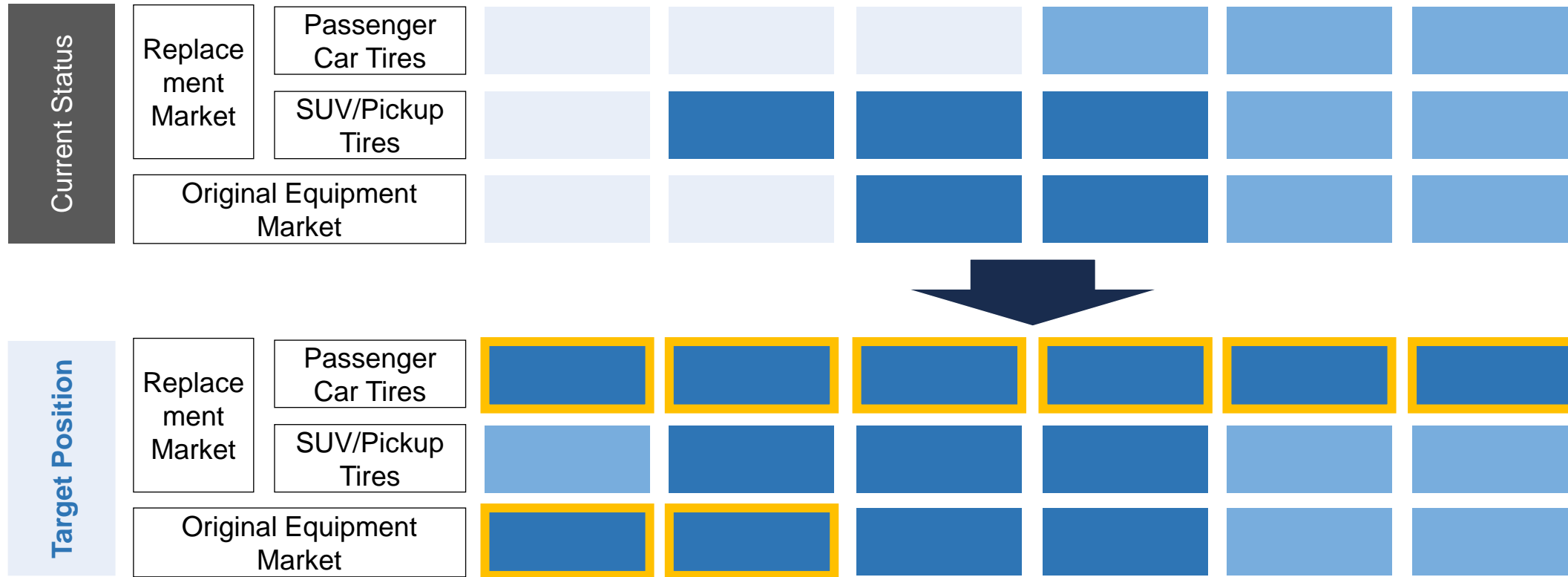
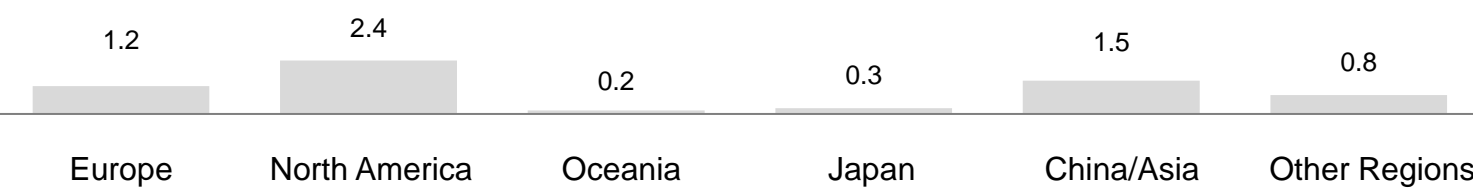


Budget

# 4. Business Development Direction after Acquiring : Our Position in the Premium Consumer Tire Segment

**The acquisition of the DUNLOP brand will accelerate our efforts to penetrate the passenger car segment in Europe, North America, and Oceania.**

Premium Tire Market  
(Hundreds of Millions of Units)  
(Company Estimates)



Our Position / Focus Areas

- Further growth potential exists
- Comparable position to competitors
- Established position
- Accelerating Market Penetration with the DUNLOP Brand

We will sequentially launch our proprietary products under the DUNLOP brand, targeting the rapidly growing segments of all-season tires and ultra-high-performance tires.



- All-Season Tires and EV Tires Utilizing Active Tread Technology
- Ultra-High-Performance Tires



- Premium Original Equipment for High-End Vehicles
- SPORT MAXX**



- Integration of GOODYEAR's Sales Channels



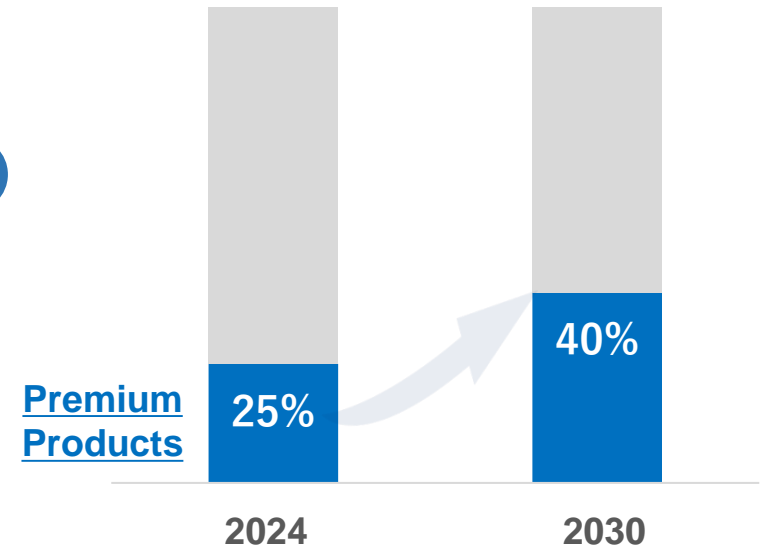
- Leveraging Visibility from the Tennis ATP Tour



- Maintaining a Top Tier 2 Position with Edgy Products for the Fan Base

## Future Goals for the European Market (Volume Composition Ratio)

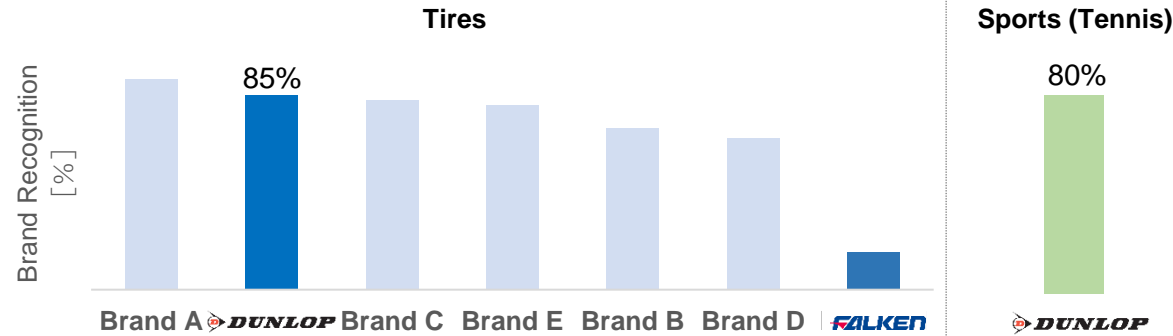
Increase of +15 percentage points



We will expand the DUNLOP brand by leveraging its high brand recognition and the sales network of our subsidiary, Micheldever Group Ltd. (MTS).

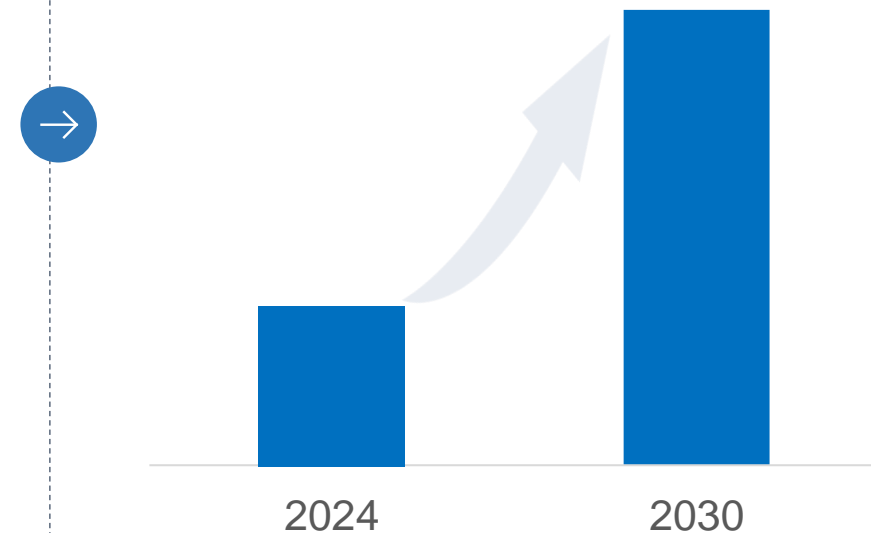


- Due to the origin of the DUNLOP brand, it boasts higher recognition than other Tier 1 brands.



## Future Goals for the UK Market (Sales Volume)

Triple the Sales of the DUNLOP Brand



- Utilizing MTS's Retail and Wholesale Network  
\*Micheldever Group Ltd.(Our subsidiary)
- Adding direct sales of the DUNLOP brand alongside the FALKEN brand.





We will expand our passenger car tire offerings by introducing DUNLOP products into the sales channels cultivated through FALKEN.



- Leveraging the national retail channels and an independent network of 18,000 stores established through FALKEN.



- All-Season and All-Weather Tires Utilizing Active Tread Technology.
- Specialized tires for the rapidly growing CUV segment.



- High market share in OE tires for Japanese automakers.
- Synergies with motorcycle tires.



- Cross-marketing opportunities with the sports business (Dunlop Sports Americas).

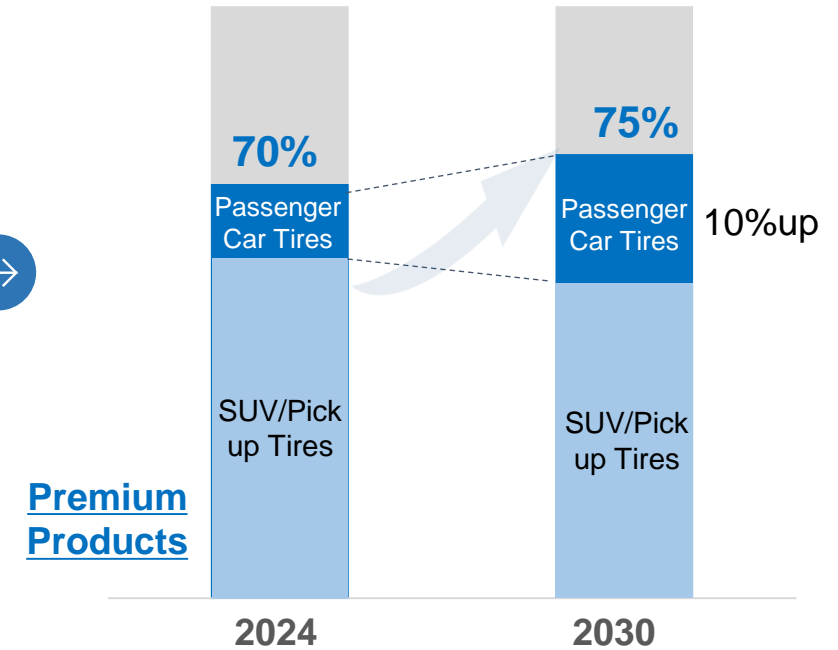
### Top 5 North American National Retailers

Company A	○	} 4,600 stores
Company B	○	
Company C	○	
Company D	—	Existing sales performance with our company.
Company E	—	



## Future Goals for the North American Market (Volume Composition Ratio)

Increase of +5 percentage points



- Expanding SUV tires with a focus on the WILDPEAK series.

We will expand the DUNLOP brand by effectively leveraging synergies with Japanese OE tires, retail networks, and the sports business.



- Capturing aftermarket demand from vehicles equipped with original equipment (OE) tires.



**GRANDTREK**



- In addition to the existing retail network developed through FALKEN, we will keep good relationship with the DUNLOP retail network.



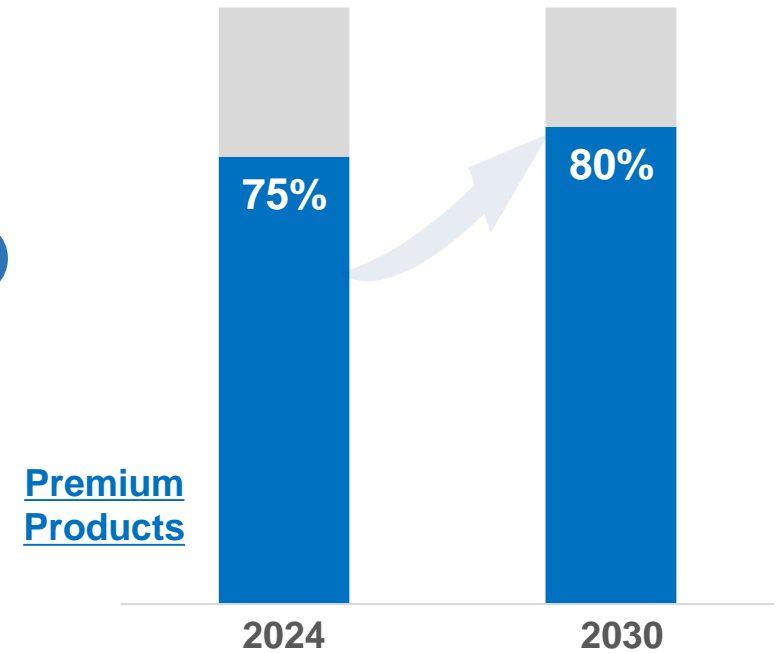
- Leveraging synergies with the sports business through exposure at the Australian Open Tennis (official ball).



- Expanding SUV tires with a focus on the WILDPEAK series.

## Future Goals for the Oceania Market (Volume Composition Ratio)

Increase of +5 percentage points



Positioning DUNLOP as our core brand, we will promote company-wide efforts to strengthen the brand.

## Tire Business



## Sports Business



Promoting joint branding between tires and sports

Accelerating global activities in tennis.

Investing in brand presence in motorsports.



The heritage and recognition built through motorsports over the years.



Overwhelming recognition in tennis (based on external surveys).



Achievements in golf tournaments, including strong performance on the PGA Tour.

**We aim to achieve the financial targets of the mid-term plan ahead of schedule.  
A revision of the mid-term plan and growth strategy will be announced in March.**

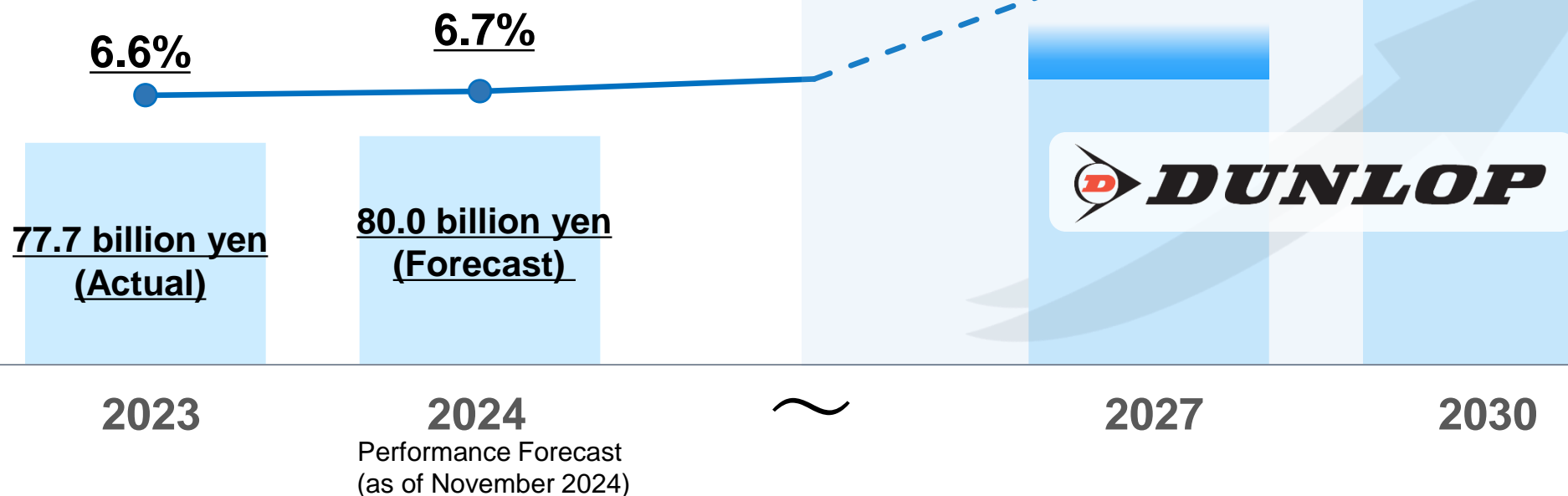
## Building the Foundation for Growth Businesses

- Steady execution of structural reforms
- Development of proprietary technologies and products

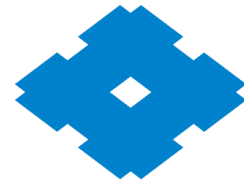
## Expanding the Business of Growth Businesses

*Further profit enhancement through the acquisition of the DUNLOP brand*

Business Profit    Business Profit Margin



Rubber and Beyond, Driving Our Future



**SUMITOMO**  
**RUBBER INDUSTRIES**