



November 7, 2024

For Immediate Release

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Securities code: 5110 (TSE Prime Market)  
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**Termination of Production and Dissolution of a Consolidated Subsidiary in US  
and Recording of Other expenses**

Sumitomo Rubber Industries, Ltd. (the “Company”) announces that it resolved at the Board of Directors meeting held on November 7, 2024, to terminate all production activities at Sumitomo Rubber USA, LLC (“SRUSA”), a consolidated subsidiary of the Company, and to dissolve SRUSA after making the necessary preparations.

1. Reasons for the dissolution

The Company dissolved the alliance agreement and joint ventures with The Goodyear Tire & Rubber Company and acquired 100% of shares of Goodyear Dunlop Tires North America, Ltd. (currently, SRUSA) in October 2015 to meet the demand for the North American market. Since then, we have been manufacturing tires for passenger cars, motorcycles, trucks, and buses.

The Company and its US subsidiaries have cooperated to improve the production structure and operational efficiencies. However, the business environment remains severe due to the deterioration of productivity and profitability at SRUSA, and profitability is hard to improve in the long term.

Against this backdrop, we have extensively deliberated and carefully considered measures on our commitment to the North American market and the restructuring of operations there. Based on the assessment that, in the North American market, sale of tires produced at the SRUSA facility could not be profitable, we decided to discontinue all production activities at SRUSA and dissolve it.

The tire research and development conducted at SRUSA will be transferred to SRI America, Inc. and will remain in North America. In addition, the sales structure of Sumitomo Rubber North America, Inc., a subsidiary of the Company, remains unchanged.

The Company positions the period up to 2025 as a phase of “selection & concentration of existing lines of business” under the current Mid-Term Plan. We continue to focus resources on and use them in growing businesses to strive for the future growth of the Group.

## 2. Overview of the subsidiary

(1)	Company name	Sumitomo Rubber USA, LLC		
(2)	Address	New York, USA		
(3)	Representative	Yasuo Watanabe, President & CEO		
(4)	Business description	Manufacture of tires for passenger cars, motorcycles, trucks, and buses		
(5)	Share capital	262,634 (In thousands of US dollars)		
(6)	Establishment	1920		
(7)	Employee	1,555 (as of the end of September 2024)		
(8)	Major shareholder and shareholding ratio	SRI America, Inc. (the Company's 100% owned subsidiary): 100%		
(9)	Relationship between the listed company and the company concerned	Capital relationship	The Company owns 100% shares in SRUSA.	
		Personnel relationship	The Company dispatches officers to SRUSA.	
		Business relationship	The Company lends money.	
(10)	Financial position and business performance of SRUSA for the last three years (In thousands of US dollars)			
	Settlement term	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
	Total equity	256,829	250,462	245,621
	Total assets	409,085	518,627	581,315
	Sales revenue	360,007	373,120	455,467
	Business profit	8,508	3,608	21
	Current net profit	2,885	702	(7,646)

(In billions of yen)

Reclassified Business profit	(10.6)	(18.8)	(19.7)
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(Note) Reclassified Business profit means Consolidated Business Profit of products produced by SRUSA.

## 3. Date of the dissolution

The Company resolved to terminate all production activities at SRUSA and to dissolve SRUSA after making the necessary preparations on November 7, 2024. We will proceed with necessary procedures for dissolution in accordance with local laws and regulations.

## 4. Loss arising from the dissolution

The Company recorded loss on structural reforms in North America of 46.5 billion yen in connection with the dissolution as other expenses in the consolidated financial results for the nine months ended September 30, 2024 (January 1, 2024 through September 30, 2024). In addition, the Company expects to record expenses including costs for layoffs and early termination penalties of an estimated 28.2 billion yen for the fourth quarter of the fiscal year ending December 31, 2024 and thereafter. The amount may differ significantly as details are currently under scrutiny and will be announced as soon as there are any significant changes that need to be disclosed.

## 5. Future outlook

The Company will proceed with necessary application procedures for the dissolution of SRUSA to the local authorities in accordance with local laws and regulations. We are closely examining the amount of loss arising from the termination of production and the dissolution as well as the impact on the consolidated financial results for the fiscal year ending December 31, 2024. In the event that there are any pertinent disclosures to be made in the future, such matters will be promptly disclosed.