

Chapter 2

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Our Philosophy

Slogan

Rubber and Beyond, Driving Our Future

“Our Philosophy,” our corporate philosophy framework, is the common guideline that enables us to respond flexibly to an uncertain and rapidly changing environment and achieve further growth. Grounded in the “Sumitomo Business Philosophy,” which has been passed down for over 400 years, it is structured around four concepts beginning with “Purpose.” It serves as the foundation for decision-making and the starting point for action, enabling each employee to recognize the Company’s reason for being and to align their efforts to demonstrate their strengths.

Activities to Embed “Our Philosophy”

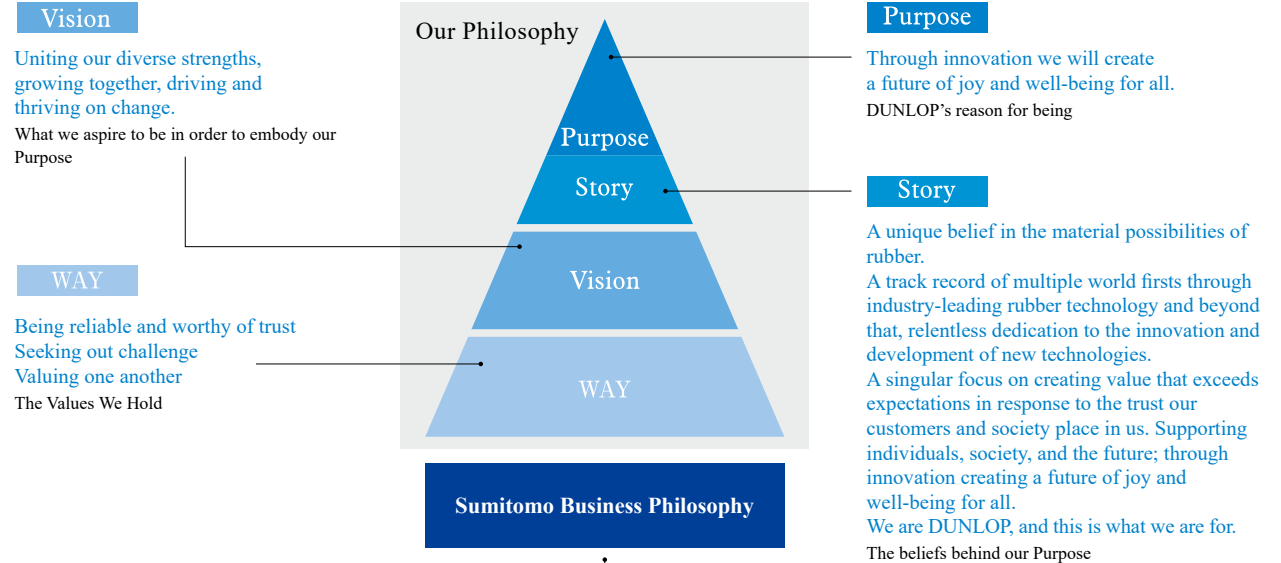
1 Global training

We are promoting initiatives tailored to the circumstances of each division and site by dividing the embedding of “Our Philosophy” into four phases: “Recognition,” “Understanding,” “Empathy,” and “Practice.” In 2025, we conducted an engagement survey for follow-up at overseas sites and, through interviews, identified issues and the support required. Based on the findings, we held workshops for overseas sites. Going forward, we will leverage the Global HR Hub to deepen understanding and implementation across our global workforce through regular online workshops and discussions between HR personnel in Japan and overseas, supported by practical implementation tools.



“Our Philosophy” workshop lecture

DUNLOP’s corporate philosophy framework, “Our Philosophy”



The Sumitomo Business Philosophy which has been passed down from generation to generation throughout Sumitomo’s 400-year history

- Integrity and sound management**
To “value trust above all else” and “always earn the trust of others”
- Enterprising spirit**
Responding to the changing times and being proactive in staying one step ahead
- People are our most important asset.**
It is human resources that protect, promote and nurture a company
- Benefit for self and others, private and public interests are one and the same.**
We must always strive to maintain a sense of gratitude to society and conduct our affairs in harmony with the public interest

2 “My SRV Journey Map” at the Vietnam Factory

At the Vietnam Factory (SRV), “My SRV Journey Map” is displayed in the workplace to connect “Our Philosophy” with each employee’s personal values. Employees create handwritten message cards, and particularly memorable messages are displayed in the “Live the SRV Way Gallery” as examples of embodying “Our Philosophy.” By sharing the thoughts of colleagues, the initiative promotes mutual understanding and creates opportunities to make the philosophy feel closer to home.



My SRV Journey Map

3 “Our Philosophy” Month at the Brazil Factory

At the Brazil Factory, every September is designated as “Our Philosophy” Month. Members of the responsible department share ideas and last year they distributed rice crackers (pictured) as PR items. To raise awareness of the various activities among employees and deepen recognition, a budget is allocated for creating PR items, and HR operations members use measures such as distributing items at the gates, on the intranet and on bulletin boards to encourage greater employee interest.

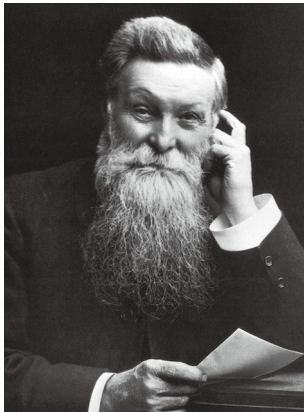


Rice crackers printed with “Our Philosophy”

HISTORY

John Boyd Dunlop invented the world's first practical pneumatic tire.

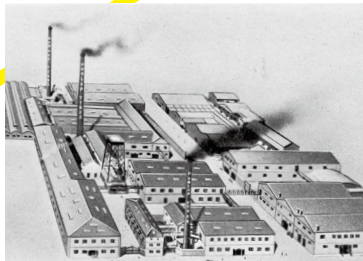
John Boyd Dunlop, a veterinarian living in Ireland, was asked by his 10-year-old son, Johnny, to make his tricycle more comfortable and faster. After repeated experimentation, John made a pneumatic tire out of rubber tubing and rubberized canvas, which he fixed around a wooden disc. Johnny was delighted to ride on his tricycle with these pneumatic tires. John made further improvements, and in 1888, he patented the pneumatic tire and introduced it to the world.



John Boyd Dunlop

J. B. Dunlop

1888



Kobe Factory (circa 1921)

Operations commenced at Kobe Factory

U.K.-based DUNLOP Rubber Company established a factory in Kobe, marking the start of operations as Japan's first modern rubber factory.

1909

Company name changed to Sumitomo Rubber Industries, Ltd.

In 1963, Sumitomo assumed management of the Company, and in 1981, the Company entered into a full business tie-up with The Ohtsu Tire & Rubber Co., Ltd., a precursor of the FALKEN brand (the Company merged with The Ohtsu Tire & Rubber Co., Ltd. in 2003).

1963~

Sumitomo assumed management

The Origins of the "Sumitomo Business Philosophy"

Masatomo Sumitomo, the founder of the Sumitomo Group, left behind writings known as the "Monjuin Shiigaki" ("The Founder's Precepts"), which provide a set of principles and guidelines for merchants. His teachings have supported the business operations of the Sumitomo Group throughout its 400-year history, passed down from generation to generation in the form of the "Sumitomo Business Philosophy." Containing such principles as "The business activities of Sumitomo must benefit not only Sumitomo, but must also be of benefit to the nation and to society as a whole," the "Sumitomo Business Philosophy" reflects Sumitomo's strong sense of duty to society. To this day, it still forms the basis of the Group's corporate philosophy.



A wooden statue of Masatomo Sumitomo (Photo provided by Sumitomo Historical Archives)



Monjuin Shiigaki (circa 1650) (Photo provided by Sumitomo Historical Archives)

1983

1999~

2025

The communication brand was unified under DUNLOP, accelerating global expansion

Acquired DUNLOP trademark and other rights from Goodyear for four-wheel tires in Europe, North America, and Oceania. In March, the Company announced its Long-Term Corporate Strategy "R.I.S.E. 2035." In December, it unified its communication brand under DUNLOP.



Alliance formed with The Goodyear Tire & Rubber Company of the U.S.

This alliance led to the creation of a joint venture structure under which the manufacture and sale of DUNLOP brand tires was assumed by the Company in Japan and Asia and by Goodyear in North America and Europe. This alliance agreement and the joint venture structure were dissolved in 2015.

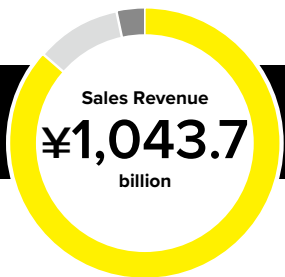


European tire business was acquired from UK-based DUNLOP Rubber Company

In 1983, the Company acquired the European tire business from U.K.-based DUNLOP Rubber Company. In 1984, it acquired six plants in the U.K., Germany, and France, as well as DUNLOP Tire Technical Division in the U.K. In 1986, it acquired DUNLOP Tire Corporation in the U.S.A., becoming the global owner of the DUNLOP brand.



DUNLOP Group Businesses



Tire Business

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— More Drive, More Joy —

The Group's tires are used in a wide range of settings that support everyday life and society, including passenger cars, trucks and buses, industrial vehicles, and motorsports. With DUNLOP and FALKEN as its main brands, the Group is committed to creating tires that are friendly to both people and the environment.



Passenger Cars

We offer a broad range of tires for vehicles ranging from passenger cars to SUVs. Our products serve a wide range of uses, including all-season, summer, and winter tires.

Trucks and Buses

We offer a wide lineup of tires for trucks and buses. Our products cover a broad range of uses, including all-season tires, summer and winter tires, and tires for unpaved roads.

Industrial Vehicles

These products are engineered to perform under a wide range of demanding conditions, including heavy loads and low-speed operation. Depending on the application, they incorporate different tire structures, including pneumatic tires and solid tires.

Agricultural Vehicles

These products are designed for agricultural vehicles used in farming operations, including tractors, tillers, transport vehicles, and implements.



Race/Rally Vehicles

By developing tires specifically engineered to meet the unique demands of each discipline—such as speed and durability—we support top performance in races and rallies.




Motorcycles

We offer a broad lineup of motorcycle tires, ranging from on-road to off-road applications and from minibikes to large motorcycles.



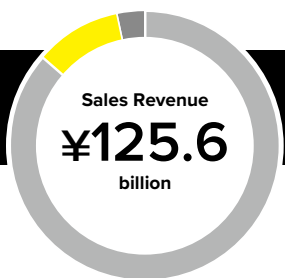
Emergency Tire Puncture Repair Kits

These emergency tire puncture repair kits restore temporary mobility by injecting sealant into a punctured tire and filling it with air, and are used in many vehicles.



SENSING CORE (Tire Sensing)

This software detects and estimates the conditions around tires by comprehensively analyzing wheel speed information generated by tire rotation together with data from the vehicle.



Sports Business

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— Enriching Sporting Life —

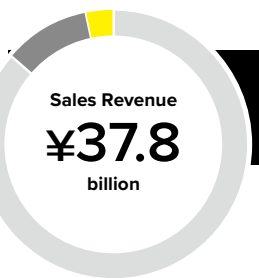
Drawing on its advanced technological capabilities to enrich customers' sporting lives, the Group provides easy-to-use, high-performance products such as golf clubs and tennis rackets, while also supporting customers' physical and mental well-being through the operation of golf and tennis schools. In recent years, the Group has also expanded into the e-sports business.



Golf

Tennis

(and other racket sports)



Industrial Products Business

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— Supporting Happier Lives —

The Industrial Products Business delivers a diverse portfolio built on rubber technologies refined over years of experience. These products help protect lives, safeguard health and mobility, and support everyday life. As needs evolve, its scope has expanded from industrial infrastructure to include medical, lifestyle, and healthcare applications—drawing global attention to the potential of its advanced technologies.

High-Functional Rubber

Rubber Parts for Medical Applications Vibration Control Dampers

Life & Industry

Rubber Gloves Floor Coating Artificial Turf for Sporting Facilities




MIRAIE

樹から生まれた手袋

Financial and Non-Financial Highlights (FY2025)

Financial and Non-Financial Data

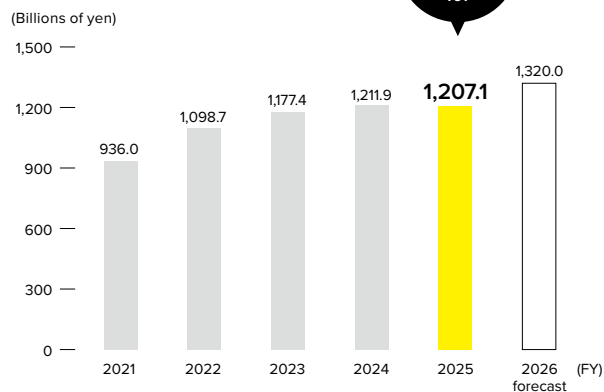
Financial Highlights

Financial Capital

Sales Revenue

¥1,207.1 billion

Down
0.4%
YoY

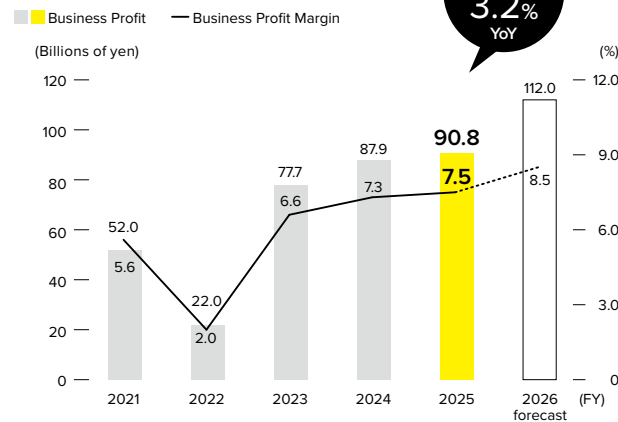


Financial Capital

Business Profit / Business Profit Margin

¥90.8 billion / 7.5%

Business Profit Up
3.2%
YoY



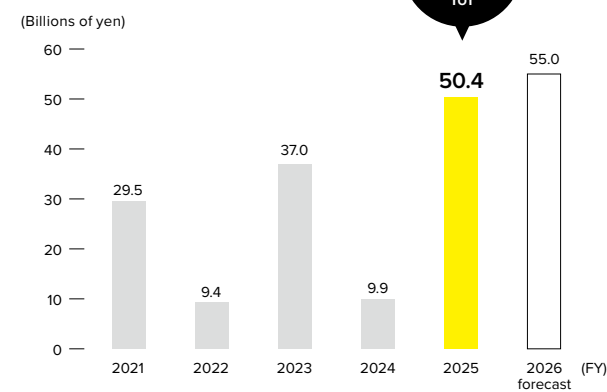
* Business profit = Sales revenue - (Cost of sales + Selling, general and administrative expenses)

Financial Capital

Profit Attributable to Owners of the Parent

¥50.4 billion

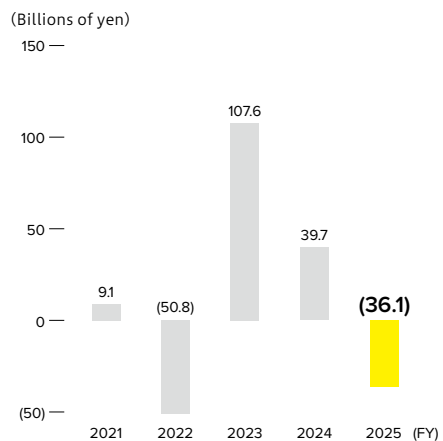
Up
410.7%
YoY



Financial Capital

Free Cash Flow

-¥36.1 billion



Financial Capital

ROE

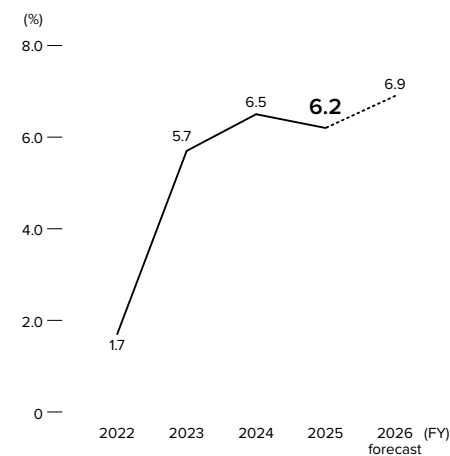
7.3%



Financial Capital

ROIC

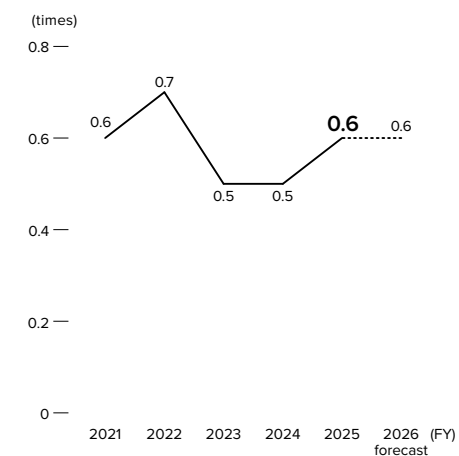
6.2%



Financial Capital

D/E Ratio

0.6 times



Introduction

About Us

Vision and Strategy

Business Activities

Sustainability

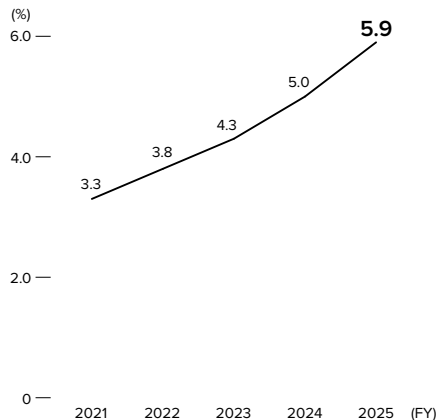
Corporate Governance

Corporate Information

Non-Financial Data Highlights

Human Capital

Ratio of Female Managers (Non consolidated)



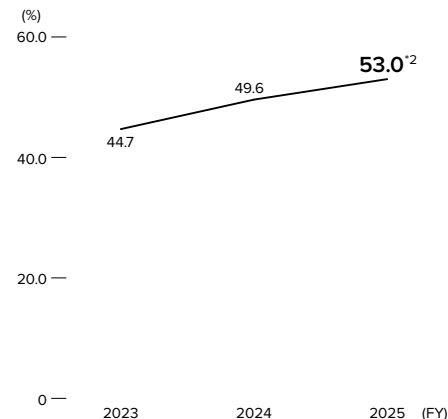
Human Capital

Employee Engagement (Non consolidated)

(FY2025)
41%

Human Capital

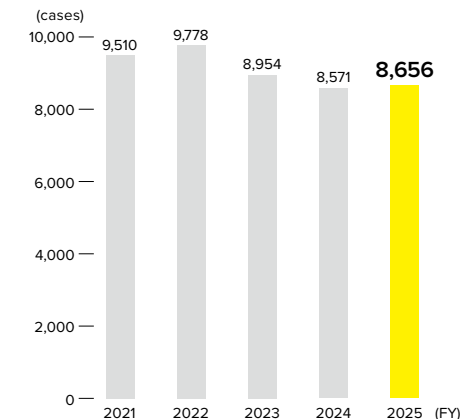
“Our Philosophy” empathy rate¹ (Non consolidated)



¹ For FY2023 and FY2024, the figures represent the percentage of respondents selecting “Empathy” or “Practice” in “Our Philosophy” penetration survey.
² Positive response rate to the engagement survey statement: “I empathize with ‘Our Philosophy.’”

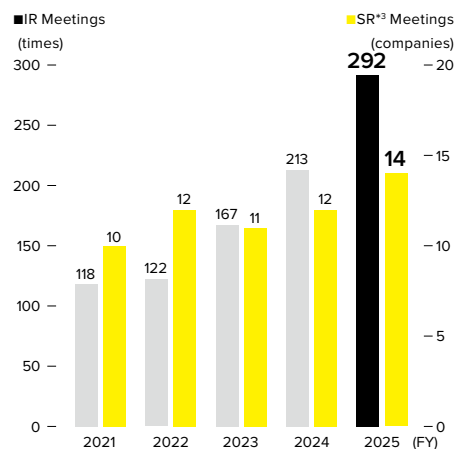
Intellectual Capital

Number of Patents and Utility Models Held (Consolidated)



Social and Relationship Capital

Meetings with Institutional Investors



³ Shareholder Relations

Social and Relationship Capital

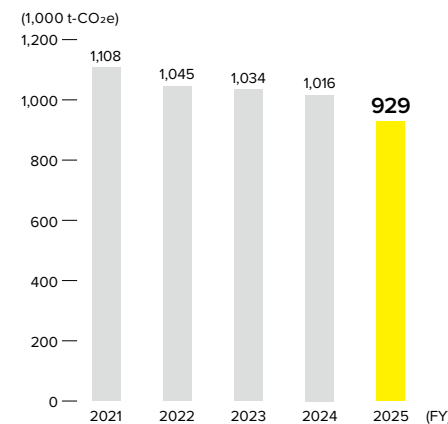
Number of countries where the DUNLOP four-wheel tire business can be operated following the acquisition of DUNLOP trademark rights, etc.

Over **50+** countries^{*4}

^{*4} Mainly in Europe, North America, and Oceania

Natural Capital

Greenhouse Gas Emissions (Scope 1 and 2) (Consolidated)



Natural Capital

Waste Generation (Excluding Valuables) at Six Domestic Factories (Group manufacturing sites in Japan and overseas)

(FY2025)
27 k tons