

Consolidated Financial Results for the Six Months Ended June 30, 2025 [IFRS]



August 7, 2025

Company name : Sumitomo Rubber Industries, Ltd.
 Stock exchange listing : Tokyo Stock Exchange
 Code number : 5110
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 Scheduled date of filing securities report : August 8, 2025
 Scheduled date of commencing dividend payments : September 5, 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 the Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	572,192	(2.5)	28,310	(33.1)	27,034	(35.6)	14,374	(62.9)	(14,391)	-
June 30, 2024	587,041	4.6	42,294	147.6	41,951	149.6	38,729	372.5	91,602	92.1

(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	Business profit to sales revenue ratio
Six months ended	Yen	Yen	%
June 30, 2025	54.66	-	4.9
June 30, 2024	147.25	-	7.2

(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
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
June 30, 2025	1,352,985	659,261	641,464	47.4	2,440.54
December 31, 2024	1,341,123	675,810	656,134	48.9	2,494.54

(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 period
Six months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2025	70,577	(138,036)	57,505	85,984
June 30, 2024	59,463	(36,349)	(43,869)	75,861

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2024	-	29.00	-	29.00	58.00
December 31, 2025	-	35.00			
Fiscal year ending December 31, 2025 (Forecast)			-	35.00	70.00

(Note) Revision to the dividends forecast announced most recently: None

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	%	
Full year	1,215,000	0.3	95,000	8.0	84,000	650.9	45,000	356.2	Yen 171.16

(Note) Revision to the financial results forecast announced most recently: Yes

Notes:

- (1) Changes in significant subsidiaries during the six months ended June 30, 2025
(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 : None
 - 2) Changes in accounting policies other than 1) : None
 - 3) Changes in accounting estimates : Yes
- (3) Total number of issued shares (common stock)
- 1) Total number of issued shares at the end of the period (including treasury stock)
 - June 30, 2025 : 263,043,057 shares
 - December 31, 2024 : 263,043,057 shares
 - 2) Total number of treasury stock at the end of the period
 - June 30, 2025 : 205,986 shares
 - December 31, 2024 : 15,195 shares
 - 3) Average number of shares during the period
 - Six months ended June 30, 2025 : 262,974,572 shares
 - Six months ended June 30, 2024 : 263,022,153 shares

* Review by certified public accountants or auditing firms of the attached quarterly financial statements: None

* 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. 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 5 of the attached documents of the Consolidated Financial Results for the Period under Review, “1. Qualitative Information on Interim Financial Results for the Period under Review, (3) Consolidated Financial Results Forecast and Other Future Forecast.”

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1. Qualitative Information on Interim Financial Results for the Period under Review

(1) Operating Results

	For the six months ended June 30, 2024	For the six months ended June 30, 2025	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	587,041	572,192	(2.5)
Tires	496,113	488,329	(1.6)
Sports	71,573	64,686	(9.6)
Industrial and Other Products	19,355	19,177	(0.9)
Business profit	42,294	28,310	(33.1)
Tires	34,009	22,205	(34.7)
Sports	6,966	4,044	(42.0)
Industrial and Other Products	1,297	2,069	59.5
Adjustments	22	(8)	-
Operating profit	41,951	27,034	(35.6)
Profit attributable to owners of parent	38,729	14,374	(62.9)

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

Foreign exchange rates applied

	For the six months ended June 30, 2024	For the six months ended June 30, 2025	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	152	148	(4)
Yen / Euro	165	162	(3)

During the fiscal year ended June 30, 2025, the economic environment continued to recover gradually, some regions remain at a standstill and uncertainty prevails due to the U.S. tariff policy. Increased attention is required in response to changes in the financial and capital markets. While the Japanese economy is expected to continue to recover steadily in the situation where the employment and income environment are improving and the consumer sentiment is weakening, there is a risk of the economic downturn which is stemming from the impact of the U.S. tariff policy and ongoing inflation.

As the Group steadily implements the Mid-Term Plan and reaches the turning point in 2025, in January, it concluded an agreement to acquire the trademark and other rights of DUNLOP in tires for four-wheel vehicles in Europe, North America, and the Oceania region, and closed the transaction on May 7. The Group has since launched the DUNLOP business in North America and Oceania as the first step. Additionally, in March, the Group announced the Long-term Corporate Strategy to 2035. The Long-term Corporate Strategy encapsulates the Group’s desire of “Continuing to Provide ‘New Experiential Value’ Born from Rubber to Everyone,” and to this end, it aims to promote the premiumization of tires and build new sources of revenue. The Group will also promote global brand management centered around DUNLOP.

In the business environment surrounding the Group, tire sales volume through the fiscal year ended June 30, 2025 was lower than the level of the same period of the previous fiscal year due to the market stagnation caused by inflation and other factors as well as the discontinuation of some low-profit products. The effect of increase in the unit price of tire raw materials reduced the profit as compared with the same period a year ago.

As a result, sales revenue of the Group decreased 2.5% from the same period of the previous fiscal year to ¥572,192 million, business profit decreased 33.1% to ¥28,310 million, operating profit decreased 35.6% to ¥27,034 million and profit attributable to owners of parent decreased 62.9% to ¥14,374 million.

Operating results by business segment was as follows.

Tire Business

Sales revenue in the tire business decreased 1.6% from the same period of the previous fiscal year to ¥488,329 million, and business profit decreased 34.7% to ¥22,205 million.

In the domestic original equipment market, sales volume significantly exceeded the level of the same period of the previous fiscal year due to production cutbacks at some automobile manufacturers during the same period of the previous year.

In the domestic replacement market, sales volume fell below the level of the same period last year, due to the discontinuation of low-priced products last fall and a decline in orders for offtake products.

In the overseas original equipment market, a significant drop occurred in the sales volume to automobile manufacturers in Asia, particularly China compared to the level of the same period of the previous fiscal year.

In the overseas replacement market, our flagship products maintained a stable sales volume in China, reaching the level of the same period of the previous fiscal year, despite a challenging competitive environment for international brands, including ours due to aggressive sales initiatives launched by major Chinese brands. Overall sales volume in the Asia-Oceania region was also on par with the level of the same period of the previous fiscal year. In Europe, overall sales volume declined from the level of the same period of the previous fiscal year as we focused on profitability amid intensified price competition from other companies, though sales volume of all-season tires which constitute strong points of our FALKEN brand increased through the expansion of the products. In the American region, while the flagship WILDPEAK Series maintained strong sales in North America, overall sales in the region fell below the levels of the same period of the previous fiscal year, due to the high sales volume in the same period a year ago and the continued expansion of market share by competitors' low-priced products since the second half of last year. In South America, sales volume increased due to efforts to expand sales by flexibly cooperating with the distributors, as well as the decrease in imports of our competitors entering the market primarily as a result of the rapidly depreciating Brazilian currency and delays in customs clearance for imports into Brazil.

As a result, sales revenue and business profit in the tire business fell below the level of the same period of the previous fiscal year.

Sports Business

Sales revenue in the sports business decreased 9.6% from the same period of the previous fiscal year to ¥64,686 million, and business profit decreased 42.0% from the same period of the previous fiscal year to ¥4,044 million.

In the golf goods market, sales revenue fell below the level of the same period of the previous fiscal year due to the significant impact of deteriorating market conditions in South Korea, despite sales increases in the Japanese and American markets.

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

In addition to the above results, as we transferred all shares of the target company's wellness business, excluding the golf and tennis schools, to new shareholders in early December 2024, sales revenue and business profit in the sports business fell below the level of the same period of the previous fiscal year.

Industrial and Other Products Business

Sales revenue in the industrial and other products business decreased 0.9% from the level of the same period of the previous fiscal year to ¥19,177 million, and business profit increased 59.5% to ¥2,069 million.

Sales in the industrial and other products business fell below the level of the previous fiscal year due to a decline in sales in the business of civil works and marine facilities and rubber glove, as well as withdrawal from the gas pipe business at the end of March and a stock transfer of our subsidiary engaged in manufacturing and sales of medical rubber products in Europe last year. Business profit in the industrial and other products business exceeded the level of the previous fiscal year due to robust domestic sales of medical rubber products and solid sales performance in the vibration control business.

(2) Financial Position

	As of December 31, 2024	As of June 30, 2025	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	1,341,123	1,352,985	11,862
Total liabilities	665,313	693,724	28,411
Total equity	675,810	659,261	(16,549)
Total equity attributable to owners of parent	656,134	641,464	(14,670)
Total equity attributable to owners of parent ratio (%)	48.9	47.4	(1.5)
Equity attributable to owners of parent per share	2,494.54 yen	2,440.54 yen	(54.00) yen

The financial position of the Group as of June 30, 2025 was as follows.

Total assets increased ¥11,862 million from the end of the previous fiscal year to ¥1,352,985 million as a result of increase in intangible assets, although there was decrease in trade and other receivables and net defined benefit asset.

Total liabilities increased ¥28,411 million from the end of the previous fiscal year to ¥693,724 million mainly as a result of increase in interest-bearing debt, although there was decrease in trade and other payables.

Total equity as of June 30, 2025 decreased ¥16,549 million from the end of the previous fiscal year to ¥659,261 million, of which equity attributable to owners of parent accounted for ¥641,464 million, and non-controlling interest accounted for ¥17,797 million.

As a result, ratio of equity attributable to owners of parent was 47.4%, and equity attributable to owners of parent per share was ¥2,440.54.

(3) Consolidated Financial Results Forecast and Other Future Forecast

Regarding the fiscal year ending December 31, 2025, we expect to maintain the initial forecast due to the decline in raw material prices, the yen depreciation, and the easing of the impact from reciprocal tariff hikes by the United States, despite the negative impact from a decrease in tire sales volume compared to the previous forecast.

As a result, we have revised the consolidated results forecasts for the full-year as below.

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

	Forecast	Previous forecast	Increase (Decrease)	Change in ratio	(Reference) Results for the same period of the previous year
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Sales revenue	1,215,000	1,220,000	(5,000)	(0.4)	1,211,856
Tires	1,049,500	1,054,000	(4,500)	(0.4)	1,046,394
Sports	124,000	124,500	(500)	(0.4)	125,650
Industrial and Other Products	41,500	41,500	-	-	39,812
Business profit	95,000	95,000	-	-	87,941
Tires	84,000	83,000	1,000	1.2	76,181
Sports	6,500	7,500	(1,000)	(13.3)	7,878
Industrial and Other Products	4,500	4,500	-	-	3,725
Adjustments	-	-	-	-	157
Operating profit	84,000	84,000	-	-	11,186
Profit attributable to owners of parent	45,000	45,000	-	-	9,865

Foreign exchange rates applied

	Forecast	Previous forecast	Increase (Decrease)	(Reference) Rate applied for the same period of the previous year
	Yen	Yen	Yen	Yen
Yen / U.S. Dollar	149	144	5	152
Yen / Euro	168	162	6	164

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.

2. Condensed Interim Consolidated Financial Statements and Primary Notes

(1) Condensed Interim Consolidated Statements of Financial Position

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	100,382	85,984
Trade and other receivables	221,679	186,460
Other financial assets	2,262	1,455
Inventories	290,947	289,962
Other current assets	54,492	66,695
Total current assets	669,762	630,556
Non-current assets		
Tangible assets	444,047	431,855
Goodwill	29,457	29,366
Intangible assets	59,087	166,502
Investments accounted for using equity method	4,529	4,595
Other financial assets	34,000	30,746
Net defined benefit asset	62,378	25,083
Deferred tax assets	34,687	31,133
Other non-current assets	3,176	3,149
Total non-current assets	671,361	722,429
Total assets	1,341,123	1,352,985

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	89,805	162,560
Trade and other payables	186,587	161,808
Other financial liabilities	14,272	14,491
Income tax payable	6,339	8,890
Provisions	7,178	3,339
Other current liabilities	66,434	57,787
Total current liabilities	370,615	408,875
Non-current liabilities		
Bonds and loans payable	162,637	164,324
Other financial liabilities	64,877	63,068
Net defined benefit liability	24,578	24,466
Provisions	871	878
Deferred tax liabilities	19,644	10,857
Other non-current liabilities	22,091	21,256
Total non-current liabilities	294,698	284,849
Total liabilities	665,313	693,724
Equity		
Capital stock	42,658	42,658
Capital surplus	39,788	39,791
Retained earnings	520,815	526,101
Treasury stock	(26)	(366)
Other components of equity	52,899	33,280
Total equity attributable to owners of parent	656,134	641,464
Non-controlling interest	19,676	17,797
Total equity	675,810	659,261
Total liabilities and equity	1,341,123	1,352,985

(2) Condensed Interim Consolidated Statements of Income and Comprehensive Income
Condensed Interim Consolidated Statements of Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Sales revenue	587,041	572,192
Cost of sales	(410,282)	(405,963)
Gross profit	176,759	166,229
Selling, general and administrative expenses	(134,465)	(137,919)
Business profit	42,294	28,310
Other income	2,320	1,451
Other expenses	(2,663)	(2,727)
Operating profit	41,951	27,034
Financial income	15,781	11,831
Financial expenses	(4,134)	(18,859)
Equity in earnings of affiliates	(9)	69
Profit before tax	53,589	20,075
Income tax expenses	(12,444)	(4,423)
Profit	41,145	15,652
Profit attributable to:		
Owners of parent	38,729	14,374
Non-controlling interests	2,416	1,278
Profit	41,145	15,652
Profit per share		
Basic profit per share (Yen)	147.25	54.66

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Profit	41,145	15,652
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,644	(271)
Remeasurements of defined benefit plan	-	(2,432)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	10	(7,781)
Currency translation differences of foreign operations	47,803	(19,559)
Other comprehensive income, net of tax	50,457	(30,043)
Comprehensive income	91,602	(14,391)
Comprehensive income attributable to:		
Owners of parent	87,094	(14,480)
Non-controlling interests	4,508	89
Comprehensive income	91,602	(14,391)

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the six months ended June 30, 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			38,729			
Other comprehensive income					43,810	10
Total comprehensive income	-	-	38,729	-	43,810	10
Purchase of treasury stock				(3)		
Disposal of treasury stock						
Dividends			(13,940)			
Share-based payment transactions		2		21		
Transfer to retained earnings			11			
Transfer to capital surplus						
Other		126				
Total transactions with owners	-	128	(13,929)	18	-	-
Balance as of June 30, 2024	42,658	39,830	547,516	(25)	54,011	6

	Equity attributable to owners of parent					Non-controlling interests	Total Equity
	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				-	38,729	2,416	41,145
Other comprehensive income	2,645		1,900	48,365	48,365	2,092	50,457
Total comprehensive income	2,645	-	1,900	48,365	87,094	4,508	91,602
Purchase of treasury stock	(11)			-	(3)	(2,718)	(3)
Disposal of treasury stock				-	-		-
Dividends				-	(13,940)		(16,658)
Share-based payment transactions				-	23		23
Transfer to retained earnings				(11)	-		-
Transfer to capital surplus				-	-		-
Other				-	126		(126)
Total transactions with owners	(11)	-	-	(11)	(13,794)	(2,844)	(16,638)
Balance as of June 30, 2024	13,418	-	-	67,435	697,414	18,980	716,394

For the six months ended June 30, 2025

(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, 2025	42,658	39,788	520,815	(26)	43,499	5
Profit			14,374			
Other comprehensive income					(18,371)	(7,780)
Total comprehensive income	-	-	14,374	-	(18,371)	(7,780)
Purchase of treasury stock				(357)		
Disposal of treasury stock				0		
Dividends			(7,628)			
Share-based payment transactions		3		17		
Transfer to retained earnings			(1,460)			
Transfer to capital surplus						
Transfer to non-financial assets						7,780
Other						(5)
Total transactions with owners	-	3	(9,088)	(340)	-	7,775
Balance as of June 30, 2025	42,658	39,791	526,101	(366)	25,128	-

	Equity attributable to owners of parent				Non-controlling interests	Total Equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan	Total			
Balance as of January 1, 2025	9,395	-	52,899	656,134	19,676	675,810
Profit			-	14,374	1,278	15,652
Other comprehensive income	(271)	(2,432)	(28,854)	(28,854)	(1,189)	(30,043)
Total comprehensive income	(271)	(2,432)	(28,854)	(14,480)	89	(14,391)
Purchase of treasury stock			-	(357)		(357)
Disposal of treasury stock			-	0		0
Dividends			-	(7,628)	(1,968)	(9,596)
Share-based payment transactions			-	20		20
Transfer to retained earnings	(972)	2,432	1,460	-		-
Transfer to capital surplus			-	-		-
Transfer to non-financial assets			7,780	7,780		7,780
Other			(5)	(5)		(5)
Total transactions with owners	(972)	2,432	9,235	(190)	(1,968)	(2,158)
Balance as of June 30, 2025	8,152	-	33,280	641,464	17,797	659,261

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before tax	53,589	20,075
Depreciation and amortization	41,635	37,967
Impairment loss	-	116
Interest and dividends income	(2,120)	(1,994)
Interest expenses	3,572	3,525
Share of (profit) loss of entities accounted for using equity method	9	(69)
Decrease (increase) in inventories	(22,303)	(9,783)
Decrease (increase) in trade and other receivables	23,084	30,986
Increase (decrease) in trade and other payables	107	(10,922)
Changes in assets and liabilities related to retirement benefits	(37)	33,551
Other, net	(21,153)	(26,746)
Subtotal	76,383	76,706
Interest received	1,617	1,454
Dividend income received	481	501
Interest expenses paid	(3,530)	(3,261)
Income taxes paid	(15,488)	(4,823)
Net cash provided by (used in) operating activities	59,463	70,577
Cash flows from investing activities		
Purchase of tangible assets	(27,141)	(30,213)
Proceeds from sales of tangible assets	270	36
Purchase of intangible assets	(6,882)	(109,883)
Proceeds from sales of investment securities	10	2,359
Other, net	(2,606)	(335)
Net cash provided by (used in) investing activities	(36,349)	(138,036)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	16,297	55,277
Proceeds from long-term debt and newly issued bonds	-	20,000
Repayments of long-term debt and redemption of bonds	(35,000)	-
Repayments of lease obligations	(8,514)	(7,819)
Cash dividends paid	(13,932)	(7,628)
Cash dividends paid to non-controlling interests	(2,718)	(1,968)
Other, net	(2)	(357)
Net cash provided by (used in) financing activities	(43,869)	57,505
Effect of exchange rate change on cash and cash equivalents	6,365	(4,444)
Net increase (decrease) in cash and cash equivalents	(14,390)	(14,398)
Cash and cash equivalents at the beginning of current period	90,251	100,382
Cash and cash equivalents at the end of current period	75,861	85,984

(5) Notes on Condensed Interim Consolidated Financial Statements
(Notes on Going Concern Assumption)
None

(Change in Accounting Estimate)

As required pursuant to IAS 29 “Financial Reporting in Hyperinflationary Economies,” the Group has, since the second quarter of the fiscal year ended December 31, 2022, revised the financial statements of its Turkish subsidiary, whose functional currency is the Turkish lira, to reflect the unit of measurement that is current as of the period end, and has included said revised financial statements in its consolidated financial statements. When restating the acquisition costs of non-monetary items by applying a conversion coefficient based on the initial acquisition date thereof, certain assumptions were made. With the availability of new information, the Group refined its estimates and accordingly changed its accounting estimates in the fiscal year ended June 30, 2025. As a result of this change in estimates, tangible assets increased ¥6,229 million, intangible assets increased ¥38 million, cost of sales increased ¥88 million, selling, general and administrative expenses increased ¥20 million, and financial income increased ¥6,375 million.

(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 details 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)
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)

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 revenues are stated at wholesale prices based on current market values.

Figures for reportable segment are based on business profit.

Information about reportable segment sales revenues and profit or loss is as follows.

For the six months ended June 30, 2024 (January 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Interim Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	496,113	71,573	19,355	587,041	-	587,041
Inter-segment sales revenue	597	65	669	1,331	(1,331)	-
Total	496,710	71,638	20,024	588,372	(1,331)	587,041
Segment profit (Business profit) (Note 1)	34,009	6,966	1,297	42,272	22	42,294
Other income and expenses						(343)
Operating profit						41,951

(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.

For the six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 2)	Amounts recorded in Condensed Interim Consolidated Statements of Income
	Tires	Sports	Industrial and Other Products			
Sales revenue from external customers	488,329	64,686	19,177	572,192	-	572,192
Inter-segment sales revenue	522	61	654	1,237	(1,237)	-
Total	488,851	64,747	19,831	573,429	(1,237)	572,192
Segment profit (Business profit) (Note 1)	22,205	4,044	2,069	28,318	(8)	28,310
Other income and expenses						(1,276)
Operating profit						27,034

(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.

(Significant Subsequent Events)

Regarding lawsuit filed by a consolidated subsidiary

In July 2025, SUMITOMO RUBBER (CHINA) CO., LTD, a Company's consolidated subsidiary, filed a lawsuit against Changshu Yanjiang Comprehensive Services Co., Ltd. and Changshu Sunchen Supply Chain Management Co., Ltd. with Suzhou Intermediate People's Court, seeking cancellation of the contract for the warehouse lease, and payment of damages. It is difficult to reasonably estimate impact on the consolidated financial results of the Group from the lawsuit at the present moment.