

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [IFRS]



February 12, 2026

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 26, 2026
 Scheduled date of commencing dividend payments : March 27, 2026
 Scheduled date of filing annual securities report : March 24, 2026
 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, 2025 (January 1, 2025 to December 31, 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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	1,207,061	(0.4)	90,786	3.2	82,584	638.3	50,379	410.7	79,654	35.7
December 31, 2024	1,211,856	2.9	87,941	13.2	11,186	(82.7)	9,865	(73.4)	58,691	(31.4)

(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, 2025	191.62	-	7.3	6.5	7.5
December 31, 2024	37.51	-	1.5	6.7	7.3

(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, 2025	1,459,932	736,310	716,080	49.0	2,724.44
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 fiscal year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	150,427	(186,556)	30,880	98,642
December 31, 2024	104,325	(64,659)	(35,623)	100,382

2. Dividends

	Annual dividends					Total dividends (Annual)	Payout ratio (Consolidated)	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, 2024	-	29.00	-	29.00	58.00	15,256	154.6	2.4
December 31, 2025	-	35.00	-	42.00	77.00	20,238	40.2	3.0
Fiscal year ending December 31, 2026 (Forecast)	-	42.00	-	42.00	84.00		40.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(% 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	620,000	8.4	38,000	34.2	34,000	25.8	20,000	39.1	76.09
Full year	1,320,000	9.4	112,000	23.4	100,000	21.1	55,000	9.2	209.26

Notes:**(1) Changes in Significant Subsidiaries during the Fiscal Year Ended December 31, 2025**

(Changes in specified subsidiaries resulting in changes in scope of consolidation) : Yes

1 newly added company (name): Viaduct, Inc.; 0 companies excluded (name)

(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)**

December 31, 2025 : 263,043,057 shares

December 31, 2024 : 263,043,057 shares

2) Total number of treasury stock at the end of the period

December 31, 2025 : 206,873 shares

December 31, 2024 : 15,195 shares

3) Average number of shares during the period

Fiscal year ended December 31, 2025 : 262,910,874 shares

Fiscal year ended December 31, 2024 : 263,024,919 shares

(Reference) Summary of Non-Consolidated Financial Results**Non-Consolidated Financial Results (From January 1, 2025 to December 31, 2025)****(1) Non-Consolidated Operating Results**

	Sales revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	676,415	8.4	36,520	37.0	59,603	3.4	64,984	46.7
December 31, 2024	623,735	1.3	26,651	(33.7)	57,627	(28.3)	44,298	(28.9)

	Basic profit per share	Diluted profit per share
Fiscal year ended	Yen	Yen
December 31, 2025	247.17	-
December 31, 2024	168.42	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
December 31, 2025	1,072,139	503,465	47.0	1,915.51
December 31, 2024	945,687	458,874	48.5	1,744.59

(Reference) Shareholder's equity

As of December 31, 2025: ¥503,465 million As of December 31, 2024: ¥458,874 million

* 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. 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 2026.”

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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, 2024	For the fiscal year ended December 31, 2025	Change in ratio
	Millions of yen	Millions of yen	%
Sales revenue	1,211,856	1,207,061	(0.4)
Tires	1,046,394	1,043,683	(0.3)
Sports	125,650	125,574	(0.1)
Industrial and Other Products	39,812	37,804	(5.0)
Business profit	87,941	90,786	3.2
Tires	76,181	79,812	4.8
Sports	7,878	6,831	(13.3)
Industrial and Other Products	3,725	4,159	11.7
Adjustments	157	(16)	-
Operating profit	11,186	82,584	638.3
Profit attributable to owners of parent	9,865	50,379	410.7

(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, 2024	For the fiscal year ended December 31, 2025	Increase (Decrease)
	Yen	Yen	Yen
Yen / U.S. Dollar	152	150	(2)
Yen / Euro	164	169	5

The Group has been steadily implementing the Mid-Term Plan for 2023-2027. In 2025, which is considered the turning point, the Group focused on structural reforms and laying the foundations for growth businesses. 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, closed the transaction on May 7, and 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 “R.I.S.E. 2035,” aimed at achieving its goals for the year 2035. It 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. As a part of these efforts, in August, it signed an agreement to acquire Viaduct, Inc., a U.S.-based AI solutions startup. In December, it held DUNLOP Brand Strategy Announcement to share how the Group promotes brand management centered on the DUNLOP brand, which boasts a history of more than 130 years.

Tire sales volume through the fiscal year ended December 31, 2025 fell below the level of the same period of the previous fiscal year due to the intensifying global competition, the market stagnation caused by inflation and other factors as well as the discontinuation of some low-profit products. Business profit increased due to price increases and various internal efforts, as well as the positive effects of the closure of the U.S. tire plant, despite U.S. tariff impacts and rising costs such as labor expenses.

As a result, sales revenue of the Group decreased 0.4% from the same period of the previous fiscal year to ¥1,207,061 million, business profit increased 3.2% to ¥90,786 million, operating profit increased 638.3% to ¥82,584 million and profit attributable to owners of parent increased 410.7% to ¥50,379 million.

Business performance by business segment was as follows.

Tire Business

Sales revenue in the tire business decreased 0.3% from the same period of the previous fiscal year to ¥1,043,683 million, and business profit increased 4.8% to ¥79,812 million.

In the domestic original equipment market, sales volume 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, as well as the solid automobile production in the current fiscal 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 offtake product orders.

In the overseas original equipment market, a significant drop occurred in the sales volume to automobile manufacturers in Asia, particularly China.

In the overseas replacement market, overall sales volume in the Asia-Oceania region decreased from the level of the same period of the previous fiscal year as we put emphasis on sales focusing on profitability due to more budget-minded consumers and aggressive price initiatives launched by major Chinese brands. In Europe, overall sales volume slightly declined as sales decreased in the UK due to the deterioration of market conditions, although we were able to expand sales of FALKEN-brand tires, including all-season tires. In the American region, sales volume in North America decreased from the previous fiscal year due to the deterioration of market conditions for motorcycle tires, temporary factors that reduced sales, and the proactive passing on of tariff impacts to selling prices. Sales of DUNLOP brand tires in North America began as scheduled in June, and in December, we launched products manufactured in-house.

In South America, sales volume increased due to our efforts to promote sales expansion by working closely with our distributors amid sluggish market conditions.

As a result, sales revenue in the tire business fell below the level of the previous fiscal year, but business profit increased.

Sports Business

Sales revenue in the sports business decreased 0.1% from the same period of the previous fiscal year to ¥125,574 million, and business profit decreased 13.3% from the same period of the previous fiscal year to ¥6,831 million.

In the golf goods market, sales revenue exceeded the level of the previous fiscal year, as strong sales of SRIXON brand golf clubs and balls, as well as the favorable performance of XXIO 14 launched in Japan in November, more than offset the decline in sales in South Korea caused by the deterioration of market conditions.

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

Sales revenue in the sports business was on a par with the level of the same period of the previous fiscal year, 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. Business profit decreased due to a decline in sales in South Korea, a highly profitable market.

Industrial and Other Products Business

Sales revenue in the industrial and other products business decreased 5.0% from the same period of the previous fiscal year to ¥37,804 million, and business profit increased 11.7% to ¥4,159 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 rubber parts for office equipment and rubber gloves, as well as withdrawal from the gas pipe business at the end of March and the stock transfer of our European subsidiary engaged in manufacturing and sales of medical rubber products conducted in the previous fiscal year. Business profit 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 damper business, as well as improved product mix for rubber parts for office equipment.

2) Financial Position

	As of December 31, 2024	As of December 31, 2025	Increase (Decrease)
	Millions of yen	Millions of yen	Millions of yen
Total assets	1,341,123	1,459,932	118,809
Total liabilities	665,313	723,622	58,309
Total equity	675,810	736,310	60,500
Total equity attributable to owners of parent	656,134	716,080	59,946
Ratio of equity attributable to owners of parent (%)	48.9	49.0	0.1
ROE (%)	1.5	7.3	5.8
ROA (%)	6.7	6.5	(0.2)
Interest-bearing debt	331,218	406,629	75,411
D/E ratio	0.5	0.6	0.1
Equity attributable to owners of parent per share	2,494.54	2,724.44	229.90

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

Total assets as of December 31, 2025 increased ¥118,809 million from the end of the previous fiscal year to ¥1,459,932 million. Total current assets increased ¥9,552 million, mainly as a result of increase in other current assets. Total non-current assets increased ¥109,257 million, mainly as a result of increase in intangible assets.

Total liabilities as of December 31, 2025 increased ¥58,309 million from the end of the previous fiscal year to ¥723,622 million. Interest-bearing debt increased ¥75,411 million to ¥406,629 million.

Total equity as of December 31, 2025 amounted to ¥736,310 million, of which equity attributable to owners of parent was ¥716,080 million. Ratio of equity attributable to owners of parent was 49.0%, and equity attributable to owners of parent per share was ¥2,724.44.

3) Cash Flows

Net cash provided by operating activities was ¥150,427 million, the increase being primarily due to the recording of profit before taxes of ¥77,789 million and depreciation and amortization of ¥78,669 million, although there were cash outflows such as income taxes paid of ¥16,916 million.

Net cash used in investing activities was ¥186,556 million, mainly due to the purchase of intangible assets of ¥120,177 million, the purchase of tangible assets of ¥58,900 million, and the purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥15,137 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 negative balance of ¥36,129 million.

Net cash provided by financing activities was ¥30,880 million, primarily due to cash inflows including proceeds from long-term debt and newly issued bonds of ¥87,271 million, despite cash outflows such as repayments of long-term debt and redemption of bonds of ¥22,271 million, cash dividends paid of ¥16,821 million, and repayments of lease liabilities of ¥16,479 million.

As a result, cash and cash equivalents at the end of the fiscal year under review were ¥98,642 million after reflecting the effects such as exchange rate change on cash and cash equivalents.

(2) Business Forecast for Fiscal 2026

During the fiscal year ending December 31, 2026, the Group expects to incur expenses associated with launching the DUNLOP-branded business in Europe, North America, and Oceania, as well as the impact of U.S. tariffs, rising labor costs, and increased investments related to digital transformation (DX). On the other hand, higher sales volumes in the tire business, improvements in the product mix, and a decline in raw material prices are expected to contribute positively to earnings, leading to profits for the fiscal year ending December 31, 2026 that exceed the results for the fiscal year ended December 31, 2025.

The Group is working to strengthen its earnings base 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 are as follows.

Business Forecast for Fiscal 2026

	Full year	Change in ratio	First half	Change in ratio
	Millions of yen	%	Millions of yen	%
Sales revenue	1,320,000	9.4	620,000	8.4
Tires	1,154,500	10.6	537,000	10.0
Sports	127,500	1.5	65,500	1.3
Industrial and Other Products	38,000	0.5	17,500	(8.7)
Business profit	112,000	23.4	38,000	34.2
Tires	100,500	25.9	33,500	50.9
Sports	7,000	2.5	3,000	(25.8)
Industrial and Other Products	4,500	8.2	1,500	(27.5)
Operating profit	100,000	21.1	34,000	25.8
Profit attributable to owners of parent	55,000	9.2	20,000	39.1

(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	150	-	150	2
Yen / Euro	180	11	180	18

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 2025 and 2026

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 intends 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 2025, we intend to pay a year-end dividend of ¥42 per share. Combined with an interim dividend of ¥35 per share, which has already been paid, the annual dividend for fiscal 2025 will be ¥77 per share.

For fiscal 2026, we currently plan to pay an annual dividend of ¥84 per share, consisting of an interim dividend of ¥42 per share and a year-end dividend of ¥42 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, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	100,382	98,642
Trade and other receivables	221,679	209,321
Other financial assets	2,262	2,469
Inventories	290,947	298,116
Other current assets	54,492	64,911
Subtotal	669,762	673,459
Assets related to disposal groups classified as held for sale	-	5,855
Total current assets	669,762	679,314
Non-current assets		
Tangible assets	444,047	466,456
Goodwill	29,457	47,222
Intangible assets	59,087	174,099
Investments accounted for using equity method	4,529	4,622
Other financial assets	34,000	28,096
Net defined benefit asset	62,378	24,890
Deferred tax assets	34,687	30,397
Other non-current assets	3,176	4,836
Total non-current assets	671,361	780,618
Total assets	1,341,123	1,459,932

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and loans payable	89,805	106,108
Trade and other payables	186,587	181,048
Other financial liabilities	14,272	16,397
Income tax payable	6,339	16,035
Provisions	7,178	2,328
Other current liabilities	66,434	58,031
Total current liabilities	370,615	379,947
Non-current liabilities		
Bonds and loans payable	162,637	215,943
Other financial liabilities	64,877	68,725
Net defined benefit liability	24,578	24,855
Provisions	871	873
Deferred tax liabilities	19,644	15,883
Other non-current liabilities	22,091	17,396
Total non-current liabilities	294,698	343,675
Total liabilities	665,313	723,622
Equity		
Capital stock	42,658	42,658
Capital surplus	39,788	39,791
Retained earnings	520,815	555,993
Treasury stock	(26)	(368)
Other components of equity	52,899	78,006
Total equity attributable to owners of parent	656,134	716,080
Non-controlling interest	19,676	20,230
Total equity	675,810	736,310
Total liabilities and equity	1,341,123	1,459,932

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

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Sales revenue	1,211,856	1,207,061
Cost of sales	(853,568)	(838,694)
Gross profit	358,288	368,367
Selling, general and administrative expenses	(270,347)	(277,581)
Business profit	87,941	90,786
Other income	4,221	3,683
Other expenses	(80,976)	(11,885)
Operating profit	11,186	82,584
Financial income	12,305	17,935
Financial expenses	(7,289)	(22,827)
Equity in earnings of affiliates	49	97
Profit before tax	16,251	77,789
Income tax expenses	(3,304)	(25,085)
Profit	12,947	52,704
Profit attributable to:		
Owners of parent	9,865	50,379
Non-controlling interests	3,082	2,325
Profit	12,947	52,704
Profit per share		
Basic profit per share (Yen)	37.51	191.62

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Profit	12,947	52,704
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,680	1,220
Remeasurements of defined benefit plan	6,758	(2,750)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	9	(5)
Currency translation differences of foreign operations	37,297	28,485
Other comprehensive income, net of tax	45,744	26,950
Comprehensive income	58,691	79,654
Comprehensive income attributable to:		
Owners of parent	53,485	77,112
Non-controlling interests	5,206	2,542
Comprehensive income	58,691	79,654

(3) Consolidated Statement of Changes in Equity
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

For the fiscal year ended December 31, 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			50,379			
Other comprehensive income					28,253	(5)
Total comprehensive income	-	-	50,379	-	28,253	(5)
Purchase of treasury stock				(359)		
Disposal of treasury stock		(0)		0		
Dividends			(16,827)			
Share-based payment transactions		3		17		
Transfer to retained earnings			1,626			
Transfer to capital surplus						
Other						
Total transactions with owners	-	3	(15,201)	(342)	-	-
Balance as of December 31, 2025	42,658	39,791	555,993	(368)	71,752	-

	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	Total			
Balance as of January 1, 2025	9,395	-	52,899	656,134	19,676	675,810
Profit			-	50,379	2,325	52,704
Other comprehensive income	1,218	(2,733)	26,733	26,733	217	26,950
Total comprehensive income	1,218	(2,733)	26,733	77,112	2,542	79,654
Purchase of treasury stock			-	(359)		(359)
Disposal of treasury stock			-	0		0
Dividends			-	(16,827)	(1,988)	(18,815)
Share-based payment transactions			-	20		20
Transfer to retained earnings	(4,359)	2,733	(1,626)	-		-
Transfer to capital surplus			-	-		-
Other			-	-		-
Total transactions with owners	(4,359)	2,733	(1,626)	(17,166)	(1,988)	(19,154)
Balance as of December 31, 2025	6,254	-	78,006	716,080	20,230	736,310

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before tax	16,251	77,789
Depreciation and amortization	83,168	78,669
Impairment loss	45,124	662
Interest and dividends income	(3,716)	(4,689)
Gain on net monetary position	(6,430)	(13,246)
Interest expenses	7,289	7,686
Share of (profit) loss of entities accounted for using equity method	(49)	(97)
Loss (gain) on sales and retirement of non-current assets	1,147	1,597
Loss (gain) on step acquisitions	-	(46)
Decrease (increase) in inventories	(20,598)	1,278
Decrease (increase) in trade and other receivables	2,996	15,957
Increase (decrease) in trade and other payables	(990)	(11,625)
Changes in assets and liabilities related to retirement benefits	(2,041)	35,316
Decrease (increase) in other current assets	(1,863)	(11,076)
Other, net	14,760	(8,551)
Subtotal	135,048	169,624
Interest received	2,834	3,845
Dividend income received	877	788
Interest expenses paid	(6,960)	(6,914)
Income taxes paid	(27,474)	(16,916)
Net cash provided by (used in) operating activities	104,325	150,427
Cash flows from investing activities		
Purchase of tangible assets	(56,797)	(58,900)
Proceeds from sales of tangible assets	388	178
Purchase of intangible assets	(15,440)	(120,177)
Purchase of investment securities	(240)	-
Proceeds from sales of investment securities	4,998	8,074
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(15,137)
Other, net	2,432	(594)
Net cash provided by (used in) investing activities	(64,659)	(186,556)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	43,997	1,527
Proceeds from long-term debt and newly issued bonds	-	87,271
Repayments of long-term debt and redemption of bonds	(35,000)	(22,271)
Repayments of lease obligations	(20,267)	(16,479)
Cash dividends paid	(21,561)	(16,821)
Cash dividends paid to non-controlling interests	(2,788)	(1,988)
Other, net	(4)	(359)
Net cash provided by (used in) financing activities	(35,623)	30,880
Effect of exchange rate change on cash and cash equivalents	6,088	3,509
Net increase (decrease) in cash and cash equivalents	10,131	(1,740)
Cash and cash equivalents at the beginning of current period	90,251	100,382
Cash and cash equivalents at the end of current period	100,382	98,642

(5) Notes on 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 December 31, 2025. As a result of this change in estimates, tangible assets increased ¥6,607 million, intangible assets increased ¥41 million, cost of sales increased ¥966 million, selling, general and administrative expenses increased ¥47 million, and financial income increased ¥7,661 million.

(Notes on Material accounting policy)

The material accounting policies applied in preparing the consolidated financial statements are the same as those applied in the previous fiscal year.

(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)
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 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, 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.

(2) For the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(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	1,043,683	125,574	37,804	1,207,061	-	1,207,061
Inter-segment sales revenue	1,438	113	1,371	2,922	(2,922)	-
Total	1,045,121	125,687	39,175	1,209,983	(2,922)	1,207,061
Segment profit (Business profit) (Note 1)	79,812	6,831	4,159	90,802	(16)	90,786
Other income and expenses						(8,202)
Operating profit						82,584
Other major items						
Depreciation and Amortization	72,649	4,592	1,428	78,669	-	78,669
Impairment loss	559	-	103	662	-	662
Capital expenditures	177,899	3,087	1,643	182,629	-	182,629

(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, 2024	For the fiscal year ended December 31, 2025
Japan	344,547	362,025
North America	285,525	279,096
Europe	213,528	223,911
Asia	199,992	180,551
Other areas	168,264	161,478
Total	1,211,856	1,207,061

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

(2) Non-current assets

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Japan	213,252	330,140
North America	19,019	26,662
Europe	66,984	76,442
Asia	149,506	159,314
Other areas	87,006	100,055
Total	535,767	692,613

(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, 2024	For the fiscal year ended December 31, 2025
Basic profit per share (Yen)	37.51	191.62

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, 2024	For the fiscal year ended December 31, 2025
Profit attributable to owners of parent (Millions of yen)	9,865	50,379
Single-weighted average number of issued share (Thousands of shares)	263,025	262,911

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

(Significant Subsequent Events)

None

(Contingent Liabilities)

Significant lawsuit

For the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

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 the impact of the lawsuit on the financial position and operating results of the Group at this time, and therefore, such impact has not been reflected in the consolidated financial statements.