

Sumitomo Rubber Industries Acquires DUNLOP Trademark & Other Rights (four-wheel tires) in Europe, U.S. & Other Regions—JCR Will Watch for Medium-term Strengthening of Sales and Contribution to Profits in These Regions

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the fact that Sumitomo Rubber Industries, Ltd. (security code: 5110) has signed a purchase agreement to acquire the DUNLOP trademark and other rights for four-wheel tires in Europe, U.S. and other regions from The Goodyear Tire & Rubber Company (hereinafter "Goodyear").

- (1) On January 8, Sumitomo Rubber Industries, Ltd. (the "Company") announced that it had resolved at a meeting of its Board of Directors to acquire the DUNLOP trademark and other rights for four-wheel tires in Europe, North America and Oceania from Goodyear and that it had signed a purchase agreement. The acquisition price is USD 526 million, and the closing date is scheduled for May 2025.
- (2) Since the dissolution of the alliance with Goodyear in 2015, the Company has not been able to use the DUNLOP brand in Europe, North America and Oceania, so it has been focusing on the FALKEN brand in these markets. At present, it is carrying out business structural reforms and increasing the ratio of premium products (such as high-inch and all-season tires) in line with its medium-term management plan. In this context, the strategic implications of being able to globally develop the well-known DUNLOP brand, with the exception of certain regions and products, are considered to be significant. Although it will involve a certain financial burden, JCR has determined that there is no need to immediately change the rating at this time, based on the current cash flow generation capacity and the strengthening of the financial position in recent years. JCR will pay attention to the impact of this acquisition on the medium-term strengthening of sales in Europe and the United States and the earnings and financials.

Mikiya Kubota, Akio Kamimura

<Reference>

Issuer: Sumitomo Rubber Industries, Ltd.

Long-term Issuer Rating: A+ Outlook: Stable

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