

# Tire Production Strategy



**Supporting Our Product and Regional Business Strategies and Efforts to Maximize the Ratio of High-Value-Added Products, We Will Build a Production and Logistics System that Is Resilient Against Environmental Changes and Fluctuations in Orders.**

To supply good quality products at a low cost and in a timely fashion to customers in each region, we will exploit our strength in the multi-product lot production system while innovating production efficiency with the use of digital technologies such as IoT and AI and automation to supply highly competitive products worldwide.

**Toru Nakamura** Head of Tire Production Div., Member of the Board and Officer

## Key Measures

|          |                                                                                             |                                                                                                                                                                                                                                                                                                                                                  |
|----------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b> | <b>Maximizing production of high-value-added products ADVAN, GEOLANDAR and WINTER tires</b> | <ul style="list-style-type: none"> <li>• Exploit our strength in the multi-product lot production system.</li> <li>• Minimize limitation on production integration constraints (capital investment).</li> </ul>                                                                                                                                  |
| <b>2</b> | <b>Building a global production system in line with regional business strategies</b>        | <ul style="list-style-type: none"> <li>• Fully utilize the capabilities of plants in each location around the world to develop local production for local consumption.</li> <li>• Maximize domestic production capabilities and shift to high-value-added products.</li> <li>• Ensure stable production at the Mississippi TBR plant.</li> </ul> |
| <b>3</b> | <b>Promoting the digitization (IoT / AI) of manufacturing</b>                               | <ul style="list-style-type: none"> <li>• Visualize operations and streamline improvements in the field, thoroughly eliminate waste and promote effective improvements and automation.</li> </ul>                                                                                                                                                 |
| <b>4</b> | <b>CSR management (plant operation)</b>                                                     | <ul style="list-style-type: none"> <li>• Promote global education and accept foreign technical interns.</li> <li>• Promote social contribution activities and carbon neutrality.</li> </ul>                                                                                                                                                      |

## Results in Fiscal 2021 and Future Measures (Challenges)

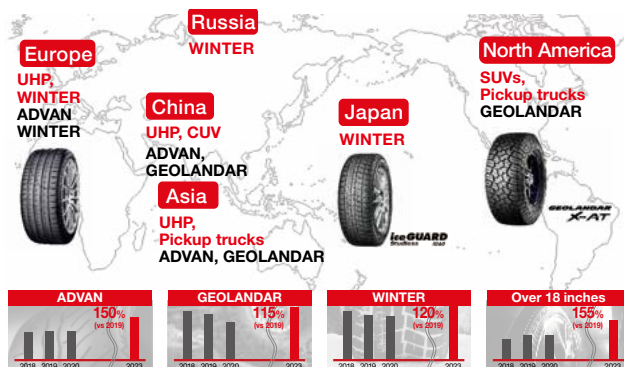
### Results

- We maintained operations under the COVID-19 pandemic and logistics disruptions, achieving total target production volume.
- Amid restrictions on movement, we strengthened operations on-site at our domestic plants and made specific improvements (capital investment) to the size mix of high-value-added products.
- We responded to sharply rising raw material and energy costs, and achieved a record scrap ratio (down 23% year on year) by cutting down on material costs and reducing scrap produced from defects. Waste production and energy consumption was significantly reduced.

### Future Measures (Challenges)

- We will maximize production capabilities at domestic plants and further promote the shift to high-value-added products.
- We will roll out the IoT/BI model established domestically to overseas plants in phases. Using this technology, we will reduce scrap produced from defects (industrial waste) even more thoroughly and promote reduced energy usage, analyze trouble and work to streamline and speed up development work and other operations to innovate operations.
- We will launch a plan aimed at achieving complete carbon neutrality at a model plant (Shinshiro-Minami Plant).

### Product and Regional Business Strategies (Consumer Tires)



### Developing Infrastructure for the Utilization of Manufacturing Data and Fostering a Data-Driven Culture

