

Value Creation Process


Basic Philosophy

To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products

Social Change and Issues


Business Environment

- Decrease in the number of privately owned vehicles and increase in the number of infrastructure-related vehicles due to the expansion of CASE and MaaS
- Distribution using electric vehicles and automation
- Intensifying price competition for tires



Society

- Improvement of occupational health and safety and prevention of infectious diseases
- Changing values with regard to work styles
- Prevention of complicity in child and forced labor in the company and suppliers
- Social impacts on suppliers



Environment

- Climate change challenges
- Changes in/impact on the natural environment by our production bases and suppliers
- Dependence on natural resources
- Switch from fossil resources to sustainable resources



Corporate Governance

- Maintenance and strengthening of foundation for proper organizational governance
- Demanding effectiveness and diversity within the Board of Directors and organization



Materiality

⇒ P. 20



Products

Deliver fun and peace of mind.



People

Build on each other's strengths.



Community

Coexisting and building trust.



For the Earth

Leave a sound environment to future generations.



Corporate Governance

Lay a solid foundation for fulfilling social expectations.

Inputs

(FY2022 results)

Financial Capital

- Total capital: ¥623.1 billion
- Interest-bearing debt: ¥238.7 billion (excluding lease liabilities)
- Cash and deposits: ¥75.6 billion

Manufactured Capital

- Tire production sites: 8 domestic plants, 13 overseas plants
- MB production sites: 3 domestic plants, 8 overseas plants
- Natural rubber production site: 1 overseas plant
- Research and development bases: 1 domestic site, 3 overseas sites
- Test courses: 2 domestic courses, 2 overseas courses
- Capital expenditures: ¥54.9 billion

Intellectual Capital

- R&D expenses: ¥16.0 billion
- Number of patents held: 6,242

Human Capital

- Number of employees: 28,468 (Consolidated) (Overseas: 18,500, Japan: 9,968)
- Employee training cost: 374 million yen (consolidated)
- Percentage of managerial positions filled by women: 1.7% (non-consolidated), 10.1% (consolidated)
- Percentage of female employees: 7.2% (non-consolidated), 14.0% (consolidated)

Social and Relationship Capital


- Main countries of operation: 28 countries and regions
- The YOKOHAMA brands cultivated over 106 years in business (ADVAN, BluEarth, GEOLANDAR, ALLIANCE, GALAXY, PRIMEX, and more)

Natural Capital

- Total energy consumption: 1,837,184 MWh (consolidated)
- Total water intake: 8,247,000 m³



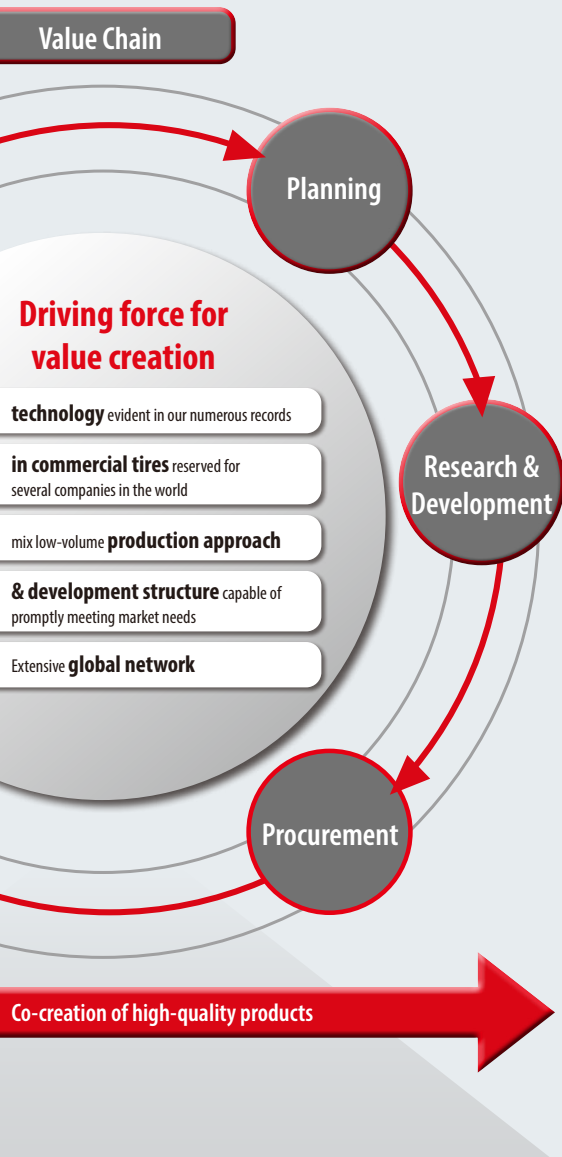
Medium-



Yokohama Rubber strives to create diverse value ahead of the times through its advanced technology and global network amassed over the years. We aim to embody the basic philosophy “To enrich people’s lives and contributing to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products” throughout our entire value chain, from planning to production and sales, together with our stakeholders.

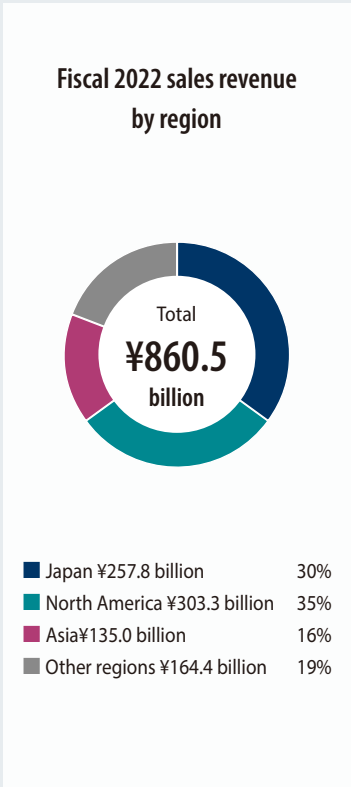
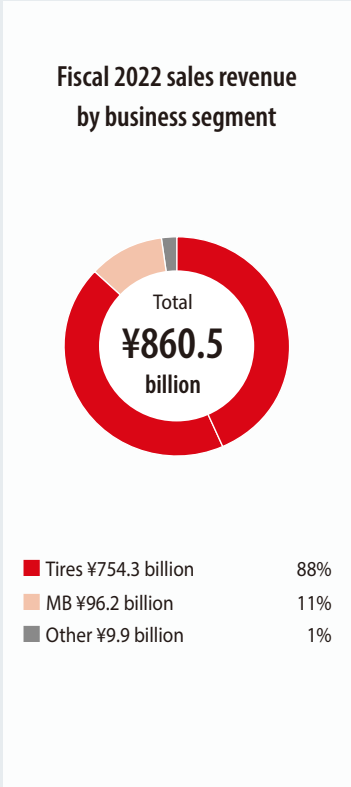
Business Model **Output** **Outcome (value provision)**

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Term Management Plan YX2023 ⇒ P. 23

We are targeting “transformations” for sustainable growth by simultaneously promoting the “exploitation” of our strengths in existing businesses and the “exploration” of new value to meet the needs of this era of great change.



- #### Financial Capital
- TSR 7.9% (10 year annual rate)
- #### Intellectual Capital
- Number of patents acquired (1 year): 835
 - “Development of Manufacturing Technology for Synthetic Rubber Core Chemicals with Carbon Resource Recycling” has been adopted as a “Green Innovation Fund Project” by the New Energy and Industrial Technology Development Organization (NEDO)
- #### Human Capital
- Managerial positions filled by non-Japanese employees: 34.1% (-3.4 percentage points year-on-year)
 - Number of employees taking childcare leave: 233 (-2% year-on-year)
Total of Childcare Leave System A and Childcare Leave System B ⇒ P. 45
 - Ratio of male employees taking childcare leave: 59% (-7.3 percentage points year-on-year)
 - LGBTQ related welfare system
 - Rate of lost-worktime injuries: 0.24 (+0.06 year-on-year)
- #### Social and Relationship Capital
- Economic stability and development of local communities and business partners (employment of local residents, expanded transactions with local companies, etc.)
 - Addressing issues in local communities (education, infrastructure, disaster recovery, minority support)
 - Contribution to a next-generation mobility society (provision of products and services compatible with MaaS, CASE, etc.): started practical testing of tire solution service for taxi companies
- #### Natural Capital
- Reducing environmental impact through climate change countermeasures and environmental conservation
⇒ quantitative data (GHG, water, volume of energy reduction/increase)
 - Contribution towards “nature positive” by turning production sites into those that coexist with nature
⇒ 5 domestic plants acquired ABINC certification*
 - * ABINC certification refers to Ikimono Kyosei Jigyosho* certification from the Association for Business Innovation in Harmony with Nature and Community (ABINC), which recognizes business locations demonstrating consideration for biodiversity.
 - Percentage of renewable energy: 4.6%
 - Percentage of sustainable materials: 26.2% (+0.7 percentage points year-on-year)
 - Number of trees planted (YOKOHAMA Forever Forest): cumulative of 1,200 thousand trees (92% progress in relation to target)