

Messages from Member of the Board (Outside) and Audit & Supervisory Board Member (Outside)

Hirokazu Kono Member of the Board (Outside)

◆ Profile

March	1980	Graduated from the Department of Industrial and Systems Engineering, Faculty of Engineering, Keio University
March	1982	Completed master's course at the Graduate School of Engineering, Keio University
March	1987	Withdrew from the Graduate School of Engineering, Keio University after obtaining doctoral course credits
April	1987	Research Associate, Graduate School of Business Administration, Keio University
April	1991	Assistant Professor, Keio University
May	1991	Ph.D. in Engineering (Keio University)
July	1991	Visiting Researcher, Harvard Business School (until July 1992)
April	1998	Professor, Keio University (current post)
October	2009	Dean, Graduate School of Business Administration and Business School, Keio University (until September 2019)
June	2011	Member of the Independent Committee, The Yokohama Rubber Co., Ltd. (until March 2014)
May	2013	President, Japan Industrial Management Association (until May 2017)
June	2014	Audit & Supervisory Board Member, Okasan Securities Group Inc. (until June 2021)
June	2015	Outside Director, Audit & Supervisory Committee, Okasan Securities Group Inc. Outside Director, Stanley Electric Co., Ltd. (current post)
March	2018	Member of the Board, The Yokohama Rubber Company, Co., Ltd. (current post)

◆ Significant Concurrent Positions

Professor, Keio University



Visiting Worksites, Thinking Together with Workers and Working Together as One Company to Improve Corporate Value

I believe that the key in corporate management is to properly recognize the company's strengths as well as issues and to determine the direction that the company should aim for. While it is necessary to individually respond to recent business keywords such as environmental issues, sustainability, compliance, governance, IoT, and digital transformation (DX), the starting point is the ability to concretely envisage the ideal and target image of the company from a long-term perspective, and the attitude of leaders themselves to visit worksites and grasp the current situation.

With regard to governance and compliance, it is my opinion that Yokohama Rubber comprehends socio-economic trends accurately and implements swift responses. On the other hand, there is still room for further improvements in terms of safety and quality. In order to thoroughly ensure the very basics of safety and quality in the workplace, I believe that Yokohama should enhance functional and human resources that connect the head office with worksites. I expect that the relocation of the head office from Tokyo to Hiratsuka will act as one key catalyst for such enhancement.

In terms of business development, Yokohama is swiftly implementing new growth initiatives such as reorganizing part of the MB segment to consolidate management resources and focusing on the commercial tire business. Nevertheless, I feel that there is still room for a higher level of QCD improvement capabilities at the production sites. Although the diversifying production mix will make it even more difficult to continue improvement activities, it is important to pursue a process to produce good products while ensuring safety at

the production sites and make steady improvements. Such activities will be linked to supply chain management (SCM) and manufacturing-sales collaboration, combining the capabilities in human resources development and IT. I would like to contribute to these initiatives by making use of my own expertise.

At meetings of the Board of Directors, I speak frankly on issues such as production and supply matters and human resources development. However, there are difficulties in covering every and all issues and practicing a worksite-focused approach merely by attending meetings. In the future, I would like to take more opportunities of activities that involve visiting workplaces and thinking together with workers.

FY2021 was the first year of the Yokohama Transformation 2023 (YX2023) medium-term management plan. While the achievement of the goals set in the YX2023 has great significance and responsibility, it is also important to value the sense of achievement and motivation of workers in every department who underpin daily corporate activities. How can Yokohama enhance not only our output as a result indicator, but also the fulfillment of functions such as production, sales, R&D and management? I would like to continue to make proposals from an objective perspective.

For the benefit of stakeholders, it is essential to appropriately communicate Yokohama's raison d'être including its responses to issues in the local environment, enhance its corporate value, and return profits. I hope to contribute to the two-way communication with stakeholders.

Megumi Shimizu Audit & Supervisory Board Member (Outside)

◆ Profile

March	1991	Graduated from Faculty of Law (Department 1), The University of Tokyo
April	1993	Completed course at the Legal Research and Training Institute
April	1993	Joined Nishimura & Sanada law firm (until March 1995)
April	1999	Rejoined Nishimura & Partners
March	2004	Partner, Nishimura & Tokiwa law firm (now Nishimura & Asahi) (current post)
June	2005	Graduated from Harvard Law School (LL.M)
September	2005	Worked at Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York (until March 2006)
December	2015	Outside Auditor, EduLab, Inc. (current post)
March	2018	Audit & Supervisory Board Member, The Yokohama Rubber Company, Co., Ltd. (current post)

◆ Significant Concurrent Positions

Partner, Nishimura & Asahi



Importance of Establishing and Appropriately Operating Effective Group Governance with the Inclusion of Overseas Bases

As an Audit & Supervisory Board Member (Outside) with a background as a lawyer, I place a primary emphasis on our “defensive function” and endeavor to monitor whether the Company’s management makes key management decisions based on due consideration of possible risks from multiple perspectives.

At last year’s Board of Directors meetings, efforts were made to deepen the understanding of outside officers with regard to the Company’s business and its issues, such as by allocating time to provide detailed explanations of business plans for each division and sharing materials from the Business Strategy Meeting. This makes me feel that management expects useful advice from us as outside officers.

The Company’s senior management team is taking a proactive stance in terms of business plans and strategies, as demonstrated by the currently ongoing acquisition of Trelleborg Wheel Systems Holding AB (TWS, Sweden). In order for Yokohama Rubber to achieve sustainable growth as a listed company and enhance corporate value over the medium to long term, I believe that the importance of management with an emphasis on compliance-based sustainability will continue to increase.

With regard to compliance, even now, in-depth analyses are being conducted and serious discussions are being held on every issue reported at meetings of the Board of Directors and the Audit & Supervisory Board based on thorough observations made by outside officers, with a view to preventing recurrences. In addition to instilling an awareness of the importance of compliance at all levels within the Company,

it is essential to establish a system in which the appropriate departments and points of contact are promptly consulted (or given reports), and corrective measures are taken whenever an incident that could constitute a breach of compliance occurs or is discovered.

The Company currently has overseas bases in 27 countries, and overseas business sales in the fiscal year ended December 31, 2021 accounted for 64.6% of total sales. When the acquisition of TWS is completed, the ratio of overseas business activities will increase further, so it will be important to establish an effective group governance system, including overseas bases, and to operate it appropriately. I intend to pay close attention to the efforts of the Company’s management to enhance global governance.

With regard to sustainability, we are tackling issues related to the environment and society in product development and business activities. In order to support Yokohama’s sustainable growth and increase corporate value, it will be also important to ensure the diversity of human resources who will serve as the foundation for these efforts. The ratio of female managers within the Company is still low at present, so I hope that we will continue working to raise this ratio while implementing work style reforms, so that all employees can play active roles with job satisfaction while achieving a healthy balance with life events, regardless of gender.