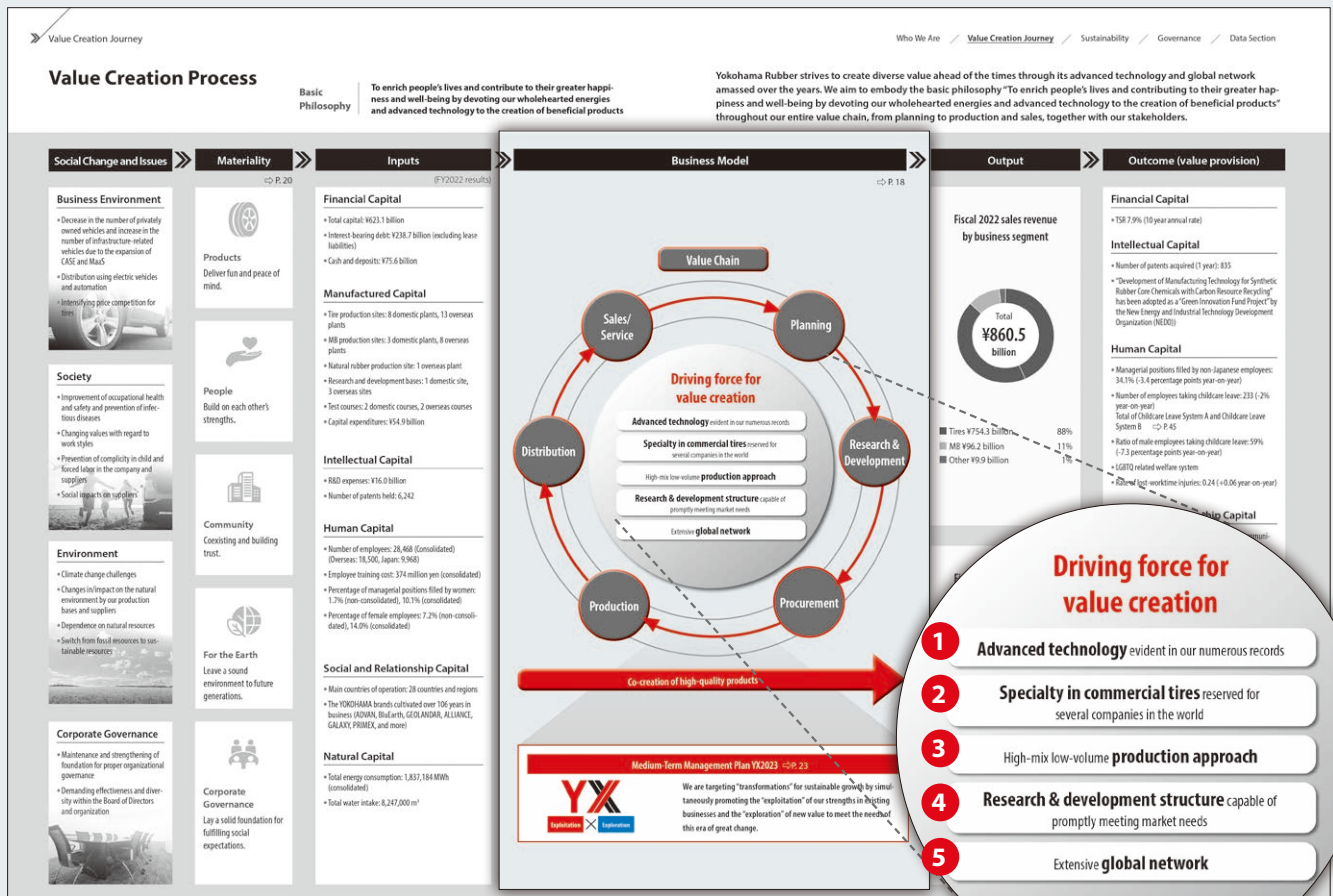


# Sources of Value Creation



## 1 Advanced technical prowess validated by an extensive track record of success

Yokohama Rubber's long-standing tire manufacturing technology and high reliability in quality have been recognized worldwide, with our tires used not only on Japanese automakers' vehicles, but also European luxury brands such as Porsche, Mercedes-AMG, and BMW. Furthermore, by

participating in motor sports in Japan and overseas, we have accumulated know-how in tire development technology that delivers advanced and safe handling even in the harshest conditions. In addition, Yokohama Pneumatic Fenders, which represent a world-first product developed with our rubber technology, are widely used around the world as shock absorbing materials for ships to berth at sea and in port for a number of fields such as petroleum, mining, fisheries, and offshore drilling.

## 2 Specialty commercial tires supplied by several companies around the world

Commercial tires are a highly profitable and growing segment where demand is expected to increase further in the future due to increased food production and expansion of logistics following economic development. Yet, the number of manufacturers that offer commercial tires is limited due to the particularly advanced technological capabilities required for development and production. In anticipation of these changes in the business environment, we decided to increase the ratio of commercial tires in our business portfolio, especially the OHT business, with the

acquisition of Alliance Tire Group B.V. (ATG) in 2016 to strengthen our development of tires for agriculture and forestry machinery. In 2017, we acquired Aichi Tire Industry, and in 2021, we integrated it under the name Yokohama Off-Highway Tires (YOHT). With the completion of the acquisition of Trelleborg Wheel Systems Holding AB (TWS) in 2023, we expanded our brand from Tier 1 to Tier 3 and established a full lineup of tire products. Our sales ranking in the OHT market has risen to the third largest in the world (Yokohama Rubber estimate). Going forward, we will leverage business synergies such as mutual utilization of our 22 global OHT production bases and joint purchasing of raw materials to demonstrate a high degree of competitiveness in the global market.

### 3 Production system compatible with high-mix, low-volume production

Believing that the mission of a manufacturer is to provide “good, affordable products in a timely manner,” we have a wide range of production lines that support various product lineups globally. In order to respond to the different needs of each region, including summer, all-season and winter tires for passenger cars, trucks and buses, and motorsports, we adopted our unique high-mix, low-volume, small-scale production system that allows us to quickly and flexibly expand our production capacity. We were also the first Japanese tire manufacturer to set up business operations in Vietnam. This high-mix,

low-volume production system, which can respond finely to demand, has led to the establishment of a competitive advantage as one of our strengths. At production sites, by combining just-in-time production and other methods, we can efficiently produce a variety of products while responding quickly to fluctuations in demand.

We are also actively using digital technology in production, and we use real-time information to visualize and optimize production processes in production planning and production line monitoring. By utilizing data analysis and forecasting models, we optimize demand forecasts and production plans, and realize a high-mix, low-volume production system with greater accuracy.

### 4 Research & development system that can address market needs in a timely manner

By establishing tire R&D centers in regions close to the market, Yokohama Rubber is promoting the speedy launch of new products that meet local needs. The Group as a whole has tire R&D centers in Japan, Thailand, China and the United States, and a total of four comprehensive tire test courses in Japan, Thailand and Sweden.

In addition, we have been working on the development of new technologies and materials from an early stage, and are making efforts in technological innovation to meet market needs and address social and environmental issues, such as the growing demand for sustainable materials with low environmental impact, improved energy

efficiency, and the digitalization of the automotive industry. In 2014, we became the first company in the world to create simulation technology to visualize the “sound” around tires, and we have pioneered other technologies ahead of our peers by making full use of our advanced simulation technology. We have incorporated aerodynamic technology, a new perspective in tire design, and are working to develop products that not only reduce the air resistance of tires but also reduce the air resistance of the entire vehicle.

Additionally, we are using IT to strengthen our information management system and data analysis capabilities. As part of this, we have independently developed a tire characteristic value prediction system that utilizes digital AI to enable a huge number of virtual experiments, and we are using this system for a wide range of tire development.

### 5 Extensive global network

Yokohama Rubber engages in business in countries around the world, and has 47 production and sales bases, not to mention more than 50 sales offices as part of its extensive global network. This presence supports corporate growth and contributes to local communities by providing products and services tailored to local needs, efficient production systems, and innovative technological development. Our tires and rubber products are manufactured at 11 plants in Japan and 36 plants overseas, providing ample production capacity to meet local demand. In addition to Japan, we have production bases in every corner of the globe, such as Asia, Europe, and the United States, to meet the demands of each region. In 2022, production began at the newly

constructed Visakhapatnam plant in India to increase YOHT’s production capacity. In 2024, we plan to further bolster our production lines for passenger cars.

Our global sales network includes sales offices, agents and distributors to serve automotive manufacturers, consumers and companies around the world. Through our sales network, Yokohama Rubber is developing products and sales strategies tailored to market needs in many regions. Furthermore, we have established partnerships with automakers, parts suppliers, research institutes, universities, and others. As a result, we have established a system that allows us to respond quickly to the environment in the fiercely competitive global market and reflect this in our products and sales.

\*As of August 1, 2023