







## Value Co-Creation with Stakeholders by Capital

Individual activities in the value chain shown in the value creation process lead to the co-creation of high-quality products by leveraging Yokohama Rubber's capital and the strength produced from that. Yokohama Rubber will steadily meet the expectations, interests and needs of our stakeholders, and provide further value.

Type of Capital	Yokohama Rubber's Strengths	Stakeholders	Expectations, Interests and Needs of Stakeholders	Initiatives for Further Value Creation
 <p><b>Financial</b></p>	<ul style="list-style-type: none"> <li>Profit expansion by "Product and Regional Strategies" in the consumer tire business, as well as by the maximization of the ratio of high value-added products (AGW strategy), and sustainable growth driven by the OHT business with high market growth rate including tires for agricultural machinery vehicles boasting the world's top market share in the commercial tire business</li> <li>Implementation of strategic investment toward the improvement of corporate value, and the ability to generate cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders (increased attention from domestic institutional investors as well as overseas institutional investors with the progress of business globalization)</li> <li>Financial institutions (banks in Japan and overseas, and government-affiliated financial institutions)</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of capital efficiency (liquidation of cross-shareholdings and non-business assets)</li> <li>Strengthening of IR activities (enhancement of connections with investors, and improvement of disclosures)</li> <li>Pursuit of optimal capital structure</li> </ul>	<ul style="list-style-type: none"> <li>Business growth by continuous strategic investment</li> <li>Improvement of asset efficiency by the sale of cross-shareholdings</li> <li>Optimal balance sheet management tailored to business structure</li> <li>Strengthening investor engagement by holding IR events, etc.</li> </ul>
 <p><b>Human</b></p>	<ul style="list-style-type: none"> <li>Utilization of personnel with different nationalities</li> <li>Introduction of a home office system and satellites offices, and upgrading of work-from-home and flexible work systems</li> <li>Development and selection of value-added human resources</li> <li>Assignment of right person to the right high-level position</li> <li>Links between duty, performance and compensation (managers)</li> <li>Investment in safety measures aiming to achieve zero occupational accidents</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Diversity &amp; Inclusion</li> <li>Work style reforms (flexible working hours, and work-life balance)</li> <li>Employees' own growth through work</li> <li>Consideration to occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of employee engagement</li> <li>Increase the ratio of female managers</li> <li>Expansion of skills development programs</li> <li>Utilization of senior human resources</li> </ul>
 <p><b>Intellectual</b></p>	<ul style="list-style-type: none"> <li>Launching Japan's first fuel-efficient tires (1998)</li> <li>Tires and rubber products (conveyor belts, etc.) with increased ratio of sustainable raw materials (conveyor belts, etc.)</li> <li>HAI CoLab: Product development utilizing AI (material design and structure design)</li> <li>Development of sustainable raw materials in collaboration with business partners (NEDO Green Innovation Fund Projects, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Business partners (collaboration)</li> <li>Public institutions (collaborative research)</li> </ul>	<ul style="list-style-type: none"> <li>Development of products that contribute to the environment</li> <li>Development of high-performance and heavy-duty products</li> <li>Provision of services utilizing technology</li> </ul>	<ul style="list-style-type: none"> <li>Development and launch of "E+" tires equipped with technologies that meet the special needs of electrified vehicles, such as the strength to withstand the higher loads associated with the installation of electric batteries</li> <li>Improvement of customer convenience and efficiency by services utilizing DX</li> </ul>
 <p><b>Manufacturing</b></p>	<ul style="list-style-type: none"> <li>Acquisition of technical approval for the world's leading premium cars</li> <li>World class specialties in commercial tires (ones for trucks and buses, and OHTs)</li> <li>Production system compatible with high-mix, low-volume production</li> <li>Production of high-performance pneumatic fenders and hydraulic pressure hoses for vehicles and construction machinery</li> </ul>	<ul style="list-style-type: none"> <li>Local communities</li> <li>Business partners</li> <li>Customers</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable raw materials procurement (supply chains without environmental and human rights risks)</li> <li>Supplying of high-performance and high value-added products</li> <li>Environmental conservation, economic development, and the resolution of issues in local communities</li> <li>Productivity improvement</li> <li>Achievement of carbon neutrality</li> </ul>	<ul style="list-style-type: none"> <li>Low cost, speedy development of quality products</li> <li>Low cost: Drastic reduction of product costs</li> <li>Speedy development: the "1-year plant" challenge and speeding up of tire development</li> <li>Quality products: Strengthening development of OE tires suitable for the next-generation of premium cars</li> </ul>
 <p><b>Social and Relationship</b></p>	<ul style="list-style-type: none"> <li>Achievement of the speedy launch of new products that meet local needs by establishing tire R&amp;D centers in regions close to the market</li> <li>Broad-ranging and global customer base not only for PC, but also for OHT and MB (hose and couplings, industrial products, etc.)</li> <li>Activities to support farmers at natural rubber plantations in Thailand and Indonesia (holding seminar events regularly)</li> </ul>	<ul style="list-style-type: none"> <li>Local communities</li> <li>Business partners</li> <li>Customers</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance and promotion of good relationships</li> <li>Fair operating practices</li> <li>Provision of safe and high-quality products and services</li> <li>Sustainable raw materials procurement (land use, forest resources conservation, impact on biodiversity, elimination of child labor and forced labor, etc.)</li> <li>Respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of stakeholder engagement</li> </ul>
 <p><b>Natural</b></p>	<ul style="list-style-type: none"> <li>Environmental research at a natural rubber plantation in Thailand</li> <li>Introduction of renewable energy and continuous implementation of Company-wide energy-saving activities</li> <li>Biodiversity preservation activities in collaboration with local residents and local governments around production sites</li> <li>YOKOHAMA Forever Forest Activities (activities to grow seedlings of potential natural vegetation tree species by ourselves, provide nursery trees, and plant them with local residents)</li> </ul>	<ul style="list-style-type: none"> <li>Natural environment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable raw materials procurement (land use, forest resources conservation, elimination of impact on biodiversity, etc.)</li> <li>Climate change countermeasures</li> <li>Measures against environmental deterioration and biodiversity loss</li> <li>Management of water resources</li> </ul>	<ul style="list-style-type: none"> <li>Participation in a Japan Ministry of the Environment project using advanced technology for evaluating and verifying sustainable procurement of natural capital from the ASEAN region</li> <li>Introduction of RubberWay Geo-Mapping, a risk assessment tool, toward the promotion of sustainable natural rubber procurement</li> </ul>