




Risk Management

Relevant materiality	What we aim to do
 Improvement of management resilience by strengthening corporate governance	<ul style="list-style-type: none"> • Strengthen stakeholder engagement • Strengthen governance of sustainability issues

Basic Approach

Yokohama Rubber is working to strengthen risk management as part of its internal control in order to minimize diversifying risks. We are focusing on identifying matters that have a significant impact on our business, taking preventive measures to stop risks before they occur, and creating a system for prompt and appropriate responses to minimize damage in the event of a serious risk incident.

Currently, there is a need to respond to various changes in the business environment in Japan and overseas, such as growing awareness of human rights and global business expansion. In addition, the impacts of risks caused by the external environment, such as the COVID-19 pandemic, tight supply and demand of raw materials, and cyberattacks, are also enormous.

In light of these circumstances, we recognize that risk management is one of the most important issues in terms of management sustainability, and we are working to maintain and strengthen our risk management system.

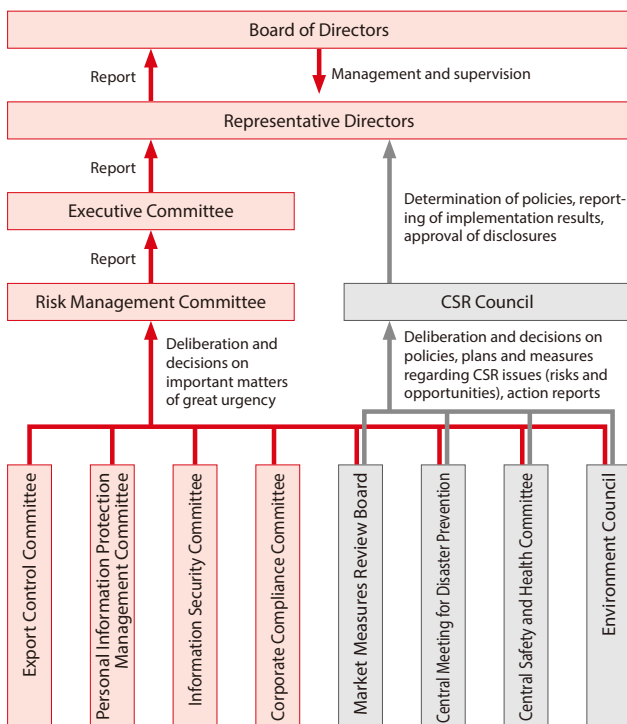
Risk Management System

In order to strengthen our defense system against various risks facing the Company, we have established the Risk Management Committee, chaired by the director in charge of the Corporate Administration Division to manage risks that may have a significant impact on management in a cross-functional manner and to appropriately evaluate and respond to them. The activities of the Risk Management Committee are regularly reported to the Board of Directors. In addition, for matters related to compliance, occupational health and safety, disasters, the environment, information security, and export control that pose specific risks, the Corporate

Compliance Committee, the Central Safety and Health Committee, the Central Meeting for Disaster Prevention, the CSR Council, the Environment Council, the Information Securities Committee, the Personal Information Protection Management Committee, the Export Control Committee, etc. have been established to formulate and develop rules, guidelines, and manuals and provide training.

The activities of the Risk Management, Corporate Compliance, Export Control, and Personal Information Protection Management committees are regularly reported to the Board of Directors. The status of activities of meeting bodies other than the above is reported to the Executive Committee as appropriate, and those deemed necessary are reported to the Board of Directors.

Risk management system



Fiscal 2023 results

In addition to the regular meetings of the Risk Management Committee and other committees twice a year, ad hoc committee meetings may be held based on the standards stipulated in the committee rules. In fiscal 2023, the Risk Management Committee and the Personal Information Protection Management Committee held extraordinary committee meetings, and the results of these meetings were as follows. Going forward, we will continue to work more on PDCA activities to identify possible risks, consider countermeasures, inform related parties, and verify them while sustaining our normal day-to-day business activities.

Committee meetings (including extraordinary meetings)

Risk Management Committee	8 times
Personal Information Protection Management Committee	3 times
Export Control Committee	2 times
Information Security Committee	2 times

Information Security Initiatives

The Yokohama Rubber Group has established the Information Security Basic Policy, and is implementing a variety of information security measures based on it to protect customers' personal information and other confidential information from threats such as cyberattacks, which are becoming more sophisticated and complex every day, along with other information leakage risks.

We have also established information security management rules, procedures and global guidelines, and regularly review them in response to changes in the environment surrounding information security. As a specific initiative, we have assigned information management managers to each organization and Group company to establish a liaison system for information security.

In addition to collecting and providing information, including

problems from stakeholders, through the Information Security Desk, we regularly conduct assessment of information security and evaluate risks. In the unlikely event of an information security incident, we are working to strengthen our relationships so that we can respond promptly in accordance with the procedure to respond to information security phenomena. We also regularly provide security awareness training for employees through conducting targeted e-mail attack drills and education. Our information security management system acquired TISAX certification, which is an information security assessment formulated by the German Association of the Automotive Industry, and our information-related subsidiary acquired ISO 27001 certification.

Activities in Fiscal 2023

Fire and disaster prevention initiatives

Learning from the fire that occurred at Yokohama Tire Philippines, Inc. (YTPI)'s production site in the Philippines in 2017, we are working to operate our business with safety as a top priority based on our vow to never cause a fire or accident again. In terms of fire prevention activities, in April 2024, we revised the company-wide Fire Prevention Guideline, which aims to prevent fires and prevent the spread of fires in the event of an emergency. In addition, we worked on the upgrading of aging electric components at the production sites in Japan and completed this after two years of work from 2022. We will continue to strengthen the Yokohama Rubber Group's fire prevention system from fiscal 2024 onward focusing on prevention and recurrence prevention activities by implementing the PDCA cycle for improvements that lead to fire prevention.

In terms of disaster prevention activities, we revised the Disaster Prevention Guidelines in November 2023 to clarify our preparedness for intensifying natural disasters and infectious diseases occurring over a wide area. Formulated with the aim of maintaining corporate activities based on human life first, these guidelines promote the strengthening of Yokohama Rubber's disaster preparedness capabilities by clarifying the actions that employees should take in the event of a disaster, the Company's disaster prevention system, and the enhancement and management of disaster stockpiles. Disaster prevention drills are also held on a regular basis, and their content and frequency, and the number of participants are confirmed to ensure a quick response to disasters.



Fire prevention audit

We have introduced a safety confirmation system covering the Company and our domestic production subsidiaries, and carry out disaster drills continuously. In addition to conducting safety confirmation drills regularly at each site, we have conducted nationwide safety confirmation drills every year in March since 2021. By increasing the frequency of safety confirmation drills, we are working to improve our initial response capabilities in the event of a disaster and raise our employees' awareness of disaster prevention. As the system to establish the Central disaster prevention management headquarter of the corporation in the event of a large-scale disaster as well as to collect and share information, we have built a tool that enables the pluralization of communication means and the sharing of information at a meeting room in Internet space, ensuring tools for prompt communication that are available even under a situation difficult to meet physically.

BCP initiatives

With regard to the Business Continuity Plan (BCP), we have prepared guidelines including the Basic BCP Guidelines for responding to various destructive and non-destructive disasters, such as infectious diseases. These guidelines are revised as necessary. In 2023, we conducted a first large-scale BCP drill after the relocation of head office functions to Hiratsuka. Going forward, we will continue our efforts to protect our employees from disasters and strengthen our systems and mechanisms to continue the supply of products and services when our business is exposed to disasters.



BCP training (Head Office/Hiratsuka Factory)

Future Issues and Measures

Since the environment surrounding companies is becoming increasingly severe as symbolized by the unstable global situation, the intensification and frequency of natural disasters due to climate change, and cyberattacks, which are becoming more sophisticated and stealthy, further strengthening of risk management as well as information sharing and communication among departments will

continue to be issues that need to be addressed.

Going forward, we will continue to improve risk countermeasures by regularly conducting risk assessment and implementing the PDCA cycle by each department in charge, and raise the awareness of each and every employee through BCP drills and information security training and drills.