






Risks and Opportunities/Progress on Materiality

In 2024, Yokohama Rubber revised its materiality in accordance with its new medium-term management plan, YX2026. We identify issues from external and internal factors, evaluate risks and opportunities for each stakeholder, set KPIs and targets, and advance sustainability initiatives.

*1: Standard for tires that can run at low pressure to minimize the impact on the roots of crops
 *2: It refers to the ratio of employees who continued to be employed by the Company or our subsidiary after turning 65 among the administrative and technical employees aged 65 or over.
 *3: DX leader development training started in the middle of fiscal 2024.
 *4: Calculated from the results of the "Employee Awareness Survey" conducted for employees of the submitting company (standalone).

Materiality	Risks and Opportunities	Metrics (KPIs)	FY2024 Results	Targets	What We Aim to Be
Provision of products and services that contribute to a sustainable society 	Risks <ul style="list-style-type: none"> Short- to medium-term Decrease in business performance due to the failure to adapt to changes Medium- to long-term Decline in product demand due to changing customer needs, such as a drop in the number of owners of private cars with the uptake of MaaS Medium- to long-term Risk of accidents and lawsuits due to poor product safety, recalls and damage to brand value Medium- to long-term More stringent performance, cost and other requirements 	Number of products with E+ mark (for tires specifically suited for electric vehicles) Number of tire sizes that conform to Very High Flexion (VF) and Pressure Field Operation (PFO) standards ¹	5 products Total of 272 sizes	<ul style="list-style-type: none"> FY2026: 10 products FY2026: Total of 384 sizes 	<ul style="list-style-type: none"> Achieve a safe and comfortable mobility society through improved quality and performance based on proprietary technologies Contribute to economic and social development by providing high value-added off-highway tires Improve customer convenience and efficiency through DX-based services
	Opportunities <ul style="list-style-type: none"> Medium- to long-term Responding to changing customer needs and stricter regulations at an early stage Medium- to long-term Secure new business opportunities through adapting to CASE and MaaS 	Number of uses of tire management/maintenance services (T.M.S) applying DX (number of vehicles registered/number of tires inspected)	49,019 vehicles 328,823 tires	<ul style="list-style-type: none"> FY2026: 50,000 vehicles registered FY2026: 450,000 tires inspected per year 	
	Risks <ul style="list-style-type: none"> Medium- to long-term More stringent environmental (Tyre and Road Wear Particles, etc.) laws and regulations and increase in litigation Medium- to long-term Increase in energy costs due to demand for the use of renewable energy to reduce GHG (Scope 3 for client companies), etc. 	Reduction of greenhouse gas emissions (Scope 1+2)	10.6% reduction compared to FY2019	<ul style="list-style-type: none"> FY2026: 30% reduction compared to FY2019 FY2030: 40% reduction compared to FY2019 FY2050: Achieve carbon neutrality 	
Contribution to a decarbonized society and circular economy 	Opportunities <ul style="list-style-type: none"> Medium- to long-term Sales of products to customers with a high sensitivity to environmental issues Medium- to long-term Expansion of sales of products for EVs with the uptake in EVs 	Percentage of electricity used by the Company from renewable energy sources Percentage of renewable and recycled raw materials used	4.3% 29.8%	<ul style="list-style-type: none"> FY2050: Achieve 100% FY2026: 28% FY2030: 40% FY2050: Achieve 100% sustainable material 	<ul style="list-style-type: none"> Contribute to a Decarbonized Society through Our Products Reduce Greenhouse Gas Emissions and Energy Consumption Contribute to the circular economy by increasing the use of renewable and recycled materials
	Risks <ul style="list-style-type: none"> Medium- to long-term Negative impact on biodiversity due to destruction of forests and other environments in natural rubber farms Medium- to long-term Intensification of disasters due to climate change caused by suppliers' GHG emissions Medium- to long-term Local residents adversely affected due to air pollution and climate change, health hazards, and impacts on regional climate change Medium- to long-term Health hazards of local residents and impacts on biodiversity due to improper handling of water resources and waste 	Number of trees planted and saplings provided as part of "YOKOHAMA Forever Forest" activities	1,399,664 trees/saplings	<ul style="list-style-type: none"> FY2030: 1.5 cumulative million trees planted and saplings supplied 	
	Opportunities <ul style="list-style-type: none"> Medium- to long-term Reduction in energy costs by improving the efficiency of manufacturing processes Medium- to long-term Reduction in risk of resource price fluctuations and increase in operational efficiency with reuse and recycling Medium- to long-term Reduction in environmental conservation costs 	Number of business sites certified as "Nationally Certified Sustainably Managed Natural Sites" (Japanese OECM) by the Ministry of the Environment Number of serious environmental incidents (air, water, soil)	1 cumulative site 0	<ul style="list-style-type: none"> FY2026: 5 cumulative sites Continue with 0 cases 	
Living in harmony with local communities 	Risks <ul style="list-style-type: none"> Short- to medium-term Local community opposition to operations due to the environmental impact of waste and emissions Short- to medium-term Violation of rights of indigenous people with the development of natural rubber farms Medium- to long-term Decrease in yields and increase in production costs due to corrective measures required for adverse impacts on habitats of surrounding indigenous people 	Support for social contribution organizations through the YOKOHAMA Magokoro Fund, an employee social contribution fund	12	<ul style="list-style-type: none"> 10 or more per year 	<ul style="list-style-type: none"> Help solve local community problems
	Opportunities <ul style="list-style-type: none"> Medium- to long-term Stable operations by building positive relationships with local residents Medium- to long-term Creation of opportunities for local children to join the Company through education (scholarships, work experience, etc.) 	Risks <ul style="list-style-type: none"> Short- to medium-term Reduction in labor forces due to occupational accidents, natural disasters, infectious diseases, etc. Short- to medium-term Work absences due to poor mental health, lost productivity due to decreased satisfaction Short- to medium-term Violations of employee human rights, including long working hours, living wages, and freedom of association 	Ratio of female managers (section manager or higher) (non-consolidated) Ratio of male employees taking childcare leave (non-consolidated) Ratio of employees with continued employment after reaching 65 years old (non-consolidated) ² Ratio of participation in skill development training • Ratio of participation in management education programs including MBA courses (non-consolidated) • Ratio of participation in education programs for DX leader development (non-consolidated) ³ Employee engagement score (non-consolidated) ⁴	3.2% 83.7% FY2022 to FY2024 Period average 73.3% 8.3% 0.6% 68.8	
Development of human capital capabilities for sustainable corporate value enhancement 	Opportunities <ul style="list-style-type: none"> Medium- to long-term Creation of innovation and improvement to productivity with the recruitment and development of diverse human resources and their active roles 	Risks <ul style="list-style-type: none"> Medium- to long-term Suspension of transactions due to the discovery of issues related to human rights at natural rubber farms, including workers involved in forced labor and child labor, and increase in production costs due to corrective measures 	Number of natural rubber farms surveyed	861	<ul style="list-style-type: none"> FY2030: 1,200 cumulative surveys
	Opportunities <ul style="list-style-type: none"> Medium- to long-term Procurement of sustainable, high-quality raw materials Medium- to long-term Increase in transactions through contributions to the economic development of local communities 	Number of seminars for natural rubber farmers held	2	<ul style="list-style-type: none"> 2 events or more per year 	<ul style="list-style-type: none"> Sustainable procurement of natural rubber Respect for human rights in the supply chain
	Risks <ul style="list-style-type: none"> Medium- to long-term Strengthening of laws and regulations on antitrust, bribery, price cartels, export control, etc. Medium- to long-term Decrease in credibility and brand value due to cyberattacks or leakage of confidential information Medium- to long-term Lack of human resources with knowledge and skills pertaining to sustainability, including climate change, environmental issues related to biodiversity conservation, human capital, and human rights in the supply chain Medium- to long-term Decrease in corporate value due to failure to address sustainability issues 	Number of human rights due diligence (impact assessments) procedures conducted in the supply chain Number of sustainability-related issues reported to and discussed by the Board of Directors	1 4	<ul style="list-style-type: none"> 1 case per year 4 per year (quarterly) or more 	
Opportunities <ul style="list-style-type: none"> Medium- to long-term Increase in management resilience and corporate value by addressing sustainability issues 	Risks <ul style="list-style-type: none"> Medium- to long-term Strengthening of laws and regulations on antitrust, bribery, price cartels, export control, etc. Medium- to long-term Decrease in credibility and brand value due to cyberattacks or leakage of confidential information Medium- to long-term Lack of human resources with knowledge and skills pertaining to sustainability, including climate change, environmental issues related to biodiversity conservation, human capital, and human rights in the supply chain Medium- to long-term Decrease in corporate value due to failure to address sustainability issues 	Number of sustainability-related issues reported to and discussed by the Board of Directors	4	<ul style="list-style-type: none"> 4 per year (quarterly) or more 	<ul style="list-style-type: none"> Strengthen stakeholder engagement Strengthen governance of sustainability issues
Improvement of management resilience by strengthening corporate governance 	Opportunities <ul style="list-style-type: none"> Medium- to long-term Increase in management resilience and corporate value by addressing sustainability issues 	Number of sustainability-related issues reported to and discussed by the Board of Directors	4	<ul style="list-style-type: none"> 4 per year (quarterly) or more 	