Risks and Opportunities / Progress on Materiality

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

*1: A standard for tires that can run at low pressure to minimize the impact on crop roots.
*2: Two sites were certified in March 2026 to bring the cumulative total to five sites.

Materiality (Key Issues)	Risks and Opportunities	Metrics (KPIs)	FY2025 Results	Targets	What we aim to do
Provision of Products and Services that Contribute to Sustainable Society  See page 29 for details	**Risks** Short to mid term: Decline in business performance due to failure to adapt to change Mid 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 Mid to long term: Risk of accidents and lawsuits due to declining product safety, recalls, and damage to brand value Mid to long term: More stringent performance, cost, and other requirements **Opportunities** Mid to long term: Early response to changing customer needs and stricter regulations Mid to long term: Capturing new business opportunities through adapting to CASE and MaaS	Number of E+ marked tires (EV-compatible products)	7 products	■ FY2026: 10 products	■ Help achieve safe and comfortable mobility through improved quality and performance based on proprietary technologies ■ Contribute to economic and societal development through the provision of high-value-added off-highway tires ■ Improve customer convenience and operational efficiency through digital services
		Number of tire sizes that conform to Very High Flexion (VF) and Pressure Field Operation (PFO) standards*1	Total of 283 sizes	■ FY2026: Total of 384 sizes	
		Utilization of tire management/maintenance services (T.M.S) using digital transformation (number of vehicles registered/number of tires inspected)	53,567 vehicles 314,092 tires	■ FY2026: 50,000 vehicles registered ■ FY2026: 450,000 tires inspected per year	
Contribution to a Decarbonized Society and Circular Economy  See page 70 for details	**Risks** Mid to long term: More stringent laws and regulations and increased litigation on environmental issues such as Tire and Road Wear Particles Mid to long term: Rising energy costs due to requirements for renewable energy use to reduce GHG emissions (client companies' Scope 3 emissions) **Opportunities** Mid to long term: Sales of products to customers with high sensitivity to environmental issues Mid to long term: Expansion of sales of EV-related products driven by growing popularity of EVs	Reduction of greenhouse gas emissions (Scope 1+2)	10.2% reduction compared to FY2019	■ FY2026: 30% reduction compared to FY2019 ■ FY2030: 40% reduction compared to FY2019 ■ FY2050: Achieve carbon neutrality	■ 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
		Percentage of electricity used by the Company from renewable energy sources	6.8%	■ FY2050: Achieve 100%	
		Percentage of renewable and recycled raw materials used	30.4%	■ FY2026: 28% ■ FY2030: 40% ■ FY2050: Achieve 100% sustainable materials	
Living in Harmony with Nature  See page 72 for details	**Risks** Mid to long term: Negative impact on biodiversity due to destruction of forests and other environments in natural rubber farms Mid to long term: Intensification of disasters due to climate change resulting from suppliers' GHG emissions Mid to long term: Local residents adversely affected due to air pollution and climate change, health hazards, and impacts on regional climate change Mid to long term: Health impacts on local residents and impacts on biodiversity due to improper handling of water resources and waste **Opportunities** Mid to long term: Reduction in energy costs through improved manufacturing process efficiency Mid to long term: Reduction in risk of resource price fluctuations and increase in operational efficiency through reuse and recycling Mid to long term: Reduction in environmental conservation costs	Number of trees planted and saplings provided as part of "YOKOHAMA Forever Forest" activities	1,490,853 trees/saplings	■ FY2030: 1.5 million trees planted and saplings supplied (cumulative)	■ Promote nature positive-oriented initiatives ■ Strengthen environmental management
		Number of business sites certified as "Nationally Certified Sustainably Managed Natural Sites" (Japanese OECM)	3 sites*2 (cumulative)	■ FY2026: 5 sites (cumulative)	
		Number of serious environmental incidents (air, water, or soil)	0	■ Continued achievement of zero incidents	

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*3: Calculated in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace. Because the calculation includes employees whose childcare leave spans more than one fiscal year, the rate may exceed 100%.
*4: Percentage of administrative, technical, and skilled employees who continued employment with the Company or its subsidiaries after age 65 (three-year rolling average).
*5: Calculated based on results of the "Employee Engagement Survey" conducted among employees of the Company (non-consolidated).

Materiality (Key Issues)	Risks and Opportunities	Metrics (KPIs)	FY2025 Results	Targets	What we aim to do
Living in Harmony with Local Communities See page 78 for details	**Risks** Short to mid term: Local community opposition to operations due to the environmental impact of waste and emissions Short to mid term: Violation of rights of indigenous peoples with the development of natural rubber farms Mid to long term: Decrease in yields and increase in production costs due to corrective measures required for adverse impacts on habitats of surrounding indigenous peoples **Opportunities** Mid to long term: Stable operations through building positive relationships with local residents Mid to long term: Creation of employment opportunities for local youths through education (scholarships, work experience, etc.)	Support for social contribution organizations through the YOKOHAMA Magokoro Fund, an employee social contribution fund	12	■ At least 10 per year	■ Help solve problems facing local communities
Development of Human Capital Capabilities for Sustained Corporate Value Enhancement See page 57 for details	**Risks** Short to mid term: Reduction in labor forces due to occupational accidents, natural disasters, infectious diseases, etc. Short to mid term: Work absences due to poor mental health, lost productivity due to decreased employee satisfaction Short to mid term: Violations of employees' human rights, including long working hours, failure to provide a living wage, and restrictions on employees' freedom of association **Opportunities** Mid to long term: Innovation and enhanced productivity through the recruitment, development, and active participation of diverse talent	Percentage of female managers (section manager level or higher, non-consolidated)	3.5%	■ FY2026: 5% ■ FY2030: 10%	■ Foster diversity and inclusion ■ Create innovation and enhance productivity through employee capability development ■ Develop safe and healthy workplace environments ■ Respect the human rights of employees
		Percentage of male employees taking childcare leave (non-consolidated)*3	100.7%	■ FY2026: 100% ■ FY2030: 100% (expansion of acquisition period)	
		Continued employment rate after age 65 (non-consolidated)*4	78.5%	■ FY2026: At least 65% ■ FY2030: At least 70%	
		Participation rate in capability development training Participation rate in management education programs such as MBA courses (non-consolidated) Participation rate in digital transformation leader development training (non-consolidated)	 8.1% 5.6%	■ FY2026: 15% of department managers (cumulative) 10% of administrative and technical employees (cumulative)	
		Employee engagement score (non-consolidated)*5	69.0	■ FY2026: 70	
Establishment of a Sustainable Supply Chain See page 64 for details	**Risks** Mid to long term: Suspension of transactions and increased production costs resulting from the discovery of forced labor, child labor, and other human rights issues at natural rubber farms **Opportunities** Mid to long term: Procurement of sustainable, high-quality raw materials Mid to long term: Expansion of business opportunities through contributions to local economic development	Number of natural rubber farms surveyed	1,050	■ FY2030: 1,200 (cumulative)	■ Procure sustainable natural rubber ■ Respect the human rights in the supply chain
		Number of seminar events for natural rubber farmers held	2	■ At least 2 per year	
		Number of human rights due diligence (impact assessments) procedures conducted in the supply chain	1	■ 1 per year	
Improvement of Management Resilience by Strengthening Corporate Governance See page 79 for details	**Risks** Mid to long term: Stronger regulations related to antitrust laws, bribery, price cartels, export controls, etc. Mid to long term: Decline in trust and brand value resulting from cyberattacks and leaks of confidential information Mid to long term: Shortage of personnel with sustainability knowledge and skills in areas such as climate change, biodiversity conservation, human capital, and supply-chain human rights Mid to long term: Decline in corporate value resulting from failure to address sustainability issues **Opportunities** Mid to long term: Improved management resilience and enhanced corporate value through addressing sustainability issues	Number of sustainability-related issues reported to and discussed by the Board of Directors	7	■ At least 4 per year (quarterly)	■ Strengthen stakeholder engagement ■ Strengthen governance of sustainability issues