Message from the COO



Achieving Sustained Increases in Corporate Value Through Structural Reforms That Balance Technological Capabilities and Cost Competitiveness

At Yokohama Rubber, we have pursued structural reforms that balance technological capabilities and cost competitiveness under the motto of "Low cost, speedy development of quality products."

Shinji Seimiya
President & COO

Pursuing "Low cost, speedy development of quality products"

Since assuming the position of President & COO, my highest priority has been realizing our motto of "Low cost, speedy development of quality products" through technology and production reforms. In fiscal 2025, I continued to take a hands-on leadership role in advancing both operational and structural reforms.

On the "low cost" front, we increased the expected benefits from our fundamental manufacturing cost reduction initiatives from the original ¥6.5 billion projection to more than ¥20 billion. This achievement is not the result of one-time measures, but rather the outcome of continuous efforts to improve manufacturing costs at our plants and reform raw material procurement. As market competition intensifies, I believe that the very ability to continuously improve costs has become a source of competitive advantage for the Group.

On the "speedy development" front, our new Hangzhou plant in China, constructed under our ambitious "1-year plant" initiative, began producing prototype tires in November 2025—one month ahead of schedule—effectively making it an "11-month plant." Our new plant in Mexico is also progressing smoothly toward the start of prototype production in the second half of 2026 and mass production in 2027.

By pursuing the transition to low-cost, highly efficient production facilities, we are working to achieve both higher profitability and sustained future growth.

Technological Capabilities and Brand Strength as Sources of Competitive Advantage

Our greatest strengths are our proprietary rubber-compounding technologies and advanced tuning technologies, which enable us to meet the demanding requirements of the world's leading premium automakers. Recognition of these capabilities has helped us increase the number of tires supplied for original equipment fitment on premium vehicles by 30% compared with fiscal 2022. We are also actively engaged in motorsports, which serve as a vast arena for advancing cutting-edge technology. The technological expertise gained through racing feeds directly into the development of tires for premium cars.

This product development capacity and uncompromising commitment to quality underpin the performance of our winter tires and premium tire brands such as ADVAN and GEOLANDAR, serving as a key source of differentiation in an intensely competitive market.

At the same time, price competition in the mass-market tire segment, particularly from Chinese tire makers, continues to intensify. Our strategy therefore relies on two complementary pillars: differentiating ourselves through technological excellence in the premium segment while strengthening competitiveness in the mass-market segment through a low-cost production system. In particular, our new plants in China and Mexico are actively incorporating large-lot production and automation technologies to improve labor productivity and reach the level of cost competitiveness required to succeed in global markets.

Accelerating Technological Innovation With HAICoLab

Our proprietary AI utilization framework, HAICoLab, is a development platform that integrates AI, simulation, and human expertise. By visually representing the rationale behind AI-generated outputs, HAICoLab provides engineers with new insights, enabling the optimization of raw materials and internal tire structures while also shortening development lead times. Optimization using the platform also contributes to tire weight reduction and lower raw material consumption, while supporting reductions in CO_2 emissions and increased use of recycled and renewable materials.

In addition to being used in the development of original equipment tires for premium vehicles, HAICoLab is also being applied to the development of tires for electrified vehicles, where high levels of wear resistance, quietness, and low rolling resistance are required. Progress in this area has also been steady.

Dramatically Accelerating Development Speed

To remain competitive in an increasingly challenging market environment, we are accelerating product development through the utilization of HAICoLab and the introduction of a new development model. HAICoLab streamlines the process from mold production to evaluation, with the goal of reducing development lead time by up to 50%.

Our new development model, under which base development and platform development are carried out in parallel, has shortened development periods by more than two years compared with conventional approaches. New products developed under this model are scheduled to be launched sequentially beginning in the second half of fiscal 2026.

Message to Stakeholders

In fiscal 2025, we made significant progress in building the foundations for sustained growth through initiatives such as the launch of our new plants in China and Mexico and development innovations driven by AI. These initiatives are about more than simply improving efficiency. They are measures that are crucial for maintaining our competitive advantage over the long term.

We will continue to prioritize safety and quality above all else, while steadily advancing investments for the future, including environmental initiatives and the development of digital transformation talent. By advancing profit growth through high-value-added products while simultaneously strengthening our low-cost production system, we will continue working to achieve sustained increases in corporate value.