Progress of YX2026: Tire Business (Consumer Tires)

Tire Business

Consumer tires

Maximizing the Ratio of High-Value-Added Products

In the consumer tire business, we are pursuing a strategy of maximizing the ratio of high-value-added products, with a focus on three categories: ultra-high-performance tires, SUV and pickup truck tires, and winter tires. We aim to increase profitability by proactively expanding sales of ADVAN products, GEOLANDAR products, and winter tires.

Fiscal 2025 Results

In fiscal 2025, the consumer tire business served as a core earnings driver for the Group, driving both revenue and profit growth. Our Best Alternative strategy, which simultaneously promotes sales volume growth and product mix improvement, delivered strong results. Our existing tire business achieved a business profit margin of 16.5%, among the highest in the industry.

Tires designated as high-value-added products—ADVAN, GEOLANDAR, and winter tires (AGW)—as well as the 18-inch-and-above category, all achieved double-digit year-on-year growth. Sales performance for these categories was as follows: ADVAN: Up 20% YoY, GEOLANDAR: Up 10% YoY, Winter tires: Up 10% YoY, and 18-inch-and-above tires: Up 12% YoY. The AGW sales mix ratio reached 44% in fiscal 2025, falling short of the 45% target.This was due to the success of the Best Alternative strategy, which also drove strong growth in sales of passenger car tires outside the AGW categories.

Combined sales of original equipment and replacement tires increased in all markets, including Japan, China, India, other Asian markets, North America, and Europe, resulting in overall sales growth of 5% year on year. Replacement tire sales were particularly strong in Japan and Europe, driving global replacement tire sales growth of 7% year on year.

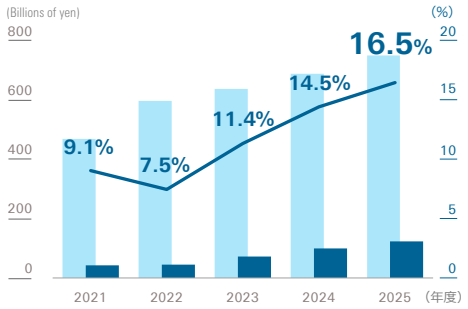
Regional performance is summarized below. In Japan, sales increased for both summer and winter tires as a result of expanded original equipment fitment and sales activities in the replacement market.

In Europe, sales growth was driven primarily by large rim diameter tires sold to existing customers. Average revenue per customer was 160% higher than in 2021.

In North America, original equipment tire sales benefited from increased fitment on new SUV and CUV models. In the replacement market, we maintained sales performance in line with demand despite challenging market conditions.

Tire Business: Revenue, Business Profit, and Business Profit Margin

(excluding the OHT business)

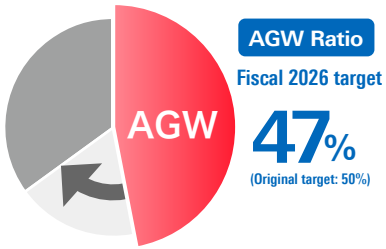


Key Initiatives for Fiscal 2026

In fiscal 2026, we will continue strengthening sales activities and product development tailored to regional market characteristics. We expect substantial sales growth for ADVAN, GEOLANDAR, and winter tires (AGW), as well as the 18-inch-and-above category, and plan to increase the AGW sales mix ratio within the consumer tire segment to 47%. To further maximize the ratio of high-value-added products, we will continue promoting original equipment fitment on premium vehicles and working to enhance brand value.

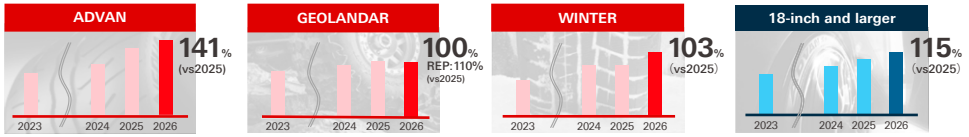
We will also enhance the cost competitiveness of standard products in addition to high-value-added products, with the aim of increasing overall sales volume. New passenger car tire plants in Visakhapatnam (India), Saltillo (Mexico), and Hangzhou (China) will strengthen our global cost competitiveness.

Product and regional business strategies tailored to the characteristics of each market will continue to be driven by experienced local management teams. Under our regional sales plans, we aim to increase sales in every market again this year.



Sales Plan for High-Value-Added Consumer Tire Products

Total original equipment/replacement sales
OE: Original Equipment / REP: Replacement



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Motorsports Activities

Why Yokohama Rubber Participates in Motorsports

Yokohama Rubber supplies tires for a wide range of motorsports categories in Japan and overseas, from top-tier championships to grassroots competitions. We view motorsports as a grand testing ground for tire development, and the technology cultivated through competition is fed back to our development of high-performance, high-quality new passenger car and aftermarket tires. As a tire manufacturer, we fulfill our responsibilities by reducing tire rolling resistance to help lower vehicle CO_2 emissions, enhancing quietness and safety, and pursuing the added value of driving enjoyment.

Supplying Super Formula with Tires Containing 46% Renewable and Recycled Materials

As part of our efforts to support the sustainable development of motorsports, Yokohama Rubber endorses the SUPER FORMULA NEXT50 project promoted by Japan Race Promotion Inc. and has supplied racing tires incorporating renewable and recycled materials since 2023. In February 2026, we renewed our exclusive control tire supply agreement as the Official Tire Partner of the Japanese Super Formula Championship. We will continue supplying ADVAN racing tires incorporating renewable and recycled materials as the control tires for the series through 2030. In 2025, we were able to supply tires containing approximately 46% renewable and recycled materials. We are also pursuing further performance improvements, particularly in wet-weather tires, where we have enhanced grip and warm-up performance.



Japanese Super Formula Championship (2025)



An ADVAN racing tire incorporating renewable and recycled materials

Overall Victory in Round 8 of the Nürburgring Langstrecken Serie

A vehicle fitted with tires from our global flagship tire brand, ADVAN, claimed overall victory in Round 8 of the Nürburgring Langstrecken Serie, held in Germany on September 14, 2025. On the Nürburgring, said to be the world's most demanding racing circuit, ADVAN racing tires demonstrated outstanding grip and durability, supporting the winning team's performance. The overall winner was the No. 6 Ford Mustang GT3 fielded by Haupt Racing Team in the top-tier SP9 Pro class. The victory further reinforced the high-performance image and brand strength of ADVAN.



The Ford Mustang GT3 that took overall victory

First Overall Victory in Two Years at the Asia Cross Country Rally

A vehicle fitted with GEOLANDAR mud-terrain tires (designed for SUVs and pickup trucks) captured overall victory at the Asia Cross Country Rally 2025, Asia's largest cross-country rally. The rally was held in Thailand from August 8 to 16. Vehicles equipped with GEOLANDAR tires also achieved overall victories in 2022 and 2023. Once again, their exceptional off-road performance and durability have proved decisive in this highly demanding competition. The GEOLANDAR series has built up an impressive track record not only at the Asia Cross Country Rally but also in leading off-road races throughout North America and other regions.


The Mitsubishi Triton that claimed overall victory at the Asia Cross Country Rally

Looking Ahead

We are advancing the development of racing tires incorporating renewable and recycled materials and are using data gathered under actual racing conditions to develop technologies that reduce environmental impact.

To further strengthen our brands, we will continue pursuing race victories and overall wins. Through ADVAN, we will compete in events such as the SUPER GT series, the Nürburgring 24 Hours, and the Pikes Peak International Hill Climb, and with GEOLANDAR, we will continue competing in leading off-road races across North America and Asia, aiming to secure victories and further strengthen global brand recognition.

We will continue developing racing tires that incorporate renewable and recycled materials while applying the knowledge and expertise gained through motorsports to the development of both original equipment and replacement tires. Through these efforts, we will contribute to improving the environmental performance of tires and to the sustainable development of motorsports.