Progress of YX2026: Multiple Business (MB)

Developing Sensing Technology for Conveyor Belts

We have sensing technology capable of remotely monitoring conveyor belts in operation in real time and detecting abnormalities. We plan to build a comprehensive solution service that uses data collected through this sensing technology to propose optimal conveyor belt operation and management, with commercial deployment targeted for 2027.

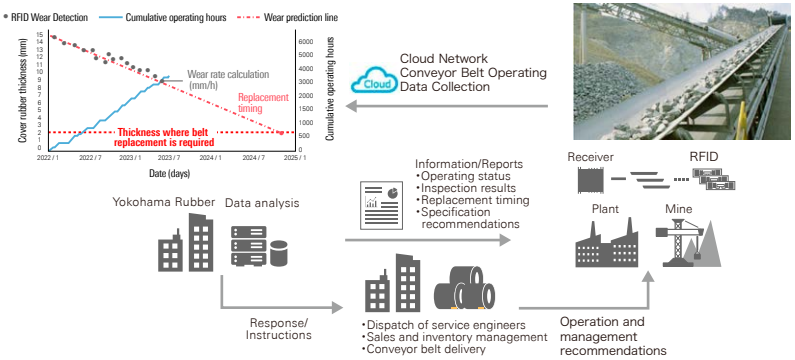
The sensing technology was tested and verified using conveyor belts operating under actual field conditions as part of demonstration testing conducted from February 2022 through December 2024. The system incorporates proprietary RFID*1 tags developed by Yokohama Rubber and embedded within conveyor belts. These tags can detect subtle changes in operating condition that cannot be identified through conventional inspections. Data on wear, damage, temperature changes, and other operating parameters are transmitted via the internet to Yokohama Rubber's development team. Under the comprehensive solution service currently under development, this data will be shared through a cloud network, enabling users to identify abnormalities early on and helping to predict the risk of damage and fire incidents. Data detected through the sensing technology will be analyzed by Yokohama Rubber specialists, who will provide recommendations for optimal operation and management. The Company has filed 13 patent applications related to this sensing technology and management system and will continue expanding its portfolio of related intellectual property.

By implementing this service, users will be able to detect potential risks before they develop into incidents, improving operational safety while also reducing maintenance costs. The service will also help address labor shortages, a growing challenge at operational sites, by reducing inspection workloads and streamlining maintenance activities. Analysis and operational support provided by Yokohama Rubber specialists will also make it possible to provide recommendations tailored to each customer's operating environment and requirements, including optimal inspection intervals, replacement cycles, and product specifications. Achieving optimal operation and management through this service is also expected to extend product life, contributing to environmental objectives by reducing CO_2 emissions associated with manufacturing and reducing raw material consumption.

We aim to establish an even stronger market position in Japan for the conveyor belt business, which forms part of the MB segment's Industrial Products Business. As part of that effort, the Company will continue creating new value that contributes to customer safety and peace of mind, and economic efficiency.

*1 RFID (Radio Frequency Identification): An automatic identification technology that uses radio waves to read and write information without physical contact.

Conceptual Diagram of the Comprehensive Conveyor Belt Solution Service Utilizing Sensing Technology



Progress of YX2026: Other Business (PRGR Business)



Fiscal 2025 Results

The Japanese golf market has not fully recovered from the retreat in demand that followed the pandemic-era golf boom, with year-on-year figures showing a slight contraction. Although new PRGR products were introduced including the RS SPEED Series, 03 IRON, and the women's CRYSTAL egg, sales did not exceed the previous year's level.

The Korean market contracted significantly year on year as its recovery lagged behind that of Japan. While the SUPER egg Series, launched in 2024, continued to perform well in the premium segment, PRGR was unable to surpass the previous year's results due to the overall market contraction, particularly in the women's product segment.

Meanwhile, the RED EYES POCKET Series of compact shot distance monitors recorded year-on-year sales growth, driven primarily by overseas markets. However, the PRGR business as a whole reported declines in both revenue and profit compared with the previous year.

At PRGR's directly operated stores in Japan, we introduced RED EYES IMPACT, a new measurement system featuring enhanced swing analysis and club impact analysis capabilities, expanding our lesson and club-fitting services. We also fed the resulting analysis data back into new product development, helping us develop products that more closely reflect customer needs.

Key Initiatives for Fiscal 2026

Although contraction of the golf market is continuing, PRGR will launch the RS DUO Driver, featuring new proprietary DUO FACE technology, in July. The driver's unique four-layer face structure delivers higher initial ball speeds than previous models, providing even greater distance performance. We plan to give a wide range of golfers the opportunity to experience these performance benefits and significantly expand our share of the driver market.

In Japan, we introduced new versions of the popular 01 IRON and 02 IRON models in April and have continued to maintain strong sales.

In April, we introduced updated SUPER egg Series models to the Korean market, where the series has continued to perform well. With enhanced body rigidity that delivers even higher repulsion performance, the new models have made a strong start.

Through our own e-commerce channels, we will implement promotional campaigns tied to new product launches and shift our sales mix away from a heavy reliance on discounted products toward a greater proportion of higher-margin new products.

For the RED EYES POCKET Series of compact shot distance monitors, which continues to perform strongly in overseas markets, we will further strengthen sales efforts while continuing product development aimed at enhancing functionality. We will continue strengthening the foundation of the PRGR business as a whole by increasing touchpoints with golfers beyond our golf club products.