Digital Transformation (DX) Strategy

Yokohama Rubber's DX strategy goes beyond merely improving operational efficiency. With the aim of delivering new value to our customers, contributing to a sustainable society, and establishing a robust global IT infrastructure, we will vigorously promote the utilization of data across the entire value chain and the transformation of our corporate culture.

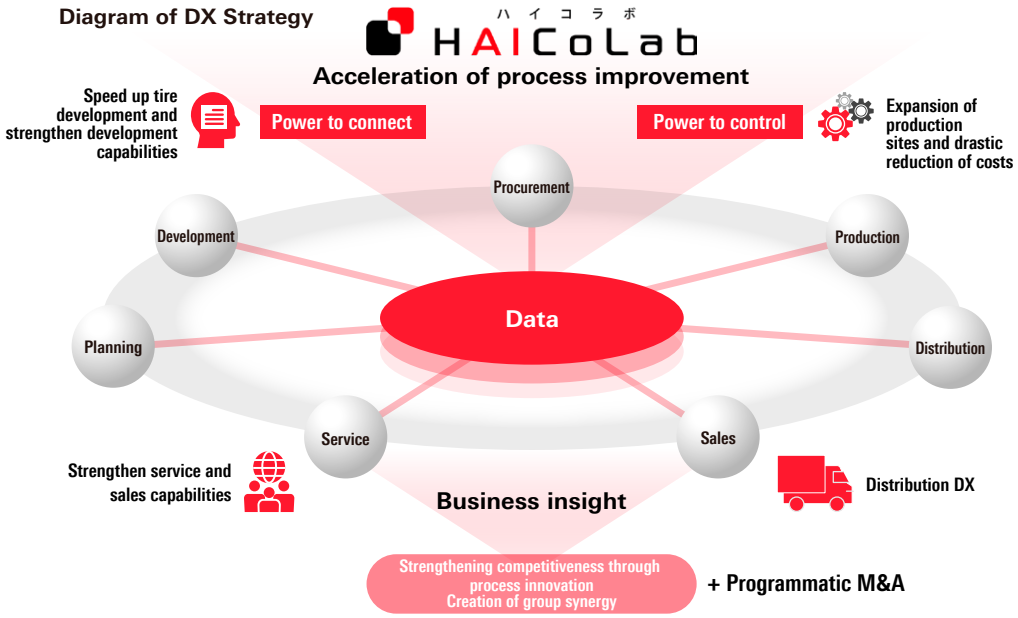
Completing YX2026 and Accelerating Digital Transformation to Support Sustainable Growth in the Next Generation

Fiscal 2026 is the final year of the YX2026 Medium-term Management Plan and is a critically important year for putting the finishing touches on our transformation efforts without leaving a negative legacy for the next generation. The fundamental principle of our DX strategy is to leverage digital technology to advance the "Exploitation" of our strengths in existing businesses and the "Exploration" of new value, and this core philosophy has remained unwavering since the strategy was first formulated.

Specifically, the three pillars of the strategy are the promotion of business strategy, contribution to sustainability, and strengthening of IT infrastructure. We aim to further accelerate productivity improvements and process reforms by leveraging our proprietary AI utilization framework, HAICoLab, and to strengthen our sustainable competitive advantage by integrating and analyzing data obtained from across the entire value chain. Furthermore, in recognition of these steady efforts and our appropriate disclosure of information to stakeholders, we were designated as a DX Certified Business Operator by the Ministry of Economy, Trade and Industry in September 2025. In the final year as well, we will work together as a company to promote DX that balances enhancing customer value with addressing social issues.

With the aim of going beyond merely improving operational efficiency to deliver new value to our customers, contribute to a sustainable society, and establish a robust global IT infrastructure, we will vigorously promote the utilization of data across the entire value chain and the transformation of our corporate culture.

Diagram of DX Strategy



DX Human Resources Development

Yokohama Rubber's Vision of DX Human Resources

People are the greatest driving force behind advancing our DX strategy and creating new value. Based on the philosophy of HAICoLab—which aims to drive digital innovation by fusing uniquely human intuition with the exceptional capabilities of AI—we will focus on developing business professionals capable of putting HAICoLab into practice. These professionals will not only master digital technologies but also identify fundamental business challenges and drive process innovation across the entire value chain, starting from the frontlines.

- Data-driven insight: Strong with numbers, able to select accurate information and gain numerical insights from multiple perspectives
- Business knowledge and IT utilization skills: Well-versed in operations, able to execute true DX with a high-level business perspective
- Quick execution: Able to involve others and rapidly implement initiatives

Promotion of DX Human Resources Development

From fiscal 2024, we have launched a practical DX leader development program directly linked to business value creation. With a focus on practical training aligned with the advancement of DX strategy initiatives, we are working to optimize our training by integrating it with our existing educational framework. At the same time, we are further expanding our training programs to enable employees to leverage data to drive process reforms and innovation independently. Furthermore, as a foundation for supporting human resources development, we have established an internal DX certification system. By defining DX levels and setting certification requirements, we are steadily working to foster a corporate culture that encourages taking on new challenges. Currently, to further accelerate the development of these DX leaders, we are promoting collaboration with NEC Corporation, which possesses advanced technology and expertise. Through this initiative, we are accelerating the development of DX human resources capable not only of acquiring knowledge but also of driving organization-wide transformation and leading the creation of new value. We are advancing these efforts with the goal of having 10% of administrative and technical staff participate in DX leader development training by the end of fiscal 2026.

See page 58 for details Metrics and Targets for Human Capital

Overview of DX Human Resources Definition

		What we aim to do	Example of DX human resources development
Project formulation Execution of reforms	Level 3–4 [Create value]	Promoting reform through DX and achieving concrete results	[Practical] • Planning and executing DX in real projects • Regular follow-up by management
Acquisition of methods and skills	Level 2–2+ [Able to handle data]	Possessing data-driven thinking and applying it to operations	[Strengthening DX planning and data utilization skills] • DX leader development program • Data utilization training • Acquisition of external qualifications in data utilization
Knowledge armament	Level 1 [Understanding of DX]	Possessing basic knowledge of DX and understanding the significance of digital transformation	[DX Basics] • Data utilization education • AI/BI basic courses

Digital Transformation (DX) Strategy

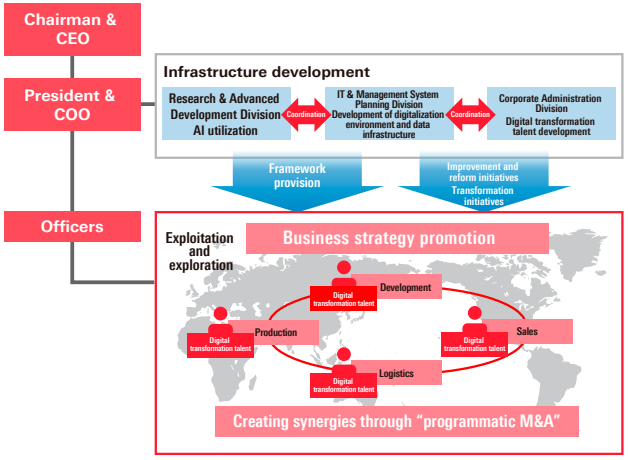
Digitalization Promotion Framework and Roles

Under a management-led framework, the Research & Advanced Development Division, IT & Management System Planning Division, and Corporate Administration Division work together to build the foundations for digital transformation and develop digital transformation talent. Digital transformation talent assigned to each department take the lead in actively utilizing data and AI to drive innovation, while each functional organization works together to solve issues and implement business reforms through digital technologies. For companies that have joined the Group through M&A, we aim to maximize Group-wide synergies by swiftly moving beyond post-merger integration activities and transition service agreements*1 while strengthening our global IT framework.

Through these efforts, we are embedding digital technologies throughout the Group and fostering a corporate culture that can respond flexibly to change. By promoting data-driven decision-making, strengthening coordination among functional organizations, and driving continuous improvement based on data, we are firmly entrenching corporate culture reforms and establishing a robust organizational structure that supports sustained growth.

*1 Transition service agreements are agreements under which the seller temporarily provides operational services to the buyer following an M&A.

Digitalization Promotion Framework

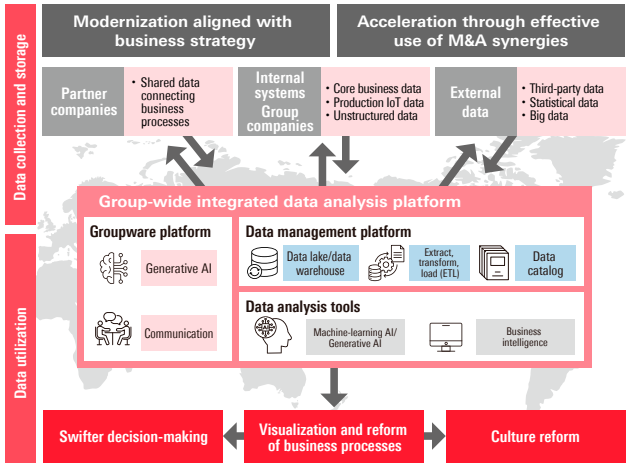


Building an IT Environment to Support Digital Transformation

We are strategically developing an IT environment to serve as the foundation for business transformation through the effective use of digital technologies. Specifically, we are building a highly flexible and scalable IT infrastructure using cloud technologies, while integrating important internal and external data into a global, Group-wide data integration platform. Through this effort, we will establish a robust IT foundation that supports data-driven management.

In addition to expanding our data collection capabilities, we are improving data quality through the modernization of our core business systems, updating or replacing legacy systems to meet current needs in alignment with our business strategy. To create M&A synergies, we are promoting global IT procurement, the sharing and effective use of IT resources, and deployment of a safe, secure, and cost-effective IT environment across the Group by combining optimal tools.

We leverage AI and business intelligence to analyze the data accumulated through these initiatives, improving the visibility of business processes while promoting the Group-wide use of secure, advanced generative AI. Through these efforts, we will implement process reforms that create greater customer value and strengthen our competitiveness, while enabling rapid decision-making and transformation of our corporate culture.



Examples of Digitalization

AI-Based Tire Pressure Estimation Using Tire Impact Sound

See page 30 for details Products and Services

We have developed an AI-based prediction algorithm for tire pressure inspection using tire impact sounds, a process that has traditionally relied on the experience of drivers. By simply recording the sound of a tire being tapped on a smartphone, the algorithm can accurately estimate tire pressure and determine whether tires require more air. We will integrate this technology with our proprietary Tire Management System to help address challenges facing the logistics industry.

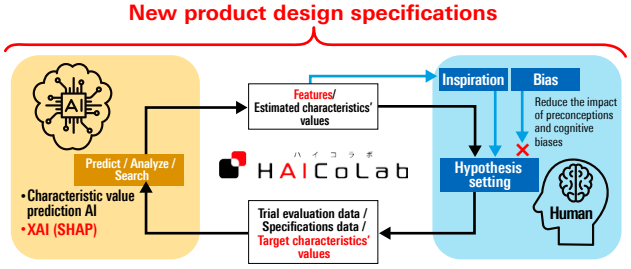


Checking tire pressure using the dedicated smartphone app

Development of an Explainable AI Tire Design Support System

See page 35 for details Technology and Production Strategies

Based on our proprietary HAICoLab AI utilization framework, we have developed a tire design support system that uses explainable AI. The AI explains the features that contribute to the desired tire characteristics, enabling even less experienced engineers to design tires more efficiently. Collaboration between humans and AI generates new insights and supports the development of higher-performance products.



Conveyor Belt Sensing and Optimized Operations Management

See page 51 for details Progress of YX2026: Multiple Business (MB)

We have established sensing technology that remotely monitors conveyor belts in operation in real time and detects abnormalities. Data on belt wear and temperature changes are collected using our proprietary RFID tags and shared through the cloud. By analyzing the accumulated data, our specialists can provide recommendations for optimal operational management to customers, helping to improve safety and cost efficiency.