Disclosure Based on the TCFD and TNFD Frameworks

The Yokohama Rubber Group recognizes the importance of issues related to climate change and natural capital, and promotes sustainable business management and information disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD).

Governance

Our CSR Council, chaired by our Chairman and CEO, convenes twice a year (in May and November), and is positioned to plan and discuss sustainability issues to be addressed by the Yokohama Rubber Group.

Regarding issues related to climate change and natural capital, we have established the Environment Council (chairman: head of CSR Div.) as a body subordinate to the CSR Council to consider strategies related to climate change and natural capital, including carbon neutrality strategies, and conduct monitoring. Furthermore, as subordinate organizations under the Environment Council, we have established four committees, two task forces, and two councils to give in-depth consideration of individual themes.

In addition, in the case that it is necessary to make decisions on important matters or make early decisions, or make reports or conduct deliberations, the Executive Committee makes reports and conducts deliberations, and submit the details of such reports and deliberations to the Board of Directors according to their importance.

Progress on sustainability issues is reported monthly to the Chairman & CEO, President & COO, the Member of the Board in charge of the CSR Div., and the internal director serving as an Audit and Supervisory Committee member. Carbon neutrality, circular economy, nature positive-oriented initiatives, and other environmental issues are discussed as ongoing themes at biannual (May and November) meetings on business strategies and other matters held by all Group executives (including those overseas).

Risk and Impact Management

Under the Environment Council, the Carbon Neutral Committee identifies and assesses risks related to climate change, and the Nature Positive Promotion Committee and other individual committees, task forces and councils identify and assess risks related to natural capital, and engage in activities to mitigate them.

The Environment Council deliberates and decides on countermeasures for material environmental risks identified by the individual committees, task forces, or councils. For physical risks such as natural disasters, the Central Meeting for Disaster Prevention works on disaster prevention and BCP to promote risk reduction efforts. The most critical and urgent ones are deliberated, evaluated and acted upon by the Risk Management Committee, chaired by the Officer in charge of Risk Management. The Risk Management Committee is a body established to strengthen our defense against various risks surrounding us. The activities of the Risk Management Committee are regularly reported to the Board of Directors.

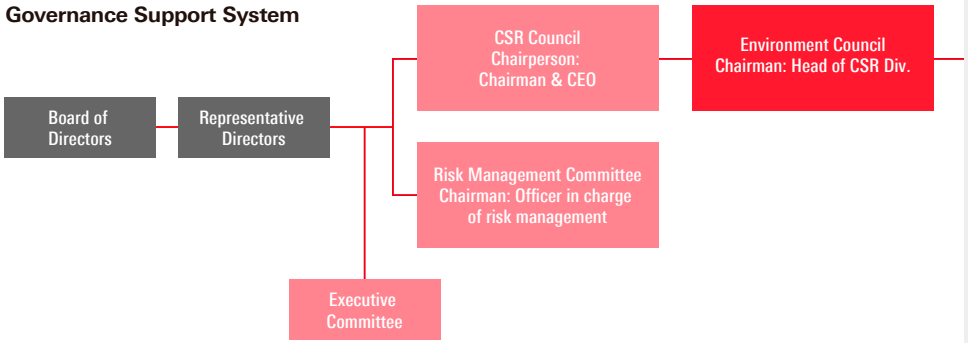
Strategy

Climate Change

We have classified climate-related risks into two specific categories: risks associated with the transition to a low-carbon economy (transition risks), and risks associated with the physical impacts of climate change (physical risks). We have also assessed the magnitude of the resulting financial impacts and summarized the risks and opportunities for our business. In addition, we have conducted an analysis using scenarios presented by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) regarding temperature increases, and examined adaptation measures and financial impacts based on the risks and opportunities of the 1.5°C and 4°C scenarios, respectively.

The results of the analysis are reflected and implemented in YX2026 and materiality initiatives as “future countermeasures.”

Governance Support System



- Carbon Neutral Committee
  Chairman: Head of CSR Div.
- Nature Positive Promotion Committee
  Chairman: Head of CSR Div.
- 4Rs Committee
  Chairman: Head of Research & Advanced Development Div.
- Chemical Substance Management Committee
  Chairman: Head of Research & Advanced Development Div.
- Tire Production Environmental Task Force
  Head: Head of Tire Production Div.
- MB Production Environmental Task Force
  Head: In charge of MB Production and Engineering
- Subsidiary Production Environmental Council
  Chairman: General Manager, Head of Environmental Protection Promotion Dept.
- Global Environmental Council
  Chairman: Head of CSR Div.

Disclosure Based on the TCFD and TNFD Frameworks

Strategy

Major Risks and Opportunities Related to Climate Change and Countermeasures

		Material Factors	Category	Potential Financial Impact	Financial Impact	Future Countermeasures
Risks	Transition Risks	Transition to a Decarbonized Society	Policies and Regulations	Introduction and rise of carbon pricing	Large	• Formulate and implement a roadmap to carbon neutrality • Promote activities to reduce energy consumption by 1% per year (including improving equipment efficiency, optimizing operations, and reviewing processing specifications). • Expand use of renewable energy • Introduce new energy technologies
			Markets	Resource (raw material) price hikes and supply instability	Large	
				Increase in renewable energy and fuel prices (crude oil, natural gas)	Large	
			Technology	Capital investment to improve manufacturing process efficiency	Medium	
			Reputation	Impact on customer evaluation of emission reduction efforts and stance, and on stock prices	Small	
				Response to the global movement to promote the use of renewable energy (reputation among stakeholders)	Small	
		Change in Demand for Products and Services	Markets	Product selection based on evaluation of CO_2 emissions during manufacturing (Competition within the same product)	Large	• Promote carbon neutrality at manufacturing sites to achieve zero CO_2 emissions during manufacturing
		Response to Changes in the Automotive Industry	Markets	Decline in car sales due to MaaS	Large	• Strengthen the commercial tire business and explore costs, services, and DX
	Physical Risks	Intensification of Weather Disasters due to Rising Temperatures	Acute	Raw material procurement difficulties and higher procurement costs due to supply chain disruptions	Large	• Diversify suppliers and raw material sourcing regions • Strengthen manufacturing sites and formulate BCP to address windstorms, floods, earthquakes, and other disasters
				Equipment damage or shutdown due to extreme weather	Large	
		Intensification of Climate Change	Chronic	Depletion of natural rubber (natural resources) due to climate change, making procurement difficult	Large	• Strengthen sustainable raw materials R&D
				Decline in demand for winter tires due to reduced snowfall, etc.	Large	• Develop and sell all-season tires
				Increased R&D investment required to improve product performance	Medium	• Promote joint R&D with business partners
Opportunities		Transition to a Decarbonized Society	Energy Sources	Reduction in energy costs through improved manufacturing process efficiency	Medium	• Promote activities to reduce energy consumption by 1% per year (including improving equipment efficiency, optimizing operations, and reviewing processing specifications).
			Products and Services	Increase market share by responding quickly to changes in demand (carbon neutral compliance and performance requirements for installation on electric vehicles (EVs)) and stricter regulations.	Large	• Increase the supply of EV-compatible tires as original equipment • Expand sales of "E+" mark EV-compatible tires
		Change in Demand for Products and Services	Products and Services	Improve competitiveness and profitability by offering products with reduced environmental impact using renewable/recycled raw materials and fuel-efficient, low-carbon products	Large	• Expand sales of tires and rubber products using renewable/recycled raw materials • Expand sales of fuel-efficient tires with superior environmental performance • Expand sales of tires and rubber products with zero CO_2 emissions during manufacturing
		Response to Changes in the Automotive Industry	Products and Services	Increased demand for products and services that support next-generation mobility (CASE and MaaS compliance, new business opportunities through hydrogen utilization)	Large	• Sell sensor tires (IoT tires) • Strengthen tire solution services
		Climate Change	Products and Services	Increased demand for products and services that contribute to disaster prevention, recovery, temperature change, food and nature (Example: Tires that contribute to crop/forest growth, etc.)	Large	• Expand sales of off-highway tires (OHT) • Expand sales of rubber products such as conveyor belts that are highly resistant to impacts and heat

Summary of Scenario Analysis Results

Scenario Conditions		1.5°C Scenario	4°C Scenario
Scenario Overview		Limits the increase in global average temperature to 1.5°C above pre-industrial levels by 2100 through stringent climate policies and technological innovations for sustainable development.	Failure of stringent climate policies and technological innovations, and rapid intensification of the physical effects of climate change, resulting in a 4°C increase in average temperature by 2100 relative to pre-industrial levels.
Reference Scenarios	Transition Risks	IEA Net Zero Emissions by 2050 Scenario (NZE)	IEA World Energy Outlook 2021 (WEO2021)
	Physical Risks	IPCC Sixth Assessment Report SSP1-1.9	IPCC Sixth Assessment Report SSP5-8.5
Analysis Results		Mainly transition risks/opportunities are manifested. [Risks] Increased energy costs and capital investment to improve manufacturing process efficiency due to renewable energy procurement, the introduction of carbon pricing, and other measures required to comply with strict climate change regulations Increased R&D and procurement costs for renewable/recycled raw materials due to an increase in the number of the products with reduced environmental impact [Opportunities] Competitiveness and profitability enhancements through carbon neutral compliance, early response to performance requirements for installation on EVs, and provision of the products with reduced environmental impact, fuel-efficient, and low-carbon products	Mainly physical risks/opportunities are manifested. [Risks] Increased occurrence of serious natural disasters at manufacturing sites and in the supply chain; Extreme weather conditions may also deplete natural resources, causing raw material supply instability Product demand fluctuation due to chronic climate change, including lower demand for winter tires due to reduced snowfall, among other factors [Opportunities] Increased demand for products and services compliant with disaster prevention, recovery, and temperature fluctuations

Disclosure Based on the TCFD and TNFD Frameworks

Strategy

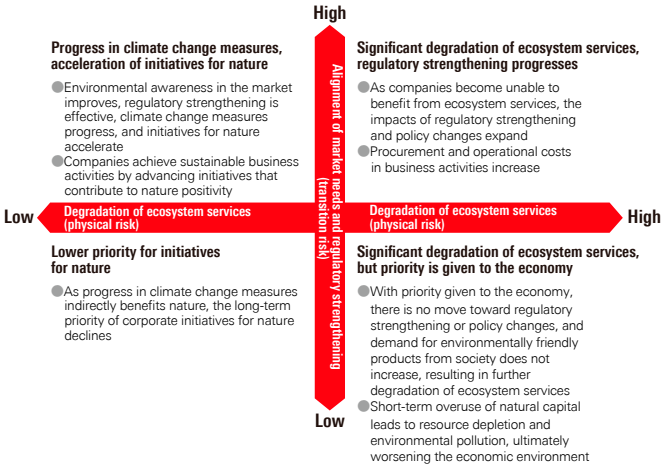
Natural Capital

For our group's main businesses—tires, MB (hoses and couplings, industrial products), and others (PRGR brand golf products)—we evaluated dependence on and impact on nature throughout the value chain, from raw material procurement to business processes, and identified sites with regional natural characteristics and nature-related risks and issues that require attention based on their locations. The target regions include not only Japan, but also China, India, Southeast Asia, the United States, and Europe, where the Group's major production sites are located.

For risk identification, we used the nature-related risk assessment tool ENCORE, and further evaluated our connection with nature using the "WWF Biodiversity Risk Filter" and water risks using "Aqueduct" and the "WWF Water Risk Filter." As a result, it was found that, upstream in the value chain, there is a particularly high dependence on and impact on land use and deforestation in natural rubber production areas, as well as land and water use at production sites.

Scenario Analysis

For the analysis, we referred to TNFD guidance and, as shown in the following diagram, set up four scenario quadrants based on two axes: "alignment of market needs and regulatory strengthening (transition risk)" and "degradation of ecosystem services (physical risk)." Based on the four scenario quadrants, we examined the risks and impacts to our group's business and corresponding countermeasures.



Our Evaluation Method Based on the LEAP Approach

Scoping

ENCORE

Analysis of nature-related dependencies, impacts, risks, and opportunities in major business activities (Tires, MB, Sports)

The procurement stage for raw materials (especially natural rubber farms) and production sites (particularly those with rubber vulcanization processes) are of high materiality

Locate	Evaluate	Assess	Prepare
ENCORE Aqueduct WWF Water Risk Filter WWF Biodiversity Risk Filter	**ENCORE**		**ENCORE** AR3T Framework
▸Identification of regions with high water risk and factories with high water usage ▸Evaluation of sites with high biodiversity materiality in the surrounding environment	▸Risk identification through analysis of natural rubber farm survey data ▸Conducting human rights due diligence in Surat Thani, Thailand		▸Setting of KGI and KPI ▸Annual reporting

Value Chain of the Tire Business

Value Chain of Tires

Upstream				Internal Operations			Downstream		
Raw Materials Extraction	Raw Materials Processing	Materials Production	Transportation	Compounding and Mixing Component Manufacturing	Assembly	Vulcanization	Distribution and Sales	Use	Reuse Recycling and Disposal
[Major Outputs]									
•Latex •Crude oil •Mineral resources	•USS (Unsmoked Sheet) •Naphtha •Metal	•Natural rubber •Synthetic rubber •Compounding agents •Wire •Fabric	→	•Compound •Components	•Green tire (uncured tire)	•Tires	→		•Retread tires •Powdered rubber •Waste tire
[Main Production Processes]									
● Latex harvesting ● Crude oil and natural gas extraction ● Mineral extraction	● Latex processing ● Petroleum and gas refining ● Iron and other metal production	● Natural rubber processing ● Chemical product production ● Wire production ● Fabric production	● Raw material transportation	● Compounding ● Mixing ● Component production	● Molding	● Vulcanization ● Quality inspection ● Storage	● Distribution and sales ● Customer service	● Technical support	● Collection of used products ● Retreading ● Recycling

Procurement Policy for Sustainable Natural Rubber

Green Procurement Guidelines/CSR Procurement Guidelines

Biodiversity Conservation Guidelines

Disclosure Based on the TCFD and TNFD Frameworks

Strategy

Risks, Impacts, and Countermeasures Related to Natural Capital

TNFD Classification			Business Risks and Opportunities for Our Organization	Potential Impact on an Organization's Business	Financial Impact	Time Frame	Future Countermeasures
Risks	Transition Risks	Policies	Introduction and enhancement of regulations	Increase in procurement and development costs due to response to the enhancement of existing regulations and the introduction of new regulations related to deforestation, raw materials, and water	Medium	Short to medium term	CM 1 CM 2
		Markets	Increase in raw materials prices	Increase in costs for the procurement of natural rubber and other raw materials due to an increase in costs for ecosystem preservation	Large	Short to medium term	CM 3
			Change in consumer behavior	Consumers' avoidance of purchasing our products due to insufficient efforts for ecosystem preservation	Large	Short to medium term	CM 4 CM 5
		Technology	Development and dissemination of technologies with low environmental impact	Delay in the development of sustainable raw materials and increase in introduction costs	Large	Short to medium term	CM 3
		Reputation	Evaluation from consumers and society	Loss of customers and degradation of corporate image due to insufficient efforts for ecosystem preservation	Medium	Medium to long term	CM 4 CM 5
			Evaluation from investors	Decrease in ESG ratings and stock prices due to insufficient efforts for ecosystem preservation	Medium	Medium to long term	CM 4 CM 5
		Compensation Liability	Occurrence of compensation liability due to the development of laws and regulations, and legal precedents	Increase in the number of lawsuits related to the violation of rights of indigenous people and local community	Medium	Short to medium term	CM 1 CM 4
				Response to lawsuits and administrative guidance resulting from strengthened environmental regulations, etc.	Medium	Short to medium term	CM 4
	Physical Risks	Acute	Increase in natural disasters	Production halt due to the occurrence of natural disasters associated with ecosystem degradation around production sites	Medium	Short to medium term	CM 4
		Chronic	Medium- to long-term yield declines due to climate change, diseases, and other factors	Difficulties in sourcing natural rubber and rising procurement costs resulting from a structural crisis caused by a complex interplay of factors, including climate change (such as changes in precipitation patterns), the worsening of plant diseases, the aging of rubber trees, and logging regulations (such as the EUDR)	Large	Medium to long term	CM 7
			Decline in biodiversity due to monoculture and other factors, and the resulting degradation of soil and production infrastructure	Soil degradation and reduced nutrient-holding capacity resulting from continued monoculture, leading to weakened tree immunity, an increased risk of disease outbreaks, decreased natural rubber yields, and a sharp rise in procurement costs	Large	Medium to long term	CM 4 CM 7
Opportunities		Resource efficiency	Dissemination of efficiency solutions	Cost reduction by the adoption of recycled raw materials and the improvement of resource efficiency	Medium	Medium to long term	CM 3
		Markets	Change in consumer behavior	Response to increased demand for products giving consideration to the reduction of environmental impacts and ecosystem preservation	Medium	Medium to long term	CM 5 CM 6
		Products and Services	Expansion of businesses related to natural capital	Development and sales of tires for agricultural and forestry machinery vehicles giving consideration to ecosystem preservation	Medium	Medium to long term	CM 6
				Use of sustainable natural rubber products through the adoption of agroforestry and intercropping, which have been proven to restore biodiversity and conserve soil	Large	Medium to long term	CM 4 CM 6 CM 7
		Reputation	Evaluation from consumers and society	Improvement of customer evaluation and corporate image due to accelerated efforts toward nature positive	Medium	Medium to long term	CM 4 CM 5
			Evaluation from investors	Improvement of ESG ratings and corporate value due to accelerated efforts toward nature positive	Medium	Medium to long term	CM 4 CM 5

CM 1: Securing traceability
CM 2: Appropriate management of water resources
CM 3: Contribution to a circular economy
CM 4: Strengthening biodiversity conservation activities
CM 5: Enhancement of stak eholder engagement
CM 6: Production and sale of products that contribute to the environment
CM 7: Strengthening sustainable production infrastructure and supporting producers in adapting

Metrics and Targets

Climate Change

Metrics (KPIs)	FY2026 Targets	FY2030 Targets	FY2050 Targets
Reduction of greenhouse gas emissions (Scope 1+2)	30% reduction compared to FY2019	40% reduction compared to FY2019	Achieve of carbon neutrality
Percentage of electricity used by the Company from renewable energy sources	—	—	Achieve 100%
Percentage of renewable and recycled raw materials used	28%	40%	Achieve 100% sustainable materials

Actual Greenhouse Gas Emissions Scope 1 and 2 (Consolidated)

Scope (Unit: thousand tons)	FY2021	FY2022	FY2023	FY2024	FY2025
Scope 1	699	648	588	591	582
Scope 2	601	593	494	545	558
Scope 1 and 2 combined	1,300	1,241	1,082	1,136	1,140
Reduction rate of Scope 1 and 2 combined (Base year: FY2019)	2.3%	-2.3%	-14.8%	-10.6%	-10.2%

(Note) Actual greenhouse gas emissions (Scope 1 and 2) for fiscal 2021 to 2023 include emissions from Yokohama TWS before its acquisition. In addition, the Visakhapatnam Plant in India was added to the boundary in fiscal 2024, and Nippon Giant Tire was added in fiscal 2025.

Scope 3 (Consolidated)

Category (Unit: thousand tons)	FY2021	FY2022	FY2023	FY2024	FY2025
1 Purchased goods and services	4,031	4,022	3,381	4,584	4,561
2 Capital goods	152	175	199	253	351
3 Fuel- and energy-related activities (not included in Scope 1 or 2)	147	129	139	139	139
4 Upstream transportation and distribution	154	125	136	349	424
5 Waste generated in operations	50	27	29	33	40
6 Business travel	5	5	13	18	21
7 Employee commuting	21	19	24	29	29
8 Upstream leased assets	—	—	—	—	—
9 Downstream transportation and distribution	72	59	74	115	130
10 Processing of sold products	10	14	10	12	15
11 Use of sold products	19,940	21,087	20,735	33,212	48,157
12 End-of-life treatment of sold products	875	906	913	1,636	1,752
13 Downstream leased assets	—	—	—	—	—
14 Franchises	—	—	—	—	—
15 Investments	246	92	67	24	26
Total of the above	25,701	26,661	25,718	40,405	55,644

(Note) There were no actual emissions corresponding to the categories of 8, 13 or 14. Actual greenhouse gas emissions (Scope 3) of Yokohama TWS have been included since fiscal 2024. The Category 11 calculation method for this company was revised in fiscal 2025.

Natural Capital

Metrics (KPIs)	Results			Targets
	FY2023	FY2024	FY2025	
(1) Number of trees planted and saplings provided as part of YOKOHAMA Forever Forest activities	1.24 million	1.4 million	1.49 million	FY2030: 1.5 million trees planted and saplings supplied (cumulative)
(2) Number of business sites certified as Nationally Certified Sustainably Managed Natural Sites (Japanese OECM) by the Ministry of the Environment	1	0	2	FY2026: 5 sites (cumulative)*
(3) Number of serious environmental incidents (air, water, or soil)	0	0	0	Continued achievement of zero incidents

*Two sites were certified in March 2026 to bring the cumulative total to five sites.