Corporate Governance: Improvement of Management Resilience by Strengthening Corporate Governance

The Yokohama Rubber Group has established a corporate governance system to achieve sound, transparent, and fair management under its Corporate Philosophy, and is committed to enhancing and strengthening this system.
We aim to sustainably enhance our corporate value and earn unwavering trust through prompt decision-making and highly effective supervision.

Basic Corporate Governance Policy

1. Ensuring shareholders' rights and equality
2. Appropriate collaboration with stakeholders other than shareholders
3. Ensuring appropriate information disclosure and transparency
4. Responsibilities of the Board of Directors
5. Dialogue with shareholders

Basic Corporate Governance Policy *https://www.y-yokohama.com/global/sustainability/governance/*

Improvement of Management Resilience by Strengthening Corporate Governance: Fiscal 2025 Progress and KPIs

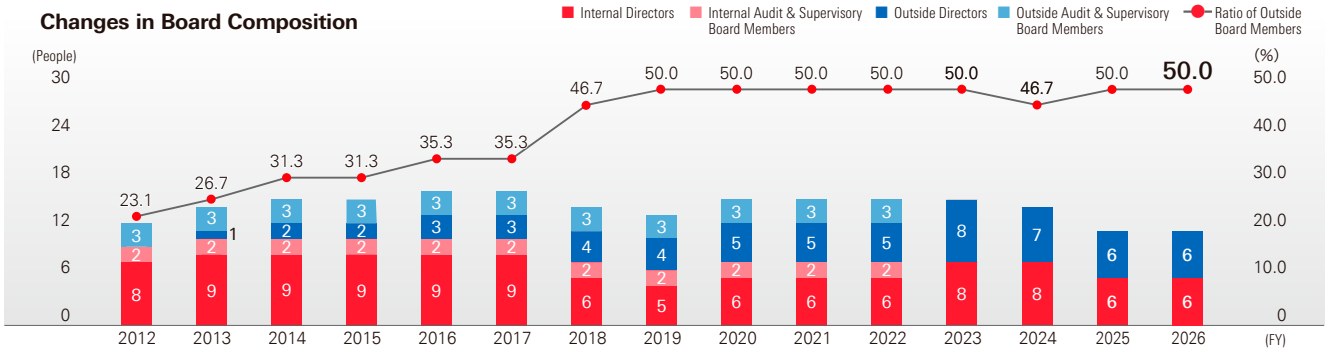
Metrics (KPIs)	Targets	FY2025 Results	Evaluation
Number of sustainability-related issues reported to and discussed by the Board of Directors	・At least 4 per year (quarterly)	7	Ahead

Corporate Governance System

Management and Business Execution System

We transitioned our governance system from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee by a resolution approved at the 147th Ordinary General Meeting of Shareholders held on March 30, 2023. The intention of this move was to further enhance corporate governance by first strengthening the supervisory function of the Board of Directors and second further strengthening the auditing system by making Audit & Supervisory Committee members, who are responsible for auditing the execution of duties by directors, members with voting rights at the Board of Directors.

Changes in Board Composition



FY2013
▸Appointed 1 Outside Director

FY2016
▸Outside Directors accounted for one-third of all Directors

FY2018
▸Appointed 1 female Outside Audit & Supervisory Board Member

FY2019
▸Outside Board Members accounted for half of all Board Members

FY2020
▸Appointed 1 Non-Japanese Internal Director

FY2022
▸Appointed 1 female Outside Director

FY2023
▸Transitioned to a Company with an Audit & Supervisory Committee

* The number of internal directors and outside directors for fiscal 2023 and beyond includes the number of directors serving as Audit & Supervisory Committee members.

In addition to the institutional design under the Companies Act (General Meeting of Shareholders, Representative Directors, Board of Directors, Audit & Supervisory Committee, and Accounting Auditor), our corporate governance system employs a corporate officer system to clarify the separation of management oversight and business execution while thoroughly speeding up management decision-making and business execution.

The current management structure consists of a total of 12 directors—6 internal directors, including the Representative Directors and those who also serve as corporate officers, and 6 outside directors—as well as 17 corporate officers, excluding those who also serve as directors.

In addition, to strengthen the strategic functioning of top management, we have established an Executive Committee on which internal directors serve as key members. The committee monitors the achievement status of business plans and deliberates matters concerning business strategy.

Management Audit Structure

We have established an Audit & Supervisory Committee as the organ that serves as an audit function for management. The committee consists of three members in total: a full-time internal Audit & Supervisory Committee member and two outside Audit & Supervisory Committee members. One of these outside Audit & Supervisory Committee members possesses a considerable degree of expertise in finance and accounting. A system has been established for the full-time Audit & Supervisory Committee member to regularly grasp the state of business execution by attending important meetings and committees including the Executive Committee. The auditing structure comprises audits conducted by Audit & Supervisory Committee members to audit directors in the performance of their duties, financial auditing conducted by independent public accountants as outside audits, and financial and business audits of each executive department and Group company conducted by the Internal Audit Dept., which is our internal auditing division. These activities maintain independence from each other and serve to establish a three-pronged audit structure. At the same time, Audit & Supervisory Committee members receive information from the accounting auditor and the Internal Audit Dept. as appropriate in an effort to strengthen audit functions. In particular, regular reports on audit findings are received from the Internal Audit Dept. through a dual reporting structure, ensuring close coordination.

Furthermore, to enhance the effectiveness of audits and ensure the smooth implementation of audit operations, we have assigned dedicated employees to the Audit & Supervisory Committee Secretariat to assist the Audit & Supervisory Committee.

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Personnel Remuneration Committee for Corporate Officers and Directors

To ensure fairness and transparency in directors' and corporate officers' personnel affairs and remuneration, the Company has voluntarily established the Personnel Remuneration Committee for Corporate Officers and Directors. The committee comprises five members, namely, Chairman & CEO, President & COO, and three independent outside directors, ensuring that a majority of its members are independent outside directors. The Personnel Remuneration Committee for Corporate Officers and Directors met four times in fiscal 2025 to deliberate on personnel and remuneration matters for directors and corporate officers, and submitted proposals to the Board of Directors. The operation of the Personnel Remuneration Committee for Corporate Officers and Directors is as follows:

(1) With regard to personnel matters, the committee deliberates on candidates for director to be submitted to the General Meeting of Shareholders, proposes to the Board of Directors on the results of the consent of the Audit & Supervisory Committee for directors who are Audit & Supervisory Committee members and the opinions of the Audit & Supervisory Committee for directors who are not Audit & Supervisory Committee members. In turn, the Board of Directors makes the final determination. In addition, the appointment of corporate officers is deliberated by the committee, which then proposes to the Board of Directors, which makes the final decision.

(2) With regard to remuneration, within the total amount approved at the General Meeting of Shareholders, the committee deliberates on the system of fixed remuneration, short-term performance-linked remuneration, medium-term performance-linked remuneration, and restricted stock remuneration as medium- to long-term performance-linked remuneration for representative directors and executive directors, and the fixed remuneration system for outside directors, and advises the Board of Directors. The remuneration system for directors who are Audit & Supervisory Committee members is determined by the Audit & Supervisory Committee in consideration of the opinions of the Personnel Remuneration Committee for Corporate Officers and Directors.

Composition of the Personnel Remuneration Committee for Corporate Officers and Directors

All members	**5**
Internal directors	**Masataka Yamaishi, Shinji Seimiya**
Outside directors	**Hirokazu Kono (Chair), Megumi Shimizu, Hisako Takada**

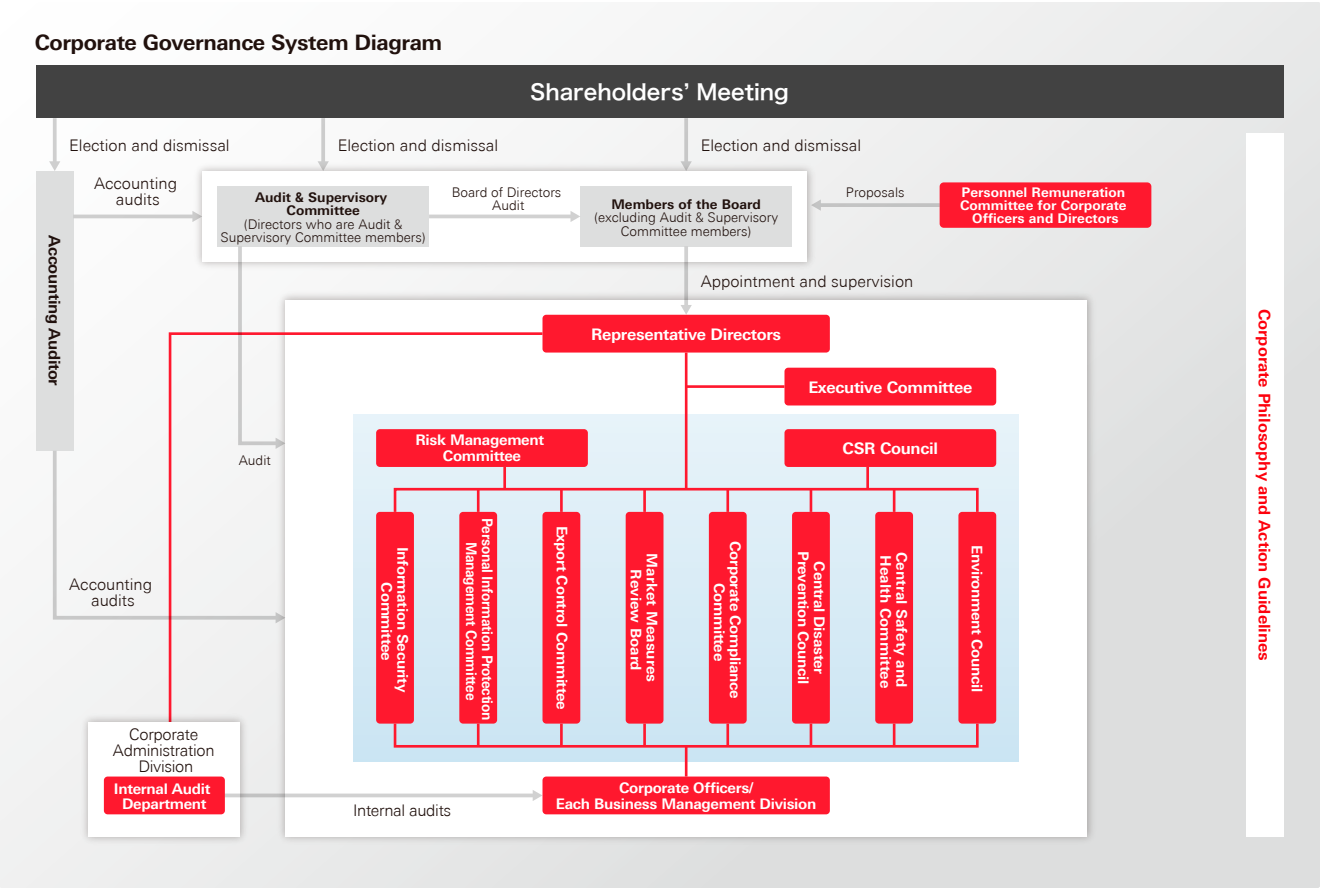
*After the General Meeting of Shareholders on March 27, 2026

Executive Committee

The Executive Committee, a meeting body that serves as an executive organ, meets three times per month, in principle, also attended by a full-time Audit & Supervisory Committee member, to deliberate and determine management policy as well as important matters concerning management execution.

Important matters discussed at the Executive Committee are reported to the Board of Directors together with a summary of such matters, and those of the highest priority as stipulated by the Board of Directors Regulations are further discussed and determined by the Board of Directors.

Corporate Governance System Diagram



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Operational Status of the Board of Directors

The Board of Directors (chairperson: Chairman & CEO Masataka Yamaishi) holds an ordinary Board of Directors meeting monthly and interim Board of Directors meetings as needed, where decision-making is undertaken after flexible and sufficient deliberation. In fiscal 2025, the Board of Directors met 14 times.

At the Board of Directors meetings held in fiscal 2025, in addition to the disposition and acceptance of important property, the appointment and dismissal of important employees, the establishment, modification, and discontinuation of important organizations, and the statement of accounts, which are required to be resolved under the Companies Act, medium-term management plans, business investment, the progress status of efforts related to sustainability and ESG, and IR and SR, capital efficiency, risk management and compliance, internal control, etc., were handled as main subjects for discussion.

Members of Each Governing Body (As of March 27, 2026)

Internal directors Outside directors

Governing Bodies	Board of Directors	Audit & Supervisory Committee	Personnel Remuneration Committee for Corporate Officers and Directors	Executive Committee
Composition	Chairperson	Chairperson	Chairperson	Chairperson
	12 directors*1 (of which, 6 outside directors)	3 Audit & Supervisory Committee members*2 (of which, 2 outside Audit & Supervisory Committee members)	5 directors (of which, 3 outside directors)	6 directors (of which, 5 corporate officers)
Number of meetings held in fiscal 2025	14 times	8 times	4 times	50 times

*1 There were 15 directors (of which, 7 outside directors) until March 28, 2025.
*2 There were 5 Audit & Supervisory Committee members (of which, 3 outside Audit & Supervisory Committee members) until March 28, 2025.

Reasons for Election of Outside Directors and Attendance in Meetings and Committees

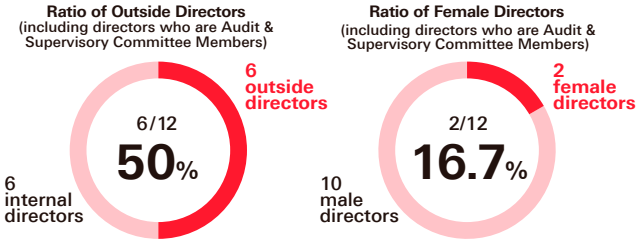
	Name	Activities in fiscal 2025	Reasons for election
Outside directors who are not Audit & Supervisory Committee members	Megumi Shimizu	Board of Directors: attended all 14 meetings	Megumi Shimizu has long worked as an attorney and currently serves as a partner at one of Japan's leading law firms. The Company appointed her as an outside director in the belief that she will use her ample insight and knowledge as a law expert for the management of the Company.
	Junichi Furukawa	Board of Directors: attended 13 out of 14 meetings	Junichi Furukawa is a corporate manager who possesses abundant experience and extensive knowledge of corporate management. The Company appointed him as an outside director in the belief that he will reflect his insights in finance and accounting and abundant knowledge with a sense of balance in the management of the Company.
	Hisako Takada	Board of Directors: attended 12 out of 14 meetings	Hisako Takada has abundant experience working at companies in Japan and overseas, and she is currently a Senior Executive Officer and CFO of Advantest Corporation. The Company appointed her as an outside director in the belief that she will reflect her knowledge and experience in management strategy, including M&A, in the management of the Company.
	Nobuhiko Sasaki	Board of Directors: attended all 10 meetings held after appointment	The Company appointed him as an outside director in the belief that he will contribute to the management of the Company with his insights into economic, social, and other aspects surrounding corporate management based on his ample knowledge gained in the government ministry and experience in corporate management accumulated at Fujitsu Limited and other organizations.
Directors who are Audit & Supervisory Committee members	Hirokazu Kono	Board of Directors: attended 13 out of 14 meetings Audit & Supervisory Committee: attended all 8 meetings	Hirokazu Kono has actively provided opinions and suggestions based on his deep insight accumulated through his long-year studies of management engineering and business administration at universities in Japan and the US. The Company appointed him as a director who is an Audit & Supervisory Committee member in the belief that he will contribute to further reinforcing the auditing functions of the Company's management by utilizing his ample expertise and experience in management engineering and business administration.
	Hiroki Kimura	Board of Directors: attended 13 out of 14 meetings Audit & Supervisory Committee: attended all 8 meetings	Hiroki Kimura serves as Chairman of Asahi Mutual Life Insurance Company, and he actively provides suggestions from his experience as a corporate manager of a financial institution. The Company appointed him as a director who is an Audit & Supervisory Committee member in the belief that he will contribute to further reinforcing the auditing functions of the Company's management with his professional knowledge accumulated in the fields of accounting, finance and asset management.

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Board Diversity

The Board of Directors of the Company consists of no more than 15 directors (excluding directors who are Audit & Supervisory Committee members) and no more than five directors who are Audit & Supervisory Committee members, as stipulated in the Articles of Incorporation. Our basic approach is to ensure their diversity, including outside directors, and an appropriate composition, while giving consideration to the balance of knowledge, experience, and abilities required for each business.

Composition of the Board of Directors (as of March 27, 2026)



Evaluation of Board Effectiveness

Regarding the evaluation of the effectiveness of the Board of Directors, the Company conducted an anonymous survey in October 2025 targeting all directors (excluding the chairman of the Board of Directors) and all Audit & Supervisory Committee members, including outside directors. For the survey, the participants evaluated themselves on a scale of one to four in terms of the following three themes and a total of 18 items, and provided their opinions, etc. for each item.

1 Operation of the Board of Directors
2 Agenda items and discussions at Board of Directors meetings
3 Composition of the Board of Directors and its operational support

In addition, based on aggregate and analytical results, the Board of Directors reviewed the evaluation of its effectiveness, shared issues and discussed measures.

The results indicated that the Board of Directors of the Company is operating appropriately from a comprehensive perspective and that the effectiveness of the Board of Directors is ensured.

Regarding the issue identified in the previous evaluation—namely, the need to "further deepen discussions, including monitoring progress on the Medium-Term Management Plan"—steady improvements are being made. In fiscal 2025, we established new opportunities for reporting and discussion on topics such as investor relations, capital policy, fundamental manufacturing cost reductions, project investments, and employee engagement. We also expanded the scope of business reports provided to outside directors.

Going forward, we will continue working to strengthen the governance function of the Board of Directors through further enhancements to deliberations and reporting.

Director Training

The Company appropriately provides necessary information to ensure the sustainable growth of the Company, the enhancement of corporate value over the medium to long term, and the full exercise of management supervision and auditing functions by directors. In addition, in order to enhance deliberations at Board of Directors meetings, outside directors are continuously provided with opportunities to understand the Company's business operations, such as prior distribution and explanation of Board of Directors materials and the provision of related information, as well as orientation at the time of appointment, plant tours, and dialogue with management.

In addition, even after they assume office, we encourage directors to continue to participate in external seminars, external organizations, and human networks for the purpose of acquiring new ideas and self-development through exposure to real information, and the Company bears the costs of such activities. The Board of Directors confirms through surveys and other means whether or not the provision and arrangement of training opportunities and support for such expenses are being appropriately implemented.

Remuneration for Corporate Officers and Directors

Basic Policy

The Company has established the basic policy regarding the determination of the amount of remuneration of directors (excluding directors who are Audit & Supervisory Committee members), and to ensure the fairness and transparency, the details of the policy are deliberated by the Personnel Remuneration Committee for Corporate Officers and Directors serving as an advisory council, and then determined by the Board of Directors. The Board of Directors has confirmed that the details of the remuneration amounts of individual directors for the current business year are consistent with the basic policy and determined that they were decided in accordance with the policy.

The maximum annual compensation for the Company's directors (excluding directors who are Audit & Supervisory Committee members) is ¥570 million, as determined at the 147th Ordinary General Meeting of Shareholders held on March 30, 2023.

Remuneration System

Remuneration of directors (excluding outside directors and directors who are Audit & Supervisory Committee members) consists of basic remuneration, which is provided as fixed remuneration, and short-term, medium-term, and medium- to long-term performance-linked remuneration.

- Short-term performance-linked remuneration (bonuses): remuneration linked to company performance (the performance of the Company and individual performance, etc. corresponding to that) based on the level of achievement against published targets and the growth rate of performance, etc.
- Medium-term performance-linked remuneration: monetary remuneration paid based on cumulative profit for the target period (FY2024 – FY2026) for the purpose of raising motivation to achieve the quantitative targets (consolidated business profit) of the YX2026 Medium-term Management Plan.
- Restricted stock remuneration (medium-to long-term performance-linked remuneration): remuneration introduced*3 in order to further raise the motivation to enhance corporate value over the medium to long term through sharing the benefits and risks of stock price fluctuations with shareholders. The amount of this compensation is set at up to ¥300 million per year, separate from the compensation limit mentioned above.

*3 Resolution approved at the 142nd Ordinary General Meeting of Shareholders held on March 29, 2018 (With the resolution to transfer to a Company with an Audit & Supervisory Committee approved at the 147th Ordinary General Meeting of Shareholders held on March 30, 2023, the above resolution was made again.)

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Medium-Term Performance-Linked Remuneration

A new system of medium-term performance-linked remuneration was formulated in fiscal 2024 to further raise the motivation to achieve the quantitative targets of the YX2026 Medium-term Management Plan. The system covers all directors and corporate officers, excluding outside directors and Audit & Supervisory Committee members. Formulation of the system was resolved by the Board of Directors on March 26, 2024 following consultation with the Personnel Remuneration Committee for Corporate Officers and Directors and confirmation by the Audit & Supervisory Committee in February 2024.

Eligibility for Medium-Term Performance-Linked Remuneration

The directors and corporate officers eligible for medium-term performance-linked remuneration as of March 27, 2026 are as follows.

Position	No. of people
Representative Directors	2
Member of the Board and Senior Managing Officer	1
Member of the Board and Managing Officer	1
Member of the Board and Officer	1
Officers	17

Method for Calculating Medium-Term Performance-Linked Remuneration

The applicable period is the three years from fiscal 2024 to fiscal 2026 that represent the quantitative target of the Group's Medium-term Management Plan. The standard is set at a cumulative consolidated business profit for the period of ¥410.5 billion in total, with the remuneration calculated for all eligible persons according to the prescribed formula.

Cumulative consolidated business profit over the applicable period ÷ ¥410.5 billion × 100	Calculation method
120% or more	Monthly remuneration x 12 months x payment factor of 1.5
100% or more but less than 120%	Monthly remuneration x 12 months x payment factor of 1
90% or more but less than 100%	Monthly remuneration x 12 months x payment factor of 0.25
Less than 90%	No payment

Additionally, if the achievement rate is 90% or higher, the incentive rate will vary between 0.25 and 1.5 in proportion to the level of achievement. Monthly remuneration shall be the amount set for April 2024 based on the individual's position; however, if a person's position changes during the applicable period, compensation will be paid on a pro-rata basis according to the length of service, using the monthly compensation for the applicable position as the basis. For persons eligible for medium-term performance-linked remuneration, an individual monetary limit of ¥84.78 million is set.

Medium-term performance-linked remuneration is paid in cash within one month of the day following the day on which the cumulative consolidated business profit, the basis of the calculation, has been finalized at the first Ordinary General Meeting of Shareholders held after the end of the applicable period.

Amount of Remuneration of Directors and Audit & Supervisory Committee Members (fiscal 2025)

Category	Total remuneration (millions of yen)	Total by type of remuneration (millions of yen)				Number of eligible Directors (persons)
		Basic remuneration	Performance-linked remuneration			
			Bonus	Restricted stock compensation	Medium-Term Performance-Linked Remuneration	
Member of the Board (excluding Audit & Supervisory Committee Members and Outside Directors)	537	198	95	149	95	6
Audit & Supervisory Committee members (excluding Outside Directors)	46	32	13	—	—	2
Outside Directors	81	81	—	—	—	8

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Tax Transparency and Tax Governance

We established the Yokohama Group Tax Policy to ensure compliance with tax-related laws and regulations, considered a social norm, and to contribute to society through appropriate tax payments based on the Yokohama Group Organizational Governance Policy. In addition, we will fulfill our tax obligations as a global company by complying with the tax-related laws and regulations of each country and guidelines provided by the OECD.

The Yokohama Rubber Group's tax-related governance is included within the Group's overall corporate governance. In addition, these procedures are carried out under the responsibility of the director in charge of the Corporate Finance & Accounting and IR Departments of Yokohama Rubber. The Yokohama Rubber Group's tax planning is implemented appropriately based on the actual status of the Group's business activities and in line with its business objectives. We strive to prevent tax planning for the purpose of tax avoidance using tax havens and capital structures, understand the legislative intent of the preferential tax treatment available in each country, and utilize it within the scope of normal business activities to improve tax efficiency.

We will build sound, healthy relationships with the tax authorities of each country and respond seriously and with integrity to requests from the relevant authorities in tax investigations and related proceedings. In the event of a difference of opinion between the Group and the tax authorities, the Group strives to engage in dialog with the authorities and to resolve the issue in accordance with the relevant tax-related laws and regulations.

Corporate Income Taxes Paid

(Unit: Billions of yen)

Position	FY2023	FY2024	FY2025
Japan	7.53	41.95	40.95
Overseas	18.75	20.21	20.12
Total	26.28	62.16	61.07

Yokohama Rubber Group Tax Policy
https://www.y-yokohama.com/sustainability/governance/tax/

Status of Reducing Cross-Shareholdings

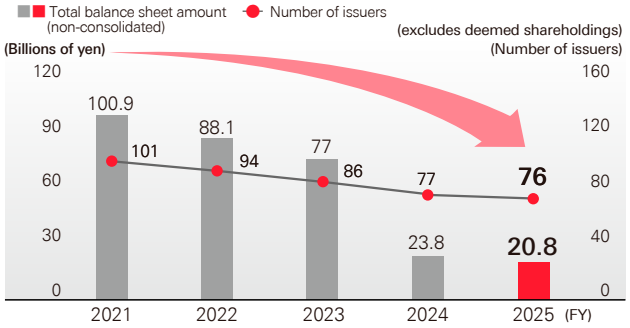
Policy on Cross-Shareholdings

In the interests of corporate expansion and sustainable development, the Company believes it is essential to maintain cooperative ties with various companies. We adopt a medium-to-long-term perspective for enhancing the Company's corporate value and follow a policy of holding shares deemed strategically necessary after comprehensively considering strategic ties with the companies with whom we maintain important cooperative relationships, cooperative business related ties with suppliers, and other factors.

Verifying the Appropriateness of Cross-Shareholdings

Once a year, the Company verifies, in both qualitative and quantitative terms, the benefits and risks associated with its individual cross-shareholdings from a medium- to long-term perspective, also considering the nature and scale of transactions, among other factors. In fiscal 2025, the Company sold all shares held in three companies and some of the shares it holds in three companies in light of verification by the Board of Directors in February 2025.

Trend in Cross-Shareholdings (Amount on Balance Sheet [Nonconsolidated] and Number of Issuers)



Constructive Dialogue with Shareholders

When engaging in dialogue (interviews) with shareholders, the director in charge of the Corporate Administration Division, Corporate Finance Accounting Dept., and IR Dept. serves as the officer in charge, and the Corporate Administration Division, Corporate Finance & Accounting Dept., and IR Dept. cooperate with the director in charge within a reasonable scope based on the wishes of shareholders and the main topics of interest for the interview. If necessary, to a reasonable extent, we consider having outside directors or directors who are Audit & Supervisory Committee members attend meetings.

In principle, we conduct substantive shareholder surveys twice a year and multiple times as necessary to understand the shareholder structure, after which the IR Dept. and Legal Division strive to respond to shareholders with the cooperation of the HR Division, the Corporate Social Responsibility Planning Department, and other departments.

In order to enhance the means of dialogue with shareholders other than individual meetings, financial results briefings are held quarterly, and explanations are given by the chairman and directors in charge at the end of the fiscal year and after the first half financial results, and the president and directors in charge provide other explanations. The results of dialogue (interviews) with shareholders are reported to top management as appropriate.

At the dialogue with investors as well as at financial results briefings, we pay attention to the management of insider information.