
YOKOHAMA
2026
The Yokohama Rubber Integrated Report
The Yokohama Rubber Co., Ltd.

Editorial Policy

About This Report

The Yokohama Rubber Group publishes integrated reports to help shareholders, investors, and all other stakeholders gain an accurate understanding of the Group's management strategies and overall business activities, while building relationships of mutual trust and deepening constructive dialogue. We believe that the provision of financial information, such as business performance data, business overviews, and management strategies, is essential for increasing corporate value in a sustained manner. At the same time, it is important to systematically identify and explain non-financial information, including information on societal and environmental matters, our employees, and corporate governance. We began publishing this report in fiscal 2022 in order to further enhance and integrate our disclosure of non-financial information.

This report is structured around the Group's material topics. It provides clear explanations about how we seek to help address societal issues and create economic value by building on strengths we have cultivated over more than a century, including our technological capabilities and our global production and supply network. By presenting our path to medium- to long-term growth from both financial and non-financial perspectives, we will further promote value co-creation with our stakeholders and help build a more sustainable future. Through this report, we hope to provide even more stakeholders with a deeper understanding of the Yokohama Rubber Group.

Key Features of this Report

This year, we have restructured the report based on our Corporate Value Formula.

In this report, we present our story of sustained growth aimed at enhancing corporate value through increasing profitability, enhancing growth expectations, and reducing the cost of capital, and have organized it into the following four chapters:

- 1. Value Creation Story: Corporate Value
- 2. Maximizing Value Delivery and Returns: Improving Profitability
- 3. Sustainable Growth Through New Value Creation: Enhancing Growth Expectations
- 4. The Foundations of Corporate Value and Value Proposition: Reducing Cost of Capital

Corporate Value Equation

1. Corporate Value = **2. Improving Profitability** (Maximizing short-term opportunities; Steadily building earnings from existing businesses; Generating earnings contributions from growth investments) — (**4. Reducing Cost of Capital** (Meeting market expectations; **Reducing the perceived risk** for investors to lower the cost of capital) − **3. Enhancing Growth Expectations** (Enhancing future growth potential; Expanding mid- to long-term opportunities; Laying the groundwork in areas where we can draw on our strengths))

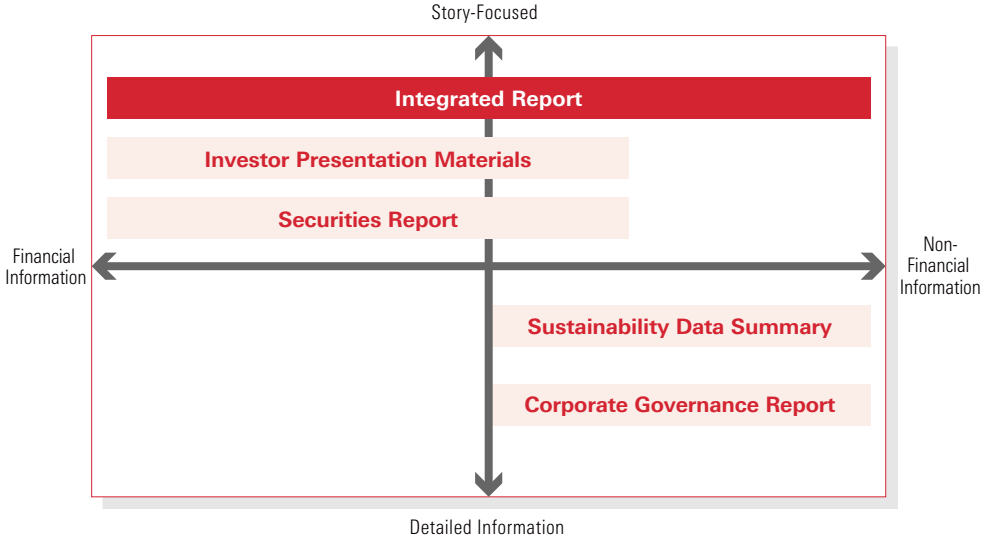
Editorial Policy and Reporting Scope

In preparing this report, we have referred to the International Integrated Reporting Framework advocated by the IFRS Foundation and the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry. The report is structured around Yokohama Rubber's material topics.

- Reporting Scope: The Yokohama Rubber Co., Ltd. and its consolidated subsidiaries
- Reporting Period: January 1, 2025 through December 31, 2025 * Information includes some activities undertaken in or after January 2026.
- Publication Date: June 2026
- Cautionary Note Regarding Forward-Looking Information:

This report contains forward-looking statements on the Yokohama Rubber Group's projections, targets, plans, strategies, and other matters. These statements are based on determinations made from information available at the time this report was published. Actual performance and other metrics may differ from these forward-looking statements due to a variety of factors.

Overview of Information Disclosure



Yokohama Rubber's Online Information

Corporate Website



https://www.y-yokohama.com/global/

Financial Information



https://www.y-yokohama.com/global/ir/financial/

Non-Financial Information



https://www.y-yokohama.com/global/sustainability/



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01 Value Creation Story

1. Corporate Value = (2. Improving Profitability) / (4. Reducing Cost of Capital − 3. Enhancing Growth Expectations)

This section includes a message from the CEO, and presents an overview of the value creation process we have established through our Grand Design for the Tire Business strategy, guided by our corporate philosophy of "devoting our wholehearted energies and advanced technology to the creation of beneficial products."

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02 Maximizing Value Delivery and Returns

1. Corporate Value = (2. Improving Profitability) / (4. Reducing Cost of Capital − 3. Enhancing Growth Expectations)

This section explains the individual strategies, policies, and progress of each business; as well as our technology and production strategies under the medium-term management plan. Messages from the COO and Co-COO outline our path toward maximizing profitability.

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03 Sustainable Growth Through New Value Creation

1. Corporate Value = (2. Improving Profitability) / (4. Reducing Cost of Capital − 3. Enhancing Growth Expectations)

This section introduces investments in intangible assets that support next-generation innovation—such as digital transformation (DX), intellectual property, and research and development (R&D)—and highlights how these initiatives strengthen our future market competitiveness.

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04 The Foundations of Corporate Value and Value Proposition

1. Corporate Value = (2. Improving Profitability) / (4. Reducing Cost of Capital − 3. Enhancing Growth Expectations)

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Forging a New Era Guided by Our Enduring Founding Spirit

Pioneering Uncharted Territory Toward Our Next 100 Years



From Our Founding Spirit, to Today's Corporate Philosophy

**Our founding spirit, first articulated in 1929, continues to live on in Yokohama Rubber's management approach today.
Through further enhancement of corporate value, we aim to achieve sustained growth.**

The Founding Spirit

Yokohama Rubber still maintains as our Founding Spirit the cautionary tale by Suekichi Nakagawa, president at the time of the 1929 inauguration of our Yokohama Plant (in Tsurumi-ku, Yokohama).
The tale underscores the balancing of both social and economic value.



The Father of Yokohama Rubber
Suekichi Nakagawa
(1874 - 1959)

Nakagawa joined Furukawa Honten in 1888. After studying in the United States, he became senior managing director of Yokohama Electric Wire in 1914. He later served as president of Yokohama Rubber, Furukawa Electric, and Nippon Light Metal, as well as senior managing director of Tokyo Furukawa Bank, becoming a Key figure in the Furukawa zaibatsu.

1. Production business is a social service.
   Its purpose is to make people's lives more convenient and enjoyable. Its aim should be to offer good, useful products at moderate prices.
2. There must be a basic commitment to delivering quality products unrivaled by those of competitors.
3. Management should adhere to the principles of fairness and consideration.
   The mission of a fair, honest management is to ensure capital, share the fruits of endeavor with its workers, and fulfill its responsibilities to consumers to act, in other words, rationally.
4. A company should have as few employees as possible and make the best use of the productivity of machines.
   This is the great secret for improving efficiency.
5. The success or failure of a business depends on how much one is willing to study, and with how much determination, to mutually improve and grow. Accordingly, one must make a great effort.

Corporate Philosophy

Yokohama Rubber established its current Corporate Philosophy in 1992. Yokohama Rubber's Corporate Philosophy consists of the Basic Philosophy, Management Policies, Action Guidelines and Corporate Slogan. The Basic Philosophy embodies the types of business where Yokohama Rubber commits itself in all activities. The Management Policies outline basic administrative principles for upper-level management to commit themselves to. The Action Guidelines are the code of conduct for each employee to comply with.

Basic Philosophy

To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products.

Management Policies

- Take on the challenge of new technologies to produce new value.
- Develop proprietary business fields to expand the scope of business.
- Create a workplace that values, improves and energizes people.
- Deal fairly with society and value harmony with the environment.

Action Guidelines

- Develop ourselves so that we may give our personal best.
- Trust, challenge and improve one another.
- Nurture a welcoming, open spirit.

Corporate Slogan

Excellence by nature

1

THE YOKOHAMA RUBBER CO., LTD.
Integrated Report 2026

Value Creation Story

Since our founding in 1917, we have opened up new frontiers driven by passion and a spirit of challenge and guided by our philosophy of "devoting our wholehearted energies and advanced technology to the creation of beneficial products." Through our "Grand Design for the Tire Business" strategy, we have built a framework for sustained value creation, and set forth our vision for the next 100 years.

Key element of the corporate value equation featured in this section

$$\text{1. Corporate Value} = \frac{\text{2. Improving Profitability}}{\text{4. Reducing Cost of Capital} - \text{3. Enhancing Growth Expectations}}$$

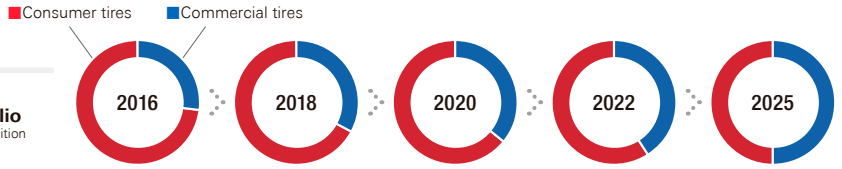
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Our History

Since our founding in 1917, we have overcome numerous challenges to forge new paths forward. For more than 100 years, we have remained a pioneer, driven by our pride as a Japanese manufacturer and our determination to continue tackling new challenges. We will carry our enduring founding spirit into our next 100 years and continue advancing as pioneers down unexplored paths.

Changes in Our Business Portfolio
* Sales revenue composition



Major Milestones and Trends in Consolidated and Non-consolidated Sales Revenue

1917 - 1950s

Founding of Yokohama Rubber with the aim of providing high-grade rubber products

1917
Established Yokohama Rubber Co., Ltd.

1920
Completed the Hiranuma Plant (Hiranuma-cho, Yokohama).Began manufacturing belts and tires.

1928
Completed the Yokohama Plant (Tsurumi-ku, Yokohama)



1929
Opened the Yokohama Plant. (Suekichi Nakagawa presents his cautionary tale, which later becomes our Founding Spirit)

1952
Completed Phase 1 of the Hiratsuka Plant and start of production there of belts, large tires, and vinyl products.

1960s - 1970s

Responding to motorization and expanding exports

1963
Japanese company name changed to match the English, The Yokohama Rubber Co., Ltd.

1967
Launched the G.T. SPECIAL radial tire for passenger cars, with subsequent expansion of production of the G.T. SPECIAL series as radial tires became popular among general drivers.

1969
Established a tire sales company in the United States, shifting from export dependence on trading companies for exporting to a sales company model with our own capital.



1980s

Creating new markets with a three-brand strategy

1980
Launched a three-brand strategy: ADVAN with wet performance and high-speed driving capabilities, ASPEC with driving performance and quietness to satisfy adults, and GRAND PRIX with competitive pricing and advanced driving capabilities, creating markets for distinctive tires.

1980
Made a full-scale entry into Japan's premier All Japan F2 Championship, and subsequently expanded motorsports-related activities to Europe, the United States, and other regions, building a track record in the demanding world of motorsports.

1990s

Globalization and advancement of tire technologies

1991
Completed RADIC (Research and Development Integrated Center) at the Hiratsuka Factory.

1996-2007
Established tire manufacturing and sales companies in the Philippines, Vietnam, India, and China (Hangzhou and Suzhou).

1998
Launched sales of DNA ES-01 and DNA ES-02 as the first products in the DNA series for fuel-efficient tires for passenger cars.

2005
Proactively expanded global flagship brand ADVAN.

2010s

Pursuit of environmental technology and planned growth.

2010 BluEarth
Launched BluEarth AE-01 as the first in the BluEarth series of "eco-friendly/people-friendly" fuel-efficient tires.

2015
Opened Hokkaido Tire Test Center

2016
Acquired Alliance Tire Group B.V. (ATG), a Dutch company that manufactures and sells tires for agricultural and construction machinery.

2017
Our 100th Anniversary
おかげさまで 100 周年
Acquisition of Aichi Tire Industry, a company that manufactures and sells tires for industrial vehicles

2020s

Promotion of transformation based on our "Exploitation × Exploration" strategy

2020
Formulated the AI-human collaboration framework HAICoLab, strengthening competitiveness by creating synergies across faster tire development, expansion of production bases, enhanced sales support, and digital transformation of logistics.

2023
Acquired Trelleborg Wheel Systems Holding AB, a Swedish company that manufactures and sells tires for agricultural and industrial machinery.

Introduced our proprietary "E+" mark, signifying tire compatibility with electric vehicles.

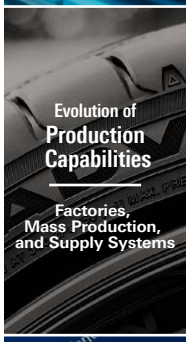
2025
Acquired Goodyear's mining and construction vehicle tire business.

2026 Targets
Consolidated Sales Revenue
¥1.3 trillion
Consolidated Business Profit
¥188 billion

Our History

Our growth is driven by refined technological capabilities, manufacturing expertise that ensures reliable quality, and a growing global business foundation. The DNA of creating beneficial products cultivated since our founding has evolved into a core strength. We will further accelerate our efforts to pioneer distinctive new fields as we pursue our next stage of sustained growth.

Evolution of Yokohama Rubber's Strengths with an Eye to the Future

Changes in Society and Customer Needs	1917 - 1950s Meeting Military and Core Industry Demand/ Shift to Production in Japan to Replace Imports	1960s - 1970s Expansion of Motorization and Expressway Infrastructure	1980s Stronger Brand Consciousness and Growing Demand for High-Performance tires	1990s Intensifying Global Competition and Rising Environmental Awareness	2010s Growing Demand for Safety, Environmental Performance, and High Performance	2020s Emphasis on Decarbonization and Sustainability
	**Establishment of Japanese Tire Technologies** **1921** ▪ Developed Japan's first cord tire, the Hama Town Cord. **1954** ▪ Launched the Y-29, Japan's first snow tires. **1955** ▪ Launched the Hama Safety and Hama Liner, Japan's first tubeless tires.	**Development of Radial Tires and Establishment of Mass-Production Technologies** **1967** ▪ Launched the G.T. SPECIAL passenger car radial tire. **1978** ▪ Launched Japan's first sports radial tire, ADVAN-HF **1979** ▪ Launched the ADVAN TS-02, Japan's first proper all-season tire.	**Exploitation of High-Performance Technologies** **1980** ▪ Launched the three-brand strategy (ADVAN, ASPEC, and GRAND PRIX), clearly defining the value of each brand based on specific performance characteristics. ▪ Made a full-scale entry into Japan's premier All Japan F2 Championship. Subsequently expanded motorsports-related activities to Europe, the United States, and elsewhere, applying technologies cultivated in demanding motorsports to aftermarket tire development.	**DNA Series/Fuel-Efficient, Environment-Friendly Technologies** **1996** ▪ Launched GEOLANDAR tires for SUVs. **1998** ▪ Launched sales of DNA ES-01 and DNA ES-02 as the first products in the DNA series of fuel-efficient tires for passenger cars. **2005** ▪ Proactively expanded the global flagship brand ADVAN.	**Launch of the New Fuel-Efficient Tire Brand BluEarth** **2010** ▪ Launched BluEarth AE-01, the first product in the BluEarth series of "eco-friendly/people-friendly" tires, inheriting and advancing fuel-efficient technologies developed for the DNA series. **2015** ▪ Opened the Hokkaido Tire Test Center	**AI Utilization and Launch of HAICoLab** **2020** ▪ Formulated the AI-human collaboration framework HAICoLab. ▪ Utilized AI to strengthen competitiveness by creating synergies across faster tire development, expansion of production bases, enhanced sales support, and digital transformation of logistics. **2023** ▪ Introduced our proprietary "E+" mark, signifying tire compatibility with electric vehicles.
	**Establishment of Early Production Structure in Japan** **1917** ▪ Established Yokohama Rubber Co., Ltd. **1928** ▪ Completed the Yokohama Plant. ▪ Launched full-scale production of tires, belts, hoses, and other products. **1952** ▪ Completed the Hiratsuka Plant Phase I construction. ▪ Established a mass-production system with an expanded product lineup including belts, large tires, and vinyl products.	**Expansion of Core Plants in Japan and Mass Production** **From 1967** ▪ Expanded G.T. SPECIAL series production. ▪ Established a mass-production system for radial tires. **1974** ▪ Launched production of tires for construction vehicles at Onomichi Plant. ▪ Launched production of high-pressure hoses at Ibaraki Plant.	**Establishment of a High-Mix, Low-volume Production System** **1980** ▪ Transited a high-mix, high-value-added production system aligned with the three-brand strategy. ▪ Advanced production technologies to meet the specific design and quality requirements for each performance category. **1983** ▪ Launched sales of PRGR (Pro Gear) golf equipment.	**Establishment of a Globally Optimized Production System** **From 1996** ▪ Introduced a small-scale integrated production model with compact production facilities enabling agile responses to fluctuations in demand, while proactively establishing new plants across Asia. **2006** ▪ Promoted environment-conscious production processes and environment-friendly products with Environmental GD100 as a guiding principle.	**Expansion of Global Production Capacity and Acquisition of Manufacturing Capabilities Through M&A.** **From 2010** ▪ Expanded existing plants in Asia to boost production capacity in response to growing global demand. **2016** ▪ Acquired Alliance Tire Group B.V. (ATG), a Dutch company that manufactures and sells tires for agricultural and construction machinery. **2017** ▪ Acquired Aichi Tire Industry, a company that manufactures and sells tires for industrial vehicles.	**Strengthening Off-Highway Tire Production and the "1-Year Plant" Challenge** **2022** ▪ Opened a new off-highway tire plant in Visakhapatnam, India. **From 2023** ▪ Further bolstered off-highway tire production capacity through M&A. **2025** ▪ Opened a new plant in Hangzhou, China, as a "1-Year Plant" aimed at achieving an early launch and establishing a low-cost, highly efficient production system.
	**Foundation of Company Through a Technical Partnership** **1917** ▪ Founded Company through a capital and technical partnership with BFGoodrich.	**Expansion into the United States and Establishment of Company-owned Sales Network** **1969** ▪ Established a tire sales company in the United States. ▪ Shifted from export dependence on trading companies to a sales company model with our own capital.	**Expansion of Overseas Sales Networks and Growing Brand Recognition** **From 1980** ▪ Expanded motorsports-related activities into Europe, the United States, and elsewhere. ▪ Built recognition as a high-performance brand through track record on the international stage.	**Expansion of Overseas Production Bases** **From 1996** ▪ Established production and sales bases in the Philippines, Vietnam, China, Thailand, and India. ▪ Built a distributed global production structure centered on Asia.	**Acceleration of Global Expansion Through M&A** **2016** ▪ Acquired Alliance Tire Group B.V. (ATG), a Dutch company that manufactures and sells tires for agricultural and construction machinery.	**Bolstering Off-Highway Tire Operations Through Large-Scale M&A** **2023** ▪ Acquired Trelleborg Wheel Systems Holding AB, a Swedish company that manufactures and sells tires for agricultural and industrial machinery. **2025** ▪ Acquired Goodyear's mining and construction vehicle tire business.

Strength 1 Technological Capabilities (R&D)

Strength 2 Production Capabilities

Strength 3 Global Network

Our Strengths

Yokohama Rubber has continuously challenged itself to create new value, consistently breaking new ground by pioneering fields of its own ahead of the times. Building on the technological capabilities, production capabilities, and global network we have cultivated over more than a century, we will continue moving forward with the times, driven by passion and a spirit of challenge.

Strength 1 Technological Capabilities (R&D)



Origins of Our Strength

- An unwavering commitment to technological exploration that we have maintained since our founding, continually challenging ourselves to create new value and pioneer new fields ahead of the times.
- Extensive tire development expertise, cultivated through the demanding world of motorsports, for producing tires with outstanding driving performance and safety.

Secrets Behind Our Strength

- World-class performance and quality, demonstrated by our track record of supplying tires for leading premium vehicle brands including Porsche, BMW M Series, and Mercedes-AMG.
- Advanced winter tire technologies developed through our continuous pursuit of improved ice performance since the 1950s.

Further Enhancing Our Strength

- Meeting the increasingly demanding quality requirements and shorter development lead times of premium automakers, particularly in Europe.
- Further transforming the development process through our proprietary HAICoLab AI utilization framework.
- Strengthening technologies required for electrified vehicles—including low rolling resistance technologies to improve energy efficiency and enhance quietness—through the expansion of our E+ electric vehicle-compatible tire lineup.



The ADVAN Sport EV ultra-high-performance summer tire for electric vehicles

The E+ mark logo

Strength 2 Production Capabilities



Origins of Our Strength

- A production system that has continued to evolve since our founding, guided by our Basic Philosophy: "To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products."

Secrets Behind Our Strengths

- A comprehensive production system covering products ranging from passenger car tires to off-highway tires.
- Cost competitiveness that enables the efficient production of both high-value-added products such as ADVAN and standard products capable of competing with newly emerging tire makers.
- A flexible production system capable of meeting a wide variety of customer needs, ranging from high-mix, low-volume production to mass production.

Further Enhancing Our Strength

- Realizing low-cost, highly efficient production capable of competing with emerging tire makers, and establishing a system to rapidly supply competitive products—driven by our new passenger car tire plant in Hangzhou, China (launched as a "1-year plant") and our new plant in Mexico, which leverages the management expertise of the Yokohama ATG team.



New passenger car tire plant in Hangzhou, China

Strength 3 Global Network



Origins of Our Strength

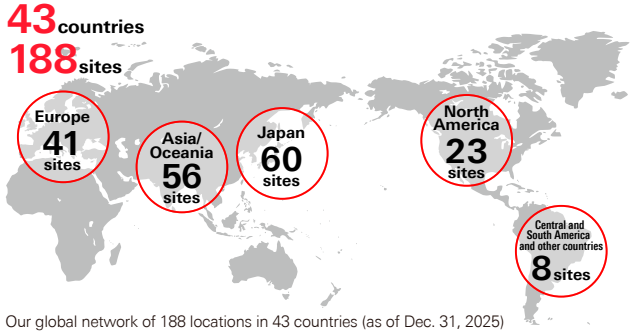
- A history of building a "local production for local consumption" business model in the 1980s and subsequently establishing tire R&D centers close to major markets, enabling the rapid introduction of new products tailored to local customer needs.

Secrets Behind Our Strength

- A full product lineup ranging from passenger car tires to off-highway tires, enabling us to meet diverse customer needs worldwide.
- Strategies tailored to the specific characteristics of each region and rapid decision-making enabled by delegating authority to professional executives with extensive knowledge of their local markets.

Further Enhancing Our Strength

- Strengthening our global supply network through continued growth investments, including M&A, capacity expansions at existing plants, and the construction of new plants, enabling us to respond quickly to growing global demand.
- Optimizing our global production footprint through the consolidation and rationalization of existing and acquired facilities, while improving cost competitiveness and asset efficiency through measures such as shared back-office functions.

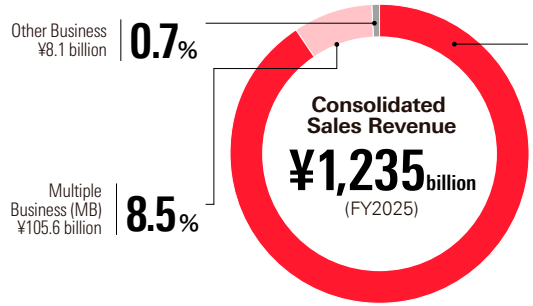


Our global network of 188 locations in 43 countries (as of Dec. 31, 2025)

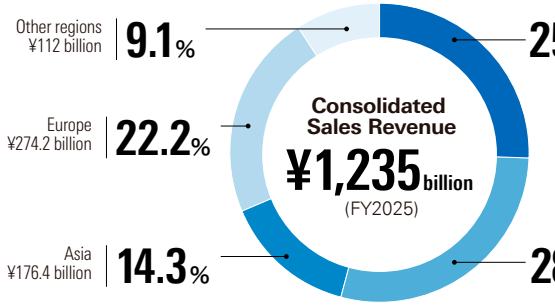
At a Glance: Yokohama Rubber Today

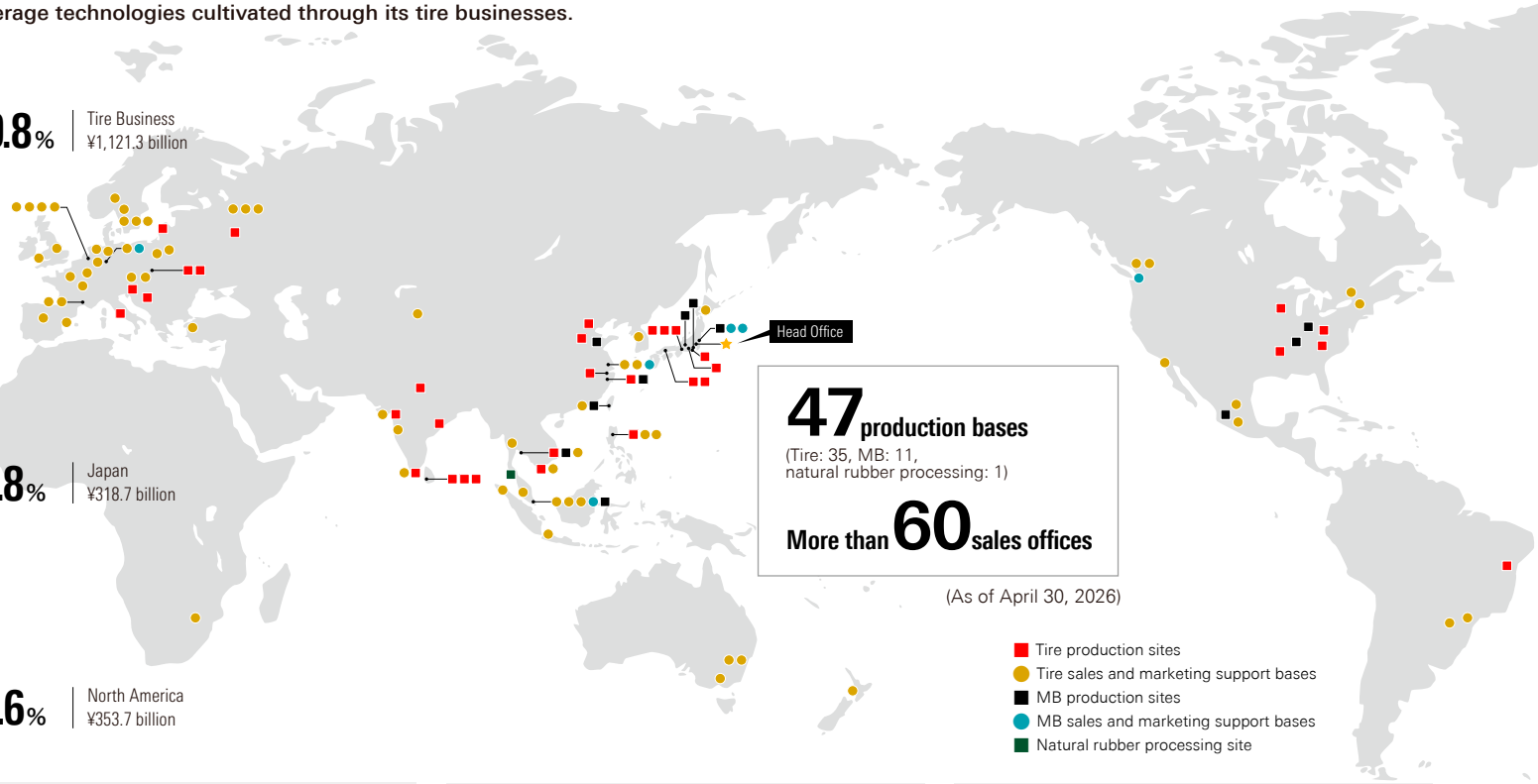
The Yokohama Rubber Group is expanding globally, with strengths in its attractive consumer tire business, whose products are selected as original equipment for many of the world's leading premium vehicles; one of the world's leading commercial tire businesses, Multiple Business (MB) and other businesses which leverage technologies cultivated through its tire businesses.

Sales Revenue by Business Segment



Sales Revenue by Region

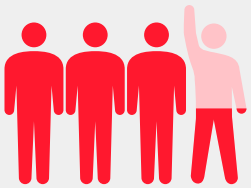




Number of Employees

34,471

(As of December 31, 2025, consolidated basis)



Consolidated Business Profit Compound Annual Growth Rate (CAGR)

CAGR

30%

(2023-2025)

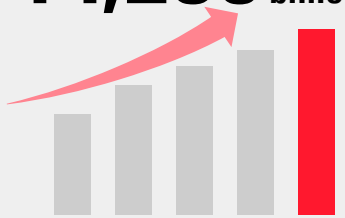
Strategic Investments

¥330billion

(2024-2026 plan)

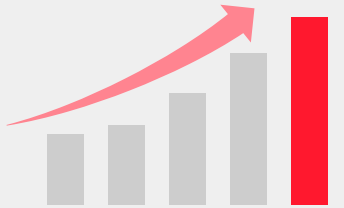
Consolidated Sales Revenue

¥1,235billion



Consolidated Business Profit

¥166.6billion



Businesses, Products, and Brands

Tire Business

Consumer tires

Under the strategy of maximizing the sales ratio of high-value-added products, the Group is focusing on three categories—ultra-high-performance tires, SUV and pickup truck tires, and winter tires—while proactively expanding sales particularly of high-value-added tires such as ADVAN, GEOLANDAR, and winter tires.



ADVAN

ADVAN is a global flagship tire brand delivering high-level driving performance by bringing out the full potential of passenger cars.



GEOLANDAR

GEOLANDAR is an SUV tire brand based on the concept of "driving freely on all roads and terrain across the planet."



iceGUARD

The iceGUARD brand of winter tires offers a wide selection of products, as well as unique compound and design technologies of tread pattern realizing high performance on ice and snow.



BluEarth

The BluEarth brand of fuel-efficient tires balances basic performance with enhanced fuel efficiency, wet surface and tread life, making it suitable for a wide range of uses, from city driving to leisure activities.



We supply ultra-high-performance tires as original equipment for renowned premium cars and EVs from brands such as Porsche, BMW, Mercedes-AMG, and LEXUS. This demonstrates that the quality and technological capabilities we have pursued are trusted worldwide.



We are accelerating the expansion of our GEOLANDAR tire brand product lineup for SUVs and pickup trucks to meet increasingly diverse needs in the SUV market.

Obtained Numerous Technical Approvals from World-leading Premium Car Brands Such as Mercedes-AMG and BMW M Series



ADVAN Sport V107

ADVAN Sport V107 is equipped on many of the world's leading premium cars.

Number of Tire Sizes Holding Wet Grip Performance Grade "a" in the Japanese Market



Percentage of Renewable and Recycled Raw Materials Used

30.4 % of Raw Materials



ADVAN racing tires (dry use) made from 46% renewable or recycled materials*

* Average value for dry and wet tires

Commercial tires

We provide a wide range of tires, including tires for trucks and buses and off-highway tires for construction and industrial vehicles, and for agricultural and forestry machinery. As one of the world's leading commercial tire specialists, we contribute to improving safety and productivity on demanding worksites.

Off-highway tires (OHT)



YOKOHAMA, GOODYEAR OFF-THE-ROAD, TRELLEBORG, Mitas, MAXIMO, Cultor, ALLIANCE, GALAXY, PRIMEX, AICHI TIRE

Off-highway tire brands comprise product lineups in all categories, from basic and standard, to premium, providing powerful traction support for vehicles used on agricultural, mining, and construction sites, etc.

Truck and bus tires (TBR)
Light truck tires (LTR)



YOKOHAMA

A truck and bus tire brand that provides not only basic performance such as fuel economy, long tread life, and durability, but also the enhanced load-bearing performance required for EVs.



We provide agricultural machinery tires for a variety of applications on farms in Japan and overseas, contributing to the improvement of overall agricultural productivity.



We will contribute to the new era of logistics with truck and bus tires focused on safe operation, environmental performance, cost reduction, and efficiency.

Agricultural Machinery Tires (AG)

Global Share

No.1 * Ranking based on Yokohama Rubber research



Industrial Vehicles Tires (ID)

Global Share

No.2 * Ranking based on Yokohama Rubber research



Off-highway Tires (OHT)

Global Share

No.3 * Ranking based on Yokohama Rubber research



OHT: General term for off-highway tires for agricultural and forestry machinery, construction and mining vehicles, industrial and port-use vehicles, etc.

Businesses, Products, and Brands

Multiple Business (MB)

We offer a wide range of products, including high-pressure hydraulic hoses for construction machinery and machine tools, automotive hoses and piping, conveyor belts, marine products, and aircraft components. We have played a significant role around the world for many years contributing to the development of a host of industries, including automotive, oil, gas, mining, construction, and aviation.



No.1
Global Pneumatic Fenders Market Share



The world's largest fender (photo for scale)
* Ranking based on Yokohama Rubber research

Versatran

This brand of hydraulic hoses for overseas markets was created by integrating three core product series. Offering significantly enhanced performance and products designed for use in demanding operating environments.

HAMAHEAT

One of the most widely recognized conveyor belt brands both in Japan and overseas. Highly regarded, particularly in the steel and cement industries.

Seaflex

The world's leading marine hose brand, highly valued by major oil companies and other users around the world for its outstanding quality.

No.1
Domestic Conveyor Belt Market Share



Flame-retardant, medium-temperature heat-resistant conveyor belt
* Ranking based on Yokohama Rubber research

PRGR (Pro Gear) Business

We manufacture and sell golf gear under the PRGR (Pro Gear) brand.





PRGR

Taking a scientific approach to golf, PRGR became the first in the industry to advocate the head-speed theory. Over the past 40 years, the brand has introduced numerous hit products and earned the continued support of golfers.

RS DUO

Using a variety of innovative technologies, PRGR develops products that allow people to experience the fun and joy of golf.

Column

Brand Communication

The Meaning Behind the Yokohama Logo

The red "Performance Y" at the beginning of the YOKOHAMA logo represents our stance of generating the passion among our employees that enables us to accept new challenges and work with a pioneering spirit that creates new excitement.

The lines extending to the upper right represent Yokohama Rubber's strong determination to be a company that is constantly growing and advancing into new areas. The red color represents the energy and passion our employees around the world bring to work every day.

The merging lines symbolize the teamwork that brings together the strengths of Yokohama Rubber's many businesses and group companies conducting global operations in many business domains.

YOKOHAMA

Motorsports and Yokohama

Yokohama competes in a wide range of motorsports competitions, including circuit racing and rallying. The Group supplies competition tires in Japan and overseas and has achieved outstanding results across various racing categories. Safety and performance are refined to the highest levels under the demanding conditions of motorsports, and the resulting technologies are fed back into replacement tire products such as ADVAN and GEOLANDAR brand tires.

Challenging the limits of motorsports and achieving victory has helped establish strong global brand recognition and reinforce the exceptional reliability of Yokohama brand products.



Premium Vehicles and Yokohama

Yokohama brand tires are fitted on premium vehicles in Europe and around the world.

The adoption of Yokohama tires as original equipment on numerous iconic vehicles is a testament to the advanced technology and quality that enable the tires to meet the most demanding performance standards.

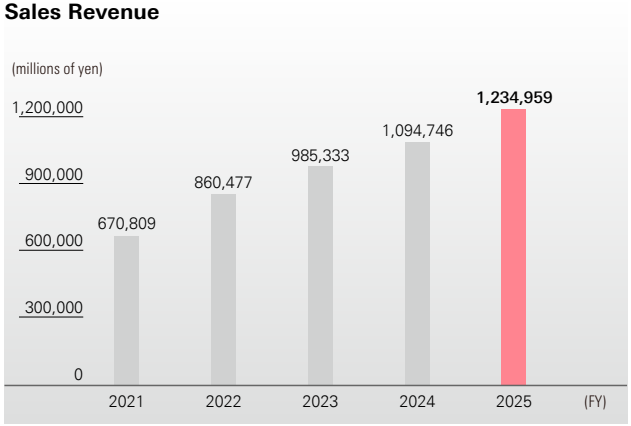
This solid reputation has also contributed to the Yokohama brand's standing in the replacement tire market as a trusted provider of high-quality tires.



Financial and Non-Financial Highlights

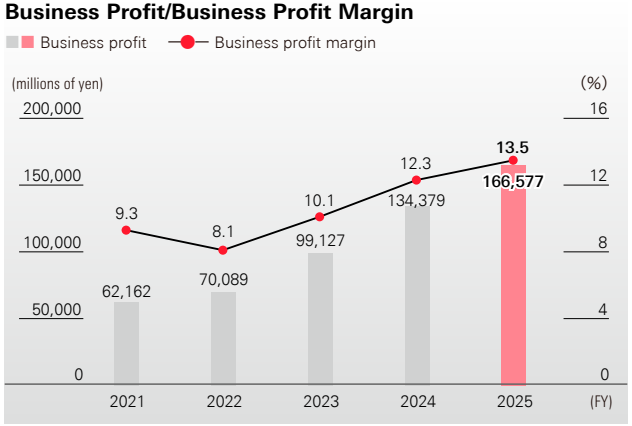
Financial Highlights

Sales Revenue



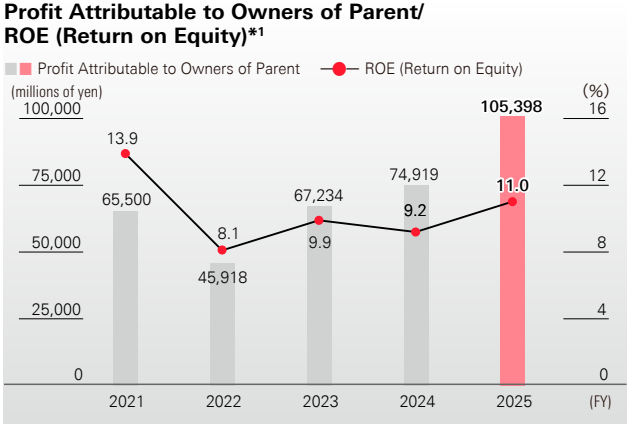
Sales revenue increased for the fifth consecutive year to a record high of ¥1,234,959 million (up 12.8% year on year). In consumer tires, the increase was driven by stronger sales original equipment tires on the back of expanded new supply contracts and increased fitments on premium cars, along with continued growth in sales of high-value-added replacement tires. Furthermore, contributions from off-the-road business acquired from Goodyear also played a role.

Business Profit/Business Profit Margin



Business profit rose significantly to ¥166,577 million (up 24.0% year on year), achieving a fifth consecutive year of profit growth and setting a new record high. Although one-time expenses associated with the consolidation of Goodyear's off-the-road business were recognized, these were more than offset by higher sales of high-value-added consumer tire products, and improved profitability and structural reforms in the MB (Multiple Business). The business profit margin increased 1.2 points year on year to 13.5%, exceeding 10% as it did in the previous fiscal year.

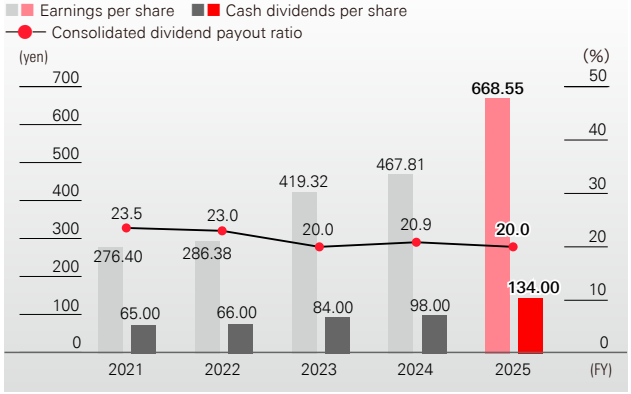
Profit Attributable to Owners of Parent/ ROE (Return on Equity)*1



Profit attributable to owners of parent increased to a record high of ¥105,398 million (up 40.7% year on year), supported by business growth and improved profitability across all businesses. ROE increased 1.8 points year on year to 11.0%, achieving our fiscal 2026 medium-term management plan target of 10% one year ahead of schedule.

*1 ROE (return on equity) = Profit attributable to owners of parent/Average total equity attributable to owners of parent × 100

Earnings per Share/Cash Dividends per Share/ Consolidated Dividend Payout Ratio*2

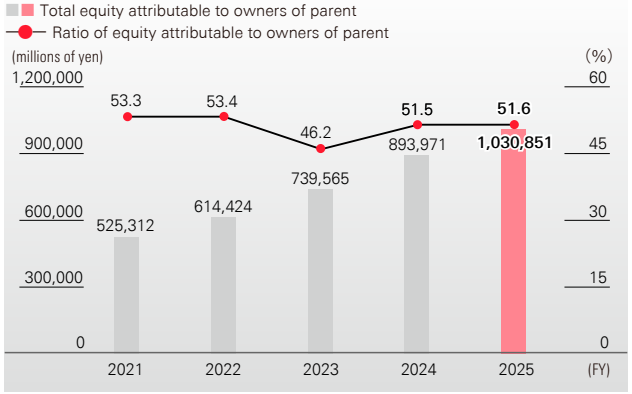


Earnings per share was ¥668.55, an increase of ¥200.74 year on year. Cash dividends per share were ¥134, a ¥36 year-on-year increase. The consolidated dividend payout ratio was 20.0%.

(Note) Earnings per share and the consolidated dividend payout ratio for fiscal 2021 are calculated based on an amount that excludes extraordinary factors such as the sales of the head office and the Hamatite business.

*2 Consolidated dividend payout ratio = Cash dividends per share/Earnings per share

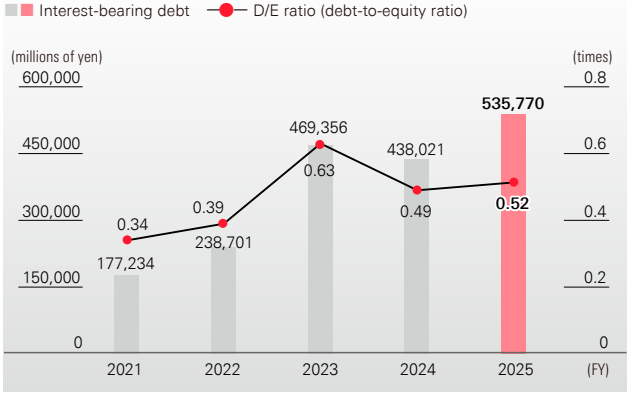
Total Equity Attributable to Owners of Parent/ Ratio of Equity Attributable to Owners of Parent*3



Equity attributable to owners of parent rose ¥136,880 million compared with the end of the previous fiscal year to ¥1,030,851 million primarily because of increases in retained earnings and other components of equity. The ratio of equity attributable to owners of parent increased 0.1 points year-on-year to 51.6%.

*3 Ratio of equity attributable to owners of parent = Total equity attributable to owners of parent/Total assets × 100

Interest-Bearing Debt/D/E Ratio (Debt-to-Equity Ratio)*4



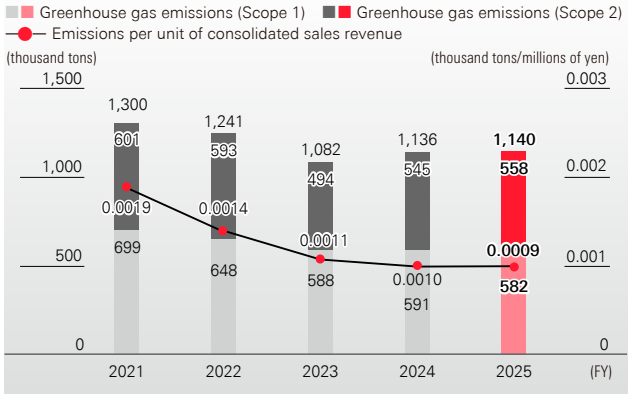
Interest-bearing debt increased ¥97,749 million year on year to ¥535,770 million. Interest-bearing debt as a percentage of total assets of the Yokohama Rubber Group was 26.8% (as of December 31, 2025). The D/E ratio (debt-to-equity ratio) increased 0.03 points to 0.52 times.

*4 D/E ratio (debt-to-equity ratio) = Interest-bearing debt/Total equity attributable to owners of parent

Financial and Non-Financial Highlights

Non-Financial Highlights

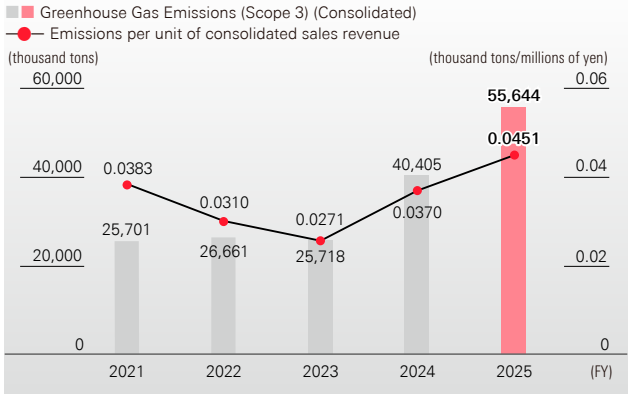
Greenhouse Gas Emissions (Scope 1-2) (Consolidated)



Fiscal 2025 Scope 1 greenhouse gas emissions increased 2.3% year on year and Scope 2 emissions increased 0.4%, primarily reflecting the inclusion of Nippon Giant Tire (NGT) within the reporting boundary. Meanwhile, the Scope 1 and 2 emissions per unit of consolidated sales revenue showed a slight improvement compared to the previous fiscal year.

(Note) Actual greenhouse gas emissions (Scope 1 and 2) for fiscal 2021 through 2023 include emissions from Yokohama TWS prior to its acquisition.

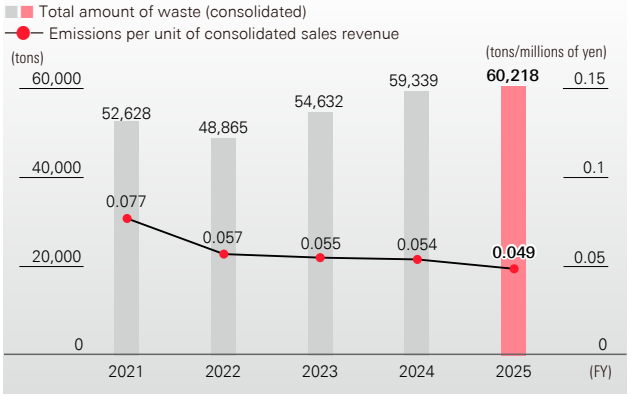
Greenhouse Gas Emissions (Scope 3) (Consolidated)



Fiscal 2025 greenhouse gas emissions (Scope 3) increased 37.7% year on year, reflecting both the inclusion of Nippon Giant Tire (NGT) within the reporting boundary and revisions to the calculation methodology for Category 11 (Use of Sold Products) for Yokohama TWS. As a result, Scope 3 emissions per unit of consolidated sales revenue deteriorated by 22.1% year on year.

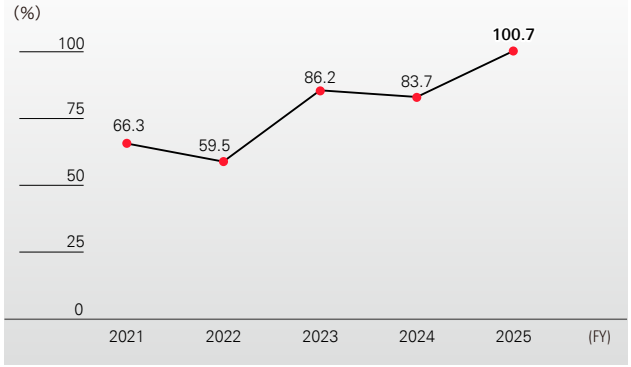
(Note) Figures for greenhouse gas emissions (Scope 3) and emissions per unit of consolidated sales revenue for fiscal 2021 through 2023 do not include emissions from Yokohama TWS prior to its acquisition. There were no emissions corresponding to Categories 8, 13, or 14.

Total Amount of Waste (Consolidated)



Total waste generated in fiscal 2025 was up 1.5% year on year, primarily reflecting the inclusion of Nippon Giant Tire (NGT) within the reporting boundary. However, waste volume per unit of consolidated sales revenue improved by 10.0%.

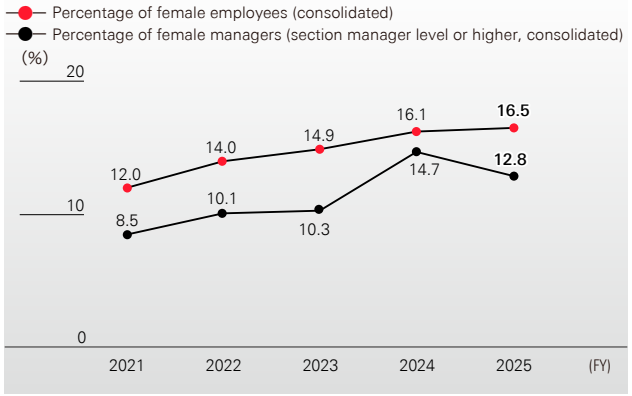
Percentage of male employees taking childcare leave (Non-consolidated)



As a result of company-wide efforts to encourage employees to take childcare leave, the male childcare leave utilization rate reached 100.7% in fiscal 2025, exceeding our target of 100%.

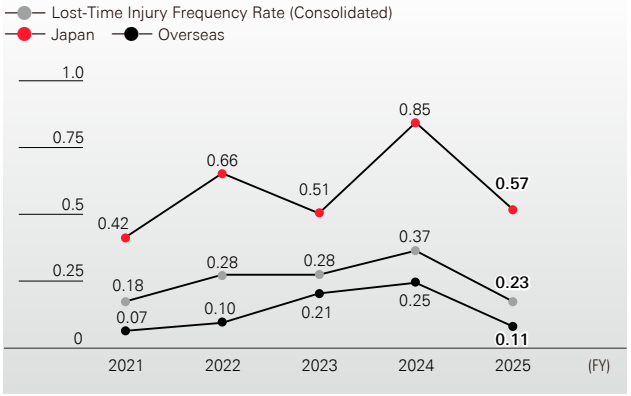
(Note) Calculated in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace. Because the calculation includes employees whose childcare leave spans more than one fiscal year, the rate may exceed 100%.

Percentage of Female Employees (Consolidated) / Percentage of Female Managers (Section Manager Level or Higher, Consolidated)



The proportion of female employees increased by 0.4 points year on year to 16.5% in fiscal 2025, while the proportion of managerial positions filled by women declined by 1.9 points to 12.8%.

Lost-Time Injury Frequency Rate (Consolidated)



As a result of continued global efforts to reduce lost-time injury frequency rates, the rates improved in both Japan and overseas during fiscal 2025. Consequently, the consolidated lost-time injury frequency rate improved by 0.14 year on year to 0.23.

Message from the CEO

Achieving Growth Surpassing Competitors Through the "Best Alternative" Strategy Under the Grand Design for the Tire Business

In fiscal 2025, we achieved record-high results while further advancing structural reforms and growth investments aimed at sustained future growth.



Masataka Yamaishi
Chairman & CEO, Chairman of the Board

Record-High Results for the Fifth Consecutive Year

In fiscal 2025, although higher U.S. tariffs had an impact, lower costs, including declines in energy prices, helped support generally resilient performance in Japan. Overseas, however, conditions remained challenging. Economic growth slowed in the United States, particularly in consumer spending; external demand weakened in Europe following the tariff increases; and domestic demand in China continued to slow. Competition also intensified with the emergence of new Chinese tire makers.

Despite these challenging conditions, in fiscal 2025 we recorded sales revenue of ¥1.235 trillion (up ¥140.2 billion year on year), business profit of ¥166.6 billion (up ¥32.2 billion), and profit attributable to owners of parent of ¥105.4 billion (up ¥30.5 billion). As a result, we achieved higher sales revenue and profit for the fifth consecutive year, setting new record highs for sales revenue, business profit, operating profit, and profit attributable to owners of parent for the fifth consecutive year. We also exceeded the upwardly revised forecasts announced in August 2025, with business profit surpassing the forecast by ¥13.6 billion and profit attributable to owners of parent by ¥17.4 billion.

I assumed the position of president in 2017. Compared with the year prior to my appointment (fiscal 2016), sales revenue has increased by 110%, while business profit increased by 290%. ROE also reached 11.0%, exceeding the 10% target set in our medium-term management plan. As a result, we have risen to sixth place*1 globally in the tire industry and second place in Japan.*2 We have been able to achieve steady growth above that of our competitors despite the market conditions.

*1 Tire business sales revenue ranking (based on Yokohama Rubber research)
*2 Group sales revenue ranking among domestic tire makers, including tire and non-tire businesses (based on Yokohama Rubber research)

Message from the CEO

The "Best Alternative" Strategy is Driving Growth

I believe these results reflect the success of the Grand Design for the Tire Business strategy, which we have pursued consistently for more than a decade.

Today, the global tire market is broadly divided into two segments: consumer tires, such as passenger car tires, and commercial tires, such as truck and bus tires and agricultural machinery tires. At an exchange rate of ¥152 to the U.S. dollar, each segment represents a market of approximately ¥15 trillion, making them roughly equal in size. Within the commercial tire segment, truck and bus tires account for approximately ¥9 trillion and off-highway tires (OHT) approximately ¥6 trillion.

Through the acquisitions of Alliance Tire Group in 2016, and Trelleborg Wheel Systems in 2023, and Goodyear's off-the-road (OTR) tire business in February 2025, we have brought the ratio of consumer tires to commercial tires in our business portfolio into line with that of the global market at 1:1. All of these acquired businesses generated high levels of EBITDA and met our investment discipline criteria. Through appropriate post-acquisition investment and management improvements, they have steadily delivered results without a single impairment loss being recorded. As a result, Yokohama is widely regarded and characterized as an OHT company. In reality, however, our existing tire businesses have been powerfully driving our Hockey Stick Growth in recent years, even more so than the acquired OHT businesses.

The fundamental objective of the Grand Design strategy has been to establish a product lineup comparable to those of the leading tier 1 tire makers, enabling us to become the "Best Alternative" to them—and to achieve growth in both revenue and profit across all product categories.

The acquisition of Goodyear's OTR business in February 2025 completed our full product lineup, making us the only tire maker in the industry to offer a lineup on par with the leading tier 1 tire makers and establishing our position as the "Best Alternative" to them. We have thus become one of the few tire makers capable of meeting the needs of independent tire dealers, which account for approximately 60% of customers in our key markets, who want to be able to source a wide range of tire categories from a single supplier in order to reduce the burden of placing orders with multiple suppliers and maximize the incentives they receive. This has led to a substantial increase in inquiries not only for the acquired OHT businesses but also for our existing passenger car, truck, and bus tire businesses. As a result, compared with fiscal 2016, business profit in the OHT business, which grew through M&A, increased by ¥33.4 billion, while the existing tire business achieved an increase of ¥87.4 billion.

At the same time, improvements in cost competitiveness resulting from M&A synergies have also contributed to higher revenue and profit. To prevail in this "Red Ocean" market characterized by intense price competition, where emerging Chinese tire makers now account for approximately half of global production volume, we have applied the low-cost production model of the acquired Alliance Tire Group business to our existing operations while advancing procurement and logistics efficiencies through the economies of scale generated by M&A. Synergies arising from the Trelleborg Wheel Systems acquisition are also being generated at a pace exceeding our original projections. We now expect to capture approximately US$60 million in synergies in fiscal 2026, exceeding our original target of US$50 million for 2027 one year ahead of schedule.

Implementing Bold Structural Reforms to Overcome the Challenges of Rapid Growth

As fiscal 2026 marks the final year covered by our medium-term management plan, Yokohama Transformation 2026 (YX2026), our core management priority is to carry out the structural reforms necessary with the determination not to leave a negative legacy for the next generation. To overcome the challenges of our current rapid expansion brought about by M&A and to further strengthen our foundations for sustained growth, we are pursuing comprehensive reforms across the Group leaving no areas off-limits.

As part of these reforms, we decided to bring forward the closure of our plant in Salem, Virginia (U.S.). In our OHT business, we also made the decision to close plants in Prague (Czechia) and Spartanburg, South Carolina (U.S.). Through these measures, we will rapidly advance the global restructuring of high-cost, low-efficiency operations.

At the same time, we will continue to invest for the future in order to compete with the overwhelming cost competitiveness of emerging-market tire makers. In Hangzhou, China, we took on the "1-year plant" challenge, aimed at bringing a highly competitive plant online within a single year, and began producing prototype tires in November 2025, one month ahead of schedule. In Mexico, we are also constructing a new plant drawing on Y-ATG's management expertise. We will continue our efforts to establish a low-cost, highly efficient production system, targeting the start of prototype production in the second half of 2026 and mass production in 2027.

Promoting Both Growth Investment and Shareholder Returns

Our basic policy will be to continue managing our businesses with an emphasis on maintaining an appropriate balance between growth investment and shareholder returns. Compared with the cash inflow assumptions originally set out in our medium-term management plan, YX2026, we intend to generate additional cash flow to fund both growth investment and shareholder returns by accelerating the sale of assets, including cross-shareholdings and land, beyond the levels originally planned. As a result, we have been able to pursue both growth investment and shareholder returns, increasing total shareholder returns by ¥18.0 billion above the level originally envisaged, even while carrying out M&A and other growth investments.

As part of our aggressive strategic investment aimed at achieving Hockey Stick Growth, we are prioritizing the allocation of capital to large-scale projects such as M&A and the construction of new plants in China and Mexico in order to deliver sustained profit growth. At the same time, we will maintain firm financial discipline, using an equity ratio of approximately 50% as a guideline, and continue investing while preserving financial soundness.

With respect to shareholder returns, our basic policy through 2022 was to maintain stable dividends regardless of the external environment. Beginning in 2023, we adopted a dividend payout ratio of 20%. Looking ahead, we expect further improvements in profitability as the benefits of our growth investments are realized. Accordingly, we have revised upward our shareholder return target for fiscal 2026 to a dividend payout ratio of 30% and a total payout ratio of at least 30%. We aim to steadily increase dividends in line with profit growth and are targeting a dividend of ¥172 per share for fiscal 2026, an increase of ¥38 from the previous year and our sixth consecutive annual dividend increase. Should our equity ratio exceed the 50% guideline, we will also consider additional shareholder return measures, including flexible share repurchases, taking into account the level of shareholders' equity and available surplus funds.



Message from the CEO



We Will Continue to Aim for Hockey Stick Growth Under the Next Medium-Term Management Plan

The mission of companies is to continuously increase corporate value. To achieve this, companies must consistently deliver growth in both revenue and profit. For more than a decade, we have pursued our Grand Design, and implemented our "Best Alternative" strategy across regions and businesses in order to fulfill this mission. With our next medium-term management plan, YX2029, instead of pursuing whatever is novel or fashionable, we will prioritize management planning that remains aligned with the fundamental mission of companies.

During the period covered by YX2029, which will begin from fiscal 2027, we will continue pursuing Hockey Stick Growth in both revenue and profit through two approaches: further "Exploitation" of our existing businesses where our strengths lie, and "Exploration" of opportunities arising from market changes during this once-in-a-century period of transformation.

Specifically, we will develop and steadily execute business strategies tailored to the realities of each region while anticipating future market changes, including declining birthrates and population aging as well as the emergence of new competitors. We will also construct a business strategy that will enable the OHT business to withstand market cyclicality and economic fluctuations, while pursuing a fundamental transformation of the business models used in our Multiple Business (MB) and other businesses.

At the same time, we will increase profitability by executing detailed plans aimed at further reducing raw material and processing costs. Alongside our growth investments, we remain committed to proactively providing stakeholders with ongoing returns. With regard to shareholder returns, we will continue striving to enhance corporate value over the long term, including targeting a dividend payout ratio of 40% by 2029, the final year of the period covered by our next medium-term management plan.

Governance Reform Focused on Effectiveness

In March 2025, we revised the size of the Board of Directors, reducing it from 15 members (including seven outside directors) to 12 members (including six outside directors) to shift to a structure designed to promote more rigorous discussion and faster decision-making.

Also, while outside directors already account for a majority of the Personnel Remuneration Committee for Corporate Officers and Directors' five members, with three seats, from March 27, 2026, the committee chairmanship will also be assumed by an outside director (Hirokazu Kono), further enhancing the effectiveness of governance.

Pursuing Both Sustainability and Profitability

While the pursuit of sustainability is essential to corporate activities, we believe it is important to avoid placing undue burdens on future generations through excessive environmental investment. Our basic policy is to pursue both sustainability and corporate profitability by applying the same rigorous investment return criteria to environmental investments as to other investments, while ensuring that such investments contribute to cost reductions and sustained growth.

With respect to greenhouse gas emissions, we have established targets of a 30% reduction by 2026, a 40% reduction by 2030, both relative to fiscal 2019 levels, and net zero by 2050. We are continuing to steadily reduce emissions from our existing plants. At the same time, however, we expect total emissions to increase temporarily until 2029 or 2030 as we continue to make substantial growth investments aimed at achieving Hockey Stick Growth, including M&A, capacity expansions at existing plants, and the construction of new plants. To address this, we will establish new targets in our next medium-term management plan and seek to achieve both business growth and reductions in environmental impact.

In the area of biodiversity conservation, five of our production sites in Japan had been certified as Nationally Certified Sustainably Managed Natural Sites as of March 2026. This recognition reflects initiatives such as the YOKOHAMA Forever Forest activities, under which employees cultivate and plant seedlings on production-site grounds; as well as biodiversity monitoring and conservation activities that began with employee-led surveys of our environmental impacts in areas surrounding our production sites. We view this recognition as the result of activities that have improved the sustainability of our production sites hand in hand with the conservation of local biodiversity.

Message from the CEO



Pursuing "Exploitation × Exploration" to Achieve the Goals of YX2026 and Continue Tackling Global Markets

Advancing Human Resources and Our Global Management Foundation

Among all forms of investment, I believe investment in people delivers the greatest returns. In particular, developing the future leaders who will take on the management of the Group is essential if we are to ensure that today's Hockey Stick Growth is not merely temporary, but is carried forward successfully into future generations. To that end, under our executive succession plan, we have identified successor candidates for each executive position and established personnel development plans that incorporate external perspectives and expertise. We are developing future executives through both formal learning and practical experience, including management education programs such as executive MBA courses for future managers at the department and section manager levels, as well as opportunities to work under seasoned executives overseas.

With respect to personnel capable of leading digital transformation, we have implemented practical leadership development programs aimed at achieving our goal of developing such capabilities among 10% of administrative and technical employees. Beginning in fiscal 2026, we will introduce an internal digital transformation certification program to make employees' digital capabilities visible across the Group, reinforce Group-wide talent development, and establish a more effective framework for advancing the Group's digital transformation.

To promote greater diversity in leadership, we have been working for over a decade to expand our pool of management candidates by unifying our career track systems to provide equal advancement opportunities for all employees. While women accounted for 3.5% of managers at the section manager level and above as of December 31, 2025, our pipeline of future female leaders is strong. Currently, women represent 18.9% of employees at the assistant manager level, who are candidates for future management positions, and 43.3% of employees at the senior staff level, from which expedited promotion to management positions is possible. We believe a solid foundation is steadily being established for greater diversity throughout the organization.

We also addressed the insufficient penetration of strategies on the production floor, which had been identified as an issue in our fiscal 2024 employee engagement survey. As a result of strengthening dialogue throughout the organization, scores measuring understanding of the YX2026 strategy improved significantly in fiscal 2025, and the gap between production divisions and administrative and planning divisions narrowed substantially. We will continue to foster an environment in which each employee has a deep understanding of our strategies and can play an active role with motivation.

We are also accelerating the evolution of our global management structure. Rather than assigning senior executives from headquarters in Japan to lead overseas operations, we are shifting to a structure that delegates authority to professionals with deep knowledge of their respective regional markets. This approach has contributed directly to the recent growth and improved performance of our existing businesses. For senior management, we have adopted a Western-style performance-based system under which evaluations are based solely on the degree of achievement against commitments. At the same time, we are building a governance structure in which the parent company maintains appropriate oversight through mechanisms such as monthly management meetings, while also incorporating the rigorous governance frameworks of the acquired companies, Alliance Tire Group and Trelleborg Wheel Systems. By advancing both our people and our management framework, we will continue striving to further increase corporate value.

Message to Stakeholders

To achieve Hockey Stick Growth, Yokohama Rubber has continued to make proactive investments for future growth, including M&A and production capacity expansion. Today, many of those seeds are beginning to bear fruit.

Even amid the significant changes in the market environment, we will continue to pursue growth and profitability that outpace our competitors through our "Best Alternative" strategy. We are committed to continuing to meet the expectations of all stakeholders.

Grand Design for the Tire Business

We are pursuing a "Lead and Disrupt" approach that simultaneously exploits existing businesses and explores new markets. Through our Grand Design for the Tire Business, which we have pursued for more than a decade, we have established ourselves as the Best Alternative for our customers and have achieved sustained growth in both revenue and profit.

Global Tire Market

The global tire market can be broadly divided into consumer tires, including passenger car tires, and commercial tires, including truck and bus tires and agricultural machinery tires. Each segment represents a market of approximately ¥15 trillion (based on an exchange rate of ¥152 to US$1). Within the commercial tires segment, truck and bus tires account for approximately ¥9 trillion and off-highway tires approximately ¥6 trillion.

The consumer tire market is highly competitive and saturated "red ocean," with emerging tire makers in China expected to account for approximately half of global production in the near future. Similarly, the truck and bus tire market is also intensely competitive, with Chinese tire makers accounting for approximately half of global production.

By contrast, although individual off-highway tire market segments are relatively small, each requires an extensive product lineup. This creates high barriers to entry, limiting the number of competitors and making the market a highly profitable "blue ocean."

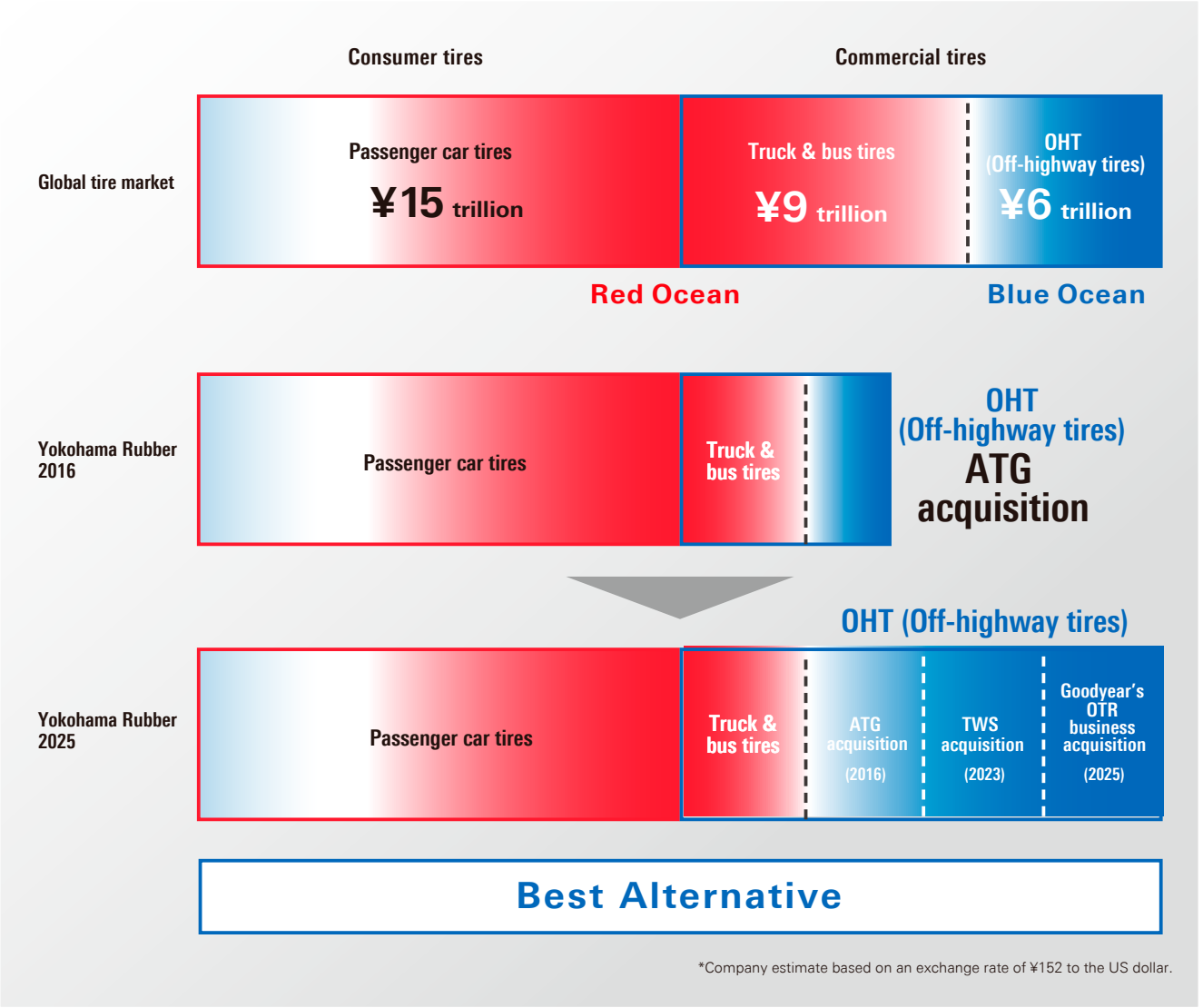
Yokohama Rubber's Tire Business Strategy

To achieve revenue and profit growth, we have pursued our Grand Design for the Tire Business for more than a decade. Through successive M&A, we have transformed our sales mix between consumer and commercial tires to mirror the approximately 1:1 composition of the global tire market, while building a product lineup comparable to those of the leading Tier 1 tire makers.

The fundamental objective of this strategy is to become the Best Alternative for independent tire dealers—our primary customers—and achieve ongoing revenue and profit growth across every product category.

In recent years, our "Hockey Stick Growth" (rapid upward growth) has in fact been driven more by growth in our existing tire businesses than by the acquired off-highway tire businesses.

The truly comprehensive product lineup we have established through M&A has become a powerful engine for growth across the Group, including for our existing businesses.



*Company estimate based on an exchange rate of ¥152 to the US dollar.

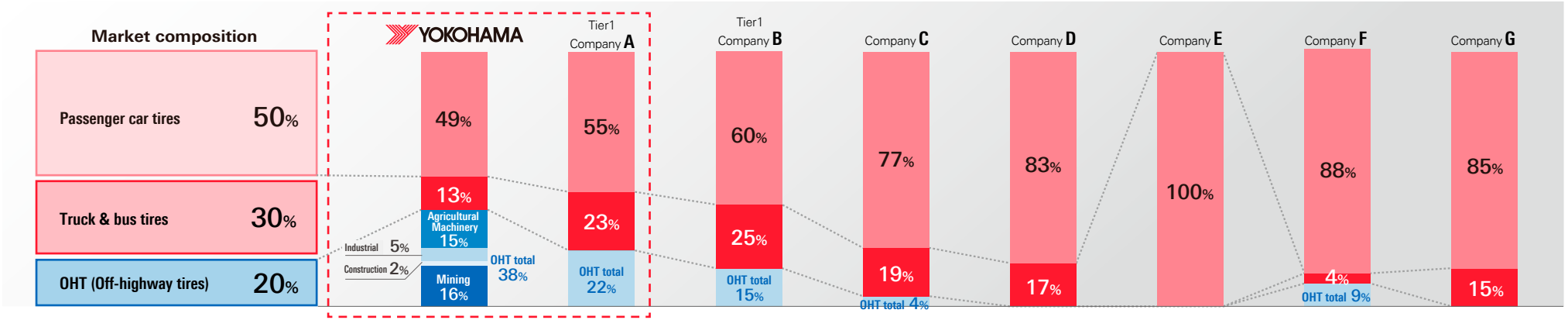
Grand Design for the Tire Business

Becoming the "Best Alternative" Through Our Grand Design for the Tire Business

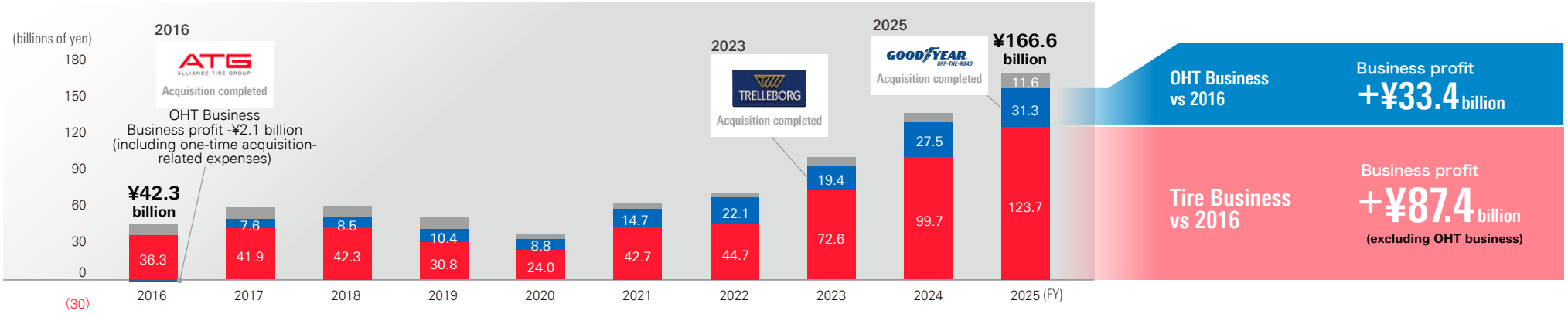
Approximately 60% of our sales in our principal markets are to independent tire dealers that are not affiliated with any particular tire maker. These dealers place a very high priority on improving ordering, logistics, and inventory management efficiency, and strongly prefer sourcing a wide range of products—including passenger car tires, truck and bus tires, and commercial tires for agricultural and construction equipment—from a single supplier.

Through years of executing our Grand Design for the Tire Business and a series of M&A, we have built a truly comprehensive product lineup capable of meeting virtually every tire requirement around the world. In doing so, we have established ourselves as the industry's Best Alternative—a unique supplier that dealers can rely on for high-quality products across every major tire category. This distinctive position represents a powerful competitive advantage that is difficult for competitors to replicate and is a powerful barrier to entry. By not only supplying products but also contributing to improvements in dealers' overall business efficiency, we have simultaneously acquired new customers while deepening relationships with existing customers. As a result, we have created strong momentum for revenue and profit growth across every tire category—not only in acquired businesses but also throughout our existing tire business. This could be said to represent the greatest achievement to emerge from our implementation of the Grand Design for the Tire Business.

Best Alternative: The only tire maker with a product lineup comparable to the Tier 1 Top maker



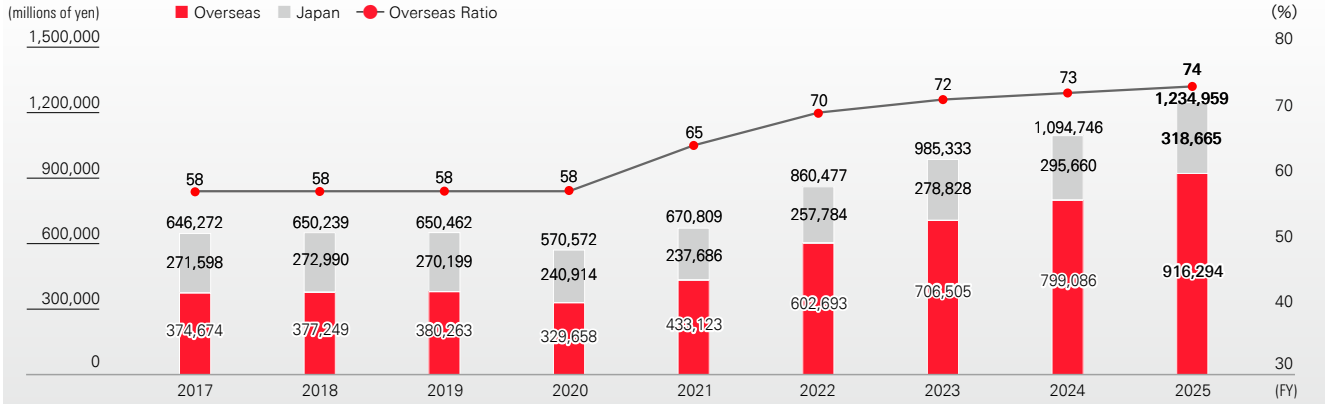
Business Profit Growth (2016–2025)



Global Strategy for the Tire Business

The Yokohama Rubber Group is implementing its unique global strategy in the North American, Chinese, and European markets by leveraging its outstanding technological strengths and brand appeal in both consumer and commercial tire segments. We aim for further growth with a management structure centered on local human resources familiar with each region.

Overseas Sales Revenue & Ratio



* Fiscal 2020 results include the results of the Hamatite business, which was subsequently sold off in November 2021.

Global Growth Born from the Diverse Strengths of Each Region

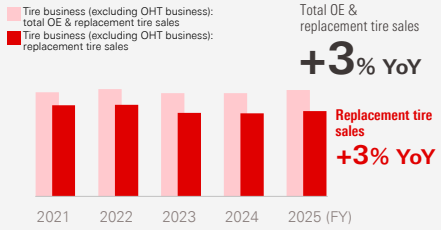
Since our acquisition of the Alliance Tire Group in 2016, we have actively expanded through M&A, increasing our business scale, and in 2025, we acquired Goodyear's off-the-road tire business. As a result, we have further strengthened our presence in the global market. With sales in overseas markets now accounting for more than 70% of Group sales revenue, we will continue with detailed analysis and ongoing improvement by region and sales channel in the tire business to increase profitability. At the same time, we will proactively appoint local professional executives and delegate authority to them to execute strategies tailored to the characteristics of each region.

North American Business



Jeff Barna
Senior Managing Officer

Unit sales volume (excluding OHT business)



OE: Original equipment tires

The North American business is the leading contributor to profits in the tire business. Focusing on the replacement tire market, we have established a position as the preferred destination for customers trading down from Tier 1 brands due to our high quality and reasonable prices. We have also strengthened relationships with major retail customers to expand sales channels, and plan to target regions with lower market share, such as the northeastern United States.

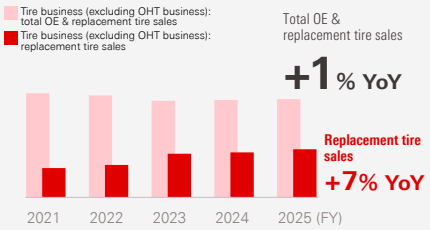
In terms of product strategy, we have positioned GEOLANDAR as a key growth driver for the expanding CUV/SUV market. Leveraging its strong brand recognition in the off-road segment, we are working to further expand sales in the urban on-road market. We will also optimize our production network through the construction of a new plant in Mexico (with mass production scheduled to begin in 2027) and the reorganization of existing plants, thereby enhancing the cost competitiveness of our passenger car tires.

China Business



Ming Fan
Managing Officer

Unit sales volume (excluding OHT business)



OE: Original equipment tires

The China business aims to become the No.1 foreign tire maker, and thereby drive Group growth. Concerns remain regarding China's economic outlook, but government stimulus measures and increasing motorization in rural areas are expected to support continued growth in vehicle production and sales.

To offset production cuts by Japanese automakers, we are strengthening development and sales targeting Chinese OEMs while increasing replacement tire sales through the restructuring of our sales network.

In fiscal 2025, we also commenced operations at a new plant in Hangzhou, significantly expanding local production capacity to support continued sales growth. We plan to focus on localizing development functions, shortening product development lead times, and swiftly launching products tailored to local needs.

Global Strategy for the Tire Business

Europe Business



Gregorio Borgo
Managing Officer

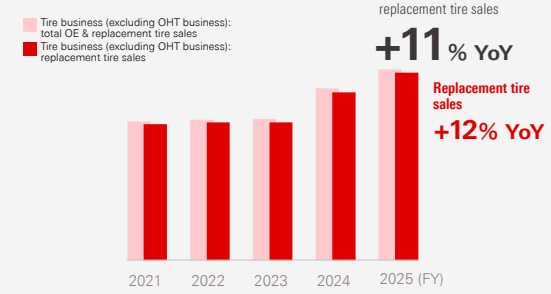
Europe is the fastest-growing region in Yokohama Rubber's tire business. Unit sales in fiscal 2025 increased 11% year on year, contributing to overall global sales growth alongside the Japanese market. By expanding sales of high-value-added products, including large rim diameter tires, to existing customers, average sales per customer have increased 160% compared with fiscal 2021.

We will focus on expanding large rim diameter tires and truck and bus tires, while increasing original equipment fitment on electrified vehicles and premium vehicles such as Porsche, the BMW M Series, and Mercedes-AMG.

We will also further expand our business through the introduction of new products such as ADVAN WINTER. We will strive to expand new sales channels in markets such as Germany, the UK, and Eastern Europe, and improve logistics efficiency through partnerships with top-class wholesalers.

Under our renewed management structure, we will further strengthen our position as a premium brand and pursue continued growth.

Unit sales volume (excluding OHT business)



OE: Original equipment tires

OHT Business



Nitin Mantri
Member of the Board and Senior Managing Officer & Co-COO

The OHT business has achieved high growth, doubling sales in five years under an aggressive investment strategy and the leadership of Co-COO Nitin Mantri, following the acquisition of Alliance Tire Group.

In 2024, the OHT business was reorganized into three distinct companies: Yokohama ATG, Yokohama TWS, and Yokohama OTR. In 2025 we also completed the acquisition of Goodyear's OTR business. Yokohama TWS and Yokohama OTR specialize in the premium segment, and Yokohama ATG is focused on the value segment.

To implement strategies tailored to each market, each company maintains independent sales functions while integrating back-end functions such as procurement and production to maximize synergies, aiming to outperform the market growth rate in the OHT market, which is expected to maintain long-term annual growth of about 6%.

Yokohama ATG





Anil Gupta (left)
Officer

Angelo Noronha (right)
Officer

Yokohama ATG leverages cost competitiveness achieved through efficient production at plants centered in India, rapid product development, and the ability to bring niche products to market quickly. Through distributors worldwide, it markets value-segment agricultural machinery and construction vehicle tires under brands including Alliance. The business focuses on the highly profitable replacement tire market, which is less susceptible to economic cycles, and has also established a strong market presence in North America. Yokohama ATG will continue working to expand its market presence and achieve further growth.

Yokohama TWS



Elio Bartoli
Yokohama TWS President

Yokohama TWS has strengths in advanced technology and brand power backed by joint development with agricultural machinery and industrial vehicle makers. Operating under a local-production-for-local-consumption model, it sells premium-segment agricultural machinery and industrial vehicle tires under brands including Trelleborg, primarily in Europe. Although the company has a high market share in the original equipment tire market, that market is more susceptible to economic cycles. Yokohama TWS will therefore also focus on expanding its replacement tire business. The company also aims to further increase its market share in the United States, one of its key markets.

Yokohama OTR



Loïc Ravasio
Yokohama OTR President

Following the completion of the acquisition of Goodyear's OTR business in February 2025, Loïc Ravasio was appointed to lead the combined OTR business. By combining the strengths of Yokohama Rubber's existing OTR business with those of the OTR business acquired from Goodyear, we have significantly expanded our production network and supply capabilities, enabling us to meet customer needs across the full range of off-the-road tire sizes, from extremely small to extremely large. We will promote product development through coordinated R&D between Japan and the United States while expanding our European operations through our new base in Romania, with the goal of becoming the world's second-largest off-the-road tire supplier.

Value Creation Process

Drawing on the management capital it has built up over more than a century, Yokohama Rubber creates both customer value and social value in accordance with its Basic Philosophy: "To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products."
By creating a virtuous cycle of value creation and capital accumulation, we will continue pursuing sustained increases in corporate value over the next century and beyond.

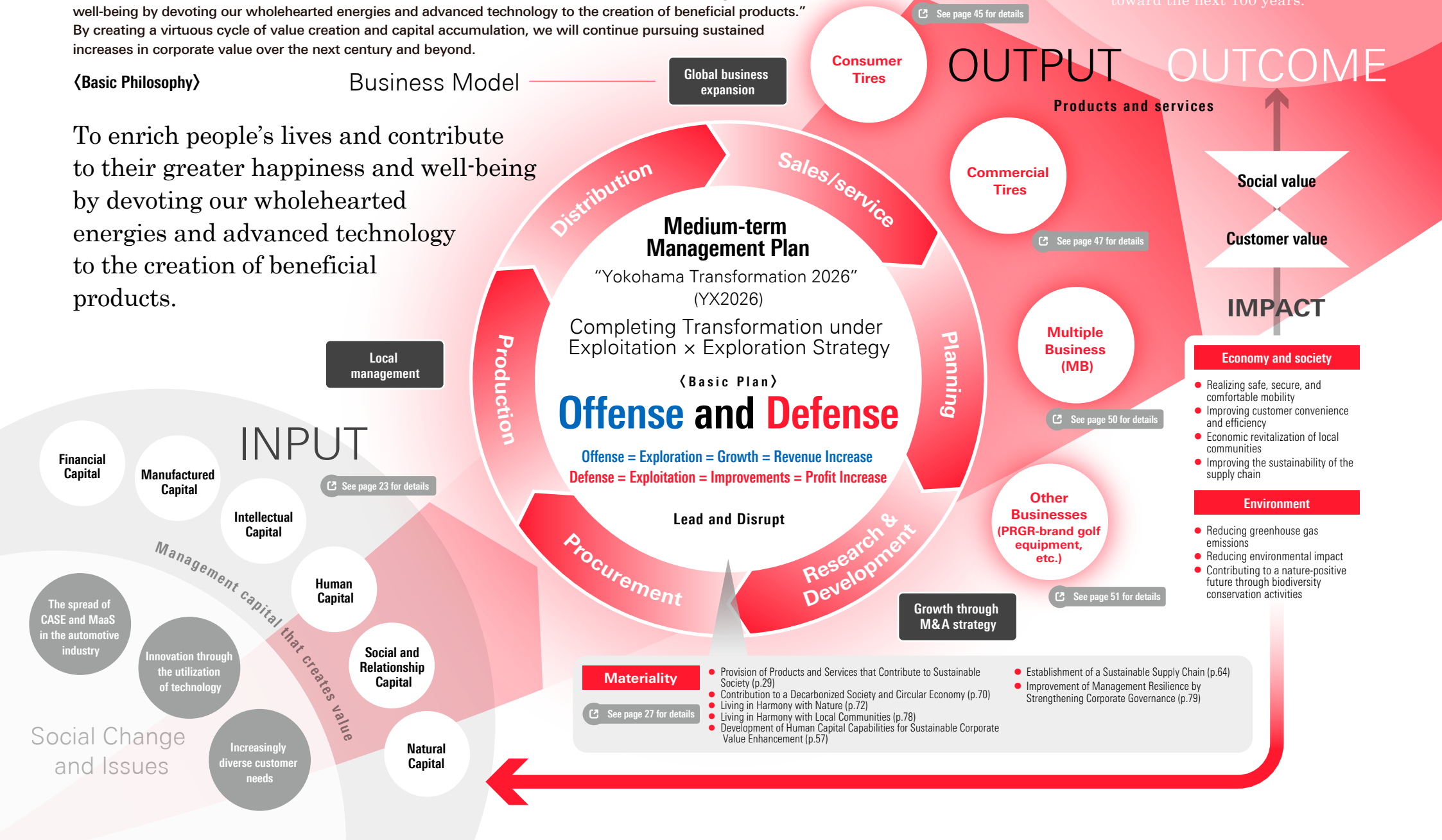
〈Basic Philosophy〉

To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products.

〈What We Aim to Be〉

A company that continues to create new excitement through challenges and pioneering, running alongside the times toward the next 100 years.

Business Model



Six Capitals

Yokohama Rubber regards the Six Capitals as the sources of its value creation and leverages its unique strengths through co-creation across the value chain.
We continuously deliver value that meets the expectations of our stakeholders while pursuing both contribution to society and the Group's sustained growth.

Figures presented here are based on fiscal 2025 results or are as of December 31, 2025.

Generating Stable Cash and Maximizing Capital Efficiency

Financial Capital

Strengths
- A robust earnings base that delivers sustained growth in both revenue and profits, built upon our established position as the "Best Alternative" through a comprehensive product lineup completed via M&A
- Stable cash flow generation and the ability to execute agile strategic investments to enhance corporate value in a sustained manner

Initiatives to Strengthen Capital
- Sustained business growth through continuous strategic investment
- Improving asset and capital efficiency through the ongoing reduction of cross-shareholdings
- Maintaining an optimal capital structure aligned with changes to business structure, and thoroughly implementing balance sheet management

Total assets
¥1,998.4 billion

Operating cash flow
¥135.6 billion

ROE
11.0 %

Enhancing Production Capabilities to Facilitate High Quality and High Efficiency

Manufactured Capital

Strengths
- Technical approvals from many of the world's leading premium automakers
- Global specialization in commercial tires (truck and bus tires, OHT)
- Flexible manufacturing system capable of high-mix, low-volume production
- Production of high-performance MB products: pneumatic fenders and hydraulic hoses for vehicles and construction machinery

Initiatives to Strengthen Capital
- Pursuing "Low cost, speedy development of quality products"
  "Quality products": Strengthening development of OE tires suitable for next-generation premium cars
  "Low cost": Drastic reduction of product costs
  "Speedy": the "1-year plant" challenge and speeding up of tire development

Tire production sites (worldwide)
35 sites

MB production sites (worldwide)
11 sites

Capital expenditures
¥110.0 billion

Strengthening Human Resources Able to Drive Innovation

Human Capital

Strengths
- Leveraging talent regardless of nationality or background
- Promoting flexible workstyles unconstrained by location or time
- Developing and selecting high-value talent that supports sustained growth
- Assigning the right people to key positions in alignment with management strategy

Initiatives to Strengthen Capital
- Enhancing employee engagement through dialogue and improvements to corporate culture
- Increasing the proportion of women in management roles through a diverse range of career development initiatives
- Expanding and enhancing development programs for management and digital transformation talent
- Continuing to leverage the expertise and experience of senior employees

Total number of employees (consolidated)
34,471

Percentage of overseas employees (consolidated)
69.2%

Employee engagement score (non-consolidated)
69.0

Building Sustainable Partnerships Founded on Trust

Social and Relationship Capital

Strengths
- Rapid response to local market needs and timely product launches through market-proximate development capabilities
- Extensive global customer base spanning consumer tires, commercial tires, and MB products
- Farmer support programs that contribute to improving the sustainability of natural rubber cultivation

Initiatives to Strengthen Capital
- Deepening supply chain engagement through continued seminar events for natural rubber farmers in Thailand
- Promoting dialogue with local communities and experts, and raising environmental awareness through regular panel discussions on biodiversity

Cumulative number of seminar events held for natural rubber farmers
10

Cumulative number of biodiversity panel discussions held
11

Advancing Technologies and R&D That Sustain Our Competitive Advantage

Intellectual Capital

Strengths
- Launched Japan's first fuel-efficient tires (1998)
- Tires and rubber products with increased renewable and recycled material content
- HAICoLab: AI-powered product development framework for materials and structural design
- Collaborative development of renewable raw materials with business partners (including NEDO Green Innovation Fund Projects)

Initiatives to Strengthen Capital
- Development and launch of "E+" mark tires incorporating technologies that meet the specific needs of electrified vehicles, such as the need for increased load capacity due to the weight of batteries
- Improvement of customer convenience and operational efficiency through digital services

R&D expenses
¥21.4 billion

Number of patents held
6,402

Creating Environmental Value and Advancing Circular Economy Solutions

Natural Capital

Strengths
- Ongoing introduction of renewable energy and implementation of Group-wide energy-saving activities
- Development of products with higher proportions of renewable and recycled materials
- Biodiversity conservation activities conducted in collaboration with local communities and municipalities surrounding production sites

Initiatives to Strengthen Capital
- Further advancing Group-wide energy conservation activities
- Contributing to a nature-positive future, with focus on production sites
- Promoting sustainable raw material procurement, including responsible land use, forest conservation, and the elimination of adverse impacts on biodiversity

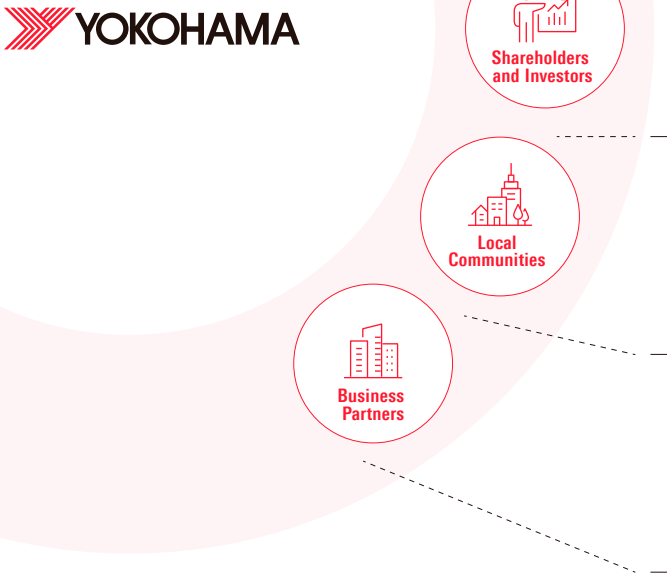
Cumulative "Nationally Certified Sustainably Managed Natural Site" certifications
3*

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

Cumulative number of trees planted and saplings provided as part of YOKOHAMA Forever Forest Activities
1.49 million

Shared Value Created with Stakeholders

The Yokohama Rubber Group values dialogue with all stakeholders and aims to enhance corporate value by building relationships of trust. We sincerely reflect stakeholder expectations and needs in our business activities while contributing to societal sustainability.



	Expectations and Interests of Stakeholders	Communication Channels	Shared Value Created with Stakeholders
Customers	■ Product safety and quality ■ Development and provision of environmentally friendly products ■ Comprehensive support system ■ Appropriate provision of product and service information	■ Daily business activities (daily) ■ Customer service desk (daily) ■ Website and social media (as needed) ■ Holding events and exhibiting at trade shows (as needed) ■ Tire safety awareness campaign (once a year)	■ Development and provision of safe, high-quality, and environmentally friendly products ■ Enhancing customer satisfaction through comprehensive support and appropriate information ■ Contributing to safer and more comfortable mobility by identifying needs through dialogue
Employees	■ Occupational health and safety and health-focused management ■ Human resources development and utilization ■ Improvement of employee engagement ■ Creating opportunities for diverse talent to thrive ■ Respect for human rights	■ Dialogue between management and employees (as needed) ■ Internal consultation desk (daily) ■ Corporate Compliance Hotline (daily) ■ Labor-management council and committee meetings (as needed) ■ Intranet notices (daily), publication of company newsletter (quarterly)	■ Providing safe and healthy workplaces and respecting human rights ■ Developing diverse talent and enabling them to realize their full potential ■ Enhancing employee engagement through dialogue with management
Shareholders and Investors	■ Increasing corporate value ■ Timely and appropriate disclosure ■ Appropriate return of profits ■ Sustainability initiatives	■ General meeting of shareholders (annually), financial results briefing (four times a year) ■ Small-group and one-on-one IR meetings (as needed) ■ Facility tours and test ride events (as needed) ■ Website (daily)	■ Transparent management through timely and appropriate disclosure and dialogue ■ Appropriate return of profits generated through business activities ■ Enhancing medium- to long-term corporate value through continued “Hockey Stick Growth”
Local Communities	■ Regional environmental conservation ■ Contribution to local communities ■ Economic revitalization of local communities	■ Community briefing sessions (once or twice a year) ■ Factory tours (as needed) ■ Biodiversity panel discussions (once a year) ■ Opening parks and grounds on premises to the public (daily) ■ Participation in local volunteer activities (as needed) ■ Sponsorship of local events (as needed)	■ Developing local talent and creating employment opportunities ■ Contributing to local communities through environmental conservation activities and sponsorship of community events ■ Supporting the economic revitalization and sustained development of local communities through our business activities
Business Partners	■ Fair and equitable transactions ■ Building long-term partnerships ■ Quality enhancement initiatives ■ Respect for human rights across the supply chain	■ CSR briefings for business partners (twice a year) ■ Suppliers’ Day (once every two years) ■ Seminars for natural rubber farmers (twice a year) ■ Natural rubber farm surveys (around 15 surveys a month) ■ Inquiry desk (daily)	■ Building long-term partnerships based on fair and equitable business practices ■ Improving quality through initiatives such as seminars for natural rubber farmers ■ Promoting respect for human rights and strengthening competitiveness across the supply chain

Yokohama Rubber's Sustainability

The Yokohama Rubber Group has adopted the sustainability slogan "Caring for the Future." Through initiatives that address societal challenges as part of our business activities, we work together with our stakeholders to create shared value while contributing to societal sustainability and enhancing corporate value.

Message from the Officer in Charge of the CSR Division



Tomoaki Miyamoto
Member of the Board and Managing Officer, Officer in charge of the CSR

Yokohama Rubber believes it is important to contribute to societal sustainability and create shared value with stakeholders through its business activities, and has been working to help address societal issues by leveraging the technological capabilities and expertise it has cultivated over the years.

We have long been committed to environmental initiatives. In 1998, for example, we developed the "DNA" series, the first eco-tires produced in Japan. In 2007, we launched the YOKOHAMA Forever Forest activities, under which native tree species are planted at production and sales sites in Japan and overseas based on each area's potential natural vegetation. Since 2010, we have also promoted biodiversity conservation activities at our production sites by monitoring the environmental impacts of our operations through biological surveys, while working with local communities on water resource risk management and ecosystem conservation. As a result of these initiatives, five domestic sites had been certified as Nationally Certified Sustainably Managed Natural Sites as of March 2026. Through these activities, we believe employees have come to see sustainability as a personal matter, leading to greater awareness about sustainability issues.

It is also important for sustainable corporate management to recognize the issues that need to be addressed through dialogue with stakeholders and incorporate them into business strategies and operations. By maintaining ongoing communication, we build trust and strive to reflect stakeholders' perspectives more deeply in management.

Under the sustainability slogan "Caring for the Future," we aim to contribute to societal sustainability and also enhance the sustainability of our business by advancing initiatives toward the goals we have set for our material issues.

Sustainability Slogan

Caring for the Future

Yokohama Rubber Group Action Guidelines

We have established the Yokohama Rubber Group Action Guidelines in accordance with the 10 principles in the four areas (human rights, labor, the environment, and anti-corruption) of the United Nations Global Compact, which all members of the Group share as guidelines for promoting business activities.

Seven Action Guidelines

1. We shall respect human rights inside and outside the company.
2. We shall create workplaces that are safe and healthy.
3. We shall harmonize our activities with the global environment.
4. We shall provide safe and high-quality products and services.
5. We shall conduct corporate activities with a high transparency and practice proper disclosure of information.
6. We shall observe not only laws and regulations but also social norms.
7. We shall aspire to harmony and prosperity with local communities.

For more details on the Seven Action Guidelines
https://www.y-yokohama.com/global/sustainability/business/suspolicy/

Sustainability Governance and Sustainability Promotion System

The CSR Council, chaired by our Chairman & CEO and attended by all of the internal directors (including Audit and Supervisory Committee members), meets twice a year (in May and November) to formulate policies and develop measures related to the sustainability issues that the Yokohama Rubber Group should address, including the environment, occupational safety and health, disaster prevention, quality, human capital, human rights, and social contribution.

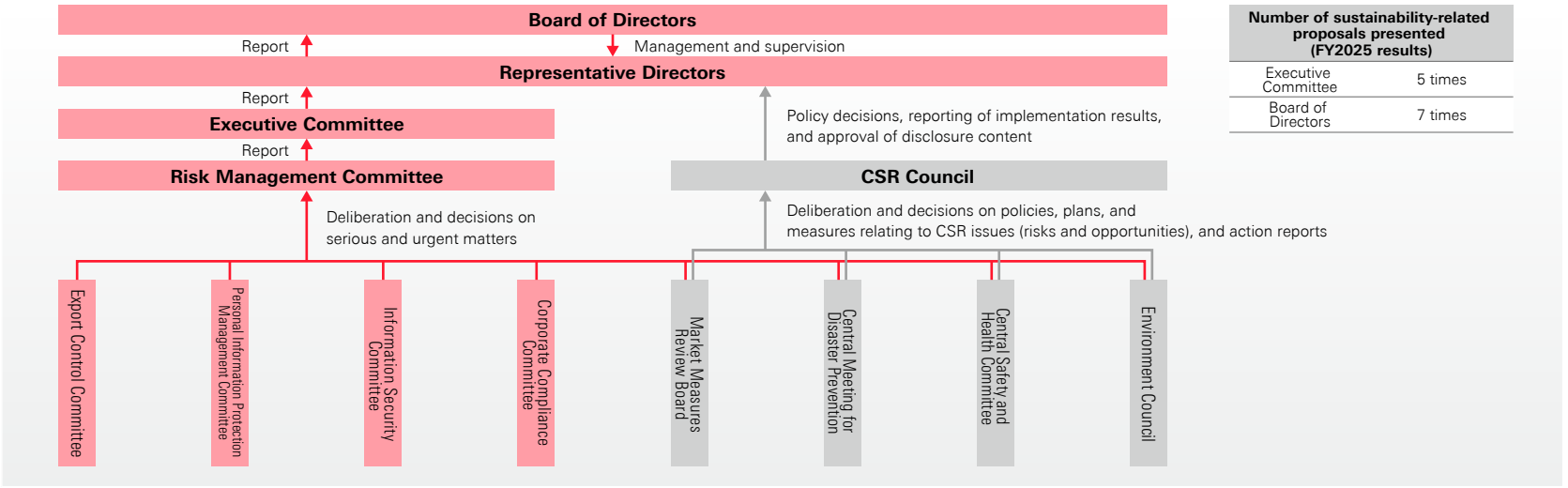
Matters of particular importance, matters requiring prompt management decisions, and matters requiring reporting or deliberation are discussed by the Executive Committee and, depending on their significance, are submitted or reported to the Board of Directors. The Board of Directors regularly oversees the impact of sustainability-related risks and opportunities on management strategy through reports from these committees.

Progress on sustainability issues is reported monthly to the chairman & CEO, president & COO, member of the Board in charge of the CSR Division, and internal directors serving as Audit and Supervisory Committee members.

In addition, carbon neutrality and circular economy issues are discussed on an ongoing basis during executive retreats that are held twice annually. Executives from across the Group, including those based overseas, attend these retreats to discuss management strategies. For sustainability issues that are both significant and urgent, we have established a framework for prompt response in coordination with the Risk Management Committee.

Yokohama Rubber's Sustainability

Sustainability Governance and Sustainability Promotion System



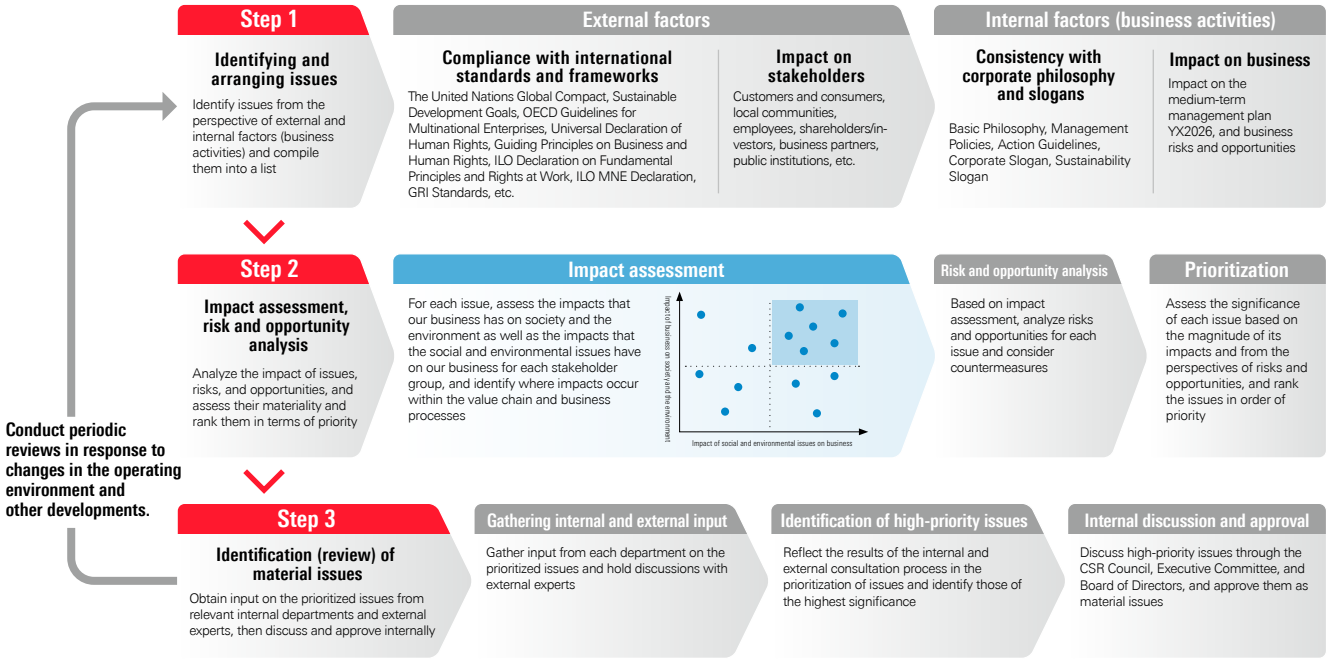
Number of sustainability-related proposals presented (FY2025 results)	
Executive Committee	5 times
Board of Directors	7 times

Material Issues and the Material Issue Identification Process

In 2024, we revised our material issues in light of changes in the business environment and societal issues surrounding the Group. We identify material issues that are essential to society and the environment, as well as to the Group's sustained growth, and establish medium- to long-term non-financial KPIs to support their achievement.

See page 27 for details
Risks and Opportunities/Progress on Materiality

Material issue identification and reviews are carried out in three steps from Step 1 to Step 3 as follows. We plan to continue periodically revising the issues based on changes in the operating environment, etc.



Risks and Opportunities / Progress on Materiality

In 2024, Yokohama Rubber revised its materiality assessment alongside the formulation of its new medium-term management plan, YX2026. We identify issues from external and internal factors, evaluate risks and opportunities for each stakeholder group, set KPIs and targets, and advance sustainability initiatives.

*1: A standard for tires that can run at low pressure to minimize the impact on crop roots.
*2: Two sites were certified in March 2026 to bring the cumulative total to five sites.

Materiality (Key Issues)	Risks and Opportunities	Metrics (KPIs)	FY2025 Results	Targets	What we aim to do
Provision of Products and Services that Contribute to Sustainable Society  See page 29 for details	**Risks** Short to mid term: Decline in business performance due to failure to adapt to change Mid to long term: Decline in product demand due to changing customer needs, such as a drop in the number of owners of private cars with the uptake of MaaS Mid to long term: Risk of accidents and lawsuits due to declining product safety, recalls, and damage to brand value Mid to long term: More stringent performance, cost, and other requirements **Opportunities** Mid to long term: Early response to changing customer needs and stricter regulations Mid to long term: Capturing new business opportunities through adapting to CASE and MaaS	Number of E+ marked tires (EV-compatible products)	7 products	■ FY2026: 10 products	■ Help achieve safe and comfortable mobility through improved quality and performance based on proprietary technologies ■ Contribute to economic and societal development through the provision of high-value-added off-highway tires ■ Improve customer convenience and operational efficiency through digital services
		Number of tire sizes that conform to Very High Flexion (VF) and Pressure Field Operation (PFO) standards*1	Total of 283 sizes	■ FY2026: Total of 384 sizes	
		Utilization of tire management/maintenance services (T.M.S) using digital transformation (number of vehicles registered/number of tires inspected)	53,567 vehicles 314,092 tires	■ FY2026: 50,000 vehicles registered ■ FY2026: 450,000 tires inspected per year	
Contribution to a Decarbonized Society and Circular Economy  See page 70 for details	**Risks** Mid to long term: More stringent laws and regulations and increased litigation on environmental issues such as Tire and Road Wear Particles Mid to long term: Rising energy costs due to requirements for renewable energy use to reduce GHG emissions (client companies' Scope 3 emissions) **Opportunities** Mid to long term: Sales of products to customers with high sensitivity to environmental issues Mid to long term: Expansion of sales of EV-related products driven by growing popularity of EVs	Reduction of greenhouse gas emissions (Scope 1+2)	10.2% reduction compared to FY2019	■ FY2026: 30% reduction compared to FY2019 ■ FY2030: 40% reduction compared to FY2019 ■ FY2050: Achieve carbon neutrality	■ Contribute to a decarbonized society through our products ■ Reduce greenhouse gas emissions and energy consumption ■ Contribute to the circular economy by increasing the use of renewable and recycled materials
		Percentage of electricity used by the Company from renewable energy sources	6.8%	■ FY2050: Achieve 100%	
		Percentage of renewable and recycled raw materials used	30.4%	■ FY2026: 28% ■ FY2030: 40% ■ FY2050: Achieve 100% sustainable materials	
Living in Harmony with Nature  See page 72 for details	**Risks** Mid to long term: Negative impact on biodiversity due to destruction of forests and other environments in natural rubber farms Mid to long term: Intensification of disasters due to climate change resulting from suppliers' GHG emissions Mid to long term: Local residents adversely affected due to air pollution and climate change, health hazards, and impacts on regional climate change Mid to long term: Health impacts on local residents and impacts on biodiversity due to improper handling of water resources and waste **Opportunities** Mid to long term: Reduction in energy costs through improved manufacturing process efficiency Mid to long term: Reduction in risk of resource price fluctuations and increase in operational efficiency through reuse and recycling Mid to long term: Reduction in environmental conservation costs	Number of trees planted and saplings provided as part of "YOKOHAMA Forever Forest" activities	1,490,853 trees/saplings	■ FY2030: 1.5 million trees planted and saplings supplied (cumulative)	■ Promote nature positive-oriented initiatives ■ Strengthen environmental management
		Number of business sites certified as "Nationally Certified Sustainably Managed Natural Sites" (Japanese OECM)	3 sites*2 (cumulative)	■ FY2026: 5 sites (cumulative)	
		Number of serious environmental incidents (air, water, or soil)	0	■ Continued achievement of zero incidents	

Risks and Opportunities / Progress on Materiality

*3: Calculated in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace. Because the calculation includes employees whose childcare leave spans more than one fiscal year, the rate may exceed 100%.
*4: Percentage of administrative, technical, and skilled employees who continued employment with the Company or its subsidiaries after age 65 (three-year rolling average).
*5: Calculated based on results of the "Employee Engagement Survey" conducted among employees of the Company (non-consolidated).

Materiality (Key Issues)	Risks and Opportunities	Metrics (KPIs)	FY2025 Results	Targets	What we aim to do
Living in Harmony with Local Communities See page 78 for details	**Risks** Short to mid term: Local community opposition to operations due to the environmental impact of waste and emissions Short to mid term: Violation of rights of indigenous peoples with the development of natural rubber farms Mid to long term: Decrease in yields and increase in production costs due to corrective measures required for adverse impacts on habitats of surrounding indigenous peoples **Opportunities** Mid to long term: Stable operations through building positive relationships with local residents Mid to long term: Creation of employment opportunities for local youths through education (scholarships, work experience, etc.)	Support for social contribution organizations through the YOKOHAMA Magokoro Fund, an employee social contribution fund	12	■ At least 10 per year	■ Help solve problems facing local communities
Development of Human Capital Capabilities for Sustained Corporate Value Enhancement See page 57 for details	**Risks** Short to mid term: Reduction in labor forces due to occupational accidents, natural disasters, infectious diseases, etc. Short to mid term: Work absences due to poor mental health, lost productivity due to decreased employee satisfaction Short to mid term: Violations of employees' human rights, including long working hours, failure to provide a living wage, and restrictions on employees' freedom of association **Opportunities** Mid to long term: Innovation and enhanced productivity through the recruitment, development, and active participation of diverse talent	Percentage of female managers (section manager level or higher, non-consolidated)	3.5%	■ FY2026: 5% ■ FY2030: 10%	■ Foster diversity and inclusion ■ Create innovation and enhance productivity through employee capability development ■ Develop safe and healthy workplace environments ■ Respect the human rights of employees
		Percentage of male employees taking childcare leave (non-consolidated)*3	100.7%	■ FY2026: 100% ■ FY2030: 100% (expansion of acquisition period)	
		Continued employment rate after age 65 (non-consolidated)*4	78.5%	■ FY2026: At least 65% ■ FY2030: At least 70%	
		Participation rate in capability development training Participation rate in management education programs such as MBA courses (non-consolidated) Participation rate in digital transformation leader development training (non-consolidated)	 8.1% 5.6%	■ FY2026: 15% of department managers (cumulative) 10% of administrative and technical employees (cumulative)	
		Employee engagement score (non-consolidated)*5	69.0	■ FY2026: 70	
Establishment of a Sustainable Supply Chain See page 64 for details	**Risks** Mid to long term: Suspension of transactions and increased production costs resulting from the discovery of forced labor, child labor, and other human rights issues at natural rubber farms **Opportunities** Mid to long term: Procurement of sustainable, high-quality raw materials Mid to long term: Expansion of business opportunities through contributions to local economic development	Number of natural rubber farms surveyed	1,050	■ FY2030: 1,200 (cumulative)	■ Procure sustainable natural rubber ■ Respect the human rights in the supply chain
		Number of seminar events for natural rubber farmers held	2	■ At least 2 per year	
		Number of human rights due diligence (impact assessments) procedures conducted in the supply chain	1	■ 1 per year	
Improvement of Management Resilience by Strengthening Corporate Governance See page 79 for details	**Risks** Mid to long term: Stronger regulations related to antitrust laws, bribery, price cartels, export controls, etc. Mid to long term: Decline in trust and brand value resulting from cyberattacks and leaks of confidential information Mid to long term: Shortage of personnel with sustainability knowledge and skills in areas such as climate change, biodiversity conservation, human capital, and supply-chain human rights Mid to long term: Decline in corporate value resulting from failure to address sustainability issues **Opportunities** Mid to long term: Improved management resilience and enhanced corporate value through addressing sustainability issues	Number of sustainability-related issues reported to and discussed by the Board of Directors	7	■ At least 4 per year (quarterly)	■ Strengthen stakeholder engagement ■ Strengthen governance of sustainability issues

Products and Services: Provision of Products and Services that Contribute to a Sustainable Society

The Yokohama Rubber Group aims to contribute to a safe and comfortable mobility society and to economic and social development through the provision of high-quality, high-performance products based on proprietary technologies and innovative services enabled by digital transformation, thereby supporting a more sustainable future.

Approach

Based on the Yokohama Rubber Group Action Guidelines, the Group is committed to providing safe, high-quality products and services. In developing products that support mobility and industry—including tires, hoses and piping, and industrial materials—we continually challenge technological frontiers to enhance quality and performance. At the same time, we strive to create new value by improving customer convenience and efficiency through services enabled by digital transformation.

Fiscal 2025 Progress and KPIs

Metrics (KPIs)	Targets	FY2025 Results	Evaluation
① Number of E+ marked tires (EV-compatible products)	FY2026: 10 products	7 products	On track
② Number of tire sizes that conform to Very High Flexion (VF) and Pressure Field Operation (PFO) standards*1	FY2026: Total of 384 sizes	Total of 283 sizes	Behind
③ Utilization of tire management/ maintenance services (T.M.S) using digital transformation (number of vehicles registered/number of tires inspected)	FY2026: 50,000 vehicles registered 450,000 tires inspected per year	53,567 vehicles 314,092 tires	Ahead Behind

*1 A standard for tires that can run at low pressure to minimize the impact on the roots of crops

Initiatives to Increase the Number of Tire Products Suited for Electrified Vehicles

The Group is working to increase the number of tires for electrified vehicles*2 in response to the trend toward carbon neutrality and the expansion of electrified vehicle adoption. We have set a target of offering 10 products by fiscal 2026. As of December 2025, seven tire products carried the E+ mark for electrified vehicles.

The E+ mark is awarded to tires incorporating technologies that address the specific requirements of EVs, including support for the higher vehicle weight due to battery systems, the high torque output of electric motors, the quietness expected of vehicles without engine noise, improved energy efficiency, and extended driving range.

To address the expanding premium EV market, Yokohama Rubber developed the ADVAN Sport EV ultra-high-performance summer tire specifically for EVs. The E+ mark has also been applied to products including the ADVAN dB V553 premium comfort tire, which delivers long-lasting quiet performance, and the GEOLANDAR X-CV highway-terrain tire for SUVs and pickup trucks.

The E+ mark has also been introduced for truck and bus tires. Products such as the 507U in Japan and the 120U in Europe are helping strengthen the Group's response to electrification in the commercial vehicle sector.

During fiscal 2025, the Group expanded deliveries of ADVAN Sport EV tires for original equipment fitment, particularly for premium EV models produced by Chinese manufacturers, adding to a growing track record in the rapidly expanding Chinese EV market.

We will continue to strengthen research and development and expand original equipment fitment activities while contributing to the reduction of greenhouse gas emissions.

*2 Electrified vehicles include BEVs (battery electric vehicles), EVs (electric vehicles), PHEVs (plug-in hybrid vehicles), HEVs (hybrid electric vehicles), and FCEVs (fuel cell electric vehicles)



E+ mark branding on tire sidewalls

E+ mark logo



Passenger car tires carrying the E+ mark



Truck and bus tires carrying the E+ mark

Initiatives to Increase the Number of High-Value-Added Off-Highway Tire Sizes

In the off-highway tire sector, we have set the increase in the number of tire sizes compliant with VF and PFO standards as a KPI in support of our vision of "contributing to economic and social development through the provision of high value-added off-highway tires." As of December 2025, the Group offered a total of 283 compliant sizes and aims to increase this to 384 sizes in fiscal 2026.

VF standard-compliant tires (VF tires) can support the same load as conventional radial tires at 40% lower air pressure. Low-pressure operation reduces pressure on the soil and suppresses damage caused by soil compaction. Studies have shown that soil compaction can impede the flow of air and


Agricultural machinery equipped with PFO standard-compliant tires

Products and Services: Provision of Products and Services that Contribute to a Sustainable Society

water, and hinder crop root growth, leading to reduced yields. Using VF tires reduces soil compression, promotes crop growth, improves productivity, and leads to greater operational efficiency and fuel economy.

We are also expanding our lineup of tires that comply with PFO standards (PFO tires) that enhance the load-carrying capacity of VF tires during low-speed operation. Tires incorporating PFO technology allow for even lower tire pressures than VF tires, further reducing soil compression. Minimizing the impact on soil enables the use of large agricultural machinery and leads to improved operational efficiency.

There are only a few manufacturers in the world capable of supplying both VF and PFO tires. We have an extensive lineup of tires that meet a wide range of needs. By providing high-quality tires trusted by users and comprehensive after-sales services, the Group contributes to improved agricultural productivity, reduced environmental impact, and stable food supply, supporting a more sustainable future.



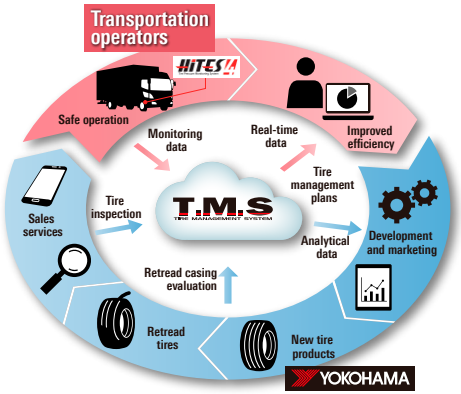
TM1000 PFO Standard-Compliant Tire

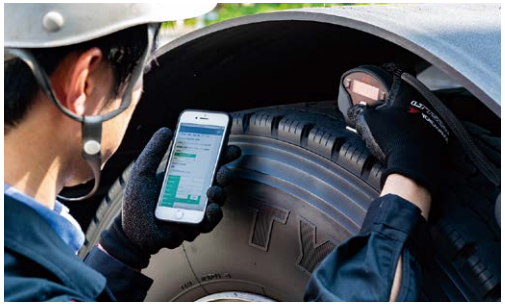
Expansion and Deployment of Digital Transformation Solutions – Optimization of Tire Management –

To achieve our vision of improving customer convenience and efficiency through services enabled by digital transformation, we are strengthening the deployment of our Tire Management System (T.M.S).

T.M.S is a solution for passenger and freight transportation operators that collects data from tire inspections and installed sensors—including data on tire pressure, temperature, and wear conditions—and centrally manages that information in the cloud. By sharing information in a timely manner through the cloud and enabling tire professionals to quickly provide wear forecasts and optimal tire and operational recommendations, T.M.S helps address a variety of challenges facing the transportation industry.

T.M.S Conceptual Framework





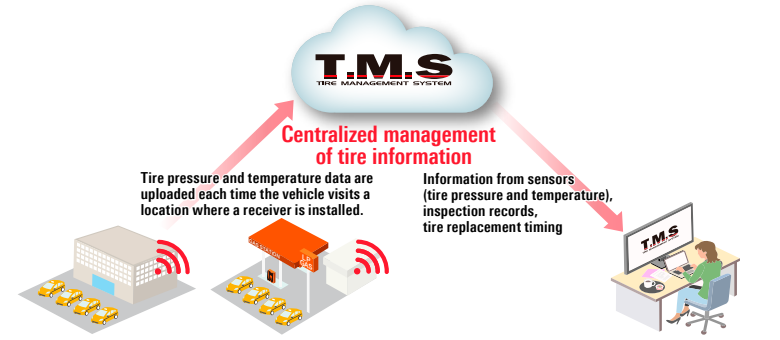
Tire inspection using T.M.S

In recent years, the Group has been at the forefront of developing next-generation tire solution technologies, including AI-based tire pressure assessment technology and technologies that enable the remote, real-time visualization of tire pressure, temperature, and wear conditions. By integrating these technologies into the T.M.S platform, we are further enhancing its functionality and capabilities.

In 2025, we launched a new solution service for taxi operators that links tire pressure sensors with T.M.S. This advanced system provides comp rehensive support for safe operation, reducing tire-related costs and workload, and optimizing tire management. Valve-mounted sensors installed on the wheels detect tire pressure and temperature and automatically transmit the data to the cloud, enabling seamless support ranging from pre-operation inspections to real-time monitoring during operation and overall operational management.

Since its launch in 2003, T.M.S has been continually expanded to help solve customers' operational challenges. For fiscal 2026, we have set targets of 50,000 registered vehicles (cumulative) and 450,000 tire inspections annually. As of December 2025, the cumulative number of registered vehicles had reached 53,567, meaning the vehicle registration target had been reached ahead of schedule. The annual number of tire inspections totaled 314,092, representing steady progress toward achieving the fiscal 2026 target.

Overview of the Tire Solution Service for Taxi Operators



Column

Voices from the Front Line of Product Development Tackling Social Challenges
Developing Environment-Friendly Tires with Bio-Based Butadiene

**As the shift toward a circular economy gathers pace, the tire and rubber industry is also being called upon to transform.
Butadiene, a key chemical used in materials such as synthetic rubber, the primary raw material for tires, is currently produced mainly from petroleum.
To decrease CO_2 emissions and promote sustainable sourcing of raw materials by reducing our dependence on petroleum,
we have been conducting demonstration research into producing butadiene from biomass-derived ethanol.**



Prototype butadiene rubber produced in laboratory facilities

Although bio-based butadiene still faces cost challenges compared with conventional petroleum-derived materials, we view it as an essential technology for the transition to a circular economy. In January 2022, Zeon Corporation and Yokohama Rubber's "Development of Manufacturing Technology for Synthetic Rubber Core Chemicals with Carbon Resource Recycling" was selected by the New Energy and Industrial Technology Development Organization (NEDO) as a "Green Innovation Fund Projects / Development of Technology for Producing Raw Materials for Plastics Using CO_2 and Other Sources" initiative.

The aim of the project is to establish two advanced technologies capable of producing butadiene and isoprene based on carbon resource recycling at high yields from used tires or biomass resources, with a target of commercialization in the 2030s. Working with the Institute of Science Tokyo (formerly Tokyo Institute of Technology), the Institute of Physical and Chemical Research (RIKEN), and the National Institute of Advanced Industrial Science and Technology, we are pursuing two areas of research: synthesizing butadiene from ethanol using catalysts (catalyst technology), and producing butadiene from plant-based resources using enzymes (bio-technology).

Message from Yokohama Rubber researcher

Dr. Naoya Amino
Associate Officer, Executive fellow and Head of the Materials Performance Laboratory, Research and Advanced Development Division, The Yokohama Rubber Co., Ltd.



The Yokohama Rubber Group has set targets of using 40% renewable and recycled materials by 2030 and 100% sustainable materials by 2050. Reducing reliance on fossil-fuel-derived butadiene, the primary raw material used in synthetic rubber, is one of the central initiatives underpinning the roadmap toward this.

Beginning in 2026, our partner Zeon Corporation plans to begin collecting data related to butadiene synthesis and mass production using bench-scale equipment to be installed at its Tokuyama Plant in Shunan, Yamaguchi Prefecture. This will move the project into a new phase in which the material will actually be used to produce tires, which will then be evaluated. Using prototype butadiene rubber developed by Zeon, we will manufacture prototype tires and conduct driving tests to gather data for demonstration purposes. If we can confirm that the material delivers levels of safety and performance equivalent to conventional products, its lower environmental load will become a meaningful source of added value. Although challenges such as the difference in price remain, we hope to clearly communicate the environmental benefits of these products while delivering tires with distinctive new value.

Message from Zeon researcher

Sadaharu Hashimoto
General Manager, Carbon Neutral Laboratory Research & Development Center, Zeon Corporation



As a synthetic rubber manufacturer, Zeon has supplied tire rubber to Yokohama Rubber for many years. We see great significance in this project because we believe "development of bio-based raw materials will be essential to the continued growth of Japan's synthetic rubber industry." We want to give back to society through these technologies and support Japan's industrial foundation in a sustainable way.

Since ethanol can be supplied stably, and we already have extensive experience with catalyst-based chemical synthesis, we are well positioned to develop technologies for converting ethanol into butadiene as an extension of our existing capabilities. Converting ethanol into butadiene is an extremely difficult process. However, by leveraging our strengths in high-purity extraction and distillation technologies to remove impurities, I see our role as being to establish highly efficient production technologies capable of supplying high-quality butadiene with the same performance and reliability as conventional materials.

2

THE YOKOHAMA RUBBER CO., LTD.
Integrated Report 2026

Maximizing Value Delivery and Returns

Our pride as pioneers, continually pushing into new territory ahead of the times, has shaped the strong commitment to the creation of beneficial products. This section outlines the path toward maximizing profitability across our businesses, including our tire businesses, which offer a full lineup ranging from passenger car tires to off-highway tires, and our Multiple Business (MB), where we are sharpening our focus on core areas.

Key element of the corporate value equation featured in this section



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Message from the COO



Achieving Sustained Increases in Corporate Value Through Structural Reforms That Balance Technological Capabilities and Cost Competitiveness

At Yokohama Rubber, we have pursued structural reforms that balance technological capabilities and cost competitiveness under the motto of "Low cost, speedy development of quality products."

Shinji Seimiya
President & COO

Pursuing "Low cost, speedy development of quality products"

Since assuming the position of President & COO, my highest priority has been realizing our motto of "Low cost, speedy development of quality products" through technology and production reforms. In fiscal 2025, I continued to take a hands-on leadership role in advancing both operational and structural reforms.

On the "low cost" front, we increased the expected benefits from our fundamental manufacturing cost reduction initiatives from the original ¥6.5 billion projection to more than ¥20 billion. This achievement is not the result of one-time measures, but rather the outcome of continuous efforts to improve manufacturing costs at our plants and reform raw material procurement. As market competition intensifies, I believe that the very ability to continuously improve costs has become a source of competitive advantage for the Group.

On the "speedy development" front, our new Hangzhou plant in China, constructed under our ambitious "1-year plant" initiative, began producing prototype tires in November 2025—one month ahead of schedule—effectively making it an "11-month plant." Our new plant in Mexico is also progressing smoothly toward the start of prototype production in the second half of 2026 and mass production in 2027.

By pursuing the transition to low-cost, highly efficient production facilities, we are working to achieve both higher profitability and sustained future growth.

Technological Capabilities and Brand Strength as Sources of Competitive Advantage

Our greatest strengths are our proprietary rubber-compounding technologies and advanced tuning technologies, which enable us to meet the demanding requirements of the world's leading premium automakers. Recognition of these capabilities has helped us increase the number of tires supplied for original equipment fitment on premium vehicles by 30% compared with fiscal 2022. We are also actively engaged in motorsports, which serve as a vast arena for advancing cutting-edge technology. The technological expertise gained through racing feeds directly into the development of tires for premium cars.

This product development capacity and uncompromising commitment to quality underpin the performance of our winter tires and premium tire brands such as ADVAN and GEOLANDAR, serving as a key source of differentiation in an intensely competitive market.

At the same time, price competition in the mass-market tire segment, particularly from Chinese tire makers, continues to intensify. Our strategy therefore relies on two complementary pillars: differentiating ourselves through technological excellence in the premium segment while strengthening competitiveness in the mass-market segment through a low-cost production system. In particular, our new plants in China and Mexico are actively incorporating large-lot production and automation technologies to improve labor productivity and reach the level of cost competitiveness required to succeed in global markets.

Accelerating Technological Innovation With HAICoLab

Our proprietary AI utilization framework, HAICoLab, is a development platform that integrates AI, simulation, and human expertise. By visually representing the rationale behind AI-generated outputs, HAICoLab provides engineers with new insights, enabling the optimization of raw materials and internal tire structures while also shortening development lead times. Optimization using the platform also contributes to tire weight reduction and lower raw material consumption, while supporting reductions in CO_2 emissions and increased use of recycled and renewable materials.

In addition to being used in the development of original equipment tires for premium vehicles, HAICoLab is also being applied to the development of tires for electrified vehicles, where high levels of wear resistance, quietness, and low rolling resistance are required. Progress in this area has also been steady.

Dramatically Accelerating Development Speed

To remain competitive in an increasingly challenging market environment, we are accelerating product development through the utilization of HAICoLab and the introduction of a new development model. HAICoLab streamlines the process from mold production to evaluation, with the goal of reducing development lead time by up to 50%.

Our new development model, under which base development and platform development are carried out in parallel, has shortened development periods by more than two years compared with conventional approaches. New products developed under this model are scheduled to be launched sequentially beginning in the second half of fiscal 2026.

Message to Stakeholders

In fiscal 2025, we made significant progress in building the foundations for sustained growth through initiatives such as the launch of our new plants in China and Mexico and development innovations driven by AI. These initiatives are about more than simply improving efficiency. They are measures that are crucial for maintaining our competitive advantage over the long term.

We will continue to prioritize safety and quality above all else, while steadily advancing investments for the future, including environmental initiatives and the development of digital transformation talent. By advancing profit growth through high-value-added products while simultaneously strengthening our low-cost production system, we will continue working to achieve sustained increases in corporate value.

Technology and Production Strategies

Guided by our motto of "Low cost, speedy development of quality products," we pursue even higher levels of performance and functionality through our proprietary technologies while working to accelerate development through the use of AI and fundamentally reduce production costs, thereby maximizing corporate value.

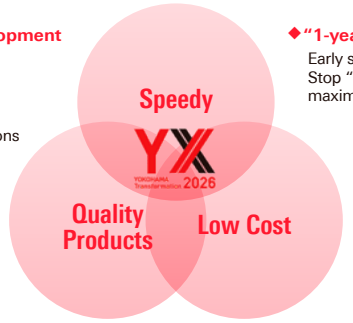
Basic Policy for Technology and Production Strategies

For premium tires, we aim to maximize the sales ratio of AGW products (ADVAN, GEOLANDAR, and winter tires) by differentiating ourselves through enhanced performance based on our proprietary technologies and OE fitment expansion for next-generation premium cars. For standard tires, meanwhile, we will enhance our competitiveness by increasing development and production efficiency. As the foundation for these efforts, we will promote "speeding up tire development" through the use of AI and "drastic reductions in product costs," thereby maximizing the corporate value of the Group as a whole.

"Low Cost, Speedy Development of Quality Products"

◆**Speed up tire development**
Use AI simulation technologies
Respond to emerging car makers, maximize new product introductions

◆**"1-year plant" challenge**
Early start-up ➡ Early ROI
Stop "Not Invented Here syndrome," maximize acquisition synergies



◆**Next-generation premium cars Strengthen development of OE tires**
Meet needs of premium electrified vehicles with lightweight, wear-resistant tires

◆**Drastic reduction of product costs**
Apply ATG's high-efficiency model
Economies of scale realized by recent acquisitions will reduce raw material procurement costs

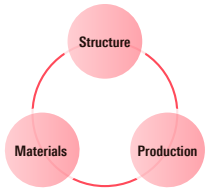
Strengthening Development of OE Tires for Next-Generation Premium Cars



As an initiative to deliver "quality products," we are enhancing the development of OE tires for next-generation premium cars. We have recently expanded our supply of tires to high-performance premium cars requiring exceptionally high levels of performance and quality, including BMW M series models, and Mercedes-AMG and Porsche's Cayenne. Through these achievements, we have steadily improved our technological capabilities. Today, European automakers are demanding not only solutions to address increasing vehicle weight, but also improved handling stability at ultra-high speeds exceeding 200 km/h, greater rigidity, and the simultaneous achievement of conflicting performance requirements such as reduced weight and lower rolling resistance. To respond quickly and accurately to these demanding requirements, we plan to expand our development facilities at the Shinshiro-Minami Plant. By introducing new production facilities, we will integrate elemental technologies related to tire structure, materials, and production to achieve the targeted performance and characteristics.

Background/ Overview
- ▶Response to increasingly difficult quality demands for OE tires from European premium car makers
- ▶Achieve higher technical features and uniform performance and quality
- ▶Expand the buildings and introduce new building machines

Integrate structure, materials, & production technologies



Targeted features & technologies

- ▶**Handling stability at high speeds on dry roads**
  Seeking the high performance required for driving at high speeds on European roads with no speed limit
- ▶**Weight reduction and combination of low rolling resistance & high rigidity**

Drastic Reduction of Product Costs



As an initiative to achieve "low cost," we are promoting reductions in both raw material procurement costs and processing costs to achieve a drastic reduction of product costs.

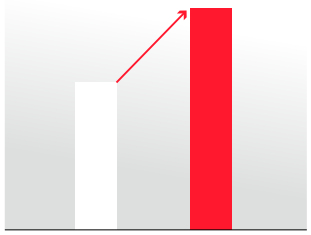
For raw materials, we are broadening our supplier base by expanding procurement from suppliers in emerging countries in addition to our existing procurement sources. By applying Yokohama Rubber's strict quality standards and advancing the evaluation and recruitment process while sharing information across all departments, we are shortening lead times and realizing cost reductions ahead of schedule.

For processing costs, we are increasing the capacity and utilization rates of existing facilities by minimizing the frequency of product size and specification changes at overseas plants and shortening changeover times, while expanding production capacity for large rim diameter tires. We are also making steady progress in reducing energy costs through measures such as switching to different fuels.

Supplier Selection

Increase suppliers in emerging countries (focus on metals & rubber chemicals)

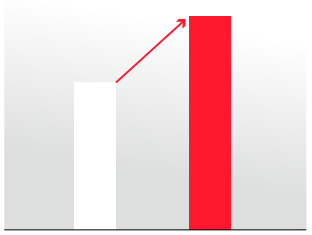
Number of newly adopted suppliers
50% increase*



Evaluation

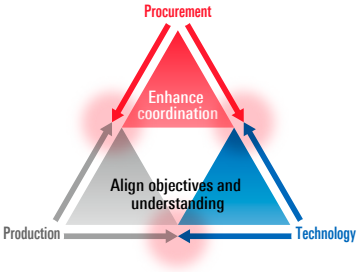
Apply Yokohama Rubber quality standards
Shorten evaluation lead times while maintaining high quality levels

Number of materials for which costs have been reduced
45% increase*



Adoption

Eliminate organizational silos
Increase visibility of activities
Align objectives and understanding across all departments
(Bring forward supplier adoption to maximize total cost savings)



Technology and Production Strategies

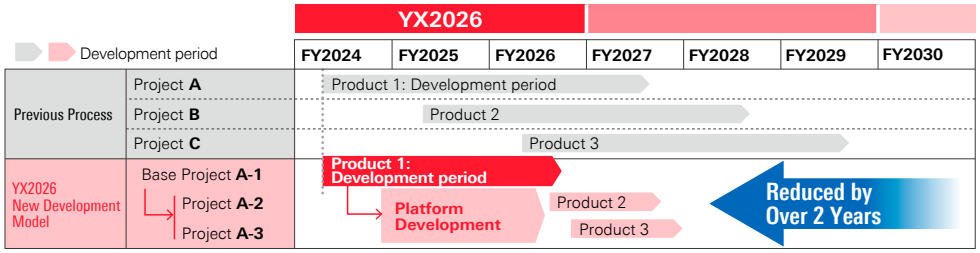
Speed Up Tire Development

We are accelerating tire development to achieve the "Speedy" part of our motto. Specifically, we have introduced a new development model under which a platform that serves as the foundation for second- and third-generation product development is built simultaneously with the development of the base product. Development under this model is progressing steadily. Following the launch of certain products in the second half of 2026, we expect to introduce major new products to market in 2027. At the same time, we are advancing the foundational development of common components that will serve as the basis for second- and third-generation product development.

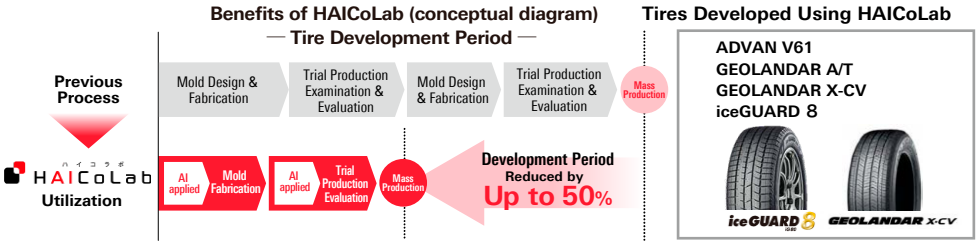
Our proprietary AI framework, HAICoLab, has also become indispensable for accelerating development. In addition to supporting material formulation, characteristics prediction, and design using explainable AI, in 2026 we developed a proprietary mold design support system that integrates AI with finite element method simulations. This enables the use of AI throughout each stage of development, from material formulation to mold design.

Under conventional tire development, mold design and production, prototype manufacturing, evaluation, and testing had to be repeated many times before specifications could be finalized, requiring extensive trial and error. By contrast, HAICoLab performs massive numbers of simulations in virtual environments, reducing the number of physical prototypes required. AI also provides quantitative design guidance that complements engineers' experience, enabling development with less rework. By streamlining this entire specification evaluation process, we are making steady progress toward our goal of shortening development lead time by up to 50%.

Progress with the First Product Under the New Development Model



Utilization of the AI Framework "HAICoLab"



"1-Year Plant" Challenge

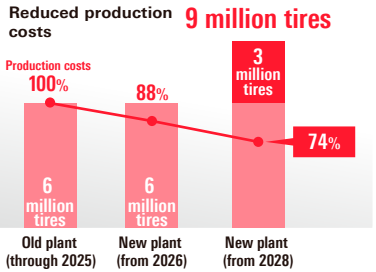
As an initiative to achieve "low cost" and "speedy" parts of our motto, we are pursuing the "1-Year Plant" Challenge. In addition to the expertise we have cultivated over many years, we are incorporating the know-how of experienced local partner companies to achieve rapid start-up and establish low-cost, highly efficient production systems. By shortening the period from the start of construction to the commencement of prototype production at new plants from the conventional two to four years to within one year, we aim to respond quickly to changes in the market while achieving early investment recovery and maximizing profitability.

New Plant in Hangzhou, China

In Hangzhou, following a request from the local government to relocate our existing facility, we constructed a new passenger car tire plant and began production of prototype tires in November 2025, one month ahead of schedule, making it an "11-Month Plant." With the cooperation of local partners, we have kept investment costs down while increasing annual production capacity to 9 million tires. Manufacturing costs at full production are expected to be 26% lower than at the former plant.


New Plant in Hangzhou, China

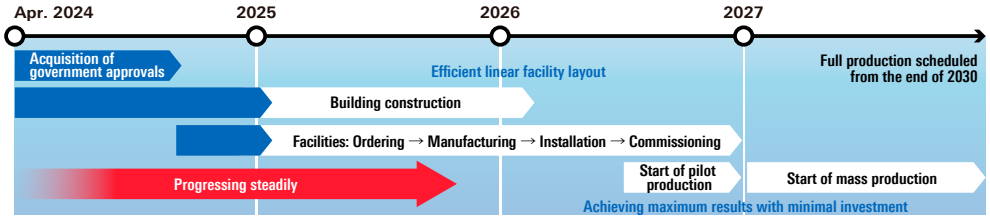
Nov. 2025
Start of prototype tire production
11-Month Plant
Opening ceremony on November 22



New Plant in Mexico

In Mexico, we are constructing a new passenger car tire plant with annual production capacity of 5 million tires to strengthen our supply capabilities for the North American market. By applying the expertise of Yokohama ATG's management team to the construction project and maintaining strict investment discipline, we have significantly shortened the investment payback period to 8.8 years. Construction is progressing steadily toward the start of pilot production in the second half of 2026 and the start of mass production in 2027.


New plant in Mexico



Message from the Co-COO



Building a Sustainable Growth Foundation Through the Competitiveness of the OHT Business and the Profitability of the India Business

We will continue to strengthen the OHT business, which has expanded its business foundation through the acquisitions of ATG, TWS, and Goodyear's OTR business, as well as the India business, which balances growth and profitability, thereby contributing to the sustainable growth of the Yokohama Rubber Group.

Nitin Mantri
Member of the Board and Senior Managing officer & Co-COO

Strengthening the Growth Foundation Even Amid a Harsh Market Environment

2025 was a year marked by an extremely challenging market environment for the OHT business. Numerous headwinds converged, including the impact of U.S. tariffs, high interest rates, and low commodity prices. However, even under such conditions, every business within the OHT division recorded profits exceeding the previous year's levels and, in yen terms, achieved results surpassing the budget and exceeding investor guidance by ¥1.4 billion.

One of the rules that I follow is "Don't let a crisis go to waste." During 2025, we leveraged the difficult market environment as an opportunity to expand our share among key customers, reform business processes in the backend, and improve our cost structure through production optimization. As a result, Y-ATG gained market share against its biggest competitor for the first time in its history, while Y-TWS secured a substantial 55% share of the European agricultural OEM market. In addition, Y-ATG achieved the largest product rollout in its history, launching over 600 SKUs during the year.

We also advanced structural reforms aimed at improving profitability by closing three underperforming plants and successfully transferring production to other sites. Through these initiatives, we believe that we have established a structure capable of delivering major profit growth when demand picks up.

The OHT Business Accelerates Growth by Leveraging the Strengths of Each Company

Though entering the OHT market may be easy, being successful and maintaining high profitability is not for the faint of heart. We continue to strengthen our competitive advantages by leveraging the product capabilities, development speed, service network such as Interfit, and customer base we have cultivated over many years.

In 2024, we organized OHT division into three distinct companies: Y-ATG, Y-TWS, and Y-OTR. Y-TWS and Y-OTR focus on the premium segment, while Y-ATG concentrates on the value segment. To implement strategies tailored to each market, each company maintains independent sales functions while integrating back-end functions such as procurement and production to maximize synergy.

Y-ATG is focused on expanding its market share in the value segment, globally. It is also entering new product segments such as UTV*1/ATV*2 tires, while increasing the product lineup of "Galaxy" branded agricultural tires.

Y-TWS has a very strong position in Europe, and the company is working on replicating this success in other parts of the world. The company is also developing agricultural rubber tracks*3 utilizing its proprietary technologies, as well as products leveraging PneuTrac technology*4. The "Mitas" branded motorcycle tire business is also growing fantastically, and production capacity is being expanded.

For Y-OTR, which has recently integrated Goodyear's OTR business, improving production costs is a key priority as there have been many products sourced from Goodyear's plants. For certain products, production costs currently exceed market prices, so we are shifting production to our lower-cost manufacturing sites in an effort to improve profitability.

*1 UTV (Utility Task Vehicle)
*2 ATV (All-Terrain Vehicle)
*3 Rubber tracks equipped in place of wheels
*4 A tire technology that integrates the benefits of radial tires, such as fuel efficiency and handling stability, with the high flotation and traction of rubber tracks.

Our India Business Is Driving Growth and Profitability

Yokohama India Pvt. Ltd. (YIN), Yokohama Rubber's passenger car tire manufacturing and sales company in India, continues to achieve growth exceeding 15% year on year, while overall market growth remains at approximately 4–5%. It is now one of the fastest-growing and the most profitable businesses within the Group.

YIN's plants possess exceptionally strong cost competitiveness within the Group, enabling low-cost operations. Meanwhile, its products have established a solid position in the premium segment, representing a major strength in balancing both growth and profitability.

Going forward, the company will continue strengthening its brand power, product capabilities, and cost competitiveness in the high-growth Indian market, thereby driving growth across the Group as a whole.

Message to Stakeholders

Since joining the Yokohama Rubber Group nine years ago, I have been deeply involved in the growth and transformation of the company. We have grown from being an insignificant player in the OHT segment to becoming the world's third-largest OHT player today.

This growth has not simply been the result of expanding business scale, but rather the culmination of steady efforts in implementing structural reforms, strengthening product capabilities, and building a global network. Going forward, we will continue striving to become the world's second-largest OHT company by further enhancing profitability and strengthening our competitiveness, achieving sustainable enhancements in corporate value.

Growth Strategy for the OHT Business

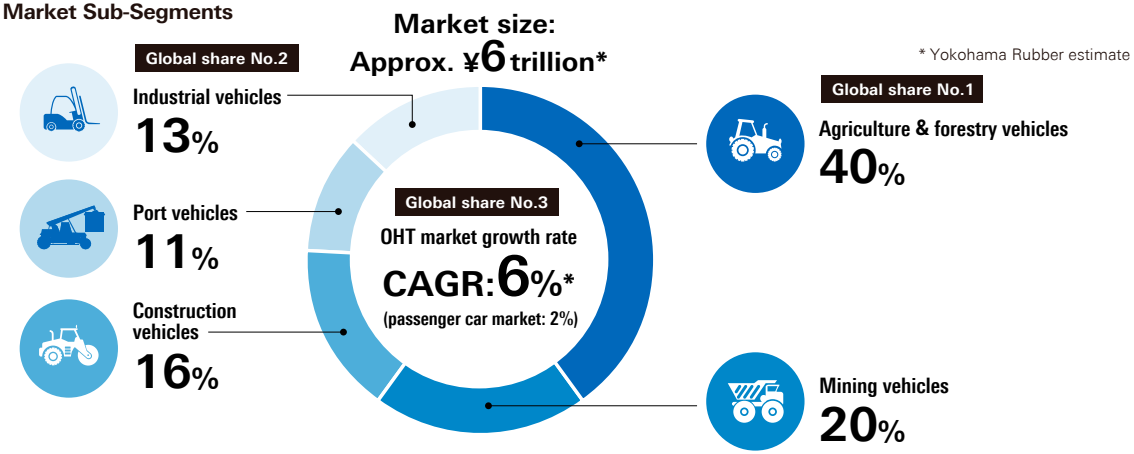
The OHT market has strong growth potential and high barriers to entry. Through M&A, Yokohama Rubber has established a comprehensive product lineup covering all OHT categories, securing its position as the world's third-largest supplier. Leveraging the strengths of our multi-brand strategy and our global sales and after-sales service network, we aim to achieve sustained growth that outpaces the market.

Growth Potential of the OHT Market

OHT is the segment with the highest growth potential in the tire industry.

The OHT segment comprises four major sub-segments—agricultural machinery tires, industrial and port vehicle tires, construction vehicle tires, and mining vehicle tires. Supported by growing demand across these industries, the market is expected to achieve solid average annual growth of approximately 6%.

Weighting of OHT Market Sub-Segments



Barriers to Entry in the OHT Segment

In addition to its high growth potential, the OHT segment is characterized by high barriers to entry, which underpin its strong profitability. Because OHT products serve vehicles operating in a wide variety of environments and applications, specialized expertise and know-how are required in technology (development and design), manufacturing, and sales, making new market entry difficult.

The specific barriers to entry are as follows.

Advanced Technological Capabilities

To meet the diverse requirements of different applications and regions, OHT manufacturers must maintain a product lineup comprising more than 6,000 tire types. In particular, the design and development of ultra-large tires for mining dump trucks require exceptionally advanced technologies and expertise.

Production and Development Complexity

Production is labor-intensive and depends heavily on the skills of experienced workers. In addition, the large dimensions of tires used for high-horsepower tractors and mining vehicles make production particularly challenging. Manufacturers must also maintain the flexibility to support high-mix, low-volume production in order to meet diverse customer requirements, further increasing the complexity of OHT production.

Sales Network and After-Sales Service

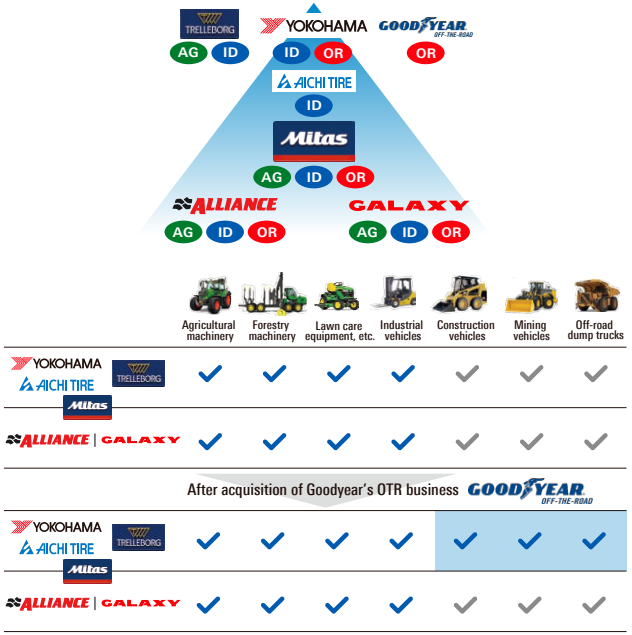
Sales approaches differ depending on the product category, with after-sales support and field service playing particularly important roles. To ensure that customers' vehicles remain in operation without interruption, highly specialized support is required. This makes it essential to deploy specialist engineers worldwide who can provide prompt and accurate assistance.

Brand Strategy for the OHT Business

Through the acquisitions of ATG and TWS, we have top market share for agricultural tires and now offer brands across a wide range of price segments, including Trelleborg, Mitas, Alliance, and Galaxy. Our strength lies in optimizing production systems for each brand while adjusting our product mix in line with economic conditions to maximize both profitability and market share.

The acquisition of Goodyear's OTR business has also enabled us to establish a full product lineup covering the entire OHT range, from tires for small forklifts to ultra-large mining vehicles, further strengthening our competitive advantage.

We will fully leverage this broad product portfolio to meet customers' diverse needs and drive further business growth.



Growth Strategy for the OHT Business

Strengthening Profitability Through M&A Synergies

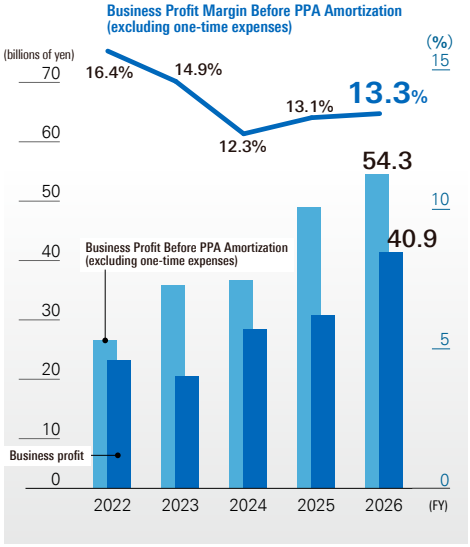
In the OHT business, the early realization of synergies from major acquisitions, including TWS and Goodyear's OTR business (G-OTR), is a powerful driver of profitability.

First, regarding cost synergies from the TWS acquisition, by fully leveraging the benefits of scale, we now expect to achieve annual cost savings of approximately US$60 million in FY2026—one year ahead of our original target of US$50 million in annual savings by FY2027.

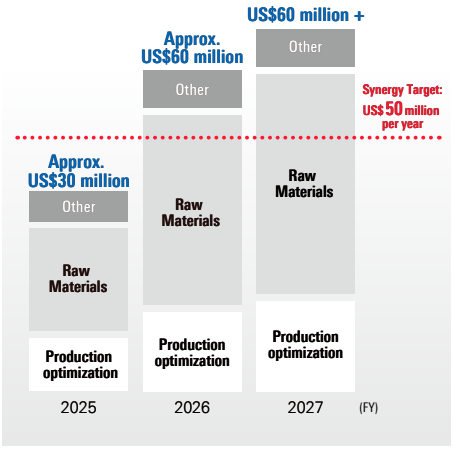
At the same time, we are pursuing the consolidation of low-return and surplus assets, closing selected plants, sharing best practices across OHT production plants, and thoroughly reducing costs through the integration of back-office functions.

We are also optimizing production as part of the integration of the newly acquired G-OTR business. Currently, many products continue to be supplied from Goodyear's higher-cost plants. We will transfer production of these products to lower-cost plants within the Yokohama Rubber Group to increase profitability.

OHT Business



Realization of M&A Synergies

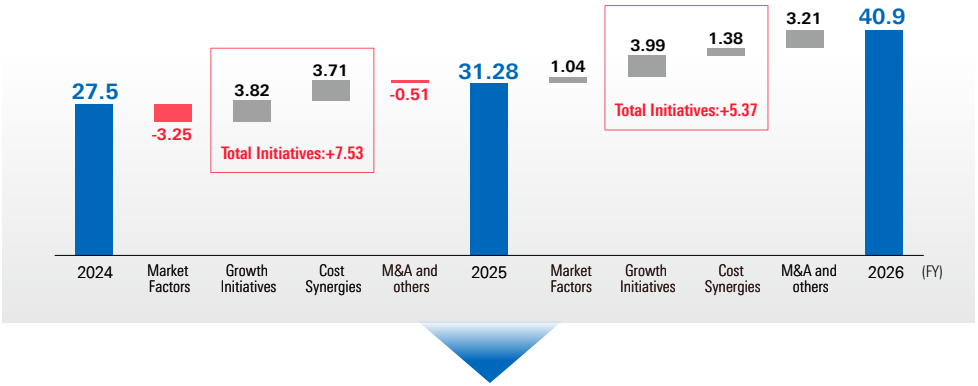


Business Profit Growth Roadmap

The OHT business has established a roadmap for sustained growth in business profit. Despite a challenging market environment and M&A-related expenses, business profit reached ¥31.3 billion in fiscal 2025, an increase of 14% year on year substantially outperforming the market average.

In fiscal 2026, we are targeting ¥40.9 billion in profit, up 31% year on year, with profit growth from internally driven growth initiatives and cost synergy generation expected to contribute ¥5.4 billion of that increase. Looking ahead, assuming a standard market recovery scenario, we aim to achieve average annual growth of approximately 20% and establish a business profit base of approximately ¥70 billion by fiscal 2029.

Factors Affecting Changes in OHT Business Profit (After PPA Amortization) (Unit: billions of yen)



Growth Initiatives

We also plan to introduce numerous new products and new tire sizes in fiscal 2026. At the same time, we will continue to focus on innovation while expanding our portfolio into high-margin niche markets.

In the agricultural machinery tire market, we will fully leverage the value of our multi-brand portfolio and capitalize on opportunities created by competitors' market withdrawals to strengthen our position in original equipment tires. In the replacement tire market, we will position Mitas as our competitive brand and target double-digit growth.

Cost Synergies

We will continue to consolidate and restructure low-return and surplus assets, including the Hadera Plant in Israel, the Prague Plant in Czechia, and the Spartanburg Plant in the United States, thereby strengthening the flexibility of our production system to respond to sudden changes in demand.

We will also shift production currently supplied by Goodyear's higher-cost plants to lower-cost plants within the Yokohama Rubber Group, including our plants in Romania and the Onomichi and Tatsuno Plants in Japan.

Financial Strategy and Shareholder Return Policy



Enhancing Corporate Value by Converting Growth Investments into Earnings and Deepening Engagement with Capital Markets

Under YX2026, we have built up our portfolio of businesses through strategic investment, and are now steadily converting the results of these investments into sustainable earnings. We will also pursue improved capital efficiency and enhanced shareholder returns. Through these efforts, we aim to ensure our corporate value is appropriately recognized through deeper engagement with capital markets.

Masahiro Yuki

Member of the Board and Officer in charge of the Corporate Finance & Accounting and IR departments

Progress of the Medium-Term Management Plan "YX2026"

In fiscal 2025, sales revenue, business profit, and profit attributable to owners of parent all reached record highs, marking the fifth consecutive year of record sales revenue and profit. Sales revenue reached ¥1,235.0 billion, business profit totaled ¥166.6 billion, the business profit margin rose to 13.5%, and ROE also reached 11.0%, enabling us to achieve the final-year targets of the Medium-Term Management Plan "YX2026" one year ahead of schedule.

Since the period covered by our previous Medium-term Management Plan, YX2023, we have pursued the twin initiatives of Exploitation: strengthening the competitiveness of our existing businesses, and Exploration: cultivating new growth areas. Central to this strategy has been the transformation of our overall tire business portfolio through the expansion of our off-highway tire (OHT) business. We have expanded into markets with characteristics distinct from those of passenger car tires, including agricultural machinery tires and tires for mining and construction vehicles. In doing so we have expanded our presence in high-growth, high-profitability categories, while also establishing a sustainable growth platform by building a product lineup capable of serving as the "Best Alternative" to the leading Tier 1 makers.

In fiscal 2024 and fiscal 2025, demand for agricultural machinery tires weakened, placing the OHT business—which has been our growth driver—under temporary pressure. Even under these conditions, however, our existing passenger car tire and truck and bus tire businesses, together with our Multiple Business (MB), continued to steadily expand their earnings, enabling the Group to achieve record-high profits once again. There are periods when the OHT business drives growth, and others when our existing businesses become powerful earnings drivers. We believe this demonstrates the effectiveness of the diversity of our business portfolio.

We recognize that our current performance marks the stage at which the benefits of the strategic investments we have made over the years are beginning to be more fully reflected in earnings. Although we expect the OHT market to eventually recover, the OHT business is not simply waiting for market conditions to improve. It is already developing the capability to increase earnings through its own initiatives, and on this basis, we are confident that the business will continue its growth trajectory.

Building a Financial Foundation Focused on Increased Profitability and Capital Efficiency

We believe we have significant opportunities to further increase profitability. In our existing tire business, we now have a clear path toward increasing to more than 50% the sales ratio of our high-value-added products, ADVAN, GEOLANDAR, and winter tires (AGW), with particular focus on large rim diameter tires. At the same time, in the standard tire segment, we are utilizing new production facilities in locations such as China, Mexico, and India to transition toward a highly efficient, low-cost production system. We intend to further increase profitability by both increasing the weighting of high-value-added products and lowering production costs.

In the OHT business, generating integration synergies among Yokohama ATG, Yokohama TWS, and Goodyear's OTR business remains a major priority. We will generate integration synergies across sales, production, procurement, and other functions to further increase earnings. At the same time, another key priority is building a robust business foundation capable of generating stable profits even in markets subject to significant fluctuations in demand.

We are also advancing our "Drastic reduction of product costs" initiatives. These initiatives extend beyond constructing new plants and optimizing our production network. We are also continuously reviewing our cost structure through day-to-day operations, including raw material and processing cost reductions and productivity improvements at existing plants. We expect these initiatives to continue generating tangible results in fiscal 2026 and through the following three years.

With respect to our financial foundation, we are working to maximize corporate value by maintaining an appropriate balance between growth investments and shareholder returns while maintaining financial soundness. To optimize capital efficiency, with due consideration for cost of equity, we aim to maintain an equity ratio at a level not significantly exceeding 50%. As of the end of fiscal 2025, our equity ratio stood at 51.6%, achieving a capital structure in line with this target. Our debt-to-equity ratio also remained at 0.52, a sound level enabling us to maintain a strong balance sheet capable of withstanding changes in the external environment. We will continue to appropriately manage our cost of capital while establishing an optimal financial foundation that enables us to achieve both agile growth investments and meaningful shareholder returns.

We are also working to improve the quality of our balance sheet. We continue to review cross-shareholdings and real estate holdings from the standpoint of capital efficiency. With regard to cross-shareholdings, we have proceeded with divestment while giving due consideration to our relationships with business partners, and have now completed the disposal of most of our major cross-shareholdings. By improving asset efficiency and reallocating capital to businesses offering higher growth potential and profitability, we will continue working to enhance corporate value.

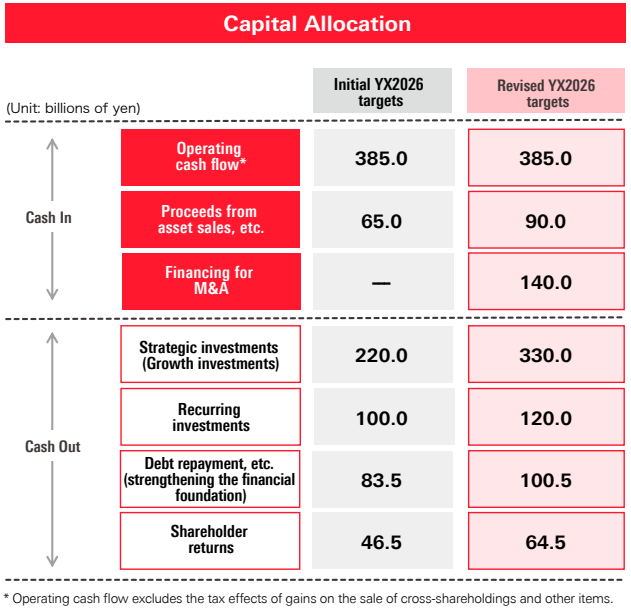
Financial Strategy and Shareholder Return Policy

Financial Standing

(billions of yen)

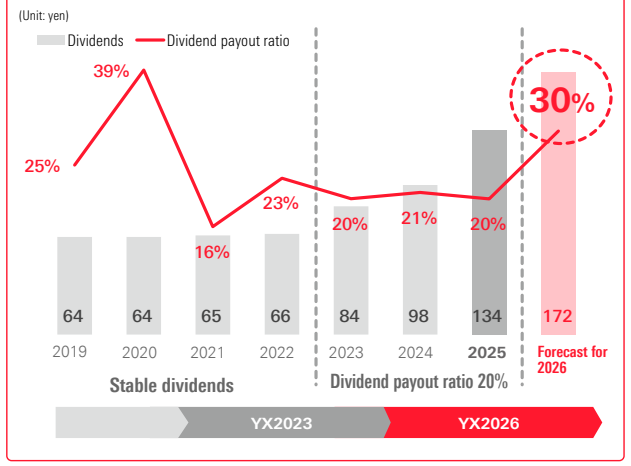
	FY2021	FY2022	FY2023	FY2024	FY2025
Sales revenue	670.8	860.5	985.3	1,094.7	1,235.0
Tires (excl. OHT)	470.2	598.5	639.0	689.5	750.1
OHT	107.3	155.8	235.8	291.4	371.1
Business profit	62.2	70.1	99.1	134.4	166.6
Tires (excl. OHT)	42.7	44.7	72.6	99.7	123.7
OHT	14.7	22.1	19.4	27.5	31.3
Business profit margin (%)	9.3	8.1	10.1	12.3	13.5
Tires (excl. OHT)	9.1	7.5	11.4	14.5	16.5
OHT	13.7	14.2	8.2	9.4	8.4
Operating profit	83.6	68.9	100.4	119.2	152.9
Operating profit margin (%)	12.5	8.0	10.2	10.9	12.4
Profit attributable to owners of parent	65.5	45.9	67.2	74.9	105.4
Total assets	985.0	1,151.1	1,600.5	1,735.5	1,998.4
Interest-bearing debt	177.2	238.7	469.4	438.0	535.8
Total liabilities	452.0	528.0	851.7	831.5	958.1
Total equity (net assets)	533.0	623.1	748.8	904.0	1,040.2
Return on equity (%)	13.9	8.1	9.9	9.2	11.0
D/E ratio (times)	0.34	0.39	0.63	0.49	0.52
Net D/E ratio (times)	0.26	0.27	0.50	0.34	0.42

Capital Allocation



* Operating cash flow excludes the tax effects of gains on the sale of cross-shareholdings and other items.

Dividend per Share and Dividend Payout Ratio



Capital Allocation Policy

Our approach to capital allocation is to achieve an optimal balance among growth investments, recurring investments, the maintenance of financial soundness, and shareholder returns. To date, we have proactively pursued strategic investments that support future growth, including OHT business acquisitions and the construction of new production plants. As this phase of major investments is drawing to a close, we are now entering a stage in which we will steadily realize returns from the business foundation we have built.

Growth investments and shareholder returns are the two pillars of enhancing corporate value. Supported by our robust financial foundation, we will continue to make proactive growth investments funded by cash flow generated from our businesses while also delivering enhanced returns to our shareholders.

Through fiscal 2022, our shareholder return policy emphasized stable dividends regardless of the external business environment. Beginning in fiscal 2023, we adopted and have consistently implemented a policy targeting a dividend payout ratio of 20%. For fiscal 2026, the final year covered by the current medium-term management plan, YX2026, we are taking this policy one step further by targeting a dividend payout ratio of 30% and a total payout ratio of at least 30%. Based on this policy, we plan to pay an annual dividend of ¥172 per share for fiscal 2026, an increase of ¥38 per share over the previous fiscal year. This would mark the sixth consecutive year of dividend increases. We will continue to pursue attractive shareholder returns based on sustained profit growth through a combination of dividends and agile share repurchases.

Financial Strategy and Shareholder Return Policy

Our View on Cost of Capital and Increasing ROE

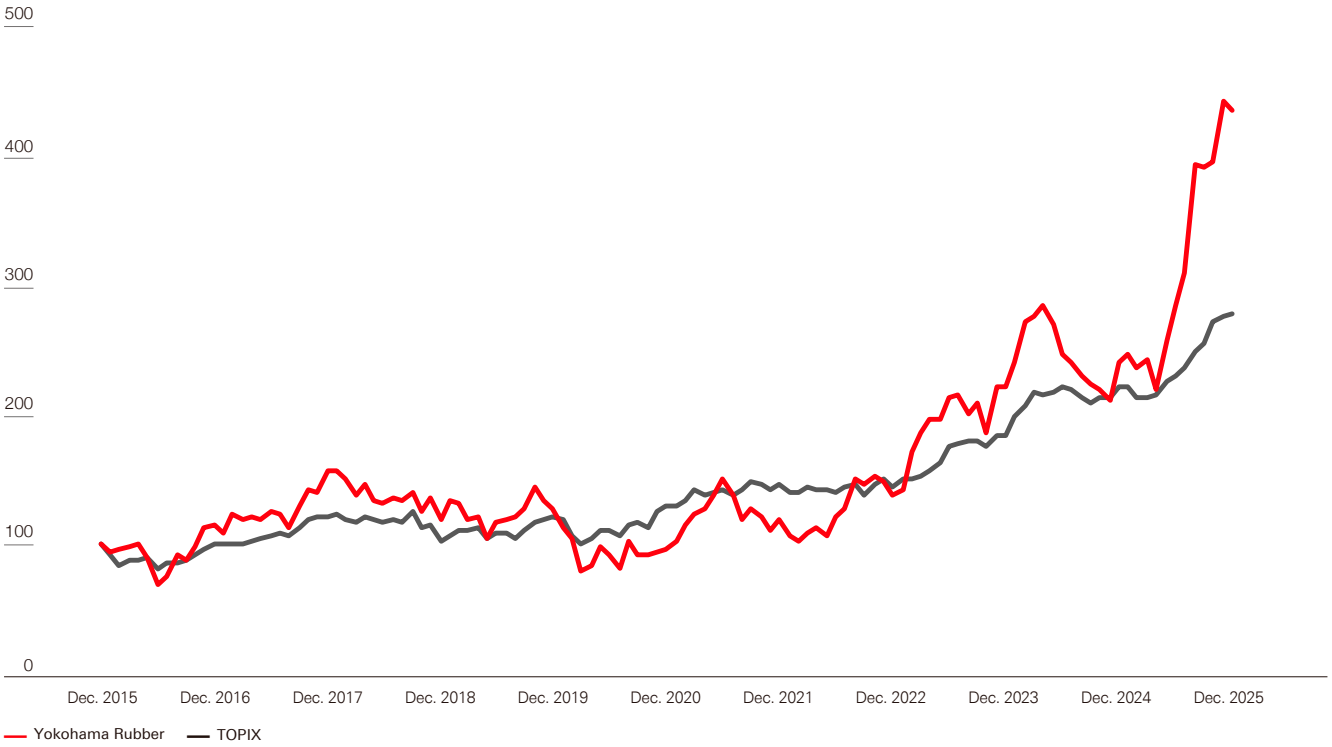
ROE reached 11.0% in fiscal 2025. For fiscal 2026, we are targeting an ROE of more than 10%, and in the period covered by our next medium-term management plan, we intend to sustain even higher levels.

Based on dialogue with investors and prevailing market conditions, we currently estimate our cost of capital to be approximately 9% to 10%. Until last year, we had estimated our cost of capital to be approximately 8%. However, in light of changes in market conditions and investors' return expectations, we recognize that investors now expect a higher required rate of return from the Company. Achieving an ROE of more than 10% is not simply a numerical target. It is the level we must attain in order to consistently generate returns that exceed our cost of capital. As the tire business accounts for more than 90% of our operations, we do not calculate the cost of capital by business segment. Instead, we use the Group's overall cost of capital as our principal reference.

Our objective is not to increase ROE temporarily. Rather, by continuing to execute our growth strategy, improving profitability, and continuing capital allocation with a strong focus on capital efficiency, we aim to generate returns that consistently exceed our cost of capital. In doing so, we will fulfill our responsibility as a steward of shareholders' capital and enhance corporate value over the longer term.



TSR (10 years, including dividends)



Investment period	1 year	3 years		5 years		10 years	
	Cumulative/ Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
Yokohama Rubber	+81.7%	+216.9%	+46.9%	+353.8%	+35.3%	+336.4%	+15.9%
TOPIX	+22.5%	+93.8%	+24.7%	+113.2%	+16.3%	+178.6%	+10.8%

* TSR: total shareholder return. Total investment return ratio combining capital gains and dividends
* TSR is calculated for Yokohama Rubber based on cumulative dividends and share price fluctuations, and for TOPIX, based on the total return index (prepared by the Company using Bloomberg data, etc.)
* TSR values in the graph are indexed based on the closing price at the end of December 2015 as 100 (holding period through the end of December 2025)

Financial Strategy and Shareholder Return Policy

Key Challenges in Enhancing Market Valuation

We recognize that there is still room to improve our market valuation. Within the industry, we continue to deliver strong growth, and while our share price and valuation have increased, we believe they do not yet sufficiently reflect our true capabilities or future growth potential.

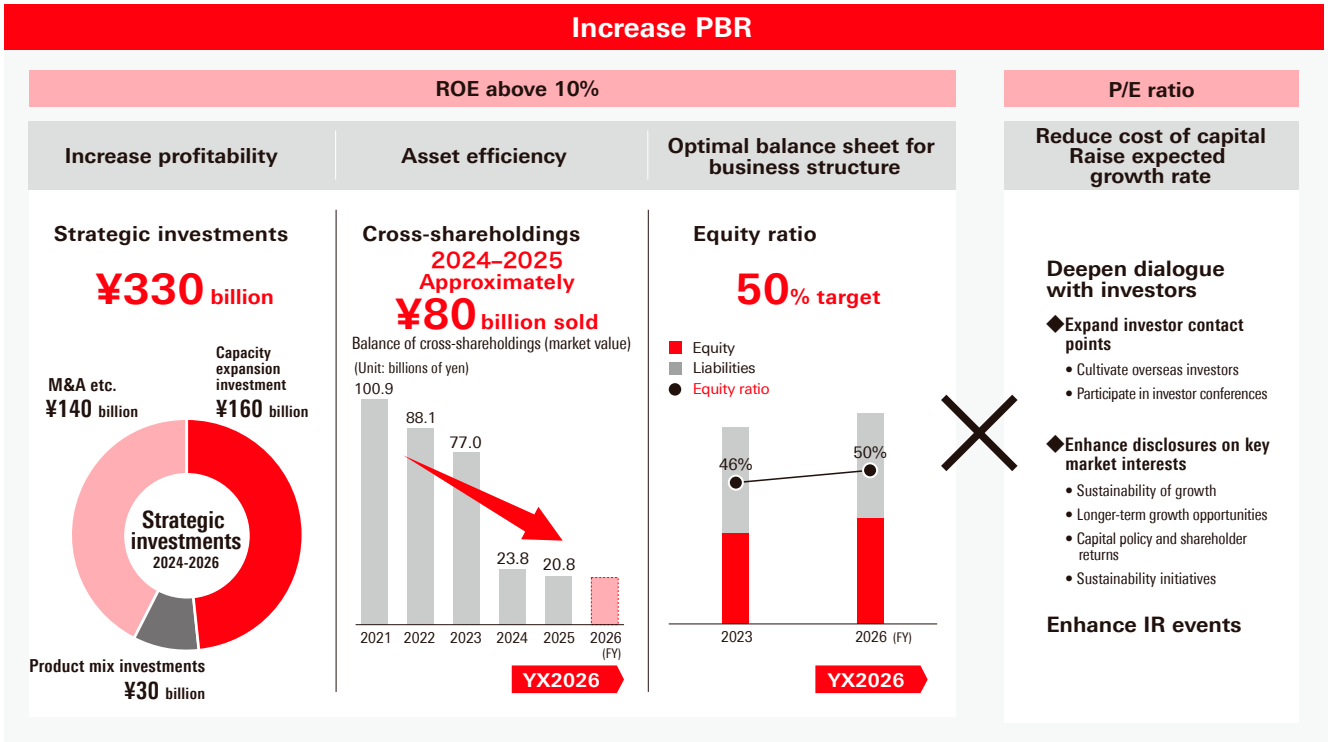
One reason, we believe, is that our strategy and growth potential have not yet been fully communicated to the market.

In fact, when we meet with overseas investors, we often hear comments such as, "We didn't realize there was a company with this kind of growth profile," or "This is a remarkably distinctive strategy." While such feedback gives us confidence, it also highlights the fact that we are still not sufficiently well-known by the investment community. It is particularly notable that, although overseas sales account for 74% of our sales revenue, overseas investors hold only 21% of our shares. This is below the average of 32% for companies listed on the Tokyo Stock Exchange Prime Market. We therefore believe there remains significant potential to increase overseas investor ownership of our shares. We will further expand our engagement with investors both in Japan and overseas through overseas roadshows, more proactive dialogue with investors and analysts, and participation in investment conferences.

We believe the purpose of enhancing our ongoing dialogue with capital markets is to foster a deeper understanding of our growth strategy, our roadmap for increasing profitability, and our policies on capital allocation and shareholder returns, thereby further strengthening confidence in the Company. It is therefore my view that one of my most important responsibilities as the officer in charge of Corporate Finance & Accounting and IR departments is to ensure that the market appropriately recognizes the corporate value of Yokohama Rubber.

The targets set forth in YX2026 are not our destination—they are simply milestones along our path. Building on the optimal financial foundation we have established, we will continue to pursue disciplined growth investment. We will continue to take an integrated and robust approach to increasing earnings, improving capital efficiency, enhancing shareholder returns, and deepening our dialogue with the capital markets—including on sustainability initiatives—to ensure that stakeholders gain an even deeper understanding of the Yokohama Rubber Group's corporate value.





Medium-Term Management Plan Yokohama Transformation 2026 (YX2026)

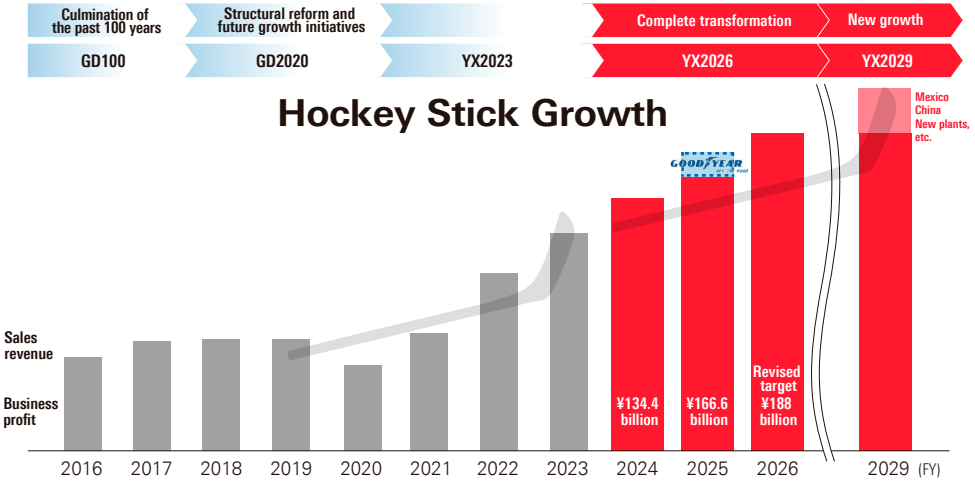
Under YX2026, we are advancing our "Exploitation" and "Exploration" initiatives as we move toward the culmination of our transformation. Having achieved our targets for the final year of the period covered by YX2026 one year ahead of schedule in fiscal 2025, we have significantly raised our management targets for fiscal 2026. Guided by a strong determination to avoid leaving any burdens for future generations, we will accelerate our growth and strive for even greater heights.

Basic Policy and Financial Targets

Raising Our Financial Targets Again Toward Hockey Stick Growth

Under YX2026, our medium-term management plan covering fiscal 2024 through 2026, we are working toward the culmination of our transformation through further exploitation of the strengths of our existing businesses and exploration of new sources of value, guided by a strong determination to avoid leaving any burdens for future generations. Based on this approach, we are executing the growth strategies established for each business with the aim of achieving "hockey stick growth."

The successful execution of these strategies has driven our strong business performance. Reflecting this strong performance, we raised our fiscal 2026 financial targets in August 2024 and revised them upward again in February 2026.



Fiscal 2026 Financial Targets

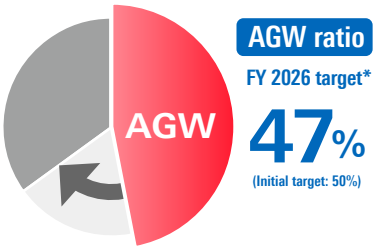
	Initial Target (Feb. 2024)	Previous Revision (Aug. 2024)	Revised Target (Feb. 2026)
Sales revenue	¥1.15 trillion	¥1.25 trillion	¥1.30 trillion
Business profit	¥130 billion	¥150 billion	¥188 billion
Business profit margin	11%	12%	14.5%
Equity capital ratio	50%	50%	50%
ROE	Above 10%	Above 10%	Above 10%

Timely information disclosure: https://www.y-yokohama.com/global/ir/pdf/document/disclosure_21_en.pdf

Consumer Tires Strategy

Further Increasing the Ratio of High-Value-Added Products

We will further deepen our product and regional business strategies by enhancing brand value through initiatives such as expanding original equipment (OE) fitment on premium cars and strengthening our global motorsports activities. We plan to increase unit sales by capturing market demand in each region while expanding sales of high-value-added products, including ADVAN, GEOLANDAR, and winter tires (AGW), as well as tires with diameters 18 inches and above. Through these initiatives, we aim to increase the AGW sales ratio within our consumer tires business to 47%, and thereby increase profitability.



2026 Plans (year on year)*



*As of the Feb. 2026 announcement

"1-Year Plant" Challenge

While proactively maximizing the sales ratio of high-value-added products to increase profitability, we must also remain competitive on costs against the rapidly emerging tire makers in China and other developing markets. Under YX2026, we are taking on the challenge of building "1-year plants" to achieve more efficient and fundamentally lower-cost production.

At our new Hangzhou Plant in China, which embodies this initiative, production of prototype tires began in November 2025, just 11 months after construction began—one month ahead of the original schedule. Construction of our new plant in Mexico is also progressing smoothly. The building is scheduled for completion in 2026, with prototype production expected to begin in the second half of the year.

Medium-Term Management Plan Yokohama Transformation 2026 (YX2026)

Commercial Tires Strategy

OHT Business: Improve Market Position and Expand Operations

Agricultural and Forestry Machinery Tires:

We will further strengthen our market position through a multi-brand strategy that leverages our manufacturing, technological, and sales strengths across each market tier.

Industrial and Port Vehicle Tires:

We will pursue profitable growth by expanding and strengthening our service network.

Construction and Mining Vehicle Tires:

We will expand the business through our programmatic M&A strategy, under which we continuously evaluate and execute acquisitions.

TBR Business: Strengthen Sales in Countries and Regions Where Appropriate Prices are Maintained

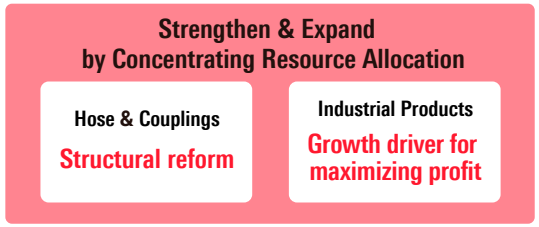
As Chinese tire makers expand production and exports, governments in Europe and North America have introduced trade protection measures, including anti-dumping and countervailing duties, creating supply gaps in those markets. We will aim for profitable growth by expanding sales in countries and regions where such measures help maintain appropriate pricing.

Multiple Business (MB) Strategy

Shifting to a Growth Strategy on the Foundation Established Under the Previous Medium-Term Management Plan

The Multiple Business (MB) is now shifting to a growth strategy, building on the management foundation established during the period covered by the previous medium-term management plan. In YX2026, we have positioned the hose and couplings business as a growth driver and will decisively implement improvements for further growth. In the industrial products business, we will complete improvements to establish a stable profit structure. As a result of such efforts, the Non-Tire Business achieved a business profit margin of 10.5% in fiscal 2025, exceeding the original target of 10% one year ahead of schedule.

In the hose and couplings business, we will continue to promote structural reforms and rigorous cost reductions to further increase profitability. Meanwhile, in the industrial products business we will focus on expanding sales of high-value-added products, with the goal of achieving a business profit margin of 11.5% in fiscal 2026.



Technology and Production Strategies

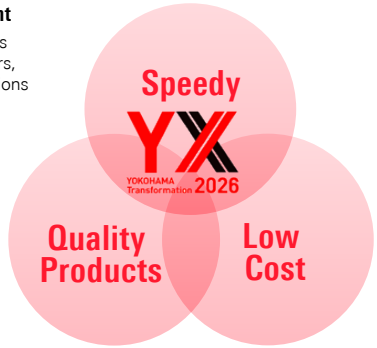
"Low Cost, Speedy Development of Quality Products"

During the period covered by YX2026, we will strengthen our business foundations throughout the Group under the motto "Low cost, speedy development of quality products." "Quality products" refers to strengthening development of OE tires suitable for next-generation premium cars. "Low cost" refers to fundamentally lower production costs that competitors cannot match. "Speedy" refers to the "1-year plant" challenge and accelerating tire development.

To support these initiatives through a global production network, we will establish new passenger car tire plants in Visakhapatnam (India), Saltillo (Mexico), and Hangzhou (China), thereby strengthening our cost competitiveness. At our existing plants in Japan and the Philippines, we will improve the production mix to increase profitability. In the OHT business, we will also improve our earnings structure by transferring OTR production from Goodyear's high-cost plants to lower-cost production sites within the Yokohama Rubber Group.

◆Speed up tire development
Use AI simulation technologies
Respond to emerging car makers, maximize new product introductions

◆"1-year plant" challenge
Early start-up ⇒ Early ROI
Stop "Not Invented Here syndrome," maximize acquisition synergies



◆Next-generation premium cars
Strengthen development of OE tires
Meet needs of premium electrified vehicles with lightweight, wear-resistant tires

◆Drastic reduction of product costs
Apply ATG's high-efficiency model
Economies of scale realized by recent acquisitions will reduce raw material procurement costs

Sustainability Strategy

Balancing Profitability with Decarbonization and Circular Economy Initiatives

We believe sustainability initiatives should contribute to corporate growth. Rather than burdening future management through excessive investment, we will ensure that environmental investments are also subject to our standard investment return criteria, thereby balancing environmental initiatives with profitability.

With respect to greenhouse gas emissions, including emissions from Yokohama TWS prior to its acquisition, we have established targets to reduce emissions by 30% by 2026 and 40% by 2030, compared with 2019 levels. We will continue our efforts toward achieving carbon net zero by 2050. We will also step up our use of sustainable materials. To contribute to a circular economy and reduce Scope 3 greenhouse gas emissions, we are targeting a 40% ratio of renewable and recycled materials by 2030 and 100% sustainable materials by 2050.

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.

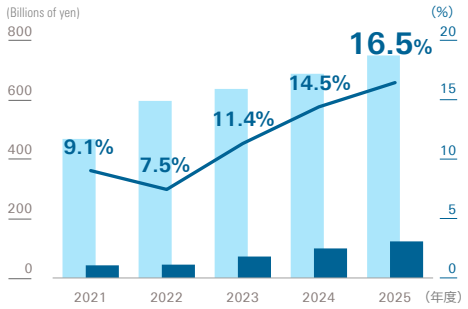
Regional performance is summarized below. In Japan, sales increased for both summer and winter tires as a result of expanded original equipment fitment and sales activities in the replacement market.

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)

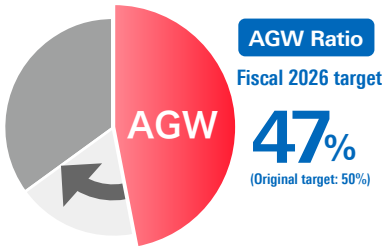


Key Initiatives for Fiscal 2026

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.

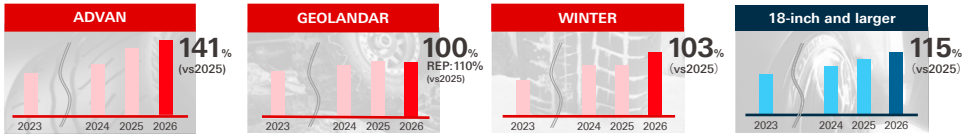
We will also enhance the cost competitiveness of standard products in addition to high-value-added products, with the aim of increasing overall sales volume. New passenger car tire plants in Visakhapatnam (India), Saltillo (Mexico), and Hangzhou (China) will strengthen our global cost competitiveness.

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



Progress of YX2026: Tire Business (Consumer Tires)

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.

Progress of YX2026: Tire Business (Commercial Tires / OHT)



Tire Business

Commercial Tires / OHT

Stepping Up Our Proprietary Growth Strategies and Synergy Creation

In the OHT market, which is expected to see strong growth, we are deploying a multi-brand strategy and stepping up synergy creation across the Yokohama Rubber Group with Goodyear's OTR business acquired in February 2025. Through these initiatives, we aim to achieve profitable growth.

Fiscal 2025 Results

Fiscal 2025 was a year of steady progress despite the challenging business environment, as demand in the agricultural machinery market remained at historically low levels. A key milestone was the completion of the acquisition of Goodyear's OTR business (G-OTR).

With the addition of G-OTR following the acquisition completed in February 2025, we now offer a full product lineup as the "Best Alternative" across all OHT product categories. The acquisition also marked the achievement of our long-term strategic objective—pursued for more than a decade—of balancing our consumer tire and commercial tire businesses at a 1:1 ratio, in line with the ratio of the global tire market.

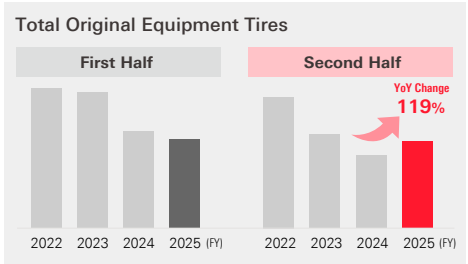
From a financial perspective, the consolidation of G-OTR made a significant contribution, with sales revenue increasing 27.4% year on year to ¥371.1 billion. Despite one-time acquisition-related costs, business profit rose 13.7% year on year to ¥31.3 billion. Excluding one-time costs, business profit increased by ¥7.7 billion year on year on an underlying basis.

With tires for agricultural machinery, by leveraging our strengths as the market leader offering a comprehensive product lineup spanning every price point, we achieved a significant improvement in the second half of fiscal 2025 compared with the first half, despite sluggish market conditions.

In particular, although agricultural machinery makers had yet to fully recover, sales of original equipment tires increased 19% from the first half. In the replacement tire market, we also repositioned Mitas as a fighter brand to compete more effectively against rival makers, further consolidating its market position.

In addition, we continued investing in products and technology, launching more than 600 new products during fiscal 2025.

Agricultural Machinery Tire Sales Performance
(weight basis)



Key Initiatives for Fiscal 2026

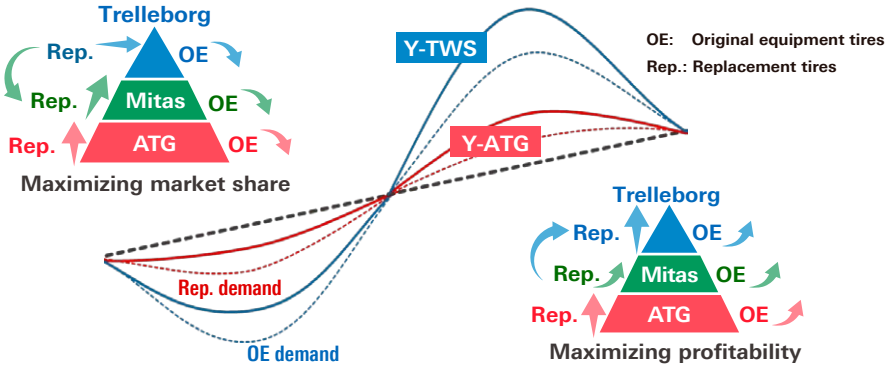
In the OHT market, where strong growth is expected to continue in fiscal 2026, we will develop our business with a "multi-brand strategy" at its core. Sustaining growth in the OHT business requires effectively managing the cyclical demand fluctuations unique to the agricultural machinery tire market. We will therefore continue implementing action plans designed to minimize the impact of the next market downturn while maximizing growth during periods of market recovery.

On the production side, we will fully realize the fixed-cost savings resulting from the closure of three plants, including our Hadera plant in Israel. At the same time, we will transfer production of G-OTR products to our existing manufacturing facilities, improving our global production efficiency and operational flexibility.

On the sales side, we will reduce our dependence on the more cyclical original equipment tire market by strengthening our replacement tire business, which offers higher profitability and more stable demand. We will also assign experienced sales executives to our key markets in the United States and Europe to work on expanding market share. We will also continue to expand and strengthen the service network for Interfit, our dedicated OHT tire maintenance service.

Regarding M&A synergies, we expect the acquisition of Y-TWS to generate cost savings of approximately US$60 million in fiscal 2026. By stepping up the synergy creation from the acquisition of G-OTR, we aim to achieve profitable growth.

Measures to Address Cyclical Demand Fluctuations in Agricultural Machinery Tire Market



Progress of YX2026: Tire Business (Commercial Tires / OHT)

Y-TWS Maintenance Services and Digitalization

Through its OHT-dedicated tire maintenance service network "Interfit," Y-TWS provides tire and wheel replacement services worldwide. Currently, the network operates in 80 cities across 21 countries, conducting over 300,000 service visits annually through its global operations.

Interfit serves a broad range of industries, including logistics, agriculture, and construction. By performing tire replacement smoothly at customers' sites, the service minimizes equipment downtime and helps improve customers' operational efficiency. Y-TWS has also introduced its proprietary digital platform, iFit, which enables real-time job progress monitoring and predictive maintenance, further enhancing service quality and operational efficiency.

In addition, Y-TWS is developing tire management solutions that leverage digitalization. For the agricultural sector, it offers ATMS,*1 which monitors tire load, inflation pressure, and temperature in real time and recommends optimal tractor settings to improve productivity. For construction equipment and port vehicles, Y-TWS provides TPMS,*2 which continuously monitors tire pressure and temperature to improve operational efficiency and safety, while enhancing convenience for end users.

We will continue expanding the geographic coverage of Interfit while accelerating the development of new digital solutions, enabling us to provide even higher-quality services.

*1 Adaptive Tire Management System
*2 Tire Pressure Management System



Interfit Service Center (Brazil)



ATMS: Optimizing tractor performance through data



Interfit Service vehicle and staff (United States)


TPMS: Digital tool for construction/port vehicle tires

Nippon Giant Tire—A New Domestic Production Base for OTR

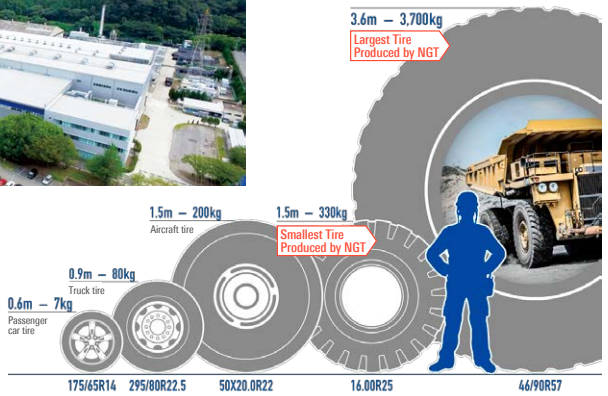
In February 2025, Yokohama Rubber completed its acquisition of Goodyear's OTR (off-the-road tire) business for construction, mining, and industrial vehicles. As a result, Nippon Giant Tire Co., Ltd. (NGT), located in Tatsuno, Hyogo Prefecture, joined the Group as a new production base for OTR. As part of the acquisition, NGT is the only major production facility worldwide that was transferred to the Yokohama Rubber Group together with the plant itself.

NGT manufactures OTR tires, including giant tires measuring approximately four meters in diameter and weighing around four tons each, which are used at mines and other sites around the world. These products support industries that form the foundation of the global economy. These tires can be manufactured at only a limited number of factories worldwide, and this is one of NGT's key strengths. Among all of the Yokohama Rubber Group's OHT production facilities worldwide, NGT also achieves an exceptionally high level of labor productivity. Its competitiveness is underpinned by technical expertise and manufacturing capabilities cultivated over many years.

As part of the post-acquisition integration, NGT plans to consolidate production from bias tires to radial tires, further strengthening its competitiveness. The transition of Goodyear-brand OTR production to Yokohama Rubber Group facilities is currently progressing worldwide. NGT, however, will remain the only production site that has continuously manufactured—and will continue to manufacture—Goodyear-brand products, further strengthening its role as the "mother plant" for OTR production.

NGT will continue to support industries around the world through the stable supply of high-quality giant tires as one of the world's leading giant tire plants and as the core production base for the Group's OTR business, thereby contributing to sustained business growth and further enhancement of corporate value.


Nippon Giant Tire (Tatsuno, Hyogo Prefecture)



Tire Sizes Produced by NGT

Progress of YX2026: Tire Business (Commercial Tires / TBR)



Tire Business

Commercial Tires / TBR

Supporting the Next Generation of Logistics Infrastructure Through Advanced Technology

In the truck and bus tire market, where new tire makers are emerging,
we are pursuing our "Best Alternative" strategy through a product lineup that is difficult to replicate.
Through this approach, we are strengthening our business foundations in Japan, North America, and Europe.

Fiscal 2025 Results

As Chinese tire makers continue to expand their presence in the truck and bus tire market, we have deliberately positioned ourselves outside direct competition with them and have instead advanced our "Best Alternative" strategy as an alternative to Tier 1 tire makers.

Yokohama Rubber is one of a limited number of major tire makers capable of supplying truck and bus tires with highly durable casings, and we provide tires to the U.S. market that can be retreaded*1 up to three times.

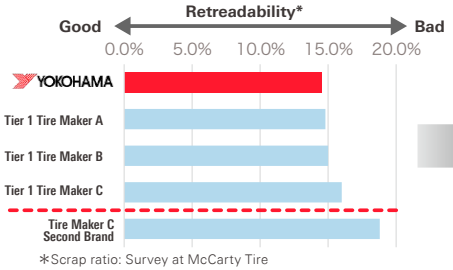
While Tier 1 tire makers offer "lock-in" subscription models through affiliated retread companies that package services covering the entire tire lifecycle from new tire supply through retreading, we specialize in the sale of new tires. As a result, we have earned strong support from major logistics/transportation fleets and large dealers seeking to optimize total operating costs, particularly those that prefer to perform retreading in-house rather than participate in closed, manufacturer-controlled programs.

While Chinese tire makers primarily compete in the low-cost trailer tire segment, where tires are typically replaced rather than retreaded, Yokohama Rubber has earned a strong reputation in the technically demanding steer tire*2 and drive tire*3 segments. This has enabled us to avoid direct competition with Chinese tire makers and establish a position as the "Best Alternative" in the truck and bus tire market.

As a result, we have successfully captured demand from customers seeking alternatives to Tier 1 and expanded sales across our three key markets of Japan, North America, and Europe.

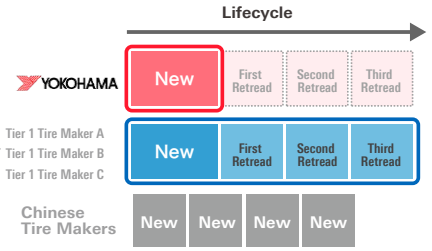
*1 Retreading is the process of restoring a worn tire for reuse by replacing the tread rubber after it has been worn through operation.
*2 Front-wheel/steering tires. These tires feature thin longitudinal tread grooves designed to provide precise handling and effective water dispersal.
*3 Rear-wheel/drive tires. Designed to transmit driving and braking forces effectively to the road surface, they are characterized by large tread blocks and deep, wide grooves.

Retreadability (North America)



*Scrap ratio: Survey at McCarty Tire

Tire Lifecycle Comparison (North America)



Key Initiatives for Fiscal 2026

Following on from fiscal 2025, we will continue advancing our "Best Alternative" strategy in fiscal 2026.

By implementing product and regional business strategies tailored to the characteristics of each market, we will further strengthen our position in our three key markets. In Europe in particular, we will expand our lineup of highly specialized products that require advanced technological capabilities and reinforce our supply and sales structure, nurturing the region into a third pillar alongside Japan and North America. For fiscal 2026, we aim to increase annual truck and bus tire sales across all regions by 4% year on year.

Launch of the BluEarth 722L All-Season Tire

In March 2025, we launched the BluEarth 722L, a fuel-efficient all-season tire for trucks and buses designed for long-distance transportation in the Japanese market.

The tire was developed to help customers reduce transportation costs on long-haul routes along expressways and other major highways, by delivering an advanced balance of excellent fuel efficiency, wear resistance, and resistance to uneven wear. In addition, its tread is designed to retain a large number of sipes (small surface slits) even as the tire wears, helping support safe operation on wet roads throughout the tire's service life, from new to worn.



Since November 2024, Yokohama Rubber has participated in public-road demonstration testing aimed at realizing trunk-route transportation services using Level 4 autonomous trucks being developed by T2 Inc.*4, 5 As part of this initiative, we have been conducting tire evaluations using the BluEarth 722L.

*4 Level 4 autonomous driving refers to automated driving systems able to perform all driving tasks within a limited operational domain that satisfies specific operating conditions.
*5 Trunk-route transportation refers to the efficient movement of large volumes of freight through the principal transportation routes and networks used for long-distance logistics.



A T2 autonomous truck equipped with BluEarth 722L tires

Progress of YX2026: Multiple Business (MB)

Multiple Business (MB)

Strengthening and Expanding Through Focused Resource Allocation

We are pursuing a strategy of concentrating resources on two of our core strengths—the Hose and Couplings Business and the Industrial Products Business—to drive growth across the Multiple Business (MB) segment. In the Hose and Couplings Business, we are increasing profitability through ongoing structural reforms and cost reductions. In the Industrial Products Business, we are aiming to achieve higher profitability by expanding sales of high-value-added products.

Fiscal 2025 Results

As a result of our continued focus on selective investment and resource concentration, we achieved the YX2026 target of "a 10% business profit margin in fiscal 2026" one year ahead of schedule, recording a business profit margin of 10.5% in fiscal 2025.

In the hose and couplings business, we advanced the reorganization of our North American manufacturing bases. To fundamentally reduce production costs and strengthen competitiveness in North America, we closed our automotive hose assembly plant in Kentucky and consolidated its operations into two plants elsewhere in North America. We also continued expanding our hose and couplings plant in Mexico.

In the industrial products business, we continued capturing the benefits of capacity expansion investments at the Hiratsuka Plant and expanded sales for our conveyor belt business both overseas and in Japan, where we hold the leading market share. We also launched the FLAME GUARD ECO, a flame-retardant conveyor belt that offers high energy-saving performance.

Strong sales of high-value-added products—including defense-related aerospace components and marine fenders—made a significant contribution to increased profitability. In the marine products business, we further strengthened our product portfolio through the launch of a new high-end solid fender.



Groundbreaking ceremony for the Mexico Plant expansion (October 2025)


Mast of a destroyer equipped with multiple antennas (left) and the "UNICORN" system installed on a Mogami-class frigate (Source: Japan Maritime Self-Defense Force website)

Key Initiatives for Fiscal 2026

In fiscal 2026, we will continue pursuing our strategy of focused resource allocation and aim to achieve a business profit margin of 11.5%, exceeding the original YX2026 target of 10%.

In the hose and couplings business, we will continue advancing structural reforms and rigorous cost-reductions to further increase profitability. For hydraulic hoses, we will focus on completing our structural reforms. For automotive hoses, we will work to fully realize the benefits of structural reforms while pursuing the acquisition of new orders.

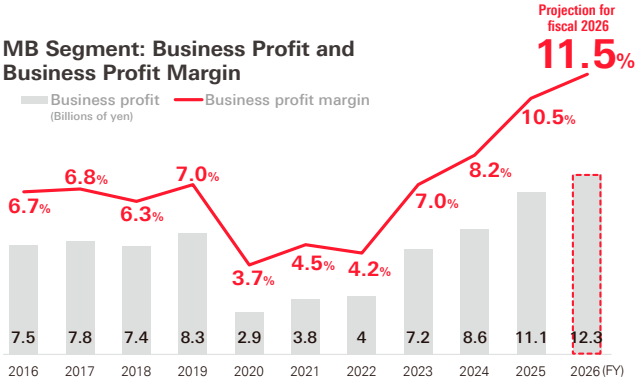
In the industrial products business, we will continue expanding sales of high-value-added products and aim to turn the business into a driver of growth. In the conveyor belt business, we will work to maintain our high market share in Japan while expanding sales in overseas markets, and continue increasing productivity and reducing costs. For marine hoses and fenders, we will maintain a stable production structure while expanding sales in both domestic and overseas markets. In aerospace components, we will further develop the aftermarket business for commercial aircraft while strengthening the defense-related production base and establishing technological leadership in the defense procurement sector.

Looking ahead to the period covered by our next medium-term management plan, we will accelerate the development of business models that combine products with services to provide solutions that directly address customer challenges. We have already established sensing technology capable of remotely monitoring conveyor belts in operation in real time and detecting abnormalities. We now plan to develop a comprehensive solution service that provides recommendations for the optimal operation and management of conveyor belt systems.

Strengthen & expand by concentrating resource allocation

- Hose and Couplings: Structural reform
- Industrial Products: Growth driver / Maximizing profit

MB Segment: Business Profit and Business Profit Margin



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.

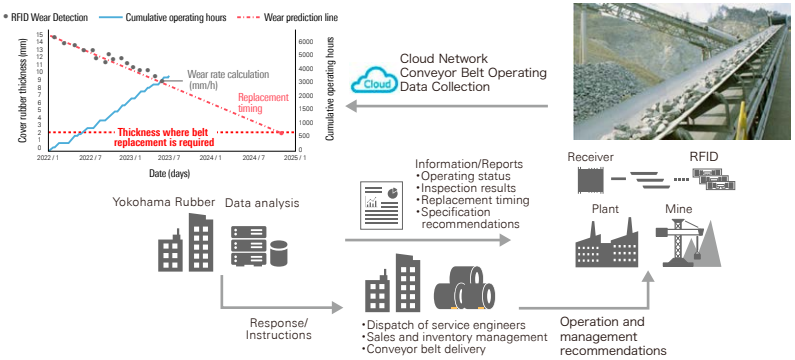
The sensing technology was tested and verified using conveyor belts operating under actual field conditions as part of demonstration testing conducted from February 2022 through December 2024. The system incorporates proprietary RFID*1 tags developed by Yokohama Rubber and embedded within conveyor belts. 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.

3

THE YOKOHAMA RUBBER CO., LTD.
Integrated Report 2026

Sustainable Growth Through New Value Creation

"Taking on the challenge of creating new value and breaking new ground." This stance is underpinned by the technological expertise we have built over many years and by the strength of our diverse people. This section explores our future growth strategies and the investments in intangible assets such as R&D, digital transformation initiatives, and human capital that we are pursuing as we pioneer uncharted territory on the path to our next century.

Key element of the corporate value equation featured in this section

1. Corporate Value = 2. Improving Profitability / (4. Reducing Cost of Capital − 3. Enhancing Growth Expectations)

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Research & Development / Intellectual Property Strategy

Yokohama Rubber responds to increasingly diverse customer needs by conducting research and development (R&D) across a wide range of fields, including tires, hoses and couplings, and industrial products. At the same time, we protect our proprietary technologies through patent acquisition and portfolio management, thereby sustaining our competitive advantages.

Basic Policy on R&D

The Group's R&D activities are focused on pushing the global frontiers of technology and delivering pioneering, innovative products to market. Guided by the principles of creativity and ingenuity, applied implementation, and technology integration, we conduct multifaceted and comprehensive R&D spanning material development, product design, testing, and evaluation. Through these efforts, we explore the potential of a wide range of technologies and products, including rubber polymer technology.

Beyond tires, we also leverage innovative thinking unconstrained by conventional assumptions together with cutting-edge technologies to develop new materials and product designs with an eye toward the next generation.

International Research & Development System

The Research and Development Integrated Center (RADIC) at the Hiratsuka Factory plays a central role in our R&D. With "local production for local consumption" as a guiding theme, we are strengthening our R&D activities in regions close to major markets both in Japan and overseas. To date, we have established the Tire Test Center of Asia in Thailand, the Yokohama China Technical Center in China, and the Yokohama Development Center America in North Carolina. New tires are tested through driving tests and multi-faceted testing conducted at test courses at D-PARC and the Hokkaido Tire Test Center in Japan, the Tire Test Center of Asia in Thailand, and the Yokohama Test Center of Sweden. The data obtained through these tests is used to develop next-generation tires.



* Includes evaluation facilities operated under leasing agreements.

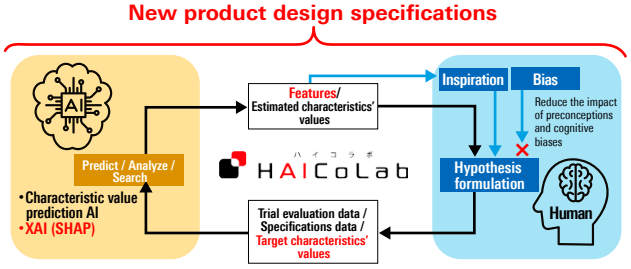
HAICoLab AI-powered Data Utilization Framework

For more than a decade, Yokohama Rubber has been developing technologies to apply computational science and machine learning to materials development. HAICoLab,*1 which has been in practical use since 2020, is our proprietary AI utilization framework that combines simulation technologies with AI technologies while also focusing on human characteristics. By harmonizing human intuition and creativity with AI's ability to process vast amounts of data, we promote new discoveries and aim to drive breakthrough innovation.

In fiscal 2024, we independently developed a tire design support system utilizing explainable AI. This enables engineers to understand and interpret the rationale behind AI-generated recommendations, improving design efficiency for less-experienced engineers while facilitating the development of even higher-performance products.

*1 An acronym for "Humans and AI Collaborate" for digital innovation.

Conceptual diagram of the tire specification examination process using a human-AI collaboration



For More Information About Our Technologies

Further information about our wide-ranging R&D activities and latest innovations is available on the "Yokohama's Innovative Technologies" page of our corporate website.

Yokohama's Innovative Technologies
https://www.y-yokohama.com/global/technology/

Featured Technologies

Next-Generation Mobility and Tire Technologies
Compact, high-load-capacity concept tires/aerodynamics technology/ultra-large tires for mining vehicles, etc.

Core and Sustainable Technologies
HAICoLab, our proprietary AI utilization framework/neo-FIALA analytical model/development of biomass-derived synthetic rubber/SensorTire Technology sensing technology, etc.

Multiple Business (MB) Technologies
Conveyor belts combining flame resistance and ultra-high wear resistance/automotive air-conditioning hoses delivering substantial weight reductions, etc.

Research & Development / Intellectual Property Strategy

Intellectual Property Strategy

We consider intellectual property to be an important foundation for business and proactively promote intellectual property-related activities to realize our business and sustainability strategies based on the medium-term management plan "YX2026."

We emphasize building a optimized intellectual property portfolio, and strategically and efficiently acquiring and managing the intellectual property required for our business activities, thereby maximizing the effectiveness of our intellectual property investments. We also continuously review and strengthen our intellectual property activities to maintain an optimal intellectual property framework.

Intellectual Property Portfolio Promotion Program

We position Intellectual Property Strategy as an important management strategy for innovation and sustained business growth. Through our Intellectual Property Portfolio Promotion Program, we promote the following initiatives.

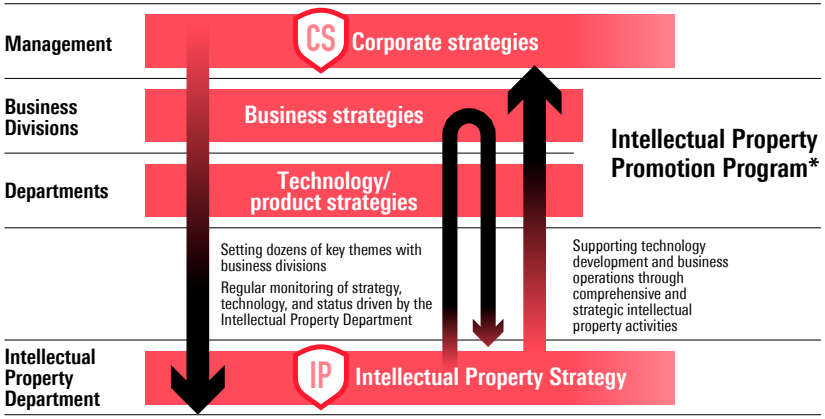
We currently work with business divisions on more than 50 themes annually to advance intellectual property activities. Through these efforts, we strategically leverage intellectual property to accelerate innovation and drive business growth.

• Strategic Development of Intellectual Property Portfolios

Based on management, business, technology, and product strategies, the Intellectual Property Department gathers and analyzes internal and external information and works with business divisions to propose the acquisition of patents, designs, trademarks, and other rights, thereby developing optimal intellectual property portfolios.

• Integrated Intellectual Property Activities

For each theme, we develop intellectual property activities with appropriate timing from a multifaceted perspective, including the details of rights acquisition, the status of intellectual property inside and outside the company, freedom-to-operate (FTO) analyses (investigation of the risk of infringement of third-party rights), and evaluating combinations of patents, design rights, and other forms of intellectual protection.



* Patented (Japanese Patent No. 5327365)

Strengthening Intellectual Property Management

While intellectual property rights, such as patents and design rights, are expensive to maintain, they play an important role in protecting our business and securing a competitive advantage.

We evaluate the effectiveness and validity of our intellectual property rights every year and review and refresh our portfolios as necessary to develop and maintain the intellectual property portfolios required for our business activities. This approach increases the efficiency of investments in intellectual property while ensuring both the protection of our businesses and technologies and the effective utilization of our intellectual property investments.

We also actively pursue legal action and other measures against infringements of our intellectual property rights by third parties, maximizing the value of those rights and supporting sustained business growth. For example, in November 2024, we successfully had counterfeit versions of our ADVAN Racing sports aluminum alloy wheels seized from a manufacturer in Hubei Province, China, through an administrative enforcement action conducted by the local market supervision authority. We will continue taking a firm stance against activities that damage our brands, including the manufacture and sale of counterfeit products, to ensure that all customers can use our products with confidence.

In recent years, the number of Group companies has increased both in Japan and overseas through M&A. While each Group company is principally responsible for conducting its own intellectual property activities independently, we maintain a framework under which specialized the Intellectual Property Department provide support across the Group when necessary.



Counterfeit products manufactured by the company subjected to administrative enforcement action

Future Issues and Measures

One of our key challenges is making more effective use of the vast and diverse R&D data accumulated over many years, including data from commercial products and laboratory sample testing, simulation results, and manufacturing and processing conditions. We will work on further enhancing the infrastructure that enables engineers to utilize this data more effectively, supporting individual skill development, generating new insights, and facilitating the quantification of tacit knowledge for technical skill transfer.

We face intellectual property-related challenges such as intensifying global competition, expanding sustainability requirements, and the increasing sophistication of intellectual property rights. We will strengthen our intellectual property strategy through initiatives such as optimizing our intellectual property portfolios, enhancing enforcement of intellectual property rights, and strengthening collaboration across the Group, thereby supporting sustained growth.

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.

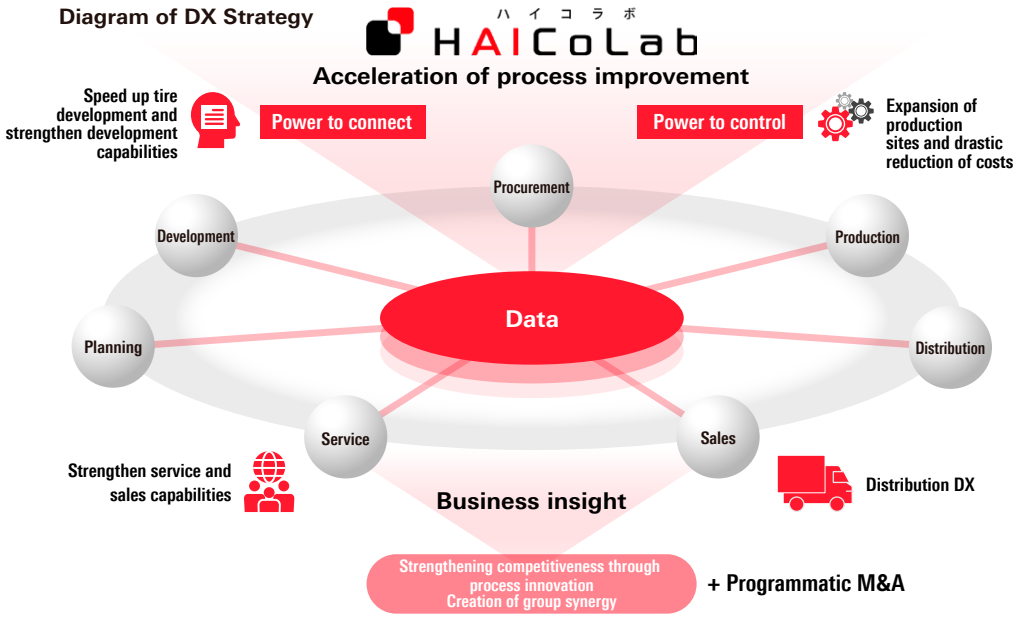
Completing YX2026 and Accelerating Digital Transformation to Support Sustainable Growth in the Next Generation

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

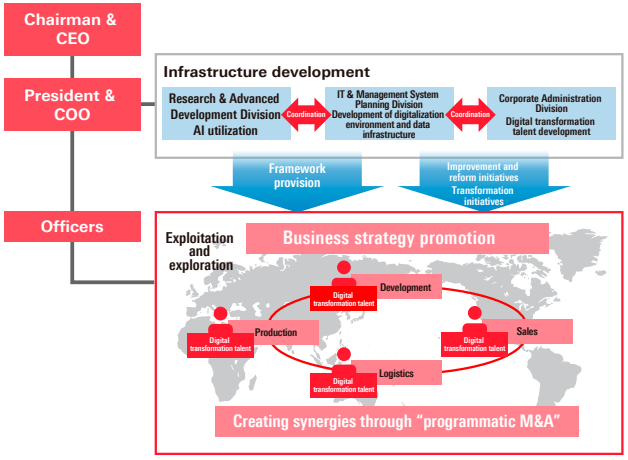
Digitalization Promotion Framework and Roles

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

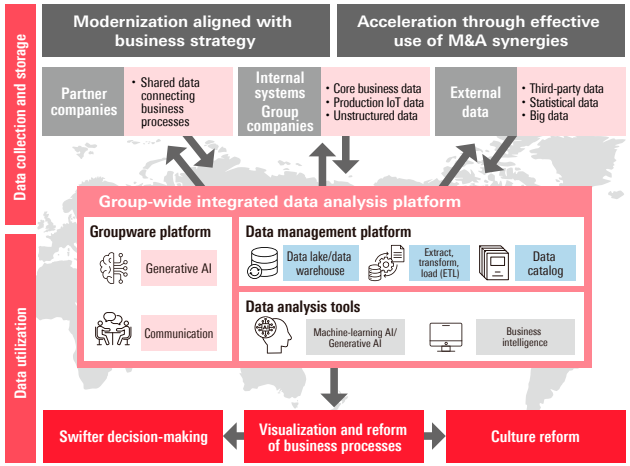


Building an IT Environment to Support Digital Transformation

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.

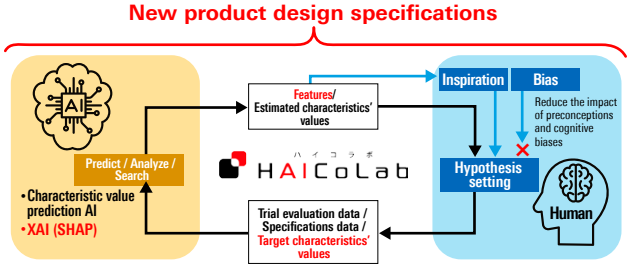


Checking tire pressure using the dedicated smartphone app

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.

Human Capital: Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement

The Yokohama Rubber Group believes that achieving sustainable growth amid drastic changes in the operating environment requires improving the value of human capital.
We will create a workplace environment that enables diverse human resources to embrace various work styles and work together cheerfully with vigor and enthusiasm to increase our human capital capabilities.

Basic Approach

We hold up "Human resources who, regardless of generation, gender, or nationality, commit to results even under challenging circumstances and contribute to the Company's growth through their own personal growth," as our desired personnel profile to continuously improve our corporate value. We respect the character and individuality of our employees, strive to develop personnel with a strong drive to achieve and broad perspectives, and work to create a safe and comfortable internal environment where diverse talent can thrive.

Human Resources Strategy to Achieve the Basic Policy of "Offense & Defense"

Yokohama Rubber aims to enhance corporate value sustainably by simultaneously advancing its basic policy of "Offense & Defense" (a dual-pronged management approach where "Offense" represents exploration and growth, and "Defense" represents exploitation and improvement).

People are the greatest driving force in realizing this growth strategy.

We will promote a human resources strategy that enables us to respond flexibly to the rapidly changing business environment and the challenges we face, and to succeed in global competition.

Changes and challenges in the business environment	Human resources strategy to address challenges	Specific priority measures	Target state to be achieved through these measures
Accelerating growth through the practice of "Offense & Defense," our basic management policy Accelerating "Hockey Stick Growth" (skyrocketing growth)	■ Sustained development of next-generation management talent and core human resources capable of promoting high growth ■ The company and individuals grow together by sharing strategy and executing it with enthusiasm ■ A remuneration system linked to corporate value enhancement and performance	■ Development of future business leaders (p. 59) ■ Next-generation executive succession plan (p. 59) ■ Personnel assignment of the right person to the "right position" (p. 59) ■ Early promotion program for managerial positions (p. 59) ■ Promoting understanding of strategies through dialogue (p. 60)	■ All employees deeply understand our strategy and act autonomously with a high level of engagement ■ The next generation of business leaders is continuously developed and a significant increase in corporate value is achieved ■ Fair evaluations help retain talented employees and enable them to perform at their best
Structural changes in the global tire market (Intensifying competition due in part to the rise of makers in emerging countries)	■ Development of DX human resources capable of leading new value creation and process reform from the frontlines ■ Building a safe and healthy workplace and workforce as the foundation for high quality and high productivity	■ Promoting the development of DX human resources among employees (p. 59) ■ Occupational safety and health (p. 63)	■ 10% of administrative and technical staff serve as DX leaders and data-driven process reforms take root through frontline initiatives ■ A safety culture of zero occupational accidents takes root globally
Globalization and business expansion to realize our grand design for the tire business (Globalization and expansion in organizational scale through M&A and other initiatives)	■ Assignment of local professional executives with in-depth knowledge of local markets ■ A shift from homogeneous management to management that fosters synergy among a diverse workforce, and flexible work styles	■ Appointment of local talent to executive positions (p. 20) ■ Building a pipeline of female managers (p. 62) ■ Encouraging male employees to take childcare leave (p. 62) ■ Promoting the active participation of seniors (p. 62) ■ Work styles free from the constraints of place and time (p. 61)	■ Human resources with in-depth knowledge of local markets serve as top management ■ A corporate culture where diverse human resources respect one another and can perform at their best through flexible work arrangements

Human Capital: Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement

Metrics and Targets for Human Capital

The Group has set the metrics (KPI) and targets for major measures with a primary focus on "Development of human capital capabilities for sustainable corporate value enhancement" as a materiality related to human capital.

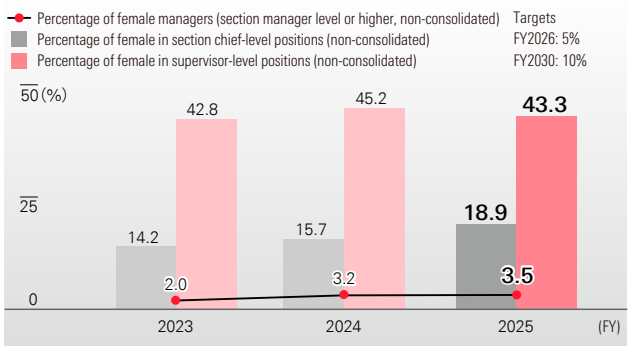
Since metrics and targets related to human capital are set independently by each consolidated subsidiary, below we list the metrics, results, and targets for the Company (non-consolidated), which operates our main businesses.

Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement: Progress and KPIs for Fiscal 2025

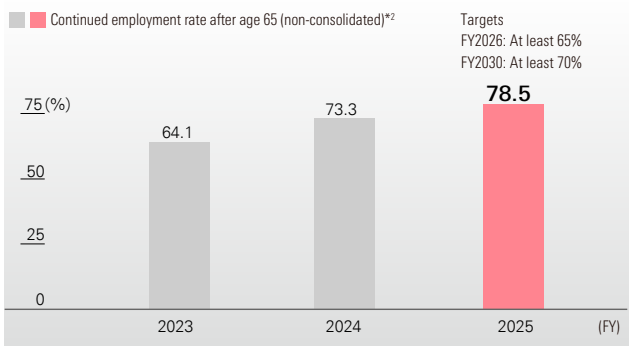
Metrics (KPIs)	Targets	FY2025 results	Evaluation
(1) Percentage of female managers (section manager level or higher, non-consolidated)	FY2026: 5% FY2030: 10%	3.5%	Behind
(2) Percentage of male employees taking childcare leave (non-consolidated)*1	FY2026: 100% FY2030: 100% (expansion of acquisition period)	100.7%	On track
(3) Continued employment rate after age 65 (non-consolidated)*2	FY2026: At least 65% FY2030: At least 70%	78.5%	Ahead
(4) Participation rate in capability development training	FY2026:		
・Participation rate in management education programs such as MBA courses (non-consolidated)	• 15% of department managers (cumulative)	8.1%	Behind
・Participation rate in digital transformation leader development training (non-consolidated)*3	• 10% of administrative and technical employees (cumulative)	5.6%	Behind
(5) Employee engagement score*4	FY2026: 70	69.0	Behind

Metrics (KPIs)

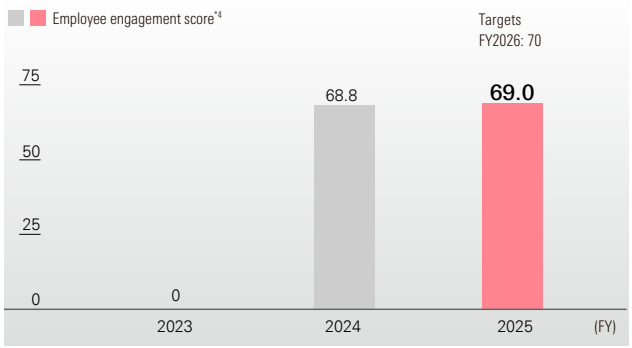
Female managers (section chief/supervisor-level positions)



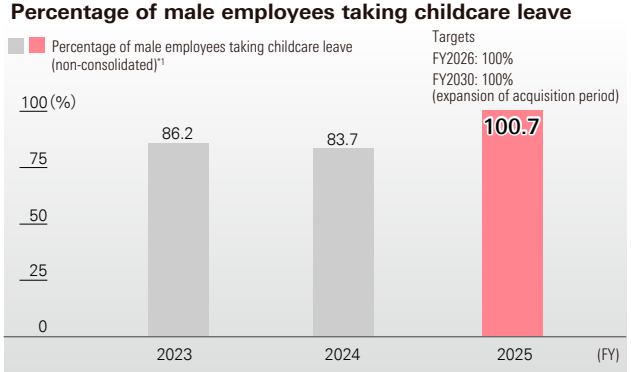
Continued employment rate after age 65



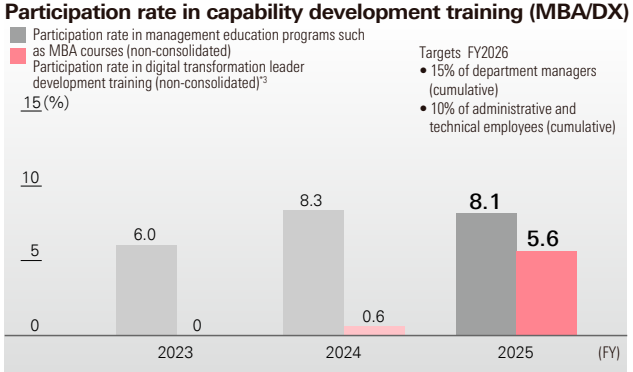
Employee engagement score



Percentage of male employees taking childcare leave



Participation rate in capability development training (MBA/DX)



*1 Calculated in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace. Because the calculation includes employees whose childcare leave spans more than one fiscal year, the rate may exceed 100%.
*2 Percentage of administrative, technical, and skilled employees who have reached age 65 and continue employment with the Company or its subsidiaries (three-year rolling average).
*3 DX leader development training started during fiscal 2024. *4 Calculated based on results of the Employee Awareness Survey conducted among employees of the Company (non-consolidated since fiscal 2024.

Human Capital: Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement

Human Resources Development

Development of Professional Human Resources and Personnel Assignment of the Right Person to the "Right Position"

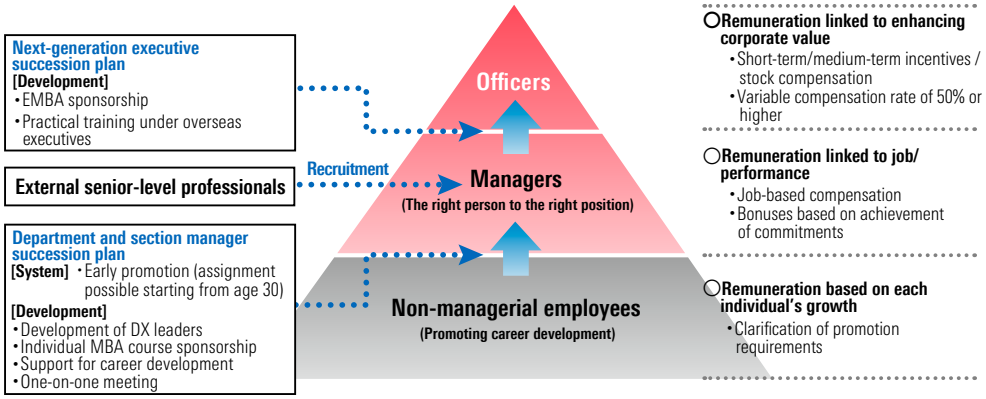
It is integral for the Group, which conducts business on a global scale, to deploy professional human resources with a strong desire to achieve targets and broad perspectives who demonstrate their capabilities while having an impact on the people around them. Based on the belief that individual growth drives corporate development, the Group is promoting initiatives such as the development and selection of professional talent, as well as personnel assignment of the right people to the "right positions." We fully support each employee in actively taking advantage of learning opportunities and growing independently, while also focusing on securing and developing future leaders who will take charge of the company's management.

Development of Core Human Resources

To support the realization of the YX2026 Medium-term Management Plan from a human resources perspective, we are strengthening the development of core human resources through HR systems. As a measure for the development of the next generation of executives, we have introduced a next-generation executive succession plan, under which we have identified successor candidates for each executive position and established personnel development plans that incorporate external perspectives and expertise. These measures are implemented following deliberation by the Personnel Remuneration Committee for Corporate Officers and Directors and the Board of Directors. In addition, for managers at the department and section levels who are expected to play key roles in the future, we are developing future executives through both formal learning and practical experience, including management education programs such as MBA courses and opportunities to work under seasoned executives overseas.

For managers, we are strengthening the link between posts (jobs), results, and compensation and in fiscal 2025 introduced a new bonus system tied directly to performance achievement rates. At the same time, for non-managerial employees, we have organized our system with a focus on early development. Specifically, we introduced an early promotion program in fiscal 2021 that makes it possible for them to be placed in a management position as early as age 30. In addition, we define DX education as "IT literacy/data utilization (D) × business skills and planning/creativity (X)," and based on our policy of positioning the next generation of managers as DX leaders, we are implementing training initiatives.

Development of Core Human Resources Through HR Systems



Comments from Participants in the DX Leader Development Program

The Company has held the DX leader development program since November 2024 with the aim of developing hands-on DX talent capable of driving onsite improvements and new initiatives. The second cohort completed the program by 2025, and it has already achieved tangible results, such as participants' acquisition of the skills required of DX leaders and their practical experience in identifying business challenges and formulating hypotheses. Here, we spoke with two participants who have begun driving transformation in their own departments by applying what they learned in the program, and asked them to share the results they have seen in putting their knowledge into practice and their goals for the future.

VOICE



Masakimi Naruse
Tire Designing Department
No. 2

The Challenge of Transforming Operations Themselves Through DX

Through this training, I realized that the essence of digital transformation is not merely the implementation of IT, but rather the transformation of operations themselves. Drawing on what I learned, I am carrying out initiatives to prevent manufacturing defects as part of "speeding up development"—one of the guiding principles of YX2026—but it's a daily process of trial and error. I am currently using the AI analysis tool dotData to analyze the causal relationship between design specifications and manufacturing defects. However, in addition to the difficulties in collecting data, the results were limited to expected trends, highlighting insufficient consideration of the factors. Therefore, with the cooperation of the relevant departments, we have now taken the first step toward identifying new factors and establishing a data infrastructure.

Moving forward, we intend to continue developing the necessary infrastructure while exploring the complex interplay of various factors, with the goal of establishing a system that designers can utilize. I intend to keep taking on challenges so that I don't just stop at data analysis, but work together with those around me to steadily achieve results.

VOICE



Kento Haga
HR Department

Moving Beyond Instinct and Experience to Data-Driven HR Strategies

Before taking the program, I thought it was simply technical training to master IT tools, but in essence, it was a transformative experience designed to thoroughly hone our ability to plan and execute initiatives aimed at creating business value. After completing the program, I began implementing a new strategy in the HR Department to reduce employee turnover, moving away from the traditional approach that relied on instinct and experience and instead basing it on objective data. In response to the challenges highlighted by our analysis, rather than taking a reactive approach, we are developing and implementing measures to shift toward a proactive HR strategy that identifies high-potential talent early on and nurtures their talents through practical experience.

Having completed this program, my mission is to create a workplace environment that encourages each employee to take on new challenges by leveraging their individual strengths and diverse perspectives, without being constrained by past practices or one-size-fits-all frameworks. Building on the sound, data-based decision-making skills I have cultivated through the program, we will build a strong organization where everyone can feel the potential of their own future and thrive, thereby contributing to Yokohama Rubber's process transformation (YX).

Human Capital: Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement

Human Resources Development Program

In order to respond to changes in the global business environment, we are working to strengthen human capital through a multifaceted human resources development program. We provide training based on the "three reals philosophy"—a hands-on learning approach—aimed at helping employees acquire the mindset, abilities, and skills necessary to make sound judgments and take appropriate action, as well as develop specific skills such as leadership and negotiation abilities tailored to each organizational level. In addition to sending managers to domestic MBA programs to develop future business leaders, we are working to develop employees who meet our desired personnel profile through initiatives such as DX leader training programs designed to foster digital transformation skills among administrative and technical staff.

Name	For	Cumulative participants (FY2025)		Details
		Men	Women	
Training for new employees	Newly hired employees	41	11	With the aim of solidifying a foundation for future growth as a member of the Company, participants acquire the awareness needed as members of society and basic knowledge common to administrative and technical work.
Follow-up training for new employees	Employees in their second year	17	4	In addition to organizing and sharing what they learned during the business assignment and training period, participants transform their mindset ahead of their third year with the Company.
Newly appointed manager training	Managers	34	3	Participants understand and acquire the knowledge necessary for a managerial position, and deepen their awareness of the expectations, roles, and responsibilities required.
Training for newly appointed personnel holding managerial positions	Managers	26	2	For the purpose of supporting adaptation to management work, participants gain a better understanding of the roles of personnel holding managerial positions, while aiming to acquire basic management knowledge and practice in the workplace.
Training for evaluators	Managers	26	3	Through case studies, participants learn appropriate evaluation methods to prevent variation in evaluations and how to improve acceptance in feedback interviews.
Training prior to re-employment	Employees planned to be re-employed	35	5	In the midst of a major career transition, participants eliminate any concerns about working under reemployment arrangements and reconsider how to approach work after reemployment.

Employee Engagement

The Group conducts an Employee Awareness Survey on a regular basis to grasp how much the strategies and policies of the Medium-term Management Plan "YX2026" have been thoroughly instilled in employees, the level of enthusiasm toward executing them, and whether a workplace environment and corporate climate have been fostered that allow our diverse human resources who contribute to the development of the Company through their own growth to work together cheerfully with vigor and enthusiasm. In this survey, we go beyond simply comparing scores to focus on the substance of the results, conducting an analysis that places particular emphasis on "strategic understanding" and "enthusiasm to execution." The results of the fiscal 2025 survey and the measures taken to address the identified issues are as follows.

Overview of Employee Awareness Survey Results

Item	FY2024 results	FY2025 results
Number of target employees	5,522	5,575
Response rate of target employees	95.7%	94.6%
Employee engagement score	68.8	69.0
YX2026 penetration (level of strategic understanding)	57.0	69.6

High Motivation to Participate and Improved Engagement Score

The response rate for the fiscal 2025 survey was 94.6% (fiscal 2024: 95.7%), maintaining a consistently high level. This confirms that many employees take a keen interest in company policies and the workplace environment and are highly motivated to participate in the organization.

In addition, the employee engagement score (out of 100), which is based on job satisfaction, a sense of fulfillment, pride, and motivation to remain with the company, stood at 69.0 (a 0.2-point increase from the previous fiscal year).

Major Improvement in the YX2026 Penetration (Level of Strategic Understanding)

The fiscal 2024 survey highlighted a gap in strategic understanding between management and non-management employees, as well as between administrative/technical employees and manufacturing employees, as a key issue.

To address this issue, we strengthened internal dialogue led by each division head to raise awareness of the connection between individual actions and business strategy. As a result, the company-wide strategic understanding score was 69.6, representing a significant improvement of 12.6 points from the previous fiscal year. The score gap between administrative/technical employees and manufacturing employees narrowed substantially, from 19.6 to 6.6 points, indicating steady progress in fostering a sense of unity across the company.

Future Outlook and Addressing Further Challenges

Going forward, we plan to gradually expand the scope of the survey to include our subsidiaries and overseas sites.

In addition, a new challenge that has been identified is that young employees perceive a weak connection between company growth and their own sense of personal growth.

With this in mind, we will work to deepen understanding within the company of how each individual's contributions support the realization of our business strategy, while also enhancing our human resources development initiatives.



Head Office and Hiratsuka Factory

Human Capital: Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement

Creating a Company Environment Free From the Constraints of Place and Time

Fostering an Organizational Culture that Embraces Diverse Work Styles

Achieving sustainable growth in a drastically changing business environment requires enhancement of the value of human capital. We promote work style reforms to enable our diverse human resources to exert their full potential in their respective fields by introducing flexible work styles that are not bound by conventional practices and thinking and creating a workplace environment that allows all employees to engage in their work duties together with vigor and enthusiasm.

By respecting work-life balance and fostering an organizational culture where we mutually recognize diverse work styles, we will support all employees so they can continue to grow and steadily build their careers while balancing work and personal life.

Promoting Work Styles Free from the Constraints of Place and Time

In March 2023, the Group relocated and consolidated its head office functions from Minato Ward, Tokyo, to the Hiratsuka Factory in Hiratsuka City, Kanagawa Prefecture, with the aim of improving operational efficiency through the consolidation of functions and promoting work-style reform.

We are expanding the application of various systems, such as our work-from-home program, to establish work arrangements capable of accommodating diverse circumstances, while also achieving integrated operations across planning, production, sales, engineering, and logistics, as well as rapid decision-making.

Establishment of the Tokyo Office and a Satellite Office

In conjunction with the consolidation of our head office functions at the Hiratsuka Factory, we have established the Tokyo Office and a satellite office in Shinagawa Ward, Tokyo. The Tokyo Office houses the headquarters of Yokohama Tire Japan Co., Ltd. and Yokohama Rubber MB Japan Co., Ltd., as well as a portion of the sales division of The Yokohama Rubber Co., Ltd.

In addition, by establishing the satellite office that utilize a hot-desking system, we are working to foster communication among employees across organizational boundaries.



Shinagawa Intercity, housing the Tokyo Office and a satellite office



Communication area at the satellite office

Upgrading of Work-from-Home and Flexible Work Systems

We introduced a work-from-home program in 2018 with the aim of improving operational efficiency, supporting employees in balancing work with childcare and caregiving, and reducing long working hours to promote employee health.

Starting in 2023, we expanded the eligibility criteria to allow the program to be used for the purpose of reducing the burden of commuting, removed the cap on the number of uses, and transitioned to an operational model that maximizes results and efficiency at each workplace.

In addition, as a general rule, all administrative and technical employees are now covered by the flex-time system, and we have partially eliminated core hours. Moreover, we have put in place systems—such as expanding our shortened work hours flex-time system—that enable employees to deliver results regardless of location or time.

Introduction of the Home Office System

In March 2023, we introduced the Home Office System, which designates the employee's home as the primary workplace for employees who began commuting long distances due to the consolidation of head office functions, as well as those accompanying their spouses on job transfers. We promote a work style unconstrained by place by not assigning fixed desks in the office and providing company-funded support to set up a work environment at home.

We are also working to prevent career interruptions due to family circumstances and to build a foundation that enables diverse human resources to thrive.

VOICE



Miki Nakamura
Legal Department

Continuing a Career from the Home Office System Even When a Spouse Relocates

Since April 2024, due to my spouse's relocation, I have been working from home in Hiroshima Prefecture under the company's Home Office System. Currently, I am primarily responsible for the initial review of workflow applications related to security trade controls. I am very grateful that this role is well-suited to working from home, as the system allows me to clearly track the number of cases, their details, and their progress.

Since working from home relies heavily on email and online conferencing, it can sometimes be time-consuming to clarify minor details, and it can be difficult to gauge the reactions of others during meetings. However, thanks to the understanding and cooperation of my colleagues in the same group, we have created an environment where I can feel free to consult with them at any time, which allows us to carry out our work very smoothly.

I feel it was very meaningful that we were able to start our new life in this new place as a family without having to take a leave of absence. On my days off, I enjoy the unique lifestyle of the region by traveling to the islands of the Seto Inland Sea, as well as to Shikoku and Kyushu. This system, which allows me to adapt flexibly to changes in life stages and continue my career on my own terms, has been a tremendous source of support for me.

Human Capital: Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement

Ensuring Diversity in Human Resources

Expanding Diversity and Inclusion Initiatives

As the Group's business expands globally, the sustainable enhancement of corporate value requires the recruitment of diverse talent and the promotion of diversity and inclusion that respects various working styles. We aim to build a corporate culture that embraces diversity by hiring without regard to attributes such as nationality, gender, LGBTQ+, educational background, or experience. Under the leadership of the Diversity & Inclusion Promotion Taskforce, we are expanding a wide range of initiatives, including enhancement of internal systems, training to eliminate the gender gap, and career development support. In 2025, continuing on from last year, we were certified as a Best Workplace, the highest rating, in the D&I AWARD 2025.

Promotion of Women's Participation

Through initiatives such as expanding various systems, implementing measures, and increasing the proportion of women in management positions, we are working to create a work environment that is more supportive of women. As of December 31, 2025, women accounted for 3.5% of managers at the section manager level and above (non-consolidated). However, women represent 18.9% of employees at the section chief level, who are candidates for future management positions, and 43.3% of employees at the supervisor level, from which early promotion to management positions is possible. In this way, we are building a pipeline for steadily increasing the number of female managers in the future. Going forward, we aim to further increase the proportion of women in management positions by holding career development seminars, establishing systems to support work-life balance, and making greater use of our early promotion program.

Promoting Women's Active Participation at Production Sites in India

The Yokohama Rubber Group has four production sites in India. Although employment opportunities for women in manufacturing settings are still considered limited in India, the Group's sites are actively hiring women, and the proportion of female employees has increased significantly.

Starting with the hiring of our first female employees at the Dahej Plant in 2018, our other three locations began hiring women sequentially from 2021. As a result of our ongoing efforts, as of March 2026, the proportion of female employees at the Dahej Plant and Visakhapatnam Plant stands at approximately 40%, and has risen to 31.4% across all of our production sites in India.



Female employees working at a production site in India

Employment of Persons with Disabilities

With the aim of creating employment opportunities for people with disabilities, we established Yokohama Peer Support Co., Ltd., a special subsidiary, in 2012. The company employs 32 people (as of June 1, 2025), primarily those with intellectual disabilities. Four companies—Yokohama Rubber Co., Ltd., Yokohama Peer Support Co., Ltd., Yokohama Tire Japan Co., Ltd., and Yokohama Rubber MB Japan Co., Ltd.—have received special recognition as related companies, and their combined employment rate for people with disabilities stood at 2.6% based on 2025 reporting results (as of June 1, 2025). Going forward, we will continue to develop new work opportunities with a view to expanding the scope of occupations.

Initiatives for Sexual Minorities

To support the active participation of a diverse workforce, including LGBTQ+ individuals, we introduced the Partner & Familyship System in October 2023, which recognizes same-sex partners and de facto partners as spouses and treats their families on an equal footing with those of married employees. In addition, we are deepening our employees' understanding by hosting LGBTQ+ seminars led by external experts, and we have established dedicated help desks both within and outside the Company to provide support regarding the use of our systems and address individual concerns. These initiatives were recognized, and in 2025, continuing on from last year, we received the Gold rating in the PRIDE Index 2025 by the work with Pride Association.

Utilization of Senior Human Resources

To provide opportunities for employees who remain highly motivated to work even after reaching the mandatory retirement age of 60 to utilize their extensive knowledge and experience, we have introduced a system that re-employs retirees, allowing them to continue working up to the age of 70. For administrative and technical employees, we support the continued active participation of senior employees by having our wholly owned subsidiary, Yokohama Business Association Co., Ltd., re-employ them and then dispatch them to the Company.

Promotion of Paternity Leave for Men

To promote the participation of male employees in childcare, we have established systems that accommodate diverse childcare support needs in addition to the legally mandated childcare leave. Specifically, we have introduced systems that allow up to ten days of childcare leave in one-day increments and a postnatal paternity leave system that allows work during the leave period, providing flexible childcare leave options. As a result of these efforts, the male paternity leave uptake rate reached 100.7% in 2025. We will continue to encourage employees to take parental leave and improve the environment for taking it, with the goal of further extending the leave period in the future.

Examples of Diversity-related Training

		FY2021	FY2022	FY2023	FY2024	FY2025
Number of programs		17	16	7	6	17
Total number of participants		327	1,127	675	743	1,715
Main programs	Diversity	• Enhanced management of diverse human resources • Participation in wwP*	• Diversity training • Enhanced diversity management • Participation in wwP	• Keynote session on diversity and inclusion • Unconscious bias training • LGBTQ+ training • Participation in wwP	• Unconscious bias training • LGBTQ+ training • Psychological safety seminar • Participation in wwP	• Unconscious bias training • LGBTQ+ training • Psychological safety seminar • Participation in wwP
	Women's career development	• Motivation & empowerment • Business skills training	• Leadership for women	• Round-table discussion for female managers	• External mentor trial	• External mentoring
	Support for work-life balance	• Career development for employees returning to work • Individual consultation for working parents	• Career development for employees returning to work • Individual consultation for working parents	• Career development for employees returning to work • Individual consultation for working parents	• Seminar for employees returning from childcare leave	• Seminar for employees returning from childcare leave
	Health and caregiving	• Prevention of turnover due to caregiving / Caregiving and finances	• Post-partum care class support	• Post-partum care class support	• Caregiving seminar • Post-partum care class support	• Dementia caregiving seminar • Post-partum care class support

* wwP refers to the work with Pride Association, which supports the promotion and integration of diversity management relating to sexual minorities such as LGBTQ+ in the workplaces of companies, groups and other entities.

Human Capital: Development of Human Capital Capabilities for Sustainable Corporate Value Enhancement

Occupational Safety and Health

Safety and Health Management System

In Japan, we have established the Central Safety and Health Committee chaired by the head of the CSR Division, and each business site has its own Business Site Safety and Health Committee (statutory), while each department and workplace has its own Safety and Health Working Subcommittee. As safety and health activities are important initiatives for both the company and the union, we are promoting them in a concerted effort between labor and management while sharing safety information with other companies and labor unions. We also urge our partner companies to join their respective committees in order to share activities.

In addition, we promote the improvement of the health and physical fitness of our employees based on "Collaborative Health*" in cooperation with the health insurance society. Each overseas company has developed its own safety and health system in accordance with the laws of each country. The Safety and Health Management Department coordinates safety and health activities in Japan and overseas, which contributes to raising the level of safety and health throughout the Group.

* An approach where health insurers and businesses actively collaborate to efficiently and effectively implement disease prevention and health promotion for insured employees based on a clear division of roles and a good workplace environment.



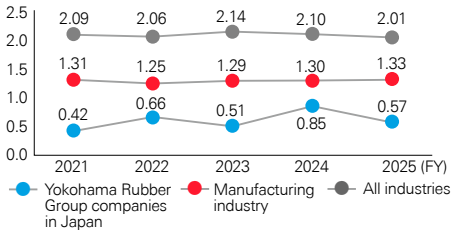
Safety assessment by executive management

Occupational Safety and Health Management System

We have acquired certification for our Occupational Safety and Health Management System (ISO 45001) at 16 out of our 20 domestic and overseas business sites, with three sites renewing their certification and two sites becoming newly certified in fiscal 2025 (with certification maintained at the other sites). Through continuous improvement of the management system and the operation of the PDCA cycle, we will further enhance our safety and health foundation.

Frequency of Occupational Accidents (Lost-Time Injury Frequency Rate)

The frequency of occupational accidents (Japan) in fiscal 2025 was 0.57. We will continue our efforts to achieve zero occupational accidents and zero risks.



* Lost-time injury frequency rate = (number of occupational accidents / total working hours) × 1,000,000 hours
* All figures in the data represent annual aggregated values (from January to December)
* Figures for all industries (excluding general contracting business) and the manufacturing industry are based on the "Survey on Industrial Accidents" statistical table released by the Ministry of Health, Labour and Welfare

Initiatives Toward Safe and Healthy Workplace Environments

Enhancing Equipment Measures

We are strengthening safety measures by systematically conducting risk assessments for all equipment and operations, and by continuously reviewing and improving them. We have established a system for monthly follow-up on the number of risks and improvements, and constantly monitor the progress of safety measures. Safety assessments by executive management are conducted at our domestic plants to further strengthen safety measures. In addition, we are enhancing Company-wide implementation of accident countermeasures to prevent recurrence of similar accidents.

Developing Safety-Conscious Human Resources

Aiming to develop each employee's sensitivity to danger, we conduct hazard prediction training (KYT) every day, along with near-miss (hiyari-hatto) identification and improvement activities involving all employees, as well as experiential training called "Taikan Dojo." In addition, supervisors talk with workers one-on-one for close communication to help them to understand the meaning of each task so that they are able to act safely on their own discretion. Furthermore, we also invite employees of partner companies to participate in the Group's safety awareness improvement activities to deepen their understanding of our safety activities and strengthen cooperation, so that together we can build a safe work environment and achieve zero occupational accidents.

Improvements in Workplaces

We aim to realize a safe and comfortable working environment by promptly responding to legal revisions. At workplaces handling chemical substances, we conduct chemical risk assessments to prevent health disorders. We also ensure that equipment is put in place to maintain comfortable conditions, personal protective equipment is provided, and working methods are improved and maintained, based on environment measurement results. As a part of measures against heat stroke, which has become increasingly serious in recent years, we are measuring WBGT (heat index) values at our workplaces and implementing measures such as insulating roofs, discharging hot air, and improving air conditioning. In addition, we have established and disseminated information on response systems and communication networks to prevent workers at risk of heat stroke from developing severe symptoms.

Development of Standard Work Manuals

We systematically conduct open work observation and continually review work processes to identify unsafe processes and behaviors, and are working on the development of standard work manuals. At workplaces with workers from overseas, we are building safe work environments by adding their native languages to the standard work manuals. We have also begun using videos to help employees better understand work procedures.

Promoting Both Physical and Mental Health

We are working to improve mental health through management of working hours via an attendance management system, interviews, guidance, and work improvement suggestions for employees working long hours, and education for improving communication skills including attentive listening training classes. For employees on long-term leave due to mental health issues, we support a planned return to work and gradually lift work restrictions after their return to fully support their reintegration into the workplace. In order to improve employees' health, we also conduct activities to help employees quit smoking, hold seminars on physical fitness, conduct monthly education sessions aimed at improving health literacy, and hold annual training for managers at all offices and workplaces.

Prevention of Traffic Accidents

To ensure the safe commuting of employees, we conduct traffic safety seminars and activities to raise awareness in collaboration with local police departments to encourage greater attention to traffic safety.

Supply Chain: Establishment of a Sustainable Supply Chain

The Yokohama Rubber Group places great importance on building strong partnerships with suppliers, and works to enhance the sustainability of its entire supply chain. By evaluating suppliers from both social and environmental perspectives, we aim to promote responsible procurement and CSR initiatives while building mutually beneficial partnerships.

Basic Approach

Based on our Basic Procurement Policy and the Yokohama Rubber Group Action Guidelines, we promote sustainable procurement through strong partnerships with business partners, taking into consideration such factors as environmental impact reduction and the protection of human rights and labor conditions. We place particular emphasis on the sustainable procurement of natural rubber, an essential raw material in the manufacture of tires and industrial rubber products, thereby contributing to greater sustainability throughout the supply chain.

Basic Procurement Policy/Yokohama Rubber Group Action Guidelines *https://www.y-yokohama.com/global/sustainability/social/partner/#hoshin*

Establishment of a Sustainable Supply Chain: Fiscal 2025 Progress and KPIs

Metrics (KPIs)	Targets	FY2025 Result	Evaluation
Number of natural rubber farms surveyed	FY2030: 1,200 (cumulative)	1,050	Ahead
Number of seminar events for natural rubber farmers held	At least 2 per year	2	On track
Number of human rights due diligence (impact assessments) procedures conducted in the supply chain	1 per year	1	On track

CSR Procurement Initiatives

CSR Procurement Guidelines

We place great importance on building strong partnerships with our suppliers and are committed to establishing a sustainable supply chain. To this end, we have formulated the Yokohama Green Procurement Guidelines and CSR Procurement Guidelines and share our policies and principles internally and with business partners through briefings. In 2012, we also joined the United Nations Global Compact and strengthened our initiatives from a global perspective. In 2022, we reviewed the Yokohama Rubber Group Environmental Policy in light of changes in the social environment and other factors, and revised the CSR Procurement Guidelines from the perspectives of environmental protection and respect for human rights. We will continue reviewing these policies and guidelines as needed in response to changes in society and the business environment.

CSR Procurement Guidelines
https://www.y-yokohama.com/global/sustainability/pdf/CSR_Procurement_Guidelines_202506.pdf

Environmental and Social Assessment of Suppliers

Our group places importance on evaluating suppliers from environmental and social perspectives to establish a sustainable supply chain.

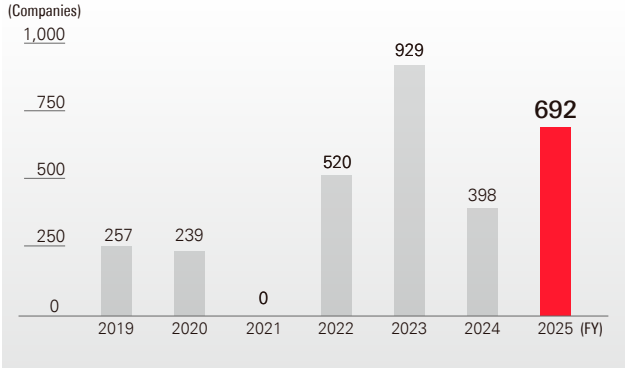
With regard to environmental assessment, we require our business partners, including new business partners, to comply with our Green Procurement Guidelines and conduct regular CSR self-assessments to reduce the environmental impact associated with raw material procurement while ensuring stable and ethical procurement. The fiscal 2025 assessment confirmed that none of our new suppliers in Japan were identified as having significant environmental impacts.

In social assessments, we emphasize living in harmony with local communities, fair business practices, and safe working environments, and require suppliers to comply with our Action Guidelines. We are also committed to global procurement that takes into account human rights, environmental, and societal impacts, and are careful to avoid the use of conflict minerals. The fiscal 2025 assessment also confirmed that none of our new suppliers in Japan posed significant societal risks.

Holding of CSR Briefing

We hold CSR briefings for business partners to share our sustainability principles and policies. In fiscal 2025, two online sessions were held, with a total of 692 companies participating. In addition to explaining our initiatives relating to respect for human rights, harassment prevention, diversity and inclusion, climate change, and information security, we asked our suppliers for increased cooperation and support in advancing these initiatives.

Number of companies participating in CSR briefings



Declaration of Partnership Building

Yokohama Rubber supports the objectives of the Declaration of Partnership Building initiative established by the Cabinet Office, the Ministry of Economy, Trade and Industry, the Small and Medium Enterprise Agency, and other organizations. We formulated and registered our Declaration of Partnership Building in March 2022, with the aim of promoting coordination, mutual prosperity, and coexistence with our supply chain partners and other businesses with whom we engage in value creation.

Yokohama Rubber's Declaration of Partnership Building
https://www.biz-partnership.jp/declaration/127564-05-11-kanagawa.pdf

Supply Chain: Establishment of a Sustainable Supply Chain

Sustainable Procurement of Natural Rubber

We work proactively on international initiatives and measures across the value chain to ensure the sustainable use of natural rubber, an essential raw material in the manufacture of tires and industrial rubber products. Natural rubber accounts for approximately 20% of our total raw material consumption and is indispensable to maintaining a stable supply of our products.

To promote the sustainable procurement of natural rubber, in 2018, Yokohama Rubber became a founding member of the Global Platform for Sustainable Natural Rubber, an initiative led by the Tire Industry Project of the World Business Council for Sustainable Development. In October of the same year, we established our own Procurement Policy for Sustainable Natural Rubber, with the aim of enhancing sustainability throughout the supply chain.

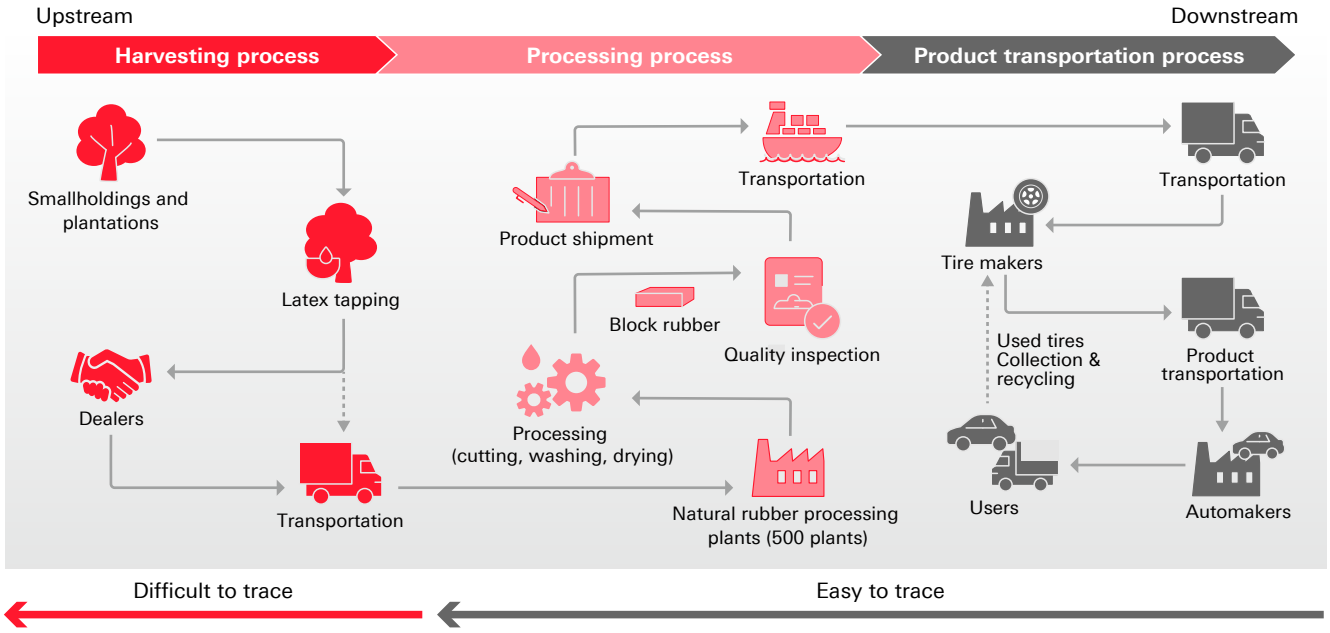
Natural Rubber Supply Chain

Natural rubber production is centered on approximately 6 million smallholder farms, primarily located in Southeast Asia. Such farms face a number of challenges, including economic hardship, inefficient production due to insufficient harvesting know-how, and a lack of consideration of environmental issues.

Because the price of natural rubber is volatile on international markets, after purchasing dealers decide where to sell it and store it based on the price on the day. Since it is possible to store solid raw rubber, it is frequently traded among dealers and across regions and borders, making it difficult to ensure traceability from producers to processing facilities.

In recent years, however, it has become increasingly important to prove that the natural rubber purchased is not associated with deforestation or human rights violations. Greater transparency and ethical procurement throughout the supply chain are indispensable to sustainable procurement of natural rubber.

Natural Rubber Supply Chain



Procurement Policy for Sustainable Natural Rubber

Yokohama Rubber has established the following concepts and initiatives to ensure natural rubber remains a sustainable resource throughout the supply chain, and requests the cooperation of our suppliers.

- Enhancing traceability
- Respect for human rights and prohibition of all forms of harassment
- Fair and equitable treatment of workers
- Prohibition of child labor and forced labor
- Compliance
- Commitment to zero deforestation
- Consideration of biodiversity
- Respect for the land rights of indigenous peoples and others
- Creation of innovative technologies
- Communication with suppliers

Procurement Policy for Sustainable Natural Rubber
https://www.y-yokohama.com/global/sustainability/pdf/SNR2.1_English.pdf



Latex from the Pará rubber tree, the raw material for natural rubber

Supply Chain: Establishment of a Sustainable Supply Chain

Initiatives to Improve Natural Rubber Traceability

As a part of our efforts to improve traceability for the sustainable procurement of natural rubber, Y.T. Rubber Co., Ltd., a natural rubber processing company of the Group, obtained FSC®*1 Chain of Custody (CoC) certification in July 2023. This certification verifies that for natural rubber products made using rubber sourced from FSC®-certified forests, appropriate controls are in place throughout every stage of production to prevent the mixing of non-conforming raw materials prior to completion of the final product. In April 2024, we also introduced the risk assessment tool RubberWay®*2 Geo-Mapping. We leverage farm location data and information on environmental and societal issues to enhance traceability across our supply chain, and are strengthening our risk assessment and monitoring of issues such as deforestation and human rights violations. Through these efforts, we will increase transparency throughout the supply chain and contribute to the realization of a sustainable society.

*1 An abbreviation for the Forest Stewardship Council®. It is an international non-profit organization founded in 1994 to promote responsible forest management worldwide.
*2 A sustainability service provider for the natural rubber industry offering risk assessment services and supply chain mapping solutions to enhance upstream supply chain transparency.

Farm Surveys in Southern Thailand

We are enhancing our surveys of farms and support for farmers in Surat Thani Province in southern Thailand, an important base for natural rubber production and home to Y.T. Rubber Co., Ltd., the Group's natural rubber processing company.

Since 2019, we have been conducting surveys of natural rubber farms focusing on areas surrounding the location of Y.T. Rubber. As of the end of December 2025, we had surveyed a cumulative total of 1,050 farms. So far, no illegal activities, such as unlawful deforestation or human rights violations, have been identified. We will continue conducting these surveys and plan to survey a cumulative total of 1,200 natural rubber farms by fiscal 2030. By analyzing the survey results, we will gain a better understanding of the challenges faced by natural rubber farms, support more sustainable farm management practices, and further improve traceability.



A farm survey in progress

Support Activities for Natural Rubber Farmers

We are also proactively engaged in activities that contribute to raising awareness among local farmers, such as promoting agroforestry to improve farm management stability and enhance biodiversity within farms, as well as holding seminar events aimed at increasing productivity.

In Surat Thani Province in southern Thailand, where Y.T. Rubber is located, we regularly hold seminars jointly with the Rubber Authority of Thailand to improve the quality of natural rubber and provide ongoing support to smallholder farmers. In December 2025, we held the tenth seminar for farmers in Surat Thani since the program began in 2020. The seminar was attended by members of 50 farming households. After the seminar, participants received fertilizer formulated based on the Rubber Authority of Thailand's expertise and provided free of charge by Yokohama Rubber.

The seminar included presentations on topics such as soil and plant nutrients, the proper use of fertilizers, and the importance of preventing foreign matter contamination in natural rubber. To mark the tenth seminar, representatives from local government agencies, the police, and hospitals were invited as guest speakers. They spoke about respecting the human rights of foreign workers and ethnic minorities employed on farms, coexistence with local communities, traffic safety, and occupational safety and health.



Scenes from the seminar event



Farmers taking commemorative photos in front of the provided fertilizer

Post-event questionnaires showed that many participants felt the seminar had helped them improve both their cultivation techniques and raise their awareness about quality issues. Comments included: "I used to work on my farm without any clear methodology, and this was my first opportunity to learn about systematic fertilizer application.""Hearing directly from a manufacturer that uses rubber helped me better understand the importance of preventing contamination by foreign matter." Participants also expressed strong interest in occupational safety and health issues. One commented that the hospital director's talk on preventing lower back pain when tapping rubber trees and dealing with venomous insects was particularly helpful. The seminar also received positive feedback about the way it was planned from the perspective of farmers, including comments such as: "I was nervous at first, but the organizers kept everyone engaged, and it was an enjoyable event with lots of laughter." "I'd like to recommend the seminar to my friends and relatives."

We also request participating farmers to cooperate in follow-up surveys on the physical properties of natural rubber and productivity so that further improvements can be made based on the gathered data.

Through these activities, we will strengthen collaboration with our suppliers and promote sustainable natural rubber procurement while fostering mutually beneficial relationships with local communities.

Respect for Human Rights

The Yokohama Rubber Group respects the human rights of all people involved in its business and strives to prevent, mitigate, and remedy any adverse human rights impacts arising from its business activities. Through responsible conduct across our entire supply chain in our global business activities, we contribute to a sustainable society.

Respect for Human Rights in the Supply Chain

Basic Approach

The Yokohama Rubber Group places importance on initiatives to respect human rights throughout the supply chain in order to respect the human rights of all people involved in its business. As our business activities expand globally, our interactions with a diverse range of people are increasing, and the potential for us to have a direct or indirect impact on human rights violations is also growing. For this reason, we believe it is essential to fulfill our responsibility to respect human rights while taking into account the scope of our influence. Accordingly, we have clearly defined our employees' code of conduct by stating at the beginning of the Yokohama Rubber Group Action Guidelines: "We shall respect human rights inside and outside the company."

Furthermore, based on the United Nations Guiding Principles on Business and Human Rights (UNGP)*1, we have formulated the Yokohama Rubber Group Human Rights Policy and are conducting initiatives with the aim of respecting the human rights of all people involved in the business activities of the Group.

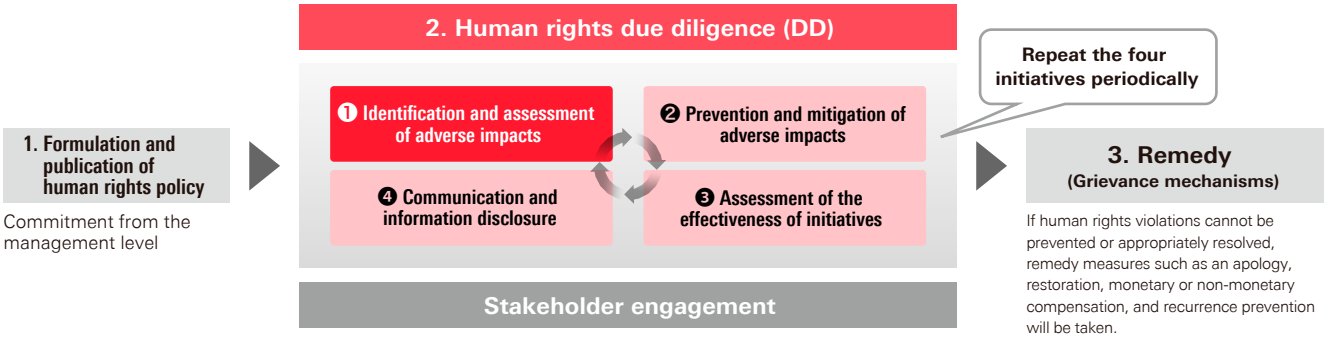
Human rights are the rights of all people to life and liberty and to the pursuit of happiness; they are the rights of human beings to live as human beings, and they are rights they are born with. We will implement Group-wide initiatives to respect human rights, not only to prevent, mitigate, and remedy adverse human rights impacts arising from our business activities, but also to contribute to the realization of a sustainable society in collaboration with stakeholders throughout the supply chain that support our business operations.

*1 Principles endorsed by the United Nations Human Rights Council in 2011 as a framework for respecting human rights applicable to all States and all business enterprises. The Guiding Principles position "the State duty to protect human rights" and "the corporate responsibility to respect human rights" as important pillars.

Yokohama Rubber Group Action Guidelines *https://www.y-yokohama.com/global/sustainability/business/suspolicy/#shishin*

Yokohama Rubber Group Human Rights Policy *https://www.y-yokohama.com/global/sustainability/people/human_rights/policy/*

Management Cycle of Respect for Human Rights



Yokohama Rubber Group Human Rights Policy

The Yokohama Rubber Group Human Rights Policy, established in April 2022, is our overarching policy on human rights based on the Corporate Philosophy and Yokohama Rubber Group Action Guidelines and serves as the foundation for all business activities of the Yokohama Rubber Group.

The policy applies to all executives and employees of Group companies (members of the board, officers, other persons involved in the execution of duties related to management, directly hired employees, seconded employees, and temporary agency workers). Furthermore, in order to fulfill our commitment to human rights in the Group's business activities, we expect all of our business partners, including suppliers and distributors, to understand and support this policy.

Yokohama Rubber Group Human Rights Policy (Outline)

1. Positioning of the human rights policy
2. Respect for human rights
3. Implementation of human rights due diligence
4. Issues related to human rights
   - Discrimination
   - Harassment
   - Forced labor and child labor
   - Freedom of association and the right to collective bargaining
   - Occupational safety and health
   - Impact on local communities
5. Grievance mechanisms
6. Education
7. Information disclosure

Human Rights Due Diligence Initiatives

Based on the Yokohama Rubber Group Human Rights Policy, the Group is developing and strengthening its human rights due diligence (human rights DD) system and conducting human rights due diligence on a regular basis to fulfill its responsibilities to respect human rights.

In May 2023, we held a Human Rights Due Diligence Workshop to discuss human rights risks in the supply chain. We invited Hiroshi Ishida, Executive Director of the Caux Round Table Japan (CRT), a third-party organization, as a lecturer, and 32 department and section managers from domestic and overseas locations participated to engage in cross-group discussions. With reference to advice from CRT, we identified "material human rights themes" for the Group.

Respect for Human Rights

Based on the identified material human rights themes, we select one theme each year and conduct an impact assessment*2.

Through human rights due diligence, by identifying human rights risks in our business activities and assessing their impacts, we improve our human rights initiatives and implement more effective measures. To fulfill our responsibility to respect human rights, we will continue to implement human rights due diligence initiatives and promote respect for human rights throughout the supply chain.

*2 A survey in which onsite interviews are conducted regarding specific human rights issues and stakeholders to find out whose and what human rights are actually affected or not.

Material Human Rights Themes

1. Working environment of foreign workers in Japan
2. Impact on the working environments of workers and the environment of nearby residents at smallholdings (Thailand, Indonesia, etc.) from which rubber raw materials are procured
3. Workplace environment for workers at contractors (manufacturing, distribution, sales, and disposal)

Impact Assessment in Fiscal 2025

In fiscal 2025, under the theme of "the workplace environment for workers at contractors," we conducted an impact assessment targeting workers at contractors responsible for our domestic logistics operations. From September to October 2025, we conducted a survey on employment and working conditions, and in November of that year, we held in-person interviews (both group and individual) at three sites where potential human rights risks were a concern, conducted by CRT, a third-party organization.

Based on the results of the interviews, structural issues were identified that could have a negative impact on human rights, including challenges related to wage levels necessary to maintain a decent standard of living, harsh working conditions during the summer, and instances of harassment in some cases.

In response to this, we have received the following recommendations from CRT.

1. Encouraging contracted companies to conduct a fundamental review of their wage systems to ensure a living wage, and to promote the fair evaluation of skills and experience
2. Improvements to occupational safety and health conditions, including measures to address harsh summer working conditions
3. Strict management of working hours, including those of temporary agency workers
4. Thorough implementation of human rights education and measures to address harassment
5. Strengthening the functions of external remedy mechanisms that allow for anonymous consultations through an independent channel

Moving forward, based on the CRT recommendations, we will strengthen our outreach to contractors and our engagement with workers onsite, and strive to address these issues while regularly evaluating and improving our efforts.

Follow-up Assessments on Past Impact Assessments

We also conducted follow-up surveys to assess the progress following the impact assessments carried out in fiscal 2023 and 2024.

<Working Environment of Foreign Workers in Japan (Conducted in Fiscal 2023)>

From January through March 2025, we conducted a survey of foreign temporary agency workers who had previously participated in in-person interviews to assess changes in their working conditions since then, and based on the results, CRT conducted follow-up in-person interviews. The results of the interviews showed that many workers reported improvements in the areas previously identified—namely, improved accuracy of salary payments by staffing agencies and reduction of workplace harassment—confirming that the corrective measures taken to date have yielded some results.

<Working Conditions at Rubber Suppliers in Thailand (Conducted in Fiscal 2024)>

In December 2025, CRT conducted follow-up interviews with ten rubber farm workers and nine smallholders in Surat Thani Province, southern Thailand. Regarding the working conditions of vulnerable workers, such as those from Myanmar, which had been highlighted in the previous assessment, we continued our efforts to create employment contract templates in languages such as Burmese and encourage their use and execution. As a result, we confirmed that these efforts have provided a sense of security to the affected workers and led to improvements in the protection of their rights.


Interviewing workers at a natural rubber farm

While the positive outcomes of these initiatives were confirmed in all follow-up surveys, issues that require continued attention—such as the payment of a living wage and further improvements to working conditions—have also come to light. We will continue to conduct regular assessments across the entire supply chain and engage with our suppliers and partner companies to encourage steady improvement.

Human Rights-Related Grievance Mechanism

Grievance Mechanism for All Stakeholders Worldwide

The Yokohama Rubber Group is a member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), and has developed a system facilitating the receipt and appropriate response to grievances from all domestic and overseas Yokohama Rubber Group stakeholders through JaCER's grievance reporting platform. This grievance reporting platform is accessible to anyone through the Contact Us page on Yokohama Rubber's website or JaCER's website. When a grievance is filed, JaCER confirms its details and takes appropriate steps toward resolution.

JaCER

Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) Grievance Reporting Platform
https://jacer-bhr.org/en/index.html

Grievance Mechanism for Yokohama Rubber Group Employees

For the Group employees working in Japan, we have established the Corporate Compliance Hotline and the Compliance General Counseling Room, where we directly receive grievances and consultations via phone and e-mail. We ensure that the privacy of whistleblowers and those seeking consultation is protected, and that the fact that we have received reports or consultations and their details are kept confidential.

4

THE YOKOHAMA RUBBER CO., LTD.
Integrated Report 2026

The Foundations of Corporate Value and Value Proposition

Our business is built on our Basic Philosophy of working to "enrich people's lives and contribute to their greater happiness and well-being." This section highlights our efforts to advance decarbonization, promote coexistence with nature, strengthen relationships with local communities, and reinforce the governance frameworks that support these initiatives. Together, these efforts strengthen the foundations of long-term corporate value while helping build a more sustainable future.

Key element of the corporate value equation featured in this section

$$\text{1. Corporate Value} = \frac{\text{2. Improving Profitability}}{\text{4. Reducing Cost of Capital} - \text{3. Enhancing Growth Expectations}}$$

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Environment: Contribution to a Decarbonized Society and Circular Economy

**The Yokohama Rubber Group positions "Contribution to a Decarbonized Society and Circular Economy" as one of its most material management issues.
We aim to realize a sustainable society and achieve sustainable corporate growth by reducing environmental impact and making effective use of resources throughout the entire value chain.**

Basic Approach

We aim to minimize the burden on the environment in accordance with the Yokohama Rubber Basic Environmental Policy, the Yokohama Rubber Environmental Policy, and the Yokohama Rubber Group Action Guidelines. We promote the development and introduction of environmental technologies, work with stakeholders to reduce atmospheric emissions throughout the value chain, and strive to expand the use of renewable and recycled raw materials in our products. Based on the belief that sustainability activities should be compatible with corporate growth, we will proceed with environmental investments in accordance with the same investment recovery discipline as ordinary investments, ensuring long-term profitability.

Yokohama Rubber Basic Environmental Policy, Yokohama Rubber Environmental Policy, and Yokohama Rubber Group Action Guidelines
https://www.y-yokohama.com/global/sustainability/environment/natural/

Contribution to a Decarbonized Society and Circular Economy: Fiscal 2025 Progress and KPIs

Metrics (KPIs)	Targets	FY2025 Results	Evaluation
Reduction of greenhouse gas emissions (Scope 1+2)	・FY2026: 30% reduction compared to FY2019 ・FY2030: 40% reduction compared to FY2019 ・FY2050: Achieve carbon neutrality	10.2% reduction compared to FY2019	Behind
Percentage of electricity used by the Company from renewable energy sources	・FY2050: Achieve 100%	6.8%	Behind
Percentage of renewable and recycled raw materials used	・FY2026: 28% ・FY2030: 40% ・FY2050: Achieve 100% sustainable materials	30.4%	Ahead

Contribute to a Decarbonized Society Through Our Products

We began working to improve the environmental performance of tires in 1996, launched ECO Tire DNA in 1998, and developed BluEarth in 2010, accelerating the spread of fuel-efficient tires. Fuel-efficient tires utilize specialized rubber compounds—with optimized mixtures of materials such as silica—and nano-level blending technology to significantly reduce the energy loss (rolling resistance) caused by tire deformation during driving, thereby lowering fuel consumption and CO_2 emissions.

In addition, in 2023, we introduced the "E+" mark for electric vehicle tires. We are also helping to improve the overall fuel and energy efficiency of vehicles by commercializing aerodynamic technologies that control airflow around the tires and by pursuing technologies to reduce the weight of the tires themselves.

Furthermore, we are promoting the development of products for a decarbonized society, such as flame-retardant conveyor belts that reduce running resistance to achieve lower energy costs and CO_2 emissions.

See page 29 for details **Products and Services: Provision of Products and Services that Contribute to a Sustainable Society**

Reduce Greenhouse Gas Emissions and Energy Consumption

Achieving SBT Validation for Greenhouse Gas Emissions Reduction Targets

To strengthen our efforts to reduce greenhouse gas emissions, we received SBT validation from the Science Based Targets initiative (SBTi) in April 2026, confirming that our reduction targets set for 2035 are scientifically consistent with the Paris Agreement.

Using 2024 as the baseline year, the validated targets are to reduce total direct and indirect emissions (Scope 1 and Scope 2) associated with our business activities by 63.0%, and to reduce total indirect emissions across the entire supply chain (those Scope 3 emissions from purchased products and services, as well as fuel and energy activities) by 37.5%.

To achieve our set targets, we will promote the installation of solar power generation systems and the use of electricity generated from renewable energy sources at our domestic and overseas factories, while continuing to disclose and reduce indirect emissions to further accelerate the reduction of greenhouse gas emissions across our entire supply chain.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Reducing Energy Consumption

To reduce greenhouse gas emissions and prevent resource depletion, we comply with international agreements on proper energy use, regulations in each country where we operate, and the policies of relevant organizations, and promote proper energy use and reduction activities.

At our production sites, we are actively pursuing system improvements (development of energy-saving vulcanization systems, use of cogeneration), savings improvements (expansion of LED use, improvement of equipment operating rates), and process improvements (optimization of rubber mixing processes). Furthermore, as a company-wide initiative including departments outside of production sites, we are implementing the "1% annual in-house improvement activity," which continuously reviews and improves equipment, machinery, and transportation processes.

Environment: Contribution to a Decarbonized Society and Circular Economy

Promoting Solar Power Generation at Production Sites in Southeast Asia

In addition to our steady energy-saving efforts—such as improving the efficiency of factory equipment and optimizing operations to simultaneously reduce costs and cut CO_2 emissions—we are also actively promoting environmental investments that ensure long-term profitability in accordance with the same investment recovery discipline as ordinary investments.

In fiscal 2025, we established new solar power facilities at Yokohama Tire Philippines, Inc. (YTPI) in the Philippines and Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT) in Thailand.

The new 7.9 MW solar power facility built at YTPI is expected to reduce CO_2 emissions by approximately 3,600 tons per year. As a result, total power generation capacity, including existing facilities, will reach 11.9 MW, making it the largest solar power facility within the Yokohama Rubber Group.

In addition, the solar power facility built at YTMT has a generating capacity of approximately 4.8 MW and is expected to reduce CO_2 emissions by around 3,000 tons annually.



Solar power facility at YTPI



Solar power facility at YTMT

Contribution to a Circular Economy

To contribute to the realization of a circular economy, we have set a target of using 40% renewable and recycled raw materials by 2030 and 100% sustainable materials by 2050. In addition to conventional recycled rubber, we are promoting the expanded use of a wide variety of raw materials, including wire made from recycled scrap iron, silica derived from non-edible rice husks, and naturally derived resins.

In the field of chemical raw materials, such as synthetic rubber, we are conducting demonstration research to produce butadiene from biomass-derived ethanol, with the aim of reducing dependence on petroleum and cutting CO_2 emissions. As part of a joint project with Zeon Corporation, which was selected for NEDO's Green Innovation Fund Projects, we are working to establish advanced manufacturing technologies with the cooperation of the National Institute of Advanced Industrial Science and Technology (AIST) and other organizations. Starting in 2026, we will begin collecting data using a bench-scale facility at Zeon's Tokuyama Plant, with the goal of implementing the technology in society by the 2030s.

In addition, in support of a project by Japan Race Promotion Inc., we have been supplying racing tires made from renewable and recycled raw materials since 2023. In 2025, we achieved a renewable and recycled raw material ratio of approximately 46%* by incorporating plant-based compounds and recycled rubber, among other materials. We will continue to supply these tires through 2030, balancing environmental considerations with improved driving performance.

Furthermore, as part of our efforts to conserve resources throughout the product lifecycle, we are promoting the widespread use of retread tires for trucks and buses. By replacing the worn rubber surface (tread) and reusing the tire casing, we are significantly reducing resource consumption and CO_2 emissions compared to manufacturing new tires. We will continue to promote these initiatives across the entire value chain and contribute to the realization of a circular economy.

* Average value for dry and wet tires



Butadiene rubber produced from biomass

See page 31 for details Column: Developing Products that Solve Social Issues
See page 46 for details Motorsports Activities

Response to TRWP and 6PPD

Recognizing Issues and Industry Collaboration

We recognize that addressing the environmental impact of tire and road wear particles (TRWP) produced while driving and 6PPD (an anti-aging agent used in tires) is a critical management issue.

In collaboration with industry organizations such as the Tire Industry Project (TIP) under the World Business Council for Sustainable Development (WBCSD), as well as the Japan Automobile Tyre Manufacturers Association (JATMA) and the U.S. Tire Manufacturers Association (USTMA), we are actively participating in scientific impact studies and the establishment of standardized evaluation test methods.

TRWP Reduction Initiatives of the Japan Automobile Tyre Manufacturers Association, Inc.
https://www.jatma.or.jp/environment_recycle/trwpreductioninitiatives.html

Source Control and Research on Alternatives Through Technological Development

Through our proprietary technological development, we are working to reduce the environmental impact caused by TRWP and 6PPD.

Measures for TRWP:

Through the AI utilization framework HAICoLab, we have achieved a high-level balance between safety (grip performance) and environmental performance (wear resistance). By improving the accuracy of wear progression predictions, we are promoting product designs that reduce particle generation.

Measures for 6PPD:

We are working with industry associations to evaluate and explore alternatives to anti-aging agents (such as 6PPD) and their transformation products, which are essential for tire longevity and safety. While placing top priority on product safety and quality, we strive to establish material technologies with a lower environmental impact.

Environment: Living in Harmony with Nature

The Yokohama Rubber Group recognizes the impact of its business activities on the natural environment and aims to realize a world that lives in harmony with nature. We will continue to work for the conservation, restoration and regeneration of biodiversity throughout the value chain to promote creation of a sustainable environment.

Basic Approach

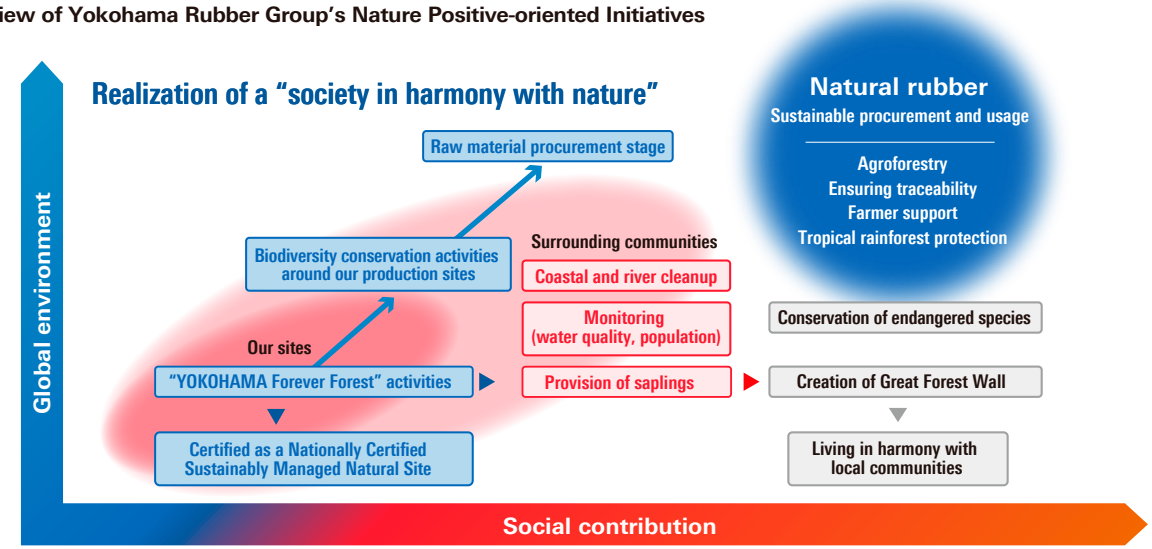
The Yokohama Rubber Group's business activities depend on the blessings of nature (ecosystem services) and they impact biodiversity at the same time. To achieve a "world living in harmony with nature," based on this recognition, we comply with global goals and frameworks such as the Kunming-Montreal Global Biodiversity Framework, reduce environmental impact throughout the value chain and promote the restoration and regeneration of nature. We aim to build a sustainable society by minimizing negative impacts on biodiversity and contributing to nature positivity.

Living in Harmony with Nature: Fiscal 2025 Progress and KPIs

Metrics (KPIs)	Targets	FY2025 Results	Evaluation
(1) Number of trees planted and saplings provided as part of "YOKOHAMA Forever Forest" activities	FY2030: 1.5 million trees planted and saplings supplied (cumulative)	1,490,853 trees/saplings	Ahead
(2) Number of business sites certified as "Nationally Certified Sustainably Managed Natural Sites" (Japanese OECM)	FY2026: 5 sites (cumulative)	3 sites (cumulative)*	On track
(3) Number of serious environmental incidents (air, water, or soil)	Continued achievement of zero incidents	0	On track

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

Overview of Yokohama Rubber Group's Nature Positive-oriented Initiatives



Yokohama Rubber Group Biodiversity Guideline <Action Guidelines> (excerpt)

1. Recognize the issue of biodiversity as a business challenge and continually monitor the sustainable use of natural resources and biodiversity conservation.
2. Understand the relationship between business and impacts on biodiversity and its dependency on nature by scientific approaches.
3. Reduce negative impacts caused by our business activities, while increasing positive impacts.
4. Promote the sustainable use of natural resources throughout the entire value chain through technological innovation.
5. Have the integrated perspective to solve social issues including biodiversity and climate change.
6. Promote biodiversity conservation in collaboration with suppliers to increase sustainability of natural resources.
7. Support employees so they can contribute to biodiversity conservation.
8. Build a trust relationship through communication and collaboration with stakeholders to increase the effectiveness of initiatives.
9. Actively disclose information on a regular basis about efforts for biodiversity conservation in accordance with these policies.

Yokohama Rubber Group Biodiversity Guideline
https://www.y-yokohama.com/global/sustainability/data/pdf/biodiversity_guideline_en.pdf

Environment: Living in Harmony with Nature

Nature Positive-Oriented Initiatives

"YOKOHAMA Forever Forest" Activities

YOKOHAMA Forever Forest is a company-wide afforestation activity launched in 2007 with goals set for 2017, the 100th anniversary of Yokohama Rubber. By planting trees at 14 sites in Japan and 21 sites in eight countries overseas, we achieved our goal of 500,000 trees in September 2017.

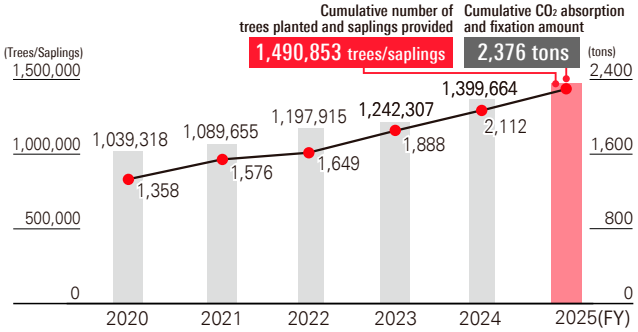
In the years since 2017 when we achieved our goal, we have continued efforts such as planting trees at factories and other sites, as well as providing saplings to local communities. As of the end of December 2025, we have planted trees and provided saplings in a number totaling 1,490,853. Based on a survey of the amount of sapling growth, we have calculated the amount of carbon dioxide fixation at the YOKOHAMA Forever Forest and estimate that, as of the end of December 2025, 2,376 tons of CO_2 have been absorbed by the forest as a whole.

Going forward, we will continue to carry out the initiative at domestic and overseas sites, promoting activities that help mitigate global warming and contribute to biodiversity conservation with the aim of achieving 1.50 million trees and saplings by 2030.



Planting trees at Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT)

Results of "YOKOHAMA Forever Forest" Activities



Biodiversity Conservation Activities at Production Sites

At our production sites, we promote biodiversity conservation activities aimed at nature positivity through the creation and maintenance of environments that contribute to biodiversity. Production sites generally have an impact on natural capital through factors such as land use, water use, and heat and carbon dioxide emissions. For this reason, we assess the environmental impact of our business activities through measures such as monitoring wildlife.

We apply the insights we have gained to our conservation efforts to make them even more effective. At the same time, by sharing this information at community meetings and other events, we work in partnership with local residents to promote conservation activities for natural resources, which are a shared asset of the community.

These activities have also been externally recognized, with six domestic sites (Hiratsuka Factory, Onomichi Plant, Ibaraki Plant, Mie Plant, Shinshiro Plant, and Mishima Plant) earning ABINC*1 certification as business sites in harmony with nature.

*1 An abbreviation for Association for Business Innovation in harmony with Nature and Community. It was established in December 2013 with the aim of creating systems that enable people and wildlife to exist in harmony, verifying them scientifically and technically, and promoting their commercialization.



Biotope conservation activities and wildlife survey (Shinshiro Plant)



Birdwatching on the factory premises (Onomichi Plant)

Contributing to achievement of 30by30 through certification as Nationally Certified Sustainably Managed Natural Sites

The Nationally Certified Sustainably Managed Natural Sites certification system was officially launched by the Ministry of the Environment in 2023 with the aim of achieving 30by30, an international goal of conserving and protecting at least 30% of land and sea that have healthy ecosystems by 2030. Since April 2025, in accordance with the Act on Promoting Activities to Enhance Regional Biodiversity, which was enacted to give legal status to this system, activities by companies and other entities to maintain, restore or create biodiversity linked to specific locations have been certified, and the areas where these activities are implemented are called "Nationally Certified Sustainably Managed Natural Sites." Areas within Nationally Certified Sustainably Managed Natural Sites where maintenance activities are conducted, excluding nature conservation areas and the like, are registered in an international database as OECMs*2.

Since 2023 we have participated in the 30by30 Alliance for Biodiversity, a coalition of Japanese organizations committed to achieving 30by30. We aim to help achieve 30by30 with the target of having a total of five sites certified as Nationally Certified Sustainably Managed Natural Sites by 2026.

In fiscal 2025, our Mie Plant and Onomichi Plant were certified as Nationally Certified Sustainably Managed Natural Sites, bringing the total of certified sites to three*3 together with the Ibaraki Plant, which was certified in 2023. Both plants were certified for conducting activities to maintain sites with healthy ecosystems. The Mie Plant was particularly commended for being home to rare plant and animal species, such as the black-spotted pond frog, and for incorporating the concept of a decarbonized material cycle—including CO_2 absorption analysis and the composting of the litter*4. The Onomichi Plant was also commended for maintaining diverse habitats—such as woodlands, grasslands, and aquatic habitats—through zoning and vegetation management policies.

In fiscal 2026 and beyond, we will continue promoting biodiversity conservation activities at our business sites with the aim of helping to achieve the 30by30 goal.

*2 An abbreviation for Other Effective area-based Conservation Measures. These are places other than conservation areas like national parks that contribute to biodiversity conservation.

*3 Two sites were certified in March 2026, bringing the total to five sites.

*4 Leaves and branches that have fallen to the ground and accumulated



Logo for certification as Nationally Certified Sustainably Managed Natural Sites

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.

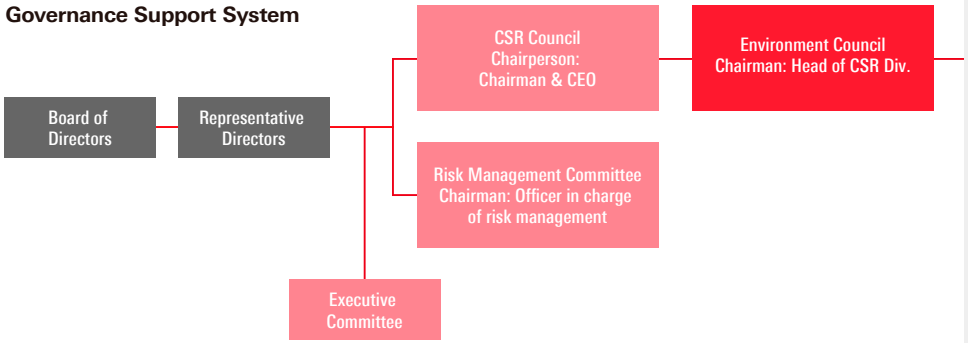
Strategy

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

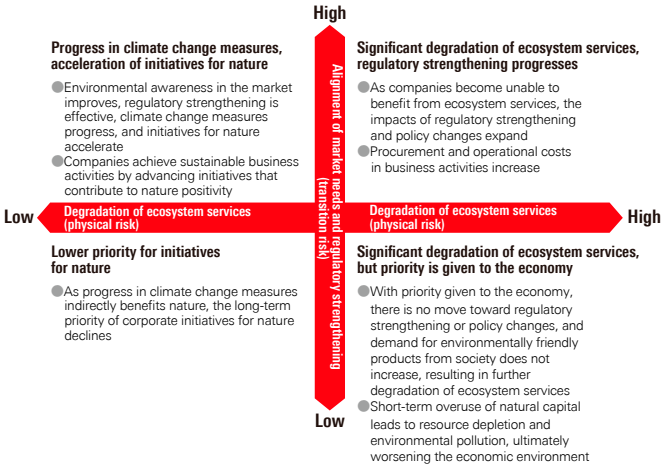
Natural Capital

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.

Community: Living in Harmony with Local Communities

The Yokohama Rubber Group aims for mutual prosperity with local communities and actively supports employee participation in social contribution activities. In addition, as we expand our business globally, we strive to build good relationships with local communities in terms of environment, law, culture, customs, and economy.

Living in Harmony with Local Communities: Fiscal 2025 Progress and KPIs

Metrics (KPIs)	Targets	FY2025 Results	Evaluation
Support for social contribution organizations through the YOKOHAMA Magokoro Fund an employee social contribution fund	At least 10 per year	12	Ahead

YOKOHAMA Magokoro Fund

The YOKOHAMA Magokoro Fund, established by employees in 2016, collects monthly contributions of ¥100 or more from employees (members) who support the fund's purpose, and donates to organizations tackling social issues and to disaster relief efforts. Yokohama Rubber also adopts a "matching gift" system, donating the same amount as employees, and as of the end of December 2025, about 40% of employees have joined.

FY2025 Support Results

In fiscal 2025, we donated a total of ¥6,774,000 through 12 grants to organizations and four disaster-related donations, relief funds, or sympathy payments. Together with matching gifts, the total amount donated was ¥13,547,000.

[Main support recipients]

- Japan Heart, a certified NPO
- WaterAid Japan, a certified NPO
- ReBit, a certified NPO
- Good Neighbors Japan, a certified NPO
- Kanagawa Myoelectric Prosthesis Bank (Kanagawa Rehabilitation Corporation)
- The Nature Conservation Society of Japan, a public interest incorporated association
- 2025 Myanmar Earthquake
- Shizuoka Prefecture Relief Fund for the 2025 Typhoon No. 15 Disaster

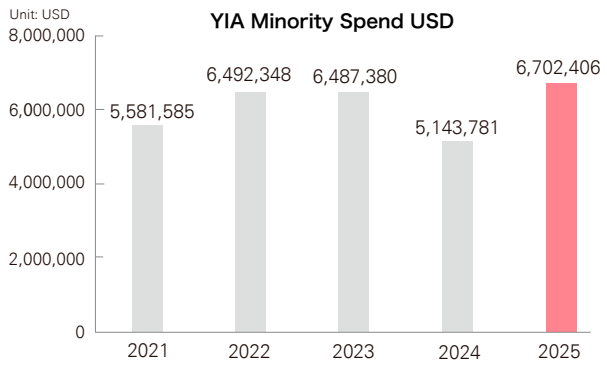
Helping to Revitalize Local Communities

Expanding Transactions with Minority Business Enterprises

At Yokohama Industries Americas Inc. (YIA), which manufactures automotive parts such as air conditioning hoses and power steering hoses in the U.S. state of Kentucky, we have actively created business opportunities to support the growth of companies owned and operated by local minorities (social minority groups such as African Americans and Hispanic Americans).

In addition, YIA has continuously sought out minority business enterprises that provide products and services tailored to its needs over many years and has grown through its business relationships with these companies. Transactions with minority business enterprises have expanded as YIA has grown, and in recent years the business of these minority business enterprises has grown at a faster rate than YIA's.

Transactions Between YIA and Minority Business Enterprises



Supporting the Development of the Next Generation in Local Communities

Nurturing the Next Generation and Contributing to the Community Through Environmental Education

At the Mie Plant, which manufactures tires for trucks and buses and other products, we have concluded an agreement related to environmental education with Ise City, where the plant is located, and conduct education on the local environment for elementary school students.

Along with environmental outreach classes in which our employees visit elementary schools, we also invite local elementary school students to the plant to participate in hands-on learning activities such as tree planting and biodiversity conservation activities.

We carry out initiatives designed to raise awareness of nature and the environment in a fun way, such as using picture-story shows to explain the importance of tree planting and holding events to uproot the cutleaf evening primrose, an invasive plant. We are also actively involved in local environmental conservation efforts through environmental education, including cleaning up beach litter together with elementary school students.

We have had cases where elementary school students who participated in tree-planting activities at our plant went on to join the Company later in life, and we are contributing to local human resources development and raising environmental awareness in the community.



Hands-on environmental learning for local elementary school students at the Mie Plant

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

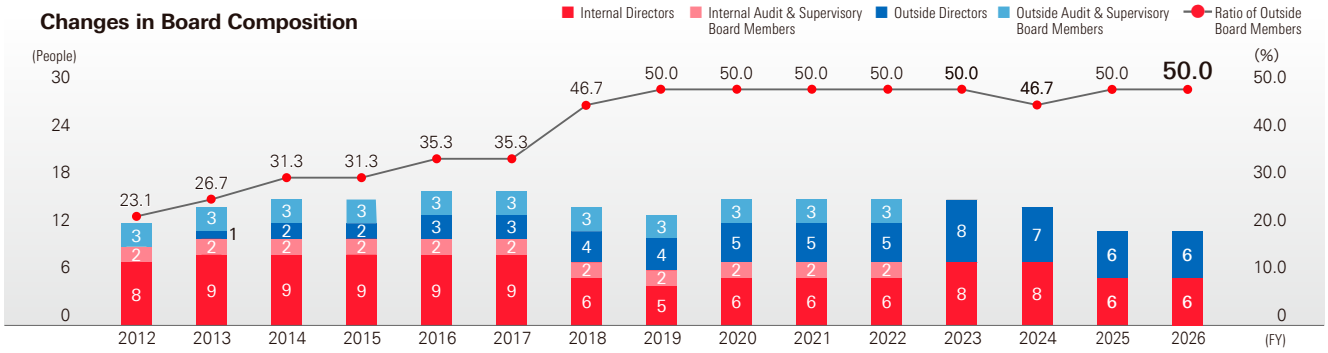
Metrics (KPIs)	Targets	FY2025 Results	Evaluation
Number of sustainability-related issues reported to and discussed by the Board of Directors	・At least 4 per year (quarterly)	7	Ahead

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.

Corporate Governance: Improvement of Management Resilience by Strengthening Corporate Governance

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**

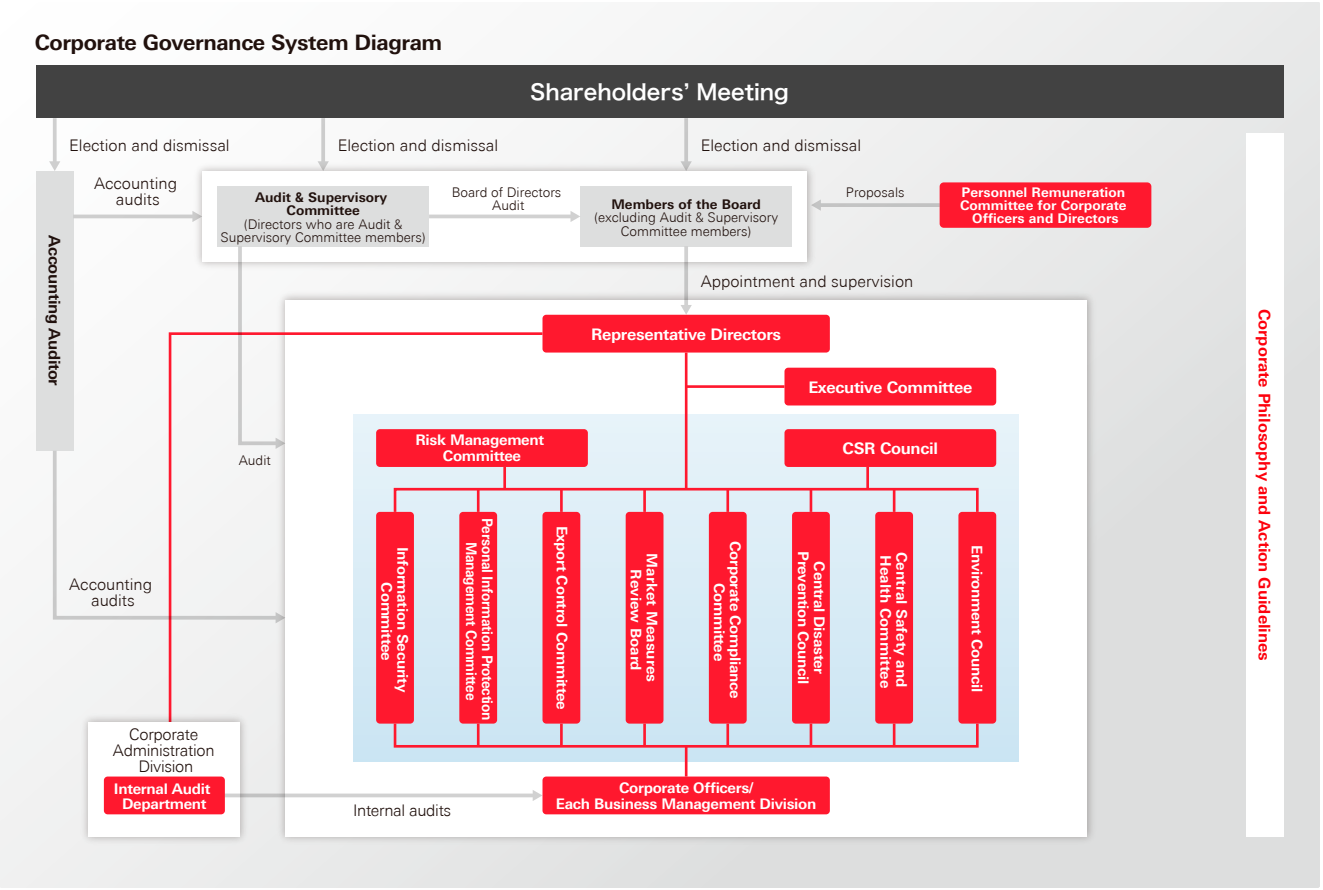
*After the General Meeting of Shareholders on March 27, 2026

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



Corporate Governance: Improvement of Management Resilience by Strengthening Corporate Governance

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

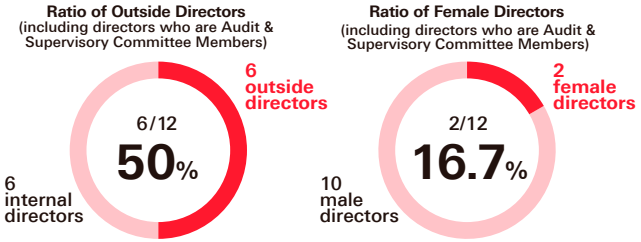
	Name	Activities in fiscal 2025	Reasons for election
Outside directors who are not Audit & Supervisory Committee members	Megumi Shimizu	Board of Directors: attended all 14 meetings	Megumi Shimizu has long worked as an attorney and currently serves as a partner at one of Japan's leading law firms. The 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.

Corporate Governance: Improvement of Management Resilience by Strengthening Corporate Governance

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.)

Corporate Governance: Improvement of Management Resilience by Strengthening Corporate Governance

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

Corporate Governance: Improvement of Management Resilience by Strengthening Corporate Governance

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

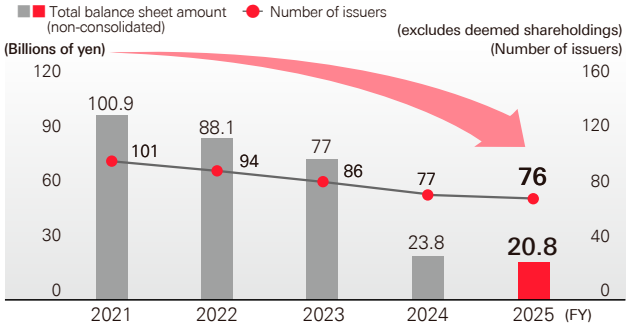
Policy on Cross-Shareholdings

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.

Senior Management

(As of May 1, 2026)

Member of the Board

	Name	Position	Skills Matrix								
			Corp mgt Mgt strategy	HR policies & development	Overseas knowledge Int'l business	Tech development & quality	Procurement/Prod'n/ Prod'n technology/SCM	Finance & accounting	Governance Internal controls	ESG/CSR	Sales & marketing
	Masataka Yamaishi	Chairman & CEO, Chairman of the Board (General Management/Regional Business Units/ Planning and Administration/MB)	●	●	●				●		
	Shinji Seimiya	President & COO (Engineering/Production/Quality Assurance /IT/ TBR Business/PRGR)	●			●	●			●	
	Nitin Mantri	Member of the Board and Senior Managing Officer & Co-COO (OHT Business/India Business)	●		●		●				●
	Tomoaki Miyamoto	Member of the Board and Managing Officer, in charge of Japan Replacement Tire Sales & Marketing Div., In charge of Corporate Administration Div., In charge of Corporate Social Responsibility Div., Head of Hiratsuka Factory, Member of the Board of Yokohama Tire Japan Co., Ltd.	●						●	●	●
	Masahiro Yuki	Member of the Board and Officer, in charge of Corporate Finance & Accounting Dept. and IR Dept., In charge of Tire Business Planning Div.	●		●			●			●
	Megumi Shimizu	Member of the Board (Outside), Member of the Nomination and Remuneration Committee			●				●		
	Junichi Furukawa	Member of the Board (Outside)	●	●				●			

Composition of Directors with Knowledge, Experience, and Ability

The Board of Directors of the Company consists of no more than 15 directors (excluding directors who are Audit & Supervisory Committee members) while the Audit & Supervisory Committee consists of no more than five 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 associated with each business. In addition, we believe that the skills required for each director in light of the Company's medium- to long-term management strategies, management plans, etc. are those shown in the following skills matrix. Skills possessed by current directors are indicated with a "●" in the corresponding column.

(Note) "●" entered for a maximum of four skills or areas of specialization for each director. The chart does not indicate all the skills or professional knowledge possessed by the directors.

	Name	Position	Skills Matrix								
			Corp mgt Mgt strategy	HR policies & development	Overseas knowledge Int'l business	Tech development & quality	Procurement/Prod'n/ Prod'n technology/SCM	Finance & accounting	Governance Internal controls	ESG/CSR	Sales & marketing
	Hisako Takada	Member of the Board (Outside), Member of the Nomination and Remuneration Committee						●	●	●	
	Nobuhiko Sasaki	Member of the Board (Outside)	●	●	●					●	
	Gota Matsuo	Member of the Board, Chairperson of the Audit & Supervisory Committee						●	●	●	
	Hirokazu Kono	Member of the Board (Outside), Member of the Audit & Supervisory Committee, Chairperson of the Nomination and Remuneration Committee	●			●	●				
	Hiroki Kimura	Member of the Board (Outside), Member of the Audit & Supervisory Committee	●					●	●		

Officers

Name	Position
Shinichi Takimoto	Senior Managing Officer, Head of Japan Tire Business Div.
Jeff Barna	Senior Managing Officer, President and CEO of Yokohama Corporation of North America, President and CEO of Yokohama Tire Corporation, Chairman of Yokohama Tire (Canada) Inc., Chairman of Yokohama Tire Mexico S. de R.L. de C.V.
Yoshikuni Nakamura	Managing Officer, Chairman of Yokohama Asia Co., Ltd., Chairman of Yokohama Tire Manufacturing (Thailand) Co., Ltd.
Katsuhiko Yahata	Managing Officer, President of Yokohama Tire Japan Co., Ltd., Deputy Head of Japan Replacement Tire Sales & Marketing Div.
Takehisa Morimoto	Managing Officer, President of Yokohama Tire Manufacturing Mississippi, LLC.
Kazuhito Yanadori	Managing Officer, Head of Procurement Div., President of Yokohama Rubber Singapore Pte. Ltd.
Hiroyuki Narabayashi	Managing Officer, Head of Quality Assurance Div.
Shingo Ishimitsu	Managing Officer, Head of Corporate Administration Div., Deputy Head of Hiratsuka Factory, President of Yokohama Peer Support Co., Ltd.

Name	Position
Takeshi Masatomo	Managing Officer, Head of Tire Overseas Sales & Marketing Div., Head of Tire Overseas Business Planning Dept.
Takayuki Hamaya	Managing Officer, Head of MB Div., Head of Industrial Products Div., President of Yokohama Industrial Products Japan Co., Ltd.
Ming Fan	Managing Officer, Assistant to CEO, Chairman and President of Yokohama Rubber (China) Co., Ltd., Chairman and President of Yokohama Tire Sales (Shanghai) Co., Ltd., Chairman of Hangzhou Yokohama Tire Co., Ltd., Chairman of Suzhou Yokohama Tire Co., Ltd., Chairman of Yokohama China Technical Center
Gregorio Borgo	Managing Officer, Consultant and Acting President of Yokohama Europe GmbH, Consultant of Yokohama TWS
Hiroyuki Shioiri	Officer, Head of Consumer Tire Product & Marketing Planning Div.
Anil Gupta	Officer, COO of ATC Tires Pvt. Ltd., Vice Chairman of Yokohama India Pvt. Ltd.
Shoichiro Matsuda	Officer, Head of Tire Development Div.
Angelo Noronha	Officer, President and CEO – Yokohama ATG
Motoji Fujita	Officer, Head of Research & Advanced Development Div.

Dialogue Between Outside Directors

Governance Supporting the Sustainable Growth of Yokohama Rubber

Yokohama Rubber is accelerating its business restructuring and global expansion under the banner of "Hockey Stick Growth." While pursuing an aggressive growth strategy, we are also focusing on improving the effectiveness of our governance and developing the next generation of management talent. What are Outside Directors focusing on right now, and how are they overseeing management? We asked Hirokazu Kono and Hisako Takada.



Hirokazu Kono Member of the Board (Outside Director) and Member of the Audit and Supervisory Committee (photo right)
Career summary: 1991, Ph.D. in Engineering, Keio University. 1991, Visiting Scholar at Harvard Business School (until July 1992). 1998, Professor at Keio University. 2009, Dean of the Graduate School of Business Administration, Keio University and Dean of the Keio Business School. 2011, Member of the Independent Committee of Yokohama Rubber. 2013, President of the Japan Industrial Management Association (until May 2017). 2018, Member of the Board of Yokohama Rubber. 2023, Member of the Audit & Supervisory Committee of Yokohama Rubber. 2023, Professor Emeritus and Project Professor, Keio University (present).

Hisako Takada Member of the Board (Outside Director) (photo left)
Career summary: April 1993, Joined Goldman Sachs Japan Co., Ltd. July 1998, Graduated from London Business School. August 1998, Joined Sony Corporation. August 2000, Joined UBS Securities Japan Co., Ltd. December 2005, Joined GCA Corporation (currently Houlihan Lokey). April 2014, Joined OMRON Corporation. March 2021, Senior General Manager of the CEO Office, OMRON Corporation. April 2021, Executive Officer, OMRON Corporation. March 2024, Member of the Board (Outside Director) of Yokohama Rubber. April 2025, Senior Executive Officer and CFO, Advantest Corporation (present).

Evolution Toward a Discussion-oriented Board of Directors

Kono Compared to 2018, when I first joined the Board as an Outside Director, I feel that the current Board has made significant strides in terms of the effectiveness of corporate governance. In 2023, we transitioned to a company with an Audit and Supervisory Committee. Through our ongoing efforts to enhance diversity—including increasing the proportion of Outside Directors and female executives, and appointing individuals with diverse areas of expertise—we have strengthened our diversity and expertise to a level that exceeds the standards expected by society and capital markets. In light of the continuous changes in the global landscape and the growing needs of our shareholders, as we formulate Yokohama Rubber's growth strategy—which also takes into account the growth of the tire industry itself—I truly feel that the functions of the Board of Directors are being strengthened.

Takada Although I have only been serving as an Outside Director for a little over two years, what I've noticed while observing the Board meetings is that important matters requiring discussion are being thoroughly discussed. There are no so-called rubber-stamp meetings that have become mere formalities, nor do we, conversely, get too involved in the day-to-day operations of the executive branch. I get the impression that the Board of Directors is focusing on the issues it should be addressing.

Also, if you look at the profiles of our Outside Directors, you'll see that they bring a wide variety of perspectives to the table. Members with diverse backgrounds and areas of expertise have come together to share their perspectives from multiple angles. And after engaging in thorough discussions, the decisions that need to be made are made promptly. I believe this balance is what contributes to the Board of Directors' high level of effectiveness.

Kono With regard to reporting items—such as quality issues, safety issues, and product mix issues—we have established a system whereby we receive regular reports within our annual schedule on topics we wish to monitor on an ongoing basis. Documents are shared several days before Board meetings, and a detailed explanation of the agenda items is provided at a preparatory briefing held the day before. The Board of Directors conducts its deliberations with this prior understanding in mind and engages in in-depth discussions on pending issues. Furthermore, if there are any agenda items that require further discussion, a new meeting is scheduled at a later date to ensure that proper reports are presented and discussions are held. I recognize that this high level of transparency in our operations is another area that has changed significantly compared to the past.

How to Capitalize on a Growth Phase

Takada Regarding the current growth phase, often referred to as "Hockey Stick Growth," while it holds tremendous potential, I believe we must also plan on the assumption that things may not go exactly as planned. For example, while we are implementing aggressive strategies—such as pursuing M&A for inorganic growth and building a factory in China within a year—there may be deviations from our initial plans, such as a decline in profits in the OHT business due to a slump in the North American agricultural machinery market. What's important is to quickly detect these changes on the ground, share information swiftly across national, organizational, and hierarchical boundaries, and conduct reviews to gain insights. How quickly can we get this cycle moving and, based on that, make the next decision? I believe this is precisely what adaptability is. In fact, I feel that the discrepancies between the initial plan and reality, as well as the challenges we face, are being shared with the Board of Directors at a relatively early stage. I think this culture is one of the Company's strengths.

Kono I don't think we should interpret the term "Hockey Stick Growth" as simply meaning growth. Opportunities for skyrocketing growth—such as acquiring a company or acquiring a portion of its business through a carve-out—are, after all, merely one type of opportunity. It is important to determine how we can achieve growth that is truly characteristic of Yokohama Rubber in terms of divisional synergy, the Yokohama Rubber brand, as well as quality and reliability.

Let me take a case of our approach to safety and quality as an example. As a researcher to specialize in production research, I strongly feel that as our operations expand globally, we need to monitor safety and quality control in great detail. We must not allow defects to slip through or safety concerns to arise simply because quality standards or work procedures were overlooked at some plant site.

At Yokohama Rubber, the Company strictly adheres to the philosophy of designing equipment to prevent accidents even when human errors occur, and

Dialogue Between Outside Directors

of halting production when necessary to prioritize safety. However, in some overseas companies, a culture that prioritizes efficiency still persists. It will be extremely important to ensure that Yokohama Rubber's safety and quality standards are thoroughly implemented worldwide. Furthermore, as the number of locations increases, the number of entities subject to audits will also increase dramatically. With operations expanding worldwide, even the smallest mistake could pose a reputational risk. This is precisely why we need to further raise the effectiveness of our audits.

Takada As we achieve inorganic growth and more operating companies join the Yokohama Rubber Group, it is crucial that Yokohama Rubber's philosophy and culture are truly understood and resonate with them. I also believe we need to put more effort into ensuring a thorough understanding of YX2026 and ensuring that the direction we have set is fully embraced throughout the entire Group. Once a year, we receive a report on our global internal control system. However, in addition to these internal controls, we intend to utilize tools such as engagement surveys to closely monitor whether executives and employees at companies that have recently joined the Group are sharing the same values and culture.

In M&A, Post-merger Integration (PMI) is Crucial After the Agreements are Signed

Kono I believe that, more than what is discussed in theory, M&A is heavily influenced by how management assesses the target company. In price negotiations, while due diligence—including assessing the investment recovery period, capital efficiency, growth potential, and risks—is certainly important, it is also crucial to share all information openly throughout the process and to make flexible adjustments while comprehensively taking into account the intentions of the executives in charge and external opinions.

It is also important to recognize that steps toward post-merger integration (PMI) are already underway from the very start of negotiations. For large-scale acquisitions, integration work—including product supply agreements and technical agreements—can continue over a long period, with the transition phase sometimes lasting as long as three or five years. Throughout this process, it is also extremely important to ensure that key personnel at the target company remain with the organization. It is necessary to thoroughly understand which personnel are responsible for which functions—including their technical skills, expertise, and sales capabilities—in order to design optimal roles and incentive structures.

Takada A common pitfall in M&A is losing sight of the rationale for the acquisition partway through the process, to the point where completing the acquisition becomes the sole objective. However, in the Company's case, M&A is positioned as a part of a clear strategy, YX2026, and the purpose for each acquisition is clearly defined. In addition, I feel it is extremely important for the person leading the M&A to be the same as the person responsible for subsequent business operations. At the Company, the person responsible for business is also involved in the M&A and has responsibility for subsequent business operations. For that reason, decisions are made with a view to everything from the time of acquisition through to post-acquisition operations, and I believe this is a major strength. Of course, things don't always go according to plan. What's important at such times is conducting timely reviews based on changes in the market and business environments and revising plans as needed.

For the Development of the Next Generation of Management Leaders

Takada With Outside Directors now comprising a majority of the Personnel Remuneration Committee for Corporate Officers and Directors, and Mr. Kono assuming the role of chair, I feel that the Committee's objectivity has been further enhanced. As a Committee member, I place great importance on assessing a candidate's character through various interactions, such as Board meetings, preliminary briefings, and site visits.

Kono Preparations for a succession plan need to begin at a fairly early stage. Unless we select candidates, assign them roles, and nurture them over a period of several years—while also utilizing external evaluations and coaching—we will not be able to develop the next generation of management talent. I understand that we are currently at a stage where the process of developing the next generation of candidates is beginning in earnest. It is also important to develop not only potential candidates for president but also the entire management team that supports them. As our business expands globally, we are seeking individuals who can understand and oversee a wide range of business operations and regions. For that reason as well, we believe that developing the next generation of management leaders is a critically important priority for supporting our future sustainable growth.

Toward Enhancement of Corporate Value Over the Medium to Long Term

Kono I feel that Yokohama Rubber has largely laid the groundwork to further increase its sales and profits and enhance shareholder returns going forward. The overall strength of the Company—including its brand, technological capabilities, human resources, and workplace satisfaction—is steadily increasing. It can be said that we are now entering the phase where we are truly beginning to reap the rewards of our efforts. Rather than simply chasing after new catalysts, it is important to steadily implement the growth strategy that Yokohama Rubber has built up over the years. If our stakeholders agree with this approach, I believe there is a high likelihood that it will ultimately lead to returns that exceed our shareholders' expectations. It is also important to create an environment in which shareholders, customers, employees, and their families can share and understand the direction Yokohama Rubber is pursuing, taking into account their expectations. For that reason as well, we sincerely hope you will place your trust in the discussions and oversight functions of our current Board of Directors, which comprises members with diverse areas of expertise.

Takada Japanese companies are now being challenged to prove their value in the global market. In light of this, the Company needs leaders who can manage talented individuals regardless of their nationality. To that end, I believe it is important—from the perspective of one who is responsible for evaluating and overseeing management—to continually verify whether a culture that welcomes challenges and diversity, tolerates failure, and makes course corrections is being maintained. It is not just the growth strategy itself, but also assessing whether the organizational culture and governance that underpin that growth are functioning soundly that leads to the enhancement of corporate value over the medium to long term. Yokohama Rubber is a company with the potential to grow further in the global market, and I have high hopes for its future growth.



Risk Management

To minimize the various risks surrounding the Yokohama Rubber Group and support our sustainable growth, we manage risks that could have a significant impact on management in a company-wide and cross-functional manner.
We are promoting a management approach that accurately assesses changes in the business environment and takes prompt and appropriate action.

Basic Approach

We are working to strengthen risk management as part of our internal control in order to minimize diversifying risks. We are focusing on identifying events that may have a significant impact on our business, taking preventive measures in advance, and creating a system for prompt and appropriate responses to minimize damage in the event of a serious risk incident.

Currently, there is a need to respond to various changes in the business environment in Japan and overseas, such as growing awareness of human rights and the globalization of business. In addition, the impacts of risks caused by the external environment, such as mounting geopolitical risks, climate change, tight supply of raw materials, and the increasing sophistication of cyberattacks, are also enormous.

In light of these circumstances, we position risk management as one of the most important issues supporting sustainable management, and we are working to maintain and strengthen our company-wide risk management system.

Risk Management System

To strengthen our defense against various risks surrounding our Group, we have established the Risk Management Committee, chaired by the officer in charge of risk management, to manage risks that may have a significant impact on management across our Group and appropriately evaluate and respond to them.

Further, regarding risks with a high degree of importance, including the environment, occupational safety and health, disaster prevention, business continuity plan (BCP), quality management, compliance, information security, and export management, we have put in place a system for the focused management of risks that establishes divisions and meeting bodies specializing in overseeing each risk. This enables us to comprehensively identify risks in our business activities and take appropriate countermeasures.

The activities of the Risk Management, Corporate Compliance, Export Control, Personal Information Protection Management, and Information Security Committees are periodically reported to the Board of Directors. In addition, the activities of other meeting bodies are reported to the Executive Committee as appropriate. Matters that may have a significant impact on management decisions are reported to the Board of Directors.

Fiscal 2025 Results

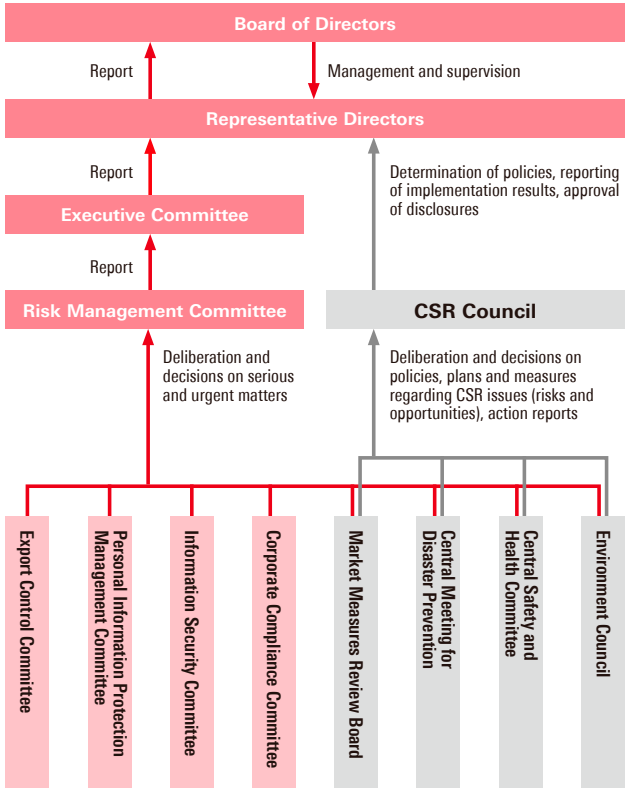
The Risk Management Committee and other committees hold regular meetings twice a year and may hold ad hoc committee meetings based on the standards stipulated in regulations.

Moving forward, we will continue to further promote PDCA activities to identify possible risks, consider countermeasures, inform related parties, and verify them while steadily carrying out our day-to-day initiatives.

Committee Meetings Held in Fiscal 2025 (Including ad hoc committee meetings)

Risk Management Committee	**2 times**
Personal Information Protection Management Committee	**2 times**
Export Control Committee	**2 times**
Information Security Committee	**2 times**

Risk Management System



Risk Management

Information Security Initiatives

We have established the Basic Policy on Information Security, and are implementing a variety of measures to protect customers' personal information and other confidential information from information leaks and cyberattacks, which are becoming more sophisticated and complex every day.

We have also established information security rules, procedures, and global guidelines, and regularly review them in response to changes in the environment surrounding information security.

As the core of the information security system for our entire Group, we have appointed information management officers in each organization, centered on the Information Security Committee, and have built a close communication system.

Furthermore, YRC-CSIRT has been established as an organization under the Information Security Committee. While the Information Security Committee is responsible for formulating and making decisions regarding Group-wide security strategies and policies, YRC-CSIRT carries out front-line operations based on those strategies and policies, including responding promptly to information security incidents, gathering the latest threat intelligence, implementing measures such as information security training, and conducting regular risk assessments. The results of onsite assessments are compiled into reports, and the identified areas for improvement and future action plans are promptly shared with the Information Security Committee. This enables the continuous improvement of highly effective security measures through a unified effort between management and operational teams. In addition, YRC-CSIRT has been a member of the Nippon CSIRT Association (NCA) since 2023, and by deepening information sharing with external specialized organizations and other companies, we are further enhancing our ability to respond to increasingly sophisticated threats.

As a result of these robust systems and ongoing efforts, there were zero major information security incidents in fiscal 2025. Our ongoing initiatives are regularly evaluated through external audits, and we have obtained and maintain TISAX certification, an information security assessment formulated by the German Association of the Automotive Industry. In addition, our information-related subsidiaries have obtained ISO 27001 certification.

Basic Policy on Information Security

1. Protection and appropriate management of information assets
2. Compliance with laws and internal regulations
3. Implementation of ongoing education and training
4. Response to information security incidents and accidents
5. Formulation and continuous improvement of information security management rules

https://www.y-yokohama.com/global/sustainability/governance/risk/

Activities in Fiscal 2025

Fire and Disaster Prevention Initiatives

Learning from the fire that occurred at Yokohama Tire Philippines, Inc. (YTPI)'s production site in the Philippines in 2017, we are working to operate our business with safety as a top priority based on our vow to never cause a fire or accident again. In terms of fire prevention activities, in September 2025, we revised the company-wide Fire Prevention Guidelines, which aim to prevent fires and prevent the spread of fires in the event of an emergency. From fiscal 2026 onward, through the implementation of fire safety inspections, we are continuing to promote preventive management—including measures to prevent recurrence—and making ongoing improvements in management, training, and equipment to ensure that fires do not spread in the event of an emergency. We are also working to strengthen our fire prevention measures to ensure we have a firm grasp of the operations of our newly acquired Group companies, both domestic and overseas. In addition, we conduct fire safety training to ensure that every employee strictly adheres to the rules, and we continuously review standard operating procedures—including those for tasks involving hazardous materials—with a focus on fire hazard prediction through on-the-job observations.

In terms of disaster prevention activities, we revised the Disaster Prevention Guidelines in November 2023 to clarify our preparedness for intensifying natural disasters and infectious diseases occurring over a wide area. Formulated with the aim of maintaining corporate activities based on human life first, these guidelines promote the strengthening of our disaster preparedness capabilities by clarifying the actions that employees should take in the event of a disaster, our disaster prevention system, and the enhancement and management of disaster stockpiles. Disaster prevention drills are also held on a regular basis, and their content, frequency, and the number of participants are confirmed to ensure a quick response to disasters. We also conduct more practical distribution drills, specifically designed for people who may have difficulty returning home.

As a system to establish our central disaster response headquarters of the corporation in the event of a large-scale disaster as well as to collect and share information, we have built a tool that enables multiple means of communication and real-time sharing of information through online meetings, ensuring means of prompt communication that are available even in situations where it is difficult to gather physically.

BCP Initiatives

With regard to the Business Continuity Plan (BCP), we have prepared guidelines including the Basic BCP Guidelines for responding to various destructive and non-destructive disasters, such as infectious diseases. These guidelines are revised as necessary. In fiscal 2025, assuming that our four production sites in Aichi and Mie Prefectures were affected by the Nankai Trough earthquake, we conducted a large-scale BCP drill to verify the procedures for establishing our central disaster response headquarters and ensuring communication using remote tools and emergency communication methods, in accordance with the response manuals for each functional area.

In addition, the IT department is taking the lead in strengthening business continuity planning (BCP) to address cyberattacks, which have become a major social issue.



The large-scale BCP drill

Future Issues and Measures

Since the risks surrounding companies are continuing to increase due to an unstable global situation, the intensification and increasing frequency of natural disasters, and advancement and sophistication of cyberattacks, we recognize that further strengthening of risk management as well as information sharing and communication among departments will continue to be important issues.

Going forward, each department in charge will regularly conduct risk assessments and implement the PDCA cycle to continue improving risk countermeasures, and raise the awareness of each and every employee through BCP drills and information security training and drills.

Compliance

**To address the increasing compliance risks associated with the globalization of business,
we have established various policies and internal reporting systems, deployed them in each country and region, and implemented measures to prevent, detect early, and correct misconduct.**

Basic Approach

To appropriately respond to expanding risks due to the overseas expansion of our business, we established the Yokohama Rubber Group Competition Law Compliance Policy and the Yokohama Rubber Group Anti-Corruption Policy, defined regulations and guidelines that embody these policies, and shared these requirements with members* of the Group. By combining the above with the Global Whistle-Blowing System, which are rolled out in our subsidiaries in each country and region, we aim to further raise the level of compliance in the Group.

With regard to product liability, our mission is to contribute to the development of the Company and society by earning the trust of our customers and securing appropriate levels of profit. In order to achieve this, it is necessary to continue to provide products of quality that satisfy customers around the world and can be purchased with peace of mind. To this end, the Yokohama Rubber Action Guidelines state that "We shall provide safe and high-quality products and services," and we are thoroughly committed to putting this into practice in our daily work.

*All employees working in the Group, including full-time employees, contract employees, temporary employees, and outsourced employees.

Yokohama Rubber Group Action Guidelines *https://www.y-yokohama.com/sustainability/business/suspolicy/#shishin*

Compliance System

We have established a Corporate Compliance Committee chaired by the director in charge of corporate compliance and a Corporate Compliance Department as the department that handles compliance implementation. The committee meets four times a year for ongoing implementation of various measures related to the Yokohama Rubber Group's compliance, and to report on its activities to the Board of Directors and the Audit & Supervisory Committee. The Group's Corporate Philosophy and Action Guidelines have been disseminated to domestic and overseas Group companies and serve as guidelines via an internal bulletin, etc. for the execution of duties by the directors and employees of each company. In addition, by assigning a person from each division to be a concurrent member of the Corporate Compliance Department, we strive to share updates on workplace training and awareness raising activities and relevant information. We have also appointed a Compliance Promoter at each of the domestic and overseas group companies to carry out the same activities.

In the event of a quality problem or complaint in the market regarding a product that we have provided to customers, we respond promptly to resolve the problem and take measures to prevent its recurrence. These measures involve regularly conducting quality audits to confirm the implementation status of corrective actions and verifying their effectiveness.

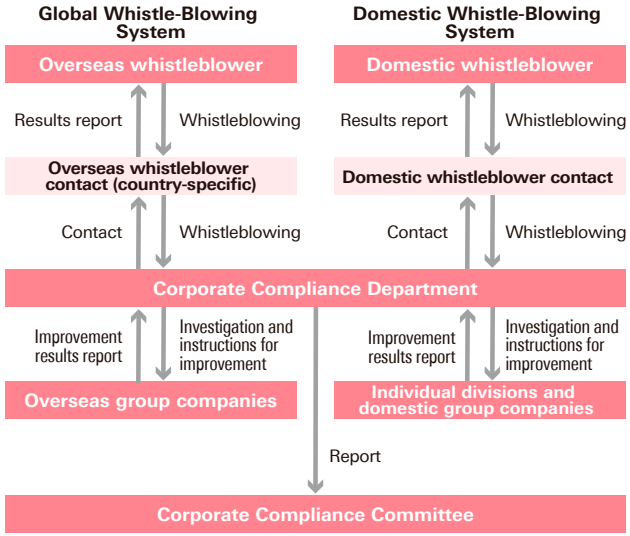
Whistle-Blowing System

The Corporate Compliance Hotline is a system available that also handles anonymous whistleblowing in accordance with the Whistle-Blower Protection Act. There are two Compliance Hotlines, one internal and one external. The external Compliance Hotline is set up at a law firm to ensure independence. In addition, the Compliance General Counseling Room has been set up as a service for any member of the domestic Group to consult over doubts regarding compliance. In fiscal 2025, the Compliance Hotline and the Compliance General Counseling Room fielded 133 reports or consultations in total.

For overseas subsidiaries, we have established the Global Whistle-Blowing System, in which violations of competition law, acts of bribery and corruption, and misconduct by local affiliate management are reported directly to the Corporate Compliance Department through an external contact. The system was first introduced at the controlling company and tire distributors in China in February 2018 and has since been deployed at production companies in China and business locations in the Philippines, Thailand, Vietnam, Indonesia, and North America, with a few exceptions.

In Europe, the European controlling company contracted with an external specialist firm to implement a whistleblowing system shared by the seven companies under it. This system serves as an internal reporting mechanism for companies within the region and is also operated as part of the Global Whistle-Blowing System through which the Yokohama Rubber Corporate Compliance Department can directly receive reports depending on their content. It has been in operation since January 2021.

Whistle-Blowing System



Compliance

Education and Awareness Raising Activities

We conduct compliance trainings using topics such as past company compliance issues and socially problematic events. We categorize the content into general topics intended for broad employee awareness and specific topics for particular departments or positions. We also customize delivery methods by utilizing material distribution, workplace group learning, and group training sessions.

In fiscal 2025, we continued to provide training on harassment and proper management of working hours, while also covering topics such as the personal use of company assets and the basics of export controls.

Workplace Compliance Training Themes (FY2025)

The Group uses its proprietary educational materials to conduct training on compliance at each workplace monthly. In fiscal 2025, the following themes were covered.

2025 Workplace Training

January	Personal use of company assets
February	Basics of export control
March	Stricter penalties for using smartphones and riding under the influence while cycling
April	Emotional abuse
May	Acts of violence
June	Insider trading
July	Appropriate work hour management
August	Legislative amendments regarding asbestos
September	Mood harassment
October	Harassment based on sexual orientation and gender identity
November	Occupational accidents
December	Stalking

Initiatives to Prevent Corruption

The Yokohama Rubber Group Action Guideline states in 6. "We shall observe not only laws and regulations but also social norms.," and declared that, "We shall maintain sound relations with political groups and public administrative authorities, and shall not engage in any acts of bribery, in Japan or any other country or region. We shall not entertain, give any gifts to, or give any money to business partners for the purpose of gaining illicit advantage." The Yokohama Rubber Group Action Guideline also refers to actions involving not only public servants, but also business partners as well.

Furthermore, the Anti-Corruption Policy extends the scope of regulation to include "officers or employees of private companies subject to commercial bribery, or any other person who may become the object of bribery," thereby prohibiting all forms of bribery. In addition, we strictly adhere to the procedures outlined in the policy's "Points to Note When Disbursing Funds, etc." and "Points to Note When Receiving Funds, etc." when approving transactions that involve compliance risks (such as gifts and entertainment). We ensure that all members of the Group are thoroughly informed and trained regarding these policies, and we also inform and raise awareness among our business partners through our CSR Procurement Guidelines, thereby promoting compliance and exercising management and oversight across the entire supply chain.

Under our Global Whistle-Blowing System, we have established an external contact point with a primary focus on promptly identifying illegal activities such as competition law violations and bribery, and we provide training to all employees of overseas subsidiaries that are scheduled to introduce the system in order to increase the effectiveness of the system.

Opportunities and Number of Participants in Anti-Corruption Training

Training opportunities	No. of participants
Training concerning antitrust laws (regulation on abuse of superior bargaining positions)	5,099
Training concerning antitrust laws (cartel regulation, regulation on abuse of superior bargaining positions, special designation for logistics)	5,270
Pre-departure training for overseas posting	40
Pre-departure training for posting as a supervisor at an overseas location	13
Newly appointed manager training	37
Total	10,459

Initiatives to Prevent Quality Misconduct

The Group Action Guidelines states in 4. that "We shall provide safe and high-quality products and services." It also declares that "We shall develop, design, manufacture, and sell attractive products that satisfy customers; provide society as a whole with safe and high-quality products and services; and endeavor to enhance the value of the Yokohama Rubber brand."

The following is stipulated in our Quality Policy as well. "As the Yokohama Rubber Group, we establish a quality assurance system in all processes from planning, design, production, sales to service. We provide products and services that customers find attractive, customers are satisfied with and contribute to society. We will comply with laws and regulations, standards, and customer requirements to earn and maintain your trust. In order to accomplish this, we link all the processes functionally and implement systematic quality assurance activities."

To put this policy into practice in our daily activities and prevent quality misconduct in advance, we provide annual quality misconduct prevention training to all members of the Group, and a total of 34,724 employees took part in the training in fiscal 2025. Starting in fiscal 2026, we are providing quality training once a month to further deepen the understanding of employees and further raise their awareness of quality.

Number of Participants in Quality Misconduct Prevention Training

	FY2023	FY2024	FY2025
Number of participants	28,942	28,643	34,724

Future Issues and Measures

To respond to the growing risks associated with globalization, we will continue to expand the introduction of our Global Whistle-Blowing System and provide training. To prevent quality misconduct, we are promoting the creation of an environment impervious to misconduct activity by implementing misconduct prevention training, quality training, and training using case studies from other companies for all domestic and overseas employees, including employees at affiliated companies. In addition, to prevent misconduct before it occurs, we conduct repeated inspections of our operations and processes, further raise awareness of quality, and ensure strict compliance with rules through the early detection of issues and appropriate corrective actions.

11-year Key Financial and Non-Financial Data

Fiscal year ending December 31

		Japanese GAAP			IFRS						
	Unit	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Financial Data												
Profit and Loss												
Sales revenue	(Billions of yen)	629.9	596.2	646.3	650.2	650.5	551.1	670.8	860.5	985.3	1,094.7	1,235.0
Business profit	(Billions of yen)	54.5	42.3	58.3	59.3	50.1	35.9	62.2	70.1	99.1	134.4	166.6
Business profit margin	(%)	8.7	7.1	9.0	9.1	7.7	6.5	9.3	8.1	10.1	12.3	13.5
Profit attributable to owners of parent	(Billions of yen)	36.3	18.8	40.0	35.6	42.0	26.3	65.5	45.9	67.2	74.9	105.4
Financial Position												
Total assets	(Billions of yen)	710.7	903.0	920.8	855.8	907.6	860.4	985.0	1,151.1	1,600.5	1,735.5	1,998.4
Interest-bearing debt	(Billions of yen)	190.9	336.4	315.6	260.4	239.9	207.8	177.2	238.7	469.4	438.0	535.8
Equity attributable to owners of parent	(Billions of yen)	339.0	348.8	379.8	374.0	418.9	415.5	525.3	614.4	739.6	894.0	1,030.9
Management Indicators												
Ratio of equity attributable to owners of parent*1	(%)	47.7	38.6	41.2	43.7	46.2	48.3	53.3	53.4	46.2	51.5	51.6
Return on assets*2	(%)	5.0	2.3	4.4	4.0	4.8	3.0	7.1	4.3	4.9	4.5	5.6
Return on equity*3	(%)	11.0	5.5	11.1	9.5	10.6	6.3	13.9	8.1	9.9	9.2	11.0
D/E ratio*4	(times)	0.56	0.96	0.83	0.70	0.57	0.50	0.34	0.39	0.63	0.49	0.52
Cash Flows												
Cash flows from operating activities	(Billions of yen)	57.5	75.4	60.5	82.8	75.4	78.3	68.3	39.2	159.7	94.5	135.6
Cash flows from investing activities	(Billions of yen)	(55.1)	(166.5)	(29.7)	(43.1)	(43.6)	(27.9)	(4.5)	(46.4)	(344.0)	(1.4)	(241.3)
Free cash flows	(Billions of yen)	2.5	(91.1)	30.7	39.7	31.7	50.4	63.8	(7.1)	(184.3)	93.1	(105.7)
Cash flows from financing activities	(Billions of yen)	(6.4)	100.2	(28.1)	(64.9)	(35.5)	(46.6)	(55.2)	35.2	205.8	(63.2)	68.3
Investment												
Capital expenditures*5	(Billions of yen)	50.9	35.9	39.9	46.9	51.3	28.1	38.8	54.9	62.4	79.2	110.0
Depreciation & amortization*5	(Billions of yen)	31.4	33.2	34.6	36.8	36.0	36.8	37.7	41.9	49.8	56.0	64.1
R&D expenses	(Billions of yen)	14.2	14.5	15.1	15.2	15.0	14.1	15.3	16.0	18.0	19.8	21.4
Dividend per Share												
Cash dividends per share	(yen)	39※7	52	62	62	64	64	65	66	84	98	134
Dividend payout ratio*6	(%)	17.3	44.4	24.9	27.9	24.5	39.0	15.9	23.0	20.0	20.9	20.0
Earnings per share	(yen)	226.07	117.17	249.32	222.12	261.61	164.09	408.47	286.38	419.32	467.81	668.55

*1: Ratio of equity attributable to owners of parent = Total equity attributable to owners of parent / Total assets × 100 *2: Return on assets = Profit attributable to owners of parent / Assets (average of previous and current fiscal period) × 100
*3: Return on equity = Profit attributable to owners of parent / Total equity attributable to owners of parent (average of previous and current fiscal period) × 100 *4: D/E ratio = Interest-bearing debt / Total equity attributable to owners of parent
*5: From 2019 onward, depreciation & amortization expenses related to right-of-use assets under IFRS 16 "Leases" are excluded. *6: Dividend payout ratio = Cash dividends per share / Net income per share *7: Effective July 1, 2015, the Company conducted a one-for-two reverse stock split.

11-year Key Financial and Non-Financial Data

Fiscal year ended December 31

		Japanese GAAP			IFRS						
	Unit	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Non-Financial Data												
Business												
Patents	(items)	4,941	5,109	5,480	5,675	5,956	6,291	6,009	6,242	6,479	6,370	6,402
Tire production volume*8	(thousand tons)	681	662	685	678	866	799	962	1,000	955	1,217	1,303
Environment												
Greenhouse gas emissions (Scope 1-2) (consolidated)*9	(thousand tons)	697	714	716	720	1,270	1,155	1,300	1,241	1,082	1,136	1,140
Greenhouse gas emissions (Scope 3) (consolidated)*10	(thousand tons)	23,831	23,920	23,237	22,055	24,155	22,578	25,701	26,661	25,718	40,405	55,644
Total energy consumption*10	(MWh)	1,313,523	1,341,111	1,353,082	1,333,451	1,787,203	1,678,571	1,879,142	1,837,184	1,726,924	2,175,878	2,287,975
Total amount of waste (consolidated)	(tons)	32,901	35,782	43,991	53,044	52,564	48,275	52,628	48,865	54,632	59,339	60,218
Recycling rate (consolidated)	(%)	96	91	97	95	96	95	95	98	93	95	95
Total water withdrawal (consolidated)	(thousand m^3)	8,682	8,925	8,266	8,102	8,718	8,036	8,494	8,247	9,164	9,717	10,164
Implementation rate of biodiversity preservation activity at production sites	(%)	40	41	43	47	49	49	50	50	50	43	45
Number of production sites implementing biodiversity conservation activities	(sites)	12	14	18	20	21	21	21	21	21	20	21
Cumulative number of trees planted and saplings provided under YOKOHAMA Forever Forest activities	(trees/saplings)	682,394	756,039	853,047	943,788	997,401	1,039,318	1,089,655	1,197,915	1,242,307	1,399,664	1,490,853
Cumulative CO_2 absorption and fixation amount	(tons)	576	711	858	1,009	1,173	1,358	1,576	1,649	1,888	2,112	2,376
Employees												
Total number of employees (consolidated)		22,187	24,610	25,439	26,274	27,428	27,252	27,222	28,468	33,617	34,198	34,471
Total number of employees (non-consolidated)		5,263	5,242	5,245	5,473	5,543	5,574	5,257	5,399	5,480	5,562	5,559
Percentage of female employees (non-consolidated)	(%)	6.6	6.7	6.8	7.1	7.3	7.4	7.5	7.2	7.3	7.7	8.0
Percentage of persons with disabilities (domestic)*11	(%)	2.0	2.3	2.2	2.2	2.4	2.5	2.6	2.7	2.6	2.5	2.6
Number of employees taking childcare leave (non-consolidated)*12		30	31	192	257	250	236	228	229	238	223	209
Lost-time injury frequency rate (consolidated)*13		0.38	0.60	0.50	0.36	0.30	0.24	0.18	0.28	0.28	0.37	0.23

*8: Total volume based on tire product weight *9: Actual greenhouse gas emissions from fiscal 2019 onwards (Scope 1-2) include actual emissions from Yokohama TWS before its acquisition. *10: Calculated by including the results of Yokohama TWS from fiscal 2024 onward.
*11: The combined ratio of the four companies: Yokohama Rubber, Yokohama Peer Support, Yokohama Tire Japan, and Yokohama Rubber MB Japan. *12: From fiscal 2017 onward, results include not only childcare leave based on law, but also those who took childcare leave under our own system. *13: An indicator of the frequency of occupational accidents, expressed as the number of employees experiencing lost worktime due to occupational accidents per million total hours worked.

Participation in Initiatives and External Evaluations

The Yokohama Rubber Group supports and participates in domestic and international initiatives to realize a sustainable society. Our ongoing efforts to address social issues through our business operations have been highly evaluated by external evaluation agencies in the areas of ESG (Environmental, Social, and Governance).

Main Initiatives We Participate in

United Nations Global Compact (UNGC)

In May 2012, we signed the Global Compact (UNGC), a worldwide framework proposed by the United Nations for sustainable growth, and joined the Global Compact Network Japan (GCNJ), which consists of Japanese companies and others that have signed the UNGC. The Company and all our domestic and overseas subsidiaries implement the PDCA cycle in accordance with the 10 principles in the four areas (human rights, labor, the environment, and anti-corruption) of the United Nations Global Compact.

World Business Council for Sustainable Development (WBCSD)

The WBCSD is a coalition of top global companies that demonstrates leadership in industry regarding the environment and sustainable development, engaging in active discussions and policy proposals. The Company participates in the Tire Industry Project (TIP), which investigates the potential impact of tires on the environment and health, as well as activities promoting energy conservation in buildings and offices.

Global Platform for Sustainable Natural Rubber (GPSNR)

The GPSNR is an international platform launched under the leadership of WBCSD's TIP, aiming to improve social, economic, and environmental aspects across the natural rubber value chain. GPSNR includes many participants such as tire makers, natural rubber product makers, natural rubber producers, and automobile makers. The Company has been an active founding member since October 2018.

GX Future Consortium (formerly the TCFD Consortium)

In January 2022, we announced our endorsement of the TCFD recommendations and joined the TCFD Consortium. We continue to promote appropriate disclosure and discussion regarding climate change through the GX Future Consortium, into which the TCFD Consortium was reorganized on April 1, 2026.

Taskforce on Nature-related Financial Disclosures (TNFD)

The TNFD is an international initiative that encourages companies to disclose information on risks and opportunities related to the natural environment and biodiversity, aiming to shift financial flows toward nature-positive outcomes. We joined the TNFD Forum in January 2023 and were registered as a TNFD Adopter in December 2025, committed to making disclosures aligned with the TNFD recommendations.

30by30 Alliance for Biodiversity

We joined this coalition of like-minded organizations in January 2023. The coalition was launched in 2022 with the goal of mobilizing the entire nation to achieve the international 30by30 target, which aims to conserve and protect at least 30% of land and marine areas by 2030. To achieve a nature-positive world, we will promote conservation activities on the grounds of our production facilities and elsewhere, thereby contributing to the realization of a society that exists in harmony with nature.

External Evaluation

FTSE4Good Index Series

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

FTSE JPX Blossom Japan Sector Relative Index

CDP Supplier Engagement Leader

Supplier Engagement Leader CDP 2025

ISS ESG Corporate Rating: Prime

Corporate ESG Performance Prime RATED BY ISS ESG

D&I AWARD: BEST WORKPLACE

D&I AWARD BEST WORKPLACE for diversity & inclusion 2025

PRIDE Index Gold

work with Pride PRIDE Gold 2025

KENKO Investment for Health Outstanding Organization

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Glossary

Term	Description
Agriculture Tires (AG)	Tires for agricultural machinery.
All-Season Tires	All-weather tires that can be used throughout all four seasons. These tires perform similarly to summer tires in dry and wet conditions, and offer performance close to studless tires on snowy roads (studless tires are recommended for icy or severely snow-covered roads). All-season tires marked with the "snowflake mark" are permitted for use under winter tire regulations. However, chains must be installed when chain regulations are in effect.
Compound	Compound rubber used in the tread section of tires. It is made by mixing base polymers such as natural and synthetic rubber with materials like carbon black and mineral oil.
Commercial Tires	Tires for trucks, buses, agricultural machinery, and other infrastructure-related vehicles that support industries such as transportation and production.
Connected, Autonomous, Shared & Services, Electric (CASE)	A concept that indicates the future direction of automotive evolution.
Consumer Tires	Tires for passenger cars and other vehicles used by general consumers.
Grassroots Category	In motorsports, "grassroots" refers to relatively small-scale competitions that are primarily participated in as a hobby or entry-level event and are an important foundation for the fostering of motorsports fans and the development of future professional drivers.
HAICoLab	Yokohama Rubber's AI utilization concept for digital innovation formulated in 2020. The name was created from the concept of "humans and AI collaborating for digital innovation," and is used in the development of rubber materials for new products and tire design support. It also has the meaning of a joint research institute combining humans and AI.
Industrial Tires (ID)	Tires for industrial vehicles.
Light Truck Radial Tires (LTR)	Tires for small trucks.
Mobility as a Service (MaaS)	A term that views mobility not just as a means of transportation, but as a next-generation transportation service that combines various technologies such as autonomous driving and AI.
OE	Original equipment tires.
Off-Highway Tires (OHT)	A general term for tires for agricultural and forestry machinery, construction and mining vehicles, and industrial and port-use vehicles.
Off-the-Road Tires (OTR/OR)	Tires for construction and mining vehicles.
Pickup Trucks	Vehicles used for carrying small cargo with an open storage area behind the driver's seat.
Pressure Field Operation (PFO)	A tire standard for large agricultural machinery. Compared to VF tires, enhanced load capacity at low speeds makes it possible to operate machinery at lower tire pressures, further reducing soil compression damage.
Programmatic M&A	The continuous and systematic acquisition of multiple companies by a company to accelerate its growth strategy.
REP	Replacement tires.
Replacement Tires	Tires used to replace the old tires installed on new vehicles when they become worn or damaged.
Retread Tires	Tires for which the worn tread rubber (the parts of a tire that make contact with the road's surface) is replaced with new rubber to restore the tire's functionality for reuse. They are also referred to as regenerated tires.
Sport Utility Vehicles (SUV)	Sport utility vehicles are suitable for everyday activities such as shopping as well as driving on unmaintained roads and other outdoor leisure pursuits.
Tire Management System (T.M.S.)	Service that utilizes a database to compile tire operation information. This system provides total support for tire management, from tire inspections to data entry, collection, and proposals, contributing to safer operations and greater efficiency.
Truck and Bus Radial Tires (TBR)	Tires for trucks and buses.
Very High Flexion (VF)	A tire standard for large agricultural machinery. VF tires can support the same load at 40% less air pressure than conventional radial tires, enabling driving farm vehicles at low tire pressures, which is expected to reduce damage from soil compaction and improve productivity in agricultural operations.
Y-ATG	A business unit of the OHT Business Division, Y-ATG mainly sells tires for agricultural machinery vehicles and construction machinery vehicles under the Alliance brand.
Y-OTR	A business unit of the OHT Business Division, Y-OTR mainly sells YOKOHAMA brand tires for mining, construction, and industrial vehicles.
Y-TWS	Abbreviation for Yokohama TWS, a subsidiary of the OHT Business Division. The company mainly sells tires for agricultural machinery vehicles and industrial vehicles, such as Trelleborg brand tires.
Winter Tires	Tires designed for use in low temperatures and on snow-covered roads. These include studless tires with enhanced grip on icy roads.

V Financial Information

1. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS

(1) The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), based on the provisions set forth in Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter the "Ordinance on Consolidated Financial Statements").

(2) The financial statements of the Company have been prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Regulation of the Ministry of Finance No. 59 of 1963; hereinafter the "Regulation on Financial Statements").

The Company is a company which is permitted to submit financial statements prepared in accordance with special provisions, and has prepared its financial statements in accordance with the provisions set forth in Article 127 of the Regulation on Financial Statements.

2. AUDIT CERTIFICATE

Pursuant to the provisions set forth in Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company's consolidated financial statements for the fiscal year (from January 1, 2025 to December 31, 2025) and the financial statements for the business year (from January 1, 2025 to December 31, 2025) have been audited by Ernst & Young ShinNihon LLC.

3. SPECIAL MEASURES FOR ENSURING APPROPRIATENESS OF CONSOLIDATED FINANCIAL STATEMENTS, ETC. AND ESTABLISHMENT OF SYSTEM FOR PREPARING CONSOLIDATED FINANCIAL STATEMENTS, ETC. IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS

The Company has taken special measures for ensuring the appropriateness of consolidated financial statements, etc. and has worked to establish a system for preparing its consolidated financial statements, etc. appropriately based on IFRS Accounting Standards. The details are as follows:

(1) In order to properly understand the content of accounting standards, etc. and establish a system that can respond appropriately to revisions to accounting standards, etc., the Company has joined the Financial Accounting Standards Foundation and has participated in seminars, etc. to accumulate technical expertise.

(2) The Company works to keep itself updated about the latest IFRS Accounting Standards by obtaining, as required, press releases and standards disclosed by the International Accounting Standards Board. In addition, in order to prepare appropriate consolidated financial statements, etc. based on IFRS Accounting Standards, the Company has prepared group accounting policies, etc. in accordance with IFRS Accounting Standards and has conducted its accounting based on these policies.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Yokohama Rubber Co., Ltd., and Consolidated Subsidiaries
As of December 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents (Note 8)	**¥ 107,391**	¥ 136,215	**$ 685,944**
Trade and other receivables (Notes 9 and 32)	**333,987**	281,020	**2,133,285**
Other financial assets (Notes 11 and 32)	**8,576**	9,059	**54,780**
Inventories (Note 10)	**319,055**	280,633	**2,037,912**
Other current assets (Note 7)	**39,818**	23,445	**254,331**
Subtotal	**808,828**	730,372	**5,166,252**
Non-current assets held for sale (Note 12)	**17,340**	19,342	**110,755**
Total current assets (Note 19)	**826,168**	749,714	**5,277,007**
NON-CURRENT ASSETS:			
Property, plant and equipment (Notes 13, 15, 16 and 19)	**634,266**	517,516	**4,051,264**
Goodwill (Notes 14 and 16)	**332,899**	296,814	**2,126,336**
Intangible assets (Notes 14, 15 and 16)	**126,438**	72,455	**807,601**
Other financial assets (Notes 11 and 32)	**44,072**	49,354	**281,503**
Deferred tax assets (Note 17)	**7,488**	8,276	**47,827**
Other non-current assets (Note 21)	**27,029**	41,415	**172,643**
Total non-current assets (Note 19)	**1,172,192**	985,830	**7,487,175**
TOTAL ASSETS	**¥ 1,998,360**	¥ 1,735,544	**$ 12,764,182**
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES:			
Trade and other payables (Notes 18 and 32)	**¥ 112,706**	¥ 108,517	**$ 719,888**
Bonds and borrowings (Notes 19 and 32)	**135,230**	101,476	**863,759**
Other financial liabilities (Notes 7, 15, 20 and 32)	**33,577**	32,477	**214,467**
Income taxes payable	**53,896**	38,767	**344,252**
Other current liabilities (Note 7)	**111,632**	93,610	**713,031**
Total current liabilities	**447,041**	374,847	**2,855,398**
NON-CURRENT LIABILITIES:			
Bonds and borrowings (Notes 19 and 32)	**400,540**	336,546	**2,558,382**
Other financial liabilities (Notes 15, 20 and 32)	**44,286**	42,663	**282,870**
Liabilities for retirement benefits (Note 21)	**16,734**	17,227	**106,884**
Deferred tax liabilities (Note 17)	**29,365**	44,357	**187,565**
Other non-current liabilities	**20,163**	15,892	**128,789**
Total non-current liabilities	**511,089**	456,684	**3,264,491**
TOTAL LIABILITIES	**958,130**	831,531	**6,119,889**
EQUITY:			
Share capital (Note 22)	**38,909**	38,909	**248,525**
Share premium (Note 22)	**29,967**	31,386	**191,411**
Retained earnings (Note 22)	**709,386**	619,730	**4,531,082**
Treasury shares (Note 22)	**(15,662)**	(15,441)	**(100,040)**
Other components of equity	**268,251**	219,387	**1,713,407**
Total equity attributable to owners of the parent	**1,030,851**	893,971	**6,584,385**
Non-controlling interests	**9,379**	10,042	**59,908**
TOTAL EQUITY	**1,040,231**	904,013	**6,644,293**
TOTAL LIABILITIES AND EQUITY	**¥ 1,998,360**	¥ 1,735,544	**$ 12,764,182**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The Yokohama Rubber Co., Ltd., and Consolidated Subsidiaries
As of December 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
CONTINUING OPERATIONS			
Revenue (Notes 6 and 7)	**¥ 1,234,959**	¥ 1,094,746	**$ 7,888,085**
Cost of sales (Notes 13, 14, 21, and 30)	**(788,154)**	(704,995)	**(5,034,198)**
Gross profit	**446,805**	389,750	**2,853,887**
Selling, general, and administrative expenses (Notes 13, 14, 21, 24 and 30)	**(280,228)**	(255,371)	**(1,789,908)**
Business profit (Note 6)	**166,577**	134,379	**1,063,979**
Other income (Note 25)	**4,612**	6,081	**29,457**
Other expenses (Notes 16 and 26)	**(18,288)**	(21,304)	**(116,808)**
Operating profit	**152,901**	119,157	**976,628**
Finance income (Note 27)	**17,649**	5,554	**112,731**
Finance costs (Note 27)	**(13,364)**	(9,352)	**(85,360)**
Profit before tax	**157,186**	115,359	**1,003,999**
Income taxes (Note 17)	**(50,401)**	(39,228)	**(321,930)**
Profit for the year	**¥ 106,785**	¥ 76,130	**$ 682,068**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent	**105,398**	74,919	**673,213**
Non-controlling interests	**1,386**	1,211	**8,856**
Profit for the year	**¥ 106,785**	¥ 76,130	**$ 682,068**
EARNINGS PER SHARE (YEN/U.S. DOLLARS):			
Basic earnings per share (Note 29)	**668.55**	467.81	**4.27**
Diluted earnings per share (Note 29)	**666.55**	466.57	**4.26**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The Yokohama Rubber Co., Ltd., and Consolidated Subsidiaries
As of December 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
PROFIT FOR THE YEAR	**¥ 106,785**	¥ 76,130	**$ 682,068**
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss			
Gains (losses) on financial assets measured at fair value through other comprehensive income (Notes 28 and 32)	**4,403**	13,241	**28,126**
Remeasurements of defined benefit plans (Notes 21 and 28)	**2,104**	7,876	**13,442**
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges (Note 28)	**(1,237)**	530	**(7,902)**
Exchange differences on translating foreign operations (Note 28)	**49,067**	77,499	**313,406**
Total other comprehensive income, net of tax	**54,338**	99,146	**347,072**
COMPREHENSIVE INCOME	**¥ 161,122**	¥ 175,276	**$ 1,029,140**
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	**159,574**	173,585	**1,019,249**
Non-controlling interests	**1,549**	1,692	**9,892**
COMPREHENSIVE INCOME	**¥ 161,122**	¥ 175,276	**$ 1,029,140**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Yokohama Rubber Co., Ltd., and Consolidated Subsidiaries
As of December 31, 2025 and 2024

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

	Millions of Yen					
	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Share premium	Retained earnings	Treasury shares	Exchange differences on translating foreign operations	Cash flow hedges
BALANCE, JANUARY 1, 2025	¥ 38,909	¥ 31,386	¥ 619,730	¥ (15,441)	¥ 198,727	¥ 225
Profit for the year			105,398			
Other comprehensive income (Note 28)					48,947	(1,237)
Comprehensive income	—	—	105,398	—	48,947	(1,237)
Purchase of treasury shares (Note 22)				(6,008)		
Disposal of treasury shares (Note 22)		0		0		
Share-based payment transactions (Notes 22 and 30)		79		109		
Cancellation of treasury shares		(488)	(5,190)	5,678		
Dividends from surplus (Note 23)			(15,863)			
Transactions with non-controlling interests in subsidiaries that do not result in a loss of control		(1,011)				
Transfer to retained earnings			5,311			
Other						
Total transactions with owners	—	(1,419)	(15,742)	(221)	—	—
BALANCE, DECEMBER 31, 2025	¥ 38,909	¥ 29,967	¥ 709,386	¥ (15,662)	¥ 247,674	¥ (1,012)

	Equity attributable to owners of the parent					
	Other components of equity					
	Gains (losses) on financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
BALANCE, JANUARY 1, 2025	¥ 20,435	¥ —	¥ 219,387	¥ 893,971	¥ 10,042	¥ 904,013
Profit for the year			—	105,398	1,386	106,785
Other comprehensive income (Note 28)	4,381	2,084	54,175	54,175	162	54,338
Comprehensive income	4,381	2,084	54,175	159,574	1,549	161,122
Purchase of treasury shares (Note 22)			—	(6,008)		(6,008)
Disposal of treasury shares (Note 22)			—	0		0
Share-based payment transactions (Notes 22 and 30)			—	189		189
Cancellation of treasury shares			—	—		—
Dividends from surplus (Note 23)			—	(15,863)	(664)	(16,527)
Transactions with non-controlling interests in subsidiaries that do not result in a loss of control			—	(1,011)	(1,547)	(2,558)
Transfer to retained earnings	(3,227)	(2,084)	(5,311)	—		—
Other			—	—		—
Total transactions with owners	(3,227)	(2,084)	(5,311)	(22,693)	(2,211)	(24,905)
BALANCE, DECEMBER 31, 2025	¥ 21,589	¥ —	¥ 268,251	¥ 1,030,851	¥ 9,379	¥ 1,040,231

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

	Millions of Yen					
	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Share premium	Retained earnings	Treasury shares	Exchange differences on translating foreign operations	Cash flow hedges
BALANCE, JANUARY 1, 2024	¥ 38,909	¥ 31,255	¥ 510,004	¥ (11,587)	¥ 121,674	¥ (305)
Profit for the year			74,919			
Other comprehensive income (Note 28)					77,053	530
Comprehensive income	—	—	74,919	—	77,053	530
Purchase of treasury shares (Note 22)				(3,921)		
Disposal of treasury shares (Note 22)						
Share-based payment transactions (Notes 22 and 30)		131		66		
Cancellation of treasury shares						
Dividends from surplus (Note 23)			(15,434)			
Transactions with non-controlling interests in subsidiaries that do not result in a loss of control						
Transfer to retained earnings			50,262			
Other			(21)			
Total transactions with owners	—	131	34,808	(3,855)	—	—
BALANCE, DECEMBER 31, 2024	¥ 38,909	¥ 31,386	¥ 619,730	¥ (15,441)	¥ 198,727	¥ 225

	Equity attributable to owners of the parent					
	Other components of equity					
	Gains (losses) on financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
BALANCE, JANUARY 1, 2024	¥ 49,614	¥ —	¥ 170,983	¥ 739,565	¥ 9,231	¥ 748,795
Profit for the year			—	74,919	1,211	76,130
Other comprehensive income (Note 28)	13,215	7,868	98,666	98,666	480	99,146
Comprehensive income	13,215	7,868	98,666	173,585	1,692	175,276
Purchase of treasury shares (Note 22)			—	(3,921)		(3,921)
Disposal of treasury shares (Note 22)			—	—		—
Share-based payment transactions (Notes 22 and 30)			—	197		197
Cancellation of treasury shares			—	—		—
Dividends from surplus (Note 23)			—	(15,434)	(880)	(16,314)
Transactions with non-controlling interests in subsidiaries that do not result in a loss of control			—	—		—
Transfer to retained earnings	(42,394)	(7,868)	(50,262)	—		—
Other			—	(21)		(21)
Total transactions with owners	(42,394)	(7,868)	(50,262)	(19,178)	(880)	(20,058)
BALANCE, DECEMBER 31, 2024	¥ 20,435	¥ —	¥ 219,387	¥ 893,971	¥ 10,042	¥ 904,013

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

	Thousands of U.S. Dollars					
	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Share premium	Retained earnings	Treasury shares	Exchange differences on translating foreign operations	Cash flow hedges
BALANCE, JANUARY 1, 2025	$ 248,525	$ 200,475	$ 3,958,419	$ (98,629)	$ 1,269,334	$ 1,439
Profit for the year			673,213			
Other comprehensive income (Note 28)					312,643	(7,902)
Comprehensive income	—	—	673,213	—	312,643	(7,902)
Purchase of treasury shares (Note 22)				(38,378)		
Disposal of treasury shares (Note 22)		1		1		
Share-based payment transactions (Notes 22 and 30)		507		697		
Cancellation of treasury shares		(3,116)	(33,153)	36,269		
Dividends from surplus (Note 23)			(101,321)			
Transactions with non-controlling interests in subsidiaries that do not result in a loss of control		(6,456)				
Transfer to retained earnings			33,924			
Other						
Total transactions with owners	—	(9,064)	(100,550)	(1,411)	—	—
BALANCE, DECEMBER 31, 2025	$ 248,525	$ 191,411	$ 4,531,082	$ (100,040)	$ 1,581,977	$ (6,463)

	Equity attributable to owners of the parent					
	Other components of equity					
	Gains (losses) on financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
BALANCE, JANUARY 1, 2025	$ 130,522	$ —	$ 1,401,295	$ 5,710,085	$ 64,142	$ 5,774,228
Profit for the year			—	673,213	8,856	682,068
Other comprehensive income (Note 28)	27,984	13,311	346,036	346,036	1,036	347,072
Comprehensive income	27,984	13,311	346,036	1,019,249	9,892	1,029,140
Purchase of treasury shares (Note 22)			—	(38,378)		(38,378)
Disposal of treasury shares (Note 22)			—	3		3
Share-based payment transactions (Notes 22 and 30)			—	1,204		1,204
Cancellation of treasury shares			—	—		—
Dividends from surplus (Note 23)			—	(101,321)	(4,242)	(105,564)
Transactions with non-controlling interests in subsidiaries that do not result in a loss of control			—	(6,456)	(9,883)	(16,340)
Transfer to retained earnings	(20,613)	(13,311)	(33,924)	—		—
Other			—	—		—
Total transactions with owners	(20,613)	(13,311)	(33,924)	(144,949)	(14,126)	(159,075)
BALANCE, DECEMBER 31, 2025	$ 137,893	$ —	$ 1,713,407	$ 6,584,385	$ 59,908	$ 6,644,293

CONSOLIDATED STATEMENT OF CASH FLOWS

The Yokohama Rubber Co., Ltd., and Consolidated Subsidiaries
As of December 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	2025 (From January 1, 2025 to December 31, 2025)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax	¥ 157,186	¥ 115,359	$ 1,003,999
Depreciation and amortization	73,622	66,157	470,251
Impairment losses	3,160	11,449	20,182
Increase or decrease in assets or liabilities for retirement benefits (Note 21)	19,156	(849)	122,352
Interest and dividend income	(4,380)	(5,029)	(27,977)
Interest expenses	8,535	5,415	54,517
Loss (gain) on sale and retirement of non-current assets	442	(1,860)	2,826
Decrease (increase) in trade receivables	(32,971)	(22,571)	(210,600)
Increase (decrease) in trade payables	(7,173)	(3,535)	(45,817)
Decrease (increase) in inventories	(2,876)	(12,273)	(18,367)
Other	(17,876)	2,798	(114,181)
Subtotal	196,825	155,060	1,257,186
Interest and dividends received	4,283	4,944	27,355
Interest paid	(8,353)	(5,487)	(53,354)
Income taxes paid	(57,125)	(60,021)	(364,875)
Net cash provided by operating activities	135,630	94,496	866,312
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from withdrawal of time deposits	5,188	1,638	33,136
Payments into time deposits	(2,345)	(1,398)	(14,979)
Purchases of property, plant and equipment	(111,626)	(76,965)	(712,990)
Proceeds from sale of property, plant and equipment	1,767	4,139	11,285
Purchases of intangible assets	(658)	(825)	(4,206)
Purchases of investment securities	(24)	(209)	(154)
Proceeds from sale of investment securities	8,378	73,613	53,515
Proceeds from sale of businesses	—	526	—
Payments for acquisition of businesses, including acquisition of subsidiaries, net of cash and cash equivalents acquired (Note 33)	(140,527)	—	(897,589)
Other	(1,451)	(1,912)	(9,268)
Net cash used in investing activities	(241,298)	(1,392)	(1,541,251)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings (Note 31)	15,610	4,801	99,709
Proceeds from long-term borrowings (Note 31)	142,487	10,094	910,111
Repayments of long-term borrowings (Note 31)	(55,649)	(48,058)	(355,451)
Repayments of lease liabilities (Note 31)	(9,751)	(10,036)	(62,282)
Purchases of treasury shares	(6,007)	(3,921)	(38,367)
Proceeds from sale of treasury shares	187	197	1,196
Cash dividends paid (Note 23)	(15,861)	(15,429)	(101,309)
Other	(2,700)	(861)	(17,243)
Net cash provided by (used in) financing activities	68,317	(63,213)	436,362
Effect of exchange rate changes on cash and cash equivalents	8,528	8,149	54,473
Net increase (decrease) in cash and cash equivalents	(28,823)	38,040	(184,103)
Cash and cash equivalents at the beginning of year (Note 8)	136,215	97,613	870,047
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	561	—
Cash and cash equivalents at the end of year (Note 8)	¥ 107,391	¥ 136,215	$ 685,944

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Yokohama Rubber Co., Ltd., and Consolidated Subsidiaries

1. REPORTING ENTITY

The Yokohama Rubber Co., Ltd. (the "Company") is a corporation located in Japan. The consolidated financial statements of the Company consist of the Company and its consolidated subsidiaries (collectively, the "Group"), and the consolidated financial statements for the fiscal year ended December 31, 2025 were approved by the Board of Directors on March 25, 2026. The details of the Group's main businesses are described in 6. "SEGMENT INFORMATION."

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Statement of Compliance with IFRS Accounting Standards

The Group prepares its consolidated financial statements in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. As the Company meets all the requirements for a "specified company under designated international accounting standards" prescribed in Article 1-2, item (i) of the Regulation on Consolidated Financial Statements, the Company applies Article 312 of the Regulation.

2. Basis of Measurement

The consolidated financial statements are prepared on a historical cost basis, except for financial instruments and other items presented in 3. "MATERIAL ACCOUNTING POLICIES."

3. Presentation Currency and Unit

The consolidated financial statements are presented in Japanese yen, which is the Company's functional currency, and fractions less than one million yen are rounded to the nearest million.

The U.S. dollar amounts included herein are solely for the convenience of the reader and have been translated from the Japanese yen amounts at the rate of ¥156.56 = $1.00, the approximate exchange rate prevailing on December 31, 2025.

3. MATERIAL ACCOUNTING POLICIES

1. Basis of Consolidation

Subsidiaries are entities over which the Group has control. The Group determines that it has control over an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All subsidiaries of the Group are consolidated from the acquisition date (that is, the date on which the Group obtains control) until the date on which the Group loses the control.

When the accounting policies of a subsidiary are different from those of the Group, adjustments are reflected, as needed, to the financial statements of the subsidiary.

Any changes in interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, and the gains or losses are not recognized. On the other hand, if there are any changes in interest in a subsidiary that result in a loss of control, the Group derecognizes the subsidiary's assets and liabilities as well as non-controlling interests and the cumulative amount of other comprehensive income related to the subsidiary.

Comprehensive income of a subsidiary is attributed to the Company's interest and non-controlling interests in the subsidiary even if this results in the non-controlling interests having a deficit balance. Intra-group balances of receivables and payables, intra-group transactions, and unrealized gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

2. Business Combinations

Business combinations are accounted for by the acquisition method. The Group elects to measure non-controlling interests in the acquiree for each business combination at either fair value or at the proportionate share of the acquiree's identifiable net assets. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date. Acquisition costs incurred are expensed when incurred.

Goodwill is measured as the excess of the aggregate of the consideration transferred in a business combination, the amount of non-controlling interest in the acquiree and the fair value of equity interest in the acquiree previously held by the acquirer, over the net amount of identifiable assets and liabilities at the acquisition date.

3. Foreign Currency Translation

(1) Foreign Currency Transactions

Foreign currency transactions are translated into each functional currency of the Company and its subsidiaries at the spot exchange rate on the transaction date.

Foreign currency monetary assets and liabilities at the end of the fiscal year are retranslated into the functional currency using the exchange rate at the end of the fiscal year, and exchange differences arising from the translation and settlement are recognized in profit or loss; provided that exchange differences arising from financial assets and liabilities measured at fair value through other comprehensive income are recognized in other comprehensive income, and the cumulative amount of the exchange differences is recognized in other components of equity.

(2) Translation of Foreign Operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate at the end of the fiscal year, while revenue and expenses of the foreign operations are translated into Japanese yen using the average exchange rate for the fiscal year, unless there have been material changes in exchange rates during the period. Exchange differences arising from the translation of financial statements of the foreign operations are recognized in other comprehensive income, and the cumulative amount of the exchange differences is recognized in other components of equity.

4. Financial Instruments

(1) Non-derivative Financial Assets

(i) Initial recognition and measurement

Trade and other receivables are initially recognized on the date when they occur. All other financial assets are initially recognized on the trade date when the Group becomes a party to the contract of the financial assets. All financial assets, other than those measured at fair value through profit or loss, are initially measured at fair value plus transaction costs. Financial assets are classified into financial assets measured at amortized cost, at fair value through profit or loss, and at fair value through other comprehensive income. The classification is determined at initial recognition of the financial asset. Financial assets that meet both of the following conditions are classified as financial assets measured at amortized cost.

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than those measured at amortized cost are classified as financial assets measured at fair value.

When the Group elects to recognize equity financial assets measured at fair value through other comprehensive income, the Group shall make the designation thereof and apply such method of recognition consistently as an irrevocable election in subsequent periods.

Debt financial assets measured at fair value that meet both of the following conditions are classified as financial assets measured at fair value through other comprehensive income and all other debt financial assets are classified as financial assets measured at fair value through profit or loss.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Subsequent measurement

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

For equity financial assets measured at fair value that are designated as measured at fair value through other comprehensive income, any changes in fair value are recognized in other comprehensive income. When these financial assets are derecognized or the decline in their fair value is significant, cumulative gains or losses previously recognized in other comprehensive income are transferred directly to retained earnings.

For debt financial assets measured at fair value that are classified as measured at fair value through other comprehensive income, any changes in fair value, excluding impairment gains or losses and foreign currency exchange gains or losses, are recognized in other comprehensive income until the financial assets are derecognized. When these financial assets are derecognized, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Dividends on equity financial assets measured at fair value through other comprehensive income are recognized as finance income.

(iii) Impairment of financial assets

For impairment of financial assets measured at amortized cost, an allowance for doubtful receivables is recognized for expected credit losses on the financial assets.

Expected credit losses are measured as the present value (discounted using the effective interest rate determined at initial recognition) of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. At the end of each fiscal year, the Group assesses whether the credit risk on financial instruments has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the allowance for doubtful receivables at an amount equal to 12-month expected credit losses. Meanwhile, if the credit risk has increased significantly since initial recognition, the Group measures the allowance for doubtful receivables at

an amount equal to lifetime expected credit losses. However, for receivables, such as trade receivables, the Group always measures the allowance for doubtful receivables at an amount equal to lifetime expected credit losses.

The provision of allowance for doubtful receivables on financial assets is recognized in profit or loss. When an event that results in a reduction of the allowance for doubtful receivables occurs, the amount of reversal of the allowance for doubtful receivables is recognized in profit or loss.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the end of the fiscal year about past events, current conditions, and forecasts of future economic conditions.

(iv) Derecognition

The Group derecognizes financial assets when the contractual rights to receive cash flows of the financial assets expire, or when it transfers substantially all the risks and rewards of ownership of the financial asset as a result of transferring the contractual right to receive cash flows of that financial asset.

(2) Non-derivative Financial Liabilities

(i) Initial recognition and measurement

The Group initially recognizes debt securities issued by the Group at the date of issuance. Financial liabilities other than debt securities are initially recognized on the trade date when the Group becomes a party to the contract of the financial liabilities. All financial liabilities are classified as financial liabilities measured at amortized cost and are initially measured at fair value less transaction costs.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest method.

(iii) Derecognition

The Group derecognizes financial liabilities when they are extinguished, i.e., when the obligation specified in the contract is discharged or canceled or expires.

(3) Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and presented as a net amount in the consolidated statement of financial position when, and only when, the Group currently has a legal right to set off their balances and intends either to settle on a net basis or to recover the asset and settle the liability simultaneously.

(4) Derivatives and Hedge Accounting

The Group uses derivatives, such as forward foreign exchange contracts, to hedge foreign currency risk and interest rate risk. Such derivatives are initially measured at fair value on the date when the contract is entered into and are subsequently measured at fair value. Changes in the fair value of derivatives are accounted for depending on the hedging purpose and hedge designation when the derivatives are designated as qualifying hedging instruments, and are recognized in profit or loss when the derivatives are not designated as qualifying hedging instruments.

5. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term investments that are readily convertible to cash and subject to an insignificant risk of changes in value with original maturities of three months or less.

6. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is determined primarily using the weighted average method.

7. Property, Plant and Equipment

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes costs directly attributable to the acquisition of the asset, the costs of dismantling and removing the asset and restoring the site to the original condition, and borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset.

Expenditure incurred after the acquisition of an item of property, plant and equipment is recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the expenditure will flow to the Group; and
- the expenditure can be measured reliably.

Property, plant and equipment are initially recognized at cost, which is measured using the cost model.

Property, plant, and equipment are depreciated using the straight-line method over the estimated useful life of each asset.

The estimated useful lives of major property, plant and equipment are as follows:

Buildings and structures:	5 to 50 years
Machinery, equipment, and vehicles:	2 to 10 years
Tools, furniture, and fixtures:	2 to 10 years

The depreciation method, residual value, and estimated useful life of an asset are reviewed at the end of each fiscal year. Any changes are applied prospectively as changes in accounting estimates.

The gain or loss realized on the disposal of an asset is calculated as the difference between the price for disposal and the carrying amount of the asset, and included in profit or loss.

8. Goodwill and Intangible Assets

(1) Goodwill

Goodwill is presented at cost less accumulated impairment losses. Goodwill is not amortized and is tested for impairment. For impairment, please refer to “(10) Impairment of Non-financial Assets.”

(2) Other Intangible Assets

Intangible assets acquired separately are measured at cost at initial recognition. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Intangible assets are subsequently measured using the cost model and presented at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with definite useful lives are amortized using the straight-line method over their estimated useful lives.

The estimated useful lives of major intangible assets are as follows:

Customer-related assets:	11 to 13 years
Software:	primarily 5 years

The amortization method, residual value, and estimated useful life of an asset are reviewed at the end of each fiscal year. Any changes are applied prospectively as changes in accounting estimates.

9. Leases

A right-of-use asset is depreciated systematically over the lease term.

Lease payments are allocated to finance costs and the repayments of the remaining balance of a lease liability in order to produce a constant rate of interest on the remaining balance of the lease liability. The finance costs are presented separately from the depreciation charge for the right-of-use assets in the consolidated statement of profit or loss.

A lease liability under a lease transaction is measured at the discounted present value of the total lease payments that are not paid at the commencement date of the lease. A right-of-use asset is initially measured at the amount of the initial measurement of the lease liability, adjusted by any initial direct costs, prepaid lease payments, and other elements, together with costs for the restoration and other obligations required by the lease contract.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement even if the arrangement does not take the legal form of a lease.

Lease payments relating to leases with a lease term of 12 months or less and those for which the underlying asset is of low value are recognized as an expense on either a straight-line basis over the lease term or another systematic basis.

10. Impairment of Non-financial Assets

The Group assesses whether there is any indication of impairment for each asset. When an event or change in circumstance indicates that the carrying amount might not be recoverable, the asset is tested for impairment. Intangible assets with indefinite useful lives and goodwill are, regardless of whether there is an indication of impairment or not, tested for impairment annually at a cash-generating unit (CGU) level by estimating the recoverable amount of the CGU to which the asset belongs.

Impairment tests are performed by estimating the recoverable amount of an asset or CGU and comparing it with the carrying amount. For the purpose of impairment testing, individual assets are grouped at the lowest levels for which there are separately identifiable cash flows. Goodwill is allocated to each CGU or a group of CGUs that is expected to benefit from the synergies of the business combination. The recoverable amount is the higher of fair value less cost to sell the asset and its value in use. In calculating the value in use, the estimated future cash flows are discounted to the present value using a discount rate that reflects the time value of money and inherent risks of the asset.

The Group assesses at the end of the fiscal year the possibility of reversal of impairment losses recognized in prior years for property, plant and equipment and intangible assets other than goodwill.

11. Retirement Benefits

The Group has a defined contribution plan and a defined benefit plan.

(1) Defined contribution plan

Under a defined contribution plan, the employer contributes a fixed amount to an independent company and has no legal or constructive obligation to pay an amount in excess of the contributed amount. Therefore, the amount of contribution to be paid to the defined contribution plan is recognized as an expense in the period in which employees render related services to the Group.

(2) Defined benefit plan

The Group determines the present value of defined benefit obligations and the related current service cost and past service cost using the projected unit credit method for each plan individually.

The discount rate is determined by reference to yields at the end of the fiscal year on high quality corporate bonds corresponding to a discounting period set based on a period until the expected date of benefit payment in each future fiscal year.

The present value of the defined benefit obligations less the fair value of the plan assets is recognized as an asset or liability.

Service cost, past service cost, and interest cost on the net defined benefit liability (asset) are recognized in profit or loss. Remeasurements of the net defined benefit liability (asset) are recognized in its entirety in other comprehensive income in the period in which they occur and are immediately transferred to retained earnings.

12. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when the amount of the obligation can be reliably estimated. When the time value of money is material, the provisions are determined by discounting the estimated future cash flows to the present value at a pre-tax discount rate that reflects the time value of money and the risks specific to the obligation.

13. Revenue

The Group recognizes revenue in the amount that reflects a consideration to which the Group expects to be entitled in exchange for the transfer of goods and services to customers, based on the following five-step approach:

Step 1: Identify the contracts with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to separate performance obligations
Step 5: Recognize revenue when the entity satisfies a performance obligation

Revenue from the sale of goods is recognized when the control of goods is transferred to customers. Expected returns, discounts, rebates, and other items are deducted from revenue. The amount of returns is derived by estimating an expected return rate of goods based on historical data and other information. The amount of discounts and rebates is derived by estimating future payments based on the contract or through other means. Please also refer to 7. “REVENUE.”

14. Income Taxes

Income taxes comprise current taxes and deferred taxes. They are recognized in profit or loss, except for items arising from business combinations, items recognized in other comprehensive income, and items directly recognized in equity.

Current taxes are measured as the amount that is expected to be paid to or refunded for current taxable profit based on the tax rates and the tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred taxes are recognized, through an asset-and-liability approach, for the differences (temporary differences) between the tax base of assets and liabilities and their carrying amount for accounting purposes at the end of the fiscal year.

However, deferred tax assets and liabilities are not recognized for the following temporary differences:

- temporary differences arising from the initial recognition of goodwill;
- differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, that affects neither accounting nor taxable profit (loss), and that does not give rise to equal taxable and deductible temporary differences at the time of the transaction; and
- taxable temporary differences associated with investments in subsidiaries or associates, to the extent that the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to taxable profit for the fiscal year in which the temporary differences will be reversed. Deferred tax assets are recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and income taxes are levied by the same taxation authority on either the same taxable entity or a different taxable entity that intends to settle the current tax assets and liabilities on a net basis.

In addition, the Company and certain domestic consolidated subsidiaries have adopted the group tax sharing system.

Furthermore, the Group applies the exception for recognition and disclosure of information of deferred tax assets and deferred tax liabilities under IAS 12 Income Taxes for income taxes arising from tax laws enacted or substantively enacted to introduce the Pillar Two model rules released by the Organisation for Economic Co-operation and Development (OECD).

15. Equity

(1) Share Capital and Share Premium

The issue prices of equity financial instruments issued by the Company are recognized in share capital and share premium. Transaction costs directly attributed to the issuance are deducted from equity.

(2) Treasury Shares

When treasury shares are acquired, the acquisition cost is recognized as a deduction item from equity. When treasury shares are disposed of, any difference between the carrying amount and the consideration received at the time of disposal is recognized in share premium.

16. Share-based Payment

The Group has adopted a restricted stock compensation plan for payments to the Company’s members of the Board excluding outside members based on equity-settled shares. Consideration for services received is measured at fair value of the Company’s shares at the grant date, recognized as an expense in the consolidated statement of profit or loss over the vesting period starting from the grant date, and the corresponding amount is recognized as an increase in equity in the consolidated statement of financial position.

17. Discontinued Operations

The Group classifies its business operation, a unit for managerial decision making, as a discontinued operation if it has been disposed of, or meets the criteria to be classified as held for sale.

4. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

To prepare consolidated financial statements in conformity with IFRS Accounting Standards, the Group uses judgments, accounting estimates, and assumptions that have an impact on the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Estimates and assumptions are based on management’s best judgments made based on various factors which are considered to be reasonable in accordance with past results and conditions. By their nature, actual results may differ from these estimates and assumptions.

These estimates and assumptions, the basis of the estimates, are reviewed on an ongoing basis. The effects of any revisions to these estimates are recognized in the period of the revisions and future periods which are impacted by the revisions.

Although it is still uncertain when the ongoing Ukraine situation and the conflicts in the Middle East will settle down, the Group assumes that these factors will not significantly affect its operating environment.

The Group expects the impact of U.S. import tariffs to be absorbed by the review of selling prices, an increase in sales volume, and other internal improvement efforts such as cost reduction. The Group therefore assumes that these factors will not significantly affect its operating environment either.

However, given that the above assumptions used for estimates involve a lot of uncertainties, any changes in the operating environment may affect the estimates and assumptions.

Information related to judgments made in the process of applying accounting policies that have a material impact on the consolidated financial statements is as follows:

- Scope of consolidated subsidiaries (3. “MATERIAL ACCOUNTING POLICIES (1) Basis of Consolidation”)
- Revenue recognition (3. “MATERIAL ACCOUNTING POLICIES (13) Revenue,” 7. “REVENUE”)

Estimates and assumptions that have a material impact on the amounts recognized in the consolidated financial statements are as follows:

• Measurement of inventories (10. “INVENTORIES”)

Inventories are measured at cost. When their net realizable value at the end of a reporting period falls below their cost, inventories are measured at such net realizable value and, in principle, the difference between the net realizable value and the cost is recognized as cost of sales. The net realizable value is the estimated selling price in the ordinary course of business less estimated cost required for completion and estimated selling expenses.

The estimates can be affected by factors such as uncertain future changes in the market environment. A loss may arise in the event of significant decline in the net realizable value.

• Impairment of non-financial assets (16. “IMPAIRMENT OF NON-FINANCIAL ASSETS”)

Impairment tests for non-financial assets are conducted by calculating the recoverable amounts based on a number of assumptions and estimates, such as assumptions for measuring fair value of CGUs after deducting the costs of disposal, or estimates of future cash flows of CGUs and assumptions of discount rates for calculating their value in use. These assumptions and estimates might cause material revisions to the amount of impairment losses as a result of uncertain future changes in economic conditions. Estimates and assumptions of the material CGUs for which indication of impairment was identified in the fiscal year ended December 31, 2025 are described in 16. “IMPAIRMENT OF NON-FINANCIAL ASSETS.”

• Recoverability of deferred tax assets (17. “INCOME TAXES”)

In calculating income taxes, estimates and judgments are required for various factors, such as the interpretation of tax laws and regulations and the results of tax investigations in prior years. Therefore, the amount recognized as income taxes may differ from the amount actually imposed. Furthermore, deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; however, the timing and amount of available taxable profits may be affected by uncertain future changes in economic conditions. If the actual timing and amount differ from their estimates, they might cause material changes in the amount to be recognized in the following fiscal years.

• Measurement of defined benefit obligations (21. “EMPLOYEE BENEFITS”)

The present value of defined benefit obligations and relevant service costs are calculated based on actuarial assumptions. In determining actuarial assumptions, estimates and judgments on a broad range of variables, such as discount rates and salary increase rates, are required.

The Group has obtained an external actuary’s advice regarding the appropriateness of actuarial assumptions, including these variables.

Actuarial assumptions are determined based on management’s best estimates and judgments; however, they may be affected by uncertain future changes in economic conditions and the amendment or promulgation of relevant laws and regulations. Any revision to actuarial assumptions, when necessary, might cause material changes in the amounts to be recognized in the consolidated financial statements in the following fiscal years.

• Valuation of financial instruments (32. “FINANCIAL INSTRUMENTS”)

The Group uses valuation techniques using inputs that are unobservable in the market in measuring the fair value of certain financial instruments which are categorized as Level 3. Unobservable inputs may be affected by uncertain future changes in economic conditions. When revisions are needed, they might cause material changes in the amounts to be recognized in the following fiscal years.

• Contingent liabilities (37. “CONTINGENT LIABILITIES”)

For contingent liabilities, items which may have a material impact on future business operations are disclosed by considering all available evidence at the end of the fiscal year and taking into account the likelihood and financial impact.

5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED

Main standards and interpretations that have been established or amended by the date of approval of the consolidated financial statements but have not been early adopted by the Group in the fiscal year ended December 31, 2025 were as follows. The Group is currently evaluating the effects of applying the new standards and interpretations on the Group.

Standard	Title	Effective date (for fiscal years beginning on or after)	Fiscal year of adoption by the Group	Summary of the new or revised standard
IFRS 18	*Presentation and Disclosure in Financial Statements*	January 1, 2027	Fiscal year ending December 31, 2027	Rules for the presentation and disclosure of financial statements that provide more transparent and comparable information regarding financial performance

6. SEGMENT INFORMATION

1. Outline of Reportable Segments

The Group’s business segments are organizational units for which the Group is able to obtain discrete financial information in order for the Company’s Board of Directors to regularly review performance to determine the distribution of management resources and evaluate business results.

The Group classifies organizational units by product and service. Each organizational unit plans domestic or overseas general strategies for its products and services and operates its business.

Major products in each reportable segment

Reportable segment	Major products
Tires	Tires for passenger cars, trucks and buses, light trucks, agricultural machinery, mining and construction equipment, industrial equipment, forestry machinery, etc.; tire tubes; aluminum alloy wheels; and auto supplies
MB	Conveyor belts, hoses, pneumatic marine fenders, oil fences, marine hoses, and aerospace products

2. Information on Segment Revenues and Results

The accounting methods applied to the reportable segments are the same as those described in 3. “MATERIAL ACCOUNTING POLICIES.”

The figures related to reportable segments are based on business profit. Intersegment revenues are based on prevailing market prices.

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Millions of Yen

	Reportable segment		Other (Note 1)	Total	Adjustments (Note 3)	Consolidated
	Tires	MB				
Revenues						
Revenue from external customers	¥ 980,896	¥ 105,249	¥ 8,600	¥ 1,094,746	¥ —	¥ 1,094,746
Intersegment revenue	1,215	124	19,116	20,455	(20,455)	—
Total	¥ 982,112	¥ 105,373	¥ 27,716	¥ 1,115,201	¥ (20,455)	¥ 1,094,746
Segment profit (business profit) (Note 2)	127,157	8,577	(1,360)	134,374	5	134,379
Other income and expenses						(15,223)
Operating profit						119,157
(Other material items) (Note 4)						
Depreciation and amortization	51,869	3,227	162	55,257	792	56,050
Impairment losses	11,449	—	—	11,449	—	11,449
Capital expenditures	73,781	3,932	696	78,409	798	79,207

Notes:

1. “Other” includes the sports business.
2. Segment profit (business profit) is calculated by deducting cost of sales and selling, general, and administrative expenses from revenues.
3. Segment profit adjustments include the elimination of intersegment transactions.
4. Depreciation and capital expenditures for right-of-use assets are not included.

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

	Millions of Yen					
	Reportable segment		Other		Adjustments	
	Tires	MB	(Note 1)	Total	(Note 3)	Consolidated
Revenues						
Revenue from external customers	¥ 1,121,284	¥ 105,552	¥ 8,123	¥ 1,234,959	¥ —	¥ 1,234,959
Intersegment revenue	1,212	127	21,801	23,140	(23,140)	—
Total	¥ 1,122,496	¥ 105,678	¥ 29,923	¥ 1,258,098	¥ (23,140)	¥ 1,234,959
Segment profit (business profit) (Note 2)	154,979	11,090	518	166,587	(11)	166,577
Other income and expenses						(13,676)
Operating profit						152,901
(Other material items) (Note 4)						
Depreciation and amortization	59,818	3,226	233	63,277	825	64,102
Impairment losses	3,160	—	—	3,160	—	3,160
Capital expenditures	103,134	5,736	284	109,154	796	109,950

	Thousands of U.S. Dollars					
	Reportable segment		Other		Adjustments	
	Tires	MB	(Note 1)	Total	(Note 3)	Consolidated
Revenues						
Revenue from external customers	$ 7,162,010	$ 674,193	$ 51,881	$ 7,888,085	$ —	$ 7,888,085
Intersegment revenue	7,742	809	139,249	147,800	(147,800)	—
Total	$ 7,169,752	$ 675,002	$ 191,131	$ 8,035,885	$ (147,800)	$ 7,888,085
Segment profit (business profit) (Note 2)	989,904	70,833	3,310	1,064,046	(68)	1,063,979
Other income and expenses						(87,351)
Operating profit						976,628
(Other material items) (Note 4)						
Depreciation and amortization	382,078	20,606	1,487	404,170	5,271	409,441
Impairment losses	20,182	—	—	20,182	—	20,182
Capital expenditures	658,751	36,636	1,817	697,204	5,084	702,288

Notes:
1.“Other” includes the sports business.
2. Segment profit (business profit) is calculated by deducting cost of sales and selling, general, and administrative expenses from revenues.
3. Segment profit adjustments include the elimination of intersegment transactions.
4. Depreciation and capital expenditures for right-of-use assets are not included.

3. Revenue from External Customers by Product and Service Category
Disclosure is omitted because product and service categories are the same as the reportable segments.

4. Geographic Information
(1) Revenue from External Customers
Revenue from external customers by area is presented in 7. “REVENUE.”

(2) Non-current Assets

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	2025 (December 31, 2025)
Japan	¥ 244,258	¥ 170,464	$ 1,560,156
United States	89,759	80,996	573,320
India	233,603	232,952	1,492,101
China	71,968	44,390	459,681
Philippines	34,788	31,199	222,203
Europe	334,968	267,212	2,139,553
Other	100,905	74,842	644,516
Total	¥ 1,110,250	¥ 902,055	$ 7,091,529

Note:
Non-current assets are classified based on the location of each company in the Group. They exclude other financial assets, assets for retirement benefits, and deferred tax assets.

5. Information on Major Customers
There was no single external customer that accounted for 10% or more of revenue on the consolidated statement of profit or loss.

7. REVENUE

1. Disaggregation of Segment Revenues by Geographic Area
Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

	Millions of Yen			
	Tires	MB	Other	Total
Areas				
Japan	¥ 234,026	¥ 54,969	¥ 6,665	¥ 295,660
North America	296,936	24,376	303	321,615
Asia	141,856	14,309	1,632	157,798
Europe	230,632	2,670	—	233,302
Other	77,446	8,925	—	86,372
Total	¥ 980,896	¥ 105,249	¥ 8,600	¥ 1,094,746

Note:
Revenues are classified based on the location of customers and exclude intersegment transactions.
North America mainly refers to the United States (¥302,123 million).

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

	Millions of Yen			
	Tires	MB	Other	Total
Areas				
Japan	**¥ 257,867**	**¥ 54,559**	**¥ 6,240**	**¥ 318,665**
North America	**330,493**	**22,798**	**394**	**353,685**
Asia	**160,094**	**14,853**	**1,489**	**176,435**
Europe	**270,492**	**3,683**	**—**	**274,175**
Other	**102,340**	**9,659**	**—**	**111,999**
Total	**¥ 1,121,284**	**¥ 105,552**	**¥ 8,123**	**¥ 1,234,959**

	Thousands of U.S. Dollars			
	Tires	MB	Other	Total
Areas				
Japan	**$ 1,647,078**	**$ 348,484**	**$ 39,854**	**$ 2,035,416**
North America	**2,110,966**	**145,619**	**2,518**	**2,259,104**
Asia	**1,022,571**	**94,870**	**9,509**	**1,126,950**
Europe	**1,727,719**	**23,524**	**—**	**1,751,244**
Other	**653,676**	**61,696**	**—**	**715,372**
Total	**$ 7,162,010**	**$ 674,193**	**$ 51,881**	**$ 7,888,085**

Note:
Revenues are classified based on the location of customers and exclude intersegment transactions.
North America mainly refers to the United States (¥324,419 million, $2,072,168 thousand).

The Group is engaged in the manufacturing of products in the Tires, MB, and Other segments, and conducts a range of business with the tire business at its core. In these businesses, the Group itself is a party to contracts with customers.

Since performance obligations for revenues from automakers, retailers, and other business operators, all of which are the major customers of the Tires and MB segments, are satisfied when the Group's products are delivered to customers, revenues are recorded at that point in time. This is because control over the Group's products is deemed to be transferred on delivery, the point in time in which customers can use and sell the products on their own will and obtain benefits from the products.

The amounts of contractual considerations include no significant financing components since they are paid primarily within one year from the delivery of products to customers.

In the Tires and MB segments, the Group determines product transaction prices when initiating transactions with each customer. For some transactions which provide sales rebates and sales fees according to the volume of transactions and other aspects for certain periods from several months to one year, the Group adjusts transaction prices by estimating the amounts of variable consideration based on contractual conditions and other factors. Refund liabilities relating to these adjustments are included in "Other financial liabilities." Since the variable consideration payable to customers is reasonably estimable, it is determined that significant reversal of cumulative revenue recognized will not occur and thus the estimate of variable consideration will not be constrained.

The Tires and MB segments do not classify product warranties as independent performance obligations or allocate part of transaction prices to product warranties because they do not provide service-type product warranties, such as providing services beyond repairing defects that existed at the time of sale.

The Tires segment, which records a reversal of revenues from winter tires mainly sold in Japan partly due to returns from winter to spring, reduces revenues by estimating expected returns, and the right to collect products to be returned is recognized as a returned asset in "Other current assets."

2. Contract Balance
The Group's contract balance consists of receivables (notes and accounts receivables) arising from contracts with customers and contract liabilities (advances received). The balance of receivables arising from contracts with customers is presented in 9. "TRADE AND OTHER RECEIVABLES." The balance of contract liabilities recorded under "Other current liabilities" was as follows:

During the fiscal years ended December 31, 2024 and 2025, the amounts of revenues recognized from the performance obligations satisfied in the previous periods were immaterial.

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Contract liabilities	**¥ 3,015**	¥ 1,951	**$ 19,257**

3. Transaction Prices Allocated to Remaining Performance Obligations
The Group has no material transactions whose respective contract period exceeds one year. The Group applies the practical expedient set forth in Paragraph 121 of IFRS 15 and does not disclose information about its remaining performance obligations that have original expected durations of one year or less.

Moreover, consideration arising from contracts with customers includes no material amounts excluded from transaction prices.

4. Assets Recognized from Costs for Obtaining or Performing Contracts with Customers
The Group has no incremental costs for obtaining contracts or costs for performing contracts which should be recognized as assets.

8. CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Cash and deposits	**¥ 88,956**	¥ 111,100	**$ 568,192**
Time deposits with maturities of three months or less	**18,435**	25,114	**117,752**
Total	**¥ 107,391**	¥ 136,215	**$ 685,944**

9. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Notes and accounts receivable-trade	**¥ 311,720**	¥ 260,266	**$ 1,991,055**
Other	**25,674**	23,930	**163,986**
Allowance for doubtful receivables	**(3,406)**	(3,176)	**(21,756)**
Total	**¥ 333,987**	¥ 281,020	**$ 2,133,285**

The amounts less allowance for doubtful receivables are presented in the consolidated statement of financial position.

Trade and other receivables are classified as financial assets measured at amortized cost.

Credit risk management and the fair value of trade and other receivables are presented in 32. "FINANCIAL INSTRUMENTS."

10. INVENTORIES

The breakdown of inventories was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Merchandise and finished goods	**¥ 225,267**	¥ 193,366	**$ 1,438,856**
Work in progress	**15,079**	14,339	**96,314**
Raw materials and supplies	**78,709**	72,928	**502,742**
Total	**¥ 319,055**	¥ 280,633	**$ 2,037,912**

The valuation loss on inventories was ¥2,414 million and ¥3,369 million ($21,519 thousand) for the fiscal years ended December 31, 2024 and 2025, respectively.

11. OTHER FINANCIAL ASSETS

The breakdown of other financial assets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Financial assets measured at amortized cost			
Loans receivable	**¥ 445**	¥ 402	**$ 2,841**
Other	**8,393**	8,020	**53,610**
Allowance for doubtful receivables	**(172)**	(169)	**(1,099)**
Non-derivative financial assets measured at fair value through profit or loss			
Other	**175**	174	**1,117**
Non-derivative financial assets measured at fair value through other comprehensive income			
Shares	**39,078**	40,486	**249,607**
Other	**605**	605	**3,862**
Derivative assets	**4,125**	8,896	**26,346**
Total	**¥ 52,649**	¥ 58,413	**$ 336,284**
Current assets	**8,576**	9,059	**54,780**
Non-current assets	**44,072**	49,354	**281,503**
Total	**¥ 52,649**	¥ 58,413	**$ 336,284**

The amounts less allowance for doubtful receivables are presented in the consolidated statement of financial position.

Derivative assets are classified as financial assets measured at fair value through profit or loss, except for those to which hedge accounting is applied.

The major equity financial assets measured at fair value through other comprehensive income and their fair values were as follows:

Fiscal Year Ended December 31, 2024 (December 31, 2024)

	Millions of Yen
Share issuer	Amount
Honda Motor Co., Ltd.	¥ 4,605
Zeon Corporation	3,207
Yellow Hat Ltd.	2,968
Mizuho Financial Group, Inc.	2,923
ADEKA Corporation	1,255

Fiscal Year Ended December 31, 2025 (December 31, 2025)

	Millions of Yen
Share issuer	Amount
Mizuho Financial Group, Inc.	**¥ 4,302**
Yellow Hat Ltd.	**3,596**
ADEKA Corporation	**1,718**
FURUKAWA CO., LTD.	**1,598**
MITANI CORPORATION	**1,425**

	Thousands of U.S. Dollars
Share issuer	Amount
Mizuho Financial Group, Inc.	**$ 27,477**
Yellow Hat Ltd.	**22,971**
ADEKA Corporation	**10,972**
FURUKAWA CO., LTD.	**10,204**
MITANI CORPORATION	**9,100**

These shares are designated as equity financial assets measured at fair value through other comprehensive income as they are held mainly for strategic investment purposes.

The Group sells (derecognizes) equity financial assets measured at fair value through other comprehensive income to streamline and effectively use the assets it holds.

The fair values and accumulated gains or losses recognized in other comprehensive income in equity at the time of sale in each fiscal year were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Fair value	**¥ 8,351**	¥ 73,623	**$ 53,340**
Accumulated gains (losses) recognized in other components of equity (Note)	**¥ 3,228**	¥ 42,395	**$ 20,618**

Notes:

1. Accumulated gains or losses recognized in equity as other components of equity are transferred to retained earnings at the time of sale.
2. Accumulated gains or losses recognized in equity as other components of equity are calculated on a net-of-tax basis.

The breakdown of dividends received which are recognized from equity financial instruments was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Investments derecognized during the year	**¥ 195**	¥ 1,086	**$ 1,245**
Investments held as of the end of the year	**873**	1,175	**5,573**
Total	**¥ 1,068**	¥ 2,261	**$ 6,819**

12. ASSETS HELD FOR SALE

The breakdown of assets held for sale and liabilities directly related to the assets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Assets held for sale			
Property, plant and equipment	**¥ 17,340**	¥ 19,342	**$ 110,755**
Total	**¥ 17,340**	¥ 19,342	**$ 110,755**

Assets held for sale as of December 31, 2024 and 2025 are related to the closure of the Hadera plant of Alliance Tire Company Limited in Israel, a consolidated subsidiary of the Company, which is reported under the Tires segment. The assets were classified as held for sale in the fiscal year ended December 31, 2024, as the transfer of the assets became highly probable. As of December 31, 2025, they continued to meet the requirements for classification as held for sale, and because the sale has not yet been completed, they remain classified as assets held for sale as of December 31, 2025.

Furthermore, their carrying amount was reduced to their fair value less costs to sell, and impairment losses of ¥1,501 million and ¥1,194 million ($7,624 thousand) were recognized for the fiscal years ended December 31, 2024 and 2025, respectively, and included in “Other expenses” in the consolidated statement of profit or loss. (Refer to 26. “OTHER EXPENSES.”)

The fair value less costs to sell is based on the appraisal value provided by a third party, calculated using a valuation technique (market approach) that includes unobservable inputs. The fair value is categorized within Level 3 of the fair value hierarchy.

13. PROPERTY, PLANT AND EQUIPMENT

Schedule of Changes

Changes in the cost, accumulated depreciation, and accumulated impairment losses and carrying amounts of property, plant and equipment were as follows:

Millions of Yen

Cost	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at January 1, 2024	¥ 275,464	¥ 639,241	¥ 112,645	¥ 65,199	¥ 39,766	¥ 76,630	¥ 1,208,944
Individual acquisition	438	3,423	2,991	9,147	62,383	7,045	85,426
Sale or disposal	(2,127)	(8,290)	(4,618)	(886)	(652)	(2,730)	(19,303)
Exchange differences on translating foreign operations	13,774	36,960	5,791	2,998	3,927	3,409	66,859
Transfer from construction in progress	6,756	31,551	7,723	—	(46,030)	—	—
Transfer to held for sale	(15,372)	(20,298)	(4,961)	(7,349)	(337)	(107)	(48,424)
Other	569	613	105	51	(1,409)	(5,234)	(5,306)
Balance at December 31, 2024	¥ 279,502	¥ 683,200	¥ 119,675	¥ 69,160	¥ 57,648	¥ 79,012	¥ 1,288,197
Individual acquisition	2,100	3,725	5,168	291	98,013	14,778	124,074
Acquisition through business acquisition	6,035	28,550	4,236	2,256	1,324	263	42,665
Sale or disposal	(1,758)	(27,802)	(3,753)	(335)	(542)	(1,322)	(35,512)
Exchange differences on translating foreign operations	6,000	10,301	2,045	1,798	5,207	492	25,844
Transfer from construction in progress	9,911	40,047	8,606	511	(59,074)	—	—
Other	3,140	(7,152)	3,250	(8,032)	(2,249)	3,592	(7,451)
Balance at December 31, 2025	¥ 304,930	¥ 730,868	¥ 139,227	¥ 65,650	¥ 100,327	¥ 96,815	¥ 1,437,816

Thousands of U.S. Dollars

Cost	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at December 31, 2024	$ 1,785,269	$ 4,363,820	$ 764,405	$ 441,747	$ 368,217	$ 504,676	$ 8,228,134
Individual acquisition	13,411	23,790	33,011	1,856	626,041	94,390	792,499
Acquisition through business acquisition	38,550	182,361	27,057	14,412	8,457	1,679	272,516
Sale or disposal	(11,228)	(177,581)	(23,973)	(2,137)	(3,465)	(8,444)	(226,827)
Exchange differences on translating foreign operations	38,326	65,793	13,065	11,485	33,259	3,145	165,073
Transfer from construction in progress	63,302	255,795	54,967	3,263	(377,326)	—	—
Other	20,056	(45,683)	20,758	(51,300)	(14,364)	22,942	(47,591)
Balance at December 31, 2025	$ 1,947,685	$ 4,668,296	$ 889,290	$ 419,325	$ 640,819	$ 618,388	$ 9,183,803

Millions of Yen

Accumulated depreciation and accumulated impairment losses	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at January 1, 2024	¥ (140,690)	¥ (455,208)	¥ (88,894)	¥ (635)	¥ (1)	¥ (30,721)	¥ (716,148)
Depreciation	(8,968)	(29,924)	(9,349)	—	—	(10,107)	(58,347)
Impairment losses	(7,323)	(3,360)	(425)	(295)	(29)	—	(11,432)
Sale or disposal	1,886	7,085	4,469	11	—	2,636	16,087
Exchange differences on translating foreign operations	(5,906)	(23,033)	(4,081)	(78)	(0)	(1,407)	(34,506)
Transfer to held for sale	6,178	18,293	4,538	—	—	73	29,082
Other	(202)	(1,337)	(87)	(20)	(1)	6,231	4,584
Balance at December 31, 2024	¥ (155,024)	¥ (487,483)	¥ (93,830)	¥ (1,018)	¥ (32)	¥ (33,294)	¥ (770,681)
Depreciation	(8,198)	(32,559)	(10,578)	—	—	(9,520)	(60,856)
Impairment losses	(122)	(1,517)	14	178	—	—	(1,446)
Sale or disposal	1,469	26,603	3,478	5	5	1,374	32,933
Exchange differences on translating foreign operations	(2,953)	(6,145)	(1,300)	260	(4)	(183)	(10,324)
Other	(164)	5,161	(3,495)	332	0	4,991	6,824
Balance at December 31, 2025	¥ (164,993)	¥ (495,941)	¥ (105,711)	¥ (242)	¥ (32)	¥ (36,632)	¥ (803,550)

Thousands of U.S. Dollars

Accumulated depreciation and accumulated impairment losses	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at December 31, 2024	$ (990,192)	$ (3,113,717)	$ (599,320)	$ (6,502)	$ (204)	$ (212,658)	$ (4,922,593)
Depreciation	(52,362)	(207,968)	(67,568)	—	—	(60,810)	(388,708)
Impairment losses	(782)	(9,688)	93	1,138	—	—	(9,239)
Sale or disposal	9,381	169,920	22,213	34	29	8,776	210,353
Exchange differences on translating foreign operations	(18,859)	(39,247)	(8,304)	1,662	(26)	(1,168)	(65,942)
Other	(1,051)	32,964	(22,326)	2,121	0	31,881	43,589
Balance at December 31, 2025	$ (1,053,864)	$ (3,167,735)	$ (675,212)	$ (1,546)	$ (202)	$ (233,980)	$ (5,132,539)

Millions of Yen

Carrying amount	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets (Note)	Total
Balance at January 1, 2024	¥ 134,774	¥ 184,033	¥ 23,751	¥ 64,564	¥ 39,765	¥ 45,910	¥ 492,796
Balance at December 31, 2024	124,477	195,716	25,846	68,142	57,616	45,718	517,516
Balance at December 31, 2025	139,937	234,928	33,516	65,408	100,295	60,183	634,266

Thousands of U.S. Dollars

Carrying amount	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets (Note)	Total
Balance at December 31, 2025	$ 893,821	$ 1,500,560	$ 214,078	$ 417,779	$ 640,617	$ 384,408	$ 4,051,264

The carrying amounts of right-of-use assets were as follows:

	Millions of Yen				
Right-of-use assets	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Total
Balance at January 1, 2024	¥ 35,087	¥ 3,979	¥ 898	¥ 5,946	¥ 45,910
Balance at December 31, 2024	33,714	5,369	638	5,997	45,718
Balance at December 31, 2025	34,200	10,240	383	15,361	60,183

	Thousands of U.S. Dollars				
Right-of-use assets	Buildings and structures	Machinery, equipment, and vehicles	Tools, furniture, and fixtures	Land	Total
Balance at December 31, 2025	$ 218,444	$ 65,406	$ 2,443	$ 98,116	$ 384,408

Depreciation of property, plant and equipment is included in “Cost of sales” and “Selling, general, and administrative expenses” in the consolidated statement of profit or loss.

14. GOODWILL AND INTANGIBLE ASSETS

1. Schedule of Changes

Changes in the cost, accumulated amortization, and accumulated impairment losses and carrying amounts of goodwill and intangible assets were as follows:

	Millions of Yen						
Cost	Goodwill	Customer related	Technology based	Trademarks	Software	Other	Total
Balance at January 1, 2024	¥ 275,830	¥ 42,901	¥ 9,553	¥ 44,480	¥ 5,702	¥ 4,664	¥ 383,130
Individual acquisition	—	28	1	—	753	43	826
Sale or disposal	—	—	(0)	—	(2,902)	(31)	(2,933)
Exchange differences on translating foreign operations	20,984	4,454	689	2,838	418	26	29,409
Other	—	(171)	—	(2,761)	834	(67)	(2,164)
Balance at December 31, 2024	¥ 296,814	¥ 47,212	¥ 10,243	¥ 44,558	¥ 4,806	¥ 4,635	¥ 408,267
Individual acquisition	—	12	2	2	607	36	658
Acquisition through business acquisition	15,933	24,863	17,440	12,867	—	5,673	76,774
Sale or disposal	—	—	(0)	0	(127)	(13)	(140)
Exchange differences on translating foreign operations	20,152	2,515	740	1,410	69	(135)	24,751
Other	0	(1,175)	—	186	248	493	(247)
Balance at December 31, 2025	¥ 332,899	¥ 73,426	¥ 28,424	¥ 59,023	¥ 5,602	¥ 10,689	¥ 510,063

	Thousands of U.S. Dollars						
Cost	Goodwill	Customer related	Technology based	Trademarks	Software	Other	Total
Balance at December 31, 2024	$ 1,895,849	$ 301,558	$ 65,424	$ 284,607	$ 30,696	$ 29,605	$ 2,607,738
Individual acquisition	—	78	11	15	3,874	227	4,206
Acquisition through business acquisition	101,767	158,805	111,392	82,184	—	36,234	490,383
Sale or disposal	—	—	(2)	0	(814)	(81)	(897)
Exchange differences on translating foreign operations	128,720	16,063	4,727	9,005	441	(863)	158,092
Other	0	(7,505)	—	1,189	1,586	3,151	(1,580)
Balance at December 31, 2025	$ 2,126,336	$ 468,999	$ 181,552	$ 376,999	$ 35,783	$ 68,272	$ 3,257,942

	Millions of Yen						
Accumulated amortization and accumulated impairment losses	Goodwill	Customer related	Technology based	Trademarks	Software	Other	Total
Balance at January 1, 2024	¥ —	¥ (21,355)	¥ (2,868)	¥ (2,813)	¥ (2,888)	¥ (4,363)	¥ (34,287)
Amortization	—	(3,725)	(1,007)	(1,049)	(1,353)	(675)	(7,809)
Impairment losses	—	—	—	—	(17)	—	(17)
Sale or disposal	—	—	—	—	2,894	(0)	2,894
Exchange differences on translating foreign operations	—	(2,528)	(322)	(93)	(292)	11	(3,223)
Other	—	171	—	2,616	18	639	3,444
Balance at December 31, 2024	¥ —	¥ (27,437)	¥ (4,197)	¥ (1,340)	¥ (1,636)	¥ (4,388)	¥ (38,998)
Amortization	—	(5,558)	(1,823)	(2,543)	(1,114)	(1,730)	(12,766)
Impairment losses	—	—	—	—	(100)	—	(100)
Sale or disposal	—	—	0	—	125	13	138
Exchange differences on translating foreign operations	—	(228)	(175)	(3)	100	(60)	(366)
Other	—	(1)	—	35	651	682	1,367
Balance at December 31, 2025	¥ —	¥ (33,224)	¥ (6,194)	¥ (3,852)	¥ (1,974)	¥ (5,483)	¥ (50,726)

	Thousands of U.S. Dollars						
Accumulated amortization and accumulated impairment losses	Goodwill	Customer related	Technology based	Trademarks	Software	Other	Total
Balance at December 31, 2024	$ —	$ (175,249)	$ (26,806)	$ (8,561)	$ (10,452)	$ (28,027)	$ (249,094)
Amortization	—	(35,499)	(11,642)	(16,241)	(7,114)	(11,048)	(81,543)
Impairment losses	—	—	—	—	(640)	—	(640)
Sale or disposal	—	—	2	—	799	80	881
Exchange differences on translating foreign operations	—	(1,456)	(1,117)	(21)	641	(384)	(2,337)
Other	—	(7)	—	220	4,158	4,359	8,731
Balance at December 31, 2025	$ —	$ (212,210)	$ (39,563)	$ (24,603)	$ (12,608)	$ (35,020)	$ (324,004)

	Millions of Yen						
Carrying amount	Goodwill	Customer related	Technology based	Trademarks	Software	Other	Total
Balance at January 1, 2024	¥ 275,830	¥ 21,546	¥ 6,685	¥ 41,667	¥ 2,814	¥ 301	¥ 348,843
Balance at December 31, 2024	296,814	19,775	6,046	43,218	3,169	247	369,269
Balance at December 31, 2025	332,899	40,203	22,230	55,171	3,628	5,206	459,337

	Thousands of U.S. Dollars						
Carrying amount	Goodwill	Customer related	Technology based	Trademarks	Software	Other	Total
Balance at December 31, 2025	$ 2,126,336	$ 256,789	$ 141,989	$ 352,396	$ 23,175	$ 33,253	$ 2,933,938

Amortization of intangible assets is included in “Cost of sales” and “Selling, general, and administrative expenses” in the consolidated statement of profit or loss.

2. Intangible Assets with Indefinite Useful Lives

The carrying amount of intangible assets with indefinite useful lives at the end of the fiscal year ended December 31, 2024 was ¥33,827 million, representing trademarks acquired in the business combinations with Y-ATG and Y-TWS, both of which are CGUs.

The carrying amount of intangible assets with indefinite useful lives at the end of the fiscal year ended December 31, 2025 was ¥35,284 million ($225,372 thousand), mainly representing trademarks acquired in the business combinations with Y-ATG and Y-TWS, both of which are CGUs. They were deemed to have indefinite useful lives in the fiscal year ended December 31, 2025 since they will basically survive as long as the business continues.

3. Material Goodwill and Intangible Assets

Goodwill at the end of the fiscal year ended December 31, 2024 was mainly attributable to Y-ATG and Y-TWS, both of which are CGUs, and the carrying amount was ¥295,910 million. Material intangible assets other than goodwill were mainly customer-related intangible assets of Y-ATG and Y-TWS, and technology-based intangible assets of Y-TWS, whose carrying amounts were ¥19,749 million and ¥5,497 million, respectively.

Goodwill at the end of the fiscal year ended December 31, 2025 was mainly attributable to Y-ATG, Y-TWS, and G-OTR, all of which are CGUs, and the carrying amount was ¥331,745 million ($2,118,964 thousand). Material intangible assets other than goodwill were mainly customer-related intangible assets of Y-ATG, Y-TWS, and G-OTR, and technology-based intangible assets of Y-TWS and G-OTR, whose carrying amounts were ¥40,174 million ($256,602 thousand) and ¥22,047 million ($140,823 thousand), respectively.

The remaining amortization periods at the end of the fiscal year ended December 31, 2025 were four years for customer-related intangible assets of Y-ATG, nine years for customer-related intangible assets of Y-TWS, 11 years for customer-related intangible assets of G-OTR, 20 years for technology-based intangible assets of G-OTR, and eight years for technology-based intangible assets of Y-TWS.

4. Research and Development Expenses

Research and development expenses recognized in the fiscal years ended December 31, 2024 and 2025 were ¥19,800 million and ¥21,382 ($136,571 thousand), respectively, which were included in "Cost of sales" and "Selling, general, and administrative expenses" in the consolidated statement of profit or loss.

15. LEASE TRANSACTIONS

(As lessee)

As lessee, the Group leases buildings and structures, machinery, equipment, and vehicles, tools, furniture, and fixtures, land, and other assets. Lease liabilities are presented in "Other financial liabilities" in the consolidated statement of financial position.

1. Information on Lease-related Expenses

The breakdown of lease-related expenses was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Depreciation of right-of-use assets by class of underlying asset			
Buildings and structures	**¥ 6,407**	¥ 7,255	**$ 40,921**
Machinery, equipment, and vehicles	**2,473**	2,037	**15,797**
Tools, furniture, and fixtures	**158**	404	**1,009**
Land	**482**	408	**3,078**
Other assets	**1**	2	**5**
Subtotal	**9,520**	10,107	**60,810**
Interest expenses on lease liabilities	**1,146**	1,112	**7,322**
Expense relating to short-term leases	**2,082**	1,758	**13,300**
Expense relating to leases of low-value assets (excluding short-term leases)	**29**	31	**183**
Variable lease payments	**676**	530	**4,320**
Income from subleasing right-of-use assets	**412**	465	**2,635**

2. Variable Lease Payments

Lease contracts include variable lease payments, which are primarily lease payments that vary based on the number of tires kept in tire warehouses.

3. Extension Options and Termination Options

Extension options and termination options are mainly included in real estate leases of stores, offices, and warehouses, and the need to exercise these options is considered as appropriate for the purpose of utilizing such property for the Group's business.

4. Residual Value Guarantees

There are no material lease contracts for which residual value guarantees are provided.

5. Lease Contracts Not Yet Commenced to Which the Lessee Is Committed

There are no material lease contracts which had been concluded but for which leases had not yet commenced.

6. Restrictions or Covenants Imposed by Leases

There are no material restrictions imposed by lease contracts (restrictions on additional borrowings or additional leases, etc.).

7. Sale and Leaseback Transactions

There were no sale and leaseback transactions during the fiscal years ended December 31, 2024 and 2025.

8. Short-term Leases and Leases of Low-value Assets

Lease payments relating to leases with a lease term of 12 months or less or those for which the underlying asset is of low value are recognized as an expense on either a straight-line basis over the lease term or another systematic basis.

16. IMPAIRMENT OF NON-FINANCIAL ASSETS

1. Impairment Losses

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Non-financial assets are grouped by the smallest CGU that generates cash inflows that are largely independent. Impairment losses were recorded on the following assets in the fiscal year ended December 31, 2024.

Usage	Segment	Type	Millions of Yen Amount
Business assets	Tires	Buildings and structures	**¥ 7,323**
		Machinery, equipment, and vehicles	**3,360**
		Tools, furniture, and fixtures	**425**
		Land	**295**
		Construction in progress	**29**
		Software	**17**
		Total	**¥ 11,449**

Given the present market environment and the structural shift in the manufacturing footprint of the tire industry, the Company has decided to close the Hadera plant of Alliance Tire Company Limited in Israel and the Prague plant of Yokohama TWS Czech Republic a.s. in Czech Republic and consolidate their production footprints into other bases in order to secure a sustainable level of profitability and long-term prospects of the OHT business.

Consequently, the carrying amounts of property, plant and equipment items that were deemed no longer recoverable were reduced to their recoverable amounts, and the reduction of ¥11,436 million was recorded in "Other expenses" as impairment losses in the consolidated statement of profit or loss. This accounts for the major part of impairment losses of ¥11,449 million recorded in the fiscal year ended December 31, 2024. The recoverable amounts of these assets were calculated based on fair value less costs to sell. The fair value less costs to sell is based on the appraisal value provided by a third party, calculated using a valuation technique (market approach) that includes unobservable inputs. The fair value is categorized within Level 3 of the fair value hierarchy.

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

Non-financial assets are grouped by the smallest CGU that generates cash inflows that are largely independent. Impairment losses were recorded on the following assets in the fiscal year ended December 31, 2025.

Usage	Segment	Type	Millions of Yen Amount	Thousands of U.S. Dollars Amount
Business assets	Tires	Buildings and structures	**¥ 640**	**$ 4,085**
		Machinery, equipment, and vehicles	**2,418**	**15,443**
		Other	**102**	**654**
		Total	**¥ 3,160**	**$ 20,182**

Given the present market environment and the structural shift in the manufacturing footprint of the tire industry, the Company has decided to close the Spartanburg plant of Yokohama TWS North America, Inc. in the United States, in addition to the Hadera plant of Alliance Tire Company Limited in Israel and the Prague plant of Yokohama TWS Czech Republic a.s. in Czech Republic, and consolidate its production footprints into other bases in order to secure a sustainable level of profitability and long-term prospects of the OHT business.

Consequently, the carrying amounts of property, plant and equipment items that were deemed no longer recoverable were reduced to their recoverable amounts, and the reduction of ¥3,011 million ($19,233 thousand) was recorded in "Other expenses" as impairment losses in the consolidated statement of profit or loss. This accounts for the major part of impairment losses of ¥3,160 million ($20,182 thousand) recorded in the fiscal year ended December 31, 2025. The recoverable amounts of these assets were calculated based on fair value less costs to sell. The fair value less costs to sell is based on the appraisal value provided by a third party, calculated using a valuation technique (market approach) that includes unobservable inputs. The fair value is categorized within Level 3 of the fair value hierarchy.

2. Impairment Tests on Goodwill and Intangible Assets with Indefinite Useful Lives

The Group performs impairment tests on goodwill and intangible assets with indefinite useful lives at least once a year and whenever there is an indication that an asset may be impaired.

(1) CGU

The main balances of goodwill and intangible assets with indefinite useful lives allocated to CGUs were as follows.

CGU	Reportable segment	Millions of Yen				Thousands of U.S. Dollars	
		2025 (December 31, 2025)		2024 (December 31, 2024)		**2025** (December 31, 2025)	
		Goodwill	Trademarks	Goodwill	Trademarks	Goodwill	Trademarks
Y-ATG	Tires	**¥ 122,080**	**¥ 19,933**	¥ 123,343	¥ 20,139	**$ 779,766**	**$ 127,318**
Y-TWS	Tires	**192,862**	**15,299**	172,567	13,688	**1,231,871**	**97,722**
G-OTR	Tires	**16,803**	**—**	—	—	**107,326**	**—**

(2) Basis of Recoverable Amounts

(i) CGU: Y-ATG

Recoverable amounts used for impairment tests on goodwill and intangible assets with indefinite useful lives are calculated based on value in use.

Value in use is determined by using pre-tax cash-flow forecasts based on a management-approved business plan of up to five years. For periods beyond those covered by the business plan, the terminal value is determined. The plan reflects management's evaluation on the industry's future outlook and past results. In determining the terminal value, a publicly disclosed growth rate is used. The pre-tax discount rate mainly reflects the time value of money and current market assessments of inherent risks considering companies similar to the CGU.

Major assumptions used as the basis of calculation of value in use were as follows:

- Long-term average growth rate of the market to which the CGU belongs used to extend cash flow forecasts
  Fiscal year ended December 31, 2025: 2.5%–5.5%, Fiscal year ended December 31, 2024: 2.4%–5.4%
- Pre-tax discount rate applied to cash flow forecasts
  Fiscal year ended December 31, 2025: 7.8%, Fiscal year ended December 31, 2024: 8.1%

Concerning the goodwill and intangible assets with indefinite useful lives, since the recoverable amount of the CGU sufficiently exceeds the carrying amount, the Group considers that the CGU is unlikely to result in a material impairment loss even if the major assumptions change within a reasonable range.

(ii) CGU: Y-TWS

Recoverable amounts used for impairment tests on goodwill and intangible assets with indefinite useful lives are calculated based on value in use.

Value in use is determined by using pre-tax cash-flow forecasts based on a management-approved business plan of up to five years. For periods beyond those covered by the business plan, the terminal value is determined. The plan reflects management's evaluation on the industry's future outlook and past results. In determining the terminal value, a publicly disclosed growth rate is used. The pre-tax discount rate mainly reflects the time value of money and current market assessments of inherent risks considering companies similar to the CGU.

Major assumptions used as the basis of calculation of value in use were as follows:

- Long-term average growth rate of the market to which the CGU belongs used to extend cash flow forecasts
  Fiscal year ended December 31, 2025: 2.3%–5.5%, Fiscal year ended December 31, 2024: 2.2%–5.4%
- Pre-tax discount rate applied to cash flow forecasts
  Fiscal year ended December 31, 2025: 6.6%, Fiscal year ended December 31, 2024: 6.3%

Concerning the goodwill and intangible assets with indefinite useful lives, since the recoverable amount of the CGU sufficiently exceeds the carrying amount, the Group considers that the CGU is unlikely to result in a material impairment loss even if the major assumptions change within a reasonable range.

(iii) CGU: G-OTR

Recoverable amounts used for impairment tests on goodwill are calculated based on value in use.

Value in use is determined by using pre-tax cash-flow forecasts based on a management-approved business plan of up to five years. For periods beyond those covered by the business plan, the terminal value is determined. The plan reflects management's evaluation on the industry's future outlook and past results. In determining the terminal value, a publicly disclosed growth rate is used. The pre-tax discount rate mainly reflects the time value of money and current market assessments of inherent risks considering companies similar to the CGU.

Major assumptions used as the basis of calculation of value in use were as follows:

- Long-term average growth rate of the market to which the CGU belongs used to extend cash flow forecasts
  Fiscal year ended December 31, 2025: 3.2%–6.1%
- Pre-tax discount rate applied to cash flow forecasts
  Fiscal year ended December 31, 2025: 9.8%

Concerning the goodwill, since the recoverable amount of the CGU sufficiently exceeds the carrying amount, the Group considers that the CGU is unlikely to result in a material impairment loss even if the major assumptions change within a reasonable range.

17. INCOME TAXES

1. Income Taxes

The breakdown of income taxes recognized through profit or loss was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Current tax expense	**¥ 61,362**	¥ 35,063	**$ 391,939**
Deferred tax expense	**(10,961)**	4,165	**(70,008)**
Total	**¥ 50,401**	¥ 39,228	**$ 321,930**

Deferred tax expense includes expenses arising from valuation losses on deferred tax assets and the reversal of valuation losses recorded in prior fiscal years.

2. Reconciliation of Effective Tax Rate

The breakdown of major factors contributing to differences between the statutory effective tax rate and the actual effective tax rate was as follows.

The Company and its domestic subsidiaries were mainly subject to national corporate income tax, inhabitant tax, and enterprise tax, which, in aggregate, would result in the statutory effective tax rate of 30.3% for the fiscal years ended December 31, 2024 and 2025.

The overseas subsidiaries were subject to local corporate and other taxes.

	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)
Statutory effective tax rate (Reconciliation)	**30.3 %**	30.3 %
Difference between statutory effective tax rates of overseas consolidated subsidiaries	**(1.9)**	(1.7)
Permanently nondeductible expenses	**0.2**	0.5
Permanently nontaxable income	**(0.1)**	(0.3)
Tax deduction for research and development	**(1.3)**	(1.7)
Effect of recoverability assessment of deferred tax assets	**0.1**	(0.1)
Taxable temporary differences associated with investments in subsidiaries or associates	**3.4**	1.3
Foreign withholding taxes	**1.2**	2.9
Foreign income taxes, etc.	**0.9**	(2.2)
Other permanent differences	**—**	3.4
Other	**(0.7)**	1.6
Average actual effective tax rate	**32.1 %**	34.0 %

3. Deferred Tax Assets and Deferred Tax Liabilities

The major breakdown of deferred tax assets and deferred tax liabilities was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Deferred tax assets			
Liabilities for retirement benefits	**¥ 11,330**	¥ 4,804	**$ 72,370**
Unrealized gains	**7,665**	5,689	**48,961**
Accrued expenses	**2,892**	4,072	**18,471**
Accrued vacation payable	**1,997**	1,782	**12,754**
Valuation loss on inventories	**3,212**	3,060	**20,515**
Impairment losses	**6,752**	2,675	**43,125**
Asset adjustment account	**3,532**	—	**22,560**
Other	**8,160**	11,295	**52,121**
Total deferred tax assets	**45,540**	33,377	**290,878**
Deferred tax liabilities			
Intangible assets identified as a result of business combinations	**(18,907)**	(24,241)	**(120,765)**
Gain on contribution of securities to retirement benefit trust	**—**	(4,993)	**—**
Gain on receipt of stock set by pension plan	**(0)**	(504)	**(0)**
Reserve for advanced depreciation of non-current assets	**(5,732)**	(5,958)	**(36,613)**
Retained earnings of overseas subsidiaries	**(20,870)**	(15,586)	**(133,300)**
Non-current assets	**(16,079)**	(10,963)	**(102,701)**
Unrealized gains on securities	**(5,467)**	(4,917)	**(34,923)**
Other	**(363)**	(2,296)	**(2,316)**
Total deferred tax liabilities	**(67,417)**	(69,458)	**(430,617)**
Net deferred tax assets (liabilities)	**¥ (21,878)**	¥ (36,081)	**$ (139,739)**

Net deferred tax assets (liabilities) are included in the following items in the consolidated statement of financial position.

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Deferred tax assets	**¥ 7,488**	¥ 8,276	**$ 47,827**
Deferred tax liabilities	**(29,365)**	(44,357)	**(187,565)**

Changes in net deferred tax assets (liabilities) were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Beginning balance	**¥ (36,081)**	¥ (49,715)	**$ (230,461)**
Tax expense or income recognized through profit or loss (Note)	**10,961**	4,165	**70,008**
Amount recognized in other comprehensive income			
Cash flow hedges	**417**	(180)	**2,661**
Gains (losses) on financial assets measured at fair value through other comprehensive income	**(548)**	12,635	**(3,501)**
Remeasurements of defined benefit plans	**(930)**	(2,986)	**(5,940)**
Total	**(1,061)**	9,469	**(6,780)**
Changes in deferred tax assets (liabilities) resulting from business combinations	**4,304**	—	**27,494**
Ending balance	**¥ (21,878)**	¥ (36,081)	**$ (139,739)**

Note:

Foreign exchange translation differences are included in tax expense or income recognized through profit or loss.

The Group recognizes deferred tax assets by taking into account taxable temporary differences, the estimation of taxable profit, and tax planning.

Deductible temporary differences, tax loss carryforwards, and tax credit carryforwards for which deferred tax assets were not recognized were as follows.

The amounts of deductible temporary differences, tax loss carryforwards, and tax credit carryforwards are on a tax amount basis multiplied by the effective tax rate.

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Deductible temporary differences	**¥ 15,294**	¥ 6,517	**$ 97,685**
Tax loss carryforwards and tax credit carryforwards	**2,348**	1,556	**14,998**

The tax loss carryforwards and tax credit carryforwards for which deferred tax assets were not recognized will expire as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
First year	**¥ 2**	¥ 188	**$ 14**
Second year	**101**	—	**646**
Third year	**190**	206	**1,213**
Fourth year	**280**	215	**1,792**
Fifth year and after	**327**	343	**2,088**
Indefinite	**1,447**	603	**9,244**
Total	**¥ 2,348**	¥ 1,556	**$ 14,998**

Total taxable temporary differences associated with investments in subsidiaries or associates for which deferred tax liabilities were not recognized in the fiscal years ended December 31, 2024 and 2025 were ¥35,875 million and ¥72,232 million ($461,372 thousand), respectively.

Deferred tax liabilities were not recognized for these temporary differences because the Group was able to control the timing of reversal of the temporary differences and it was probable that the temporary differences would not be reversed in the foreseeable future.

In the fiscal years ended December 31, 2024 and 2025, dividend payouts from the Group to shareholders had no impact on income taxes.

The Act for Partial Revision of the Income Tax Act, etc. (Act No. 13 of 2025) was enacted in the Diet session on March 31, 2025, and the Special Defense Corporation Tax will be imposed from the fiscal year starting on or after April 1, 2026. In line with this, the statutory effective tax rate used to calculate deferred tax assets and liabilities for temporary differences expected to be reversed in or after the fiscal year starting on January 1, 2027 has changed from 30.3% to 31.2%. The impact of this change in the tax rate on the consolidated financial statements for the fiscal year ended December 31, 2025 was minimal.

The Company operates its businesses in jurisdictions where a global minimum tax system has been enacted or substantively enacted in accordance with the Pillar Two Model Rules.

The Company assesses the impact of the application of the global minimum tax system based on the most recent financial statements of each of the constituent entities subject to the system. As a result of the assessment, it was found that there was no significant impact on income taxes in the Group's consolidated financial statements for the fiscal year ended December 31, 2025.

18. TRADE AND OTHER PAYABLES

The breakdown of trade and other payables was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Accounts and notes payable – trade	**¥ 89,771**	¥ 87,064	**$ 573,398**
Other	**22,934**	21,453	**146,489**
Total	**¥ 112,706**	¥ 108,517	**$ 719,888**

Trade and other payables are classified as financial liabilities measured at amortized cost.

19. BONDS AND BORROWINGS

1. Breakdown of Bonds and Borrowings

	Millions of Yen		Thousands of U.S. Dollars		
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)	Average interest rate	Repayment period
Short-term borrowings	**¥ 64,344**	¥ 49,405	**$ 410,987**	3.27 %	
Current portion of long-term borrowings	**70,886**	52,070	**452,772**	0.99	
Bonds (Note)	**39,893**	39,870	**254,809**		
Long-term borrowings	**360,647**	296,676	**2,303,573**	1.31	2027—2035
Total	**535,770**	438,021	**3,422,142**	—	—
Current liabilities	**135,230**	101,476	**863,759**		
Non-current liabilities	**400,540**	336,546	**2,558,382**		
Total	**¥ 535,770**	¥ 438,021	**$ 3,422,142**		

Note:
Bonds and borrowings are classified as financial liabilities measured at amortized cost.

The average interest rate is calculated based on the outstanding balances and the interest rates at December 31, 2025.

The Company's borrowings at December 31, 2024 and 2025 include those under syndicated loan agreements (total agreement amount: $720 million and ¥54,240 million ($346,449 thousand)), respectively) concluded with the counterparty banks on June 30, 2016.

Those agreements are subject to the following financial covenants:

- From the fiscal year ended December 31, 2016, total equity recorded on the consolidated statement of financial position at the end of each fiscal year must be maintained at a designated level or higher on a year-on-year basis.
- From the fiscal year ended December 31, 2016, the Company must not record operating losses on the consolidated statement of profit or loss for two consecutive years.

The Company's borrowings at December 31, 2024 and 2025 include those under syndicated loan agreements (total agreement amount: ¥214,700 million ($1,371,359 thousand)) concluded with the counterparty banks on June 28, 2023 and a loan agreement (total agreement amount: ¥100,000 million ($638,733 thousand)) concluded with the Japan Bank for International Cooperation (JBIC) on June 30, 2023.

Those agreements are subject to the following financial covenants:

- From the fiscal year ended December 31, 2023, total equity recorded on the consolidated statement of financial position at the end of each fiscal year must be maintained at a designated level or higher on a year-on-year basis.
- From the fiscal year ended December 31, 2023, the Company must not record operating losses on the consolidated statement of profit or loss for two consecutive years.

The Company's borrowings at December 31, 2025 include those under syndicated loan agreements (total agreement amount: ¥109,275 million ($697,975 thousand)) concluded with the counterparty banks on June 17, 2025 and a loan agreement (total agreement amount: ¥31,000 million ($198,007 thousand)) concluded with the Japan Bank for International Cooperation (JBIC) on June 30, 2025.

Those agreements are subject to the following financial covenants:

- From the fiscal year ended December 31, 2025, total equity recorded on the consolidated statement of financial position at the end of each fiscal year must be maintained at a designated level or higher on a year-on-year basis.
- From the fiscal year ended December 31, 2025, the Company must not record operating losses on the consolidated statement of profit or loss for two consecutive years.

The Company's borrowings at December 31, 2024 and 2025 include those under syndicated loan agreements (total agreement amount: $52 million) concluded between ATC Tires AP Private Ltd., the Company's subsidiary, and the counterparty banks on October 21, 2020.

Those agreements are subject to the following financial covenant:

- From the end of March 2025, ATC Tires AP Private Ltd. must not record a negative net worth on the balance sheet.

The Company's borrowings at December 31, 2024 and 2025 include those under a loan agreement (total agreement amount: $96 million) concluded between ATC Tires AP Private Ltd., the Company's subsidiary, and the counterparty banks on August 16, 2021.

This agreement is subject to the following financial covenant:

- From the end of March 2025, ATC Tires AP Private Ltd. must not record a negative net worth on the balance sheet.

The Company's borrowings at December 31, 2024 and 2025 include those under a loan agreement (total agreement amount: $49 million) concluded between ATC Tires AP Private Ltd., the Company's subsidiary, and the counterparty banks on June 7, 2024.

This agreement is subject to the following financial covenant:

- From the end of March 2025, ATC Tires AP Private Ltd. must not record a negative net worth on the balance sheet.

Note:
The summary of the terms for issuing bonds was as follows:

			Millions of Yen		Thousands of U.S. Dollars			
Company name	Issue name	Issuance date	**2025** (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)	Interest rate	Collateral	Maturity date
The Company	Fourteenth series of unsecured bonds	July 27, 2020	**¥ 9,975**	¥ 9,970	**$ 63,714**	0.360%	Unsecured	July 26, 2030
The Company	Fifteenth series of unsecured bonds	June 6, 2022	**16,961**	16,950	**108,338**	0.490	Unsecured	June 6, 2029
The Company	Sixteenth series of unsecured bonds	June 6, 2022	**12,956**	12,950	**82,757**	0.580	Unsecured	June 4, 2032
Total	—	—	**¥ 39,893**	¥ 39,870	**$ 254,809**	—	—	—

2. Assets Pledged as Collateral and Corresponding Liabilities Were as Follows:

(1) Assets Pledged as Collateral

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Cash and cash equivalents	**¥ 108**	¥ 7,593	**$ 693**
Trade and other receivables	**—**	2,655	**—**
Inventories	**—**	1,174	**—**
Other current assets	**—**	202	**—**
Non-current assets held for sale	**—**	5,889	**—**
Property, plant and equipment	**419**	427	**2,679**
Total	**¥ 528**	¥ 17,940	**$ 3,372**

Note:
The above assets are pledged as collateral mainly to secure borrowings under a commitment line agreement.

(2) Liabilities Corresponding to Assets Pledged as Collateral

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Short-term borrowings	**¥ 50**	¥ 50	**$ 319**
Total	**¥ 50**	¥ 50	**$ 319**

20. OTHER FINANCIAL LIABILITIES

The breakdown of other financial liabilities was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Financial liabilities measured at amortized cost			
Other	**¥ 23,182**	¥ 26,051	**$ 148,073**
Lease liabilities	**53,015**	48,605	**338,624**
Derivative liabilities	**1,666**	483	**10,642**
Total	**77,863**	75,140	**497,338**
Current liabilities	**33,577**	32,477	**214,467**
Non-current liabilities	**44,286**	42,663	**282,870**
Total	**¥ 77,863**	¥ 75,140	**$ 497,338**

Derivative liabilities are classified as financial liabilities measured at fair value through profit or loss (except for those to which hedge accounting is applied).

21. EMPLOYEE BENEFITS

1. Outline of Defined Benefit Plans

The Company, its domestic consolidated subsidiaries, and some of its overseas consolidated subsidiaries have adopted defined retirement benefit plans to cover employee retirement benefits.

In addition to the above plans, the Company and some of its consolidated subsidiaries have defined contribution pension plans.

The Group has mainly adopted lump-sum retirement benefit plans as defined retirement benefit plans. Under lump-sum retirement benefit plans, the source of funds is not saved externally but lump-sum benefits are paid to employees when they retire or voluntarily resign. Lump-sum retirement benefits are paid based on retirement benefit regulations under the Work Rules. While a retirement benefit trust was established for the payment of lump-sum retirement benefits, the retirement benefit trust at the Company was in a significant surplus position relative to the retirement benefit obligation, and this situation is expected to continue. Accordingly, during the fiscal year ended December 31, 2025, the Company received a partial refund from the retirement benefit trust.

Some of the consolidated subsidiaries in the United States have adopted post-retirement medical benefit plans. Post-retirement medical benefit plans are included in liabilities for retirement benefits as they have similar features to those of post-retirement benefits.

2. Defined Benefit Plans

(1) Breakdown of Liabilities or Assets for Retirement Benefits

Reconciliation of defined benefit obligations and plan assets, and liabilities or assets for retirement benefits in the consolidated statement of financial position was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Defined benefit obligations	**¥ 71,923**	¥ 73,231	**$ 459,396**
Plan assets	**(65,572)**	(82,149)	**(418,827)**
Net liabilities (assets) for retirement benefits presented in the consolidated statement of financial position	**6,351**	(8,918)	**40,568**
Amounts presented in the consolidated statement of financial position			
Liabilities for retirement benefits	**16,734**	17,227	**106,884**
Assets for retirement benefits	**10,382**	26,145	**66,316**

Assets for retirement benefits are included in “Other non-current assets” in the consolidated statement of financial position.

(2) Defined Benefit Obligations

Changes in defined benefit obligations were as follows:

	Millions of Yen	
	Defined benefit plans	Post-retirement medical benefits
At January 1, 2024	¥ 64,241	¥ 7,539
Current service cost	2,957	106
Interest cost	1,909	362
Changes through remeasurements		
Actuarial losses (gains) arising from changes in demographic assumptions	15	(148)
Actuarial losses (gains) arising from changes in financial assumptions	(2,577)	(382)
Actuarial losses (gains) arising from other factors	96	(165)
Benefits paid	(3,895)	(585)
Past service cost (gains)	22	—
Exchange differences on translating foreign operations, etc.	2,900	834
At December 31, 2024	¥ 65,668	¥ 7,563
Current service cost	2,760	97
Interest cost	1,994	362
Changes through remeasurements		
Actuarial losses (gains) arising from changes in demographic assumptions	11	148
Actuarial losses (gains) arising from changes in financial assumptions	(2,563)	168
Actuarial losses (gains) arising from other factors	440	(23)
Benefits paid	(5,431)	(595)
Past service cost (gains)	164	—
Increase resulting from business combinations	1,299	—
Exchange differences on translating foreign operations, etc.	(70)	(70)
At December 31, 2025	¥ 64,273	¥ 7,650

	Thousands of U.S. Dollars	
	Defined benefit plans	Post-retirement medical benefits
At December 31, 2024	$ 419,443	$ 48,307
Current service cost	17,628	622
Interest cost	12,739	2,315
Changes through remeasurements		
Actuarial losses (gains) arising from changes in demographic assumptions	68	943
Actuarial losses (gains) arising from changes in financial assumptions	(16,374)	1,073
Actuarial losses (gains) arising from other factors	2,813	(150)
Benefits paid	(34,687)	(3,800)
Past service cost (gains)	1,049	—
Increase resulting from business combinations	8,299	—
Exchange differences on translating foreign operations, etc.	(447)	(448)
At December 31, 2025	$ 410,533	$ 48,863

The weighted-average duration of defined benefit obligations was as follows:

	Years	
	2025 (December 31, 2025)	2024 (December 31, 2024)
Weighted-average duration	**9.7**	10.2

(3) Plan Assets

Changes in plan assets were as follows:

	Millions of Yen	
	Defined benefit plans	Post-retirement medical benefits
At January 1, 2024	¥ 70,175	¥ —
Interest income	1,910	—
Changes through remeasurements		
Return on plan assets (excluding interest income)	7,702	—
Employer contributions	1,044	—
Benefits paid	(1,579)	—
Exchange differences on translating foreign operations, etc.	2,898	—
At December 31, 2024	¥ 82,149	¥ —
Interest income	2,320	—
Changes through remeasurements		
Return on plan assets (excluding interest income)	1,214	—
Employer contributions	1,876	—
Benefits paid	(2,507)	—
Increase resulting from business combinations	2,303	—
Partial return of retirement benefit trust assets	(21,500)	—
Exchange differences on translating foreign operations, etc.	(284)	—
At December 31, 2025	¥ 65,572	¥ —

	Thousands of U.S. Dollars	
	Defined benefit plans	Post-retirement medical benefits
At December 31, 2024	$ 524,711	$ —
Interest income	14,819	—
Changes through remeasurements		
Return on plan assets (excluding interest income)	7,757	—
Contributions from employer	11,983	—
Benefits paid	(16,011)	—
Increase resulting from business combinations	14,707	—
Partial return of retirement benefit trust assets	(137,328)	—
Exchange differences on translating foreign operations, etc.	(1,812)	—
At December 31, 2025	$ 418,827	$ —

The asset management policies relating to domestic and overseas plans of the Company and its consolidated subsidiaries have been prepared in order to optimize total return from a medium- and long-term perspective under risks accepted to secure future benefits for employees.

The Group will contribute ¥1,702 million ($10,869 thousand) to defined benefit plans in the fiscal year ending December 31, 2026.

(4) Major Components of Plan Assets

The major components of total plan assets were as follows:

	Millions of Yen						Thousands of U.S. Dollars		
	2025 (December 31, 2025)			2024 (December 31, 2024)			**2025 (December 31, 2025)**		
	With quoted prices in active markets	Without quoted prices in active markets	Total	With quoted prices in active markets	Without quoted prices in active markets	Total	With quoted prices in active markets	Without quoted prices in active markets	Total
Cash and deposits	**¥ 31,245**	**¥ —**	**¥ 31,245**	¥ 5,099	¥ —	¥ 5,099	**$ 199,571**	**$ —**	**$ 199,571**
Equity financial instruments									
Domestic equity securities	**2,873**	**—**	**2,873**	48,688	—	48,688	**18,350**	**—**	**18,350**
Foreign equity securities	**4,478**	**—**	**4,478**	3,886	—	3,886	**28,600**	**—**	**28,600**
Debt instruments									
Domestic bonds	**—**	**1,093**	**1,093**	—	—	—	**—**	**6,983**	**6,983**
Foreign bonds	**22,153**	**—**	**22,153**	20,894	—	20,894	**141,498**	**—**	**141,498**
Other	**2,257**	**1,473**	**3,730**	1,939	1,643	3,582	**14,418**	**9,407**	**23,825**
Total	**¥ 63,006**	**¥ 2,566**	**¥ 65,572**	¥ 80,506	¥ 1,643	¥ 82,149	**$ 402,438**	**$ 16,390**	**$ 418,827**

(5) Items Related to Actuarial Assumptions

Major actuarial assumptions were as follows:

	2025 (December 31, 2025)	2024 (December 31, 2024)
Discount rate (weighted-average)	**4.2 %**	3.7 %

In addition to the above item, actuarial assumptions include expected salary increase rates, mortality rates, and expected retirement rates.

Note:

The sensitivity of defined benefit obligations for each fiscal year against changes in major assumptions was as follows. It assumes that the other variables are constant, but in reality, the assumptions do not always change independently. Negative figures represent decreases in defined benefit obligations, and positive figures represent increases in defined benefit obligations.

		Millions of Yen		Thousands of U.S. Dollars
	Changes in assumptions	**2025** (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Discount rate	0.5% increase	**¥ (3,191)**	¥ (3,370)	**$ (20,383)**
	0.5% decrease	**3,275**	3,571	**20,916**

3. Defined Contribution Pension Plans

Contributions to defined contribution pension plans for the fiscal years ended December 31, 2024 and 2025 were ¥2,079 million and ¥1,858 million ($11,867 thousand), respectively.

4. Employee Benefit Expenses

Employee benefit expenses included in the consolidated statement of profit or loss for the fiscal years ended December 31, 2024 and 2025 were ¥219,302 million and ¥224,281 million ($1,432,555 thousand), respectively.

They are recorded mainly in “Cost of sales” and “Selling, general, and administrative expenses.”

22. SHARE CAPITAL AND OTHER EQUITY ITEMS

1. Share Capital

(1) Number of Authorized Shares

The number of authorized shares of common stock as of December 31, 2024 and 2025 was 400,000,000.

(2) Number of Issued Shares (Fully Paid-in)

Changes in the number of issued shares were as follows:

	Thousands of Shares	Millions of Yen	
	Number of issued shares	Share capital	Share premium
January 1, 2024	169,549	¥ 38,909	¥ 31,255
Changes	—	—	131
2024 (December 31, 2024)	169,549	38,909	31,386
Changes	(3,153)	—	(1,419)
2025 (December 31, 2025)	166,396	¥ 38,909	¥ 29,967

	Thousands of Shares	Thousands of U.S. Dollars	
	Number of issued shares	Share capital	Share premium
2024 (December 31, 2024)	169,549	$ 248,525	$ 200,475
Changes	(3,153)	—	(9,064)
2025 (December 31, 2025)	166,396	$ 248,525	$ 191,411

All shares issued by the Company are no-par common stock without any limitation on the rights.

Note:

The change in the number of issued shares during the fiscal year ended December 31, 2025 was as follows:

Decrease due to the cancellation of treasury shares based on the resolution of the Board of Directors: 3,153 thousand shares

2. Treasury Shares

Changes in the number of treasury shares were as follows:

	Thousands of Shares	Millions of Yen
	Number of shares	Amount
January 1, 2024	8,801	¥ 11,587
Changes	1,266	3,855
2024 (December 31, 2024)	10,067	15,441
Changes	(1,374)	221
2025 (December 31, 2025)	8,693	¥ 15,662

	Thousands of Shares	Thousands of U.S. Dollars
	Number of shares	Amount
2024 (December 31, 2024)	10,067	$ 98,629
Changes	(1,374)	1,411
2025 (December 31, 2025)	8,693	$ 100,040

Note:

Increases/decreases in the number of shares during the fiscal year ended December 31, 2024 were as follows:

Increase due to the purchase of own shares based on the resolution of the Board of Directors: 1,315 thousand shares

Increase due to the purchase of fractional shares: 1 thousand shares

Decrease due to the disposal of treasury shares associated with payment of restricted stock compensation: 50 thousand shares

Increases/decreases in the number of shares during the fiscal year ended December 31, 2025 were as follows:

Increase due to the purchase of own shares based on the resolution of the Board of Directors: 1,838 thousand shares

Increase due to the purchase of fractional shares: 2 thousand shares

Decrease due to the cancellation of treasury shares based on the resolution of the Board of Directors: 3,153 thousand shares

Decrease due to the disposal of treasury shares associated with payment of restricted stock compensation: 61 thousand shares

3. Share Premium and Retained Earnings

(1) Share Premium

The Companies Act of Japan prescribes that at least one-half of the payment or delivery relating to the issuance of equity financial instruments must be incorporated into share capital and the remaining amount must be incorporated into legal capital surplus.

In addition, legal capital surplus may be incorporated into share capital by resolution of a general meeting of shareholders.

(2) Retained Earnings

Retained earnings consist of legal retained earnings and other surpluses.

The Companies Act prescribes that one-tenth of the amount to be distributed as dividends from retained earnings must be set aside as legal capital surplus or legal retained earnings until the total amount of legal capital surplus and legal retained earnings reaches one-fourth of share capital. In addition, legal retained earnings may be reversed by resolution of a general meeting of shareholders.

23. DIVIDENDS

1. Dividends Paid

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Resolution	Class of stock	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
March 28, 2024 General Meeting of Shareholders	Common stock	¥ 8,037	¥ 50	December 31, 2023	March 29, 2024
August 9, 2024 Board of Directors meeting	Common stock	¥ 7,397	¥ 46	June 30, 2024	August 30, 2024

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

Resolution	Class of stock	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
March 28, 2025 General Meeting of Shareholders	Common stock	**¥ 8,293**	**¥ 52**	December 31, 2024	March 31, 2025
August 12, 2025 Board of Directors meeting	Common stock	**¥ 7,570**	**¥ 48**	June 30, 2025	September 12, 2025

Resolution	Class of stock	Total dividends (Thousands of U.S. Dollars)	Dividends per share (U.S. Dollars)	Record date	Effective date
March 28, 2025 General Meeting of Shareholders	Common stock	**$ 52,971**	**$ 0.33**	December 31, 2024	March 31, 2025
August 12, 2025 Board of Directors meeting	Common stock	**$ 48,351**	**$ 0.31**	June 30, 2025	September 12, 2025

2. Proposed Dividends for Common Stock

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Resolution	Class of stock	Source of dividends	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
March 28, 2025 General Meeting of Shareholders	Common stock	Retained earnings	**¥ 8,293**	**¥ 52**	December 31, 2024	March 31, 2025

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

Resolution to be passed	Class of stock	Source of dividends	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
March 27, 2026 General Meeting of Shareholders	Common stock	Retained earnings	**¥ 13,562**	**¥ 86**	December 31, 2025	March 30, 2026

Resolution to be passed	Class of stock	Source of dividends	Total dividends (Thousands of U.S. Dollars)	Dividends per share (U.S. Dollars)	Record date	Effective date
March 27, 2026 General Meeting of Shareholders	Common stock	Retained earnings	**$ 86,628**	**$ 0.55**	December 31, 2025	March 30, 2026

24. SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

The breakdown of selling, general, and administrative expenses was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Employee benefit expenses	**¥ 94,396**	¥ 89,270	**$ 602,939**
Freightage and warehousing expenses	**87,383**	79,746	**558,144**
Advertising and promotion expenses	**17,269**	16,499	**110,302**
Other	**81,180**	69,857	**518,522**
Total	**¥ 280,228**	¥ 255,371	**$ 1,789,908**

25. OTHER INCOME

The breakdown of other income was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Gain on sale of non-current assets	**¥ 1,147**	¥ 2,669	**$ 7,324**
Other	**3,465**	3,412	**22,133**
Total	**¥ 4,612**	¥ 6,081	**$ 29,457**

26. OTHER EXPENSES

The breakdown of other expenses was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Loss on sale and retirement of non-current assets	**¥ 1,589**	¥ 809	**$ 10,150**
Impairment losses (Notes 1 and 2)	**3,160**	11,449	**20,182**
Other (Notes 1, 2 and 3)	**13,539**	9,046	**86,477**
Total	**¥ 18,288**	¥ 21,304	**$ 116,808**

Notes:

1. During the fiscal year ended December 31, 2024, given the present market environment and the structural shift in the manufacturing footprint of the tire industry, the Company has decided to close the Hadera plant of Alliance Tire Company Limited in Israel and the Prague plant of Yokohama TWS Czech Republic a.s. in Czech Republic in order to secure a sustainable level of profitability and long-term prospects of the OHT business. As a result, impairment losses of ¥1,501 million and related losses of ¥4,201 million for the closure of the Hadera plant, and impairment losses of ¥9,935 million and related losses of ¥749 million for the closure of the Prague plant were recorded. As for the related losses for the Hadera plant, provision of ¥3,036 million was recorded for direct expenses incurred in relation to the closure of the base, such as special severance pay to employees.
2. In addition to the already announced closures of the Hadera plant of Alliance Tire Company Limited in Israel and the Prague plant of Yokohama TWS Czech Republic a.s. in Czech Republic, the Company has decided to close the Spartanburg plant of Yokohama TWS North America, Inc. in the U.S. and consolidate its production footprint into another base during the fiscal year ended December 31, 2025. As a result, impairment losses of ¥1,194 million ($7,624 thousand) and related losses of ¥2,246 million ($14,343 thousand) for the closure of the Hadera plant, related losses of ¥868 million ($5,544 thousand) for the closure of the Prague plant, and impairment losses of ¥1,818 million ($11,609 thousand) and related losses of ¥1,330 million ($8,498 thousand) for the closure of the Spartanburg plant were recorded.
3. During the fiscal year ended December 31, 2025, the Company recorded ¥1,251 million ($7,991 thousand) as start-up costs for new plant launches in Hangzhou City and Mexico and ¥823 million ($5,259 thousand) as costs for the realignment of the automotive hose and couplings production networks in the U.S. and Mexico, both of which were included in “Other.”

27. FINANCE INCOME AND FINANCE COSTS

1. Breakdown of Finance Income

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Interest income			
Financial assets measured at amortized cost	**¥ 3,313**	¥ 2,767	**$ 21,158**
Dividend income			
Equity financial assets measured at fair value through other comprehensive income	**1,068**	2,261	**6,819**
Foreign exchange gains	**12,261**	—	**78,317**
Gain on valuation of derivatives	**—**	461	**—**
Other	**1,008**	64	**6,437**
Total	**¥ 17,649**	¥ 5,554	**$ 112,731**

2. Breakdown of Finance Costs

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Interest expenses			
Financial liabilities measured at amortized cost	**¥ 8,535**	¥ 5,415	**$ 54,517**
Foreign exchange losses	**—**	2,647	**—**
Loss on valuation of derivatives	**3,548**	—	**22,661**
Other	**1,281**	1,290	**8,181**
Total	**¥ 13,364**	¥ 9,352	**$ 85,360**

28. OTHER COMPREHENSIVE INCOME

The breakdown of amounts recognized in other comprehensive income, amounts reclassified to profit or loss, and tax effects were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Exchange differences on translating foreign operations			
Amount recognized	**¥ 49,067**	¥ 77,499	**$ 313,406**
Before tax effects	**49,067**	77,499	**313,406**
Exchange differences on translating foreign operations	**49,067**	77,499	**313,406**
Cash flow hedges			
Amount recognized	**(3,051)**	3,120	**(19,489)**
Amount reclassified	**1,398**	(2,410)	**8,926**
Before tax effects	**(1,654)**	710	**(10,563)**
Tax effects	**417**	(180)	**2,661**
Cash flow hedges	**(1,237)**	530	**(7,902)**
Gains (losses) on financial assets measured at fair value through other comprehensive income			
Amount recognized	**6,318**	18,997	**40,353**
Before tax effects	**6,318**	18,997	**40,353**
Tax effects	**(1,914)**	(5,756)	**(12,227)**
Gains (losses) on financial assets measured at fair value through other comprehensive income	**4,403**	13,241	**28,126**
Remeasurements of defined benefit plans			
Amount recognized	**3,034**	10,862	**19,382**
Before tax effects	**3,034**	10,862	**19,382**
Tax effects	**(930)**	(2,986)	**(5,940)**
Remeasurements of defined benefit plans	**2,104**	7,876	**13,442**
Total			
Amount recognized	**55,368**	110,478	**353,652**
Amount reclassified	**1,398**	(2,410)	**8,926**
Before tax effects	**56,765**	108,068	**362,578**
Tax effects	**(2,428)**	(8,922)	**(15,506)**
Other comprehensive income	**54,338**	99,146	**347,072**

29. EARNINGS PER SHARE

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Profit for the year attributable to owners of the parent	**¥ 105,398**	¥ 74,919	**$ 673,213**

	Thousands of shares	
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)
Weighted-average number of common stock	**157,651**	160,150
Share-based payment	**475**	426
Weighted-average number of diluted common stock	**158,126**	160,575

	Yen		U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Basic earnings per share	**¥ 668.55**	¥ 467.81	**$ 4.27**
Diluted earnings per share	**666.55**	466.57	**4.26**

30. SHARE-BASED PAYMENT

1. Outline of Stock Compensation Plan

The Group has introduced a restricted stock compensation plan for the members of the Board and officers excluding outside members (hereinafter the "Directors, etc.") to share with other shareholders the merits and risks of share price fluctuations, thereby further increasing their incentive to raise the stock price and enhance corporate value. This plan provides for the payment of monetary compensation receivables required for the allotment of restricted shares as compensation to the Directors, etc. and each of the Directors, etc. will then make an in-kind investment of all such monetary compensation receivables in return for the receipt of said shares.

The Company will conclude a restricted share allotment agreement with the Directors, etc. Directors, etc. to whom restricted shares have been allotted may not transfer the shares to third parties, establish a pledge or a security interest on the shares, use them as an inter vivos gift, bequest them to another party or otherwise dispose of the allotted shares (hereinafter the "Transfer Restrictions") for a period of between five and 30 years, as specified by the Company's Board of Directors (hereinafter the "Transfer Restriction Period"). The Transfer Restrictions are removed on the transfer of all shares allotted to Directors, etc. upon conclusion of the Transfer Restriction Period if the holder of the shares has been a member of the Board, an officer or an employee of the Company continuously from the initial day of the Transfer Restriction Period until the day of the first subsequent Ordinary General Meeting of Shareholders. On the other hand, the Company may reacquire the allotted shares free of charge in cases where the Transfer Restrictions have not been removed at the expiration of the Transfer Restriction Period.

2. Number of Shares Granted during the Year and Fair Value

	Yen (unless otherwise stated)		U.S. Dollars (unless otherwise stated)
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Grant date	**May 23, 2025**	May 24, 2024	**May 23, 2025**
Number of shares granted (Shares)	**60,579**	50,178	**60,579**
Fair value at grant date	**¥ 3,112**	¥ 3,927	**$ 19.88**

Note:
The fair value is calculated based on the closing price of the Company's shares on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution by the Board of Directors.

3. Expenses related to Share-based Payments

Expenses related to share-based payments were ¥184 million and ¥192 million ($1,224 thousand) for the fiscal years ended December 31, 2024 and 2025, respectively, which were included in "Selling, general, and administrative expenses" and "Cost of sales" in the consolidated statement of profit or loss.

31. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities related to financing activities

Changes in liabilities arising from financing activities were as follows:

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

	Millions of Yen					
			Non-cash changes			
	Balance at January 1, 2024	Cash flows	Acquisition	New leases	Other	Balance at December 31, 2024
Short-term borrowings	¥ 46,192	¥ 4,801	¥ —	¥ —	¥ (1,587)	¥ 49,405
Long-term borrowings	383,318	(37,964)	—	—	3,392	348,746
Bonds	39,847	—	—	—	23	39,870
Lease liabilities	48,732	(10,036)	—	8,055	1,854	48,605
Financial liabilities	¥ 518,089	¥ (43,198)	¥ —	¥ 8,055	¥ 3,681	¥ 486,626

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

	Millions of Yen					
			Non-cash changes			
	Balance at January 1, 2025	Cash flows	Acquisition	New leases	Other	Balance at December 31, 2025
Short-term borrowings	¥ 49,405	¥ 15,610	¥ —	¥ —	¥ (671)	¥ 64,344
Long-term borrowings	348,746	86,837	—	—	(4,050)	431,533
Bonds	39,870	—	—	—	23	39,893
Lease liabilities	48,605	(9,751)	—	16,289	(2,128)	53,015
Financial liabilities	¥ 486,626	¥ 92,697	¥ —	¥ 16,289	¥ (6,827)	¥ 588,785

	Thousands of U.S. Dollars					
			Non-cash changes			
	Balance at January 1, 2025	Cash flows	Acquisition	New leases	Other	Balance at December 31, 2025
Short-term borrowings	$ 315,567	$ 99,709	$ —	$ —	$ (4,289)	$ 410,987
Long-term borrowings	2,227,557	554,659	—	—	(25,871)	2,756,345
Bonds	254,662	—	—	—	148	254,809
Lease liabilities	310,457	(62,282)	—	104,040	(13,592)	338,624
Financial liabilities	$ 3,108,242	$ 592,086	$ —	$ 104,040	$ (43,604)	$ 3,760,765

32. FINANCIAL INSTRUMENTS

1. Capital Management

In order to realize the Group's sustainable growth and enhancement of corporate value, the Group's capital management aims to improve capital efficiency to secure sufficient capital for the growth of its core business.

The Group monitors, as indicators related to capital management, equity ratio and return on equity (ROE) attributable to owners of the parent.

2. Basic Policies on Financial Risk Management

The Group is exposed to financial risks in the course of conducting business activities. To avoid or reduce such risks, the Group practices risk management based on prescribed policies.

The Group conducts derivative transactions only for actual demand and not for speculative purposes.

3. Credit Risk

(1) Credit Risk Management and Maximum Exposure to Credit Risk

Trade receivables such as notes and accounts receivables held by the Group are exposed to customer credit risk. For such credit risk, the Group monitors creditworthiness of main counterparties on a regular basis and manages due dates and outstanding balances of each counterparty. In addition, efforts are made to promptly identify and reduce the risk of uncollectibility due to deterioration of financial position of counterparties or other reasons. The Group's consolidated subsidiaries also manage credit risk in accordance with the internal policies for managing receivables.

The Group is not exposed to credit risk that is significantly concentrated on any particular counterparty.

The maximum exposure to the credit risk of financial assets is the carrying amount after impairment of the financial assets presented in the consolidated statement of financial position.

(2) Credit Risk Management Practices

The Group recognizes allowance for doubtful receivables on financial assets classified as measured at amortized cost. In recognizing and measuring the allowance for doubtful receivables, the Group categorizes financial assets into three stages based on whether there has been a significant increase in the credit risk and whether the financial asset has been credit-impaired.

Stage 1: There is no indication of a significant increase in credit risk.
Stage 2: There is an indication of a significant increase in credit risk, but no indication of credit impairment.
Stage 3: A significant increase in credit risk and credit impairment are both apparent.

A significant increase in credit risk refers to a significant increase in the risk of default occurring at the end of the fiscal year compared to the initial recognition. The Group determines whether there is a significant increase in credit risk mainly based on the principal and interest payment in arrears for over 30 days, in light of the economic conditions of the industry to which the debtor belongs and the possibility of future changes in debtor's solvency.

The Group determines that a default has been triggered when events occur, such as significant financial difficulties of the debtor or issuer and the principal and interest payment in arrears.

If it is determined that the default is occurring, an objective evidence of credit impairment is considered to exist, and such financial assets are classified as credit-impaired financial assets.

Irrespective of the above three stages, when it is reasonably determined that all or part of a financial asset is not collectable, such as in the case of financial assets legally being extinguished, the carrying amount of the financial asset is directly written off.

In estimating allowance for doubtful receivables, expected credit losses of trade receivables are measured on a collective basis, and each group company individually sets its own grouping or sub-grouping of credit losses.

In measuring the 12-month and lifetime expected credit losses, the Group uses reasonable and supportable information that is available without undue cost or effort at the end of the fiscal year about past events, current conditions and forecasts of future economic conditions.

In measuring the expected credit losses on a collective basis, the actual rate of default from the past experiences may be used.

(3) Changes in Allowance for Doubtful Receivables
Changes in allowance for doubtful receivables were as follows:

	Millions of Yen							
	2025 (From January 1, 2025 to December 31, 2025)				2024 (From January 1, 2024 to December 31, 2024)			
	Allowance for doubtful receivables for financial instruments other than trade and other receivables (12-month expected credit loss)	Allowance for doubtful receivables for trade and other receivables (Lifetime expected credit loss)	Allowance for doubtful receivables for financial instruments for which credit risk has increased significantly (Lifetime expected credit loss)	Allowance for doubtful receivables for financial instruments that are credit-impaired (Lifetime expected credit loss)	Allowance for doubtful receivables for financial instruments other than trade and other receivables (12-month expected credit loss)	Allowance for doubtful receivables for trade and other receivables (Lifetime expected credit loss)	Allowance for doubtful receivables for financial instruments for which credit risk has increased significantly (Lifetime expected credit loss)	Allowance for doubtful receivables for financial instruments that are credit-impaired (Lifetime expected credit loss)
Beginning balance	**¥ —**	**¥ 1,856**	**¥ 994**	**¥ 495**	¥ —	¥ 1,840	¥ 980	¥ 1,218
Provision (Note)	**—**	**182**	**48**	**2**	—	159	49	2
Utilization through write-offs	**—**	**(54)**	**—**	**(0)**	—	(221)	—	(0)
Reversal (Note)	**—**	**(110)**	**(26)**	**—**	—	(94)	(35)	(728)
Other	**—**	**132**	**—**	**59**	—	171	—	3
Ending balance	**¥ —**	**¥ 2,007**	**¥ 1,015**	**¥ 557**	¥ —	¥ 1,856	¥ 994	¥ 495

	Thousands of U.S. Dollars			
	2025 (From January 1, 2025 to December 31, 2025)			
	Allowance for doubtful receivables for financial instruments other than trade and other receivables (12-month expected credit loss)	Allowance for doubtful receivables for trade and other receivables (Lifetime expected credit loss)	Allowance for doubtful receivables for financial instruments for which credit risk has increased significantly (Lifetime expected credit loss)	Allowance for doubtful receivables for financial instruments that are credit-impaired (Lifetime expected credit loss)
Beginning balance	**$ —**	**$11,853**	**$6,347**	**$3,165**
Provision (Note)	**—**	**1,164**	**303**	**13**
Utilization through write-offs	**—**	**(343)**	**—**	**(1)**
Reversal (Note)	**—**	**(699)**	**(168)**	**—**
Other	**—**	**842**	**—**	**380**
Ending balance	**$ —**	**$12,817**	**$6,482**	**$3,557**

Note:
Provision and reversal of allowance for doubtful receivables for trade and other receivables (lifetime expected credit loss) are due to an increase or a decrease in trade and other receivables mainly as a result of sale and collection of those assets.

(4) Carrying Amounts of Financial Instruments related to Allowance for Doubtful Receivables
The carrying amounts (before allowance for doubtful receivables) of financial instruments related to allowance for doubtful receivables were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	2025 (December 31, 2025)
Financial instruments other than trade and other receivables (12-month expected credit loss)	**¥ 8,628**	¥ 8,211	**$ 55,112**
Trade and other receivables (Lifetime expected credit loss)	**336,996**	283,874	**2,152,502**
Financial instruments for which credit risk has increased significantly (Lifetime expected credit loss)	**249**	237	**1,592**
Credit-impaired financial instruments (Lifetime expected credit loss)	**358**	297	**2,286**

(5) Analysis of Credit Risk
Below is the aged analysis of trade and other receivables.

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	2025 (December 31, 2025)
30 days or less past due	**¥ 16,897**	¥ 17,593	**$ 107,929**
Over 30 days to 60 days or less past due	**5,554**	6,625	**35,476**
Over 60 days to 90 days or less past due	**4,279**	1,878	**27,333**
Over 90 days past due	**6,996**	4,431	**44,687**
Total	**¥ 33,727**	¥ 30,527	**$ 215,426**

With regard to financial instruments related to allowance for doubtful receivables other than trade and other receivables, there is no concentration of credit risk on any particular rating.

4. Liquidity Risk

(1) Liquidity Risk Management
The Group raises funds mainly through borrowings from banks and issuance of bonds. Therefore, the Group is exposed to liquidity risk, where the deterioration in the financing environment and other reasons may hinder the Group from fulfilling its obligations to make payments by the due date.

To manage liquidity risk within the Group, the Company's finance department creates and updates cash plans as necessary, based on information obtained from the departments and major consolidated subsidiaries of the Company. At the same time, the Company constantly monitors the operating environment to maintain and ensure appropriate liquidity in hand in response to changing conditions.

(2) Balance of Financial Liabilities (including Derivative Financial Instruments) by Settlement Date

The balance of financial liabilities (including derivative financial instruments) by settlement date is as follows:

Fiscal Year Ended December 31, 2024 (December 31, 2024)

	Millions of Yen							
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year through 2 years	Over 2 years through 3 years	Over 3 years through 4 years	Over 4 years through 5 years	Over 5 years
Non-derivative financial liabilities								
Trade and other payables	¥ 108,517	¥ 108,517	¥ 108,517	¥ —	¥ —	¥ —	¥ —	¥ —
Bonds and borrowings	438,021	455,227	104,607	60,370	43,096	38,305	55,432	153,417
Lease liabilities	48,605	54,449	12,293	8,093	6,876	5,786	4,502	16,900
Subtotal	595,143	618,194	225,417	68,462	49,972	44,091	59,935	170,317
Derivative financial liabilities	483	483	422	62	—	—	—	—
Total	¥ 595,627	¥ 618,677	¥ 225,838	¥ 68,524	¥ 49,972	¥ 44,091	¥ 59,935	¥ 170,317

Fiscal Year Ended December 31, 2025 (December 31, 2025)

	Millions of Yen							
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year through 2 years	Over 2 years through 3 years	Over 3 years through 4 years	Over 4 years through 5 years	Over 5 years
Non-derivative financial liabilities								
Trade and other payables	**¥ 112,706**	**¥ 112,706**	**¥ 112,706**	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Bonds and borrowings	**535,770**	**560,523**	**140,627**	**58,813**	**53,830**	**70,770**	**75,882**	**160,601**
Lease liabilities	**53,015**	**58,838**	**13,935**	**9,918**	**8,315**	**6,751**	**4,246**	**15,673**
Subtotal	**701,491**	**732,066**	**267,267**	**68,730**	**62,144**	**77,521**	**80,129**	**176,274**
Derivative financial liabilities	**1,666**	**1,666**	**1,492**	**171**	**3**	**—**	**—**	**—**
Total	**¥ 703,157**	**¥ 733,732**	**¥ 268,759**	**¥ 68,902**	**¥ 62,147**	**¥ 77,521**	**¥ 80,129**	**¥ 176,274**

	Thousands of U.S. Dollars							
	Carrying amount	Contractual cash flows	1 year or less	Over 1 year through 2 years	Over 2 years through 3 years	Over 3 years through 4 years	Over 4 years through 5 years	Over 5 years
Non-derivative financial liabilities								
Trade and other payables	**$ 719,888**	**$ 719,888**	**$ 719,888**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Bonds and borrowings	**3,422,142**	**3,580,241**	**898,229**	**375,656**	**343,828**	**452,031**	**484,686**	**1,025,810**
Lease liabilities	**338,624**	**375,818**	**89,007**	**63,348**	**53,108**	**43,124**	**27,122**	**100,109**
Subtotal	**4,480,653**	**4,675,947**	**1,707,124**	**439,004**	**396,936**	**495,155**	**511,808**	**1,125,919**
Derivative financial liabilities	**10,642**	**10,642**	**9,531**	**1,093**	**18**	**—**	**—**	**—**
Total	**$ 4,491,295**	**$ 4,686,588**	**$ 1,716,655**	**$ 440,097**	**$ 396,954**	**$ 495,155**	**$ 511,808**	**$ 1,125,919**

(3) Supplier Finance Arrangements

The Group has entered into supplier finance arrangements with third-party financial institutions and makes payments to them in accordance with the terms of agreements entered into with each supplier. Suppliers may, at their discretion, receive early payment from the third-party financial institutions at a discount.

(i) The carrying amount of financial liabilities that are part of a supplier finance arrangement was as follows. These liabilities are included in “Trade and other payables” in the consolidated statement of financial position.

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Financial liabilities that are part of supplier finance arrangements	**¥ 1,827**	¥ 3,032	**$ 11,672**

(ii) The carrying amount of financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers was as follows. These liabilities are included in “Trade and other payables” in the consolidated statement of financial position.

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Financial liabilities for which suppliers have already received payment from the finance providers	**¥ 1,510**	¥ 3,007	**$ 9,643**

(iii) The range of payment due dates for the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement is primarily as follows:

	2025 (December 31, 2025)	**2024** (December 31, 2024)
Financial liabilities that are part of supplier finance arrangements	**80–186 days after invoice date**	80–180 days after invoice date
Comparable trade payables that are not part of supplier finance arrangements	**50–60 days after invoice date**	30–60 days after invoice date

The supplier finance arrangements entered into by the Group do not result in a concentration of payment due dates or a significant extension of payment terms compared with the normal payment terms agreed with other suppliers that do not participate in such arrangements, and the Group is not exposed to significant liquidity risk arising from such arrangements.

As of December 31, 2025, there were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

5. Foreign Exchange Risk

(1) Foreign Exchange Risk Management

The Group operates businesses globally and therefore is involved in foreign currency transactions. Foreign currency receivables and payables arising from those transactions are exposed to foreign exchange fluctuation risk.

The Group's foreign exchange risk arises mainly from the fluctuation of the U.S. Dollar and the Euro. The Company and its certain consolidated subsidiaries assess foreign exchange fluctuation risk of trade receivables and payables denominated in foreign currencies for each currency every month, and hedge part of the risk by using forward foreign exchange contracts.

(2) Foreign Exchange Sensitivity Analysis

For financial instruments held by the Group at the end of each fiscal year, the effects of a 1% increase in Japanese yen against the U.S. Dollar and the Euro on profit before tax were as follows. All other variables are assumed to be constant.

		Millions of Yen		Thousands of U.S. Dollars
	Currency	**2025** (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Effects on profit before tax	U.S. Dollar	**¥ 128**	¥ (578)	**$ 820**
	Euro	**(300)**	(24)	**(1,914)**

6. Interest Rate Risk

(1) Interest Rate Risk Management

The Group is exposed to interest rate risk from variable interest rates on some of the interest-bearing liabilities assumed by the Group.

The Group uses interest rate swaps to reduce the risk of fluctuation in the interest rates on borrowings.

(2) Interest Rate Sensitivity Analysis

For interest-bearing liabilities with variable interest rates assumed by the Group at the end of each fiscal year, the effects of a 100 basis points increase in the interest rate on profit before tax were as follows. All other variables are assumed to be constant.

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Effects on profit before tax	**¥ (710)**	¥ (663)	**$ (4,534)**

7. Share Price Fluctuation Risk

(1) Share Price Fluctuation Risk Management

The Group holds shares in other listed companies with which the Group has business relationships for certain purposes, such as reinforcing sales foundations. Thus, the Group is exposed to the share price fluctuation risk of equity financial instruments.

For these equity financial instruments, the Group monitors the share prices and financial position of issuers on a regular basis and reviews its shareholdings on an ongoing basis by considering the relationship with the issuer of the equity instruments.

(2) Share Price Fluctuation Sensitivity Analysis

For equity financial assets (shares) in active markets held by the Group at the end of each fiscal year, if all quoted prices are assumed to decrease by 1% at the end of the fiscal year, the effects on other comprehensive income (before tax) were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Effects on other comprehensive income (before tax)	**¥ (235)**	¥ (260)	**$ (1,503)**

8. Carrying Amount and Fair Value of Financial Instruments

The carrying amount and fair value of financial instruments were as follows.

Financial assets and financial liabilities other than bonds and long-term borrowings are not included below as their fair value approximates their carrying amount.

	Millions of Yen				Thousands of U.S. Dollars	
	2025 (December 31, 2025)		2024 (December 31, 2024)		**2025** (December 31, 2025)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term borrowings (Note)	**¥ 431,533**	**¥ 415,710**	¥ 348,746	¥ 341,877	**$ 2,756,345**	**$ 2,655,276**
Bonds (Note)	**39,893**	**37,051**	39,870	38,176	**254,809**	**236,660**

Note:
Including current portions.

The fair value of long-term borrowings and bonds is determined by discounting each obligation classified by term using a rate that takes into account time to maturity and credit risk.

The fair value hierarchy of long-term borrowings and bonds is categorized within Level 3.

9. Fair Value Hierarchy of Financial Instruments

Financial instruments measured at fair value on a recurring basis after the initial recognition are categorized into three levels of the fair value hierarchy depending on the observability and materiality of inputs used for the fair value measurement.

Each level of fair value hierarchy is defined as follows:

Level 1: Fair values measured at quoted prices in active markets
Level 2: Fair values measured using direct or indirect observable inputs other than those of Level 1
Level 3: Fair values measured using unobservable inputs

When two or more inputs are used for the measurement of fair value, the level of fair value is determined based on the lowest level input that is material to the entire measurement.

Transfers between the levels of the fair value hierarchy are recognized as if they have occurred at the beginning of each quarterly period.

There were no transfers between Level 1, Level 2 and Level 3 during the fiscal years ended December 31, 2024 and 2025.

Assets measured at fair value on a recurring basis were as follows:

Fiscal Year Ended December 31, 2024 (December 31, 2024)

	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-derivative financial assets measured at fair value through profit or loss				
Other	¥ —	¥ 174	¥ —	¥ 174
Non-derivative financial assets measured at fair value through other comprehensive income				
Shares	25,960	—	14,525	40,486
Other	—	—	605	605
Derivative assets	—	8,896	—	8,896
Total	¥ 25,960	¥ 9,070	¥ 15,130	¥ 50,160
Financial liabilities				
Derivative liabilities	—	483	—	483
Total	¥ —	¥ 483	¥ —	¥ 483

Fiscal Year Ended December 31, 2025 (December 31, 2025)

	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-derivative financial assets measured at fair value through profit or loss				
Other	¥ —	¥ 175	¥ —	¥ 175
Non-derivative financial assets measured at fair value through other comprehensive income				
Shares	23,534	—	15,544	39,078
Other	—	—	605	605
Derivative assets	—	4,125	—	4,125
Total	¥ 23,534	¥ 4,300	¥ 16,149	¥ 43,983
Financial liabilities				
Derivative liabilities	—	1,666	—	1,666
Total	¥ —	¥ 1,666	¥ —	¥ 1,666

	Thousands of U.S. Dollars			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-derivative financial assets measured at fair value through profit or loss				
Other	$ —	$ 1,117	$ —	$ 1,117
Non-derivative financial assets measured at fair value through other comprehensive income				
Shares	150,322	—	99,285	249,607
Other	—	—	3,862	3,862
Derivative assets	—	26,346	—	26,346
Total	$ 150,322	$ 27,463	$ 103,147	$ 280,932
Financial liabilities				
Derivative liabilities	—	10,642	—	10,642
Total	$ —	$ 10,642	$ —	$ 10,642

The fair value of shares that have an active market is determined based on market prices, and therefore is categorized within Level 1. When the fair value of shares that do not have an active market is measured at the amount which is determined using material unobservable inputs through methods including the comparable peer company analysis, it is categorized within Level 3.

Certain derivative assets and derivative liabilities including forward foreign exchange contracts and interest rate swaps are not traded in an active market. Their fair value is determined by making the best use of observable market data to the extent available and does not depend on the Group's own estimation to the extent possible. If all material inputs are observable, it is categorized within Level 2.

The fair value of non-derivative financial assets categorized within Level 3 is evaluated using price book-value ratio (PBR) under the comparable peer company analysis.

In accordance with the Group's policies and procedures on the valuation of the fair value measurement, the finance department decides the method of evaluating financial instruments under review and measures their fair value.

The results of the fair value measurement are approved by an appropriate person responsible for valuation.

Changes in financial instruments measured at fair value on a recurring basis that are categorized within Level 3 were as follows:

	Millions of Yen
	Financial assets
Balance at January 1, 2024	¥ 17,179
Total gains and losses	
Other comprehensive income (Note)	751
Purchase	192
Sale	(2,403)
Other	(589)
Balance at December 31, 2024	¥ 15,130
Total gains and losses	
Other comprehensive income (Note)	1,033
Purchase	1
Sale	(3)
Other	(12)
Balance at December 31, 2025	¥ 16,149

	Thousands of U.S. Dollars
	Financial assets
Balance at December 31, 2024	$ 96,641
Total gains and losses	
Other comprehensive income (Note)	6,596
Purchase	4
Sale	(16)
Other	(77)
Balance at December 31, 2025	$ 103,147

Note:
Other comprehensive income related to financial assets measured at fair value through other comprehensive income, which is included in "Gains (losses) on financial assets measured at fair value through other comprehensive income."

10. Derivative Transactions and Hedging Activities

Cash flow hedges

The Group primarily designates the following as cash flow hedges: forward foreign exchange contracts and option contracts to fix cash flows of forecast transactions denominated in foreign currencies, interest rate swaps to fix variable interest rates on long-term borrowings, and commodity futures transactions to offset price fluctuations of raw material purchase prices.

The amounts recognized in profit or loss for hedge ineffectiveness and the portion excluded from the assessment of hedge effectiveness are not material for the fiscal years ended December 31, 2024 and 2025.

Changes in the fair value of hedging instruments that are used as a basis for the calculation of hedge ineffectiveness are not material for the fiscal years ended December 31, 2024 and 2025.

At the inception of the hedge, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking these hedging transactions. The Group also assesses, on an ongoing basis both at the inception and during the term of the hedge, that all of the following conditions are met: there is an economic relationship between the hedged item and the hedging instrument; the effect of credit risk does not dominate the value changes that result from the economic relationship; and the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item and the hedging instrument that the Group actually hedges.

(1) Fair Value of Hedging Instruments under Hedge Accounting

The fair value of hedging instruments under hedge accounting by type of hedge was as follows:

	Millions of Yen				Thousands of U.S. Dollars	
	2025 (December 31, 2025)		2024 (December 31, 2024)		**2025** (December 31, 2025)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Cash flow hedges						
Interest rate swaps	**¥ 235**	**¥ —**	¥ 641	¥ —	**$ 1,498**	**$ —**
Forward foreign exchange contracts	**731**	**1,487**	1,723	438	**4,671**	**9,501**
Commodity futures transactions	**23**	**—**	—	—	**145**	**—**
Subtotal	**988**	**1,487**	2,364	438	**6,313**	**9,501**
Total	**¥ 988**	**¥ 1,487**	¥ 2,364	¥ 438	**$ 6,313**	**$ 9,501**

In the consolidated statement of financial position, the fair value of assets as hedging instruments is included in “Other financial assets (Current assets)” and “Other financial assets (Non-current assets),” and the fair value of liabilities as hedging instruments is included in “Other financial liabilities (Current liabilities)” and “Other financial liabilities (Non-current liabilities).”

(2) Notional Amount and Average Price of Hedging Instruments under Hedge Accounting

The notional amount and average price of hedging instruments under hedge accounting were as follows:

Type of risk	Type of hedge	Hedging instrument	Notional amount and average price	Millions of Yen				Thousands of U.S. Dollars	
				2025 (December 31, 2025)		2024 (December 31, 2024)		**2025** (December 31, 2025)	
				Within 1 year	Over 1 year	Within 1 year	Over 1 year	Within 1 year	Over 1 year
Interest rate risk	Cash flow hedge	Pay fixed, receive variable Interest rate swaps	Notional amount	**¥ 11,272**	**¥ —**	¥ 11,389	¥ 11,389	**$ 72,000**	**$ —**
Foreign exchange risk	Cash flow hedge	Short EUR Forward foreign exchange contracts	Notional amount	**57,442**	**—**	10,873	10,088	**366,903**	**—**
			Average price (USD/EUR)	**1.2**	**—**	1.1	1.1	**1.2**	**—**
		Short EUR Forward foreign exchange contracts	Notional amount	**—**	**—**	3,381	—	**—**	**—**
			Average price (CZK/EUR)	**—**	**—**	25.3	—	**—**	**—**
		Short USD Forward foreign exchange contracts	Notional amount	**—**	**—**	41	—	**—**	**—**
			Average price (NZD/USD)	**—**	**—**	0.6	—	**—**	**—**
		Short NZD Forward foreign exchange contracts	Notional amount	**582**	**—**	—	—	**3,720**	**—**
			Average price (NZD/USD)	**0.6**	**—**	—	—	**0.6**	**—**
		Short NZD Forward foreign exchange contracts	Notional amount	**—**	**—**	31	—	**—**	**—**
			Average price (CZK/NZD)	**—**	**—**	14.1	—	**—**	**—**
		Short AUD Forward foreign exchange contracts	Notional amount	**1,090**	**—**	176	—	**6,963**	**—**
			Average price (USD/AUD)	**0.7**	**—**	0.6	—	**0.7**	**—**
		Short GBP Forward foreign exchange contracts	Notional amount	**—**	**—**	199	—	**—**	**—**
			Average price (EUR/GBP)	**—**	**—**	0.8	—	**—**	**—**
		Short MXN Forward foreign exchange contracts	Notional amount	**—**	**—**	682	—	**—**	**—**
			Average price (EUR/MXN)	**—**	**—**	21.6	—	**—**	**—**
		Short SEK Forward foreign exchange contracts	Notional amount	**—**	**—**	19	—	**—**	**—**
			Average price (EUR/SEK)	**—**	**—**	11.5	—	**—**	**—**

The interest rate swaps that were entered into to fix variable interest payments against interest rate fluctuation risk bear variable interest of 6-month USD SOFR, with a fixed payment rate ranging from negative 0.011% to positive 0.010%.

Type of risk	Type of hedge	Hedging instrument	Notional amount and average price	Millions of Yen 2025 (December 31, 2025) Within 1 year	Millions of Yen 2025 (December 31, 2025) Over 1 year	Millions of Yen 2024 (December 31, 2024) Within 1 year	Millions of Yen 2024 (December 31, 2024) Over 1 year	Thousands of U.S. Dollars 2025 (December 31, 2025) Within 1 year	Thousands of U.S. Dollars 2025 (December 31, 2025) Over 1 year
Foreign exchange risk	Cash flow hedge	Long INR Forward foreign exchange contracts	Notional amount	**¥ 22,129**	**¥ —**	¥ 18,864	¥ 6,185	**$ 141,343**	**$ —**
			Average price (USD/INR)	**90.0**	**—**	85.2	88.2	**90.0**	**—**
		Long THB Forward foreign exchange contracts	Notional amount	**21,868**	**—**	20,648	—	**139,678**	**—**
			Average price (JPY/THB)	**4.9**	**—**	4.5	—	**4.9**	**—**
		Long USD Forward foreign exchange contracts	Notional amount	**5,840**	**—**	—	—	**37,300**	**—**
			Average price (EUR/USD)	**1.2**	**—**	—	—	**1.2**	**—**
		Long EUR Forward foreign exchange contracts	Notional amount	**—**	**—**	19	—	**—**	**—**
			Average price (NZD/EUR)	**—**	**—**	1.8	—	**—**	**—**
		Long USD Forward foreign exchange contracts	Notional amount	**—**	**—**	94	—	**—**	**—**
			Average price (NZD/USD)	**—**	**—**	0.6	—	**—**	**—**
		Long AUD Forward foreign exchange contracts	Notional amount	**830**	**—**	55	—	**5,299**	**—**
			Average price (USD/AUD)	**0.7**	**—**	0.6	—	**0.7**	**—**
		Long CZK Forward foreign exchange contracts	Notional amount	**—**	**—**	301	—	**—**	**—**
			Average price (EUR/CZK)	**—**	**—**	25.2	—	**—**	**—**
		Long EUR Forward foreign exchange contracts	Notional amount	**—**	**—**	132	—	**—**	**—**
			Average price (GBP/EUR)	**—**	**—**	0.8	—	**—**	**—**
		Long USD Forward foreign exchange contracts	Notional amount	**—**	**—**	139	—	**—**	**—**
			Average price (CAD/USD)	**—**	**—**	1.4	—	**—**	**—**
		Long USD Forward foreign exchange contracts	Notional amount	**—**	**—**	14	—	**—**	**—**
			Average price (NZD/USD)	**—**	**—**	1.7	—	**—**	**—**
		Long RON Forward foreign exchange contracts	Notional amount	**42**	**—**	—	—	**266**	**—**
			Average price (EUR/RON)	**5.2**	**—**	—	—	**5.2**	**—**
Commodity price fluctuation risk		Long Natural rubber Commodity futures transactions	Notional amount	**503**	**—**	—	—	**3,216**	**—**
			Average price (USD/ton)	**1,692.0**	**—**	—	—	**1,692.0**	**—**

(3) Changes in Other Components of Equity (Changes in Fair Value of Hedging Instruments)

(i) Interest rate fluctuation risk

	Millions of Yen 2025 (From January 1, 2025 to December 31, 2025)	Millions of Yen 2024 (From January 1, 2024 to December 31, 2024)	Thousands of U.S. Dollars 2025 (From January 1, 2025 to December 31, 2025)
Beginning of the year	**¥ 106**	¥ 165	**$ 678**
Amount recognized	**757**	1,733	**4,832**
Amount reclassified to profit for the year (Note)	**(841)**	(1,792)	**(5,375)**
End of the year	**21**	106	**135**

Note:
The amounts before tax effects are ¥(1,761) million and ¥(755) million ($(4,825) thousand) for the fiscal years ended December 31, 2024 and 2025, respectively, and are included in “Finance costs” in the consolidated statement of profit or loss.

(ii) Foreign exchange fluctuation risk

	Millions of Yen 2025 (From January 1, 2025 to December 31, 2025)	Millions of Yen 2024 (From January 1, 2024 to December 31, 2024)	Thousands of U.S. Dollars 2025 (From January 1, 2025 to December 31, 2025)
Beginning of the year	**¥ 41**	¥ (549)	**$ 262**
Amount recognized	**(2,764)**	1,073	**(17,655)**
Amount reclassified to profit for the year (Note)	**1,709**	(483)	**10,913**
End of the year	**(1,014)**	41	**(6,480)**

Note:
The amounts before tax effects are ¥(646) million and ¥2,153 million ($13,751 thousand) for the fiscal years ended December 31, 2024 and 2025, respectively, and are included in “Revenue” and “Selling, general, and administrative expenses” in the consolidated statement of profit or loss.

(iii) Commodity price fluctuation risk

	Millions of Yen 2025 (From January 1, 2025 to December 31, 2025)	Millions of Yen 2024 (From January 1, 2024 to December 31, 2024)	Thousands of U.S. Dollars 2025 (From January 1, 2025 to December 31, 2025)
Beginning of the year	**¥ 78**	¥ 79	**$ 500**
Amount recognized	**(97)**	0	**(618)**
Amount reclassified to profit for the year (Note)	**—**	(2)	**—**
End of the year	**(19)**	78	**(119)**

Note:
The amount before tax effects is ¥(3) million for the fiscal year ended December 31, 2024 and is included in “Cost of sales” in the consolidated statement of profit or loss.

33. BUSINESS COMBINATIONS

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)
Regarding the business combination through the acquisition of shares of Trelleborg Wheel Systems Holding AB carried out on May 2, 2023, provisional accounting treatment had been applied in the fiscal year ended December 31, 2023. The allocation of the consideration for the acquisition was completed in the fiscal year ended December 31, 2024.
There were no changes from the allocation made in the fiscal year ended December 31, 2023.

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)
Business acquisition
Regarding the agreement the Company entered into with The Goodyear Tire & Rubber Company (hereinafter, “Goodyear”) on July 22, 2024, to acquire that company’s mining & construction machinery tire (hereinafter, off-the-road tire, or OTR) business, the acquisition was completed on February 4, 2025.

1. Outline of the acquisition
(1) Business acquired
Goodyear’s OTR business, which manufactures and sells tires for mining & construction vehicles (including companies for which shares are being acquired)

(2) Companies for which shares are being acquired
- Goodyear Earthmover Pty Ltd (Australia)
- Nippon Giant Tire Co., Ltd. (Japan)

Note:
Upon completion of the acquisition, Goodyear Earthmover Pty Ltd changed its name to Yokohama Earthmover Pty Ltd.

(3) Assets acquired
Inventories, tire manufacturing facilities & equipment, etc.

(4) Acquiring entities
The Yokohama Rubber Co., Ltd. and its overseas subsidiaries in the United States, Australia, Luxembourg, and other countries

(5) Date of the acquisition
February 4, 2025

(6) Main reasons for the acquisition
The Group currently is implementing Yokohama Transformation 2026 (YX2026), its three-year medium-term management plan for fiscal years 2024–2026.

The plan includes the use of programmatic M&A as one of the growth strategies for expanding the OHT business, which is expected to contribute to stably high earnings of the Company's commercial tire business. This acquisition will strengthen the Company's lineup of mining & construction machinery tires, which has been an issue to date, and contribute to the acceleration of the Group's global expansion.

2. Fair value of the consideration for the acquisition as of the date of the acquisition

Cash: ¥141,707 million ($910 million)

The consideration has not been finalized as of December 31, 2025 because the price adjustment after the acquisition has not yet been completed.

3. Fair value of assets acquired and liabilities assumed, and goodwill as of the date of the acquisition

	Millions of Yen		
	Date of acquisition (February 4, 2025)	Subsequent revision	Provisional fair value as of December 31, 2025
CURRENT ASSETS:			
Cash and cash equivalents	¥ 1,180	¥ —	¥ 1,180
Trade and other receivables	3,690	198	3,888
Inventories	22,157	(2,787)	19,370
Other	3,859	(188)	3,671
NON-CURRENT ASSETS:			
Property, plant and equipment	42,898	(233)	42,665
Intangible assets	56,968	3,874	60,842
Deferred tax assets	4,523	(218)	4,304
Other	993	—	993
Liabilities	10,338	801	11,139
Assets acquired and liabilities assumed (net)	125,930	(155)	125,774
Goodwill	¥ 17,113	¥ (1,180)	¥ 15,933

	Thousands of U.S. Dollars		
	Date of acquisition (February 4, 2025)	Subsequent revision	Provisional fair value as of December 31, 2025
CURRENT ASSETS:			
Cash and cash equivalents	$ 7,540	$ —	$ 7,540
Trade and other receivables	23,571	1,265	24,836
Inventories	141,521	(17,800)	123,721
Other	24,651	(1,204)	23,448
NON-CURRENT ASSETS:			
Property, plant and equipment	274,003	(1,487)	272,516
Intangible assets	363,871	24,744	388,615
Deferred tax assets	28,887	(1,394)	27,494
Other	6,344	—	6,344
Liabilities	66,034	5,118	71,151
Assets acquired and liabilities assumed (net)	804,355	(993)	803,362
Goodwill	$ 109,306	$ (7,538)	$ 101,767

As of the date of the acquisition, goodwill, assets acquired and liabilities assumed at the date of the business combination, and other amounts were accounted for provisionally. As of December 31, 2025, provisional accounting treatment continued to be applied because identifiable assets and liabilities at the date of the business combination are currently being examined, and the allocation of the purchase price is yet to be completed. The fair values of certain assets and liabilities have been revised as of December 31, 2025.

There are no material receivables that are deemed unrecoverable. Intangible assets consist of customer-related intangible assets of ¥24,863 million ($158,805 thousand), technology-based intangible assets of ¥17,440 million ($111,392 thousand), trademarks of ¥12,867 million ($82,184 thousand), contract-related intangible assets of ¥5,606 million ($35,805 thousand), and other of ¥67 million ($429 thousand). Goodwill represents future excess earning power expected from ongoing business development. The goodwill recognized is expected to be largely deductible for tax purposes.

4. Acquisition-related costs

Costs related to the business acquisition for the fiscal year ended December 31, 2025 of ¥1,731 million ($11,057 thousand) were recorded in "Selling, general, and administrative expenses.".

5. Impact on Group earnings

Revenue and business profit that arose after the date of the business acquisition were ¥78,079 million ($498,716 thousand) and ¥9,188 million ($58,689 thousand), respectively. Assuming that the business acquisition took place at the beginning of the fiscal year ended December 31, 2025, revenue and business profit for the fiscal year would be ¥85,177 million ($544,054 thousand) and ¥10,024 million ($64,024 thousand), respectively.

The statement above is pro forma information not subject to audit.

6. Financing

The Company's borrowings to finance the business acquisition are as follows:

	Syndicated loan agreements	Loan agreement with JBIC
Amount	¥ 109,300 million ($697,975 thousand)	¥ 31,000 million ($198,007 thousand)
Contract date	June 17, 2025	June 30, 2025
Execution date	June 19, 2025	June 30, 2025
Final repayment date	End of May 2035	
Term	10 years	
Interest rate	Fixed interest rate	
Lead arranger	Mizuho Bank, Ltd.	—
Participating banks	Mizuho Bank Ltd., The Bank of Yokohama, Ltd., The Norinchukin Bank, MUFG Bank, Ltd., Kanagawa Kenshinren, The Shizuoka Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, JA-Bank Hokkaido, The Hyakugo Bank, Ltd., JA Mie Shinren, Mizuho Trust & Banking Co., Ltd., Ibaraki Shinren, The Joyo Bank, Ltd., Sumitomo Mitsui Banking Corporation, Aomori Michinoku Bank, Ltd., Hachijuni Nagano Bank, Ltd., The Hokuriku Bank, Ltd., The Musashino Bank, Ltd., and The 77 Bank, Ltd.	Japan Bank for International Cooperation
Assets pledged as collateral	None	

These agreements are subject to the following financial covenants:
- From the fiscal year ended December 31, 2025, total equity recorded on the consolidated statement of financial position at the end of each fiscal year must be maintained at a designated level or higher on a year-on-year basis.
- From the fiscal year ended December 31, 2025, the Company must not record operating losses on the consolidated statement of profit or loss for two consecutive years.

34. SUBSIDIARIES

1. Major Subsidiaries

The Company's major subsidiaries are as follows:

Name	Location	Ownership percentage of voting rights
Yokohama Tire Japan Co., Ltd.	Tokyo, Japan	91.0 %
Ibaraki Yokohama Tire Sales Co., Ltd.	Mito, Japan	45.0
Niigata Yokohama Tire Co., Ltd.	Niigata, Japan	50.0
Kagoshima Yokohama Tire Co., Ltd.	Kagoshima, Japan	50.0
Okinawa Yokohama Tire Co., Ltd.	Haebaru, Japan	40.0
Sasson Yokohama Tire Co., Ltd.	Otaru, Japan	50.0
YFC Co., Ltd.	Hiratsuka, Japan	100.0
Yokohama Tire Retread Co., Ltd.	Onomichi, Japan	100.0
Kameyama Bead Co., Ltd.	Kameyama, Japan	100.0
Aichi Tire Industry Co., Ltd.	Komaki, Japan	100.0
Hamagomu Engineering Co., Ltd.	Hiratsuka, Japan	100.0
Hamagomu Logistics Co., Ltd.	Hiratsuka, Japan	100.0
Yokohama Mold Co., Ltd.	Omitama, Japan	100.0
Yokohama Tire Corporation	California, United States of America	100.0
Yokohama Tire (Canada) Inc.	British Columbia, Canada	100.0
Yokohama Corporation of America	California, United States of America	100.0
Yokohama Corporation of North America	California, United States of America	100.0
Yokohama Tire Manufacturing Mississippi, LLC.	Mississippi, United States of America	100.0
Yokohama Tire Manufacturing Virginia LLC.	Virginia, United States of America	100.0
Yokohama Tire Mexico S. De R.L. De C.V.	Guanajuato, Mexico	100.0
Yokohama Tyre Australia Pty. Ltd.	New South Wales, Australia	100.0
Yokohama Europe GmbH	Düsseldorf, Germany	100.0
Yokohama (Suisse) S.A.	Zurich, Switzerland	100.0
Yokohama Scandinavia AB	Stockholm, Sweden	100.0
Yokohama H.P.T. Ltd.	Milton Keynes, the United Kingdom	100.0
Yokohama Iberia, S.A.	Madrid, Spain	100.0
Yokohama France S.A. S	Genas, France	100.0
Yokohama CEE Spółka z. o.o.	Warsaw, Poland	100.0
Yokohama Tire Sales Philippines, Inc.	Makati City, Philippines	100.0
Yokohama Tire Philippines, Inc.	Clark Freeport Zone, Philippines	100.0
Yokohama Tire Taiwan Co., Ltd.	Taipei, Taiwan	75.0
Hangzhou Yokohama Tire Co., Ltd.	Zhejiang, China	100.0
Suzhou Yokohama Tire Co., Ltd.	Jiangsu, China	100.0
Yokohama Rubber (China) Co., Ltd.	Shanghai, China	100.0
Yokohama Tire Sales (Shanghai) Co., Ltd.	Shanghai, China	100.0
Yokohama Russia L.L.C.	Moscow, Russia	100.0
LLC Yokohama R.P.Z.	Lipetsk, Russia	100.0
Yokohama Tire Sales (Thailand) Co., Ltd.	Bangkok, Thailand	100.0
Yokohama Tire Manufacturing (Thailand) Co., Ltd.	Rayong, Thailand	100.0
Yokohama Mold (Thailand) Co., Ltd.	Rayong, Thailand	100.0
Yokohama Tyre Vietnam Inc.	Binh Duong, Vietnam	100.0
Yokohama India Private Ltd.	Haryana, India	100.0
Yokohama Asia Co., Ltd.	Bangkok, Thailand	100.0
Yokohama Tire Korea Co., Ltd.	Seoul, South Korea	100.0
Yokohama Tyre Sales Malaysia Sdn. Bhd.	Selangore, Malaysia	51.0
Yokohama Tyre Sales Vietnam Co., Ltd.	Ho Chi Minh, Vietnam	100.0
YOKOHAMA Pneumatici S.r.L	Milan, Italy	100.0
Yokohama Tire Mexico Real Estate SA DE CV.	Coahuila, Mexico	100.0
Hangzhou Qiantang Yokohama Tire Co., Ltd.	Zhejiang, China	100.0
Yokohama Tire Manufacturing Mexico S.A. DE C.V.	Coahuila, Mexico	100.0
YTMMX Japan G.K.	Hiratsuka, Japan	100.0
Yokohama Rubber Singapore Pte. Ltd.	Singapore	100.0
Yokohama Off-Highway Tires K.K.	Hiratsuka, Japan	100.0
Alliance Tire Company Ltd.	Haifa, Israel	100.0
ATC Tires Private Ltd.	Maharashtra, India	100.0
Alliance Tire Europe B.V.	North Holland, Netherlands	100.0
Yokohama Off-Highway Tires America Inc.	Massachusetts, United States of America	100.0
ATC Tires AP Private Ltd.	Andhra Pradesh, India	100.0
Yokohama TWS Holding AB	Malmö, Sweden	100.0
Yokohama TWS S.p.A.	Lazio, Italy	100.0
Yokohama TWS Czech Republic a.s.	Prague, Czech Republic	100.0
Yokohama TWS North America, Inc.	Delaware, United States of America	100.0
Yokohama TWS Brazil Industria e Comercio de Borrachas e Polimeros Ltda.	Bahia, Brazil	100.0
Yokohama TWS Australia Pty Ltd.	Victoria, Australia	100.0
Yokohama TWS Luxembourg Sarl	Bissen, Luxembourg	100.0
Yokohama TWS Romania S.R.L.	Mehedinti, Romania	100.0
Yokohama Earthmover Pty Ltd	New South Wales, Australia	100.0
Nippon Giant Tire Co., Ltd.	Tatsuno, Japan	100.0
Yokohama Industrial Products Japan Co., Ltd.	Tokyo, Japan	100.0
Furusawa Shokai Co., Ltd.	Kita-Hiroshima, Japan	100.0
Yokohama Industries Americas Inc.	Kentucky, United States of America	100.0
Yokohama Industries Americas Ohio Inc.	Ohio, United States of America	100.0
Yokohama Industries Americas de Mexico S. de R.L. de C.V.	Aguascalientes, Mexico	100.0
SC Kingflex Corporation	Taoyuan, Taiwan	49.0
Yokohama Rubber (Thailand) Co., Ltd.	Rayong, Thailand	79.8
Shandong Yokohama Rubber Industrial Products Co., Ltd.	Shandong, China	100.0
Yokohama Aerospace America, Inc.	Washington, United States of America	100.0
Yokohama Industrial Products Sales-Shanghai Co., Ltd.	Shanghai, China	100.0
Yokohama Industrial Products Asia-Pacific Pte. Ltd.	Singapore	100.0
Yokohama Industrial Products-Hangzhou Co., Ltd.	Zhejiang, China	100.0
PT Yokohama Industrial Products Manufacturing Indonesia	Batam, Indonesia	100.0
HAMAGOMU AICOM INC.	Yokohama, Japan	100.0
PRGR Co., Ltd.	Hiratsuka, Japan	100.0
Y.T. Rubber Co., Ltd.	Suratthani, Thailand	95.0

2. Subsidiaries with Material Non-controlling Interests

The Group has no subsidiaries with material non-controlling interests or individually material associates.

35. RELATED PARTIES

(1) Transactions and Outstanding Balances of Receivables and Payables with Related Parties

The Group conducts transactions with the following related parties:

Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Category	Name	Details of business or occupation	Details of the transaction	Transaction amount	Outstanding balance
				Millions of Yen	Millions of Yen
Senior management	Masataka Yamaishi	Chairman & CEO, Chairman of the Board, the Company	Disposal of treasury shares (Note)	¥ 50	¥ —
	Shinji Seimiya	President & COO, the Company	Disposal of treasury shares (Note)	¥ 50	¥ —
	Nitin Mantri	Member of the Board and Senior Managing Officer & Co-COO, the Company	Disposal of treasury shares (Note)	¥ 20	¥ —
	Tomoaki Miyamoto	Member of the Board and Managing Officer, the Company	Disposal of treasury shares (Note)	¥ 15	¥ —
	Yoshikuni Nakamura	Member of the Board and Managing Officer, the Company	Disposal of treasury shares (Note)	¥ 15	¥ —
	Masahiro Yuki	Member of the Board and Officer, the Company	Disposal of treasury shares (Note)	¥ 10	¥ —

Note:

This was an allotment of treasury shares associated with the payment of restricted stock compensation.

The disposal price of treasury shares was determined based on the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on April 25, 2024 (the business day immediately prior to the date of the resolution by the Board of Directors on April 26, 2024), which was ¥3,927.

Fiscal Year Ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

Category	Name	Details of business or occupation	Details of the transaction	Transaction amount Millions of Yen Thousands of U.S. Dollars	Outstanding balance Millions of Yen Thousands of U.S. Dollars
Senior management	Masataka Yamaishi	Chairman & CEO, Chairman of the Board, the Company	Disposal of treasury shares (Note)	¥ 50 $ 319	¥ — $ —
	Shinji Seimiya	President & COO, the Company	Disposal of treasury shares (Note)	¥ 50 $ 319	¥ — $ —
	Nitin Mantri	Member of the Board and Senior Managing Officer & Co-COO, the Company	Disposal of treasury shares (Note)	¥ 20 $ 128	¥ — $ —
	Tomoaki Miyamoto	Member of the Board and Managing Officer, the Company	Disposal of treasury shares (Note)	¥ 15 $ 96	¥ — $ —
	Masahiro Yuki	Member of the Board and Officer, the Company	Disposal of treasury shares (Note)	¥ 10 $ 64	¥ — $ —

Note:
This was an allotment of treasury shares associated with the payment of restricted stock compensation.
The disposal price of treasury shares was determined based on the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on April 25, 2025 (the business day immediately prior to the date of the resolution by the Board of Directors on April 28, 2025), which was ¥3,112 ($19.88).

(2) Remunerations for Major Executives
Remunerations for major executives of the Group were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (From January 1, 2025 to December 31, 2025)	2024 (From January 1, 2024 to December 31, 2024)	**2025** (From January 1, 2025 to December 31, 2025)
Remunerations and bonuses	**¥ 878**	¥ 1,099	**$ 5,610**
Performance-linked remuneration	**95**	75	**604**
Share-based payment	**149**	150	**950**
Total	**¥ 1,122**	¥ 1,324	**$ 7,164**

36. COMMITMENTS

Commitments related to the acquisition of assets at or after the end of each fiscal year were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025 (December 31, 2025)	2024 (December 31, 2024)	**2025** (December 31, 2025)
Agreements on the acquisition of property, plant and equipment and intangible assets	**¥ 34,202**	¥ 33,500	**$ 218,459**

37. CONTINGENT LIABILITIES

In operating their businesses, the Company and its group companies may be subject to investigations by government agencies or may be involved in cases that can develop into disputes in Japan or in overseas jurisdictions.
At December 31, 2025, there are tax investigations conducted by taxation authorities concerning the interpretation and application of taxation systems mainly in emerging economies, notices of reassessment issued, and unresolved claims, including litigation and settlement negotiations. Based on consultation with legal and tax professionals, the Company estimates the likelihood that these contingent liabilities will have material consequences and recognizes a liability when it is probable that an outflow of resources embodying economic benefits will be required to settle the liability and a reliable estimate can be made of the amount of the liability.
Such liabilities are recorded based on currently available information; however, due to the inherent uncertainty of estimates, additional liabilities may be incurred if new facts become known in the future.

38. SUBSEQUENT EVENTS

Closure of the U.S. Plant in Salem, Virginia
The Company has decided to close its tire plant in Salem, Virginia, effective March 18, 2026 (U.S. time). The Company initially planned to reduce production starting in March and consider closure in July; however, discussions with the plant's labor union led to an agreement on an earlier closure.

(1) Overview of the Salem plant
1) Company name: Yokohama Tire Manufacturing Virginia, LLC
2) Location: 1500 Indiana Street, Salem, Virginia, U.S.A.
3) Start of operations: 1968
4) Number of employees: 575 as of the end of December 2025
5) Total site area: 243,000 m^2
6) Value of plant site and facilities:

	Millions of Yen
Buildings and structures	¥ 1,814
Machinery, equipment, and vehicles	3,858
Land	210
Other	942
Total	¥ 6,824

(2) Impact of the event on the Company's consolidated profit or loss
As a result of the event, expenses such as severance pay associated with workforce reductions and impairment losses on non-current assets are expected. Accordingly, approximately ¥16,000 million is expected to be recorded as other expenses in the fiscal year ending December 31, 2026. The amount represents the current estimate and may be subject to change.
Note: The above estimate is calculated based on an exchange rate of ¥145 per U.S. dollar.

(2) Other
Quarterly information for the fiscal year ended December 31, 2025

	Millions of Yen			
	First three months	First six months	First nine months	Full year
Revenue	¥ 275,118	¥ 579,201	¥ 877,189	¥ 1,234,959
Profit before tax	13,875	50,662	88,359	157,186
Profit attributable to owners of the parent	8,525	35,535	66,124	105,398
Basic earnings per share (Yen)	53.74	224.86	419.08	668.55

	Thousands of U.S. Dollars			
	First three months	First six months	First nine months	Full year
Revenue	$ 1,757,267	$ 3,699,545	$ 5,602,896	$ 7,888,085
Profit before tax	88,622	323,593	564,380	1,003,999
Profit attributable to owners of the parent	54,453	226,972	422,359	673,213
Basic earnings per share (U.S. Dollars)	0.34	1.44	2.68	4.27

	First quarter	Second quarter	Third quarter	Fourth quarter
Basic earnings per share (Yen)	¥ 53.74	¥ 171.64	¥ 194.58	¥ 249.82

	First quarter	Second quarter	Third quarter	Fourth quarter
Basic earnings per share (U.S. Dollars)	$ 0.34	$ 1.10	$ 1.24	$ 1.60

Note:
Reviews of financial information for the first three months and the first nine months of the fiscal year: None

Corporate Information

Corporate Data

Company Name	The Yokohama Rubber Co., Ltd. https://www.y-yokohama.com/global/profile/company/
Established	October 13, 1917
Paid-In Capital	¥38,909 million (as of December 31, 2025)
Sales Revenue	¥1,234,959 million (for the year ended December 31, 2025)
Representatives	Masataka Yamaishi, Chairman & CEO, Chairman of the Board Shinji Seimiya, President & COO
Head Office	2-1 Oiwake, Hiratsuka City, Kanagawa Prefecture, 254-8601, Japan
Mainstay Products	**Tires** Tires for passenger cars, trucks and buses, light trucks, mining and construction equipment, industrial vehicles and agricultural and forestry machinery, aluminum alloy wheels and automobile-related components **Multiple Business** High pressure and resin hoses, couplings, conveyor belts, fenders, marine hoses, aircraft components (water tanks), etc. **Others** Golf-related products, information processing services, and others
Number of Employees	5,559 (as of December 31, 2025, non-consolidated basis) 34,471 (as of December 31, 2025, consolidated basis)

Group Sites

Countries with Our Bases **43 countries** As of December 31, 2025

Major Regions of Operation	Number of Bases	Number of Employees
Japan	60	10,619
Asia & Oceania	56	16,173
Europe	41	4,103
North America	23	2,750
Central & South America / Other countries	8	826

Share Information As of December 31, 2025

Basic Information

Sector	Rubber products
Stock Exchange Listing	Tokyo Stock Exchange (Prime Market)
Stock Code	5101
Fiscal Year-End	December 31
Ordinary General Meeting of Shareholders	Every year in March
Record Date for Dividend Recipients	December 31 (June 30 for interim dividends)

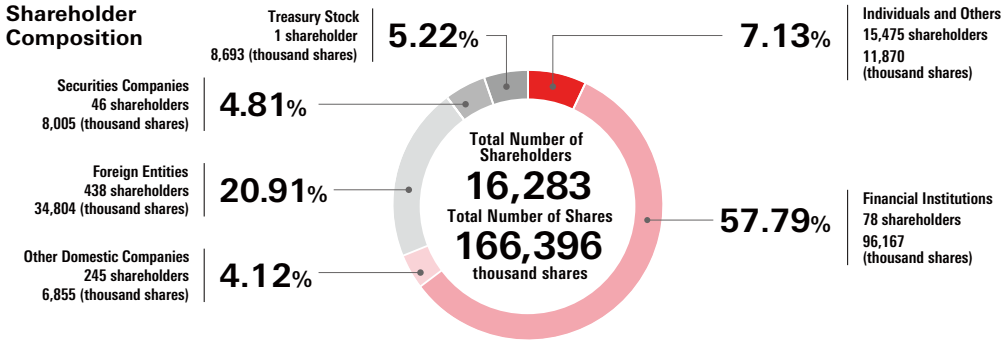
Trading Unit	100 shares
Authorized Number of Shares	400,000,000
Number of Shares Issued and Outstanding	166,396,381
Number of Shareholders	16,283
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited
Accounting Auditor	Ernst & Young ShinNihon LLC

Major Shareholders

Shareholder Name	Holdings (thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	29,993	19.01
Custody Bank of Japan, Ltd. (trust account)	25,023	15.86
Asahi Mutual Life Insurance Company	10,905	6.91
Mizuho Bank, Ltd.	6,001	3.80
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2,697	1.71
SMBC Nikko Securities Inc.	2,523	1.60
The Bank of Yokohama, Ltd.	2,499	1.58
JPMorgan Securities Japan Co., Ltd.	2,223	1.40
Yokohama Rubber Business Partner Stock Holding Association	2,216	1.40
The Dai-ichi Life Insurance Company, Limited	1,924	1.22

* Shareholding ratio is calculated excluding treasury shares.

Shareholder Composition





The Yokohama Rubber Co., Ltd.

2-1 Oiwake, Hiratsuka City, Kanagawa Prefecture, 254-8601, Japan

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Corporate Communications Department
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