



November 14, 2024

Company name: Yokohama Rubber Co., Ltd.
Representative: Masataka Yamaishi, Chairman & CEO,
Chairman of the Board
(Securities code: 5101 TSE Prime Market)
Inquiries: Kazuhiro Masuda
Head of Legal Dept.
(Telephone: +81-463-63-0429)

Notice regarding Repurchase of Company's Own Shares

The Yokohama Rubber Co., Ltd. (hereafter, Yokohama Rubber, or the Company), hereby announces that the Board of Directors has today resolved to repurchase the Company's own shares in accordance with the provisions of Paragraph 1 of Article 459 of the Companies Act and Article 34 of the Company's Articles of Incorporation. Details are as follows.

1. Reasons for the Share Repurchase

Under Yokohama Transformation 2026 (YX2026), the Company's medium-term management plan for the three years from 2024 to 2026 that was announced on February 16, 2024, Yokohama Rubber is implementing a growth strategy as a basic policy for improving corporate value. Under this growth strategy, the Company will not settle for slight increases but instead aims to achieve "Hockey Stick Growth."

To realize this growth strategy, management has established a financial strategy that targets an equity ratio of 50% as an optimal level in a balance sheet appropriate for the Company's business structure.

Based on results achieved to date by implementing these strategies, in August 2024 the Company upwardly revised the financial targets for fiscal 2026, the final year of YX2026, raising sales revenue to ¥1,250 billion, an increase of ¥100 billion, and business profit to ¥150 billion, an increase of ¥20 billion, which will raise the business profit margin to 12%. In addition, results for the first three quarters of the current fiscal year ending December 2024 announced today included a record-high business profit of ¥83.4 billion, a year-on-year increase of 69.6%.

Despite recent strong earnings results, the Company's stock price has been declining. Management assumes this weakness is mainly due to such short-term factors as (1) soaring raw material prices; (2) an increase in exports, especially to North America, of low-cost automobile tires by makers in Asia; and (3) concerns about a decrease in demand for original equipment tires for agricultural machinery tires due to lower production of such machinery.

Expecting its end-December 2024 equity ratio to exceed the 50% target in YX2026's financial strategy, Yokohama Rubber has decided to take advantage of this opportunity and further enhance capital efficiency by repurchasing shares. The share repurchase is in line with the Company's growth

strategy and efforts to raise capital efficiency, and does not represent a change in its strategy's initial priorities and commitment to invest in growth.

Yokohama Rubber's management is highly conscious of the cost of capital and will seek to reduce that cost by realizing an optimal capital structure while ensuring a balance between safety and efficiency as it implements strategic investments aimed at achieving "Hockey Stick Growth."

2. Share Repurchase Details

- (1) Type of shares to be repurchased: Common stock of the Company
 - (2) Number of shares to be repurchased: 1,314,700 shares(maximum)
(0.78% of total outstanding shares, excluding treasury stock)
 - (3) Total cost of shares to be repurchased: ¥5 billion (upper limit)
 - (4) Repurchase period: November 15, 2024 to November 20, 2024
 - (5) Repurchase method: Share repurchase through Tokyo Stock Exchange's Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)
- (Note: Part or all of the repurchase may not be carried out due to market trends and other factors)

(Reference) Treasury stock as of June 30, 2024

Total number of shares issued (excluding treasury stock):	169,549,081 shares
Treasury stock:	8,752,591 shares