July 22, 2024

Company name: The Yokohama Rubber Co., Ltd.
Representative: Masataka Yamaishi, Chairman & CEO, Chairman of the Board
(Securities code: 5101 TSE Prime Market)
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Notice regarding the acquisition of The Goodyear Tire & Rubber Company's mining & construction machinery tire business

The Yokohama Rubber Co., Ltd. (hereafter, "Yokohama Rubber", or the "Company") reports that it has entered into an agreement with The Goodyear Tire & Rubber Company (hereafter, "Goodyear Tire") to acquire the latter's off-the-road tire business (hereafter, "OTR Business") ("Acquisition").

1. Reason for the Acquisition

The Yokohama Rubber Group is, from fiscal year 2024, 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 off-highway tire (OHT) business, which is expected to contribute to stably high earnings of Yokohama Rubber's commercial tire business. The 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 Yokohama Rubber Group's global expansion.

2. Outline of the Acquisition

(1) Business to be acquired:

Goodyear Tire's OTR Business, which is engaged in the manufacture and sale mainly of tires for mining & construction machinery (the Acquisition includes all shares in Goodyear Tire's subsidiaries, Goodyear Earthmover Pty Limited in Australia and Nippon Giant Tire Co., Ltd in Japan (hereafter, the "Subsidiaries Subject to Share Acquisition").

(2) Relationship with the Subsidiaries Subject to Share Acquisition

There are no notable capital, personal, or business relationships or connections with other related parties between Yokohama Rubber and the Subsidiaries Subject to Share Acquisition. In addition, there are no notable capital, personal, or business relationships or connections with other related parties between Yokohama Rubber related persons as well as affiliates and related persons and affiliates of the Subsidiaries Subject to Share Acquisition.

(3) Acquisition price

The acquisition price is expected to be US$ 905 million. The actual acquisition price will be determined by price adjustments and other factors stipulated in the contract for the Acquisition.

3. Past three years consolidated results of the business to be acquired

Fiscal period	Financial Year to Dec. 2021	Financial Year to Dec. 2022	Financial Year to Dec. 2023
Consolidated Sales	US$ 607 million	US$ 698 million	US$ 674 million
Consolidated Adjusted EBITDA	US$ 129 million	US$ 145 million	US$ 130 million
Consolidated Adjusted EBITDA margin	21.2%	20.8%	19.3%
Consolidated Total assets	US$ 489 million	US$ 518 million	US$ 494 million
Consolidated Net assets	US$ 294 million	US$ 335 million	US$ 344 million

The above data are amounts provided by Goodyear Tire for its OTR Business.

4. Overview of Goodyear Tire

(1)	Name	The Goodyear Tire & Rubber Company	
(2)	Location	Akron, Ohio, USA	
(3)	Title and name of Representative	Mark W. Stewart, Chief Executive Officer and President	
(4)	Business	Manufacture & sale of tires	
(5)	Share capital	US$ 285 million	
(6)	Incorporation date	August 1898	
(7)	Net assets	US$ 4,837 million	
(8)	Total assets	US$ 21,582 million	
(9)	Significant shareholder and its shareholding ratio	BlackRock Fund Advisors, 11.03%	
(10)	State of current relationships between Yokohama Rubber and Goodyear Tire	Capital relationships	None
		Personnel relationships	None
		Transactional relationships	None
		Connections with other related parties	None

5. Schedule

(1)	Contract date	July 22, 2024
(2)	Transfer of acquired business	TBD (subject to required regulatory approvals from competition law authorities in all relevant countries)

6. Overview of the accounting treatment

The Acquisition will be recorded as “acquisition” under the accounting standards for business combinations. This accounting treatment is expected to give rise to positive goodwill but this is currently under review and the amount of the goodwill is not fixed yet. We will promptly disclose the amount once confirmed.

7. Future Outlook

The impact of the Acquisition on Yokohama Rubber's consolidated financial results is currently under review, and any significant impact on the Company's future financial results will be promptly disclosed.