July 31, 2024

To whom it may concern

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(Securities code: 5101 TSE Prime Market)
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Notice regarding sale of investment securities

The Yokohama Rubber Co., Ltd. (hereafter, Yokohama Rubber or "the Company") announces that it has generated a gain on the sale of investment securities, as explained below.

1. Reason for the sale of investment securities

One of the key measures of the financial strategy presented when the Company announced its new medium-term management plan, Yokohama Transformation 2026 (YX2026), is the sale of approximately ¥60 billion (market value) of investment securities over the three years from 2024 to 2026 by unwinding strategic cross-shareholdings.

In addition to improving asset efficiency, the sale of cross-shareholdings will generate funds that will support the Company's planned strategic investments totaling ¥220 billion (2024-2026 plan) as it aims to realize "Hockey Stick Growth." The Company plans to use funds generated from this sale of cross-shareholding to finance its acquisition of Goodyear's OTR business, as previously reported on July 22 in "Notice regarding the acquisition of The Goodyear Tire & Rubber Company's mining & construction machinery tire business."

Yokohama Rubber plans to use strategic investments to increase its profitability and improve asset efficiency as it aims to achieve ROE above 10% and increase Yokohama Rubber shares' PBR during YX2026.

2. Details of the sale of investment securities

(1) Investment securities sold: Listed shares held by Yokohama Rubber
(2) Period of sales: July 8 – July 31, 2024
(3) Gain on sales: Approx. ¥8.2 billion

*Reference: Total revenue generated by the sale of cross-shareholdings in 2024 amounted to about ¥63.8 billion, resulting in the early achievement of YX2026's target for revenues from the sale of cross-shareholdings (approx. ¥60 billion).

3. Outlook

The above gain on the sale of investment securities will be recognized as extraordinary income in Yokohama Rubber's non-consolidated financial statement for the current fiscal year ending December 31, 2024.

Under the International Financial Reporting Standards (IFRS) used by the Yokohama Rubber Group, gains on the sale of investment securities have no impact on net profit in consolidated financial statements.