Chapter 6

Corporate Governance

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Corporate Governance

14 Hirofumi Yasuhara
Outside Audit & Supervisory Board Member

12 Naoki Okawa
Standing Audit & Supervisory Board Member

7 Takashi Tanisho
Outside Director

10 Yoshihisa Ueda
Outside Director

13 Asli M. Colpan
Outside Audit & Supervisory Board Member

3 Hideaki Kawamatsu
Director
Senior Executive Officer

4 Hitoshi Hino
Director
Senior Executive Officer

5 Masahiro Tsuzaki
Director
Senior Executive Officer

15 Toshikazu Tagawa
Outside Audit & Supervisory Board Member

8 Misao Fudaba
Outside Director

6 Mari Sonoda
Outside Director

1 Satoru Yamamoto
Representative Director, Chairperson and CEO

2 Yasuaki Kuniyasu
Representative Director, President and CEO (President)

9 Naomi Motojima
Outside Director

11 Kazuo Kinameri
Standing Audit & Supervisory Board Member

Director | Outside Director | Auditor | Outside Audit & Supervisory Board Member

Our Philosophy

Our Group's basic management policy is to enhance not only its economic value but also its social value and contribute to the development of a sustainable society by ensuring that "Our Philosophy" is the foundation for all decision-making and the starting point for all actions. Under this policy, the Company considers the enhancement of corporate governance as one of its major management objectives.

The Company aims to establish deep relationships of trust with society and enhance its fairness and transparency, while ensuring Groupwide business efficiency. Accordingly, the Company has formulated its basic views as follows and strives to further enhance its corporate governance.

1) We will develop an environment to secure shareholder rights and opportunities to exercise their rights.
2) We will enhance our corporate value by appropriately cooperating with a wide range of stakeholders.
3) We will disclose the Company's financial and non-financial information in an accurate and appropriate manner.
4) We have established a Management Committee to deliberate on the majority of issues relating to business execution so that the Board of Directors will fully discuss matters on the overall direction of the Company including the management policy and medium- to long-term plans. Furthermore, the fair operation of the Board of Directors will be ensured through strict audits by the standing Audit & Supervisory board members and independent outside Audit & Supervisory board members as well as through objective supervision by the independent outside directors.
5) We will strive to continuously enhance our corporate value through dialogue with shareholders.

Overview of the Governance Structure (as of March 26, 2026)

Organizational Structure	Company with an Audit & Supervisory Board
Directors (including Outside Directors)	10 (5 Outside Directors)
Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members)	5 (3 Outside Members)
Term of Office for Directors	1 year

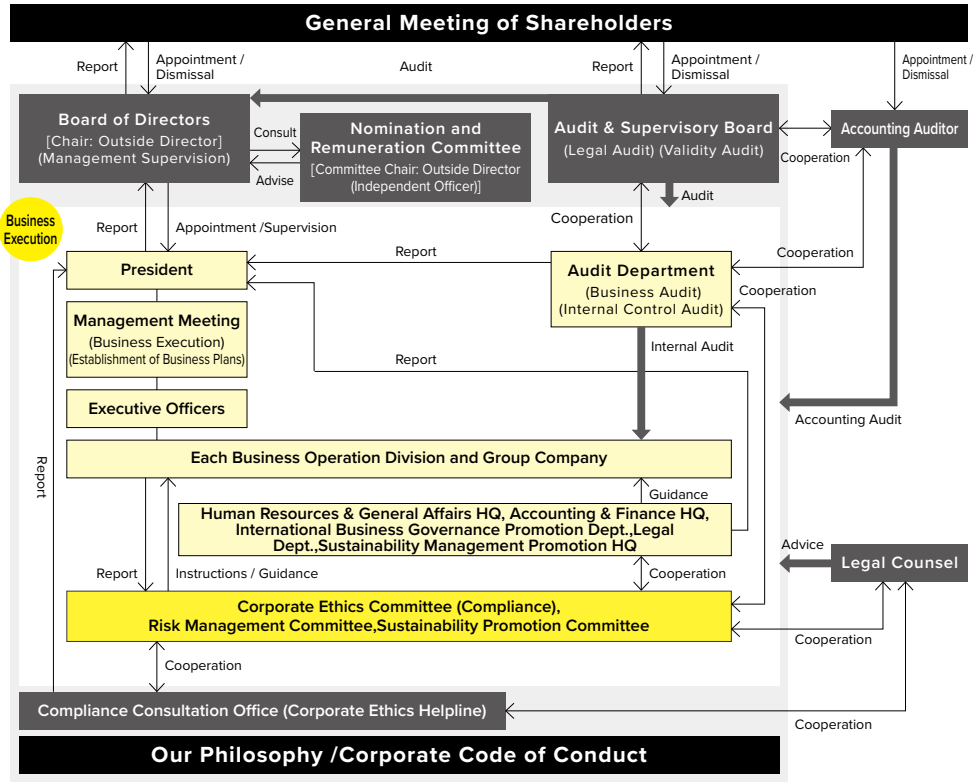
Executive Officer System	Yes
Advisory Body to the Board of Directors	Nomination and Remuneration Committee
Executive Remuneration Structure	Fixed remuneration, performance-linked remuneration, and medium- to long-term incentive remuneration
Accounting Auditor	KPMG AZSA LLC

Corporate Governance Structure

The Company has adopted the corporate structure of a Company with an Audit & Supervisory Board because it recognizes that the audit function performed by Audit & Supervisory Board Members and the Audit & Supervisory Board is essential to building an integrated Group management structure, strengthening trust with society, and enhancing governance and the transparency of business activities across the Group. As part of its efforts to strengthen corporate governance, the Company has established the Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors, with a majority of independent Outside Directors and an independent Outside Director serving as chair, in order to enhance the objectivity and transparency of procedures such as executive nominations. In addition, the Company has appointed five independent Outside Directors and conducts an annual questionnaire survey of Directors and Audit & Supervisory Board Members through a third-party organization to identify issues and promote measures as necessary to enhance the effectiveness of the Board of Directors.

Corporate Governance Structure

(as of March 26, 2026)



Financial and Non-Financial Data

Approach to the Balance and Diversity of Knowledge, Capabilities, and Expertise

To support the realization of the corporate philosophy framework "Our Philosophy," the resolution of medium- to long-term material issues through sustainability management, and the execution of the long-term corporate strategy, the Company has defined the expertise expected of Directors and Audit & Supervisory Board Members in a skills matrix. This ensures that the Board of Directors can effectively carry out its decision-making and management oversight functions. The content of each item is determined by the Board of Directors after discussion by the Nomination and Remuneration Committee, taking into account the business environment, the Company's management plans, and its business characteristics, and up to four areas of expertise primarily expected of each individual are indicated.

In selecting candidates for Directors and Audit & Supervisory Board Members, the Company refers to this skills matrix and ensures that the Board of Directors is composed of an appropriate number of professionals from each field in a well-balanced manner so that it can effectively perform its functions.

Skill Matrix for Directors and Audit & Supervisory Board Members

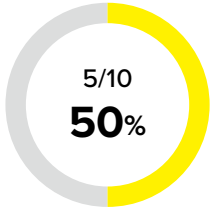
Name	Position*1	Years in Office	Skill Matrix for Directors and Audit & Supervisory Board Members							Attendance in Fiscal 2025	
			Corporate Management and Business Strategy	Production and Technology	International Business	Sales and Marketing	Legal and Governance	Financial Strategy and Accounting	DX and IT	Board of Directors	Audit & Supervisory Board
Satoru Yamamoto	Representative Director, Chairperson and CEO	11 years	●		●	●				18/18	–
Yasuaki Kuniyasu	Representative Director, President and CEO (President)	3 years	●	●			●		●	18/18	–
Hideaki Kawamatsu	Director (Senior Executive Officer)	2 years	●	●		●	●			18/18	–
Hitoshi Hino	Director (Senior Executive Officer)	Newly appointed	●		●			●	●	–	–
Masahiro Tsuzaki	Director (Senior Executive Officer)	Newly appointed	●		●	●				–	–
Mari Sonoda*2	Outside Director	5 years					●	●	●	18/18	–
Takashi Tanisho	Outside Director	3 years	●	●		●			●	18/18	–
Misao Fudaba*3	Outside Director	3 years	●				●	●		18/18	–
Naomi Motojima	Outside Director	2 years	●			●				18/18	–
Yoshihisa Ueda	Outside Director	1 year					●	●		14/14	–
Kazuo Kinameri*4	Standing Audit & Supervisory Board Member	3 years	●		●	●	●			18/18	12/12
Naoki Okawa	Standing Audit & Supervisory Board Member	Newly appointed			●			●		18/18	–
Asli M. Colpan	Outside Audit & Supervisory Board Member	8 years	●		●		●			16/18	11/12
Hirofumi Yasuhara	Outside Audit & Supervisory Board Member	6 years	●		●			●		18/18	12/12
Toshikazu Tagawa	Outside Audit & Supervisory Board Member	2 years	●		●			●		18/18	12/12

Note: Up to four skill items are presented per individual in line with the Company's expectations regarding their contributions in their respective areas of specialty. The above matrix does not fully describe the business experience and expertise possessed by each individual.
*1 The position in parentheses is the position held as an Executive Officer of the Company. *2 Chair of the Nomination and Remuneration Committee *3 Chair of the Board of Directors
*4 Chair of the Audit & Supervisory Board

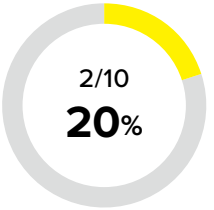
Reasons for Adoption of Items in the Skill Matrix

Skill Item	Reason for Adoption
Corporate Management and Business Strategy	To realize "joy and well-being for all," the Board requires members who are capable of formulating sustainability management strategies and who possess management experience and a proven track record in corporate management. Moreover, in order to bring the Company's economic and social values to even higher levels, it is essential to create new value. In order to achieve this, it is necessary to have board members who identify business changes promptly, pursue new possibilities beyond existing businesses, and have skills and expertise in business portfolio strategy formulation and organizational transformation.
Production and Technology	We aim to provide customers with "joy and well-being for all." To this end, it is necessary for the Company to have board members who have a wealth of knowledge about the advanced technologies that the Company has cultivated through tireless technological innovation, and who have skills and knowledge related to the creation of human and environmentally friendly products for the realization of a sustainable recycling-oriented society.
International Business	In order to maximize the results of the global structure in the Company business, it is necessary to have board members who have experience in representation at overseas subsidiaries and equivalent positions as an overseas representative, and have skills and knowledge related to overseas business management.
Sales and Marketing	In order to expand global sales of high-performance products created by the Company's advanced technologies and to continue to provide high-value-added products that respond to rapidly developing CASE and MaaS, thereby creating value that exceeds expectations from customers and society, the Company needs board members with skills and knowledge in understanding market trends and formulating sales strategies.
Legal and Governance	The foundation for the Company's continued global expansion and creating "joy and well-being for all" is the establishment of an appropriate governance system. In order to improve the effectiveness of management supervision throughout the Group, the Company needs board members with legal knowledge and skills and expertise of corporate governance and risk management.
Financial Strategy and Accounting	In order to maximize corporate value through efficient management of the Company's capital, the Company needs board members who have the skills and knowledge necessary for accurate financial reporting, establishment of a strong financial base, promotion of growth investments (including M&As) for sustainable enhancement of corporate value, and formulation of appropriate financial and capital strategies to enhance shareholder returns.
DX and IT	In order to realize "innovation creating a future," it is necessary to establish a data-driven corporate culture that makes active use of AI and the IoT. The Company needs board members who have track records of promoting various innovations, and skills and knowledge in the digital technology field.

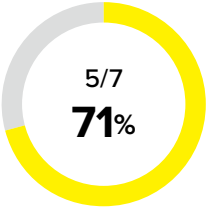
Ratio of Outside Directors



Ratio of Female Directors



Ratio of Outside Directors on the Nomination and Remuneration Committee



Initiatives to Enhance the Effectiveness of the Board of Directors

Since 2016, the Company has conducted evaluations of the effectiveness of the Board of Directors. In 2025, following fiscal 2024, a questionnaire survey was conducted by a third-party organization, and the Board of Directors analyzed and discussed the results.

The results of the latest questionnaire confirmed improvements in items related to the composition of the Board of Directors, such as its size, diversity, and internal/external ratio, as well as in items related to securing sufficient deliberation time for the Nomination and Remuneration Committee.

On the other hand, some responses indicated that there remains room for improvement in areas such as follow-up on medium- to long-term management plans, discussion of sustainability-related themes, and approaches to internal controls and subsidiary monitoring.

Based on these results, we will continue initiatives to enhance the functions of the Board of Directors, including stronger monitoring of progress on medium- to long-term management plans and broader opportunities for discussion, including in sustainability-related areas, and will continue to operate the Board of Directors effectively.

Questionnaire Survey on the Effectiveness of the Board of Directors

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Evaluation Method	● In fiscal 2024, an independent third-party organization conducted questionnaires and interviews with Board members. The Board of Directors then received a report from the organization and held discussions based on it. In fiscal 2025, only a questionnaire survey was conducted. ● The secretariat conducted questionnaire surveys of Board members. In addition to quantitative evaluations, qualitative comments were also collected and analyzed. Based on the results, issues were identified and countermeasures were implemented. (Fiscal 2022 and Fiscal 2023)			
Evaluation Results	The results confirmed improvements in all of the following items, which had been identified as issues in the fiscal 2021 effectiveness evaluation. ● Securing sufficient discussion time at Board meetings ● Enhancing the provision of information to outside directors and audit & supervisory board members	As a result of initiatives such as free exchanges of views at two off-site meetings and the addition of a new report on IR activities, scores for the previously identified issue areas improved, while issues regarding the diversity of the Board of Directors and insufficient discussion on certain themes remained.	Many responses indicated that the effectiveness of the Board of Directors had increased as a result of initiatives taken to date, and that free and open discussions and exchanges of views were possible under the appropriate and fair management of meetings by the Chairperson of the Board of Directors, who is an Outside Director. Overall, many responses concluded that the Board of Directors was functioning effectively.	As in fiscal 2024, the Board of Directors was generally considered to be functioning effectively. At the same time, some responses indicated that there remains room for improvement in follow-up on medium- to long-term management plans, discussion of sustainability-related themes, and approaches to internal controls and subsidiary monitoring.
Main Initiatives in Response to the Results	● Expanding opportunities to discuss important themes ● Expanding opportunities to share information on IR/SR activities	● Appointment of one female Director ● Holding a total of eight off-site meetings and securing sufficient discussion time on important agenda items	● Delegation of authority to individual Directors and subordinate meeting bodies ● Follow-up on the progress of matters previously resolved by the Board of Directors	● Selecting important themes throughout the year and holding off-site meetings ● Establishing regular opportunities for reports from subsidiaries

Main Agenda Items of the Board of Directors in 2025

- Consideration and decision-making regarding the medium-term plan, and oversight of its progress
- Consideration and decision-making regarding structural reforms to optimize the business portfolio, and oversight of their progress
- Monitoring the status of business execution globally and making appropriate decisions in a timely manner
- Confirmation of holdings of strategically held shares and decisions to sell such shares to reduce holdings
- Questionnaire surveys to confirm the effectiveness of the Board of Directors and responses to identified issues
- Decisions on acquisitions, trademark rights, and other matters, and oversight of their progress

Policy for the Activities of the Board of Directors in Fiscal 2026

We will further enhance opportunities to discuss the progress of the medium-term management plan and important themes in management strategy, and will continue to engage in active discussion. In addition, by providing regular opportunities for reports from subsidiaries, we will further strengthen the monitoring framework across the Group globally.

Operation of the Board of Directors

To ensure that sufficient consideration can be given to matters submitted to the Board of Directors before meetings are held, materials on agenda items are distributed in advance to Outside Directors and Outside Audit & Supervisory Board Members, and prior explanations are provided after questions have been invited. In addition, the Company shares the content of discussions held at the Management Committee and provides opportunities for the Executive Officer in charge to explain key points in advance for important management decisions that require discussion by the Board of Directors. Independent Outside Directors also serve as Chair of the Board of Directors and Chair of the Nomination and Remuneration Committee, which helps foster open and constructive discussion and exchanges of views.

Training for Directors and Audit & Supervisory Board Members

For newly appointed internal Directors, the Company provides guidance on the roles and responsibilities of Directors with outside lecturers invited for that purpose. For outside officers, the Company also continuously provides opportunities to visit factories, sites, and major events in order to promote understanding of the Group. In addition, newly appointed outside officers are given opportunities to receive explanations on the Group's business overview, performance, and issues to be addressed, thereby deepening their understanding of the business and helping create a framework that leads to advice contributing to the enhancement of corporate value.

Developing of the Next Generation Senior Management (Succession Plan)

The Human Resources Committee, which is composed of internal Directors, identifies as key posts those positions that have a significant impact on future management and contribute to the development of the next generation of managers. After selecting multiple successor candidates for these key posts, the Company discusses their development. Going forward, the Company will further develop a framework under which employees accumulate stretch assignments from a younger stage and are developed into management.

Financial and Non-Financial Data

Executive Remuneration

The Company's basic policy is that remuneration for Directors and Executive Officers should be linked to shareholder interests so that it functions effectively as an incentive for the sustainable enhancement of corporate value, and that the remuneration of each officer should be set at an appropriate level in light of individual responsibilities.

Specifically, remuneration for Directors other than Outside Directors and for Executive Officers consists of fixed remuneration in the form of basic salary and bonuses as performance-linked remuneration. Directors other than Outside Directors also receive stock remuneration as a medium- to long-term incentive, while Outside Directors, who are responsible for oversight functions, receive only basic salary in order to ensure independence in the performance of their duties. Remuneration for Directors and Executive Officers is reviewed objectively and fairly by the Nomination and Remuneration Committee, a majority of whose members are independent Outside Directors, and is determined following its recommendation to the Board of Directors.

Remuneration for Audit & Supervisory Board Members is determined through consultation among the Audit & Supervisory Board Members within the limit approved at the General Meeting of Shareholders and is paid accordingly.

Since 2023, the Company has operated a system under which remuneration for Directors and Executive Officers reflects the degree of achievement of sustainability targets, including climate change, DE&I including the advancement of women, and supply chain management. The achievement of sustainability-related targets by Directors and Executive Officers is also assessed by the Nomination and Remuneration Committee and reflected in remuneration.

In 2025, taking into account the relatively high proportion of fixed remuneration in executive remuneration, the Company reviewed the remuneration structure, including its composition and evaluation indicators, in order to ensure that it contributes to the enhancement of corporate value over the medium to long term.

Total Amount of Remuneration for Directors and Audit & Supervisory Board Members (FY2025)

Classification of Officers	Total Amount of Remuneration, Etc.	Total Amount of Remuneration, Etc. by Type			Number of Persons to be Paid
		Fixed Remuneration (Basic Salary)	Short-term Performance-based Remuneration (Bonus)	Medium- to Long-Term Incentive Remuneration (Stock Compensation)	
Director (of which, Outside Director)	¥446 million (¥64 million)	¥304 million (¥64 million)	¥122 million (—)	¥20 million (—)	13 (6)
Audit & Supervisory Board Member (of which, Outside Audit & Supervisory Board Member)	¥88 million (¥32 million)	¥88 million (¥32 million)	— (—)	— (—)	5 (3)

Note: The above number of persons to be paid includes three Directors (including one Outside Director) who retired as of March 27, 2025.

Resolutions of the General Meeting of Shareholders Concerning Officers' Remuneration

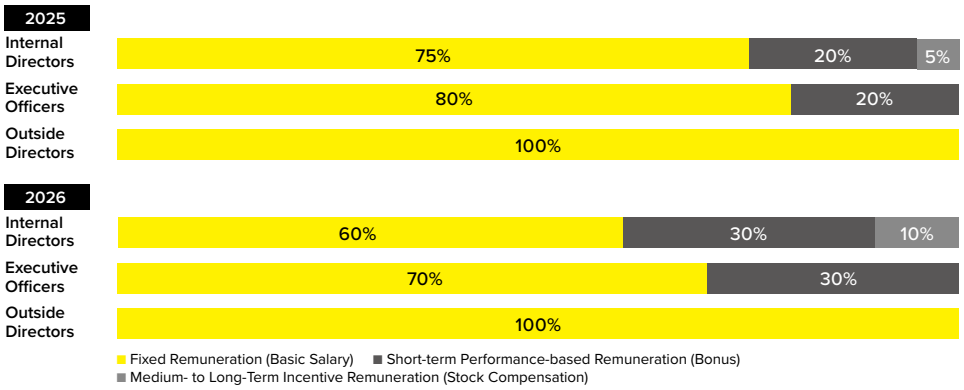
The maximum amount of remuneration, etc. for Directors and Audit & Supervisory Board Members was approved at the 133rd Annual General Meeting of Shareholders held on March 27, 2025, as follows: up to ¥800 million per year for Directors (including up to ¥100 million per year for Outside Directors) and up to ¥150 million per year for Audit & Supervisory Board Members. At that time, the Company had 10 Directors (including five Outside Directors) and five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members).

In addition, the limit on remuneration for the grant of restricted stock to Directors (excluding Outside Directors) was resolved separately from the limit on Directors' remuneration at the 130th Annual General Meeting of Shareholders held on March 24, 2022, as within ¥40 million per year and within 20,000 shares per year. At that time, the number of Directors (excluding Outside Directors) was seven.

Nomination and Remuneration Committee

The Company has established the Nomination and Remuneration Committee as a voluntary committee, chaired by an independent Outside Director, with independent Outside Directors making up a majority of its members. Since 2024, in order to secure sufficient deliberation time in the Committee, the Company has extended meeting times and increased the number of meetings from three to four per year. In 2025, the Committee conducted benchmark analyses of industry peers and companies of a similar size in order to enhance the appropriateness of remuneration levels, and based on the results, reviewed the remuneration table for short-term performance- based remuneration (bonuses). The Company will continue to develop a framework that enables Directors to lead the Group as a whole toward in achieving plan the medium-term plan.

Types of Remuneration and Payment Ratios



Note: The actual ratio of performance-based remuneration paid will vary depending on consolidated business profit and other factors.

Risk Management

Risk Management

Basic Perspective

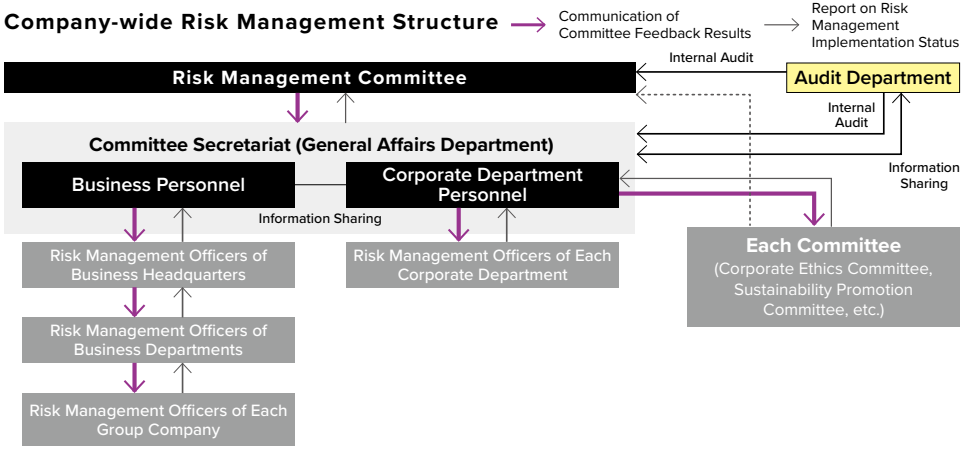
In promoting the realization of “Our Philosophy,” the Group’s basic policy for risk management is to eliminate or mitigate, as far as possible, risks that could have a significant impact on stable business activities, compliance, and other matters.

For management risks that may have a significant impact on business activities, such as quality, legal, environmental, credit, accident, and disaster risks, the relevant departments and each subsidiary conduct risk analyses and examine countermeasures in advance in accordance with the Risk Management Regulations that govern risk management across the Group. These matters are deliberated at the Company’s Management Committee and other bodies. In conducting risk analyses and examining countermeasures, the Company seeks advice and guidance whenever necessary from external experts.

Risk Management Structure

The Risk Management Committee deliberates on the identification and assessment of priority risks that could impede the execution and achievement of the medium-term plan, activity policies related to risk management, responses to risks requiring company-wide cross-functional action, and other important matters related to company-wide risk management. It also monitors the status of responses by each department, each Group company, and those responsible for priority risks. These initiatives are reported to the Board of Directors, and the Board confirms the effectiveness of risk management by monitoring them.

Company-wide Risk Management Structure



Risk Assessment

Risks are reviewed regularly in accordance with changes in the risks surrounding the business and the operating environment. Risks are assessed on a five-level scale for both impact and likelihood, and impact is quantitatively evaluated from five perspectives: amount of loss, human loss, environmental impact, damage to social reputation, and impact on research and development, production and sales activities. Among these risks, those that could cause severe damage to the Group’s management are designated as priority risks and are followed up regularly by the Risk Management Committee.

Impact

Magnitude of Impact if a Risk Materializes

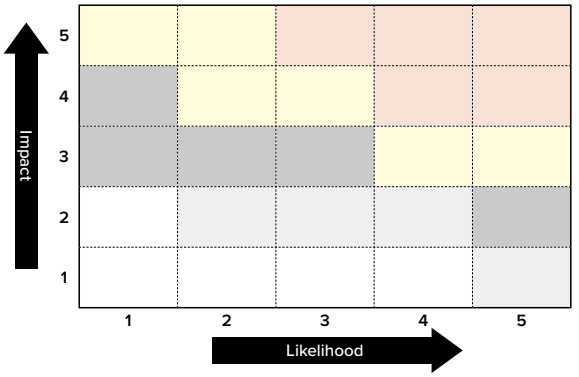
Rank	Impact
5	A fatal impact that threatens corporate management
4	Major disruption to management due to the loss of multiple assets, deaths or injuries of stakeholders, or similar events
3	Some disruption to management due to loss or damage of assets, or multiple serious injuries to stakeholders
2	Partial damage to or loss of assets, or employee injuries, with very limited impact on management
1	Almost no damage occurs

Likelihood

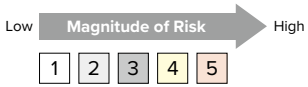
Likelihood (Frequency) of a Risk Materializing

Rank	Frequency
5	Occurs Frequently
4	Occurs Repeatedly
3	Occurs Occasionally
2	Occurs Rarely
1	Occurs Very Rarely

Risk Map



The background colors of the risk map indicate the magnitude of risk.



Priority Risks

	Magnitude of Risk		Magnitude of Risk
● Risks Related to Natural Disasters	4	● Risks Related to Information Security	4
● Risks Related to Occupational Accidents, Fires, etc.	4	● Risks Related to Sustainability Management	4
● Risks Related to Product Quality Control	4	● Risks Related to Human Rights Violations	4
● Risks Related to Political and Economic Conditions, etc.	4	● Risks Related to Talent Acquisition	4
● Risks Related to Compliance	3	● Risks Related to Intellectual Property	3

* There are no risks that correspond to a risk magnitude of 5.

Standards of Business Conduct | Corporate Ethics Helpline | Compliance

Compliance

Basic Perspective

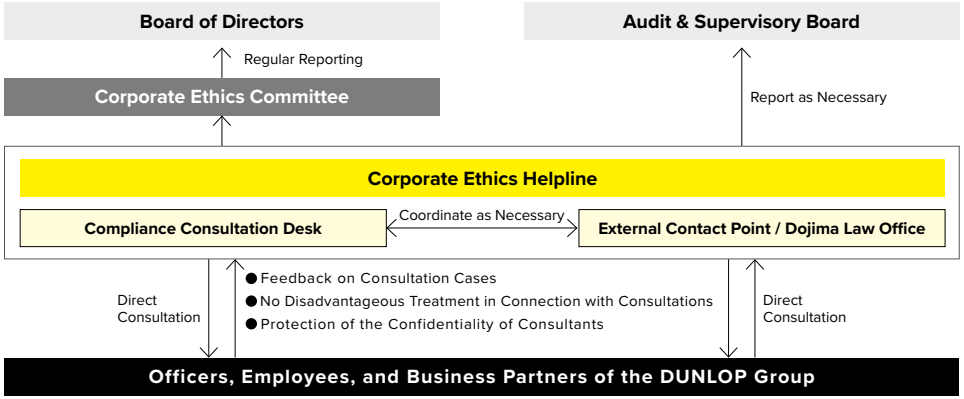
The Group believes that compliance with laws and regulations and the maintenance of corporate ethics are fundamental to the survival of the Company and are essential to sustaining vitality and enhancing competitiveness over the long term as a corporate group.

Governance

In February 2003, the Group established its Standards of Business Conduct and has held meetings of the Corporate Ethics Committee, chaired by the President, four times a year. In addition, the Group has established the Regulations Concerning the Corporate Ethics Framework so that employees and stakeholders can refer to compliance guidelines at any time in the course of their daily work. The Group also conducts regular awareness-raising activities to promote understanding and embed the Standards of Business Conduct.

The Standards of Business Conduct and the Regulations Concerning the Corporate Ethics Framework are evaluated once a year to confirm and maintain their effectiveness. In 2004, in addition to establishing the Compliance Consultation Desk as an internal consultation point under the Corporate Ethics Helpline, the Group also designated an external law firm as an external consultation point. Privacy is strictly protected, and disadvantageous treatment in connection with consultations is prohibited. The usage status of the Corporate Ethics Helpline is reported quarterly to the Corporate Ethics Committee and regularly to the Board of Directors. The number of consultations in 2025 was 71.

Compliance Framework



Examples of Initiatives

Re-communication of “Bad News First / Fast”

To further reinforce a culture of promptly reporting and sharing risk information and concerns, the Group re-communicated the “Bad News First / Fast” concept across the organization.

- Materials and videos were prepared in both Japanese and English and communicated to all Group sites.
- Confirmation of video viewing by all Group employees

Through these efforts, the Group has further strengthened a shared understanding of the importance of thorough early reporting.

Implementation of Seminars for Overseas Subsidiaries

Compliance seminars were conducted for certain overseas subsidiaries using the following methods.

- In-person seminars through on-site visits / online explanatory sessions
- Explanations were provided on topics such as Bad News First / Fast, the internal whistleblowing system, and the basic approach to compliance.

The aim is to share common values and standards of conduct across the Group even in diverse cultural and institutional environments.

Initiatives Related to the Antimonopoly Act

Akiko Matsubayashi
Executive Officer, General Manager of the Legal Department

In August 2025, the Japan Fair Trade Commission approved a commitment plan under the Antimonopoly Act regarding the sale of all-season passenger vehicle tires by DUNLOP TYRE JAPAN, LTD., a Group company. Although this did not constitute a finding of a violation of the Antimonopoly Act, the Group takes the matter very seriously as one that called into question its commitment to compliance. Under the commitment and initiative of top management, the Group has further strengthened thorough compliance with the Antimonopoly Act by issuing a clear message from the President that no violations of the Antimonopoly Act will be tolerated, conducting Antimonopoly Act training by external lawyers, and issuing and disseminating a revised Antimonopoly Act Compliance Manual incorporating the latest information.

Communication with Shareholders and Investors

Basic Approach to Information Disclosure

We recognize that the timely and appropriate disclosure of corporate information to investors forms the foundation of a sound securities market. We will continue to provide corporate information in a timely and appropriate manner by enhancing our internal systems to ensure that disclosures are made promptly, accurately, and fairly from an investor perspective.

Information Disclosure Structure

Accounting & Finance Headquarters	Human Resources & General Affairs Headquarters	Sustainability Management Promotion Headquarters
Summary of Financial Results	General Meeting of Shareholders	Integrated Report
Securities Report / Interim Financial Report (Site only in Japanese)	Corporate Governance Report	
Results Briefing Materials (Presentation, Audio, Video, and Transcript) (Site only in Japanese)	Information on Shares, Credit Ratings, and Corporate Bonds	Sustainability Website
Fact Book	Notice of Convocation of the Annual General Meeting of Shareholders	
Investor Relations (IR) IR Meetings	SR* Meetings	Engagement with ESG Rating Agencies

*Shareholder Relations

Stakeholder Engagement Record in Fiscal 2025

Activity Results	Fiscal 2023	Fiscal 2024	Fiscal 2025
Financial Results Briefings ● Target: Institutional Investors and Analysts	4 times	4 times	4 times
IR Meetings ● Target: Institutional Investors and Analysts	167 times	213 times	292 times
Japan	96 times	122 times	166 times
Overseas	71 times	91 times	126 times
SR Meetings ● Target: Institutional Investors	11 companies	12 companies	14 companies

Financial Results Briefing

Test-Drive Event (Asahikawa, Hokkaido)

DIALOGUE

Outside Directors Roundtable Talk

Effectiveness of Governance in Growth Phase and Proactive Engagement of Outside Directors

Our Company has transitioned from structural reform into a growth phase, and through discussions incorporating diverse perspectives at the Board of Directors level, we have strengthened the effectiveness of our governance. As the issues we face expand, including the advancement of growth strategies and the strengthening of global competitiveness, improving the quality of decision-making through substantive governance has become increasingly important. In this roundtable, the Outside Directors discussed the role of the Board of Directors, growth strategies, and issues to be addressed to enhance corporate value going forward.

Yoshihisa Ueda
Outside Director
(Newly Appointed Outside Director in 2025)

Mari Sonoda
Outside Director
(Chair of the Nomination and Remuneration Committee)

Misao Fudaba
Outside Director
(Chairperson of the Board of Directors)

Evaluation of the Transition to the New Management Structure

Q **What discussions took place at the Nomination and Remuneration Committee regarding the appointment of President Kuniyasu? Would you also please share your views on the new management structure?**

Sonoda Needless to say, the appointment of President Kuniyasu was not decided overnight. The Nomination and Remuneration Committee has considered the succession plan for the entire management team, including Chairperson Yamamoto, from a long-term perspective. We have continued discussions while always keeping in mind what kind of structure should be in place to lead the Company's future management.

In the process leading to the decision, we continuously emphasized to the executive team the importance of human resource development. At the same time, the committee members themselves sought to carefully assess each candidate's skills and aptitude. I understand that the decision was made comprehensively, based not only on discussions at Board of Directors meetings but also on close observation of comments and conduct in various day-to-day meetings.

Fudaba I have watched President Kuniyasu's progress since around the time he became an Executive Officer and then a Director. He was one of several candidates, but as I observed him continuously, I came to appreciate his growth, including the way he built his career primarily in technical fields and later gained broad experience in areas such as quality assurance and corporate planning.

The final appointment was determined by the Nomination and Remuneration Committee. However, it is also true that the executive team had systematically developed talent as a foundation for that decision. On that basis, the committee members evaluated him from multiple perspectives and selected President Kuniyasu. Going forward, I look forward to seeing him fully exercise his leadership as President in his own way.

Ueda Former President and current Chairperson Yamamoto steadily addressed serious issues through bold structural reforms. He also made the results tangible and clearly indicated the direction in which the Company should move by launching new products and technologies and advancing the brand strategy. President Kuniyasu supported that reform process on the front lines, and I have observed his qualities while working with him over the past year. I believe it is highly appropriate that he should take responsibility for the next stage of growth as Chairperson Yamamoto's successor.

Sonoda The Company holds informal meetings between Outside Directors and Executive Officers. Separate from Board of Directors meetings, these meetings provide opportunities for each Executive Officer to explain their own issues and themes, and they are held on an ongoing basis. Through these opportunities, we have been able to engage directly with candidates to succeed the President as well as with the next generation of leaders. This succession is the result of efforts to build mutual understanding and repeatedly assess their respective qualities and aptitude.

Fudaba Because I serve as Chairperson of the Board of Directors, over the past year I have received explanations from President Kuniyasu on each Board agenda item and have deepened my understanding of his character through repeated one-on-one discussions. I believe what is required of a top executive is the ability to face difficult situations with sincerity and without avoidance. President Kuniyasu has taken responsibility for important matters such

as the Long-Term Corporate Strategy “R.I.S.E. 2035” and the acquisition of the DUNLOP brand, and he has explained frankly not only the positive aspects but also the challenges. This attitude makes him highly trustworthy.

While clearly defining the division of roles with Chairperson Yamamoto, it is vital that we demonstrate both internally and externally that decision-making authority is clearly unified.

Ueda The future management strategy is as set out in “R.I.S.E. 2035,” and its steady execution is essential.

We expect that he will accurately grasp changes in the business environment, set the direction for the sustained enhancement of corporate value, and lead the organization accordingly.

In addition, I believe his important roles include appropriately identifying risks and making swift decisions while fulfilling accountability, developing the next generation of management talent, and continuously fostering a sound and open corporate culture. It will be important to build on the relationships of trust with stakeholders established by Chairperson Yamamoto, incorporate diverse views, ensure a decision-making process that does not become insular or one-sided, and promote management that emphasizes dialogue.

Sonoda We have been working on structural reforms under the current management structure, and I recognize that the major issues have largely been organized and that a certain path forward is now becoming visible. Chairperson Yamamoto’s emphasis on dialogue with the market, enhancement of investor relations, and proactive information disclosure have also become an important foundation for the Company. I expect these efforts to continue to be strengthened.

Evolution of Board Discussions and Related Issues

Q **How do you evaluate the mechanisms and culture that support Board discussions? Please also share your views on how Outside Directors should be involved.**

Fudaba Since I became Chairperson, Board meetings have tended to take more time. However, I view this positively, as it reflects not only the large number of agenda items but also the fact that each Director actively expresses views from diverse perspectives and that discussions are extremely lively. Outside Directors, in particular, ask multifaceted questions and provide advice based on their respective expertise. I appreciate that the quality of discussions at the Board of Directors as a whole has improved year by year. Leadership has had a major influence behind these changes. During Chairperson Yamamoto’s time as President, an attitude of listening to diverse opinions became firmly established, and I feel this has led to positive changes in the way the Board of Directors conducts its discussions.

Sonoda From the perspective of engaging in discussion, I believe the Company has two major strengths. First, through informal meetings with Executive Officers, we can directly access information and data close to the front lines. Second, off-site meetings introduced in recent years provide opportunities before Board meetings to organize issues, receive interim reports, and exchange views. I feel that these initiatives have improved the quality of discussions at Board meetings. In addition, Internal Directors actively express their views not only on their own areas of responsibility but also on other areas, resulting in open and active discussions. I also feel that one of the Company’s distinctive strengths is that, under the leadership of Chairperson Fudaba, frank and candid views are exchanged effectively within a limited timeframe.

Ueda I recognize that this kind of atmosphere cannot be created overnight and is gradually taking root as a healthy organizational culture through the accumulation of efforts to date. I believe this positive culture will also spread throughout the Company, and that the understanding that open and active discussions help bring essential issues to light can be expected to extend beyond the Board of Directors to the organization as a whole.

Fudaba At Board meetings, it is important to maintain the atmosphere of candid, open, and active discussion that has been established to date. At the same time, I recognize that there is room for improvement in terms of what should be discussed. In particular, to appropriately monitor the progress of “R.I.S.E. 2035” and the new President’s management policy, we need to clearly define the issues to be reviewed on an ongoing basis and organize the framework for discussion by using off-site meetings and other opportunities in addition to Board meetings.

From the perspective of increasing management speed, it is also important to consider how decisions are made by the executive side before matters are submitted to the Board of Directors. We need to review authorities and processes, including which meeting bodies make decisions, who is responsible for decisions, and the scope of that responsibility, and build a structure that enables swift decision-making. Structural reforms have produced certain results, but highly challenging issues remain. It is important for the executive team and the Board of Directors to discuss these issues repeatedly while appropriately sharing roles, and to resolve them steadily.

Sonoda I recognize that speed will be a very important factor in how the Board of Directors operates going forward. Decision-making requires a certain amount of information and background explanation, and while enhancing materials is important, preparing them can also create an excessive burden. As the Company advances DX initiatives, further operational streamlining is desirable. This is an important issue not only for the operation of the Board of Directors but also for the way the executive team that supports it conducts its work.

Ueda With regard to the future role of outside directors, I believe the foundation is to represent the common interests of shareholders and convey capital market perspectives to management. At the same time, when looking inside a company, there are often issues that are difficult for management to see. I recognize that many corporate misconduct cases may be rooted in such less visible problems. Therefore, it is also an important role of Outside Directors to pay attention to the perspectives of employees and the front lines, and to make visible issues that are difficult for management to see or that may be overlooked. In other words, we are required to focus on risks arising from corporate culture that may lie behind decision-making. Such risks may, in some cases, shake the foundations of management, and it is our responsibility to bring them to light from an independent perspective before they materialize.

Evaluation of Growth Strategies Centered on the DUNLOP Brand

Q **From the standpoint of Outside Directors, please share your views on growth opportunities and risks related to the global development of the DUNLOP brand.**

Fudaba While I recognized the importance of global expansion from my experience in corporate management, I did not fully appreciate the

significance of making an investment of this scale in the acquisition of the DUNLOP trademark rights and related assets. However, through repeated discussions and reviews, I deepened my understanding of the brand's history and value, as well as its positioning within our future growth strategy. I now recognize it as one of the important pillars of our medium- to long-term management strategy.

Investments of this kind are meaningful only when they are integrated with assumptions and numerical plans for future growth. Continuous monitoring of whether steady progress is being made in line with the plan is important, and I believe this is a role that the Board of Directors, not only the executive side, must fulfill. Additionally, for our Company, the DUNLOP brand is something that we once owned and later regained, so in a sense, this also represents a renewed challenge for us. In that sense as well, this initiative is an important undertaking that we absolutely must turn into concrete results.

Sonoda Regaining the DUNLOP brand had long been a cherished aspiration for the Company, and I recognize that achieving this was a major turning point. Going forward, we are entering a critical phase aimed at growth; however, as a prerequisite, we are required to steadily generate results that justify the investments being made. Of particular importance will be recovering lost ground in European and North American markets and reviving the brand. To achieve this, I believe it is necessary to move forward on two fronts in parallel: providing products that leverage our company's technologies, and strengthening our marketing and sales capabilities.

At the same time, addressing risks is also important. Given the various risks associated with overseas production and sales, it is essential to establish a robust foundation, particularly a financial foundation, that can respond even to unforeseen circumstances. Securing supply is also an important issue. In light of challenges such as the operating status of production bases and labor shortages, we need to maintain a perspective of securing supply capacity globally in line with growth.

Furthermore, the acquisition of DUNLOP trademark rights and other assets will contribute not only to the business but also to the enhancement of corporate value. High brand recognition has a positive impact on recruitment and employee motivation, and is expected to become an important foundation supporting future growth.

Ueda I believe that leveraging the DUNLOP brand will lead to significant growth opportunities. By enhancing brand value in an integrated manner, with the tire business at the core and including the Sports Business and Industrial Products Business, the Company should be able to further strengthen overall trust, advance differentiation, and contribute to enhancing customer value through long-term relationships with customers.

Enhancing brand value will also serve as an important foundation for acquiring talent, collaborating with external partners, and creating new businesses, thereby generating a virtuous cycle of medium- to long-term growth. Moreover, a brand is not merely something communicated externally; it is embodied through the actions of each employee. Therefore, I believe the key to enhancing brand value is to align brand strategy with corporate culture and create an environment in which employees can autonomously embody the brand.

At the same time, in light of uncertainties associated with changes in the social environment, I recognize the importance of advancing the brand strategy under a consistent policy without being swayed by short-term fluctuations.

Perspectives on Organization and Human Capital Supporting Global Strategies

Q **What kind of transformation do you think is necessary in terms of organizational culture and human resources for the Company to continue growing globally?**

Sonoda From the perspective of human resources, I believe three elements are particularly important: the spirit to take on new challenges, the flexibility to accept diverse values, and communication skills. As we develop our business globally, these capabilities will be essential because values and needs differ from market to market.

At the same time, how to turn the skills of individual employees into organizational strength is a separate challenge, and I recognize that management leadership is important to achieve this. Based on these elements, we are also required to make flexible judgments in response to changes in the environment and revise policies as necessary. Risks often materialize in unexpected ways, and I believe that being an organization capable of responding swiftly according to the situation is essential for competing globally.

Fudaba In addition to the points raised by Director Sonoda, as a global company, we need to pay close attention to risks such as misconduct at overseas bases and delays in information sharing. Important management issues include the possibility that challenges may arise not only on the front lines but also at the management level, and whether so-called "bad news" is shared in a timely manner. To address these issues, developing global talent is important; however, in addition to that, I believe it is essential for top management themselves to engage directly and repeatedly in dialogue with the leaders of overseas bases in order to deepen those relationships. It is important to increase organizational unity through close communication with top management, whether at bases in Japan or overseas.

I believe that Chairperson Yamamoto's efforts, during his time as president, to visit bases both in Japan and overseas and engage directly in repeated dialogue at sales and production sites were highly meaningful in deepening understanding of the organization. Such efforts are not easy, but I recognize that they play an important role in narrowing the distance with the front lines. Outside Directors are also provided with opportunities to understand the front lines, and the ability to feel the connection between management and the front lines is one of the Company's distinctive characteristics. Through the accumulation of these efforts, I recognize that the Company needs to build a framework in which each base makes decisions while sharing a global perspective.

Ueda Human resources are not costs to be managed, but strategic capital that creates corporate value. It is vital that we enhance employee engagement and foster a corporate culture that encourages diverse learning and challenges.

While organizational culture is an important management foundation, we also need to be mindful that, depending on its nature, it can become a factor that inhibits constructive communication. For example, a culture that places excessive emphasis on performance may induce inappropriate conduct and hinder fact-based, constructive communication. In this respect, the concept of "Bad News First/Fast" set out in the Company's Corporate Code of Conduct has significant meaning. Sharing issues and

problems at an early stage and turning them into organizational learning contributes to improving transparency and also helps build an environment in which employees can express their opinions with psychological safety.

Enhancing Governance and Corporate Value

Q **How do you think the new management structure and the evolution of governance will lead to the enhancement of corporate value over the medium to long term?**

Sonoda I believe it is important to increase the precision of early risk detection, based on the steady continuation of the governance mechanisms we have built to date. This is also connected to the concept of "Bad News First/Fast," and we need to improve our sensitivity to signs of problems so that we can detect them quickly. At the same time, in decision-making, it is also important to fully incorporate diverse perspectives and deepen discussions based on them. Through these efforts, I would like us to further enhance the effectiveness of governance.

Fudaba Under the new management structure, the lineup of Internal Directors and Executive Officers, including President Kuniyasu, is now in place. It is important to fully discuss and move forward with what kinds of mechanisms and operating structures this team will build going forward. In addition, to achieve sustainable management over the long term, it is essential to develop talent while constantly keeping in mind the next management team and the structure beyond that. Management decisions are not completed within just a few years, and many themes must be pursued with a view to the next 10 years. In that sense as well, I believe that steadily developing talent who will carry the Company forward will serve as a foundation that supports the Company's medium- to long-term growth.

At the Company, the Sumitomo Business Philosophy has permeated the front lines, and proactive activities from a long-term perspective have taken root. I feel that this culture nurtures people and provides fertile ground for developing the next leaders. There are many individual issues to address, such as generating results from the DUNLOP brand and strengthening overseas production bases. At the same time, I believe that valuing a long-term approach to developing people and the organization will form a foundation for sustainable growth.

Ueda In recent years, the term governance has become widely recognized, and its importance goes without saying. At the same time, however, I sense concern that governance may become limited to the establishment of systems and formal compliance, becoming a mere formality. I believe governance is not a fixed destination, but a process of continuously updating itself in response to changes in laws and regulations, social norms, and the business environment.

Therefore, rather than being bound by superficial forms, it is important to autonomously design the mechanisms needed according to our business characteristics and stage of growth, and to enhance their effectiveness. For example, improving capital efficiency is an important theme. However, if excessive emphasis on shareholder returns suppresses investment in human resources or research and development, it may undermine medium- to long-term growth opportunities.

From this perspective, I believe that governance in its essence means working to enhance governance autonomously and continuously while providing reasonable explanations as necessary. As an Outside Director, I recognize that it is important to communicate substantive initiatives externally, rather than emphasizing formal compliance.

Aspirations as Outside Directors

Q **As Outside Directors, what do you wish to protect from a medium- to long-term perspective?**

Sonoda The Company has significant strengths in technological capabilities. In recent years, we have developed a number of technologies that we can proudly present externally, including ACTIVE TREAD, the new technology featured in the all-season tire SYNCHRO WEATHER; sensing technologies that leverage analytical technologies; digital simulation technologies cultivated over many years; and vibration control technologies. I recognize that we have now entered a phase in which these strengths can finally be translated into growth. To achieve the various targets set out in "R.I.S.E. 2035," I believe it is important for the entire Company to work together as one. As an Outside Director, I would like to support these efforts from an external perspective by maintaining appropriate governance while encouraging initiatives that leverage our technological strengths to drive growth and enhance corporate value.

Fudaba President Kuniyasu's appointment is highly significant in further demonstrating the Company's strengths, given his extensive experience in design and technological development. Going forward, the President will play an important role in communicating the Company's technological strengths and future vision in his own words during dialogues with investors. I also believe that having a top executive who understands the front lines well will be a great encouragement to employees. In addition, it is important to strengthen global unity by repeatedly engaging in direct dialogue with people at overseas bases and sharing his own ideas.

At the same time, the Company has people with diverse expertise in areas such as sales and overseas business. While fully leveraging the capabilities of such talent, the President will be expected to focus on the role he should fulfill and lead the entire organization in a positive direction. Through such efforts, I would like us to draw out the strengths of the entire executive team and connect them to better management.

Ueda I recognize that the structure of Chairperson Yamamoto, who has led reforms to date, and President Kuniyasu, who supported those reforms while also having experience in technical fields, represents a transition at an extremely appropriate time as the Company shifts its focus from reform to growth.

As an Outside Director, I recognize that greater involvement in investor relations activities will be crucial going forward, and I would like to be proactively involved. Investor relations activities aimed at dialogue with investors are not merely venues for communicating information. They are also important opportunities to directly understand the evaluations and expectations of investors and capital markets. Through such dialogue, I will deepen my own learning and actively engage in these activities as opportunities to communicate that the Company continues to take on challenges, thinks independently, and acts on its own initiative.

Third-Party Remarks

Professor

Katsuhiko Kokubu

Professor, Graduate School of Business Administration, Kobe University

Completed a doctoral program in business administration at Osaka City University Graduate School. After serving as an assistant professor at Osaka City University and holding positions such as assistant professor at Kobe University, he assumed his current position in 2021. Has served as Vice President and Head of the Graduate School of Business Administration at Kobe University. Also serves as Chairperson of the Japan Corporate Social Accounting and Reporting Association. Specializes in social and environmental accounting, sustainability management, and management ethics. His major publications, edited works, and supervised translations include *From Accountability to Management Ethics* (Yuhikaku Publishing Co., Ltd.), *Emergent-Type Responsibility Management* (Nikkei Publishing Inc.), *ESG Evaluation Using AI* (Dobunkan Shuppan. Co., Ltd.), and *Purpose Management* (Translation supervised by Chuokeizai-sha).

Steady Progress Toward the Realization of the Long-Term Corporate Strategy “R.I.S.E. 2035”

The DUNLOP Integrated Report lays out a clear storyline showing the feasibility of the Long-Term Corporate Strategy “R.I.S.E. 2035.” The message of President Yasuaki Kuniyasu is specific and forward-looking, leaving a strong impression of DUNLOP’s future growth potential. The report is not focused solely on growth, but gives sufficient consideration to sustainability and all people connected to the Company. In particular, DUNLOP’s corporate philosophy structure, which is grounded in the Sumitomo Business Philosophy, is highly significant as a symbol of the integration of international strategy with Japanese management philosophy. I believe this report would be even more persuasive if it provided a more comprehensive explanation of the specific ways this corporate philosophy structure is applied in actual management practice.

Toward Value Creation Through Sustainability Management

With regard to sustainability management, I believe that this report shows a clear path for generating economic value from social value, while paying close attention to the entire value chain. The value a company provides is enhanced not only through its core products and services, but also by resolving the issues that arise around them. This is a central challenge for sustainability management when considering the sustainability of products and services. The “total solutions” and “businesses that resolve social issues” that DUNLOP strives to realize should emphasize precisely that point. If these initiatives are reexamined within the framework of sustainability management, it will be possible to present a broader vision for sustainability. Furthermore, I consider the integration of ROIC management with the social value derived from sustainability to be an important issue going forward. It is important that social value first be understood on a monetary value basis and then developed into ratio-based indicators. I look forward to seeing a strategy that maintains this sequence.

Roundtable Talk Sessions that Close Information Gaps

One-way corporate disclosure is prone to becoming one-sided, and in some cases may fail to convey the company’s true character. In this respect, I believe that the expert roundtable on human capital management and the roundtable discussion among Outside Directors succeed in conveying the candid voices and judgements of those in management settings. The sincere discussions among DUNLOP employees and officers about the company’s current situation conveys information to stakeholders that goes beyond data provision and explanations of corporate policy. Going forward, I hope to see further efforts to broaden the range of stakeholders involved and present DUNLOP’s activities to readers in a more multifaceted way.

Response to Third-Party Remarks

We would like to express our sincere gratitude to Professor Kokubu for his insightful opinions and valuable advice.

In 2025, we made further progress in integrating business and sustainability. This included adding “Innovation to Address Social Issues” as a new element to our long-term sustainability targets “Driving Our Future Initiatives,” and deepening discussions among officers through the Sustainability Advisory Board from the perspective of viewing the value provided by businesses in terms of social (non-financial) value.

Your observation that resolving issues that arise around products and services further enhances the value provided to customers and society is fully aligned with the vision set out in our Long-Term Corporate Strategy “R.I.S.E. 2035,” which is defined as “Continuing to Provide ‘New Experience Value’ Born from Rubber to Everyone.” We are steadily addressing material issues such as climate change, biodiversity, and human rights through an integrated approach, looking beyond our own business activities to all those involved across the entire value chain.

In Integrated Report 2026, we strove to provide a more specific account of the activities described above in relation to our Long-Term Corporate Strategy “R.I.S.E. 2035.”

Going forward, in order to realize our long-term strategy, we will further deepen dialogue with stakeholders, including employees, as we work to advance our human capital management with the awareness that “People are our most important asset” We recognize that clearly communicating the connection between social value and economic value remains a challenge, and will continue discussions within the Company and work to build a shared understanding.

Using the information disclosure in this integrated report as a starting point, we will continue to engage in constructive dialogue with our stakeholders and reflect the outcomes of that dialogue in management, thereby contributing to the sustainable enhancement of corporate value.

Yukino Miyagi

General Manager, Sustainability Management Promotion Headquarters