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For immediate release

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## **Yokohama Rubber to acquire Goodyear's Off-the-Road tire business**

Hiratsuka, Japan—The Yokohama Rubber Co., Ltd., announced today that it has entered into an agreement to purchase the Off-the-Road tire (hereafter OTR) business of The Goodyear Tire & Rubber Company (hereafter, Goodyear), a tire manufacturing and sales company headquartered in the United States. The OTR business provides specialized tires for the mining & construction industries among others. The agreed acquisition price is US\$905 million (about ¥129.4 billion, at ¥143/1\$). Completion of the acquisition is conditional on the usual regulatory approvals.

Yokohama Rubber is currently implementing its Yokohama Transformation 2026 (YX2026) new medium-term management plan for fiscal years 2024–2026. During YX2026, Yokohama Rubber plans to further advance the “exploitation” of the strengths of its existing businesses and the “exploration” of new value and complete the transformation begun under its previous medium-term management plan YX2023, while being mindful to not leave any negative legacies for the next generation. Under this guiding philosophy, Yokohama Rubber will resolutely implement the growth strategies established for each of its businesses as it aims to achieve “Hockey Stick Growth” during YX2026 to fiscal 2027.

### **Acquisition's purpose and compatibility with YX2026**

The acquisition of Goodyear's OTR business is a strategic investment that will contribute to achieving “Hockey Stick Growth.” YX2026 positions the off-highway tire (OHT) business as a future growth driver and programmatic M&A as one of the growth strategies being used to expand Yokohama Rubber's OHT business. The acquisition of Goodyear's OTR business will contribute to that expansion and enhance Yokohama Rubber's corporate value.

The global OHT market size is estimated to be about ¥4 trillion and is expected to grow 6% a year, considerably higher than the projected 2% annual growth for the consumer tire market. The Yokohama Rubber Group is currently well positioned in the global market for agriculture & forestry machinery tires, which is estimated to account for about 40% of the global OHT market. The acquisition will serve to complement Yokohama Rubber's OHT product range in non-agricultural applications by bringing in the strong brand power of Goodyear's OTR business into the Group.

## **Strength of Goodyear's OTR business**

Goodyear's OTR business has established a strong track record of stable results. In fiscal 2023, sales were about US\$678 million (about ¥95.4 billion, at ¥140.67/1\$) and EBITDA was about US\$129 million (about ¥18.1 billion, at ¥140.67/1\$), for an EBITDA margin of 19.0%. Goodyear's mining & construction machinery tires are globally recognized products with strong brand power realized by the use of the most advanced tire-making technologies and excellent specialized services provided by highly skilled professional staff. The product lineup covers the wide range of OTR sizes, from smaller tires with diameters of up to 25 inches to large- and ultra-large tires with diameters of 49 to 63 inches. Integration of these large- and ultra-large tires into Yokohama Rubber's product lineup will expand the product and value range of Yokohama Rubber's OHT business.

## **Acquisition overview**

Under the transaction, Yokohama Rubber will acquire all shares of Nippon Giant Tire Co., Ltd, which operates the dedicated OTR plant in Japan (Tatsuno City, Hyogo Prefecture), and Goodyear Earthmover Pty Limited in Australia, as well as certain OTR assets at the other plants and facilities around the world.

Yokohama Rubber's purchase of Goodyear's OTR business is aimed at strengthening its product portfolio across different tire size and value ranges. In particular, the addition of Goodyear's OTR products to Yokohama Rubber's will strengthen its lineup of tires in several non-agricultural applications, alongside tires for agriculture & forestry machinery. Additionally, Yokohama Rubber expects the acquisition to provide the Company with product development and production capabilities for large- and ultra-large tires that it currently lacks. This will give Yokohama Rubber access to a new group of customers and supplement its production and supply capacity for other tire sizes that are in high demand.

Having strong product lineups in all OHT categories will enable Yokohama Rubber to better serve the needs of its customers.

This acquisition will lead to further growth of Yokohama Rubber's OHT business through synergies generated by the combined strengths of Yokohama Rubber and Goodyear's OTR business in all areas, from the development of new products and services to manufacturing, sales, quality control, and ESG.

## **Overview of business to be acquired**

Business: Off-the-Road tire business (tires for the mining & construction industry)  
Annual sales: US\$678 million (fiscal 2023)  
Employees: Approx. 500

## **Overview of The Goodyear Tire & Rubber Company**

Established: August 1898  
Head office: Akron, Ohio, USA  
Share capital: US\$285 million  
Main business: Manufacture & sale of tires  
Annual sales: US\$20,066 million (fiscal 2023)  
Employees: Approx. 71,000