

Acquisition of Trelleborg Wheel Systems Business

May 12, 2023

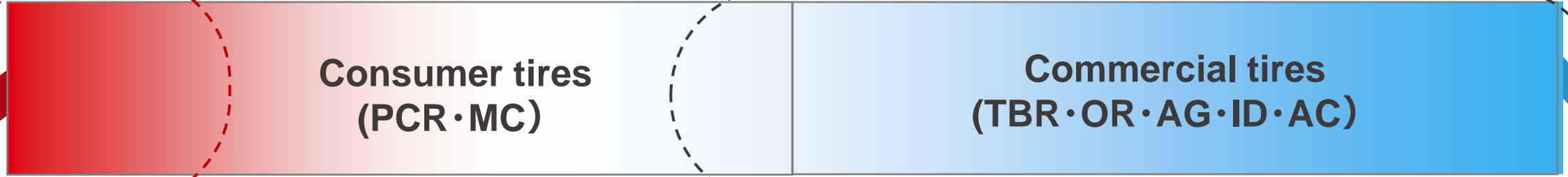
Masataka Yamaishi
President, Chairman of the Board



YOKOHAMA Transformation 2023

Exploitation × Exploration = Transformation

Global Tire Market



Turning consumer tires into
commercial tires
B to B ~~(to C)~~

Exploitation

Exploration

Raise high value-added tire sales ratio

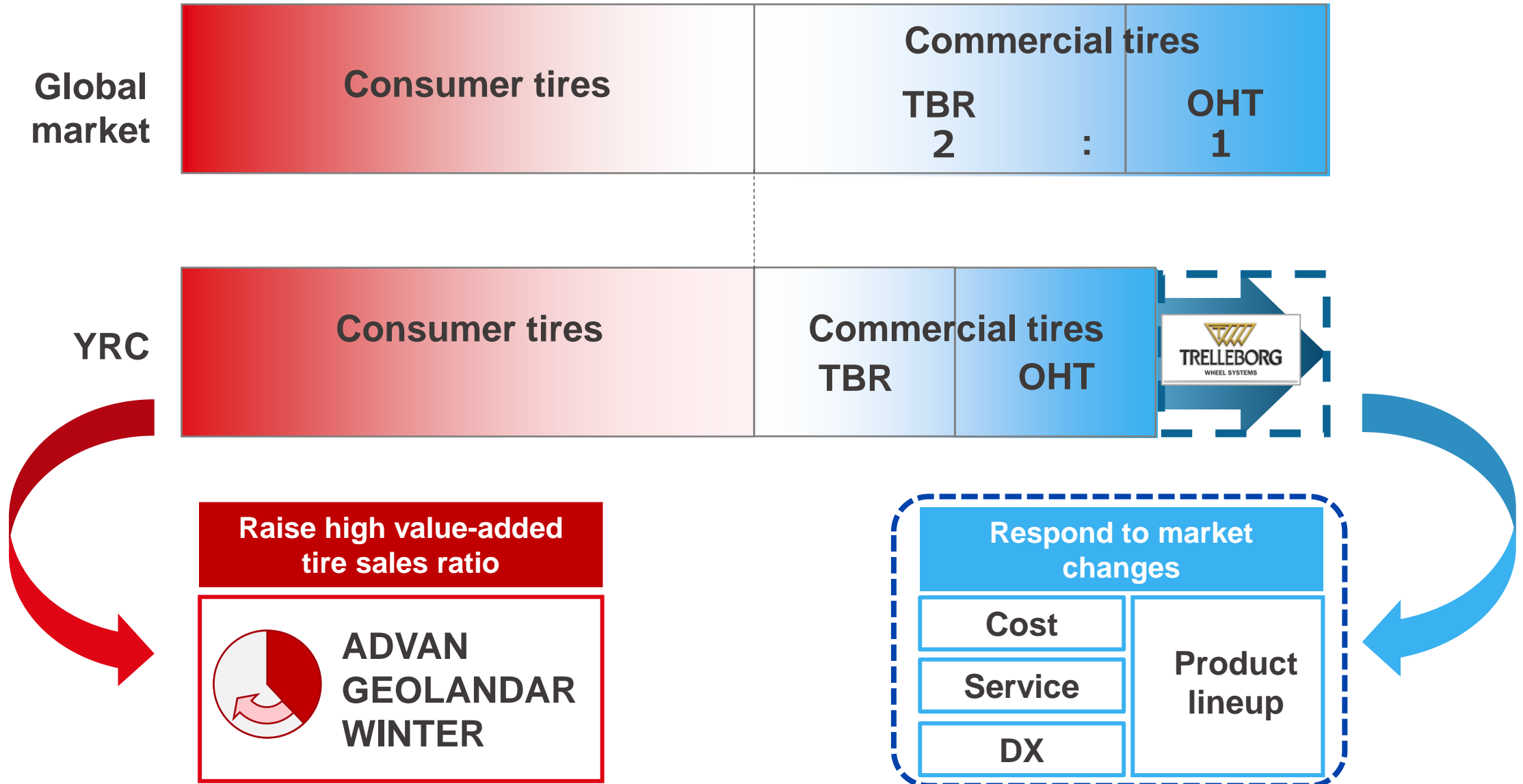
**ADVAN
GEOLANDAR
WINTER**



Respond to market changes

Cost	Product lineup
Service	
DX	

Objectives of Acquisition



Outline of the transaction

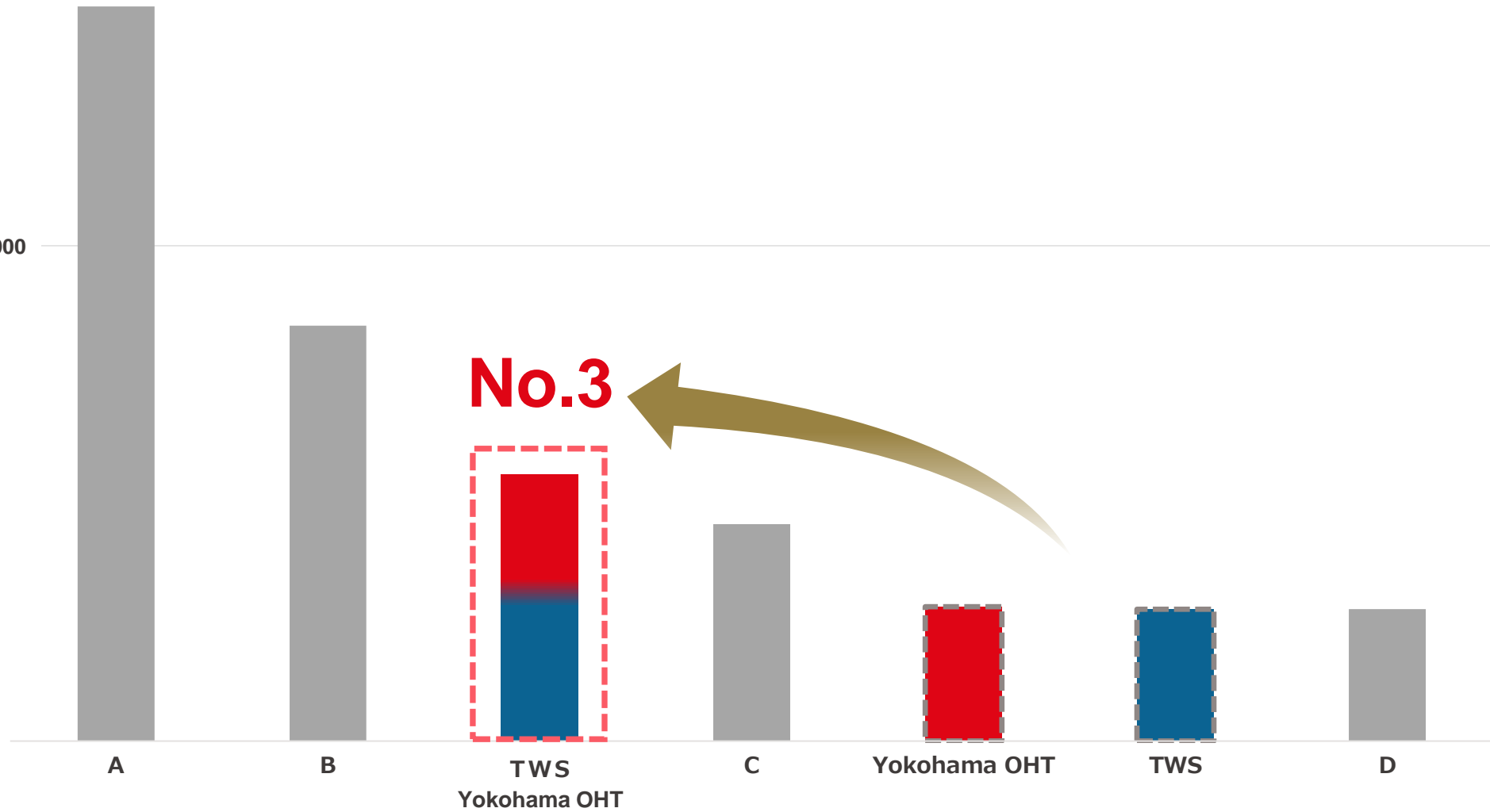


Target company	Trelleborg Wheel Systems Holding AB (100% of equity shares)
Corporate value	2,074 million EUR <small>The acquisition is based on the performance-based earnout method, with a maximum additional purchase price of 60 million euros. On the basis of 2022 financial figures, the additional purchase price was fixed at approximately 34 million euros.</small>
Sales	1,249 million EUR <small>(13,277 million SEK/ approx. 172.5 billion yen; FY2022 result)</small>
EBITDA	218 million EUR <small>(FY2022 result, after adjustments)</small>
EBITDA multiple	Approx. 9.5 times <small>(based on adjusted EBITDA)</small>
Date of Acquisition agreement	March 25, 2022
Date of Acquisition finalized	May 2, 2023
Financing	Own funds from sale of cross-share holdings, etc., and borrowings from Mizuho Bank We plan to refinance the loan from Mizuho Bank to a long-term fixed-rate loan with a low interest rate, taking advantage of our strong financial position and relationships with banks.

OHT market: sales ranking

unit : MU\$

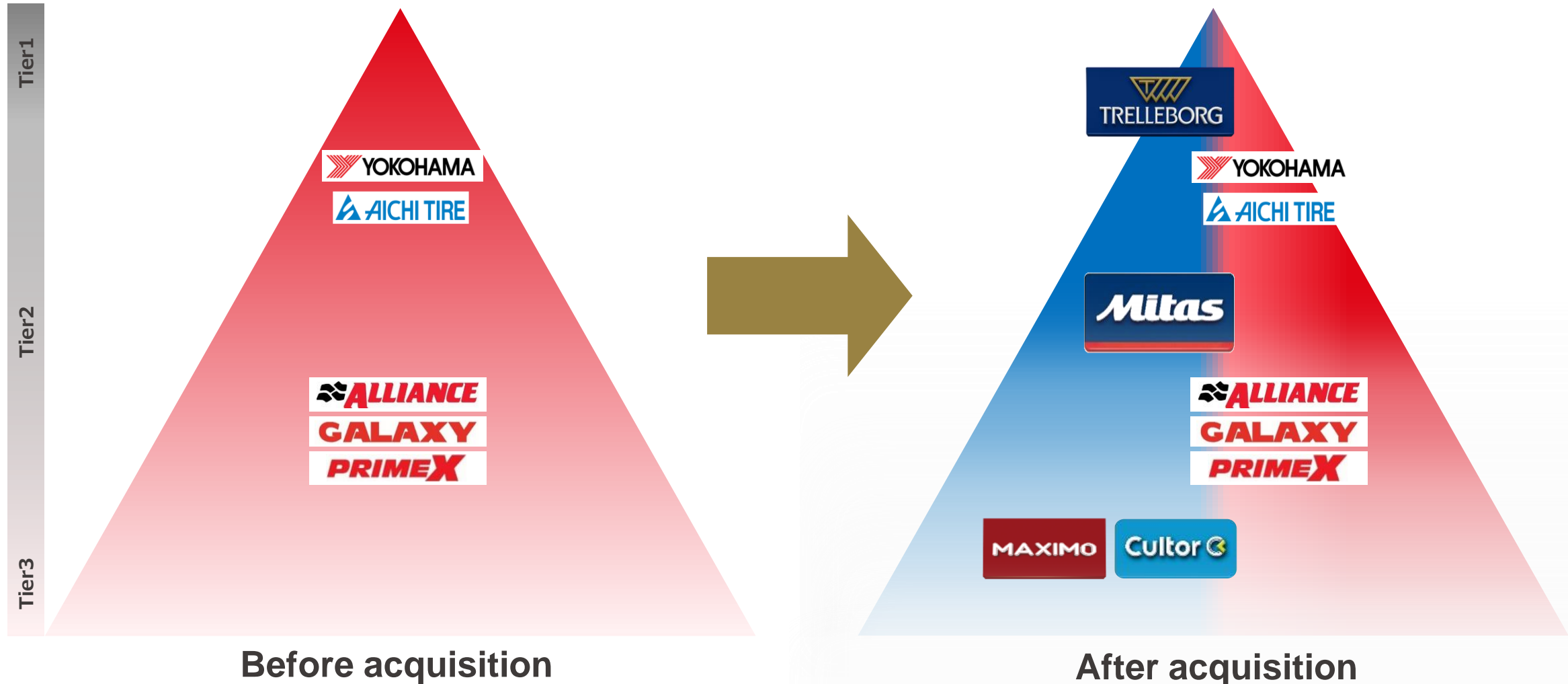
5,000



*Our estimate

After TWS joins : OHT product brand structure

◆ Completion of product brand structure



After TWS joins : OHT product portfolio



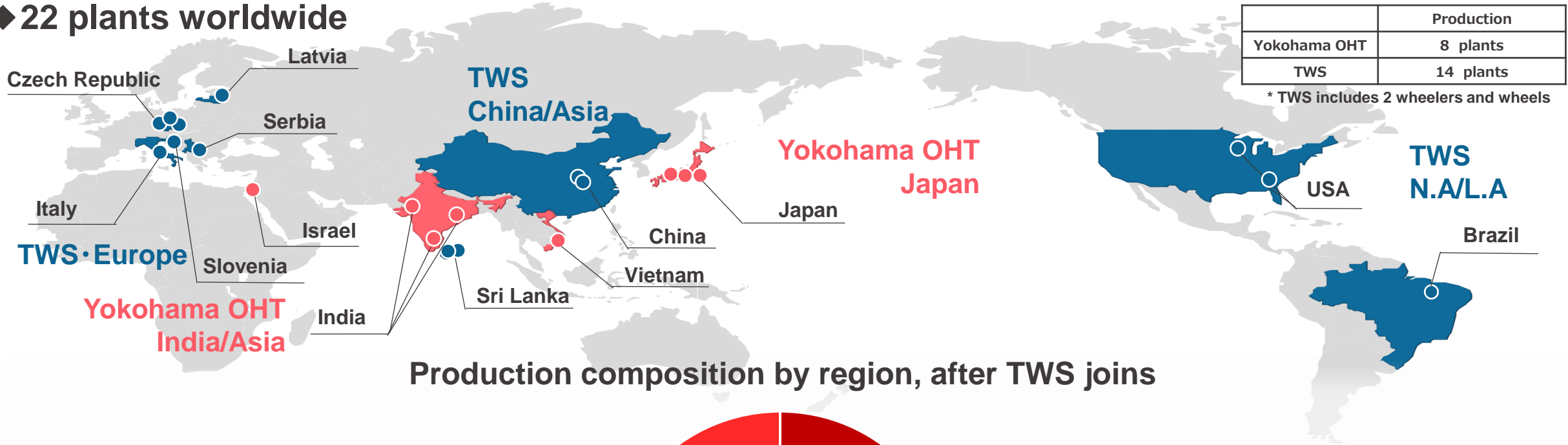
	Agriculture	Construction	Earthmover and Mining	Forestry	Lawn Garden & Turf	Material Handling	Truck (off-highway)	Two-wheelers	Rims
Tier1	YOKOHAMA AICHI TIRE	✓	✓			✓	✓		
Tier2									
Tier3	ALLIANCE GALAXY PRIMEX	✓	✓	✓	✓	✓	✓		

After TWS joins

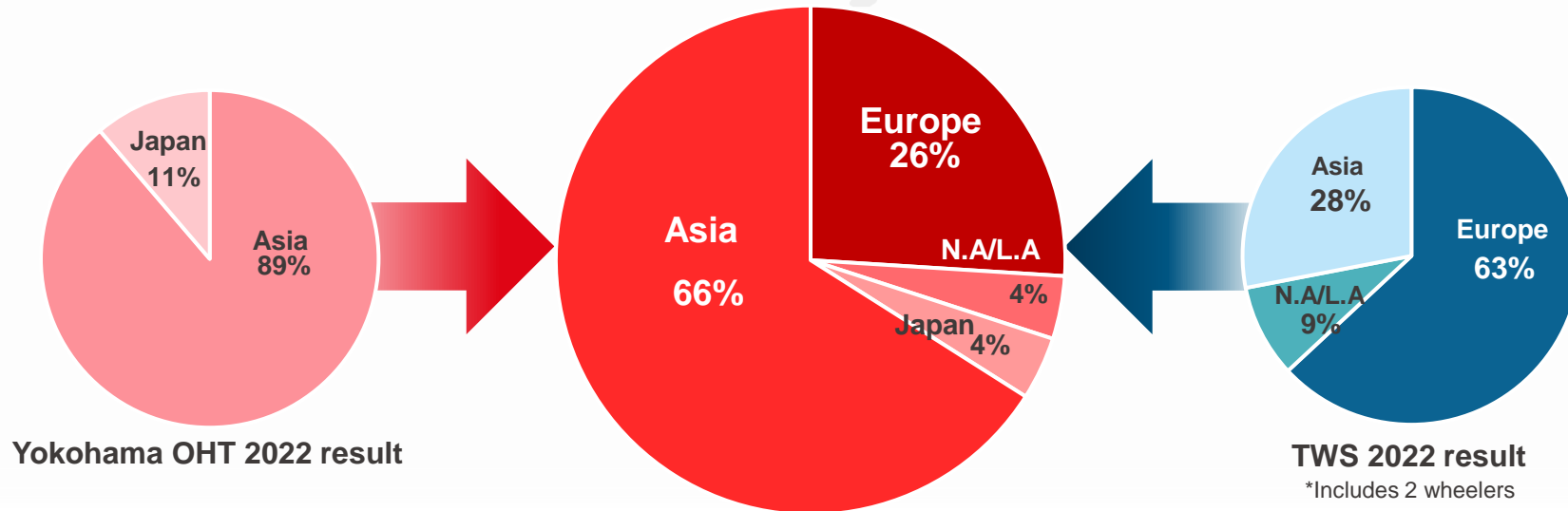
	Agriculture	Construction	Earthmover and Mining	Forestry	Lawn Garden & Turf	Material Handling	Truck (off-highway)	Two-wheelers	Rims
Tier1	YOKOHAMA AICHI TIRE TRELLEBORG	✓	✓	✓	✓	✓	✓		✓
Tier2	Mitas ALLIANCE	✓	✓	✓	✓	✓		✓	
Tier3	GALAXY PRIMEX Cultor MAXIMO	✓	✓	✓	✓	✓	✓		

After TWS joins : OHT production

◆ 22 plants worldwide

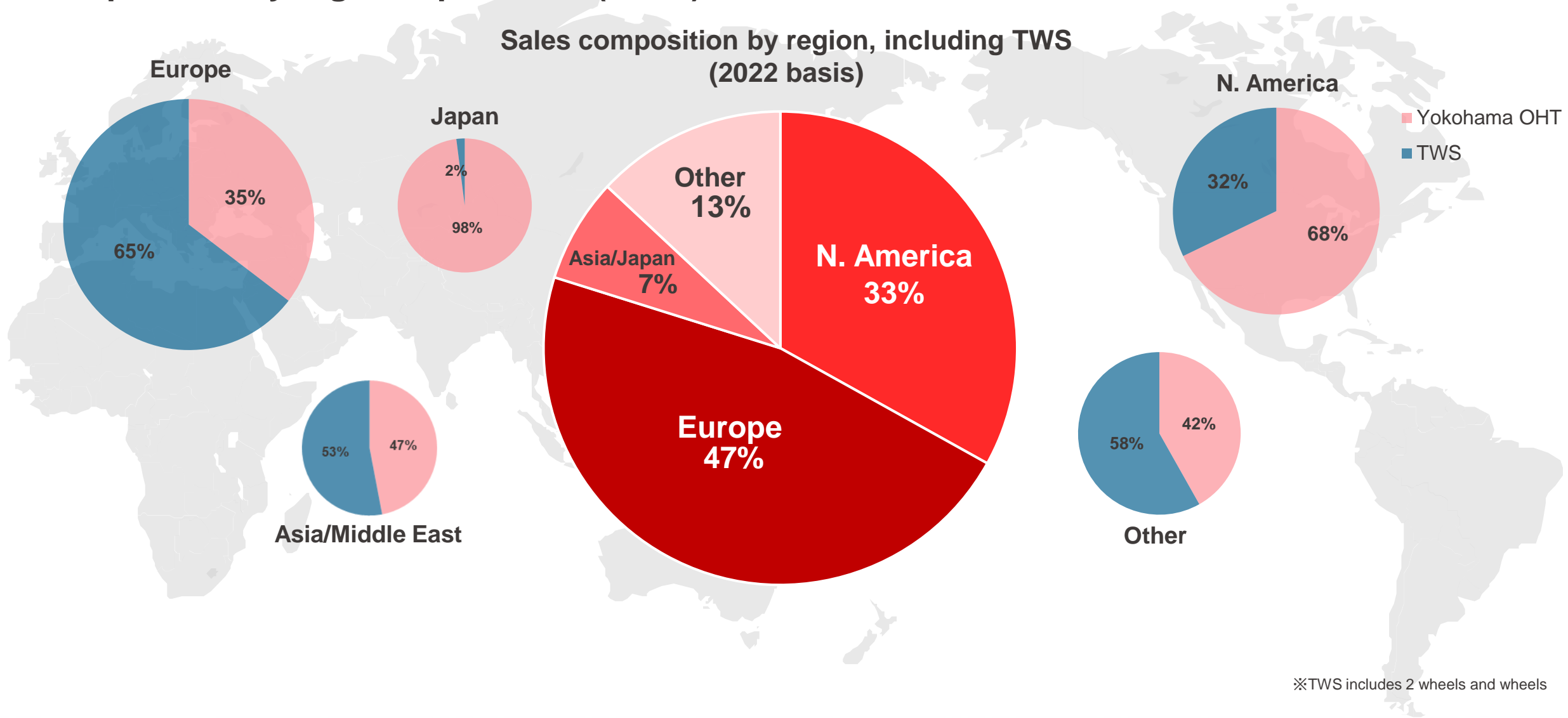


Production composition by region, after TWS joins



After TWS joins : OHT sales

◆ Complementary regional presence (sales)



※TWS includes 2 wheels and wheels

Respond to market changes	
Cost	Product lineup
Service	
DX	



After TWS joins : Services/DX

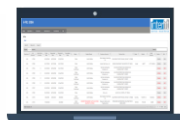
◆ interfit

Tire service by specialists
83 locations in 21 countries



Customer service platform

Order management platform



Field service management App



Dedicated customer reporting



B2B / B2C online portals



◆ ATMS

Real-time tire data for ultimate tractor performance

The system detects real-time working conditions, such as dynamic load, pressure, and temperature, and then recommends the best setting configuration for the machine



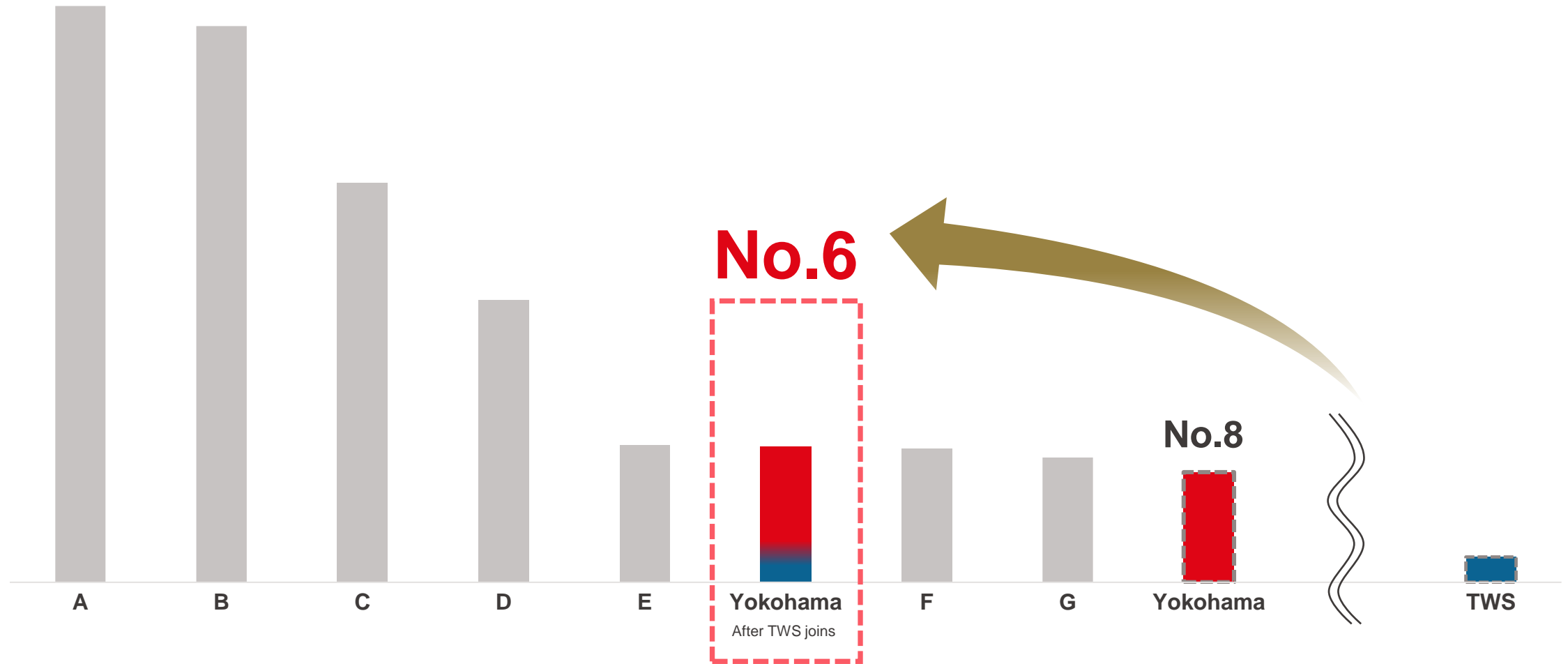
◆ TPMS

Digital tool for construction/harbor equipment

Constant monitoring of tire air pressure & temperature



Global tire market: 2022 sales ranking



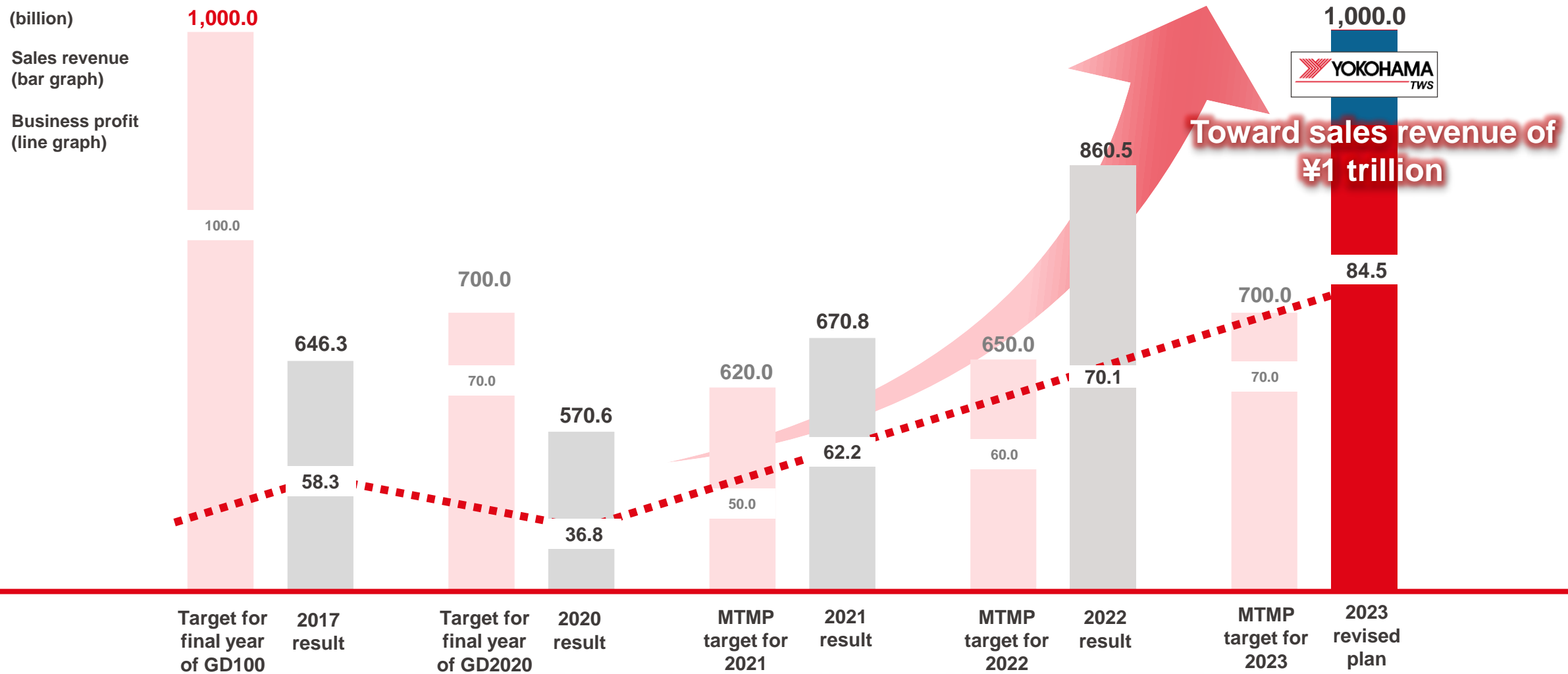
*Our estimate

FY2023 Revised Forecast

billion yen	2023 Forecast	2023 previous forecast	Change	Change (%)	YX2023 Targets for FY2023
Sales revenue	1,000.0	900.0	+100.0	+11.1%	700.0
Business profit	84.5	73.0	+11.5	+15.8%	70.0
Business profit margin	8.5%	8.1%	+0.4%	-	10.0%
Operating profit	87.0	73.0	+14.0	+19.2%	-
Profit	57.0	46.0	+11.0	+23.9%	-
ROIC	5.2%	5.5%	-0.3%	-	7% (2023 goal)
ROE	9.0%	7.7%	+1.3%	-	10% (2023 goal)
D/E ratio (Net D/E ratio)	0.73 (0.63)	0.33 (0.21)	+0.40 (+0.42)	-	0.4 (2023 goal)
Operating CF	122.5 (3-year total 230.0)	102.5 (3-year total 210.0)	+20.0	-	250.0 (3-year total)

Medium-Term Management Plan (MTMP)

Culmination of Efforts Over Past 100 Years





YOKOHAMA Transformation 2023