

# NEWS RELEASE



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## **Yokohama Rubber Announces Fiscal Results for 2015**

Tokyo—The Yokohama Rubber Co., Ltd., announced today that its net sales climbed to a record level in fiscal 2015 (January to December 2015) for the fourth consecutive year. Net sales at Yokohama in 2015 were up 0.7% over the previous year, to 629.9 billion yen, while operating income declined 7.7%, to 54.5 billion yen, and net income declined 10.4%, to 36.3 billion yen.

The sales growth comprised gains in Yokohama's Tires segment and in the company's Multiple Business Segment. Profitability suffered as a unit decline in Japanese vehicle production and escalating price competition in tire markets offset the effects of declining prices for raw materials and the weakening of the yen.

Yokohama paid an interim dividend of 13 yen per share, and management proposes to pay a year-end dividend of 26 yen per share. The company carried out a one-for-two share merger effective July 1, 2015. Yokohama's proposed aggregate dividend would be in accordance with the company's earlier projection, adjusted for the share merger.

Sales in Yokohama's Tires segment increased 0.6%, to 500.6 billion yen, and operating income declined 11.4%, to 43.0 billion yen. The company's business in Japan's original equipment market declined in unit volume and in sales value on account of the decline in unit vehicle production. Yokohama's tire business in the Japanese replacement market also declined in unit volume and in sales value. That was on account of escalating price competition and a warm winter, which diminished demand for studless snow tires. Price competition was an issue in overseas markets, too, but Yokohama nonetheless achieved overall growth in tire business outside Japan. The company maintained strong sales momentum in North America and also recorded sales growth in China.

In Yokohama's Multiple Business segment, sales increased 1.2%, to 121.7 billion yen, and operating income increased 2.9%, to 10.5 billion yen. That segment consists mainly of high-pressure hoses, sealants and adhesives, electronic equipment coatings, conveyor belts, antiseismic products, marine hoses, pneumatic marine fenders, and aircraft fixtures and components. Yokohama posted sales growth in industrial materials, led by gains in overseas business in marine hoses and in Japanese business in antiseismic products and other civil engineering products. The company also posted sales growth in its business unit that handles sealants and adhesives and electronic equipment coatings. Sales were especially robust in overseas business in automotive adhesives, though sales of sealants were weak in the construction sector in Japan. Yokohama posted sales growth, too, in aircraft fixtures and components, led by expanded business in items for commercial airliners. The company's business in high-pressure hoses declined on account of the global slowdown in natural resources development and slowing economic growth in China.

Yokohama's projections for 2016 call for net sales to increase 3.5%, to 652.0 billion yen. Management projects that operating income will increase 0.9%, to 55.0 billion yen, and that net income will decline 6.4%, to 34.0 billion yen.

## Financial Highlights

	Millions of yen	
	Jan. 1–Dec. 31, 2015	Jan. 1–Dec. 31, 2014
Net sales	629,856	625,245
Operating income	54,536	59,066
Income before income taxes and minority interests	54,254	62,594
Net income	36,307	40,502
Net assets	344,688	330,782
Total assets	710,716	734,511
Net income per share (yen)*	226.07	250.67

\* Yokohama has calculated and stated the figures for net income per share as if the one-for-two share merger conducted on July 1, 2015, had been conducted on January 1, 2014.

## Results by Business Segment

	Millions of yen	
	Jan. 1–Dec. 31, 2015	Jan. 1–Dec. 31, 2014
Sales to third parties		
Tires	500,623	497,572
Multiple business	121,706	120,208
Other	7,525	7,464
Operating income (loss)		
Tires	43,037	48,577
Multiple business	10,534	10,234
Other	977	237
Eliminations	(12)	16

### Notes:

1. Yokohama has prepared this information in accordance with accounting principles generally accepted in Japan.
2. The Multiple Business segment, established in 2015, comprises the operations formerly categorized as “Industrial Products” and the aircraft fixtures and components business formerly included in “Other Products.” Yokohama has restated results by business segment for fiscal 2014 to reflect this change retroactively.