1. State of Restoration at Yokohama Tire Philippines (YTPI)

2. Outline of GD2020 Medium-Term Management Plan

3. Initiatives in 1H 2018
1. State of Restoration at Yokohama Tire Philippines (YTPi)

2. Outline of GD2020 Medium-Term Management Plan

3. Initiatives in 1H 2018
State of Restoration at YTPI

Yokohama Tire Philippines (YTPI) Information
■ Location: Clark Freeport Zone in the Philippines
■ Site area: 452,000m² (building floor space: 205,000m²)

Fire Details
■ Outbreak: May 14, 2017 at around 3pm
■ Area affected: Approximately 17,400m² in the northeast sector of YTPI’s East Plant
■ Damage summary: Partial damage to buildings and production facilities; destruction of products stored in a warehouse

■ Substitute production by plants in Japan/overseas from 2H 2017
■ Expect restoration of 50% of production capacity by end-2018
■ Scheduled return to pre-fire production capacity by end-2020
1. State of Restoration at Yokohama Tire Philippines (YTP)

2. Outline of GD2020 Medium-Term Management Plan

3. Initiatives in 1H 2018
GD2020 Positioning

Fortify our business foundation by redefining Yokohama strengths and deploying growth strategy through original approaches

Growth strategy
- Consumer tires
- Commercial tires
- MB (Multiple Business)

Fortify our business foundation
- Strengthen our financial position
- Revitalize our corporate culture
- Upgrade risk management

Strategy

Growth measures

<table>
<thead>
<tr>
<th>Consumer Tires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand our presence in the premium tire markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial Tires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make commercial tires a pillar of revenue driven by OHT*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MB (Multiple Business)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocate resources on a priority basis to business fields of strength</td>
</tr>
</tbody>
</table>

Business foundation

- Strengthen our financial position by reducing debt and idle assets
- Revitalize our corporate culture through human resources measures
- Minimize corporate risk through systematic risk management

*Off-Highway Tire (an inclusive term for tires used on agricultural machinery, construction machinery, industrial machinery and forestry machinery)
1. State of Restoration at Yokohama Tire Philippines (YTPI)

2. Outline of GD2020 Medium-Term Management Plan

3. Initiatives in 1H 2018
Consumer Tires

Expand our presence in premium tire markets

1) **Premium car tires**
   Increasing use as OE on premium cars in Japan and overseas

2) **Winter tires**
   Entry to Europe’s all-season tire market
   - BluEarth-4S AW21 will be launched in European market
   - Strong sales of new iceGUARD6
     - Big improvement in ice/snow/wet performance
Consumer Tires

3) Hobby tires

Expansion of lineup that serves the diverse needs of car enthusiasts

Launch of GEOLANDAR X-MT, new SUV mud-terrain tire

July

Added a new size of ADVAN A053 rally dirt trial tire

March

ADVAN HF Type D won Nikkan Jidosha Shimbun Car Accessory Award 2018 in tire category and Kodansha Reader’s Award for Advertising in magazine category

July
4) Consumer communication

Supporting customers’ car life via web and SNS

- Created “ADVAN club” account on LINE@ communication app (January)
- Opened “Hello, world” website providing useful information (May)
Hone our competitive edge in the vanguard of tire technology through participation in motor sports

Providing tires with 2 specifications as sole tire supplier for SUPER FORMULA

Dominated podium of 2018’s first SUPER GT GT300 race

Became sole tire supplier for WTCR

Supporting team in Asia Cross Country Rally
Commercial Tires

Position commercial tires as a pillar of growth in our second century and off-highway tires (OHTs) as a growth driver

OHT supply response

- Strengthened Groupwide supply capabilities to meet strong demand for use on construction machinery

Increasing capacity of India plant

- Expanding capacity of ATG India Plant to meet increasing OHT demand
- Aiming for 1.6-fold increase in capacity by end-2019 (at ATG Dahej plant)

Exhibit at Japan’s largest agro machinery show

- Exhibit of ATG OHTs at International Agricultural Machinery Show in Obihiro, Hokkaido
- Accelerating domestic sales
Commercial Tires

Build on our North American business platform to expand our presence in truck and bus tires

Began OE shipments to truck makers

• Certification received from Big 3 (DTNA*/VOLVO/PACCAR), shipments started
• Preparing for delivery of tires made at our Mississippi Plant

*Daimler Truck North America

Ultra-wide base (UWB) single tires

New size launched in Japan & North America

• Targeting aggressive sales growth, added new sizes to 902L lineup
• Doubling production capacity at Mie Plant

Launched in May

“902L“ 455/55R22.5
Increasing production capacity 25% from 2017 to 2020

- Consumer tires: (Japan) Shinshiro Plant; (Overseas) Suzhou, Philippines and India plants
- Commercial tires: (Overseas) ATG & Mississippi Plant

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer tires</th>
<th>Commercial tires</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>722</td>
<td>555</td>
</tr>
<tr>
<td>2018</td>
<td>873</td>
<td>723</td>
</tr>
<tr>
<td>2019</td>
<td>873</td>
<td>723</td>
</tr>
<tr>
<td>2020</td>
<td>873</td>
<td>723</td>
</tr>
</tbody>
</table>
# Tire Production Capacity

## (rubber volume basis)

<table>
<thead>
<tr>
<th></th>
<th>GD100 Phase4</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer tires</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan Mishima</td>
<td>99</td>
<td>99</td>
<td>99</td>
<td>99</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Shinshiro</td>
<td>127</td>
<td>127</td>
<td>127</td>
<td>149</td>
<td>149</td>
<td>149</td>
</tr>
<tr>
<td>Shinshiro-minami</td>
<td>42</td>
<td>42</td>
<td>42</td>
<td>42</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>USA</td>
<td>62</td>
<td>62</td>
<td>62</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Philippines</td>
<td>151</td>
<td>151</td>
<td>122</td>
<td>130</td>
<td>142</td>
<td>163</td>
</tr>
<tr>
<td>China Hangzhou</td>
<td>114</td>
<td>114</td>
<td>114</td>
<td>114</td>
<td>119</td>
<td>119</td>
</tr>
<tr>
<td>Suzhou</td>
<td>25</td>
<td>48</td>
<td>56</td>
<td>83</td>
<td>106</td>
<td>120</td>
</tr>
<tr>
<td>Thailand</td>
<td>72</td>
<td>72</td>
<td>72</td>
<td>72</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Russia</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>India</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Total consumer tires</td>
<td>719</td>
<td>742</td>
<td>722</td>
<td>792</td>
<td>832</td>
<td>873</td>
</tr>
<tr>
<td><strong>Commercial tires</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan Mie</td>
<td>174</td>
<td>174</td>
<td>174</td>
<td>174</td>
<td>174</td>
<td>174</td>
</tr>
<tr>
<td>Onomichi</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Aichi*</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>USA</td>
<td>70</td>
<td>70</td>
<td>53</td>
<td>94</td>
<td>117</td>
<td>117</td>
</tr>
<tr>
<td>China</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Thailand</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Vietnam</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>33</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>ATG</td>
<td>0</td>
<td>177</td>
<td>203</td>
<td>240</td>
<td>276</td>
<td>300</td>
</tr>
<tr>
<td>Total commercial tires</td>
<td>364</td>
<td>541</td>
<td>555</td>
<td>639</td>
<td>699</td>
<td>723</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,083</td>
<td>1,283</td>
<td>1,277</td>
<td>1,431</td>
<td>1,531</td>
<td>1,597</td>
</tr>
<tr>
<td><strong>Overseas capacity as % of total capacity</strong></td>
<td>56.0%</td>
<td>62.8%</td>
<td>59.9%</td>
<td>62.7%</td>
<td>65.1%</td>
<td>66.5%</td>
</tr>
</tbody>
</table>

*Aichi Tire Industry capacity on product weight basis*
Allocate resources on a priority basis to business fields of strength

Expand our components business in the growing automotive industry

- Developed hoses for use in air conditioners using next-generation refrigerant and internal heat exchanger (IHX) to improve cooling efficiency of car air conditioners
- Both being used in Jeep® Wrangler and Jeep® Compass

Assert strong leadership in marine products

- Developed world’s largest floating rubber fender, 6m diameter
- Indonesia subsidiary receives international certification of marine hose

Expanding shipments mainly to ASEAN oil companies

Deliveries began in January
Golf Equipment

PRGR

PRGR-sponsored pro Satoshi Kodaira captures championship on US tour

Victory at RBC Heritage tournament in April makes Kodaira 5th Japanese golfer to win on US PGA tour.

March

Launched Q series

All-around clubs that help golfers improve score by making better shots from bad lies

From left, Q18, Q23, Q28, Q33

July

Launched new RS series

Expanding initial velocity area to the limit in pursuit of more power, more continuity

RS driver (left) and RS-F driver

PRGR-sponsored pro Satoshi Kodaira captures championship on US tour

Victory at RBC Heritage tournament in April makes Kodaira 5th Japanese golfer to win on US PGA tour.

March

Launched Q series

All-around clubs that help golfers improve score by making better shots from bad lies

From left, Q18, Q23, Q28, Q33

July

Launched new RS series

Expanding initial velocity area to the limit in pursuit of more power, more continuity

RS driver (left) and RS-F driver
Branding

Strengthen the Yokohama brand worldwide

**Partnership agreement with Chelsea FC (from 2015)**

Media coverage provides global exposure for YOKOHAMA TYRES

- FA Cup champions
- CM broadcast during Japan national team’s game just before World Cup
- New uniform for 2018-19 season

**Partnership agreement with Los Angeles Angels (from 2011)**

- YOKOHAMA logo displayed at Angel Stadium
Initiatives to achieve UN’s Sustainable Development Goals (SDGs) based on “Caring for the future” concept

Making natural rubber a sustainable resource
- Promoting use of agroforestry* (Thailand)
- Accelerating joint research on biosynthetic pathway of natural rubber to improve productivity

Conservation of biodiversity
- Our “YOKOHAMA Forever Forest” activities, now in 12th year*, were recognized when Hiratsuka factory and Onomichi plants were certified as symbiotic sites in harmony with living things
- Expanded 8yr old ecological preservation project in China

Alleviating social troubles
- Employee-operated YOKOHAMA Magokoro (Sincere Heart) Fund makes donations to fund disaster relief efforts and support NPOs and other organizations contributing to society through efforts conserve the environment and protect human rights

* A farming method that involves cultivating various farm crops and trees together on a rubber plantation, contributing to biodiversity and income stability for rubber farmers from harvesting multiple crops.

*520k trees planted, 320k seedlings supplied
Promoting Work Style Reforms

Work-life balance
% of employees using childcare leave in 2017
Women 100% / Men 50%

Human resources diversity
Rehired 40 staff over 65 years of age

This term’s initiatives
- Hourly paid leave
- Work-from-home system
- Extend employment until age 70 (at factories)
- Rehire employees who left to raise children or care for elderly
- Expand regular employees

We will implement further measures according to the needs of our employees
Corporate Governance

Strengthening global governance

Establishing whistleblower hotlines worldwide
- Completed in China in February
- Preparations underway in other countries.

Board of Director system reforms

Introduction of restricted stock compensation plan
- To share the merits and risks of share price fluctuations with shareholders.

More nonexecutive members, fewer in-house members
- Strengthened management oversight and monitoring

Greater diversity among directors/auditors
- Promote our diversity management initiative

Nonexecutive members: 3→4
In-house members: 9→6
Non-Japanese directors: 0→2
Female nonexecutive auditors: 0→1
Steady progress toward medium-term targets for FY2020

- Achieved record sales revenue and operating profit in first half of 2018
- Operating profit margin: 1.9% YoY improvement
- D/E ratio: 0.19pt YoY improvement

<table>
<thead>
<tr>
<th></th>
<th>2017 first half</th>
<th>2018 first half</th>
<th>YoY change</th>
<th>2018 full year (forecast)</th>
<th>2020 full year (target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>304.2</td>
<td>309.7</td>
<td>+5.4</td>
<td>670.0</td>
<td>700.0</td>
</tr>
<tr>
<td>Operating profit</td>
<td>19.9</td>
<td>26.4</td>
<td>+6.4</td>
<td>60.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>6.6%</td>
<td>8.5%</td>
<td>+1.9%</td>
<td>9.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>D/E ratio*</td>
<td>0.97</td>
<td>0.78</td>
<td>-0.19</td>
<td>-</td>
<td>0.6</td>
</tr>
</tbody>
</table>

*D/E ratio = interest-bearing debt / total equity attributable to owners of parent

Voluntary Adoption of IFRS
- The Group has restated its fiscal results for 2017 on an IFRS basis to facilitate meaningful year-on-year comparisons.
Cautionary Notes Regarding Forecasts

Forecasts and outlooks included in this material are based on the judgment of the Company's management using currently available information. Actual results and earnings may differ from the forecasts and outlooks included in the material due to various risks and uncertainties.