1. Outline of GD2020 Medium-Term Management Plan
2. FY2018 Results and Future Initiatives
3. FY2019 Financial Targets
1. Outline of GD2020 Medium-Term Management Plan

2. FY2018 Results and Future Initiatives

3. FY2019 Financial Targets
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

Consumer Tires
Expand our presence in the premium tire markets

Commercial Tires
Make commercial tires a pillar of revenue driven by OHT*

MB (Multiple Business)
Allocate resources on a priority basis to business fields of strength

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. Outline of GD2020 Medium-Term Management Plan

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3. FY2019 Financial Targets
## Record sales revenue and business profit

- Overcame negative impact from slowdown in Chinese economy
- YTMM impairment loss booked in 3Q resulted in YoY decline in operating profit

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Results</th>
<th>FY2018 Forecast (As of Nov. 2018)</th>
<th>FY2018 Results</th>
<th>Change for FY2017</th>
<th>Change for Forecast</th>
<th>FY2020 (Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>646.3</td>
<td>650.0</td>
<td>650.2</td>
<td>+4.0</td>
<td>+0.2</td>
<td>700.0</td>
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<tr>
<td>Business profit*</td>
<td>58.3</td>
<td>61.5</td>
<td>59.3</td>
<td>+1.0</td>
<td>-2.2</td>
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<tr>
<td>Business profit margin</td>
<td>9.0%</td>
<td>9.5%</td>
<td>9.1%</td>
<td>+0.1%</td>
<td>-0.3%</td>
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<tr>
<td>Operating profit</td>
<td>54.2</td>
<td>55.0</td>
<td>53.5</td>
<td>-0.7</td>
<td>-1.5</td>
<td>70.0</td>
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<tr>
<td>Operating profit margin</td>
<td>8.4%</td>
<td>8.5%</td>
<td>8.2%</td>
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<tr>
<td>D/E ratio*</td>
<td>0.831</td>
<td>-</td>
<td>0.696</td>
<td>-0.135</td>
<td>-</td>
<td>0.6</td>
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</tbody>
</table>

*Business profit= Sales revenue- (Cost of sales + SG&A expenses)*

*Debt-to-equity ratio = Interest-bearing debt / Total equity attributable to owners of the 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.
Consumer Tires

Expanding our presence in premium tire markets

1) Premium car tire strategy

Increased use of our tires as OE on premium cars in Japan and overseas

- YOKOHAMA tires now OE on many models, including the BMW X5 and Mercedes AMG E-class cars
- Will further expand use as OE on new models in 2019

Premium cars equipped with YOKOHAMA tires
2) Winter tire strategy

Expanded our lineup of studless tires

- Expanded iceGUARD 6 lineup to 11 sizes
- Expanded iceGUARD SUV G075 lineup to 66 sizes
- Launched sales of iceGUARD 6 Z.P.S. runflat tires in October

Entered Europe’s all-season tire market

- Launched sales of BluEarth-4S AW21 in September

Developed technology to evaluate water absorption effect of winter tires

- Will use to develop winter tires with dramatically improved performance on ice
Consumer Tires

3) Hobby tire strategy

Launched sales of mud-terrain tire for SUVs
  • GEOLANDAR X-MT introduced in US in summer and Japan in September

Expanded size lineups for sports tires
  • Added news sizes for ADVAN A053, ADVAN A08B, and ADVAN A052

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4) Strengthening communication with consumers

Enthusiastically staging user-participation events

Held fan meeting for car lovers at Tsutaya Bookstore in Daikanyama
Exhibited at “Highway Motor Show,” a one-of-a-kind event held at expressway service area
Opened a limited-time collaboration café with a driving music theme

Special event in Asahikawa – interacting with local users of studless tires

- Donated studless tires for 41 vehicles owned by Hokkaido’s Asahikawa City
- Exhibited at Asahikawa’s food festival
- Test drive event for users held at TTCH
Motor Sports Activities

Hone our competitive edge in tire technology through participation in motor sports

Supporting major races in Japan and abroad

Sole supplier of tires for Japan’s SUPER FORMULA (left) and the FIA World Touring Car Cup (WTCR) races

2018: Sponsored champion in OK class of All-Japan Karting

2019: Nürburgring 24-hour endurance race

2019: Tire supplier for TCR Japan

SUPER GT 500 & 300 class races
Commercial Tires

Business expansion being driven by off-highway tires

Commercial tires to become pillar of growth in YOKOHAMA’s second century

Strong results at ATG and Aichi Tire  
- ATG has increased sales revenue 25.3%* since being acquired  
- Aichi Tire achieved record high sales revenue in 2018  
   Contributions from synergies realized by acquisition  

* Comparison with ATG’s nonconsolidated FY2016 sales

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

Introducing ATG tires to Japan market  
- OTR* tires: began deliveries to major construction machinery maker in February 2019  
- Agriculture machinery tires: development of additional sizes for Japan expected to fuel sales growth  

*OTR = Off-The-Road tires

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Commercial Tires

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

**Began deliveries of OE tires to truck makers in North America**

- Deliveries started following receipt of certification from Big 3 (DTNA/VOLVO/PACCAR) in 2018
- Will start deliveries from YTMM after receiving IATF16949 certification in March 2019

**Ultra-wide base (UWB) single tires – new sizes being marketed in Japan & North America**

- Aiming for strong sales growth, added new sizes to 902L lineup in 2019
- Gradually expanding production capacity at Mie Plant from 2019 to 2020

**Developing new truck & bus tires to further expand our lineup**

- Will launch sales in North America of the 712L, a deep-groove, drive-axle tire for long hauls, in seven sizes
- Plan to continue introducing new products in Japan, North America and Europe

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Tire Developments & New Products

**BluEarth-GT AE51 grand touring tire**
- Sales launched in February
- Delivers comfortable ride on long drives
- All sizes have ultimate “a” grade for wet-grip performance
- Delivering as OE for Toyota’s Crown and Sienta models

**GEOLANDAR X-CV highway terrain tire**
- Sales to start in April
- Suitable for high-performance, crossover SUVs
- Has M+S mark in addition to high marks for safety, comfort and economy

**Introducing new tires for North American market**
- New launches to commemorate 50th year in North America to include:
  - 4 new ADVAN tires
  - 2 new GEOLANDAR tires
  - 2 new iceGUARD tires, etc.
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

■ Operating at about 50% of pre-fire capacity at end-2018
■ Scheduled to return to pre-fire full capacity by end-2020
Increasing production capacity 23% from 2017 to 2020 (+298t/day)

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

(tons/day)

### Tire Production Capacity (rubber volume basis)

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<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Overseas</th>
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<tbody>
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<td>2019</td>
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<td>2020</td>
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<tr>
<td>2020</td>
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# Tire Production Capacity

**rubber volume basis**

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<td><strong>Total consumer tires</strong></td>
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<td>742</td>
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<td><strong>Commercial tires</strong></td>
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<td>300</td>
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<tr>
<td><strong>Total commercial tires</strong></td>
<td>364</td>
<td>364</td>
<td>555</td>
<td>604</td>
<td>652</td>
<td>701</td>
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<td><strong>Total</strong></td>
<td>1,083</td>
<td>1,106</td>
<td>1,277</td>
<td>1,396</td>
<td>1,484</td>
<td>1,575</td>
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<tr>
<td>Overseas capacity as % of total capacity</td>
<td>56.0%</td>
<td>56.9%</td>
<td>59.9%</td>
<td>61.7%</td>
<td>64.0%</td>
<td>66.0%</td>
</tr>
</tbody>
</table>

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

Expanding auto components business

• Began delivering car battery coolant pipe to an automaker
• Established basic technology for high-strength, high-elasticity urethane-based adhesives

Strengthening marine products business

• Indonesian subsidiary began full-scale mass production of marine hoses and is expanding shipments to domestic and overseas customers

Expanding conveyor belt and hydraulic hose businesses

• Strengthened marketing of conveyor belts led to highest-ever share of Japan market
• Hydraulic hose plants in Japan and overseas are operating at full capacity to meet robust demand for our hoses
PRGR-sponsored pro Satoshi Kodaira wins on Japan and US tours

After his US victory at RBC Heritage in April, Kodaira capped his year by winning the Golf Nippon Series JT Cup in December.

Favorable market reception of two new club series

Strong sales for the all-around Q series of golf clubs introduced last March and the new RS series that debuted in July.
Branding

Strengthen the YOKOHAMA brand worldwide

Partnership with Chelsea FC 2019

- 2019–20 preseason match to be held in Japan

Chelsea FC legend Didier Drogba visited Japan in November 2018

Continuing partnership with Los Angeles Angels Until 2020

YOKOHAMA logo on display on outfield fence of Angel Stadium
Initiatives to achieve UN's Sustainable Development Goals (SDGs) based on “Caring for the future” concept

Established “Procurement Policy for Sustainable Natural Rubber” 2018

Use of YOKOHAMA Magokoro (Sincere Heart) Fund to support disaster relief efforts and social contributions 2018

- Yokohama Rubber included in three ESG stock indexes
  - Yokohama Rubber has been included in the FTSE4GoodIndex for 14 straight years and in the FTSE Blossom Japan Index and the MSCI Japan ESG Select Leaders Index for two consecutive years.
Strengthening management foundation

Improving & strengthening financial condition

Strengthening cash flows
- CF from operating activities
- CF from investing activities
- Free CF

Reducing interest-bearing debt
- Total equity (billion yen)
- Interest-bearing debt (billion yen)
- D/E ratio
- Net D/E ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>CF from operating activities</th>
<th>CF from investing activities</th>
<th>Free CF</th>
<th>Total equity</th>
<th>Interest-bearing debt</th>
<th>D/E ratio</th>
<th>Net D/E ratio</th>
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<tr>
<td>2014</td>
<td>59.0</td>
<td>5.3</td>
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<td>2015</td>
<td>57.5</td>
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<td>57.5</td>
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<tr>
<td>2016</td>
<td>77.7</td>
<td>60.5</td>
<td>60.5</td>
<td>323.6</td>
<td>184.3</td>
<td>0.570</td>
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<td>2017</td>
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<td>30.7</td>
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<td>335.9</td>
<td>194.9</td>
<td>0.598</td>
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<td>2018</td>
<td>82.8</td>
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<td>39.7</td>
<td>379.8</td>
<td>260.4</td>
<td>0.696</td>
<td>0.611</td>
</tr>
</tbody>
</table>

JGAAP

IFRS

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1. Outline of GD2020 Medium-Term Management Plan

2. FY2018 Results and Future Initiatives

3. FY2019 Financial Targets
No change to FY2020 targets. Building stronger, more stable management foundation for future growth

Despite outlook clouded by US-China trade frictions, Brexit and other uncertainties, Yokohama Rubber expects to achieve steady growth based on proprietary strategies.

<table>
<thead>
<tr>
<th>(billion yen)</th>
<th>FY2018 Results</th>
<th>FY2019 Forecast</th>
<th>YoY Change</th>
<th>FY2020 (Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>650.2</td>
<td>660.0</td>
<td>+9.8</td>
<td>700.0</td>
</tr>
<tr>
<td>Business profit*</td>
<td>59.3</td>
<td>57.5</td>
<td>-1.8</td>
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<tr>
<td>Business profit margin</td>
<td>9.1%</td>
<td>8.7%</td>
<td>-0.4%</td>
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<td>70.0</td>
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<td>Operating profit margin</td>
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<td>D/E ratio*</td>
<td>0.696</td>
<td>-</td>
<td>-</td>
<td>0.6</td>
</tr>
</tbody>
</table>

*Business profit = Sales revenue - (Cost of sales + SG&A expenses)
*D/E ratio = Interest-bearing debt / Total equity attributable to owners of the 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.
Financial Targets

- **Net sales**: ¥700 billion
- **Operating income and operating profit margin**: ¥70 billion, 10%
- **Debt/equity ratio**: 0.6
- **Return on equity**: 10%
- **Operating cash flow**: Three-year total of ¥200 billion
- **Investment**: Within scope of depreciation (not including strategic investments)
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.