



FY2019 First-Half Results Briefing

Results of 1H Activities and Initiatives for 2H

August 9, 2019

Yokohama Rubber Co., Ltd.

Masataka Yamaishi, President, Chairman of the Board

1. Outline of GD2020 Medium-Term Management Plan
2. Results of 1H Activities and Initiatives for 2H
3. FY2020 Financial Targets

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



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)

**Themes
for Today's
Presentation**

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Expand our presence in premium tire markets

1) Premium car tire strategy

Expanding use of our tires as OE on premium cars in Japan

- YOKOHAMA tires newly selected as OE on Toyota RAV4, the MAZDA3, and other premium cars **Mar-Apr 2019**

Overseas plants win recognition

- YTC wins US Subaru supplier award for 2018 **June 2019**
- YRPZ wins Nissan Russia supplier award for 2018 **June 2019**

2) Winter tire strategy

Strong sales of all-season tires

Solid sales of BluEarth-4S after launch in Europe

1H 2019



3) Hobby tire strategy

Introduced new tires, expanded lineups

- Launched sales of GEOLANDAR X-AT **April 2019**
- Added 5 sizes for ADVAN A08B **February 2019**
- Introduced ADVAN A052, ADVAN FLEVA and other new tires to North America **1H 2019**



Revival tires for historic cars

- Revived G.T. SPECIAL CLASSIC Y350 and A539 tires **Jul-Aug 2019**

4) Strengthening communication with consumers

Strengthened communication via the Web

- Opened “ADVAN club” website **July 2019**
- Renewed site introducing passenger car tires for Japan market **April 2019**



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

Business expansion being driven by off-highway tires

ATG tires introduced to Japan market February 2019

- OTR tires: began deliveries to major construction machinery maker in February 2019
- Agriculture machinery tires: developed additional sizes for Japan market



Alliance 324FarmPRO

Increasing product synergies with Aichi Tire

Aichi Tire products added to lineup of domestic sales subsidiary
Moving forward with sales of forklift tires March 2019



AICHI E-Cushion

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

- YTMM received IATF 16949 certification **March 2019**
- YTMM tires being delivered as OE to Japanese automakers in North America **March 2019**
- Launched sales of 712L tires for trucks and buses in seven core sizes
- Plan to add more sizes to product lineups **2H 2019**



Introduced new tires to Japan market

- Began sales of 302C lug tires for dump trucks **June 2019**
- Launched sales of LT751R, an all-season tire for community buses **July 2019**
- Launched sales of 507U tires for low-floor buses **July 2019**



302C **LT751R** **507U**

Commemorating 50 years in North America by expanding product lineup

Introducing new tires for North American market

Introducing GEOLANDAR X-AT in 27 sizes
and ADVAN APEX V601 in 44 sizes
Plan to launch nine new tires during the year

July 2019~



**GEOLANDAR
X-AT**

August 2019



**ADVAN
APEX V601**

Accelerating promotion of new tires in North America

Nine new tires include four hobby tires
Aggressive promotion of new offerings



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

Participation in Nürburgring 24-hour endurance race

Supported four teams
Ninth place was the best result for a Japanese team this year.



GEOLANDAR-equipped vehicle comes in first

First class championship won by a Japanese driver at Australia's largest off-road race



Allocating resources on a priority basis to business fields of strength

Solidifying No.1 position in global marine products market

- Introduced world's largest floating fender

July 2019



PRGR

New product launches

- RS RED driver March 2019
- SUPER egg series July 2019
- “egg” series September 2019



Strengthening the YOKOHAMA brand worldwide

Partnership with Chelsea FC

2019–20 preseason matches held in Japan July 2019

Matches against Kawasaki Frontale and FC Barcelona were held in Japan



Chelsea FC's David Luiz
with YRC President Masataka Yamaishi



Chelsea FC's new manager Frank Lampard (left) and
captain Cesar Azpilicueta at exclusive event

Initiatives to achieve UN's Sustainable Development Goals (SDGs)

Accelerating efforts to achieve sustainable procurement of natural rubber 1H 2019

Started surveys of worker conditions at natural rubber plantations and product flows



Introduced reusable energy system June 2019

Installed solar power system at Yokohama Tire Philippines' plant

Solar power system installed at YTPi plant



YOKOHAMA Magokoro Fund being used to support contributions to society 1H 2019

New support for pediatric clinics using facility dogs

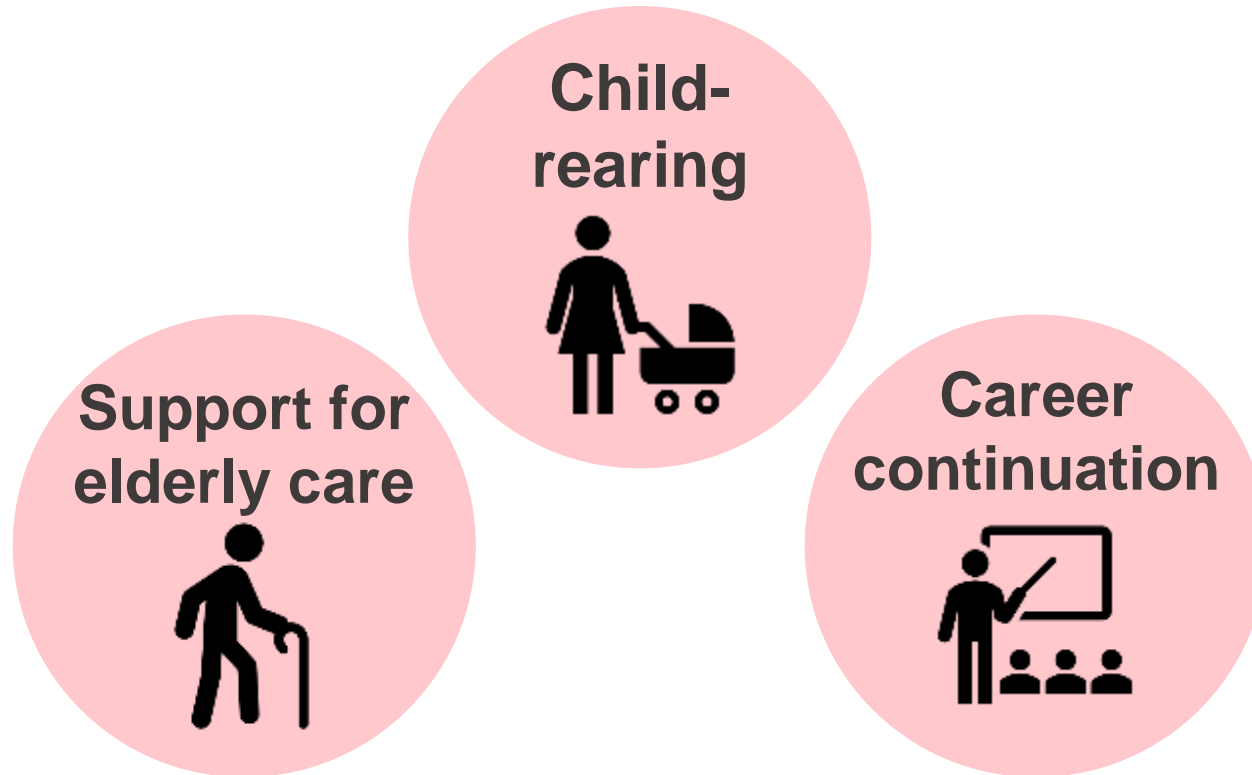


Strengthened corporate governance system

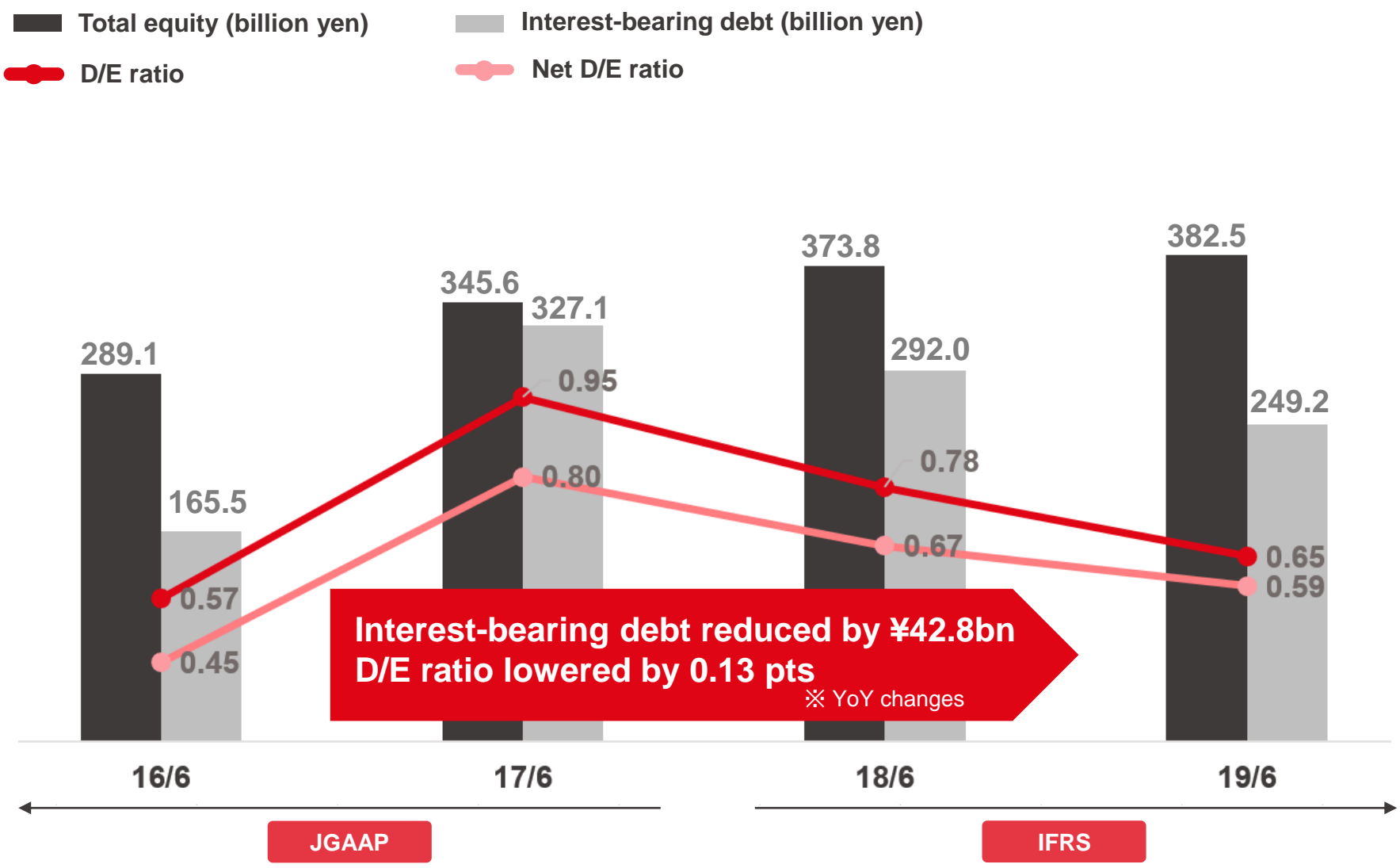
Fewer in-house directors; increased ratio of external directors March 2019

Established “Diversity Promotion Task Force”

July 2019



Recognize diverse work styles and strive to be a company that people are able to work at for many years
Consider measures to create an environment where all employees can work comfortably



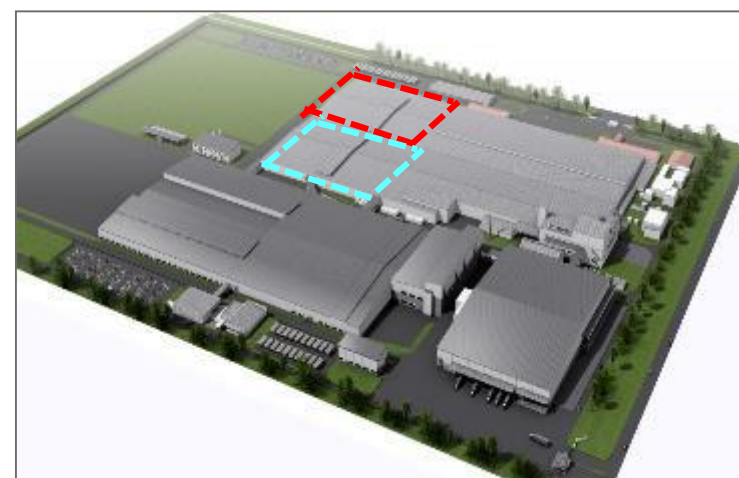
State of Restoration at YTPI

Yokohama Tire Philippines (YTPI) Information

- Location: Clark Freeport Zone in the Philippines
- Site area: 452,000m² (building floor space: 205,000 m²)

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



Area
restored in
2018



Area to be
restored by
end-2020

Operating at about 50% of pre-fire capacity at end-2018
Scheduled to return to full pre-fire capacity by end-2020

Tire Production Capacity (rubber volume basis)

(tons/day)

			GD100 Phase4			GD2020		
			2015	2016	2017	2018	2019	2020
Consumer tires	Japan	Mishima	99	99	99	99	100	100
		Shinshiro	127	127	127	149	149	149
		Shinshiro-minami	42	42	42	42	42	42
	USA		62	62	62	75	75	75
	Philippines		151	151	122	130	142	163
	China	Hangzhou	114	114	114	114	119	119
		Suzhou	25	48	56	83	106	120
	Thailand		72	72	72	72	72	72
	Russia		22	22	22	22	22	22
	India		7	7	7	7	7	12
	Total consumer tires		719	742	722	792	832	873
Commercial tires	Japan	Mie	174	174	174	174	174	174
		Onomichi	36	36	36	36	36	36
		Aichi*	0	0	35	35	35	35
	USA		70	70	53	58	70	95
	China		29	29	0	0	0	0
	Thailand		29	29	29	29	29	29
	Vietnam		26	26	26	33	33	33
	ATG		0	0	203	240	276	300
	Total commercial tires		364	364	555	604	652	701
Total			1,083	1,106	1,277	1,396	1,484	1,575
Overseas capacity as % of total capacity			56.0%	56.9%	59.9%	61.7%	64.0%	66.0%

*Aichi Tire Industry capacity on product weight basis

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Sales revenue	¥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.