



FY 2021 First-Half Financial Results

Briefing Material

August 11, 2021

The Yokohama Rubber Co., Ltd.

Results for FY 2021 First-Half

Hamatite business transfer

Due to the decision to transfer the Hamatite business, the business has been classified as a “discontinued operation” from the second quarter of fiscal 2021.

<Corporate accounting values>

Main changes		Retroactive revisions
P/L	Sales revenue, business profit, operating profit values are for “continued operations” only	Yes
B/S	Asset/liabilities of “discontinued operations” are displayed as "assets/liabilities held for sale"	No

■ Scope of consolidation

**Consolidated subsidiaries 114 companies
(1 more than at the end of previous fiscal year)**

(Breakdown of change)

+3 companies

Japan: +1 company

**MB domestic company engaged in repair and maintenance of construction
and hydraulic machinery**

Europe: +1 company

Tire indirectly owned sales subsidiary

Asia: +1 company

Tire mold production and sales company

-2 companies

Europe: -2 companies

Tire indirectly owned sales subsidiaries

Profit and Loss (First-Half)



Exchange Rates	US\$ 108 yen	108 yen (previous year)	-0 yen	
	EUR 130 yen	119 yen (previous year)	+11 yen	
	RUB 1.5 yen	1.6 yen (previous year)	-0.1 yen	
TSR20*	166 cents	122 cents (previous year)	+44 cents	*SICOM TSR20 1M
WTI	62 dollars	37 dollars (previous year)	+25 dollars	

		(billion yen)					
		2021 Jan.-Jun.	2020 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Continued operations	Sales revenue	303.9	238.0	+65.9	+27.7%	+4.1	+61.8
	Business profit*1 (Business profit margin)	26.3 (8.7%)	2.0 (0.9%)	+24.3 (+7.8%)	-	+2.0	+22.3
	Operating profit (Operating profit margin)	48.6 (16.0%)	3.0 (1.3%)	+45.6 (+14.7%)	-	+2.0	+43.7
	Profit	36.6	1.3	+35.3	-		
Discontinued operations	Profit *2	0.4	-0	+0.4	-		
	Profit *3	36.9	1.3	+35.7	-		

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

*2 Transfer of Hamatite business

*3 Interim profit attributable to owners of parent

Business Segment (First-Half)



(billion yen)

		2021 Jan.-Jun.	2020 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	211.0	166.6	+44.4	+26.7%	+3.6	+40.8
	MB	40.2	38.4	+1.8	+4.7%	+0.6	+1.2
	ATG	48.2	30.1	+18.2	+60.5%	-0.1	+18.3
	Other	4.4	3.0	+1.4	+49.1%	+0.0	+1.4
	Total	303.9	238.0	+65.9	+27.7%	+4.1	+61.8
Business profit	Tires	16.3	-2.0	+18.3	-	+1.9	+16.4
	MB	2.1	1.2	+0.9	+81.6%	+0.1	+0.9
	ATG	7.1	3.2	+3.9	+119.7%	-0.0	+3.9
	Other	0.8	-0.4	+1.1	-	+0.0	+1.1
	Intersegment eliminations	0.1	0.0	+0.0	-	-	+0.0
	Total	26.3	2.0	+24.3	-	+2.0	+22.3

Factor Analysis of Business Profit

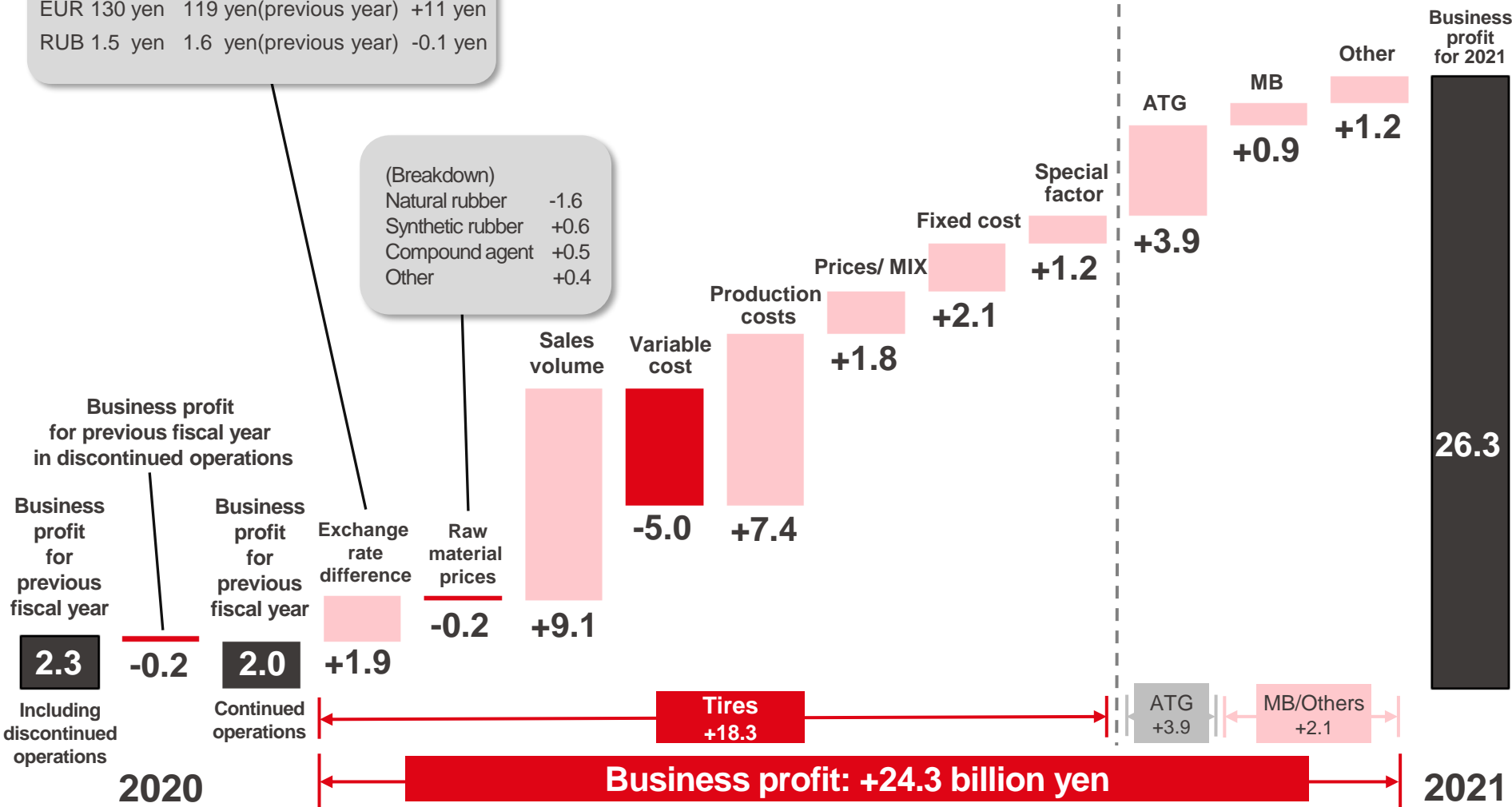


2021 First-Half

US\$ 108 yen 108 yen(previous year) -0 yen
 EUR 130 yen 119 yen(previous year) +11 yen
 RUB 1.5 yen 1.6 yen(previous year) -0.1 yen

(Breakdown)
 Natural rubber -1.6
 Synthetic rubber +0.6
 Compound agent +0.5
 Other +0.4

(billion yen)
 Factors that boosted business profit
 Factors that reduced business profit



Profit and Loss (Quarterly)



Exchange Rates

US\$ 106 yen	109 yen (previous year)	-3 yen
EUR 128 yen	120 yen (previous year)	+8 yen
RUB 1.4 yen	1.6 yen (previous year)	-0.2 yen

US\$ 110 yen	108 yen (previous year)	+2 yen
EUR 132 yen	119 yen (previous year)	+13 yen
RUB 1.5 yen	1.5 yen (previous year)	-0.0 yen

TSR20*

167 cents	134 cents (previous year)	+33 cents
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165 cents	111 cents (previous year)	+54 cents
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WTI

58 dollars	46 dollars (previous year)	+12 dollars
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66 dollars	28 dollars (previous year)	+37 dollars
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*SICOM TSR20 1M

(billion yen)

	2021 Jan.-Mar.	2020 Jan.-Mar.	Change	2021 Apr.-Jun.	2020 Apr.-Jun.	Change
Sales revenue	144.6	124.1	+20.5	159.3	114.0	+45.3
Business profit*1 (Business profit margin)	14.0 (9.7%)	1.5 (1.2%)	+12.5 (+8.5%)	12.3 (7.7%)	0.5 (0.4%)	+11.8 (+7.3%)
Operating profit (Operating profit margin)	36.3 (25.1%)	1.1 (0.9%)	+35.2 (+24.2%)	12.3 (7.7%)	1.9 (1.7%)	+10.4 (+6.0%)
Profit	27.5	-0.4	+27.9	9.1	1.7	+7.4
Discontinued operations						
Profit *2	0.3	0.1	+0.2	0.1	-0.1	+0.2
Profit *3	27.8	-0.3	+28.1	9.1	1.5	+7.6

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

*3 Interim profit attributable to owners of parent

*2 Transfer of Hamatite business

Business Segment (Quarterly)



(billion yen)

		2021 Apr.-Jun.	2020 Apr.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	109.6	79.2	+30.4	+38.5%	+3.6	+26.9
	MB	21.5	18.6	+2.9	+15.4%	+0.5	+2.4
	ATG	25.7	14.5	+11.2	+77.0%	+0.4	+10.7
	Other	2.5	1.7	+0.8	+50.8%	+0.0	+0.8
	Total	159.3	114.0	+45.3	+39.8%	+4.5	+40.8
Business profit	Tires	7.0	-1.5	+8.5	-	+1.4	+7.1
	MB	1.1	0.5	+0.6	+109.7%	+0.1	+0.5
	ATG	3.6	1.5	+2.2	+149.5%	+0.1	+2.1
	Other	0.5	0.0	+0.5	-	+0.0	+0.5
	Intersegment eliminations	0.1	0.0	+0.1	-	-	+0.1
	Total	12.3	0.5	+11.8	-	+1.5	+10.3

Factor Analysis of Business Profit

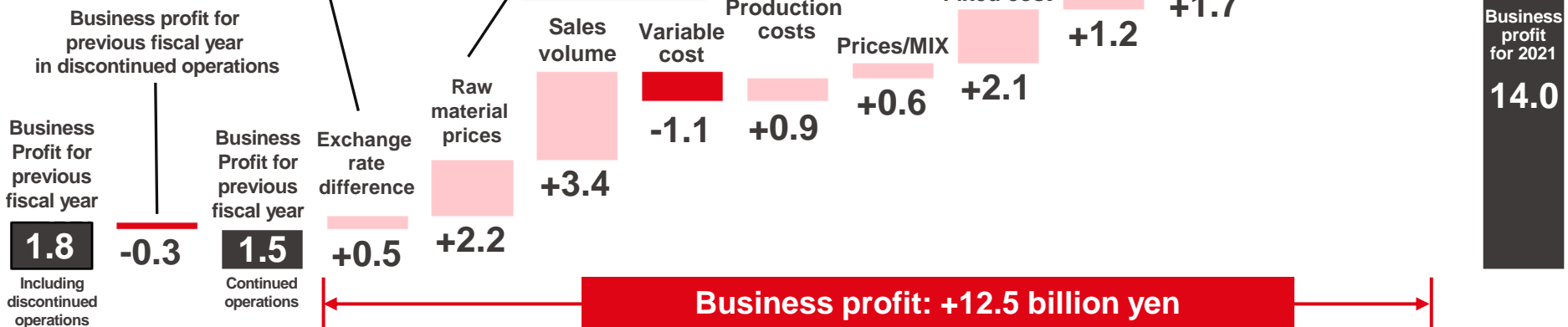


First-Quarter (Jan.-Mar.)

US\$ 106 yen 109 yen(previous year) -3 yen
 EUR 128 yen 120 yen(previous year) +8 yen
 RUB 1.4 yen 1.6 yen(previous year) -0.2 yen

(Breakdown)
 Natural rubber -0.2
 Synthetic rubber +0.9
 Compound agent +0.9
 Other +0.5

Factors that boosted business profit (light red)
 Factors that reduced business profit (dark red) (billion yen)

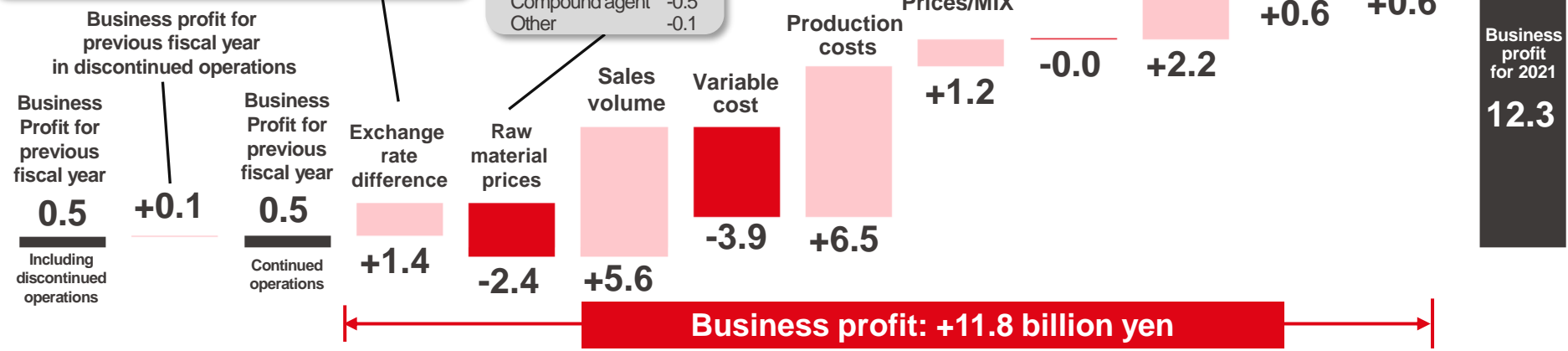


Second-Quarter (Apr.-Jun.)

US\$ 110 yen 108 yen(previous year) +2 yen
 EUR 132 yen 119 yen(previous year) +13 yen
 RUB 1.5 yen 1.5 yen(previous year) -0.0 yen

(Breakdown)
 Natural rubber -1.3
 Synthetic rubber -0.4
 Compound agent -0.5
 Other -0.1

Factors that boosted business profit (light red)
 Factors that reduced business profit (dark red) (billion yen)



Financial Position (Comparison with the end of the previous year)

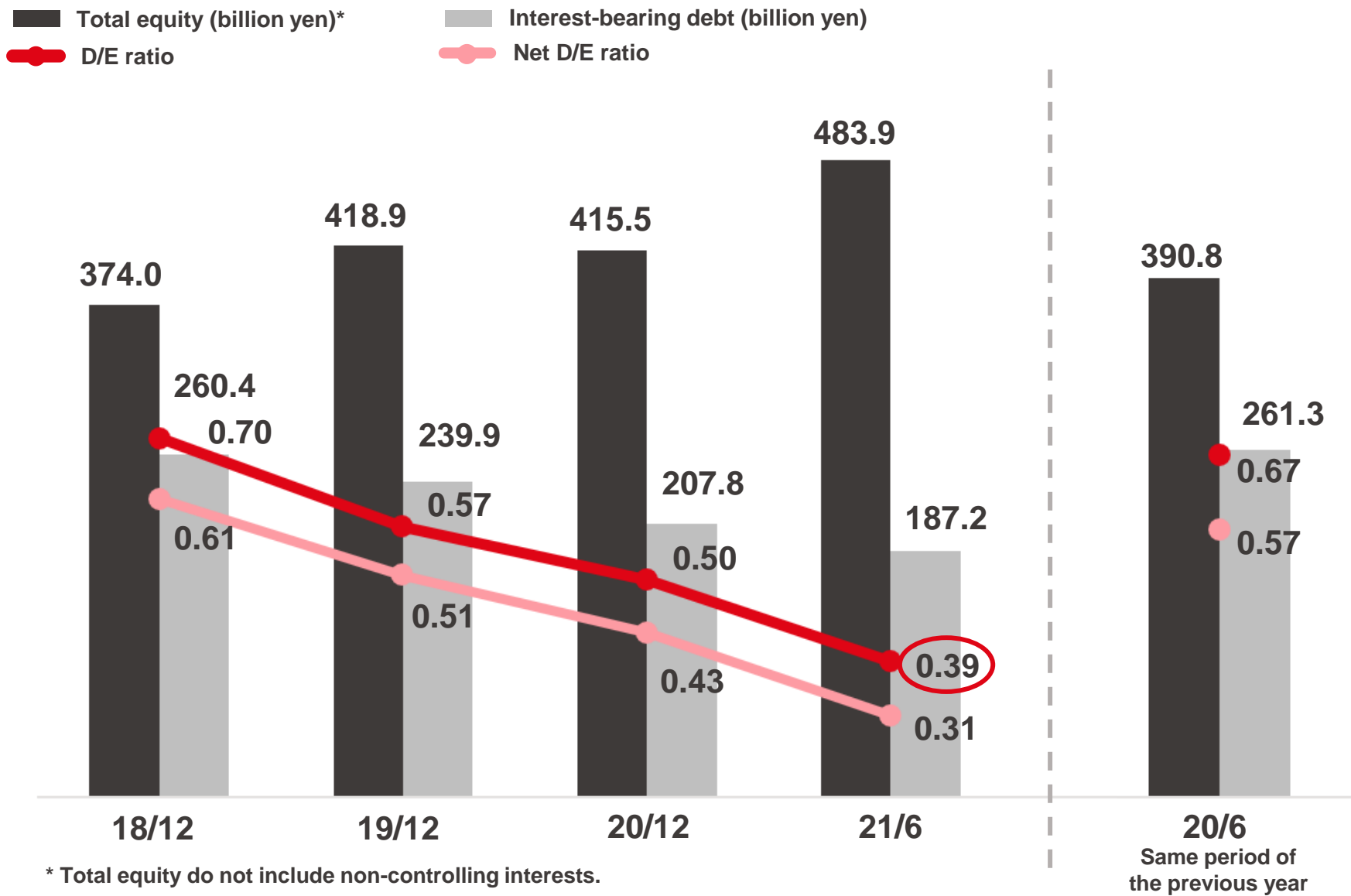


	Jun. 30, 2021	Dec. 31, 2020	(billion yen) Change	[for reference] Jun. 30, 2020
Current assets	339.7	309.3	+30.4	309.2
Assets held for sale	6.5	–	+6.5	–
Non-current assets	581.8	551.1	+30.7	548.0
Total assets	921.5	860.4	+61.1	857.2
Liabilities	430.5	437.5	-7.0	458.9
Liabilities held for sale*1	2.1	–	+2.1	–
Equity	490.9	422.9	+68.1	398.4
Total liabilities and equity	921.5	860.4	+61.1	857.2
Interest-bearing debt *2	187.2	207.8	-20.7	261.3
Ratio of equity attributable to owners of parent	52.5%	48.3%	+4.2%	45.6%
D/E ratio	0.39	0.50	-0.11	0.67

*1 Liabilities directly associated with assets held for sale

*2 Interest-bearing debt does not include lease liabilities

Changes in Interest-bearing Debt, Total equity, D/E Ratio, and Net D/E Ratio



State of Cash Flows



(billion yen)

	2021 Jan.-Jun.	2020 Jan.-Jun.	Change
CF from operating activities	32.6	19.2	+13.4
CF from investing activities	4.1	-19.0	+23.1
Free CF	36.7	0.2	+36.5
CF from financing activities	-33.5	12.4	-45.9
Closing balance of cash and cash equivalents	36.0	39.9	-3.9

Earnings Forecast for FY 2021

Profit and Loss Projections (Full Year)

(Changed from the previous forecast)



Forecasts after July 2021

US\$ 110 yen

Exchange Rates

EUR 130 yen

RUB 1.5 yen

TSR20*

158 cents

*SICOM TSR20 1M

WTI

69 dollars

(billion yen)

		2021 full year (forecast)	2020 full year (result)	Change	Change (%)	2021 full year (previous forecast)	Change for previous forecast
Continued operations	Sales revenue	655.0	551.1	+103.9	+18.9%	640.0	+15.0
	Business profit* ¹ (Business profit margin)	51.5 (7.9%)	35.9 (6.5%)	+15.6 (+1.4%)	+43.6%	50.0 (7.8%)	+1.5 (+0.1%)
	Operating profit (Operating profit margin)	73.5 (11.2%)	36.0 (6.5%)	+37.5 (+4.7%)	+104.2%	71.5 (11.2%)	+2.0 -
	Profit	52.1	25.9	+26.2	+100.8%	50.3	+1.8
Discontinued operations	Profit* ²	5.4	0.4	+5.0	-	5.7	-0.3
	Profit* ³	57.5	26.3	+31.2	+118.5%	56.0	+1.5

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

*3 Profit attributable to owners of parent

*2 Transfer of Hamatite business

Forecast for Business Segment (Full Year)



(billion yen)

		2021 forecast	2020 result	Change	2021 previous forecast	Change for previous forecast
Sales revenue	Tires	465.0	399.2	+65.8	458.0	+7.0
	MB	84.0	79.0	+5.0	86.0	-2.0
	ATG	98.0	65.1	+32.9	89.0	+9.0
	Other	8.0	7.7	+0.3	7.0	+1.0
	Total	655.0	551.1	+103.9	640.0	+15.0
Business profit	Tires	32.5	24.0	+8.5	33.0	-0.5
	MB	5.0	2.9	+2.1	5.3	-0.3
	ATG	13.0	8.8	+4.2	11.0	+2.0
	Other	1.0	0.1	+0.9	0.7	+0.3
	Intersegment eliminations	–	0.1	-0.1	–	–
	Total	51.5	35.9	+15.6	50.0	+1.5

Factor Analysis of Business Profit (Full Year)

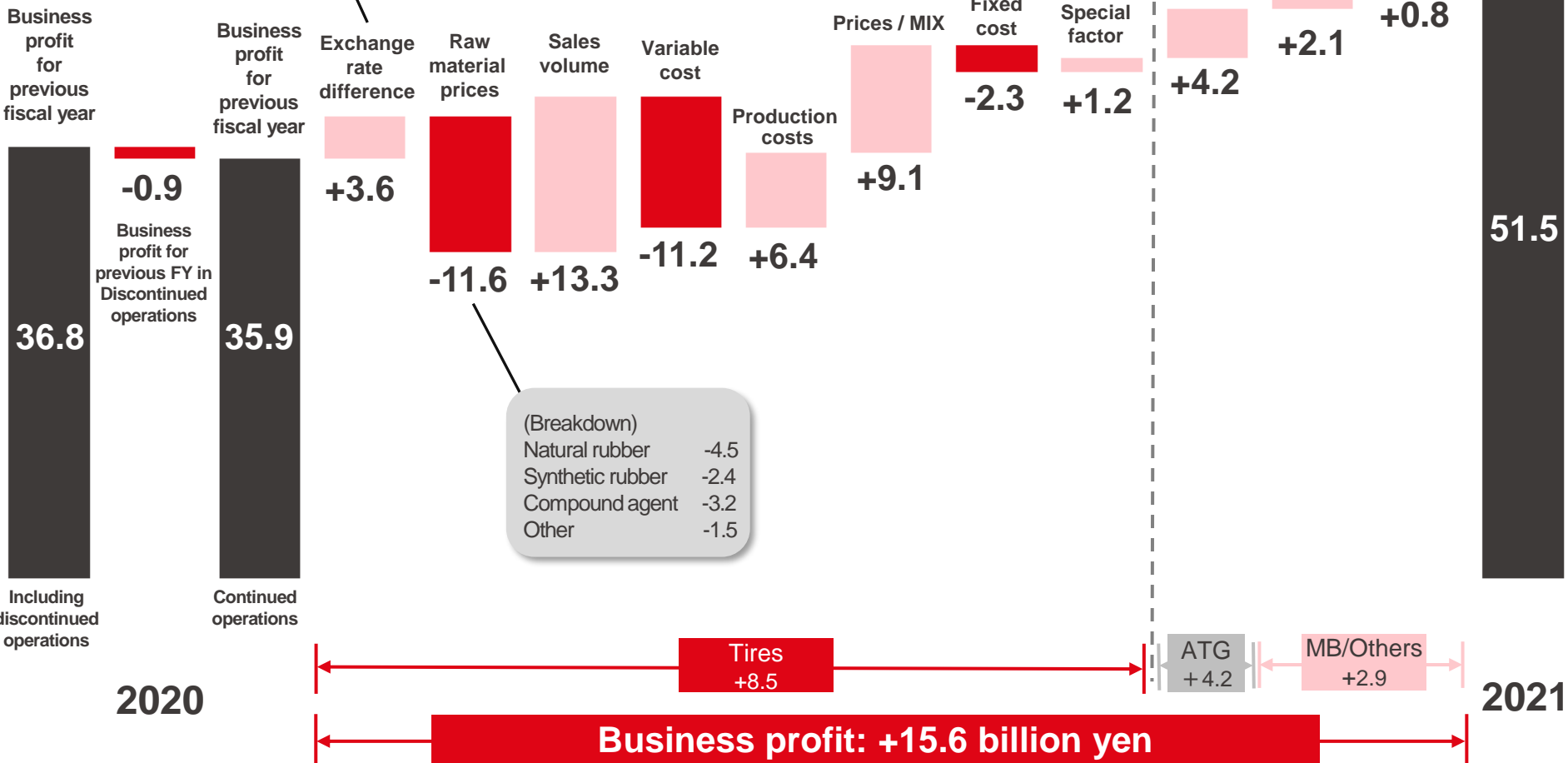


2021 Full-Year forecast

■ Factors that boosted business profit
 ■ Factors that reduced business profit

(billion yen)

US\$ 109 yen 107 yen(previous year) +2 yen
 EUR 130 yen 122 yen(previous year) +8 yen
 RUB 1.5 yen 1.5 yen(previous year) -0.0 yen



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.



YOKOHAMA Transformation 2023

(Reference) Key Points in Financial Statements



<Reference: retroactive values> *Post-reclassification values are included in this table

(billion yen)

	2021 Jan.-Jun.				2021 Jan.-Mar.				2021 Apr.-Jun.				
	Incl Hamatite	Hamatite	Post- reclass	YoY chg post- reclass	Incl Hamatite	Hamatite	Post- reclass	YoY chg post- reclass	Incl Hamatite	Hamatite	Post- reclass	YoY chg post- reclass	
Continued operations	Sales revenue	313.8	9.9	303.9	+65.9	149.6	5.0	144.6	+20.5	164.2	4.9	159.3	+45.3
	Business profit* ¹ (Business profit margin)	27.0 (8.6%)	0.7 (6.6%)	26.3 (8.7%)	+24.3 (+7.8%)	14.5 (9.7%)	0.5 (10.1%)	14.0 (9.7%)	+12.5 (+8.5%)	12.5 (7.6%)	0.1 (3.1%)	12.3 (7.7%)	+11.8 (+7.3%)
	Operating profit (Operating profit margin)	49.1 (15.6%)	0.5	48.6 (16.0%)	+45.6 (+14.7%)	36.7 (24.5%)	0.4	36.3 (25.1%)	+35.2 (+24.2%)	12.4 (7.5%)	0.1	12.3 (7.7%)	+10.4 (+6.0%)
	Profit	36.9	0.4	36.6	+35.3	27.8	0.3	27.5	+27.9	9.1	0.1	9.1	+7.4
Discontinued operations	Profit* ²	-	0.4	0.4	+0.4	-	0.3	0.3	+0.2	-	0.1	0.1	+0.2
	Profit* ³	36.9		36.9	+35.7	27.8		27.8	+28.1	9.1		9.1	+7.6

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

*2 Transfer of Hamatite business

*3 Interim profit attributable to owners of parent

(Reference) Tire Unit Sales Growth



Tire Business		2020			2021			
		2Q	1H	Annual	2Q (relative to 2020)	1H (relative to 2020)	2Q (relative to 2019)	1H (relative to 2019)
Japan	OE	47%	70%	85%	168%	119%	80%	83%
	REP	88%	90%	93%	106%	108%	93%	96%
Overseas	OE	96%	92%	107%	116%	132%	112%	121%
	REP	73%	83%	91%	148%	141%	108%	117%

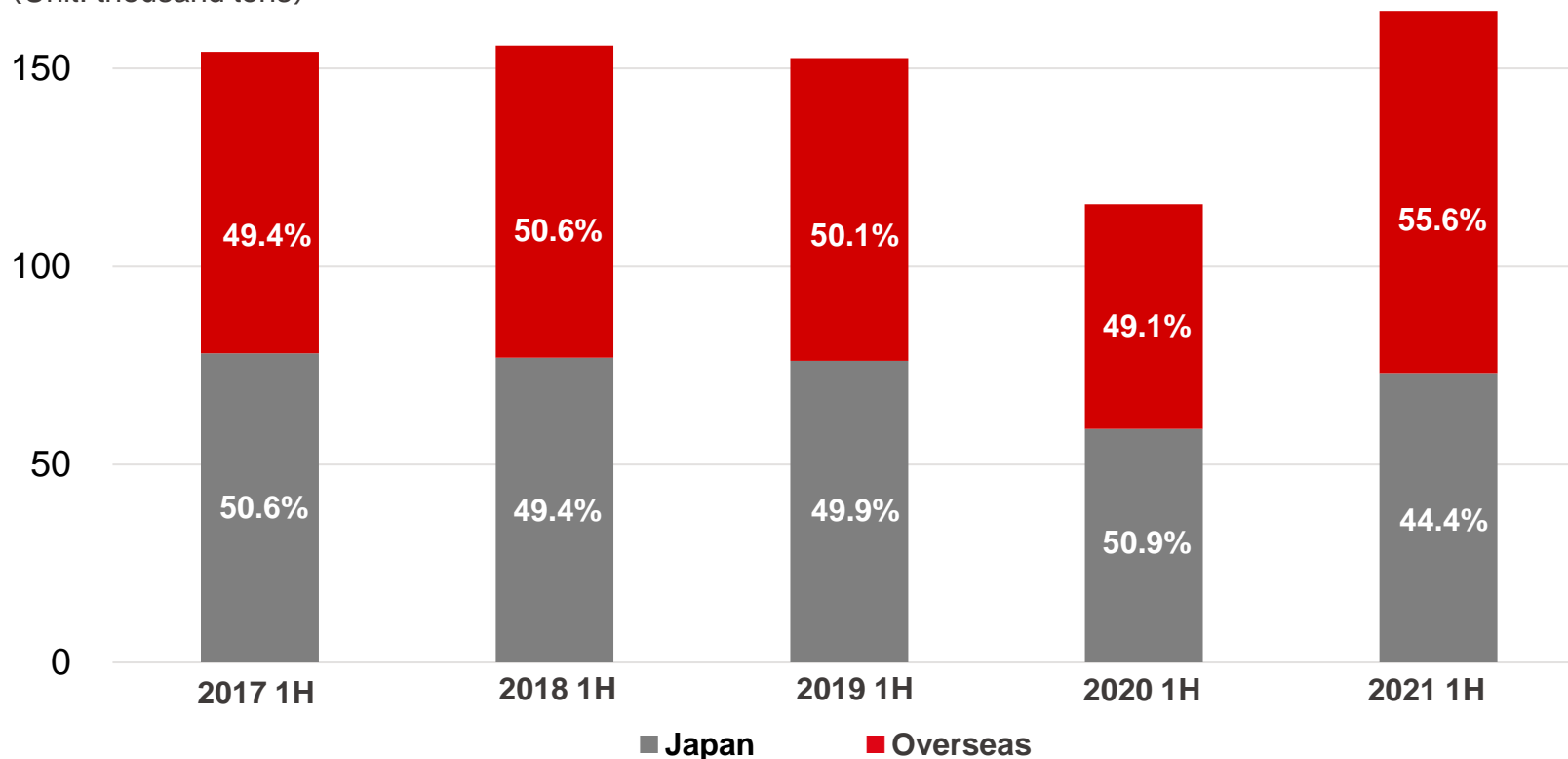
	2020			2021					Regional sales composition	
	2Q	1H	Annual	2Q (relative to 2020)	2Q (relative to 2019)	1H (relative to 2020)	1H (relative to 2019)	Annual forecast (relative to 2020)	2020 Annual	2021 1H
Japan	71%	81%	90%	123%	88%	112%	91%	104%	41%	36.5%
No. America	70%	85%	90%	150%	106%	131%	111%	120%	19%	21%
China	112%	88%	104%	106%	118%	144%	127%	117%	17%	17.5%
Europe	68%	78%	87%	148%	100%	137%	106%	120%	6%	6%
Russia	76%	82%	96%	136%	103%	122%	100%	105%	4%	4%
Asia	52%	81%	92%	192%	100%	158%	115%	127%	9%	10%
Others	62%	81%	76%	146%	91%	128%	104%	118%	4%	5%
Total	75%	82%	92%	132%	98%	127%	104%	113%	-	-

*Excluding ATG, Aichi Tire

(Reference) Tire Rubber Production Volumes in 1H



(Unit: thousand tons)



(unit: thousand tons)	2017 1H	2018 1H	2019 1H	2020 1H	2021 1H
Japan	78	77	76	59	73
Overseas	76	79	76	57	91
Total	154	156	153	116	165

*Excluding ATG, Aichi Tire