

FY 2021 Financial Results

Briefing Material

February 17, 2022

The Yokohama Rubber Co., Ltd.

Consolidated subsidiaries 109 companies (4 less 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

-7 companies

Japan: -5 companies

Tire indirectly owned sales subsidiaries

Europe: -2 companies

Tire indirectly owned sales subsidiaries

Results for FY 2021

Profit and Loss (Full Year)



Exchange Rates	US\$ 110 yen	105 yen (previous year)	+5 yen
	EUR 130 yen	125 yen (previous year)	+5 yen
	RUB 1.5 yen	1.5 yen (previous year)	+0.0 yen
TSR20*	168 cents	132 cents (previous year)	+36 cents *SICOM TSR20 1M
WTI	68 dollars	40 dollars (previous year)	+28 dollars

						(billion yen)	
		2021 Jan.-Dec.	2020 Jan.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Continued operations	Sales revenue	670.8	551.1	+119.7	+21.7%	+19.5	+100.3
	Business profit* ¹ (Business profit margin)	62.2 (9.3%)	35.9 (6.5%)	+26.3 (+2.8%)	+73.3%	+5.1	+21.2
	Operating profit (Operating profit margin)	83.6 (12.5%)	36.0 (6.5%)	+47.6 (+6.0%)	+132.4%	+5.1	+42.5
	Profit	58.7	25.9	+32.8	+126.4%		
Discontinued operations	Profit* ²	6.8	0.4	+6.4	—		
	Profit* ³	65.5	26.3	+39.2	+148.9%		

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

*3 Profit attributable to owners of parent

*2 Transfer of Hamatite business

Business Segment (Full Year)



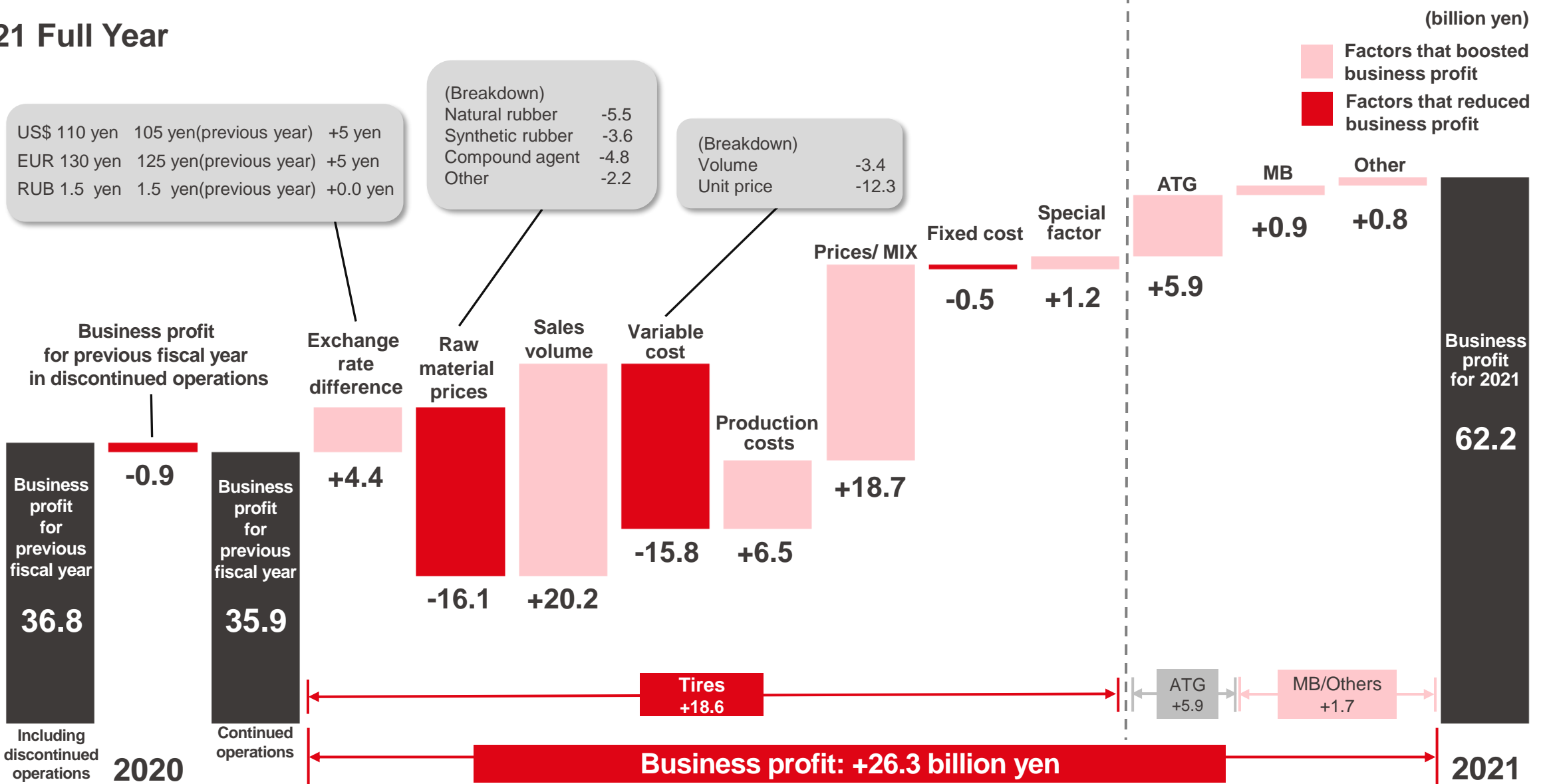
(billion yen)

		2021 Jan.-Dec.	2020 Jan.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	470.2	399.2	+71.0	+17.8%	+14.1	+56.9
	MB	84.4	79.0	+5.4	+6.8%	+1.9	+3.5
	ATG	107.3	65.1	+42.2	+64.8%	+3.4	+38.8
	Other	8.9	7.7	+1.1	+14.6%	+0.0	+1.1
	Total	670.8	551.1	+119.7	+21.7%	+19.5	+100.3
Business profit	Tires	42.7	24.0	+18.7	+78.0%	+4.4	+14.3
	MB	3.8	2.9	+0.9	+30.5%	+0.3	+0.6
	ATG	14.7	8.8	+5.9	+67.0%	+0.4	+5.5
	Other	1.1	0.1	+1.0	—	+0.0	+1.0
	Intersegment eliminations	-0.1	0.1	-0.2	—	—	-0.2
	Total	62.2	35.9	+26.3	+73.3%	+5.1	+21.2

Factor Analysis of Business Profit



2021 Full Year



Profit and Loss (Quarterly)



Exchange Rates	US\$ 109 yen	+1 yen
	EUR 130 yen	+9 yen
	RUB 1.5 yen	-0.1 yen
TSR20*	166 cents	+42 cents
WTI	65 dollars	+26 dollars

US\$ 114 yen	+9 yen
EUR 130 yen	+5 yen
RUB 1.6 yen	+0.2 yen
173 cents	+18 cents
77 dollars	+34 dollars

US\$ 110 yen	+5 yen
EUR 130 yen	+5 yen
RUB 1.5 yen	+0.0 yen
168 cents	+36 cents
68 dollars	+28 dollars

*SICOM TSR20 1M

		2021 Jan.-Sep.	Change
Continued operations	Sales revenue	460.5	+84.0
	Business profit*1 (Business profit margin)	37.1 (8.1%)	+28.2 (+5.7%)
	Operating profit (Operating profit margin)	59.3 (12.9%)	+50.9 (+10.7%)
	Profit	43.1	+38.9
Discontinued operations	Profit *2	0.3	+0.3
	Profit *3	43.5	+39.1

		2021 Oct.-Dec.	Change
		210.4	+35.7
		25.0 (11.9%)	-1.9 (-3.5%)
		24.3 (11.6%)	-3.2 (-4.2%)
		15.6	-6.1
		6.4	+6.1
		22.0	+0.0

(billion yen)

		2021 Jan.-Dec.	Change
		670.8	+119.7
		62.2 (9.3%)	+26.3 (+2.8%)
		83.6 (12.5%)	+47.6 (+6.0%)
		58.7	+32.8
		6.8	+6.4
		65.5	+39.2

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

*2 Transfer of Hamatite business

*3 Profit attributable to owners of parent

Business Segment (Fourth-Quarter)

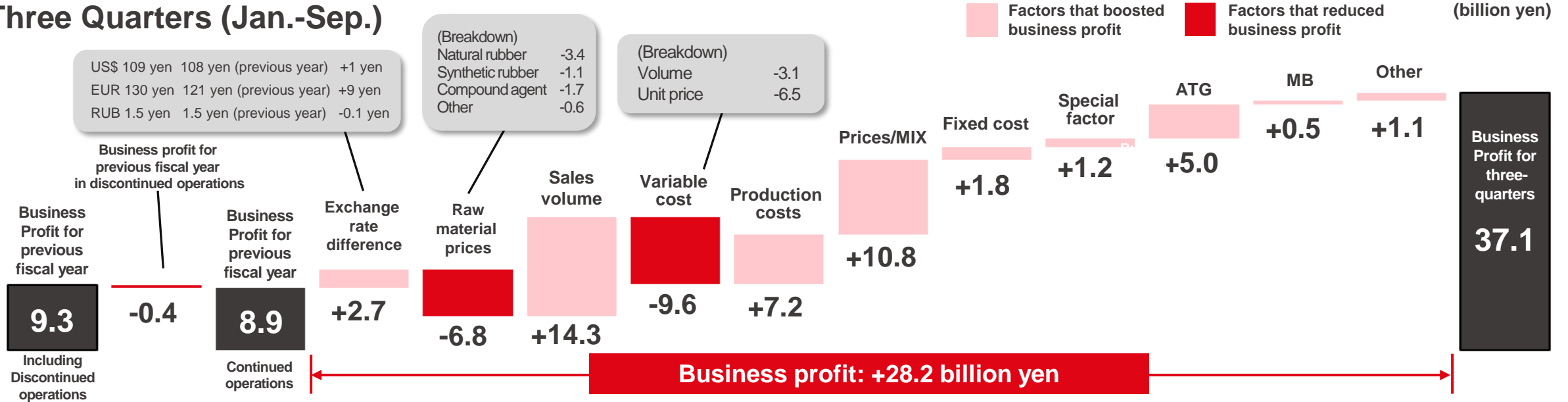


(billion yen)

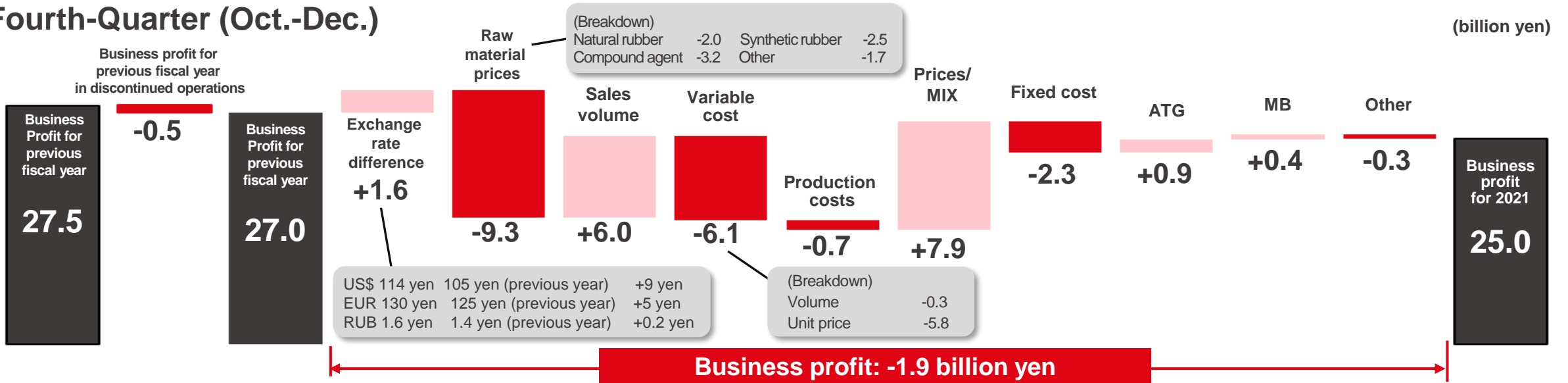
		2021 Oct.-Dec.	2020 Oct.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	152.8	133.0	+19.9	+15.0%	+7.0	+12.9
	MB	24.7	21.8	+3.0	+13.6%	+0.9	+2.1
	ATG	30.6	17.7	+12.8	+72.5%	+2.5	+10.3
	Other	2.2	2.2	+0.0	+0.2%	+0.0	+0.0
	Total	210.4	174.6	+35.7	+20.5%	+10.3	+25.4
Business profit	Tires	20.5	23.5	-2.9	-12.5%	+1.6	-4.5
	MB	1.1	0.8	+0.4	+47.7%	+0.2	+0.2
	ATG	3.5	2.6	+0.9	+36.5%	+0.3	+0.7
	Other	-0.0	0.1	-0.1	-	+0.0	-0.1
	Intersegment eliminations	-0.1	0.0	-0.2	-	-	-0.2
	Total	25.0	27.0	-1.9	-7.1%	+2.1	-4.0

Factor Analysis of Business Profit

Three Quarters (Jan.-Sep.)



Fourth-Quarter (Oct.-Dec.)



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

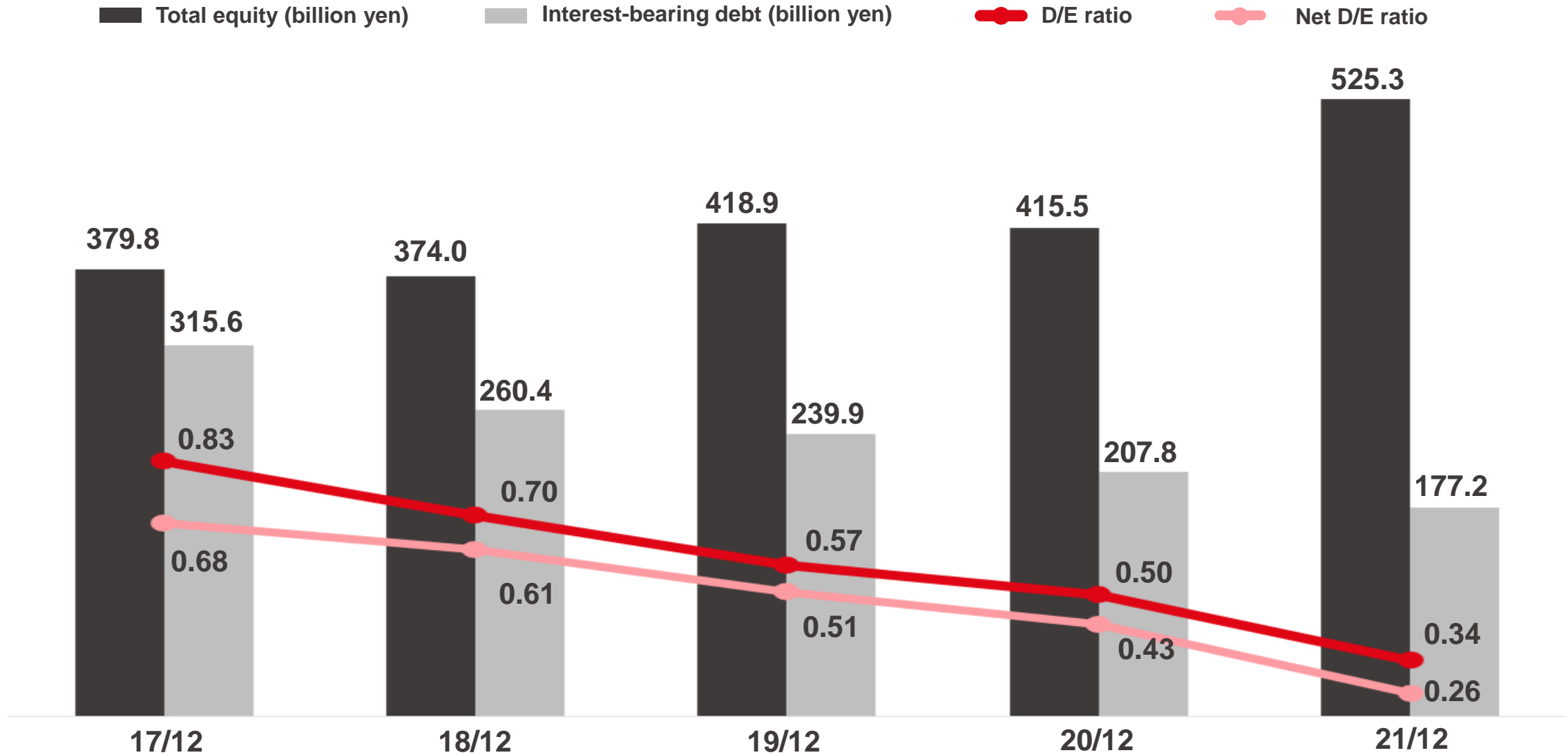


(billion yen)

	Dec. 31, 2021	Dec. 31, 2020	Change
Current assets	383.6	309.3	+74.3
Non-current assets	601.4	551.1	+50.3
Total assets	985.0	860.4	+124.6
Liabilities	452.0	437.5	+14.5
Equity	533.0	422.9	+110.1
Total liabilities and equity	985.0	860.4	+124.6
Interest-bearing debt*	177.2	207.8	-30.6
Ratio of equity attributable to owners of parent	53.3%	48.3%	+5.0%
D/E ratio	0.34	0.50	-0.16
ROE	13.9%	6.3%	+7.6%
ROIC	8.2%	4.5%	+3.7%

* 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.-Dec.	2020 Jan.-Dec.	Change
CF from operating activities	68.3	78.3	-10.0
CF from investing activities	-4.5	-27.9	+23.4
Free CF	63.8	50.4	+13.4
CF from financing activities	-55.2	-46.6	-8.6
Closing balance of cash and cash equivalents	42.5	30.8	+11.8

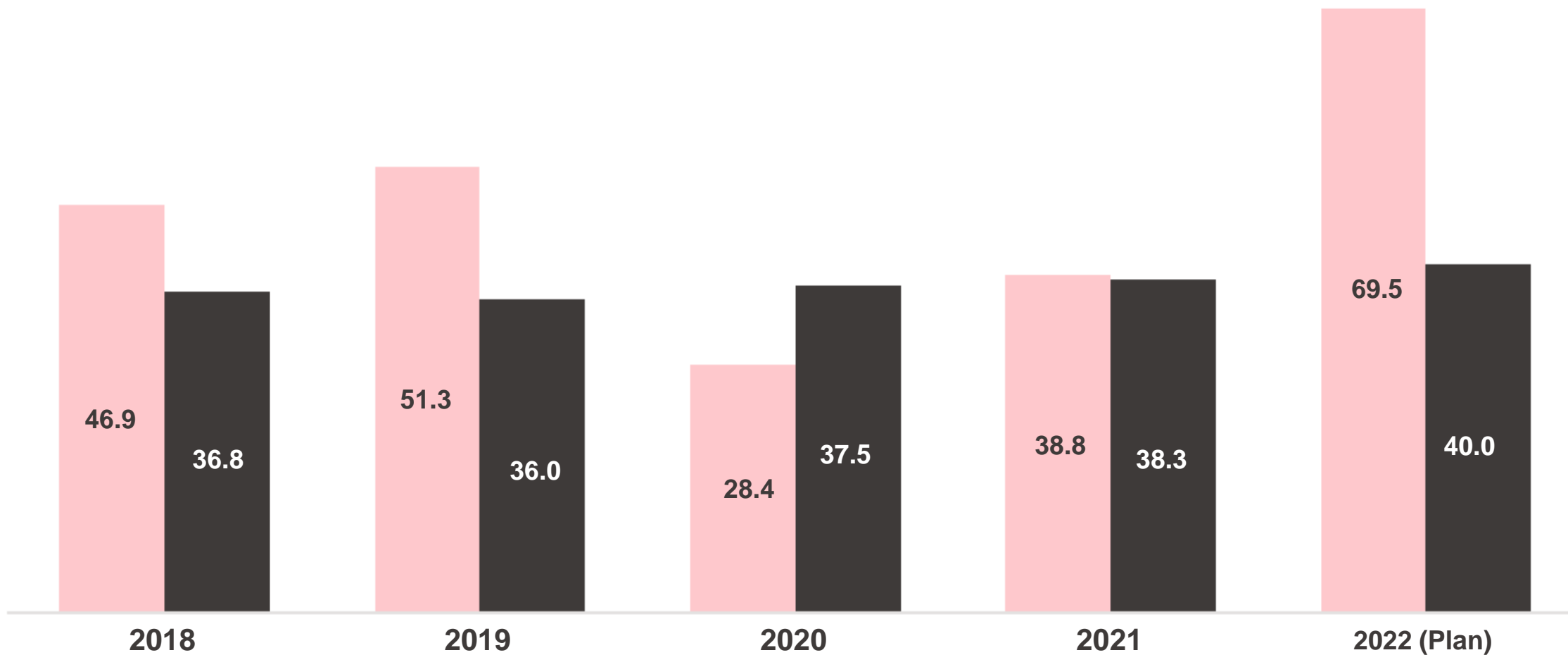
Capital Expenditures and Depreciation



Capital expenditures

Depreciation

(billion yen)



* From 2019, the amount for depreciation is net of the portion allocable to right-of-use assets newly recognized under the accounting standard "IFRS 16 Leases."

Earnings Forecast for FY 2022

Profit and Loss Projections (Full Year)



Exchange Rates	US\$ 115 yen	110 yen (previous year)	+5 yen
	EUR 130 yen	130 yen (previous year)	+0 yen
	RUB 1.5 yen	1.5 yen (previous year)	-0.0 yen
TSR20*	162 cents	168 cents (previous year)	-6 cents *SICOM TSR20 1M
WTI	67 dollars	68 dollars (previous year)	-1 dollar

						(billion yen)	
		2022 full year (forecast)	2021 full year (result)	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Continued operations	Sales revenue	750.0	670.8	+79.2	+11.8%	+19.7	+59.5
	Business profit*1 (Business profit margin)	60.0 (8.0%)	62.2 (9.3%)	-2.2 (-1.3%)	-3.5%	+2.5	-4.6
	Operating profit (Operating profit margin)	58.5 (7.8%)	83.6 (12.5%)	-25.1 (-4.7%)	-30.1%	+2.4	-27.6
	Profit	40.0	58.7	-18.7	-31.9%		
Discontinued operations	Profit *2	—	6.8	-6.8	—		
	Profit *3	40.0	65.5	-25.5	-38.9%		

*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)

		2022 forecast	2021 result	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires (YOHT)	647.0 (120.0)	577.5 (107.3)	+69.5 (+12.7)	+12.0% (+11.9%)	+18.4 (+5.7)	+51.2 (+7.0)
	MB	95.0	84.4	+10.6	+12.5%	+1.7	+8.9
	Other	8.0	8.9	-0.9	-10.0%	-0.4	-0.5
	Total	750.0	670.8	+79.2	+11.8%	+19.7	+59.5
Business profit	Tires (YOHT)	52.7 (14.9)	57.2 (14.7)	-4.5 (+0.2)	-7.9% (+1.3%)	+2.2 (+0.6)	-6.7 (-0.5)
	MB	6.4	3.8	+2.6	+69.3%	+0.3	+2.3
	Other	0.9	1.1	-0.2	-17.9%	-0.0	-0.2
	Intersegment eliminations	-	0.1	-0.1	-	-	-0.1
	Total	60.0	62.2	-2.2	-3.5%	+2.5	-4.6

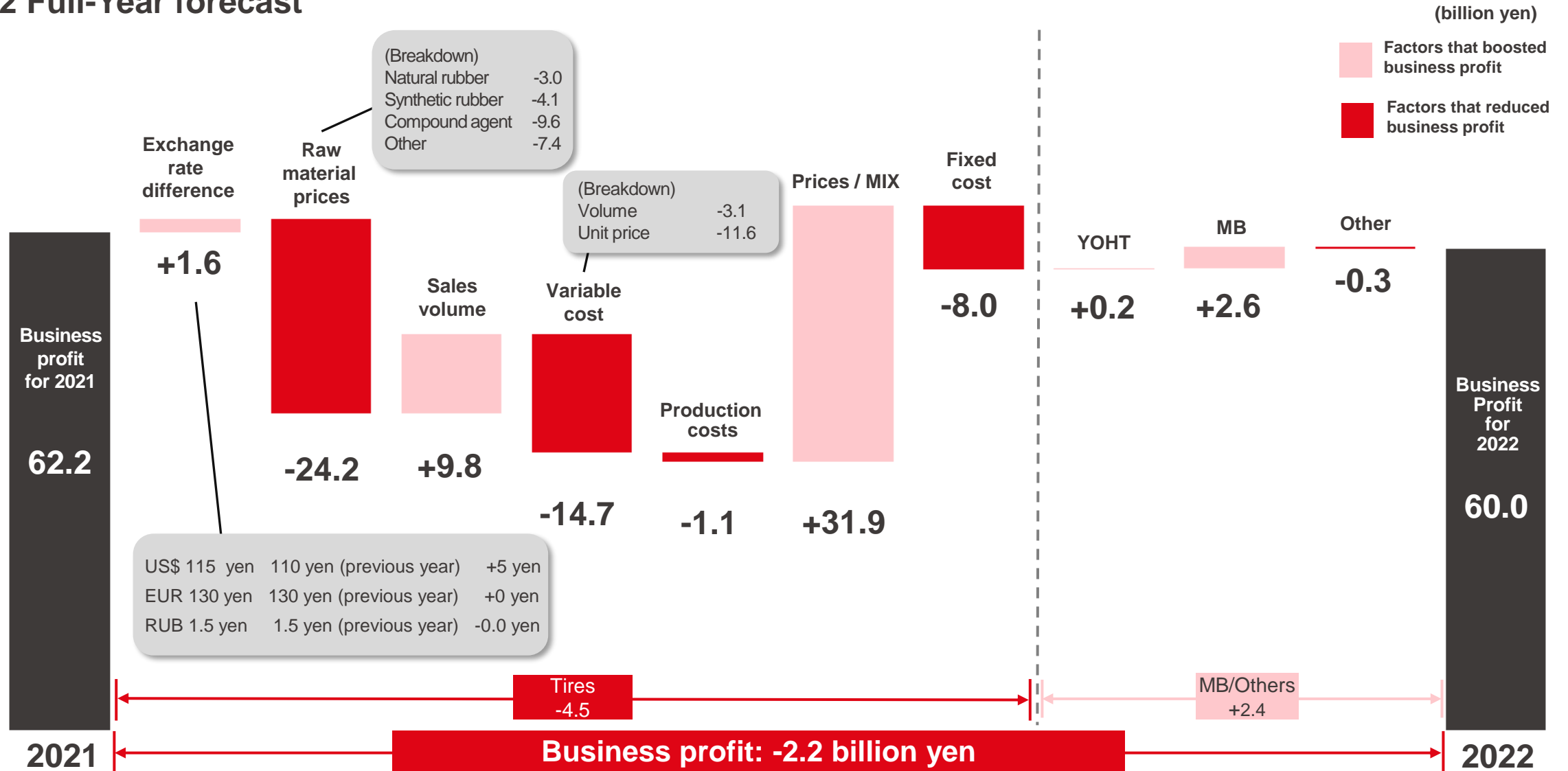
* From 2022, the business that was previously called "ATG" has been renamed "YOHT" and, considering the similarities in its customer base and product characteristics, its results are consolidated into tire segment results.

Fiscal 2021 results are approximate values calculated based on the revised reporting segment classification and are subject to change based on the results of accounting audits.

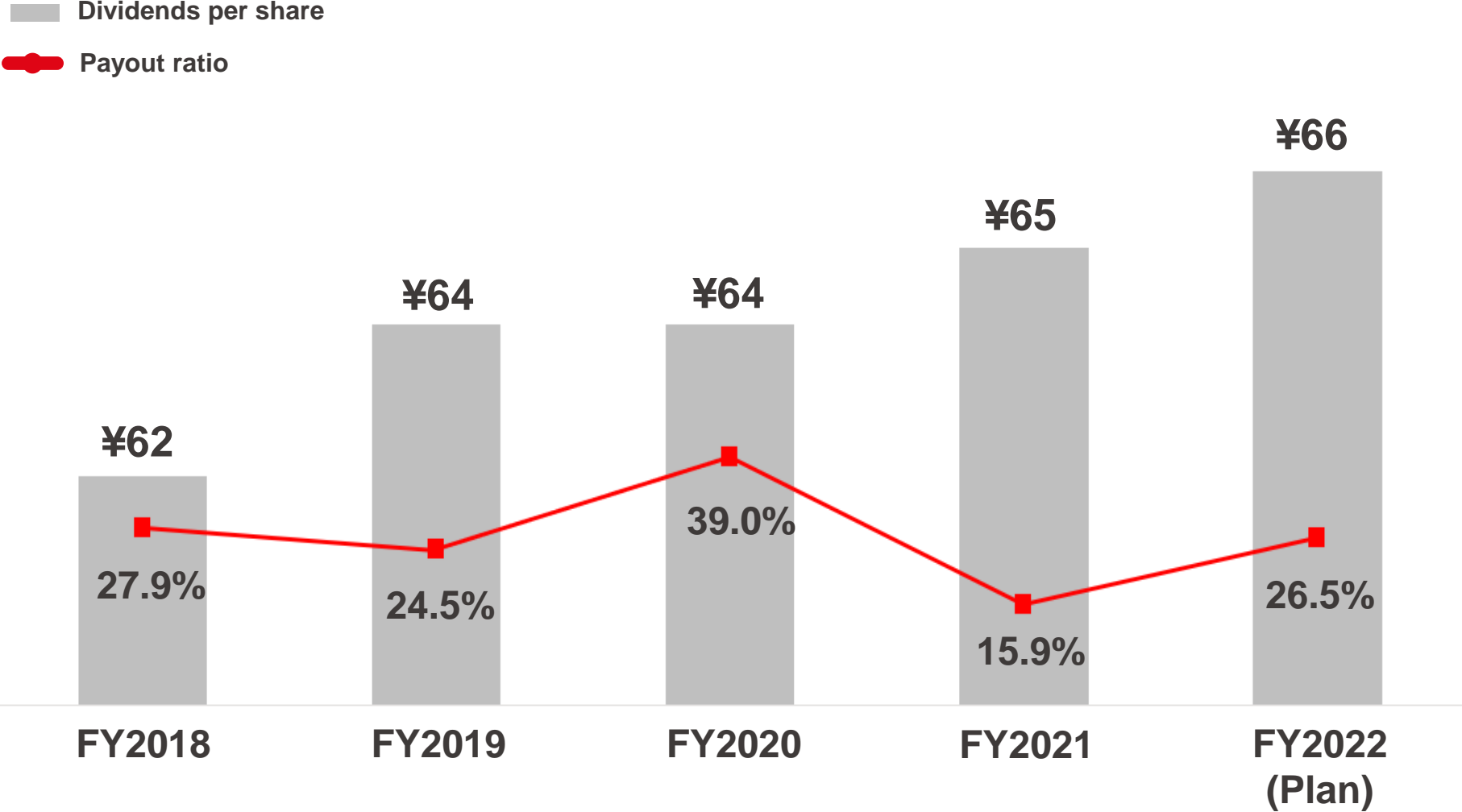
Factor Analysis of Business Profit (Full Year)



2022 Full-Year forecast



Dividend and Payout Ratio



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

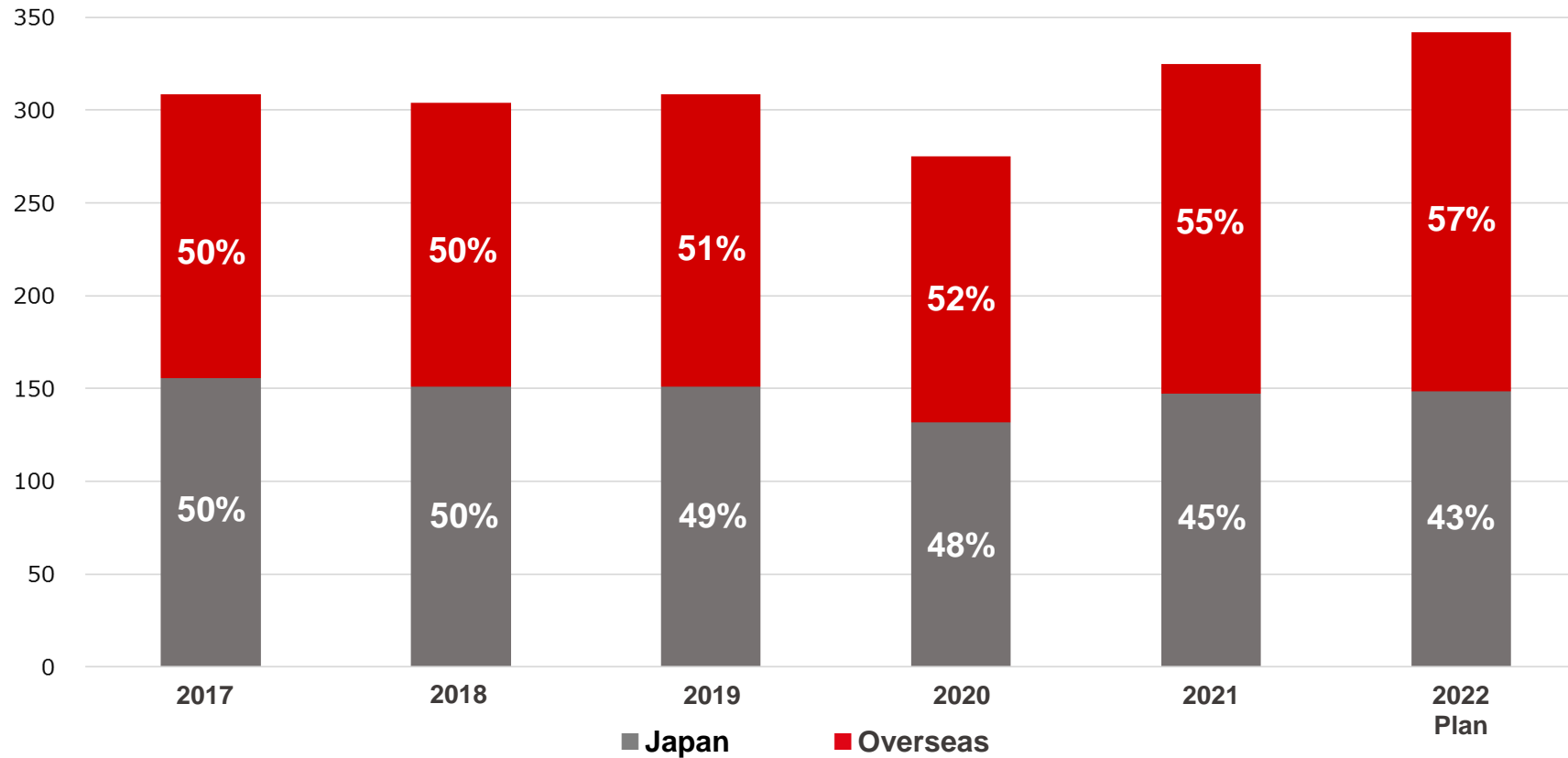
(Reference) Tire Unit Sales Growth



Tire Business		2020		2021				2022 forecast
		4Q (relative to 2019)	Annual (relative to 2019)	4Q (relative to 2020)	4Q (relative to 2019)	Annual (relative to 2020)	Annual (relative to 2019)	Annual (relative to 2021)
Japan	OE	109%	85%	76%	83%	93%	79%	104%
	REP	109%	93%	106%	116%	105%	98%	103%
Overseas	OE	117%	107%	93%	109%	104%	112%	109%
	REP	97%	91%	109%	106%	121%	111%	108%

	2020		2021						2022 forecast	Regional sales composition		
	4Q (relative to 2019)	Annual (relative to 2019)	4Q (relative to 2020)	4Q (relative to 2019)	2H (relative to 2020)	2H (relative to 2019)	Annual (relative to 2020)	Annual (relative to 2019)	Annual (relative to 2021)	2020 Annual	2021 4Q	2021 Annual
Japan	109%	90%	97%	106%	93%	91%	101%	91%	103%	41%	43%	38%
No. America	86%	90%	110%	95%	105%	99%	116%	104%	107%	19%	17%	20%
Europe	86%	87%	127%	109%	113%	106%	122%	106%	106%	6%	7%	7%
Russia	96%	96%	102%	98%	101%	112%	110%	106%	100%	4%	3%	4%
China	118%	104%	87%	103%	83%	98%	106%	111%	119%	17%	15%	17%
Asia	122%	92%	108%	132%	112%	124%	130%	119%	108%	9%	10%	10%
Others	82%	76%	123%	100%	126%	91%	127%	97%	89%	4%	5%	5%
Total	104%	92%	101%	105%	98%	98%	110%	101%	106%	-	-	-

(Reference) Tire Rubber Production Volumes



(Unit: thousand tons)	2017	2018	2019	2020	2021	2022 Plan
Japan	156	151	151	132	147	148
Overseas	153	153	158	143	177	193
Total	308	304	309	275	325	342

P/L retroactive values of Hamatite business



<Reference: P/L retroactive values of Hamatite business>

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

(billion yen)

		2021 Jan.-Dec.				2021 Jan.-Sep.				2021 Oct.-Dec.			
		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	687.0	16.2	670.8	+119.7	475.0	14.5	460.5	+84.0	212.0	1.7	210.4	+35.7
	Business profit*1 (Business profit margin)	62.7 (9.1%)	0.5 (3.1%)	62.2 (9.3%)	+26.3 (+2.8%)	37.8 (8.0%)	0.7 (4.9%)	37.1 (8.1%)	+28.2 (+5.7%)	24.8 (11.7%)	-0.2 -	25.0 (11.9%)	-1.9 (-3.5%)
	Operating profit (Operating profit margin)	92.8 (13.5%)	9.2 (56.8%)	83.6 (12.5%)	+47.6 (+6.0%)	59.7 (12.6%)	0.4 (2.8%)	59.3 (12.9%)	+50.9 (+10.7%)	33.1 (15.6%)	8.8 (521.9%)	24.3 (11.6%)	-3.2 (-4.2%)
	Profit	65.5	6.8	58.7	+32.8	43.5	0.3	43.1	+38.9	22.0	6.4	15.6%	-6.1
Discontinued operations	Profit*2	-	6.8	6.8	+6.4	-	0.3	0.3	+0.3	-	6.4	6.4	+6.1
	Profit*3	65.5		65.5	+39.2	43.5		43.5	+39.1	22.0		22.0	+0.0

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

*2 Transfer of Hamatite business

*3 Profit attributable to owners of parent