

FY 2022 Financial Results

Briefing Material

February 17, 2023

The Yokohama Rubber Co., Ltd.

Results for FY 2022

Profit and Loss (Full Year)



Exchange Rates	US\$ 132 yen	110 yen (previous year)	+22 yen
	EUR 138 yen	130 yen (previous year)	+8 yen
	RUB 2.0yen	1.5 yen (previous year)	+0.5 yen
TSR20*	155 cents	168 cents (previous year)	-13 cents *SICOM TSR20 1M
WTI	94 dollars	68 dollars (previous year)	+26 dollars

		(billion yen)							
		2022 Jan.-Dec.	2021 Jan.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates	Previous forecast	Change from forecast (%)
Continued operations	Sales revenue	860.5	670.8	+189.7	+28.3%	+88.9	+100.8	855.0	+0.6%
	Business profit*1 (Business profit margin)	70.1 (8.1%)	62.2 (9.3%)	+7.9 (-1.2%)	+12.8%	+18.5	-10.6	62.5 (7.3%)	+12.1%
	Operating profit (Operating profit margin)	68.9 (8.0%)	83.6 (12.5%)	-14.8 (-4.5%)	-17.7%	+18.6	-33.4	60.5 (7.1%)	+13.8%
	Profit	45.9	58.7	-12.8	-21.8%			42.0	
Discontinued operations	Profit*2	—	6.8	-6.8	—			—	
	Profit*3	45.9	65.5	-19.6	-29.9%			42.0	+9.3%

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

*2 Transfer of Hamatite business

*3 Profit attributable to owners of parent

Impact of transfer of
Hamatite business -6.8

Impact of the sale of the headquarters building -20.8
Impact of insurance claim income -1.5

Business Segment (Full Year)



(billion yen)

		2022 Jan.-Dec.	2021 Jan.-Dec.	Change	Change (%)	Previous forecast	Change from forecast
Sales revenue	Tires (YOHT)	754.3 (155.8)	577.5 (107.3)	+176.8 (+48.5)	+30.6% (+45.2%)	748.0 (161.0)	+6.3 (-5.2)
	MB	96.2	84.4	+11.8	+14.0%	97.0	-0.8
	Other	9.9	8.9	+1.0	+11.6%	10.0	-0.1
	Total	860.5	670.8	+189.7	+28.3%	855.0	+5.5
Business profit	Tires (YOHT)	66.8 (22.1)	57.2 (14.7)	+9.6 (+7.4)	+16.8% (+50.2%)	58.2 (20.2)	+8.6 (+1.9)
	MB	4.0	3.8	+0.2	+4.9%	5.4	-1.4
	Other	-0.8	1.1	-1.9	—	-1.1	+0.3
	Intersegment eliminations	0	0.1	-0	-36.0%	—	+0
	Total	70.1	62.2	+7.9	+12.8%	62.5	+7.6

Factor Analysis of Business Profit

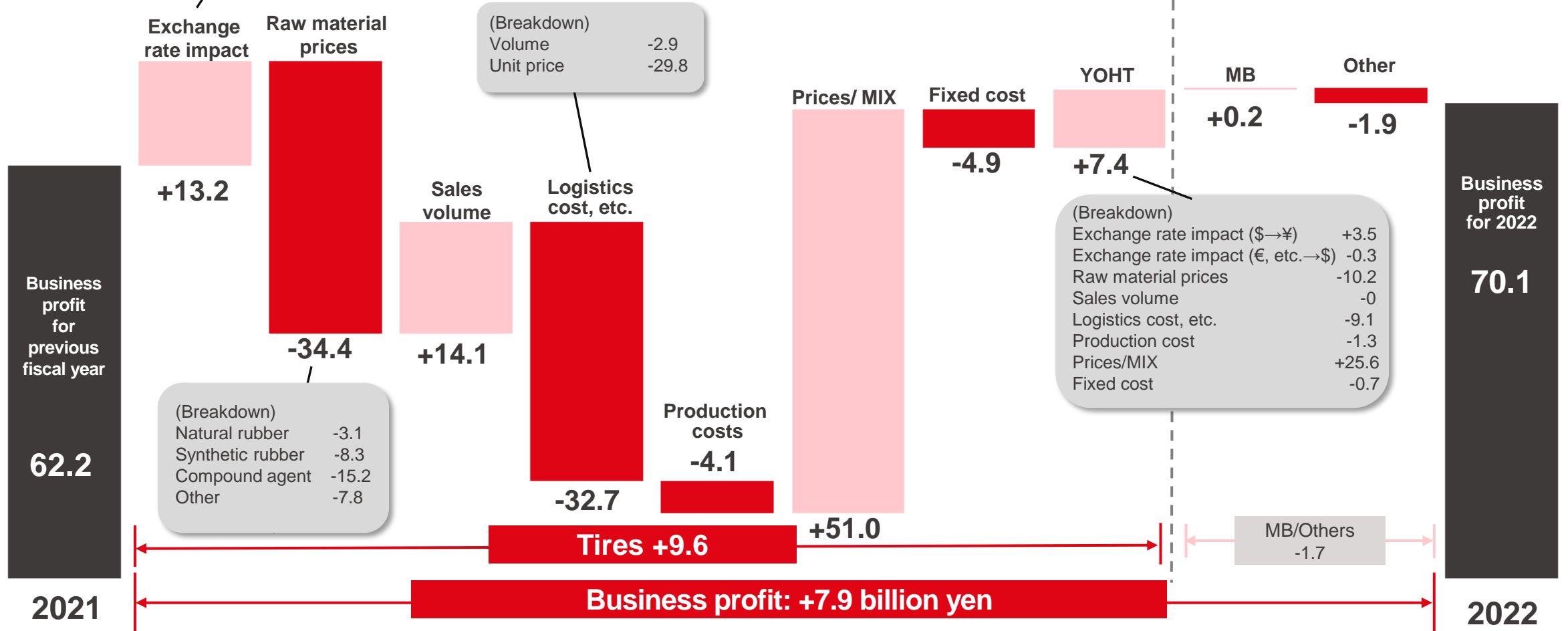


2022 Full Year

US\$ 132 yen 110 yen(previous year) +22 yen
 EUR 138 yen 130 yen(previous year) +8 yen
 RUB 2.0 yen 1.5 yen(previous year) +0.5 yen

(billion yen)

Factors that boosted business profit
 Factors that reduced business profit



Profit and Loss (Quarterly)



Exchange Rates	US\$ 116 yen	(106 yen)	+10 yen	US\$ 130 yen	(110 yen)	+20 yen	US\$ 138 yen	(110 yen)	+28 yen	US\$ 141 yen	(114 yen)	+28 yen
	EUR 130 yen	(128 yen)	+3 yen	EUR 138 yen	(132 yen)	+6 yen	EUR 139 yen	(130 yen)	+9 yen	EUR 144 yen	(130 yen)	+14 yen
	RUB 1.3 yen	(1.4 yen)	-0.1 yen	RUB 2.0 yen	(1.5 yen)	+0.6 yen	RUB 2.3 yen	(1.5 yen)	+0.8 yen	RUB 2.3 yen	(1.6 yen)	+0.7 yen
TSR20*	177 cents	(167 cents)	+10 cents	165 cents	(165 cents)	+0 cents	147 cents	(166 cents)	-19 cents	130 cents	(173 cents)	-43 cents
WTI	94 dollars	(58 dollars)	+36 dollars	108 dollars	(66 dollars)	+42 dollars	92 dollars	(71 dollars)	+21 dollars	83 dollars	(77 dollars)	+5 dollars
*SICOM TSR20 1M	(previous year)			(previous year)			(previous year)			(previous year)		

(billion yen)

		2022 Jan.-Mar.	2021 Jan.-Mar.	Change	2022 Apr.-Jun.	2021 Apr.-Jun.	Change	2022 Jul.-Sep.	2021 Jul.-Sep.	Change	2022 Oct.-Dec.	2021 Oct.-Dec.	Change
Continued operations	Sales revenue	185.6	144.6	+41.0	205.9	159.3	+46.6	224.3	156.6	+67.7	244.7	210.4	+34.4
	Business profit*1 (Business profit margin)	13.7 (7.4%)	14.0 (9.7%)	-0.3 (-2.3%)	14.1 (6.8%)	12.3 (7.7%)	+1.8 (-0.9%)	18.4 (8.2%)	10.8 (6.9%)	+7.6 (+1.3%)	24.0 (9.8%)	25.0 (11.9%)	-1.1 (-2.1%)
	Operating profit (Operating profit margin)	13.5 (7.3%)	36.3 (25.1%)	-22.8 (-17.8%)	13.4 (6.5)	12.3 (7.7%)	+1.1 (-1.2%)	18.4 (8.2%)	10.7 (6.8%)	+7.7 (+1.4%)	23.5 (9.6%)	24.3 (11.6%)	-0.8 (-2.0%)
	Profit	10.2	27.5	-17.4	13.2	9.1	+4.1	10.0	6.6	+3.4	12.6	15.6	-3.0
Discontinued operations	Profit *2	—	0.3	-0.3	—	0.1	-0.1	—	-0	+0	—	6.4	-6.4
	Profit *3	10.2	27.8	-17.7	13.2	9.1	+4.0	10.0	6.5	+3.4	12.6	22.0	-9.4

*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)

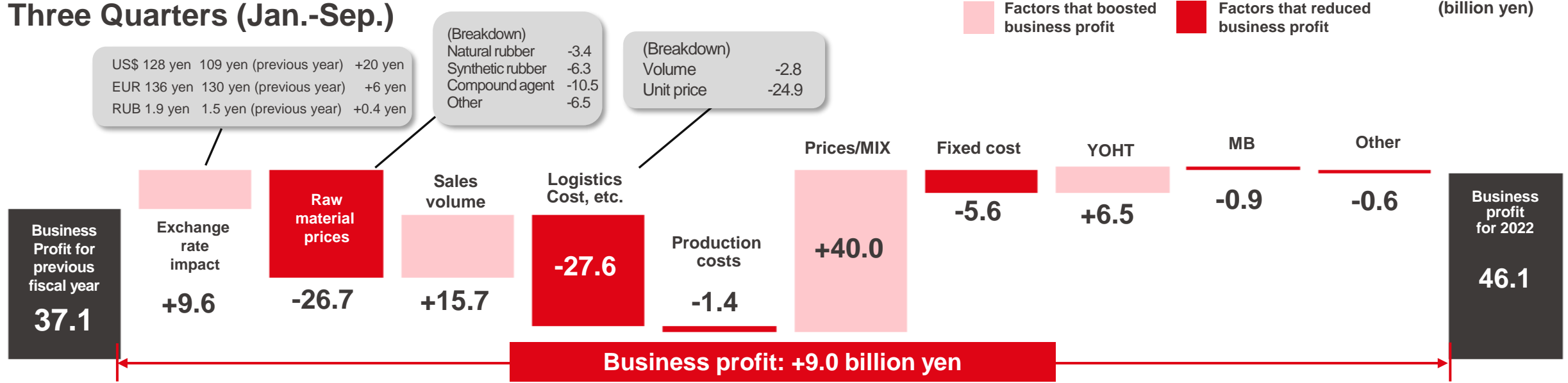


(billion yen)

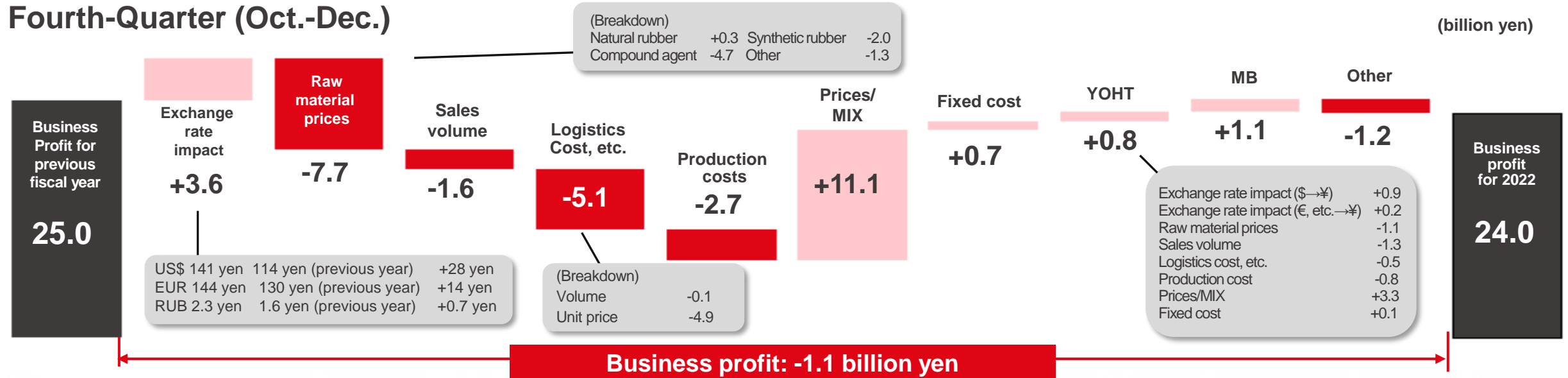
		2022 Oct.-Dec.	2021 Oct.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires (YOHT)	214.9 (35.7)	183.4 (30.6)	+31.5 (+5.1)	+17.2% (+16.7%)	+24.9 (+7.1)	+6.6 (-2.0)
	MB	27.7	24.7	+2.9	+11.8%	+2.2	+0.7
	Other	2.1	2.2	-0.1	-3.5%	+0	-0.1
	Total	244.7	210.4	+34.4	+16.3%	+27.1	+7.2
Business profit	Tires (YOHT)	23.0 (4.4)	23.9 (3.5)	-0.9 (+0.8)	-3.9% (+24.0%)	+4.4 (+0.9)	-5.3 (-0)
	MB	2.2	1.1	+1.1	+97.0%	+1.0	+0.1
	Other	-1.2	-0	-1.2	-	+0	-1.2
	Intersegment eliminations	0	0	-0	-66.2%	+0	-0
	Total	24.0	25.0	-1.1	-4.2%	+5.4	-6.4

Factor Analysis of Business Profit (Quarterly)

Three Quarters (Jan.-Sep.)



Fourth-Quarter (Oct.-Dec.)



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



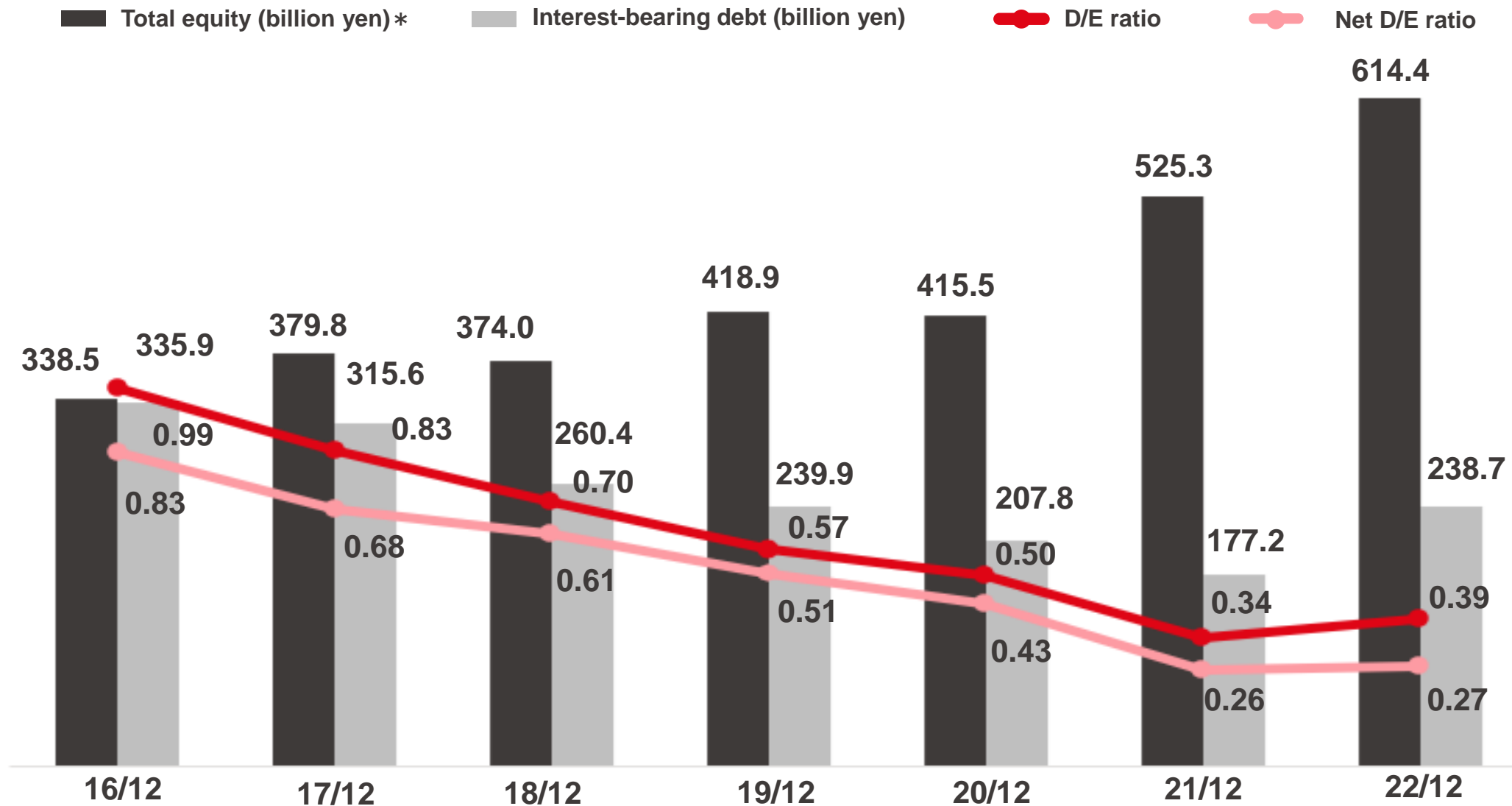
(billion yen)

	Dec. 31, 2022	Dec. 31, 2021	Change
Current assets	504.0	383.6	+120.4
Non-current assets	647.1	601.4	+45.7
Total assets	1151.1	985.0	+166.1
Liabilities	528.0	452.0	+75.9
Equity	623.1	533.0	+90.2
Total liabilities and equity	1151.1	985.0	+166.1
Interest-bearing debt*1	238.7	177.2	+61.5
Ratio of equity attributable to owners of parent (%)	53.4%	53.3%	+0.0%
D/E ratio	0.39	0.34	+0.05
ROE (%)*2	8.1%	13.9%	-5.9%
ROIC (%)	5.2%	8.2%	-3.0%

*1 Interest-bearing debt does not include lease liabilities

*2 Profit attributable to owners of parent / Total equity attributable to owners of the parent (average of 2021 and 2022) × 100

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



* Total equity do not include non-controlling interests.

State of Cash Flows



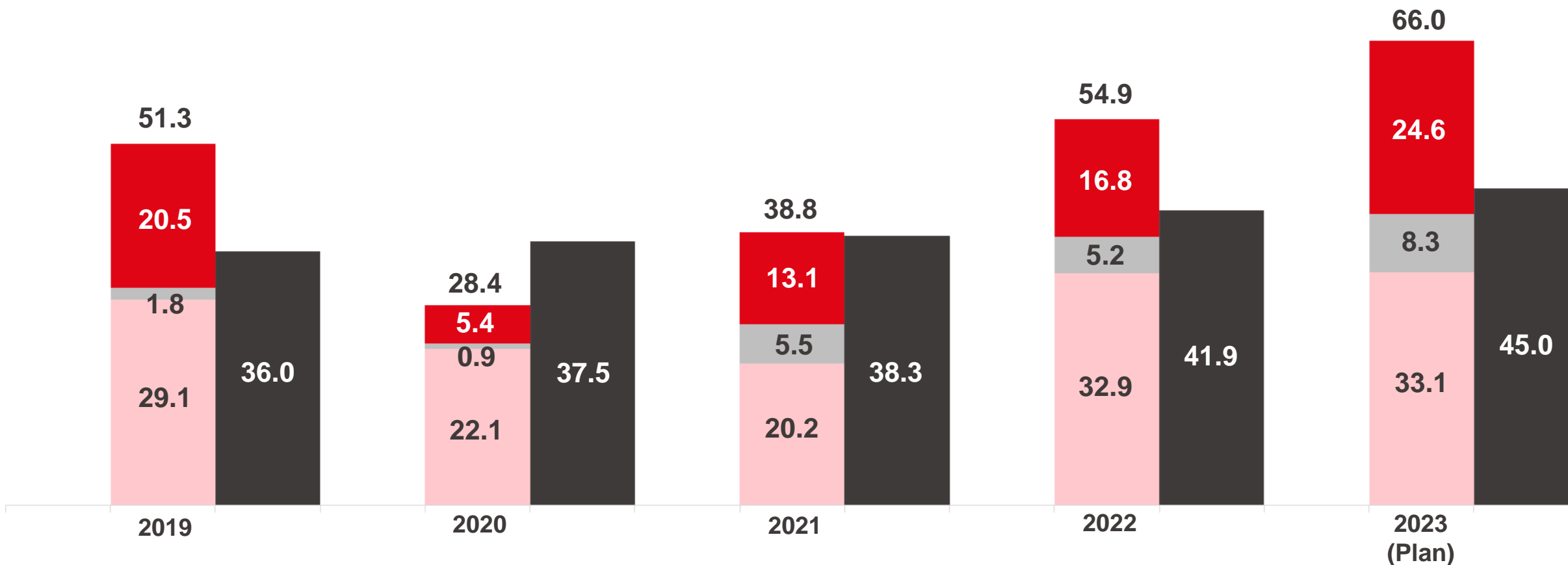
(billion yen)

	2022 Jan.-Dec.	2021 Jan.-Dec.	Change
CF from operating activities	39.2	68.3	-29.1
CF from investing activities	-46.4	-4.5	-41.9
Free CF	-7.1	63.8	-71.0
CF from financing activities	35.2	-55.2	+90.4
Closing balance of cash and cash equivalents	75.6	42.5	+33.0

Capital Expenditures and Depreciation



(billion yen)



* From 2019 onwards, the impact due to the application of IFRS 16 Leases is excluded.

Earnings Forecast for FY 2023

Profit and Loss Projections (Full Year)



Exchange Rates	US\$ 128 yen	132 yen (previous year)	-4 yen	
	EUR 138 yen	138 yen (previous year)	-0 yen	
	RUB 1.8 yen	2.0 yen (previous year)	-0.2 yen	
TSR20*	131 cents	155 cents (previous year)	-23 cents	*SICOM TSR20 1M
WTI	78 dollars	94 dollars (previous year)	-17 dollars	

					(billion yen)	
	2023 Forecast	2022 Result	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	900.0	860.5	+39.5	+4.6%	-18.3	+57.8
Business profit*1	73.0	70.1	+2.9	+4.2%	-5.2	+8.1
(Business profit margin)	(8.1%)	(8.1%)	-			
Operating profit	73.0	68.9	+4.1	+6.0%	-5.2	+9.3
(Operating profit margin)	(8.1%)	(8.0%)	(+0.1%)			
Profit*2	46.0	45.9	+0.1	+0.2%		

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

*2 Profit attributable to owners of parent

Business Segment (Full-Year Forecast)



(billion yen)

		2023 forecast	2022 result	Change	Change (%)	2022 previous forecast	Change for previous forecast
Sales revenue	Tires (YOHT)	787.5 (146.0)	754.3 (155.8)	+33.2 (-9.8)	+4.4% (-6.3%)	-17.7 (-4.0)	+50.9 (-5.8)
	MB	102.5	96.2	+6.3	+6.5%	-1.0	+7.2
	Other	10.0	9.9	+0.1	+0.8%	+0.4	-0.3
	Total	900.0	860.5	+39.5	+4.6%	-18.3	+57.8
Business profit	Tires (YOHT)	67.5 (17.7)	66.8 (22.1)	+0.7 (-4.4)	+1.0% (-19.9%)	-4.8 (-0.3)	+5.5 (-4.1)
	MB	6.2	4.0	+2.2	+56.4%	-0.3	+2.5
	Other	-0.7	-0.8	+0.1	-	-0	+0.1
	Intersegment eliminations	-	0	-0	-	-	-0
	Total	73.0	70.1	+2.9	+4.2%	-5.2	+8.1

Factor Analysis of Business Profit (Full-Year Forecast)

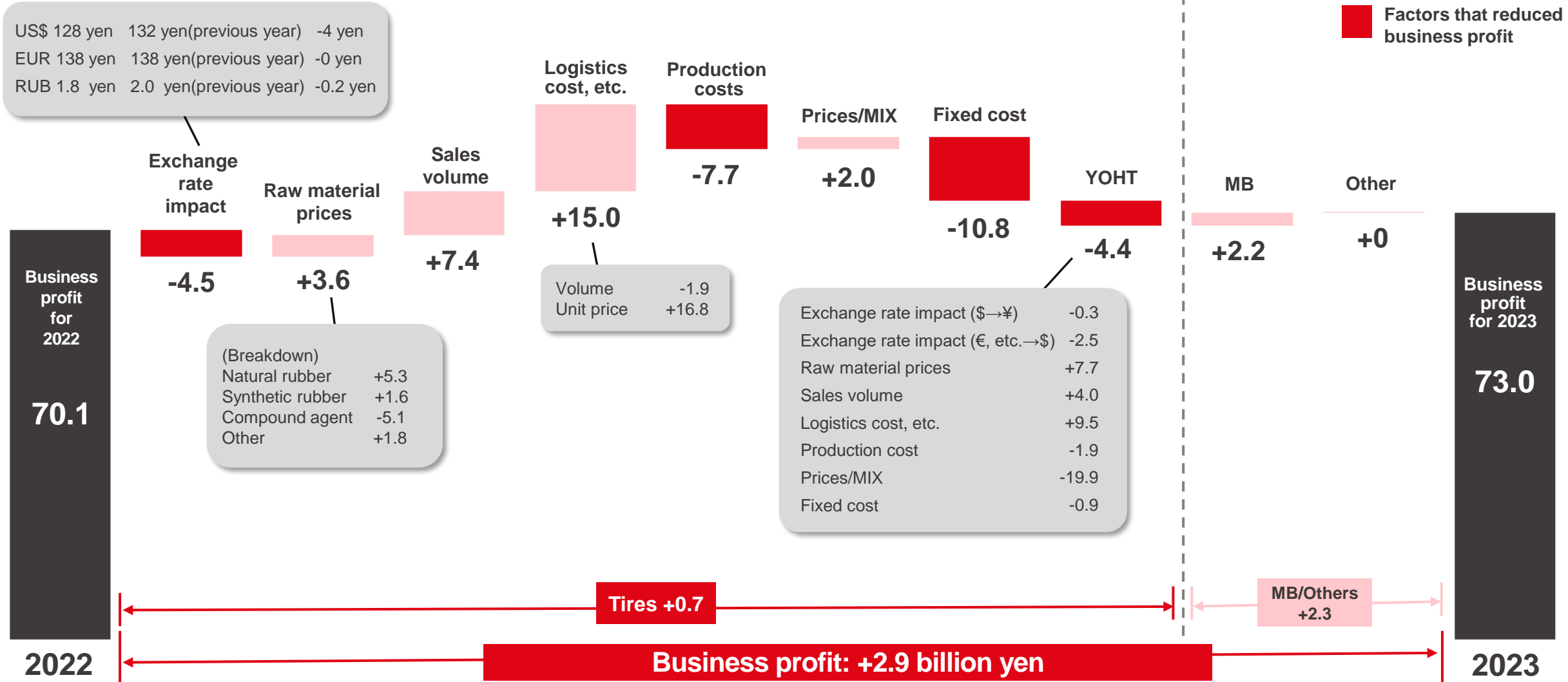


2023 (Full-Year Forecast)

US\$ 128 yen 132 yen(previous year) -4 yen
 EUR 138 yen 138 yen(previous year) -0 yen
 RUB 1.8 yen 2.0 yen(previous year) -0.2 yen

(billion yen)

Factors that boosted business profit
 Factors that reduced business profit



Factor Analysis of YOHT's Business Profit

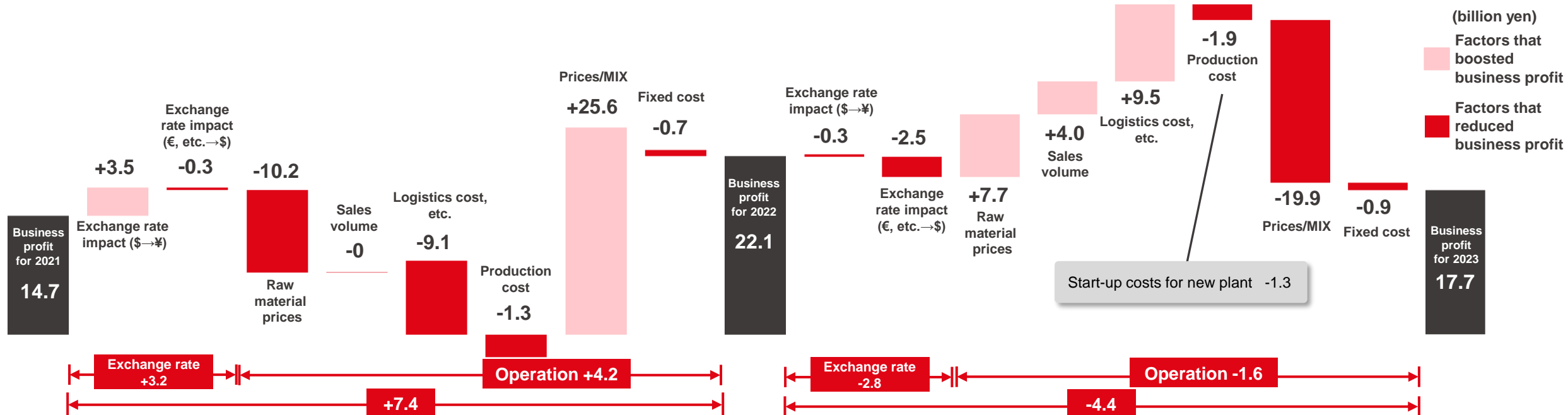


Fiscal 2022 full-year results

- Rapid pricing offset surges in raw material prices and logistics costs
- Secured profitability by focusing on high-margin products and sales channels and thereby overcoming adversity posed in fiscal second half by surges in natural resources prices and by negative impact of surging inflation on market environment in Europe
- Minimized losses on currency fluctuations with timely forward exchange contracts (euro/dollar)
- Business profit up ¥7.4 billion, supported by weakening of yen

Fiscal 2023 full-year projections

- Market conditions remain weak in fiscal first quarter but appear likely to improve in fiscal second half
- Some distributors are holding on to expensive inventory amid ongoing sharp downturn in logistics costs, delaying new purchasing while waiting for logistics costs to bottom out
- Translate benefits of reversal of upward movement in raw material prices and logistics costs into sales momentum
- Expect ¥4.4 billion decline in business profit, partly on account of forward exchange contracts concluded in previous year
- Raise profitability with new-product introductions and other measures



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.

(Reference) Tire Unit Sales YoY Growth



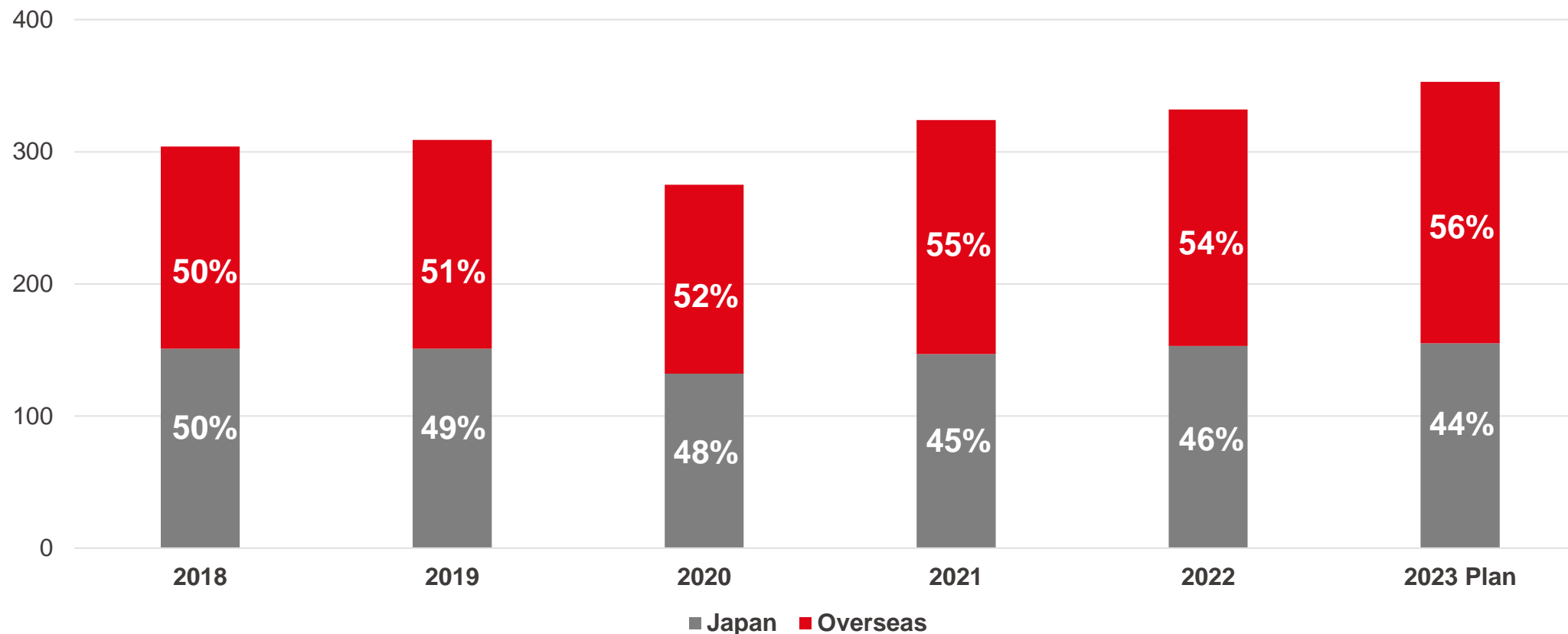
Year-on-Year Tire Sales Growth

Tire Business		2021		2022			2023 Plan
		4Q (relative to 2020)	Annual (relative to 2020)	4Q (relative to 2021)	2H (relative to 2021)	Annual (relative to 2021)	Annual (relative to 2022)
Japan	OE	76%	93%	111%	115%	98%	114%
	REP	106%	105%	94%	104%	108%	100%
Overseas	OE	93%	104%	78%	97%	100%	104%
	REP	109%	121%	94%	101%	102%	106%

Year-on-Year Tire Sales Growth by region, quarterly & annual bases

	2021		2022			2023 Plan	Regional sales composition		
	4Q (relative to 2020)	Annual (relative to 2020)	4Q (relative to 2021)	2H (relative to 2021)	Annual (relative to 2021)	Annual (relative to 2022)	2021 Annual	2022 Annual	2023 Annual plan
Japan	97%	101%	98%	107%	105%	104%	38%	39%	39%
No. America	110%	116%	101%	104%	103%	106%	20%	20%	21%
Europe	127%	122%	76%	92%	101%	104%	7%	6%	7%
Russia	102%	110%	57%	55%	59%	-	4%	2%	-
China	87%	106%	73%	96%	97%	108%	17%	16%	17%
Asia	108%	130%	109%	117%	119%	107%	10%	12%	12%
Others	123%	127%	97%	105%	101%	92%	5%	5%	5%
Total	101%	110%	93%	103%	103%	105%	-	-	-

(Reference) Tire Rubber Production Volumes



(Unit: thousand tons)	2018	2019	2020	2021	2022	2023 Plan
Japan	151	151	132	147	153	155
Overseas	153	158	143	177	179	198
Total	304	309	275	324	332	352



YOKOHAMA Transformation 2023