

FY2024 First-Half Financial Results

Briefing Material

August 9, 2024

The Yokohama Rubber Co., Ltd.

FY24 2Q Results

Sales revenue: ¥272.9 billion (YoY+14.2%)

Business profit: ¥29.7 billion (YoY+136.7%) profit margin: 10.9% (YoY+5.6%)

- ❑ Posted all-time highs from sales revenue to net profit and achieved a business profit margin of 10.9%
- ❑ Strong improvement at Tire Business, which achieved a profit margin of 12.7%

Implementation of Financial Strategy

- ✓ **Strategic investments:** Began construction of “1-year plant” in Hangzhou, China and reached agreement to purchase Goodyear Tire’s OTR business
- ✓ **Asset efficiency:** Proceeds from sale of cross-shareholdings **¥63.8 billion** (FY24 total as of August 9)
- ✓ **Strengthening IR activities:**
 - Held CFO small meeting (May)
 - Participated in conference with overseas investors (May)
 - Held an ESG small meeting (June)

Results for FY2024 First-Half

Profit and Loss (First-Half)



Exchange Rates	US\$ 152 yen	135 yen (previous year)	+17 yen	
	EUR 165 yen	146 yen (previous year)	+19 yen	
TSR20*	156 cents	136 cents (previous year)	+21 cents	*SICOM TSR20 1M
WTI	79 dollars	75 dollars (previous year)	+4 dollars	

	(billion yen)							
	2024 Jan.-Jun.	2023 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates	Initial plan	Change from initial plan (%)
Sales revenue	525.3	443.2	+82.1	+18.5%	+33.8	+48.3	500.0	+5.1%
Business profit*1 (Business profit margin)	54.6 (10.4%)	25.6 (5.8%)	+29.0 (+4.6%)	+113.4%	+8.2	+20.8	42.0 (8.4%)	+29.9%
Operating profit (Operating profit margin)	56.3 (10.7%)	28.2 (6.4%)	+28.1 (+4.3%)	+99.6%	+8.1	+20.0	43.0 (8.6%)	+30.8%
Profit*2	46.6	27.7	+18.9	+68.3%			25.5	+82.7%

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

*2 Profit attributable to owners of parent

Business Segment (First-Half)



(billion yen)

		2024 Jan.-Jun.	2023 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates	Initial plan	Change from initial plan (%)	
Sales revenue	Tires total	469.6	389.5	+80.1	+20.6%	+31.2	+48.9	445.0	+24.6	
	(Tires)	(312.1)	(291.9)	(+20.2)	(+6.9%)	(+19.6)	(+0.6)	(299.0)	(+13.1)	
	(YOHT)	(75.1)	(67.1)	(+8.0)	(+12.0%)	(+8.8)	(-0.8)	(67.0)	(+8.1)	
	(Y-TWS)	(82.4)	(30.5)	(+51.9)	(+170.4%)	(+2.8)	(+49.1)	(79.0)	(+3.4)	
	MB	51.6	49.0	+2.5	+5.1%	+2.6	-0.1	51.0	+0.6	
	Other	4.2	4.6	-0.5	-10.6%	-	-0.5	4.0	+0.2	
	Total	525.3	443.2	+82.1	+18.5%	+33.8	+48.3	500.0	+25.3	
Business profit	Tires total	51.7	23.0	+28.7	+125.0%	+7.5	+21.2	39.1	+12.6	
	(Tires)	(34.8)	(15.5)	(+19.2)	(+123.7%)	(+6.1)	(+13.2)	(22.2)	(+12.6)	
	(YOHT)	(10.2)	(8.4)	(+1.7)	(+20.6%)	(+1.1)	(+0.6)	(8.1)	(+2.1)	
	(Y-TWS)	(6.7)	(-1.0)	(+7.7)	-	(+0.3)	(+7.5)	(8.8)	(-2.1)	
		MB	3.4	2.7	+0.7	+24.2%	+0.7	-0	2.8	+0.6
		Other	-0.5	-0.2	-0.4	-	-	-0.4	0.1	-0.6
	Intersegment eliminations	0	0	-0	-92.8%	-	-0	-	+0	
	Total	54.6	25.6	+29.0	+113.4%	+8.2	+20.8	42.0	+12.6	

OHT 1H Results

(billion yen)

	2024 Jan.-Jun.	2023 Jan.-Jun.*	Change	Change (%)
Sales revenue	157.5	97.6	+59.9	+61.4%
Business profit (before amortization) (Business profit margin)	21.2 (13.4%)	14.9 (15.3%)	+6.3 (-1.9%)	+42.0%
One-time costs	-	-5.0	+5.0	
Amortization	-4.2	-2.5	-1.7	
Business profit (after amortization) (Business profit margin)	16.9 (10.7%)	7.4 (7.6%)	+9.5 (+3.1%)	+127.6%

*Includes Y-TWS results for May-June 2023 only

Category wise sales situation

■ AG -7%

Due to inherent cyclicity of Agricultural markets, OE sales were significantly lower compared to PY. But, despite tough market conditions, due to our excellent products and strong brands, our teams were able to grow AM sales by nearly 20%.

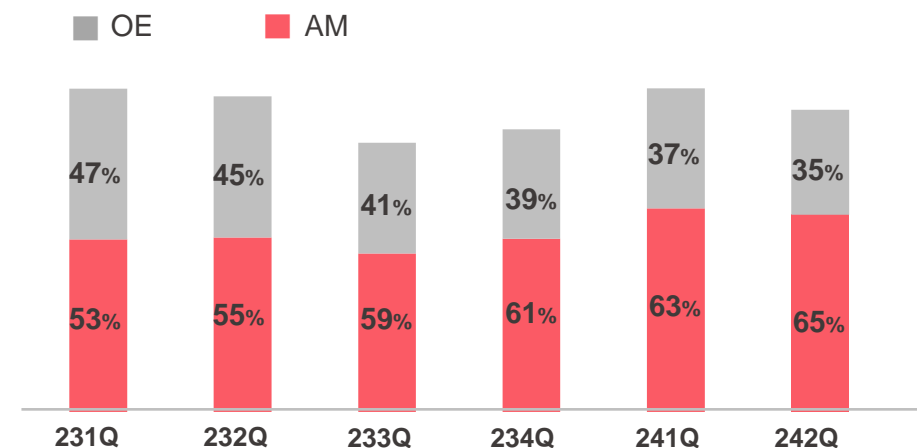
■ Non-AG +6%

Industrial tire sales were firm both in OE and AM as we gained market share. For Construction tires, OE demand was soft, but we were able to compensate that by pushing on AM sales.

OHT tire sales volume Year-on-Year growth rate

	Total	OE	AM
Americas	91%	69%	109%
EMEA	100%	80%	118%
APAC	111%	87%	126%
Total	98%	77%	116%

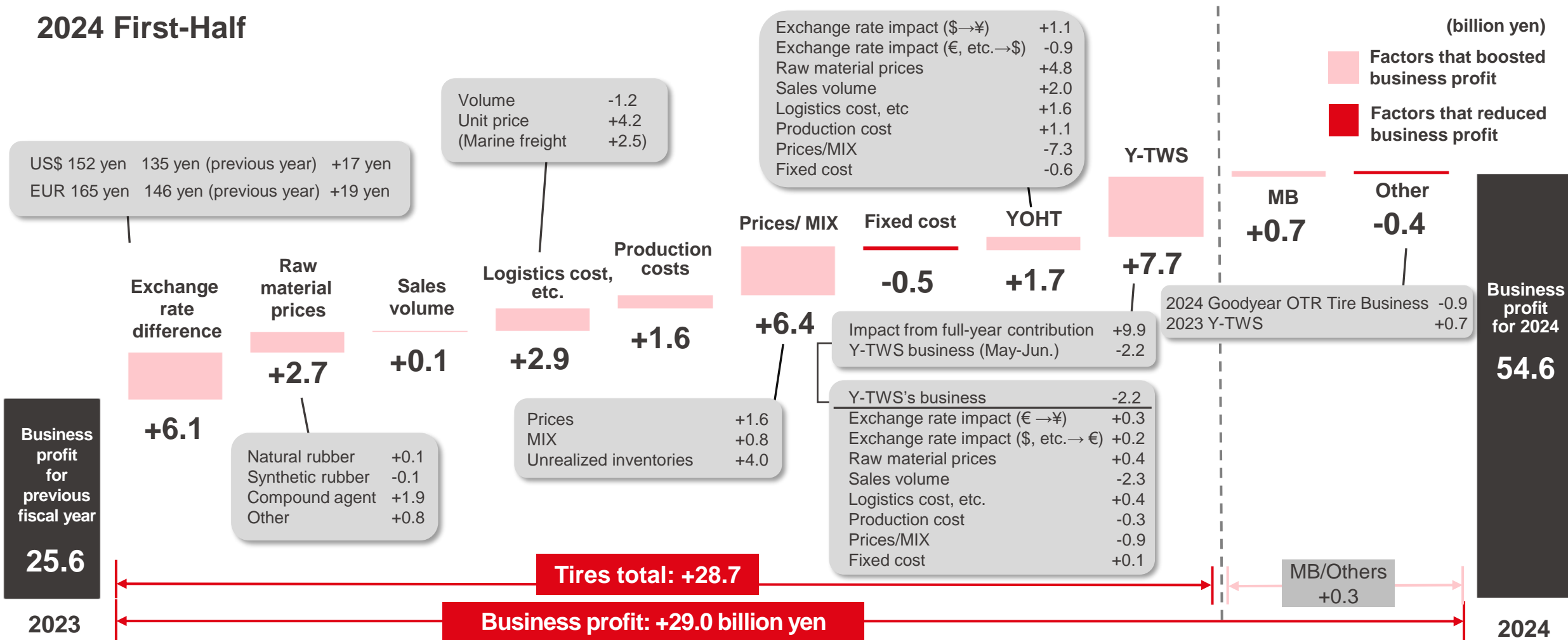
OE/AM sales composition (volume basis)



Factor Analysis of Business Profit



2024 First-Half



	Exchange rate difference	Raw material prices	Sales volume	Logistics cost, etc.	Production costs	Prices/ MIX	Fixed cost	YOHT	Y-TWS	MB	Other	Total
May 14 announcement	+3.5	+3.5	-0.5	+0.7	+1.7	-0.1	-2.1	-0.3	+9.8	+0.1	+0.2	+16.4
Change	+2.6	-0.8	+0.6	+2.2	-0.1	+6.5	+1.6	+2.1	-2.1	+0.6	-0.6	+12.6

Profit and Loss (Quarterly)



Exchange Rates	US\$ 156 yen	137 yen (previous year)	+18 yen	
	EUR 168 yen	150 yen (previous year)	+18 yen	
TSR20*	163 cents	135 cents (previous year)	+29 cents	*SICOM TSR20 1M
WTI	81 dollars	74 dollars (previous year)	+7 dollars	

	(billion yen)					
	2024 Apr.-Jun.	2023 Apr.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	272.9	238.9	+34.0	+14.2%	+20.1	+14.0
Business profit*1 (Business profit margin)	29.7 (10.9%)	12.6 (5.3%)	+17.2 (+5.6%)	+136.7%	+4.7	+12.5
Operating profit (Operating profit margin)	29.5 (10.8%)	15.0 (6.3%)	+14.5 (+4.5%)	+97.0%	+4.3	+10.2
Profit*2	26.8	18.0	+8.8	+49.0%		

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

*2 Profit attributable to owners of parent

Business Segment (Quarterly)



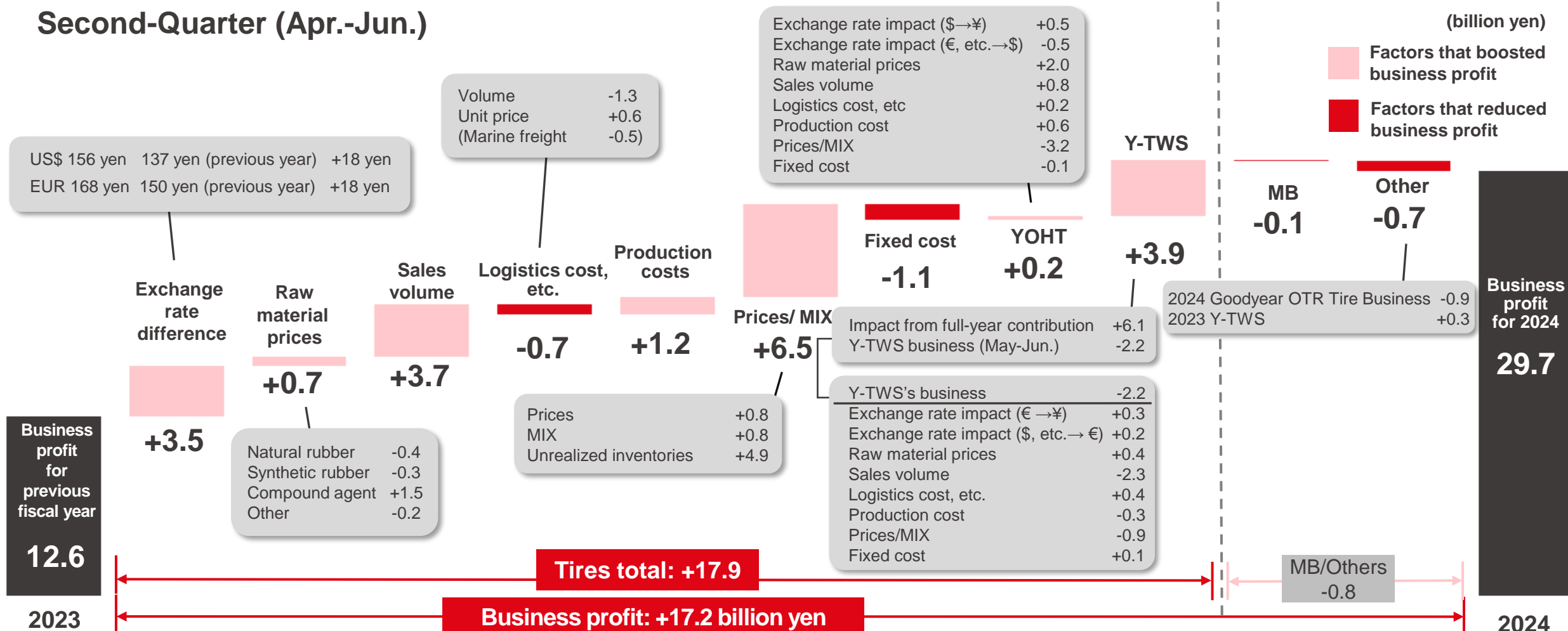
(billion yen)

		2024 Apr.-Jun.	2023 Apr.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires total	242.9	209.8	+33.0	+15.7%	+18.6	+14.4
	(Tires)	(165.8)	(145.4)	(+20.4)	(+14.0%)	(+11.3)	(+9.1)
	(YOHT)	(37.3)	(33.9)	(+3.3)	(+9.8%)	(+4.5)	(-1.2)
	(Y-TWS)	(39.8)	(30.5)	(+9.3)	(+30.7%)	(+2.8)	(+6.5)
	MB	27.8	26.5	+1.3	+4.7%	+1.5	-0.2
	Other	2.2	2.5	-0.3	-11.3%	-	-0.3
	Total	272.9	238.9	+34.0	+14.2%	+20.1	+14.0
Business profit	Tires total	28.3	10.4	+17.9	+172.3%	+4.3	+13.6
	(Tires)	(21.0)	(7.2)	(+13.8)	(+190.8%)	(+3.5)	(+10.2)
	(YOHT)	(4.4)	(4.2)	(+0.2)	(+5.1%)	(+0.5)	(-0.3)
	(Y-TWS)	(2.9)	(-1.0)	(+3.9)	-	(+0.3)	(+3.7)
	MB	2.0	2.1	-0.1	-3.7%	+0.4	-0.4
	Other	-0.6	0	-0.7	-	-	-0.7
	Intersegment eliminations	-0	0	-0	-	-	-0
	Total	29.7	12.6	+17.2	+136.7%	+4.7	+12.5

Factor Analysis of Business Profit (Quarterly)



Second-Quarter (Apr.-Jun.)



	Exchange rate difference	Raw material prices	Sales volume	Logistics cost, etc.	Production costs	Prices/ MIX	Fixed cost	YOHT	Y-TWS	MB	Other	Total
First-Quarter	+2.5	+2.0	-3.6	+3.6	+0.4	-0.1	+0.6	+1.5	+3.8	+0.7	+0.3	+11.8

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



(billion yen)

	Jun. 30, 2024	Dec. 31, 2023	Change
Current assets	709.6	618.1	+91.5
Cash and cash equivalents	117.0	97.6	+19.4
Trade and other receivables	262.8	243.4	+19.4
Inventories	293.2	249.7	+43.5
Other assets	36.6	27.4	+9.2
Non-current assets	1043.4	982.4	+61.1
Total assets	1753.0	1600.5	+152.5
Liabilities	841.5	851.7	-10.2
Equity	911.5	748.8	+162.7
Total liabilities and equity	1753.0	1600.5	+152.5
Interest-bearing debt*1	454.7	469.4	-14.7
Ratio of equity attributable to owners of parent (%)	51.5%	46.2%	+5.3%
D/E ratio	0.50	0.63	-0.13
Net D/E ratio	0.37	0.50	-0.13

*1: Interest-bearing debt does not include lease liabilities

State of Cash Flows



(billion yen)

	2024 Jan.-Jun.	2023 Jan.-Jun.	Change
CF from operating activities (Excluding tax impact of gains from the sale of cross-shareholdings, etc.*)	21.8 (43.6)	49.1	-27.4
CF from investing activities	19.4	-334.9	+354.3
Free CF	41.2	-285.7	+326.9
CF from financing activities	-33.8	296.1	-329.9
Closing balance of cash and cash equivalents	117.0	90.5	+26.6

*Excluding tax impact of gains from the sale of cross-shareholdings, etc. refers to the increase taxes paid on the gains on sale of cross-shareholdings, etc.

Earnings Forecast for FY2024

Profit and Loss Projections Changed from the previous forecast



Forecasts after July 2024

Exchange Rates	US\$ 145 yen	143 yen (previous forecast)	+2 yen	
	EUR 155 yen	155 yen (previous forecast)	+0 yen	
TSR20*	156 cents	143 cents (previous forecast)	+14 cents	*SICOM TSR20 1M
WTI	79 dollars	79 dollars (previous forecast)	+0 dollars	

	(billion yen)					
	2024 forecast	2023 result	Change	Change (%)	2024 Previous forecast	Change from Previous forecast
Sales revenue	1105.0	985.3	+119.7	+12.1%	1060.0	+45.0
Business profit* ¹ (Business profit margin)	128.5 (11.6%)	99.1 (10.1%)	+29.4 (+1.5%)	+29.6%	115.0 (10.8%)	+13.5 (+0.8%)
Operating profit (Operating profit margin)	116.0 (10.5%)	100.4 (10.2%)	+15.6 (+0.3%)	+15.6%	115.5 (10.9%)	+0.5 (-0.4%)
Profit* ²	78.5	67.2	+11.3	+16.8%	74.5	+4.0
ROE (%)	10.0%	9.9%	+0.1%		10.0%	+0.0%

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

*2 Profit attributable to owners of parent

Business Segment (Full-Year Forecast) Changed from the previous forecast



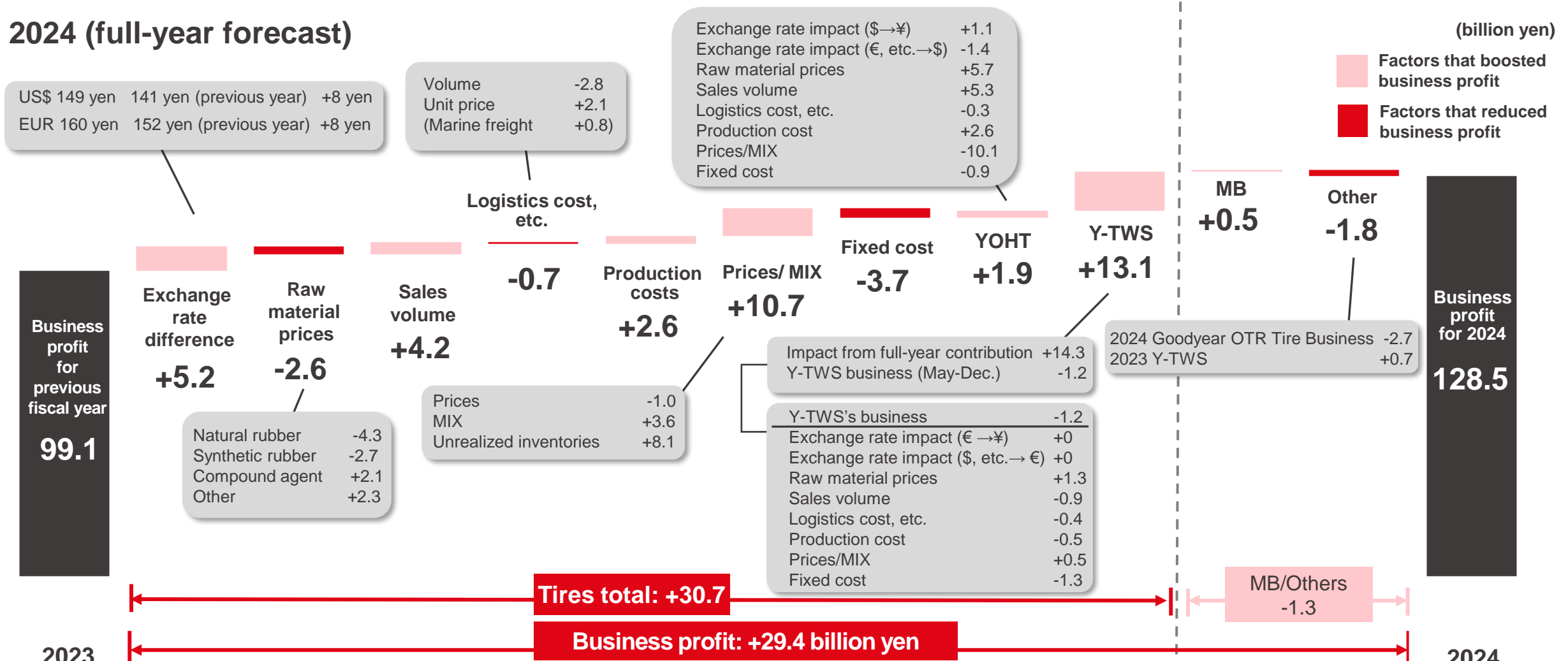
(billion yen)

		2024 forecast	2023 result	Change	Change (%)	2024 previous forecast	Change from previous forecast
Sales revenue	Tires total	989.0	874.9	+114.1	+13.0%	944.0	+45.0
	(Tires)	(685.0)	(639.0)	(+46.0)	(+7.2%)	(656.0)	(+29.0)
	(YOHT)	(154.0)	(132.1)	(+21.9)	(+16.6%)	(138.0)	(+16.0)
	(Y-TWS)	(150.0)	(103.7)	(+46.3)	(+44.6%)	(150.0)	-
	MB	107.0	101.9	+5.1	+5.0%	107.0	-
	Other	9.0	8.6	+0.4	+4.8%	9.0	-
	Total	1105.0	985.3	+119.7	+12.1%	1060.0	+45.0
Business profit	Tires total	122.7	92.0	+30.7	+33.3%	107.2	+15.5
	(Tires)	(88.3)	(72.6)	(+15.7)	(+21.6%)	(72.8)	(+15.5)
	(YOHT)	(19.5)	(17.6)	(+1.9)	(+11.0%)	(17.6)	(+1.9)
	(Y-TWS)	(14.9)	(1.8)	(+13.1)	(+709.6%)	(16.8)	(-1.9)
	MB	7.7	7.2	+0.5	+7.6%	7.7	-
	Other	-1.9	-0.1	-1.8	-	0.1	-2.0
	Intersegment eliminations	-	0	-0	-	-	-
	Total	128.5	99.1	+29.4	+29.6%	115.0	+13.5

Factor Analysis of Business Profit (Full Year)



2024 (full-year forecast)



US\$ 149 yen 141 yen (previous year) +8 yen
 EUR 160 yen 152 yen (previous year) +8 yen

Volume -2.8
 Unit price +2.1
 (Marine freight +0.8)

Exchange rate impact (\$→¥) +1.1
 Exchange rate impact (€, etc.→\$) -1.4
 Raw material prices +5.7
 Sales volume +5.3
 Logistics cost, etc. -0.3
 Production cost +2.6
 Prices/MIX -10.1
 Fixed cost -0.9

(billion yen)

Factors that boosted business profit

Factors that reduced business profit

Exchange rate difference +5.2

Raw material prices -2.6

Natural rubber -4.3
 Synthetic rubber -2.7
 Compound agent +2.1
 Other +2.3

Sales volume +4.2

Logistics cost, etc. -0.7

Prices -1.0
 MIX +3.6
 Unrealized inventories +8.1

Production costs +2.6

Prices/MIX +10.7

Impact from full-year contribution +14.3
 Y-TWS business (May-Dec.) -1.2

Y-TWS's business -1.2

Exchange rate impact (€ →¥) +0
 Exchange rate impact (\$, etc.→ €) +0
 Raw material prices +1.3
 Sales volume -0.9
 Logistics cost, etc. -0.4
 Production cost -0.5
 Prices/MIX +0.5
 Fixed cost -1.3

Fixed cost -3.7

YOHT +1.9

Y-TWS +13.1

MB +0.5

Other -1.8

2024 Goodyear OTR Tire Business -2.7
 2023 Y-TWS +0.7

MB/Others -1.3

Business profit for 2024: 128.5

	Exchange rate difference	Raw material prices	Sales volume	Logistics cost, etc.	Production costs	Prices/ MIX	Fixed cost	YOHT	Y-TWS	MB	Other	Total
Previous forecast	+1.7	-1.2	+4.3	-1.9	+2.2	-0.7	-4.2	+0	+15.0	+0.5	+0.2	+15.9
Change	+3.5	-1.4	-0.1	+1.3	+0.4	+11.4	+0.5	+1.9	-1.9	-	-2.0	+13.5

Cautionary Notes Regarding Forecasts

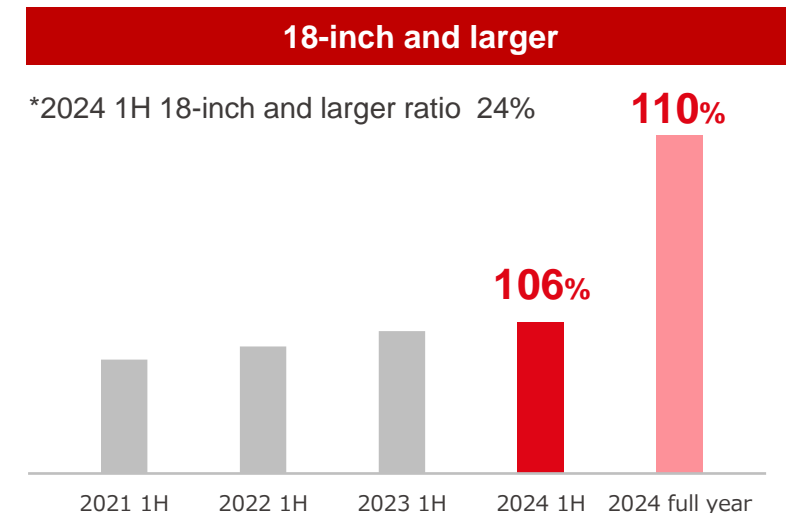
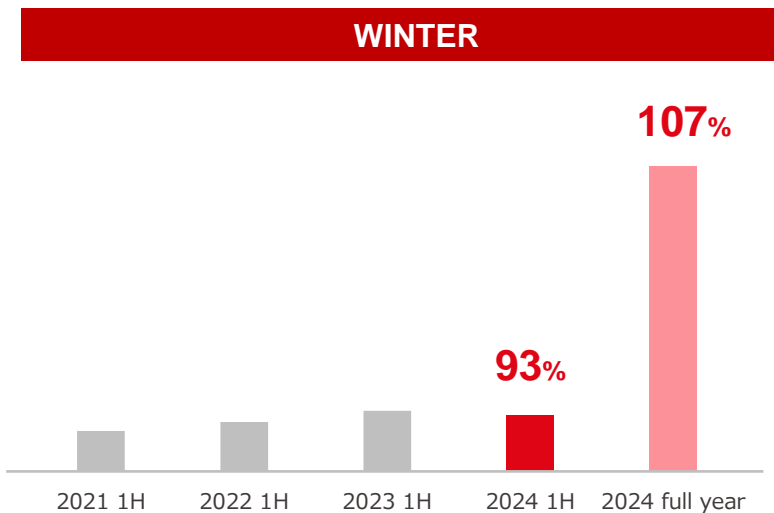
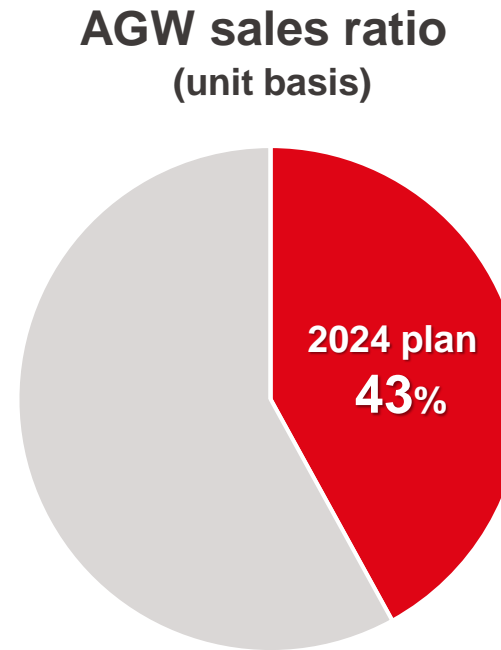
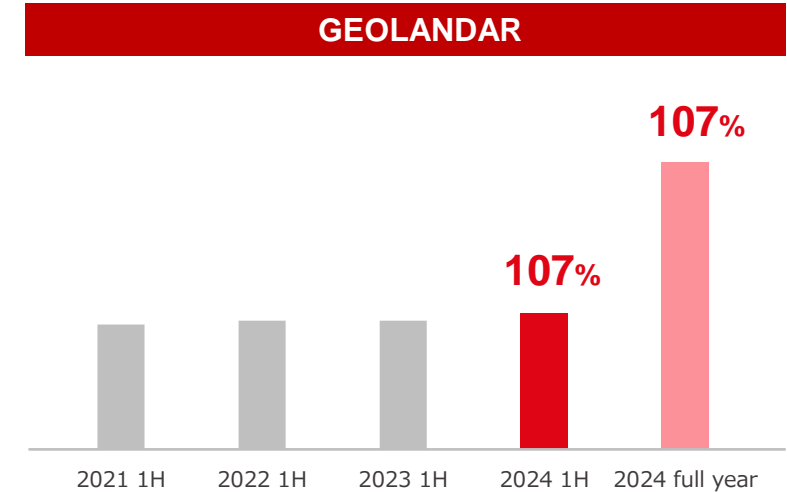
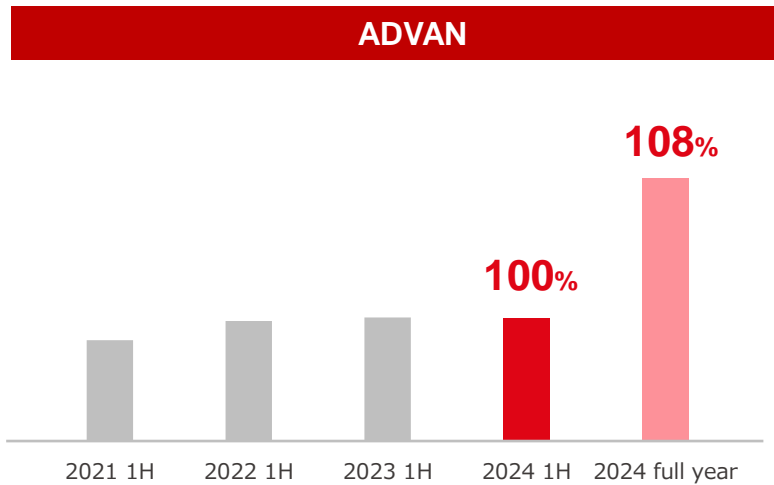
Forecasts and outlooks included in this material are based on the judgment of the Company's management using currently available information.

Actual results and earnings may differ from the forecasts and outlooks included in the material due to various risks and uncertainties.

(Reference) Cumulative Unit Sales of Consumer Tire Products



Unit sales growth rate vs 2023



(Reference) Tire Unit Sales YoY Growth

Tires (excluding OHT) Year-on-year unit sales growth by region, quarterly & annual basis (%)

	2024 1H result (Jan.-Jun.)			2024 Plan		
	Total	OE	REP	Total	OE	REP
Japan	100%	106%	98%	104%	112%	101%
North America	95% (*100%)	121%	90% (*95%)	98% (*101%)	110%	96% (*99%)
Europe	115%	182%	114%	116%	116%	116%
China	96%	90%	103%	105%	103%	108%
Asia	118%	94%	133%	113%	89%	127%
India	108%	52%	112%	108%	56%	110%
Others	89%	-	89%	88%	-	88%
Total	100% (*101%)	102%	100% (*101%)	103% (*104%)	106%	102% (*103%)

	Regional sales composition	
	20241H	2024Plan
Japan	37%	39%
North America	20%	19%
Europe	8%	7%
China	14%	15%
Asia	10%	9%
India	4%	4%
Others	8%	7%
Total	-	-

*Year-on-year excluding unit sales of tire wholesaling subsidiary Friend Tire Company, which was sold in April 2023

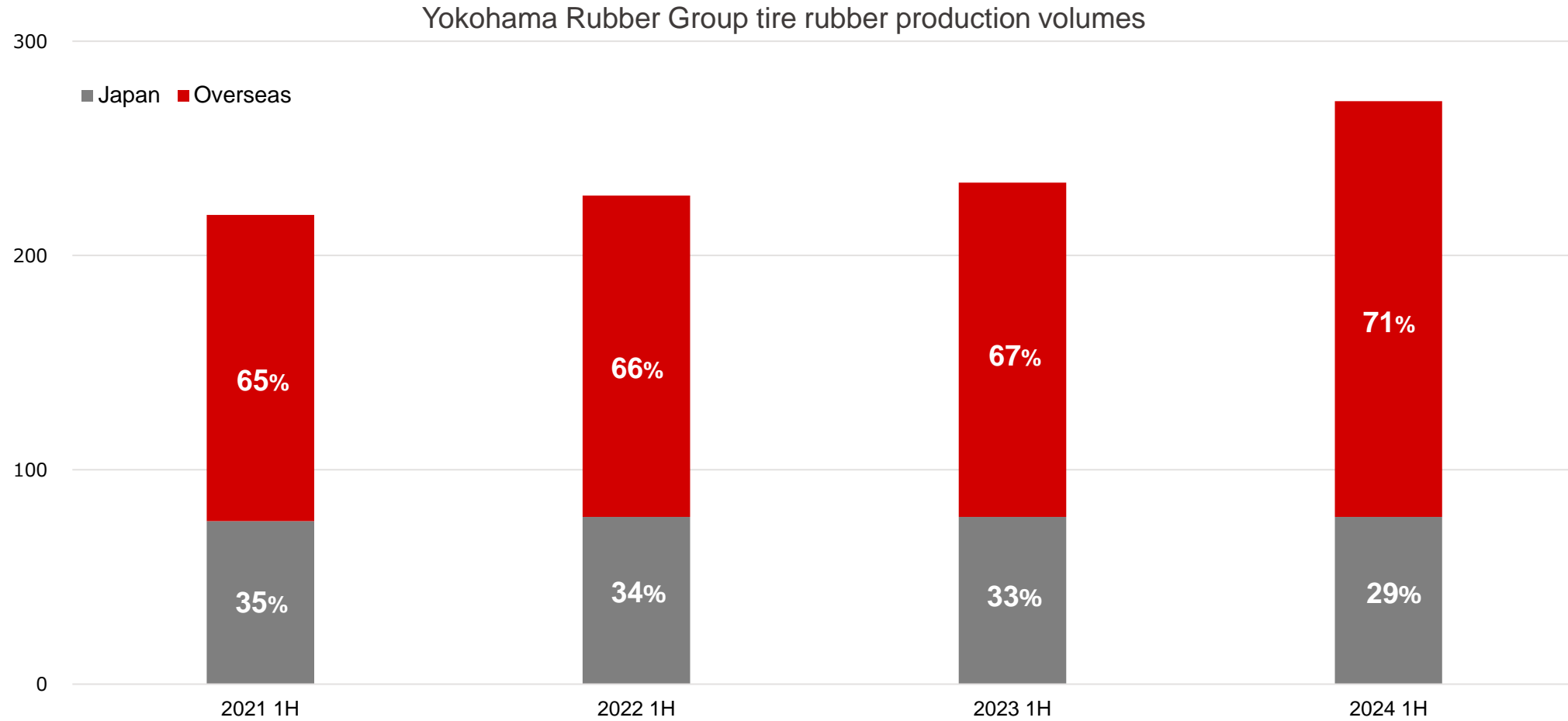
Year-on-Year growth rate of tire sales volume, quarterly & annual basis (%)

	2024 1H result (Jan.-Jun.)			2024 plan		
	Total	OE	AM	Total	OE	AM
Americas	91%	69%	109%	104%	80%	122%
EMEA	100%	80%	118%	102%	84%	117%
APAC	111%	87%	126%	126%	106%	135%
Total	98%	77%	116%	105%	84%	120%

AG tire replacement Demand YoY (Our Estimate)

	2024 1H
North America	~90%
Europe	~100%

(Reference) Tire Rubber Production Volumes



(Unit: thousand tons)

	2021 1H	2022 1H	2023 1H	2024 1H
Japan	76	78	78	78
Overseas	143	150	156	194
Total	219	228	234	271

*Y-TWS consolidated from 2023 2Q

