

FY2024 Third-Quarter Financial Results

Briefing Material

November 14, 2024
The Yokohama Rubber Co., Ltd.

Good afternoon. I am YRC President Shinji Seimiya and I would like to thank all of you for making time in your busy schedules to attend today's results briefing.

I will start today's presentation with a brief summary of our financial results for FY2024 3Q. Our head of Accounting and IR will then provide you with more details about the results.

FY2024 3Q (Jul.-Sep.): Summary of Business Results



Sales & Profits Up

Achieved record sales revenue and business profit in FY24 3Q

Tire Business: Strong sales, especially in Europe and Asia;
OHT Business: OE sales down but REP sales increased YoY

Sales trends in each business

* OE (original equipment for new vehicles)
REP (replacement market)
OHT (off-highway tires)

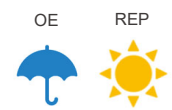
■ Tire Business (passenger cars, trucks & buses, etc.)



Tire sales volume YoY growth rate: Global sales (YoY) 107% (OE 112%, REP 106%)

OE: Increased sales for new cars in Japan; expanded sales for new models by Chinese makers
REP: Strong sales in Europe & Asia; Steady sales to major customers in North America despite weak overall demand

■ OHT Business (YOHT & Y-TWS)



Tire sales volume YoY growth rates: Global sales (YoY) 94% (OE 72%, REP 110%)

Agricultural machinery tires (AG): Increased REP sales YoY despite difficult market environment. OE sales declined YoY more than expected.

Tires for non-agricultural machinery (non-AG): Strong sales for industrial machinery. Strong REP sales for construction machinery, offsetting weak OE demand.

■ MB Business



Hose & Couplings: Sales revenue down YoY on weak demand for automotive

Industrial Products: Sales revenue up YoY on strong sales of marine products and aerospace products.



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In 3Q, from Jul-Sep, we achieved sales and profit growth, posting 3Q record highs for both sales revenue and business profit.

In our Tire Business, sales of original equipment (OE) tires increased 12% YoY, driven by increased sales of new cars in Japan and expansion of our sales to Chinese automakers. Meanwhile, sales of replacement (REP) tires increased 6% YoY, with sales particularly strong in Europe and Asia. We also posted steady sales to our major customers in North America, despite rather difficult market conditions.

Our OHT Business on the other hand saw its 3Q sales decline 6% YoY.

Sales of OE tires for agricultural machinery declined as weak agricultural product prices and other factors prompted a decline in output at agricultural machinery makers.

However, we sharply increased sales of REP OHT thanks to the multi-brand strategy being promoted in our medium-term management plan Yokohama Transformation 2026 (YX2026). Meanwhile, we achieved strong sales of OHT for industrial machinery and construction machinery.

In the MB Business, hose & coupling sales declined owing to weak demand for hydraulic and automotive hoses. However, sales of our industrial products increased on solid demand for our fenders and other marine products as well as our aerospace products.

FY2024 3Q (Jul.-Sep.): Summary of Financial Results



3Q (Jul.-Sep.) Result

(Billion yen)	2024 3Q Result	YoY Change	YoY Change (%)	2024 1-3Q
Sales revenue	257.6	+8.3	+3.3%	782.9
Business profit	28.8	+5.2	+22.1%	83.4
Business profit margin	11.2%	+1.7%		10.7%
Operating profit	29.5	+5.3	+22.1%	85.8
Profit attributable to owners of parent	14.3	-2.6	-15.6%	60.8

Annual plan

(Billion yen)	2024 Plan
Sales revenue	1105.0
Business profit	128.5
Business profit margin	11.6%
Operating profit	116.0
Profit attributable to owners of parent	78.5

3Q (Jul.-Sep.) Business profit & profit margin

- Business profit: Up YoY on increased sales volume and full contribution from TWS
- Business profit margin: Record high on higher sales volumes, price increases & MIX improvement, and positive forex impact

FY2024 Plan

- No changes to targets in annual plan

YX2026 Strategy Progress

- ✓ **Strategic investments**
 - New plants in Mexico & China, Goodyear OTR business acquisition proceeding smoothly
- ✓ **Sale of cross-shareholdings**
 - Approx. 70 billion yen to date in 2024 (as of Nov. 14)
- ✓ **Stronger IR activities**
 - Small meetings with CEO, conference participation, overseas road shows
- ✓ **Share buybacks**
 - Support growth strategy & improve capital efficiency
- ✓ **Announced closure of Israel plant**
 - As competitiveness of the plant has been lost, sustained profitability in the future is not expected



This slide shows our financial results for the Jul-Sep quarter. Sales revenue of ¥257.6 billion, business profit of ¥28.8 billion, and the business profit margin of 11.2% are all 3Q quarterly record highs.

The strong result of course was supported by a full contribution from Y-TWS. The result was also supported by strong sales growth from our Tire Business and from REP OHT, which together covered the decline in sales of OHT for new agricultural machinery. The business profit margin of 11.2% is a 1.7%pt improvement from FY2023 3Q.

Our full-year plan shown on the upper right of this slide is unchanged from the upward revision announced in August.

Next, I will briefly explain the progress being made in key areas of our YX2026 plan.

First is our growth-oriented investments.

Construction of the new plants in Mexico and China that we announced earlier this year is proceeding steadily despite various challenges in the external environment.

In addition, we are proceeding with the acquisition of the Goodyear OTR business, aiming for completion in the first half of 2025.

Next is our sale of cross-shareholdings.

We have been selling off cross-shareholdings for some time, but this year alone we have generated sales revenue of about ¥70 billion to date. We plan to use this income to help fund our acquisition of Goodyear's OTR business.

Next is our efforts to strengthen IR activities.

Activities conducted in the Jul-Sep quarter are shown here, and we will continue to increase dialog with investors.

That brings me to the share buyback and closure of the Israel plant that we announced today. The next slide provides more details about these measures.

Repurchase of Company Shares

Background & Purpose

- We forecast strong results will lift our equity ratio to above the targeted 50% level in FY24
- Weak share price provides an opportunity to raise capital efficiency through optimal balance sheet management
- We will continue to implement our growth strategy and raise capital efficiency

Share repurchase details

- (1) No. of shares to be repurchased: 1,314,700 (maximum)
- (2) Percent of outstanding shares: 0.78% (excluding treasury stock)
- (3) Total cost: ¥5.0 billion (upper limit)
- (4) Repurchase period: November 15-20, 2024
- (5) Repurchase method: TSE Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)

Closure of YOHT plant in Israel

Background

- Israel plant has lost competitiveness due to changes in the competitive environment of the OHT market, and there is no prospect of securing sustained profitability in the future
- Increased geopolitical risks surrounding Israel in recent years have increased business uncertainty

Plan for OHT

- Optimization of the manufacturing footprint in the world will be considered on a constant basis to ensure sustainable growth in a changing competitive environment

Impact on earnings & finances

- One-time costs in 2024-25: approximately USD 30-40M (under examination)
- Other impacts under examination

First, the share buyback is as summarized on the left side of this slide.

The financial strategy we are implementing as part of YX2026 targets raising our equity ratio to 50%, which we consider to be the optimal level in a balance sheet appropriate for our business structure.

Given our recent strong business results, we expect our end-FY2024 equity ratio to exceed this 50% target. Meanwhile, we have decided to take advantage of the recent weakness in our share price to repurchase Company shares and further enhance our capital efficiency.

This share repurchase is in line with our growth strategy and efforts to raise capital efficiency, and it does not represent any change in our strategy’s priorities and our commitment to invest in growth.

Next is the Israel plant closure, summarized on the right side of this slide.

This YOHT plant in Israel has lost competitiveness in recent years owing to changes in the competitive environment caused by an increasing number of its competitors establishing production bases in South Asia, where labor and transportation costs are low, and we see no prospect of the Israel plant securing sustainable profitability in the future.

Considering the changes in the market and competitive environments as well as the need to secure sustainable profitability and future growth potential, we decided that the best option was to close the Israel plant and transfer its production capacity to other existing plants.

We are still studying the impact of this closure on our financial results, but we expect one-time costs in 2024 and 2025 will total around \$30-40 million.

E: Environment

■ **Started full operation of solar power generation facility at Thai natural rubber processing plant (July 2024)**

- 13% reduction in CO₂ emissions
- Contributes to achievement of Scope 2 target



Solar panels at Thai plant

■ **International joint research project aimed at solving environmental problems through effective use of natural rubber seeds, an untapped resource**

- Aiming to contribute to solving such environmental problems as global warming and economic disparity suffered by agricultural workers by creating new biomass businesses through development of a sustainable and effective technology for using Para rubber tree seeds, an unutilized carbon-neutral resource

■ **Held natural rubber “Suppliers’ Day”**

- First on-site event in 6 years since 2018
- Shared information on activities to procure sustainable natural rubber
- Participants included natural rubber producers & trading companies > 61 individuals from 30 companies from 8 countries
- Strengthening partnerships with suppliers



Awards given to Outstanding Suppliers

Third-party evaluation of our sustainability efforts



Next, I would like to briefly explain our recent sustainability efforts.

Recent environment-related initiatives include the start of full-scale operation of a solar power generation facility at our Thai natural rubber processing plant. We expect this will reduce the plant’s CO₂ emissions by about 13% and bring us closer to achieving the Scope 2 target that is one of YX2026’s KPIs.

We also held an event as a natural rubber “Supplier’s Day” at which we shared information about our activities to procure sustainable natural rubber to strengthen our partnerships with suppliers.

We also have become one of the collaborating organizations participating in an international joint research project aimed at solving environmental problems by promoting more effective use of natural rubber seeds, which are currently an unutilized resource.

The entire YRC Group will continue to work together to achieve the goals of YX2026 and raise our corporate value.

That concludes my part of today’s presentation.

Mr. Yuki will now provide you with more details about our financial results.

Results for FY2024 Third-Quarter

Good afternoon. I am Masahiro Yuki, Member of the Board in charge of the Corporate Finance & Accounting Dept. and the IR Dept.

I will explain our financial results for FY2024 3Q.

Profit and Loss (1-3Q)



Exchange Rates	US\$ 151 yen	138 yen (previous year)	+13 yen
	EUR 165 yen	150 yen (previous year)	+15 yen
TSR20*	161 cents	134 cents (previous year)	+27 cents
WTI	78 dollars	77 dollars (previous year)	+0 dollars

*SICOM TSR20 1M

	2024 Jan.-Sep.	2023 Jan.-Sep.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	782.9	692.5	+90.4	+13.1%	+41.1	+49.3
Business profit* ¹ (Business profit margin)	83.4 (10.7%)	49.2 (7.1%)	+34.2 (+3.6%)	+69.6%	+9.4	+24.8
Operating profit (Operating profit margin)	85.8 (11.0%)	52.4 (7.6%)	+33.4 (+3.4%)	+63.8%	+9.3	+24.1
Profit* ²	60.8	44.6	+16.3	+36.5%		

(billion yen)

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

*2 Profit attributable to owners of parent



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This slide summarizes our consolidated financial results for the first three quarters of FY2024.

A full nine-month contribution from newly consolidated Y-TWS contributed to the strong results you see here. Sales revenue expanded 13.1% YoY to ¥782.9 billion and business profit increased by ¥34.2 billion to ¥83.4 billion.

Operating profit and net profit also increased sharply, with operating profit up ¥33.4 billion YoY to ¥85.8 billion, and net profit up ¥16.3 billion to ¥60.8 billion.

These strong gains in sales and profits represent all-time highs in each category. Our cumulative 3Q business profit margin of 10.7% is also a record high.

Business Segment (1-3Q)



(billion yen)

		2024 Jan.-Sep.	2023 Jan.-Sep.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires total	701.2	612.9	+88.3	+14.4%	+38.2	+50.1
	(Tires)	(479.5)	(447.0)	(+32.4)	(+7.3%)	(+24.1)	(+8.3)
	(YOHT)	(106.7)	(98.6)	(+8.1)	(+8.2%)	(+9.9)	(-1.8)
	(Y-TWS)	(115.1)	(67.3)	(+47.8)	(+71.0%)	(+4.2)	(+43.6)
	MB	74.8	72.9	+1.9	+2.6%	+2.9	-1.0
	Other	6.8	6.6	+0.2	+3.0%	-	+0.2
	Total	782.9	692.5	+90.4	+13.1%	+41.1	+49.3
Business profit	Tires total	78.8	44.8	+34.0	+76.1%	+8.6	+25.4
	(Tires)	(58.8)	(33.8)	(+25.0)	(+73.8%)	(+7.0)	(+17.9)
	(YOHT)	(12.7)	(12.0)	(+0.7)	(+5.7%)	(+1.2)	(-0.6)
	(Y-TWS)	(7.3)	(-1.1)	(+8.4)	-	(+0.3)	(+8.1)
	MB	5.1	4.4	+0.8	+17.5%	+0.8	-0
	Other	-0.5	0	-0.6	-	-	-0.6
	Intersegment eliminations	0	0	-0	-80.0%	-	-0
	Total	83.4	49.2	+34.2	+69.6%	+9.4	+24.8



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This slide shows the results for each business segment over the first three quarters of the fiscal year.

First, please look at the upper table showing segment sales revenue.

Overall tire segment sales revenue expanded to ¥701.2 billion, up 14.4% YoY.

In Japan, sales of OE tires increased ¥5.2 billion YoY, and we increased sales of REP tires by ¥2.0 billion. Overseas sales added another ¥25.1 billion to the growth in our core tire business sales, and overall tire segment sales growth got strong contributions from YOHT and Y-TWS, with YOHT sales revenue up ¥8.1 billion and Y-TWS sales ¥47.8 billion higher than a year ago.

MB segment sales revenue was ¥74.8 billion, up 2.6% YoY.

Next look at the business profit results in the lower part of this slide.

Tire segment profit was ¥78.8 billion, ¥34.0 billion higher in the first three quarters of FY2023. The increase in our core tire business' profit again was particularly high, at ¥25.0 billion, achieving a business profit margin of 12.3%.

As noted earlier the OHT business faced a challenging market environment with lower production of agricultural machinery. However, a greater focus on increasing sales in the REP market boosted YOHT profit by ¥0.7 billion YoY, while Y-TWS posted business profit of ¥7.3 billion.

The MB segment profit increased ¥0.8 billion, a 17.5% YoY gain supported by strong sales of conveyor belts, marine hoses, and aerospace products.

OHT (YOHT·Y-TWS) Results



OHT 1-3Q

(Billion yen)

	2024 Jan.-Sep.	2023 Jan.-Sep.*	Change	Change (%)
Sales revenue	221.8	165.9	+55.9	+33.7%
Business profit (before amortization) (Business profit margin)	26.3 (11.9%)	24.5 (14.8%)	+1.7 (-2.9%)	+7.1%
One-time costs Amortization	-6.3	-9.1	+9.1	-1.8
Business profit (after amortization) (Business profit margin)	20.0 (9.0%)	10.9 (6.6%)	+9.1 (+2.4%)	+83.3%

*Includes Y-TWS results for May-Sep. 2023 only

Outlook

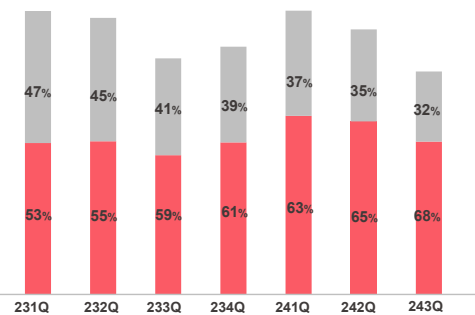
- Demand for OE tires on agricultural machinery likely to remain weak
 - Expect YOHT REP sales to be main driver of OHT sales
 - Decision to close YOHT's plant in Israel (Dec. 2024)
- Aim to increase profit over the longer term by optimizing the manufacturing footprint

OHT tire sales volume Year-on-Year growth rate

	Total	OE	REP
Americas	90%	68%	107%
EMEA	99%	79%	116%
APAC	114%	89%	127%
Total	97%	76%	114%

OHT OE/REP sales composition (volume basis)

■ OE ■ REP



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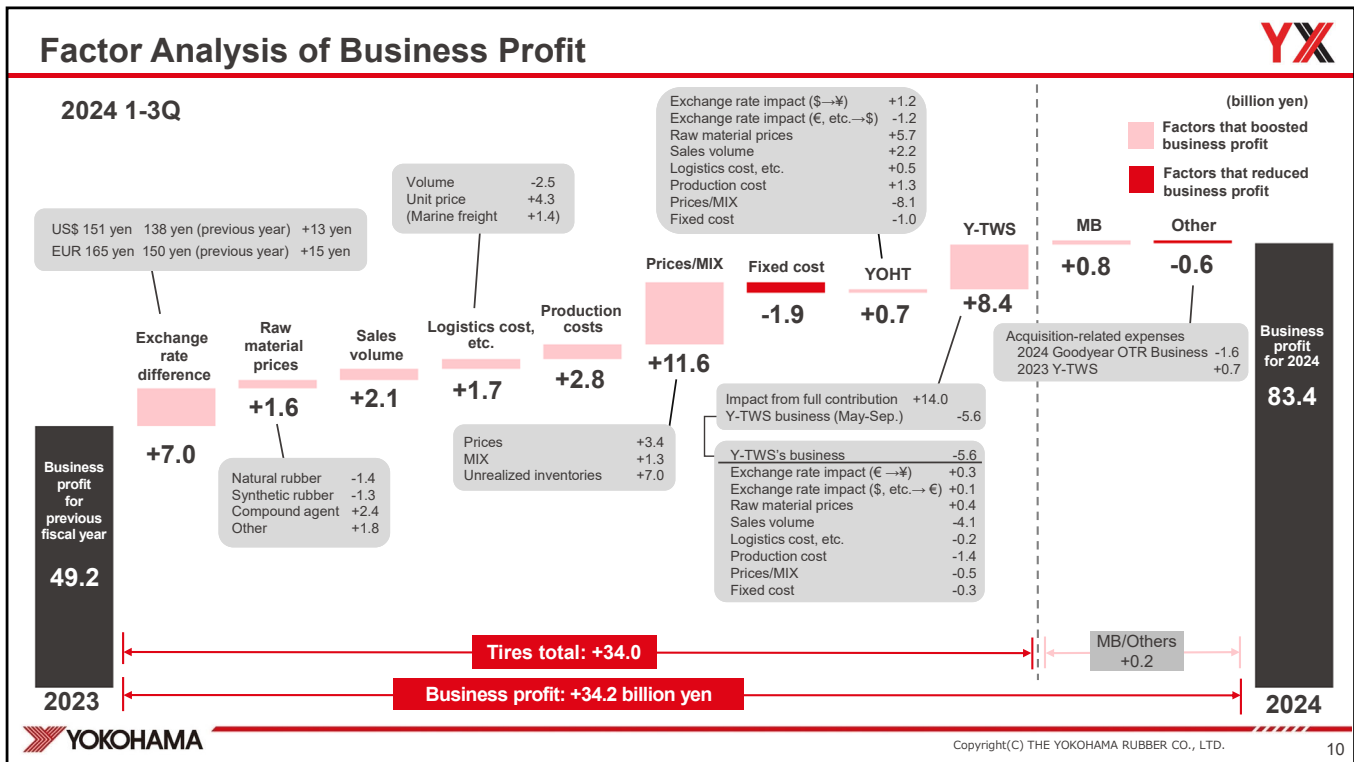
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This slide shows our OHT business results over the first three quarters of the year.

Sales of OE tires for new vehicles fell 24% YoY owing to weak demand from agricultural machinery makers. However, our efforts to increase market share and lower costs in the REP market enabled us to post a rather large increase in overall OHT sales revenue.

OHT business profit before amortization came to ¥26.3 billion, for a profit margin of 11.9%. By promoting a multi-brand strategy that leverages our strengths in production, sales, and technology in each product tier, we have been able to achieve a relatively high profit margin even in the currently difficult market environment.

Although we expect the current weak demand environment to continue a while longer, we expect a gradual recovery in OHT sales for new agricultural machinery from 2025 2H.



This slide shows a factor analysis of the YoY change in our business profit for the first three quarters of the fiscal year.

Tire segment business profit increased considerably, with the strong increase in REP sales in Europe and Asia boosting sales volume ¥2.1 billion, lower production costs adding another ¥2.8 billion, and the yen's depreciation against the USD and EUR provided a ¥7.0 billion gain from forex fluctuations.

In addition, price hikes implemented in Japan last year, MIX improvements, and unrealized profit on inventories contributed a combined total of ¥11.6 billion to the increase in business profit.

YOHT's strong sales of REP tires and cost improvements contributed ¥0.7 billion to the increase in tire segment business profit, and a full nine-month contribution from newly consolidated Y-TWS added another ¥8.4 billion.

The MB segment's higher sales contributed ¥0.8 billion to the growth in Group business profit. Meanwhile, costs related to the acquisition of Goodyear's OTR business profit had a ¥0.6 billion negative impact on profit growth.

Profit and Loss (3Q)



Exchange Rates	US\$ 150 yen	145 yen (previous year)	+5 yen
	EUR 164 yen	157 yen (previous year)	+7 yen
TSR20*	170 cents	131 cents (previous year)	+38 cents
WTI	75 dollars	82 dollars (previous year)	-7 dollars

*SICOM TSR20 1M

	2024 Jul.-Sep.	2023 Jul.-Sep.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	257.6	249.3	+8.3	+3.3%	+7.3	+1.0
Business profit* ¹ (Business profit margin)	28.8 (11.2%)	23.6 (9.5%)	+5.2 (+1.7%)	+22.1%	+1.2	+4.0
Operating profit (Operating profit margin)	29.5 (11.5%)	24.2 (9.7%)	+5.3 (+1.8%)	+22.1%	+1.2	+4.1
Profit* ²	14.3	16.9	-2.6	-15.6%		

(billion yen)

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

*2 Profit attributable to owners of parent



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This slide focuses on results quarterly results in 3Q (Jul-Sep).

3Q sales revenue was ¥257.6 billion, up 3.3% YoY. Business profit increased ¥5.2 billion to ¥28.8 billion and quarterly business profit margin improved to 11.2%, up 1.7%pt from 9.5% a year ago.

Net profit was ¥14.3 billion, ¥2.6 billion less than a year ago owing to foreign exchange fluctuations.

Business Segment (3Q)



		(billion yen)						
		2024 Jul.-Sep.	2023 Jul.-Sep.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates	
Sales revenue	Tires total	231.7	223.5	+8.2	+3.7%	+7.0	+1.2	
	(Tires)	(167.4)	(155.2)	(+12.2)	(+7.9%)	(+4.5)	(+7.8)	
	(YOHT)	(31.6)	(31.5)	(+0.1)	(+0.3%)	(+1.1)	(-1.0)	
	(Y-TWS)	(32.7)	(36.8)	(-4.1)	(-11.2%)	(+1.4)	(-5.5)	
	MB	23.3	23.9	-0.6	-2.5%	+0.3	-0.9	
Other	2.7	2.0	+0.7	+34.4%	-	+0.7		
	Total	257.6	249.3	+8.3	+3.3%	+7.3	+1.0	
Business profit	Tires total	27.1	21.8	+5.3	+24.5%	+1.1	+4.2	
	(Tires)	(24.0)	(18.3)	(+5.7)	(+31.3%)	(+1.0)	(+4.8)	
	(YOHT)	(2.5)	(3.6)	(-1.1)	(-29.8%)	(+0.1)	(-1.1)	
	(Y-TWS)	(0.6)	(-0.1)	(+0.7)	-	(+0.1)	(+0.6)	
	MB	1.8	1.6	+0.1	+6.6%	+0.1	+0	
	Other	-0	0.2	-0.2	-	-	-0.2	
	Intersegment eliminations	0	0	-0	-46.8%	-	-0	
	Total	28.8	23.6	+5.2	+22.1%	+1.2	+4.0	

This slide shows 3Q quarterly results in each business segment.

First, please look at the upper table showing segment sales revenue.

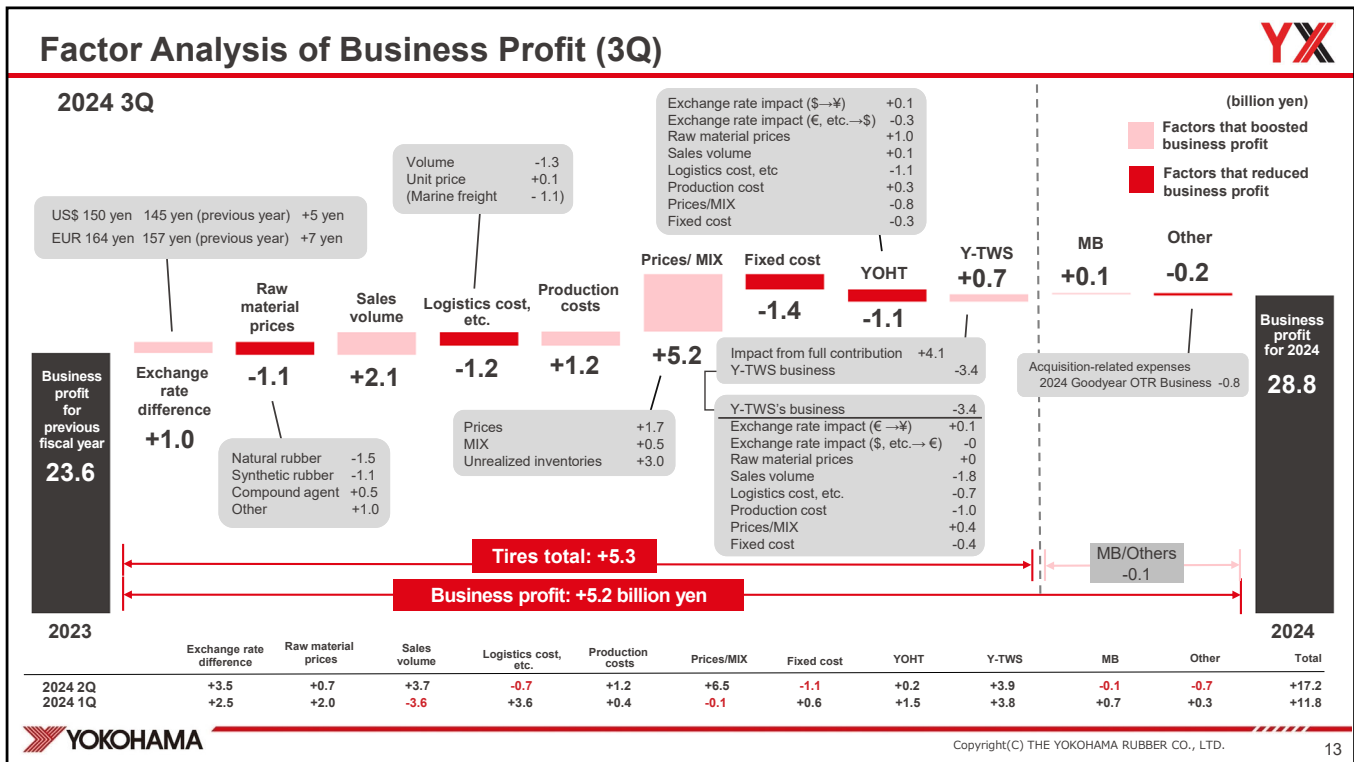
Overall tire segment sales revenue was ¥231.7 billion, a 3.7% YoY increase.

This result includes increases of ¥2.7 billion in Japan sales of OE tires, ¥1.4 billion in Japan sales of REP tires, ¥8.2 billion in overseas sales, and ¥0.1 billion from YOHT. Y-TWS sales, however, declined by ¥4.1 billion.

MB segment sales revenue also fell short of last year's total, by ¥0.6 billion.

Overall tire segment business profit increased ¥5.3 billion YoY to ¥27.1 billion, generating a profit margin of 11.7%.

MB segment business profit also increased, rising 7% to ¥1.8 billion.



This next slide is an analysis of the factors that led to the ¥5.2 billion increase in 3Q quarterly business profit.

First, let's look at the main factors that boosted tire segment profit.

Exchange rate differences contributed ¥1.0 billion, the YoY increases in OE and REP tire sales volume added ¥2.1 billion, lower production costs contributed ¥1.2 billion, and price and MIX improvements made the biggest contribution, ¥5.2 billion.

YOHT's contribution was ¥1.1 billion lower than last year owing to the impact from lower production volume and cost increases due to production adjustments in preparation for the closure of the Israel plant.

Y-TWS, however, posted a ¥0.7 billion increase in quarterly business profit and the MB segment contributed ¥0.1 billion to the overall increase in quarterly business profit.

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



(billion yen)

	Sep. 30, 2024	Dec. 31, 2023	Change
Current assets	670.6	618.1	+52.5
Cash and cash equivalents	107.5	97.6	+9.8
Trade and other receivables	247.2	243.4	+3.8
Inventories	281.3	249.7	+31.6
Other assets	34.5	27.4	+7.2
Non-current assets	949.2	982.4	-33.2
Total assets	1619.7	1600.5	+19.3
Liabilities	804.6	851.7	-47.1
Equity	815.1	748.8	+66.3
Total liabilities and equity	1619.7	1600.5	+19.3
Interest-bearing debt**1	457.4	469.4	-12.0
Ratio of equity attributable to owners of parent (%)	49.8%	46.2%	+3.6%
D/E ratio	0.57	0.63	-0.07
Net D/E ratio	0.43	0.50	-0.07

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

That brings me to our financial position as of September 30.

Total assets and liabilities have increased to ¥1,619.7 billion from the end of FY2023. Our shareholders' equity ratio has also risen to 49.8%, the D/E ratio has decreased to 0.57, and the net D/E ratio has decreased to 0.43.

Our shareholders' equity ratio had fallen to 46.2% at end-FY2023 owing to the impact from the Y-TWS acquisition, but it already has bounced back more than we anticipated, and we now expect it to surpass our 50% target level at the end of this fiscal year. Today's decision by the Board of Directors to repurchase Company shares was made with that goal in mind.

State of Cash Flows



(billion yen)

	2024 Jan.-Sep.	2023 Jan.-Sep.	Change
CF from operating activities (Excluding tax impact of gains from the sale of cross-shareholdings, etc.)*	30.6 (52.4)	100.3	-69.7
CF from investing activities	13.1	-336.2	+349.3
Free CF	43.7	-235.9	+279.6
CF from financing activities	-33.0	266.3	-299.3
Closing balance of cash and cash equivalents	107.5	111.4	+3.9

*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.

This slide summarizes our cash flows in the first nine months of 2024.

Cash flow from operating activities was ¥30.6 billion, after the impact of taxes on gains on the sale of cross-shareholdings. Excluding that taxation impact, operating cash flow comes to ¥52.4 billion.

Cash flow from investing activities totaled ¥13.1 billion, mainly reflecting cash received from the sale of cross-shareholdings. Free cash flow was a positive ¥43.7 billion.

Earnings Forecast for FY2024

Next, let's look at our earnings forecast for FY2024.

Profit and Loss Projections No changes from the previous forecast



Forecasts after October 2024

Exchange Rates	US\$ 148 yen	145 yen (previous forecast)	+3 yen	
	EUR 161 yen	155 yen (previous forecast)	+6 yen	
TSR20*	191 cents	147 cents (previous forecast)	+44 cents	*SICOM TSR20 1M
WTI	72 dollars	79 dollars (previous forecast)	-7 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%	1105.0	-
Business profit** ¹ (Business profit margin)	128.5 (11.6%)	99.1 (10.1%)	+29.4 (+1.5%)	+29.6%	128.5 (11.6%)	-
Operating profit (Operating profit margin)	116.0 (10.5%)	100.4 (10.2%)	+15.6 (+0.3%)	+15.6%	116.0 (10.5%)	-
Profit ²	78.5	67.2	+11.3	+16.8%	78.5	-
ROE (%)	10.0%	9.9%	+0.1%		10.0%	-

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

*2 Profit attributable to owners of parent



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Based on recent trends since October, our forex assumptions are now 148 for USD/JPY and 161 for EUR/JPY. Regarding our raw material price assumptions, we have upwardly revised our assumption of TSR20 grade natural rubber to 191 cents/kg, but we have lowered our WTI assumption to \$72.

We now forecast FY2024 sales revenue will increase to ¥1,105.0 billion, generating a business profit of ¥128.5 billion and operating profit of ¥116.0 billion. We expect net profit to reach ¥78.5 billion. These figures are all unchanged from our previously announced forecast.

Business Segment (Full-Year Forecast)

Segment forecasts are different from previous FY24 forecast but "Totals" are unchanged



							(billion yen)	
		2024 forecast	2023 Result	Change	Change (%)	2024 previous forecast	Change from previous forecast	
Sales revenue	Tires total	991.0	874.9	+116.1	+13.3%	989.0	+2.0	
	(Tires)	(696.0)	(639.0)	(+57.0)	(+8.9%)	(685.0)	(+11.0)	
	(YOHT)	(146.0)	(132.1)	(+13.9)	(+10.5%)	(154.0)	(-8.0)	
	(Y-TWS)	(149.0)	(103.7)	(+45.3)	(+43.6%)	(150.0)	(-1.0)	
	Total	1105.0	985.3	+119.7	+12.1%	1105.0	-	
Business profit	Tires total	122.3	92.0	+30.3	+32.9%	122.7	-0.4	
	(Tires)	(93.9)	(72.6)	(+21.3)	(+29.3%)	(88.3)	(+5.6)	
	(YOHT)	(18.2)	(17.6)	(+0.6)	(+3.6%)	(19.5)	(-1.3)	
	(Y-TWS)	(10.2)	(1.8)	(+8.4)	(+454.2%)	(14.9)	(-4.7)	
	MB	8.0	7.2	+0.8	+11.8%	7.7	+0.3	
	Other	-1.8	-0.1	-1.7	-	-1.9	+0.1	
Intersegment eliminations	-	0	-0	-	-	-		
Total	128.5	99.1	+29.4	+29.6%	128.5	-		



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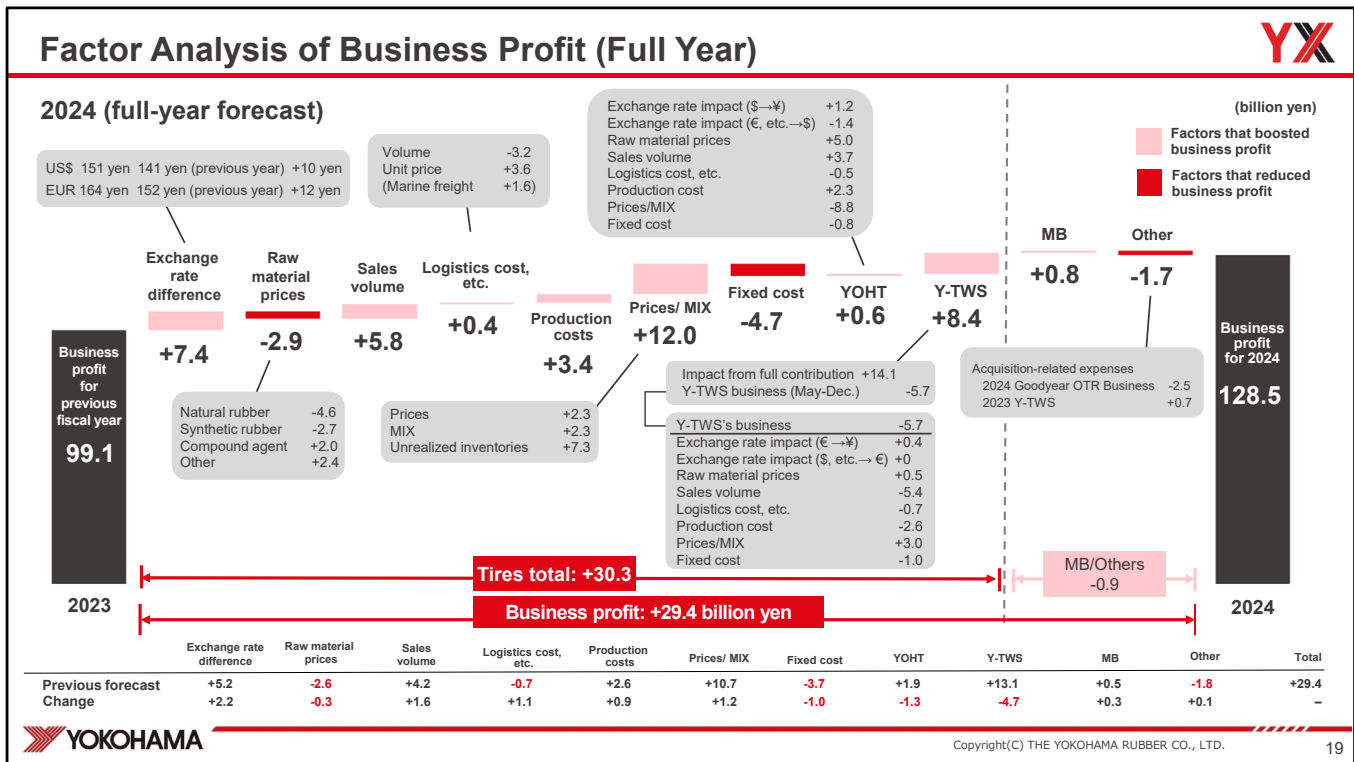
This slide shows our revised full-year forecasts for each business segment. We have revised our outlooks for each segment to reflect current market conditions.

In the OHT business, we expect a continued recovery in the REP market, but the OE market for agricultural machinery is expected to remain tight.

Accordingly, we have downwardly revised our full-year profit forecasts for YOHT and Y-TWS by ¥1.3 billion and ¥4.7 billion, respectively.

On the positive side, we have raised our profit forecast for the core tire business by ¥5.6 billion and lifted our MB segment forecast by ¥0.3 billion.

However, our forecasts for overall sales revenue and business profit are unchanged from our previously announced forecast.



Lastly, I would like to present our estimates for the factors expected to impact FY2024 business profit, as shown in this slide.

Exchange rate differences are expected to boost business profit by ¥7.4 billion, a ¥2.2 billion increase from our previous forecast reflecting the revisions to our exchange rate assumptions based on forex trends since October. Meanwhile, higher raw material prices are expected to be a ¥2.9 billion weight on full-year business profit, up from just ¥0.3 billion in our previous forecast.

Expecting continued growth in REP tire sales, especially in Europe, we have raised the contribution from sales volume to ¥5.8 billion, ¥1.6 billion more than our previous forecast.

We now expect a ¥0.4 billion positive contribution to profit growth from logistics costs and other related factors, a ¥1.1 billion improvement as we now see lower marine freight costs offsetting increased shipment volume due to rising sales.

We also have raised our expected contribution from prices/MIX to ¥12.0 billion with higher prices and MIX improvements each contributing ¥2.3 billion and unrealized profit on inventories ¥7.3 billion. These revisions amount to a ¥1.2 billion increase over our previously forecast for the contribution from prices/MIX.

We now forecast the contributions to Group profit growth in FY2024 from YOHT and Y-TWS will be, respectively, ¥0.6 billion and ¥8.4 billion.

Lastly, the MB segment is now expected to contribute ¥0.8 billion to Group profit growth, ¥0.3 billion more than previously forecast owing to the strong growth in the segment's sales of its industrial products and aerospace products.

That concludes my presentation.

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



■ Tires (passenger cars, trucks & buses, etc.) Year-on-year unit sales growth by region

	2024 3Q result (Jul.-Sep.)		
	Total	OE	REP
Japan	109%	122%	101%
North America	97%	78%	102%
Europe	126%	78%	127%
China	104%	118%	92%
Asia	115%	104%	120%
India	106%	84%	107%
Others	111%	-	111%
Total	107%	112%	106%

	2024 1-3Q result (Jan.-Sep.)		
	Total	OE	REP
Japan	103%	111%	99%
North America	99%	105%	98%
Europe	119%	127%	119%
China	99%	99%	99%
Asia	117%	97%	129%
India	107%	60%	110%
Others	96%	-	96%
Total	103%	105%	103%

	2024 Plan		
	Total	OE	REP
Japan	105%	112%	102%
North America	100%	104%	99%
Europe	120%	103%	121%
China	101%	97%	105%
Asia	114%	92%	127%
India	108%	64%	110%
Others	91%	-	91%
Total	104%	104%	104%

Regional sales composition		
2024 3Q	2024 1-3Q	2024 Plan
35%	36%	39%
19%	19%	18%
9%	8%	7%
15%	14%	14%
9%	9%	9%
5%	5%	4%
9%	8%	7%
100%	100%	100%

*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 OHT tire sales volume

	2024 3Q result (Jul.-Sep.)		
	Total	OE	REP
Americas	88%	66%	104%
EMEA	95%	75%	110%
APAC	120%	96%	130%
Total	94%	72%	110%

	2024 1-3Q result (Jan.-Sep.)		
	Total	OE	REP
Americas	90%	68%	107%
EMEA	99%	79%	116%
APAC	114%	89%	127%
Total	97%	76%	114%

	2024 Plan		
	Total	OE	REP
Americas	95%	68%	114%
EMEA	98%	78%	115%
APAC	120%	97%	132%
Total	99%	76%	116%

*Americas: North, South and Central America EMEA: Europe, Middle East, Africa APAC: Asia-Pacific region

■ AG tire replacement demand YoY

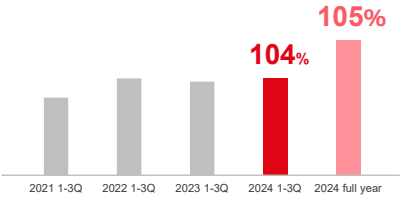
	2024 1-3Q
North America	~100%
Europe	~105%

*Our Estimate

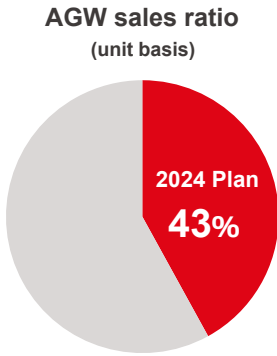
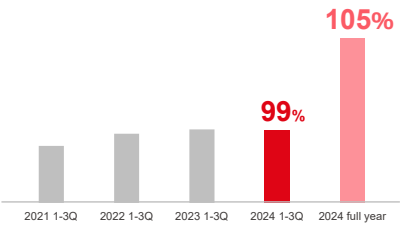
(Reference) Cumulative Unit Sales of Consumer Tire Products



ADVAN

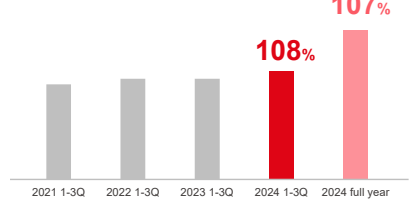


WINTER

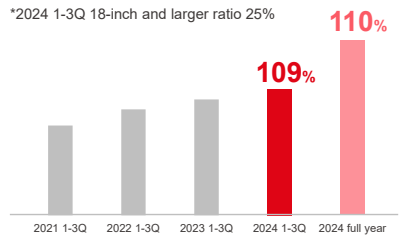


Unit sales growth rate vs 2023

GEOLANDAR



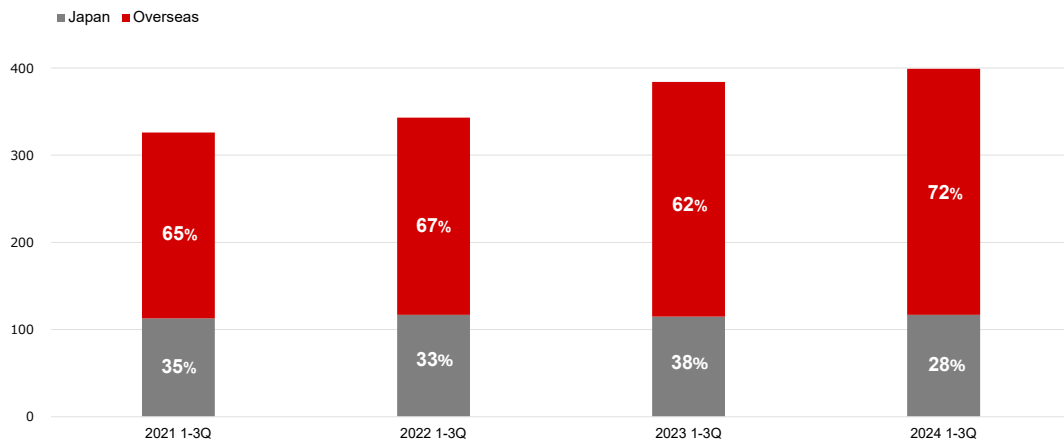
18-inch and larger



(Reference) Tire Rubber Production Volumes



Yokohama Rubber Group tire rubber production volumes



(Unit: thousand tons)

	2021 1-3Q	2022 1-3Q	2023 1-3Q	2024 1-3Q
Japan	113	117	115	117
Overseas	213	226	269	282
Total	326	344	383	399

*Y-TWS consolidated from 2023 2Q

