

# FY2024 Results Briefing

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YX2026 – Review of FY2024 and Initiatives for FY2025

February 19, 2025

The Yokohama Rubber Co., Ltd.

Chairman & CEO, Chairman of the Board

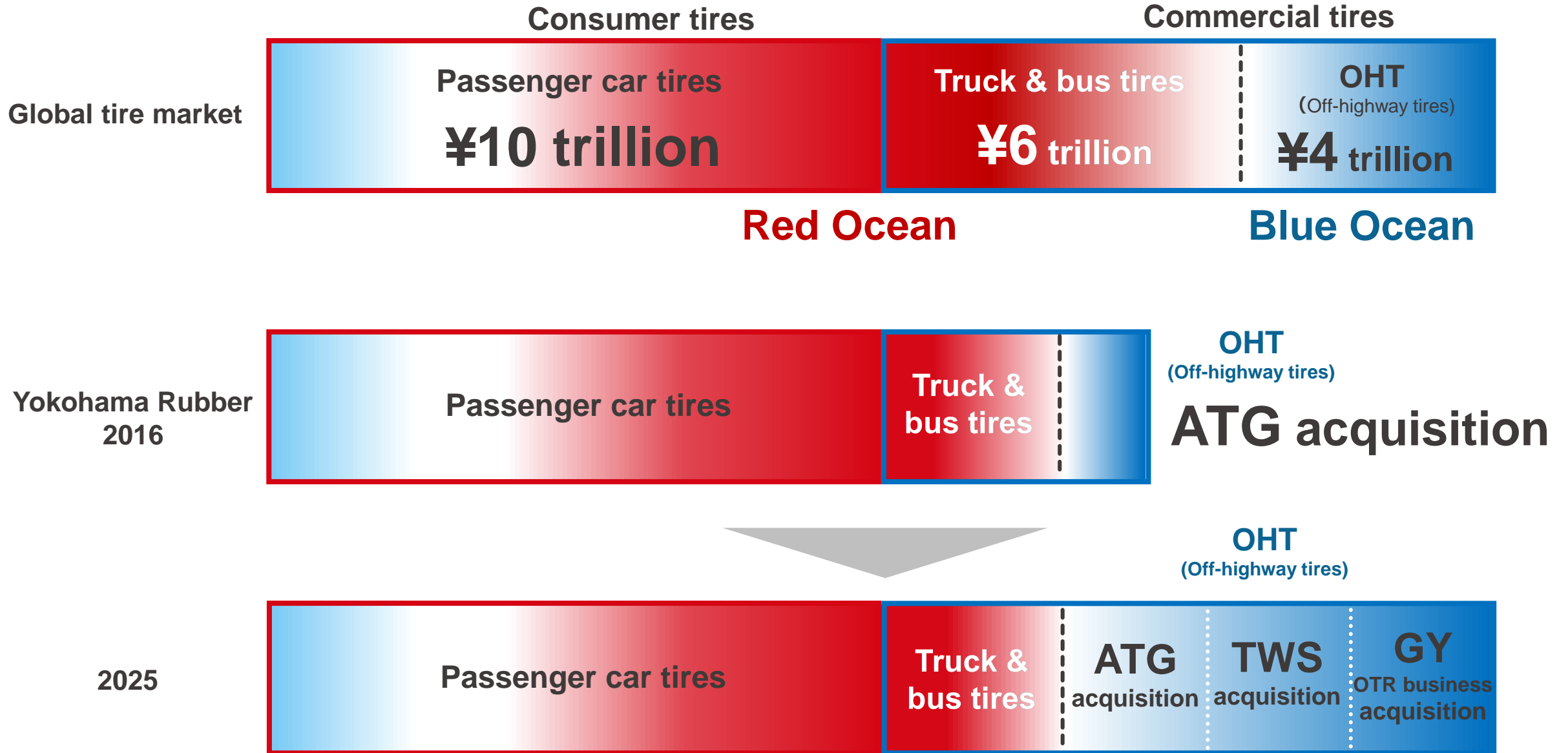
Masataka Yamaishi



**YOKOHAMA  
Transformation 2026**

**Completing Transformation under  
Exploitation × Exploration Strategy**

**\* Leave no negative legacies for next generation**

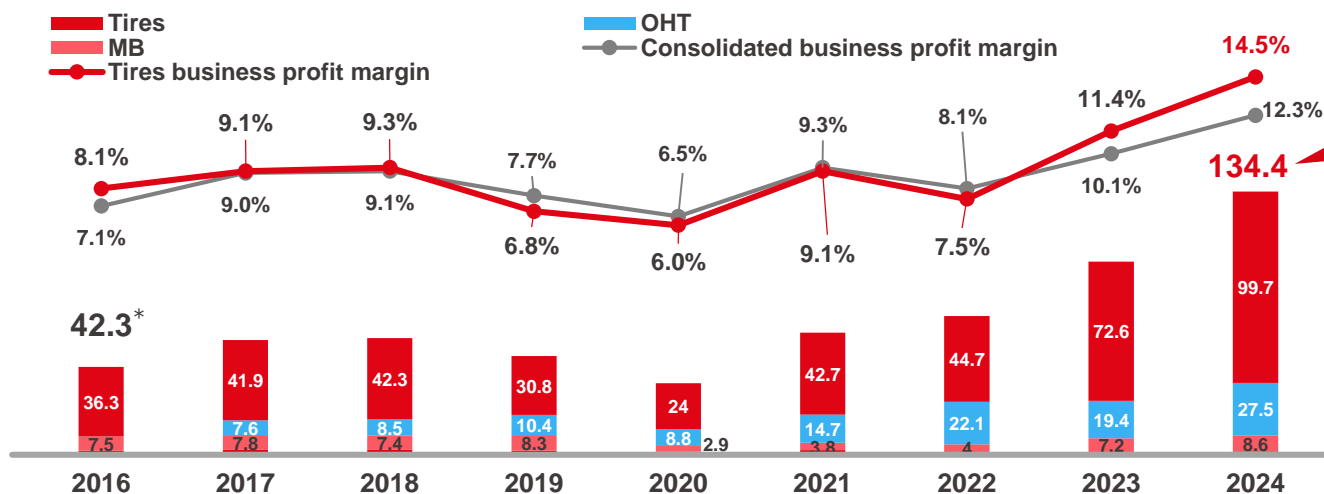


# Medium-term Management Plan YX2026 Review of FY2024

## Full-year results

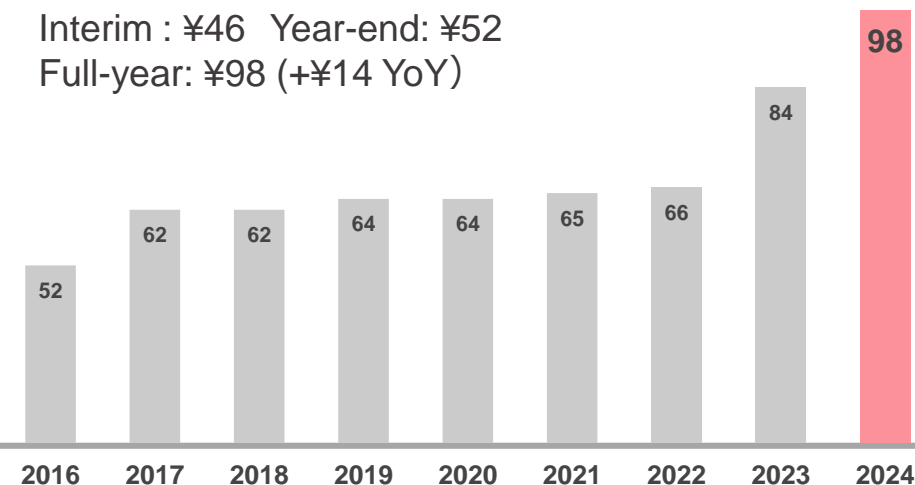
(billion yen)	2024 result	Plan (announced in Aug.)	Difference from plan	2023 result	YoY change
Sales revenue	1,094.7	1,105.0	-10.3	985.3	+109.4
Business profit	134.4	128.5	+5.9	99.1	+35.3
Business profit margin	12.3%	11.6%	+0.6%	10.1%	+2.2%
Operating profit	119.2	116.0	+3.2	100.4	+18.8
Net profit	74.9	78.5	-3.6	67.2	+7.7
ROE	9.2%	-	-	9.9%	-0.8%

## Business profit · Business profit margin



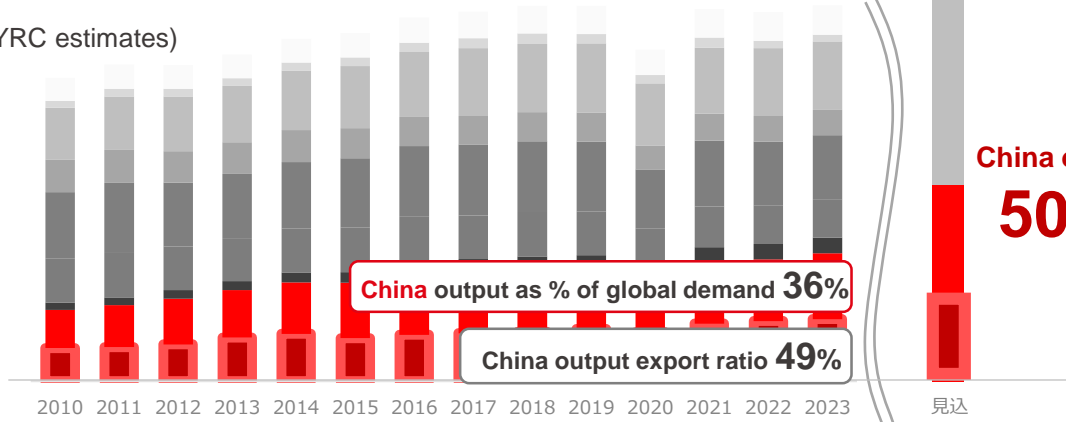
## Shareholder Return

Interim : ¥46 Year-end: ¥52  
Full-year: ¥98 (+¥14 YoY)

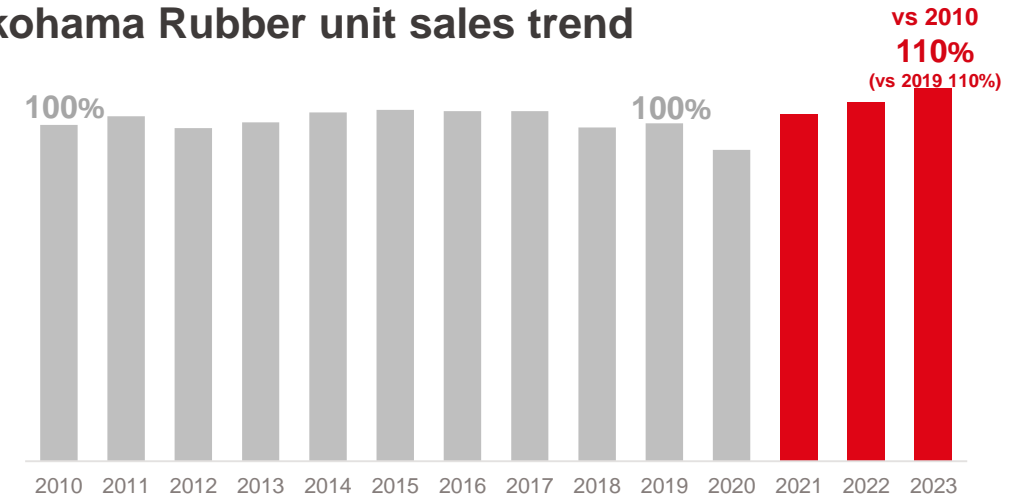


## Global consumer tire production trend

(YRC estimates)



## Yokohama Rubber unit sales trend



## Drastic reduction of product costs (Exploration)

## “1-year plant” challenge

**New plant in Mexico**  
Groundbreaking ceremony  
in Apr. 2024



**New Hangzhou plant in China**  
Groundbreaking ceremony  
in Dec. 2024



\*YOKOHAMA brand: 99%

## AGW (Exploitation)

**Brand MIX**

**Size MIX**

**Sales company-distributor policy**

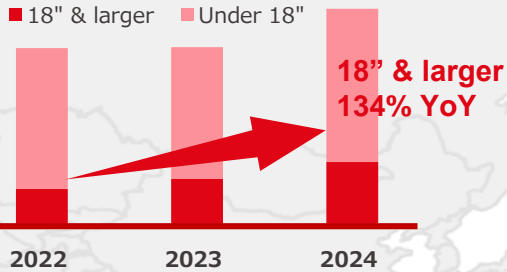
## <Product and Regional Strategies> Strong performance in each region

### Consumer tire unit sales

**Europe 122%**

Strong sales of high-inch sizes

Sales in Europe



**China 101%**

Deliveries to Chinese makers up 8.8x YoY  
Began deliveries for Chinese makers' premium cars & EVs



Lynk & Co Z10



NIO ONVO L60



LEAPMOTOR C16



HUAWEI STELATO S9

**Asia & India 112%**

Entry into new sales channels  
Strengthened sales of high-value added tires

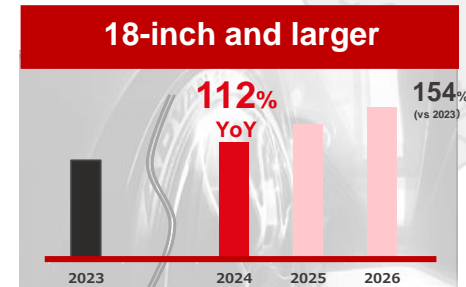
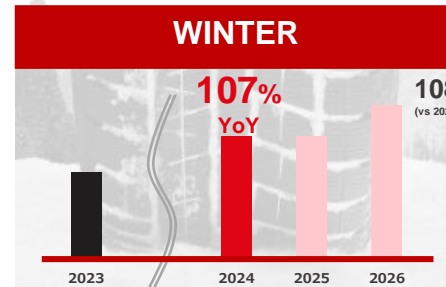
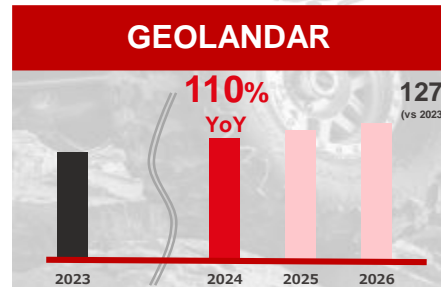
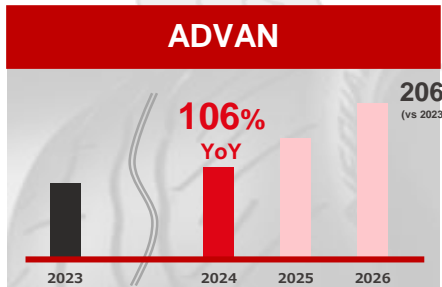
**Japan 106%**

OE sales rebound; REP share increased  
REP Summer 104% (JATMA 102%) Snow 98% (JATMA 93%)  
\*sell-in data

**N. America 100%\*ex Friend Tire**

GEOLANDAR sales increased +5% YoY

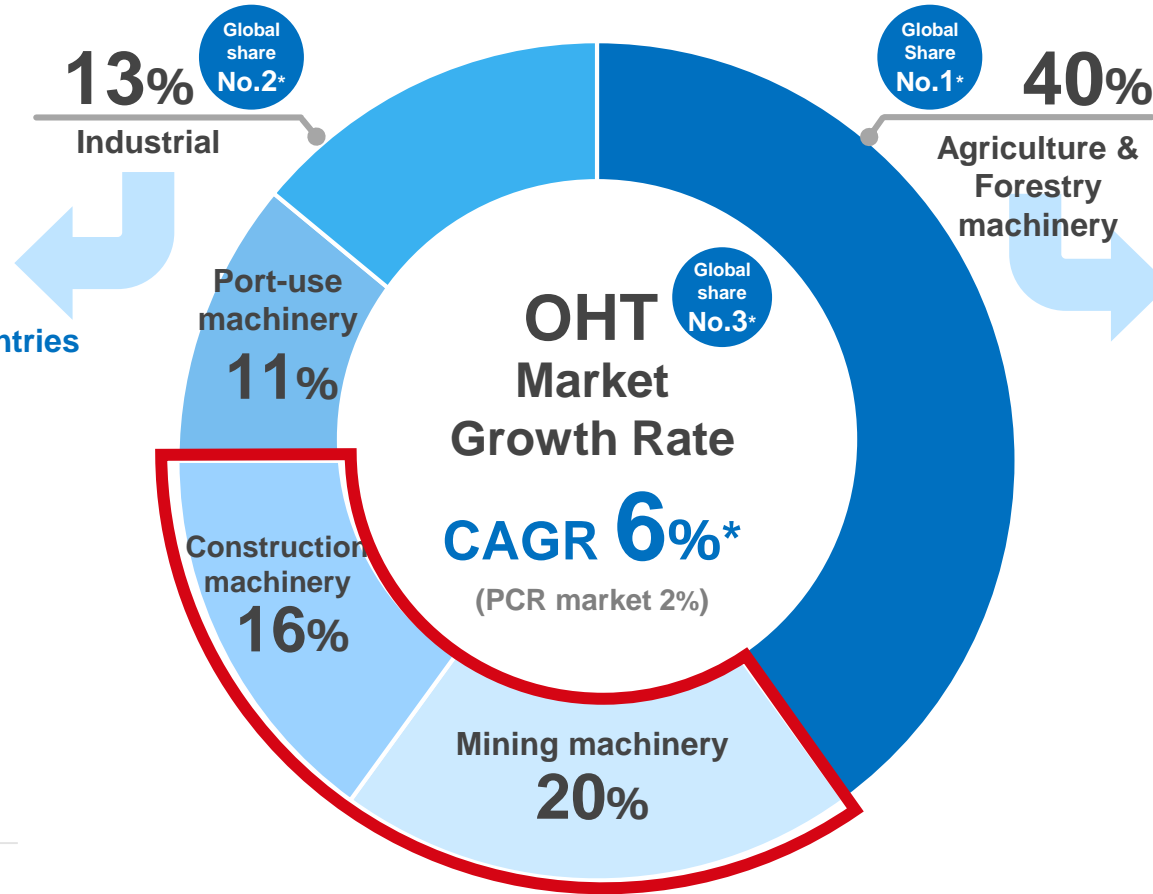
### Sales of high value-added tires



# YX2026 Commercial Tire; OHT Growth Strategy

\*Yokohama estimate

## Market Size ≈ 4 trillion JPY\*

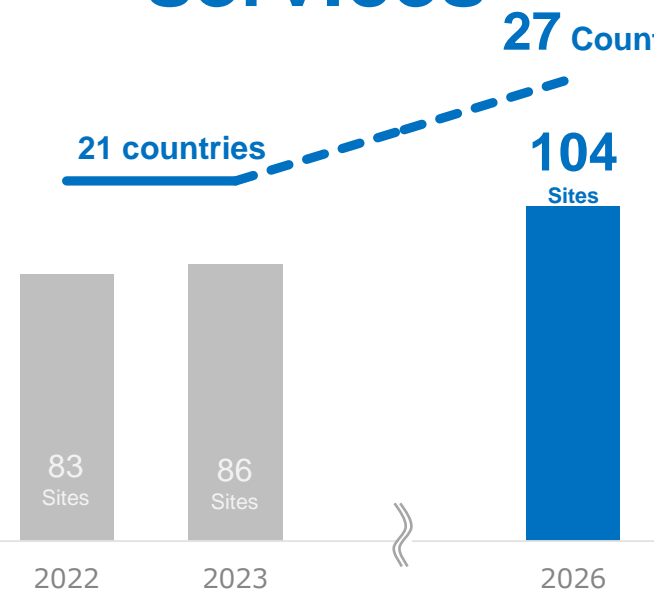


## Multi-brand strategy



Each has Production/Technology/Sales

## Strengthen services



「 Programmatic M&A 」 +



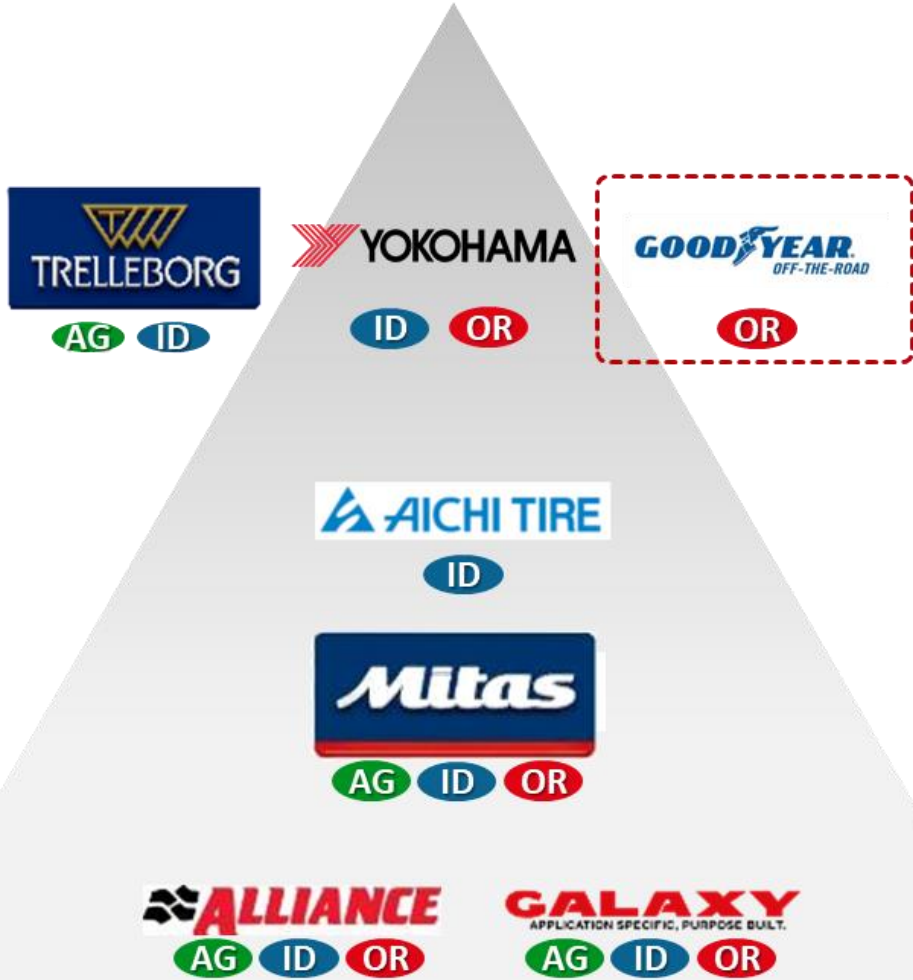
Feb. 4, 2025 (JST)  
**Acquisition completed**

(Pie graph: global demand composition ratios of off-highway tires)



# YX2026 Commercial Tire; OHT Growth Strategy

## Product portfolio after the acquisition of G-OTR



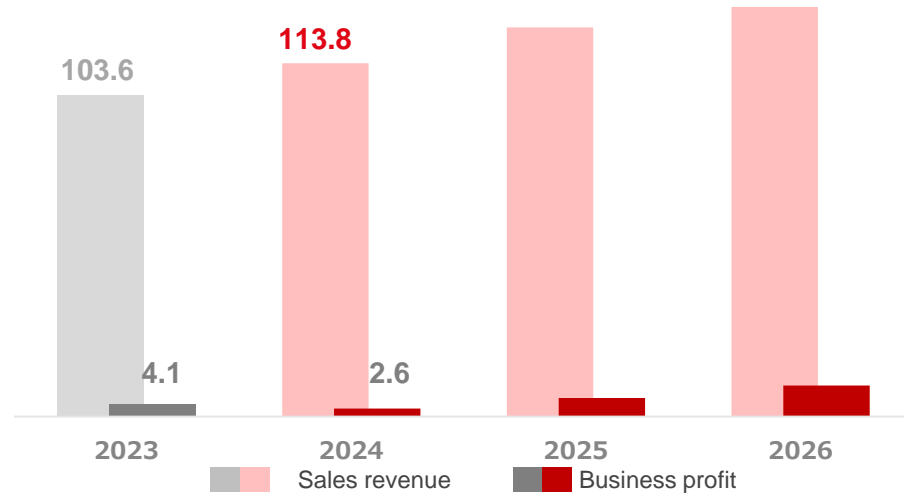
	Agriculture	Forestry	Lawn Garden & Turf	Material Handling	Construction	Earthmover & Mining	Truck (OR)
YOKOHAMA, AICHI TIRE, TRELLEBORG, Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE GALAXY	✓	✓	✓	✓	✓	✓	✓



	Agriculture	Forestry	Lawn Garden & Turf	Material Handling	Construction	Earthmover & Mining	Truck (OR)
YOKOHAMA, AICHI TIRE, TRELLEBORG, Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE GALAXY	✓	✓	✓	✓	✓	✓	✓

## TBR

TBR Business YX2026 targets (billion yen)  
(Internal Management Accounting Numbers)



### Increased unit sales in 3 major markets (Japan, North America, Europe)

YoY unit sales increases

- Europe +42%: Expanded into new sales channels in key demand regions, including Germany, UK, and East Europe
- N. America +12%: Stable supply from Mississippi plant
- Japan +6%: Stronger sales activities, especially for snow tires

## MB

Strengthen & expand by concentrating resource allocation

**Hoses & Couplings**  
Growth driver

**Industrial products**  
Stable earnings

◆ **Hydraulic hoses**  
Value chain restructuring

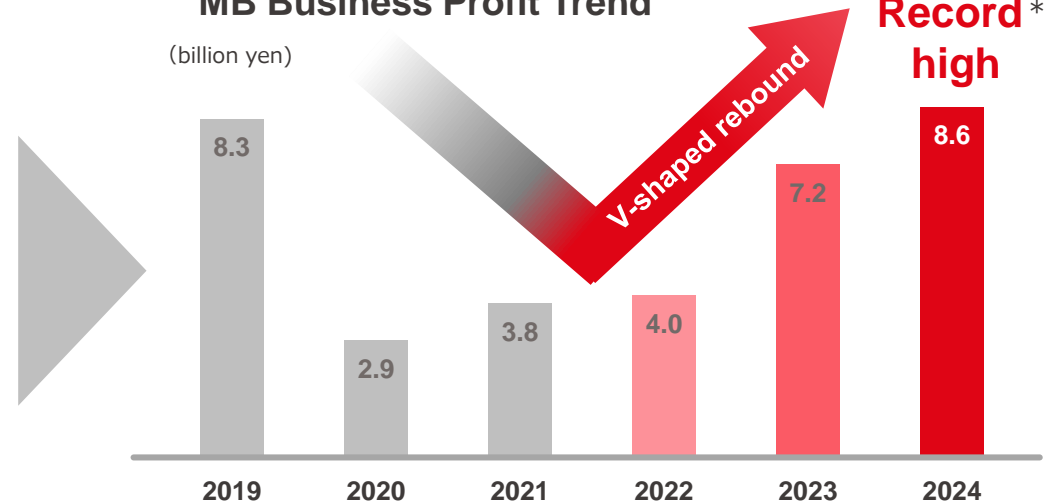
◆ **Conveyor belts**  
Top share in Japan · Investment to expand production completed

◆ **Automotive hoses**  
Restructure production

◆ **Marine hoses / fenders**  
Establish high-profit structure · Efforts to improve productivity

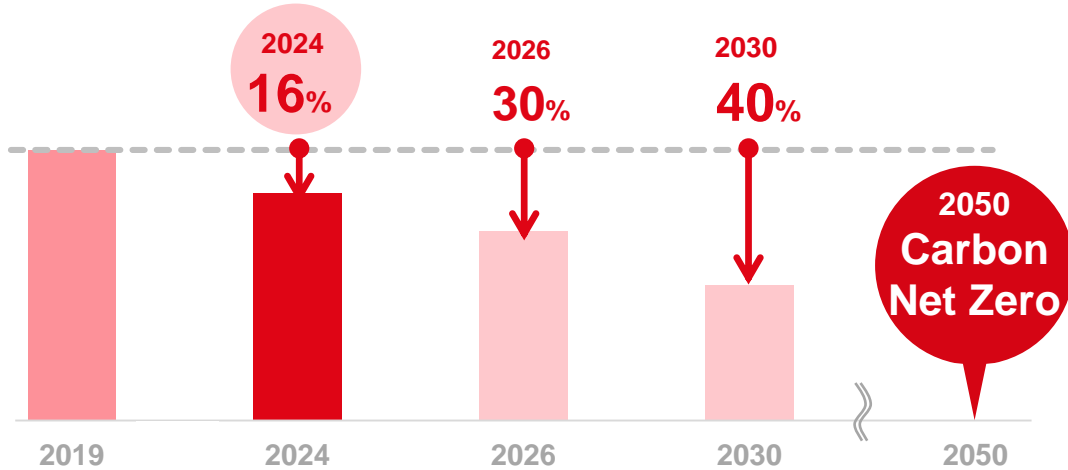
### MB Business Profit Trend

(billion yen)

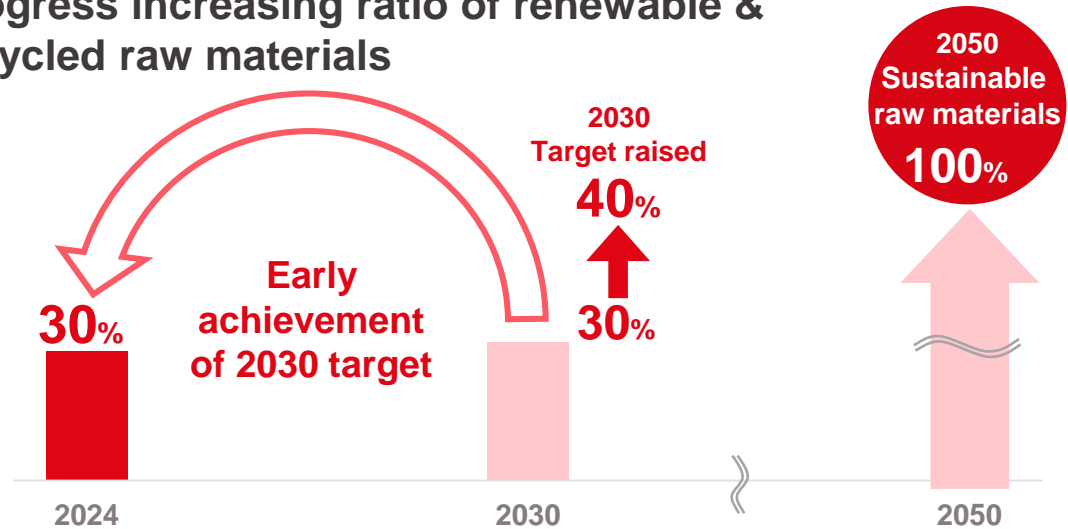


## Contribute to a Decarbonized and Recycling-Oriented Society while Increasing **PROFITS**

### Progress reducing greenhouse gas emissions



### Progress increasing ratio of renewable & recycled raw materials



### FY2024 sustainability initiatives

#### ■ E: Environment

- Named to CDP A List of companies with highest scores for actions to counter climate change for 3<sup>rd</sup> straight & 6<sup>th</sup> time overall



CDP "Climate Change" A List

#### ■ S: Social

- Earned highest evaluation for LGBTQ+ related initiatives



PRIDE Index2024  
Received highest "Gold" award



D&I AWARD 2024  
Received highest rating

- YX2026 Employee Survey (employee engagement survey) started

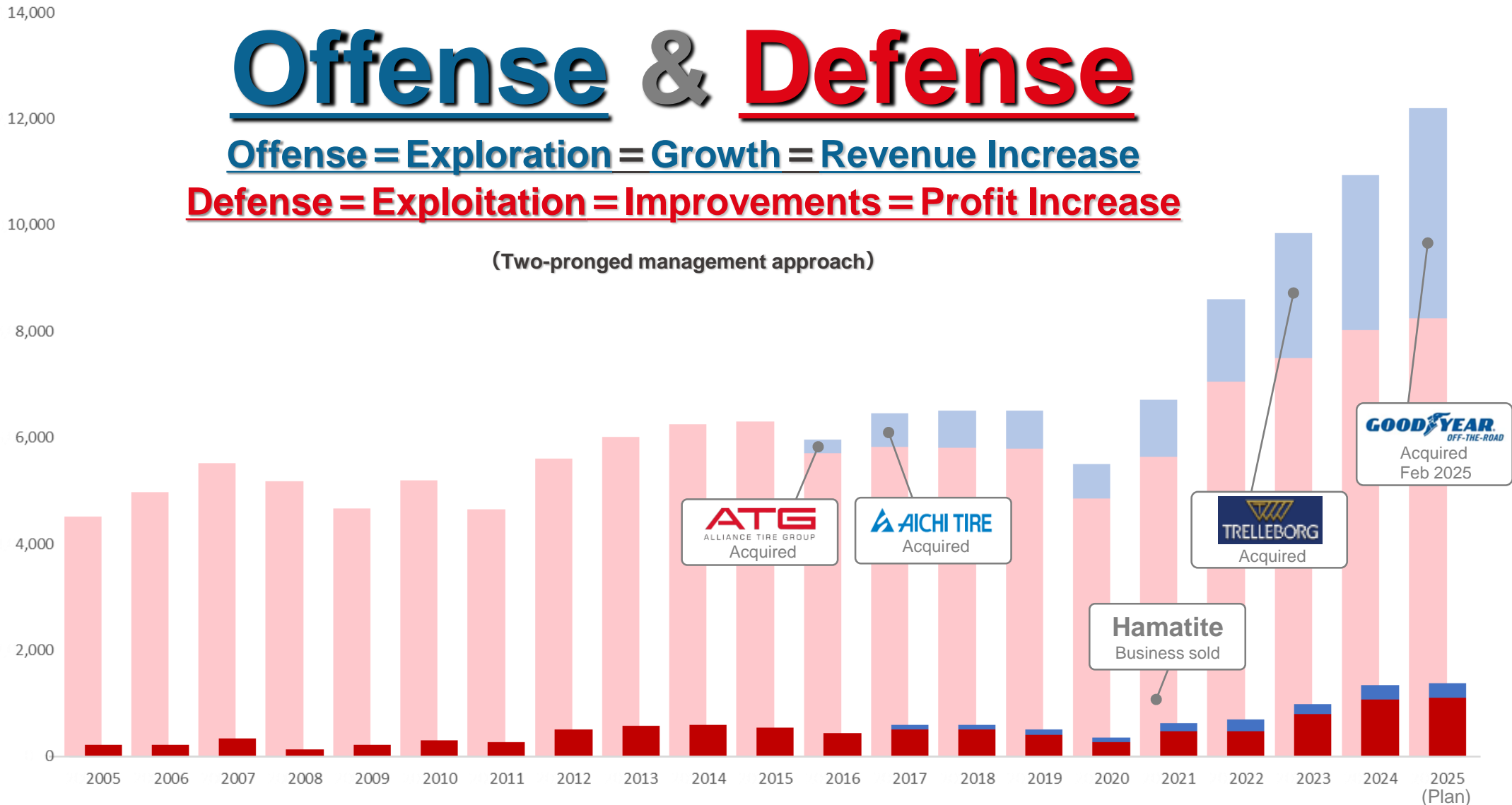
(¥100 million)

## Offense & Defense

Offense = Exploration = Growth = Revenue Increase

Defense = Exploitation = Improvements = Profit Increase

(Two-pronged management approach)



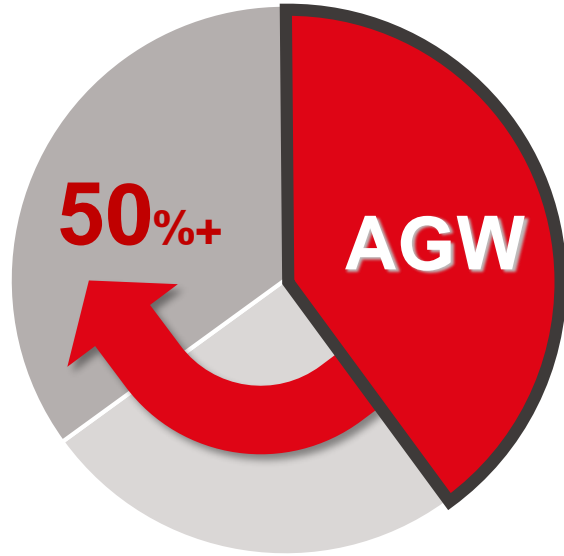
# Medium-term Management Plan YX2026 Initiatives to be Implemented from FY2025

## Full-year plan

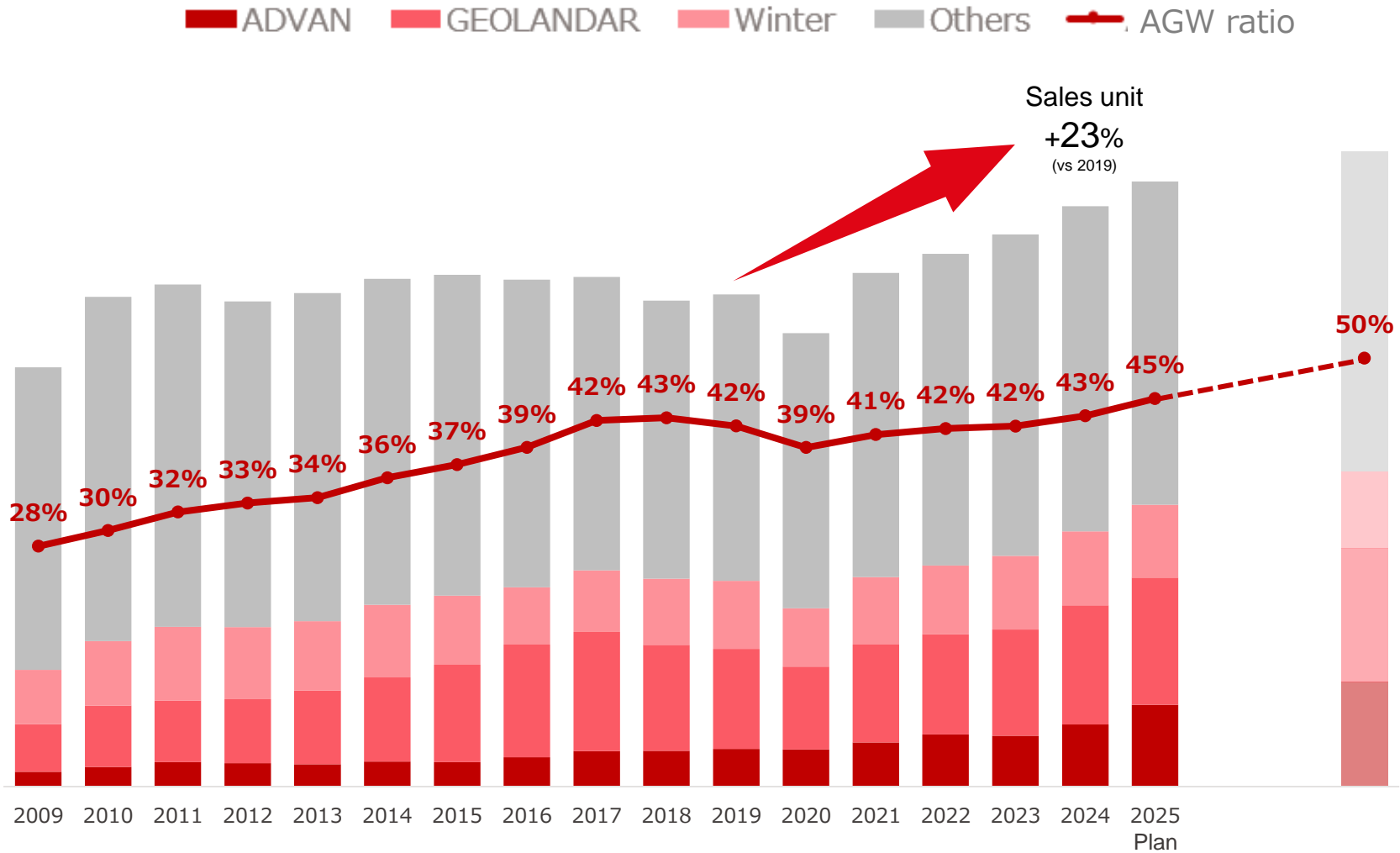
(billion yen)	2025 plan	2024 results	YoY change
Sales revenue	1,220.0	1,094.7	+125.3
Business profit	138.0	134.4	+3.6
Business profit margin	11.3%	12.3%	-1.0%
Operating profit	132.0	119.2	+12.8
Net profit	81.5	74.9	+6.6
ROE	9.2%	9.2%	0.0%

# YX2026 Consumer Tire Growth Strategy

## Strengthen sales of high value-added tires



- Ultra High Performance Global Flagship Brand  
**ADVAN**
- SUV/Pickup Track  
**GEOLANDAR**
- Winter  
**iceGUARD**

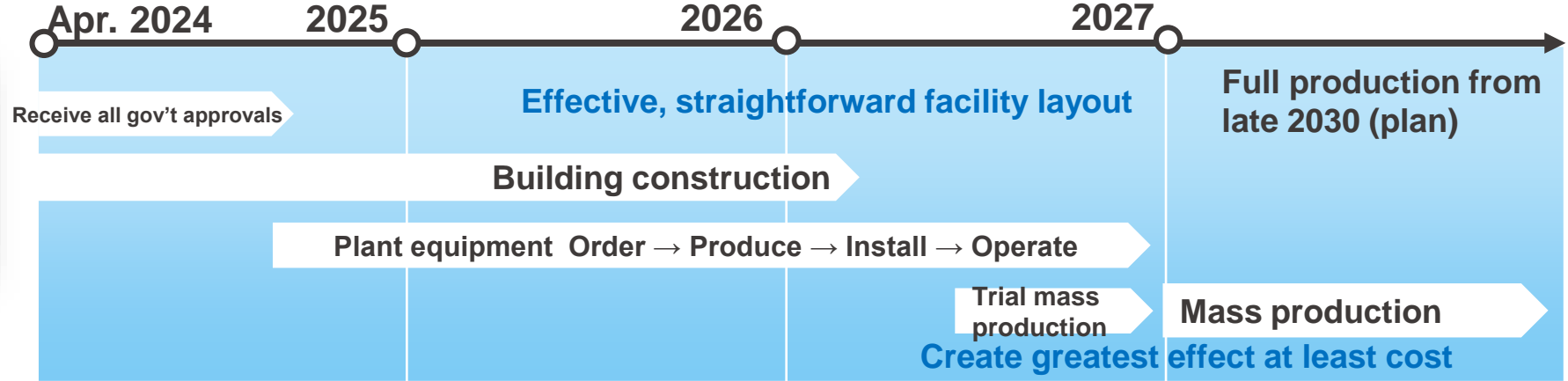


# YX2026 Consumer Tires: Progress on New Plants

Mexico plant

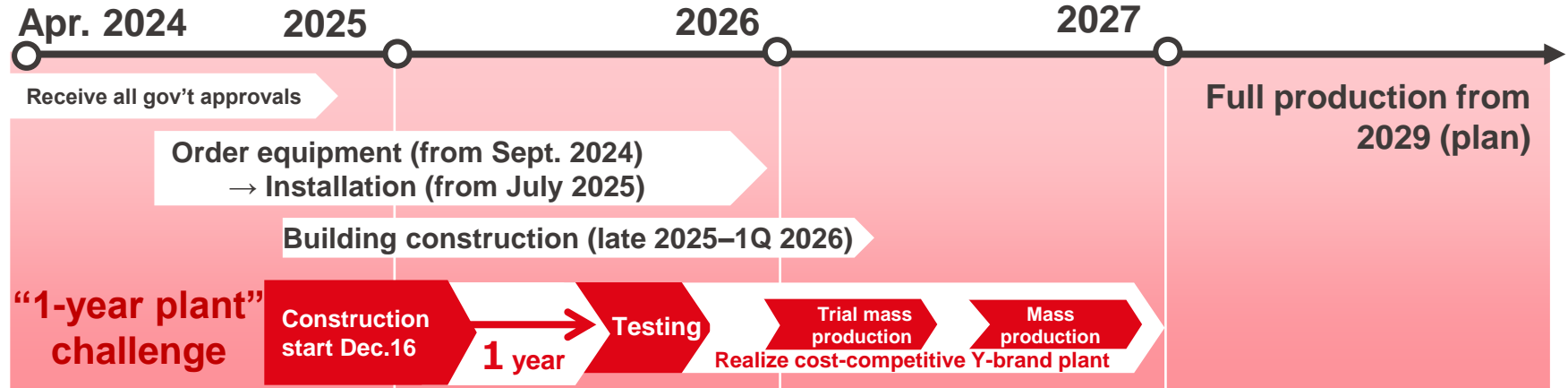
**Payback period; 8.8yrs Discount rate: 10%**

\*Assuming 25% tariff rate thru 2028 +0.56/yr



China plant

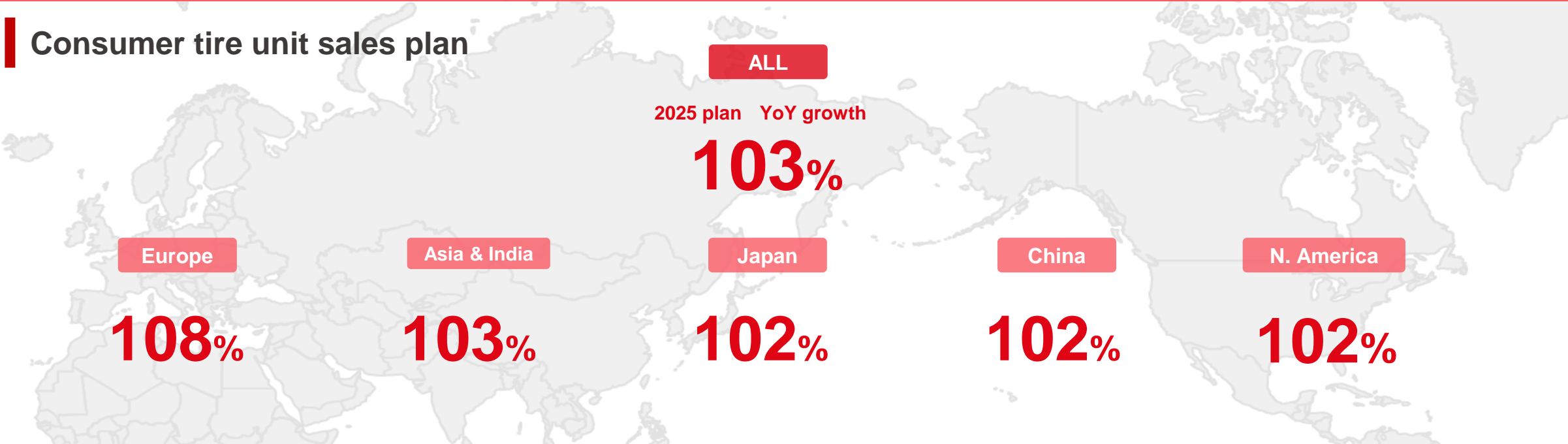
**Payback period: 8.5yrs Discount rate: 9%**



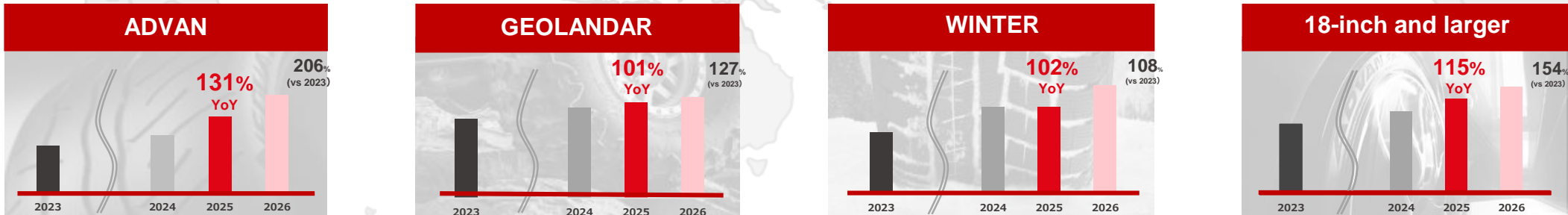


**<Product and Regional Strategies> Promoting most optimal sales strategies for each region**

## Consumer tire unit sales plan

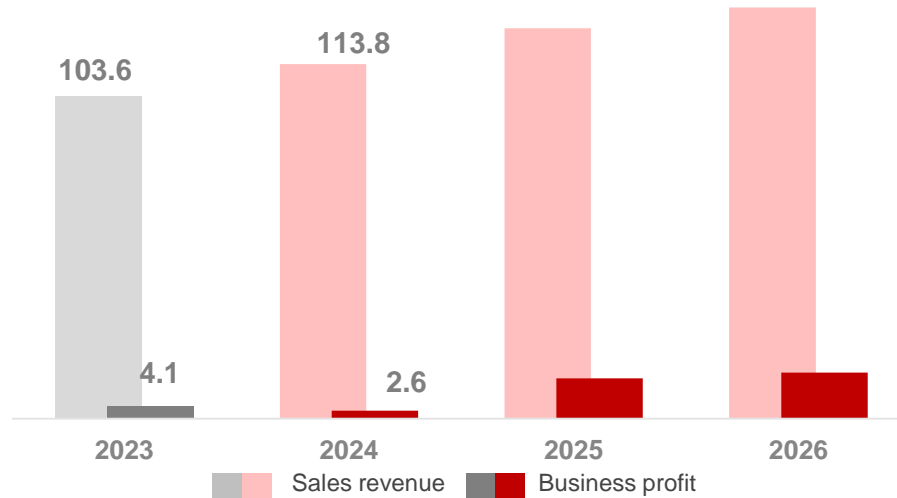


## High value-added tire sales plan



## TBR

TBR Business YX2026 targets (billion yen)  
(Internal Management Accounting Numbers)



## Internal reforms & Strengthen sales

Internal reforms: Reallocation of production at Japan & Thailand plants, In response to tariffs  
Improve earnings • Maximize profit

Strengthen sales: Bolster sales efforts in Europe, North America, & Japan to expand market shares; Plan to increase capacity at Mie Plant will help increase production volumes

## MB

Strengthen & expand by concentrating resource allocation

**Hoses & Couplings**  
Growth driver

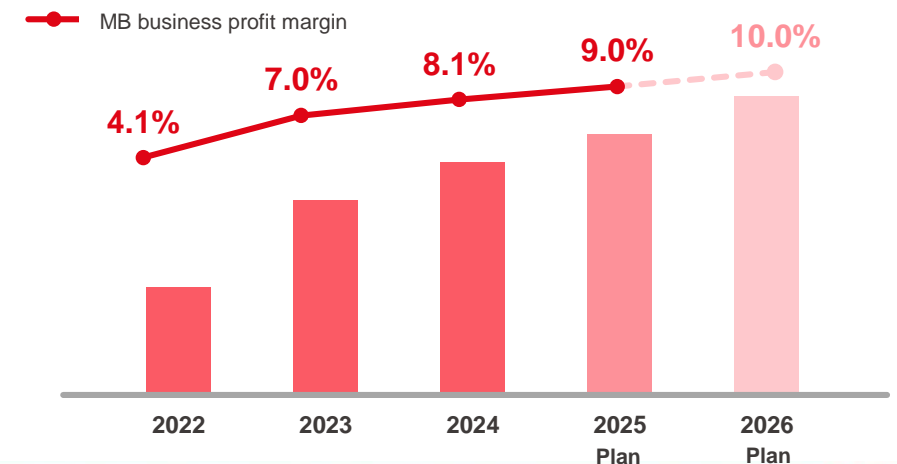
**Industrial products**  
Stable earnings

### ◆ Automotive hoses

**Complete structure reforms in N. America**

- Consolidate operations & strengthen cost-competitiveness
- Close automotive hose assembly plant in Kentucky, USA

MB Segment Business Profits



# OHT Business Strategy

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February 19, 2025

The Yokohama Rubber Co., Ltd.

Member of the Board and Senior Managing Officer & Co-COO (OHT Business)

Nitin Mantri

# OHT is the most attractive segment in the tire industry

Long-term fundamentals point to sustained growth rate of 6%

## Demographic changes

2025 → 2050

9,687 million people

8,156 million people

Global Population growth  
2025→2050  
**120%**

2025 2030 2035 2040 2045 2050

Food demand increase



Agriculture & Forestry machinery tire demand  
**CAGR +5.5%\***



Global #1

## Increase in logistics volume

2023 → 2030

Global logistics volume

x 2

203%

100%

2023 2024 2025 2026 2027 2028 2029 2030

Increase in port & warehouse transport operations



Industrial & port-use machinery tire demand  
**CAGR +5.3%\***



Global #2

## Increased demand for infrastructure

2023 → 2030

Global construction output

+85%

185%

100%

2023 2030

Increase of construction projects (e.g., road, bridge, building, house)

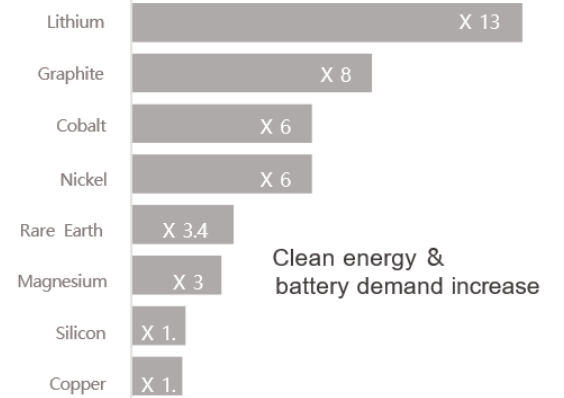


Construction machinery tire demand  
**CAGR +6.2%\***



## Changes in energy source

2020 → 2040



Increase of excavation works



Mining machinery tire demand  
**CAGR +6.6%\***



# Higher barriers to entry in OHT segment lead to better margins

## Commercial complexity

Based on segment, different go to market strategies are needed

After sales service and field performance are critical

## Technological complexity

A wide span of applications with very different needs

Differentiated regional specifications for the same application

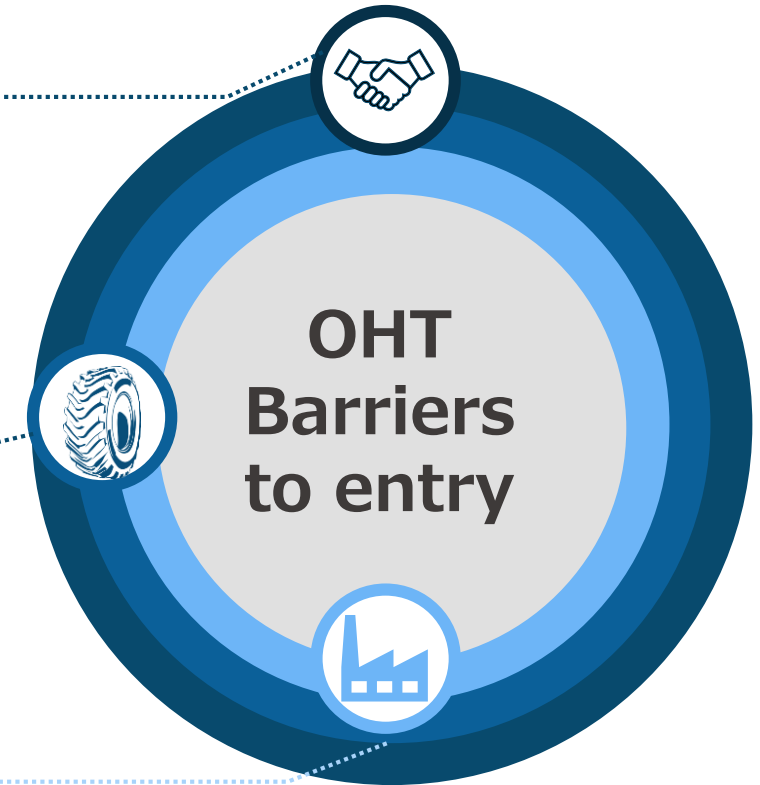
A high number of SKUs (~6,000) ranging from 3" to 63" to be a full-line supplier

## Manufacturing complexity

Labor-intensive process, highly dependent on human skills

Dimensional complexity, especially for HHP tractors and mining

Small production runs requiring high flexibility



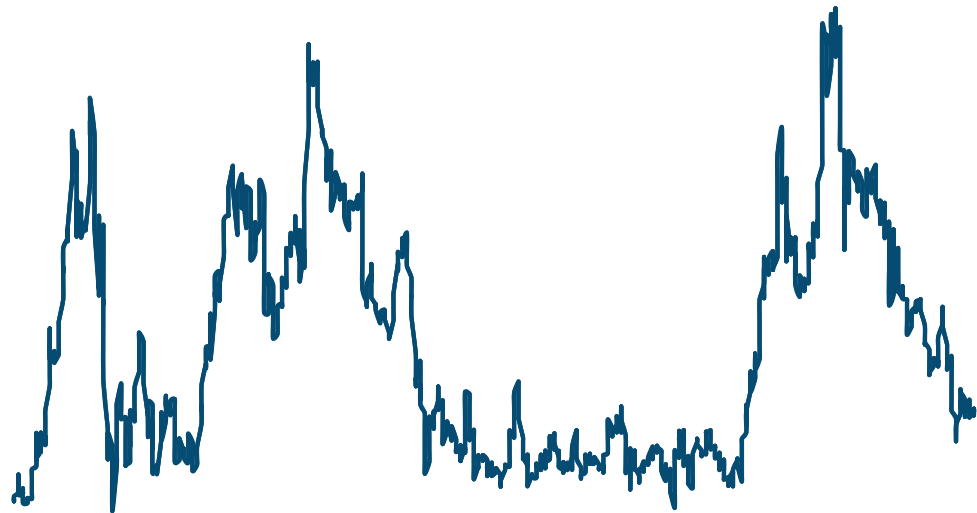
**Despite these strong underlying fundamentals, Y-TWS had a weak financial performance during 2024**

- High reliance on Ag OEMs over-exposed Y-TWS to Ag market cyclical

# Agricultural tires is an attractive segment with strong long term growth prospects, but the demand is highly cyclical

Volatility in commodity prices causes cyclicality in OE demand

**Agriculture commodities price trend  
(Ix; 2007 = 100)**

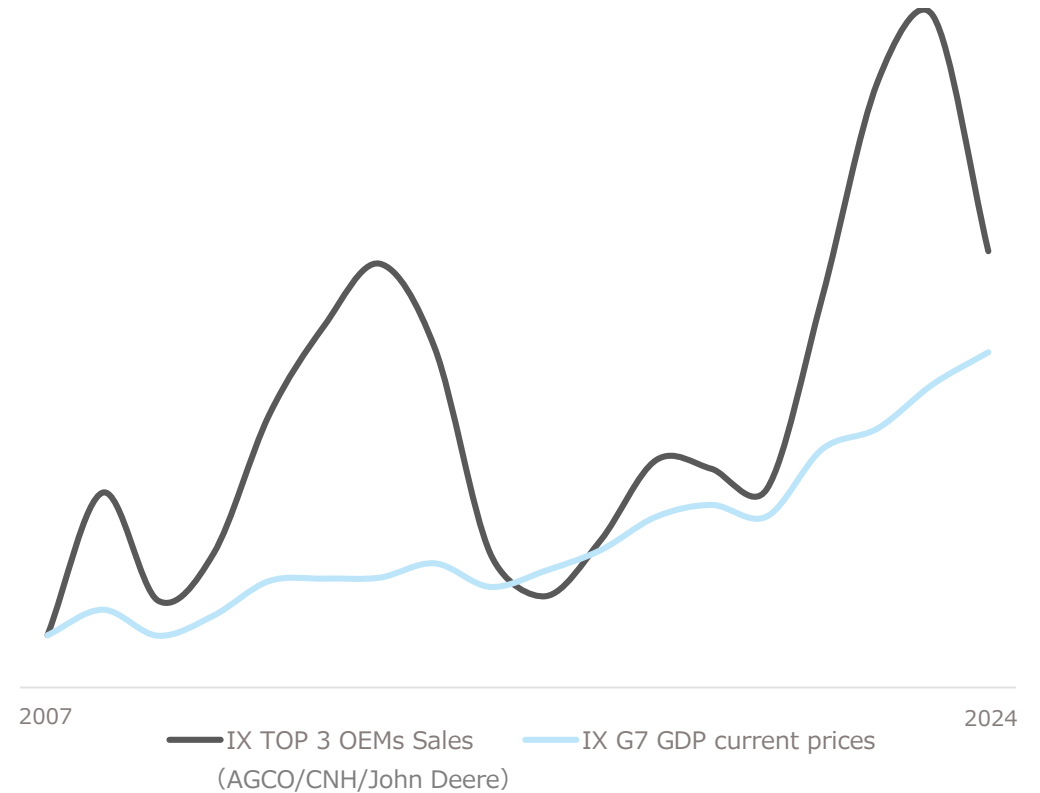


Wheat, Soybean, Corn

2007

2024

**Top 3 OEs aggregated sales  
(Ix; 2007 = 100)**



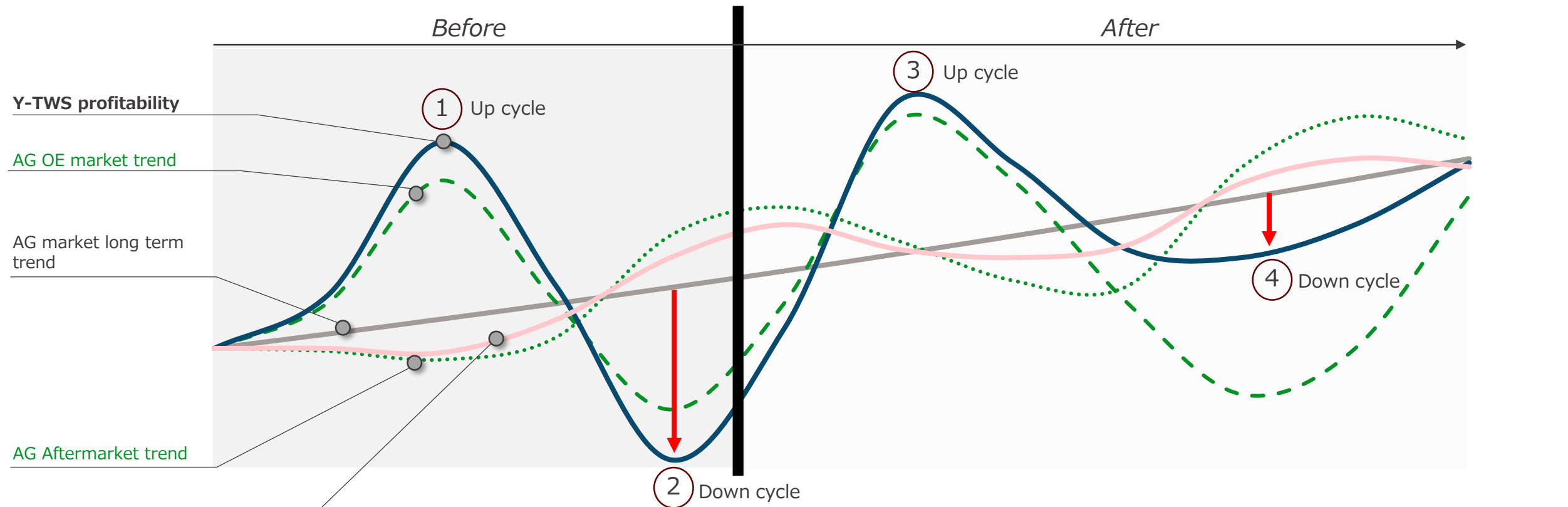
2007

2024

— IX TOP 3 OEMs Sales (AGCO/CNH/John Deere)  
— IX G7 GDP current prices

# We are taking steps to reduce Ag market cyclicality's impact on our earnings

Through restructuring actions and increased focus on Aftermarket

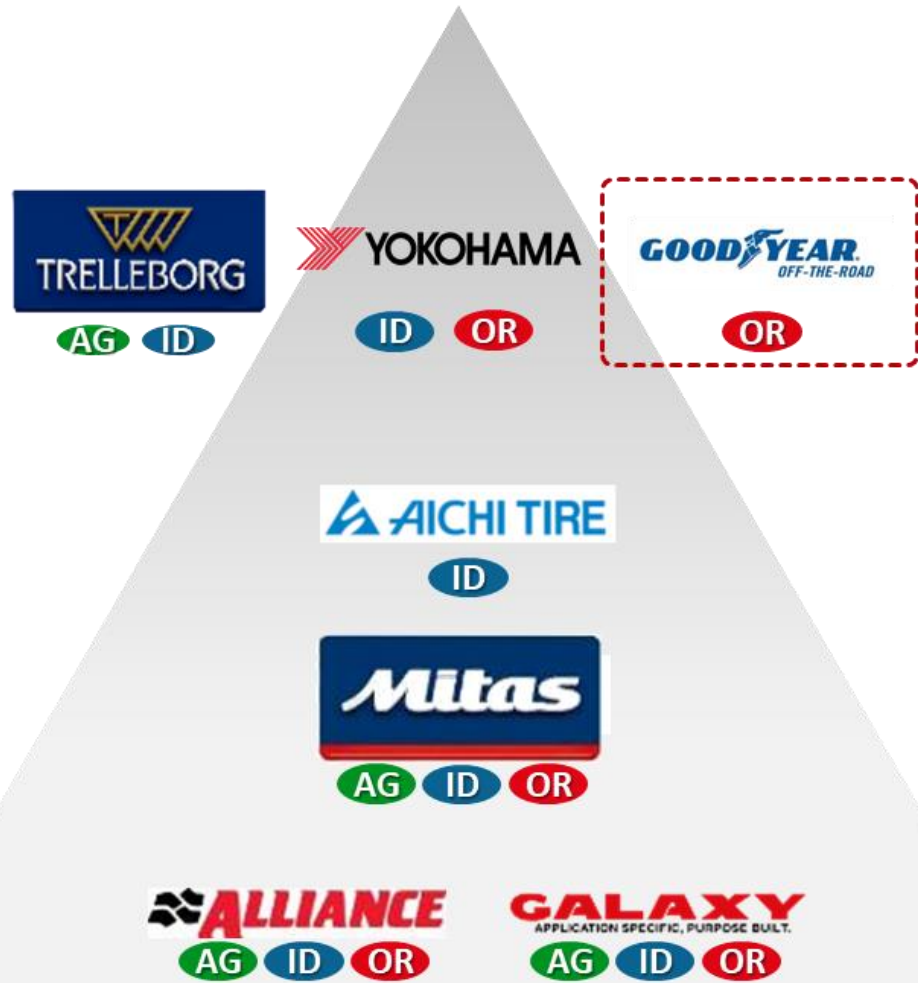


## Actions to reduce exposure to AG market downturns:

- ❖ Optimize manufacturing footprint and organization  
→ Two plant closures underway (Y-ATG Israel & Y-TWS Prague) and announcing a third closure (Y-TWS Spartanburg)
- ❖ Create a stronger focus in Y-TWS on aftermarket
- ❖ Leverage YRC platform to enhance operational efficiency
- ❖ Accelerate on new products launches and geographical balance to broaden the customer base
- ❖ Leverage Y-TWS organization to manage GY-OTR back office for shared efficiency

# With GY OTR acquisition, we are the only OHT player strong in both premium and value segments

Covering the entire product spectrum from small forklift tires to giant mining tires



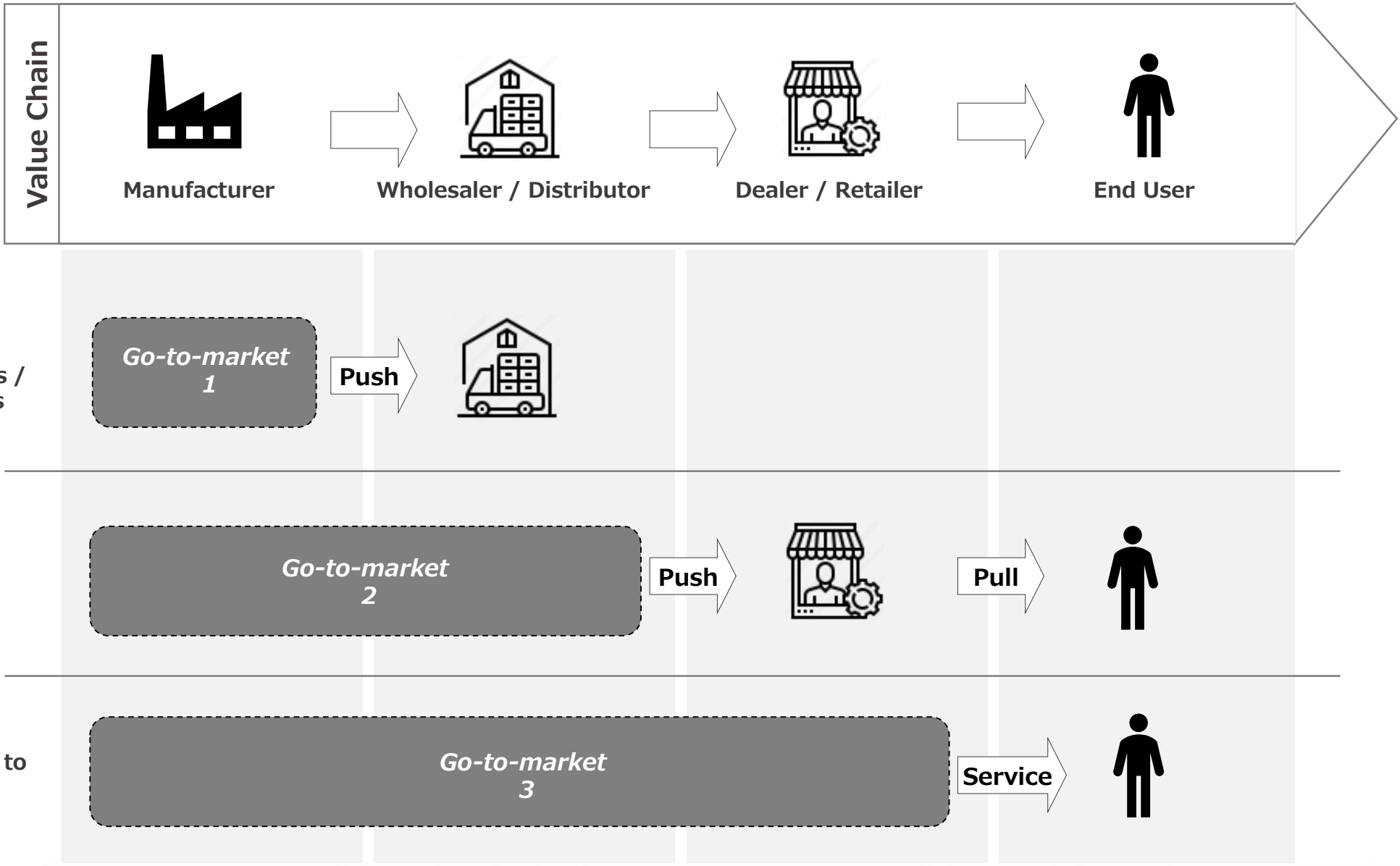
	Agriculture	Forestry	Lawn Garden & Turf	Material Handling	Construction	Earthmover & Mining	Truck (OR)
	✓	✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓	✓	✓



	✓	✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓	✓	✓



# The only “multi” go-to-market proposition in the industry



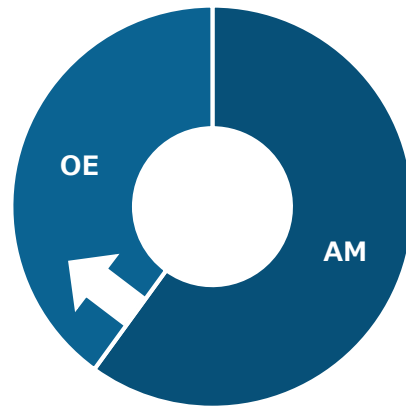
# Restructuring of TWS and GY integration is expected to drive strong earnings growth

## Increase operational efficiency

By eliminating inefficient and redundant assets

Plant closures		
Location	Country	From
Hadera	IL	Q4 2024
Spartanburg	US	Q1 2025
Prague	CZ	Q2 2025

## Reduce earnings cyclicity



## Generate synergies

- RM procurement
- Operational efficiencies
- Back office and IT

Plan to deliver \$50M+ synergies by 2027

## Integrate Goodyear OTR business

By leveraging current OHT infrastructure and SG&A



OHT division will generate over JPY 5 billion incremental profit during 2025<sup>※</sup>

# Medium-term Management Plan YX2026 Target KPIs

# YX2026 Realization of “Hockey Stick Growth”



Culmination of the past 100 years

Complete transformation from past

GD100

GD2020

YX2023

YX2026

(billion yen)

## “Hockey Stick Growth”

New Plants Mexico /China



Sales revenue

Business profit

2017

2018

2019

2020

2021

2022

2023

2024

2025

2026

Aug. 2024

Initial plan

Achieved plan  
134.4  
128.5  
115.0

Upward revision  
138.0  
132.0  
120.0

150.0  
150.0  
130.0

## Strategic Investments

**¥270 billion**

### M & A

Incl. forex impact  
 ≈ ¥130 billion → **≈ ¥140 billion**

Goodyear OTR Business acquisition completed

**Investments in MIX & capacity increases** **¥130 billion**

New plants: Mexico & China

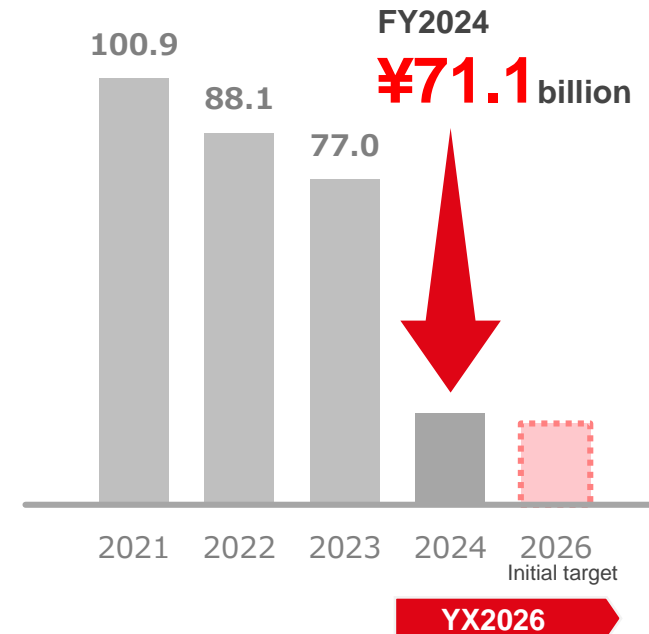
Existing plants: Philippines & Mishima (racing tires)

\*USD/JPY: 145

## Unwinding of Cross-shareholdings

Initial target: ≈ ¥60 billion

Cross-shareholdings outstanding (market value)



## Execute balance sheet management to increase corporate value

### Improvement of ROE and PBR

#### Capital Allocation

Cash in / Cash out  
¥500.0bn (¥490.0bn)

Asset sales  
¥90.0bn  
(¥80.0bn)

Debt repayment, etc.  
¥80.0bn

(Other return measures)

Dividends  
¥50.0bn

Operating CF  
¥410.0bn

\*To be revised after completion of G-OTR business plan

Strategic investments  
¥270.0bn  
(¥260.0bn)

Investment in current operations  
¥100.0bn

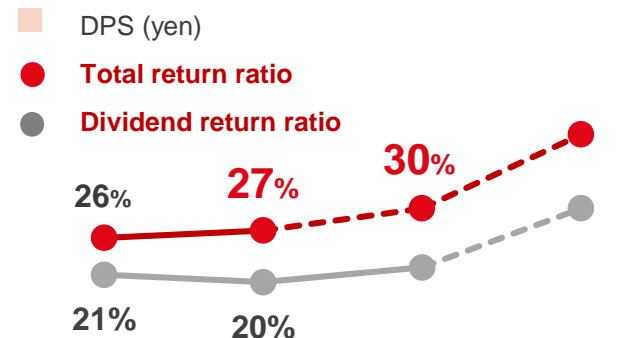
\*If equity capital ratio greatly exceeds 50%

2025  
Share buyback 6.0 bn yen  
(Total return ratio 27%)  
2026  
Total return ratio 30%

Approximately 10.0 bn yen worth of shares will be cancelled, including 3.9 bn yen worth (1.31 million shares) acquired in November 2024

(initial plan)

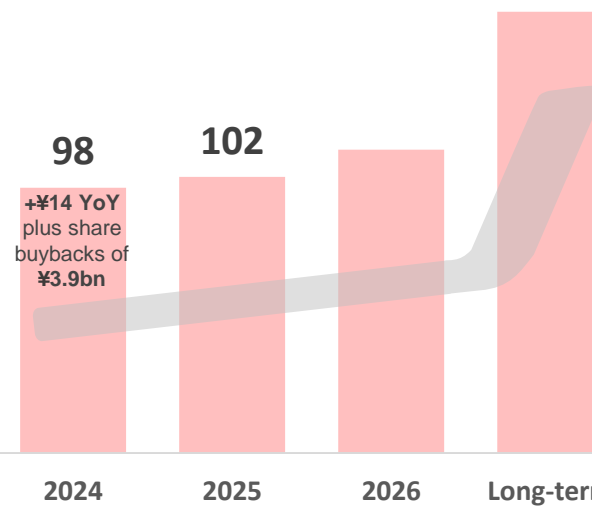
#### Shareholder Return



Dividend payout ratio  
YX2026 : 20%

Total return ratio  
YX2026 : 30%

\*excluding Cross-shareholdings sales



Dividend payout ratio  
YX2026: 20%

Total return ratio  
Lom-term: 30%

Basic Plan

# Offense & Defense

Offense = Exploration = Growth = Revenue Increase

Defense = Exploitation = Improvements = Profit Increase

(Lead and Disrupt )

**Focus on increasing profits & raising capital efficiency**

