FY2026 First-Half Financial Results

Briefing Material

August 10, 2026

The Yokohama Rubber Co., Ltd.

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

I will present our financial results for FY2026 1H and 2Q.

Results for FY2026 First-Half

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I begin with our consolidated results for 1H.

Profit and Loss (First-Half)

Exchange Rates	US$ 158 yen	148 yen (previous year)	+10 yen	
	EUR 185yen	162 yen (previous year)	+22 yen	
TSR20*	194 cents	190 cents (previous year)	+4 cents	*SICOM TSR20 1M
WTI	83 dollars	68 dollars (previous year)	+15 dollars	

(billion yen)

	2026 Jan.-Jun.	2025 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates	Previous forecast (As of May)	Change from previous forecast
Sales revenue	Record high 639.4	579.2	+60.2	+10.4%	+44.5	+15.7	610.0	+29.4
Business profit before PPA amortization *1	Record high 103.2	72.1	+31.1	+43.1%	+12.9	+18.1	81.8	+21.4
(Profit margin)	Record high (16.1%)	(12.5%)	(+3.6%)				(13.4%)	(+2.7%)
Business profit *2	Record high 95.8	62.1	+33.7	+54.3%	+13.4	+20.4	75.0	+20.8
(Profit margin)	Record high (15.0%)	(10.7%)	(+4.3%)				(12.3%)	(+2.7%)
Operating profit	Record high 109.7	54.9	+54.8	+100.0%	+15.8	+39.0	86.0	+23.7
(Profit margin)	Record high (17.2%)	(9.5%)	(+7.7%)				(14.1%)	(+3.1%)
Profit *3	Record high 72.6	35.5	+37.0	+104.2%			45.0	+27.6

*1 Business profit before PPA amortization =Sales revenue- (Cost of sales + SG&A expenses-PPA amortization, etc.)
*2 Business profit= Sales revenue- (Cost of sales + SG&A expenses)
*3 Profit attributable to owners of parent

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As the table on this slide shows, we posted record 1H highs in all key earnings categories, from sales revenue to net profit. We also achieved record profit margins.

Sales revenue totaled ¥639.4 billion, 10.4% more than a year ago, and business profit was ¥95.8 billion, significantly exceeding our forecast of ¥75.0 billion. The business profit margin improved to 15.0%, 4.3ppt higher than a year ago. Operating profit totaled ¥109.7 billion, with support from a gain on the sale of a former OHT plant in Israel, which outweighed a one-time expense on the closure of our U.S. tire plant in Salem, Virginia. As a result, net profit reached ¥72.6 billion, more than double the last year's 1H result and ¥27.6 billion higher than we had forecast.

Business Segment (First-Half)

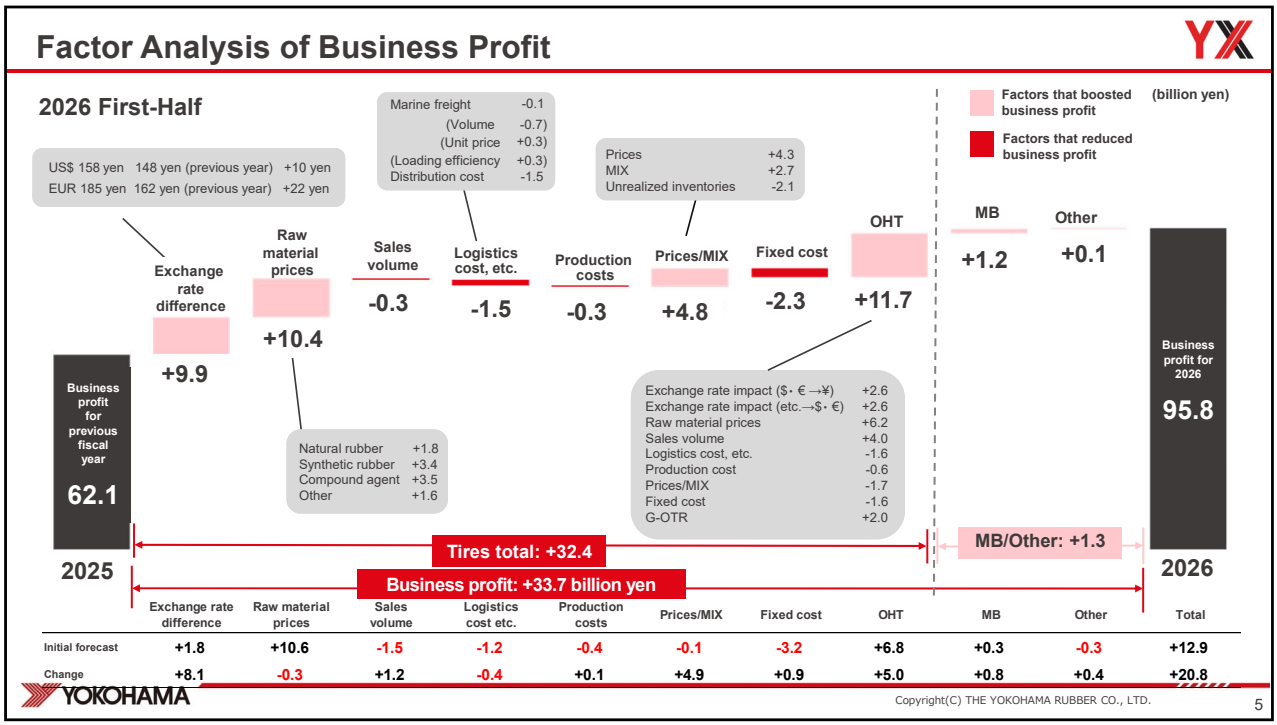
(billion yen)

		2026 Jan.-Jun.	2025 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates	Previous forecast (As of May)	Change from previous forecast
Sales revenue	Tires total	580.4	523.6	+56.8	+10.8%	+42.5	+14.3	554.5	+25.9
	(Tires)	(366.7)	(337.5)	(+29.2)	(+8.7%)	(+21.5)	(+7.7)	(347.0)	(+19.7)
	(OHT)	(213.6)	(186.1)	(+27.6)	(+14.8%)	(+21.0)	(+6.5)	(207.5)	(+6.1)
	MB	54.9	51.3	+3.5	+6.9%	+2.0	+1.6	52.0	+2.9
	Other	4.2	4.3	-0.2	-3.6%	–	-0.2	3.5	+0.7
	Total	639.4	579.2	+60.2	+10.4%	+44.5	+15.7	610.0	+29.4
Business profit	Tires total	89.0	56.6	+32.4	+57.3%	+12.6	+19.8	69.4	+19.6
	(Tires)	(63.0)	(42.4)	(+20.7)	(+48.8%)	(+9.9)	(+10.8)	(48.4)	(+14.6)
	(OHT)	(26.0)	(14.2)	(+11.7)	(+82.5%)	(+2.7)	(+9.1)	(21.0)	(+5.0)
	MB	6.3	5.2	+1.2	+22.5%	+0.8	+0.4	5.5	+0.8
	Other	0.5	0.4	+0.1	+33.7%	–	+0.1	0.1	+0.4
	Intersegment eliminations	0	-0	+0	–	–	+0	–	+0
	Total	95.8	62.1	+33.7	+54.3%	+13.4	+20.4	75.0	+20.8

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Next, this slide shows 1H results for each business segment. As you can see in the table, sales and profit increased and came in higher than our forecasts in all segments, including the existing tire business, the OHT business, and the MB segment.



This slide presents a factor analysis of the YoY change in 1H business profit.

First, let's look at the main factors affecting our existing tire business. The positive impact from yen depreciation contributed ¥9.9 billion to the increase in 1H business profit. Raw material prices contributed ¥10.4 billion as the Middle East crisis impact on purchase prices did not have much impact on our profit & loss statement during 1H. Sales volume's impact on business profit was largely the same as a year ago, as the impact from lower sales in North America was largely offset by strong sales in Europe, India, and some other regions. The contribution from replacement tires was the same as a year ago. The contribution from prices/MIX include ¥4.3 billion from price hikes and ¥2.7 billion from MIX improvements generated by strong sales of our high-inch tires in Europe and an increase in the sales ratio of our AGW high-value-added tires. Although logistics and energy costs increased owing to the impact from the Middle East situation and fixed costs increased owing to inflation's impact on personnel expenses, existing tire business profit increased ¥20.7 billion YoY.

At the OHT business operated by Y-ATG and Y-TWS, the impact from forex changes contributed ¥5.2 billion to profit growth in 1H, lower raw material prices added ¥6.2 billion, and higher sales volume contributed ¥4.0 billion, driven in particular by an 8% YoY increase in agricultural machinery tire sales volume. The G-OTR business contributed ¥2.0 billion to 1H business profit growth as its profitability was increased by the absence of one-time acquisition-related expenses posted in 1H 2025. Overall, the OHT business including G-OTR contributed ¥11.7 billion to the increase in 1H business profit.

The MB segment contributed ¥1.2 billion to business profit growth as segment profit increased on strong government demand for our aerospace products and cost reductions achieved through structural reforms, including concentration of the segment's facilities.

Profit and Loss (Quarterly)

Exchange Rates	US$ 160 yen	145 yen (previous year)	+15 yen	
	EUR 185 yen	164 yen (previous year)	+22 yen	
TSR20*	206 cents	184 cents (previous year)	+22 cents	*SICOM TSR20 1M
WTI	93 dollars	64 dollars (previous year)	+30 dollars	

(billion yen)

		2026 Apr.-Jun.	2025 Apr.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Record high	335.6	304.1	+31.5	+10.4%	+26.8	+4.7
Business profit before PPA amortization *1	Record high	55.1	42.1	+13.0	+30.8%	+7.0	+6.0
(Profit margin)	Record high	(16.4%)	(13.9%)	(+2.5%)			
Business profit *2	Record high	51.4	38.0	+13.4	+35.1%	+7.3	+6.1
(Profit margin)	Record high	(15.3%)	(12.5%)	(+2.8%)			
Operating profit	Record high	83.7	35.5	+48.2	+135.6%	+10.3	+37.9
(Profit margin)	Record high	(24.9%)	(11.7%)	(+13.2%)			
Profit *3	Record high	57.9	27.0	+30.9	+114.2%		

*1 Business profit before PPA amortization =Sales revenue- (Cost of sales + SG&A expenses-PPA amortization, etc.)
*2 Business profit= Sales revenue- (Cost of sales + SG&A expenses)
*3 Profit attributable to owners of parent

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Now I will present our 2Q financial results.

As this table shows, we achieved record 2Q highs in all the key earnings categories, from sales revenue to net profit, while also posting record profit margins in all profit levels.

Sales revenue was ¥335.6 billion, up 10.4% YoY, business profit came to ¥51.4 billion, an increase of ¥13.4 billion or 35.1%. The 2Q business profit margin rose to 15.3%, 2.8ppt higher than a year ago. Operating profit of ¥83.7 billion and net profit of ¥57.9 billion represent large increases boosted by the gain on the sale of the former Israeli plant site.

Business Segment (Quarterly)

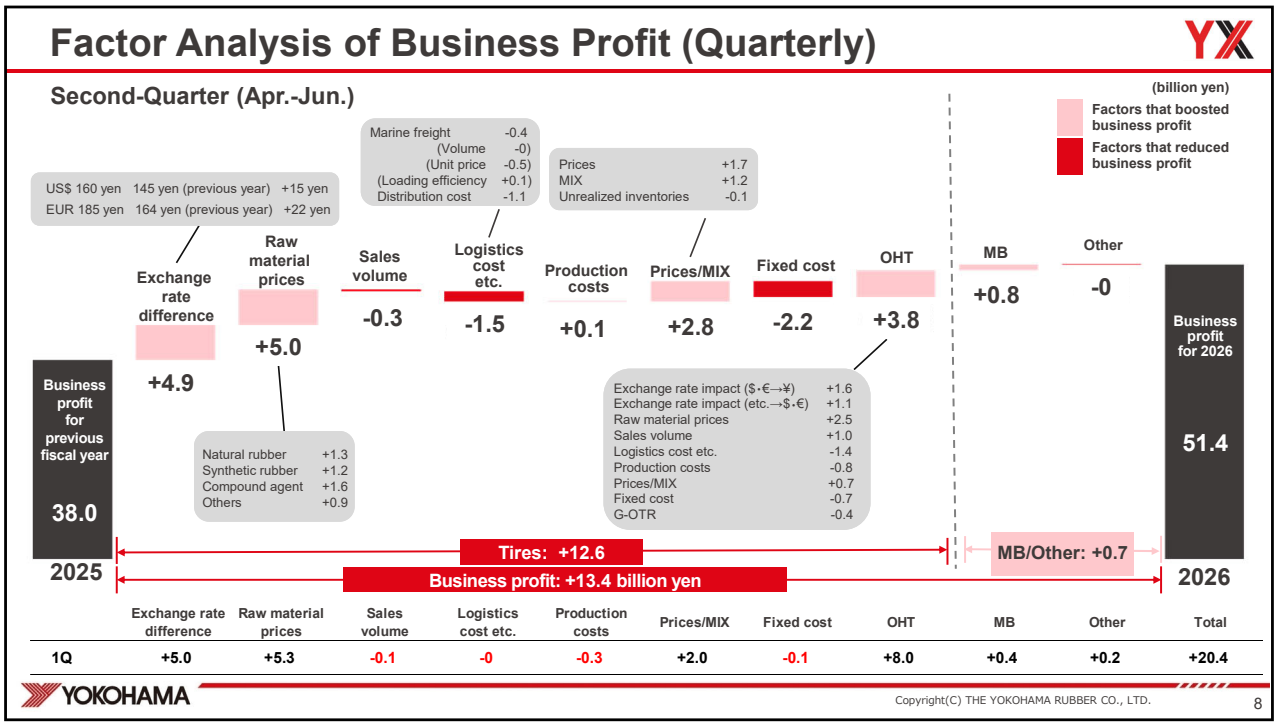
(billion yen)

		2026 Apr.-Jun.	2025 Apr.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires total	302.2	273.2	+29.0	+10.6%	+25.3	+3.7
	(Tires)	(194.1)	(175.5)	(+18.6)	(+10.6%)	(+13.8)	(+4.8)
	(OHT)	(108.1)	(97.7)	(+10.4)	(+10.7%)	(+11.5)	(-1.1)
	MB	30.9	28.3	+2.6	+9.1%	+1.5	+1.1
	Other	2.5	2.5	-0.1	-3.0%	–	-0.1
	Total	335.6	304.1	+31.5	+10.4%	+26.8	+4.7
Business profit	Tires total	47.0	34.4	+12.6	+36.7%	+6.6	+6.0
	(Tires)	(32.8)	(24.0)	(+8.9)	(+36.9%)	(+4.9)	(+3.9)
	(OHT)	(14.2)	(10.4)	(+3.8)	(+36.4%)	(+1.7)	(+2.1)
	MB	4.1	3.3	+0.8	+23.2%	+0.6	+0.1
	Other	0.3	0.4	-0	-11.8%	–	-0
	Intersegment eliminations	-0	-0	+0	–	–	+0
	Total	51.4	38.0	+13.4	+35.1%	+7.3	+6.1

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Next, this slide shows 2Q results for each business segment. All segments achieved increases in sales revenue and business profit.



This next slide presents a factor analysis of the YoY change in 2Q business profit.

Once again, let's first look at the main factors affecting our existing tire business. The rise in logistics costs caused by the situation in the Middle East had a ¥1.5 billion negative impact on 2Q business profit, and higher fixed costs were a ¥2.2 billion weight on profit. These negatives were offset by (1) a ¥4.9 billion boost from forex changes, (2) a ¥5.0 billion contribution from raw material prices, and (3) a ¥2.8 billion contribution from price & MIX improvements. Overall, existing tire business profit increased ¥8.9 billion.

At the OHT business operated by Y-ATG and Y-TWS, forex changes contributed ¥2.7 billion to the increase in 2Q business profit, lower raw material prices added ¥2.5 billion, and a 2% increase in sales volume, led by higher sales in Europe and North America, contributed ¥1.0 billion to profit growth in 2Q. The G-OTR business saw its 2Q profit decline ¥0.4 billion as a shift to in-house systems following the departure from Goodyear plants caused a temporary pause in product shipments. However, the OHT business as a whole contributed a rather large ¥3.8 billion to 2Q business profit growth.

The MB segment followed up on its strong 1Q with a ¥0.8 billion profit increase in 2Q that raised its quarterly business profit margin above 13%.

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

(billion yen)

	Jun. 30, 2026	Dec. 31, 2025	Change
Current assets	944.7	826.2	+118.6
Cash and cash equivalents	147.1	107.4	+39.7
Trade and other receivables	368.5	334.0	+34.5
Inventories	372.9	319.1	+53.8
Other assets	56.3	65.7	-9.4
Non-current assets	1,225.8	1,172.2	+53.6
Total assets	2,170.5	1,998.4	+172.2
Liabilities	1,037.3	958.1	+79.2
Equity	1,133.3	1,040.2	+93.0
Total liabilities and equity	2,170.5	1,998.4	+172.2
Interest-bearing debt*1	615.2	535.8	+79.5
Ratio of equity attributable to owners of parent (%)	51.8%	51.6%	+0.2%
D/E ratio	0.55	0.52	+0.03
Net D/E ratio	0.42	0.42	+0.00

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

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Now, let's look at our financial position as of 1H on June 30.

Total assets have risen to ¥2,170.5 billion, an increase of ¥172.2 billion from the end of fiscal 2025 (December 31,2025). The increase in total assets reflects an expansion of inventories due to stockpiling of snow tires, the weak yen, and the Middle East situation. However, we continue firm management of our financial position, as reflected in our 51.8% shareholders' equity ratio, a D/E ratio of 0.55, and the net D/E ratio of 0.42.

State of Cash Flows

(billion yen)

	2026 Jan.-Jun.	2025 Jan.-Jun.	Change
CF from operating activities (Excluding tax impact of gains from the sale of cross-shareholdings, etc.)	-8.8 (16.8)	25.3	-34.1
CF from investing activities	-12.1	-190.3	+178.3
Free CF	-20.8	-165.1	+144.2
CF from financing activities	56.7	139.7	-83.0
Closing balance of cash and cash equivalents	147.1	96.0	+51.0

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

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This slide summarizes our cash flows in the first six months of 2026.

Cash flow from operating activities was a minus ¥8.8 billion. The negative cash flow is due mainly to the payment of various taxes, including large final tax payments resulting from minimized interim payments, taxes on gains on the sale of cross-shareholdings, and a tax related to the sale of the plant in Israel. Excluding the impact from these one-time tax payments, cash flow from our operating activities comes to a positive ¥16.8 billion.

Cash flow from investing activities resulted in a net outflow of ¥12.1 billion. The main outflow was ¥60.6 billion in expenditures related to the construction of the new plants in Mexico and China, while an inflow of ¥55.2 billion was generated by the sale of fixed assets, including those at the former plant in Israel.

As a result, free cash flow in 1H came to a minus ¥20.8 billion.

Earnings Forecast for FY2026

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I will now present our revised full-year earnings forecast for FY2026.

Profit and Loss Projections (Changed from the previous forecast)

Forecasts after July 2026

Exchange Rates	US$ 156 yen	145 yen (initial forecast)	+11 yen
	EUR 178 yen	171 yen (initial forecast)	+7 yen
TSR20 *	213 cents	175 cents (initial forecast)	+38 cents
WTI	90 dollars	63 dollars (initial forecast)	+27 dollars

*SICOM TSR20 1M

(billion yen)

		2026 forecast	2025 result	Change	Change (%)	2026 previous forecast (as of May)	Change from previous forecast
Sales revenue	Record high	1,320.0	1,235.0	+85.0	+6.9%	1,300.0	+20.0
Business profit before PPA amortization *1	Record high	206.9	183.9	+23.0	+12.5%	201.4	+5.5
(Profit margin)	Record high	(15.7%)	(14.9%)	(+0.8%)		(15.5%)	(+0.2%)
Business profit *2	Record high	192.5	166.6	+25.9	+15.6%	188.0	+4.5
(Profit margin)	Record high	(14.6%)	(13.5%)	(+1.1%)		(14.5%)	(+0.1%)
Operating profit	Record high	199.5	152.9	+46.6	+30.5%	191.5	+8.0
(Profit margin)	Record high	(15.1%)	(12.4%)	(+2.7%)		(14.7%)	(+0.4%)
Profit *3	Record high	117.0	105.4	+11.6	+11.0%	109.0	+8.0

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*3 Profit attributable to owners of parent

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While the operating environment in the coming months is full of uncertainties, we have revised our assumptions for key forex rates and raw material prices from July, as shown at the top of this slide.

Based on these revised assumptions and our strong 1H results, we have raised our full-year forecasts to levels even higher than our previous forecasts for record highs in each earnings category. We now forecast FY2026 sales revenue will reach ¥1,320.0 billion, ¥20.0 billion higher than our previous forecast, and business profit will increase to ¥192.5 billion, ¥4.5 billion higher than our previous forecast.

Similarly, our operating profit forecast is now ¥199.5 billion, an upward revision of ¥8.0 billion, and we raised our net profit forecast the same ¥8.0 billion to ¥117.0 billion.

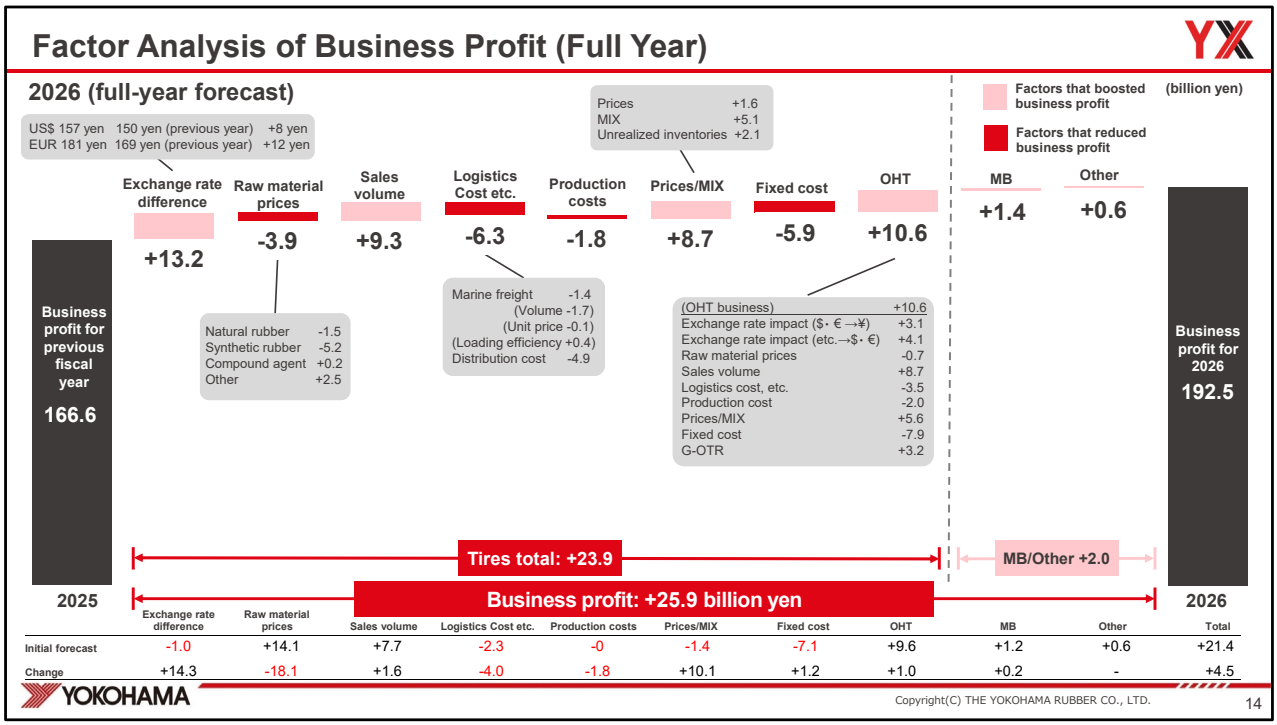
Business Segment (Full Year) (Changed from the previous forecast)

(billion yen)

		2026 forecast	2025 result	Change	Change (%)	2026 previous forecast (as of May)	Change from previous forecast
Sales revenue	Tires total	1203.0	1,121.3	+81.7	+7.3%	1,183.0	+20.0
	(Tires)	(790.0)	(750.1)	(+39.9)	(+5.3%)	(775.0)	(+15.0)
	(OHT)	(413.0)	(371.1)	(+41.9)	(+11.3%)	(408.0)	(+5.0)
	MB	107.0	105.6	+1.4	+1.4%	107.0	–
	Other	10.0	8.1	+1.9	+23.1%	10.0	–
	Total	1,320.0	1,235.0	+85.0	+6.9%	1,300.0	+20.0
Business profit	Tires total	178.9	155.0	+23.9	+15.4%	174.6	+4.3
	(Tires)	(137.0)	(123.7)	(+13.3)	(+10.7%)	(133.7)	(+3.3)
	(OHT)	(41.9)	(31.3)	(+10.6)	(+34.0%)	(40.9)	(+1.0)
	MB	12.5	11.1	+1.4	+12.7%	12.3	+0.2
	Other	1.1	0.5	+0.6	+112.3%	1.1	–
	Intersegment eliminations	–	-0	+0	–	–	–
	Total	192.5	166.6	+25.9	+15.6%	188.0	+4.5

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Our revised forecasts for each business segment are as shown on this slide.



This slide shows our estimates for the impact each factor will have on full-year FY2026 business profit.

As usual, I begin with the main factors affecting our existing tire business. Considering the negative impact from the Middle East situation, we have significantly revised our forecasts for the impact from raw material prices, logistics costs, and production costs. We now expect negative impacts on business profit of ¥3.9 billion from higher raw material prices, ¥6.3 billion from logistics costs, and ¥1.8 billion from higher production costs. Offsetting these negatives is a 3% increase in our forecast for the existing tire business' sales volume, which we now expect to boost profit by ¥9.3 billion, an ¥8.7 billion contribution from price & MIX improvements, and ¥13.2 billion from the previously mentioned revisions to our forex assumptions. Overall, we now expect the existing tire business to contribute ¥13.3 billion to business profit growth in FY2026.

The OHT business also is feeling the negative impact of the Middle East situation on raw material prices, logistics costs, and production costs, but it too is offsetting those negatives with increased sales volume, price & MIX improvements, and more favorable forex rates. We therefore forecast the OHT business will contribute ¥10.6 billion to consolidated profit growth in FY2026.

For your reference, the changes in each factor from our initial forecasts are shown at the bottom of this slide. While we expect the negative impact from the Middle East situation on raw material prices, logistics costs, and energy costs to depress Group business profit by about ¥33.0 billion, we expect countermeasures, such as price pass-through efforts, and the favorable movement in forex rates will fully offset those negative factors.

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.

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That concludes my presentation. Thank you for your kind attention.

(Reference) Tire Unit Sales YoY Growth

■ Tire business (passenger cars, trucks & buses, etc.) YoY unit sales growth by region

	FY2026 2Q result (Apr.-Jun.)			FY2026 1H result (Jan.-Jun.)			FY2026 full year		
	Total	OE	REP	Total	OE	REP	Total	OE	REP
Japan	96%	98%	95%	100%	100%	100%	100%	99%	101%
North America	95%	93%	95%	89%	90%	89%	98%	90%	100%
Europe	120%	75%	121%	117%	100%	117%	114%	91%	114%
China	105%	77%	130%	100%	71%	129%	102%	91%	112%
Asia	91%	98%	89%	94%	96%	93%	104%	93%	107%
India	117%	73%	118%	117%	86%	118%	111%	93%	111%
Others	104%	-	104%	103%	-	103%	113%	-	113%
Total	100%	92%	103%	100%	91%	103%	103%	95%	106%

Regional sales composition		
FY2026 2Q	FY2026 1H	FY2026 full year
38%	39%	39%
18%	16%	17%
9%	9%	9%
14%	13%	13%
9%	9%	9%
5%	5%	5%
8%	8%	9%
100%	100%	100%

■ YoY growth rate of combined tire sales volume for OHT (Y-ATG & Y-TWS, excluding G-OTR business)

	FY2026 2Q result (Apr.-Jun.)			FY2026 1H result (Jan.-Jun.)			FY2026 full year		
	Total	OE	REP	Total	OE	REP	Total	OE	REP
Americas	103%	102%	104%	109%	110%	109%	108%	102%	110%
EMEA	102%	103%	101%	105%	113%	100%	106%	110%	104%
APAC	99%	132%	90%	110%	123%	106%	107%	125%	102%
Total	102%	105%	100%	107%	113%	104%	107%	109%	106%

■ AG tire replacement demand YoY

	FY2026 2Q	FY2026 full year
North America	102%	102%
Europe	100%	100%

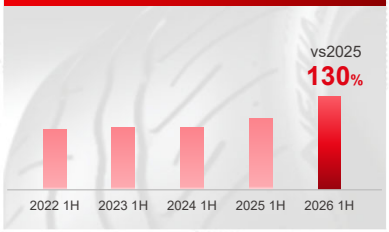
*Our Estimate

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(Reference) Tire Business Sales of High-Value-Added Tires in 2026

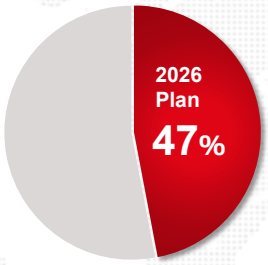
Year-on-year unit sales growth rate (1H Jan.-Jun.)

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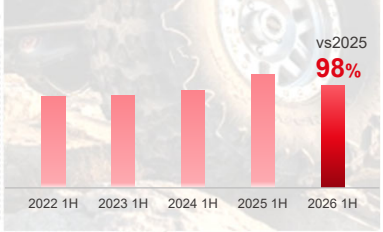


AGW sales ratio

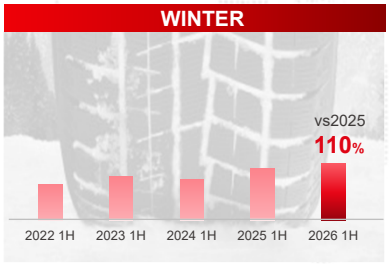
(unit basis)



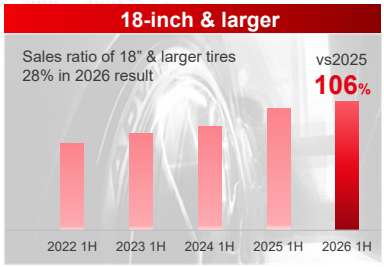
GEOLANDAR



WINTER

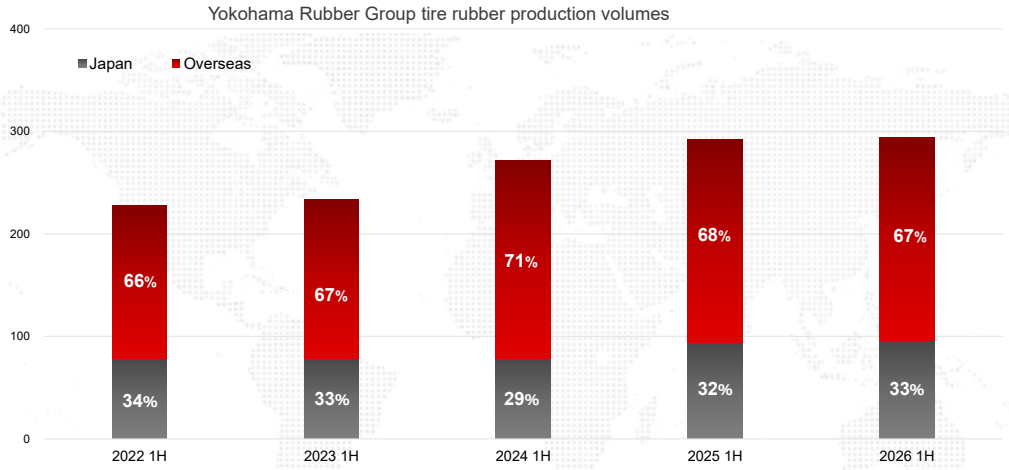


18-inch & larger



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(Reference) Tire Production Volumes



(Unit: Thousand tons)	2022 1H	2023 1H *1	2024 1H	2025 1H *2	2026 1H
Japan	78	78	78	94	96
Overseas	150	156	194	198	198
Total	228	234	271	291	294

*1 Y-TWS consolidation from 2Q 2023
*2 G-OTR consolidation from 1Q 2025

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