

FY 2022 First-Quarter Financial Results

Briefing Material

May 13, 2022

The Yokohama Rubber Co., Ltd.

Medium-term Management Plan Yokohama Transformation 2023 (YX2023)

Progress Update



YOKOHAMA Transformation 2023

YX2023 Progress: Consumer Tires-Maximizing Sales Ratio of HVA Tires

OE on Premium Cars & EVs

ADVAN V61 as OE on bZ4X,
Toyota's first BEV -
Received technology
development award



All-new bZ4X

Motorsports activities



GT300 class winner at
opening round of SUPER GT



Class champion at
SCORE SAN FELIPE 250



SUPER GT GT300 class
2nd place finisher



Runner-up at the Mint400

Strengthening Sales in Replacement Market

2022 ADVAN "New Summer"

ADVAN
Sport
V107

ADVAN
NEOVA
AD09



YX2023 Progress: Commercial Tires

Trelleborg Wheel Systems Acquisition

Concluded share purchase agreement with Trelleborg AB

Corporate value: €2.04 billion
EBITDA multiple: $\approx 9x$

Share purchase scheduled to be completed in 2022 H2

*Based on Yokohama Rubber's estimate for FY2022 EBITDA of €230 million
Adjusted for performance-linked earn-out

*Pending approval from anti-monopoly authorities in concerned countries

New Additions to Tire Lineup



DX / Sensor Tire Development

New technology estimates tire wear from sensing waveforms



Image of a sensor attached inside a tire

Sensing image generated by tire sensor

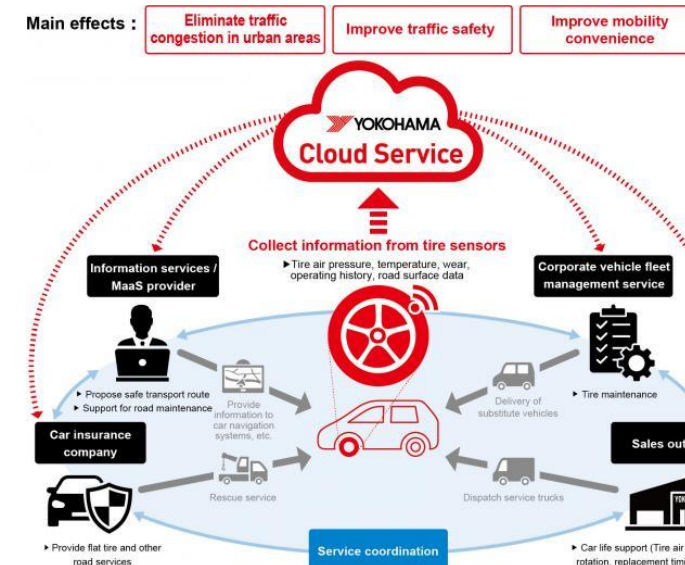


Image of service using SensorTire Technology

Strengthen/expand by allocating resources to core product areas

Hose & couplings

Growth driver

Increase production capacity
Reorganize production sites

Industrial products

Stable earnings

Maximize market share

Business restructuring

Hamatite

Transfer completed

Aerospace products

Merged with industrial products

Industrial Products

- ◆ Expanding Hiratsuka Factory's conveyor belt capacity by 1.3x



Conveyor belt line at industrial product plant

- ◆ Began field trials of sensing system applied to our industrial products

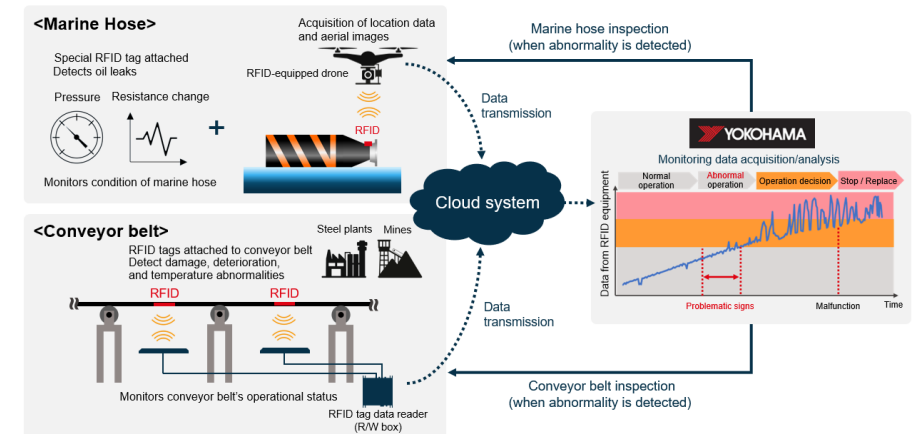


Image of service using remote monitoring and damage prediction technology

Aerospace Products

Aerospace products division merged into industrial products division (end-March 2022) to enhancing technical capabilities, optimize personnel allocation, and create more efficient business foundation

Environment

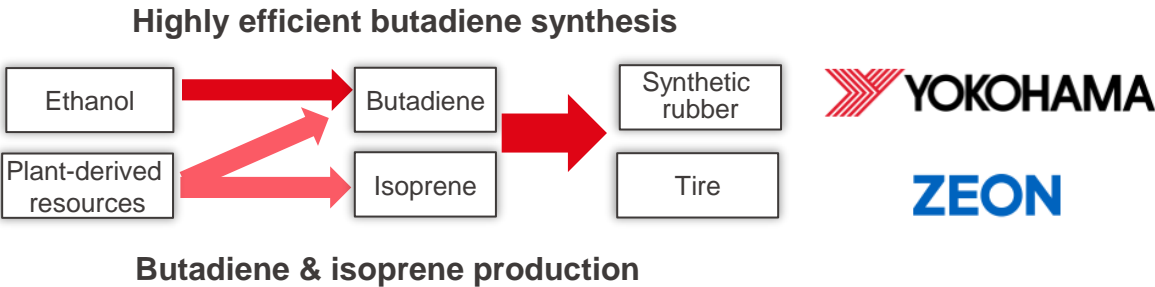
- ◆ Supplying ADVAN tires with biomass-derived butadiene rubber for car running in this year's Pikes Peak hill climb in USA



2021 Pikes Peak hill climb

- ◆ Project to develop manufacturing technology for producing synthetic-rubber basic chemicals from recycled carbon accepted by NEDO* as a Green Innovation Fund Project

*New Energy and Industrial Technology Development Organization



Society

Formulated "Yokohama Rubber Group Human Rights Policy" based on UN's "Guiding Principles on Business and Human Rights."

Information Disclosures

Disclosures of climate-related information based on TCFD recommendations included on our CSR webpage and in our corporate governance report

Third-party recognition of our sustainability efforts

Inclusion in ESG stock indexes



17 straight years



FTSE Blossom Japan

5 straight years



FTSE Blossom Japan Sector Relative Index

Selected for new index launched in 2022

Results for FY 2022 First-Quarter

Consolidated subsidiaries 110 companies (1 more than at the end of previous fiscal year)

(Breakdown of change)

+1 company

**Asia: +1 company
Tire sales company**

Profit and Loss (First Quarter)



Exchange Rates	US\$ 116 yen	106 yen (previous year)	+10 yen
	EUR 130 yen	128 yen (previous year)	+3 yen
	RUB 1.3 yen	1.4 yen (previous year)	-0.1 yen
TSR20*	177 cents	167 cents (previous year)	+10 cents
*SICOM TSR20 1M			
WTI	94 dollars	58 dollars (previous year)	+36 dollars

						(billion yen)	
		2022 Jan.-Mar.	2021 Jan.-Mar.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Continued operations	Sales revenue	185.6	144.6	+41.0	+28.4%	+9.4	+31.6
	Business profit* ¹ (Business profit margin)	13.7 (7.4%)	14.0 (9.7%)	-0.3 (-2.3%)	-2.5%	+1.8	-2.2
	Operating profit (Operating profit margin)	13.5 (7.3%)	36.3 (25.1%)	-22.8 (-17.8%)	-62.7%	+1.8	-24.6
	Profit	10.2	27.5	-17.4	-63.1%		
Discontinued operations	Profit* ²	—	0.3	-0.3	—		
	Profit* ³	10.2	27.8	-17.7	-63.5%		

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

*3 Profit attributable to owners of parent

*2 Transfer of Hamatite business

Business Segment (First Quarter)



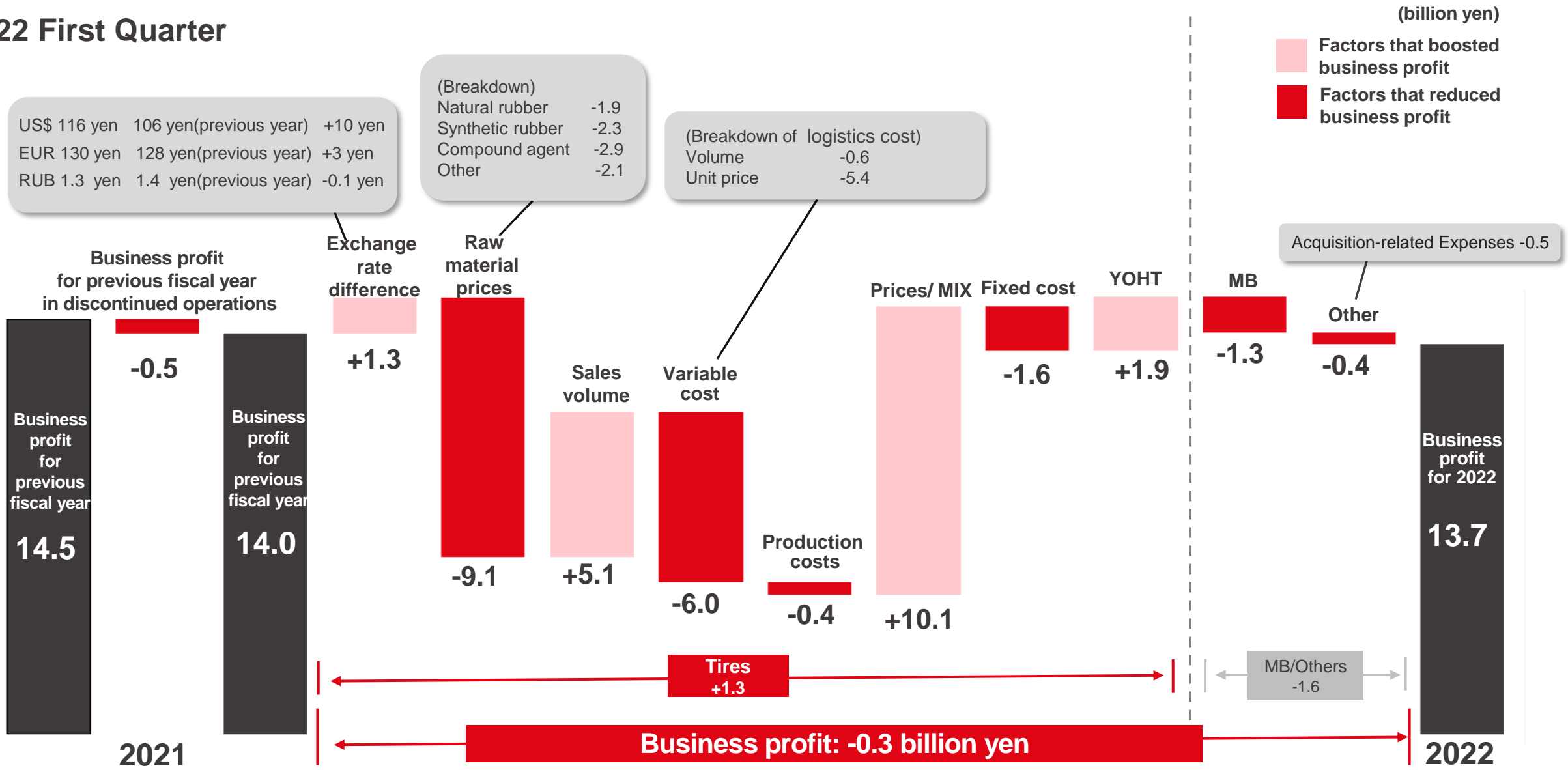
(billion yen)

		2022 Jan.-Mar.	2021 Jan.-Mar.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires (YOHT)	162.9 (36.4)	124.0 (22.5)	+38.9 (+13.8)	+31.4% (+61.3%)	+8.7 (+3.3)	+30.3 (+10.6)
	MB	20.5	18.7	+1.7	+9.3%	+0.7	+1.0
	Other	2.2	1.9	+0.3	+17.5%	+0	+0.3
	Total	185.6	144.6	+41.0	+28.4%	+9.4	+31.6
Business profit	Tires (YOHT)	14.0 (5.4)	12.7 (3.5)	+1.3 (+1.9)	+10.2% (+54.1%)	+1.7 (+0.5)	-0.4 (+1.4)
	MB	-0.2	1.0	-1.3	—	+0.1	-1.4
	Other	-0.1	0.2	-0.4	—	+0	-0.4
	Intersegment eliminations	—	0	-0	-13.3%	+0	-0
	Total	13.7	14.0	-0.3	-2.5%	+1.8	-2.2

Factor Analysis of Business Profit



2022 First Quarter



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



(billion yen)

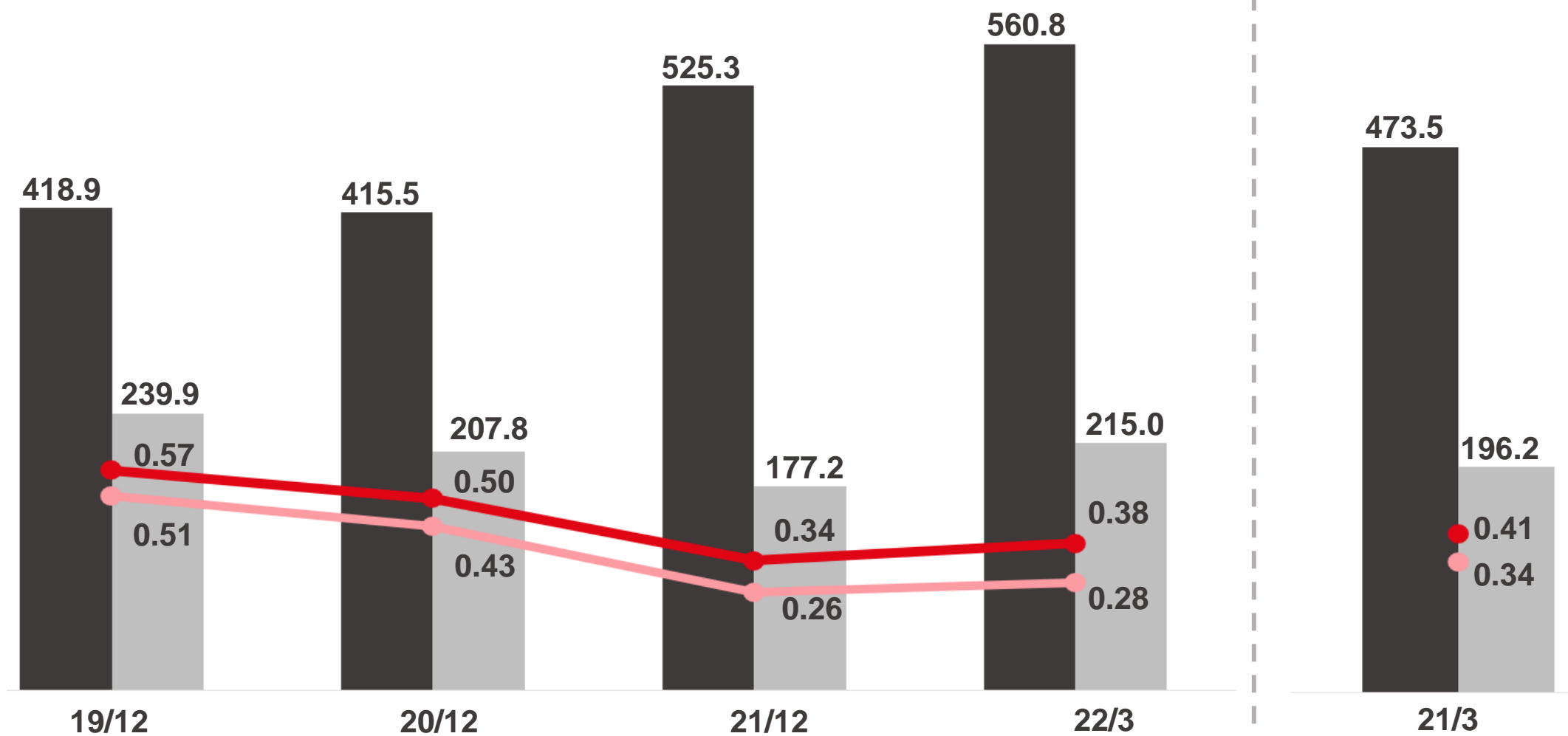
	Mar. 31, 2022	Dec. 31, 2021	Change
Current assets	429.4	383.6	+45.9
Non-current assets	631.9	601.4	+30.5
Total assets	1,061.4	985.0	+76.4
Liabilities	492.5	452.0	+40.5
Equity	568.9	533.0	+35.9
Total liabilities and equity	1,061.4	985.0	+76.4
Interest-bearing debt*	215.0	177.2	+37.7
Ratio of equity attributable to owners of parent	52.8%	53.3%	-0.5%
D/E ratio	0.38	0.34	+0.05

* Interest-bearing debt does not include lease liabilities

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



■ Total equity (billion yen) ■ Interest-bearing debt (billion yen) ● D/E ratio ● Net D/E ratio



* Total equity do not include non-controlling interests.

State of Cash Flows



(billion yen)

	2022 Jan.-Mar.	2021 Jan.-Mar.	Change
CF from operating activities	-4.0	12.6	-16.6
CF from investing activities	-9.7	13.8	-23.6
Free CF	-13.8	26.4	-40.2
CF from financing activities	26.8	-23.1	+49.9
Closing balance of cash and cash equivalents	57.9	35.6	+22.3

Earnings Forecast for FY 2022

Profit and Loss Projections (Full Year)

(No changes from the previous forecast)

Forecasts after April 2022

Exchange Rates	US\$ 127 yen	
	EUR 135 yen	
	RUB 1.8 yen	
TSR20*	158 cents	*SICOM TSR20 1M
WTI	71 dollars	

		2022 first half	2021 result	Change	Change (%)
Continued operations	Sales revenue	350.0	303.9	+46.1	+15.2%
	Business profit* ¹ (Business profit margin)	22.0 (6.3%)	26.3 (8.7%)	-4.3 (-2.4%)	-16.4%
	Operating profit (Operating profit margin)	21.5 (6.1%)	48.6 (16.0%)	-27.1 (-9.9%)	-55.8%
	Profit	15.5	36.6	-21.1	-57.6%
Discontinued operations	Profit * ²	—	0.4	-0.4	—
Profit * ³		15.5	36.9	-21.4	-58.0%

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

*2 Transfer of Hamatite business

*3 Profit attributable to owners of parent

		2022 full year	2021 result	Change	Change (%)
Continued operations	Sales revenue	750.0	670.8	+79.2	+11.8%
	Business profit* ¹ (Business profit margin)	60.0 (8.0%)	62.2 (9.3%)	-2.2 (-1.3%)	-3.5%
	Operating profit (Operating profit margin)	58.5 (7.8%)	83.6 (12.5%)	-25.1 (-4.7%)	-30.1%
	Profit	40.0	58.7	-18.7	-31.9%
Discontinued operations	Profit * ²	—	6.8	-6.8	—
Profit * ³		40.0	65.5	-25.5	-38.9%

(billion yen)

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.



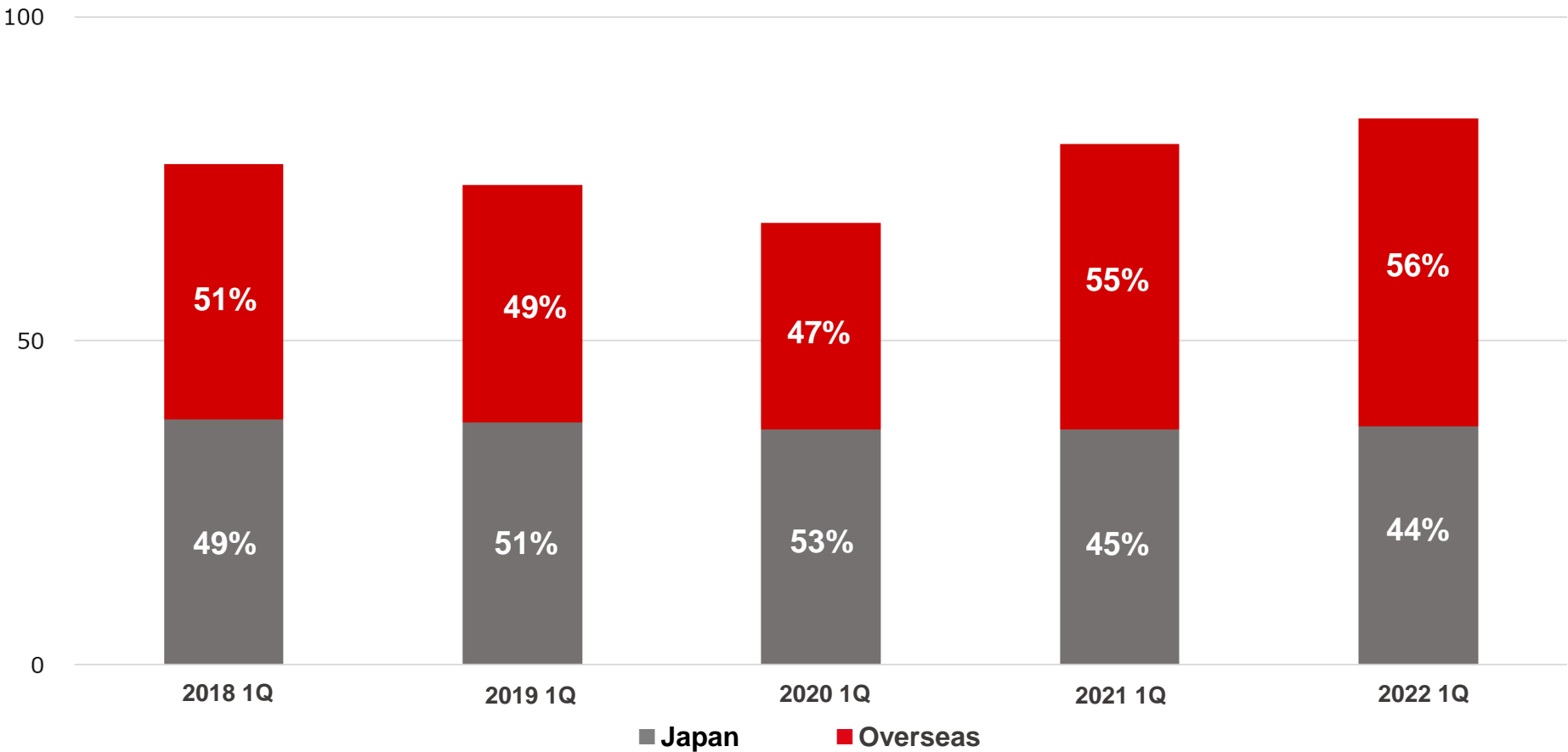
(Reference) Tire Unit Sales YoY Growth



Tire Business		2021			2022		
		1Q	1H	Full year	1Q	1H forecast	Full year forecast
Japan	OE	93%	119%	93%	88%	94%	108%
	REP	109%	108%	105%	124%	110%	104%
Overseas	OE	151%	132%	104%	111%	103%	113%
	REP	134%	141%	121%	102%	105%	105%

	2021			2022			Regional sales composition	
	1Q	1H	Full year	1Q	1H forecast	Full year forecast	2021 Full year	2022 1Q
Japan	102%	112%	101%	110%	104%	105%	38%	38%
No. America	114%	131%	116%	106%	109%	109%	20%	20%
Europe	127%	137%	122%	120%	113%	107%	7%	6%
Russia	110%	122%	110%	97%	70%	35%	4%	3%
China	229%	144%	106%	105%	96%	119%	17%	17%
Asia	136%	158%	130%	107%	118%	117%	10%	11%
Others	114%	128%	127%	87%	97%	96%	5%	4%
Total	122%	127%	110%	107%	104%	107%	-	-

(Reference) Tire Rubber Production Volumes



(Unit: thousand tons)

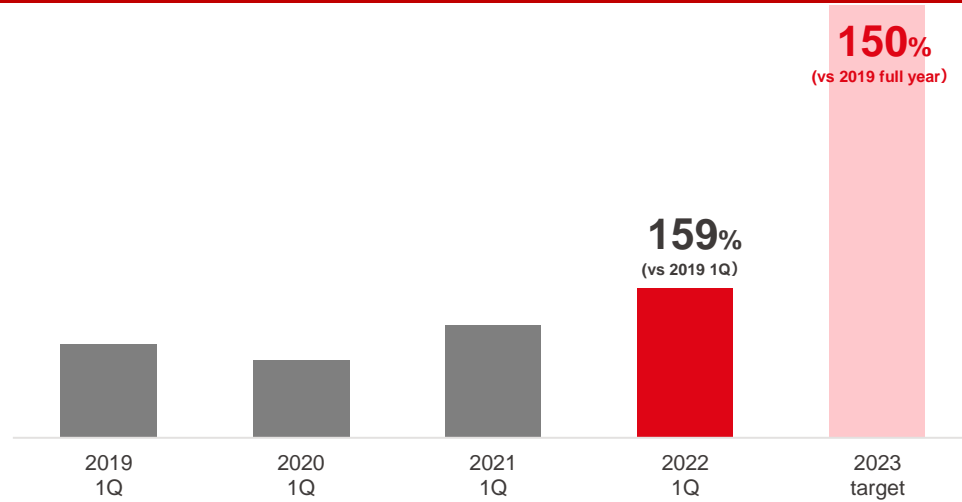
	2018 1Q	2019 1Q	2020 1Q	2021 1Q	2022 1Q
Japan	38	37	36	36	37
Overseas	39	37	32	44	48
Total	77	74	68	80	84

(Reference) Cumulative unit sales of consumer tire products

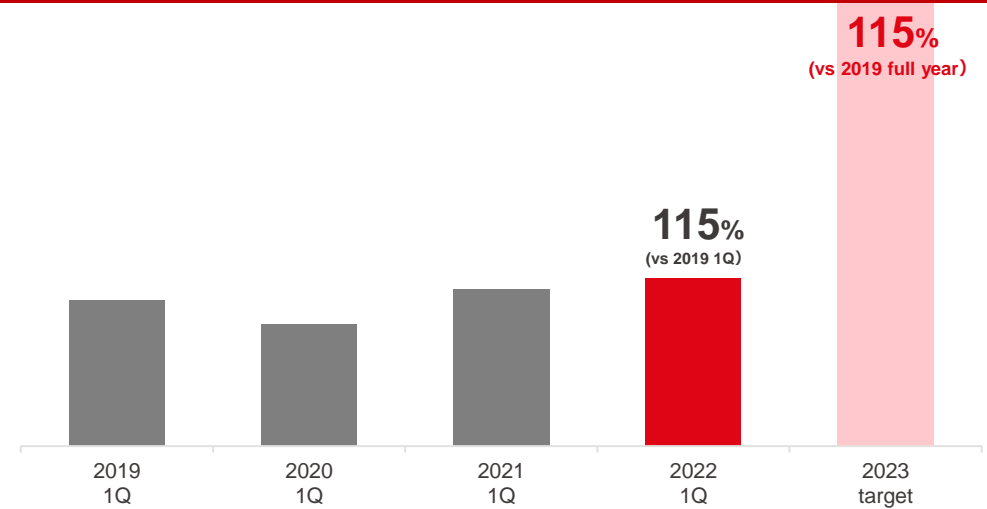


*Sales growth rates are relative to 2019 1Q

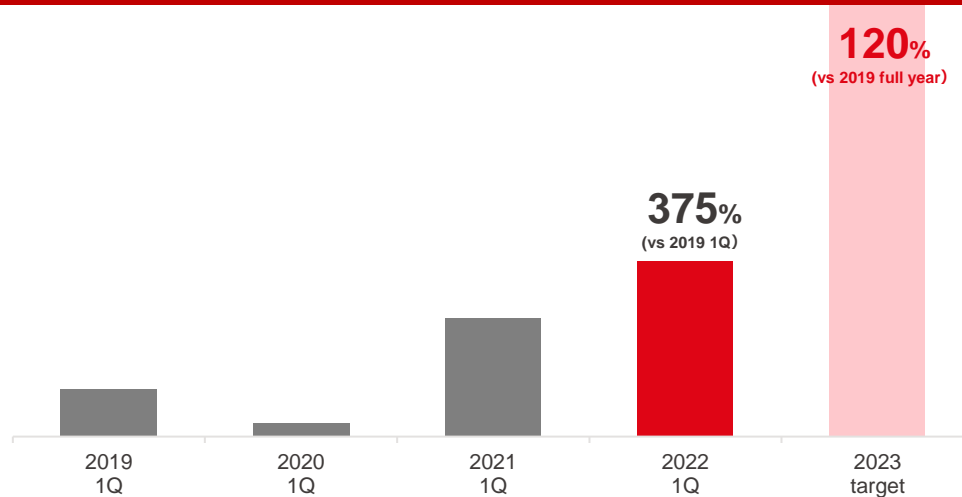
ADVAN



GEOLANDAR



WINTER



18-inch and larger

