

Acquisition of Trelleborg Wheel Systems business

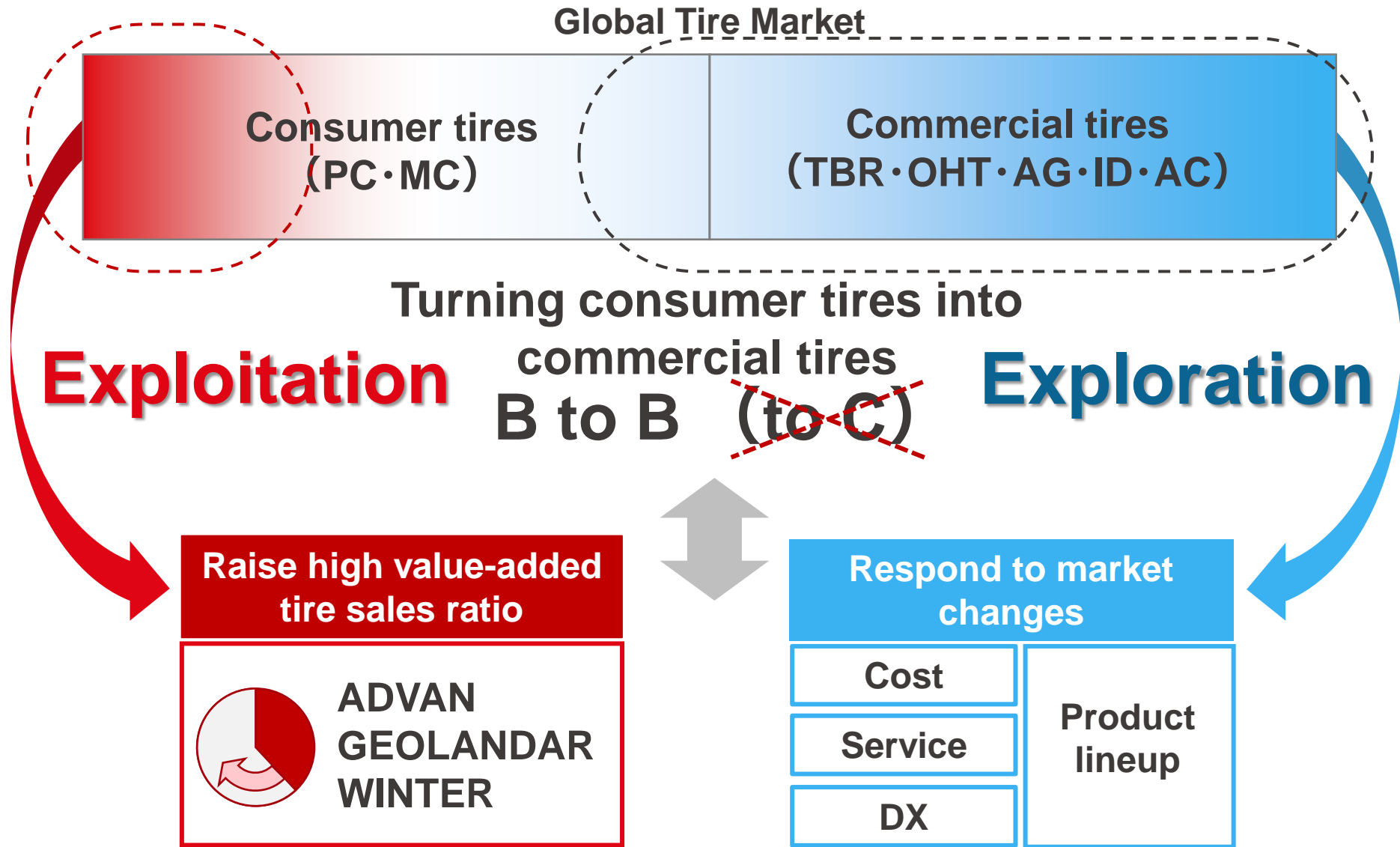
March 25, 2022

The Yokohama Rubber Co., Ltd.

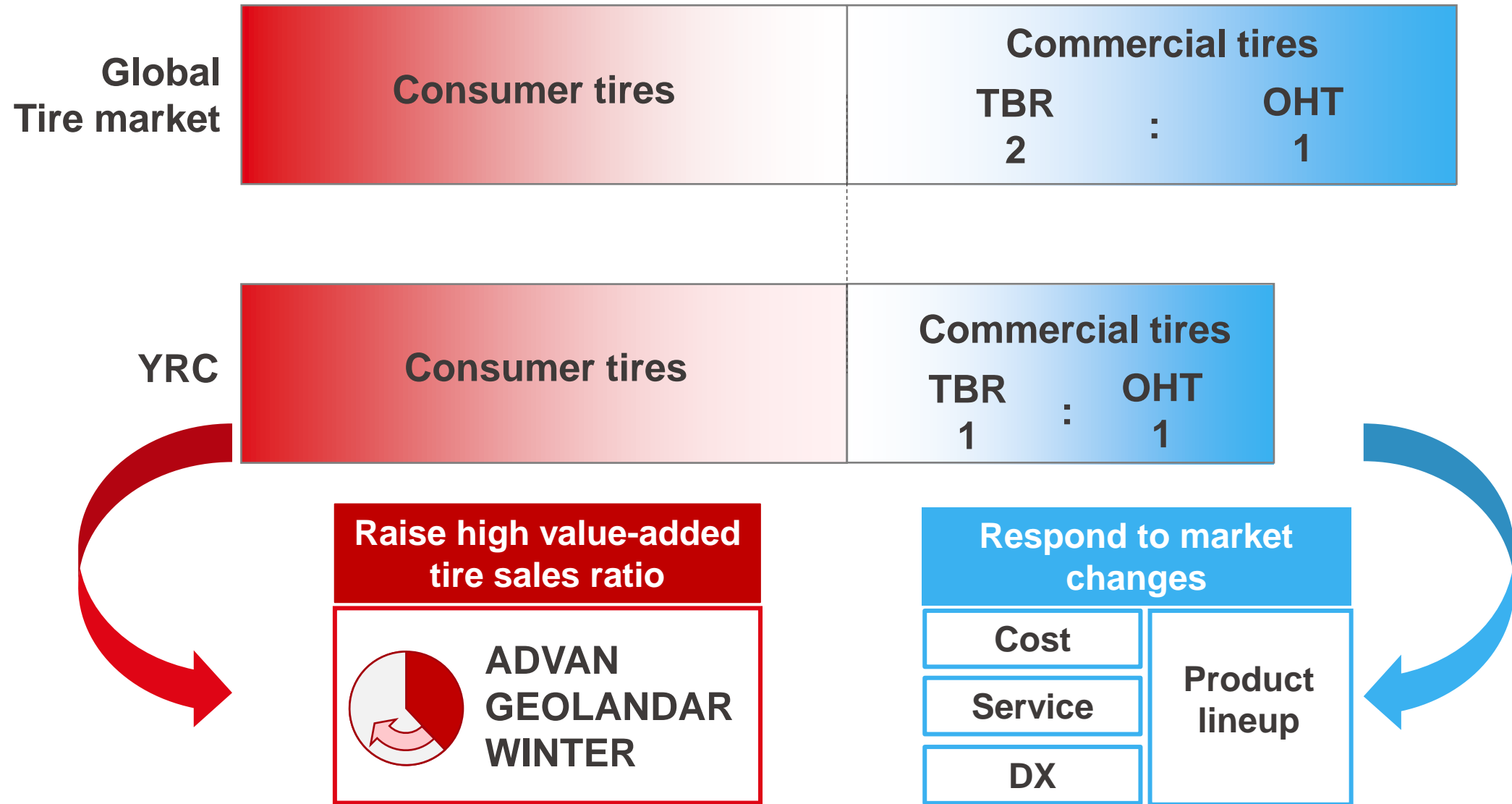


YOKOHAMA Transformation 2023

Exploitation × Exploration = Transformation



Objectives of Acquisition: Current Situation and challenges

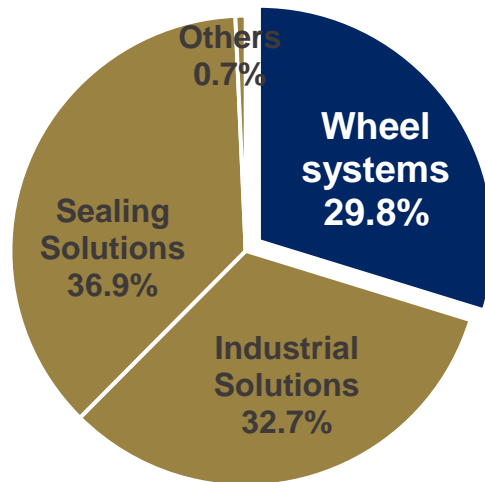


Trelleborg Wheel Systems Overview

Basic Trelleborg AB information

Incorporation	: October 1905
Share capital	: SEK 2,620mn (approx. ¥33.6bn)
Annual sales	: SEK 33,864mn (approx. ¥433.8bn)
Employees	: 21,230
President and CEO	: Peter Nilsson
Head Office	: Trelleborg, Sweden

Trelleborg ABSales Breakdown by Business Segment



Wheel Systems Business Outline

Businesses	: Manufacture and sales of agricultural and industrial tires
BA President	: Paolo Pompei
Employees	: 6,750
Annual sales	: SEK 10,076mn (approx. ¥129.0bn)
EBIT	: SEK 1,214mn (approx. ¥15.6bn)
EBIT ratio	: 12.0%
History	: 1909 Started tire production 1975 Focus on specialty tires (Withdrawal from PC business) 1988 Acquired Bergougnan Co., Ltd. (ID tire) 1999 Acquired Pirelli Agricultural Tyre Division 2016 Acquired CGS Holdings (Mitas Brand)

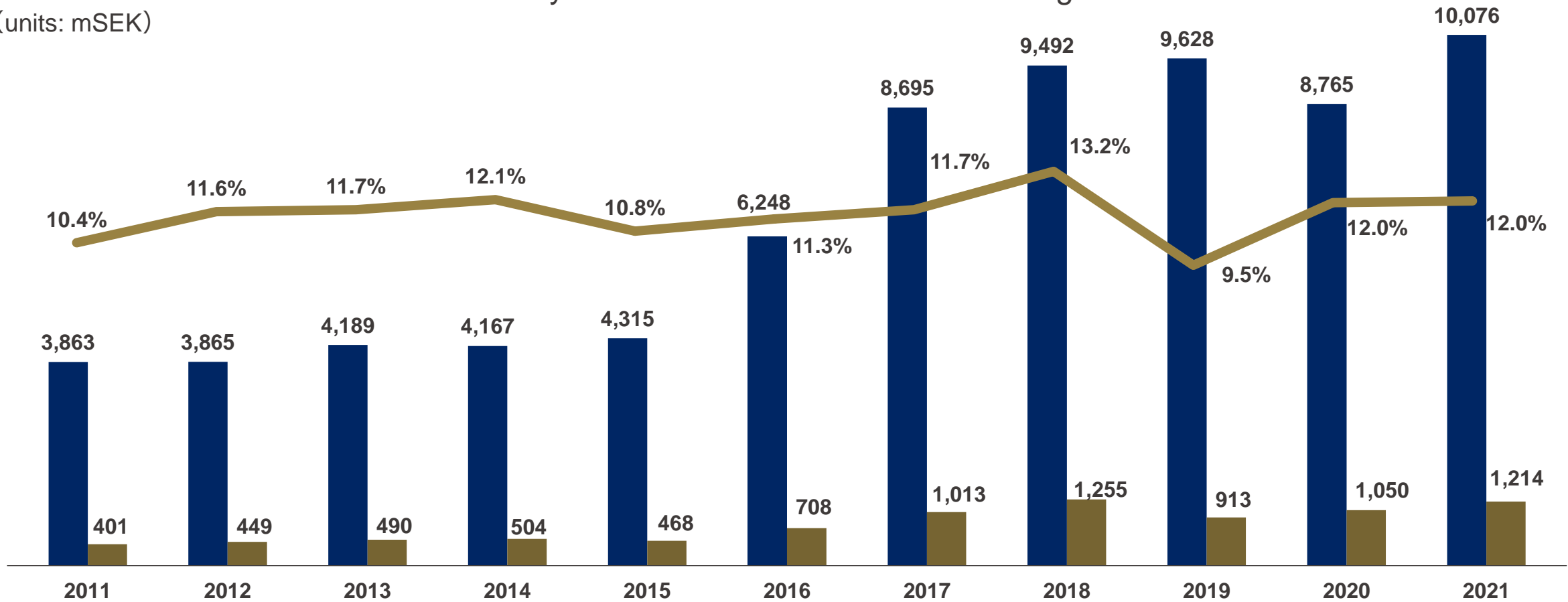


Stable and high profitability

■ Sales ■ EBIT ■ EBIT ratio

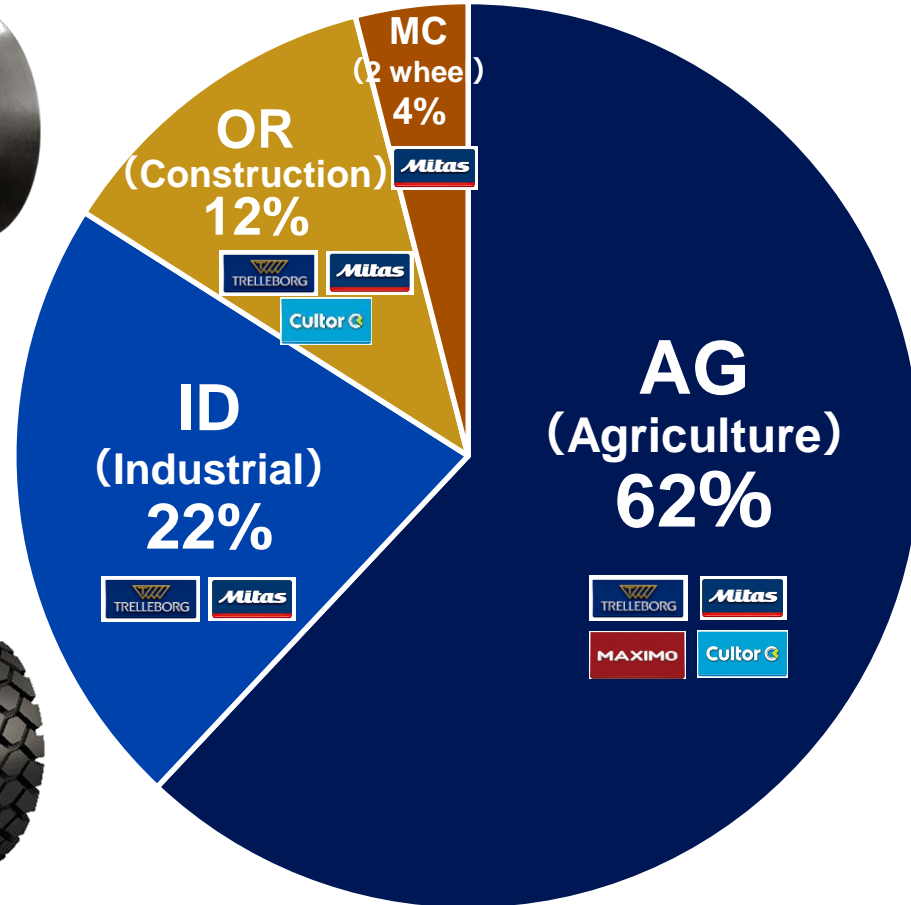
Wheel Systems sales trend • EBIT • EBIT margin

(units: mSEK)



Trelleborg Wheel Systems Overview : Products and brands

Global top class in AG/ID



2021 result



Wide product line-up more than 7,500 sizes



PNEUMATIC
Highest
2,310 mm



Range
From **3" to 54"**

SOLID
Highest
2,180 mm



Range
From **8" to 39"**

PNEUMATIC
Highest
1,920 mm



Range
From **12" to 33"**

PNEUMATIC
Highest
1,818 mm



Range
From **4" to 33"**

SOLID
Highest
1,445 mm



Range
From **4" to 25"**

OFF-ROAD
Highest
740 mm



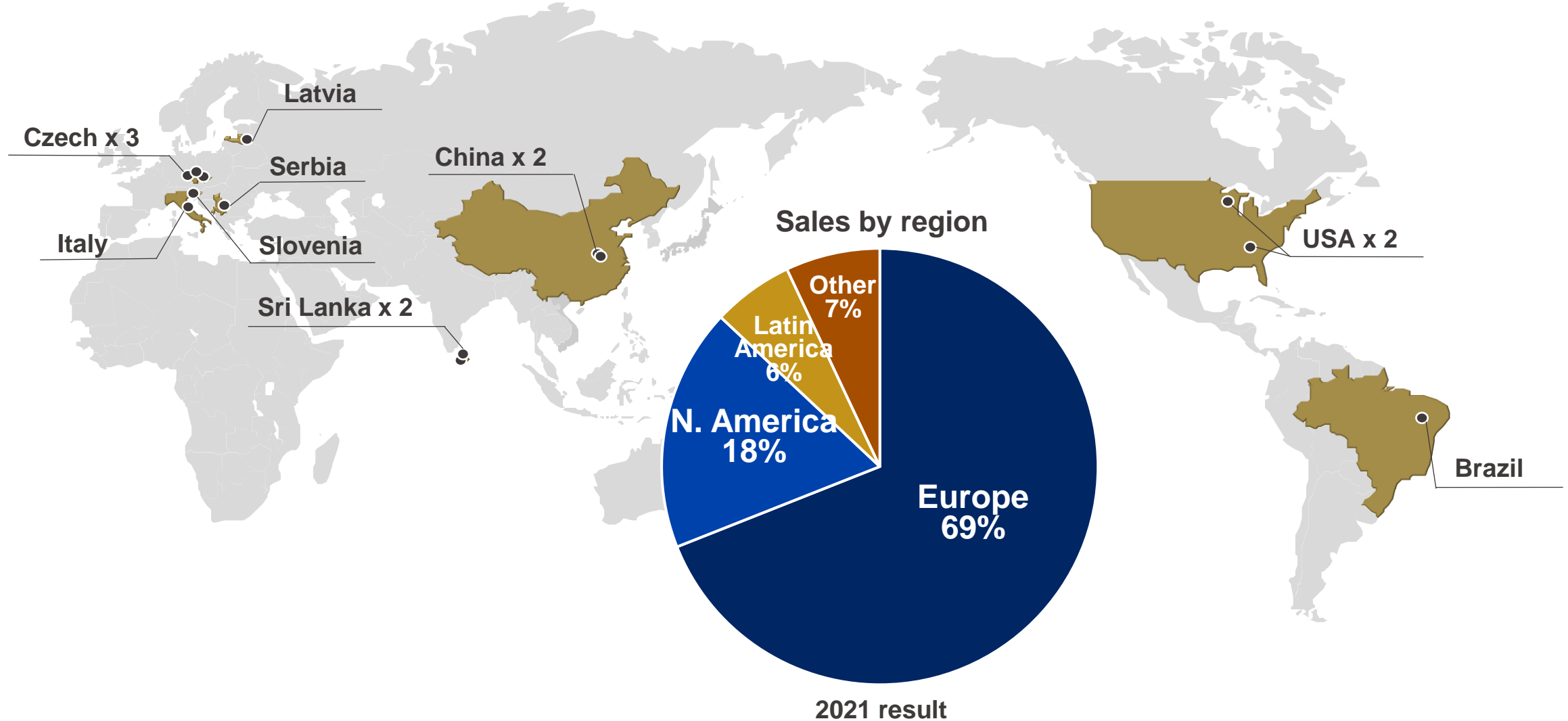
Range
From **10" to 23"**

ON-ROAD
Highest
707 mm



Range
From **8" to 21"**

14 plants in 9 countries



Trelleborg Wheel Systems Overview : Technologies



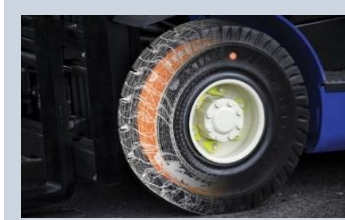
ProgressiveTraction®

Grip performance
Resistance to lug vibrations
Self cleaning



PneuTrac

Hybrid solution
Between track and tire



Pit Stop Line

100% accuracy of
tire replacing timing



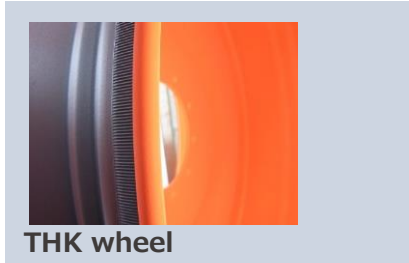
Innovative MH compounds

The right solutions
to different customer
needs



Soft Ride

A solid tire easy to ride



THK wheel

A new design reducing
tire slippage



TW wheel

Easy to mount and
lighter than competition



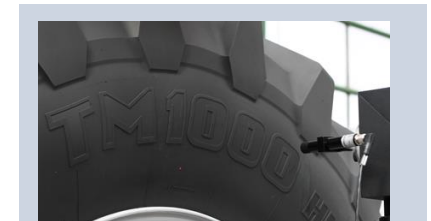
TLC+ & CTIS+

Tools to manage tires
for agriculture



TPMS

Master of predictive
maintenance for
construction and port



YourTire

Premium performance,
with your personal touch

More sustainable raw materials

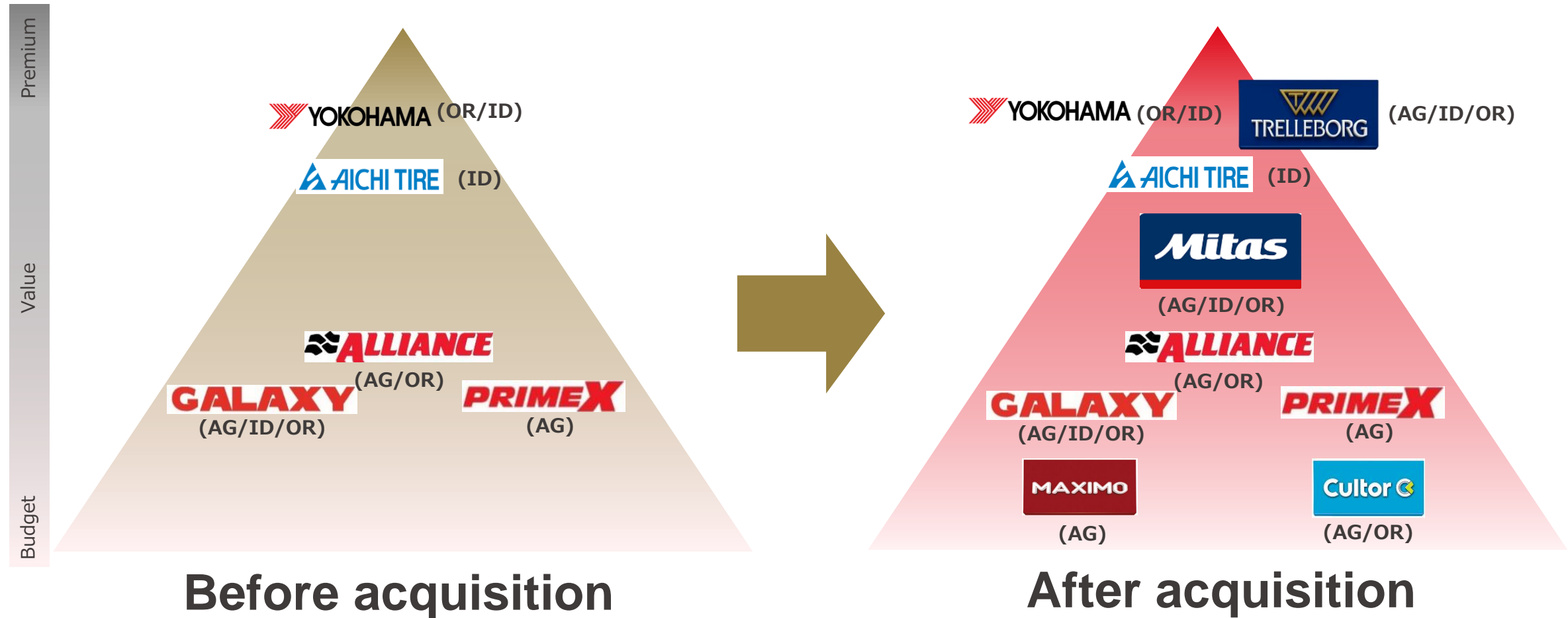


		2021	5-year plan
Fossil materials		~71%	↓ >10 pp.
Biomaterials		~28%	↑ >10 pp.
Recycled materials		~1%	↑ ~10 pp.

※Figures are targets for Trelleborg AB as a whole.

Compatibility with the acquisition strategy of Trelleborg Wheel Systems

◆ Completed of product brand structure



Compatibility with the acquisition strategy of Trelleborg Wheel Systems

◆『interfit』

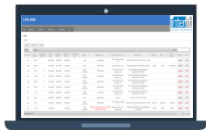


Tire service by specialists
82 locations in 21 countries

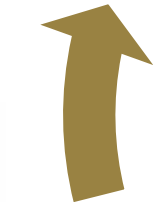


Customer service platform

Order management Platform



Field Service Management App



Dedicated Customer reporting



B2B / B2C Online portals

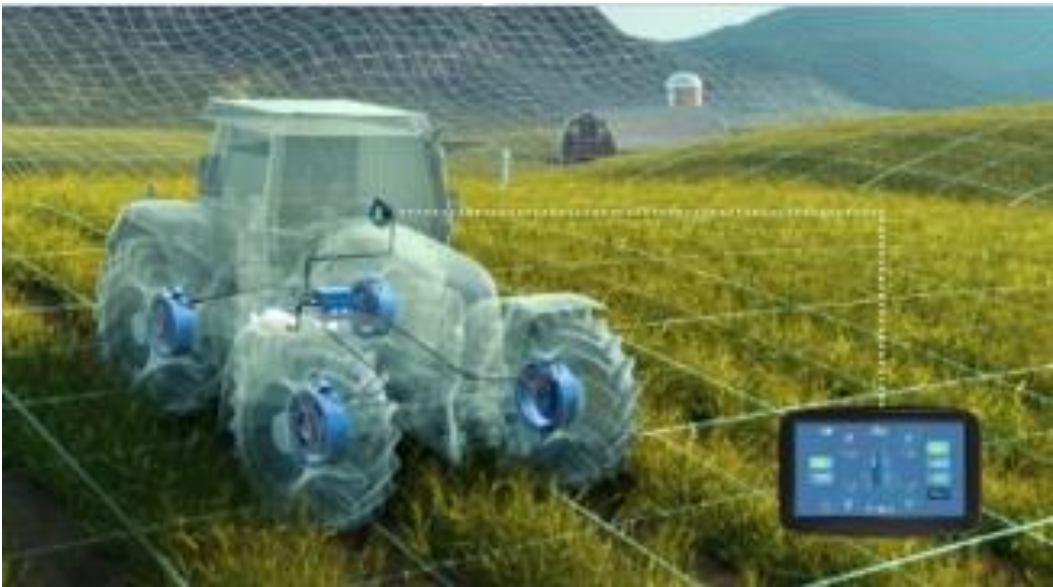


Compatibility with the acquisition strategy of Trelleborg Wheel Systems

◆DX

TLC & CTIS+

Digital tools for agricultural machinery



Intelligent and adaptive tires
optimizing tire air pressure,
yield and provides soil diagnostics

TPMS

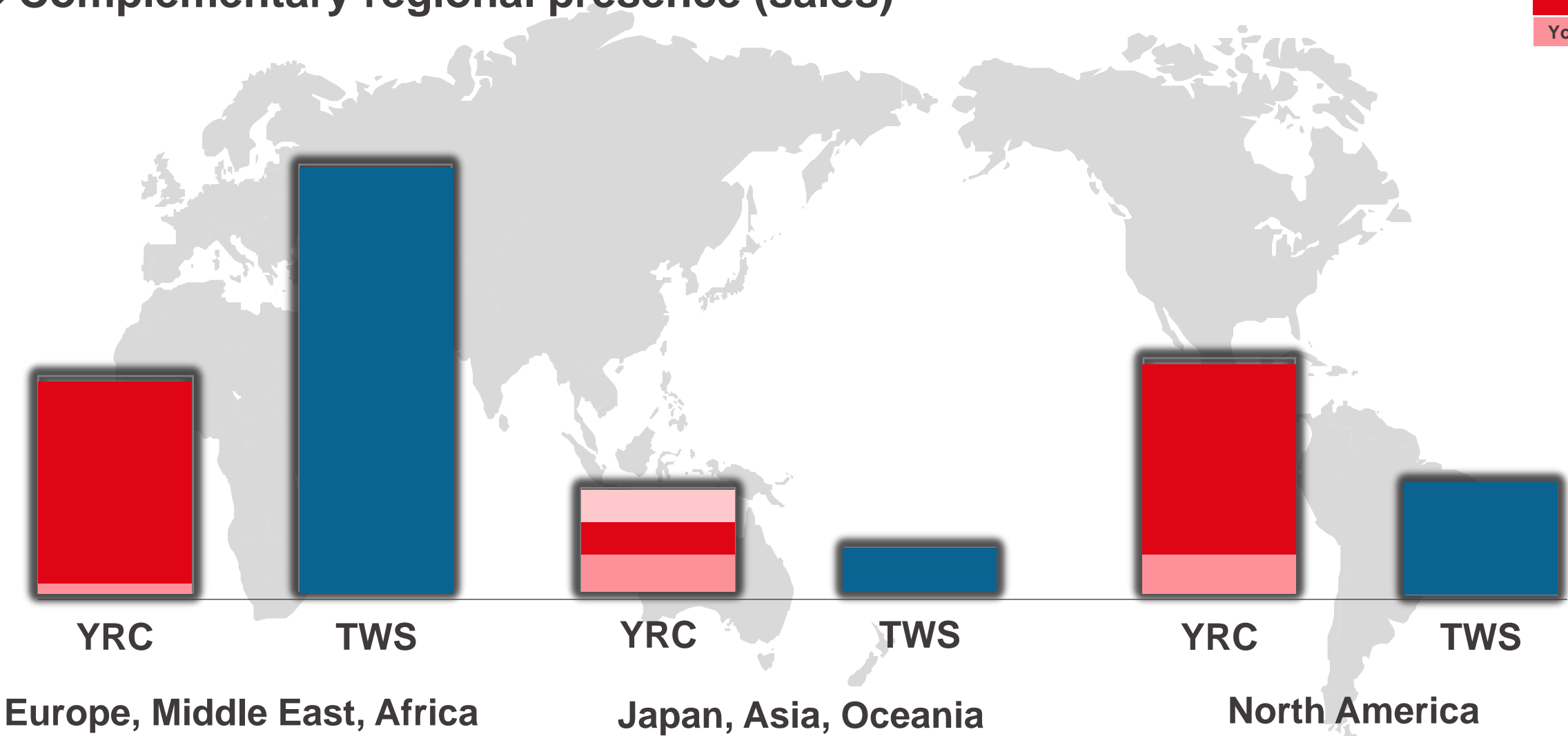
Digital tools for construction
machinery and harbor equipment



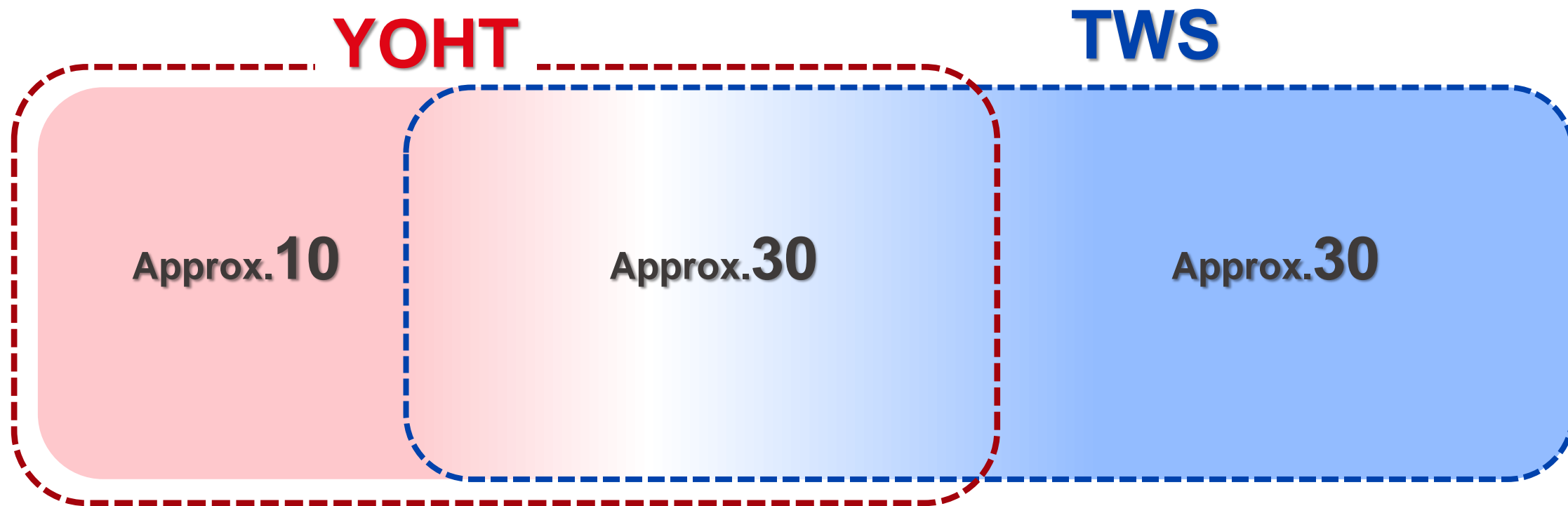
Continuous monitoring of tire
air pressure & temperature

◆ Complementary regional presence (sales)

Aichi
ATG
Yokohama



◆ Deliveries to OEMs



Outline of the transaction

Target company	Trelleborg Wheel Systems Holding AB (100% of equity shares)
Enterprise Value	2,040 million EUR (Approx. 265.2 billion yen Exchange rate 130 yen/EUR) <small>*The acquisition agreement includes a performance-linked earn-out clause that could increase the acquisition price by up to €60 million depending on the fiscal 2022 financial results of the acquired business.</small>
EBITDA	230 million EUR (Approx. 29.9 billion yen Exchange rate 130 yen/EUR) <small>* Our estimation for FY2022</small>
EBITDA multiple	Approx. 9 times <small>* After adjustment for a performance-linked earn-out</small>
Acquisition finalized	Second half of 2022 <small>* After obtaining permission from relevant country's antitrust law</small>
Financing	Own funds and borrowings



