

## Message from the Chief Financial Officer



### Yokohama Achieved Record Highs in Both Sales and Profit.

The Yokohama Rubber Group has made steady progress towards achieving the targets laid out in the Yokohama Transformation 2023 (YX2023) Medium-Term Management Plan.

**Gota Matsuo** Member of the Board and Managing Officer

Chief Financial Officer, Head of Corporate Administration Div., in charge of Corporate Finance & Accounting Dept., Head of CSR Div., in charge of IT & Management System Planning Div., President of Yokohamagomu Finance Co., Ltd., in charge of PRGR

Record highs were achieved in every metric. Sales revenue for the Yokohama Group in fiscal 2021 on an ongoing business basis excluding the Hamatite business\* was ¥670,809 million (an increase of 21.7% year on year). On the profit front, business profit stood at ¥62,162 million (up 73.3%), with operating profit of ¥83,636 million (up 132.4%) in part from recording a gain on the transfer of the head office building. Profit attributable to owners of parent amounted to ¥65,500 million (a 148.9% year-on-year increase). Our core tire business was impacted by various factors including sharply rising raw material prices and logistics expenses, disruptions to international logistics networks and the COVID-19 pandemic, but both sales and profit increased due to price hikes taking root mainly in North America, and the continuing weakening of the Japanese yen.

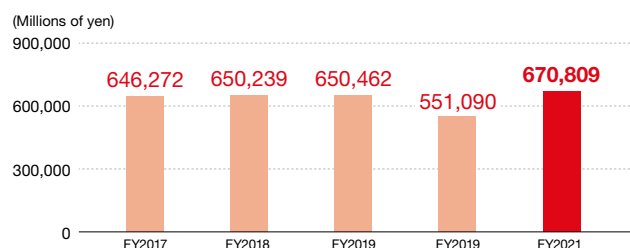
\* Due to the signing of an agreement with the Swiss-based Sika AG on the transfer of the Hamatite business on April 28, 2021, the Hamatite business was classified as a discontinued operation, and the reclassification was also made retroactively for the same period of the previous year. The transfer of the Hamatite business was completed in accordance with the above agreement on November 1, 2021.

## Financial & Non-Financial Highlights

# Financial Highlights

### Sales Revenue

¥ **670,809** million



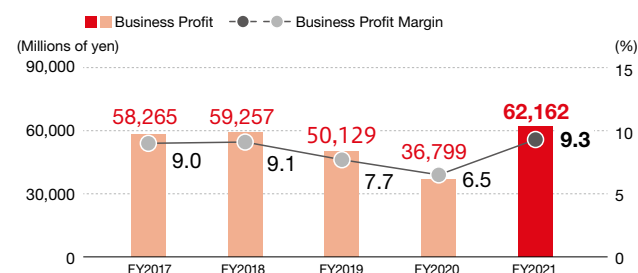
Sales revenue increased 21.7% year on year to ¥670,809 million, reflecting price hikes taking root in the tire business primarily in North America, and the ongoing depreciation of the yen.

### Business Profit

¥ **62,162** million

### Business Profit Margin

**9.3** %

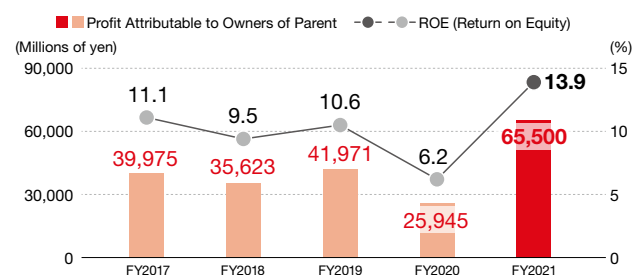


Business profit increased 68.9% year on year to ¥62,162 million, in part reflecting a gain on the transfer of the head office building, in addition to growth in overseas tire sales. The business profit margin rose 2.8 points year on year to 9.3%.

## Profit Attributable to Owners of Parent

¥ **65,500** million

## ROE (Return on Equity)\*1

**13.9** %

\*1 ROE (Return on equity) = Profit attributable to owners of parent / Average\* total equity attributable to owners of the parent × 100

\* Simple average of amounts at beginning and end of year

Profit attributable to owners of parent rose 148.9% year on year, to ¥65,500 million. ROE (return on equity attributable to owners of parent) rose 7.7 points year on year to 13.9%.

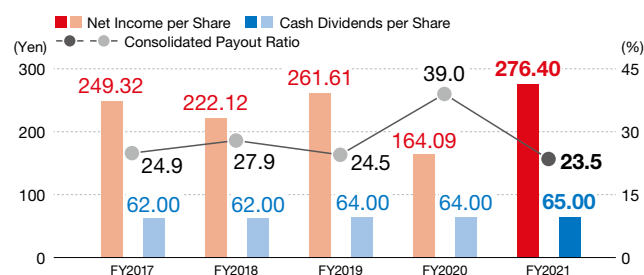
## Net Income per Share

¥ **276.40**

## Cash Dividends per Share

¥ **65.00**

## Consolidated Payout Ratio\*2

**23.5** %

\*2 Consolidated payout ratio = Cash dividends per share / Net income per share

Net income per share was ¥276.40, an increase of ¥112.31 year on year.

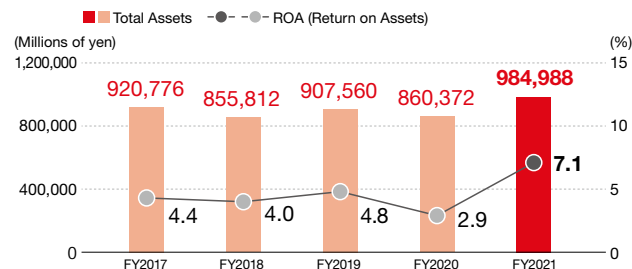
Cash dividends per share were ¥65.0, a ¥1 year-on-year increase. The consolidated payout ratio was 23.5%, a year-on-year decrease of 15.5 points.

Note: Net income per share and the consolidated payout ratio in fiscal 2021 are calculated based on an amount that excludes extraordinary factors such as the sales of the head office and the Hamamite business.

## Total Assets

¥ **984,988** million

## ROA (Return on Assets)\*3

**7.1** %

\*3 ROA (Return on assets) = Profit attributable to owners of parent / Average\* total, Total assets × 100

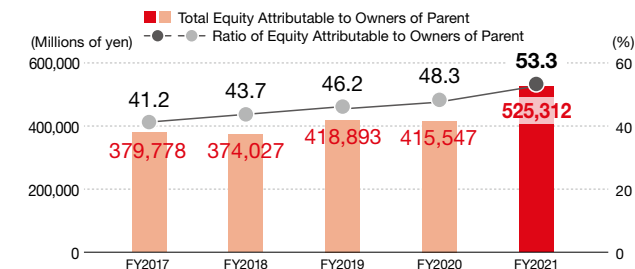
\* Simple average of amounts at beginning and end of year

Total assets increased ¥124,616 million compared with the end of the previous fiscal year to ¥984,988 million due to an increase in inventories. Return on assets (ROA) increased 4.2 points year on year to 7.1%.

## Total Equity Attributable to Owners of Parent

¥ **525,312** million

## Ratio of Equity Attributable to Owners of Parent\*4

**53.3** %

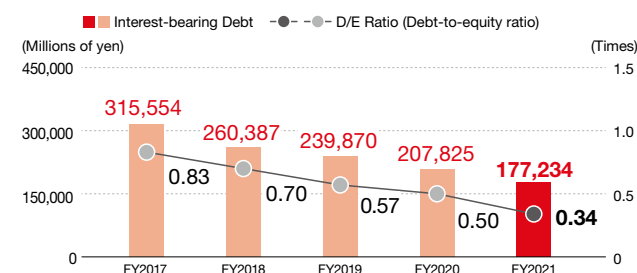
\*4 Ratio of equity attributable to owners of parent = Total equity attributable to owners of the parent / Total assets × 100

Equity attributable to owners of parent rose ¥109,765 million compared with the end of the previous fiscal year to ¥525,312 million due to an increase in other components of equity. The ratio of equity attributable to owners of parent increased 5.0 points year on year to 53.3%.

## Interest-bearing Debt

¥ **177,234** million

## D/E Ratio (Debt-to-equity ratio)\*5

**0.34** times

\*5 D/E ratio (Debt-to-equity ratio) = Interest-bearing debt / Total equity attributable to owners of the parent  
Interest-bearing debt as a percentage of total assets of the Yokohama Group was 18.0% (as of December 31, 2021). The debt-to-equity ratio (D/E ratio) declined 0.16 points to 0.34 times.

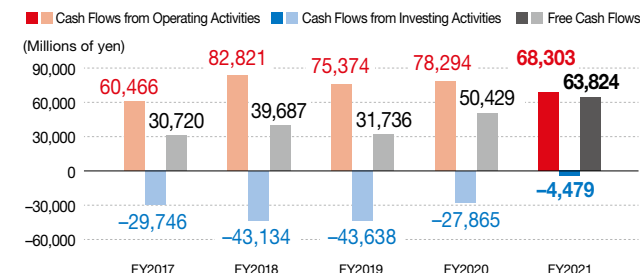
## Cash Flows from Operating Activities

¥ **68,303** million

## Cash Flows from Investing Activities

¥ **-4,479** million

## Free Cash Flows\*6

¥ **63,824** million

\*6 Free cash flow = Cash flows from operating activities - Cash flows from investing activities

Net cash provided by operating activities was ¥68,303 million, mainly due to an increase in profit before tax. Net cash used in investing activities was ¥4,479 million, chiefly due to purchases of property, plant and equipment. Free cash flows stood at ¥63,824 million.