

Looking Back on Past Medium-Term Management Plans

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	Medium-Term Management Plan FY2015–FY2017 GD100 Phase IV	Medium-Term Management Plan FY2018–FY2020 GD2020
Vision	All for Growth Open the way for the next 100 years by bringing together the potential of Yokohama Rubber	Fortifying our business foundation by redefining Yokohama's strengths and deploying growth strategy through original approaches
Management indicators	FY2017 Net sales ¥770 billion Operating income ¥80 billion Operating income margin 10.4% ROA (net income) 5% or more ROE (net income) 12% or more D/E ratio 0.8 times or less	FY2020 Sales revenue ¥700 billion Business profit ¥70 billion Business profit margin 10% Operating CF ¥200 billion (three-year cumulative total) ROE 10% D/E ratio 0.6 times
Strategies and main results Acquired strengths	Progress of Global Expansion <ul style="list-style-type: none"> Enhanced network of production, sales and technology sites Expanded overseas business of tires for new vehicles Enhanced global brand recognition (partnership agreement with English Premier League Club Chelsea FC) Improvements to Technologies That Contribute to the Environment <ul style="list-style-type: none"> Achieved a 100% ratio of products that contribute to the environment Global rollout of fuel-efficient replacement tires Expanded adoption and delivery of fuel-efficient tires for new vehicles Strengthening of the Business Portfolio <ul style="list-style-type: none"> Acquired agricultural machinery and construction vehicle tire manufacturer (ATG) Acquired industrial vehicle tire manufacturer (Aichi Tire Industry) 	Consumer Tire Business: Expanding Our Presence in the Premium Tire Markets <ol style="list-style-type: none"> Premium car strategy: Expanded installation on new vehicles, centered on high-inch, high-performance tires, to 13 car models, including the Porsche Cayenne and BMW X3. Winter tire strategy: Introduced new products including BluEarth-4SAW21 all-season tires and iceGUARD iG53 studless tires for North America. Hobby tire strategy: Introduced six new products to meet the tastes of all types of automobile users, including the GEOLANDAR X-AT for SUVs and pickup trucks. Communications strategy: Reinforced direct marketing using digital technologies and proactive communication with end users. Commercial Tire Business: Making Commercial Tires a Pillar of Revenue for the Next 100 Years <ol style="list-style-type: none"> OHT business: Growth of ATG, acquired in 2016, resulted in a higher-than-expected commercial tire business share of net sales. TBR business: Despite impairment losses recorded in 2018 with respect to the Mississippi plant (US), which commenced operations in 2015, Yokohama Rubber made efforts to improve supplies, including addressing equipment and human resource issues, and expanded sales. MB business: Focusing Resources in Areas of Strength <ul style="list-style-type: none"> Expanded shipments of automotive hoses in North America in the automotive parts business, delivered the world's largest floating pneumatic fenders in the marine products business, strengthening both businesses.
Issues Weaknesses to overcome	<ul style="list-style-type: none"> Improving product mix by concentrating resources on high-value-added products Realizing benefits of major investments and acquisitions made in Phase IV Strengthening the financial position 	Strategic aspect <ul style="list-style-type: none"> Consumer tires: Expanding our presence in premium tire markets Commercial tires: Further strengthening the OHT and TBR business. MB: Focusing resources in areas of strength Business environment aspect <p>Initial targets of ¥700 billion in sales revenue and ¥70 billion in business profit were not achieved due to factors such as the economic slow-down caused by the global spread of COVID-19 in 2020.</p>