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For immediate release

Contact:  
Corporate Planning Department  
Corporate Communications Section  
Phone: 81-3-5400-4531  
Fax: 81-3-5400-4570

**Yokohama Rubber Posts Record Earnings for  
First Nine Months of fiscal year**  
***Company raises projections for full-year fiscal performance***

Tokyo—The Yokohama Rubber Co., Ltd., announced today its business and financial results for the first three quarters (January to September) of fiscal 2021. Profit attributable to owners of parent increased approximately 10-fold over the same period of the previous year, to 43.5 billion yen, on an approximately 7-fold increase in operating profit, to 59.3 billion yen; an approximately 4-fold increase in business profit, to 37.1 billion yen; and a 22.3% increase in sales revenue, to 460.5 billion yen.

Yokohama's figures for profit attributable to owners of parent, operating profit and business profit were the highest ever for the first nine months of a fiscal year. The third-quarter figure for sales revenue exceeded that for the same period in 2019, which preceded the COVID-19 outbreak, and was the company's highest ever for that period.

\* Business profit is basically equivalent to operating income under accounting principles generally accepted in Japan and calculated as sales revenue less the sum of cost of sales and selling, general and administrative expenses.

Sales revenue and business profit in Yokohama's Tires segment increased over the same period of the previous year. In original equipment tires, sales revenue increased despite the adverse effect of global shortages of semiconductor devices on vehicle production in Japan, North America, China, and other regions. Sales revenue also increased in replacement tires. Yokohama promoted high-value-added products effectively, expanded production to meet robust demand, and took swift measures to cope with the container shortage and shipping delays in international logistics. The company thereby succeeded in achieving sales gains in replacement tires in North America, in Europe, and in India and other Asian markets, excluding Japan.

Yokohama posted increases, too, in sales revenue and business profit in its MB (Multiple Business) segment. Sales revenue increased in hose & couplings, reflecting a market recovery in the construction equipment sector. Yokohama's sales revenue declined in industrial products. That decline reflected a slump in sales of marine equipment products, which resulted from delays in large projects on replacement products and which offset strength in conveyor belts in Japan. Continuing weakness in demand in the commercial aircraft sector undermined sales revenue in aircraft fixtures and components.

The company has transferred its Hamatite sealants and adhesives business. Yokohama has therefore reclassified its Hamatite business, formerly included in the MB segment, as discontinued operations for the nine-month periods ended September 30, 2021 and 2020. This change has included excluding the Hamatite fiscal results from the figures presented here for sales revenue, business profit, and operating profit, but Yokohama continues to include those results in the figures presented for profit attributable to owners of parent.

Sales revenue and business profit climbed to record levels in Yokohama's ATG segment, which comprises business in tires for agricultural machinery, for industrial machinery, and for other off-highway applications. The strong performance reflected sales gains in all of ATG's principal product categories.

Yokohama has revised upward the full-year fiscal projections for 2021 sales and earnings that it announced in August. Yokohama's revised projections call for profit attributable to owners of parent to total 58.0 billion yen, up 0.9% over the earlier projection, on operating profit of 74.5 billion yen, up 1.4%; business profit of 52.5 billion yen, up 1.9%; and sales revenue of 655.0 billion yen, the same amount as in the earlier projection.

### **<Progress of YX2023 medium-term management plan>**

Under Yokohama Transformation 2023 (YX2023), the Company's medium-term management plan for fiscal years 2021–2023, Yokohama Rubber is simultaneously promoting the "exploitation" of the strengths of our existing businesses and the "exploration" of new value that will meet the needs of customers and society in an era of great change, as the Company strives for "transformation" that will drive growth over the next generation. Under YX2023, the Company aims to achieve record sales revenue of 700 billion yen and record business profit of 70 billion yen in fiscal 2023.

Recent developments in Tire business include "iceGUARD 7", a new studless tire for passenger cars, receiving a Good Design Award, and the launch of sales of TAXI TOURING A/S, an all-season tire for Toyota Motor's JPN TAXI cars. Among YOKOHAMA's motorsports activities, Round 3 of Japan's SUPER GT saw YOKOHAMA-equipped cars finish third in the GT500 class and dominate the GT300 class, with the first six cars crossing the finish line all running on YOKOHAMA tires. In the more recent Round 7, YOKOHAMA-equipped cars finished second in the GT500 class and first and third in the GT300 class. A machine running on YOKOHAMA tires also won its class in the latest round of North America's ultimate off-road racing series. Yokohama Rubber's effort to development a SensorTire (IoT tire) with sensing functionality, one of the Company's CASE and MaaS inspired initiatives, was further advanced by the start of practical testing of a tire sensor attached to tire's inner surface with cooperation from Zenrin Co., Ltd. In the MB segment, Yokohama Rubber completed the transfer of the Hamatite business on November 1, on the schedule announced back in April.

## Financial Highlights

Millions of yen

	Jan. 1–Sept. 30, 2021	Jan. 1–Sept. 30, 2020	Jan. 1–Sept. 30, 2019
Sales revenue	<b>460,455</b>	376,451	465,739
Business profit*	<b>37,121</b>	8,913	25,835
Operating profit	<b>59,326</b>	8,465	33,361
Profit from continuing operations attributable to owners of parent	<b>43,137</b>	4,240	28,311
Profit from discontinued operations attributable to owners of parent	<b>343</b>	90	-
Profit attributable to owners of parent**	<b>43,479</b>	4,330	28,311
Total equity	<b>497,749</b>	392,393	399,645
Total assets	<b>951,983</b>	857,557	877,913
Profit per share attributable to owners of parent (yen)	<b>271.15</b>	27.00	176.48

\* Business profit is calculated as sales revenue less the sum of cost of sales and selling, general and administrative expenses.

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## Results by Business Segment

Millions of yen

	Jan. 1–Sept. 30, 2021	Jan. 1–Sept. 30, 2020	Jan. 1–Sept. 30, 2019
Sales to third parties			
Tires	<b>317,359</b>	266,250	318,360
MB**	<b>59,692</b>	57,266	87,141
ATG	<b>76,716</b>	47,376	53,629
Other	<b>6,688</b>	5,558	6,610
Business profit (loss)*			
Tires	<b>22,140</b>	511	11,719
MB**	<b>2,649</b>	2,132	5,672
ATG	<b>11,194</b>	6,233	7,573
Other	<b>1,124</b>	(39)	763
Eliminations	<b>12</b>	76	110

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