

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 14, 2024

## Consolidated Financial Results for the Three Months Ended March 31, 2024[IFRS]



Company name: The Yokohama Rubber Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 5101  
 URL: <https://www.y-yokohama.com/global/>  
 Representative: Masataka Yamaishi, Chairman & CEO, Chairman of the Board  
 Inquiries: Michio Yoshitake, General Manager and Head of Corporate Finance & Accounting Dept.  
 Telephone: +81-463-63-0437

Scheduled date to file quarterly securities report: May 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for analysts)

(Yen amounts are rounded to the nearest million yen.)

### 1. Consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2024	252,419	23.5	24,861	91.0	26,753	102.6	19,796	104.0	91,488	425.3
Three months ended March 31, 2023	204,314	10.1	13,013	(4.8)	13,206	(2.4)	9,705	(4.4)	17,417	(57.7)

Note: Business profit is calculated by deducting cost of sales and selling, general, and administrative expenses from sales revenue.

	Basic earnings per share	Diluted earnings per share	Business profit margin
	Yen	Yen	%
Three months ended March 31, 2024	123.46	123.15	9.8
Three months ended March 31, 2023	60.53	60.39	6.4

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity attributable to owners of the parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	1,691,440	831,998	822,739	48.6	5,118.21
As of December 31, 2023	1,600,458	748,795	739,565	46.2	4,600.78

## 2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	34.00	—	50.00	84.00
Fiscal year ending December 31, 2024	—				
Fiscal year ending December 31, 2024 (forecast)		42.00	—	51.00	93.00

Note: Revisions to the dividends forecast most recently announced: None

## 3. Consolidated financial results forecast for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Sales revenue		Business profit		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	500,000	12.8	42,000	64.3	43,000	52.6	25,500	(7.9)	158.63
Full Year	1,060,000	7.6	115,000	16.0	115,500	15.1	74,500	10.8	483.46

Note: Revisions to the financial results forecast most recently announced: No

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): Yes

Newly included: 1 company (YOKOHAMA TIRE MEXICO REAL ESTATE, S. A. de C. V.)

Excluded: – companies

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	169,549,081 shares
As of December 31, 2023	169,549,081 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	8,801,703 shares
As of December 31, 2023	8,801,310 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2024	160,339,189 shares
Three months ended March 31, 2023	160,340,624 shares

- \* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- \* Proper use of earnings forecasts and other special matters

(Cautionary statements with respect to forward-looking statements and other information)

The earnings forecasts herein are prepared by the Company based on information available to the Company as of the announcement of this document. Actual results may differ from these forecasts due to a wide range of factors.

## ○Contents of Attached Materials

1. Qualitative Information on Consolidated Results for the Period under Review	
(1) Consolidated Operating Results	2
(2) Consolidated Financial Position	3
(3) Consolidated Earnings Forecast and Other Forward-Looking Statements	4
2. Condensed Quarterly Consolidated Financial Statements and Principal Notes	
(1) Condensed Quarterly Consolidated Statement of Financial Position	5
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income	7
(3) Condensed Quarterly Consolidated Statement of Change in Equity	9
(4) Condensed Quarterly Consolidated Statement of Cash Flows	11
(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements	12
(Notes on going concern assumption)	12
(Notes in case of significant changes in shareholders' equity)	12
(Segment information, etc.)	12
(Significant subsequent events)	13

## 1. Qualitative Information on Consolidated Results for the Period under Review

### (1) Consolidated Operating Results

	Three months ended March 31, 2023	Three months ended March 31, 2024	YoY change
	¥ million	¥ million	%
Sales revenue	204,314	252,419	+23.5
Tires	179,658	226,720	+26.2
MB	22,519	23,768	+5.5
Others	2,137	1,931	(9.7)
Business profit (loss)	13,013	24,861	+91.0
Tires	12,569	23,355	+85.8
MB	635	1,370	+115.8
Others	(203)	131	—
Adjustments	12	5	—
Operating profit	13,206	26,753	+102.6
Profit before tax	14,251	28,017	+96.6
Profit attributable to owners of the parent	9,705	19,796	+104.0

Note: Business profit is calculated by deducting cost of sales and selling, general, and administrative expenses from revenues.

Regarding the operating environment for the Yokohama Rubber Group in the first quarter of fiscal 2024 (January 1, 2024 – March 31, 2024), the environment in Japan was generally favorable for corporate earnings, as a temporary reduction in automobile production was more than offset by increased production and exports of transportation machinery following the resolution of supply-side constraints. In addition, reflecting the improving economic environment in Japan, a bullish stock market pushed the Nikkei Stock Average to new all-time high, exceeding the previous high set during Japan’s 1980s bubble economy.

In overseas markets, personal consumption in the United States remained strong, supported by solid employment and income environments. However, while U.S. nonmanufacturers fared well, the U.S. manufacturing sector as whole remained in an adjustment phase with output declining. In China, the deterioration in business sentiment caused by the continued real estate recession has eased, but the Chinese economy is feeling the effects of a weak recovery in consumption. In Europe, weak demand continues to depress results in the manufacturing and service industries.

In the above operating environment, the Yokohama Rubber Group continued to pursue the “exploitation” of the strengths of its existing businesses and the “exploration” of new value while launching its new medium-term management plan Yokohama Transformation 2026 (YX2026), which aims to complete the transformation begun during the previous medium-term plan. As a result, the Yokohama Rubber Group’s consolidated results for the first quarter of fiscal 2024 included sales revenue of ¥252,419 million (+23.5% YoY), business profit of ¥24,861 million (+91.0% YoY), operating profit of ¥26,753 million (+102.6% YoY), and profit attributable to owners of the parent totaling ¥19,796 million (+104.0% YoY).

Tire segment sales revenue totaled ¥226,720 million (+26.2% YoY), accounting for 89.8% of the Yokohama Rubber Group’s consolidated sales revenue.

Original equipment tire sales revenue was higher than in the same period of the previous year as price hikes and a positive forex impact from the yen’s depreciation outweighed negative impacts from continued weakness in Japanese automakers’ sales in China and reduced domestic production at some Japanese automakers.

Replacement tire sales revenue was largely the same as a year earlier, as sales increases in China, India and other Asian markets offset the reactionary decline in Japan sales following a spike in sales prior to price hikes in April of the previous year.

The Yokohama Rubber Group's off-highway tire (OHT) business sales revenue increased sharply over the previous year's level as higher sales in Europe and emerging nation markets at the Group's legacy OHT business under YOHT (Yokohama Off-Highway Tires), formerly the Alliance Tire Group (ATG), was supplemented by the addition of sales at Y-TWS (formerly Trelleborg Wheel Systems Holding AB).

MB (Multiple Businesses) segment sales revenue totaled ¥23,768 million (+5.5% YoY), accounting for 9.4% of Group's consolidated sales revenue.

The hose & couplings business posted a YoY decline in sales revenue as sluggish demand for its hydraulic hoses for construction equipment and other applications outweighed higher sales of automotive hoses achieved through price increases in the North American market and other sales efforts.

The industrial products business recorded an increase in sales revenue as strong sales of its marine products, especially in overseas markets, and replacement fixtures and components for commercial aircraft outweighed a decline in sales of conveyor belts owing to customers' temporary inventory adjustments.

The strong growth in Group business profit reflects lower prices of natural rubber and other raw materials, efforts to lower and control logistics costs and production energy costs, and the positive forex impact from the yen's depreciation.

## (2) Consolidated Financial Position

Total assets as of March 31, 2024, were ¥1,691,440 million, an increase of ¥90,981 million from the end of the previous consolidated fiscal year (December 31, 2023). The increase primarily reflects increases in inventories and property, plant and equipment.

Total liabilities as of March 31, 2024, were ¥859,442 million, an increase of ¥7,779 million from the end of the previous consolidated fiscal year. The increase in liabilities primarily reflects an increase in interest-bearing debt.

Total equity as of March 31, 2024, came to ¥831,998 million, an increase of ¥83,203 million from the end of the previous consolidated fiscal year. The increase primarily reflects an increase in other components of equity due primarily to the impact from foreign exchange market fluctuations.

### (3) Consolidated Earnings Forecast and Other Forward-Looking Statements

The consolidated earnings forecasts for the first half of fiscal 2024 (January 1 – June 30, 2024) and the fiscal year ending December 2024 (January 1 – December 31, 2024) are unchanged from the forecasts announced on February 16, 2024.

Note: The above earnings forecast is based on information available to the Company at the time of publication, and actual results may differ from the current forecast owing to unforeseen changes in the economic environment, market trends, and foreign exchange rates in the Group's business domains.

## 2. Condensed Quarterly Consolidated Financial Statements and Principal Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	97,613	92,294
Trade and other receivables	243,393	249,972
Other financial assets	6,217	6,681
Inventories	249,721	269,741
Other current assets	21,160	22,556
Total current assets	618,105	641,243
Non-current assets		
Property, plant and equipment	492,796	515,100
Goodwill	275,830	289,737
Intangible assets	73,013	74,974
Other financial assets	104,812	117,219
Deferred tax assets	9,141	9,859
Other non-current assets	26,761	43,309
Total non-current assets	982,353	1,050,197
Total assets	1,600,458	1,691,440



(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	105,239	107,430
Bonds and borrowings	96,135	121,129
Other financial liabilities	28,989	24,219
Income taxes payable	38,085	21,959
Other current liabilities	79,441	75,671
Total current liabilities	347,889	350,409
Non-current liabilities		
Bonds and borrowings	373,221	366,925
Other financial liabilities	41,497	42,078
Liabilities for retirement benefits	17,707	18,492
Deferred tax liabilities	58,856	66,147
Other non-current liabilities	12,494	15,391
Total non-current liabilities	503,774	509,033
Total liabilities	851,663	859,442
Equity		
Share capital	38,909	38,909
Share premium	31,255	31,255
Retained earnings	510,004	535,319
Treasury shares	(11,587)	(11,588)
Other components of equity	170,983	228,844
Total equity attributable to owners of the parent	739,565	822,739
Non-controlling interests	9,231	9,259
Total equity	748,795	831,998
Total liabilities and equity	1,600,458	1,691,440

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

Three Months Ended March 31

(Millions of yen)

	For the Three months ended March 31, 2023	For the Three months ended March 31, 2024
Sales revenue	204,314	252,419
Cost of sales	(140,362)	(166,254)
Gross profit	63,952	86,166
Selling, general, and administrative expenses	(50,939)	(61,305)
Business profit	13,013	24,861
Other income	1,600	3,007
Other expenses	(1,407)	(1,115)
Operating profit	13,206	26,753
Finance income	2,960	2,853
Finance costs	(1,915)	(1,589)
Profit before tax	14,251	28,017
Income taxes	(4,383)	(8,128)
Profit	9,868	19,888
Profit attributable to:		
Owners of the parent	9,705	19,796
Non-controlling interests	163	93
Profit	9,868	19,888
Basic earnings per share (Yen)	60.53	123.46
Diluted earnings per share (Yen)	60.39	123.15

Condensed Quarterly Consolidated Statement of Comprehensive Income

Three Months Ended March 31

(Millions of yen)

	For the Three months ended March 31, 2023	For the Three months ended March 31, 2024
Profit	9,868	19,888
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Gains (losses) on financial assets measured at fair value through other comprehensive income	3,361	14,123
Remeasurements of defined benefit plans	868	10,702
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	(701)	370
Exchange differences on translating foreign operations	4,020	46,404
Total other comprehensive income, net of tax	7,548	71,599
Comprehensive income	17,417	91,488
Comprehensive income attributable to:		
Owners of the parent	17,165	91,234
Non-controlling interests	251	254
Comprehensive income	17,417	91,488

## (3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three Months Ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translating foreign operations	Cash flow hedges
Balance, January 1, 2023	38,909	31,308	432,224	(11,650)	72,854	1,083
Profit			9,705			
Other comprehensive income					3,935	(701)
Comprehensive income	—	—	9,705	—	3,935	(701)
Purchase of treasury shares				(1)		
Dividends from surplus			(5,303)			
Transfer to retained earnings			868			
Others						
Total transactions with owners	—	—	(4,435)	(1)	—	—
Balance, March 31, 2023	38,909	31,308	437,494	(11,651)	76,788	383

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of the parent		
	Gains (losses) on financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance, January 1, 2023	49,695	—	123,633	614,424	8,698	623,121
Profit			—	9,705	163	9,868
Other comprehensive income	3,358	868	7,460	7,460	88	7,548
Comprehensive income	3,358	868	7,460	17,165	251	17,417
Purchase of treasury shares			—	(1)		(1)
Dividends from surplus			—	(5,303)	(194)	(5,497)
Transfer to retained earnings	(0)	(868)	(868)	—		—
Others			—	—		—
Total transactions with owners	(0)	(868)	(868)	(5,304)	(194)	(5,498)
Balance, March 31, 2023	53,053	—	130,225	626,285	8,755	635,040

Three Months Ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translating foreign operations	Cash flow hedges
Balance, January 1, 2024	38,909	31,255	510,004	(11,587)	121,674	(305)
Profit			19,796			
Other comprehensive income					46,254	370
Comprehensive income	—	—	19,796	—	46,254	370
Purchase of treasury shares				(1)		
Dividends from surplus			(8,037)			
Transfer to retained earnings			13,578			
Others			(21)			
Total transactions with owners	—	—	5,520	(1)	—	—
Balance, March 31, 2024	38,909	31,255	535,319	(11,588)	167,929	65

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of the parent		
	Gains (losses) on financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance, January 1, 2024	49,614	—	170,983	739,565	9,231	748,795
Profit			—	19,796	93	19,888
Other comprehensive income	14,112	10,702	71,438	71,438	161	71,599
Comprehensive income	14,112	10,702	71,438	91,234	254	91,488
Purchase of treasury shares			—	(1)		(1)
Dividends from surplus			—	(8,037)	(225)	(8,263)
Transfer to retained earnings	(2,876)	(10,702)	(13,578)	—		—
Others			—	(21)		(21)
Total transactions with owners	(2,876)	(10,702)	(13,578)	(8,059)	(225)	(8,285)
Balance, March 31, 2024	60,850	—	228,844	822,739	9,259	831,998

## (4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Cash flows from operating activities		
Profit before tax	14,251	28,017
Depreciation and amortization	12,898	16,327
Impairment losses	819	—
Increase (decrease) in liabilities for retirement benefits	264	387
Interest and dividend income	(369)	(612)
Interest expenses	1,144	1,333
Loss (gain) on sale and retirement of non-current assets	(754)	(2,250)
Decrease (increase) in trade receivables	(1,468)	3,557
Increase (decrease) in trade payables	(548)	(2,019)
Decrease (increase) in inventories	1,104	(8,729)
Other	(13,401)	(13,697)
Subtotal	13,940	22,315
Interests and dividends received	369	584
Interests paid	(1,141)	(1,519)
Income taxes (paid) refund	(6,580)	(29,723)
Net cash provided by operating activities	6,588	(8,342)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	1,638
Purchases of property, plant and equipment	(13,151)	(20,722)
Proceeds from sale of property, plant and equipment	1,061	3,581
Purchases of intangible assets	(127)	(119)
Purchases of investment securities	(3)	(104)
Proceeds from sale of investment securities	0	6,725
Other	(263)	253
Net cash used in investing activities	(12,482)	(8,747)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,387	23,586
Net increase (decrease) in commercial paper	25,000	—
Repayments of long-term borrowings	(7,018)	(7,045)
Purchases of treasury shares	(1)	(1)
Cash dividends paid	(5,309)	(8,041)
Other	(2,422)	(2,530)
Net cash provided by financing activities	12,637	5,970
Effect of exchange rate changes on cash and cash equivalents	(211)	5,240
Net increase (decrease) in cash and cash equivalents	6,531	(5,880)
Cash and cash equivalents at the beginning of period	75,572	97,613
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	561
Cash and cash equivalents at the end of period	82,103	92,294

(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

(1) Outline of Reportable Segments

The Group's business segments are organizational units for which the Group is able to obtain discrete financial information in order for the Company's Board of Directors to regularly review performance to determine the distribution of management resources and evaluate business results.

The Group classifies organizational units by product and service. Each organizational unit plans domestic or overseas general strategies for its products and services and operates its business.

Major products in each reportable segment

Reportable segment	Major products
Tires	Tires for passenger cars, trucks and buses, light trucks, agricultural machinery, construction equipment, industrial equipment, forestry machinery, etc.; various tire tubes; aluminum alloy wheels; and auto supplies
MB	Conveyor belts, various hoses, pneumatic marine fenders, oil fences, marine hoses, and aerospace products

## (2) Information on Segment Revenues and Results

The figures related to reportable segments are based on business profit. Intersegment revenues are based on prevailing market prices.

For the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(Millions of yen)

	Reportable segment		Others (Note 1)	Total	Adjustment (Note 3)	Consolidated
	Tires	MB				
Sales revenue						
Sales revenue from external customers	179,658	22,519	2,137	204,314	—	204,314
Intersegment revenue	252	19	2,590	2,861	(2,861)	—
Total	179,910	22,538	4,727	207,175	(2,861)	204,314
Segment profit (business profit) (Note 2)	12,569	635	(203)	13,001	12	13,013
Other income and expenses						193
Operating profit						13,206

(Notes) 1. “Others” includes the sports business.

2. Segment profit (business profit) is calculated by deducting cost of sales and selling, general, and administrative expenses from sales revenues.

3. Segment profit adjustments include the elimination of intersegment transactions.

For the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

(Millions of yen)

	Reportable segment		Others (Note 1)	Total	Adjustment (Note 3)	Consolidated
	Tires	MB				
Sales revenue						
Sales revenue from external customers	226,720	23,768	1,931	252,419	—	252,419
Intersegment revenue	262	28	4,098	4,388	(4,388)	—
Total	226,982	23,796	6,029	256,807	(4,388)	252,419
Segment profit (business profit) (Note 2)	23,355	1,370	131	24,856	5	24,861
Other income and expenses						1,892
Operating profit						26,753

(Notes) 1. “Others” includes the sports business.

2. Segment profit (business profit) is calculated by deducting cost of sales and selling, general, and administrative expenses from sales revenues.

3. Segment profit adjustments include the elimination of intersegment transactions.

(Significant subsequent events)

Not applicable.