

NEWS RELEASE



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Sales and Earnings Up at Yokohama Rubber in 2017 *Company posts record sales and 22.7% increase in operating income*

Tokyo—The Yokohama Rubber Co., Ltd., announced today that its profit attributable to owners of parent climbed 87.5% in fiscal 2017 (January to December 2017), to 35.2 billion yen, on gains of 22.7% in operating income, to 51.9 billion yen, and 12.1% in net sales, to 668.0 billion yen. Yokohama's annual net sales total was the highest ever for the company.

In Yokohama's Tires segment, original equipment business expanded in value and in unit volume. Shipments to automakers grew solidly in overseas markets, most notably in Asia. Winning factory fitments on premium-grade passenger cars is a strategic priority for Yokohama, and the company won high-profile fitments during the year in Japan and overseas.

Yokohama also posted gains in value and in unit volume in replacement tires, led by growth in Russia and in Southeast Asia. The company's performance in replacement tires benefited additionally from upward sales momentum in Japan. Underpinning that momentum were excellent market receptions for Yokohama's high-value-added products, such as the iceGUARD 6 studless snow tire and, launched in November 2017, the ADVAN dB V552 premium-comfort tire.

In Yokohama's MB (Multiple Business) segment, sales increased in high-pressure hoses, in industrial materials, and in Hamatite-brand sealants and adhesives. Sales declined in aircraft fixtures and components, however, on account of weakness in the commercial sector.

Sales in Yokohama's ATG segment were consistent with management's expectations. That segment comprises business in tires for agricultural, industrial, construction, and forestry machinery conducted by the Yokohama subsidiary Alliance Tire Group. Sales in tires for agricultural increased in original equipment and in replacement tires.

Yokohama will begin reporting its fiscal results based on the International Financial Reporting Standards (IFRS) when it issues its *Yukashoken hokokusho* ("Yuho," securities report) for fiscal 2017. Calculating the full-year results for 2017 on an unaudited IFRS trial basis results in figures of 39.6 billion yen for profit attributable to owners of parent, 54.2 billion yen for operating income, and 646.3 billion yen for net sales. Yokohama's IFRS-based fiscal projections for 2018 call for profit attributable to owners of parent to increase 1.0%, to 40.0 billion yen, on a 10.7% increase in operating income, to 60.0 billion yen, and a 3.7% increase in net sales, to 670.0 billion yen.

Financial Highlights

Millions of yen

	Jan. 1–Dec. 31, 2017	Jan. 1–Dec. 31, 2016
Net sales	668,049	596,193
Operating income	51,933	42,317
Income before income taxes and minority interests	52,768	32,008
Profit attributable to owners of parent	35,217	18,787
Net assets	391,941	355,044
Total assets	929,029	902,990
Profit per share attributable to owners of parent (yen):	219.65	117.17

Results by Business Segment

Millions of yen

	Jan. 1–Dec. 31, 2017	Jan. 1–Dec. 31, 2016
Sales to third parties		
Tires	481,639	450,562
MB	114,185	112,130
ATG	63,432	25,473*
Other	8,792	8,028
Operating income (loss)		
Tires	40,061	36,329
MB	7,705	7,490
ATG	3,192	(2,109)*
Other	1,092	699
Eliminations	(118)	(93)

*Yokohama acquired Alliance Tire Group in July 2016, and the figures presented for the ATG segment for 2016 are the totals for July 1 to the end of the fiscal year.

Note:

Yokohama has prepared this information in accordance with accounting principles generally accepted in Japan.