

NEWS RELEASE



THE YOKOHAMA RUBBER CO., LTD.
36-11, Shimbashi 5-chome, Minato-ku,
Tokyo 105-8685, Japan

May 14, 2018
For immediate release

Contact:
Corporate Communications Dept.
Phone: 81-3-5400-4531
Fax: 81-3-5400-4570

Sales and Earnings Up at Yokohama Rubber in First Quarter of 2018 ***Company posts highest sales ever***

Tokyo—The Yokohama Rubber Co., Ltd., announced today its business and financial results for the first quarter (January to March) of fiscal 2018. Yokohama has adopted the International Financial Reporting Standards (IFRS) as of the issuance of its Yukashoken hokokusho (“Yuho,” securities report) for 2017. The IFRS presentation is in place of that formerly employed by the company based on accounting principles generally accepted in Japan. And Yokohama has restated its fiscal results for 2017 on an IFRS basis to facilitate meaningful year-on-year comparisons.

Profit attributable to owners of parent increased 18.0% over the same period of the previous year, to 9.3 billion yen. Yokohama posted an 8.3% increase in business profit (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), to 11.7 billion yen, and a 27.5% increase in operating profit, to 14.1 billion yen. Sales revenue increased 2.3%, to 149.2 billion yen, the highest sales total ever at Yokohama.

In the Tires segment, sales revenue increased overall, led by strength in the original equipment business in China and in other Asian markets outside Japan. Sales revenue declined overseas in replacement tires, reflecting surges in sales in some overseas markets in the first quarter of 2017. Those surges were in advance of impending price increases. Japanese business in replacement tires benefited from strong growth in sales of winter tires in Japan. That growth reflected a stimulus to demand from heavy winter snowfalls and an excellent market reception for the newly launched iceGUARD 6 studless snow tire.

Sales revenue increased overall in the MB (Multiple Business) segment, led by business expansion in high-pressure hoses and in industrial materials. The overall sales growth occurred despite declines in Hamatite-brand sealants and adhesives and in aircraft fixtures and components.

In the ATG segment, sales revenue increased on the strength of gains in original equipment business. This segment comprises business in tires for agricultural machinery, for industrial machinery, and for other off-highway applications, and the increase in sales revenue reflected a recovery in demand for agricultural machinery.

Yokohama abides by the full-year fiscal projections for 2018 that it announced in February. Those projections call for profit attributable to owners of parent to total 40.0 billion yen on operating profit of 60.0 billion yen, business profit of 63.0 billion yen, and sales revenue of 670.0 billion yen.

Financial Highlights

	Millions of yen	
	Jan. 1–March 31, 2018	Jan. 1–March 31, 2017
Sales revenue	149,157	145,789
Business profit*	11,694	10,802
Operating profit	14,066	11,034
Profit attributable to owners of parent	9,335	7,909
Total equity	368,617	387,752
Total assets	874,900	920,776
Profit per share attributable to owners of parent (yen):	58.22	49.33

Results by Business Segment

	Millions of yen	
	Jan. 1–March 31, 2018	Jan. 1–March 31, 2017
Sales to third parties		
Tires	104,195	103,228
MB	26,301	25,968
ATG	16,896	14,898
Other	1,764	1,696
Business profit* (loss)		
Tires	8,040	7,532
MB	1,655	1,352
ATG	1,908	1,745
Other	81	200
Eliminations	9	(26)

* Sales revenue – (cost of sales + selling, general and administrative expenses)