

FY 2020 Third-Quarter

Financial Results Briefing Material

November 13, 2020

The Yokohama Rubber Co., Ltd.

■ Scope of consolidation

**Consolidated subsidiaries 114 companies
(7 less than at the end of previous fiscal year)**

(Breakdown of change)

-7 companies

Japan : -6 companies

Tire indirectly owned sales subsidiaries

Europe: -1 company

Tire indirectly owned sales subsidiary

Profit and Loss (Three Quarters)

Exchange Rates	US\$ 108 yen	109 yen (previous year)	-2 yen
	EUR 121 yen	123 yen (previous year)	-2 yen
	RUB 1.5 yen	1.7 yen (previous year)	-0.2 yen
TSR20*	124 cents	142 cents (previous year)	-18 cents
WTI	39 dollars	57 dollars (previous year)	-19 dollars

*SICOM TSR20 1M

(billion yen)

	2020 Jan.-Sep.	2019 Jan.-Sep.	Change	Change (%)	Exchange Rate impact	Change excluding impact of exchange rates
Sales revenue	390.4	465.7	-75.4	-16.2%	-4.5	-70.9
Business profit* ¹ (Business profit margin)	9.3 (2.4%)	25.8 (5.5%)	-16.5 (-3.1%)	-63.8%	-0.8	-15.7
Operating profit (Operating profit margin)	8.5 (2.2%)	33.4 (7.2%)	-24.8 (-5.0%)	-74.5%	-0.9	-24.0
Profit* ²	4.3	28.3	-24.0	-84.7%		

*1 Business profit= Sales revenue- (Cost of sales + SG&A expenses)

*2 Profit attributable to owners of parent

Business Segment (Three Quarters)

(billion yen)

		2020 Jan.-Sep.	2019 Jan.-Sep.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	266.3	318.4	-52.1	-16.4%	-3.3	-48.8
	MB	71.2	87.1	-16.0	-18.3%	-0.5	-15.4
	ATG	47.4	53.6	-6.3	-11.7%	-0.7	-5.6
	Other	5.6	6.6	-1.0	-15.6%	-0	-1.0
	Total	390.4	465.7	-75.4	-16.2%	-4.5	-70.9
Business profit	Tires	0.5	11.8	-11.3	-95.7%	-0.6	-10.7
	MB	2.6	5.7	-3.1	-54.7%	-0.1	-3.0
	ATG	6.2	7.6	-1.3	-17.7%	-0.1	-1.3
	Other	-0	0.7	-0.8	-	-0	-0.8
	Intersegment eliminations	0.1	0.1	+0	-	-	+0
	Total	9.3	25.8	-16.5	-63.8%	-0.8	-15.7

Factor Analysis of Business Profit

2020 Three Quarters

US\$ 108 yen 109 yen(previous year) -2 yen
 EUR 121 yen 123 yen(previous year) -2 yen
 RUB 1.5 yen 1.7 yen(previous year) -0.2 yen

(Breakdown)
 Sales volume -17.2
 Variable cost +3.9

Raw material prices
 Sales volume

Exchange rate difference

-0.6

+8.4

-13.3

Production costs

-8.7

Prices/ MIX

-0.8

Fixed cost

+4.8

Special factor

-1.2

ATG

-1.3

MB

-3.1

Other

-0.8

Business profit for previous fiscal year

25.8

(Breakdown)

Natural rubber +0.7
 Synthetic rubber +3.3
 Compound agent +3.4
 Other +1.1

(billion yen)

Factors that boosted business profit
 Factors that reduced business profit

Business profit for 2020

9.3

2019

Tires

-10.1

Special factor

-1.2

ATG

-1.3

MB/Others

-3.9

2020

Business profit: -16.5 billion yen (excluding special factor: -15.3 billion yen)

Profit and Loss (Quarterly)

Exchange Rates	US\$ 108 yen	110 yen (previous year)	-2 yen	US\$ 106 yen	107 yen (previous year)	-1 yen
	EUR 119 yen	124 yen (previous year)	-5 yen	EUR 124 yen	119 yen (previous year)	+5 yen
	RUB 1.6 yen	1.7 yen (previous year)	-0.1 yen	RUB 1.4 yen	1.7 yen (previous year)	-0.2 yen
TSR20*	123 cents	146 cents (previous year)	-23 cents	128 cents	134 cents (previous year)	-6 cents
WTI	37 dollars	57 dollars (previous year)	-21 dollars	41 dollars	56 dollars (previous year)	-15 dollars

*SICOM TSR20 1M

	(billion yen)					
	2020 Jan.-Jun.	2019 Jan.-Jun.	Change	2020 Jul.-Sep.	2019 Jul.-Sep.	Change
Sales revenue	247.1	311.1	-64.0	143.2	154.6	-11.4
Business profit*¹ (Business profit margin)	2.3 (0.9%)	17.2 (5.5%)	-15.0 (-4.6%)	7.1 (4.9%)	8.6 (5.6%)	-1.5 (-0.7%)
Operating profit (Operating profit margin)	2.9 (1.2%)	25.1 (8.1%)	-22.2 (-6.9%)	5.6 (3.9%)	8.2 (5.3%)	-2.7 (-1.4%)
Profit*²	1.3	16.7	-15.5	3.1	11.6	-8.5

*1 Business profit= Sales revenue- (Cost of sales + SG&A expenses)

*2 Profit attributable to owners of parent

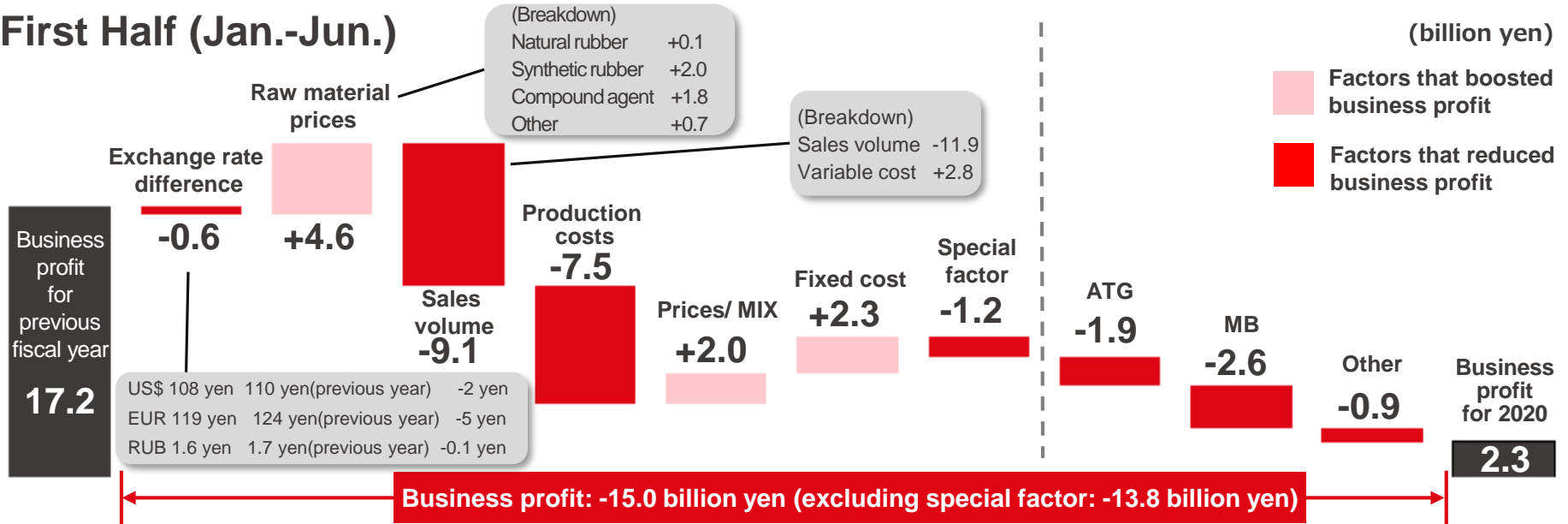
Business Segment (Third-Quarter)

(billion yen)

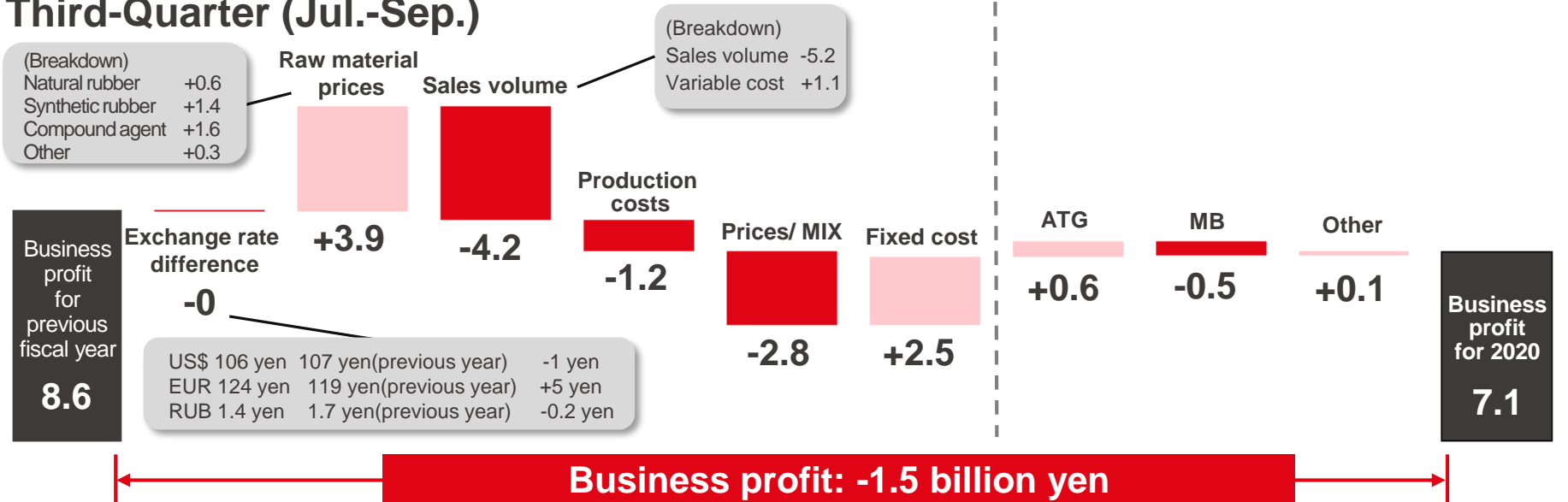
		2020 Jul.-Sep.	2019 Jul.-Sep.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	99.7	108.3	-8.6	-7.9%	-0.5	-8.1
	MB	23.7	27.6	-4.0	-14.3%	-0	-3.9
	ATG	17.3	16.4	+0.9	+5.7%	-0.2	+1.1
	Other	2.6	2.4	+0.2	+9.7%	-0	+0.2
	Total	143.2	154.6	-11.4	-7.4%	-0.7	-10.7
Business profit	Tires	2.5	4.3	-1.7	-40.8%	-0	-1.7
	MB	1.2	1.7	-0.5	-29.5%	-0	-0.4
	ATG	3.0	2.4	+0.6	+24.4%	-0	+0.6
	Other	0.3	0.2	+0.1	+59.8%	-0	+0.1
	Intersegment eliminations	0	0	+0	-	-	+0
	Total	7.1	8.6	-1.5	-17.6%	-0.1	-1.4

Factor Analysis of Business Profit

First Half (Jan.-Jun.)



Third-Quarter (Jul.-Sep.)



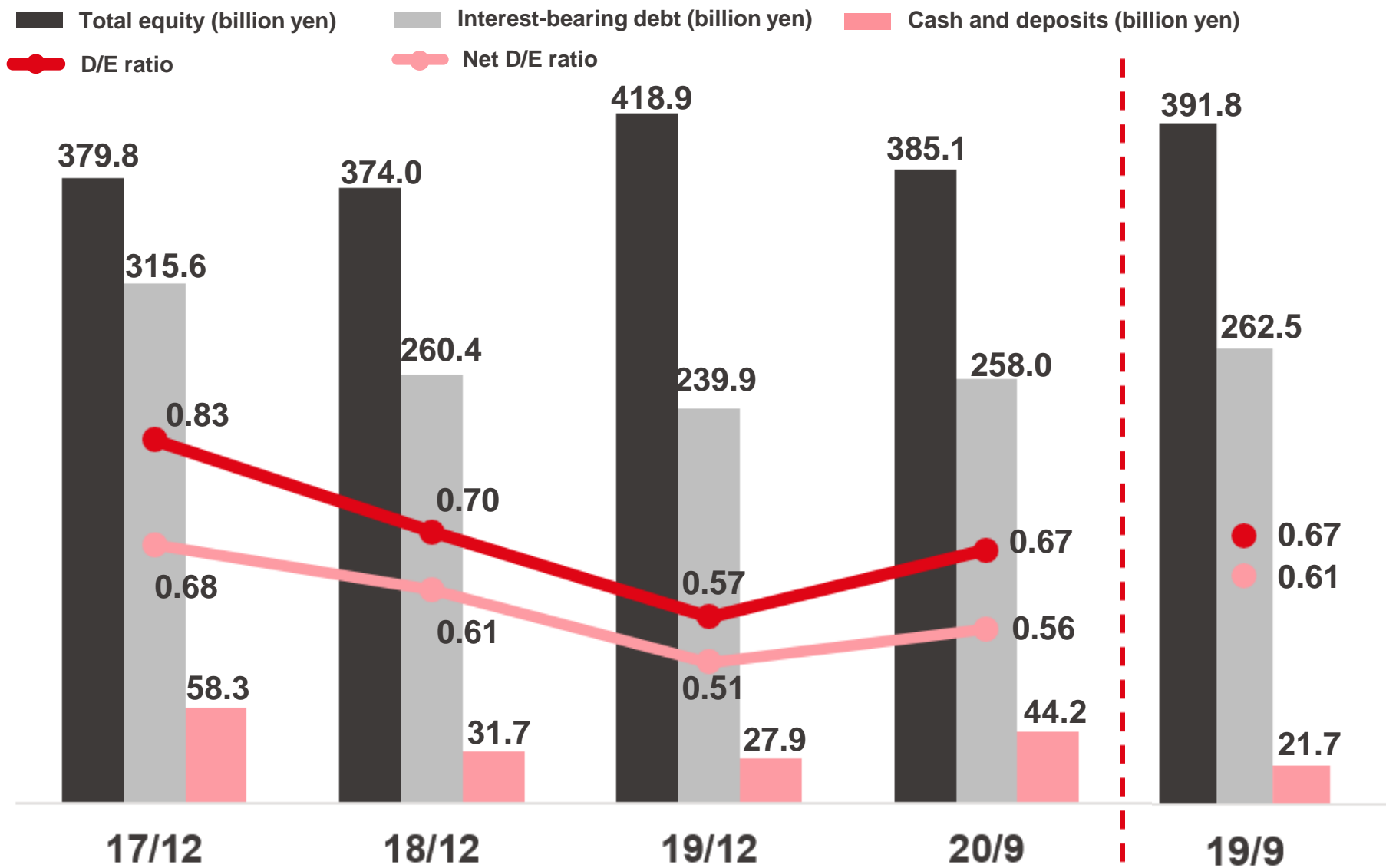
Financial Position

(billion yen)

	Sep. 30, 2020	Dec. 31, 2019	Change
Current assets	314.1	331.5	-17.5
Non-current assets	543.5	576.0	-32.5
Total assets	857.6	907.6	-50.0
Liabilities	465.2	479.9	-14.7
Equity	392.4	427.7	-35.3
Total liabilities and equity	857.6	907.6	-50.0
Cash and cash equivalents	44.2	27.9	+16.3
Interest-bearing debt *	258.0	239.9	+18.2
Ratio of equity attributable to owners of parent	44.9%	46.2%	-1.3%
D/E ratio	0.67	0.57	+0.10

*Interest-bearing debt does not include lease liabilities

Changes in Interest-bearing Debt, Total equity, D/E Ratio, and Net D/E Ratio



* Total equity do not include non-controlling interests.

Same period of the previous year

State of Cash Flows

(billion yen)

	2020 Jan.-Sep.	2019 Jan.-Sep.	Change
CF from operating activities	39.9	32.7	+7.1
CF from investing activities	-25.0	-32.2	+7.3
Free CF	14.9	0.5	+14.4
CF from financing activities	2.5	-10.0	+12.5
Closing balance of cash and cash equivalents	44.2	21.7	+22.5

Earnings Forecast for FY 2020

FY2020 Profit and Loss Projections (Full Year)

(Changed from the previous forecast)

Forecasts after October 2020

Exchange Rates	US\$ 105 yen
	EUR 122 yen
	RUB 1.3 yen

TSR20* 137 cents *SICOM TSR20 1M

WTI 43 dollars

(billion yen)

	2020 Full year (revised forecast)	2019 Full year (result)	YoY Change	2020 Full year (previous forecast)	Change for previous forecast
Sales revenue	565.0	650.5	-85.5	536.0	+29.0
Business profit*1 (Business profit margin)	30.0 (5.3%)	50.1 (7.7%)	-20.1 (-2.4%)	21.0 (3.9%)	+9.0 (+1.4%)
Operating profit (Operating profit margin)	28.5 (5.0%)	58.6 (9.0%)	-30.1 (-4.0%)	20.0 (3.7%)	+8.5 (+1.3%)
Profit *2	18.5	42.0	-23.5	12.5	+6.0

*1 Business profit= Sales revenue- (Cost of sales + SG&A expenses)

*2 Profit attributable to owners of parent

Full-Year Forecast by Business Segment (YoY)

(billion yen)

		2020 Full year (revised forecast)	2019 result	YoY Change	2020 Full year (previous forecast)	Change for previous forecast
Sales revenue	Tires	398.0	451.7	-53.7	380.0	+18.0
	MB	97.0	119.3	-22.3	93.0	+4.0
	ATG	63.0	70.8	-7.8	57.0	+6.0
	Other	7.0	8.6	-1.6	6.0	+1.0
	Total	565.0	650.5	-85.5	536.0	+29.0
Business profit	Tires	18.2	30.8	-12.6	12.7	+5.5
	MB	3.5	8.3	-4.8	2.3	+1.2
	ATG	8.1	10.4	-2.3	6.0	+2.1
	Other	0.2	0.5	-0.3	-	+0.2
	Intersegment eliminations	-	0.1	-0.1	-	-
	Total	30.0	50.1	-20.1	21.0	+9.0

Factor Analysis of Business Profit (Full Year)

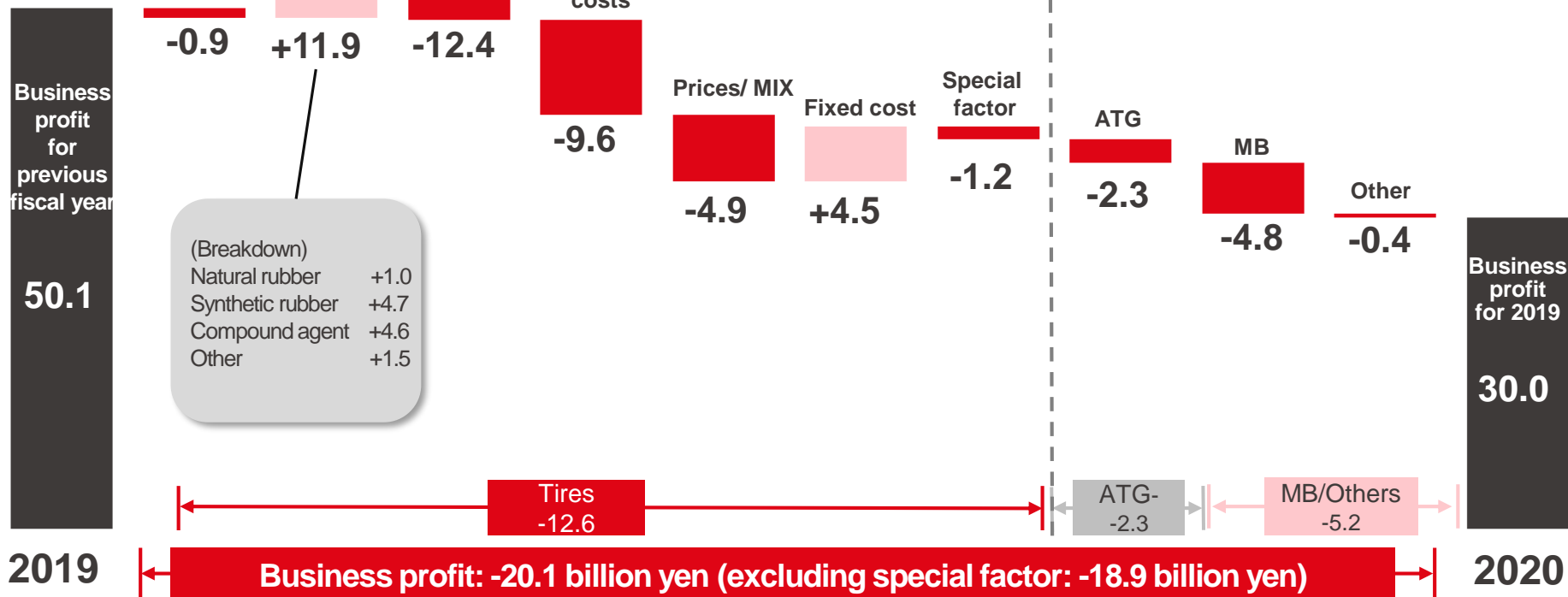
2020 Full year (forecast)

US\$ 107 yen 109 yen(previous year) -2 yen
 EUR 121 yen 122 yen(previous year) -1 yen
 RUB 1.5 yen 1.7 yen(previous year) -0.2 yen

(Breakdown)
 Sales volume -16.0
 Variable cost +3.6

(billion yen)

- Factors that boosted business profit
- Factors that reduced business profit



Cautionary Notes Regarding Forecasts

Forecasts and outlooks included in this material are based on the judgment of the Company's management using currently available information. Actual results and earnings may differ from the forecasts and outlooks included in the material due to various risks and uncertainties.

