

FY2021 First-Half Results Briefing

**Yokohama Transformation 2023 Progress
& Full-Year Outlook**



YOKOHAMA Transformation 2023

Exploitation × Exploration = Transformation

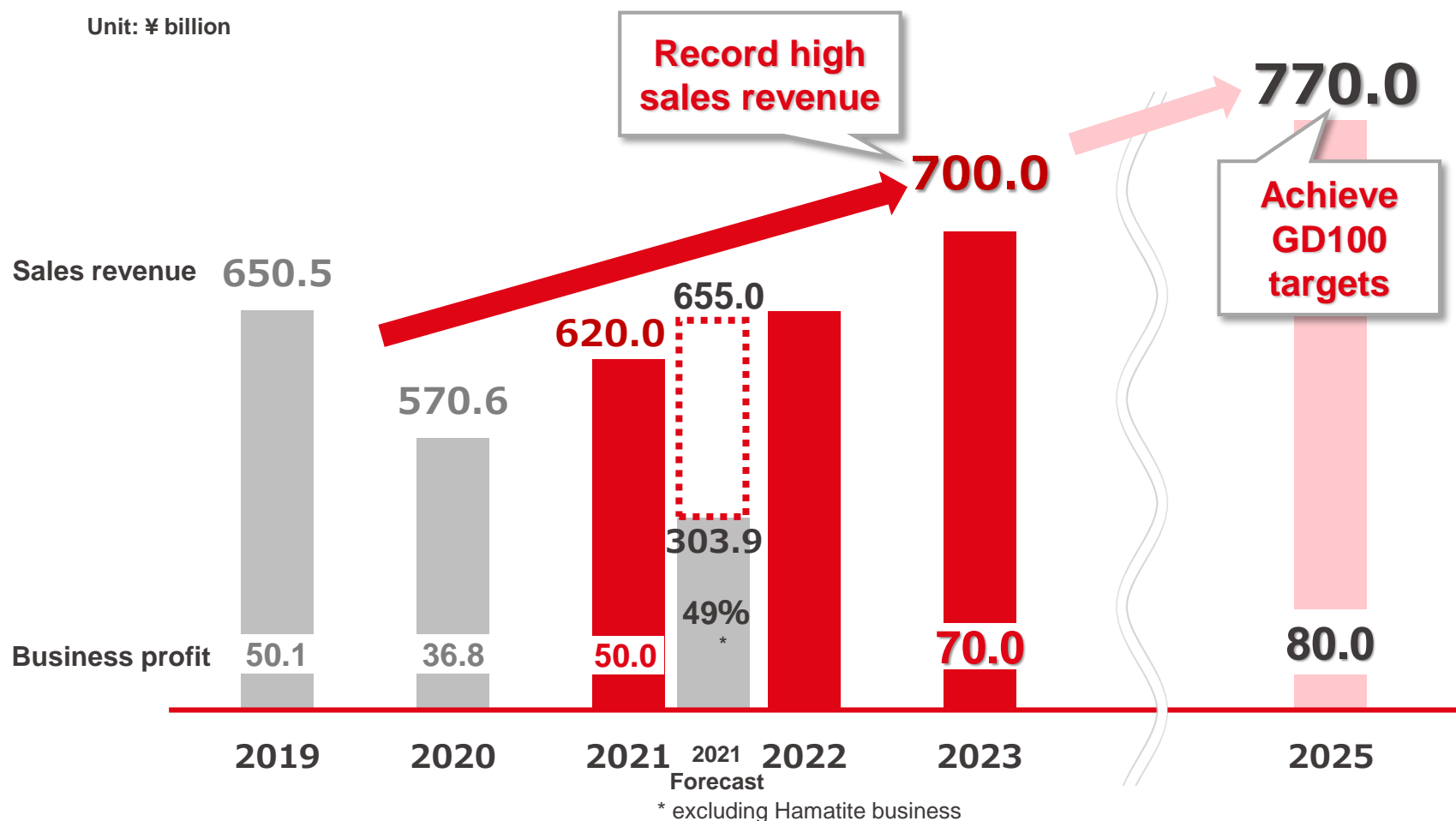
Culmination of past 100 years

GD2020

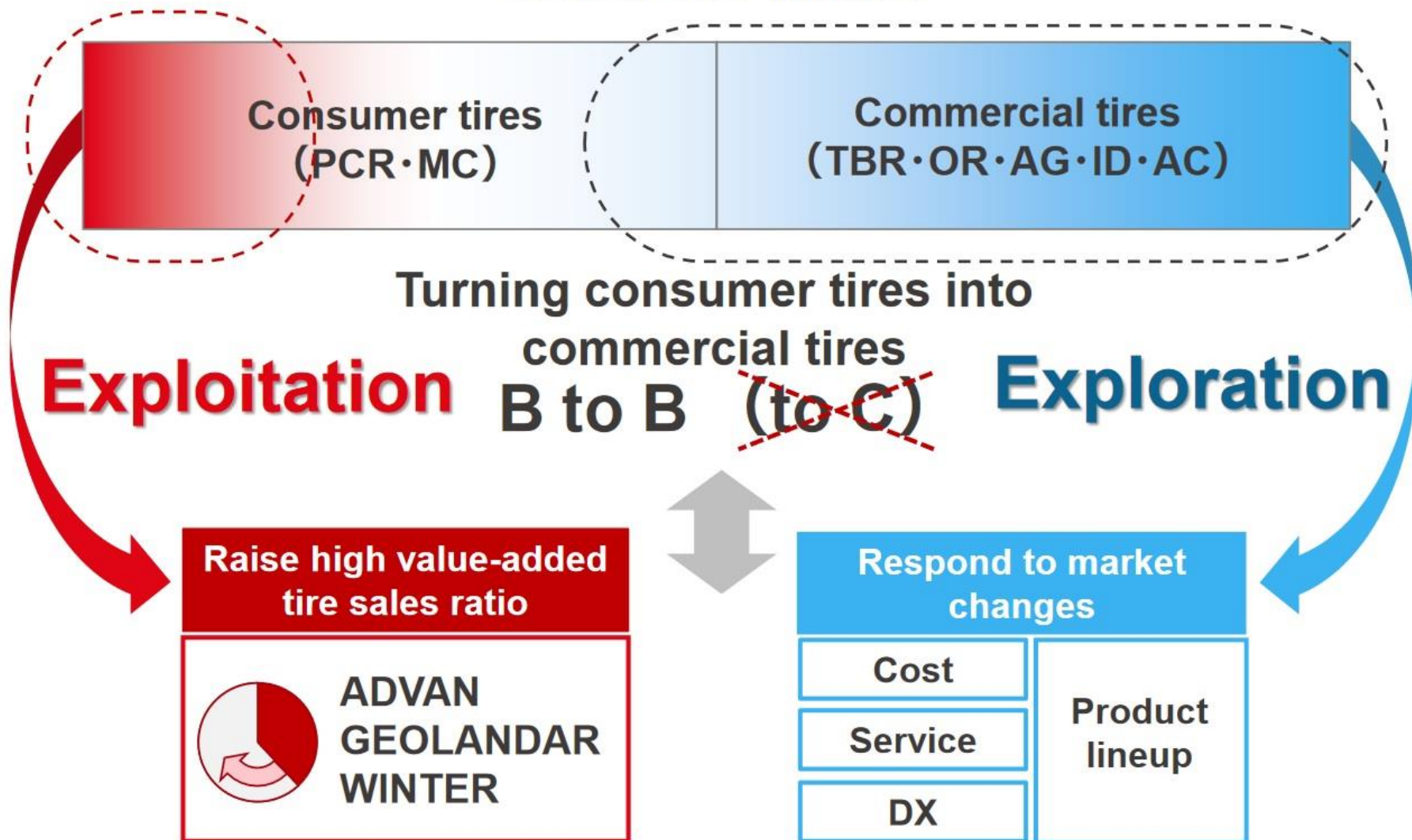
YX2023

2024~2025

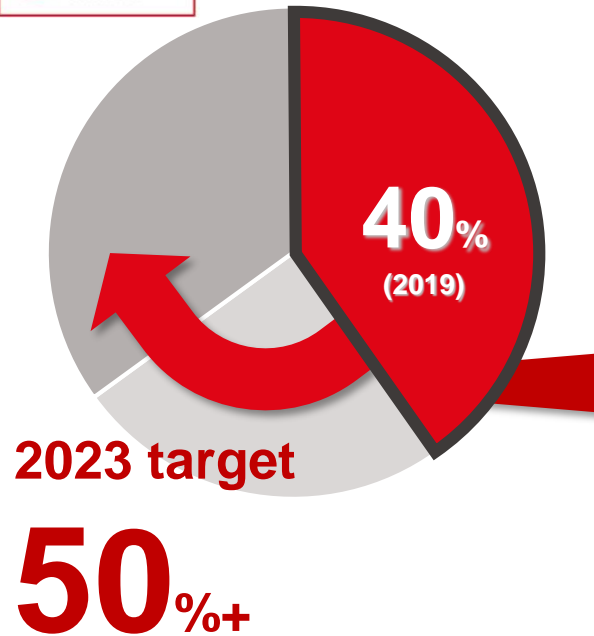
Unit: ¥ billion



Global Tire Market



Consumer Tires: Raise High Value-Added Tire Sales Ratio **YX**



UHP

ADVAN



**SUV
Pickup truck**

GEOLANDAR



WINTER

iceGUARD



- 1) **Expanding OE** use of ADVAN & GEOLANDAR
- 2) Strengthen sales in replacement market and Expand size lineups including for WINTER tires
- 3) Strengthen sales of tires suited to local market needs

Raise high value-added
tire sales ratio



ADVAN
GEOLANDAR
WINTER

ADVAN



BMW M M3 Sedan & M4 Coupe



Mercedes-AMG GLB 35 4MATIC



BMW iX3

GEOLANDAR



Toyota's new Land Cruiser (overseas specs)
Received letter of appreciation for tire development



Nissan's new Rogue
(for No. American market)

BluEarth



Mitsubishi Motors' new Eclipse Cross
PHEV

Raise high value-added
tire sales ratio



Launched WINTER tires worldwide

iceGUARD 7
アイスガードセブン iG70

BluEarth*WINTER
V906

BluEarth-Van All Season RY61

904W



Raise high value-added
tire sales ratio



Concept: **Grassroots**

In 1H 2021, supplied
Yokohama tires to teams
competing in **88 races**

Japan	44 races
Europe	26 races
No. America	9 races
Asia	1 race
Oceania	8 races



2nd place finisher in 4th
race of SUPER GT
GT500, Japan's top-level
touring car racing series



Again supplying ADVAN
racing tires as control tire
for Japanese SUPER
FORMULA Championship



Overall winner of 6th
round of Nürburgring
Endurance Series (NLS)



Winner in Pro UTV NA
class of the SCORE SAN
FELIPE 250, off-road
endurance race in Mexico



Winners of two divisions
at Pikes Peak
International Hill Climb in
USA

Raise high value-added
tire sales ratio



Expanding size lineups of high-value added tires in each region

Sizes added in 1H 2021

Europe

ADVAN +20
GEOLANDAR +6

North
America

ADVAN +16
GEOLANDAR +9

China

ADVAN +6

Japan

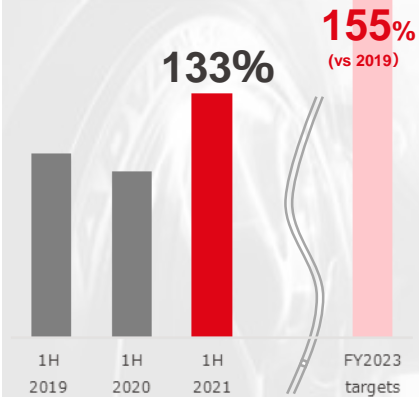
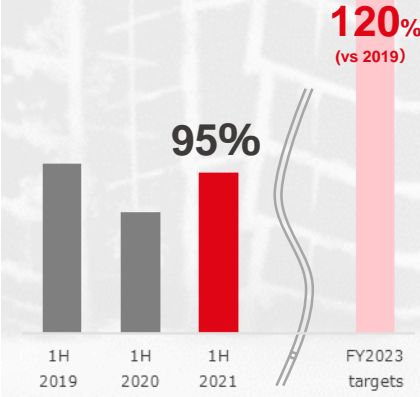
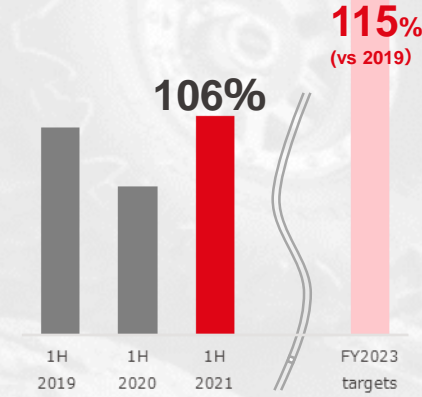
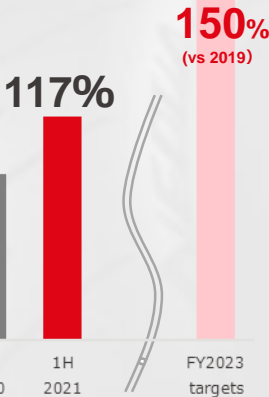
ADVAN +17
GEOLANDAR +10

ADVAN

GEOLANDAR

WINTER

18" and larger



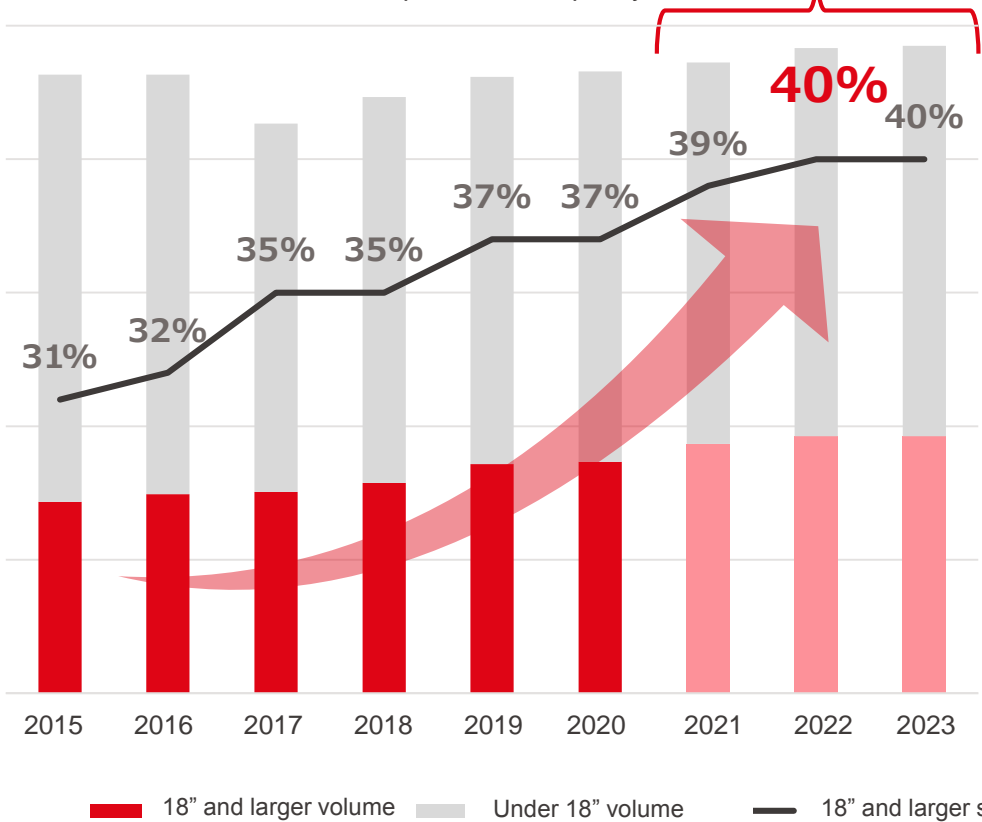
※ Sales increase rates are comparisons with 1H 2019 results

Raise high value-added
tire sales ratio

ADVAN
GEOLANDAR
WINTER

Expanding production capacity for tire sizes 18-inch and larger

Production capacity for 18" and larger tires as share of total production capacity

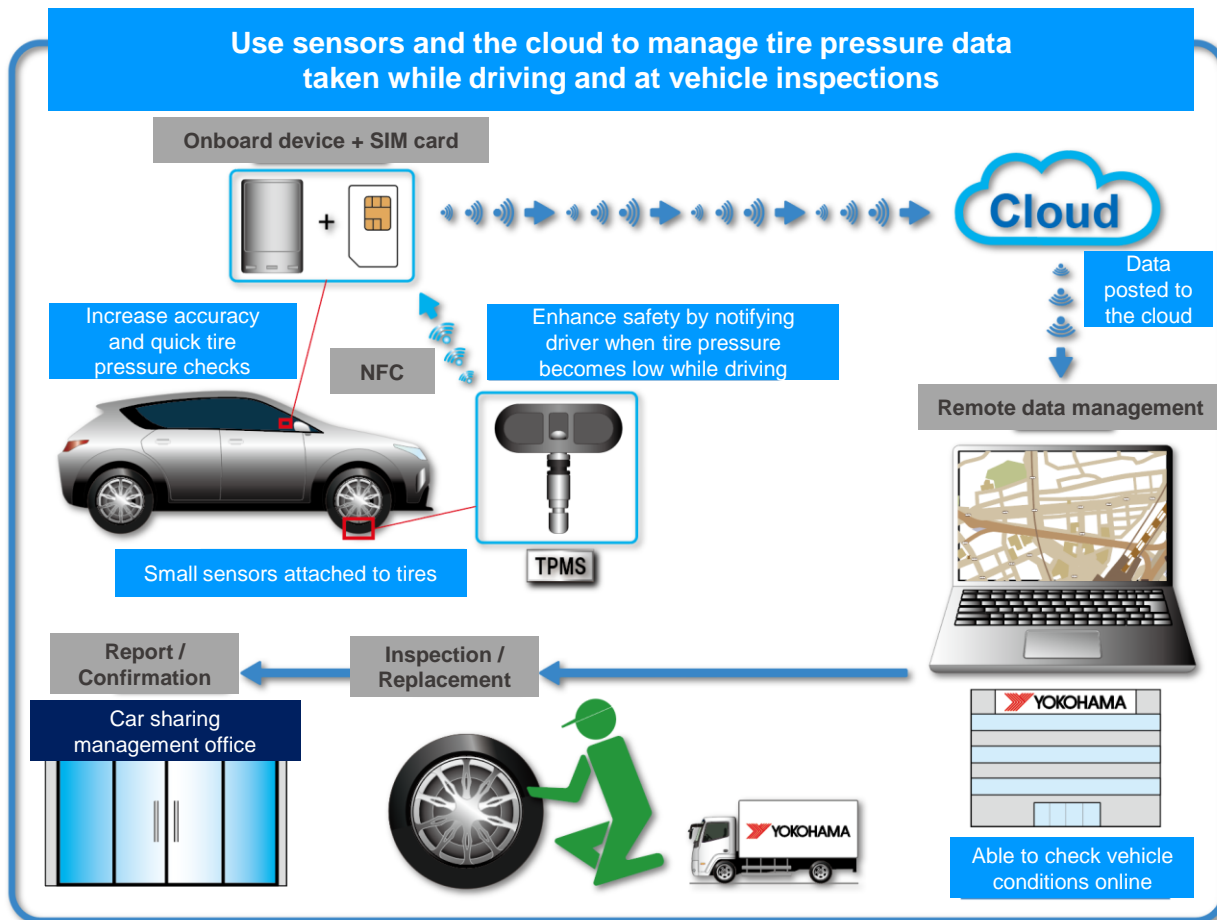
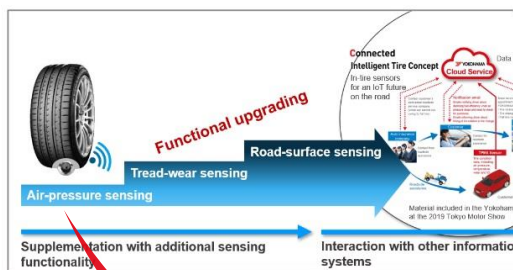


Period	Investment	Plant locations
2018 ~ 2020	¥29bn	Japan: Shinshiro, Shinshiro-Minami, Mie Overseas: Philippines, China-Suzhou & Hangzhou, India, Thailand
2021 ~ 2023	About ¥20bn (plan)	Japan: Shinshiro, Mie, Mishima Overseas: Philippines, China-Suzhou, Thailand

Respond to market changes	
Cost	Product lineup
Service	
DX	

DX: Digital transformation

Started trial operation of a tire solutions business with ORIX Auto Corp.



Respond to market changes	
Cost	Product lineup
Service	
DX	



Business integration: Yokohama Off-Highway Tires

Integrating OHT businesses of Yokohama Rubber, ATG, and Aichi Tire

ALLIANCE selected as OE in Japan

Yanmar Agribusiness tractor now coming equipped with ALLIANCE brand tires



YT460A

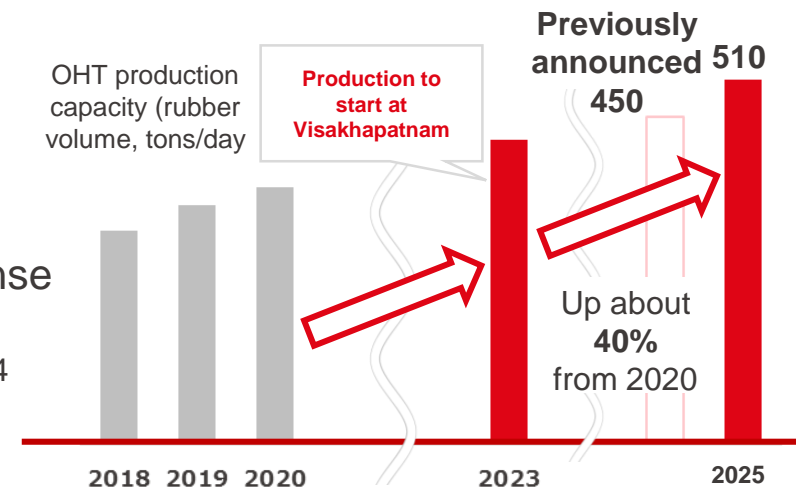


ALLIANCE AGRISTAR II

Investing to expand capacity: 2.2x increase in originally planned capacity of new plant in Visakhapatnam, India

Decided to make additional investment in response to strong demand.

Scheduled startup for capacity added from original plan: 1Q 2024



**Strengthen/expand by
allocating resources to
core product areas**

**Hose &
couplings**
Growth driver

**Industrial
products**
Stable earnings

Business restructuring

Hamatite
Focus on
core areas

**Aerospace
products**
Structural
reforms

Hose & couplings

- Tripling capacity of Chinese plant
Investment amount: RMB 76mn (approx. ¥1.3bn)
- Acquisition of Furusawa Shokai, an equipment maintenance company



Yokohama Industrial Products—Hangzhou Co., Ltd.

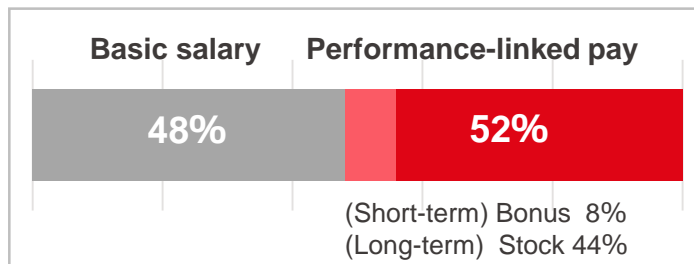
Hamatite business transfer

Hamatite business to be transferred to Sika AG
Transfer date: November 1, 2021 (planned)
Transfer price: ¥17.2bn (agreed upon value of the business)

Personnel management to realize further growth

- Strengthen performance-linked remuneration for managers

Composition of president's remuneration (FY2020)



Full-time officers' annual bonus in salary months based on earnings results (consolidated business profit)

Results	Business profit (unit=¥100mn)											
	~ 150	151 ~	201 ~	251 ~	301 ~	351 ~	401 ~	451 ~	501 ~	551 ~	601 ~	651 ~
Bonus	Standard months paid											
	0	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5

Speedier decision-making facilitated by merger of head office and Hiratsuka factory / work-style reforms

- Planning, production, sales, R&D, and logistics functions united at same site
- Continuation of telework and flextime removes time and location restraints

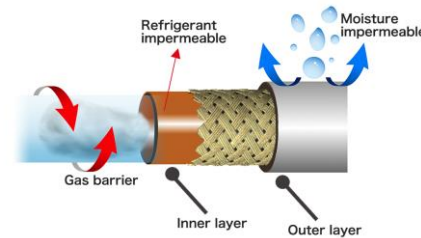
Head office buyer: ATF Special Purpose Company
 (established by Asahi Kasei Realty & Residence Corp., Taisei Corp., and Fuyo General Lease Co., Ltd.)
 Gain on sale : ¥20.8 billion
 (Contract concluded on February 26, 2021)

Percent of head office employees commuting to office during pandemic (Apr. 2020-Jun. 2021)



Products

- Developed a lighter automotive air-conditioning hose
About 50% lighter than conventional hoses



Next-generation air-conditioning hose

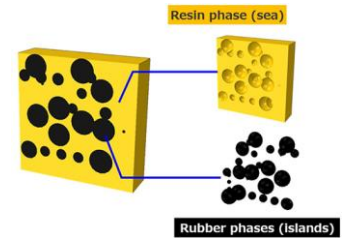


Image of structure of new rubber-resin polymer alloy

Earth's environment

◆ Carbon neutrality

- Expand use of renewable energy
Establish itinerary by end of this year for achieving carbon neutrality



ATG' India's Dahej Plant

◆ Circular economy

- Increase recyclable fuels & materials to more than 30% of total used by 2030
Begin **exploration & evaluation of new raw materials** in Japan and abroad



Butadiene rubber produced from biomass



BluEarth-GT
"BluEarth-GT AE51" prototype tire with butadiene rubber derived from biomass

◆ YOKOHAMA Forever Forest activities

- Tree-planting goal: 1.06 million by 2023 → 1.15 million (After change)
Trees planted as of end-1H 2021: **1.06 million**



Tree-planting event

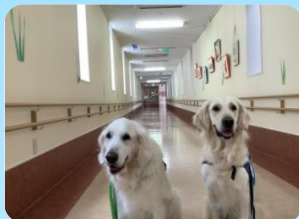
Supporting regional societies



**YOKOHAMA
Magokoro Fund**

Support provided in 1H 2021

COVID-19 related support for Kanagawa Prefecture	Donated tires Tire replacement costs
COVID-19 related support for Mie Prefecture	Donated tires
Earthquake off coast of Fukushima Prefecture	Monetary donation
Japan Car Sharing Association	Donated tires & wheels
Japan Hair Donation & Charity	Monetary support
Child Fund Japan	Monetary support
Kanagawa Prefectural Hospital's Children's Medical Fund	Monetary support
Chance For Children	Monetary support
Shine On! Kids	Monetary support



Creating safe and comfortable work environment

- Safe & secure workplace
Participating in Japanese Red Cross Society's
“ACTION! For Disaster Prevention & Mitigation”
program



東日本大震災から10年がたった今でも、復興はまだ半ば、被災者の苦難は今もなお続いている。
そして、災害は毎年のようにこの国を襲い、個人の不幸が大きな悲劇をもたらしている。
無償ボランティアで被災者への救済活動が必要になっている。
災害が起きたらでは遅いのです。一人ひとりが、それぞれの役割が、
地域を、世を守ることの役割も、今から行う必要があるのです。
私にもできることは、平時から、災害への準備をしておくこと。
世間のための防災や救済活動を支援し、いつでも災害現場へ向かえる体制をつくる。
災害時に必要となる物資の調達、物資を被災地に送り届けるための輸送ルートを開く。
これらの活動は、みなさまの協力で行われています。
被災のため、被災のため、これから先にも災害への備えをお願いします。

あそびの活動にご参加ください。 □ボランティアに参加する □防災セミナーに参加する □寄付を希望する
——— 参加方法はこちら ———

救いを託されている。



Third-party recognition of our sustainability efforts

- Included in major ESG stock index
for 16th straight year



FTSE4Good



FTSE Blossom
Japan

- On CDP A List for 2020,
2nd straight year on the list



FY2021 full-year forecasts

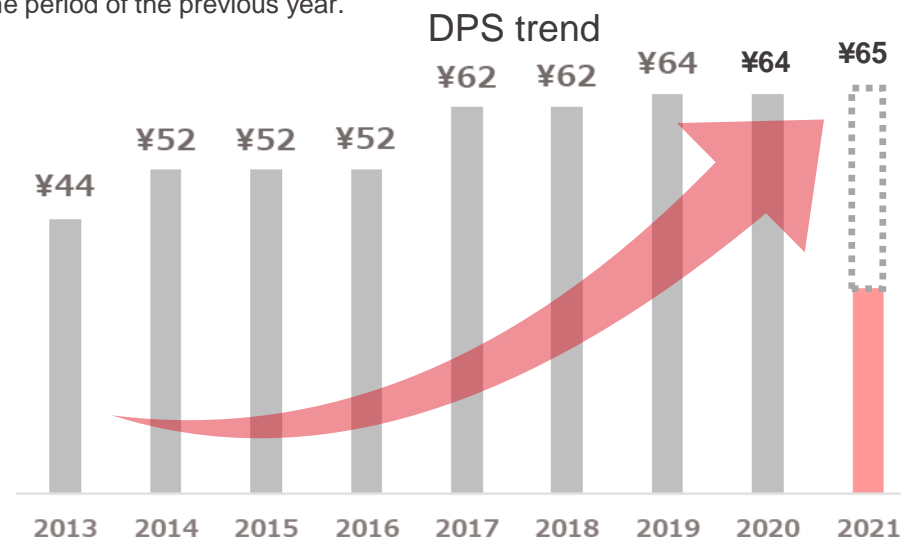
(¥ billion)	2021 forecast	2020 result	Change	Change (%)	YX2023 targets
Sales revenue	655.0	551.1	+103.9	+18.9%	700.0
Business profit	51.5	35.9	+15.6	+43.6%	70.0
Business profit margin	7.9%	6.5%	+1.4%		10%

Yokohama Rubber has reclassified that Hamatite sealings and adhesives business as “discontinued operations” in the interim results reported here and has restated the figures for the same period of the previous year.

Shareholder return

Plan to increase full-year dividend by ¥1 to ¥65/share

※ A 1-for-2 share merger was carried out on July 1, 2015. DPS figures prior to the share merger have been retroactively adjusted to reflect the merger.





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.