

# **FY2024 First-Half Results Briefing**

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**August 9, 2024**

**The Yokohama Rubber Co., Ltd.**

## **1. FY2024 1H Results & Revision to Full-Year Plan**

Masataka Yamaishi, Chairman & CEO, Chairman of the Board

## **2. Explanation of FY2024 1H Results**

Masahiro Yuki, Member of the Board and Officer, in charge of Corporate Finance & Accounting Dept. and IR Dept.

## **3. Medium-term Management Plan YX2026 Progress**

Masataka Yamaishi, Chairman & CEO, Chairman of the Board

## **4. Technology & Production Transformation Commitment**

Shinji Seimiya, President & COO

## **5. Upward Revision to YX2026 Targets**

Masataka Yamaishi, Chairman & CEO, Chairman of the Board

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# 1-1) FY2024 1H Results & Revision to Full-Year Plan



## FY2024 1H Results

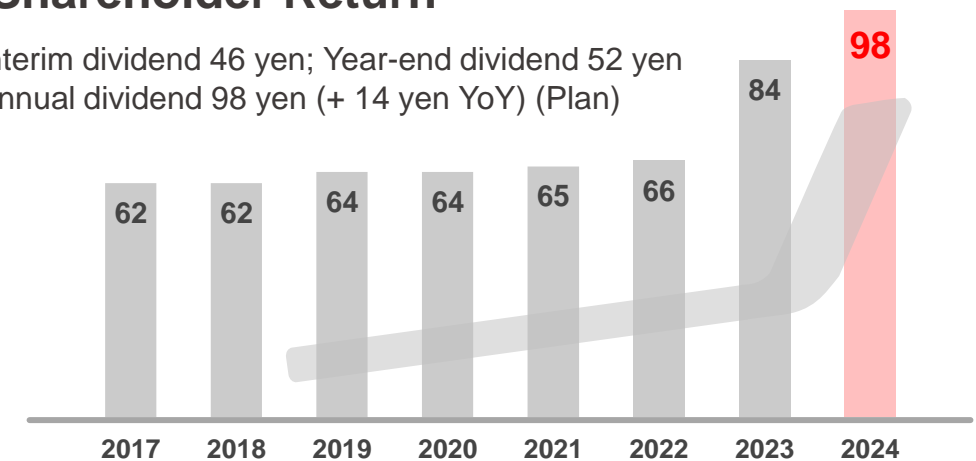
(billion yen)	2024 1H result	Difference from initial plan	Difference from initial plan (%)	Difference from previous year	YoY change (%)
Sales revenue	525.3	+25.3	+5.1%	+82.1	+18.5%
Business profit	54.6	+12.6	+29.9%	+29.0	+113.4%
Business profit margin	10.4%	+2.0%	-	+4.6%	-
Operating profit	56.3	+13.3	+30.8%	+28.1	+99.6%
Net profit	46.6	+21.1	+82.7%	+18.9	+68.3%

## Revision to Full-Year Plan

(billion yen)	2024 plan (revised)	Previous targets
Sales revenue	1,105.0	1,060.0
Business profit	128.5	115.0
Business profit margin	11.6%	10.8%

## Shareholder Return

Interim dividend 46 yen; Year-end dividend 52 yen  
Annual dividend 98 yen (+ 14 yen YoY) (Plan)



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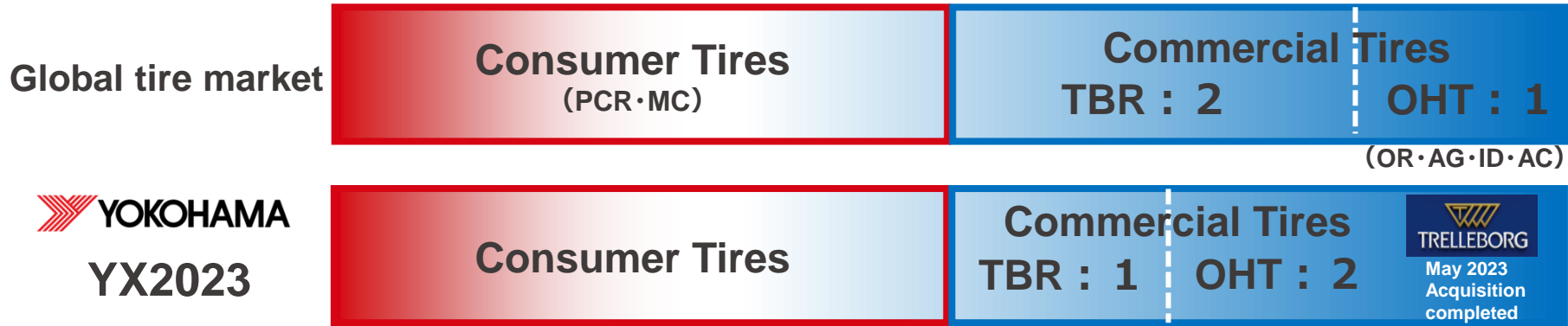


## YOKOHAMA Transformation 2026

Completing Transformation under  
Exploitation × Exploration Strategy

\* Leave no negative legacies for next generation

# 3-2) YX2026 Business Strategy



Increase corporate value through a growth strategy



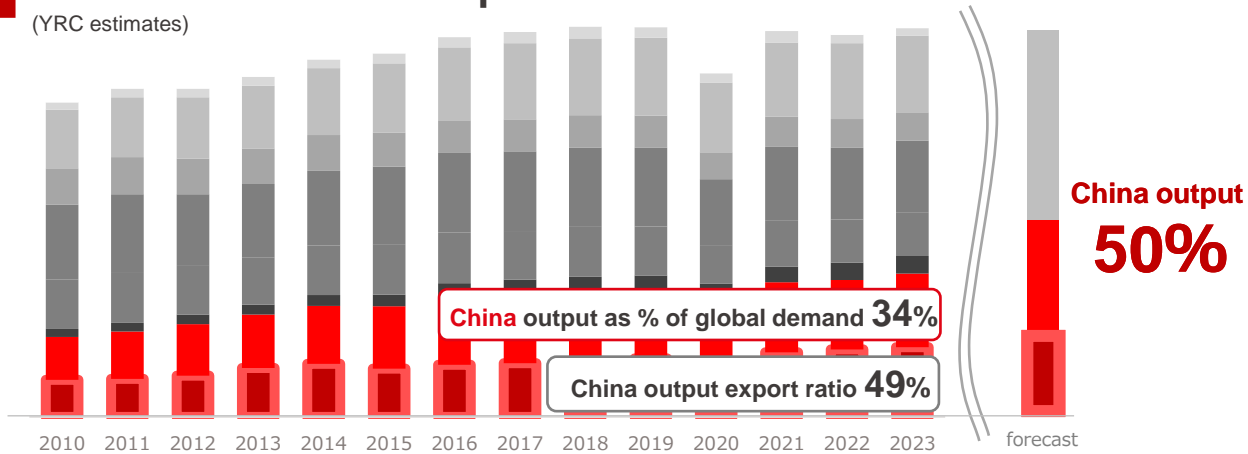


# 3-3) YX2026 Consumer Tire Growth Strategy Progress

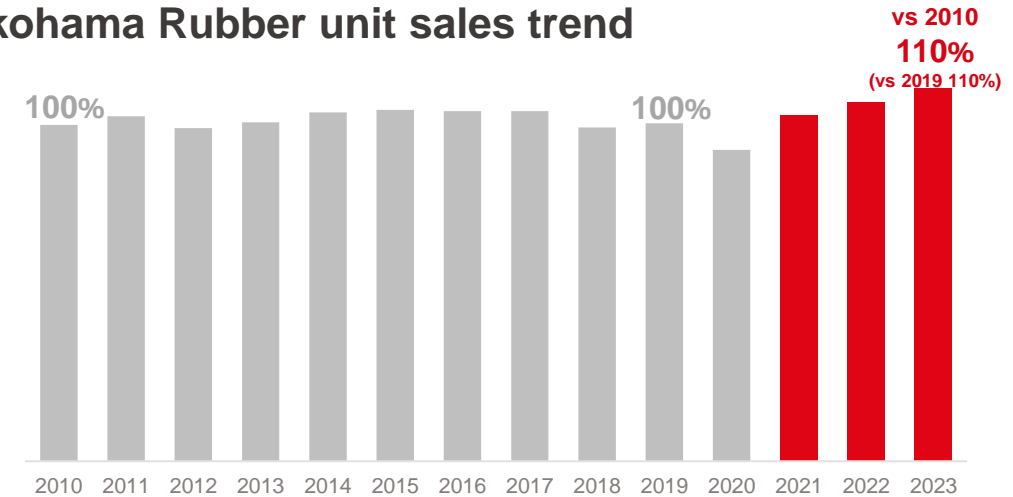


## Global consumer tire production trend

(YRC estimates)

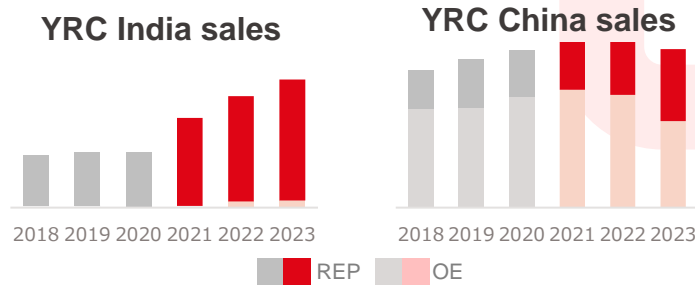


## Yokohama Rubber unit sales trend



## Drastic reduction of product costs

(Exploration)



## “1-year plant” challenge

New plant in Mexico

New Hangzhou plant in China (no investment burden)



\*YOKOHAMA brand: 99%

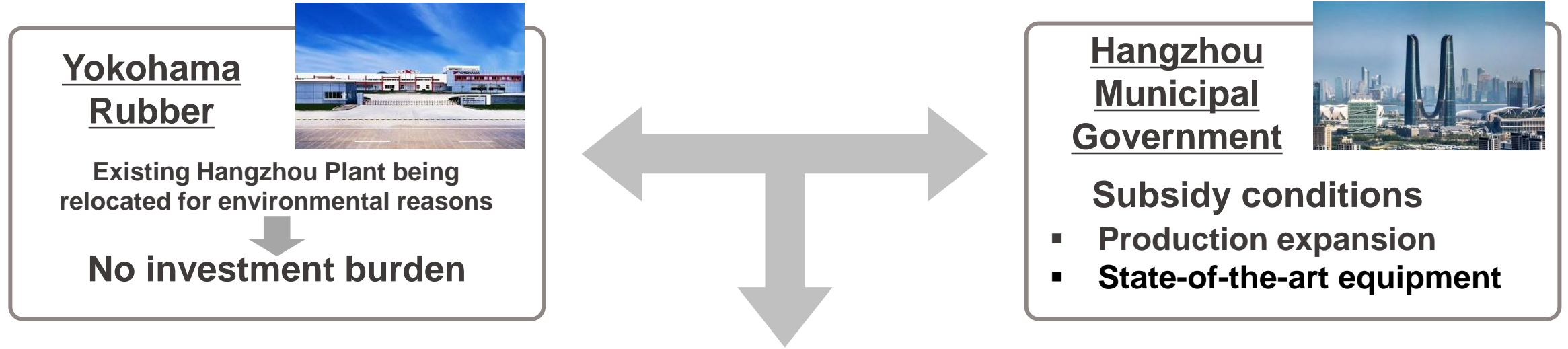
**AGW**  
(Exploitation)

**Brand MIX**

**Size MIX**

**Sales company-distributor policy**

# 3-4) YX2026 Consumer Tire Growth Strategy Progress : China“1-year plant”

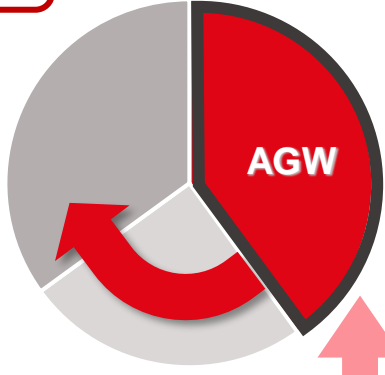


**6mn tires + new capacity for 3 mn tires = 9mn tires**



**New investment covers new capacity of 3mn tires**

**Partner      Subsidies**



Standard tires | Low-cost production

**“1-year plant” challenge**  
**Large cost reduction**

AGW | Profit margin UP

# 3-5) YX2026 Consumer Tire Growth Strategy Progress : 1H Activities



## OE on premium cars



Crown CROSSOVER RS  
"LANDSCAPE"



LEXUS 2024 GX 550

## New GEOLANDAR launched in North America

**GEOLANDAR  
A/T4**

June 2024 launch



## Motorsports activities



One-two finish in GT300 class at SUPER GT Round 2

## Consumer tire unit sales in 2024 1H (YoY)

Europe

**115%**  
131% in 2Q

China

**96%**  
95% in 2Q

Japan

**100%**  
113% in 2Q

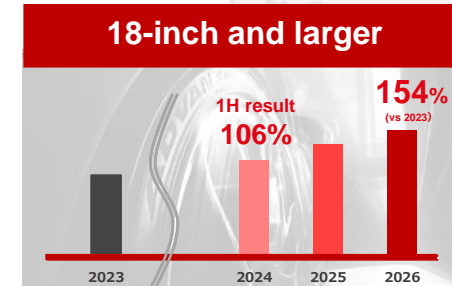
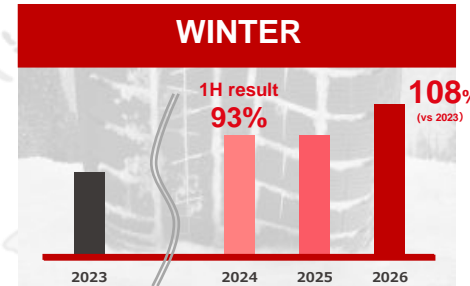
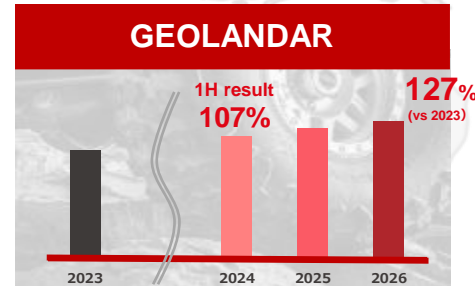
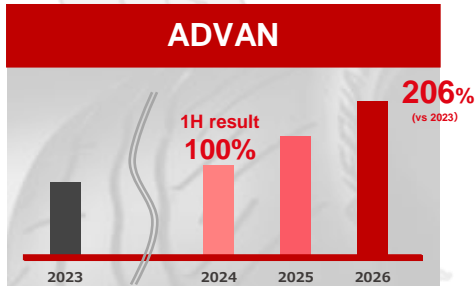
Asia/India

**115%**  
123% in 2Q

No. America

**100%**  
97% in 2Q  
\*ex Friend Tire

## High value-added tire sales 1H results & FY2026 targets (vs 2023 results)



# 3-6) YX2026 Commercial Tire Growth Strategy Progress



\*Yokohama estimate

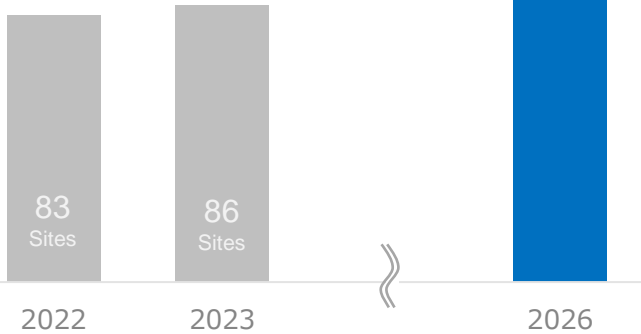


## Strengthen services

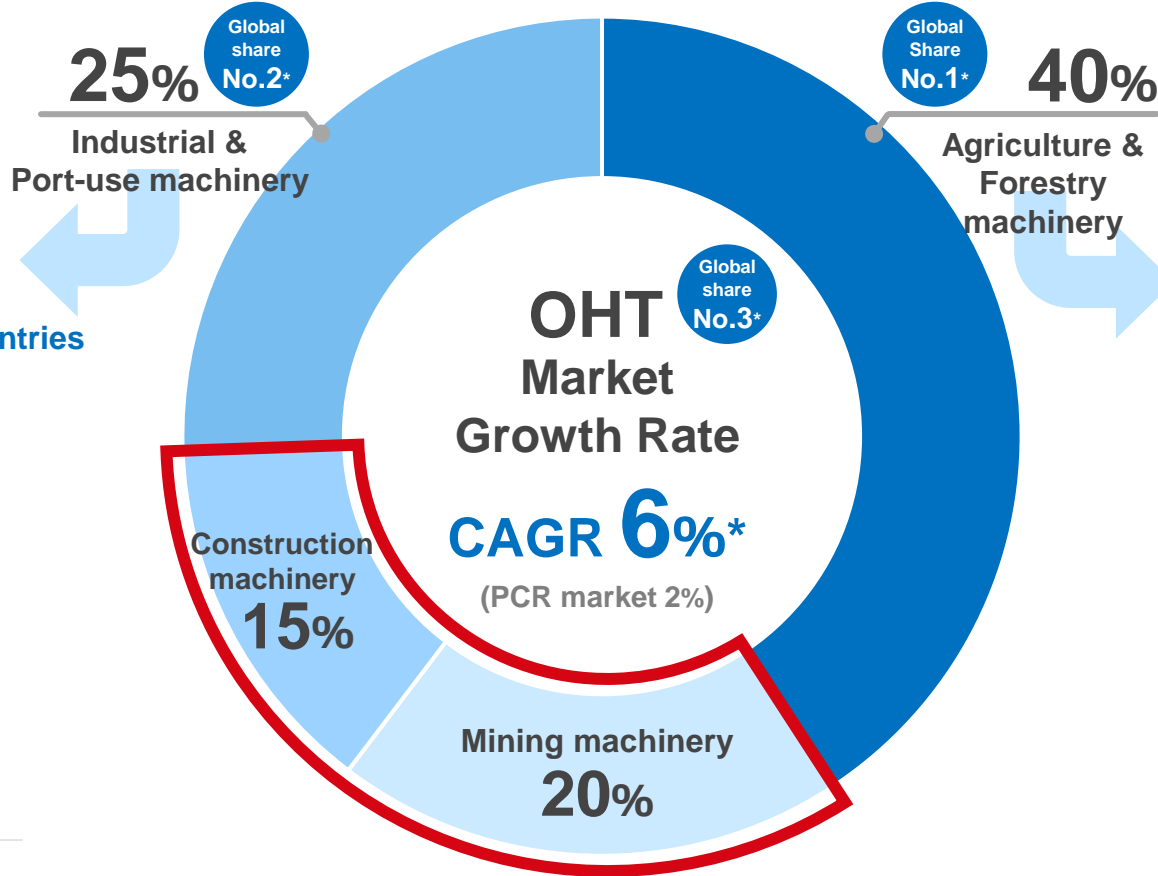
27 Countries

21 countries

104 Sites



## Market Size ≈ 4 trillion JPY\*



## Multi-brand strategy

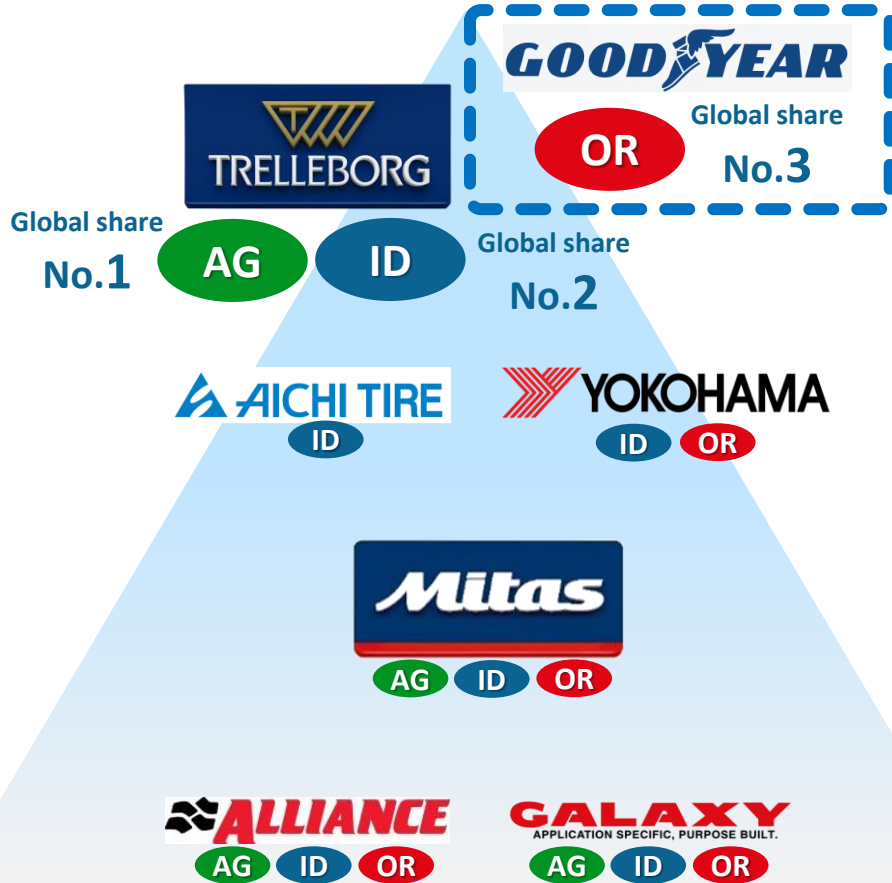


Each has Production/Technology/Sales

+  
“Programmatic M&A”  
**GOOD YEAR**

(Pie graph: global demand composition ratios of off-highway tires)

# 3-7) YX2026 Commercial Tire Growth Strategy Progress : Brand & Product Portfolio



	Agriculture	Forestry	Lawn Garden & Turf	Material Handling	Construction	Earthmover & Mining	Truck (OR)
YOKOHAMA AICHI TIRE TRELLEBORG	✓	✓	✓	✓	✓	✓	✓
Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE GALAXY	✓	✓	✓	✓	✓	✓	✓




After acquisition of Goodyear OTR Business



	Agriculture	Forestry	Lawn Garden & Turf	Material Handling	Construction	Earthmover & Mining	Truck (OR)
YOKOHAMA AICHI TIRE TRELLEBORG	✓	✓	✓	✓	✓	✓	✓
Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE GALAXY	✓	✓	✓	✓	✓	✓	✓

# 3-8) YX2026 Commercial Tire Growth Strategy Progress : Production Transfer

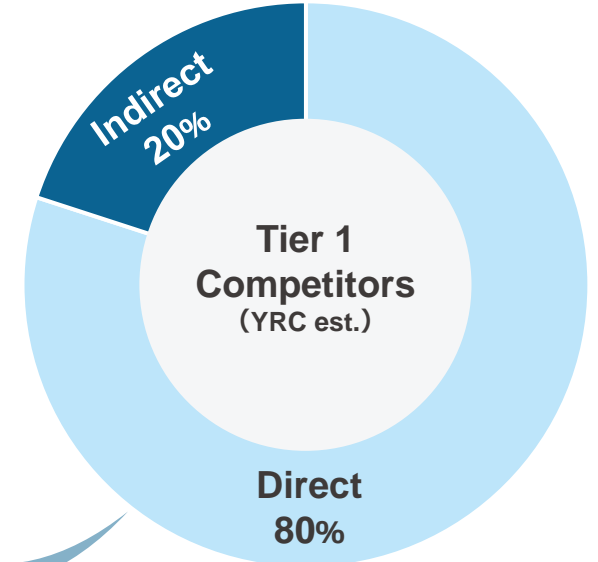
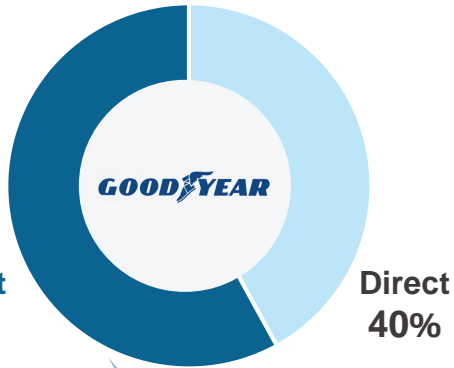
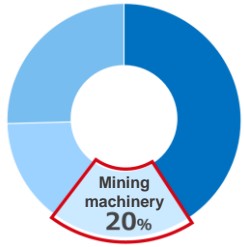


		Before-Acquisition						Post-Acquisition			
		YOKOHAMA			GOOD YEAR			GOOD YEAR + YOKOHAMA			
		Radial OTR Star Rating			Radial OTR Star Rating			Radial OTR Star Rating			
		★	★★	★★★	★	★★	★★★	★	★★	★★★	
	~25"	✓	✓	✗	△	△	△	✓	✓	✓	
					(US/EU Production: High Cost)			(Transfer to Yokohama plants: Cost improvement)			
	29~45"	✓	✓	✗	△	△	△	✓	✓	✓	
					(US/EU Production: High Cost)			(Transfer to Yokohama plants: Cost improvement)			
	49"	△	△	✗	✓	✓	✓	✓	✓	✓	
			(Production Capacity Shortfall)			(Japan Production: Highly Profitable)			(Production Output Increase)		
	57"	△	△	✗	✓	✓	✓	✓	✓	✓	
		(Off-take & Tariff Issues)			(Japan Production: Highly Profitable)			(Production Output Increase)			
63"	✗	✗	✗	△	△	△	✓	✓	✓		
		(Lack of Development Technology & Production Capacity)			(US Production: High Cost)			(Transfer to Tatsuno Plant (Japan))			

# 3-9) YX2026 Commercial Tire OTR Differentiation Strategy

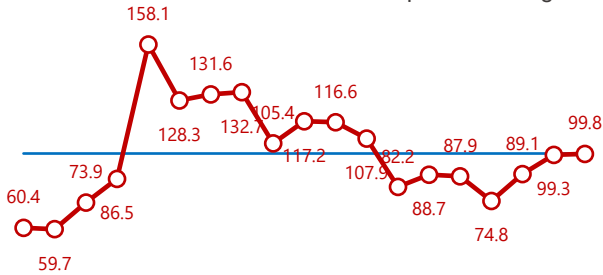


**Different strategies, in the same Tier 1**

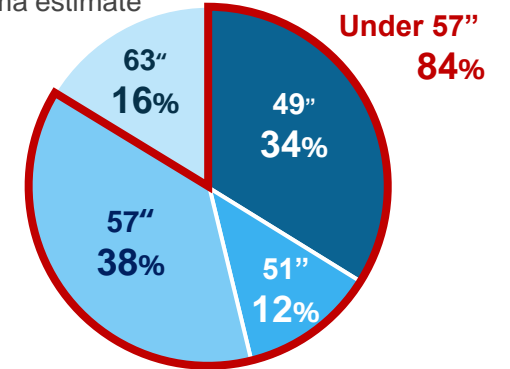


◆ US OTR demand

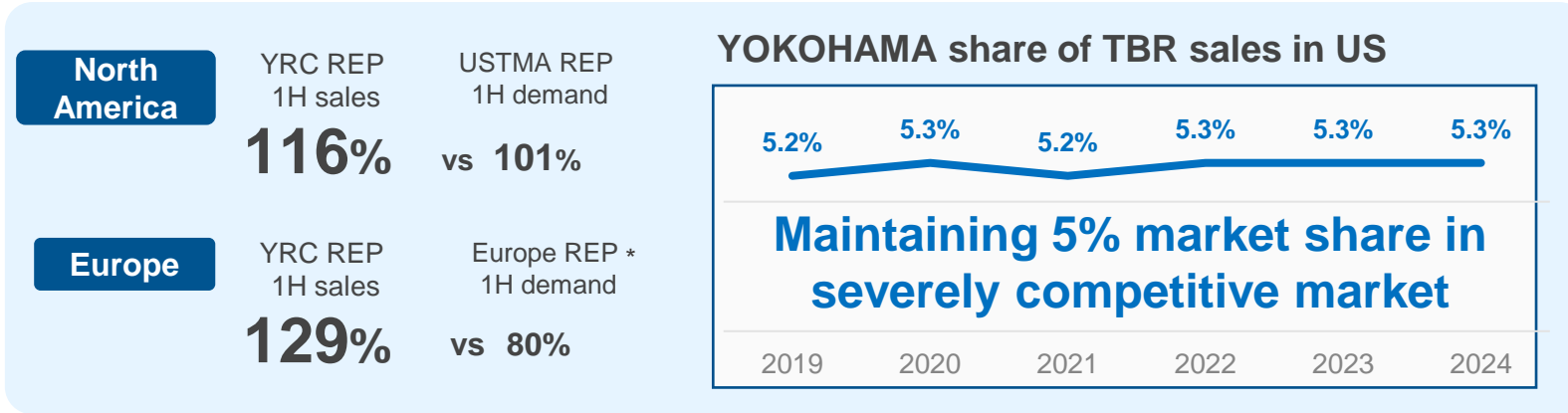
\*2001-2019  
Indexed to period average = 100



◆ US over 49" | Demand Composition by Size  
\*Yokohama estimate



## TBR Business

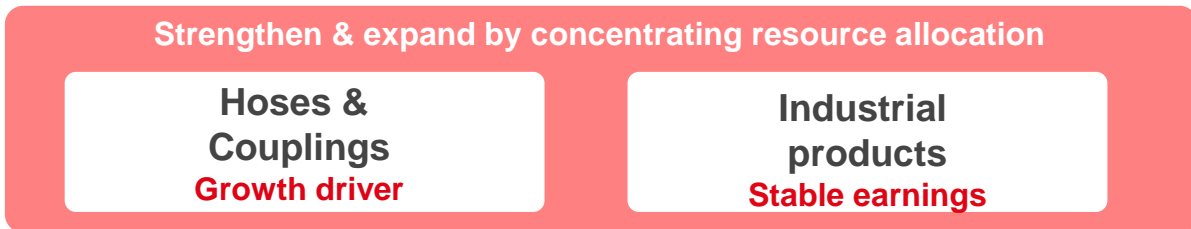


◆ Mie Plant – investment to expand production of small truck tires (17.5”) completed. Full production from May 2024



\*YRC estimates

## MB Business



◆ Hydraulic hoses  
Value chain restructuring

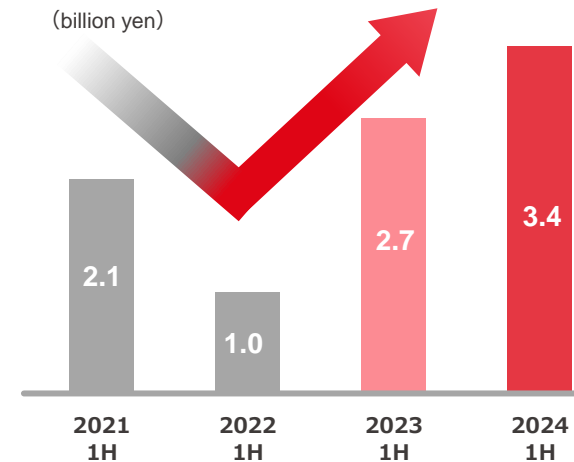
◆ Conveyor belts  
Top share in Japan

◆ Automotive hoses  
Restructure production

◆ Marine hoses / fenders  
Establish high-profit structure



MB segment business profit

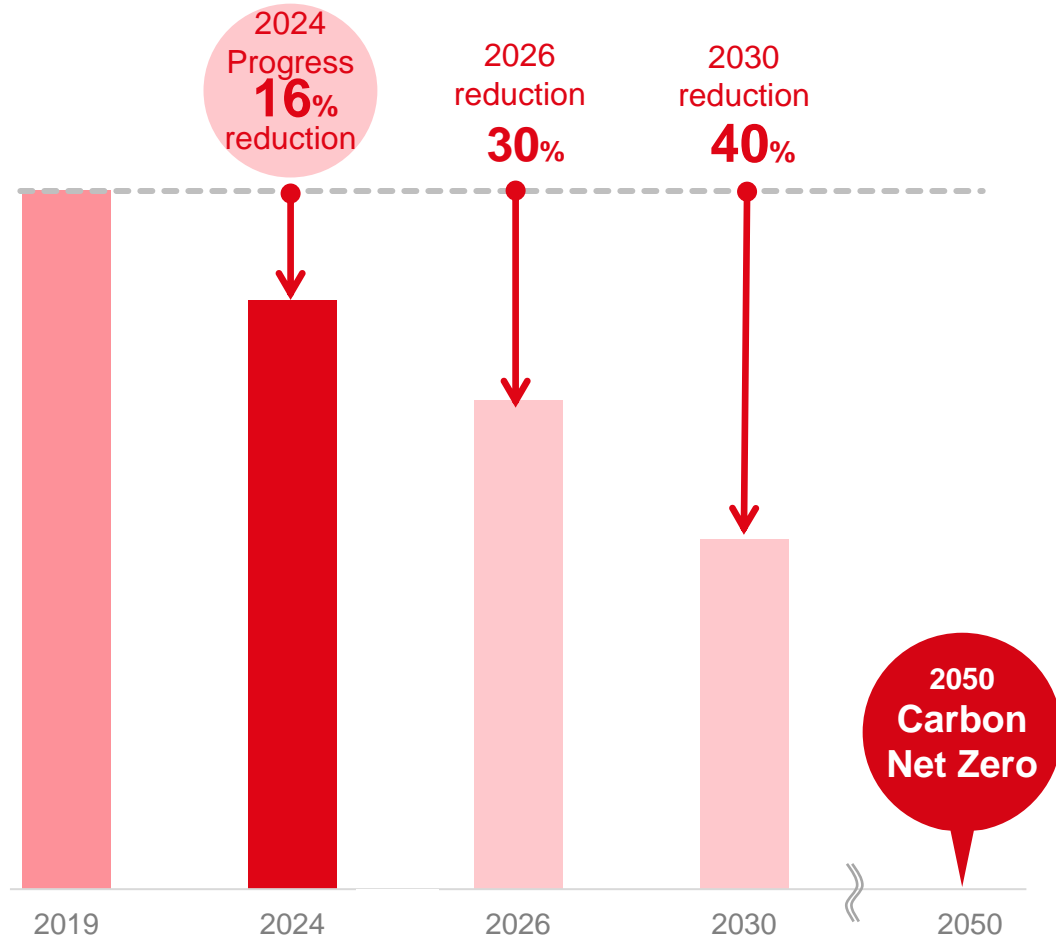




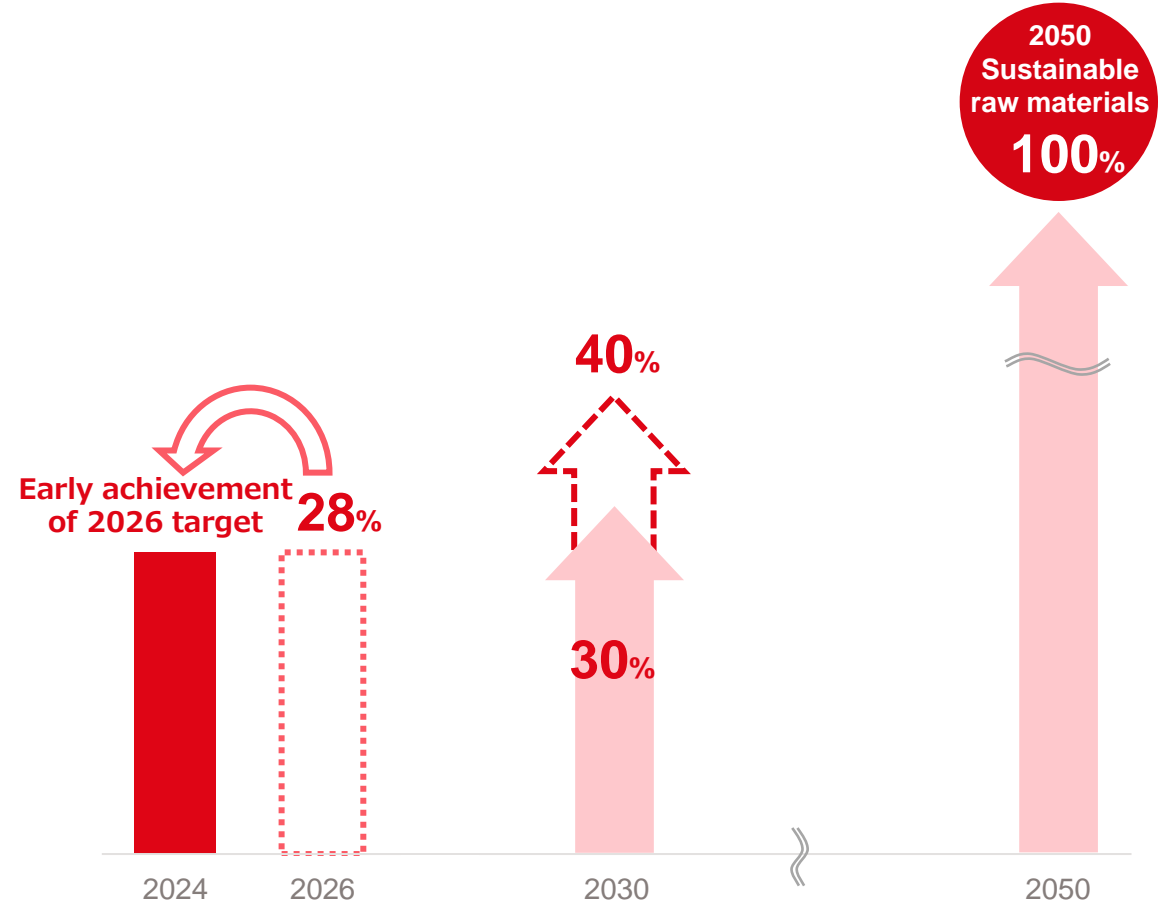
# 3-11) YX2026 Sustainability Measures



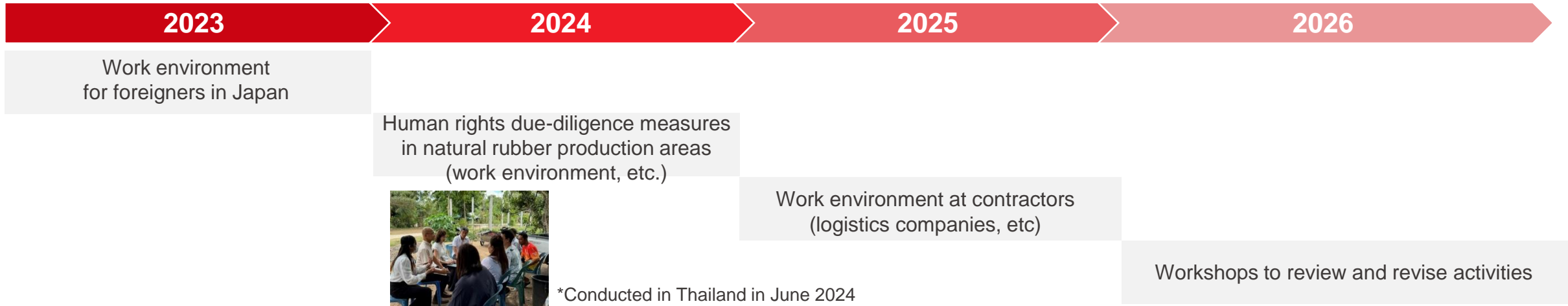
## Reducing greenhouse gas emissions



## Increasing use of sustainable materials



## Timeline for human rights due-diligence initiatives



\*Conducted in Thailand in June 2024

## “Sustainable Procurement” evaluation & verification

Ministry of the Environment project using advanced technology for evaluating and verifying sustainable procurement of natural capital from the ASEAN region



Use of remote-sensing technology to analyze information acquired by sensors mounted on satellites

### Project implementation structure

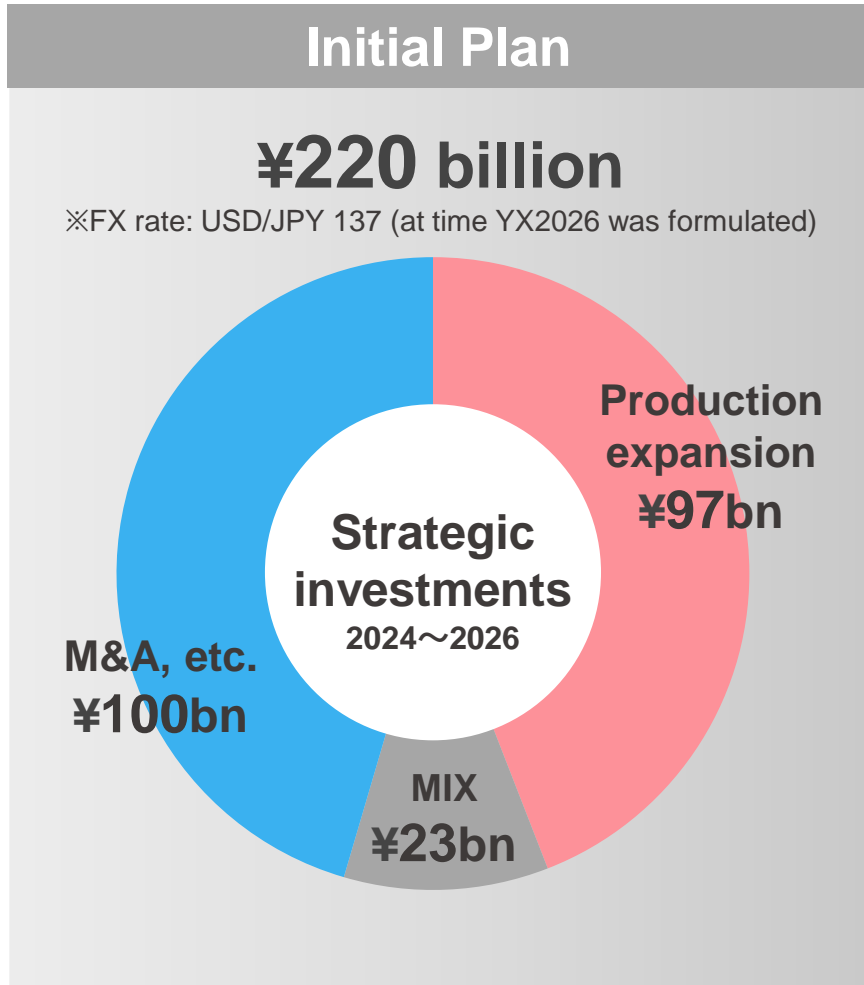
Mizuho Research & Technologies, Ltd. (Main R&D organization)  
 Kokusai Kogyo Co., Ltd. (collaborative R&D organization)

【Collaborating organizations】  
 Yokohama Rubber Co., Ltd.  
 UCC Ueshima Coffee Co., Ltd.  
 Mizuho Bank, Ltd.  
 Biome Inc., and others

## Third-party evaluations

ISS ESG Ratings  
 (Institutional Shareholder Services Inc.)  
 Received first Prime rating in the ESG Corporate Ratings





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## Consumer Tires “Technical/Production” Transformation

### “Low cost, speedy development of quality products”

#### ◆ Speed up tire development

Use AI·simulation technologies  
Respond to emerging car makers,  
maximize new product introductions

Speedy

#### ◆ “1-year plant” challenge

Early start-up → Early ROI  
Stop “Not Invented Here syndrome”,  
maximize acquisition synergies

#### ◆ Next-generation premium cars Strengthen development of OE tires

Meet needs of premium electrified vehicles  
with lightweight, wear-resistant tires

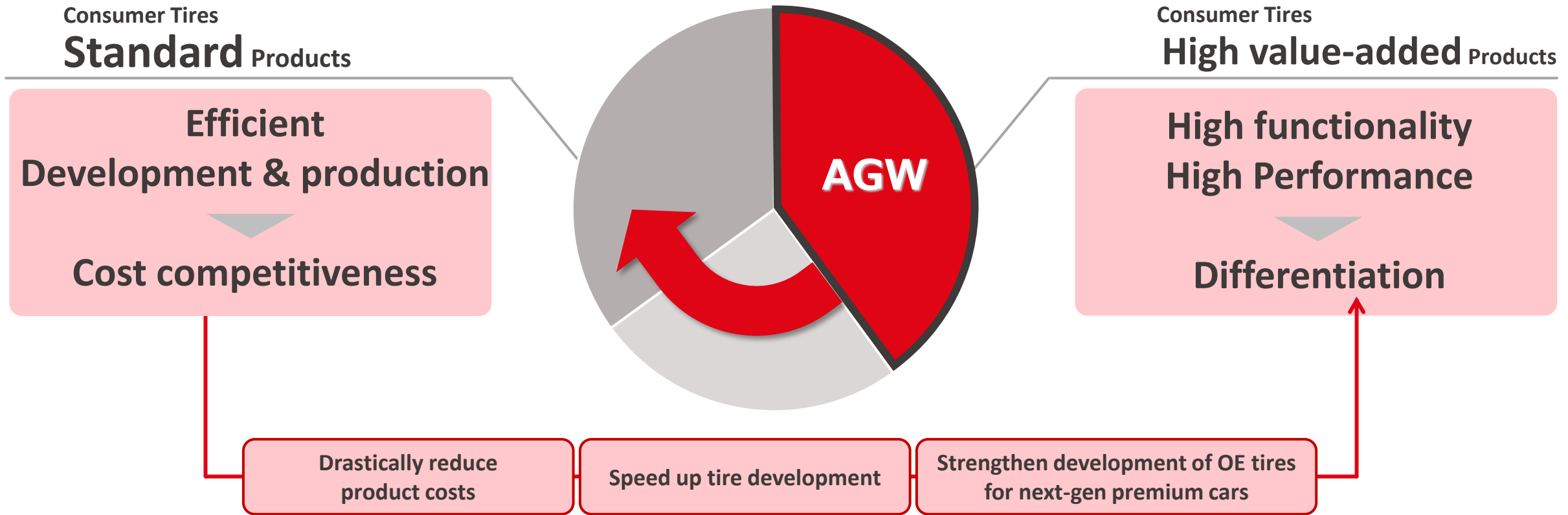
Quality  
products



Low  
cost

#### ◆ Drastic reduction of product costs

Apply ATG’s high-efficiency model  
Economies of scale realized by recent acquisitions  
will reduce raw material procurement costs



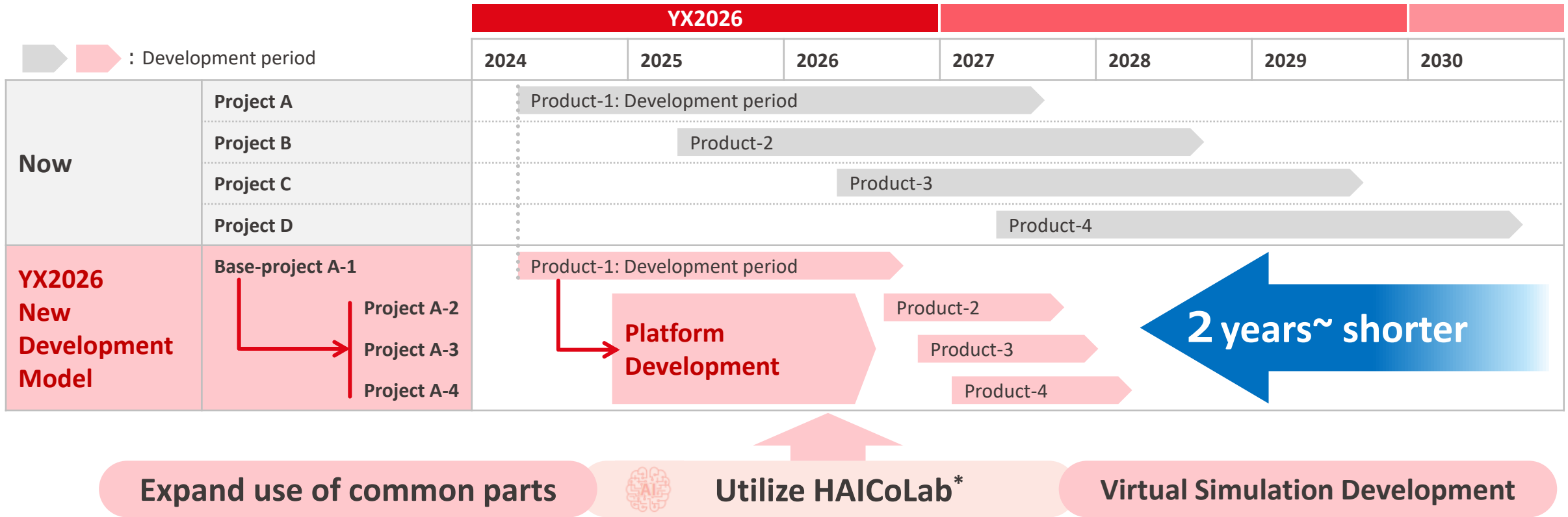
Reallocation of available resources (People / Materials / Money / Time) → Technology/Production innovation

**Maximize corporate value by improving competitiveness**

# 4-3) YX2026 Technology/Production Strategies: Speed up tire development



## Reduction of New product development time



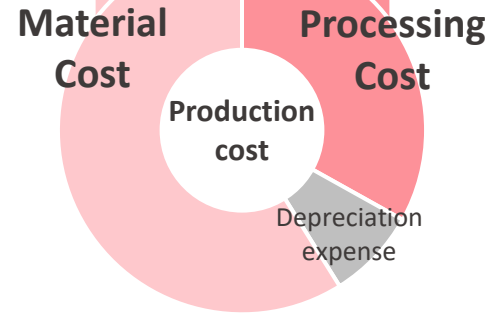
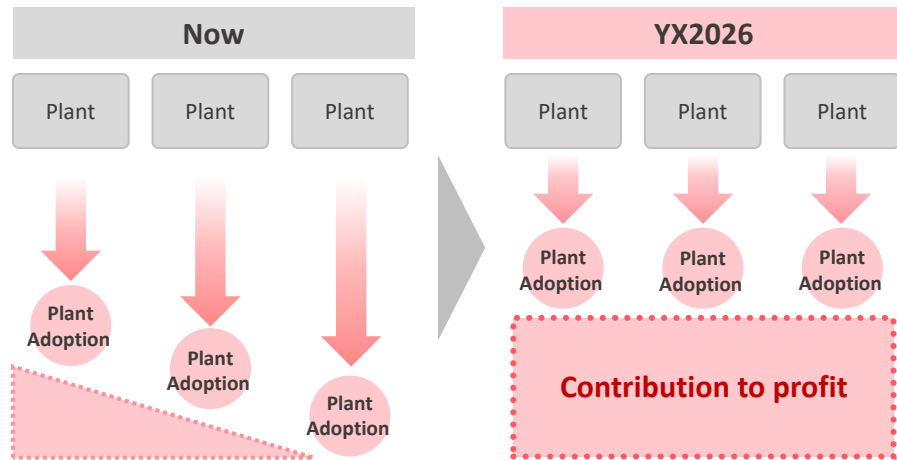
**Early new product launches in line with market trends  
Contribute to profitability by optimizing product life cycles**

# 4-4) YX2026 Technology/Production Strategies: Drastic reduction of product costs



## Reduction of Material Costs

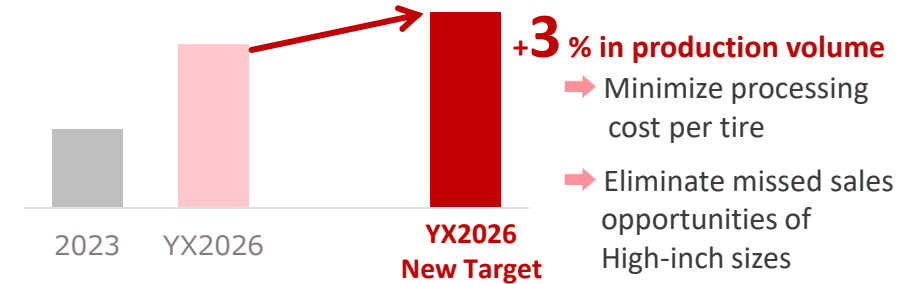
- ◆ Active adoption of new suppliers
- ◆ Expand adoption of versatile materials
- ◆ Speed up the adoption process from evaluation of new materials



## Reduction of Processing Costs

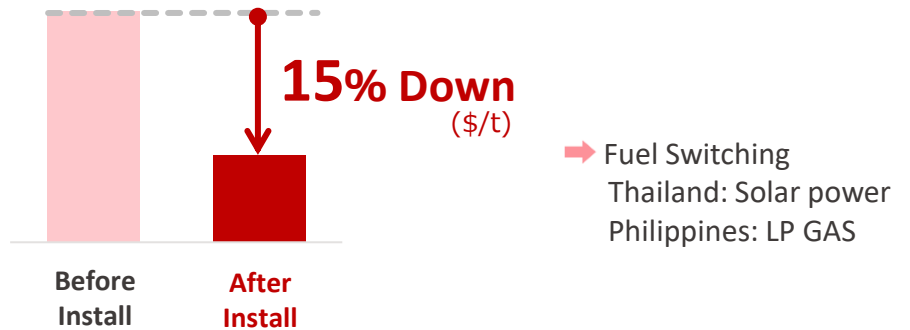
- ◆ Maximize production capacity and operation rate of high-inch production machinery

(Philippines / Thailand)



- ◆ Energy Cost Reduction

(Philippines / Thailand)



Reduction of Material Costs Reduction of Processing Costs

**Drastic reduction of product costs**

**¥6.5 billion**



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## FY2026 Revised Financial Targets

Sales revenue	<b>¥1,250 billion</b>
Business profit	<b>¥150 billion</b>
Business profit margin	<b>12%</b>
Equity ratio	<b>50% target</b>
ROE	<b>Above 10%</b>
Operating CF	<b>¥410 billion</b> (3yr cumulative)
Capital investment	<b>Within scope of depreciation</b> (excluding strategic investments)

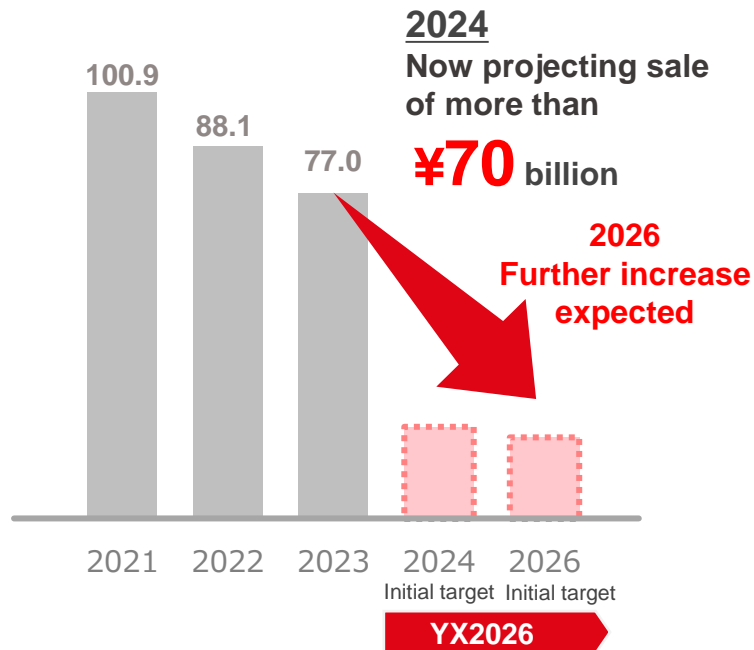
# 5-2) YX2026 Revised Capital allocation

## Increase PBR

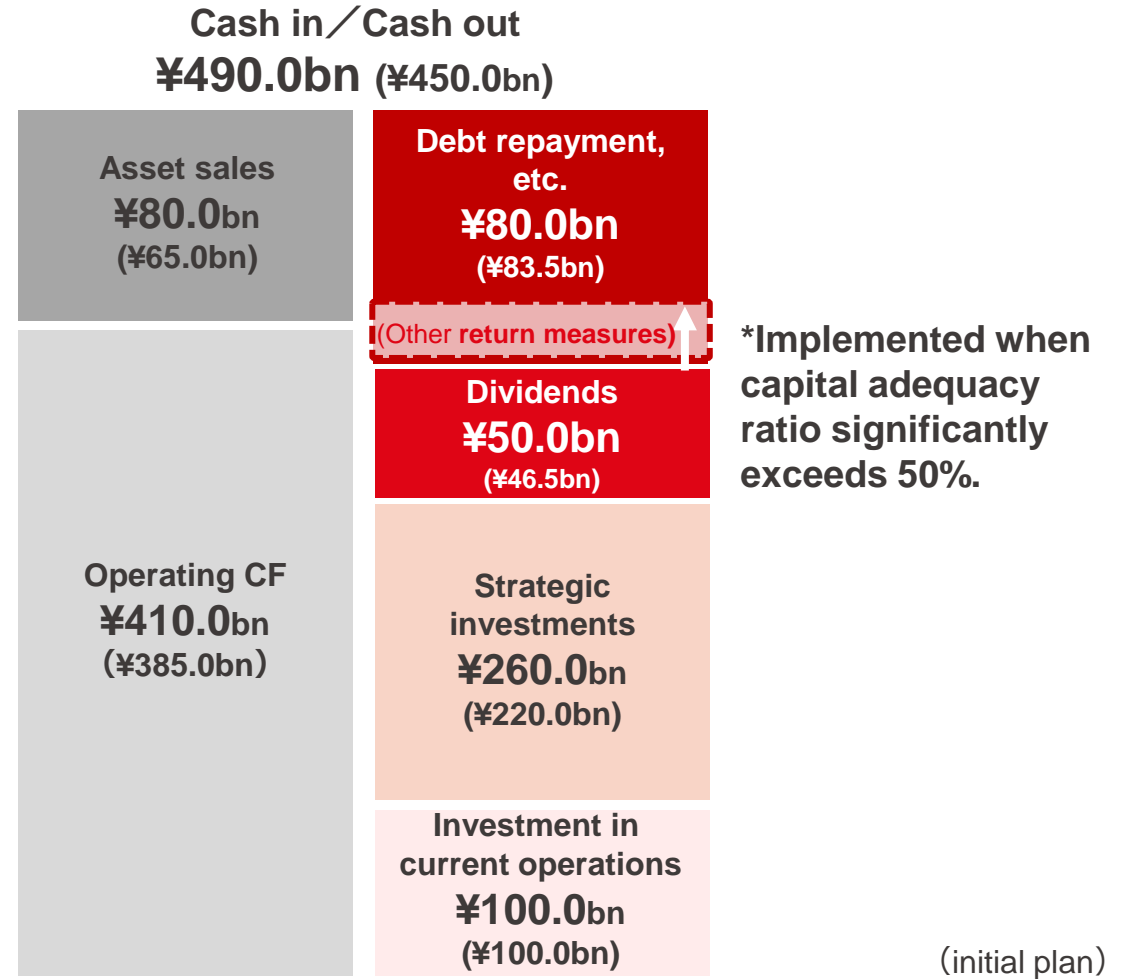
### Cross-shareholdings being sold off

Initially targeted sale of about ¥60 billion

Outstanding cross-shareholdings  
(market price/billion yen)



### Revised Capital allocation



# 5-2) YX2026 Realization of "Hockey Stick Growth"



Culmination of the past 100 years

Complete transformation from past

GD100

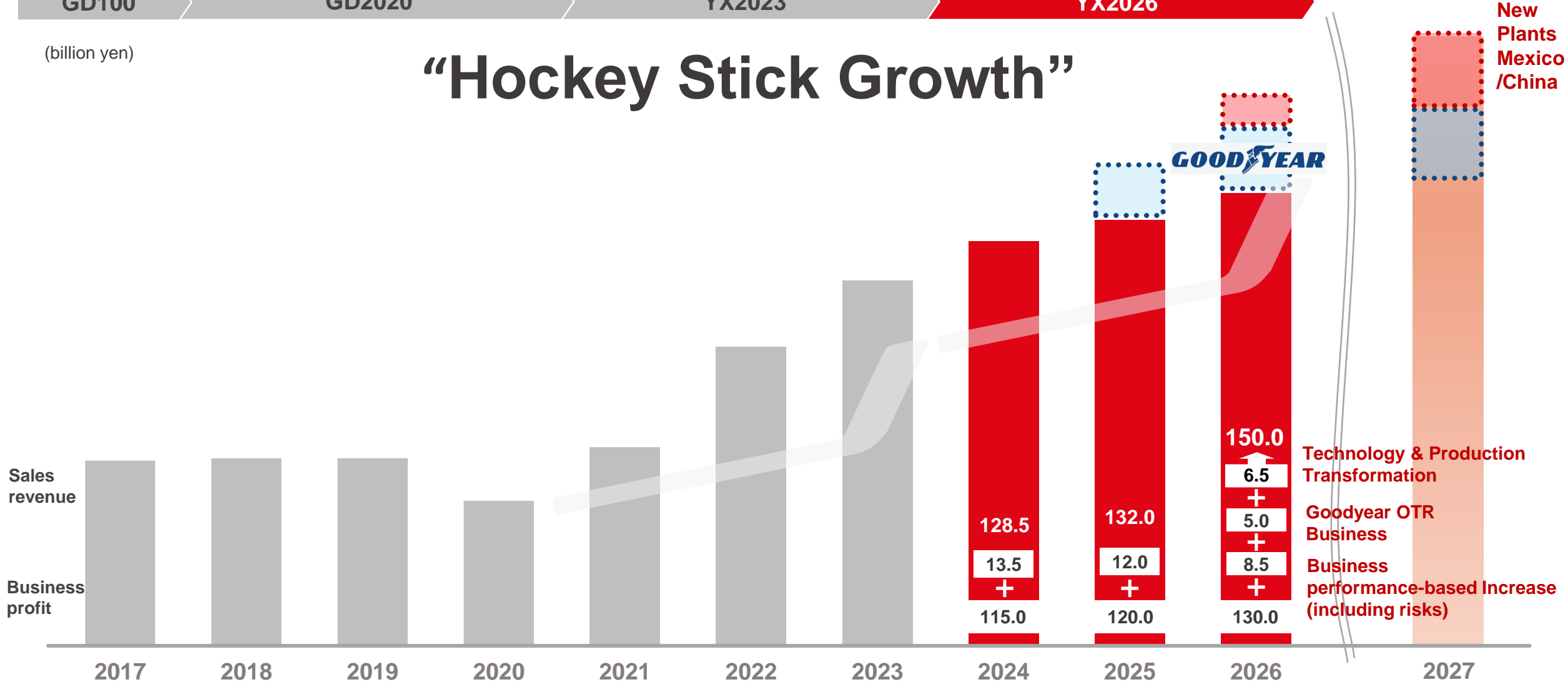
GD2020

YX2023

YX2026

(billion yen)

## "Hockey Stick Growth"





**YOKOHAMA**  
**Transformation 2026**