

FY2022 First-Half Results Briefing

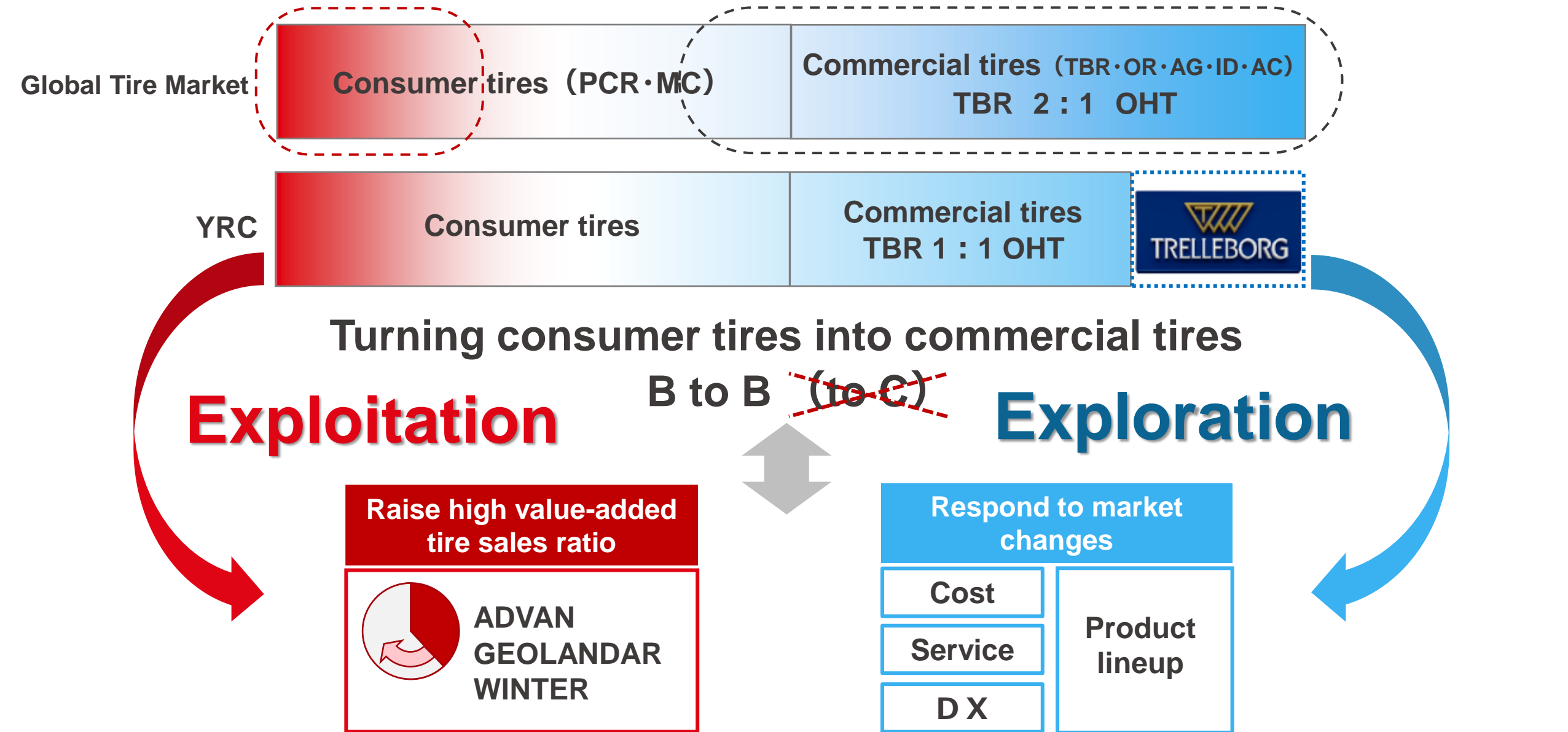
Yokohama Transformation 2023 Progress & Full-Year Outlook



YOKOHAMA Transformation 2023

Exploitation × Exploration = Transformation

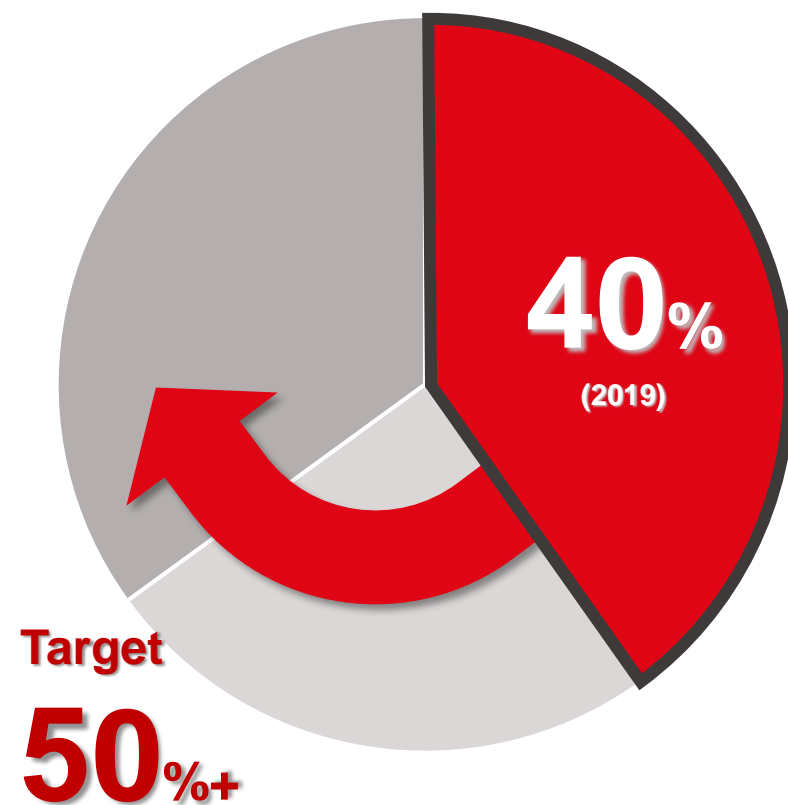
Tire Strategy: Impact of CASE/MaaS on Tire Business



FY2022 1H Results

billion yen	2022 1H result	Feb. 2022 forecast	Change from forecast	Change from forecast (%)	2021 1H result	YoY change	YoY change (%)
Sales revenue	391.5	350.0	+41.5	+11.9%	303.9	+87.6	+28.8%
Business profit	27.7	22.0	+5.7	+26.0%	26.3	+1.4	+5.3%
Business profit margin	7.1%	6.3%	+0.8%	-	8.7%	-1.6%	-
Operating profit	26.9	21.5	+5.4	+25.3%	48.6	-21.7	-44.6%
Profit	23.3	15.5	+7.8	+50.4%	36.9	-13.6	-36.9%
D/E Ratio	0.38	-	-	-	0.39	-0.01	-

Consumer Tires: Raise High Value-Added Tire Sales Ratio



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

Consumer Tires: Strengthen core products and brands by leveraging original technologies and superior quality

OE on Premium Cars & EVs



Toyota Motor bZ4X



SUBARU SOLTERRA



LEXUS' LEXUS LX

Strengthening Sales to Replacement Market

2022 YOKOHAMA “New Summer”

ADVAN
Sport
V107

March 2022~

ADVAN
NEOVA
AD09

Feb 2022 ~

25th 自動車新聞
用品大賞
2022

BlueEarth-RV
RV0.3

Feb 2022 ~

Motorsports Activities



100th Pikes Peak
International Hill Climb



Car with ADVAN A052 tires
using sustainable materials



SUPER GT
GT500

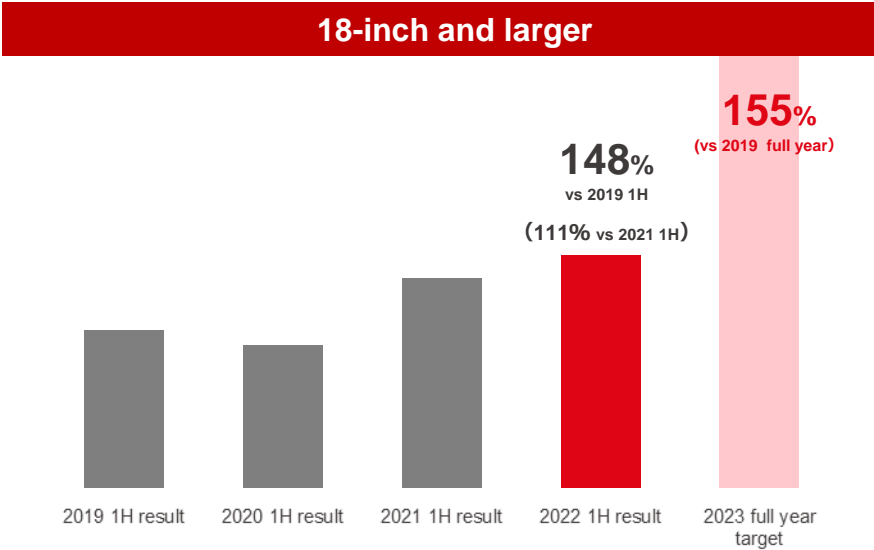
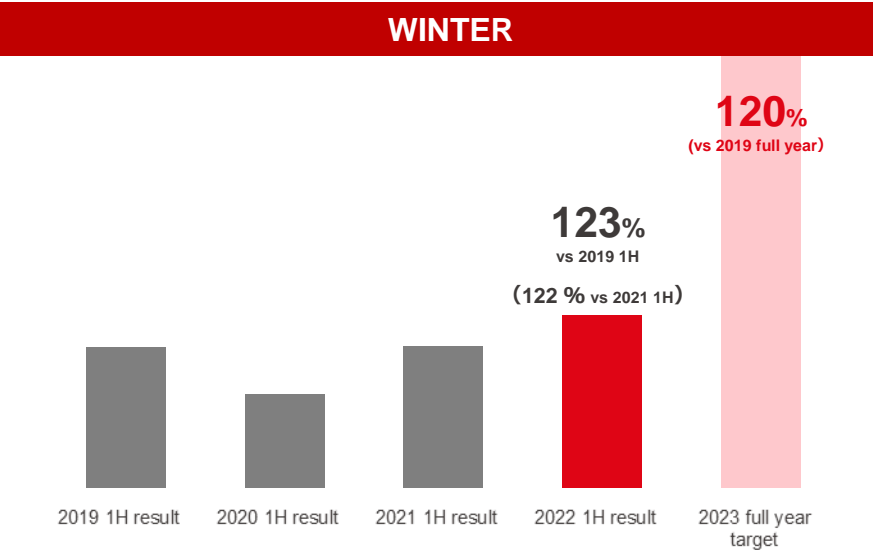
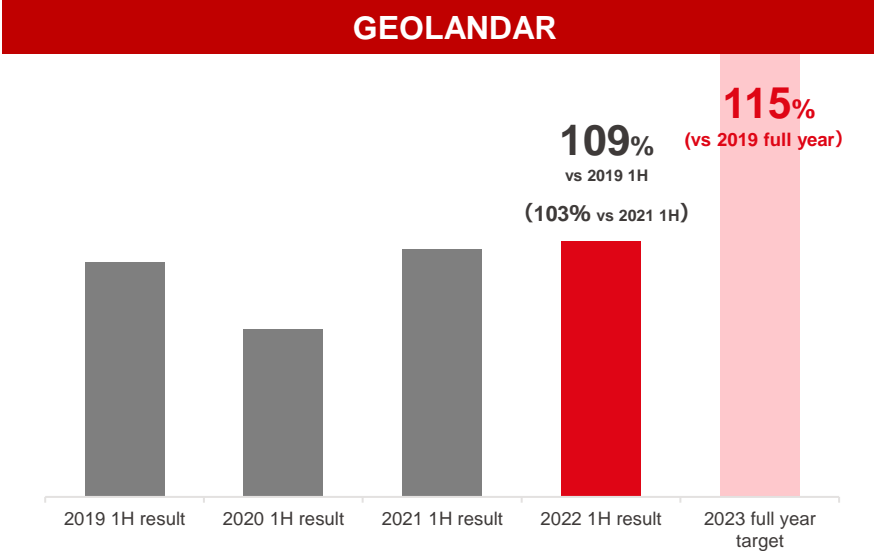
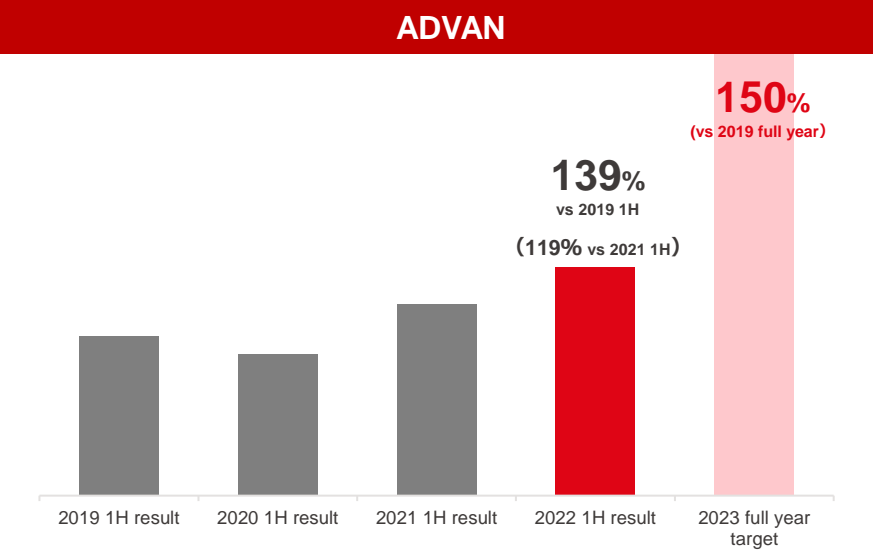


Nürburgring 24-Hour Race

Consumer Tires: Raise High Value-Added Tire Sales Ratio

Expanding OE/REP size lineup
(Launching new tires & expanding available sizes)

	2022 1H result	2022 full year forecast	2023 full year plan
ADVAN	126	223	192
GEOLANDAR	13	49	134
WINTER	1	120	107
AGW total	140	392	433



Commercial Tires: OHT Business Is Future Growth Driver

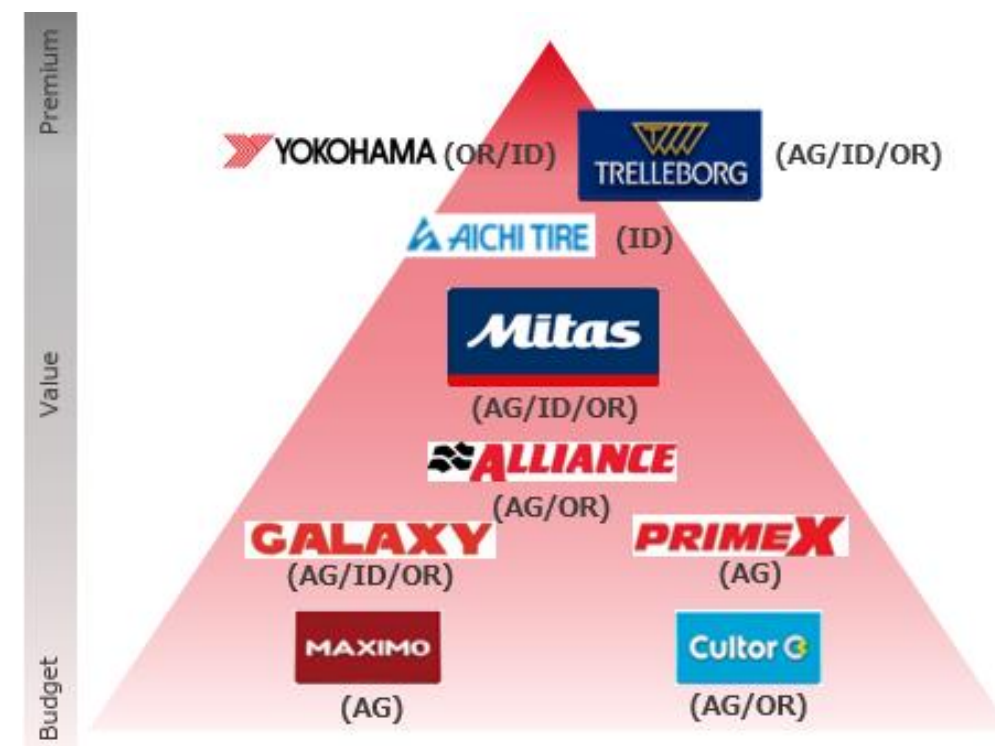
Acquisition of Trelleborg Wheel Systems

◆ Outline of the transaction

Target company	Trelleborg Wheel Systems Holding AB (100% of equity shares)	
Enterprise Value	2,040 million EUR	*The acquisition agreement includes a performance-linked earn-out clause that could increase the acquisition price by up to €60 million depending on the fiscal 2022 financial results of the acquired business.
EBITDA	230 million EUR	* Our estimation for FY2022
EBITDA multiple	Approx. 9 times	* After adjustment for a performance-linked earn-out
Acquisition agreement	Mar. 25, 2022	
Acquisition finalized	Second half of 2022 (plan)	* After obtaining permission from relevant country's antitrust law
Funding	Own capital + borrowings	*JCR rating: A+ Stable (March 28, 2022)

◆ Compatibility with the acquisition strategy

Adds to product brand structure
 Broadens regional sales network
 Boosts sales to OEMs
 『interfit』
 DX



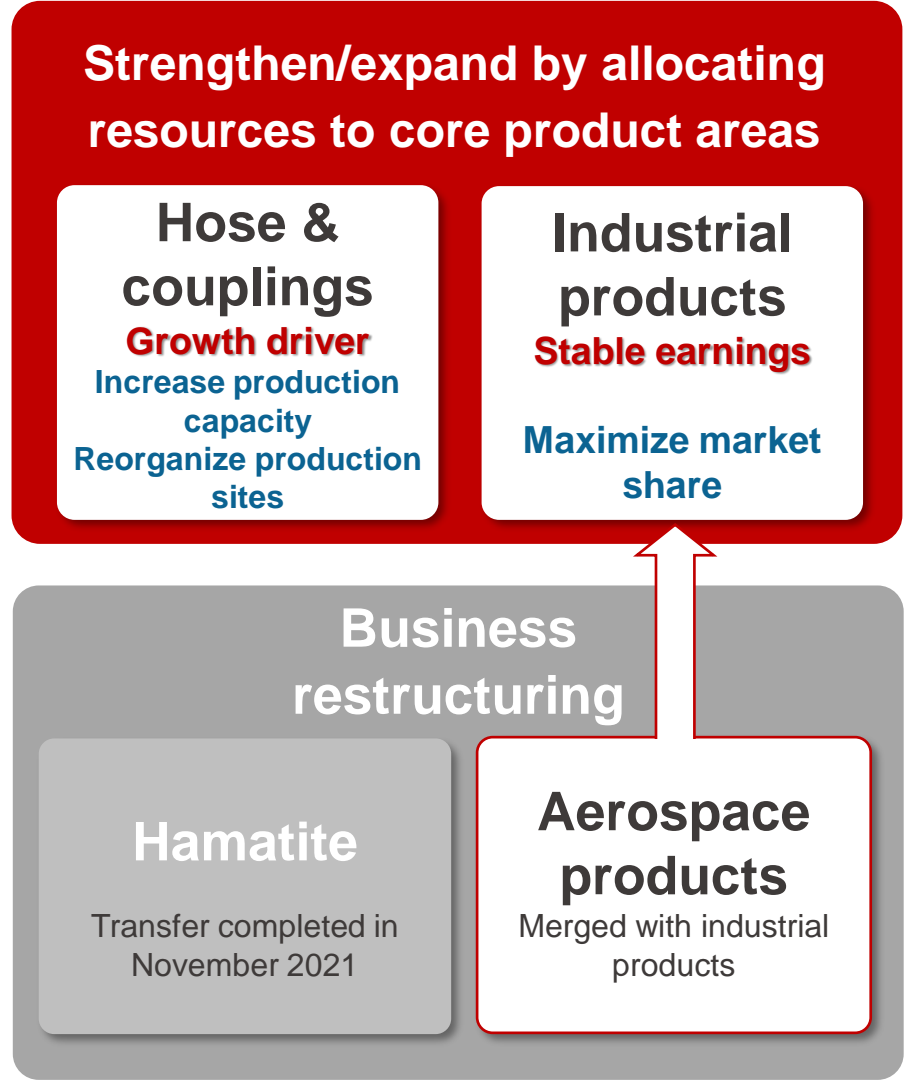
After acquisition product brand structure



TLC & CTIS+
Digital tools for agricultural machinery



TPMS
Digital tools for construction machinery and harbor equipment

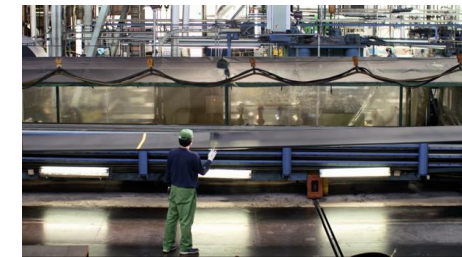


Hose & couplings

- ◆ Reorganizing automotive hose & couplings production network in US

Industrial products

- ◆ Expanding Hiratsuka Factory's conveyor belt capacity by 1.3x
- ◆ Began field trials of sensing system applied to our industrial products



Conveyor belt line at industrial product plant



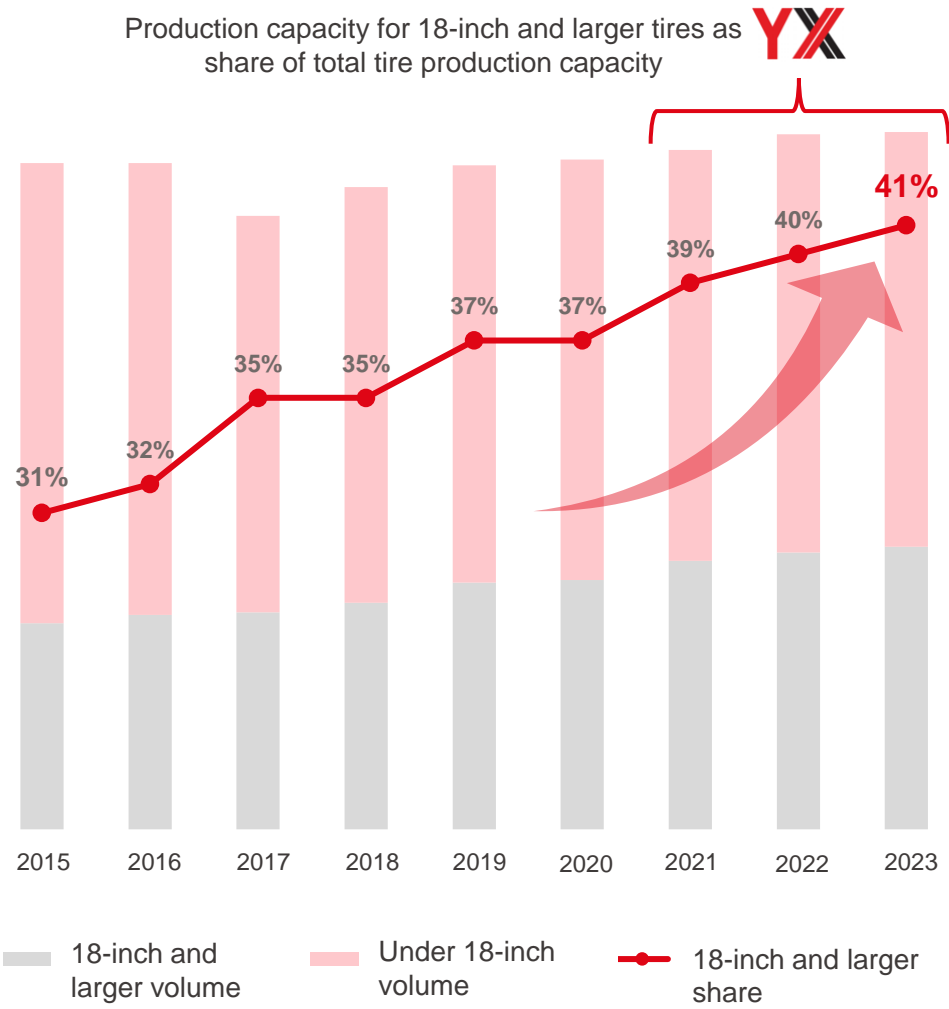
Image photo

Aerospace products

Aerospace products division merged into industrial products division (end-March 2022) to enhance technical capabilities, optimize personnel allocation, and create more efficient business foundation

2022 2H Initiatives: Consumer Tires (Invest to Improve Product Mix)

Expanding production capacity for tires 18-inch and larger



Japan Shinshiro Plant: Expanding line for 18-inch and larger tire sizes



Japan Mie Plant: Will increase output of large SUV tires

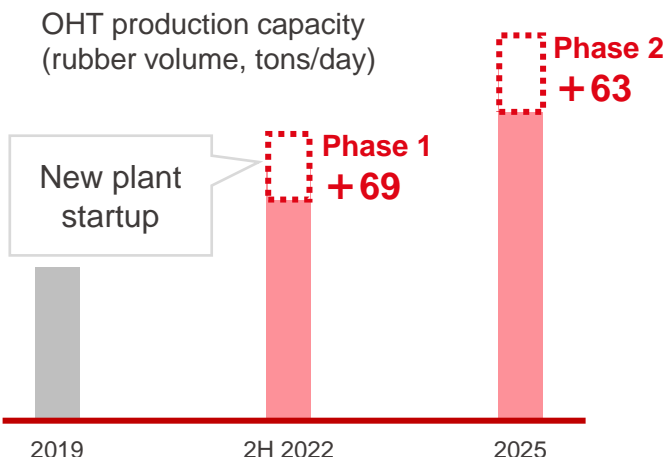


2022 2H Initiatives: Commercial Tires (Invest to Expand Production Capacity)

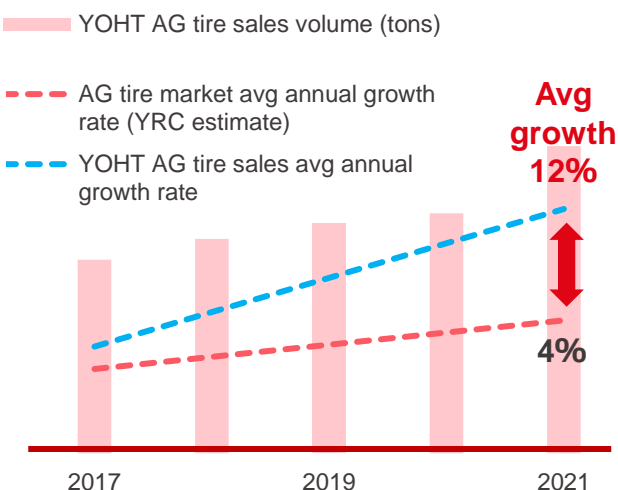
Move new OHT plant launch up to August

Boosting OHT capacity about **40%** in response to robust demand

*2H 2022 capacity vs 2H 2019



Strong growth exceeding market average



New OHT plant

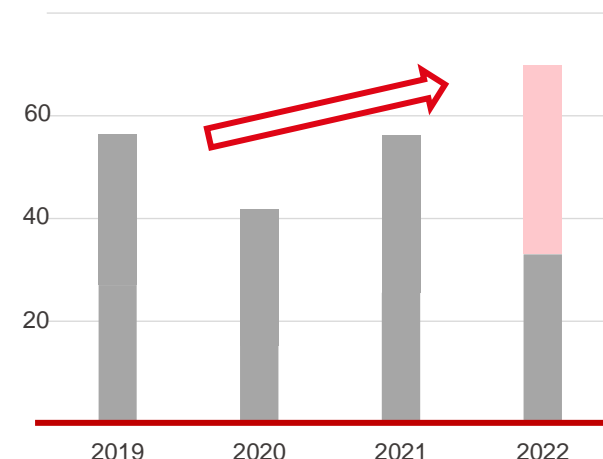
Location:
Visakhapatnam, Andhra Pradesh, India
Site area: Approx. 390,000m²

Improving supply from US TBR plant



US TBR plant

Mississippi plant's production volume
(Unit: 10,000 tires)



Investing to increase capacity at Japan Mie Plant

Capex in facility making TBR tires with small inner and outer diameters



905W

BlueEarth 711L

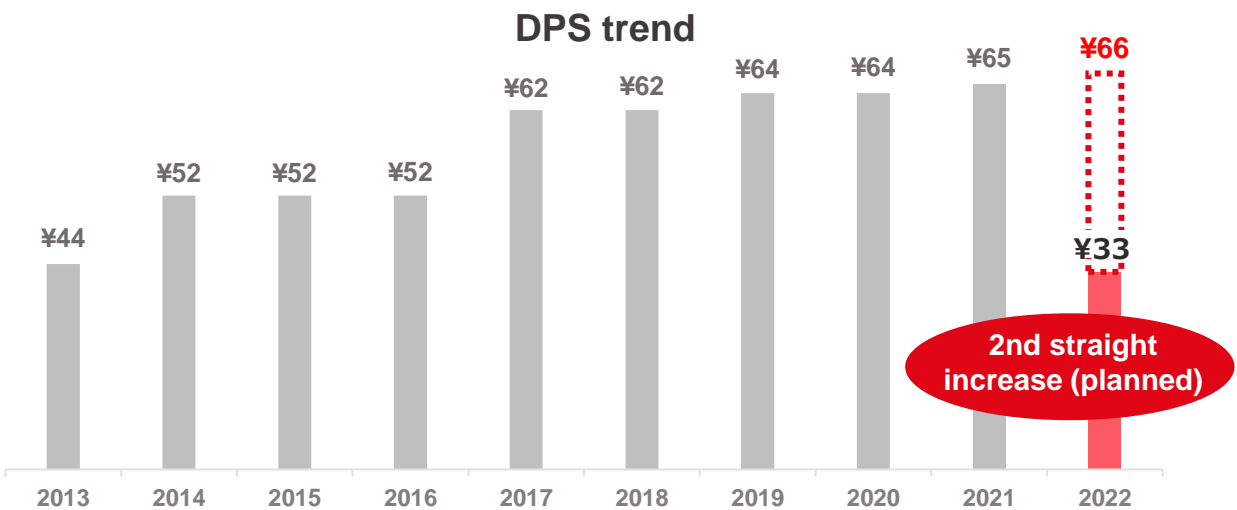
FY2022 Full-Year Forecasts

billion yen	2022 revised forecast	2022 previous forecast	Change	Change (%)	2021 result	Change	Change (%)	2022 target in YX2023
Sales revenue	855.0	750.0	+105.0	+14.0%	670.8	+184.2	+27.5%	650.0
Business profit	62.5	60.0	+2.5	+4.2%	62.2	+0.3	+0.5%	60.0
Business profit margin	7.3%	8.0%	-0.7%	-	9.3%	-2.0%	-	9.2%

Shareholder return

Plan to increase full-year dividend by ¥1 to ¥66/share

Interim: ¥33 Year-end: ¥33



*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.



Basic Philosophy: To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products

The Earth

Leave a sound environment to future generations

- Biodiversity conservation
 - Kaname River Basin (Hiratsuka City)
 - Kanagawa Prefecture Sea Farming Association
- Corporate contribution

Community

Earn the confidence of our neighbors

People

Build on each other's strengths

Carbon neutrality

Zero CO₂ emissions from production of OE tires

Circular economy

Expand use of sustainable materials in motorsports tires

Coexistence with nature

- YOKOHAMA Forever Forest
- Support for sustainable natural rubber procurement

- Respect for human rights
- Diversity & inclusion
- Work-style reforms
- Staff training
- Employees' health & safety

Products

Deliver fun and peace of mind.

Provide high value-added

High quality +
Highperformance +
Sustainability

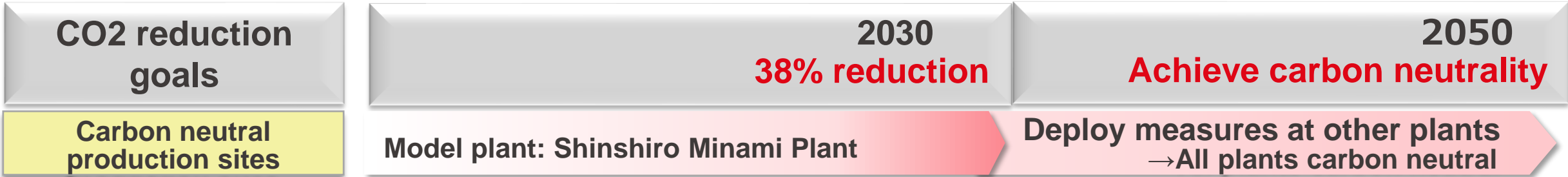


Corporate Governance

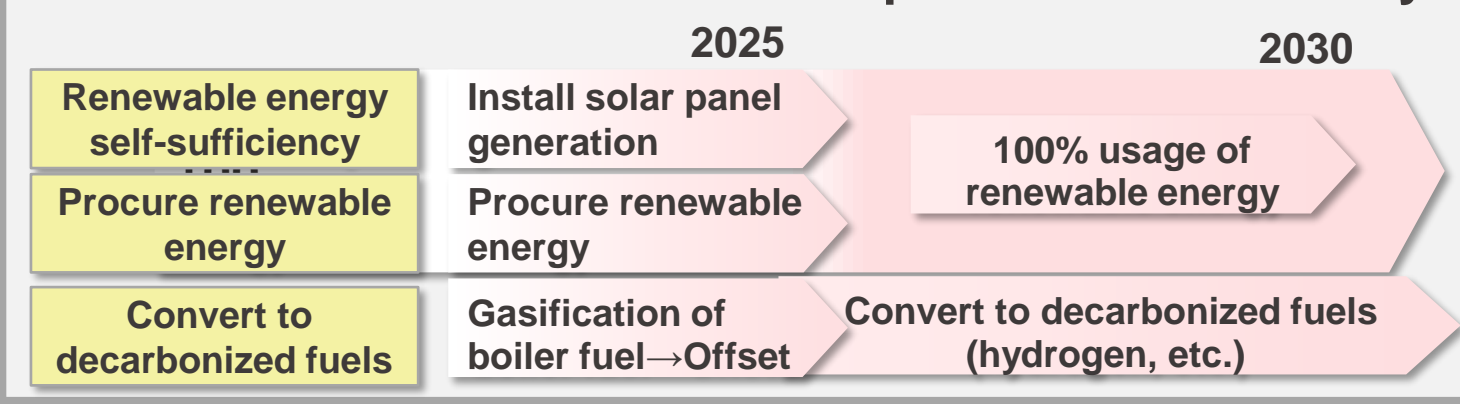
Lay a solid foundation for fulfilling social expectations

- Medium-term performance-linked remuneration system
- Diverse Board of Directors
- Stronger risk management
- Stronger compliance system

The Earth ~Roadmap to Carbon Neutrality (Production Sites)~



Shinshiro-Minami Plant's roadmap to carbon neutrality



Installed solar panels



Hydrogen-fired cogeneration system



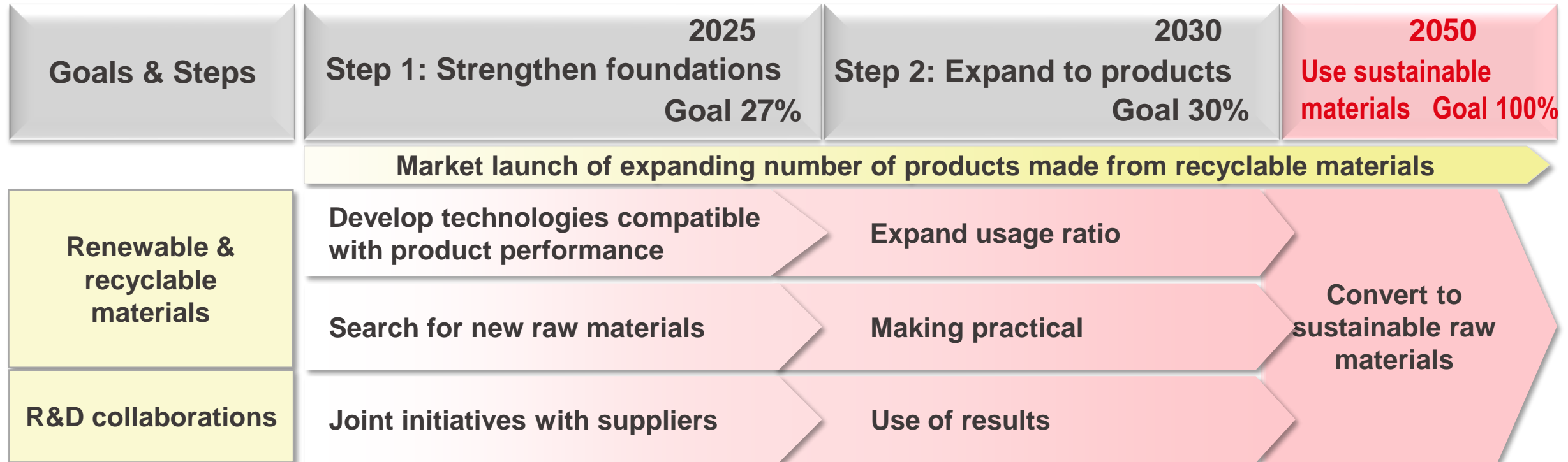
Develop a carbon-neutral tire market



ADVAN

Planning sequential launch of high-value-added tires produced using carbon-neutral methods

The Earth ~Roadmap to a Circular Economy (revised)~



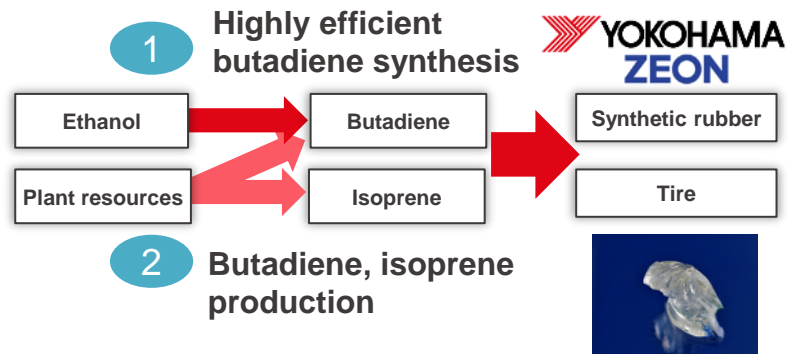
Motorsports activities contribute to development of new technologies



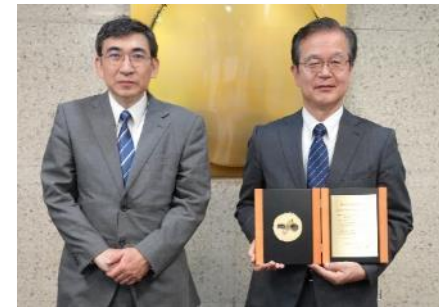
SUPER FORMULA



NEDO Green Innovation Fund Project



34th Japan Society of Rubber Science and Technology Awards



Two YRC employees receive award for R&D on rubber made from sustainable resources

Respect for human rights, social contribution activities

◆ Respect for human rights

- Established human rights policy in April 2022
Website in 8 languages
- Conducting human rights due diligence
- Opened grievance windows

◆ Social contributions based on needs of our local communities



Human rights survey at natural rubber plantation in Thailand



Tires donated to Japan Car Sharing Association as part of Great East Japan Earthquake recovery support activities

Diversity & inclusion

◆ Diversity Promotion Task Force (2019~)

Expanded activities of the Women's Participation & Advancement in the Workplace Task Force (2016~)

◆ Creating workplaces where people with diverse backgrounds can work together

- Global diversity
- Empowering women
- Acceptance & understanding of LGBTQ+

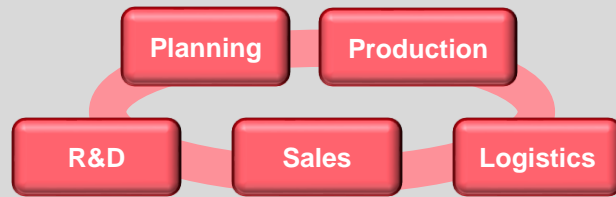


Brazilian food kitchen car for Brazilian workers at Mishima Plant

Work-style reforms

- ◆ Merger of head office and Hiratsuka Factory (planned completion end-March 2023)

Function integration to facilitate speedier decision-making



New meeting hall and cafeteria at Hiratsuka

- ◆ Working not restricted by time or place

- “Home office” system

Home offices contribute to business & employment continuity

- Establishment of satellite offices and new Tokyo office (in Shinagawa Intercity)
- Expanding work-at-home and flextime



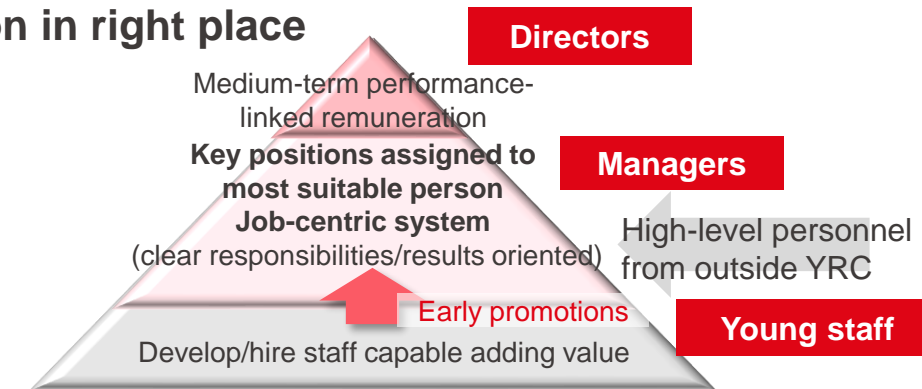
Shinagawa Intercity

Staff training

- ◆ Develop and hire staff capable of adding value

Early promotion to key positions based on performance, not years employed

- ◆ Right person in right place



Employees' health & safety

- ◆ Create risk-free worksites

- ◆ Create safe & comfortable work environments

- Heat reduction measures at factories
- Promote health management



Medium-term performance-linked remuneration system (implemented from FY2021)

*Calculated based on consolidated business profit of ¥180 billion yen in target period

Cumulative consolidated business profit in target period ÷ ¥180bn* × 100	Calculation method
120% or more	Monthly salary × 12 months × 1.5 bonus coefficient
100% to less than 120%	Monthly salary × 12 months × 1.0 bonus coefficient
Less than 100%	No bonus

Directors and auditors with the skills needed for implementing management strategy

Note) ● entered for maximum of 4 skills or areas of specialization for each director and auditor; chart does not indicate all the skills or professional knowledge possessed by the listed directors and auditors.

Name	Position	Corp mgt Mgt strategy	HR policies & development	Overseas knowledge Int'l business	Tech development & quality	Procurement/ Prod'n/Prod'n technology/ SCM	Finance & accounting	Governance Internal controls	ESG・CSR	Sales & Marketing
Masataka Yamaishi	President, Chairman of the Board	●	●	●				●		
Gota Matsuo	Member of the Board and Managing Officer						●	●	●	
Nitin Mantri	Member of the Board and Managing Officer	●		●		●				●
Toru Nakamura	Member of the Board and Officer			●	●	●			●	
Yasuo Nakayama	Member of the Board and Officer	●				●				●
Shinji Seimiya	Member of the Board and Officer				●	●			●	
Hideichi Okada	Member of the Board (Outside)	●		●				●	●	
Nobuo Takenaka	Member of the Board (Outside)	●	●							●
Hirokazu Kono	Member of the Board (Outside)	●			●	●				
Masatoshi Hori	Member of the Board (Outside)	●	●							●
Hiroko Kaneko	Member of the Board (Outside)		●				●	●		
Osamu Mikami	Audit & Supervisory Board Member	●		●				●		●
Hisao Uchida	Audit & Supervisory Board Member					●		●		
Atsushi Kamei	Audit & Supervisory Board Member (Outside)	●	●					●		●
Megumi Shimizu	Audit & Supervisory Board Member (Outside)			●				●		
Hiroki Kimura	Audit & Supervisory Board Member (Outside)	●					●	●		

Disclosures in Integrated Report

- ◆ August 2022 Issue Japanese Integrated Report (planned)
- ◆ October 2022 Issue English Integrated Report (planned)

Disclosure of climate change-related information based on TCFD recommendations

- ◆ April 2022 Posted on website
- ◆ April 2022 Included in Corporate Governance Report
- ◆ August 2022 Included in Integrated Report (planned)

Disclosure of issues discovered by implementation of human rights due diligence

- ◆ February 2023 FY2022 Implementation Status Report (planned)

Third-party recognition of our sustainability efforts

Selection for inclusion in ESG stock indexes



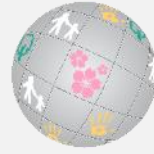
FTSE4Good

17 straight years



FTSE Blossom
Japan

5 straight years



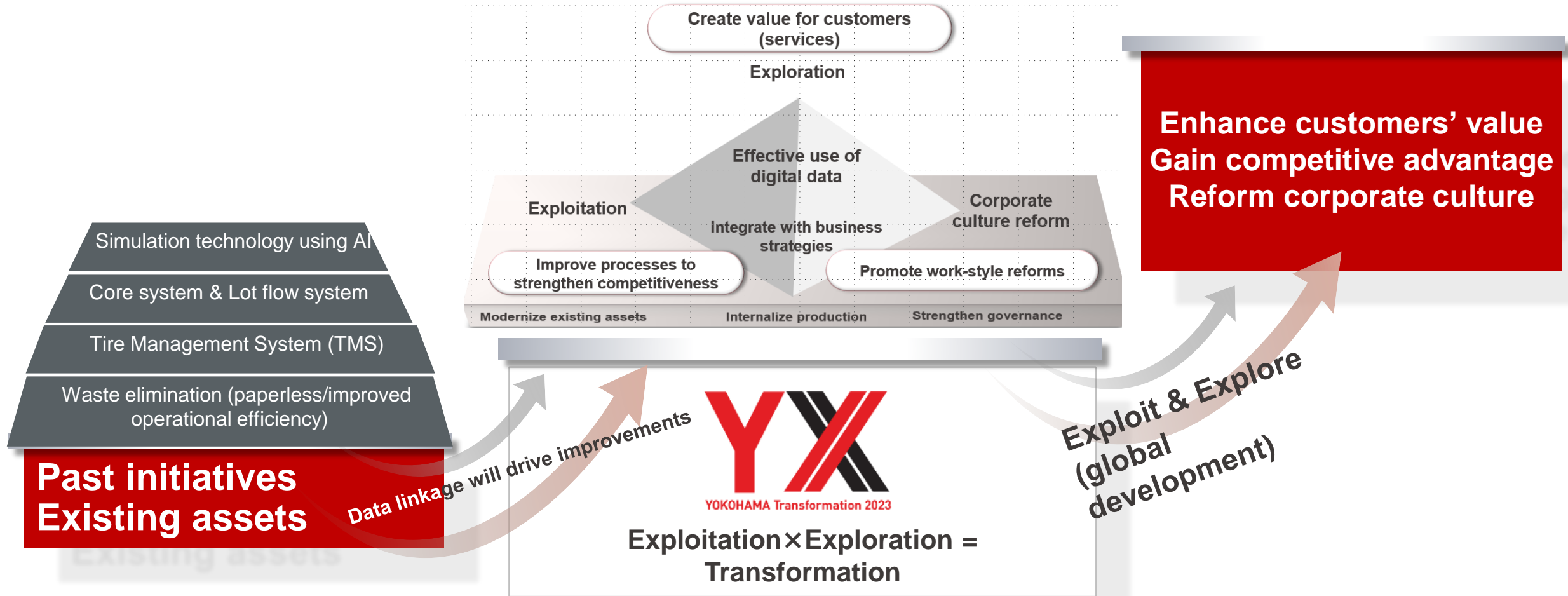
FTSE Blossom
Japan Sector
Relative Index

First selection



YOKOHAMA Digital Strategy

Leverage digital technology to enhance corporate value and drive sustainable transformation targeting further growth



“Exploitation×Exploration = Transformation” initiatives accelerated by digitalization



YOKOHAMA Transformation 2023

Business strategy

Exploitation×Exploration
= Transformation

Management foundations

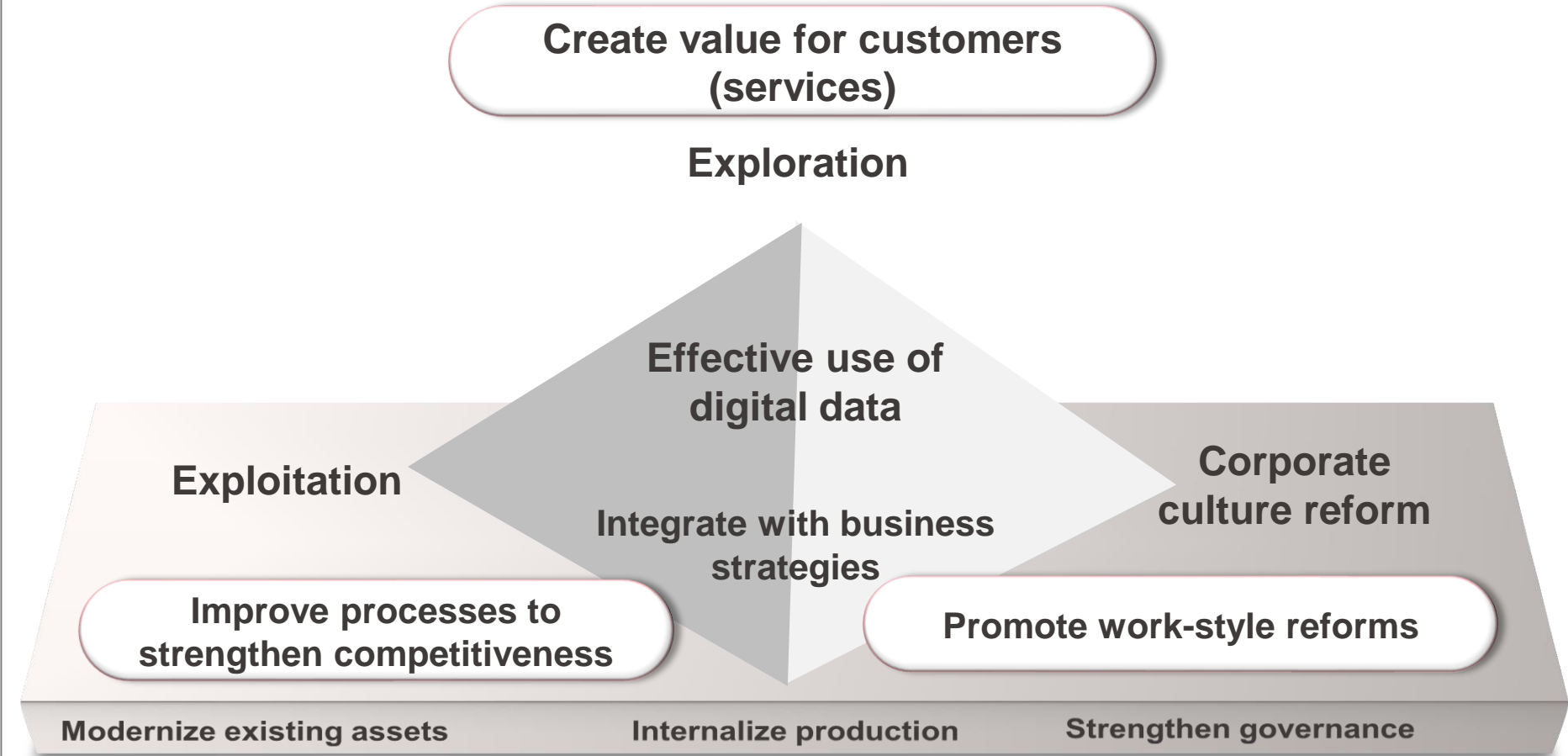
HR strategy

Working not restricted by time
or place

ESG management

Corporate governance

YOKOHAMA Digital Strategy’s 3 Pillars



Use data to continuously improve processes and create strong mechanisms that increase competitiveness



Development of advanced products

Develop products by combining human ingenuity and digital technology
Sophisticated and efficient development of products and compounds
Technology transfers



Accelerate process improvement

Power to **Connect**

Power to **Control**



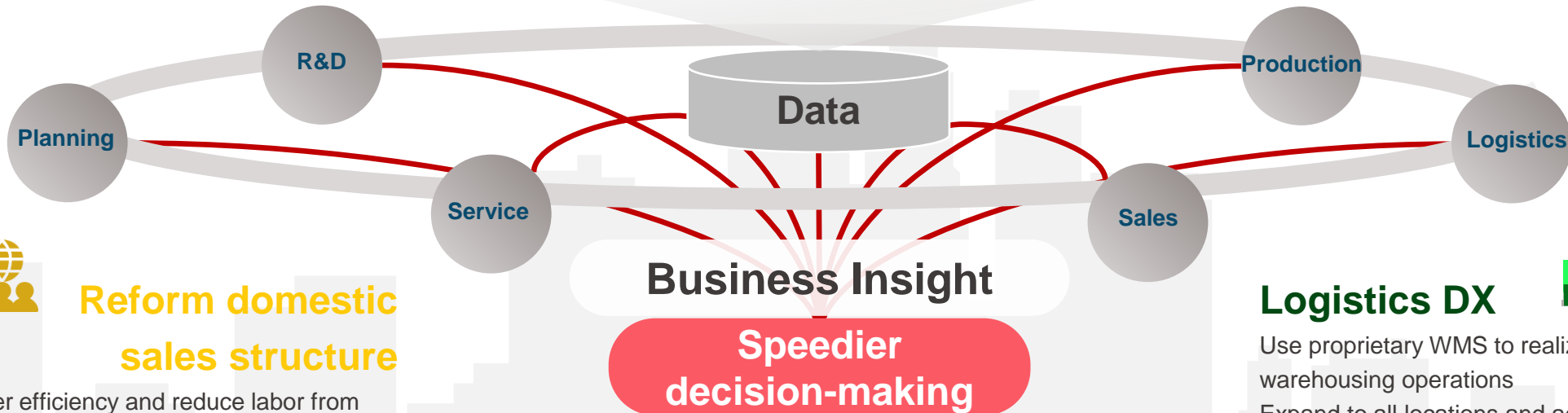
Digitalization of manufacturing

Use IoT to analyze lot flow and other data from factories
Expand production process improvement activities



Reform domestic sales structure

Achieve greater efficiency and reduce labor from receipt of orders to product delivery
Accelerate development of tire-related services



Create strong mechanisms (production, sales, R&D, logistics, corporate unity)

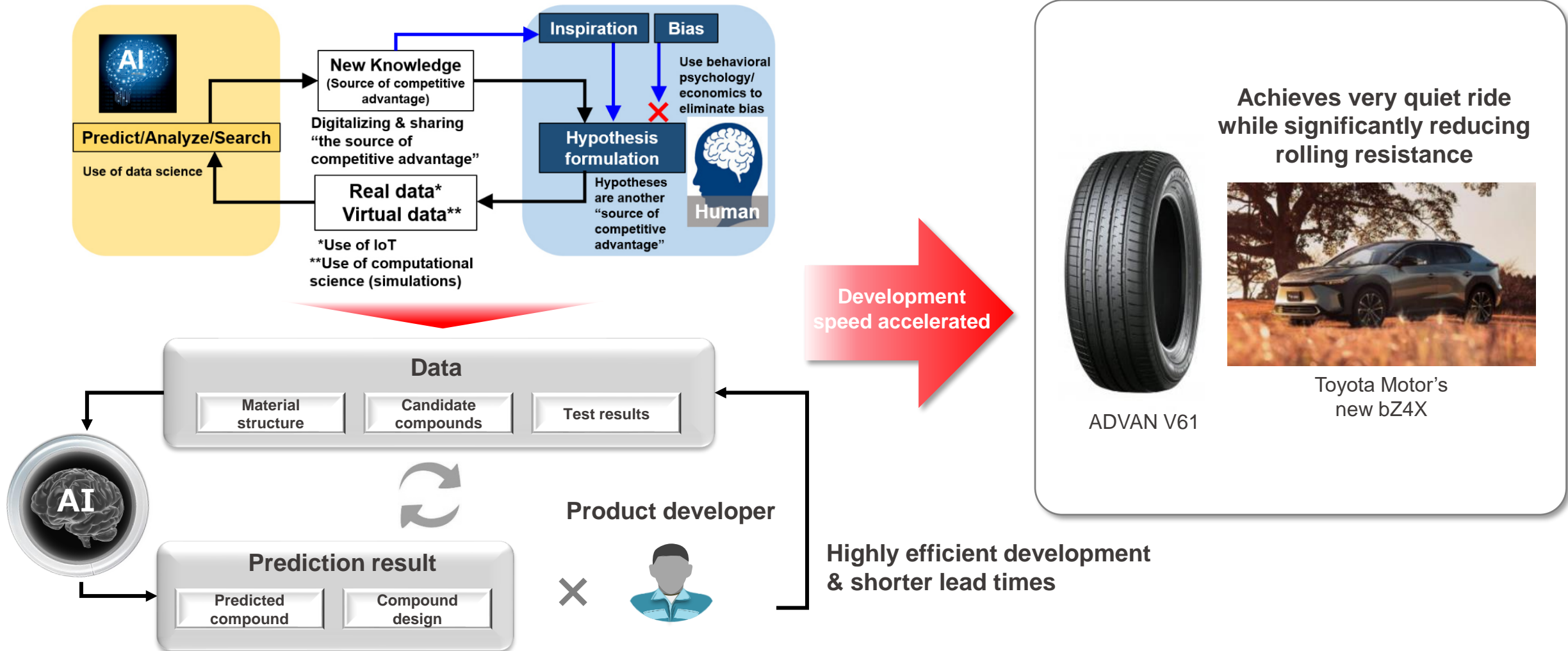
Logistics DX



Use proprietary WMS to realize more efficient warehousing operations
Expand to all locations and achieve traceability throughout the domestic supply chain within 2023

HAICoLab

A human, AI, and digital concerto that combines data analysis with human inspiration and interpretive capability to create innovative processes, products and services.



Creating high-value-added services based on knowledge obtained from practical trial runs

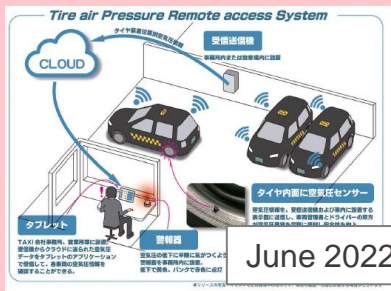
Explore

Practical test of TPRS installed in cars with car-share company



August 2021

Practical test of system-linked TPRS with taxi companies



June 2022

Labor-saving automation

Sensor Tire development

ALPSALPINE
Perfecting the Art of Electronics

Tire wear detection

Road surface condition



ZENRIN

Map data

Create high-value-added services

CASE

Road information feedback

V2V

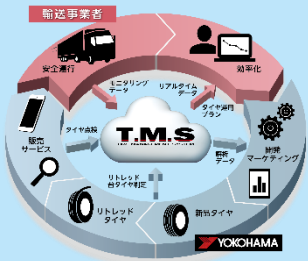
Logistics industry's

“2024 problem”

Labor shortage

Cost reductions

Safe operations



Tire management

Drive history

Efficient tire inspections

Estimate replacement timing

Continuous improvement



Big Data



AI

Services using Big Data

Optimal tire usage

Cost reduction

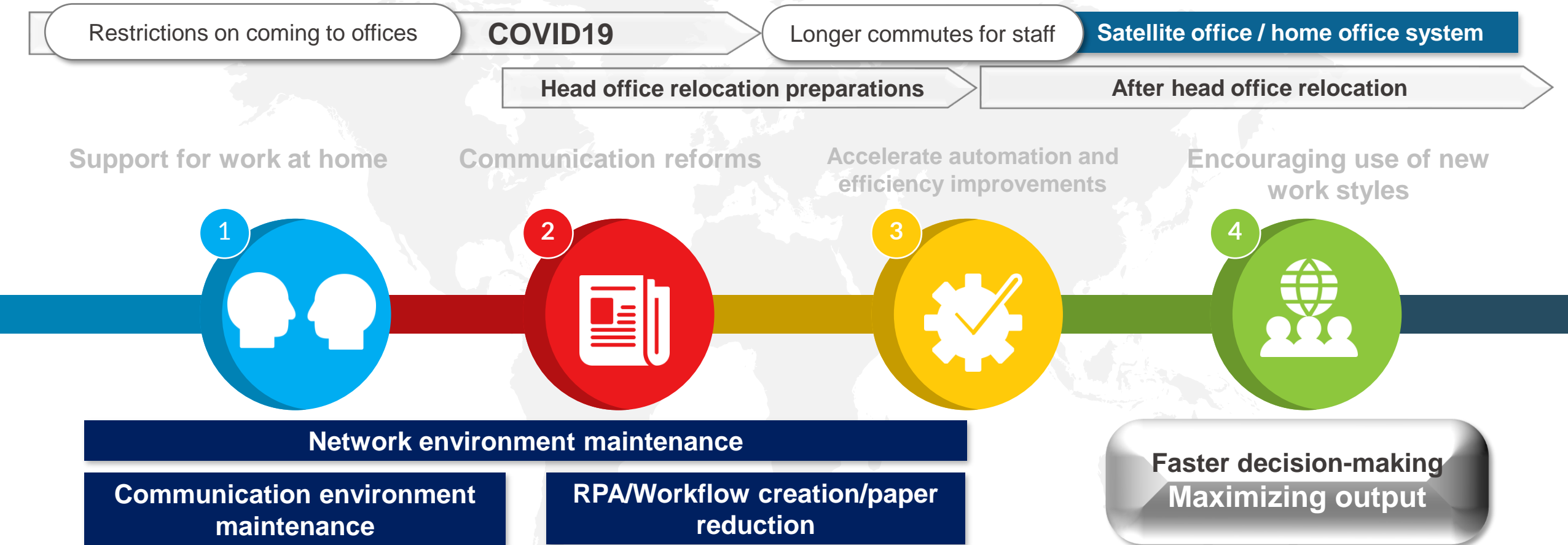
Environment-related measures

Unique tire inspection service utilizing digital technology

Exploit

Lighter work tasks, labor-saving

Head office relocation is being accompanied by work-style reforms that promote prompt decision-making and maximize the capabilities of individuals and organizational units.



Shifting emphasis to productivity improvement and greater value creation

Strive to create new added-value that will lead to further growth

