

# **FY 2022 First-Half Financial Results**

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## **Briefing Material**

August 10, 2022

The Yokohama Rubber Co., Ltd.

# Results for FY 2022 First-Half

## Consolidated subsidiaries 110 companies (1 more than at the end of previous fiscal year)

(Breakdown of change)

**+1 company**

Asia: +1 company  
Tire sales company

# Profit and Loss (First-Half)



Exchange Rates	US\$ 123 yen	108 yen (previous year)	+15 yen
	EUR 134 yen	130 yen (previous year)	+5 yen
	RUB 1.7 yen	1.5 yen (previous year)	+0.2 yen
TSR20*	171 cents	166 cents (previous year)	+5 cents *SICOM TSR20 1M
WTI	101 dollars	62 dollars (previous year)	+39 dollars

						(billion yen)	
		2022 Jan.-Jun.	2021 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Continued operations	Sales revenue	391.5	303.9	+87.6	+28.8%	+31.4	+56.2
	Business profit* <sup>1</sup> (Business profit margin)	27.7 (7.1%)	26.3 (8.7%)	+1.4 (-1.6%)	+5.3%	+7.5	-6.0
	Operating profit (Operating profit margin)	26.9 (6.9%)	48.6 (16.0%)	-21.7 (-9.1%)	-44.6%	+7.4	-29.2
	Profit	23.3	36.6	-13.3	-36.3%		
Discontinued operations	Profit* <sup>2</sup>	—	0.4	-0.4	—		
	Profit* <sup>3</sup>	23.3	36.9	-13.6	-36.9%		

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

\*3 Profit attributable to owners of parent

\*2 Transfer of Hamatite business

# Business Segment (First-Half)



(billion yen)

		2022 Jan.-Jun.	2021 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires (YOHT)	341.2 (79.1)	259.2 (48.2)	+82.0 (+30.9)	+31.6% (+64.1%)	+29.0 (+10.1)	+52.9 (+20.8)
	MB	45.1	40.2	+4.9	+12.2%	+2.3	+2.6
	Other	5.1	4.4	+0.7	+16.2%	+0	+0.7
	Total	391.5	303.9	+87.6	+28.8%	+31.4	+56.2
Business profit	Tires (YOHT)	26.4 (12.1)	23.4 (7.1)	+3.0 (+4.9)	+12.7% (+69.4%)	+6.9 (+1.5)	-3.9 (+3.4)
	MB	1.0	2.1	-1.1	-52.4%	+0.5	-1.7
	Other	0.3	0.8	-0.4	-58.7%	+0	-0.4
	Intersegment eliminations	0	0	-0	-29.3%	+0	-0
	Total	27.7	26.3	+1.4	+5.3%	+7.5	-6.0

# Factor Analysis of Business Profit



## 2022 First-Half

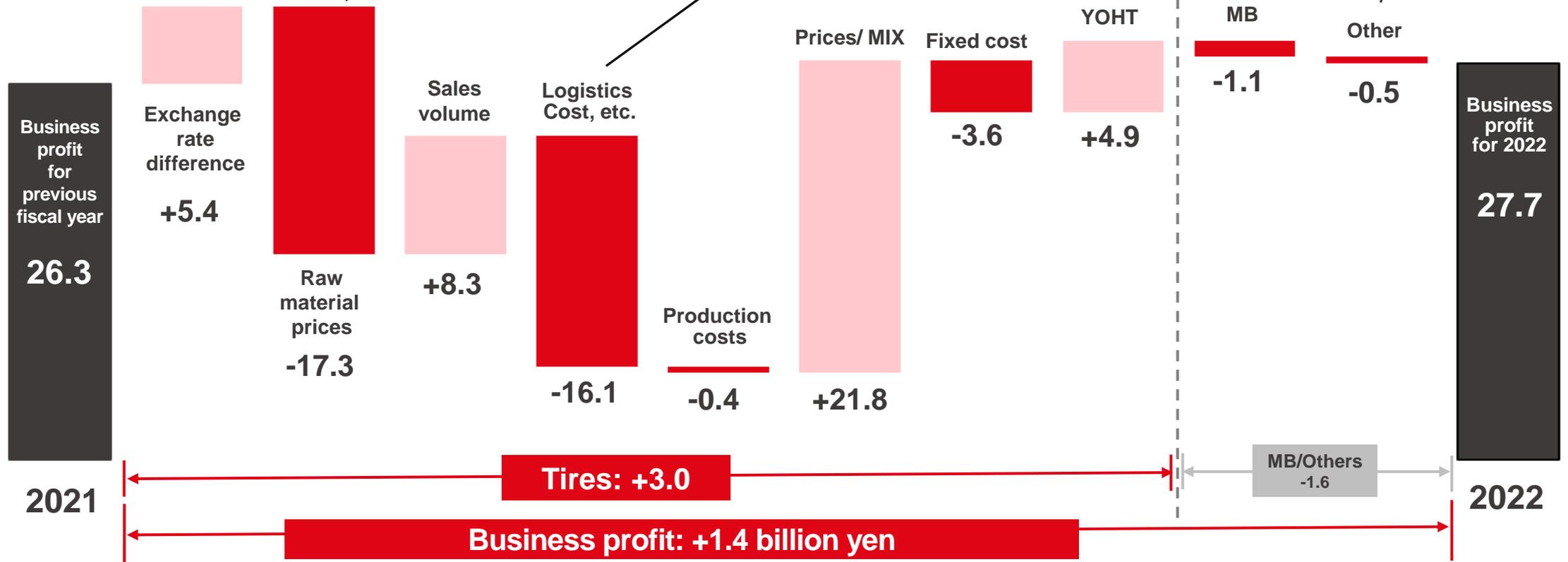
US\$ 123 yen 108 yen(previous year) +15 yen  
 EUR 134 yen 130 yen(previous year) +5 yen  
 RUB 1.7 yen 1.5 yen(previous year) +0.2 yen

(Breakdown)  
 Natural rubber -2.7  
 Synthetic rubber -3.8  
 Compound agent -6.5  
 Other -4.4

(Breakdown of logistics cost)  
 Volume -1.2  
 Unit price -15.0

(billion yen)  
■ Factors that boosted business profit  
■ Factors that reduced business profit

Acquisition-related expenses -0.7



# Profit and Loss (Quarterly)



Exchange Rates	US\$ 116 yen	106 yen (previous year)	+10 yen	US\$ 130 yen	110 yen (previous year)	+20 yen
	EUR 130 yen	128 yen (previous year)	+3 yen	EUR 138 yen	132 yen (previous year)	+6 yen
	RUB 1.3 yen	1.4 yen (previous year)	-0.1 yen	RUB 2.0 yen	1.5 yen (previous year)	+0.6 yen
TSR20*	177 cents	167 cents (previous year)	+10 cents	165 cents	165 cents (previous year)	+0 cent
WTI	94 dollars	58 dollars (previous year)	+36 dollars	108 dollars	66 dollars (previous year)	+42 dollars

\*SICOM TSR20 1M

				(billion yen)			
		2022 Jan.-Mar.	2021 Jan.-Mar.	Change	2022 Apr.-Jun.	2021 Apr.-Jun.	Change
Continued operations	Sales revenue	185.6	144.6	+41.0	205.9	159.3	+46.6
	Business profit* <sup>1</sup> (Business profit margin)	13.7 (7.4%)	14.0 (9.7%)	-0.3 (-2.3%)	14.1 (6.8%)	12.3 (7.7%)	+1.8 (-0.9%)
	Operating profit (Operating profit margin)	13.5 (7.3%)	36.3 (25.1%)	-22.8 (-17.8%)	13.4 (6.5%)	12.3 (7.7%)	+1.1 (-1.2%)
	Profit	10.2	27.5	-17.4	13.2	9.1	+4.1
Discontinued operations	Profit * <sup>2</sup>	—	0.3	-0.3	—	0.1	-0.1
	Profit * <sup>3</sup>	10.2	27.8	-17.7	13.2	9.1	+4.0

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

\*2 Transfer of Hamatite business

\*3 Profit attributable to owners of parent

# Business Segment (Quarterly)



(billion yen)

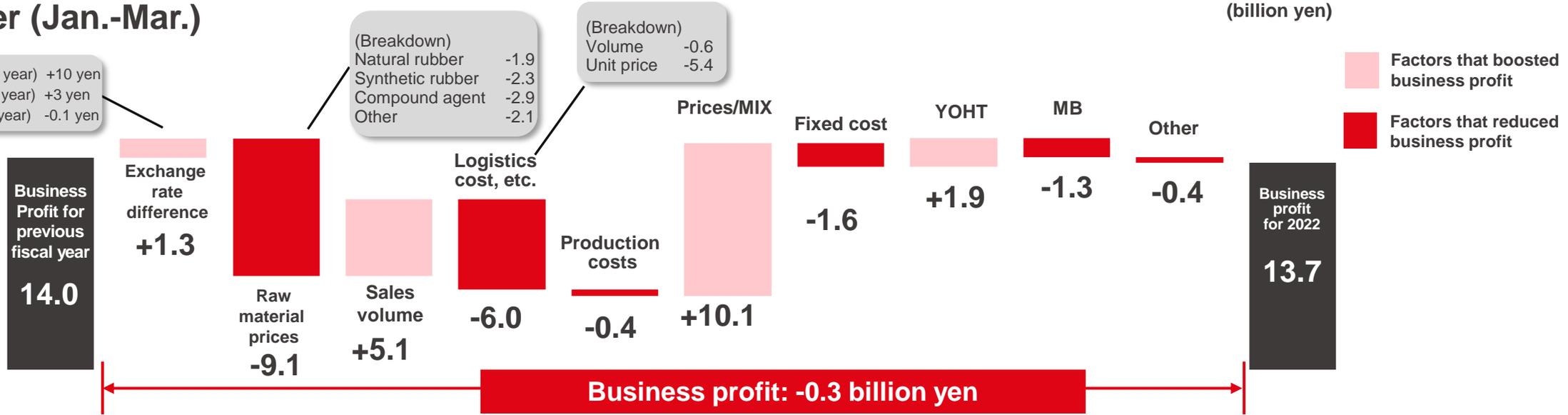
		2022 Apr.-Jun.	2021 Apr.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires (YOHT)	178.3 (42.8)	135.3 (25.7)	+43.0 (+17.1)	+31.8% (+66.5%)	+20.4 (+6.8)	+22.7 (+10.2)
	MB	24.7	21.5	+3.2	+14.7%	+1.6	+1.6
	Other	2.9	2.5	+0.4	+15.1%	+0	+0.4
	Total	205.9	159.3	+46.6	+29.2%	+22.0	+24.6
Business profit	Tires (YOHT)	12.4 (6.7)	10.7 (3.6)	+1.7 (+3.1)	+15.6% (+84.1%)	+5.2 (+1.0)	-3.5 (+2.0)
	MB	1.2	1.1	+0.2	+14.1%	+0.4	-0.3
	Other	0.4	0.5	-0.1	-12.2%	+0	-0.1
	Intersegment eliminations	0	0	-0	-49.3%	+0	-0
	Total	14.1	12.3	+1.8	+14.3%	+5.6	-3.9

# Factor Analysis of Business Profit (Quarterly)

## First-Quarter (Jan.-Mar.)

(billion yen)

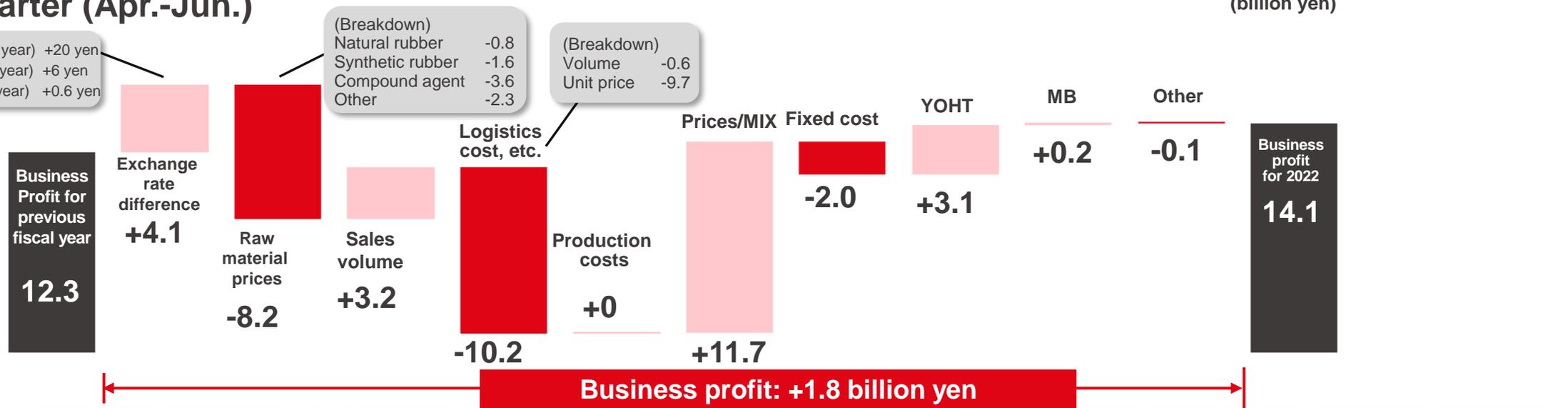
US\$ 116 yen 106 yen(previous year) +10 yen  
 EUR 130 yen 128 yen(previous year) +3 yen  
 RUB 1.3 yen 1.4 yen(previous year) -0.1 yen



## Second-Quarter (Apr.-Jun.)

(billion yen)

US\$ 130 yen 110 yen(previous year) +20 yen  
 EUR 138 yen 132 yen(previous year) +6 yen  
 RUB 2.0 yen 1.5 yen(previous year) +0.6 yen



# Financial Position (Comparison with the end of the previous year)



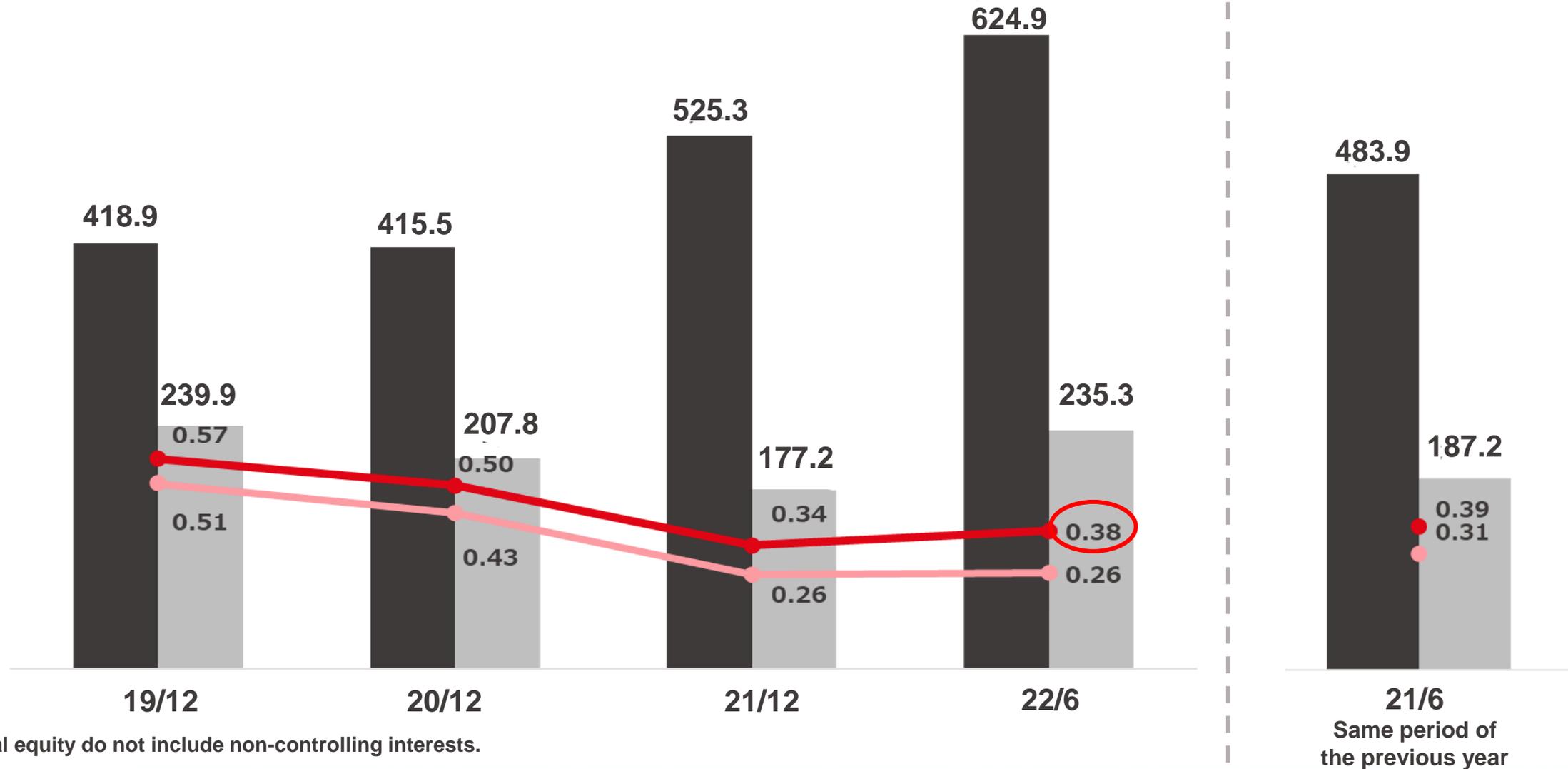
	(billion yen)		Same period of the previous year
	Jun. 30, 2022	Dec. 31, 2021	Jun. 30, 2021
Current assets	492.7	383.6	333.2
Non-current assets	672.0	601.4	581.8
<b>Total assets</b>	<b>1164.7</b>	<b>985.0</b>	<b>921.5</b>
Liabilities	531.9	452.0	430.5
Equity	632.8	533.0	490.9
<b>Total liabilities and equity</b>	<b>1164.7</b>	<b>985.0</b>	<b>921.5</b>
Interest-bearing debt*	235.3	177.2	187.2
Ratio of equity attributable to owners of parent	53.6%	53.3%	52.5%
D/E ratio	0.38	0.34	0.39

\* 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 (billion yen)\*
  Interest-bearing debt (billion yen)
  D/E ratio
  Net D/E ratio



\* Total equity do not include non-controlling interests.

# State of Cash Flows



(billion yen)

	2022 Jan.-Jun.	2021 Jan.-Jun.	Change
CF from operating activities	8.3	32.6	-24.4
CF from investing activities	-24.8	4.1	-28.9
Free CF	-16.6	36.7	-53.3
CF from financing activities	36.5	-33.5	+70.0
Closing balance of cash and cash equivalents	71.8	36.0	+35.8

# Earnings Forecast for FY 2022

# Profit and Loss Projections (Full Year)

(Changed from the previous forecast)

## Forecasts after July 2022

Exchange Rates	US\$ 130 yen	
	EUR 133 yen	
	RUB 2.0 yen	
TSR20*	154 cents	*SICOM TSR20 1M
WTI	98 dollars	

(billion yen)

		2022 forecast	2021 result	Change	Change (%)	2022 previous forecast	Change for previous forecast
Continued operations	Sales revenue	855.0	670.8	+184.2	+27.5%	750.0	+105.0
	Business profit* <sup>1</sup> (Business profit margin)	62.5 (7.3%)	62.2 (9.3%)	+0.3 (-2.0%)	+0.5%	60.0 (8.0%)	+2.5 (-0.7%)
	Operating profit (Operating profit margin)	60.5 (7.1%)	83.6 (12.5%)	-23.1 (-5.4%)	-27.7%	58.5 (7.8%)	+2.0 (-0.7%)
	Profit	42.0	58.7	-16.7	-28.5%	40.0	+2.0
Discontinued operations	Profit * <sup>2</sup>	—	6.8	-6.8	—	—	—
	Profit * <sup>3</sup>	42.0	65.5	-23.5	-35.9%	40.0	+2.0

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

\*3 Profit attributable to owners of parent

\*2 Transfer of Hamatite business

# Business Segment (Full-Year Forecast)



(billion yen)

		2022 forecast	2021 result	Change	Change (%)	2022 previous forecast	Change for previous forecast
Sales revenue	Tires (YOHT)	748.0 (161.0)	577.5 (107.3)	+170.5 (+53.7)	+29.5% (+50.1%)	647.0 (120.0)	+101.0 (+41.0)
	MB	97.0	84.4	+12.6	+14.9%	95.0	+2.0
	Other	10.0	8.9	+1.1	+12.6%	8.0	+2.0
	Total	855.0	670.8	+184.2	+27.5%	750.0	+105.0
Business profit	Tires (YOHT)	58.2 (20.2)	57.2 (14.7)	+1.0 (+5.5)	+1.7% (+37.3%)	52.7 (14.9)	+5.5 (+5.3)
	MB	5.4	3.8	+1.6	+42.8%	6.4	-1.0
	Other	-1.1	1.1	-2.2	-	0.9	-2.0
	Intersegment eliminations	-	0.1	-0.1	-	-	-
	Total	62.5	62.2	+0.3	+0.5%	60.0	+2.5

\* From 2022, the business that was previously called "ATG" has been renamed "YOHT" and, considering the similarities in its customer base and product characteristics, its results are consolidated into tire segment results.

Fiscal 2021 results are approximate values calculated based on the revised reporting segment classification and are subject to change based on the results of accounting audits.

# Factor Analysis of Business Profit (Full-Year Forecast)



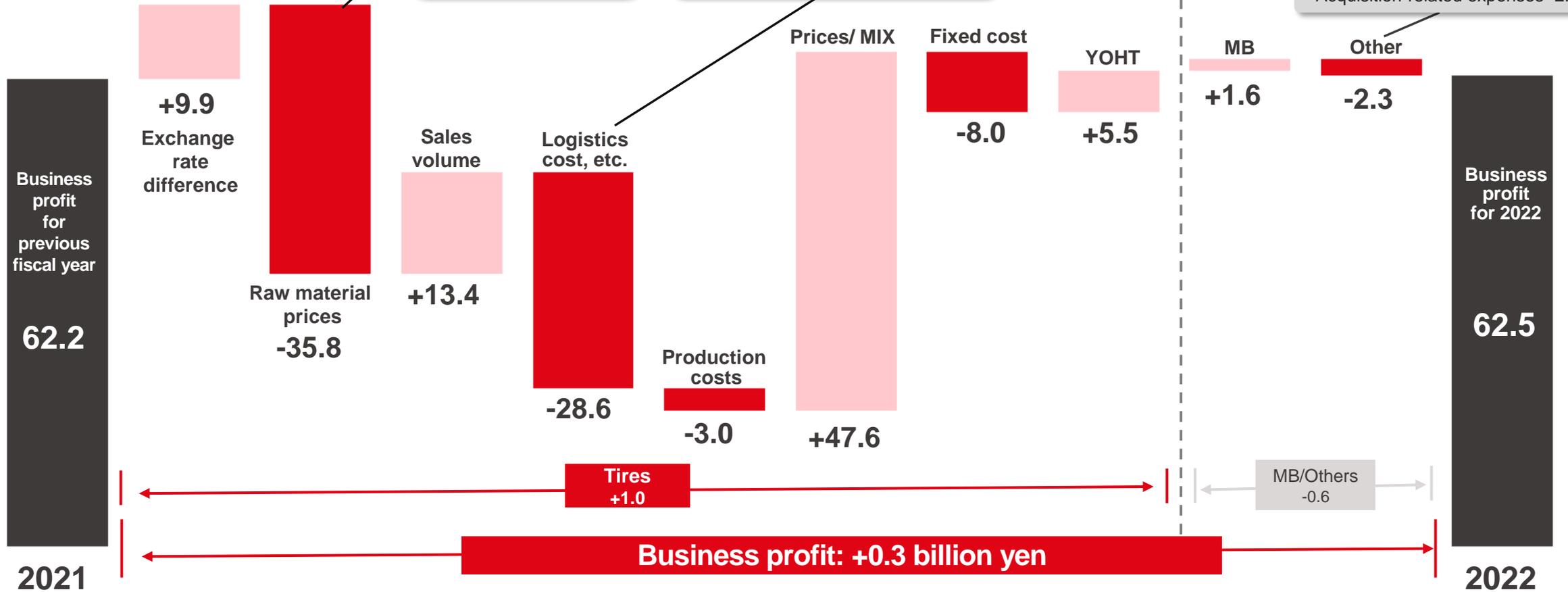
## 2022 (Full-Year Forecast)

US\$ 127 yen 110 yen(previous year) +17 yen  
 EUR 134 yen 130 yen(previous year) +4 yen  
 RUB 1.9 yen 1.5 yen(previous year) +0.4 yen

(Breakdown)  
 Natural rubber -3.9  
 Synthetic rubber -8.5  
 Compound agent -15.4  
 Other -7.9

(Breakdown of logistics cost)  
 Volume -2.0  
 Unit price -26.6

(billion yen)  
 Factors that boosted business profit  
 Factors that reduced business profit  
 Acquisition-related expenses -2.3



## 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.

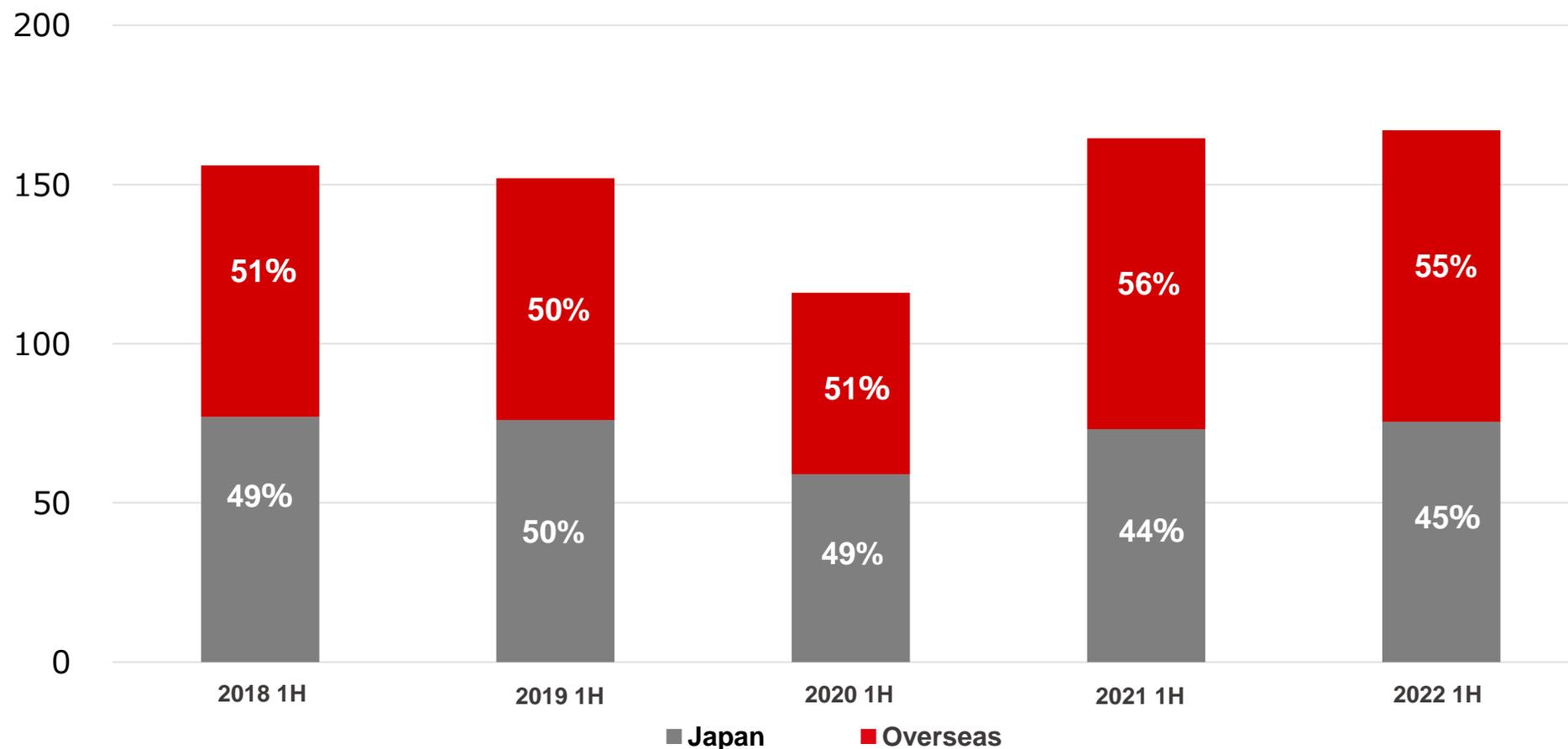
# (Reference) Tire Unit Sales YoY Growth



Tire Business		2021			2022		
		2Q	1H	Full year	2Q	1H	Full year forecast
Japan	OE	168%	119%	93%	80%	84%	102%
	REP	106%	108%	105%	106%	115%	107%
Overseas	OE	116%	132%	104%	95%	104%	111%
	REP	148%	141%	121%	103%	102%	106%

	2021			2022			Regional sales composition		
	2Q	1H	Full year	2Q	1H	Full year forecast	2021 full year	2022 2Q	2022 1H
Japan	123%	112%	101%	96%	103%	105%	38%	36%	37%
No. America	150%	131%	116%	99%	102%	107%	20%	21%	21%
Europe	148%	137%	122%	110%	114%	105%	7%	7%	6%
Russia	136%	122%	110%	31%	63%	56%	4%	1%	2%
China	106%	144%	106%	94%	100%	116%	17%	16%	17%
Asia	192%	158%	130%	137%	121%	119%	10%	13%	12%
Others	146%	128%	127%	106%	96%	97%	5%	6%	5%
Total	132%	127%	110%	99%	103%	106%	-	-	-

# (Reference) Tire Rubber Production Volumes

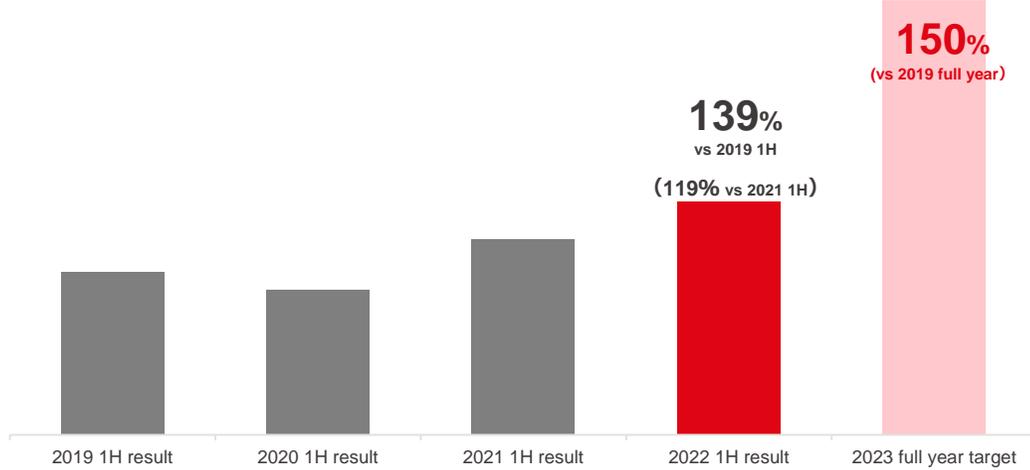


(Unit: thousand tons)	2018 1H	2019 1H	2020 1H	2021 1H	2022 1H
Japan	77	76	59	73	76
Overseas	79	76	57	91	92
Total	156	153	116	165	167

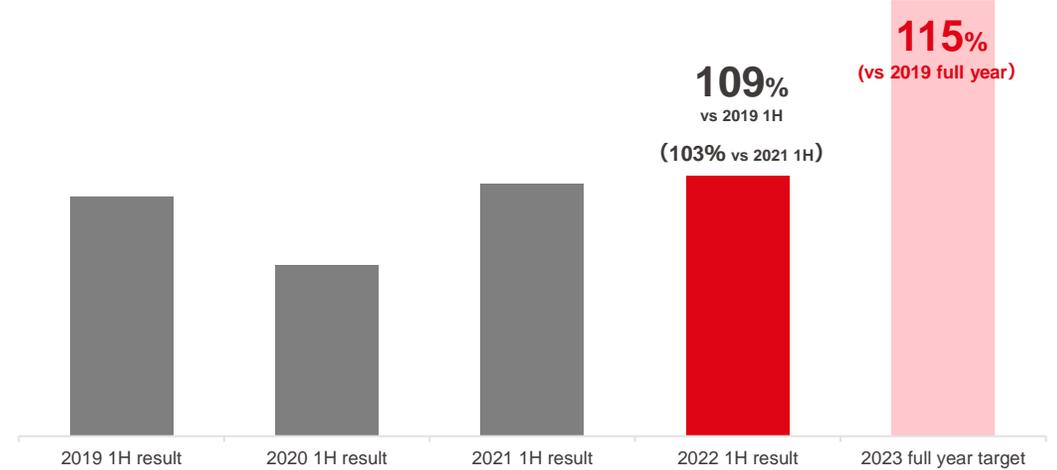
# (Reference) Cumulative Unit Sales of Consumer Tire Products



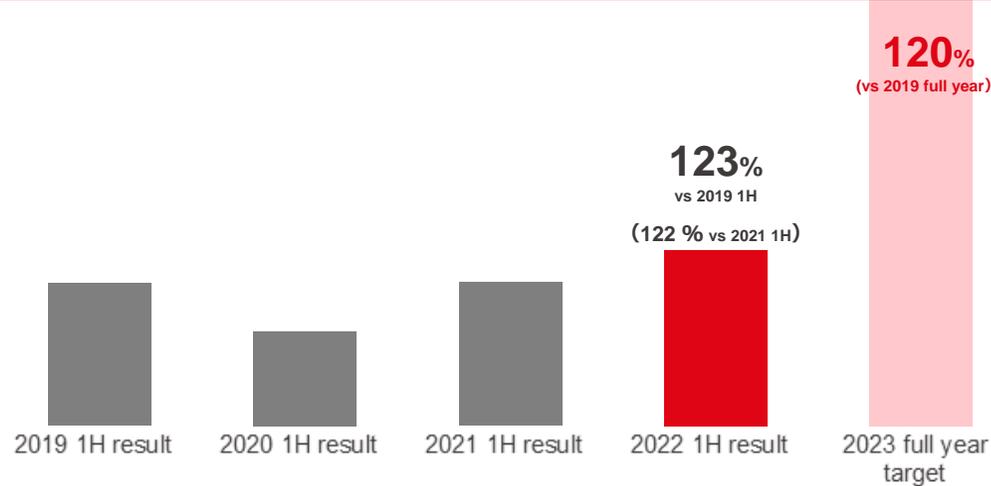
## ADVAN



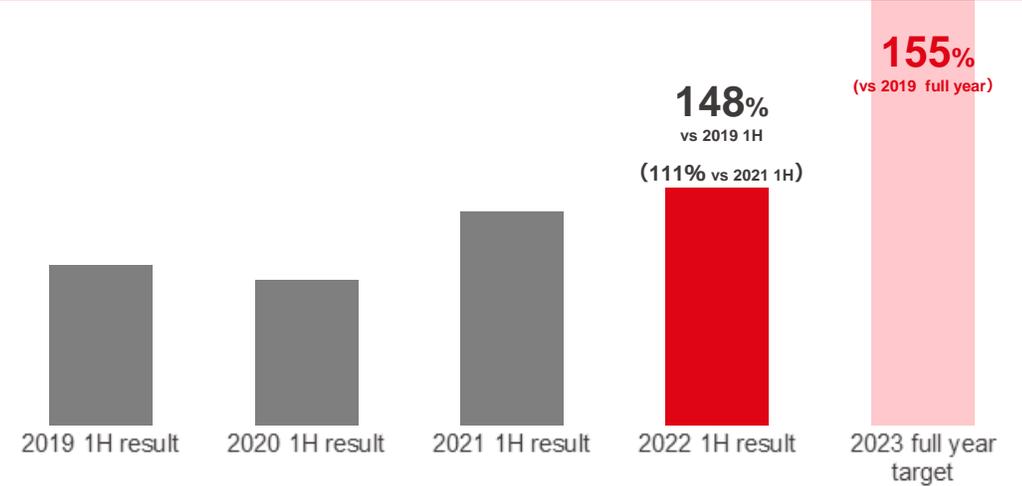
## GEOLANDAR



## WINTER



## 18-inch and larger





YOKOHAMA Transformation 2023