

# **FY 2019 First-Quarter Financial Results**

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## **Briefing Material**

May 14, 2019

The Yokohama Rubber Co., Ltd.

## ■ Scope of consolidation

**Consolidated subsidiaries 123 companies  
(±0 at the end of previous fiscal year)**

(Breakdown of change)

Europe: +1 company (Tire)  
Asia: +1 company(Tire)  
Japan: -2 companies (Tire)

## ■ Breakdown of transfers

(Tire +2 companies)

Yokohama France SAS (France/Tire sales company)  
Yokohama Tire Korea Co., Ltd. (Korea/Tire sales company)

(Tire - 2companies)

(Japan/Tire indirectly owned sales subsidiary)

# Profit and Loss (First Quarter)

<b>Exchange Rates</b>	US\$ 110 yen	108 yen (previous year)	+2 yen	
	EUR 125 yen	133 yen (previous year)	-8 yen	
	RUB 1.7 yen	1.9 yen (previous year)	-0.2 yen	
<b>TSR20*</b>	140 cents	147 cents (previous year)	-7 cents	*SICOM TSR20 1M
<b>WTI</b>	55 dollars	63 dollars (previous year)	-8 dollars	

	(billion yen)					
	2019 Jan.-Mar.	2018 Jan.-Mar.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
<b>Sales revenue</b>	<b>149.5</b>	<b>149.2</b>	<b>+0.4</b>	<b>+0.2%</b>	<b>-0.8</b>	<b>+1.1</b>
<b>Business profit*<sup>1</sup></b> (Business profit margin)	<b>5.8</b> (3.9%)	<b>11.7</b> (7.8%)	<b>-5.9</b> (-3.9%)	<b>-50.1%</b>	<b>-0.4</b>	<b>-5.4</b>
<b>Operating profit</b> (Operating profit margin)	<b>12.9</b> (8.6%)	<b>14.1</b> (9.4%)	<b>-1.2</b> (-0.8%)	<b>-8.4%</b>	<b>-0.4</b>	<b>-0.8</b>
<b>Profit *<sup>2</sup></b>	<b>9.1</b>	<b>9.3</b>	<b>-0.2</b>	<b>-2.2%</b>		

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

\*2 Profit attributable to owners of parent

# Factor Analysis of Business Profit

## 2019 First Quarter

(billion yen)

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

US\$ 110 yen 108 yen(previous year) +2 yen  
 EUR 125 yen 133 yen(previous year) -8 yen  
 RUB 1.7 yen 1.9 yen(previous year) -0.2 yen

(Breakdown)  
 Sales volume -2.5  
 Variable cost -0.4

Exchange rate difference

-0.6

-0.4

Raw material prices

Sales volume

-2.9

Production costs

-1.4

Prices/ MIX

-0.8

Fixed cost

-0.5

ATG

+0.5

MB

+0.1

Other

+0.1

Business profit for previous fiscal year

11.7

5.8

2018

2019

Tires

-6.6

ATG

+0.5

MB/Others

+0.2

Business profit: -5.9 billion yen

# Business Segment (First Quarter)

(billion yen)

		2019 Jan.-Mar.	2018 Jan.-Mar.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	100.1	104.2	-4.1	-3.9%	-1.1	-3.0
	MB	28.9	26.3	+2.6	+9.7%	-0	+2.6
	ATG	18.9	16.9	+2.0	+11.6%	+0.3	+1.6
	Other	1.7	1.8	-0.1	-4.8%	+0	-0.1
	<b>Total</b>	<b>149.5</b>	<b>149.2</b>	<b>+0.4</b>	<b>+0.2%</b>	<b>-0.8</b>	<b>+1.1</b>
Business profit	Tires	1.5	8.0	-6.6	-81.6%	-0.6	-0.6
	MB	1.7	1.7	+0.1	+3.4%	+0.1	-0
	ATG	2.4	1.9	+0.5	+28.3%	+0	+0.5
	Other	0.1	0.1	+0.1	+77.2%	+0	+0.1
	Intersegment eliminations	0.1	0	+0	-	-	+0
	<b>Total</b>	<b>5.8</b>	<b>11.7</b>	<b>-5.9</b>	<b>-50.1%</b>	<b>-0.4</b>	<b>-5.4</b>

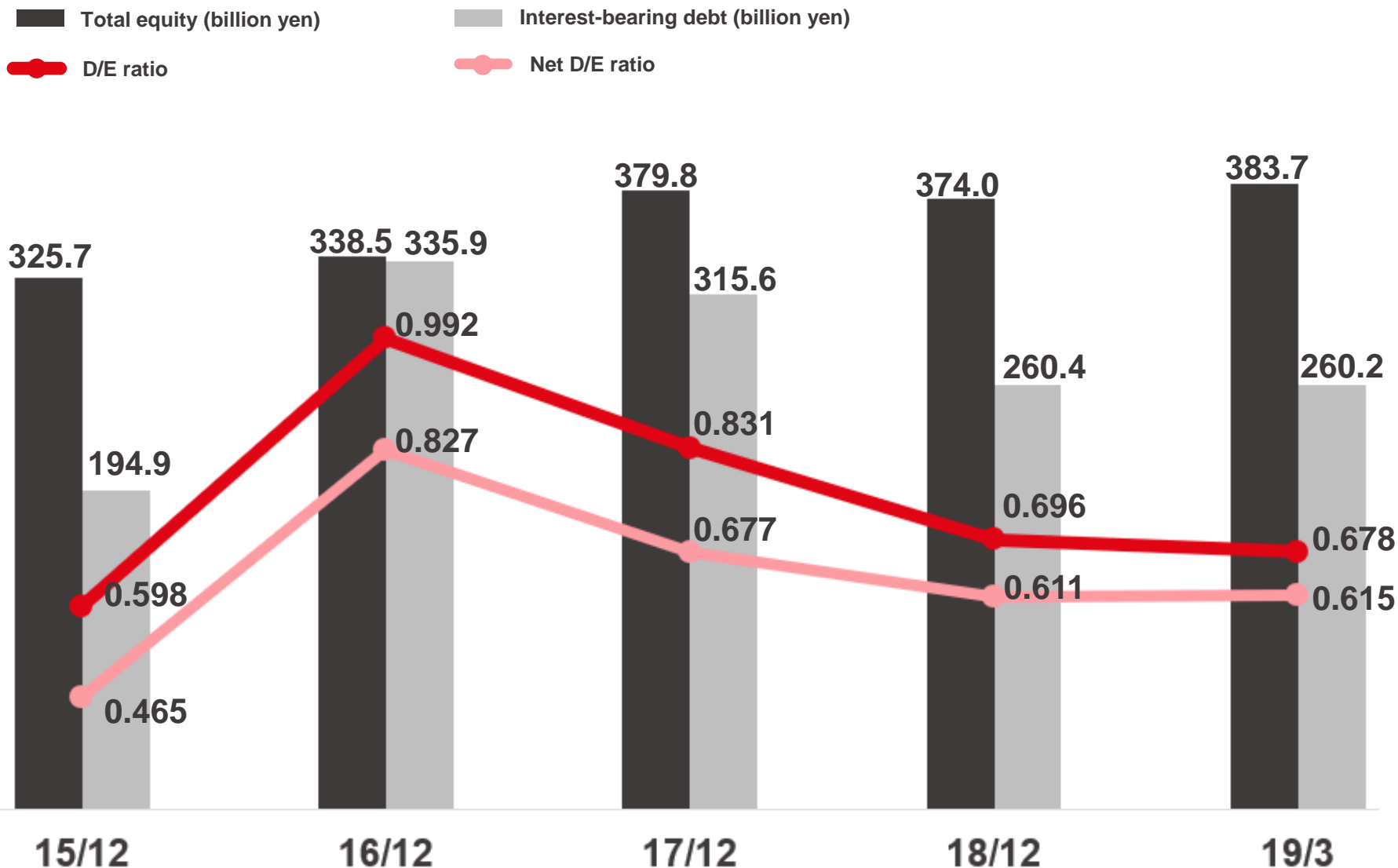
# Financial Position

(billion yen)

	Mar. 31, 2019	Dec. 31, 2018	Change
Current assets	328.8	335.5	-6.7
Non-current assets	551.2	520.3	+30.9
Total assets	880.0	855.8	+24.2
Liabilities	487.8	473.4	+14.4
Equity	392.2	382.4	+9.8
Total liabilities and equity	880.0	855.8	+24.2
Interest-bearing debt *	260.2	260.4	-0.2
Ratio of equity attributable to owners of parent	43.6%	43.7%	-0.1%
D/E ratio	0.678	0.696	-0.018

\*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.

# State of Cash Flows

(billion yen)

	2019 Jan.-Mar.	2018 Jan.-Mar.	Change
CF from operating activities	7.5	13.8	-6.3
CF from investing activities	-7.9	-8.4	+0.4
Free CF	-0.4	5.5	-5.9
CF from financing activities	-7.2	-14.5	+7.4
Closing balance of cash and cash equivalents	24.4	47.4	-23.0



# Earnings Forecast for FY 2019

# FY2019 Profit and Loss Projections (First-Half)

(Changed from the previous forecast)

## Forecasts after April 2019

Exchange Rates	US\$ 110 yen	
	EUR 125 yen	
	RUB 1.7 yen	
TSR20*	147 cents	*SICOM TSR20 1M
WTI	58 dollars	

	(billion yen)				
	2019 First half (revised forecast)	2018 First half (result)	Change for 2018 result	2019 First half (previous forecast)	Change for previous forecast
Sales revenue	300.0	309.7	-9.7	300.0	-
Business profit* <sup>1</sup> (Business profit margin)	17.5 (5.8%)	23.8 (7.7%)	-6.3 (-1.9%)	17.5 (5.8%)	- -
Operating profit (Operating profit margin)	25.0 (8.3%)	26.4 (8.5%)	-1.4 (-0.2%)	17.5 (5.8%)	+7.5 (+2.5%)
Profit * <sup>2</sup>	17.0	17.8	-0.8	11.0	+6.0

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

\*2 Profit attributable to owners of parent

# FY2019 Profit and Loss Projections (Full Year)

(Changed from the previous forecast)

## Forecasts after April 2019

Exchange Rates	US\$ 110 yen	
	EUR 125 yen	
	RUB 1.7 yen	
TSR20*	147 cents	*SICOM TSR20 1M
WTI	58 dollars	

				(billion yen)	
	2019 Full year (revised forecast)	2018 Full year (result)	Change for 2018 result	2019 Full year (previous forecast)	Change for previous forecast
Sales revenue	660.0	650.2	+9.8	660.0	-
Business profit* <sup>1</sup> (Business profit margin)	57.5 (8.7%)	59.3 (9.1%)	-1.8 (-0.4%)	57.5 (8.7%)	- -
Operating profit (Operating profit margin)	65.0 (9.8%)	53.5 (8.2%)	+11.5 (+1.6%)	57.5 (8.7%)	+7.5 (+1.1%)
Profit * <sup>2</sup>	46.0	35.6	+10.4	40.0	+6.0

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

\*2 Profit attributable to owners of parent

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## 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.

