

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

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## **Briefing Material**

August 9, 2019

The Yokohama Rubber Co., Ltd.

## ■ Scope of consolidation

**Consolidated subsidiaries 120 companies  
(3 less than at the end of previous fiscal year)**

(Breakdown of change)

Asia: +1 company (Tire)  
Japan: -4 company (Tire)

## ■ Breakdown of transfers

(Tire +2 companies)

Yokohama France SAS (France/Tire sales company)

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

(Tire -4 companies)

(Japan/Tire indirectly owned sales subsidiary)

(MB -1 company)

Yokohama Industrial Products Europe GmbH (Germany/MB sales company)

# Profit and Loss (First Half)

Exchange Rates	US\$ 110 yen	109 yen (previous year)	+1 yen
	EUR 124 yen	132 yen (previous year)	-7 yen
	RUB 1.7 yen	1.8 yen (previous year)	-0.1 yen
TSR20*	146 cents	143 cents (previous year)	+2 cents
WTI	57 dollars	65 dollars (previous year)	-8 dollars

\*SICOM TSR20 1M

	(billion yen)					
	2019 Jan.-Jun.	2018 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	311.1	309.7	+1.4	+0.5%	-2.0	+3.4
Business profit* <sup>1</sup> (Business profit margin)	17.2 (5.5%)	23.8 (7.7%)	-6.5 (-2.2%)	-27.5%	-1.1	-5.4
Operating profit (Operating profit margin)	25.1 (8.1%)	26.4 (8.5%)	-1.2 (-0.4%)	-4.7%	-1.1	-0.2
Profit * <sup>2</sup>	16.7	17.8	-1.1	-6.2%		

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

\*2 Profit attributable to owners of parent

# Factor Analysis of Business Profit

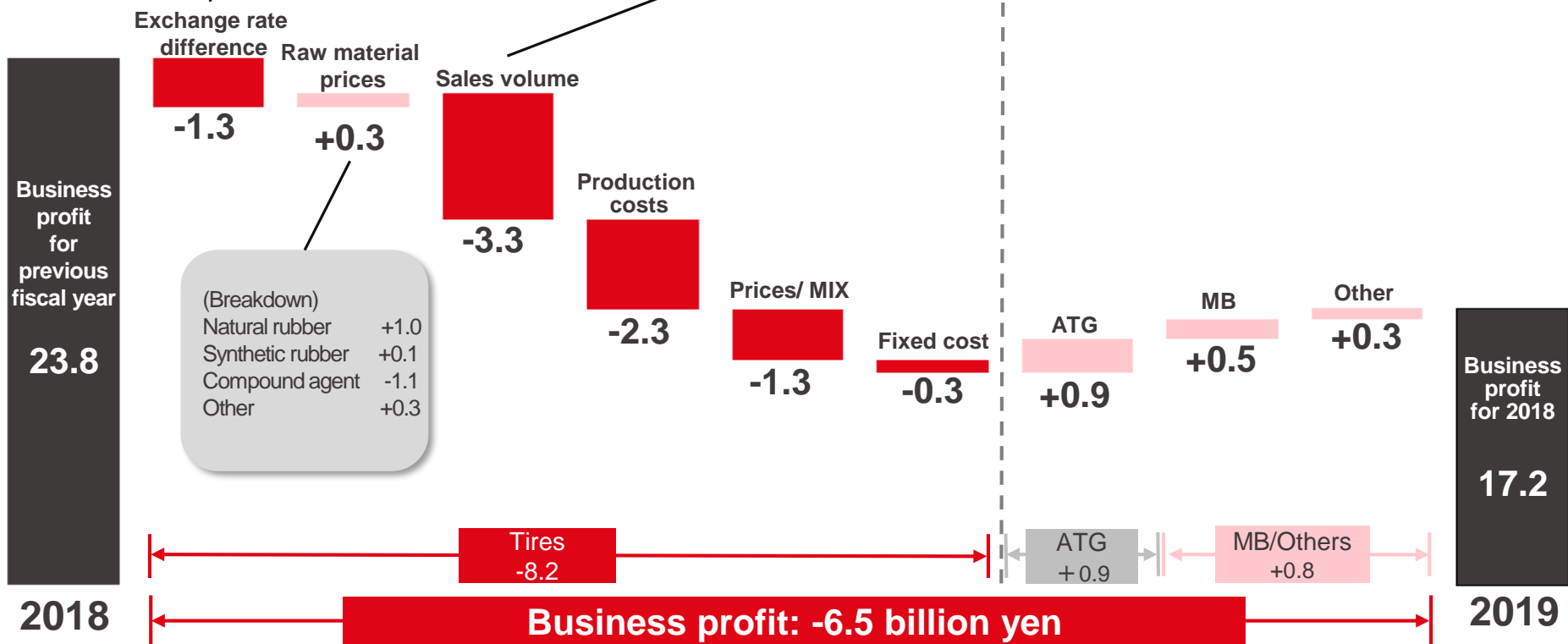
## 2019 First Half

(billion yen)

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

US\$ 110 yen 109 yen(previous year) +1 yen  
 EUR 124 yen 132 yen(previous year) -7yen  
 RUB 1.7 yen 1.8 yen(previous year) -0.1 yen

(Breakdown)  
 Sales volume -1.8  
 Variable cost -1.5



# Business Segment (First Half)

(billion yen)

		2019 Jan.-Jun.	2018 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	210.1	213.6	-3.5	-1.6%	-2.3	-1.2
	MB	59.5	57.3	+2.2	+3.8%	-0.2	+2.4
	ATG	37.3	34.8	+2.5	+7.1%	+0.5	+2.0
	Other	4.2	4.0	+0.3	+6.9%	+0	+0.3
	<b>Total</b>	<b>311.1</b>	<b>309.7</b>	<b>+1.4</b>	<b>+0.5%</b>	<b>-2.0</b>	<b>+3.4</b>
Business profit	Tires	7.5	15.7	-8.2	-52.4%	-1.3	-7.0
	MB	4.0	3.5	+0.5	+15.0%	+0.1	+0.4
	ATG	5.2	4.3	+0.9	+20.3%	+0.1	+0.8
	Other	0.5	0.4	+0.2	+55.8%	+0	+0.2
	Intersegment eliminations	0.1	-0	+0.1	-	-	+0.1
	<b>Total</b>	<b>17.2</b>	<b>23.8</b>	<b>-6.5</b>	<b>-27.5%</b>	<b>-1.1</b>	<b>-5.4</b>

# Profit and Loss (Quarterly)

## Exchange Rates

US\$ 110 yen	+2 yen
EUR 125 yen	-8 yen
RUB 1.7 yen	-0.2 yen

US\$ 110 yen	+1 yen
EUR 124 yen	-7 yen
RUB 1.7 yen	-0.1 yen

US\$ 110 yen	+1 yen
EUR 124 yen	-7 yen
RUB 1.7 yen	-0.1 yen

## TSR20\*

140 cents -7 cents

152 cents +13 cents

146 cents +2 cents

## WTI

55 dollars -8 dollars

60 dollars -8 dollars

57 dollars -8 dollars

\*SICOM TSR20 1M

(billion yen)

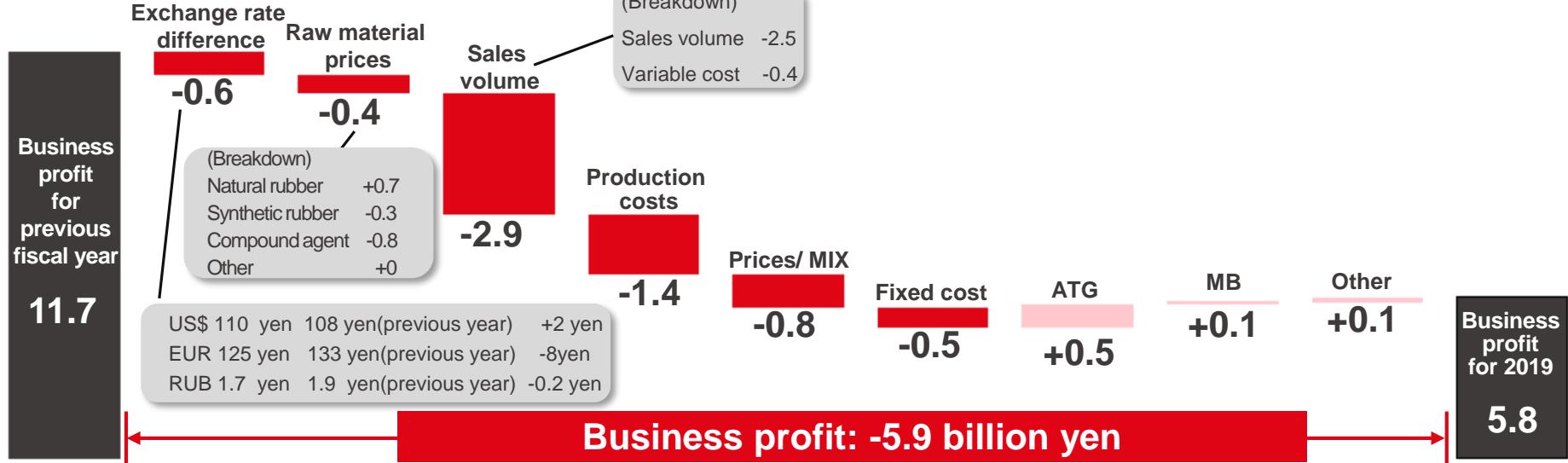
	2019 Jan.–Mar.	YoY Change	2019 Apr.–Jun.	YoY Change	2019 Jan.-Jun.	YoY Change
<b>Sales revenue</b>	<b>149.5</b>	<b>+0.4</b>	<b>161.6</b>	<b>+1.1</b>	<b>311.1</b>	<b>+1.4</b>
<b>Business profit*<sup>1</sup></b> (Business profit margin)	<b>5.8</b> (3.9%)	<b>-5.9</b> (-3.9%)	<b>11.4</b> (7.1%)	<b>-0.7</b> (-0.4%)	<b>17.2</b> (5.5%)	<b>-6.5</b> (-2.2%)
<b>Operating profit</b> (Operating profit margin)	<b>12.9</b> (8.6%)	<b>-1.2</b> (-0.8%)	<b>12.2</b> (7.6%)	<b>-0.1</b> (-0.1%)	<b>25.1</b> (8.1%)	<b>-1.2</b> (-0.4%)
<b>Profit*<sup>2</sup></b>	<b>9.1</b>	<b>-0.2</b>	<b>7.6</b>	<b>-0.9</b>	<b>16.7</b>	<b>-1.1</b>

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

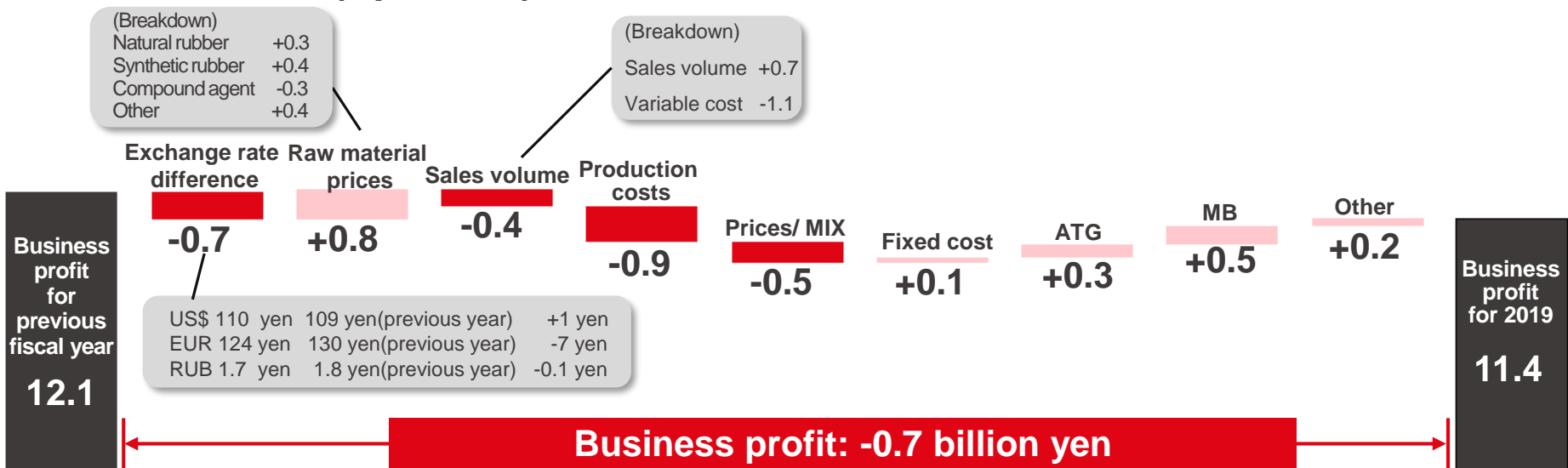
\*2 Profit attributable to owners of parent

# Factor Analysis of Business Profit

## First Quarter (Jan.-Mar.)



## Second Quarter (Apr.-Jun.)



# Financial Position

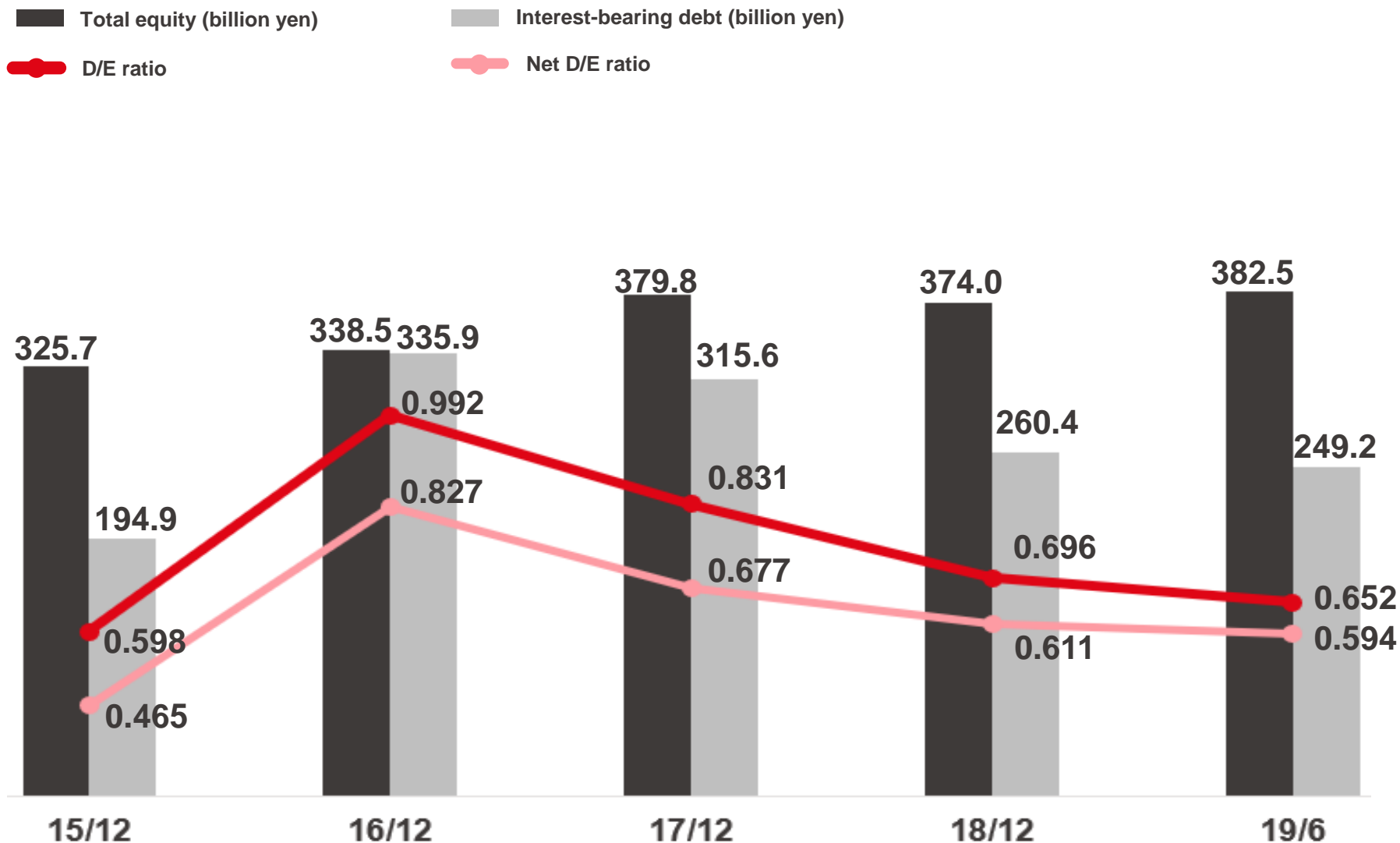
(billion yen)

	Jun. 30, 2019	Dec. 31, 2018	Change
Current assets	315.6	335.5	-19.9
Non-current assets	548.3	520.3	+27.9
Total assets	863.9	855.8	+8.0
Liabilities	473.5	473.4	+0.1
Equity	390.3	382.4	+7.9
Total liabilities and equity	863.9	855.8	+8.0
Interest-bearing debt	249.2	260.4	-11.2
Ratio of equity attributable to owners of parent	44.3%	43.7%	+0.6%
D/E ratio	0.652	0.696	-0.045

\*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.-Jun.	2018 Jan.-Jun.	Change
CF from operating activities	28.6	29.6	-1.0
CF from investing activities	-20.8	-17.3	-3.5
Free CF	7.8	12.3	-4.5
CF from financing activities	-17.2	-26.6	+9.4
Closing balance of cash and cash equivalents	22.1	42.4	-20.3

# Earnings Forecast for FY 2019

# FY2019 Profit and Loss Projections (Full Year)

(No changes from the previous forecast)

## Forecasts after July 2019

Exchange Rates	US\$ 108 yen
	EUR 122 yen
	RUB 1.7 yen

TSR20*	153 cents	*SICOM TSR20 1M
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WTI	55 dollars
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(billion yen)

	2019 Full year (forecast)	2018 Full year (result)	Change	2019 Jan.-Jun. (result)	2018 Jan.-Jun. (result)	Change
Sales revenue	660.0	650.2	+9.8	311.1	309.7	+1.4
Business profit* <sup>1</sup> (Business profit margin)	57.5 (8.7%)	59.3 (9.1%)	-1.8 (-0.4%)	17.2 (5.5%)	23.8 (7.7%)	-6.5 (-2.2%)
Operating profit (Operating profit margin)	65.0 (9.8%)	53.5 (8.2%)	+11.5 (+1.6%)	25.1 (8.1%)	26.4 (8.5%)	-1.2 (-0.4%)
Profit * <sup>2</sup>	46.0	35.6	+10.4	16.7	17.8	-1.1

\*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.

