



# **FY 2020 First-Half Financial Results**

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## **Briefing Material**

August 7, 2020

The Yokohama Rubber Co., Ltd.

## ■ Scope of consolidation

**Consolidated subsidiaries 119 companies  
(2 less than at the end of previous fiscal year)**

**(Breakdown of change)**

**-2 company**

**Japan: -2 company**

**Tire indirectly owned sales subsidiary**

# Profit and Loss (First Half)

<b>Exchange Rates</b>	US\$ 108 yen	110 yen (previous year)	-2 yen	
	EUR 119 yen	124 yen (previous year)	-5 yen	
	RUB 1.6 yen	1.7 yen (previous year)	-0.1 yen	
<b>TSR20*</b>	123 cents	146 cents (previous year)	-23 cents	*SICOM TSR20 1M
<b>WTI</b>	37 dollars	57 dollars (previous year)	-21 dollars	

	(billion yen)					
	2020 Jan.-Jun.	2019 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
<b>Sales revenue</b>	247.1	311.1	-64.0	-20.6%	-3.8	-60.2
<b>Business profit*1</b> (Business profit margin)	2.3 (0.9%)	17.2 (5.5%)	-15.0 (-4.6%)	-86.8%	-0.7	-14.3
<b>Operating profit</b> (Operating profit margin)	2.9 (1.2%)	25.1 (8.1%)	-22.2 (-6.9%)	-88.3%	-0.7	-21.5
<b>Profit *2</b>	1.3	16.7	-15.5	-92.5%		

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

\*2 Profit attributable to owners of parent

# Business Segment (First Half)

(billion yen)

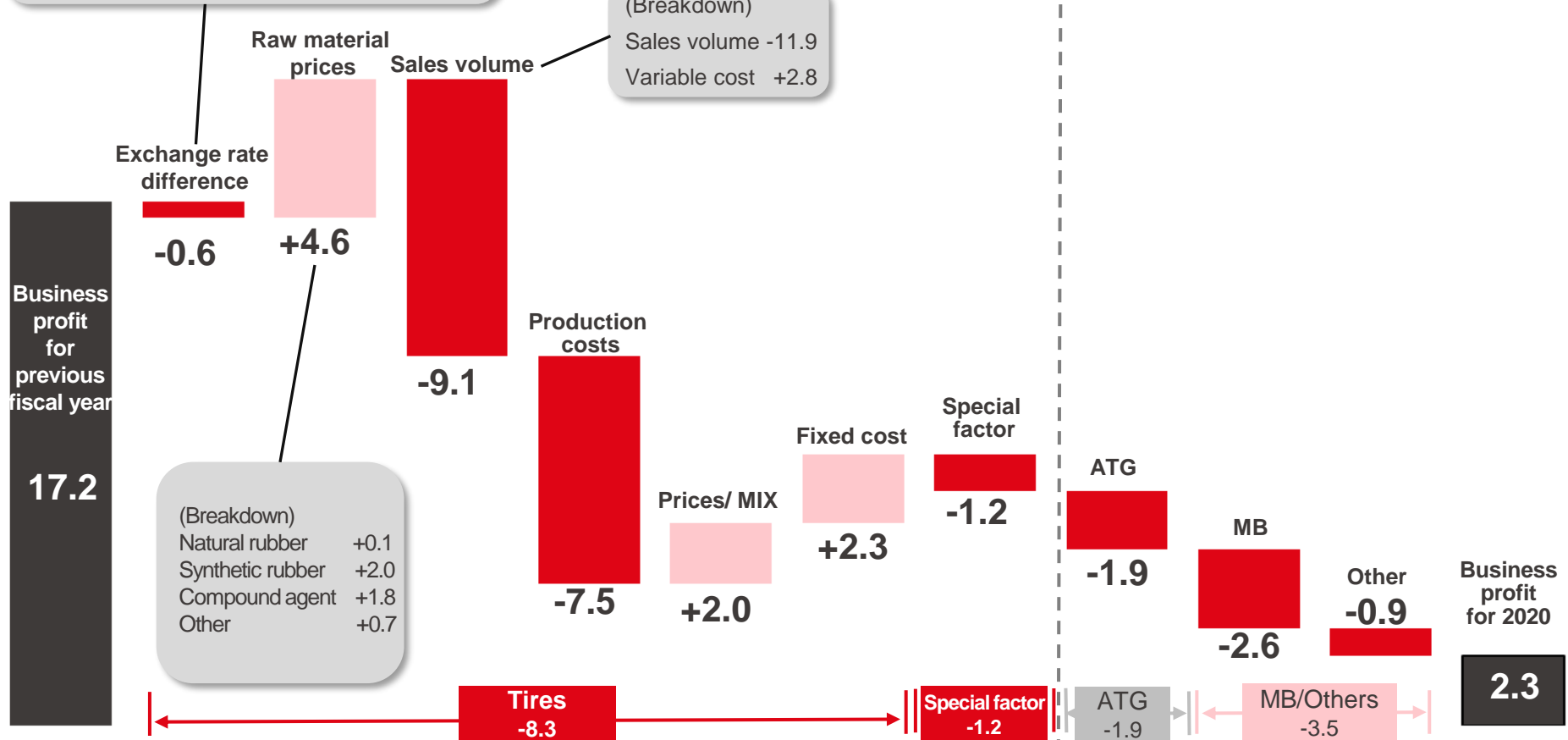
		2020 Jan.-Jun.	2019 Jan.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	166.6	210.1	-43.5	-20.7%	-2.8	-40.7
	MB	47.5	59.5	-12.0	-20.2%	-0.5	-11.5
	ATG	30.1	37.3	-7.2	-19.3%	-0.5	-6.7
	Other	3.0	4.2	-1.3	-29.9%	-0	-1.3
	<b>Total</b>	<b>247.1</b>	<b>311.1</b>	<b>-64.0</b>	<b>-20.6%</b>	<b>-3.8</b>	<b>-60.2</b>
Business profit	Tires	-2.0	7.5	-9.5	-	-0.6	-9.0
	MB	1.4	4.0	-2.6	-65.2%	-0.1	-2.5
	ATG	3.2	5.2	-1.9	-37.3%	-0	-1.9
	Other	-0.4	0.5	-0.9	-	-0	-0.9
	Intersegment eliminations	0	0	+0	-	-	+0
	<b>Total</b>	<b>2.3</b>	<b>17.2</b>	<b>-15.0</b>	<b>-86.8%</b>	<b>-0.7</b>	<b>-14.3</b>

# Factor Analysis of Business Profit

## 2020 First Half

US\$ 108 yen 110 yen (previous year) -2 yen  
 EUR 119 yen 124 yen (previous year) -5 yen  
 RUB 1.6 yen 1.7 yen (previous year) -0.1 yen

(Breakdown)  
 Sales volume -11.9  
 Variable cost +2.8



**2019** | Business profit: -15.0 billion yen (excluding special factor: -13.8 billion yen) | **2020**

# Profit and Loss (Quarterly)

Exchange Rates	US\$ 109 yen	-1 yen	US\$ 108 yen	-2 yen	US\$ 108 yen	-2 yen
	EUR 120 yen	-5 yen	EUR 119 yen	-5 yen	EUR 119 yen	-5 yen
	RUB 1.6 yen	-0.0 yen	RUB 1.5 yen	-0.2 yen	RUB 1.6 yen	-0.1 yen
TSR20*	134 cents	-6 cents	111 cents	-41 cents	123 cents	-23 cents
WTI	46 dollars	-9 dollars	28 dollars	-32 dollars	37 dollars	-21 dollars

\*SICOM TSR20 1M

	2020		2020		2020	
	Jan.-Mar.	YoY Change	Apr.-Jun.	YoY Change	Jan.-Jun.	YoY Change
<b>Sales revenue</b>	<b>129.1</b>	<b>-20.4</b>	<b>118.0</b>	<b>-43.6</b>	<b>247.1</b>	<b>-64.0</b>
<b>Business profit*<sup>1</sup></b> (Business profit margin)	<b>1.8</b> (1.4%)	<b>-4.0</b> (-2.5%)	<b>0.5</b> (0.4%)	<b>-11.0</b> (-6.7%)	<b>2.3</b> (0.9%)	<b>-15.0</b> (-4.6%)
<b>Operating profit</b> (Operating profit margin)	<b>1.2</b> (1.0%)	<b>-11.6</b> (-7.6%)	<b>1.7</b> (1.4%)	<b>-10.5</b> (-6.2%)	<b>2.9</b> (1.2%)	<b>-22.2</b> (-6.9%)
<b>Profit*<sup>2</sup></b>	<b>-0.3</b>	<b>-9.4</b>	<b>1.5</b>	<b>-6.1</b>	<b>1.3</b>	<b>-15.5</b>

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

\*2 Profit attributable to owners of parent

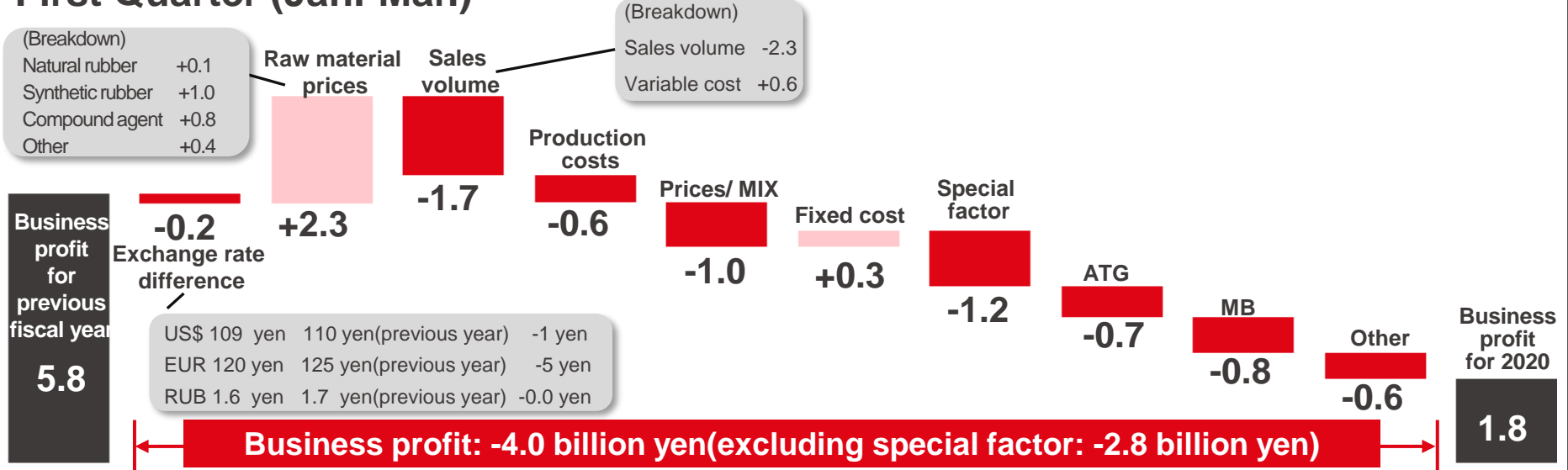
# Business Segment (Quarterly)

(billion yen)

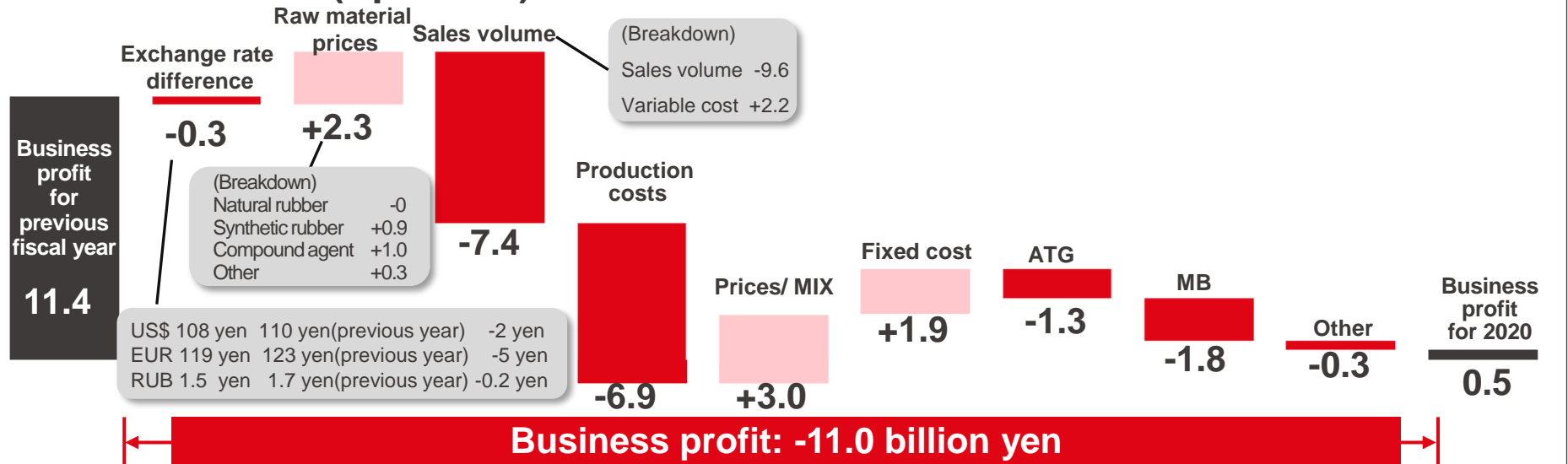
		2020 Apr.-Jun.	2019 Apr.-Jun.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	79.2	110.0	-30.8	-28.0%	-1.8	-29.0
	MB	22.6	30.7	-8.0	-26.2%	-0.3	-7.7
	ATG	14.5	18.4	-3.9	-21.1%	-0.3	-3.6
	Other	1.7	2.5	-0.9	-34.5%	-0	-0.9
	<b>Total</b>	<b>118.0</b>	<b>161.6</b>	<b>-43.6</b>	<b>-27.0%</b>	<b>-2.4</b>	<b>-41.2</b>
Business profit	Tires	-1.5	6.0	-7.5	-	-0.3	-7.2
	MB	0.5	2.3	-1.8	-79.6%	-0.1	-1.8
	ATG	1.5	2.7	-1.3	-46.5%	-0	-1.2
	Other	0	0.4	-0.4	-92.2%	-0	-0.4
	Intersegment eliminations	0	0	+0	-	-	+0
	<b>Total</b>	<b>0.5</b>	<b>11.4</b>	<b>-11.0</b>	<b>-96.0%</b>	<b>-0.4</b>	<b>-10.5</b>

# Factor Analysis of Business Profit

## First Quarter (Jan.-Mar.)



## Second Quarter (Apr.-Jun.)



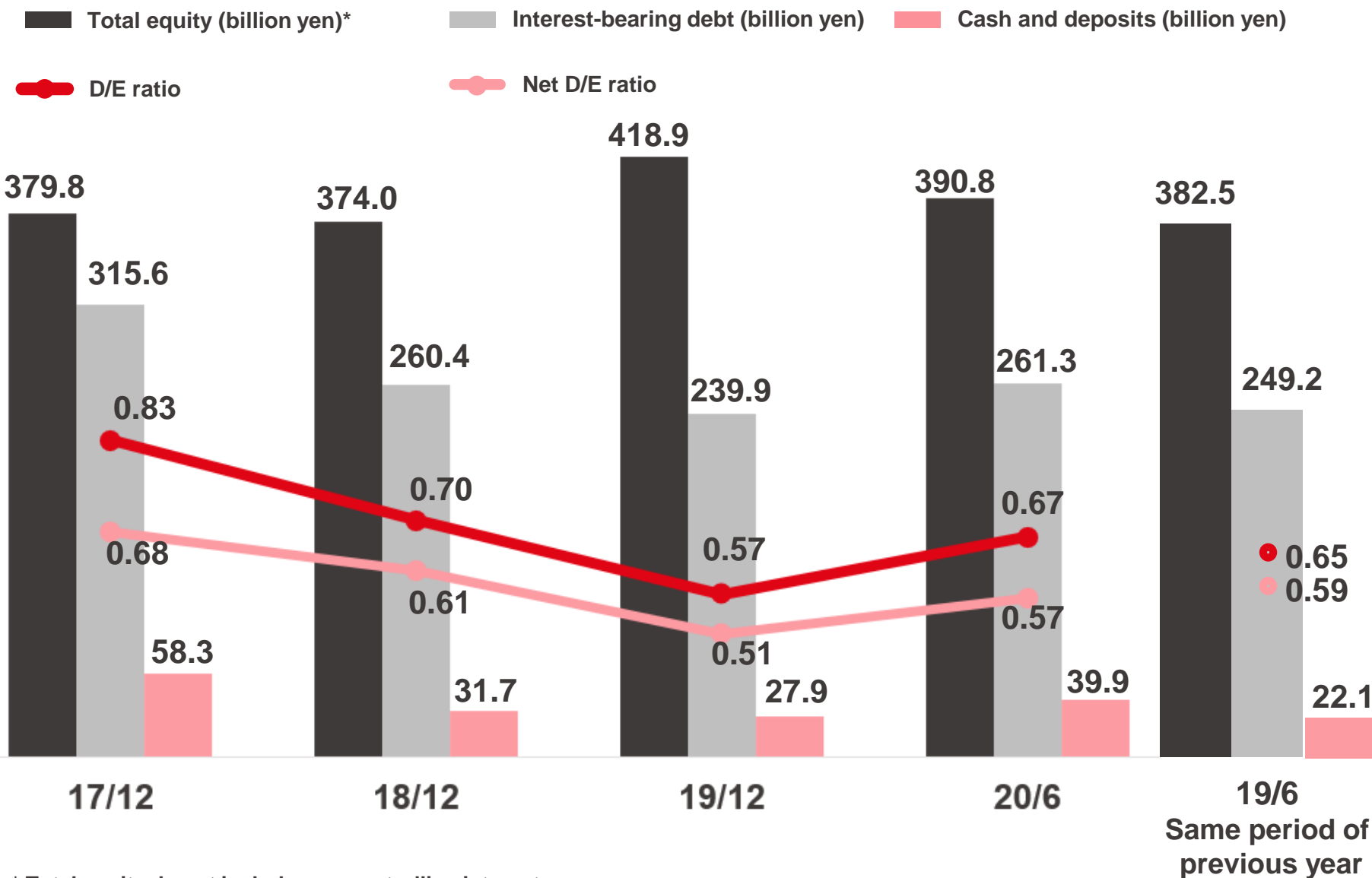


# Financial Position

	(billion yen)		
	Jun. 30, 2020	Dec. 31, 2019	Change
Current assets	309.2	331.5	-22.3
Non-current assets	548.0	576.0	-28.0
<b>Total assets</b>	<b>857.2</b>	<b>907.6</b>	<b>-50.3</b>
Liabilities	458.9	479.9	-21.0
Equity	398.4	427.7	-29.3
<b>Total liabilities and equity</b>	<b>857.2</b>	<b>907.6</b>	<b>-50.3</b>
Cash and cash equivalents	39.9	27.9	+12.0
Interest-bearing debt *	261.3	239.9	+21.4
Ratio of equity attributable to owners of parent	45.6%	46.2%	-0.6%
D/E ratio	0.67	0.57	+0.10

\*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)

	2020 Jan.-Mar.	2020 Apr.-Jun.	2020 Jan.-Jun.	2019 Jan.-Jun.	Change
CF from operating activities	2.7	16.5	19.2	28.6	-9.4
CF from investing activities	-10.0	-9.0	-19.0	-20.8	+1.8
Free CF	-7.4	7.6	0.2	7.8	-7.6
CF from financing activities	51.4	-39.0	12.4	-17.2	+29.6
Closing balance of cash and cash equivalents	71.1	39.9	39.9	22.1	+17.9

# Earnings Forecast for FY 2020

# FY2020 Profit and Loss Projections (Full Year)

(Changed from the previous forecast)

## Forecasts after July 2020

Exchange Rates	US\$ 105 yen
	EUR 124 yen
	RUB 1.5 yen

TSR20\* 118 cents

\*SICOM TSR20 1M

WTI 37 dollars

(billion yen)

	2020 full year (forecast)	2019 full year (result)	Change	Change (%)
Sales revenue	536.0	650.5	-114.5	-17.6%
Business profit*1 (Business profit margin)	21.0 (3.9%)	50.1 (7.7%)	-29.1 (-3.8%)	-58.1%
Operating profit (Operating profit margin)	20.0 (3.7%)	58.6 (9.0%)	-38.6 (-5.3%)	-65.8%
Profit *2	12.5	42.0	-29.5	-70.2%

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

\*2 Profit attributable to owners of parent

# Full-Year Forecast by Business Segment (YoY)

(billion yen)

		2020 forecast	2019 result	YoY Change	Change (%)
Sales revenue	Tires	380.0	451.7	-71.7	-15.9%
	MB	93.0	119.3	-26.3	-22.1%
	ATG	57.0	70.8	-13.8	-19.5%
	Other	6.0	8.6	-2.6	-30.3%
	Total	536.0	650.5	-114.5	-17.6%
Business profit	Tires	12.7	30.8	-18.1	-58.8%
	MB	2.3	8.3	-6.0	-72.4%
	ATG	6.0	10.4	-4.4	-42.3%
	Other	0	0.5	-0.5	-100.0%
	Intersegment eliminations	-	0.1	-0.1	-
	Total	21.0	50.1	-29.1	-58.1%

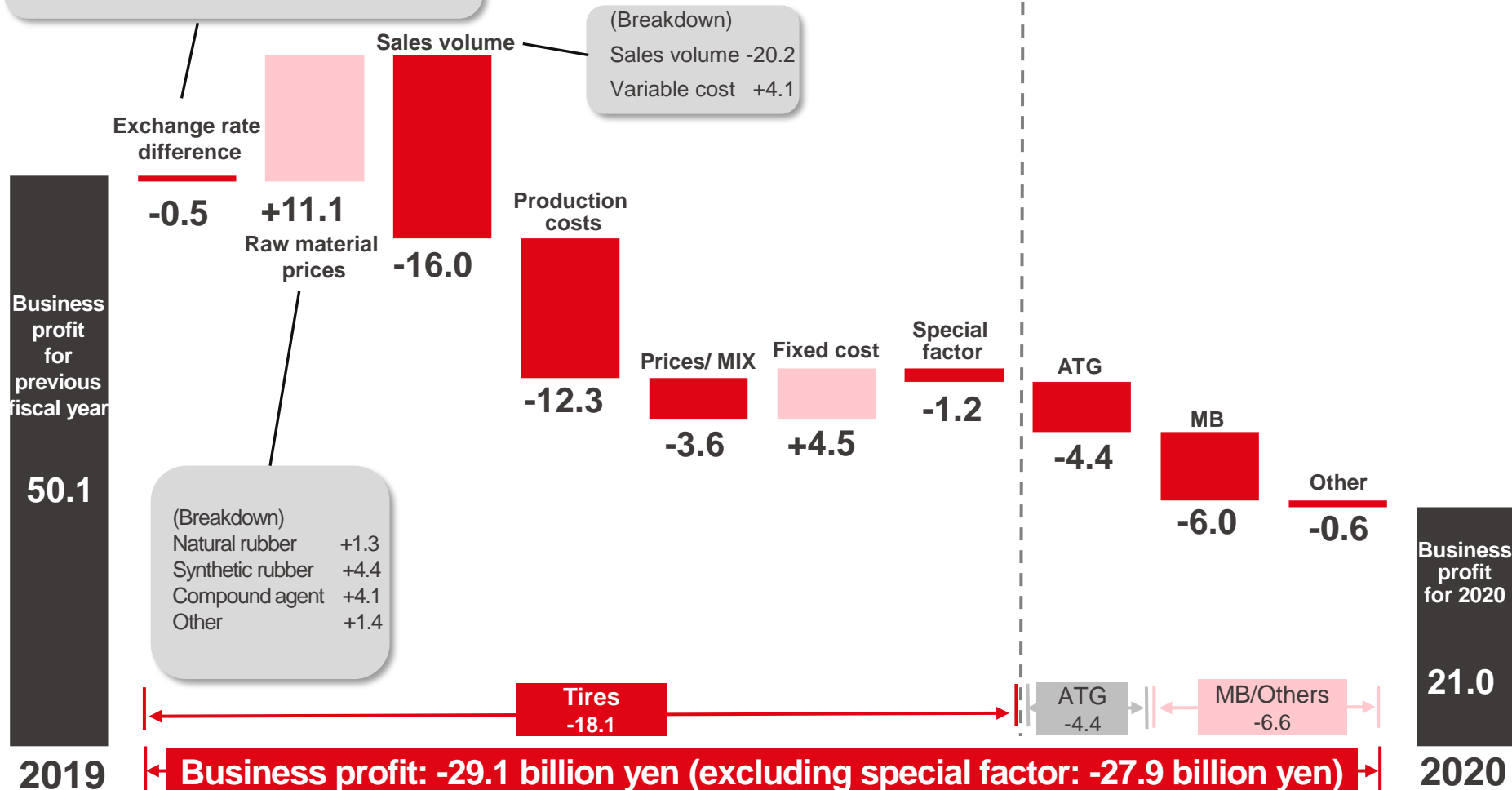
# Factor Analysis of Business Profit (Full Year)

## 2020 Full-Year Forecast

US\$ 107 yen 109 yen(previous year) -2 yen  
 EUR 122 yen 122 yen(previous year) -0 yen  
 RUB 1.5 yen 1.7 yen(previous year) -0.2 yen

(billion yen)

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



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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.





# Reference Material

## Strong financial base

Credit rating from Japan Credit Rating Agency (JCR)  
at July 9, 2020: **A+/Stable**

### ■ Cash flow creation

Free cash flow in first half of 2020: **Positive**

Operating CF: **¥218.6 billion**  
Free CF: **¥102.1 billion**  
(totals for FY2017-19)

### ■ Short-term liquidity

Commitment line from lenders: **¥75.0 billion**  
Ten-year bond issued in July: **¥10.0 billion**

Solid bank formation: **Reliable relationships with lenders**

### ■ Strong Financial position

Net debt/equity ratio: **0.57x**  
(as of end-June 2020)

