

# **FY 2020 Financial Results**

---

## **Briefing Material**

February 19, 2021

The Yokohama Rubber Co., Ltd.

# Scope of Consolidation, etc.

## ■ Scope of consolidation

**Consolidated subsidiaries 113 companies  
(8 less than at the end of previous fiscal year)**

**(Breakdown of change)**

**-8 companies**

**Japan -7 companies**

**Tire indirectly owned sales subsidiaries**

**Europe -1 company**

**Tire indirectly owned sales subsidiary**

---

# Financial Results for FY 2020

# Profit and Loss (Full Year)

Exchange Rates	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
TSR20*	132 cents	141 cents (previous year)	-9 cents
WTI	40 dollars	57 dollars (previous year)	-17 dollars

\*SICOM TSR20 1M

	(billion yen)					
	2020 Jan.-Dec.	2019 Jan.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	570.6	650.5	-79.9	-12.3%	-7.7	-72.2
Business profit* <sup>1</sup> (Business profit margin)	36.8 (6.4%)	50.1 (7.7%)	-13.3 (-1.3%)	-26.6%	-1.2	-12.1
Operating profit (Operating profit margin)	36.4 (6.4%)	58.6 (9.0%)	-22.2 (-2.6%)	-37.8%	-1.3	-20.9
Profit * <sup>2</sup>	26.3	42.0	-15.7	-37.3%		

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

\*2 Profit attributable to owners of parent

# Business Segment (Full Year)

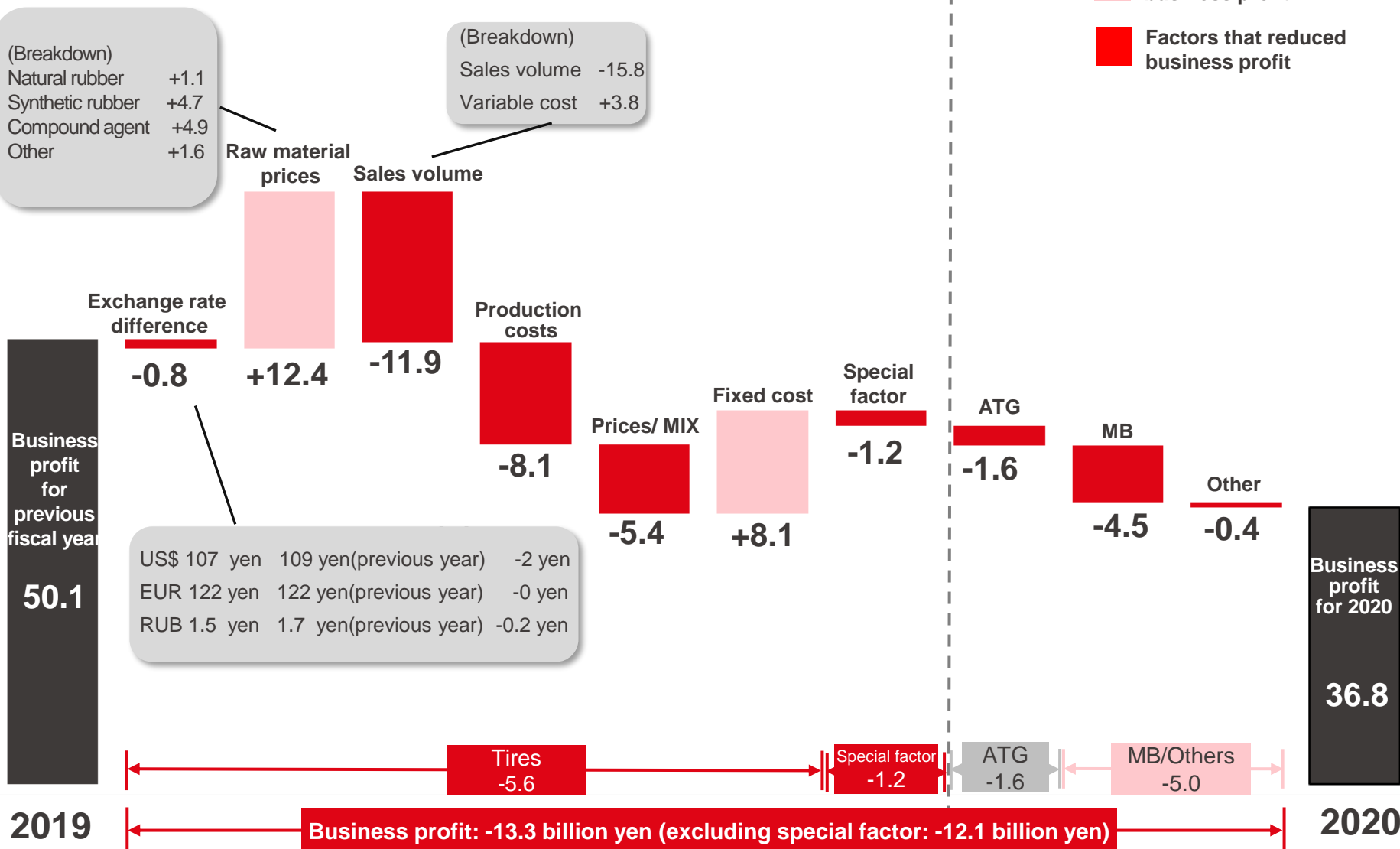
(billion yen)

		2020 Jan.-Dec.	2019 Jan.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	399.2	451.7	-52.5	-11.6%	-5.5	-47.1
	MB	98.5	119.3	-20.8	-17.4%	-0.8	-20.0
	ATG	65.1	70.8	-5.7	-8.0%	-1.4	-4.3
	Other	7.7	8.6	-0.9	-10.0%	-0.0	-0.9
	<b>Total</b>	<b>570.6</b>	<b>650.5</b>	<b>-79.9</b>	<b>-12.3%</b>	<b>-7.7</b>	<b>-72.2</b>
Business profit	Tires	24.0	30.8	-6.8	-22.2%	-0.8	-6.1
	MB	3.8	8.3	-4.5	-54.1%	-0.2	-4.3
	ATG	8.8	10.4	-1.6	-15.3%	-0.2	-1.4
	Other	0.1	0.5	-0.4	-84.6%	-0.0	-0.4
	Intersegment eliminations	0.1	0.1	+0.0	-	-	+0.0
	<b>Total</b>	<b>36.8</b>	<b>50.1</b>	<b>-13.3</b>	<b>-26.6%</b>	<b>-1.2</b>	<b>-12.1</b>

# Factor Analysis of Business Profit

## 2020 Full Year

(billion yen)



# Profit and Loss (Quarterly)

## Exchange Rates

US\$ 108 yen	-2 yen
EUR 121 yen	-2 yen
RUB 1.5 yen	-0.2 yen

US\$ 105 yen	-4 yen
EUR 125 yen	+4 yen
RUB 1.4 yen	-0.3 yen

US\$ 107 yen	-2 yen
EUR 122 yen	-0 yen
RUB 1.5 yen	-0.2 yen

## TSR20\*

124 cents -18 cents

154 cents +18 cents

132 cents -9 cents

## WTI

39 dollars -19 dollars

43 dollars -14 dollars

40 dollars -17 dollars

\*SICOM TSR20 1M

(billion yen)

	2020 Jan.–Sep.	YoY Change	2020 Oct.–Dec.	YoY Change	2020 Jan.–Dec.	YoY Change
<b>Sales revenue</b>	<b>390.4</b>	<b>-75.4</b>	<b>180.2</b>	<b>-4.5</b>	<b>570.6</b>	<b>-79.9</b>
<b>Business profit*<sup>1</sup></b> (Business profit margin)	<b>9.3</b> (2.4%)	<b>-16.5</b> (-3.1%)	<b>27.5</b> (15.2%)	<b>+3.2</b> (+2.0%)	<b>36.8</b> (6.4%)	<b>-13.3</b> (-1.3%)
<b>Operating profit</b> (Operating profit margin)	<b>8.5</b> (2.2%)	<b>-24.8</b> (-5.0%)	<b>27.9</b> (15.5%)	<b>+2.7</b> (+1.9%)	<b>36.4</b> (6.4%)	<b>-22.2</b> (-2.6%)
<b>Profit*<sup>2</sup></b>	<b>4.3</b>	<b>-24.0</b>	<b>22.0</b>	<b>+8.3</b>	<b>26.3</b>	<b>-15.7</b>

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

\*2 Profit attributable to owners of parent

# Business Segment (Fourth-Quarter)

(billion yen)

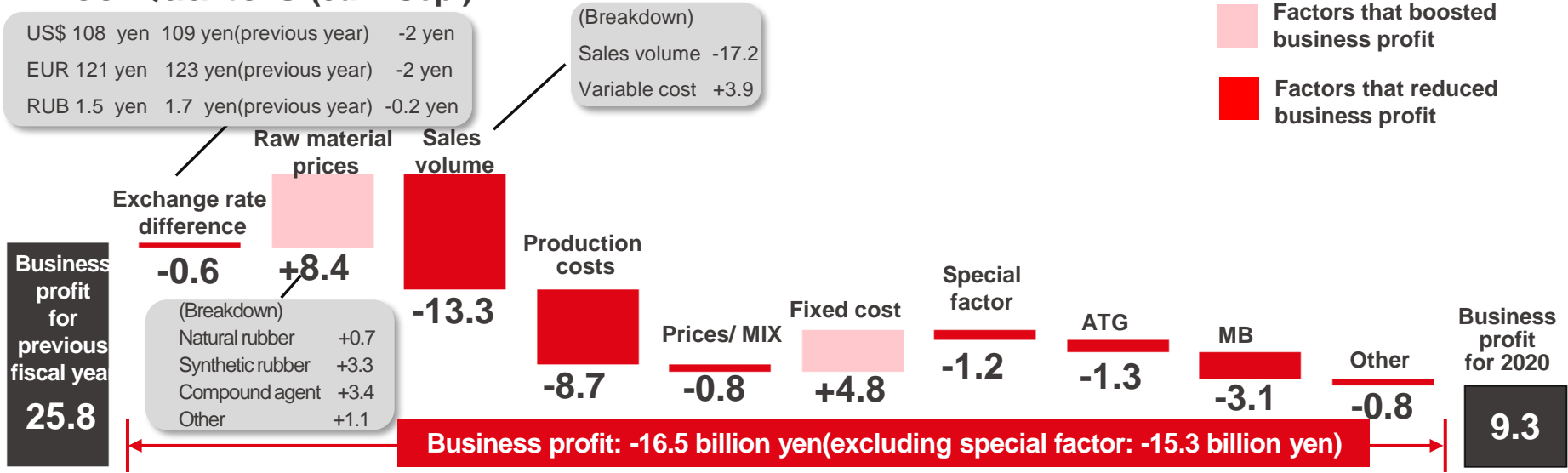
		2020 Oct.-Dec.	2019 Oct.-Dec.	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	Tires	133.0	133.3	-0.4	-0.3%	-2.2	+1.8
	MB	27.3	32.2	-4.9	-15.1%	-0.3	-4.6
	ATG	17.7	17.2	+0.6	+3.3%	-0.7	+1.3
	Other	2.2	2.0	+0.2	+8.2%	-0.0	+0.2
	<b>Total</b>	<b>180.2</b>	<b>184.7</b>	<b>-4.5</b>	<b>-2.4%</b>	<b>-3.2</b>	<b>-1.4</b>
Business profit	Tires	23.5	19.0	+4.4	+23.3%	-0.2	+4.7
	MB	1.3	2.6	-1.4	-52.6%	-0.1	-1.3
	ATG	2.6	2.8	-0.3	-8.9%	-0.1	-0.1
	Other	0.1	-0.2	+0.4	-	-0.0	+0.4
	Intersegment eliminations	0.0	0.0	+0.0	-	-	+0.0
	<b>Total</b>	<b>27.5</b>	<b>24.3</b>	<b>+3.2</b>	<b>+13.0%</b>	<b>-0.4</b>	<b>+3.6</b>



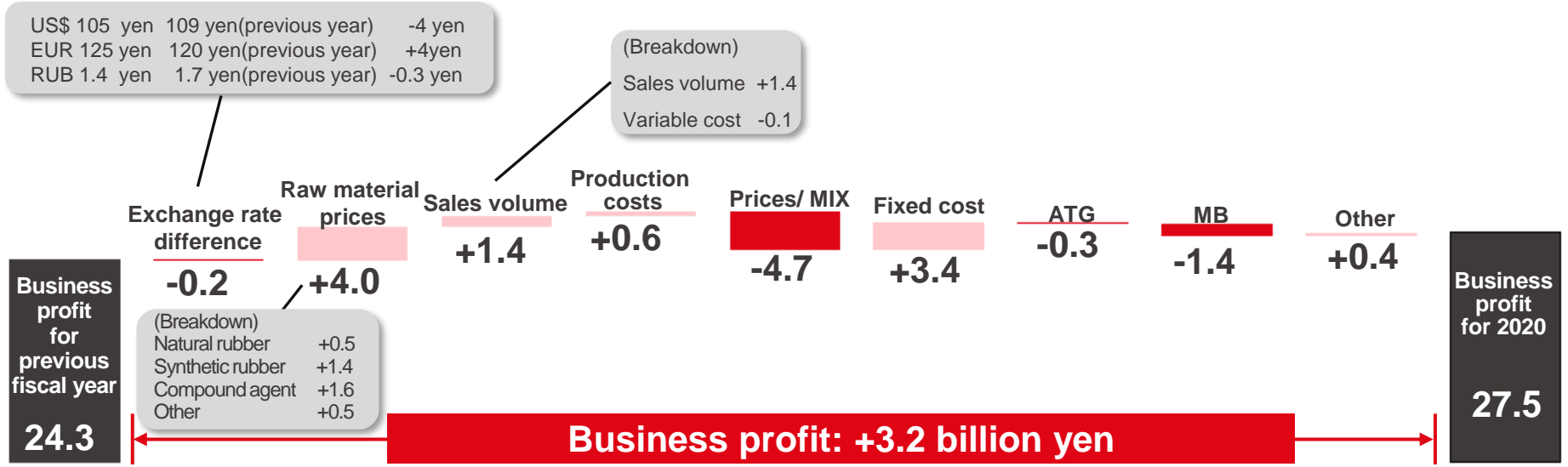
# Factor Analysis of Business Profit

## Three Quarters (Jan.-Sep.)

(billion yen)



## Fourth-Quarter (Oct.-Dec.)

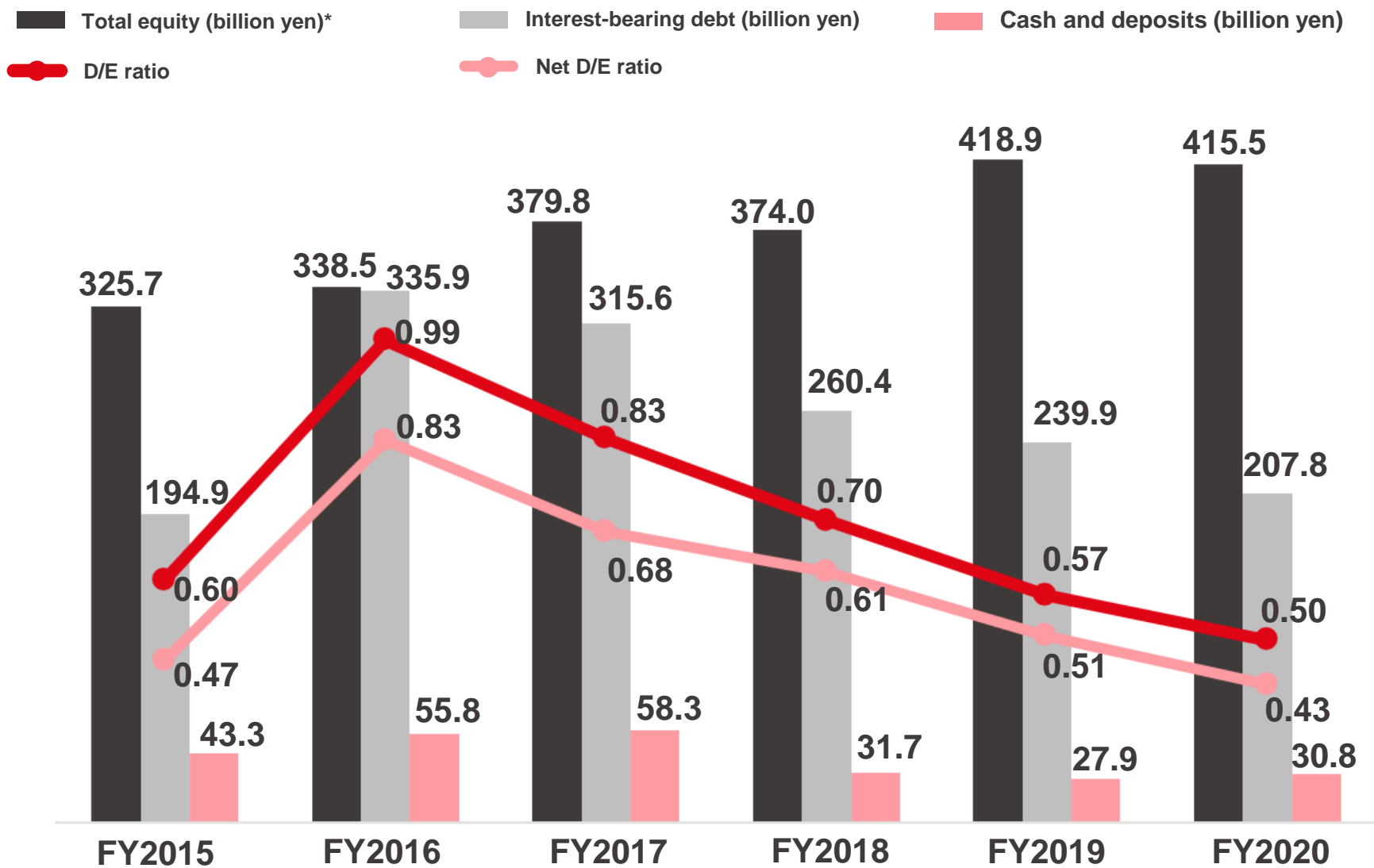


# Financial Position (Comparison with the end of the previous year)

	(billion yen)		
	Dec. 31, 2020	Dec. 31, 2019	Change
Current assets	309.3	331.5	-22.3
Non-current assets	551.1	576.0	-24.9
Total assets	860.4	907.6	-47.2
Liabilities	437.5	479.9	-42.4
Equity	422.9	427.7	-4.8
Total liabilities and equity	860.4	907.6	-47.2
Interest-bearing debt	207.8	239.9	-32.0
Ratio of equity attributable to owners of parent	48.3%	46.2%	+2.1%
D/E ratio	0.50	0.57	-0.07

\*Interest-bearing debt does not include lease liabilities

# Changes in Interest-bearing Debt, Total equity, D/E Ratio, and Net D/E Ratio



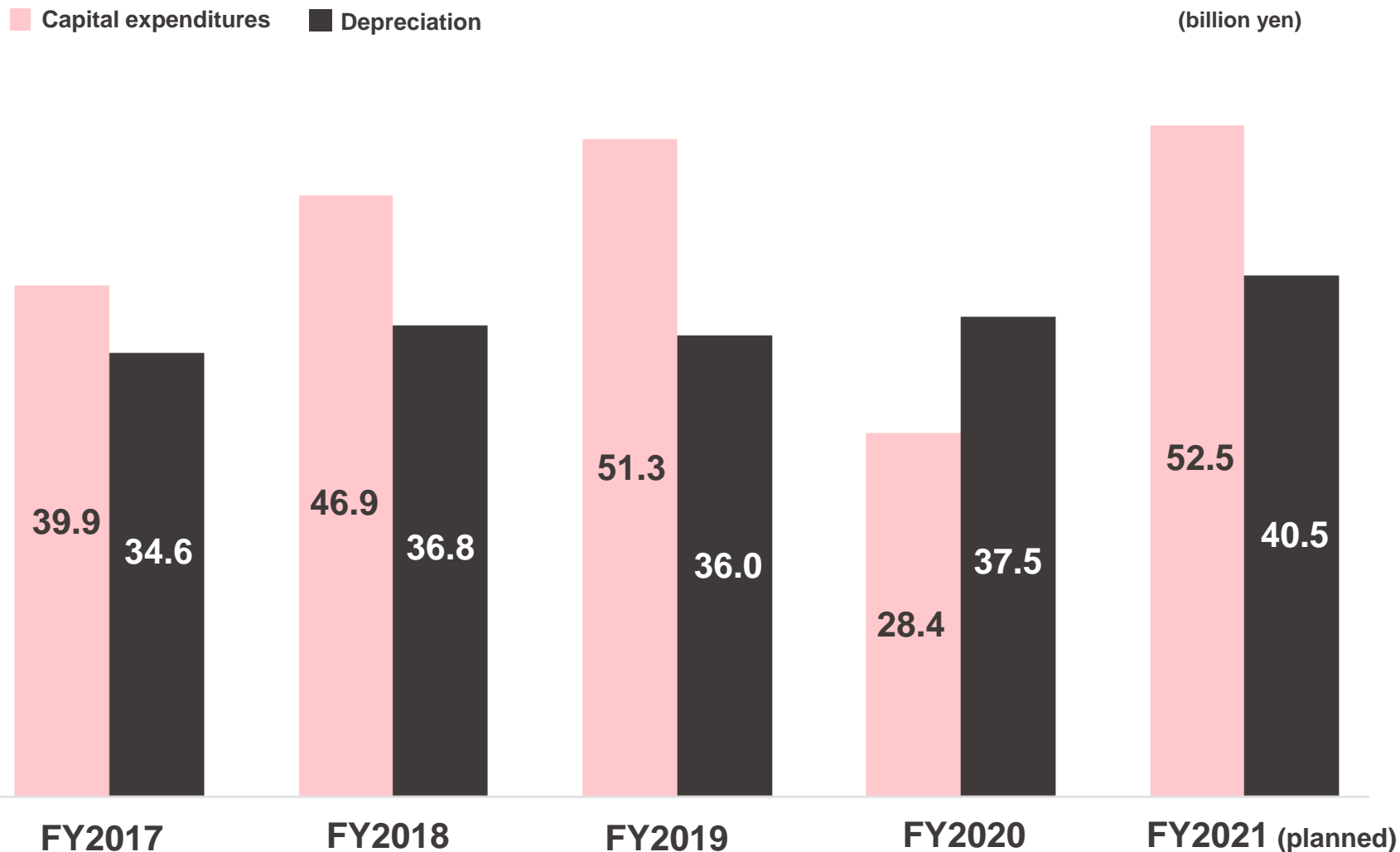
\* Total equity do not include non-controlling interests.

# State of Cash Flows

(billion yen)

	2020 Jan.-Dec.	2019 Jan.-Dec.	Change
CF from operating activities	78.3	75.4	+2.9
CF from investing activities	-27.9	-43.6	+15.8
Free CF	50.4	31.7	+18.7
CF from financing activities	-46.6	-35.5	-11.0
Closing balance of cash and cash equivalents	30.8	27.9	+2.9

# Capital Expenditures and Depreciation



\* Figures for FY2019 to FY2021 do not include the impact of adopting IFRS 16 (Lease).

---

# Earnings Forecast for FY 2021

# Profit and Loss Projections (Full Year)

Exchange Rates	US\$ 105 yen	107 yen (previous year)	-2 yen
	EUR 125 yen	122 yen (previous year)	+3 yen
	RUB 1.5 yen	1.5 yen (previous year)	-0.0 yen
TSR20*	155 cents	132 cents (previous year)	+23 cents
WTI	52 dollars	40 dollars (previous year)	+12 dollars

\*SICOM TSR20 1M

	2021 forecast	2020 result	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates
Sales revenue	620.0	570.6	+49.4	+8.7%	-4.8	+54.2
Business profit* <sup>1</sup> (Business profit margin)	50.0 (8.1%)	36.8 (6.4%)	+13.2 (+1.7%)	+35.9%	-0.1	+13.3
Operating profit (Operating profit margin)	50.5 (8.1%)	36.4 (6.4%)	+14.1 (+1.7%)	+38.7%	-0.1	+14.2
Profit * <sup>2</sup>	34.5	26.3	+8.2	+31.1%		

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

\*2 Profit attributable to owners of parent

# Forecast for Business Segment (Full Year)

(billion yen)

	2021 forecast	2020 result	Change	Change (%)	Exchange rate impact	Change excluding impact of exchange rates	
Sales revenue	Tires	430.0	399.2	+30.8	+7.7%	-2.8	+33.6
	MB	104.0	98.5	+5.5	+5.6%	-0.6	+6.1
	ATG	79.0	65.1	+13.9	+21.4%	-1.4	+15.3
	Other	7.0	7.7	-0.7	-9.7%	+0.1	-0.8
	<b>Total</b>	<b>620.0</b>	<b>570.6</b>	<b>+49.4</b>	<b>+8.7%</b>	<b>-4.8</b>	<b>+54.2</b>
Business profit	Tires	33.5	24.0	+9.5	+39.7%	+0.3	+9.2
	MB	6.0	3.8	+2.2	+57.0%	-0.2	+2.3
	ATG	10.0	8.8	+1.2	+13.5%	-0.2	+1.4
	Other	0.5	0.1	+0.4	+544.6%	-0.0	+0.4
	Intersegment eliminations	-	0.1	-0.1	-	-	-0.1
	<b>Total</b>	<b>50.0</b>	<b>36.8</b>	<b>+13.2</b>	<b>+35.9%</b>	<b>-0.1</b>	<b>+13.3</b>

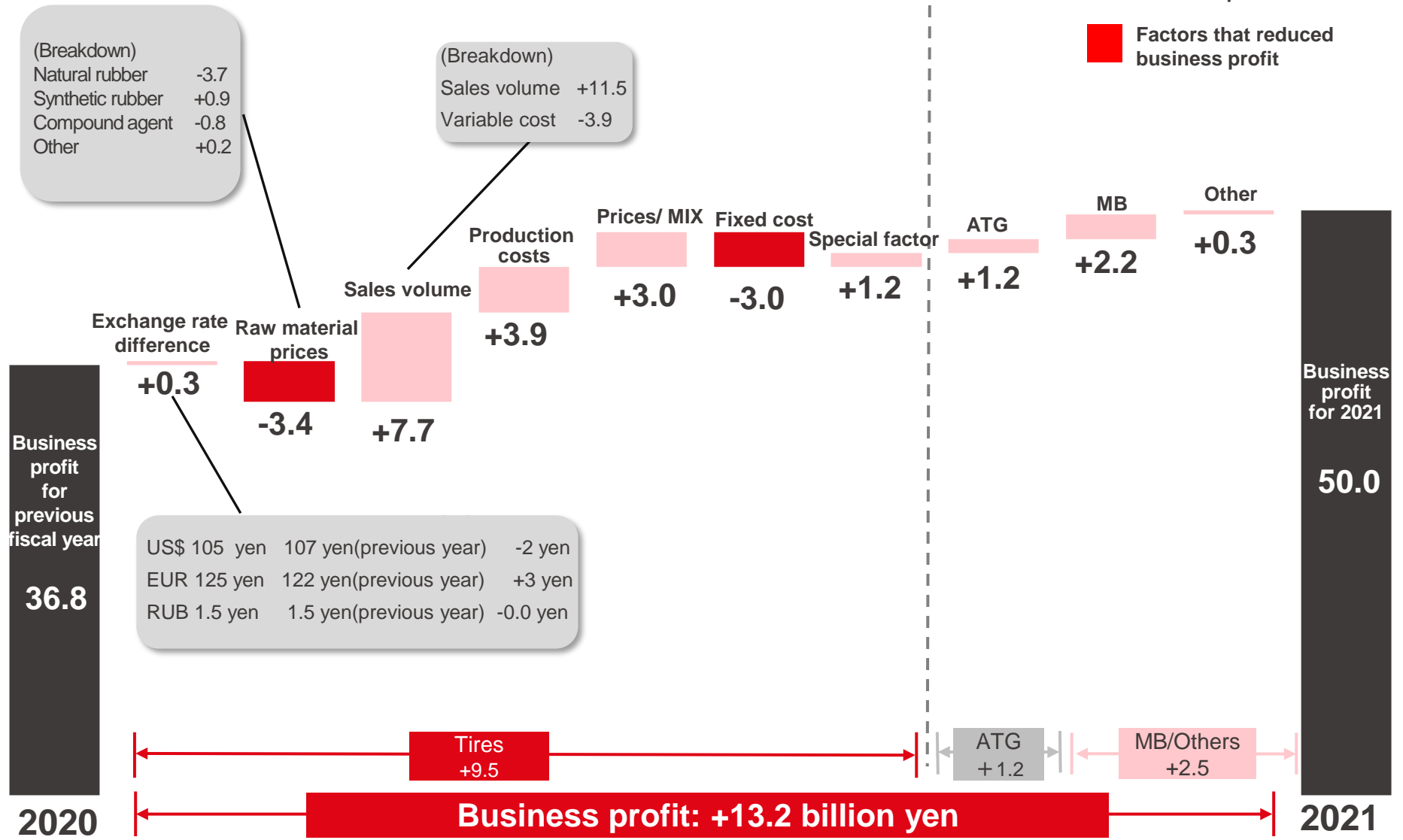


# Factor Analysis of Business Profit

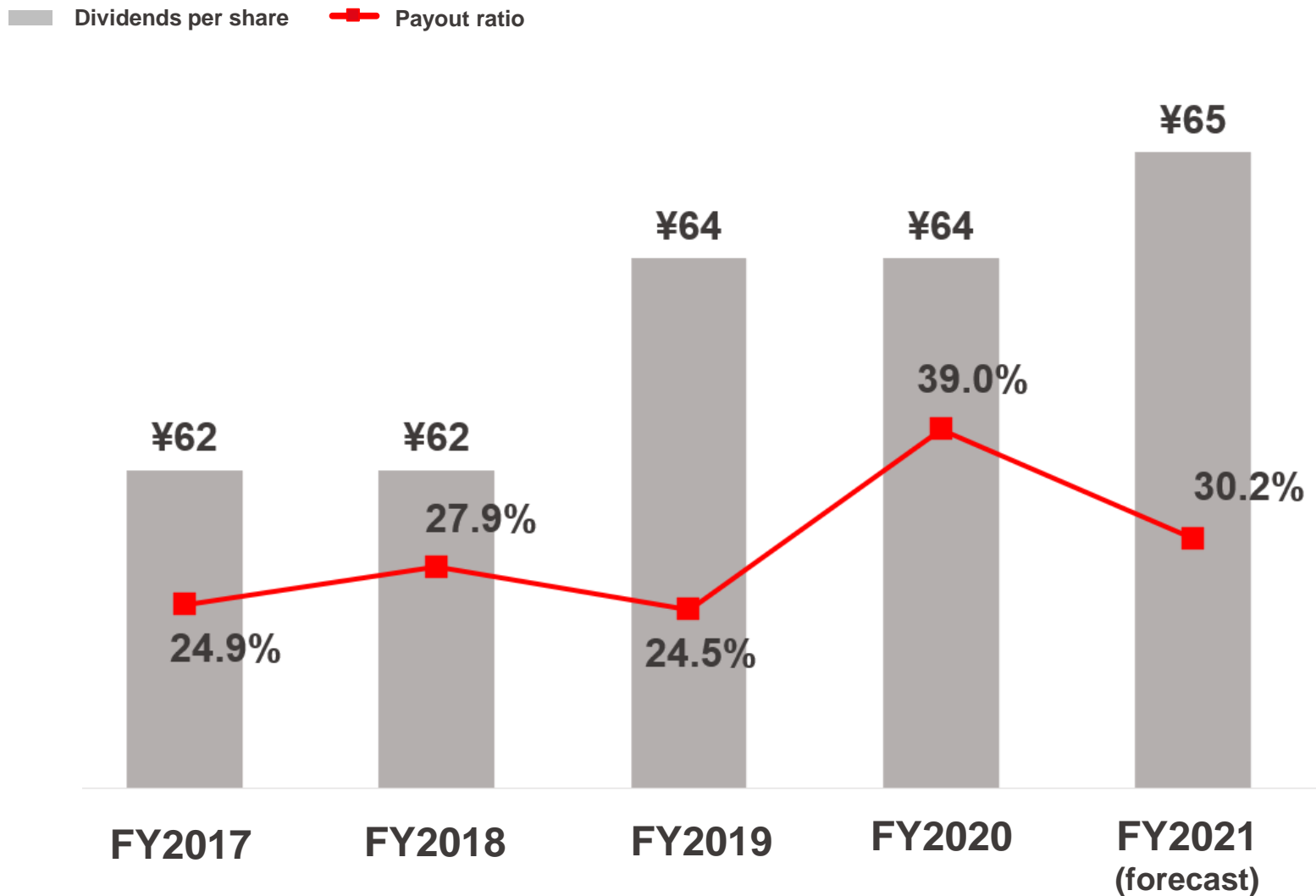
## 2021 Full Year Forecast

(billion yen)

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



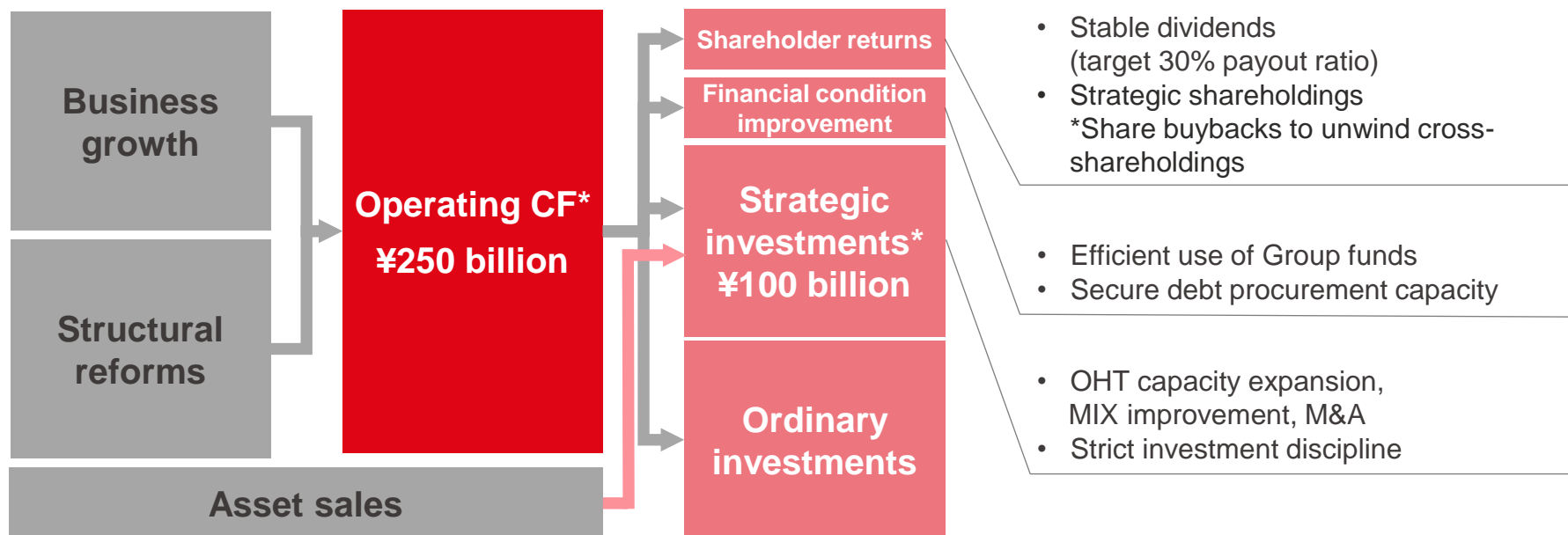
# Dividends and Payout ratio



# Capital Allocation Policy

## Strengthen financial base to support investment in strategic areas & stable shareholder returns

- Cash flow creation: Strategic investments and structural reforms to profitability
- Capital efficiency: Improve financial condition through more efficient use of Group funds



\*3-year totals (2021~2023)

---

## 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.

