YOKOHAMA AT A GLANCE

Products and Companies by Business Segment
As of December 31, 2017

Tires

Principal products
Tires for passenger cars and light trucks; for trucks and buses; for construction and mining equipment; and for motor sports, and tire tubes, aluminum alloy wheels, other peripheral products

Principal production companies
Japan
Yokohama Rubber Co., Ltd.; Yokohama Tire Retread Co., Ltd.; Karneyama Bead Co., Ltd.
Overseas
Yokohama Tire Manufacturing Virginia LLC. (United States); LLC Yokohama R.P.Z. (Russia); Hangzhou Yokohama Tire Co., Ltd. (China); Yokohama Tire Philippines, Inc. (Philippines); Yokohama Tire Manufacturing (Thailand) Co., Ltd. (Thailand); Yokohama Tyre Vietnam Inc. (Vietnam); Yokohama India Pvt. Ltd. (India)

Principal sales and marketing support companies
Japan
Yokohama Tire Japan Co., Ltd.
Overseas
Yokohama Tire Corporation (United States); Yokohama Tire (Canada) Inc. (Canada); Yokohama Tire Mexico S. de R.L. de C.V. (Mexico); Yokohama H.P.T. Ltd. (United Kingdom); Yokohama Europe GmbH (Germany); Yokohama Russia L.L.C. (Russia); Yokohama Tire Sales (Shanghai) Co., Ltd. (China); Yokohama Tire Sales Philippines, Inc. (Philippines); Yokohama Tire Sales (Thailand) Co., Ltd. (Thailand)

Employees: 18,006

ATG (Alliance Tire Group)

Principal products
Tires for agricultural, industrial, construction, and forestry machinery

Principal production companies
ATC Tires Private Ltd. (India); Alliance Tire Company Ltd. (Israel)

Principal sales, marketing, and other support companies
Alliance Tire Europe B.V. (Netherlands); Alliance Tire Americas Inc. (United States); Alliance Tire Group K.K. (Japan)

Employees: 2,307
MB (Multiple Business)

Principal products
High-pressure hoses, conveyor belts, marine hoses and pneumatic marine fenders, antiseismic products and roadway joints, Hamatite-brand sealants and adhesives, coatings for electronic equipment, aircraft fixtures and components
Principal production companies
Japan
Yokohama Rubber Co., Ltd.
Overseas
Yokohama Industries Americas Inc. (United States); Yokohama Industries Americas Mexico S. de R.L. de C.V. (Mexico); Yokohama Industrial Products Italy S.r.l. (Italy); Yokohama Industrial Products-Hangzhou Co., Ltd. (China); SC Kingflex Corporation (Taiwan); PT Yokohama Industrial Products Manufacturing Indonesia (Indonesia); Yokohama Rubber (Thailand) Co., Ltd. (Thailand)
Principal sales and marketing support companies
Japan
Yokohama Industrial Products Japan Co., Ltd.
Overseas
Yokohama Aerospace America, Inc. (United States); Yokohama Industrial Products Europe, GmbH (Germany); Yokohama Industrial Products Sales-Shanghai Co., Ltd. (China); Yokohama Industrial Products Asia-Pacific Pte. Ltd. (Singapore)
Employees: 3,855

Other operations
Principal products
Golf equipment, services for Yokohama Rubber and its subsidiaries and affiliates
Principal companies
Japan
Overseas
Y.T. Rubber Co., Ltd. (Thailand); Yokohama Rubber (China) Co., Ltd. (China); Yokohama Rubber Singapore Pte. Ltd. (Singapore)
Employees: 1,271
RESULTS AND TRENDS BY BUSINESS SEGMENT

TIRES

Business results in 2017
Business profit increased 10.9%, to ¥41.9 billion, on a 7.4% increase in sales revenue, to ¥459.9 billion. The Tires segment thus accounted for 71.9% of total business profit and for 71.2% of total sales revenue.

Original equipment business
Sales increased in unit volume and in value. Leading the sales growth were gains overseas, especially in Asia. Yokohama earned several new fitments on premium-grade vehicles in Japan and overseas.

Replacement tires
Yokohama achieved growth in unit volume and in value in the replacement market. In Japan, it promoted sales successfully by focusing on such high-value-added products as the iceGUARD 6 studless snow tire, launched in September 2017, and the ADVAN dB V552 premium-comfort tire, launched in November. Business in replacement tires also expanded overseas, led by growth in Southeast Asia and in Russia.

Full-year projections for 2018
Management projects that business profit in the Tires segment will increase 7.4% in 2018, to ¥45.0 billion, on a 2.2% increase in sales revenue, to ¥470.0 billion.
MB (Multiple Business)

### Business results in 2017
Business profit increased 5.0%, to ¥7.8 billion, on a 1.7% increase in sales revenue, to ¥114.1 billion. The MB segment thus accounted for 13.3% of total business profit and for 17.7% of total sales revenue.

#### High-pressure hoses
Sales increased amid recovering demand in the construction equipment market in China and in Japan.

- **High-pressure hoses sold overseas:** SAE100R1S and SAE100R2S

### Industrial materials
Business expanded on the strength of sales growth in conveyor belts overseas and in construction and civil engineering products in Japan.

### Hamatite-brand sealants and adhesives and electronic equipment coatings
Continuing sales gains in automotive adhesives in Japan and overseas powered overall sales growth.

### Aircraft fixtures and components
Sales revenue declined on account of weakness in the commercial sector.

### Full-year projections for 2018
Management projects that business profit in the MB segment will increase 13.5% in 2018, to ¥8.8 billion, on a 5.2% increase in sales revenue, to ¥120.0 billion.

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<td>Sales Revenue:</td>
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<td>¥112.2</td>
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<td>¥8.8</td>
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**High-pressure hoses sold overseas:** SAE100R1S and SAE100R2S
The ATG segment comprises the operations of Alliance Tire Group, which Yokohama acquired in July 2016.

■ Business results in 2017
Business profit totaled ¥7.6 billion on sales revenue of ¥63.4 billion. The ATG segment thus accounted for 13.0% of total business profit and for 9.8% of total sales revenue.

■ Off-highway tires
Yokohama’s ATG operations supply off-highway tires for agricultural, construction, forestry, and industrial machinery. Their sales in 2017 were consistent with management’s expectations in original equipment and in replacement tires as demand for agricultural machinery increased.

■ Full-year projections for 2018
Management projects that business profit in the ATG segment will increase 5.7% in 2018, to ¥8.0 billion, on a 13.5% increase in sales revenue, to ¥72.0 billion.
Yokohama markets golf equipment under the PRGR brand in Japan and in China, the Republic of Korea, Southeast Asian nations, and Taiwan.

Highlights of 2017

A No. 2 ranking in tour earnings for a Yokohama-sponsored pro
The Team PRGR pro Satoshi Kodaira placed second in Japanese tour earnings in 2017. His impressive year included victories at the Top Cup Tokai Classic in October and at the Mitsui Sumitomo VISA Taiheiyo Masters in November. Kodaira’s strong momentum continued in 2018 with his first victory on the PGA tour, at the RBC Heritage tournament in April. The PRGR pro thus became only the fifth Japanese to win a tournament on the PGA tour.

Model changes for two popular products
Two remodeled drivers debuted in June 2017 under the PRGR name: the RS 2017 and the RS-F 2017. The RS 2017 facilitates right-to-left “draw” shots (for right-handed golfers), and the RS-F 2017 facilitates left-to-right “fade” shots (ditto). Sales of both have surpassed expectations. In September, Yokohama also launched remodeled versions of the PRGR SUPER egg and New egg drivers. The SUPER egg’s springlike effect, which exceeds international tour regulations, extends the club’s driving range and has proved especially popular with older golfers.

The Yokohama Tire Golf Tournament PRGR Ladies Cup marks 10 years
Yokohama held the 10th installment of the Yokohama Tire Golf Tournament PRGR Ladies Cup in March 2017. That tournament has broadened interest in golf among Japanese and has raised the visibility of the PRGR and the Yokohama brands.