

FY 2018 First-Quarter Financial Results

Briefing Material

May 14, 2018

The Yokohama Rubber Co., Ltd.

Voluntary Adoption of IFRS

- Yokohama Rubber Group voluntarily adopted the International Financial Reporting Standards (IFRS) when the Group issued Yukashoken hokokusho (“Yuho,” securities report) for 2017.
- The Group has restated its fiscal results for 2017 on an IFRS basis to facilitate meaningful year-on-year comparisons.

■ Scope of consolidation

**Consolidated subsidiaries 135 companies
(2 less than at the end of previous fiscal year)**

(Breakdown of change)

Japan: -2 companies (Tire)

■ Breakdown of transfers

(Tire -2 companies)

(Japan/Tire sales company)

(Japan/Tire indirectly owned sales subsidiary)

Profit and Loss (First Quarter)

Exchange Rates	US\$ 108 yen	114 yen (previous year)	-5 yen
	EUR 133 yen	121 yen (previous year)	+12 yen
	RUB 1.9 yen	1.9 yen (previous year)	-0.0 yen
TSR20*	147 cents	209 cents (previous year)	-62 cents
WTI	63 dollars	52 dollars (previous year)	+11 dollars

*SICOM TSR20 1M

(billion yen)

IFRS				
	2018 Jan.-Mar.	2017 Jan.-Mar.	Change	Change (%)
Sales revenue	149.2	145.8	+3.4	+2.3%
Business profit* ¹ (Business profit margin)	11.7 (7.8%)	10.8 (7.4%)	+0.9 (+0.4%)	+8.3%
Operating profit (Operating profit margin)	14.1 (9.4%)	11.0 (7.6%)	+3.0 (+1.8%)	+27.5%
Profit * ²	9.3	7.9	+1.4	+18.0%

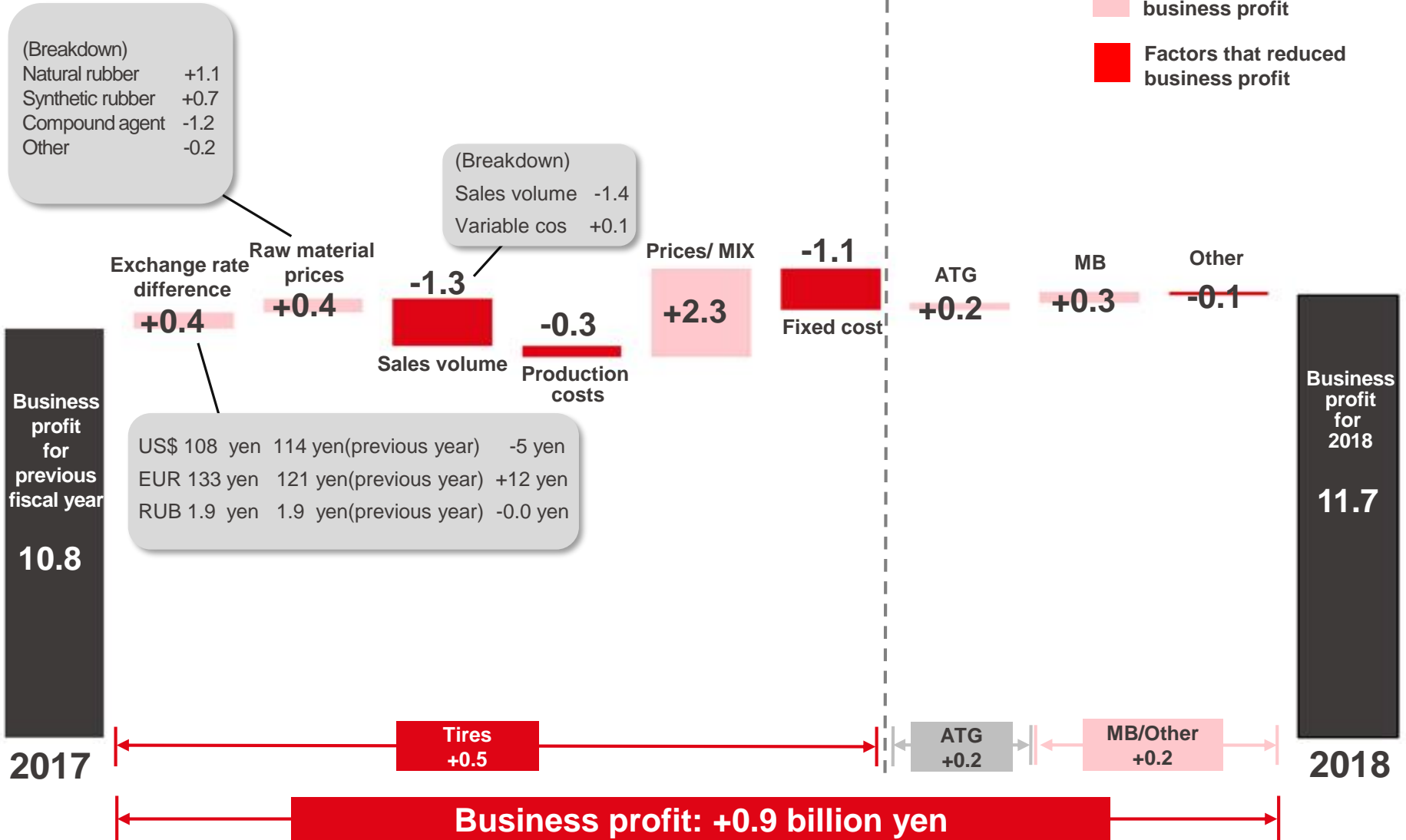
JGAAP (for reference)	
	2017 Jan.-Mar.
Net sales	147.7
Operating income (Operating income margin)	9.1 (6.1%)
Ordinary income (Ordinary income margin)	8.8 (5.9%)
Profit attributable to owners of parent	5.7

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

*2 Profit attributable to owners of parent

Factor Analysis of Business Profit

2018 First Quarter



Business Segment (First Quarter)

(billion yen)

IFRS

		2018 Jan.-Mar.	2017 Jan.-Mar.	Change	Change (%)
Sales revenue	Tires	104.2	103.2	+1.0	+0.9%
	MB	26.3	26.0	+0.3	+1.3%
	ATG	16.9	14.9	+2.0	+13.4%
	Other	1.8	1.7	+0.1	+4.0%
	Total	149.2	145.8	+3.4	+2.3%

Business profit	Tires	8.0	7.5	+0.5	+6.7%
	MB	1.7	1.4	+0.3	+22.4%
	ATG	1.9	1.7	+0.2	+9.4%
	Other	0.1	0.2	-0.1	-59.2%
	Intersegment eliminations	0	-0	+0	-
	Total	11.7	10.8	+0.9	+8.3%

JGAAP (for reference)

		2017 Jan.-Mar.
Net sales	Tires	105.2
	MB	26.0
	ATG	14.9
	Other	1.7
	Total	147.7

Operating income	Tires	6.9
	MB	1.3
	ATG	0.6
	Other	0.2
	Intersegment eliminations	-0
	Total	9.1

Financial Position

(billion yen)

IFRS			
	Mar. 31, 2018	Dec. 31, 2017	Change
Current assets	339.9	362.4	-22.5
Non-current assets	535.0	558.4	-23.3
Total assets	874.9	920.8	-45.9
Liabilities	506.3	533.0	-26.7
Equity	368.6	387.8	-19.1
Total liabilities and equity	874.9	920.8	-45.9
Interest-bearing debt	299.8	315.6	-15.8
Ratio of equity attributable to owners of parent	41.3%	41.2%	+0.0%
D/E ratio	0.83	0.83	-0.00

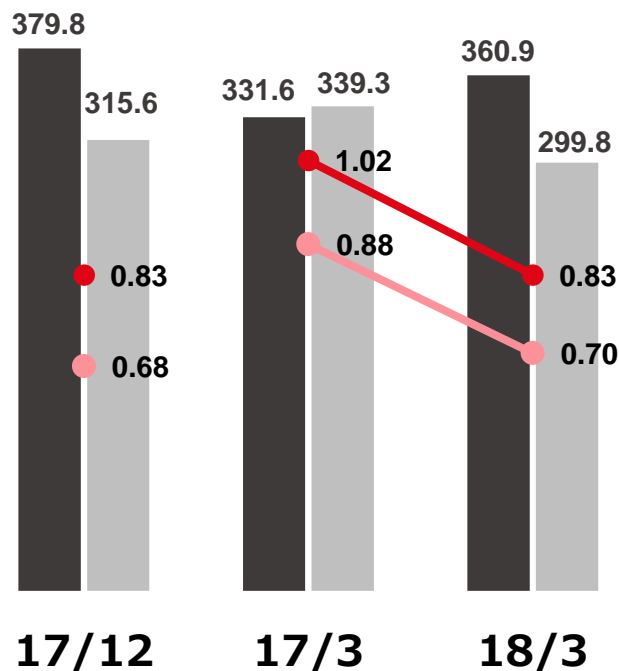
Changes in Interest-bearing Debt, Total equity (Net Assets), D/E Ratio, and Net D/E Ratio

■ Total equity / Net assets (billion yen)

■ Interest-bearing debt (billion yen)

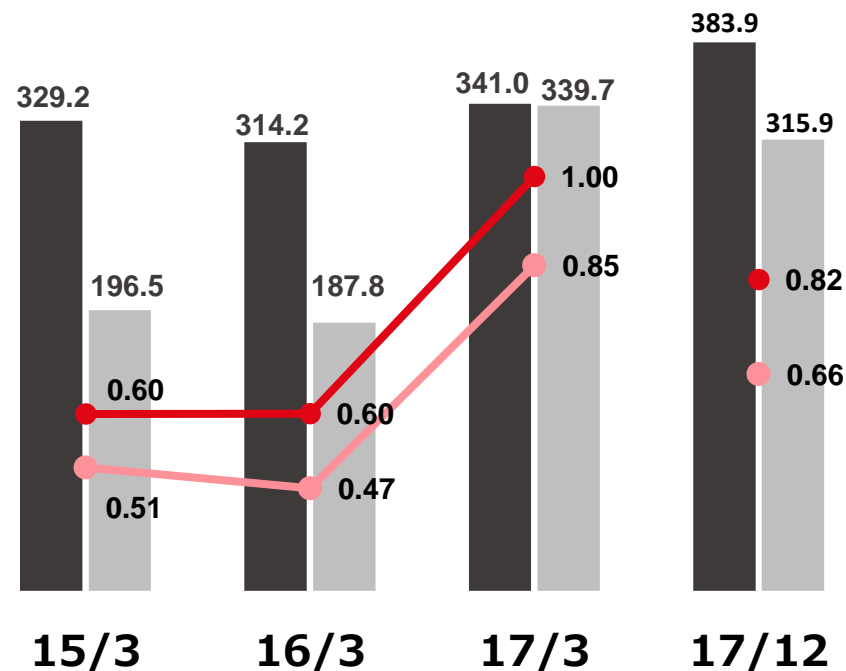
● D/E ratio

● Net D/E ratio



IFRS

* Total equity do not include non-controlling interests.



JGAAP

*Net assets do not include non-controlling interests.

State of Cash Flows

(billion yen)

	2018 Jan.-Mar.	2017 Jan.-Mar.	Change
CF from operating activities	13.8	-1.8	+15.6
CF from investing activities	-8.4	-10.1	+1.8
Free CF	5.5	-11.9	+17.4
CF from financing activities	-14.5	5.0	-19.5
Closing balance of cash and cash equivalents	47.4	46.8	+0.6

Earnings Forecast for FY 2018

FY2018 Profit and Loss Projections

(No changes from the latest forecast)

Forecasts from Apr. 1 to Dec. 31, 2018

Exchange Rates	US\$ 109 yen
	EUR 132 yen
	RUB 1.7 yen
TSR20*	144 cents *SICOM TSR20 1M
WTI	63 dollars

				(billion yen)		
	2018 Jan.-Jun. (forecast)	2017 Jan.-Jun. (actual)	Change	2018 Jan.-Dec. (forecast)	2017 Jan.-Dec. (actual)	Change
Sales revenue	310.0	304.2	+5.8	670.0	646.3	+23.7
Business profit*1 (Business profit margin)	21.0 (6.8%)	21.7 (7.1%)	-0.7 (-0.3%)	63.0 (9.4%)	58.3 (9.0%)	+4.7 (+0.4%)
Operating profit (Operating profit margin)	23.5 (7.6%)	19.9 (6.6%)	+3.6 (+1.0%)	60.0 (9.0%)	54.2 (8.4%)	+5.8 (+0.6%)
Profit *2	16.0	15.0	+1.0	40.0	40.0	+0

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

*2 Profit attributable to owners of parent

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.

