FY2024 Results Briefing

YX2026 – Review of FY2024 and Initiatives for FY2025

February 19, 2025

The Yokohama Rubber Co., Ltd.
Chairman & CEO, Chairman of the Board
Masataka Yamaishi



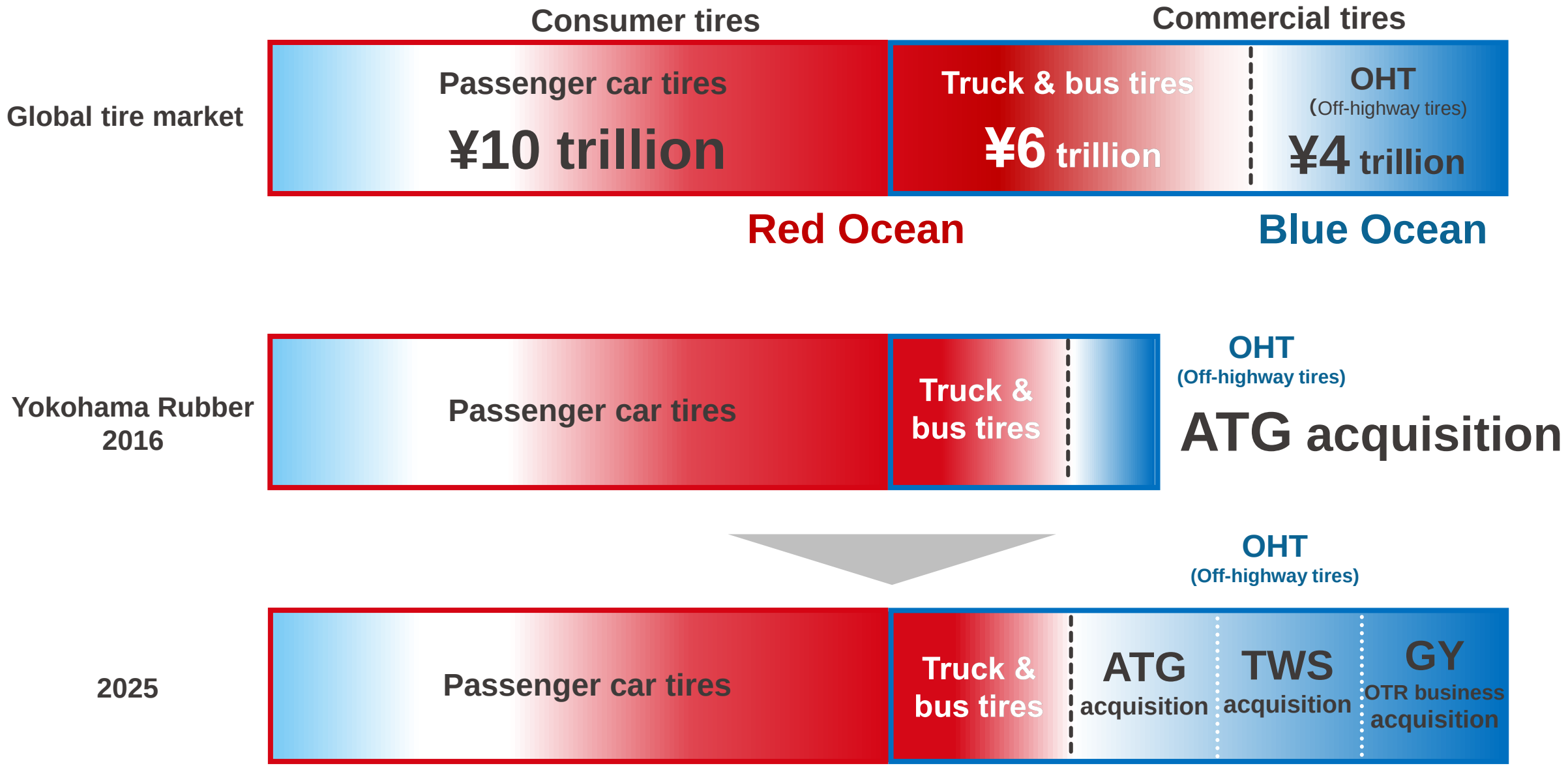
Completing Transformation under

Exploitation × Exploration Strategy

*** Leave no negative legacies for next generation**

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YX2026 Business Strategy



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Medium-term Management Plan YX2026
Review of FY2024

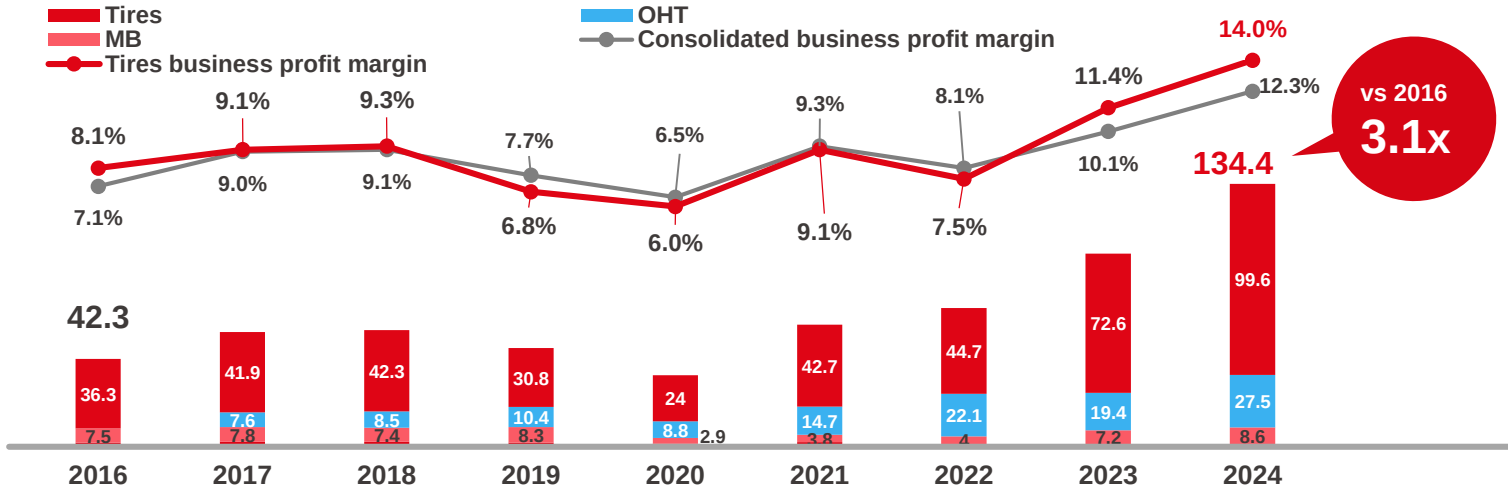
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FY2024 Full-Year Results

Full-year results

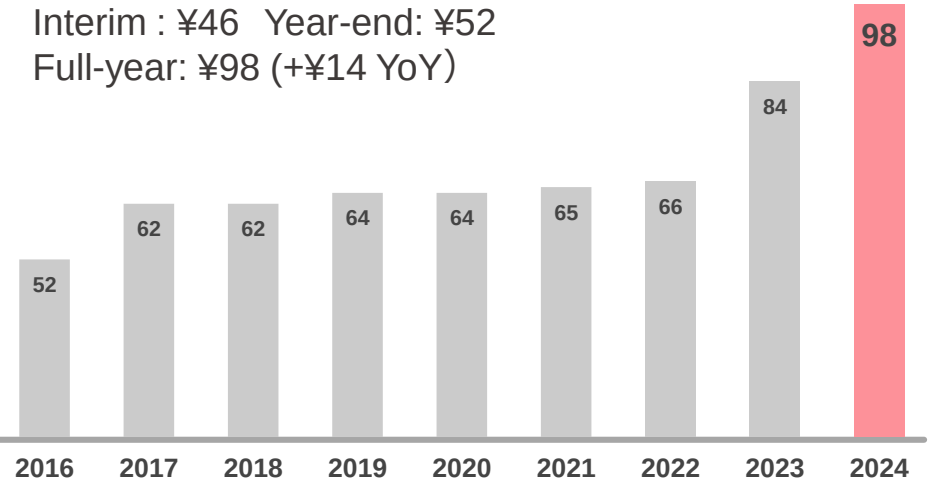
(billion yen)	2024 result	Plan (announced in Aug.)	Difference from plan	2023 result	YoY change
Sales revenue	1,094.7	1,105.0	-10.3	985.3	+109.4
Business profit	134.4	128.5	+5.9	99.1	+35.3
Business profit margin	12.3%	11.6%	+0.6%	10.1%	+2.2%
Operating profit	119.2	116.0	+3.2	100.4	+18.8
Net profit	74.9	78.5	-3.6	67.2	+7.7
ROE	9.2%	-	-	9.9%	-0.8%

Business profit・Business profit margin



Shareholder Return

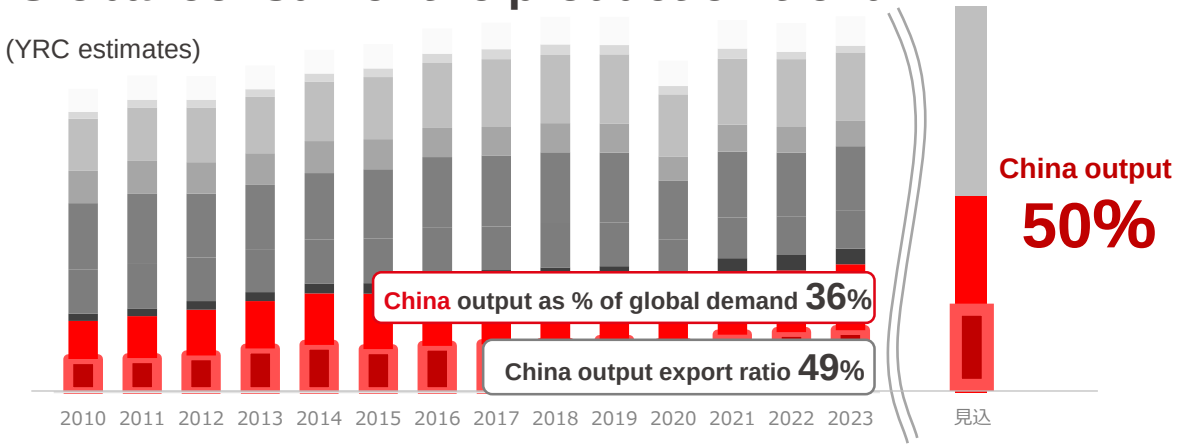
Interim : ¥46　Year-end: ¥52
Full-year: ¥98 (+¥14 YoY)



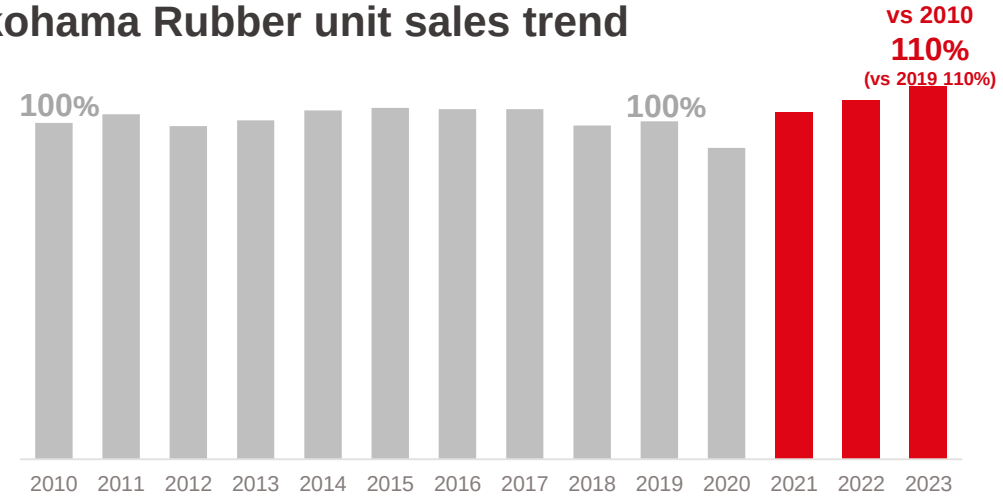
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YX2026 Consumer Tire Growth Strategy

Global consumer tire production trend



Yokohama Rubber unit sales trend



Drastic reduction of product costs
（Exploration）

AGW
（Exploitation）

“1-year plant” challenge

New plant in Mexico
Groundbreaking ceremony in Apr. 2024



New Hangzhou plant in China
Groundbreaking ceremony in Dec. 2024





*YOKOHAMA brand: 99%

Brand MIX

Size MIX

Sales company-distributor policy

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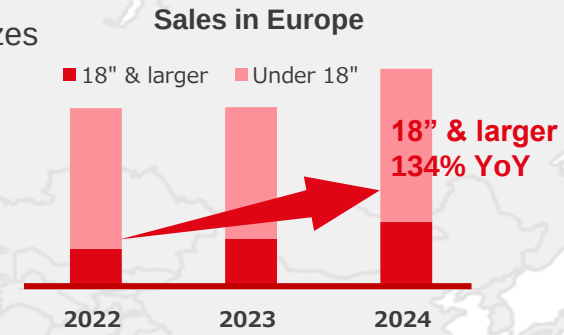
YX2026 Consumer Tires - Major Achievements in FY2024

<Product and Regional Strategies> Strong performance in each region

Consumer tire unit sales

Europe **122%**

Strong sales of high-inch sizes



China **101%**

Deliveries to Chinese makers up 8.8x YoY
Began deliveries for Chinese makers' premium cars & EVs


Lynk & Co Z10


NIO ONVO L60


LEAPMOTOR C16


HUAWEI STELATO S9

Asia & India **112%**

Entry into new sales channels
Strengthened sales of high-value added tires

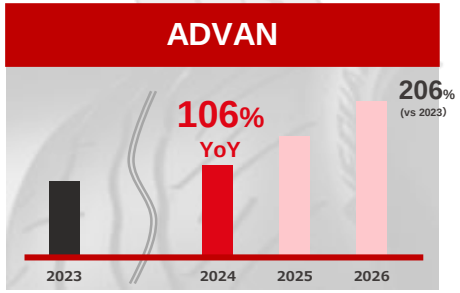
Japan **106%**

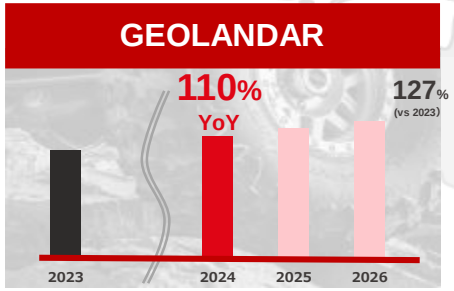
OE sales rebound; REP share increased
REP Summer 104% (JATMA 102%) Snow 98% (JATMA 93%)
*sell-in data

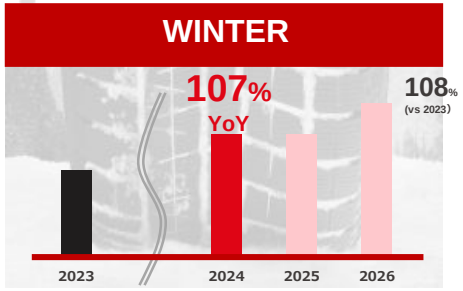
N. America **100%** *ex Friend Tire

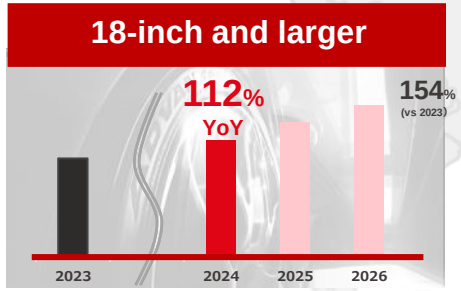
GEOLANDAR sales increased +5% YoY

Sales of high value-added tires







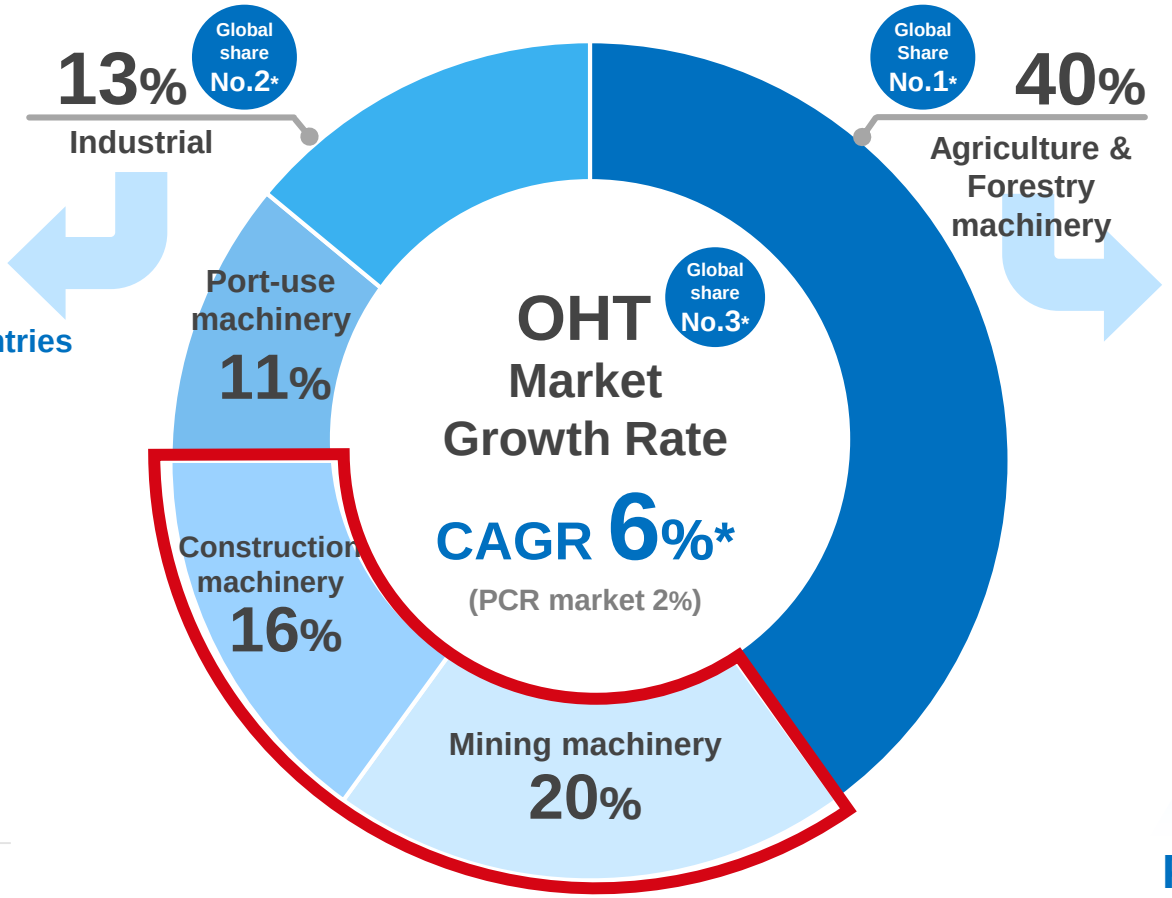


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YX2026 Commercial Tire; OHT Growth Strategy

*Yokohama estimate

Market Size ≈ 4 trillion JPY*



(Pie graph: global demand composition ratios of off-highway tires)

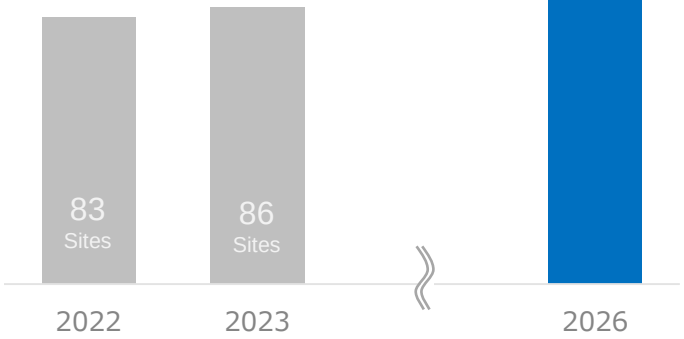
Strengthen services

interfit service • excellence

27 Countries

21 countries

104 Sites



Multi-brand strategy

YOKOHAMA
AICHI TIRE
TRELLEBORG
Mitas
ALLIANCE ENGINEERED TO KEEP YOU AHEAD
GALAXY APPLICATION SPECIFIC, PURPOSE BUILT.

Each has Production/Technology/Sales

「Programmatic M&A」＋ GOODYEAR OFF-THE-ROAD

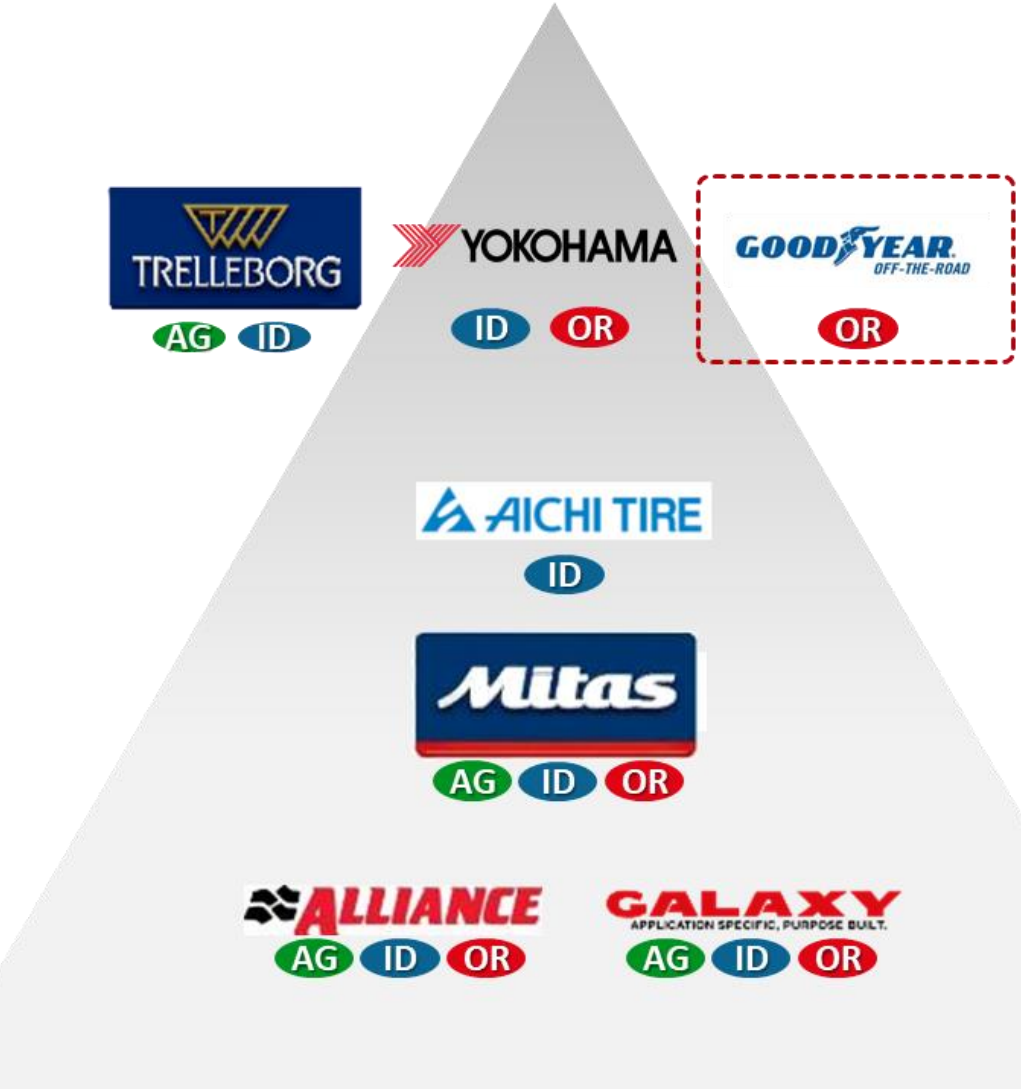
Feb. 4, 2025 (JST)

Acquisition completed

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YX2026 Commercial Tire; OHT Growth Strategy

Product portfolio after the acquisition of G-OTR



	Agriculture	Forestry	Lawn Garden & Turf	Material Handling	Construction	Earthmover & Mining	Truck (OR)
YOKOHAMA / AICHI TIRE / TRELLEBORG / Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE / GALAXY	✓	✓	✓	✓	✓	✓	✓

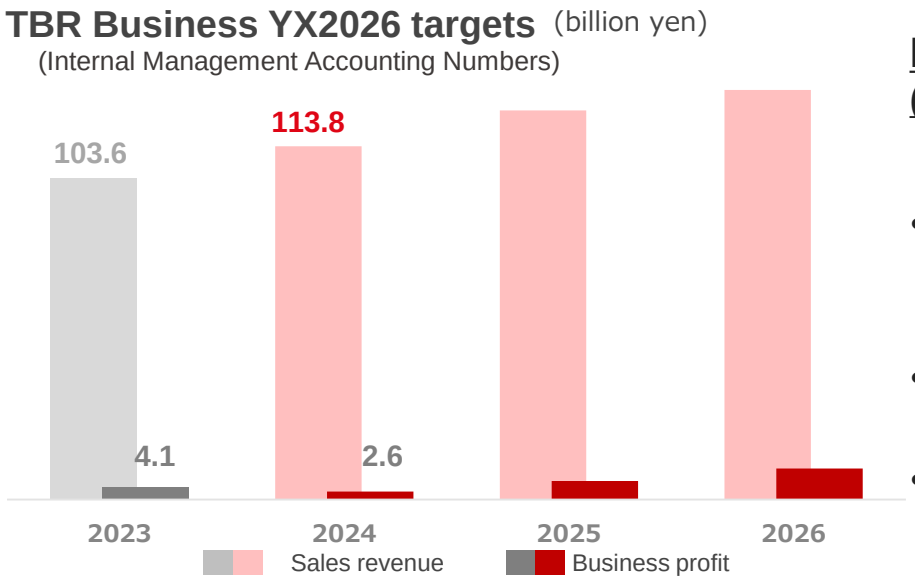
GOODYEAR OFF-THE-ROAD

YOKOHAMA / AICHI TIRE / TRELLEBORG / Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE / GALAXY	✓	✓	✓	✓	✓	✓	✓

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YX2026 TBR & MB - Major Achievements in FY2024

TBR



Increased unit sales in 3 major markets (Japan, North America, Europe)

YoY unit sales increases

- Europe +42%: Expanded into new sales channels in key demand regions, including Germany, UK, and East Europe
- N. America +12%: Stable supply from Mississippi plant
- Japan +6%: Stronger sales activities, especially for snow tires

MB

Strengthen & expand by concentrating resource allocation

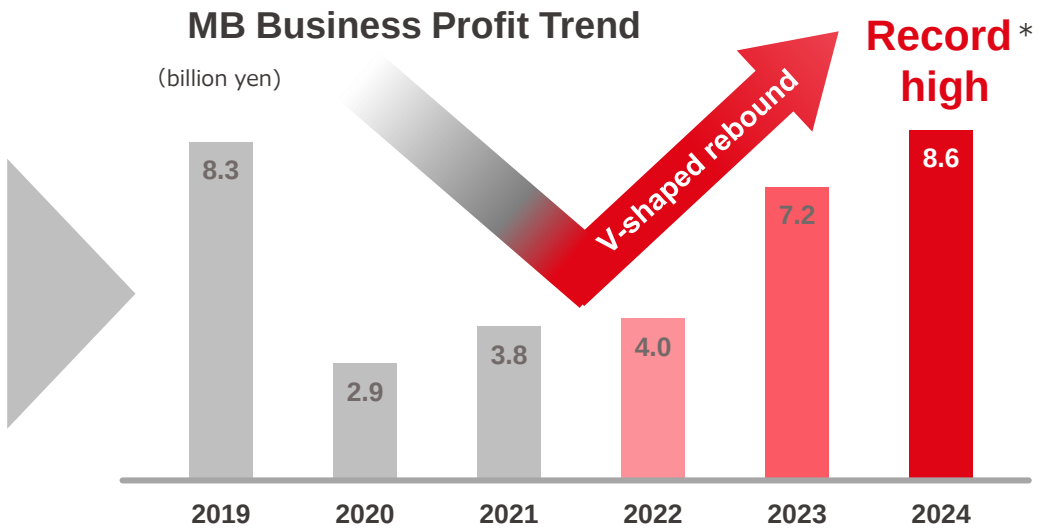
Hoses & Couplings	Industrial products
Growth driver	Stable earnings

◆**Hydraulic hoses**
Value chain restructuring

◆**Automotive hoses**
Restructure production

◆**Conveyor belts**
Top share in Japan・
Investment to expand production completed

◆**Marine hoses / fenders**
Establish high-profit structure
・Efforts to improve productivity



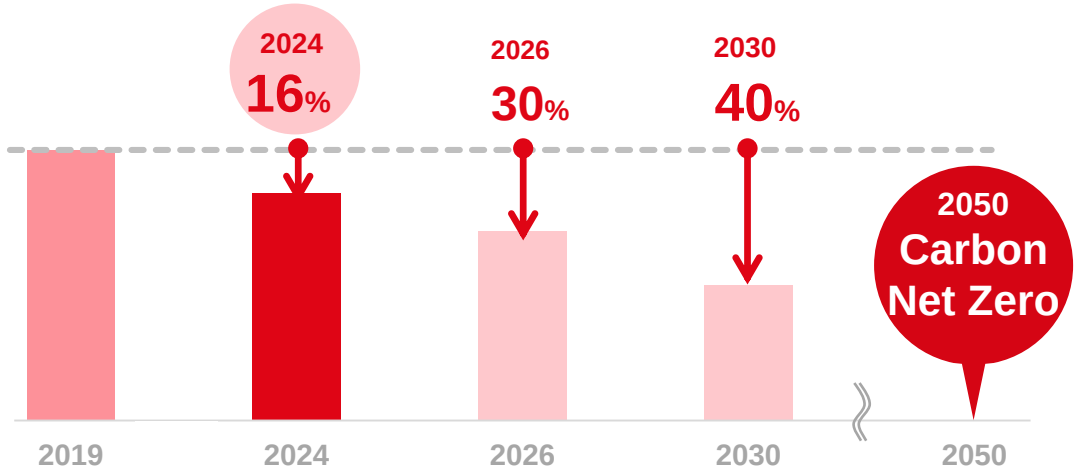
*Business profit basis

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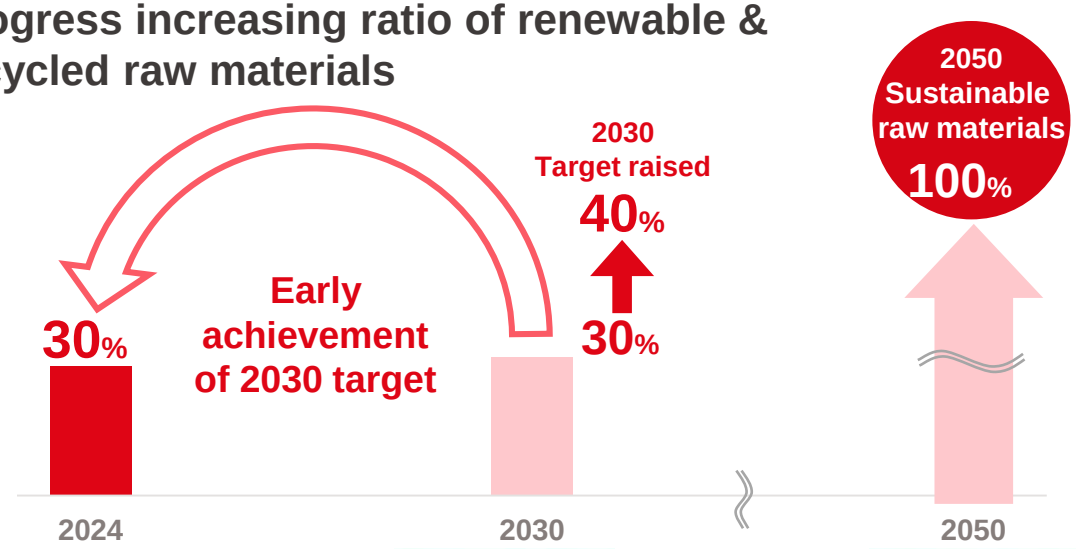
YX2026 Sustainability – Major Achievements in FY2024

Contribute to a Decarbonized and Recycling-Oriented Society while Increasing PROFITS

Progress reducing greenhouse gas emissions



Progress increasing ratio of renewable & recycled raw materials



FY2024 sustainability initiatives

■E: Environment

- Named to CDP A List of companies with highest scores for actions to counter climate change for 3rd straight & 6th time overall

CDP “Climate Change” A List

■S: Social

- Earned highest evaluation for LGBTQ+ related initiatives

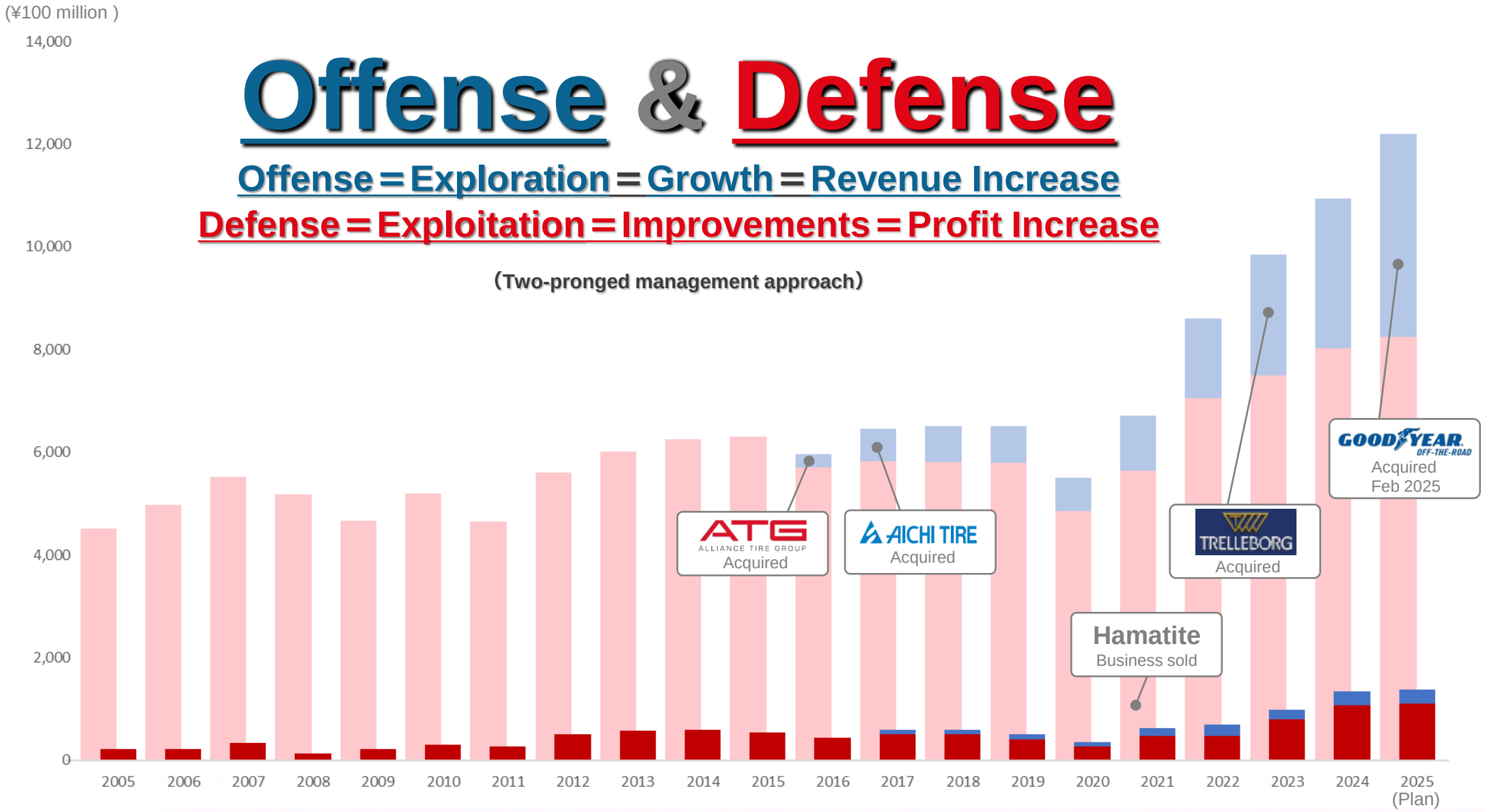
PRIDE Index2024
Received highest
“Gold” award

D&I AWARD 2024
Received highest rating

- YX2026 Employee Survey (employee engagement survey) started

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Growth Trajectory (organic + M&A track record)



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Medium-term Management Plan YX2026
Initiatives to be Implemented from FY2025

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2025 Full-year Plan

Full-year plan

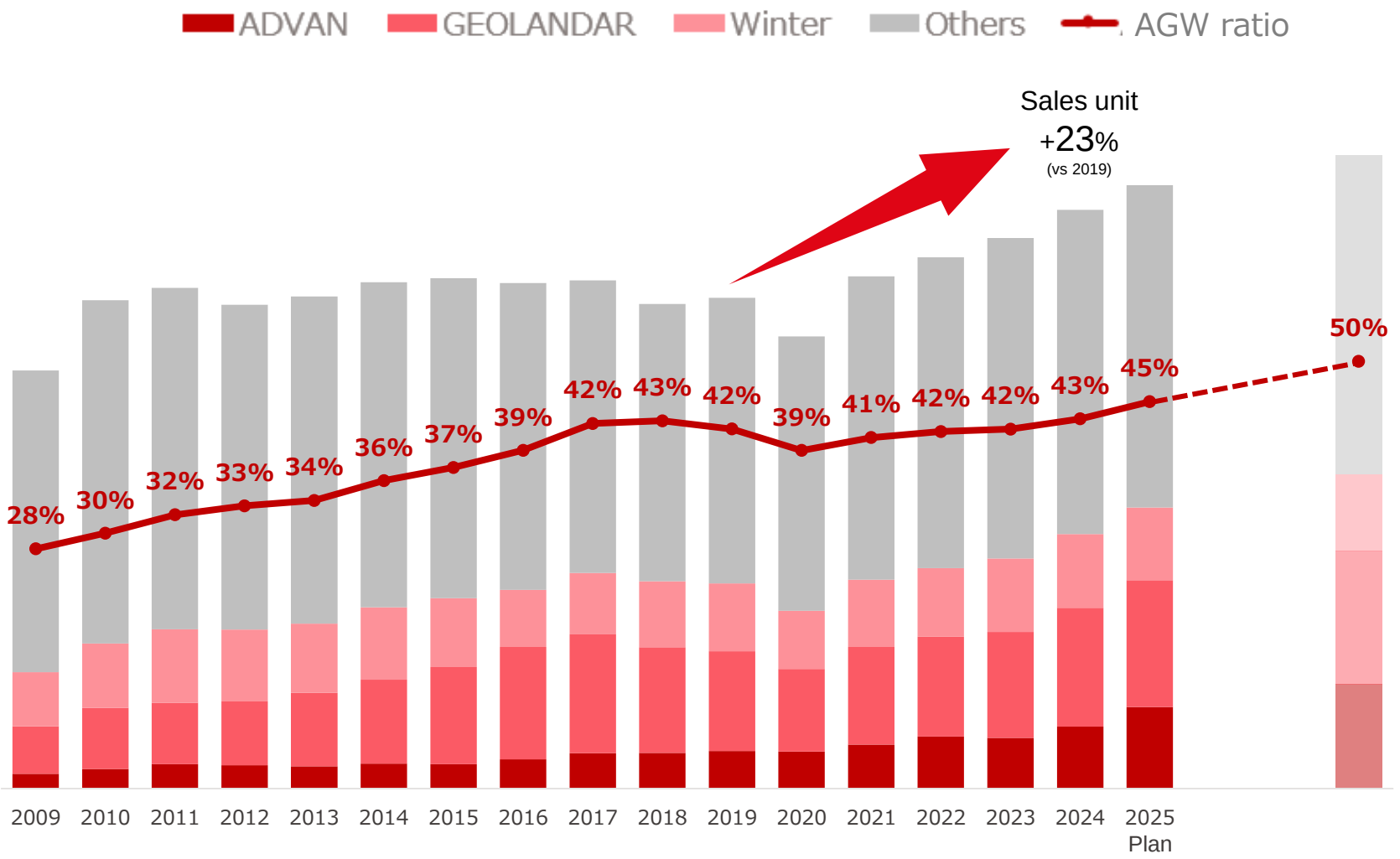
(billion yen)	2025 plan	2024 results	YoY change
Sales revenue	1,220.0	1,094.7	+125.3
Business profit	138.0	134.4	+3.6
Business profit margin	11.3%	12.3%	-1.0%
Operating profit	132.0	119.2	+12.8
Net profit	81.5	74.9	+6.6
ROE	9.2%	9.2%	0.0%

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YX2026 Consumer Tire Growth Strategy

Strengthen sales of high value-added tires





Ultra High Performance
Global Flagship Brand
ADVAN

SUV/Pickup Track
GEOLANDAR

Winter
iceGUARD

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YX2026 Consumer Tires: Progress on New Plants

Mexico plant

Payback period; 8.8yrs Discount rate: 10%

*Assuming 25% tariff rate thru 2028 +0.56/yr



Apr. 2024 | 2025 | 2026 | 2027

- Receive all gov't approvals
- Effective, straightforward facility layout
- Full production from late 2030 (plan)
- Building construction
- Plant equipment Order → Produce → Install → Operate
- Trial mass production
- Mass production

Create greatest effect at least cost

China plant

Payback period: 8.5yrs Discount rate: 9%



Apr. 2024 | 2025 | 2026 | 2027

- Receive all gov't approvals
- Order equipment (from Sept. 2024) → Installation (from July 2025)
- Building construction (late 2025–1Q 2026)
- "1-year plant" challenge
- Construction start Dec.16
- 1 year
- Testing
- Trial mass production
- Mass production

Realize cost-competitive Y-brand plant

- Full production from 2029 (plan)

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YX2026 Consumer Tires: 2025 Initiatives

<Product and Regional Strategies> Promoting most optimal sales strategies for each region

Consumer tire unit sales plan

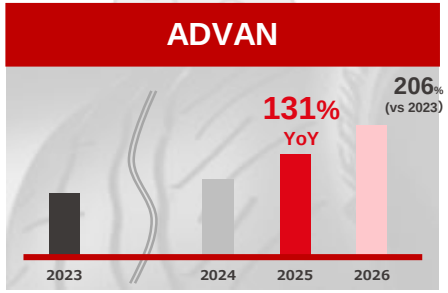
ALL

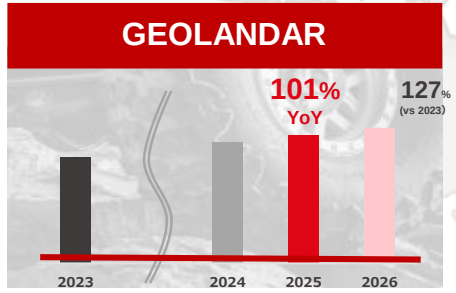
2025 plan YoY growth

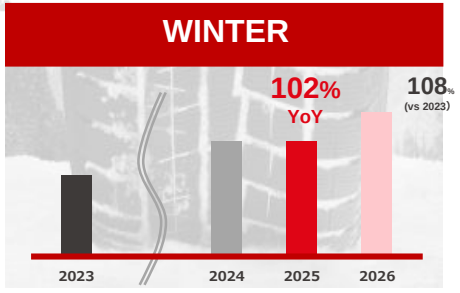
103%

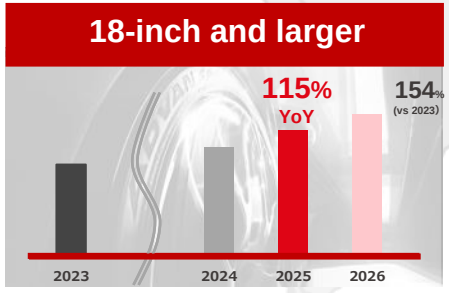
Europe	Asia & India	Japan	China	N. America
108%	103%	102%	102%	102%

High value-added tire sales plan







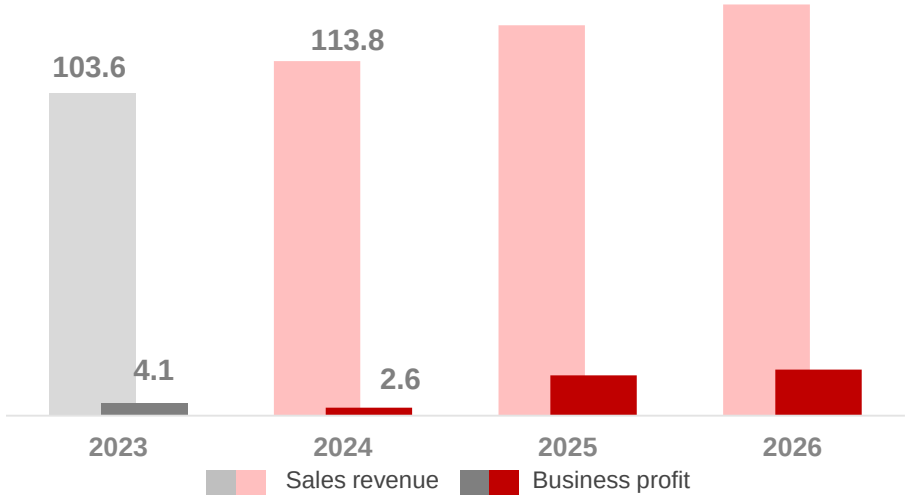


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YX2026 TBR & MB Business Strategies

TBR

TBR Business YX2026 targets (billion yen)
(Internal Management Accounting Numbers)



MB

Strengthen & expand by concentrating resource allocation

Hoses & Couplings	Industrial products
Growth driver	Stable earnings

◆Automotive hoses

Complete structure reforms in N. America

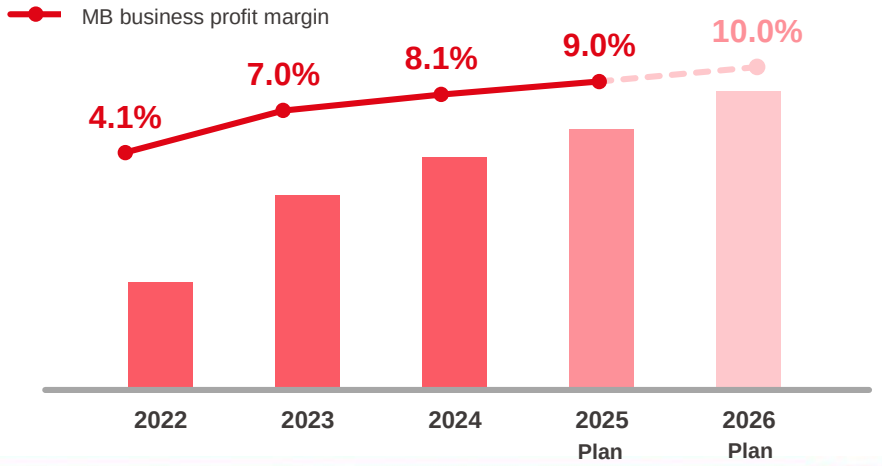
- Consolidate operations & strengthen cost-competitiveness
- Close automotive hose assembly plant in Kentucky, USA

Internal reforms & Strengthen sales

Internal reforms: Reallocation of production at Japan & Thailand plants, In response to tariffs
Improve earnings・Maximize profit

Strengthen sales: Bolster sales efforts in Europe, North America, & Japan to expand market shares; Plan to increase capacity at Mie Plant will help increase production volumes

MB Segment Business Profits



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OHT Business Strategy

February 19, 2025

The Yokohama Rubber Co., Ltd.

Member of the Board and Senior Managing Officer & Co-COO (OHT Business)

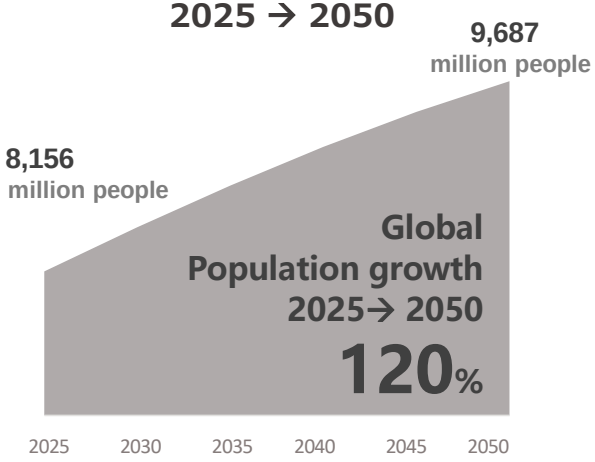
Nitin Mantri

OHT is the most attractive segment in the tire industry

Long-term fundamentals point to sustained growth rate of 6%

Demographic changes

2025 → 2050



Food demand increase

Agriculture & Forestry machinery tire demand

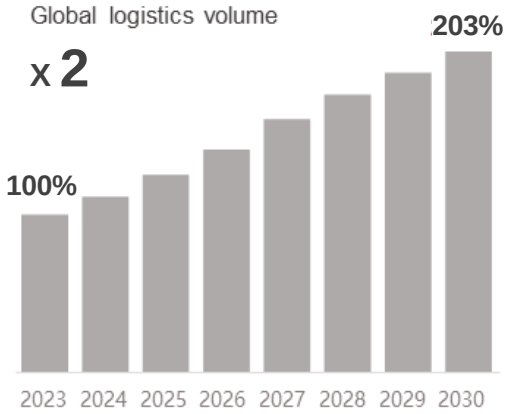
CAGR +5.5%*

Global #1



Increase in logistics volume

2023 → 2030



Increase in port & warehouse transport operations

Industrial & port-use machinery tire demand

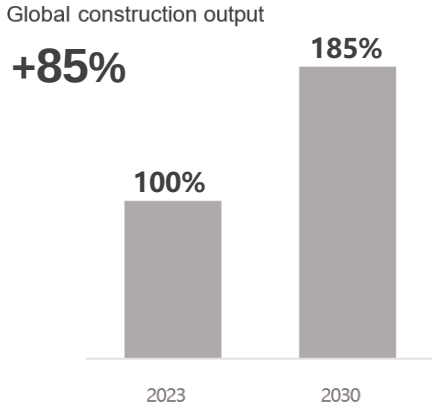
CAGR +5.3%*

Global #2



Increased demand for infrastructure

2023 → 2030



Increase of construction projects (e.g., road, bridge, building, house)

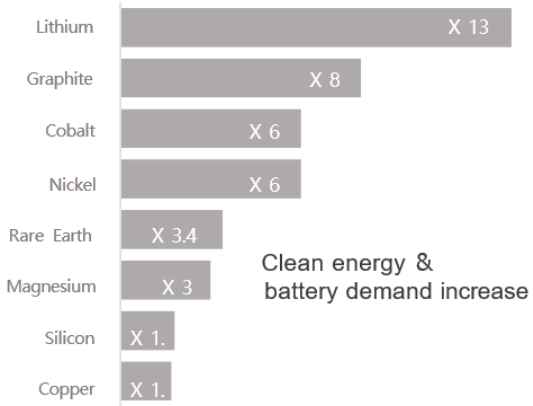
Construction machinery tire demand

CAGR +6.2%*



Changes in energy source

2020 → 2040



Increase of excavation works

Mining machinery tire demand

CAGR +6.6%*



YOKOHAMA

Source: Reports of United Nations Population Divisions

Source: IEA The Role of Critical Minerals in Clean Energy Transitions

* Yokohama estimate

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Higher barriers to entry in OHT segment lead to better margins

Commercial complexity

Based on segment, different go to market strategies are needed

After sales service and field performance are critical

Technological complexity

A wide span of applications with very different needs

Differentiated regional specifications for the same application

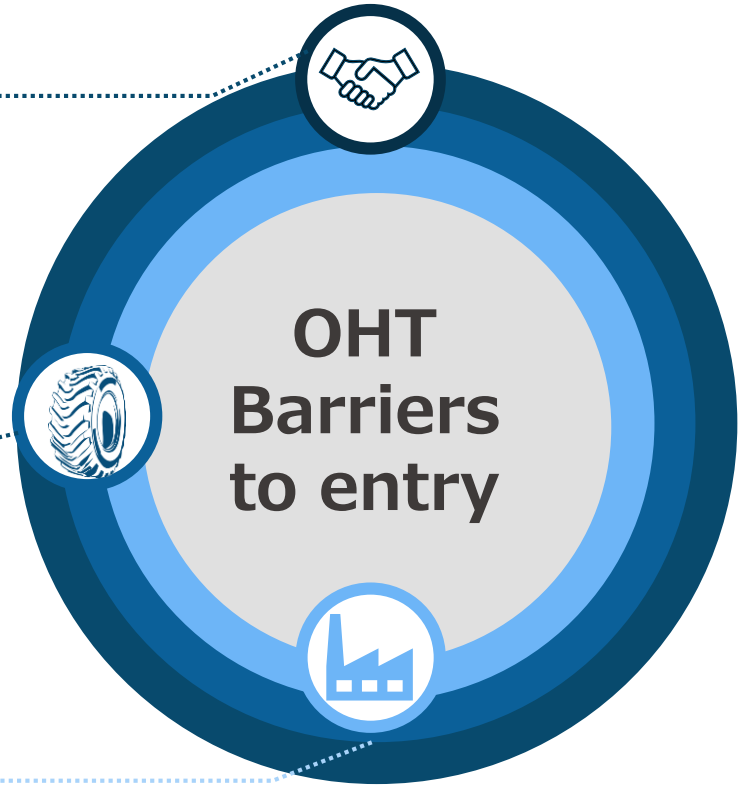
A high number of SKUs (~6,000) ranging from 3” to 63” to be a full-line supplier

Manufacturing complexity

Labor-intensive process, highly dependent on human skills

Dimensional complexity, especially for HHP tractors and mining

Small production runs requiring high flexibility



Despite these strong underlying fundamentals, Y-TWS had a weak financial performance during 2024

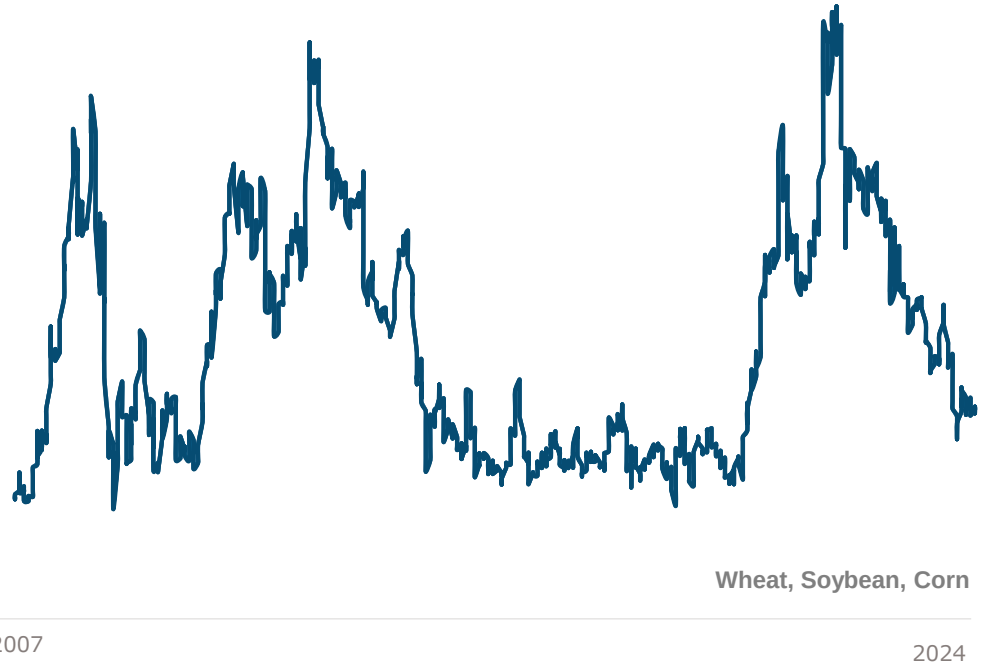
- **High reliance on Ag OEMs over-exposed Y-TWS to Ag market cyclicality**

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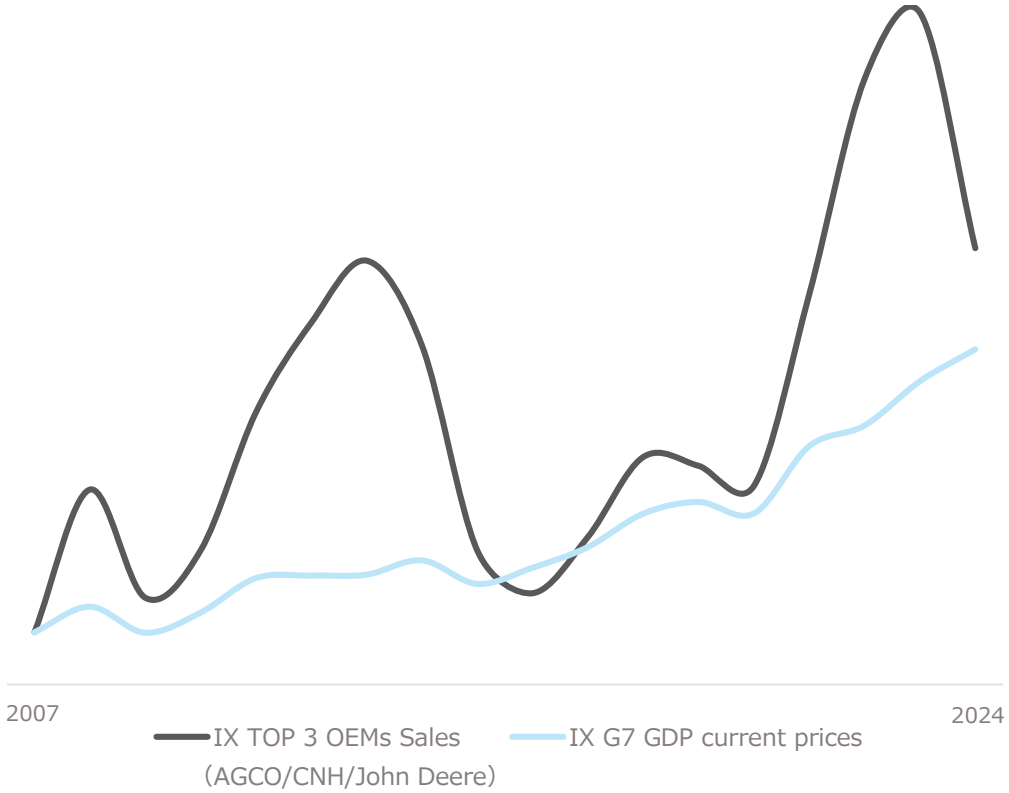
Agricultural tires is an attractive segment with strong long term growth prospects, but the demand is highly cyclical

Volatility in commodity prices causes cyclicality in OE demand

Agriculture commodities price trend (Ix; 2007 = 100)



Top 3 OEs aggregated sales (Ix; 2007 = 100)

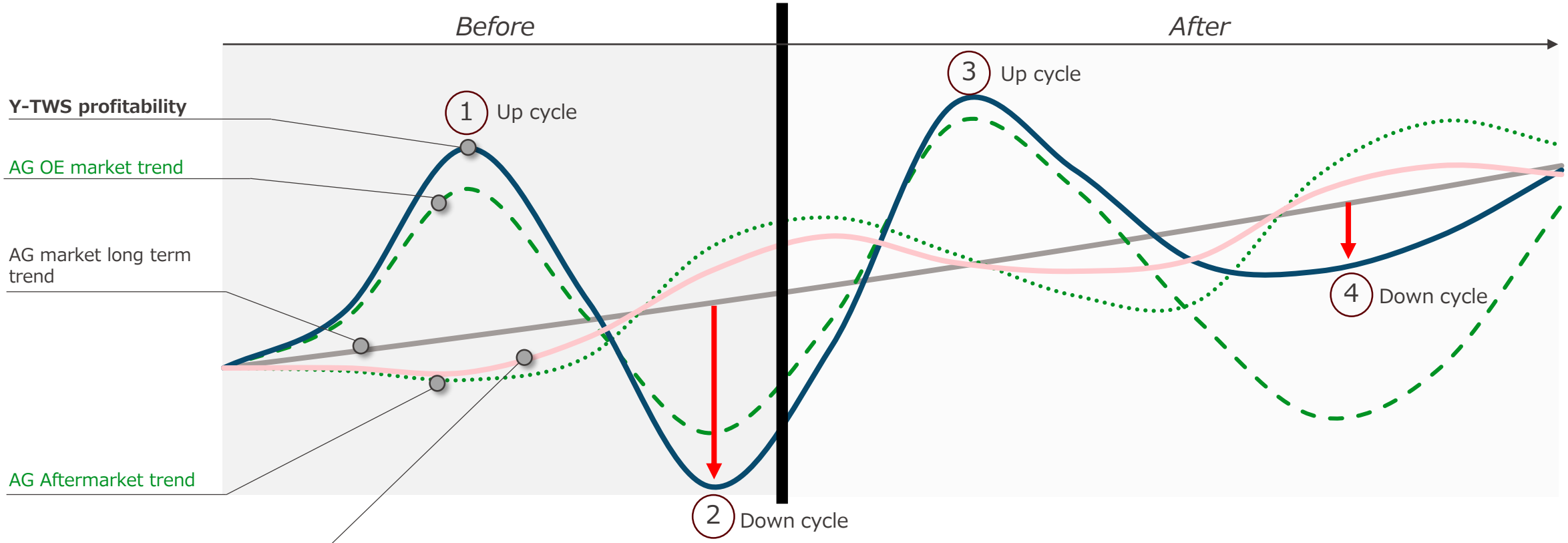


Source: tradingeconomics.com/commodity/
Source: OEMs financial releases, IMF

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We are taking steps to reduce Ag market cyclicality's impact on our earnings

Through restructuring actions and increased focus on Aftermarket



Actions to reduce exposure to AG market downturns:

- ❖ Optimize manufacturing footprint and organization
  - → Two plant closures underway (Y-ATG Israel & Y-TWS Prague) and announcing a third closure (Y-TWS Spartanburg)
- ❖ Create a stronger focus in Y-TWS on aftermarket
- ❖ Leverage YRC platform to enhance operational efficiency
- ❖ Accelerate on new products launches and geographical balance to broaden the customer base
- ❖ Leverage Y-TWS organization to manage GY-OTR back office for shared efficiency

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With GY OTR acquisition, we are the only OHT player strong in both premium and value segments

Covering the entire product spectrum from small forklift tires to giant mining tires

TRELLEBORG AG ID

YOKOHAMA ID OR

GOODYEAR OFF-THE-ROAD OR

AICHI TIRE ID

Mitas AG ID OR

ALLIANCE AG ID OR

GALAXY APPLICATION SPECIFIC, PURPOSE BUILT. AG ID OR


Agriculture


Forestry


Lawn Garden & Turf


Material Handling


Construction


Earthmover & Mining

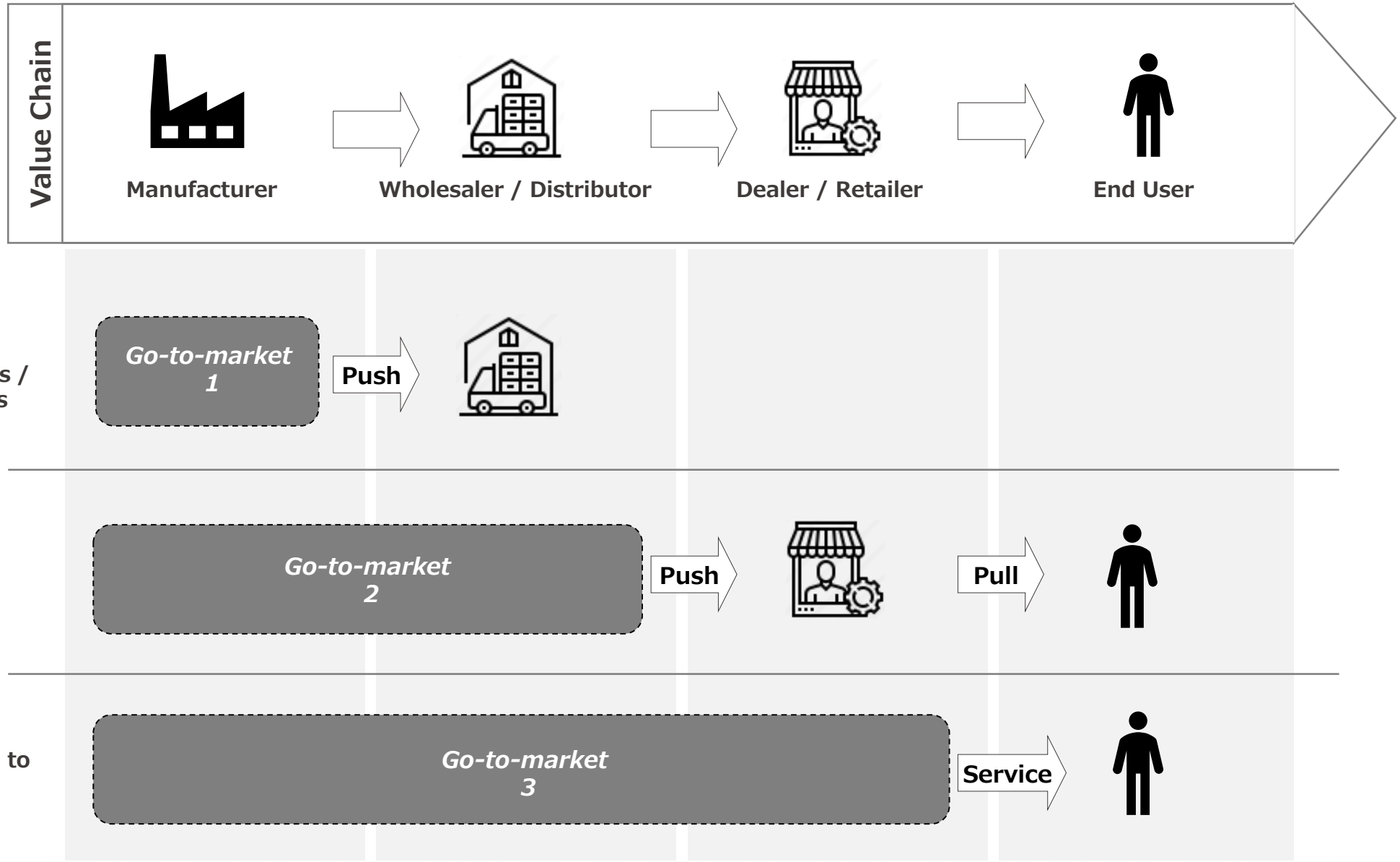

Truck (OR)

	Agriculture	Forestry	Lawn Garden & Turf	Material Handling	Construction	Earthmover & Mining	Truck (OR)
YOKOHAMA AICHI TIRE TRELLEBORG Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE GALAXY	✓	✓	✓	✓	✓	✓	✓

YOKOHAMA GOODYEAR OFF-THE-ROAD TRELLEBORG AICHI TIRE Mitas	✓	✓	✓	✓	✓	✓	✓
ALLIANCE GALAXY	✓	✓	✓	✓	✓	✓	✓

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The only “multi” go-to-market proposition in the industry



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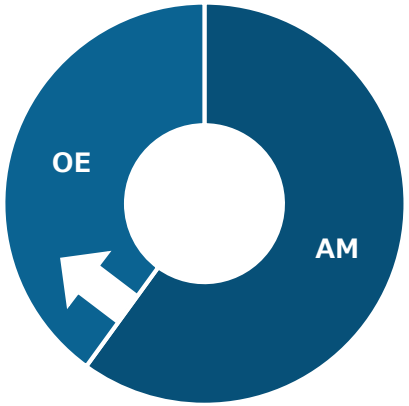
Restructuring of TWS and GY integration is expected to drive strong earnings growth

Increase operational efficiency

By eliminating inefficient and redundant assets

Plant closures		
Location	Country	From
Hadera	IL	Q4 2024
Spartanburg	US	Q1 2025
Prague	CZ	Q2 2025

Reduce earnings cyclicality



Generate synergies

- RM procurement
- Operational efficiencies
- Back office and IT

Plan to deliver $50M+ synergies by 2027

Integrate Goodyear OTR business

By leveraging current OHT infrastructure and SG&A



OHT division will generate over JPY 5 billion incremental profit during 2025※

※G-OTR not included

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Medium-term Management Plan YX2026
Target KPIs

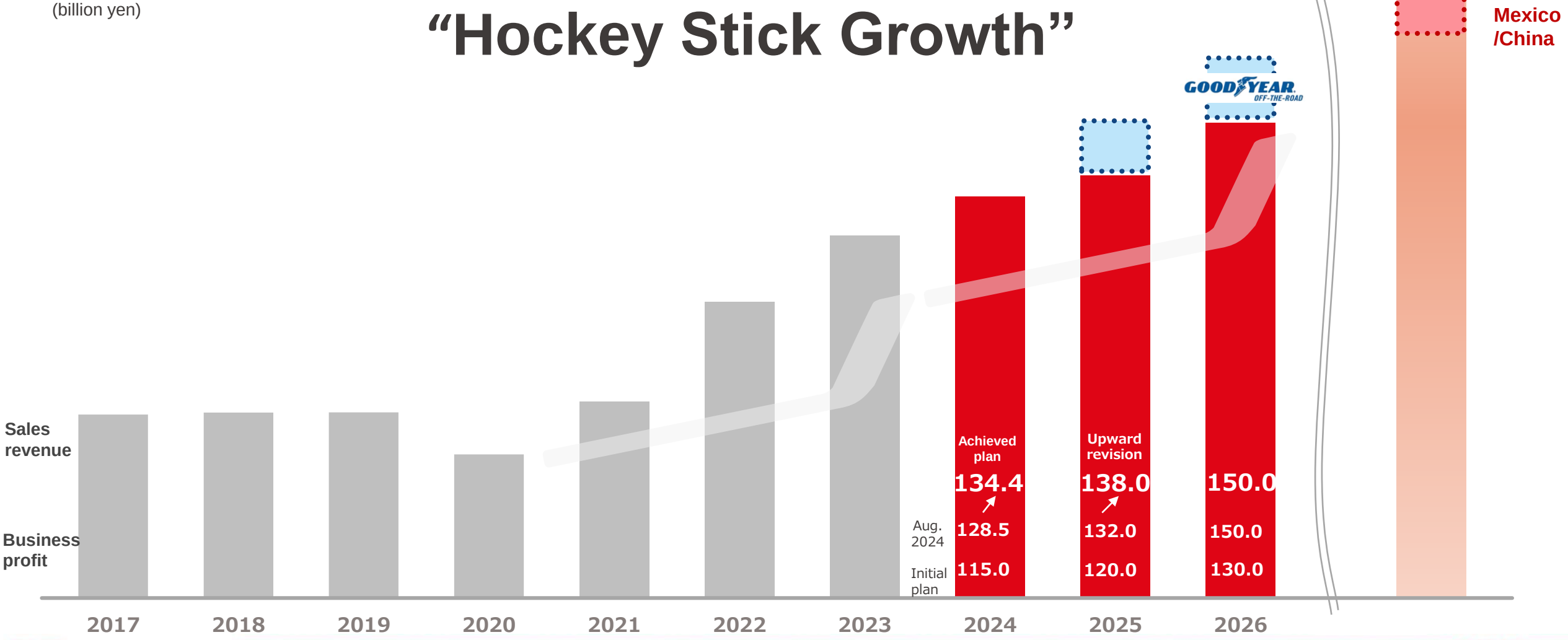
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YX2026 Realization of “Hockey Stick Growth”

Culmination of the past 100 years | Complete transformation from past

GD100 | GD2020 | YX2023 | YX2026

(billion yen)



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YX2026 Strategic Investments to Enhance Corporate Value

Strategic Investments

¥270 billion

M&A Incl. forex impact ≈ ¥130 billion → **≈¥140 billion**

Goodyear OTR Business acquisition completed

Investments in MIX & capacity increases **¥130 billion**

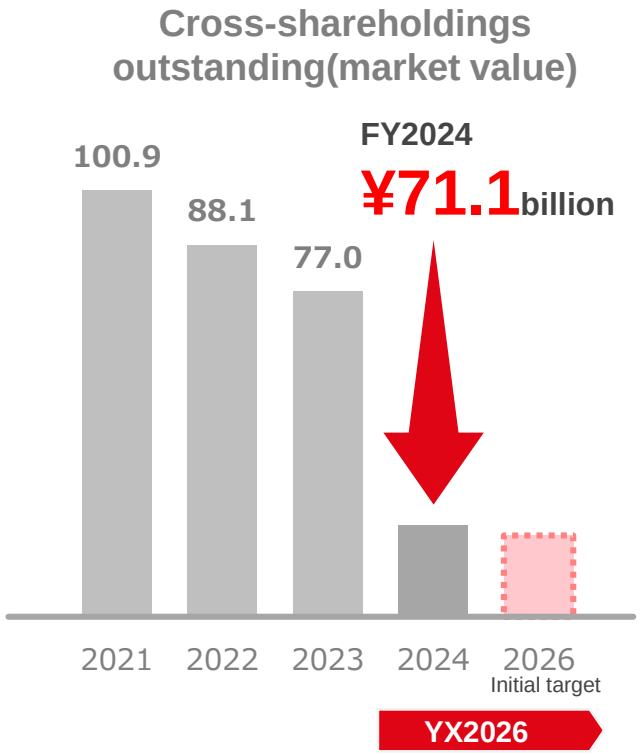
*USD/JPY: 145

New plants: Mexico & China

Existing plants: Philippines & Mishima (racing tires)

Unwinding of Cross-shareholdings

Initial target: ≈¥60 billion



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YX2026 Capital Allocation / Shareholder Return

Execute balance sheet management to increase corporate value

Improvement of ROE and PBR

Capital Allocation

Cash in / Cash out
¥500.0bn (¥490.0bn)

Asset sales
¥90.0bn
(¥80.0bn)

Operating CF
¥410.0bn

*To be revised after completion of G-OTR business plan

Debt repayment, etc.
¥80.0bn

(Other return measures)

Dividends
¥50.0bn

Strategic investments
¥270.0bn
(¥260.0bn)

Investment in current operations
¥100.0bn

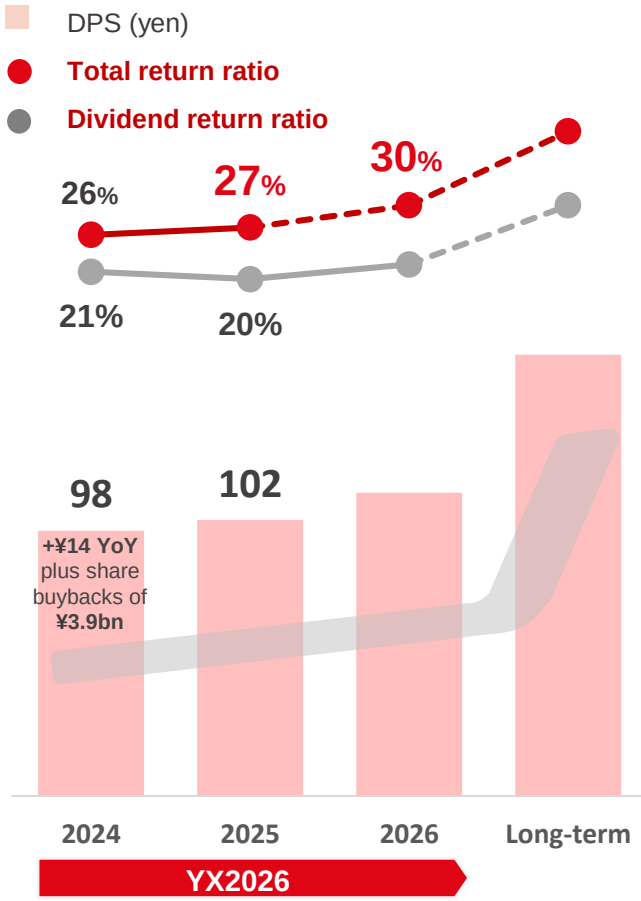
*If equity capital ratio greatly exceeds 50%

2025
Share buyback 6.0 bn yen
(Total return ratio 27%)
2026
Total return ratio 30%

Approximately 10.0 bn yen worth of shares will be cancelled, including 3.9 bn yen worth (1.31 million shares) acquired in November 2024

(initial plan)

Shareholder Return



Dividend payout ratio
YX2026 : 20%

Total return ratio
YX2026 : 30%

*excluding Cross-shareholdings sales

Dividend payout ratio
YX2026: 20%

Total return ratio
Lom-term: 30%

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Basic Plan

Offense & Defense

Offense＝Exploration＝Growth＝Revenue Increase

Defense＝Exploitation＝Improvements＝Profit Increase

（Lead and Disrupt ）

Focus on increasing profits & raising capital efficiency

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Transformation 2026