

NEWS RELEASE



YOKOHAMA

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Yokohama Rubber to Establish Subsidiary in India

Tokyo—The Yokohama Rubber Co., Ltd., announced today that it will establish a wholly owned subsidiary named Yokohama India in New Delhi, India in January 2007. Yokohama India will begin its operation as a tire sales and marketing company for the time being, however it is planned to become a local headquarters in India later on for coordinating any future expansion of business such as manufacturing tires and marketing automotive hoses and sealants. It will have a start-up capitalization equivalent to approximately 50 million yen.

Yokohama markets passenger car tires in India through its Singaporean tire distributor. Tire demand in India is beginning to surge, however, and the new subsidiary and the dealer network that it will build signify the determination at Yokohama to share fully in that growth. The expected surge in Indian tire demand is part of growth in India's automotive sector overall, and Yokohama is preparing to serve that growth with tires and also with other automotive products.

India's gross domestic product has been growing 7% to 8% annually since 2003, and that economic expansion is supporting swift growth in vehicle ownership. Sales of new passenger cars in India have increased 61% since 2002, to 1,140,000 vehicles in 2005. Industry analysts project that new-car sales in India will reach 2 million vehicles by 2010 and 5 million by 2020.

The Indian subsidiary is part of Yokohama's strategy for strengthening its market presence in the large-population, fast-growth economies of Brazil, Russia, India, and China. Those nations, the so-called BRICs, are on track to overtake the G7 nations in economic scale this century. In China, Yokohama has established a tire sales company, five production companies—two for tires and three for conveyor belts, sealants, and hose assemblies—and a management company to oversee those operations locally. Yokohama's BRICs strategy has also included establishing a tire sales company in Russia.

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