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For immediate release

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Yokohama Rubber's Chinese Tire Plant to Beef up Phase IV Plant Expansion

Tokyo - The Yokohama Rubber Co., Ltd., today announced a decision to beef up the Phase IV expansion of the tire plant of Hangzhou Yokohama Tire Co., Ltd., a passenger-car tire manufacturing/sale company in China so as to increase its production capacity from current 3 million to 5.1 million tires a year. Planned investment in the Phase IV expansion as a whole is approximately 7 billion yen, and production is scheduled to begin in January 2011 using the expanded facility.

In July of this year, Yokohama Rubber announced a plan to increase the annual production capacity of Hangzhou Yokohama Tire Co., Ltd. by 1.1 million tires. In 2009, however, China is expected to become the world's largest automotive manufacturing country by making more than 10 million cars in continued vigorous trends toward production and sales growths. Yokohama Rubber has promptly responded to these moves by making a decision to give an additional production capacity to the Chinese affiliate.

Established in January 2002, Hangzhou Yokohama Tire Co., Ltd. manufactures and sells passenger-car tires for the Chinese market. The company's plant started operation in May 2003 and its Phase II expansion and Phase III expansion were carried out in January 2005 and March 2008, respectively. At present, it manufactures and sells passenger-car, recreational-vehicle and light-truck tires for consumers and automakers. On the other hand, Yokohama Rubber manufactures and sells steel radial tires for trucks and buses in the Chinese market at Suzhou Yokohama Tire Co., Ltd. founded in Suzhou City, China.