

NEWS RELEASE



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Yokohama Rubber Establishes New Sales Company to Market MB Products in China

Tokyo – The Yokohama Rubber Co., Ltd., announced today that it would establish Yokohama Industrial Products Sales - Shanghai Co., Ltd., a sales company for Multiple Business (MB) products including hoses, adhesives and conveyer belts, on May 1, 2011 in Shanghai City, China. Capitalized at 750,000 US dollars fully paid by Yokohama Rubber (China) Co., Ltd., the new company will employ 11 persons. In 2010, Yokohama Rubber recorded MB product sales of approximately 3 billion yen in China. It however aims to attain over 10 billion yen in 2014 or after 3 years through the establishment of its own sales company. Yokohama Industrial Products Sales - Shanghai is the second overseas MB product sales company, following Yokohama Industrial Products Europe, GmbH established in April 2009 in Germany.

At present, Yokohama Rubber's MB Group has 3 Chinese affiliates for high-pressure hoses assembly and sale, automotive adhesive manufacture and sale, and conveyer belt manufacture and sale. These companies are active mainly in the area of product delivery to Japanese original equipment manufacturers in China. However, rapid development of the Chinese economy has continuously expanded replacement markets for these products. In order to proactively meet the need of these markets, Yokohama Rubber has considered it necessary to establish a company specialized in sales apart from manufacturing operations.

Among the replacement markets, Yokohama Rubber is particularly interested in increasing sales of high-pressure hoses for construction machinery that meets vigorous civil construction demand in China. Also, China has many world's top-class makers of solar panels and smartphones. Because these makers are expected to demand sealing materials for the solar panels and coating materials for smartphones, the new company plans to enter these materials markets in the near future. In addition, Yokohama Rubber will utilize marketing capabilities of the new company to develop new Chinese customers for rubber bearing for bridges and other industrial products.