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For immediate release

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## **Yokohama Rubber to Make Automotive Air Conditioning Hoses in Mexico**

Tokyo – The Yokohama Rubber Co., Ltd., announced today that its U.S. subsidiary YH America, Inc. (YHAI), will start production of automotive air conditioning hoses in Mexico. YHAI plans to begin delivery of the hoses to a Japanese car maker in Mexico from summer 2014. To limit the investment burden, YHAI will consign assembly to a local company rather than build its own plant. It also aims to use the Mexican output to expand transactions with Japanese car makers and with the U.S. Big Three. Local Mexican production will be located in the suburbs of the west central Mexican city of Aguascalientes, where a number of auto makers have established plants.

Headquartered in Kentucky, YHAI is engaged in the assembly and sale of automotive air conditioning and power steering hoses, and also produces automotive windshield sealants. The subsidiary is the No. 1 supplier of automotive power steering hoses in the United States, with sales to the U.S. Big Three as well as Japanese auto makers. Extending its automotive hose and metal fitting assembly operations to Mexico will give it a third production base in North America, where it already has plants in Kentucky and South Carolina.

Yokohama Rubber is currently endeavoring to realize the goals of its current medium-term management plan, Grand Design 100, by fiscal 2017 (ending March 31, 2018), the company's centennial year. The plan's targets include expanding the overseas sales ratio in the company's Multiple-business (MB) segment, which includes sporting goods and aviation parts as well as industrial products, from the current 33% to 50%. In keeping with the plan's goals, Yokohama Rubber is strengthening its overseas automotive hose operations, which currently include production and sales in Japan, the United States and Thailand.