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For immediate release

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Yokohama Rubber to Establish Its Base for Truck/Bus Radial Tire Production in Thailand; Operation Scheduled to Begin in April 2005

Tokyo – The Yokohama Rubber Co., Ltd. today announced that at the end of November 2003 it had completed filing an approval application with the Thai Board of Investment (BOI) for the establishment of a local company to manufacture radial tires for truck and bus. According to Yokohama's plan, the new company will formally be created in January 2004 and a plant with an annual production capacity of 300,000 tires will be constructed as the Phase I program to begin operation in April 2005. The Phase I program will be followed by the Phase II program in which annual production capacity will be doubled to 600, 000 tires. Yokohama plans to invest 5.5 billion yen for the Phase I program.

Yokohama will position the new company as its production base for high quality truck/bus tires for the market outside Japan. The main product of the new company will be 22.5-inch tires for which demand is particularly strong worldwide. The tires will be shipped to a variety of marketplaces in the world. For the plant, Yokohama plans to acquire a maximum of 225,000 square meters of a site in the industrial park in Amata City, Rayong, a province in the south of Bangkok City. The new plant will employ a small-lot production system that is superior in cost efficiency even in relatively small production scale.

The new company will be named “Yokohama Tire Manufacturing (Thailand) Co., Ltd.” and capitalized at 1.5 billion yen in which 95% will be paid by Yokohama and 5% by T. SIAM Commercial Co., Ltd, the sole distributor of YOKOHAMA-brand tires in Thailand.

The new production base in Thailand supplements Yokohama Rubber's two existing plants for the production of truck/bus tires: Mie Plant in Japan and GTY Tire Company in the United States. It is also positioned as the first production base for truck/bus tires in Asia where the company may construct additional production bases in the future.

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