

NEWS RELEASE



YOKOHAMA

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For immediate release

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New Company to Control Overall Business in China

Tokyo - The Yokohama Rubber Co., Ltd., today announced that in December 2005 it will establish Yokohama Rubber (China) Co., Ltd., in the city of Shanghai, China, to exercise overall control of business operations at each of its companies in China. Yokohama Rubber (China) will be capitalized at \$30 million.

Yokohama Rubber has engaged in businesses in China through three production and sales companies: Hangzhou Yokohama Tire Co., Ltd. (established in December 2001), producing and selling tires for passenger cars; Yokohama HAMATITE (Hangzhou) Co., Ltd. (established in February 2004), producing and selling sealant for passenger cars; and Yokohama Hoses & Coupling (Hangzhou) Co., Ltd. (established in December 2004), assembling and selling high-pressure hoses. Additionally, as part of its further business expansion in China, Yokohama Rubber intends to establish a joint venture company to produce and sell conveyor belts in January 2006, and another joint venture company to sell tires in April 2006.

Given that, and in order to cope in a timely manner with growth and other changes in the Chinese market, the company now finds it necessary to manage its businesses with a holding company, which will oversee the entire business in China in the tire and multiple-business (MB) markets, that is, businesses other than tires, as well. By establishing a holding company, Yokohama Rubber expects to improve efficiency by integrating duplicate businesses among its companies and strengthening their functions, including sales promotion and marketing efforts.

The holding company will start by financing the new conveyor-belt and tire joint ventures. Thereafter, it will invest in companies as they are established by Yokohama Rubber in China. Sometime in the future, the three existing companies (mentioned above) will also be placed under the umbrella of the holding company.

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Outline of Holding Company

Name: Yokohama Rubber (China) Co., Ltd.
Location: Shanghai City, China
Establishment: December 2005 (planned)
Capitalization: \$30 million (financed 100% by Yokohama Rubber)