

# NEWS RELEASE



# YOKOHAMA

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For immediate release

Contact:  
Corporate Communications Dept.  
The Yokohama Rubber Co., Ltd.  
36-11, Shimbashi 5-chome  
Minato-ku, Tokyo 105-8685  
Phone: 81-3-5400-4531  
Fax: 81-3-5400-4570

## **Sales and Earnings Down at Yokohama Rubber in Fiscal First Quarter**

Tokyo—The Yokohama Rubber Co., Ltd., announced today that its sales in the first quarter of the present fiscal year were down 22.7% from the same period of the previous fiscal year. Yokohama's sales totaled 95.2 billion yen in the three months to June 30, 2009, the first quarter of the fiscal year to March 31, 2010. In the company's Tire Group, sales slumped amid weak demand in Japan and in North America, western Europe, and most other overseas markets, though Yokohama posted sales gains in tires in the Russian and Chinese markets. The company's Multiple Business (diversified products) Group posted sales gains in marine hoses and in aircraft products but registered sales declines in high-pressure hoses, in laminated rubber-and-steel bearings for protecting structures from earthquakes, in sealants, and in golf products.

Yokohama reported a quarterly operating loss of 4.1 billion yen, compared with operating income of 4.1 billion yen in the first quarter of the previous fiscal year, and a net loss of 1.8 billion yen, compared with net income of 2.9 billion yen in the previous first quarter. Profitability suffered from the decline in sales and, especially in tires and in high-pressure hoses, from declining capacity utilization rates caused by shrinkage in unit sales volume. Profitability also suffered from the appreciation of the yen against the U.S. dollar and the euro. Offsetting some of the decline in profitability was Yokohama's progress in reducing sales and administrative expenses.

In Yokohama's Tire Group, sales declined 20.6% from the first quarter of the previous fiscal year, to 73.8 billion yen, and the group posted an operating loss of 3.6 billion yen, compared with operating income of 3.2 billion yen in the previous first quarter. Sales in Yokohama's Multiple Business Group declined 29.2% compared with the first quarter of the previous fiscal year, to 21.4 billion yen, and the group posted an operating loss of 500 million yen, compared with operating income of 1.0 billion yen in the previous first quarter. The downturns in profitability in the Tire Group and in the Multiple Business Group reflected the decline in sales, a decline in capacity utilization rates caused by shrinking unit volume, and the appreciation of the yen.

横浜ゴム株式会社 広報部広報・IRグループ  
〒105-8685 東京都港区新橋5-36-11 TEL:(03) 5400-4531 FAX:(03) 5400-4570

THE YOKOHAMA RUBBER CO., LTD. CORPORATE COMMUNICATIONS DEPT.  
36-11, Shimbashi 5-chome, Minato-ku, Tokyo 105-8685, Japan Telephone: 81-3-5400-4531 Facsimile: 81-3-5400-4570

Yokohama projects that net sales will decline 5.3% in the fiscal year to March 31, 2010, to 490 billion yen. That projection reflects continuing weakness in demand amid the global economic slowdown and concerns about a possible further appreciation of the yen. The company projects improvements in profitability, supported by the recent decline in prices for raw materials.

Yokohama projects that operating income will increase 32.7%, to 17 billion yen, and that the company will post net income of 7 billion yen, compared with a net loss of 5.7 billion yen in the previous fiscal year. All of those projections are unchanged from the projections released in May, when Yokohama announced its business and financial results for the previous fiscal year.

## Financial Highlights

Millions of yen

	<b>FY10 1st quarter</b>	FY09 1st quarter	FY09
	<b>April 1–June 30, 2009</b>	April 1–June 30, 2008	April 1, 2008– March 31, 2009
Net sales	¥ <b>95,177</b>	¥123,147	¥517,262
Operating income	<b>(4,078)</b>	4,118	12,808
Income before income taxes and minority interests	<b>(1,748)</b>	5,738	(3,165)
Net income	<b>(1,769)</b>	2,909	(5,654)
Net assets	<b>149,791</b>	178,075	144,159
Total assets	<b>472,381</b>	518,459	473,376
Per share (yen):			
Net income: basic	<b>(5.28)</b>	8.68	(16.87)

## Results by Business Segment and by Region

Millions of yen

	<b>FY10 1st quarter</b>	FY09 1st quarter	FY09
	<b>April 1–June 30, 2009</b>	April 1–June 30, 2008	April 1, 2008– March 31, 2009
<b>Sales to third parties</b>			
Tires	<b>¥73,804</b>	¥92,951	¥399,728
Multiple Business	<b>21,372</b>	30,196	117,534
<b>Operating income</b>			
Tires	<b>(3,630)</b>	3,242	9,890
Multiple Business	<b>(466)</b>	1,008	3,418
Eliminations	<b>18</b>	(133)	(500)
<b>Sales to third parties</b>			
Japan	<b>65,956</b>	86,146	359,318
North America	<b>18,253</b>	23,121	101,789
Asia	<b>4,126</b>	5,609	23,639
Other Regions	<b>6,840</b>	8,270	32,514
<b>Operating income</b>			
Japan	<b>(1,801)</b>	1,789	4,441
North America	<b>(1,103)</b>	1,335	4,036
Asia	<b>100</b>	1,022	1,994
Other Regions	<b>27</b>	373	1,542
Eliminations	<b>(1,303)</b>	(402)	792

### Notes:

1. Yokohama has prepared this information in accordance with accounting principles generally accepted in Japan.
2. Under Results by Region, North America refers to the United States and Canada; Asia to the Philippines, Thailand, China, and Taiwan; and Other Regions to Oceania and Europe.