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For immediate release

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## Yokohama Rubber to Enhance Tire Production Capacity in Philippines

Tokyo – The Yokohama Rubber Co., Ltd., announced today that it would increase production capacity of Yokohama Tire Philippines Inc. (YTPI), a local passenger-car tire manufacturing and sales company, to 10 million tires a year from current 7 million as the first-phase expansion. Yokohama Rubber starts constructing a new tire plant at the adjacent area after signing its tenancy agreement in February this year. The company plans to operate the area's first expanded portion in 2013 and makes the area fully operable in 2014. The amount of investment in the first-phase expansion is 20 billion yen. Also planned is to increase YTPI's annual production capacity to 17 million tires by 2017 after making an investment to increase the capacity to 13 million by 2014 as the second-phase expansion, making the total amount of investment approximately 50 billion yen.

The purpose of enhancing YTPI's production capacity is to implement business plans set in the third phase of the Grand Design 100, the company's medium-term management plan, to be started in 2012. Most of the tires to be produced at the new plant are for the planned export to North American markets. The new tenancy contract for 300,000 square meters gives the YTPI a total plant area of 460,000 square meters, 2.8 times that of its current area.

Established in 1996 as the manufacturing base for passenger-car tires for export markets, the YTPI is currently manufacturing tires with internal diameters from 13 to 18 inches for passenger cars and sports utility vehicles (SUVs) and most of the tires are being exported to Europe, North America and ASEAN countries. The tires are also delivered to car manufacturers in countries in North America and Asia. As a result of previous 3-step expansions, the YTPI had difficulty increasing production within the current plant area.

At present, Yokohama Rubber is expanding the production capacities at Shinshiro-Minami Plant in Japan, Hangzhou Yokohama Tire Co., Ltd., in China, Yokohama Rubber Manufacturing (Thailand) Co., Ltd., and Yokohama Tire Corporation in the United States. In addition, the company is working on the construction of a tire plant in Russia for its planned operation starting in the fiscal year ending March 2012. These expansion programs are expected to give the Yokohama Rubber group a total tire production capacity of 60 million tires a year by the end of the same fiscal year.

■Outline of Yokohama Tire Philippines Inc.

|                          |                                                                              |
|--------------------------|------------------------------------------------------------------------------|
| Lines of business:       | Manufacture and sale of tires for passenger cars and sports utility vehicles |
| Plant area:              | 165,000 square meters                                                        |
| Representative Director: | Takayuki Hamaya                                                              |
| Number of employees:     | 1,900 (as of the end of December 2010)                                       |
| Location:                | Clark Freeport Zone, Philippines                                             |