

NEWS RELEASE



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Yokohama Rubber Reports Gains in Sales and Earnings in Fiscal 2011

Tokyo—The Yokohama Rubber Co., Ltd., announced today that its sales and earnings increased solidly in fiscal 2011, April 1, 2010 to March 31, 2011. Net sales at Yokohama increased 11.4% over the previous fiscal year, to 519.7 billion yen; operating income increased 37.5%, to 29.5 billion yen; and net income increased 21.2%, to 13.9 billion yen.

Leading the sales growth were gains in tires and in high-pressure hoses, in sealants and adhesives, and in aircraft products. Yokohama reinforced its sales momentum by securing market acceptance for price increases in tires and other products. Those increases helped offset the adverse effect on earnings of rising prices for raw materials and the appreciation of the yen. Earnings also benefited from an increase in capacity-utilization rates and from progress in trimming costs. The fiscal results announced today reflect a charge of 1 billion yen for the effects of the Great East Japan Earthquake.

Sales in Yokohama's tire operations increased 12.0%, to 411.6 billion yen, and operating income increased 20.9%, to 25.0 billion yen. The sales growth comprised gains in Japan and overseas, which more than offset the adverse effect earnings of the rising prices for raw materials and the appreciation of the yen. In Japan, Yokohama's tire products for improving fuel economy earned a strong market reception, and the company's sales growth in replacement tires outpaced the overall growth in demand. Leading Yokohama's sales growth overseas were strong gains in the United States and in China.

Yokohama posted sales growth of 13.3% in industrial products, to 83.8 billion yen, and operating income increased 5.2-fold, to 3.0 billion yen. Those products center on high-pressure hoses, sealants and adhesives, conveyor belts, antiseismic products, marine hoses, and pneumatic marine fenders. Especially strong gains in high-pressure hoses and growth in sealants and adhesives more than offset weakness in antiseismic products, in marine hoses, and in marine fenders.

Sales in other products, which include aircraft products and golf products, declined 2.0%, to 24.3 billion yen, but operating income climbed 6.9-fold, to 1.5 billion yen. The sales decline reflected weakness in golf products. The surge in operating income reflected sales gains in lavatory modules for commercial aircraft and progress in trimming costs.

Yokohama will change its fiscal year in 2011 to a January–December period, from the former April–March period. That will result in a one-time-only nine-month fiscal period: April 1 to December 31, 2011. The company projects that net sales in that nine-month fiscal period will total 471.0 billion yen, that operating income will total 21.0 billion yen, and that net income will total 11.0 billion yen.

Financial Highlights

Millions of yen

Years ended March 31,	2011	2010	2009
Net sales	519,742	466,358	517,262
Operating income	29,490	21,454	12,808
Income (loss) before income taxes	21,880	18,969	(3,165)
Net income (loss)	13,923	11,486	(5,654)
Depreciation and amortization	25,885	28,183	28,683
Additions to property, plant and equipment	24,944	17,471	43,340
Total assets	478,915	466,973	473,376
Total net assets	170,871	163,382	144,159
Interest-bearing debt	146,773	154,674	179,379
Net cash provided by operating activities	41,166	49,845	19,690
Net cash used in investing activities	(20,575)	(25,230)	(39,031)
Net cash used in financing activities	(7,340)	(29,434)	16,738
Cash and cash equivalents at end of period	28,161	11,558	16,239
Per share (yen):			
Net income (loss): basic	41.55	34.27	(16.87)
Dividends	10.00	10.00	10.00

Results by Business Segment and by Region

Millions of yen

Years ended March 31,	2011	2010
<i>Business segments</i>		
Sales to third parties		
Tires	411,574	367,571
Industrial products	83,835	73,967
Other	24,332	24,819
Operating income		
Tires	24,952	20,646
Industrial products	3,033	580
Other	1,519	219
Eliminations	(14)	8
<i>Regions</i>		
Sales to third parties		
Japan	352,456	324,015
North America	105,626	90,550
Asia	27,871	21,965
Other regions	33,787	29,826
Operating income		
Japan	16,613	16,842
North America	5,536	2,158
Asia	5,243	3,403
Other regions	1,004	483
Eliminations	1,092	(1,433)

Notes:

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