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For immediate release

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Operating Income at Yokohama Rubber Beats Company's Projection by 25% in Latest Fiscal Period

Tokyo - The Yokohama Rubber Co., Ltd., reported today its business and financial results for the fiscal period ended December 31, 2011. The company has shifted to calendar-year fiscal accounting as of 2012 from its previous April-to-March accounting. That resulted in a one-time-only nine-month fiscal accounting period, and year-on-year comparisons are therefore unavailable.

Yokohama posted net income of 11.6 billion yen on operating income of 26.3 billion yen and net sales of 465.1 billion yen in the nine-month fiscal period. The figure for net income was 36.7% higher, that for operating income 25.2% higher, and that for net sales 1.1% higher than the projections announced by Yokohama in November 2011. Underlying the better-than-projected performance were stronger-than-expected sales of replacement tires in Japan and overseas, success in securing market acceptance for price increases for tires and other products, and progress in trimming costs.

Sales in Yokohama's tire operations totaled 379.2 billion yen, 1.9% higher than the company's November projection, and operating income totaled 23.4 billion yen, 33.5% higher than the November projection. In Japan, sales benefited from heavy snows, which spawned demand for winter tires. Sales growth in Japan's replacement market more than offset a decline in deliveries to Japanese vehicle plants. That decline reflected a slump in vehicle production caused by parts shortages that resulted from the floods in Thailand. Yokohama's overseas tire business expanded, led by gains in Europe.

Yokohama posted sales of 68.2 billion yen in industrial products, which consist mainly of high-pressure hoses, sealants and adhesives, conveyor belts, anti-seismic products, marine hoses, and marine fenders. That was 2.6% lower than the projection announced by the company in November. Operating income in industrial products totaled 1.7 billion yen, which was 23.4% lower than the company's November projection. Demand for high-pressure hoses and for sealants slumped as the Thai floods interrupted manufacturing activity at Japanese manufacturers. That more than offset continuing strong growth in demand for marine hoses associated with the global vigor in natural resources development.

Sales in other products, which consist mainly of aircraft fixtures and components and golf equipment, totaled 17.7 billion yen. That was 1.5% less than Yokohama's November projection. Operating income in other products totaled 1.3 billion yen, which was 4.2% less than the November projection. Weaker-than-expected sales of golf equipment more than offset stronger-than-expected sales gains in replacement lavatory modules for commercial aircraft.

Yokohama has announced that the annual dividends will total 7 yen per share: an interim dividend of 3 yen and a period-end dividend of 4 yen. Its fiscal projections for 2012 call for net income of 25.0 billion yen on operating income of 40.0 billion yen and net sales of 575.0 billion yen.

Financial Highlights

| | Millions of yen | | |
|--|------------------------------------|--|----------------------------------|
| | April 1–Dec. 31, 2011 (results) | April 1–Dec. 31, 2011 (Nov. 2011 projections) | April 1, 2010– March 31, 2011 |
| Net sales | 465,133 | 460,000 | 519,742 |
| Operating income | 26,290 | 21,000 | 29,490 |
| Income before income taxes and minority interests | 16,603 | — | 21,880 |
| Net income | 11,618 | 8,500 | 13,923 |
| Net assets | 168,286 | — | 170,871 |
| Total assets | 501,786 | — | 478,915 |
| Per share (yen): | | | |
| Net income–basic | 34.68 | 25.37 | 41.55 |

Results by Business Segment and by Region

| | Millions of yen | | |
|--------------------------------|------------------------------------|--|----------------------------------|
| | April 1–Dec. 31, 2011 (results) | April 1–Dec. 31, 2011 (Nov. 2011 projections) | April 1, 2010– March 31, 2011 |
| <i>By business segment</i> | | | |
| Sales to third parties | | | |
| Tires | 379,220 | 372,000 | 411,574 |
| Industrial products | 68,179 | 70,000 | 83,835 |
| Other | 17,734 | 18,000 | 24,332 |
| Operating income | | | |
| Tires | 23,365 | 17,500 | 24,952 |
| Industrial products | 1,685 | 2,200 | 3,033 |
| Other | 1,245 | 1,300 | 1,519 |
| Eliminations | (5) | 0 | (14) |
| <i>By geographical segment</i> | | | |
| Sales to third parties | | | |
| Japan | 281,659 | 276,500 | 352,456 |
| North America | 108,815 | 109,500 | 105,628 |
| Asia | 33,799 | 36,000 | 27,871 |
| Other regions | 40,859 | 38,000 | 33,787 |
| Operating income | | | |
| Japan | 17,064 | 13,800 | 16,613 |
| North America | 5,229 | 4,200 | 5,536 |
| Asia | 3,178 | 2,800 | 5,243 |
| Other regions | 1,849 | 600 | 1,004 |
| Eliminations | (1,031) | (400) | 1,092 |

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.