

# NEWS RELEASE



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February 14, 2013  
For immediate release

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## **Yokohama Rubber Posts Record Sales and Earnings in 2012**

Tokyo—The Yokohama Rubber Co., Ltd., announced today that it posted record figures for net sales, for operating income, and for net income in fiscal 2012 (January to December 2012). The historic sales and earnings performance reflected strong growth in sales of tires to automakers in Japan, a business recovery in industrial products, success in securing market acceptance for price increases, a decline in raw material costs, continuing progress in reducing costs, and the weakening of the yen toward the end of the year.

Two thousand twelve was Yokohama's first 12-month fiscal period since the company shifted to calendar-year accounting in 2011, from April-to-March accounting, so formal year-on-year comparisons are impossible. The following descriptions of percent change are in reference to arbitrary, 12-month sums of the figures for January to March 2011 (the fourth quarter of the fiscal year ended March 2011) and April to December 2011 (the irregular, nine-month fiscal term that resulted from the shift in fiscal accounting periods).

Net income at Yokohama in 2012 increased 187.3% over the previous year, to 32.6 billion yen, on an 85.7% increase in operating income, to 49.7 billion yen, and a 0.3% increase in net sales, to 559.7 billion yen. Yokohama bettered its projections of 30.0 billion yen for net income and 49.0 billion yen for operating income, though the total for net sales was lower than the company's projection of 576.0 billion yen. Management intends to increase the annual dividend 2 yen above the amount announced in November 2012, to 20 yen—an interim dividend of 8 yen and a year-end dividend of 12 yen.

In Yokohama's tire operations, operating income increased 91.9%, to 43.4 billion yen, despite a 0.6% decline in sales, to 444.6 billion yen. Sales to automakers in Japan increased strongly, as noted above; sales were solid in Japan's replacement market, led by vigor in snow tires; and success in securing market acceptance for price increases partly offset a decline in demand in overseas markets.

Operating income in Yokohama's industrial products business increased 104.6%, to 5.1 billion yen, on a 6.1% increase in sales, to 91.9 billion yen. That business consists mainly of high-pressure hoses, sealants and adhesives, conveyor belts, anti-seismic products, marine hoses, and marine fenders. Leading the growth in sales and earnings were gains in automotive hoses, in marine hoses, and in automotive sealants.

In other products, Yokohama's operating income declined 25.9%, to 1.3 billion yen, on a 3.9% decline in sales, to 23.3 billion yen. The company's business in this category centers on aircraft fixtures and components and on golf equipment. Sales declined in the aircraft sector and also in the golf sector, where demand is trending downward.

Yokohama's fiscal projections for 2013 call for another year of record sales and earnings. The company projects that net income will reach 36.0 billion yen on operating income of 59.0 billion yen and net sales of 630.0 billion yen.

## Financial Highlights

	Millions of yen	
	Jan. 1–Dec. 31, 2012	Jan. 1–Dec. 31, 2011 (for reference only)
Net sales	559,700	557,828
Operating income	49,696	26,768
Income before income taxes and minority interests	51,768	16,913
Net income	32,611	11,349
Net assets	211,349	168,286
Total assets	543,829	501,786
Per share (yen):		
Net income: basic	97.87	33.87

## Results by Business Segment and by Region

	Millions of yen	
	Jan. 1–Dec. 31, 2012	Jan. 1–Dec. 31, 2011 (for reference only)
<i>By business segment</i>		
Sales to third parties		
Tires	444,592	447,060
Industrial products	91,851	86,560
Other	23,256	24,207
Operating income		
Tires	43,369	22,597
Industrial products	5,087	2,486
Other	1,251	1,689
Eliminations	(11)	(4)
<i>By geographical segment</i>		
Sales to third parties		
Japan	375,349	374,355
North America	110,920	108,814
Asia	33,584	33,798
Other regions	39,845	40,859
Operating income (loss)		
Japan	42,482	17,431
North America	5,734	5,216
Asia	3,587	3,192
Other regions	(640)	1,849
Eliminations	(1,467)	(922)

*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.