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For immediate release

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Yokohama Rubber Takes Charge for Asset Impairment and Revises Full-Year Fiscal Projections Downward

Tokyo—The Yokohama Rubber Co., Ltd., announced today that it has taken a charge for asset impairment in the third quarter of fiscal 2018 (July to September) and that it has revised the full-year fiscal projections that it announced on February 19, 2018.

1. Asset impairment

Yokohama has taken a charge for asset impairment at its US subsidiary Yokohama Tire Manufacturing Mississippi, LLC. Achieving profitability at the subsidiary has taken longer than management anticipated when production began there, and management has recorded asset impairment in accordance with a prudent reassessment of the business outlook for the subsidiary and of the outlook for recovering investment there. The asset impairment totals 11.2 billion yen and has resulted in a charge to other expenses in Yokohama's third-quarter fiscal results.

2. Revised fiscal projections

a. The revisions

Fiscal year to December 31, 2018

	Sales revenue	Business profit	Operating profit	Profit attributable to owners of parent	Basic earnings per share
Previous projection (A)	¥ million 670,000	¥ million 63,000	¥ million 60,000	¥ million 40,000	¥ 249.47
New projection (B)	650,000	61,500	55,000	36,000	224.44
B– A	–20,000	–1,500	–5,000	–4,000	–
Percentage change	–3.0%	–2.4%	–8.3%	–10.0%	–
FY2017 full-year results	646,272	58,265	54,224	39,975	249.32

b. The reasons for the revisions

The revisions in Yokohama's fiscal projects reflect weaker-than-expected sales in the Tires segment in China, Russia, and the Middle East; weaker-than-expected sales in the MB (Multiple Business) segment in construction sealants; and the charge for asset impairment cited above. This revision has not occasioned any change in Yokohama's planned dividend payments.

Yokohama has presented these projections on the basis of information available at the time of preparing these materials. The company's actual results could differ materially from the projections described here.