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For immediate release

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Yokohama Rubber to expand production capacity for high-pressure hydraulic hoses in China

Tokyo—The Yokohama Rubber Co., Ltd., announced today that it will increase the production capacity at Yokohama Industrial Products—Hangzhou Co., Ltd. (Hangzhou City, Zhejiang Province), its subsidiary in China engaged in the production and sales of high-pressure hydraulic hoses. The total planned capital investment amount is RMB 76 million (approx. JPY 1.3 billion) *. The production line for spiral wire hoses, which are mainly used in construction machinery, will be expanded by stages, with production capacity nearly tripling by September 2022.

*Conversion to JPY based on exchange rate of ¥16.8/RMB

Demand in China for construction machinery, such as hydraulic excavators and construction cranes, declined sharply in 2020 due to the impact of the COVID-19 but has been recovering sharply in recent months. Sales of high-pressure hydraulic hoses for construction machinery are expanding sharply in both the OEM and replacement markets. To meet this robust demand, Yokohama Rubber has decided to expand production capacity at its Chinese subsidiary.

Yokohama Rubber is now implementing a new medium-term management plan, Yokohama Transformation 2023 (YX2023) that will guide the company from 2021 through 2023. Under the new plan, the MB segment will concentrate its resources in its two strongest business domains— hose & couplings and industrial products—as it aims to become a growth driver capable of generating stable profits. Further expanding the presence of its hose & couplings in the global hydraulic hose market is one of the initiatives being undertaken to realize this goal.

■Profile of Yokohama Industrial Products—Hangzhou Co., Ltd.

Establishment: 2015
Location: Hangzhou City, Zhejiang Province
Business description: Production and sales of high-pressure hydraulic hoses and hose fittings; Assembly and sales of high-pressure hydraulic hoses and hoses for automobiles; Production and sales of adhesives for automobiles*

*The automotive adhesive business is scheduled to be transferred in November 2021 to Sika (China) Ltd. a subsidiary of Sika AG.



Yokohama Industrial Products—Hangzhou Co., Ltd.