

July 1, 2024
For immediate release

Contact:
Corporate Planning Department
Corporate Communications Section
Phone: 81-463-63-0414
Fax: 81-463-63-0552

Yokohama Rubber to build a new passenger car tire plant in China Increasing local capacity for supplying the growing Chinese market

Hiratsuka, Japan—The Yokohama Rubber Co., Ltd., announced today that it will build a new passenger car tire plant in China. The new plant will be located in the Qiantang New District of Hangzhou City, Zhejiang Province, and will have an initial annual production capacity of 9 million tires, with further expansion to be considered in the future. Planned capital investment is RMB1,960 million (approx. ¥36.7 billion), and production at the new plant is scheduled to start in the second quarter of 2026.

The decision to construct a new plant is a response to a request for relocation of the plant currently operated by Hangzhou Yokohama Tire Co., Ltd., a local tire production subsidiary, as part of an urban renewal project. The new plant will be constructed in another location in Qiantang and be operated by Hangzhou Qiantang Yokohama Tire Co., Ltd., a new company being established as part of the district, city, and provincial governments' important project promoting foreign investments.

The new plant is the first plant being built under the “1-year plant” challenge in the consumer tire business' growth strategy set forth in Yokohama Rubber's new medium-term management plan Yokohama Transformation 2026 (YX2026), which is being implemented during 2024–2026. Under the “1-year plant” challenge, Yokohama Rubber aims to construct plants in just one year that achieve the low-cost and highly efficient production that will realize a strong competitive position in the local market. Toward that end, Yokohama Rubber will combine its accumulated know-how with that of local partner companies that have a proven track record in the local market.

To meet expected further increases in tire demand in China, the new plant will increase Yokohama Rubber's current annual production capacity in the country by 3 million units. Its output will include tires sold as original equipment for new energy vehicles (NEVs), including electric vehicles (EVs). In addition, the new plant aims to increase the sales ratio of high-value added Yokohama Rubber tires in China's replacement tire market by increasing local production of high-inch tires in the ADVAN global flagship brand and the GEOLANDAR brand of tires for SUVs and pickup trucks. Prior to the decision to construct the new plant, with the support of the Hangzhou Municipal Government, Yokohama Rubber signed a strategic alliance with LEAPMOTOR, a leading NEV production and sales company located in Hangzhou. Going forward, Yokohama Rubber aims to expand its supply of tires for NEVs and will further strengthen its relationships with NEV automakers.

In addition to the “1-year plant” challenge, the consumer tire strategy in YX2026 aims to maximize the sales ratios of high-value-added tires by expanding sales of the ADVAN brand, the GEOLANDAR brand, winter tires, and 18-inch and larger tires. YX2026 also includes “Product and Regional Strategies” focused on strengthening the development, supply, and sales of tires that respond to specific trends in each regional market.

Outline of Hangzhou Qiantang Yokohama Tire Co., Ltd.

Location of head office & plant: Qiantang New District, Hangzhou City, Zhejiang Province

Established: June 2024

Ownership ratio: Yokohama Rubber 100%

Business: Production of passenger car tires

Production start (planned): Second quarter of 2026

Annual production capacity: 9 million tires (existing plant's capacity is 6 million tires)