

# NEWS RELEASE

# YOKOHAMA

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For immediate release

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## Yokohama Opens Chinese Sealant and Hose Assembly Plants

Tokyo – The Yokohama Rubber Co., Ltd., announced today that Yokohama Hamatite (Hangzhou) Co., Ltd., which makes and sells passenger car sealants in China, and Yokohama Hoses & Coupling (Hangzhou) Co., Ltd. which assembles and sells high-pressure hoses, held a joint opening ceremony at 3:30 p.m. on June 22. The event was at Yokohama Hamatite (Hangzhou) Co., Ltd. The approximately 50 attendees included customers, sales agents, and officials of the Hangzhou Economic Technological Development Zone. Representing Yokohama were Masamichi Danjo, general manager of the Hamatite Division, and Michio Yuge, general manager of the Hoses and Coupling Division.

Chinese automobile demand increasing, while a string of major infrastructure projects, notably for the Beijing Olympics and the Shanghai Expo, have caused demand for construction machinery to surge. These factors prompted Yokohama to establish Yokohama Hamatite (Hangzhou) in February 2004 and Yokohama Hoses & Coupling (Hangzhou) in December 2004. Both subsidiaries began full operations in June 2004.



Opening ceremony

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The facilities expansion plans of Yokohama Hamatite (Hangzhou) are in two phases. The first resulted in an annual production capacity of 1,000 metric tons. The second phase will double capacity by 2007 in line with market growth. The company will initially supply mainly Japanese transplant automakers in China. The estimated total investment for both phases will be \$3.7 million.

Yokohama Hoses & Coupling (Hangzhou) will start by assembling 2,500 hoses monthly, raising output 10,000 units monthly through 2008. It will quickly pursue localization of for joint coupling production. This subsidiary will supply original equipment offerings, mainly for Japanese construction machinery manufacturers, and envisions entering the aftermarket as replacement demand increases. The capital investment for equipment and facilities will be \$350,000.

■ Yokohama Hamatite (Hangzhou) Co., Ltd.

President:	Yoshinobu Ohashi
Date established:	February 2004
Capitalization:	\$1,300,000
Location:	Hangzhou Economic Technological Development Zone
Land area:	10,000 square meters
Plant area:	2,098 square meters (3,096 square meters after second phase)
Number of employees:	11
Business:	Production and sales of automobile sealants

■ Yokohama Hoses & Coupling (Hangzhou) Co., Ltd.

President:	Yoshinobu Ohashi
Date established:	December 2004
Capitalization:	\$350,000
Location:	Hangzhou Economic Technological Development Zone
Plant area:	2,100 square meters
Number of Employees:	9
Business:	Assembly and sales of high-pressure hoses