

NEWS RELEASE



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For immediate release

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Yokohama Rubber to increase tire production capacity in Vietnam by 2.5 times

Tokyo—The Yokohama Rubber Co., Ltd., today announced that it would increase its production capacity of bias tires for motorcycles and light trucks in Vietnam by 2.5 times. For this, the company will begin constructing a new tire plant in June of this year with planned beginning of operation in June 2007. Yokohama Rubber plans to invest a total of 1 billion yen in this construction program.

In 1997, Yokohama Rubber established Yokohama Tyre Vietnam Company as a joint-venture company with Southern Rubber Industry Company (Casumina) of Ho Chi Minh City and Mitsubishi Corporation. Since 1998, the joint-venture company has been manufacturing bias tires for motorcycles and light trucks and selling them mainly for sale in the domestic replacement tire market. However, as tire demand has expanded, the existing plant's production capacity has become unable to fully meet it. An additional factor that motivated Yokohama Rubber to go with the construction of a new plant was the necessity of manufacturing industrial vehicle tires for the replacement market in Japan and mini spare tires for Japanese car manufacturers.

The new tire plant will be constructed in Binh Duong Province in the outskirts of Ho Chi Minh City as an integrated manufacturing plant encompassing from material mixing and building to curing. Its production capacity will be 3,100 tons a year on a new rubber consumption basis. Although its plant area is 30,000 square meters, Yokohama Rubber has acquired 60,000 square meters of land for expected future expansion. Yokohama Tyre Vietnam Inc., a wholly-owned new subsidiary of Yokohama Rubber is the constructor of the new plant. It plans to merge with Yokohama Tyre Vietnam Company in several years.

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Outline of Yokohama Tyre Vietnam Inc.

Paid-in capital : ¥300 million
Representative : Shigeo Kawakami (from Yokohama Rubber)
Location : Binh Duong Province, Vietnam
Plant area : 30,000 m² (The acquired area is 60,000 m²)
Manufacturing items : Bias tires for motorcycles, light trucks and industrial vehicles, mini spare tires
Production capacity : 3,100 tons a year on a new rubber consumption basis
Number of employees : 280 (plan)