

NEWS RELEASE



YOKOHAMA

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Yokohama Rubber to Build Natural Rubber Processing Factory in Thailand

Tokyo – The Yokohama Rubber Co., Ltd. today announced that it would cooperate with Teck Fu Joint Venture Co., Ltd. to build a joint-venture natural rubber processing factory in Surat Thani Province, southern Thailand. Teck Fu is a subsidiary company of Teck Bee Hang Co., Ltd., which is a natural rubber processing company in Thailand. Yokohama Rubber aims for stable supply and quality of natural rubber by operating its own factory. On September 3, 2008, the joint venture completed its establishment with 95 percent investment from Yokohama Rubber and 5 percent from Teck Fu Joint Venture. Construction of the factory will start in January 2009 with the scheduled start of operation in October of the same year.

Yokohama Rubber mainly purchases natural rubber from Thailand and Indonesia, and Teck Bee Hang has been one of the largest suppliers to Yokohama Rubber in Thailand. However, Teck Bee Hang's natural rubber processing factory, which supplies mainly to Yokohama Rubber, has been considered uncertain in terms of supply stability because of its insecure location near the Malaysian boarder area. The new factory area Surat Thani is expected to relieve this concern with its better public security.

The demand for natural rubber, a nonpetroleum resource, has been increasing year after year, while higher quality for natural rubber is required to develop high performance tires. The joint venture is expected to derive several advantages: to achieve high-precision natural rubber processing techniques, stable quality, physical property and quality control ability, and to develop high performance tires with increased mixing rate of natural rubber.

The joint venture is named Y. T. Rubber Co., Ltd., and capitalized at 100 million baht (approximately 300 million yen). One billion yen will be invested for the construction of the new factory with a planned monthly production capacity of 3,000 tons.

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