

NEWS RELEASE



YOKOHAMA

February 12, 2008
For immediate release

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Net Earnings Up 88% at Yokohama Rubber in First Nine Months of Fiscal Year

Company adheres to projection for full-year financial performance

Tokyo—The Yokohama Rubber Co., Ltd., recorded an 88.1% increase in net income, to 25.7 billion yen, in the nine months ended December 31—the first three quarters of the present fiscal year. That increase is in comparison with the same period of the previous year. Underlying the robust growth in after-tax earnings were increases of 80.2% in operating income, to 30.8 billion yen, and 11.4% in net sales, to 409.7 billion yen.

Net sales benefited as Yokohama posted unit sales growth in Yokohama's Tire Group and in its Multiple Business (diversified products) Group. Earnings benefited from that sales growth, which more than offset the adverse earnings impact of the persistent upward trend in raw material costs and of continuing increases in logistics costs and in other selling, general and administrative expenses. Also contributing to the surge in profitability were the weakening of the yen and tax benefits associated with improved profitability in the company's North American operations.

Operating income nearly doubled in Yokohama's Tire Group, climbing 98.8%, to 25.6 billion yen, on sales growth of 13.1%, to 312.5 billion yen. Amplifying the earnings contribution of unit sales gains, which occurred largely outside Japan, was improved profitability at Yokohama tire subsidiaries in the United States and in Asian nations besides Japan.

In Yokohama's Multiple Business Group, operating income rose 10.6%, to 5.1 billion yen, on a 6.4% increase in sales, to 97.2 billion yen. Leading the sales growth were gains in high-pressure hoses for construction and mining equipment and in conveyor belts. Those gains occurred largely in connection with resource-development projects.

Prospects of further rises in raw material costs and the recent appreciation of the yen preclude easy optimism about the business outlook. Management at Yokohama therefore adheres to the full-year fiscal projections that it announced on November 9, 2007. Those projections call for net income to rise 39.3%, to 22.8 billion yen, on increases of 51.9% in operating income, to 32.0 billion yen, and 8.6% in net sales, to 540.0 billion yen.

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Financial Highlights

Millions of yen

| | Nine months ended December 31, 2007 | Nine months ended December 31, 2006 | Fiscal 2007 |
|--|--|--|----------------------------------|
| | April 1–December 31, 2007 | April 1–December 31, 2006 | April 1, 2006– March 31, 2007 |
| Net sales | ¥409,720 | ¥367,777 | ¥497,396 |
| Operating income | 30,759 | 17,074 | 21,069 |
| Income before income taxes and minority interests | 27,823 | 22,005 | 26,038 |
| Net income | 25,734 | 13,679 | 16,363 |
| Total net assets | 195,205 | 186,933 | 186,528 |
| Total assets | 561,513 | 560,440 | 536,322 |
| Per share (yen): | | | |
| Net income: basic | 76.75 | 40.78 | 48.79 |

Results by Business Segment and by Region

Millions of yen

| | Nine months ended December 31, 2007 | Nine months ended December 31, 2006 | Fiscal 2007 |
|-------------------------------|--|--|----------------------------------|
| | April 1–December 31, 2007 | April 1–December 31, 2006 | April 1, 2006– March 31, 2007 |
| Sales to third parties | | | |
| Tires | ¥312,488 | ¥276,389 | ¥372,708 |
| Multiple Business | 97,231 | 91,387 | 124,687 |
| Operating income | | | |
| Tires | 25,606 | 12,881 | 14,670 |
| Multiple Business | 5,101 | 4,612 | 6,797 |
| Eliminations | 51 | (420) | (397) |
| Sales to third parties | | | |
| Japan | 287,579 | 274,851 | 369,740 |
| North America | 83,181 | 72,122 | 98,136 |
| Asia | 17,097 | 9,616 | 13,897 |
| Other Regions | 21,862 | 11,186 | 15,621 |
| Operating income | | | |
| Japan | 23,512 | 14,852 | 17,469 |
| North America | 5,419 | 2,310 | 3,804 |
| Asia | 1,976 | 89 | 122 |
| Other Regions | 800 | 373 | 393 |
| Eliminations | (949) | (550) | (721) |

Notes:

1. Yokohama has prepared this information in accordance with accounting principles generally accepted in Japan.
2. Under Results by Region, North America refers to the United States and Canada; Asia to the Philippines, Thailand, China, and Taiwan; and Other Regions to Oceania and Europe.