

NEWS RELEASE



YOKOHAMA

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For immediate release

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Yokohama Rubber to Begin 4th Expansion of OR Tire Plant

Tokyo – The Yokohama Rubber Co., Ltd., today announced that it would carry out a fourth-phase expansion of its Onomichi, Hiroshima Prefecture Plant to manufacture Off-the-Road (OR) tires for use with mining and construction vehicles. With an investment of 6 billion yen, Yokohama Rubber will increase the plant's monthly production capacity by 600 tons to a total of 2,500 tons in FY2011 (year ending March 31, 2011). While Yokohama Rubber initially planned to achieve this capacity by FY2012 (year ending March 31, 2012), vigorous OR tire demand has driven it to a decision to move up the schedule by one year.

OR tire makers are grouped into those with strength in radial tires, those being good at bias tires and others with different specialties. Among them, Yokohama Rubber is particularly strong in medium and small radial tires with high quality and large and medium bias tires. In the OR tire market, while the share of radial tires is increasing, not only large radial tires, but also medium and small radial tires are enjoying vigorous demand from dump trucks and loaders. In addition, large and medium bias tires are receiving a lot of inquiries for use with vehicles for underground mine development and port operations.

With global expansion in mine development and port cargo handling as a result of expanded international trade in the background, OR tires for mine development and port operation are continuously showing an extreme supply shortage in both new vehicle mounting and replacement usages, and an increase in demand is expected to continue for more than 10 years from now. Yokohama Rubber has already pushed forward with the expansion of Onomichi Plant since FY2007 (year ended March 31, 2007), and, in FY2011, when the fourth-phase expansion is completed, the plant's production capacity is scheduled to reach 2.2 times that in FY2007.

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