

NEWS RELEASE

YOKOHAMA

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For immediate release

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Hangzhou Yokohama Tire Moves on to Phase IV Plant Expansion in China

The Yokohama Rubber Co., Ltd., today announced that it decided to move on to the Phase IV expansion of the tire plant of Hangzhou Yokohama Tire Co., Ltd., a passenger-car tire manufacturing/sale company in China. With an investment of about 3 billion yen, the subsidiary's current annual production capacity of 3 million tires will increase to 4.1 million. Production at the expanded area is scheduled to begin in January 2011.

Since this spring, the Chinese tire market has shown a clear sign of recovery. Yokohama Rubber has also recorded an increase in tire sales in China compared to the preceding year. In addition, the number of automobiles owned in China is expected to continue increasing at an annual rate of more than 10 percent, stimulating a significant growth of the tire market as well. Yokohama Rubber has therefore decided to make the additional investment.

Established in January 2002, Hangzhou Yokohama Tire Co., Ltd. manufactures and sells tires for the Chinese market. The company's plant started operation in May 2003 and its Phase II expansion and Phase III expansion were carried out in January 2005 and March 2008, respectively. At present, it manufactures and sells passenger-car, recreational-vehicle and light-truck tires for consumers and automakers. The Phase IV expansion of this time leaves no room for an additional expansion in the current site area. On the other hand, Yokohama Rubber manufactures and sells steel radial tires for trucks and buses in the Chinese market at Suzhou Yokohama Tire Co., Ltd. founded in Suzhou City, China.



*Passenger-car tire plant of Hangzhou Yokohama Tire.
The Phase IV expansion uses an empty area seen in the right back of the picture.*

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