

**PRESS RELEASE**  
 **YOKOHAMA**

April 28, 2004  
For immediate release

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## **Yokohama Rubber to Create an Integrated Hose Production/Assembly/Distribution Business by Absorbing Yokohama Hydex**

Tokyo, April 28, 2004 – Yokohama Rubber Co., Ltd. today announced that it would merge the operation of Yokohama Hydex Co, a wholly owned subsidiary, as of October 1, 2004. As a result of this merger, the hose production business of Yokohama Rubber and the hose assembly and distribution business of Yokohama Hydex will be integrated into a single operation.

At present, the demand for high-pressure hoses for construction vehicles and automotive hoses is greatly expanding mainly in China where the economy is rapidly growing. In order to capitalize on this market environment and to achieve further business expansion, it is necessary to speed up the improvement of the global production system, the introduction to the market of new products, the upgrade of QCD (quality, cost and delivery time) standards and the advancement of business processes through the increased use of IT (information technology). Behind the decision of this time to merge the operation of Yokohama Hydex is Yokohama Rubber's judgment that the unified chain of command based on the integration of production and distribution is indispensable.

In Fiscal 2002, Yokohama Hydex achieved sales of ¥20 billion, and was ranked as No. 1 in domestic sales of hydraulic hose and secured a large share in the automotive hose market. Yokohama Rubber plans to give additional momentum to the expansion of this business area by business integration of this time.

With the business integration, current Yokohama Hydex employees will be transferred to Yokohama Rubber. Yokohama Rubber plans to develop the details of the integration of the headquarters and production and distribution functions at a later date.

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In 1973, Yokohama Rubber constructed Ibaraki Plant as the plant dedicated to the production of high-pressure hoses. In the same year, the company and Aeroquip Corporation of the United States jointly established Yokohama Aeroquip Co. for the assembly and distribution of the hoses. (This company became a wholly-owned subsidiary of Yokohama Rubber in 1996 and changed its corporate name to Yokohama Hydex Co.) In this way, Yokohama Rubber has been strengthening its hose business.

At present, Yokohama Rubber produces hoses at SAS Rubber Company in the U.S. and SC Kingflex Corporation in Taiwan, while Yokohama Hydex assembles and distributes the hoses at its Hiratsuka Plant, Nagano Plant, YH America, Inc. in the U.S. and Yokohama Rubber (Thailand) Co., Ltd.

### ***Profile of Yokohama Hydex Co.***

Head office:	36-11, Shinbashi 5-chome, Tokyo 105-0004 Japan Tel 03-5400-2771 FAX03-5400-2304
President:	Takeshi Takao
Paid-in capital:	¥490 million (as of March 31, 2004)
Sales:	¥19.1 billion (fiscal year 2002)
Lines of business:	production of metal fittings, assembly and distribution of hose and metal parts
Production base:	Hiratsuka Plant (Kanagawa Prefecture), Nagano Plant (Nagano Prefecture)
Branch office:	Tokyo, Osaka, Nagoya, Hiroshima
No. of employees:	425 (as of March 31, 2004)
Affiliates:	Hydex Tokyo Hanbai Co. YA America, Inc (U.S.A.) Yokohama Rubber (Thailand) Co., Ltd.