

NEWS RELEASE



YOKOHAMA

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For immediate release

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Yokohama Rubber Reports Declines in Sales and Earnings in Fiscal First Half

Tokyo—The Yokohama Rubber Co., Ltd., announced today that its sales in the first half of the present fiscal year declined 21.3% from the same period of the previous fiscal year.

Yokohama's sales totaled ¥202.1 billion in the six months to September 30, 2009, the first half of the fiscal year to March 31, 2010. The company's Tire Group posted a sales decline as demand weakened in its principal markets: Japan, North America, and Europe. Weakening demand also undermined sales volume in Yokohama's Multiple Business (diversified products) Group, which posted sales declines in high-pressure hoses, in conveyor belts, in sealants, and in aircraft products.

Yokohama reported an interim operating loss of ¥2.4 billion, compared with operating income of ¥5.6 billion in the first half of the previous fiscal year, and a net loss of ¥3.9 billion, compared with interim net income of ¥554 million in the previous fiscal year. Profitability suffered from the decline in sales and, especially in tires and in high-pressure hoses, from deteriorating productivity caused by shrinkage in unit sales volume. Profitability also suffered from the appreciation of the yen against the U.S. dollar and the euro. Those adverse trends more than offset Yokohama's progress in reducing costs.

In Yokohama's Tire Group, sales declined 19.5% from the first half of the previous fiscal year, to ¥156.0 billion, and the group posted an operating loss of ¥2.5 billion, compared with operating income of ¥3.2 billion in the previous first half. Sales in Yokohama's Multiple Business Group declined 26.7% from the first half of the previous fiscal year, to ¥46.0 billion, and the group posted a 93.6% decline in operating income, to ¥174 million. The downturns in profitability in the Tire Group and in the Multiple Business Group reflected the declines in sales, declines in capacity utilization rates, and the appreciation of the yen.

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Yokohama projects that net sales will decline 10.1% in the fiscal year to March 31, 2010, to ¥465 billion. That projection is ¥25 billion lower than the sales projection announced by the company in May 2009, and it reflects lower-than-expected first-half sales. The company projects improvements in profitability, however, bolstered by continuing progress in trimming costs and by other internal efforts. Yokohama abides by its earlier projections that operating income will increase 32.7%, to ¥17 billion, and that the company will post net income of ¥7 billion, compared with a net loss of ¥5.7 billion in the previous fiscal year.

Financial Highlights

| | Millions of yen | | |
|--|--|---|--|
| | FY2010 1st half April 1–September 30, 2009 | FY2009 1st half April 1–September 30, 2008 | FY2009 April 1, 2008– March 31, 2009 |
| Net sales | 202,065 | 256,643 | 517,262 |
| Operating income (loss) | (2,354) | 5,613 | 12,808 |
| Income (loss) before income taxes and minority interests | (3,022) | 2,693 | (3,165) |
| Net income (loss) | (3,930) | 554 | (5,654) |
| Net assets | 146,795 | 172,237 | 144,159 |
| Total assets | 462,950 | 523,851 | 473,376 |
| Per share (yen): | | | |
| Net income (loss): basic | (11.73) | 1.65 | (16.87) |

Results by Business Segment and by Region

| | Millions of yen | | |
|-------------------------|--|---|--|
| | FY2010 1st half April 1–September 30, 2009 | FY2009 1st half April 1–September 30, 2008 | FY2009 April 1, 2008– March 31, 2009 |
| Sales to third parties | | | |
| Tires | 156,026 | 193,825 | 399,728 |
| Multiple Business | 46,038 | 62,817 | 117,534 |
| Operating income (loss) | | | |
| Tires | (2,547) | 3,200 | 9,890 |
| Multiple Business | 174 | 2,742 | 3,418 |
| Eliminations | 18 | (329) | (500) |
| Sales to third parties | | | |
| Japan | 140,553 | 179,584 | 359,318 |
| North America | 40,499 | 50,333 | 101,789 |
| Asia | 9,642 | 12,203 | 23,639 |
| Other Regions | 11,369 | 14,521 | 32,514 |
| Operating income (loss) | | | |
| Japan | 94 | 1,573 | 4,441 |
| North America | (900) | 1,967 | 4,036 |
| Asia | 476 | 1,544 | 1,994 |
| Other Regions | (55) | 551 | 1,542 |
| Eliminations | (1,969) | (23) | 792 |

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.