14th February 2013

**YOKOHAMA Rubber to Start Phase II-stage Expansion for Tyre Plant in Philippines**

Tokyo – The YOKOHAMA Rubber Co., Ltd., announced today that the company will start the Phase II expansion for YOKOHAMA Tyre Philippines Inc. (YTPI), a local subsidiary for manufacturing and selling passenger car tyres, in May this year. With a total investment of 11 billion yen, the Phase II expansion will enable an increase of 2.5 million tyres in the annual production capacity of YTPI. It is targeted that operation at Phase II will start in fall of 2014 and the company plans to begin full-fledged production in 2015. The annual production capacity of YTPI is expected to reach 12.5 million tyres by the time the Phase II expansion is completed.

In January 2011, YOKOHAMA Rubber announced its plan to expand the annual production capacity of the YTPI from then 7 million to 17 million tyres by 2017. According to the plan, YOKOHAMA Rubber would invest 20 billion yen in the Phase I expansion to increase the capacity by 3 million tyres a year by 2013. Also planned was the following Phase II expansion to increase the capacity to 13 million by 2014.

With the Phase I expansion completed as scheduled, its operation will begin in February 2013 and will enter full-fledged production in 2014. The Phase II expansion of this time also is based on the initial plan. However, because of the change in the market environment demanding for larger-sized higher value added tyres, the production capacity in terms of the quantity of tyres will slight decrease in the Phase II expansion so as to enhance the production for such tyres. To accommodate these Phase I and II expansions, the company also expanded the plant’s site area by 2.8 times to 46 hectares from the original 16 hectares by newly leasing an adjacent land of 30 hectares last February 2011.

In 1996, the YTPI was founded as a production base for passenger car tyres for export. At present, it manufactures tyres for passenger cars and sports utility vehicles with internal diameters from 13 to 18 inches (and to 20 inches by the end of 2013). In addition to exporting most of these tyres to North America, Europe and ASEAN countries, YTPI is delivering some of the tyres to automotive manufacturers in North America and Asian countries.

**■Outline of YOKOHAMA Tyre Philippines Inc.**

Lines of business: Manufacturing and sale of tyres for passenger cars and sports utility

Vehicles

Site area: 46 hectares

Representative: Tetsuya Kuze

Number of employees: 2,078 (as of the end of 2012)

Location: Clark Freeport Zone, Philippines