

NEWS RELEASE



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Sales, Earnings Up Solidly in Fiscal First Quarter at Yokohama Rubber

Tokyo—The Yokohama Rubber Co., Ltd., announced today that its sales and earnings increased solidly in the first quarter of the present fiscal year. Net sales in the three months from January 1 to March 31 increased 7.4% over the same period of the previous year, to 135.3 billion yen; operating income increased 403.3%, to 9.3 billion yen; and net income increased 389.7%, to 8.8 billion yen. Yokohama shifted its fiscal accounting to a calendar-year basis in 2011, from the previous April-to-March basis. The first-quarter sales growth reflected strong gains in sales of tires to automakers in Japan and progress in raising prices for tires and other products in Japan and overseas.

Sales in Yokohama's tire operations increased 10.5%, to 107.2 billion yen, and operating income increased more than 20-fold, to 7.9 billion yen. Vehicle production in Japan increased sharply as automakers recovered from the effect of the Great East Japan Earthquake of March 2011, and that occasioned strong growth in sales of tires for factory fitment. In replacement tires, sales in Japan declined despite stronger-than-expected growth in sales of winter tires. Price increases enabled Yokohama to post sales growth in replacement tires overseas despite weakening demand in North America and in European nations other than Russia.

Yokohama posted sales growth of 1.3% in industrial products, to 22.7 billion yen, and operating income increased 18.5%, to 1.2 billion yen. Those products center on high-pressure hoses, sealants and adhesives, conveyor belts, antiseismic products, marine hoses, and pneumatic marine fenders. Sales were strong in Japan and overseas in high-pressure hoses for automobiles and in automotive sealants. Yokohama also posted sales growth in marine hoses, reflecting the worldwide boom in resources development.

Sales in other products, which include aircraft fixtures and components and golf equipment, declined 17.2%, to 5.4 billion yen, and operating income declined 58.2%, to 185 million yen. The sales decline reflected general weakness in the aircraft market and poor sales of Yokohama's principal products in golf equipment.

Yokohama has revised upward the fiscal projections that it announced in February 2012 for the first half of the present fiscal year. Its revised projections call for interim net sales of 278.0 billion yen, compared with the earlier projection of 268.0 billion yen; for interim operating income of 18.0 billion yen, compared with the earlier projection of 12.8 billion yen; and for interim net income of 14.0 billion yen, compared with the earlier projection of 9.0 billion yen. Yokohama will announce revised full-year fiscal projections when it announces its interim fiscal results. The full-year fiscal projections that it announced in February 2012 call for net sales of 575.0 billion yen, for operating income of 40.0 billion yen, and for net income of 25.0 billion yen.

Financial Highlights

Millions of yen

	Jan. 1–March 31, 2012	Jan. 1–March 31, 2011
Net sales	135,251	125,921
Operating income	9,258	1,839
Income before income taxes and minority interests	11,820	2,467
Net income	8,784	1,793
Net assets	190,259	–
Total assets	514,935	–
Per share (yen)		
Net income: basic	26.22	–

Results by Business Segment and by Region

Millions of yen

	Jan. 1–March 31, 2012	Jan. 1–March 31, 2011
<i>By business segment</i>		
Sales to third parties		
Tires	107,173	97,011
Industrial products	22,721	22,440
Other products	5,357	6,469
Operating income		
Tires	7,861	376
Industrial products	1,208	1,020
Other products	185	444
Eliminations	3	0
<i>By geographical segment</i>		
Sales to third parties		
Japan	86,393	81,092
North America	28,590	26,511
Asia	9,043	8,145
Other Regions	11,224	10,171
Operating income (loss)		
Japan	5,703	(456)
North America	2,312	1,496
Asia	1,947	354
Other Regions	216	337
Eliminations	(921)	107

Notes:

1. Yokohama has prepared this information in accordance with accounting principles generally accepted in Japan.
2. Yokohama shifted its fiscal accounting to a calendar-year basis in 2011, from the previous April-to-March basis.
3. 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.