

# NEWS RELEASE



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## **Sales and Earnings Reach Record Levels at Yokohama Rubber in First Three Quarters of 2013**

Tokyo - The Yokohama Rubber Co., Ltd., announced today that its sales and earnings rose to record levels in the first three quarters of 2013. Net sales increased 4.9% over the same period of the previous year, to 412.4 billion yen; operating income increased 13.8%, to 29.9 billion yen; and net income increased 12.3%, to 19.6 billion yen. The totals for net sales, operating income, and net income were Yokohama's highest ever in the nine-month period from January to September. The company shifted to calendar-year accounting in 2011, from April-to-March accounting, so the same nine-month period in that year and earlier years corresponded to the fourth, first, and second quarters.

Driving the record nine-month sales performance were gains in Yokohama's core tire operations, led by growth in North America and China. Yokohama also posted growth in industrial products and in other products, led by strong growth in high-pressure hoses and in aircraft fixtures and components. The nine-month gains in sales and profitability also benefited from declining prices for raw materials and the weakening of the yen.

For the full year, Yokohama abides by the projections that it announced in August: net sales of 610 billion yen, up 9.0%; operating income of 59 billion yen, up 18.7%; and net income of 36 billion yen, up 10.4%. The company has announced that the annual dividend will total 22 yen per share: an interim dividend of 10 yen and a year-end dividend of 12 yen.

Yokohama's nine-month sales in tire operations increased 4.9% over the same period of the previous year, to 323.3 billion yen, and operating income increased 1.8%, to 22.0 billion yen. Overseas, Yokohama's sales declined in Russia, but the company's unit sales recovered in North America and China. Japanese sales of original equipment tires slackened, reflecting the end of government incentives for purchases of fuel-efficient vehicles and Japanese automakers' ongoing shift of production overseas. Yokohama maintained its unit sales volume in Japan's replacement tire market, but a market shift toward lower-priced tires and escalating price competition diminished the yen value of sales.

In Yokohama's industrial products operations, nine-month sales increased 4.2% over the same period of the previous year, to 70.4 billion yen, and operating income increased 55.2%, to 5.4 billion yen. Those operations consist mainly of high-pressure hoses, sealants and adhesives, conveyor belts, anti-seismic products, marine hoses, and marine fenders. Contributing to the business expansion were strong growth in automotive hoses in North America and Southeast Asia and gains in marine fenders, in marine hoses, and in conveyor belts.

Yokohama's nine-month sales in other products increased 8.2% over the same period of the previous year, to 18.7 billion yen, and operating income increased 108%, to 2.5 billion yen. That business consists mainly of aircraft fixtures and components and golf equipment. In aircraft fixtures and components, sales were strong in lavatory modules for commercial aircraft. Business declined overall in golf equipment, as weak sales of Yokohama's iD nabra golf clubs offset strong sales of its egg golf clubs.

## Financial Highlights

	Millions of yen	
	Jan. 1–Sept. 30, 2013	Jan. 1–Sept. 30, 2012
Net sales	412,410	393,066
Operating income	29,921	26,299
Income before income taxes and minority interests	30,928	25,216
Net income	19,553	17,409
Net assets	255,471	182,509
Total assets	605,808	497,151
Per share (yen):		
Net income: basic	60.50	51.96
	July 1–Sept. 30, 2013	July 1–Sept. 30, 2012
Net sales	142,724	124,103
Operating income	10,864	6,407
Income before income taxes and minority interests	10,371	6,196
Net income	6,578	3,714

## Results by Business Segment and by Region

	Millions of yen	
	Jan. 1–Sept. 30, 2013	Jan. 1–Sept. 30, 2012
<i>By business segment</i>		
Sales to third parties		
Tires	323,302	308,230
Industrial products	70,402	67,542
Other	18,705	17,294
Operating income (loss)		
Tires	22,028	21,631
Industrial products	5,395	3,475
Other	2,497	1,200
Eliminations	(0)	(8)
<i>By geographical segment</i>		
Sales to third parties		
Japan	242,467	254,806
North America	98,951	83,668
Asia	34,718	25,342
Other regions	36,272	29,249
Operating income (loss)		
Japan	28,422	18,866
North America	3,716	4,865
Asia	2,907	4,005
Other regions	(2,269)	(78)
Eliminations	(2,856)	(1,358)

*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 Europe and Oceania.