

## **Yokohama Rubber to Establish Subsidiary in India**

Tokyo, Oct 6, 2006 (JCN) - The Yokohama Rubber Co., Ltd., announced yesterday that it will establish a wholly owned subsidiary, Yokohama India, in New Delhi in January 2007. Capitalized at approximately 50 million yen, Yokohama India will begin operations as a tire sales and marketing company. Going forward, the Company plans to use it as a local headquarters for coordinating future business expansion, in particular for tire manufacturing and marketing of automotive hoses and sealants. Yokohama Rubber currently markets passenger car tires in India through its tire distributor in Singapore. However, demand in India is increasing as a result of overall growth in the country's automotive sector, and Yokohama Rubber is prepared to meet that demand with tires and other automotive products offered through its subsidiary. India's GDP has grown 7-8% annually since 2003, supporting rapid growth in vehicle ownership. Sales of new passenger cars in India have increased 61% since 2002, to 1,140,000 vehicles in 2005. Industry analysts project that new-car sales in India will reach 2 million vehicles by 2010 and 5 million by 2020. The Indian subsidiary is part of Yokohama's strategy for strengthening its market presence in the large-population, fast-growth BRIC economies (Brazil, Russia, India and China), which are on track to overtake the G7 in economic scale this century. In China, Yokohama has established a tire sales company, five production companies – two for tires and three for conveyor belts, sealants, and hose assemblies – and a management company to oversee those operations locally. Yokohama's BRIC strategy also includes the establishment of a tire sales company in Russia.