1st July 2024

**YOKOHAMA to build a new passenger car tyre plant in China**

***Increasing local capacity for supplying the growing Chinese market***

YOKOHAMA announced today that it will build a new passenger car tyre plant in China. The new plant will be located in the Qiantang New District of Hangzhou City, Zhejiang Province, and will have an initial annual production capacity of 9 million tyres, with further expansion to be considered in the future. Planned capital investment is RMB1,960 million (approx. ¥36.7 billion), and production at the new plant is scheduled to start in the second quarter of 2026.

The decision to construct a new plant is a response to a request for relocation of the plant currently operated by Hangzhou Yokohama Tire Co., Ltd., a local tyre production subsidiary, as part of an urban renewal project. The new plant will be constructed in another location in Qiantang and be operated by Hangzhou Qiantang Yokohama Tire Co., Ltd., a new company being established as part of the district, city, and provincial governments’ important project promoting foreign investments.

The new plant is the first plant being built under the “1-year plant” challenge in the consumer tyre business’ growth strategy set forth in YOKOHAMA’s new medium-term management plan Yokohama Transformation 2026 (YX2026), which is being implemented during 2024-2026. Under the “1-year plant” challenge, YOKOHAMA aims to construct plants in just one year that achieve the low-cost and highly efficient production that will realize a strong competitive position in the local market. Toward that end, YOKOHAMA will combine its accumulated know-how with that of local partner companies that have a proven track record in the local market.

To meet expected further increases in tyre demand in China, the new plant will increase YOKOHAMA’s current annual production capacity in the country by 3 million units. Its output will include tyres sold as original equipment for new energy vehicles (NEVs), including electric vehicles (EVs). In addition, the new plant aims to increase the sales ratio of high-value added YOKOHAMA tyres in China’s replacement tyre market by increasing local production of high-inch tyres in the ADVAN global flagship brand and the GEOLANDAR brand of tyres for SUVs and pick-up trucks. Prior to the decision to construct the new plant, with the support of the Hangzhou Municipal Government, YOKOHAMA signed a strategic alliance with LEAPMOTOR, a leading NEV production and sales company located in Hangzhou. Going forward, YOKOHAMA aims to expand its supply of tyres for NEVs and will further strengthen its relationships with NEV car manufacturers.

In addition to the “1-year plant” challenge, the consumer tyre strategy in YX2026 aims to maximize the sales ratios of high-value-added tyres by expanding sales of the ADVAN brand, the GEOLANDAR brand, winter tyres, and 18-inch and larger tyres. YX2026 also includes “Product and Regional Strategies” focused on strengthening the development, supply, and sales of tyres that respond to specific trends in each regional market.

**Outline of Hangzhou Qiantang Yokohama Tire Co., Ltd.**

Location of head office & plant: Qiantang New District, Hangzhou City, Zhejiang Province

Established: June 2024

Ownership ratio: Yokohama Rubber 100%

Business: Production of passenger car tyres

Production start (planned): Second quarter of 2026

Annual production capacity: 9 million tyres (existing plant’s capacity is 6 million tyres)