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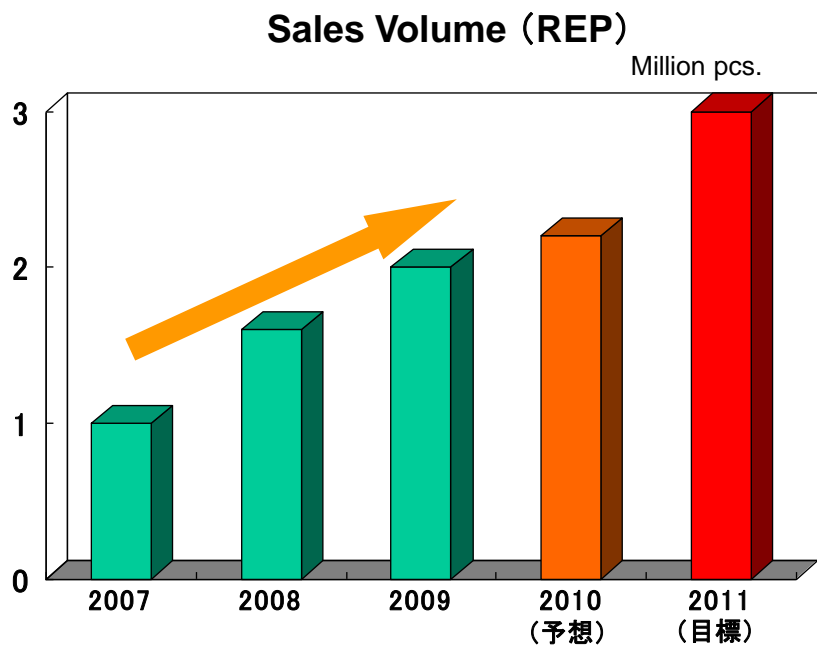
# **Sales in Russian Market**

# Sales in Russian Market

2005: Established our tire sales company (YOKOHAMA RUSSIA L.L.C.)

2009: Achieved over 2 million pcs. tires in market shrinking tendency

- Acquired top share in the import premium segment
- Grew up to one of big three market in the world such as Japan and US



2008:110Shops → 2009:220shops



**We expect sales volume in Russia would be corresponded to our minimum plant capacity in near future.**

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# Study of Plant construction in Russia

# Investigation of Plant construction in Russia

2008

Jul. Started investigation of plant location

	SEZ in Lipetsk	Private Technopark
Infrastructure	⊙ Installed to the boundary of the territory of residents	△ Planned, but takes 1 year to complete
Years to complete construction	○ 2 years	△ 3 years
Electricity access charge	⊙ Not required	× 100 million ruble
Land cost ( if you purchase after the construction )	⊙ 203 thousand ruble/20 ha	× 400 million ruble/20ha
Import Duty on Equipments	⊙ Free	△ Investment in Kind
VAT on Equipments	⊙ Free	○ Returned after sales
Import Duty and VAT on raw materials	○ To pay on selling products in domestic	×
Corporate Tax	○ Exempt in 5 years	○ Exempt in 5 years
Labor Force	○ 500,000 people/Lipetsk	△ 120,000 around the area
Distance to Moscow	△ 450 km	○ 100 km
Living standard for foreigner	○ Capital of Lipetsk region	△ Very small town

# Comparison between Lipetsk SEZ and Privare Technopark

## Lipetsk SEZ



Road



Cable Bridge for Electricity



Leveled Land

## Private Technopark



Just a field without any infrastructure



# Study of lead time and our case

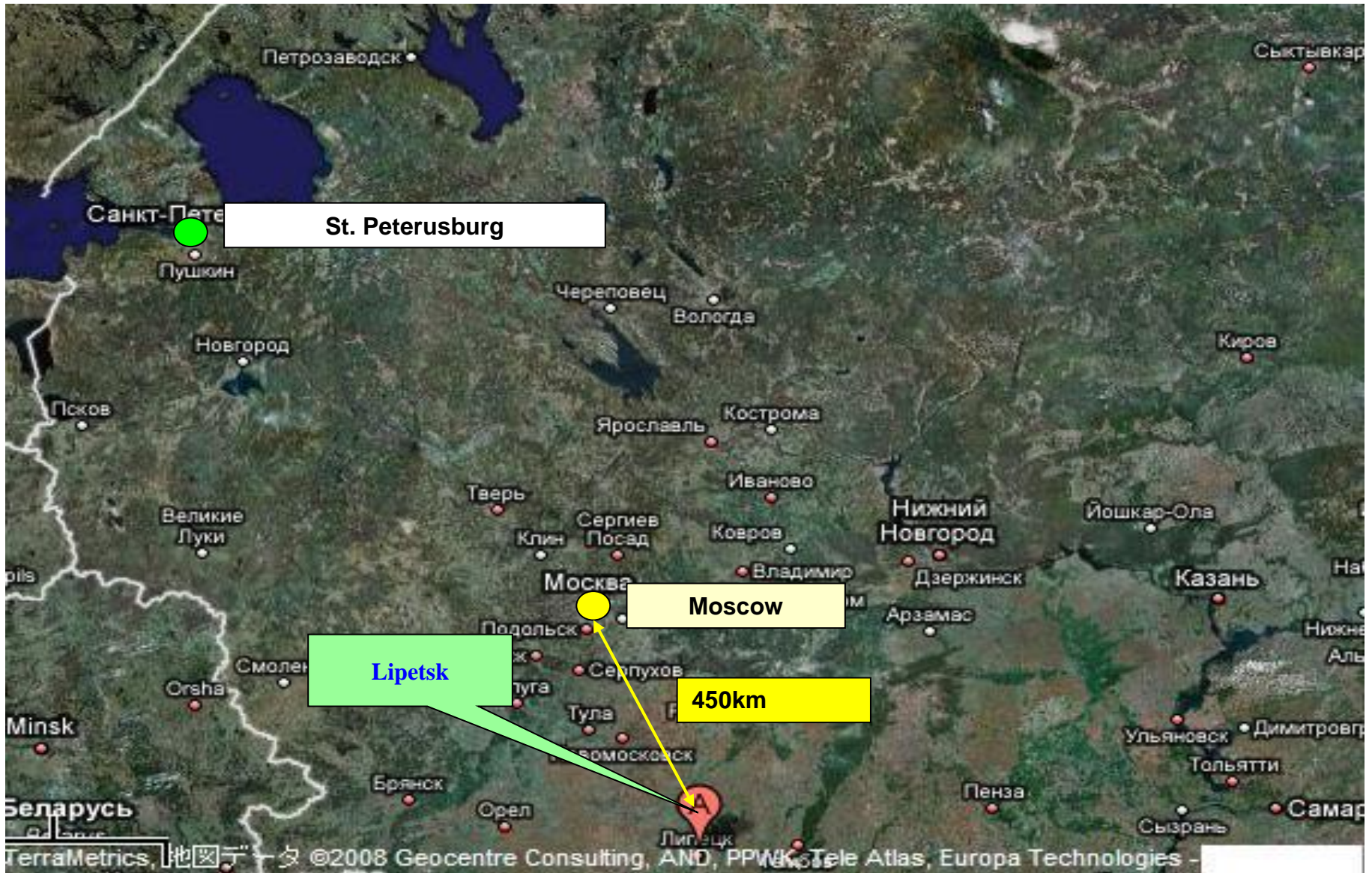
## Study of Lead Time

	Candidate Site	Lead Time (max.)	Preparation for Industrial Land	Apply for Infrastructure	Installation of Infrastructure	Apply for Permits	Start Construction	Complete Construction
I	Case A	48 months	3-6 months	3-6 months	6-12 months	6 - 12 months		12 months
II	Case B	42 months	Done	3-6 months	6-12 months	6 - 12 months		12 months
III	Private Technopark	36 months	Done	Done	6-12 months	6 - 12 months		12 months
IV	SEZ	24 months	Done	Done	Done	6 - 12 months		12 months



**2008**    **Nov.    Decided plant location to Lipetsk SEZ**

# Location of Lipetsk



# Schedule of procedure for plant construction

**2008** Jul. Started investigation of plant location

Investigated 21 locations in 6 States

**Nov.** Decided plant location to Lipetsk SEZ

**Dec.** Established Company (LLC YOKOHAMA R.P.Z.)

**2009** Jan. Concluded Tenant agreement with Ministry of Economy

**May** Applied lease of land (decided temp land location)

**Oct.** Concluded Agreement for lease of land

**Dec.** Applied construction permission (PROEKT)

**2010** Feb. Acquired construction permission

**Mar.** Grand breaking and start construction



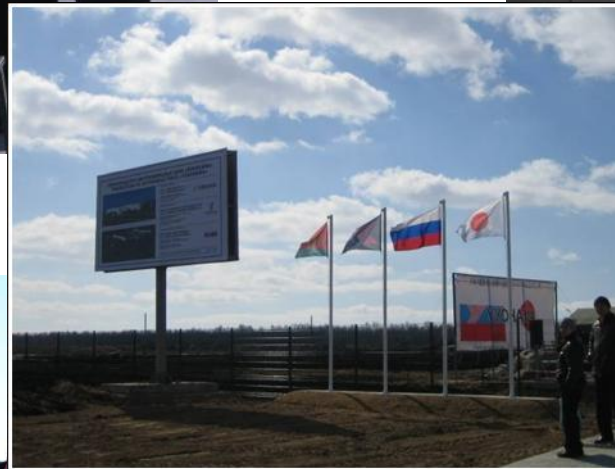
# Ground Breaking Ceremony



Speech



First Stone



Ground Break



Kagami-Biraki ( Breaking of Sake Barrel )

# Fact of the plant “Yokohama”

Company name : LLC YOKOHAMA R.P.Z. [ ООО «ЙОКОХАМА Р.П.З.» ]

Shareholders : Yokohama Rubber Co., Ltd. 80%、 ITOCHU Corporation 20%

Products : Passenger Automobile Tire

Production : ann.1.4 million units (Phase 1)

Lands : 24ha.

Construction : Started in March, 2010

Commercial production : in 2011

Employees : ca. 550 persons (Phase 1)

Investment : ca. 4.8 billion Ruble ( Phase 1 / ca. 120 million Euro )

Market : Russia (Replacement) 80-90% / Export 10-20%



# Present Situation (End of Oct. 2010)



# Conclusion as of today

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- **To select SEZ in Lipetsk as our construction site in Russia was the right decision so far because ;**
  1. You can complete to construct your plant shorter than other sites.
  2. You can enjoy the privilege of the resident of SEZ
  3. You can expect the full support of the governmental organizations such as Ministry of Economic Development, JSC SEZ, Administration of Lipetsk region, etc.
- The support from these organizations helps us to solve any issues and problems and we really appreciate it a lot.

# Thank you for your attention

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The logo for GD100 features the text "GD100" in a bold, red, sans-serif font. Above the "D" and "1" are three red circles of increasing size, arranged in an upward arc from left to right.

**GD100**