

CSR Report of Yokohama Industries Americas Inc. (YIA)

Business activities: Production and sales of hose assemblies for auto air-conditioners, power steering units and oil and water coolers, brake lines, hydraulics, and other fluid conveying products

Total site area: YIA Inc., Versailles Plant (DIV.1, DIV.2) 100,000m²
YIA South Carolina LLC., Easley Plant (DIV.3) 78,510m²
YIA Ohio Inc., Painesville Plant (YIA-OH) 73,700m²

Number of employees: 1,082 (as of March, 2014)

Location: Versailles Plant
105 Kuhlman Drive, Versailles, KY 40383, U.S.A.

Contact for consultation and complaints:

Tel: +1-859-879-2812 Fax: +1-859-873-8943
e-mail: Carla.Lacefield@yokohamaia.com



Chief Operating Officer's Message



Cory Brusman

Since its incorporation in Bluegrass, a world famous breeding ground for thoroughbreds, we set the environmental policy as building up a wonderful environmental society together with people in local communities and aim at being a corporation contributing to the environment and trusted by residents in the region. Under this environmental policy, we carry out management of the production process and materials used and education and instruction of employees to strive to reduce environmental impact generated by production activities. Here,

we introduce "EARTH," the slogan of our efforts. Environmental Excellences Achieved and Realized Through Heightened Awareness.



Human Rights

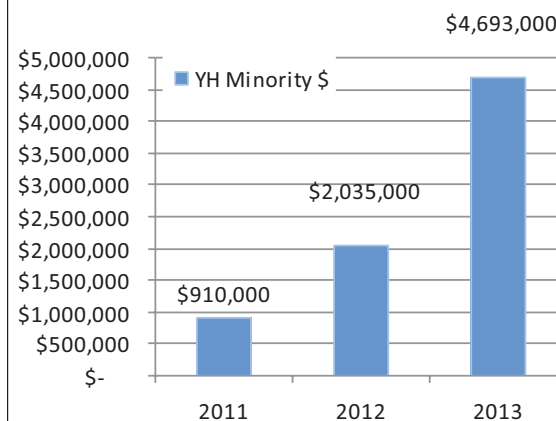
Measures for respecting human rights

YIA clearly states that it complies with federal and state laws related to human rights and race, religion, gender, age, nationality and disability shall not affect employment opportunities at the company. This is thoroughly observed not only at the time of employment of a new employee but also in all employment activities of YIA such as promotion, relocation, wages, layoff and dismissal.

Promotion of opportunities for transactions with companies managed by minorities

YIA regularly participates in exhibitions sponsored by related organizations in order to excavate opportunities for transactions with companies managed by minorities (social minority groups, including African and Hispanic). While opportunities for transactions with companies managed by minorities who are socially underprivileged are limited to the company which handles production materials, we continue activities to look for opportunities for transactions consistently. We currently conduct transactions with carriers and repair parts suppliers; the value of these transactions is approximately twice of what it was in the previous year.

YH Minority Spend



Labor Practices

Occupational safety and health (safety and health policy, measures for safety and health)

YIA places top priority on a safe workplace environment and invites experts from outside for Safety, Health and Wellness Activities and we cope with various support programs so that we can give objective and more effective advice.

Major Activities

1. Physical Therapy (activities for prevention of injuries by physical therapy)
2. Method to Stop Smoking (stop smoking program by a medical specialist)
3. Weight Watchers (diet promotion activities by a nutritionist)

Education and training for employees

Education and training for employees of YIA are provided at several different stages. Education at the time of employment is mainly provided by lecture and employees gain knowledge of safety and health, work rules, welfare, quality and ISO and also the basic items of TS16949. It is composed so that field workers can understand the entire production system picture of products manufactured by YIA and recognize the importance of the workplace to which each worker is assigned. Further, we provide internal and external educational programs throughout the year and improve them so that employees can utilize the acquired knowledge in daily production activities.

Responses in case of disaster

YIA organizes a team responding to emergencies which is called, the "Emergency Response Team (ERT)."

This was organized with the main duty of confirmation of safety of employees, including guiding all people in case of actual disasters and the time of a fire alarm.

Now the ERT team members received training of first aid, emergency resuscitation methods and responding to blood infection diseases.

We also provide training for outflow of chemicals, fire, blackouts and threats of explosion.

Environmental management

We have made efforts to raise awareness of the environment and improve results through the ISO14001 Environmental Management System.

As a result, the reform of employees' awareness has certainly advanced and produced the following results.

- (1) We held environmental meetings every month to urge follow-ups and promotion of the implementation plan and produced results.
- (2) We strengthened the promotion of the recycling program and promoted collection and reuse of steels, aluminum, plastics, wood chips, paper, carton boxes, batteries and printer cartridges, etc.
- (3) We have promoted reinforcement and promotion of use of green products friendly to the environment.

YIA DIV. 2 (Under the Adhesives and Sealants Business Department)

Category		FY2009	FY2010	FY2011	FY2012	FY2013
Energy use (oil equivalent: kl)	Electric power	492	758	773	825	832
	Fuel	787	670	287	358	382
	Total	1,279	1,429	1,059	1,182	1,214
Greenhouse gas emissions (1,000t-CO ₂)		2.9	3.2	2.2	2.5	2.6
Water usage (1,000m³)		3.3	4.4	5.3	7.3	10.3

* FY: January to December

* Greenhouse gas emissions were calculated based on the Calculation and Reporting Manual for Greenhouse Gas Emissions jointly published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Japan.

YIA DIV.1 (Under the Hose Business Department)

Category		FY2009	FY2010	FY2011	FY2012	FY2013
Energy use (oil equivalent: kl)	Electric power	1,653	1,889	1,832	2,326	2,400
	Fuel	109	118	110	141	165
	Total	1,762	2,007	1,942	2,467	2,564
Greenhouse gas emissions (1,000t-CO ₂)		3.8	4.4	4.2	5.4	5.6
Water usage (1,000m ³)		9.3	10.5	8.1	19.9	18.9

* FY: January to December

* Greenhouse gas emissions were calculated based on the Calculation and Reporting Manual for Greenhouse Gas Emissions jointly published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Japan.

YIA DIV.3 (Under the Hose Business Department)

Category	FY2009	FY2010	FY2011	FY2012	FY2013
Energy use (oil equivalent: kl)	Electric power	—	—	—	1,414
	Fuel	—	—	—	73
	Total	—	—	—	1,486
Greenhouse gas emissions (1,000t-CO ₂)	—	—	—	—	3.3
Water usage (1,000m ³)	—	—	—	—	5.2

* FY: January to December

* Greenhouse gas emissions were calculated based on the Calculation and Reporting Manual for Greenhouse Gas Emissions jointly published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Japan.

* Concerning the CSR and environmental activities of YIA-OH, please refer to the CSR Report of Yokohama Industries Americas Ohio Inc. (YIA-OH).

Corruption prevention

YIA established twenty-three items of code of conduct in the Employee Manual. In the item of conflict of interest, acts conflicting with the interests of interested parties, including YIA and customers are prohibited during the employment period. Presenting and receiving gifts with a

value of more than US\$25 with companies which are competitors and have business relationships such as customers are completely prohibited.

Forever Forest Project

YIA held the 1st planting festival in May 2010 at the Versailles Plant and planted 2,000 trees. Planting festivals have continued since then and we have now planted a total of more than 6,000 trees.



Forever Forest 2013