

Combating Global Warming



A handwritten signature in black ink, reading "T. Nagumo".

Tadanobu Nagumo
President and Representative Director

Committed in GD100 to asserting world-class strengths in technologies for protecting the environment

Grand Design 100, our new medium-range management plan unveiled in 2006, commits the Yokohama Rubber Group to asserting world-class strengths in technologies for protecting the environment, and the following three guiding principles will take us toward attaining this goal: the practice of consistent, high-level global environmental management at all our operations worldwide, the development of environmentally sound products to minimize environmental impact in all our products, and the pursuit of world-class environmental action at our operations in the form of, for example, 100% recycling of all industrial waste.

Urgently tackling global warming is the biggest challenge we now face

The biggest challenge confronting nations across the world today is that of preventing global warming by cutting emissions of greenhouse gases. As concern over global warming mounts, exemplified by the interest engendered by the 79th Academy Award-winning film *An Inconvenient Truth* and its depiction of the environmental crisis now faced, action to combat global warming is likely to gather pace in the United States and around the world. For our part, we consider it our duty to steadily implement our plans one by one in accordance with the basic principles laid down in GD100.

Action growing throughout the Yokohama Rubber Group

The Yokohama Rubber Group is pursuing a variety of activities based on medium to longer-term perspectives, and these activities are producing concrete results. In fiscal 2006, for instance, greenhouse gas emissions were cut by 8.2%, exceeding the 6% target set by the Kyoto Protocol. We have also been awarded the highest possible environmental rating by the Development Bank of Japan, and our head office operations have been ISO14001 certified. Above all else, however, I have been struck by the solidity of the mechanisms that we have put in place to minimize the impact of our activities on the environment, stimulating the level of environmental activity being pursued throughout the group.

Clear definition of environmentally sound products spurs development

If we take product development as an example, arrangements have been put in place for defining numerically just what an “environmentally sound product” is. This has made it possible to determine the proportion of environmentally sound products among our current lineup, enabling us to take major steps toward achieving our objective of making all our products eco-friendly products. Newly launched products include the DNA dB super E-spec passenger car tire, which is made from 80% non-petroleum resources, and the new ZEN eco-brand of tires for trucks and buses, and we have also conducted tests aimed at developing commercial applications for a porous elastic road-surfacing material that we have

developed to reduce the amount of noise made by vehicles on roads. Furthermore, in order to improve management of chemicals and logistics, we have established supply chain arrangements that further strengthen collaboration with our business partners, while at home and abroad, steady progress is being made by group companies as they migrate to environmental management practices that are on a par with those followed by Yokohama Rubber.

Hoping to work with local communities on the YOKOHAMA Forever Forest project to grow woodland

In addition to these activities undertaken in the course of our everyday operations, fiscal 2007 will also see the launch of the YOKOHAMA Forever Forest project to plant trees around our plants across the country to create woodland over the next decade. We believe that this will not only contribute to the fight against global warming, but also create areas of woodland in which local residents can safely relax and enjoy themselves.

Meeting the expectations of our diverse stakeholders

We recognize that our stakeholders—customers, shareholders and investors, business partners, employees, and local residents—have wide-ranging expectations of the Yokohama Rubber Group, including compliance, quality, safety, and corporate social responsibility, as well as concern for the environment. One of our management policies is to “deal fairly with society and value harmony with the environment,” and we intend to fulfill our social responsibilities as a corporate citizen to meet these expectations of our diverse stakeholders by ensuring that all our employees throughout the group and across the world follow this principle in their daily activities.

I hope that this report will deepen the reader’s understanding of the Yokohama Rubber Group’s environmental and social activities, and I look forward to hearing the feedback that it generates.