

Corporate Philosophy, History, and New Medium-range Management Plan

Corporate Philosophy

Basic Philosophy

"To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products."

Management Policies

- Take on the challenge of new technologies to produce new value.
- Develop proprietary business fields to expand the scope of business.
- Create a workplace that values, improves and energizes people.
- Deal fairly with society and value harmony with the environment.

History

- 1917** Established under the name "Yokohama Rubber Manufacturing" in Uratakishima-cho, Yokohama, Kanagawa Prefecture, as a joint venture between Yokohama Cable Manufacturing Co., Ltd. and BF Goodrich of the United States
- 1921** Hiranuma Plant built in Yokohama
- 1923** Operations suspended at the Hiranuma Plant due to the Great Kanto Earthquake, and head office transferred to Kojimachi-ku in Tokyo
- 1943** Mie Plant built in Watarai-gun in Mie Prefecture
- 1945** Head office transferred to Minato-ku in Tokyo
- 1946** Mishima Plant built in Mishima City, Shizuoka Prefecture
- 1950** Listed on the first sections of the Tokyo and Osaka Stock Exchanges
- 1952** Hiratsuka Factory built in Hiratsuka City, Kanagawa Prefecture
- 1958** Development of first environmentally sound product (pneumatic fender)
- 1963** Company name changed to "The Yokohama Rubber Co., Ltd."
- 1964** Shinshiro Plant built in Shinshiro City, Aichi Prefecture
- 1969** Yokohama Tire Corporation established as a tire distributor in the U.S.
- 1971** Environmental Improvement Dept. established
- 1973** Ibaraki Plant built in Higashi-Ibaraki-gun, Ibaraki Prefecture
- 1974** Onomichi Plant built in Onomichi City, Hiroshima Prefecture
- 1988** Tire manufacturer GTY Tire Company established in the U.S. as a joint venture with General Tire of the U.S. and Toyo Tire & Rubber Co., Ltd.
- 1989** U.S. tire manufacturer The Mohawk Rubber Company acquired
- 1992** The Mohawk Rubber Company merged with Yokohama Tire Corporation
- Environmental Conservation Dept. established**
- 1996** Yokohama Tire Philippines, Inc. established as a tire manufacturer and distributor in the Philippines
- Yokohama Rubber (Thailand) Co., Ltd. established** as a manufacturer and distributor of MB products in Thailand
- 1998** Mishima Plant is first in the Yokohama Rubber Group to be ISO14001 certified
- Launch of DNA eco-tire**
- 2001** Hangzhou Yokohama Tire Co., Ltd. established as a tire manufacturer and distributor in China
- ISO14001 certification of all eight production sites in Japan completed**
- 2004** Yokohama Tire Manufacturing (Thailand) Co., Ltd. established in Thailand
- 2005** Yokohama Rubber (China) Co., Ltd. established as headquarters for operations in China
- 2006** Shandong Yokohama Rubber Industrial Products Co., Ltd. established as a conveyor belt manufacturer and distributor in China
- Suzhou Yokohama Tire Co., Ltd. established** as a tire manufacturer and distributor in China
- "Asserting world-class strengths in technologies for protecting the environment" adopted as a basic policy of the new GD100 new medium-range management plan**
- 2007** Yokohama India Pvt. Ltd. established as a local subsidiary in India

*Items in light green indicate environmental activities.

New GD100 Medium-range Management Plan

The Yokohama Rubber Group has adopted a new medium-range management plan called "Grand Design 100." The aim of this plan, dubbed "GD100" for short, is to transform the group into a global company with a distinctive presence in terms of corporate value and market position in the company's centenary in 2017, and it adopts as specific targets for attainment in fiscal year ended March 31, 2018 net sales of ¥1 trillion and operating income of ¥100 billion. Phase I of the plan, which will run from fiscal year ended March 31, 2007 to fiscal year ended March 31, 2009, was launched in April 2006. GD100 aims to achieve business growth

and expansion in accordance with the business and technology strategies adopted by the Tire and MB Groups. At the same time, it lays down policy for fulfilling social responsibilities as befits a global company. In addition to stating the group's basic stance as a manufacturer of "delivering the best products at competitive prices and on time," the plan also commits Yokohama Rubber to "asserting world-class strengths in technologies for protecting the environment" and "fostering a customer-oriented corporate culture that honors rigorous standards of corporate ethics."

GD100 Vision and Basic Policy

By Centenary in 2017

To evoke a distinctive global identity in building corporate value and in building a strong market presence

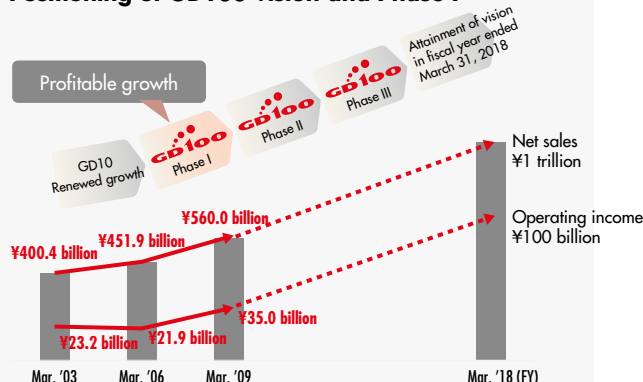
Long-term Financial Targets (year to March 31, 2018)

Net sales: ¥1 trillion, Operating income: ¥100 billion, Operating return on sales: 10%

Basic Policy for Fulfilling Vision

- To deliver the best products at competitive prices and on time
- To assert world-class strengths in technologies for protecting the environment
- To foster a customer-oriented corporate culture that honors rigorous standards of corporate ethics

Positioning of GD100 vision and Phase I



Numerical targets of GD100 Phase I

	Unit: ¥100 million	Phase I		
		Mar. '06 Actual result	Mar. '07 Actual result	Mar. '08 Projection
Net sales		4,519	4,974	5,400
Tires		3,357	3,727	4,080
MB		1,162	1,247	1,320
Operating income		219	211	320
Ordinary income		190	201	270

Projections for the year ended March 31, 2008 are the figures announced on August 9, 2007.