

Development of Environmentally Sound Products that can be Trusted

Action was commenced to make our entire range environmentally sound in FY2006, and already 60% of our products are environmentally sound.

Definition of Environmentally Sound Products

Aiming to Make All Our Products Environmentally Sound

Yokohama Rubber adopted “delivering the best products at competitive prices and on time” as a basic principle of its GD100 new medium-range management plan launched in FY2006. Contributing to society through the provision of the “best products” contributing to the prevention of

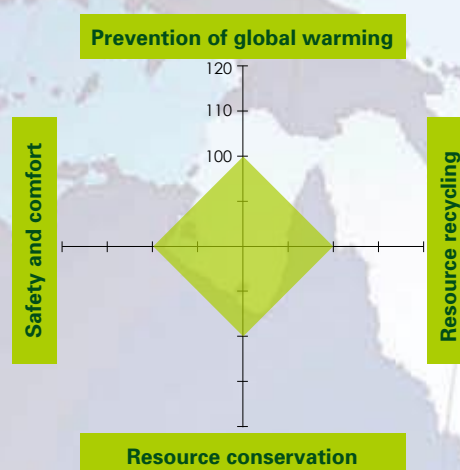
global warming is, we believe, an important duty of a manufacturer. In order to achieve this, we have adopted the concrete target of making all tires and MB products made and sold by the Yokohama Rubber Group environmentally sound products by FY2017.

Definition of Environmentally Sound Products According to Four Environmental Functions

Yokohama Rubber has defined four functions (prevention of global warming, resource recycling, resource conservation, and safety and comfort) as criteria for making all products environmentally sound products. Newly developed products are required to be on average at least 5% superior to conventional products in terms of environmental functionality, and a new product will not be introduced if its environmental performance is inferior in even just one of the four categories. This definition of environmentally sound products was introduced in FY2006.

| Environmental functions | Environmental metrics |
|------------------------------|--|
| Prevention of global warming | Rolling resistance, Emission of CO ₂ , Energy conservation, etc. |
| Resource recycling | Recyclability, Retread performance, Proportion of natural materials, etc. |
| Resource conservation | Reduction of weight, Wear life, Reduction coefficient, Uneven wear resistance life, Development period, etc. |
| Safety and comfort | All-weather and braking performance, Noise performance, Pleasantness (odor, hue), Reduction of SOCs, Reduced pollution and environmentally friendlier (air, sea, water, soil), Care and nursing applications, etc. |

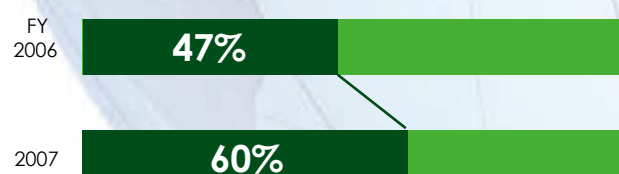
Four environmental functions defining environmentally sound products



Proportion of Environmentally Sound Products in FY2007

Yokohama Rubber began calculating the proportion of environmentally sound products in its range in FY2006. The proportion of our entire range defined as environmentally sound was 60% in FY2007 (compared with 47% in FY2006),

Proportion of environmentally sound products in entire range



and the proportion of all new products that were environmentally sound was 94% (likewise compared with 77% in the previous year). Our target in FY2008 is 73% of our entire range and 100% of new products.

Proportion of environmentally sound products among newly developed products

