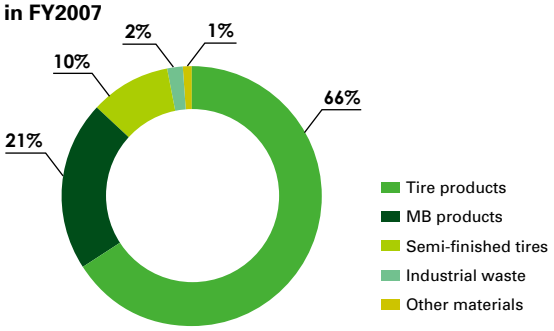
Reduction of CO_2 Emissions in Logistics Operations

Pursuit of Improved Energy Efficiency and Reductions in CO_2 Emissions through Company-wide Integrated Data Collection System

Yokohama Rubber is designated a specified shipper, and so it has developed a system for aggregating information on emissions of CO_2 and other substances to the extent of ownership provided for by law, including finished and semi-finished products and industrial waste. In order to encourage reductions in emissions, 312 carriers used by the company have been provided with copies of the "Yokohama Green Logistics Guidelines," with which they are requested to comply, and a Physical Distribution Subcommittee has been set up under the Global Warming Countermeasures Committee in order to promote stronger action in the Tire and MB Groups.

Breakdown of CO_2 emissions from logistics operations in FY2007



Annual 3.5% Improvement in Energy Efficiency Achieved

Action is taken to achieve the target of a 1% annual improvement in energy efficiency set by the revised Energy Conservation Law, and this was easily exceeded in FY2007, when energy efficiency was 3.5% better than in FY2006. CO_2 emissions, too, fell by approximately 500 tons.

Environmental performance in logistics operations

	FY2006	FY2007
Total transportation volume (million t-km)	232.0	235.8
CO_2 emissions (t)	28,200	27,700
Specific energy consumption (kl/million t-km)	45.6	44.0

Action to Cut CO_2 Emissions

The following measures are being pursued to reduce CO_2 emissions in physical distribution.

Expansion of modal shift

In the Tire Group, the rate of use of ferry services for transportation of products was 57.2%, up 4.4% from FY2006. In the MB Group, use of JR rail services expanded 1%.

Reduction of pickup and delivery services through introduction of new "milk run" system

Introduction of a new "milk run" system for transportation of hose and coupling products in the MB Group has resulted in a 24% improvement in delivery services between plants and warehouses.

Improvement in delivery efficiency

An increase by 731 in the number of shipments from plants to domestic distributors and a 5.5% increase in the ratio of plant "vanishing" (loading directly of goods for shipment into containers at the plant) have yielded improved loading efficiency.

Reduction in quantity of industrial waste transported

Collaboration between the Tire and MB Production Environment Subcommittees has resulted in an 18% reduction in transportation of industrial waste in FY2007 compared with FY2006.

Overview of milk run system