

Growing Global Procurement

Basic Purchasing Policy

■ Optional procurement of raw and other materials, constructions

In order to supply better products, Yokohama Rubber strives to procure the optimal materials and constructions.

■ Fair and equitable business

Yokohama Rubber does business based on principles of fair, and free competition, and seeks its suppliers from all around the world.

■ Rational selection of suppliers

Yokohama Rubber chooses its suppliers on the basis of economic rationality, taking into comprehensive account the quality and prices that they offer and their stability of supply, ability to develop technologies, and concern for the environment.

■ Partnerships

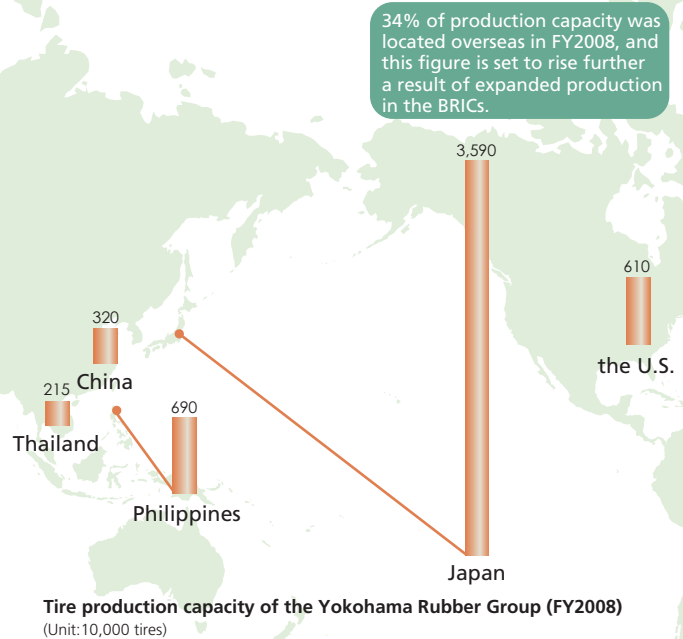
Yokohama Rubber seeks to grow with its suppliers and other business partners by developing fair and equal cooperative relationship and increasing mutual understanding through solid business practices.

■ Compliance

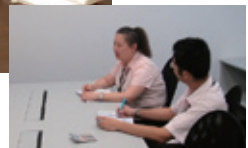
Yokohama Rubber complies with all relevant legislation and social norms in its purchasing activities and preserves the confidentiality of information obtained in the course of business. It also endeavors to act with moderation so as to avoid causing misunderstandings in light of commonly accepted social standards.

■ Harmony with the environment

Yokohama Rubber strives to purchase raw materials that have less of an impact on the global environment.



Local staff in charge of procurement at Yokohama Asia Co., Ltd. From right to left, Chaturong Chadil, Vijiyada Songrienchai, and Pakpum Phewphong



Meng Ying (left), in charge of procurement at Yokohama Rubber (China) Co., Ltd.

Worldwide development of fair and equitable procurement

The Yokohama Rubber Group is expanding production overseas, and the proportion of raw materials procured overseas is expected to exceed 60% in FY2017. Efforts are therefore being stepped up to ensure that Yokohama Rubber's Basic Purchasing Policy is followed worldwide.

Establishment of procurement strategy center in Thailand

Recent years have seen the Yokohama Rubber Group expand capacity at its tire production plants in Thailand, Philippines, and other areas of Asia. To assist in this process, a center was set up in February 2008 in Yokohama Asia Co., Ltd., a tire marketing company established in Thailand, to bring under centralized control the procurement functions of Tire and MB Group production operations in Thailand, the Philippines, Vietnam, and Taiwan. Its role in procurement strategy is similar to that of Yokohama Rubber's own Corporate Purchasing Department in terms of analyzing markets, forecasting demand, selecting and cooperating with suppliers, and price negotiation.

Training local staff from a long-term perspective

Developing operations on a global footing necessitates the establishment of independent procurement systems in each market, the bulk of whose operations must be left in the hands of local staff who are familiar with local laws, business practices, and languages. Developing human resources from a long-term perspective is essential to the localization of fair procurement functions.

Enhancement of compliance and environmental training

Yokohama Asia's Procurement Strategy Center serves as a model for localization of procurement functions. Yokohama Asia therefore only hires younger persons who can work with us for a long time, even if lacking in experience, and sends them to Japan immediately after hiring for around two months for training. This stresses not only procurement practice, but also legal compliance, compliance with fair trade practices, and elements of environmental education such as green procurement, the 3Rs, and transportation efficiency. Training of this kind is already provided regularly to local staff responsible for procurement at tire production operations in the U.S. and China.



Corporate Purchasing Dept. section heads explain Yokohama Rubber's approach to global procurement. From right to left, Kenji Ohashi, Kazuhiro Akimoto, and Hiroaki Kobayashi.