

# To Build a Trusted Identity as a Contributing Member of the Global Community



## Thinking Beyond the 100 Year Anniversary

Yokohama Rubber will celebrate its corporate centennial in 2017. To help us reach this major milestone, we commenced the “Grand Design 100 (GD100)” Medium-Term Management Plan in 2006, under which we have implemented various initiatives in order to evoke a distinctive global identity in building corporate value and in building a strong market presence by 2017.

However, 2017 does not mark a final goal, but rather is merely a transit point in the company’s continuing development. I believe we have a responsibility to look further into the future, for instance at 2067 when Yokohama Rubber will celebrate its 150 year anniversary, and determine what kind of company we want to be at that time, or what kind of company we should be, and identify what needs to be done in order to realize that future vision.

## It is Important for All Employees to Interpret the Basic Philosophy in Their Own Words

When considering the future, it is important to return to the company’s founding spirit and the Corporate Philosophy. Yokohama Rubber’s Basic Philosophy is “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.” What is meant by “devoting our wholehearted energies and advanced technology to the creation of beneficial products” and “greater happiness and well-being,” and how do we go about “contributing” to the achievement of these concepts? I believe each and every employee needs to take another careful look at the Basic Philosophy and reinterpret it in their own words, then consider how the philosophy can be realized and act accordingly.

I believe the sum of these individual efforts can be defined as the company’s “dignity.” And in order for Yokohama Rubber to remain successful, society will increasingly demand such “dignity” from the company.

In that sense, increasing understanding of the Basic Philosophy among Yokohama Rubber’s employees is one of my important roles as president. With this in mind, I plan to continue actively visiting production and sales workplaces and asking employees, “This is what I think the Basic Philosophy means. How do you interpret it?”

## “Enjoyment” Moves People

One thing I have prioritized when interacting with employees is “enjoyment.” At the center of every action initiated by people there is always “enjoyment,” a feel-good state. Take shopping for example. The fact that purchasing something is fun and makes one feel good is the driving force behind the act. Conversely, not carrying out an act, or an attempt to escape from something, is the result of some form of “discomfort.” Among all the enjoyable experiences in life, the greatest “enjoyment” one can experience in an organization is the recognition of one’s own existence, receiving praise, and achieving personal development. Maximizing of this kind of “enjoyment” motivates people and invigorates the workplace. The presidential awards program, “Eco Awards,” launched in 2006 stems from this philosophy. I think there is nothing more important than for me to have closer communication with Yokohama Rubber employees.

Needless to say, one person’s “enjoyment” may be another person’s “discomfort”—hence the importance of considering other people’s feelings. By always thinking from the other person’s perspective, and watching their reaction as you act, you can create even more “enjoyment” and transform their “discomfort” into “enjoyment.” This is what I believe the role of management in an organization is really all about.

## Providing “Enjoyment” to Stakeholders—That is CSR

This way of thinking is also relevant to CSR. I believe a company’s efforts to increase the amount of “enjoyment” experienced by its various stakeholders is the essence of CSR.

At the center of this thinking is the rule: “Do not seek profit just for oneself.” I think that being fair and trying to create a win-win relationship with all of our business partners, our customers, and society as a whole is what will deliver more “enjoyment” to Yokohama Rubber’s stakeholders.

Thinking from this perspective, environmental initiatives, one of the most important CSR activities, is really an act of providing “enjoyment” to children, the generations of the future. Ever since 1998 when we launched our first fuel-efficient tire for passenger cars, Yokohama Rubber has actively worked to develop environmentally sound products. We hope to achieve our target of making all products environmentally sound by the year 2017.

In addition to the development and provision of such products, striving to reduce our environmental footprint at

production facilities is also imperative. In order to ensure as much “enjoyment” to future generations as we can, we need to work to develop technologies from two angles: the products themselves and the production processes involved in making them.

Likewise, whenever we end up creating “discomfort” in our business activities, whether it be noise, pollutants, or some other adverse environmental impact, we need to immediately grasp the situation and work to resolve it. To remove as quickly as possible any “discomfort” that we may unintentionally create and stop it from affecting the future—this is another responsibility we are tasked with as a corporation.

## Experience Makes One Stronger

In recent years, Yokohama Rubber has set up production and distribution centers in various parts of Asia and in the United States in its advancement of global growth. This has naturally led to a rapid diversification in the company’s human resources.

Despite differences in nationality or customs, the fundamental feelings of “enjoyment” and “discomfort” that people share are the same. For CSR as well, there is no reason to do things differently just because the country is different. We should stick to the company’s Basic Philosophy irrespective of the country in question and put our energy into spreading the initiatives we have undertaken here in Japan.

Amidst this globalizing environment, one thing I request of Yokohama Rubber employees, regardless of their work location, is this: “Don’t hold back from pursuing your dreams.” Experience makes one stronger, even if that experience is negative. I am well aware myself of how all the different experiences I have had since my youth have made me the person I am today.

With firm resolve, we must take on the various challenges ahead without forgetting our starting point, the Basic Philosophy. I firmly believe that Yokohama Rubber’s future lies in every one of us maintaining this approach.

This report documents the various initiatives that Yokohama Rubber is implementing in its aim “to build a trusted identity as a contributing member of the global community.” I hope that you will find the content interesting and I look forward to any feedback that you may have.

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