Corporate Philosophy and the Yokohama Rubber Group's Approach to CSR

Corporate and CSR Philosophies

Yokohama Rubber established its corporate philosophy in 1990. It consists of a "basic philosophy," "management policies," and "action guidelines." The basic philosophy embodies the type of business Yokohama Rubber commits itself to becoming in all activities, the management policies outline basic administrative principles that upper-level management personally swear upon, and the action guidelines are behavioral standards that each employee takes upon him or herself to fulfill.

In 2006 we drew up a medium-range management plan, "Grand Design 100" (GD100), and set a clear target of becoming a global company with one trillion yen in net sales by FY2017. Developed with a keen awareness of the expectations and needs coming from the international community, the plan places a strong emphasis on CSR by adopting the "assertion of world-class strengths in technologies for protecting the environment" and "fostering a customer-oriented corporate culture that honors rigorous standards of corporate ethics" as two basic policies. In 2008 we reformed our corporate structure, established the CSR Division, and announced our vision for CSR management internally and externally. Our vision of building a "trusted identity as a contributing member of the global community" incorporates our desire to change the "R" in CSR from "responsibility" to "reliability." By doing so, we make the concept more accessible and more applicable in our daily actions.

Corporate Philosophy (Launched in 1990)

Basic Philosophy

- contribute to their greater
- our wholehearted energies and advance

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- Anagement Policies
 Management Policies
 Take on the challenge of new technologies to produce new value
- Develop proprietary business inertials to explain the scope of business.
 Create a workplace that values improves and energizes people.

Corporate Slogan

Excellence by nature

Deal fairly with society and value harmony with the environment

Action Guidelines

Develop ourselves so that we may give our personal best
Trust, challenge and improve one another
Nurture a welcoming, open spirit

CSR Management Vision (Launched in 2008)

To build a trusted identity as a contributing member of the global community

- CSR Action Guidelines

Identify continually changing social trends
 Spot ways of contributing
 Act swiftly to earn firm trust
 Practice CSR in one's own w

GD100 Medium-range Management Plan

—— GD100 Vision and Basic Policy —

To Mark the Yokohama Centennial in 2017, evoke a distinctive global identity in building corporate value and in building a strong market presence

Long-term Financial Targets (by March 31, 2018) Net sales: ¥1 trillion, Operating income: ¥100 billion, operating return on sales: 10%

Basic Policy

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

Established in 2006

GD100 and Our Approach to the Environment

Basic Policy -

Following the principle of "dealing fairly with society and valuing harmony with the environment," we shall assert world-class strengths in technologies for protecting the environment.

Continued improvement of environmental management

Action to combat global warming

Contributing to creation of a sustainable recycling society

Our Stakeholders

Following the establishment of the CSR Division in 2008, we organized the social responsibility issues we need to tackle in our day-to-day and future activities, and identified the stakeholders listed below. In the identification process we consulted the GRI Guidelines, ISO 26000, and Nippon Keidanren's Charter of Corporate Behavior, among others.

Customers

"We will 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." The basic philosophy is our declaration to put customers first. We seek to develop a corporate culture that makes customers the top priority.

Employees

We believe that being considerate of the rights and safety of workers and providing an environment in which they can maximize their potential are the greatest drivers of sustainable corporate growth. This is clearly stated in our management policies in the phrase: "Create a workplace that values, improves, and energizes people."

Business Partners and Suppliers

We conduct business by working with a variety of suppliers and other business partners. By practicing fair and free trade, we will continue to build relationships that are mutually sustaining and mutually rewarding.

Shareholders and Investors

By taking on the challenge of developing innovative technologies to generate new value, we realize sustainable growth and a return of reasonable profits. We also pledge to disclose information in an appropriate manner to meet the expectations of all of our stakeholders and investors.

Local Communities

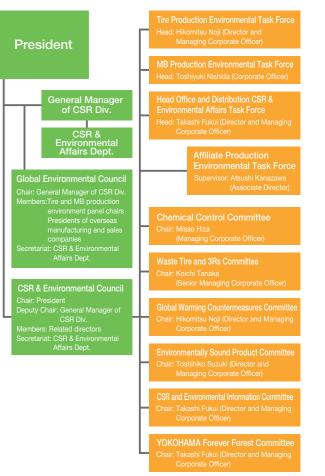
As a globally active business, we relate to local communities in a number of domains—the natural environment, law, culture, customs, and the economy. We strive to build a balanced, beneficial relationship with every type of community.

Editorial Policy / Company Profile

CSR and environmental management and promotion framework

Twice a year we hold a CSR & Environmental Council, over which the company president presides as chair. The Council is an organizational framework that was set up to discuss and develop plans for addressing the social responsibility issues facing the Yokohama Rubber Group, with the end goal of building a trusted identity as a contributing member of the global community. Three task forces, six committees, and one sub-council promote CSR and environmental activities as sub-bodies within the Council. Every November, the CSR & Environmental Council evaluates the performance of CSR activities carried out by the Group and develops plans for improvement in the subsequent fiscal year.

In our pursuit of practicing consistent, high-level environmental management in all operations worldwide, we also annually hold a Global Environmental Council, a gathering of managers from all of our overseas production operations. Twenty people, including those from all overseas production operations and core distribution subsidiaries, attended the FY2009 event held on December 24 and 25. For two days the attendees engaged in a debate focused on environmental policies and initiatives. In FY2010, the Council will push forward with efforts to promote CSR activities and put into practice consistent, high-level environmental management.



CSR and environmental management and promotion framework (as of June 2010)

Manager