

Third-party Opinion

Continuing from the 2009 CSR Report, we received a third-party opinion from Hideto Kawakita, CEO of the International Institute for Human, Organization and the Earth (IIHOE).

This opinion was written based on the content of this report, related online content, and interviews with Yokohama Rubber staff involved in environmental affairs, materials procurement, human resources, and CSR. This company's CSR initiative can be characterized as an implementation of the PDCA management cycle aimed at reducing environmental impact.

Areas deserving high praise:

- Regarding the YOKOHAMA Forever Forest Project, in just three years since the project start, the Company has managed to plant over 130,000 trees in Japan and overseas for the maintenance and improvement of biodiversity. The Company has also been growing its own saplings, supplying over 60 percent in FY2009, and providing trees to municipalities and other companies in Japan. We applaud Yokohama Rubber's demonstration of global leadership in a social contribution program that maintains and improves forest ecosystems.

Areas that we recognize for progress achieved but require further effort:

- With regards to the promotion of CSR, we commend the Company's work in starting to shift from a "report sharing" approach to a "problem solving" approach by setting medium- and long-term targets for 2011 and 2017. We hope that in the future this will encourage the formulation of clear, concrete targets and measures from the bottom up.
- We applaud Yokohama Rubber's progress in reducing environmental impact through products, including the development and distribution of the fuel-efficient tire "BluEarth" as a globally recognized brand. However, two core operations in Japan have not met their waste reduction targets. Also, although the Company has continued to achieve the Kyoto Protocol targets for greenhouse gas emissions on the whole, we are concerned about the fact that targets based on specific energy consumption have not been met by most of the Company's core operations. Looking ahead, we strongly hope the Company will disclose concrete information on the reasons for this and will pursue rigorous visualization of challenges and solutions, such as non-fixed energy use adaptable to output fluctuations (adopting a "just-in-time" approach to energy), and the sharing of system resources between divisions and with overseas operations.
- Regarding the CSR of Yokohama Rubber's business partners, we commend the Company's utilization of self-assessment sheets to help its suppliers visualize their own challenges and performance in environmental and human rights efforts, as well as the commencement of a natural



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IIHOE: The International Institute for Human, Organization and the Earth is a non-profit organization established in 1994 to promote "democratic and harmonious development for all life on earth." Although it mainly provides management support for citizens' groups and welfare workers, it is also heavily involved in providing CSR support to leading enterprises.
<http://blog.canpan.info/iihoe/> (Japanese language only)



rubber survey. However, we still strongly hope that in the future the Company will encourage suppliers to improve their CSR efforts and will develop a system of exchange aimed at sharing information about past practices, awarding best practices, and solving problems.

- Regarding improvement of continuing employment, only 0.5% of Yokohama Rubber employees have taken advantage of leave or reduced working hour arrangements for childcare or for nursing elderly or child family members. We strongly hope the Company will improve on this issue through the new "region-specific" employment system it established in FY2010. Also, with regard to management of total work hours, instead of leaving implementation to individual workplaces and simply collecting the results later, Yokohama Rubber should address the root cause of overwork by reviewing meetings and the mechanisms behind decision making to bring about greater results.
- As for globally enhancing the Company's mid-range human resource portfolio, we applaud Yokohama Rubber for starting work on unified evaluation of management-level positions at group companies. In the future, we strongly hope the Company will step up development of the next generation of management-level human resources at overseas operations and the head office.

Areas needing greater effort:

- With regard to promoting employment of persons with disabilities, Yokohama Rubber has not satisfied the legally required quota for employment of persons with disabilities. The Company should more actively research other companies and develop job types to promptly satisfy the quota for the group as a whole.

On the third-party opinion

In 2008, Yokohama Rubber announced its management vision: "to build a trusted identity as a contributing member of the global community." Since then, we have addressed a range of CSR issues, from global environmental problems such as climate change, to the biodiversity crisis and resource depletion.

Since last year, we have sought a third-party opinion from Hideto Kawakita, representative of the International Institute for Human, Organization, and the Earth (IIHOE).

As Chief CSR Officer, I recognized and swiftly acted upon the views and observations Mr. Kawakita provided. In FY2009, Mr. Kawakita joined us in a variety of discussions, including an employee roundtable, and debates and interviews on the production of this report.

We have been working to address the issues he pointed out last year both globally and in our supply chain within Japan. We consider promoting the employment of persons with disabilities, an issue he raised in this report, to be a major CSR objective for earning trust from the global community and will work swiftly to improve on it.



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