

CSR is essential in order to enrich people's lives and by devoting our wholehearted energies and advanced on the global stage.

We will contribute to a sustainable society by having



First of all, I would like to express my sincere condolences to all the victims of recent Great Eastern Japan Earthquake and herewith wish for the cities' restoration as soon as possible from the bottom of my heart.

Contributing to Enriching People's Lives and Greater Happiness through our Products

I have been newly appointed as President and Representative Director as of June in 2011. Since I have assumed such a great responsibility, I have determined my resolution, which is to duly take over the "baton" which represents our various achievements inherited until now, in order to link them to our future endeavors.

Of course, our company's philosophy of contributing to enrich people's lives and greater happiness through our products by devoting our wholehearted energies and advanced technologies will remain unchanged. The greatest advantage of the Yokohama Rubber Group is, first of all, excellent vision and planning compared to our competitors by initiating some unique products, such as being a trailblazer of the seller of Eco Tires, let alone our numerous technological strengths. In order to contribute to enrich people's lives and greater happiness, it is my pleasure to continue to expand our businesses by inheriting those strengths.

Meanwhile, I must admit that there may be some aspects we still need to work on, such as letting our customers know more widely as to the benefits of our existing products and continue to explain them to all over the world. From now onwards, in order to embark more on the globalization of our businesses, I strongly feel the necessity of our personnel to equip themselves with sufficient communication skills so that all the good things about our Group will be known to the rest of world even more.

I was mainly engaging in the development of motor sport tires since I joined the company; as such I have experience of extensive traveling to numerous countries to support various racing tours. Among them, it was so eye-opening for me to get to know that people living in the rest of the world were ever so diversified in terms of culture, religion, political situation, and their ways of thinking, which are totally different from we Japanese. Now, we are about to take a step, on the assumption that such "difference" is the absolute prerequisite for every business so that we can get to understand each other well. I believe that this is the very attitude to be required for our Group even more in the future.

ISO26000 being the License towards the Global Society

In November 2010, the ISO26000 was established as the

**contribute to their greater happiness and well-being
technologies to the creation of beneficial products**

every single one of our people aim for a higher standard.

international standards for an organizations' social responsibility. I believe that by diligently following through this standard may mean the License of the future, which is essential to obtain high credibility as a corporation in this global society. Based on such understandings, we have re-established the Critical Issues of Yokohama Rubber Group by re-evaluating seven main core subjects such as human rights, labor practices, and so on by reflecting them to our company's case. From now on, with our Critical Issues as pillars, we are about to address those challenges in order to contribute to the formation of a sustainable society.

For example, as for the area of the environment, considering how to go about the electricity shortage expected this summer, we have set out a strategy for creation and execution of energy savings by targeting 25% reduction of the consumption of electricity. Meanwhile, shifting to an energy source with a lower environmental burden such as switching from heavy oil to natural gas, those projects are progressing by advancing our existing mid/long-term investment scheme of facilities. Tires, which are our core products, cannot be produced without oil. This is the reason for our mission to aim for a manufacturing method with minimal raw material usage and the lowest energy consumption possible. To achieve these, I think there must be three steps to follow; improvement - to be created out of rich experience in our existing operations; innovation - to be achieved by setting a goal out of the box, i.e. not merely an extension of conventional approaches; and also revolution - to change our mind sets drastically.

Furthermore, in order to bring about those changes, I also think it is important that every single relevant employee has a good awareness of the issues all the time and drive themselves under constant pressure to persevere with these issues. The very breakthrough nurtured out of that will surely lead to the solution of those critical issues. In short, the situation motivates our personnel, and makes them become better people.

Our Company to be the One to Encourage Every Employee's Potential Abilities to the Maximum

I myself, first and foremost, would like to aim to make our company one where all our employees and their family members feel that "we are fortunate to work for this company", and a company able to encourage every employee's potential abilities to the maximum. The important thing is to create an environment where each personnel can of think what is needed now, propose it accordingly, and take action instead of being ordered by their superiors to do this or that. From my experience also, I strongly feel that the biggest role as a leader is to draw out the workers' capabilities at their

actual sites. During the Great East Japan Earthquake in March of this year, I once again realized the importance of the establishment of a work environment in place all the time where each employee can think and act accordingly, instead of what a leader should do in case of emergency. In other words, one of the important aspects of risk management is that the employee is capable of making a decision when he/she is under certain circumstances entailing a judgment on his/her own, which is probably not elaborated on the operational manual.

Naturally, another important issue is to continue to nurture our personnel who are capable to deal with various business situations getting even more globalized day by day. In the light of the notion that people grow by putting themselves into a new environment, we are considering more of our personnel would gain experience through relocation to our overseas offices by advancing the rotation timing of our employees' transfer, and so on.

Another aspect we focus on in terms of the utilization of our diversified personnel is to employ disabled people. We aim to increase the ratio from 1.8%, which is the current rate of the employment of disable people, hopefully to achieve 2% or even more in the entire Yokohama Rubber Group. In order to bring about this figure, of course it is essential to establish a workplace environment with absolutely no injuries or accidents occurring, but not just that, it would also mean a comfortable workplace to be in, even for the rest of the employees with no disabilities. And I strongly believe that establishing such a work environment will lead to not just to an efficient work operation, but also a development of various new products by deploying the notion of the Universal Design*.

In order to build a trusted identity as a contributing member of the global community, Yokohama Rubber will as usual, continue to make steady progress for various achievements step-by-step. I would greatly appreciate if you could have a look at this report which is introducing a part of our progress, and look forward to hearing from you with any feedback you may have.



Hikomitsu Noji
President and Representative Director

*Universal Design: A type of design for a product able to be used by anybody regardless of age, gender, physical condition, knowledge, experience and any other personal differences.