Management at the Company regards strengthening governance as absolutely essential to earning the confidence of shareholders and other stakeholders. In that spirit, management is working to increase speed and transparency in the decision-making process.

Management structure
The Company adopted the corporate officer system in 2004 to differentiate clearly between operational responsibility, invested in the corporate officers, and oversight responsibility, invested in the Board of Directors. Dividing responsibilities in that manner was a measure for increasing speed in making decisions and in putting the decisions into practice. The Board of Directors is thus responsible for making management decisions and for overseeing the performance of the corporate officers in carrying out those decisions. Presently, the Board of Directors comprises the chairman; the president; and six other members, including members who serve concurrently as corporate officers, and the corporate officers, not including officers who serve concurrently as directors, number sixteen.

The Company’s Management Council, established in 2004, has strengthened senior management’s capabilities in formulating strategy. The council comprises the chairman, president, other selected members of the Board of Directors, and other executives. It reviews overall operational policy, matters crucial to the performance of work, and matters crucial to risk management from the perspective of fundamental management policy.

Corporate Officer and Director Personnel/Remuneration Committee
Transparency and fairness are core emphases in appointing corporate officers and directors and in determining their compensation. Appointments and compensation receive thorough consideration by the Corporate Officer and Director Personnel/Remuneration Committee and then go to the Board of Directors for a decision.

Corporate auditors
The Company has four corporate auditors, including two from outside the company. To strengthen the auditing function, the Company will add a third “outside auditor” and thus increase the number of corporate auditors to five. That addition is in accordance with a motion passed at the General Meeting of Shareholders in June 2006. Apart from retaining the oversight services of the outside auditors, the Company engages in no business transactions with those individuals.

The standing corporate auditors attend meetings of the Board of Directors and of the Management Council and other important gatherings. They voice their opinions at those gatherings and monitor activity in principal sectors at the parent company and at subsidiaries in accordance with their auditing program. The Company supports the auditing function by assigning an assistant to the corporate auditors. In addition, the auditors maintain close communication with the independent public accounting firm retained by the Company and exchange opinions with that firm in regard to pertinent matters. They also review the results of the accounting and operational audits performed by the Company’s Audit Office in accordance with the office’s annual program.

Independent public accounting firm
Presently, the Company retains Ernst & Young ShinNihon as its independent public accountants. No common interests of any financial significance exist between the Company and its independent public accounting firm, and the Company engages in no business transactions with the firm or with any of its members apart from the accounting services performed by the firm for the Company.
Rigorous compliance with the highest standards of corporate ethics is the cornerstone of transparent and effective corporate governance. It is the defining element of commitment to fulfilling corporate social responsibility. The Company undertook multiple measures in the past fiscal year to reinforce its framework for ensuring ethical compliance.

**Organization**
Established in 2003 and chaired by the president of the Company, the Company’s Compliance Committee oversees activity at the Company with an eye to ensuring compliance with laws and regulations. It also conducts consciousness-raising activities in the name of promoting ethical behavior.

The Company established its Corporate Compliance Department in 2005 to strengthen the framework for ensuring ethical compliance at operations worldwide. In the same year, the Company established a hotline to allow employees to raise concerns and questions about corporate ethics anonymously. That hotline is accessible to employees from inside or outside the Company’s workplaces. The Company expanded the hotline in April 2006 to accommodate queries and notifications from employees of affiliated companies and from employees of suppliers and other business partners.

**Monitors**
Each sector of operations at the parent company and each subsidiary has named a compliance monitor in connection with the establishment of the compliance hotline. The monitors take part in stepped-up efforts to detect ethical breaches, to deal effectively with problems that occur, and to prevent the recurrence of problems. Each monitor submits a monthly report to the compliance secretariat at the Company’s headquarters. That reporting helps ensure an up-to-date grasp of issues and potential issues and a prompt response to ethical issues that require attention.

**Training**
The compliance monitors receive training in regard to compliance guidelines, and they conduct training in corporate ethics for groups of employees in each sector of operations. Corporate ethics, meanwhile, became part of the parent company’s online learning program for employees in 2006.
Ethical Compliance of the parent company’s online learning program for employees in 2006.

Corporate ethics, meanwhile, became part that require attention. Reporting helps ensure an up-to-date grasp of issues and potential issues and a prompt response to ethical issues. Each monitor submits a monthly report to the compliance secretariat at the Company’s headquarters. That detects ethical breaches, to deal effectively with problems that occur, and to prevent the recurrence of problems. Each sector of operations at the parent company and each subsidiary has named a compliance monitor in connection with the establishment of the compliance hotline. The monitors take part in stepped-up efforts to raise concerns and questions about corporate ethics anonymously. That hotline is accessible for ensuring ethical compliance at operations worldwide. In the same year, the Company established a hotline to allow employees to raise concerns and questions about corporate ethics anonymously. That hotline is accessible for ensuring ethical compliance.

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Rigorous compliance with the highest standards of corporate ethics is the cornerstone of transparent and trustful business operation.

The Company established its Corporate Compliance Department in 2005 to strengthen the framework for ensuring ethical compliance.
Overseas Subsidiaries and Affiliates

Production and sales of tires and related products
Yokohama Tire Corporation
Hangzhou Yokohama Tire Co., Ltd.
Yokohama Tire Philippines, Inc.
Yokohama Tyre Vietnam Company
Yokohama Tire Manufacturing (Thailand) Co., Ltd.
GTY Tire Company

Sales of tires and related products
Yokohama Tire (Canada) Inc.
Yokohama Corporation of America
Yokohama Tyre Australia Pty. Ltd.
Yokohama HPT Ltd.
Yokohama Italia SPA
Yokohama (Suisse) SA
Yokohama Scandinavia AB
Yokohama Reifen GmbH
Yokohama Austria GmbH
Yokohama Danmark A/S
Yokohama Russia L.L.C.
N.V. Yokohama Belgium S.A.
Yokohama Tire Sales (Shanghai) Co., Ltd.
Yokohama Tire Sales Philippines, Inc.
Yokohama Tire Taiwan Co., Ltd.

Holding company for shares of YTC and other companies
Yokohama Corporation of North America

Marketing support and services for European sales company
Yokohama Europe GmbH

Overall control of Yokohama Rubber’s subsidiaries in the tire and MB market in China
Yokohama Rubber (China) Co., Ltd.

Production and sales of windshield sealants and hoses
YH America, Inc.
Yokohama Rubber (Thailand) Co., Ltd.

Production and sales of windshield sealants
Yokohama HAMATITE (Hangzhou) Co., Ltd.

Production and sales of hoses
SAS Rubber Company
SC Kingflex Corporation
Yokohama Hoses & Coupling (Hangzhou) Co., Ltd.

Production and sales of conveyor belts
Shandong Yokohama Rubber Industrial Products Co., Ltd.

Sales of aircraft components
Yokohama Aerospace America, Inc.

Overseas representative offices
Jeddah Office, Dubai Office, Panama Office,
Singapore Office, Asia Representative Office (Bangkok)
**Investor Information**

As of March of 31, 2006

**Name**
The Yokohama Rubber Co., Ltd.

**Head office**
36-11, Shimbashi 5-chome, Minato-ku, Tokyo 105-8685, Japan

**Established**
October 13, 1917

**Paid-in capital**
¥38,909 million

**Settlement date**
March 31

**General meeting of shareholders**
June

**Transfer agent**
The Chuo Mitsui Trust and Banking Company, Limited
33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan

**Stock exchange listings**
Tokyo, Osaka, Nagoya

**Contact for investors**
PR/IR section, Corporate Communications Department
36-11, Shimbashi 5-chome, Minato-ku, Tokyo 105-8685, Japan
Phone: 81-(0)3-5400-4531  Facsimile: 81-(0)3-5400-4570

**Investor relations website**
www.yrc-pressroom.jp/ir_en/
Share Information
As of March of 31, 2006

Authorized number of shares: 480,000,000
Number of shares issued and outstanding: 342,598,162 [unchanged from fiscal 2005 year-end]
Number of shareholders: 20,718 [196 fewer than at fiscal 2005 year-end]

Ownership

<table>
<thead>
<tr>
<th>Year</th>
<th>Japanese financial institutions</th>
<th>Other Japanese companies</th>
<th>Japanese individuals and others</th>
<th>Foreigners</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>46.2%</td>
<td>21.7%</td>
<td>19.8%</td>
<td>12.3%</td>
</tr>
<tr>
<td>2005</td>
<td>47.9</td>
<td>21.0</td>
<td>17.6</td>
<td>13.5</td>
</tr>
<tr>
<td>2006</td>
<td>46.9</td>
<td>18.3</td>
<td>16.5</td>
<td>16.2</td>
</tr>
</tbody>
</table>

Treasury stock 2.1

Principal shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Percentage of voting rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Trustee Service Bank, Ltd. (trust account)</td>
<td>7.0%</td>
</tr>
<tr>
<td>Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>7.0</td>
</tr>
<tr>
<td>ZEON CORPORATION</td>
<td>5.1</td>
</tr>
<tr>
<td>ASAHI MUTUAL LIFE INSURANCE COMPANY</td>
<td>4.3</td>
</tr>
<tr>
<td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Common stock price trends

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
<th>Fiscal year-end</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>700</td>
<td>612</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2005</td>
<td>480</td>
<td>425</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2004</td>
<td>387</td>
<td>357</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2003</td>
<td>350</td>
<td>304</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2002</td>
<td>352</td>
<td>296</td>
<td>342,598,162</td>
</tr>
</tbody>
</table>

Stock price (yen):

<table>
<thead>
<tr>
<th>Year</th>
<th>Shares issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2005</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2004</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2003</td>
<td>342,598,162</td>
</tr>
<tr>
<td>2002</td>
<td>342,598,162</td>
</tr>
</tbody>
</table>

Stock price range and trading volume on the Tokyo Stock Exchange

[Graph showing stock price trends from April 2001 to April 2005]