Corporate Governance

A strengthened commitment to fulfilling corporate social responsibility

Fulfilling corporate social responsibility is essential to earning a welcome place in the community. Yokohama established its Corporate Social Responsibility Division in June 2008 to promote social sustainability through economic, environmental, and community initiatives. The division evokes Yokohama’s commitment to building an identity as a contributing member of the global community. That means stepping up measures to ensure rigorous adherence to laws and regulations, to maximize Yokohama’s contribution to environmental quality, to carry out sound corporate governance, to undertake prudent risk management, and to deploy a solid framework of internal-control mechanisms.

Corporate governance policy

Yokohama has built a framework for corporate governance aimed at ensuring responsible, effective, and transparent management based on its corporate philosophy, and the Company continues working to strengthen that framework. Sound corporate governance is central to Yokohama’s efforts to maximize corporate value and to earn and retain the confidence of all the Company’s stakeholders.

Framework

The members of the Board of Directors agree on policy for maintaining the internal-control mechanisms mandated by Japanese law, they discuss matters of importance in company management, and they monitor each other’s performance. The Management Council, which comprises the chairman and other selected members of the Board of Directors and other executives, reviews overall operational policy, matters crucial to the performance of work, and matters crucial to risk management from the perspective of fundamental management policy.

Auditing at Yokohama is a tripartite undertaking by the Board of Corporate Auditors, by an independent public accounting firm, and by the Audit Office. The Board of Corporate Auditors monitors the performance of the members of the Board of Directors. The independent public accounting firm monitors the Company’s financial accounting, and the Audit Office monitors operations and accounting at the parent company and at subsidiaries.

Internal-control mechanisms

The Board of Directors passed a resolution in May 2006 that called for establishing the internal-control mechanisms mandated by Japanese law and for monitoring the performance of those mechanisms. In April 2009, the Board of Directors passed a resolution that called for instituting measures for preventing corporate involvement in racketeering and other illicit activity.

Legislation took effect in Japan in the fiscal year to March 31, 2010, that is similar to the U.S. Public Company Accounting Reform and Investor Protection Act of 2002, commonly known as the Sarbanes-Oxley Act. This legislation requires public companies to implement and maintain effective internal control systems, and to have the effectiveness of those systems evaluated by independent external auditors. In order to comply with these new requirements, Yokohama developed a Corporate Governance Framework that specifies the roles and responsibilities of the management and the Board of Directors. The Framework is designed to ensure that the Company’s management adheres to the highest standards of corporate governance and to prevent any form of misconduct or malpractice. The Framework also provides a basis for the Company to meet the requirements of the new legislation and to maintain its reputation as a responsible corporate citizen.
as the Sarbanes-Oxley Act. Yokohama has established internal-control mechanisms to help ensure compliance with that legislation and with other laws and regulations.

**Risk-management system**

Yokohama’s Risk Management Committee is responsible for coordinating a swift and effective response to emergencies. The committee also evaluates significant risks from a cross-sector perspective and determines appropriate measures for addressing those risks.

A recent example of an emergency that commanded attention at Yokohama was the 2009 outbreak of swine influenza A(H1N1). In April 2009, the World Health Organization raised its warning level for swine influenza to Phase IV. That prompted Yokohama to establish a response team under the leadership of the president. The Company has abided by a policy of preventing any infected employee from transmitting the disease to people inside or outside the Company and of ensuring the continuance of business operations. It has specified preventive procedures for employees to abide by when traveling on business and when taking up overseas assignments, and it has instituted preventive measures at the entrances to all company facilities in Japan. In addition, the Company is responding promptly to incidences of the disease in the workplace, in employee families, and in the community.

Yokohama has devised plan-do-check-act cycles for responding to foreseeable risks. Its risk-management encompasses workplace safety, earthquake preparedness, fire prevention and preparedness, ethical compliance, environmental protection, product quality, and operational continuity. The committees, divisions, and other organizational units responsible for those and other facets of risk management work out appropriate measures for addressing risk and oversee the implementation of those measures.

**Ethical compliance**

**Basic approach**

Yokohama is committed to ensuring compliance with rigorous standards of corporate ethics. The Company works systematically to ingrain that commitment in its corporate culture and in its daily operations. That includes building and maintaining an effective framework for enforcement, encouraging employees to report suspected breaches, and emphasizing corporate ethics in employee education and in awareness-raising activities.

**Ethical-enforcement framework**

Each sector of operations at the parent company and each subsidiary has named a compliance monitor as part of a compliance-assurance network. The monitors exchange information about awareness-raising activities, about performance in complying with ethical guidelines, and about incidents of note.

**Compliance Committee**

The Compliance Committee, chaired by Yokohama’s president, meets quarterly. It reviews activity in ethics-related education, reports from the Company’s divisions, and notifications and input from employees about ethical concerns, and it considers measures for preventing ethical breaches. Yokohama’s Corporate Compliance Department serves as the secretariat for the committee.

**Internal channels for reporting suspected violations**

<Hotline>

Yokohama has established a hotline that enables employees at the parent company and at subsidiaries in Japan to report suspected violations of legal regulations or corporate guidelines anonymously. The hotline is in conformance with Japanese legislation that mandates protection for “whistleblowers.” It allows employees to report suspected violations to an independent legal office by telephone, fax, or e-mail. Yokohama has distributed cards that bear the telephone number, fax number, and e-mail address to all employees at the parent company and its subsidiaries in Japan.

<Consultation>

Yokohama has established an internal e-mail function to respond to employee doubts or suspicions about any company-related subjects. The consultation function is available to everyone who has access to internal e-mail at Yokohama in Japan. Employees can use the consultation function to discuss the legality or propriety of any ongoing or proposed activity.
Yokohama is committed to ensuring compliance with legal and ethical standards. Its risk-management plan includes cycles for responding to unforeseeable risks. Its risk-management plan also includes measures for addressing those risks. For example, in 2009, the World Health Organization raised its warning level for swine influenza to Phase IV. That prompted Yokohama to establish a response plan. The compliance committee is responsible for coordinating a swift and effective response to emergencies. The committee also monitors as part of a compliance-assurance program. The compliance committee evaluates significant risks from a cross-sector perspective and determines appropriate input from employees about ethical concerns, reports from the Company's divisions, and notifications and activity in ethics-related education, reports from the Company's divisions, and notifications and activity in ethics-related education.

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Global Network
Overseas Subsidiaries and Affiliates

Production and sales of tires and related products
- Yokohama Tire Corporation
- Hangzhou Yokohama Tire Co., Ltd.
- Suzhou Yokohama Tire Co., Ltd.
- Yokohama Tire Philippines, Inc.
- Yokohama Tyre Vietnam Inc.
- 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 H.P.T Ltd.
- Yokohama Italia S.P.A.
- Yokohama (Suisse) SA
- Yokohama Scandinavia A/S
- Yokohama Reifen GmbH
- Yokohama Austria GmbH
- Yokohama Danmark A/S
- Yokohama Iberia, S.A.
- Yokohama Russia L.L.C.
- N.V. Yokohama Belgium S.A.
- Yokohama Tire Sales (Shanghai) Co., Ltd.
- Yokohama Tire Taiwan Co., Ltd.
- Yokohama Tire Korea Co., Ltd.
- Yokohama Tire Sales Philippines, Inc.
- Yokohama Tire Sales (Thailand) Co., Ltd.
- Yokohama Asia Co., Ltd.
- Yokohama India Pvt. Ltd.
- Yokohama Rubber Latin America Comercio Ltda.

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 offices and branch
- Jeddah Office, Dubai Office, Singapore Branch
Investor Information
As of March 31, 2009

Company 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

Fiscal Year-end:
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 Points for Investors:
PR/IR section, Corporate Communications Dept.
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 Web Site:
http://www.yrc-pressroom.jp/ir_en/
Stock Information
As of March 31, 2009

Authorized number of shares: 700,000,000
Number of shares issued and outstanding: 342,598,162 (unchanged from fiscal 2008 year-end)
Number of shareholders: 16,043 (994 fewer than at fiscal 2008 year-end)

Ownership

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial institutions</th>
<th>Other domestic companies</th>
<th>Foreigners</th>
<th>Individuals and others</th>
<th>Treasury stock</th>
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</thead>
<tbody>
<tr>
<td>2007</td>
<td>46.8%</td>
<td>20.1%</td>
<td>16.8%</td>
<td>14.2%</td>
<td>2.1%</td>
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<tr>
<td>2008</td>
<td>44.7%</td>
<td>22.1%</td>
<td>17.0%</td>
<td>14.0%</td>
<td>2.2%</td>
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<tr>
<td>2009</td>
<td>52.3%</td>
<td>22.1%</td>
<td>10.6%</td>
<td>12.8%</td>
<td>2.2%</td>
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</table>

Principal Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Percentage of Voting Rights</th>
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<tbody>
<tr>
<td>ASAHI MUTUAL LIFE INSURANCE COMPANY</td>
<td>8.0%</td>
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<tr>
<td>ZEON CORPORATION</td>
<td>7.1</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>6.9</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>6.3</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 4G)</td>
<td>4.6</td>
</tr>
<tr>
<td>Mizuho Corporate Bank, Ltd.</td>
<td>3.8</td>
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</table>

Common Stock Price Trends

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<tbody>
<tr>
<td>High</td>
<td>¥ 658</td>
<td>¥ 944</td>
<td>¥ 790</td>
<td>¥ 700</td>
<td>¥ 480</td>
</tr>
<tr>
<td>Low</td>
<td>301</td>
<td>436</td>
<td>439</td>
<td>403</td>
<td>342</td>
</tr>
<tr>
<td>Fiscal Year-end</td>
<td>409</td>
<td>477</td>
<td>724</td>
<td>612</td>
<td>425</td>
</tr>
</tbody>
</table>

Shares of Common Stock issued and outstanding 342,598,162

Stock Price Range and Trading Volume on the Tokyo Stock Exchange