Corporate Social Responsibility

We at Yokohama are committed to earning and retaining confidence in our company by fulfilling our corporate social responsibility. In that spirit, we dedicate ourselves especially to environmental protection and public-interest activities.

Adopting original criteria for green products
Product development at Yokohama includes a focus on improving environmental performance across our entire product line. We have established four original criteria for environmental performance: preventing global warming, recycling resources, reusing and conserving resources, maximizing safety and amenability. Each new Yokohama product must excel its predecessor by at least 5% in the average value for those four criteria, and no backsliding is allowable in any criterion. In addition, we are pursuing the goal of adopting environmentally beneficial features in all our products by December 2017. Our attainment was 84% as of March 2011.

Installing on-site systems for efficient electrical generation
Yokohama participates in Japanese initiatives for reducing the output of greenhouse gases. That includes working to reduce the output of carbon dioxide 25% by 2020, from the 1990 level. Our measures include undertaking rigorous energy conservation, including the installation of highly energy-efficient production equipment. We also continue to expand our on-site capacity for efficient electrical generation. That has included installing photovoltaic generating systems at our Hiratsuka, Mishima, and Shinshiro-Minami plants, in Japan. In China, Hangzhou Yokohama Tire Co., Ltd., completed a large photovoltaic generating system in February 2011.

Offering products for clean energy and for personal welfare
For photovoltaic generation, we supply (1) our M-155 and M-155P edge sealants to ensure airtight sealing between the photovoltaic cells and their frames and (2) FLASH ONE (photo) adhesive to use on current-collection boxes. Our LEVEX hydraulic hoses render service, meanwhile, in the drive mechanisms for wind-power electrical generation systems. In the personal welfare sector, our Medi-Air1 pressure-relieving air-cell cushions help prevent pressure sores on persons confined to wheelchairs (see page 20).

Planting trees at operations worldwide
The Yokohama Forever Forest project got under way in 2007 as an initiative for planting 500,000 trees around our manufacturing operations worldwide. We had planted 183,000 by March 2011. In another initiative, we are helping to raise environmental awareness in the community by providing oak seedlings for planting. Yokohama employee volunteers grow the seedlings from seeds, and we supply the seedlings for planting by public-sector organizations, nonprofit groups, and private-sector corporations. We also participate in the Green Wave, an international campaign conducted...
under the Convention on Biological Diversity to promote tree planting.

Eliminating landfill waste at manufacturing operations
We had eliminated landfill waste at all our plants in Japan by March 2006, and we have maintained a 100% recycling rate for waste at all of those plants since March 2010. Overseas, we had eliminated landfill waste at 5 plants in China, the Philippines, and Thailand by November 2010. Work continues to eliminate or reduce landfill waste at our other 10 overseas plants.

Helping to preserve biodiversity
We have begun conducting surveys to monitor the potential effect of our operations on biodiversity at 15 sites in Japan and at 15 sites overseas. Where we determine a possible adverse effect, we will take countermeasures. We will conduct three surveys, for example, of river ecosystems near our Mie Plant, in Japan, from April to December 2011. The Yokohama Forever Forest project (above) is another important contribution to preserving biodiversity, and we are moving to maximize that contribution by conducting surveys of wildfowl in and around the planting zones.

Part of the community everywhere we operate.

- Financial support for schools and child-welfare centers; sponsorship of an outdoor learning program for teaching elementary school children about environmental protection. May 2011
  Yokohama Tire Manufacturing (Thailand) Co., Ltd.

- Donations to a fund for fighting cancer; donations of Christmas presents through a charitable organization to families that have children afflicted by serious health problems. December 2010
  YH America, Inc.

- Sponsorship of events for fostering a shared awareness of environmental issues with people in the plant community (pictured: plant employees explaining the environmental benefits of electric cars to children). November 2010
  Hiratsuka Factory

- Funding for scholarships at a local high school; participation in a charity soccer tournament. November 2010
  Yokohama Tire Vietnam Inc.

- State of Virginia’s highest, E4, recognition for environmental stewardship (pictured: Tadashi Suzuki, then general manager of the Salem Plant [right], at the awards ceremony). December 2010
  Yokohama Tire Corporation (Salem Plant)
We are committed to positioning Yokohama to achieve continuing growth in corporate value and to earn the unwavering confidence of all our stakeholders. In that spirit, we have built a framework of corporate governance for achieving sound management characterized by transparency and fairness. We continue to reinforce that framework in accordance with our Basic Philosophy, which calls for enriching life through beneficial products.

Yokohama’s Framework for Corporate Governance

**Framework**

Our management framework differentiates clearly between operational responsibility, invested in the corporate officers, and oversight responsibility, invested in the Board of Directors. That helps maximize our responsiveness in management. Presently, the senior-management team comprises 8 directors, headed by the chairman and president and including four members who serve concurrently as corporate officers, and 14 corporate officers, not including officers who serve concurrently as directors.

The Management Council, which comprises the chairman and other selected members of the Board of Directors and other executives, reviews overall operational policy and matters crucial to the performance of work. It reports its findings to the Board of Directors, and the directors discuss and act on the council's recommendations in accordance with the pertinent corporate guidelines.

Transparency and fairness are overriding emphases in appointing directors and corporate officers and in determining their compensation. Appointments and compensation receive thorough consideration in the Director Personnel and Remuneration Committee and then go to the Board of Directors for decisions.
**Auditing**

Auditing at Yokohama is a tripartite undertaking by our corporate auditors, an independent public accounting firm, and our Audit Office. We reinforce the auditing function by maintaining autonomy among those units.

The corporate auditors number five, including three recruited from outside the company to help ensure objectivity in the auditing function. They participate in meetings of the Management Council and of other management gatherings where important matters are discussed. They also obtain important information from the independent public accounting firm and from the Audit Office. 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. We assign an assistant to the auditors to help them carry out their work smoothly and effectively.

**Risk management**

Spearheading risk-preparedness measures at Yokohama is our Risk Management Committee, chaired by the general manager of the Corporate Social Responsibility Division. That committee evaluates risk from a cross-sector perspective and devises precautionary measures. We have also established committees to manage risk, respond to incidents, and establish guidelines in regard to ethical compliance, disaster preparedness, information security, personal conduct, and exports. Our Board of Directors, Management Council, and corporate auditors receive timely reports from all of those committees.

**Ethical compliance**

Our Compliance Committee, chaired by the president, oversees activity at the company with an eye to ensuring compliance with laws and regulations. Responsible for enforcing ethical compliance is our Corporate Compliance Department. In addition, we assign compliance monitors for each sector of operations at the parent company and for each subsidiary in Japan to help foster awareness of our ethical guidelines. They report to the Compliance Committee, which evaluates ethical infractions and potential problems and adopts appropriate countermeasures. We also maintain hotlines to handle reports of suspected infractions from persons inside and outside the company.

### How the Compliance Hotline Works

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*Employees who leave their names when reporting suspected infractions receive reports of subsequent investigations and remedial measures.*
As of June 29, 2011

**Board of Directors**

Tadanobu Nagumo  
*Chairman and CEO and Representative Director*

Hikomitsu Noji  
*President and Representative Director*  
-President of Tire Group*

Norio Karashima  
*Director and Vice President*  
-Chairman and President of Yokohama Rubber (China) Co., Ltd., Chairman of Yokohama Tire Sales (Shanghai) Co., Ltd.*

Tooru Kobayashi  
*Director and Vice President*  
-President of Multiple Business Group, General Manager of Electric Material Div.*

Kinya Kawakami  
*Director and Managing Corporate Officer*  
-In charge of Global HR Dept., General Manager of Corporate Social Responsibility Div.*

**Board of Corporate Auditors**

Takashi Fukui  
Yoshiki Sato

Hideo Fujiwara  
Go Kajitani

Naozumi Furukawa

**Corporate Officers**

Koichi Tanaka  
*Senior Managing Corporate Officer*  
-Deputy President of Tire Group, President of Yokohama Tire Japan Co., Ltd.*

Shinichi Suzuki  
*Managing Corporate Officer*  
-General Manager of Tire Global Production Div., General Manager of Russia Tire Plant Div., General Manager of Tire Production HR Dept.*

Misao Hiza  
*Managing Corporate Officer*  
-General Manager of Aerospace Div., General Manager of R&D Center*

Hirohiko Takaoka  
*Managing Corporate Officer*  
-In charge of Sports Business Div., Corporate Planning Dept., Secretariat, GD100 Promotion Dept., President of Acty Corporation*

Shigeo Komatsu  
*Corporate Officer*  
-General Manager of Tire Global Product Planning Div., General Manager of Tire Global Marketing Research and Planning Dept.*

Yasushi Tanaka  
*Corporate Officer*  
-President of Yokohama Tire Corporation, President of Yokohama Corporation of America, President of Yokohama Corporation of North America*

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*Corporate Officer*  
-Deputy General Manager of Industrial Products Business Group, General Manager of Industrial Products Technical Div., General Manager of Hiratsuka Factory*

Yuji Goto  
*Director and Managing Corporate Officer*  
-General Manager of Tire Global Business Planning Div.*

Takao Oishi  
*Director and Managing Corporate Officer*  
-General Manager of Industrial Products Business Group*

Fumio Morita  
*Director and Corporate Officer*  
-In charge of Corporate Finance & Accounting Dept., Internal Audit Dept., General Manager of Corporate Finance & Accounting Dept., in charge of Global Procurement Div., President of Yokohama-gomu Finance Co., Ltd.*

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