

# Profile

The **Yokohama Rubber Co., Ltd.**, established in 1917, is a leading tire manufacturer. It has also deployed its polymer expertise in several lines of diversified business, including high-pressure hoses, sealants and adhesives, other industrial products, aircraft fixtures and components, and golf equipment.

Yokohama is laying a foundation for sustainable growth in tires and in diversified products in Japan and overseas by developing high-functionality products and by expanding its production capacity. The Company's blueprint for growth is Grand Design 100, a medium-term management plan launched in 2006. That plan, which culminates in 2017, comprises four three-year phases. Yokohama's cumulative, three-year targets in Phase III, which began in 2012, are to achieve net sales of ¥1.8 trillion, operating income of ¥150.0 billion, and operating return on sales of 8.3%.

# Contents

Financial Highlights .....	1
To Our Stakeholders .....	2
Yokohama at a Glance .....	4
Phase III of Grand Design 100 .....	6
The Birth of the BluEarth-A .....	10
Review of Operations .....	12
Tires .....	12
Industrial Products .....	19
Other Products .....	22
Corporate Social Responsibility .....	24
Corporate Governance .....	26
Directors, Corporate Auditors, and Corporate Officers .....	28
Financial Section .....	29
Principal Operations in Japan .....	61
Overseas Subsidiaries and Affiliates .....	62
Investor Information .....	64
Stock Information .....	65

## Forward-Looking Statements

*This annual report contains forward-looking estimates and forecasts based on management's plans, which are subject to unforeseeable risks and uncertainties. The Company's business results could differ significantly from those estimates and forecasts.*

# Financial Highlights

Years ended December 31, 2011 and March 31, 2011

	Millions of Yen		Thousands of U.S. Dollars
	2011 (04.01.11–12.31.11)	2011 (04.01.10–03.31.11)	2011 (04.01.11–12.31.11)
Net sales	¥465,134	¥519,742	\$ 5,983,198
Operating income	26,291	29,491	338,188
Income before income taxes and minority interests	16,604	21,880	213,581
Net income	11,619	13,924	149,460
<hr/>			
Total assets	¥501,786	¥478,916	\$ 6,454,670
Total net assets	168,286	170,872	2,164,736
<hr/>			
Per share:	Yen		U.S. Dollars
	2011 (04.01.11–12.31.11)	2011 (04.01.10–03.31.11)	2011 (04.01.11–12.31.11)
Net income: Basic	¥34.68	¥41.55	\$0.45
Cash dividends	7.00	10.00	0.09

**Notes:**

- Here and throughout this report, the U.S. dollar amounts have been translated from Japanese yen, solely for the convenience of readers, at the rate of ¥77.74 = US\$1.00, the approximate exchange rate prevailing on December 31, 2011.
- Yokohama has shifted to a calendar-year fiscal accounting, from an April-to-March fiscal accounting. That resulted in a one-time-only nine-month fiscal period ended December 31, 2011. Year-on-year comparisons of operating results are therefore impossible, and this report dispenses with any such comparisons.

