

GEAR UP TO GO



CONTENTS

1	To Our Stakeholders
2	Financial Highlights
4	Grand Design 100 Medium-Term Management Plan
6	A Word from the President
12	Acquisition to Boost Momentum in Commercial Tires
14	Yokohama at a Glance
15	Business Results and Trends <ul style="list-style-type: none">• Tire Group• Multiple Business Group
20	Corporate Philosophy and Corporate Social Responsibility
26	Corporate Governance
28	Members of the Board, Audit & Supervisory Board Members, and Officers
30	Global Network
32	Principal Operations in Japan
33	Financial Section
72	Investor Information
73	Stock Information

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.

BASIC PHILOSOPHY

To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products.

MANAGEMENT POLICIES

Take on the challenge of new technologies to produce new value.
Develop proprietary business fields to expand the scope of business.
Create a workplace that values, improves and energizes people.
Deal fairly with society and value harmony with the environment.

ACTION GUIDELINES

Develop ourselves so that we may give our personal best.
Trust, challenge and improve one another.
Nurture a welcoming, open spirit.

CORPORATE SLOGAN

Excellence by nature

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.

TO OUR STAKEHOLDERS

Our net sales attained a record high level in 2015, rising 0.7%, to ¥629.9 billion. Net income, however, declined 10.4%, to ¥36.3 billion, on a 7.7% decline in operating income, to ¥54.5 billion. The downturn in earnings occurred as a unit decline in Japanese vehicle production and escalating price competition in our principal tire markets offset the effects of declining prices for raw materials and the weakening of the yen.

The economic environment in 2015 was a composite of contrasting trends. Economic recovery continued in Japan, though consumer spending was inconsistent. Rising incomes in the United States highlighted growing economic vitality there, and the economic picture in Europe brightened gradually. China's economic growth, however, continued to slow.

We maintained the aggregate annual dividend at effectively the same level as in the previous year. A one-for-two share merger conducted on July 1, 2015, halved the number of Yokohama shares outstanding. Our

interim dividend of ¥13 and our post-share-merger year-end dividend of ¥26 thus corresponded to 2014's aggregate annual dividend of ¥26.

We at Yokohama continue working to fulfill the goals of our medium-term management plan, Grand Design 100, which we adopted in 2006. Grand Design 100 extends to our corporate centennial, in 2017. It comprises four three-year phases, and 2015 was the first year of the culminating Phase IV.

In Phase IV, we are working to culminate Grand Design 100 on a positive note and to set the stage for continuing growth. That means maximizing customer value and expanding our global scope to remain a leader in the tire and rubber industry for another 100 years. Our chief financial targets in Phase IV are to achieve annual net sales of ¥770.0 billion and annual operating income of ¥80.0 billion by 2017 and to thereby attain an operating profit margin of at least 10.4%.

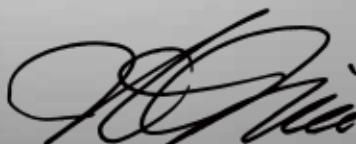
Our projections for 2016 call for a 3.5% increase in net sales, to ¥652.0 billion, a 0.9% increase in operating income, to ¥55.0 billion, and a 6.4% decline in net income, to ¥34.0 billion. Underlying those projections are the expectation of continued economic recovery in Japan, supported by stimulus measures implemented by the government and by the Bank of Japan, the expectation of slowing economic growth in principal emerging economies, and the concern about possible adverse movements in crude oil prices and in currency exchange rates.

We at Yokohama remain committed to achieving global growth in accordance with our Grand Design 100 management plan. And we welcome your careful attention to our progress.

May 2016



Tadanobu Nagumo (*right*)
Chairman and Representative Member of the Board

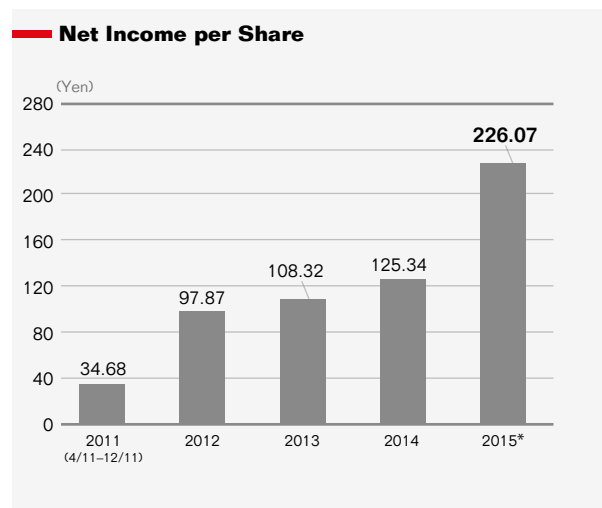
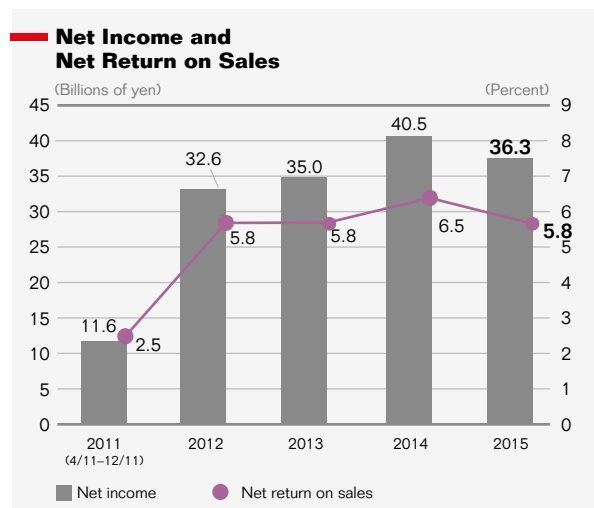
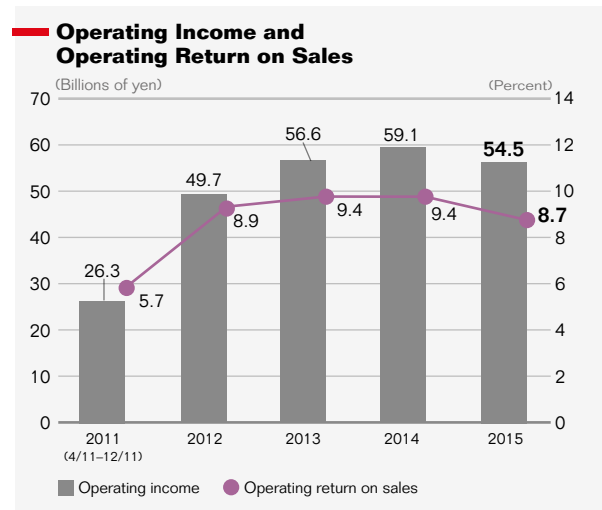
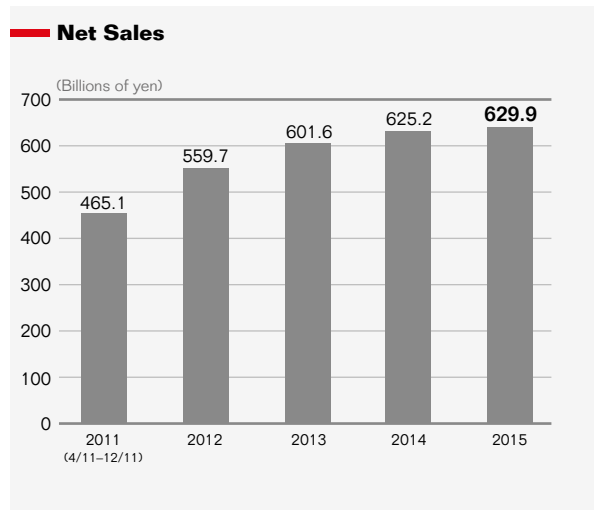


Hikomitsu Noji
President and Representative Member of the Board

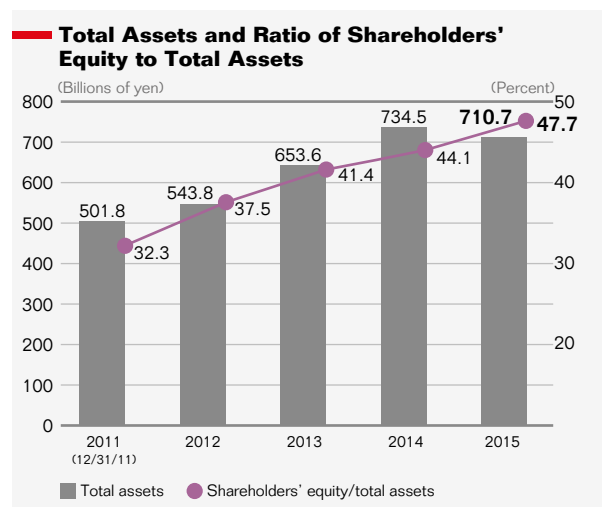
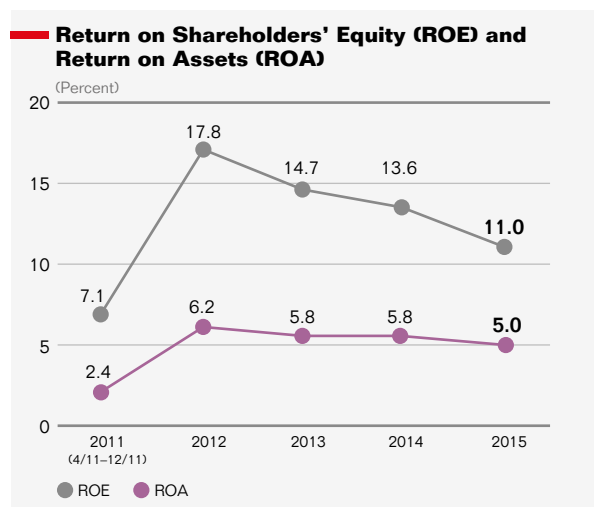


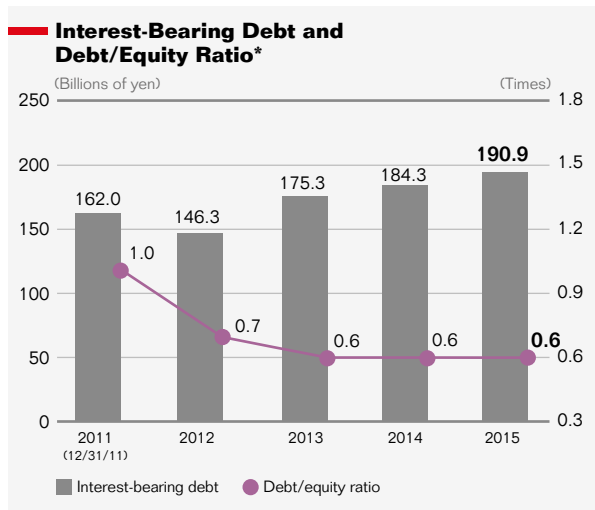
FINANCIAL HIGHLIGHTS

Yokohama shifted in 2011 to calendar-year fiscal accounting, from April-to-March fiscal accounting. That resulted in a one-time-only nine-month fiscal period ended December 31, 2011.

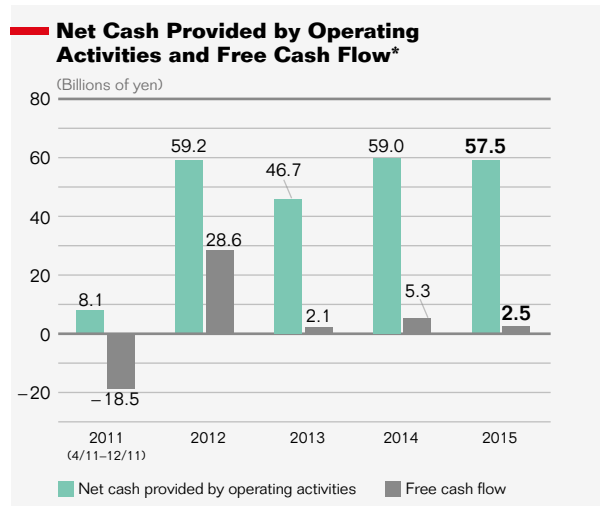
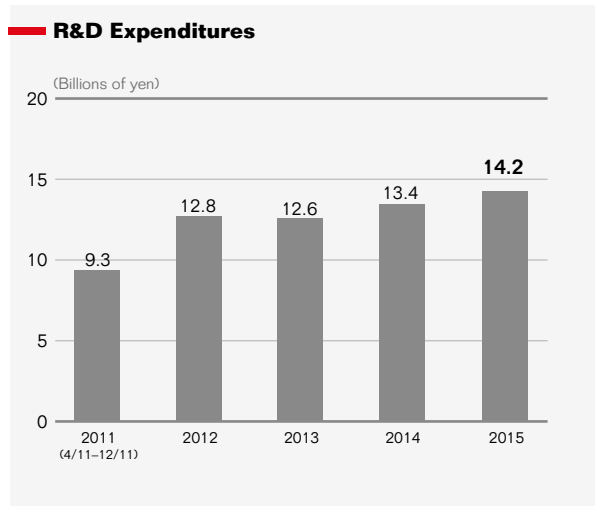
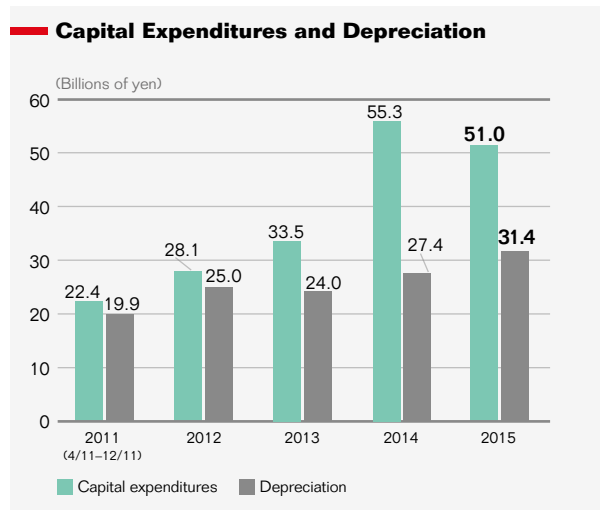


* A one-for-two share merger conducted on July 1, 2015, halved the number of Yokohama shares outstanding, and the year-end dividend reflects that merger.

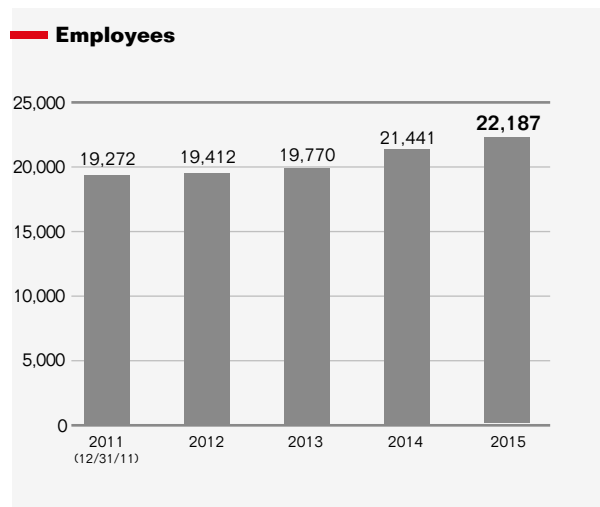
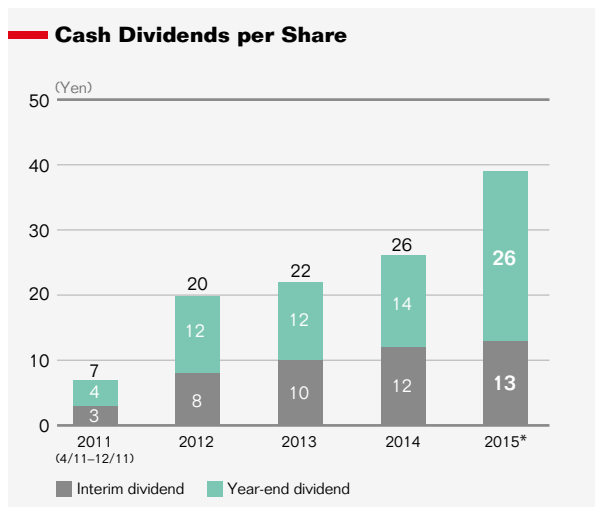




*Interest-bearing debt divided by net assets less minority interests



*Net cash provided by operating activities less net cash used in investing activities



* A one-for-two share merger conducted on July 1, 2015, halved the number of Yokohama shares outstanding, and the year-end dividend reflects that merger. The aggregate annual dividend accords with the projection announced by Yokohama in February 2015, adjusted for the share merger.