

## CORPORATE GOVERNANCE

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.

## ETHICAL COMPLIANCE

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.

## DIRECTORS, CORPORATE AUDITORS, AND CORPORATE OFFICERS

As of June 29, 2006

### Board of Directors

**Yasuo Tominaga**  
Chairman and Representative Director

**Tadanobu Nagumo**  
President and Representative Director

**Keigo Ueda**  
Director and Senior Managing Corporate Officer  
*General Manager of Hoses and Coupling Division, President of Sports Group,  
General Manager of Hiratsuka Factory, Chairman of YH America, Inc.,  
Chairman of SAS Rubber Company*

**Takashi Sugimoto**  
Director and Senior Managing Corporate Officer  
*In charge of business development in BRICs, Chairman of Yokohama Rubber  
(China) Co., Ltd.*

**Takashi Yamashita**  
Director and Senior Managing Corporate Officer  
*President of Tire Group, General Manager of Original Equipment Tire Sales  
Division*

**Tetsuya Mizoguchi**  
Director and Managing Corporate Officer  
*President of Multiple Business Group*

**Tatsunari Kojima**  
Director and Managing Corporate Officer  
*In charge of Secretariat, Corporate Planning Department, Corporate  
Communications Department, Corporate Finance & Accounting Department,  
MIS Department, Internal Audit Department*

**Tooru Kobayashi**  
Director and Corporate Officer  
*General Manager of Tire Planning Division, General Manager of Tire Planning  
Department, in charge of Off-the-Road Tire & Aircraft Tire Division,  
Chairman of Yokohama Tire Philippines, Inc., General Manager of MD  
Promotion Department*

### Corporate Auditors

**Masaaki Kushida**

**Seiichi Suzuki**

**Junnosuke Furukawa**

**Yuzuru Fujita**

**Naozumi Furukawa**

### Corporate Officers (not on the Board of Directors)

**Toshihiko Shiraki**  
Managing Corporate Officer  
*General Manager of Tire Domestic Sales & Marketing Division*

**Masamichi Danjo**  
Managing Corporate Officer  
*In charge of Quality Assurance, Environmental Conservation Department,  
General Manager of R&D Center*

**Akihisa Takayama**  
Managing Corporate Officer  
*General Manager of Tire Production Division*

**Michio Yuge**  
Corporate Officer  
*In charge of Corporate Purchasing Department, Corporate General Affairs  
Department, General Manager of Corporate Purchasing Department, General  
Manager of Corporate Compliance Department*

**Toshio Izawa**  
Corporate Officer  
*In charge of MB Production, General Manager of MB Production Technology  
Department, Deputy General Manager of Hoses and Coupling Division,  
General Manager of Hiratsuka East Plant*

**Yasuhiro Mizumoto**  
Corporate Officer  
*General Manager of Shinshiro Plant*

**Shinichi Suzuki**  
Corporate Officer  
*Vice President of Yokohama Tire Corporation*

**Koichi Tanaka**  
Corporate Officer  
*President of Yokohama Tire Chubu Sales Co., Ltd.*

**Takashi Fukui**  
Corporate Officer  
*General Manager of Tire Overseas Sales & Marketing Division*

**Toshihiko Suzuki**  
Corporate Officer  
*General Manager of Tire Technical Division*

**Norio Karashima**  
Corporate Officer  
*President of Yokohama Tire Corporation, President of  
Yokohama Corporation of America*

**Hideo Fujiwara**  
Corporate Officer  
*General Manager of Corporate Finance & Accounting Department, in charge  
of Corporate Personnel Department*

**Ichiro Kondo**  
Corporate Officer  
*President of Yokohama Rubber (China) Co., Ltd., Chairman of Yokohama  
Tire Sales (Shanghai) Co., Ltd., Chairman of Hangzhou Yokohama Tire Co.,  
Ltd., Chairman of Suzhou Yokohama Tire Co., Ltd.*

**Hajime Yamazaki**  
Corporate Officer  
*In charge of MB Technical, General Manager of Hamatite Division,  
General Manager of MB Business Development Center*

**Seiji Takai**  
Corporate Officer  
*General Manager of Aerospace Division*

**Yuji Goto**  
Corporate Officer  
*In charge of TB Tire Business, General Manager of TB Tire Product Planning  
Department*

GLOBAL NETWORK





## 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

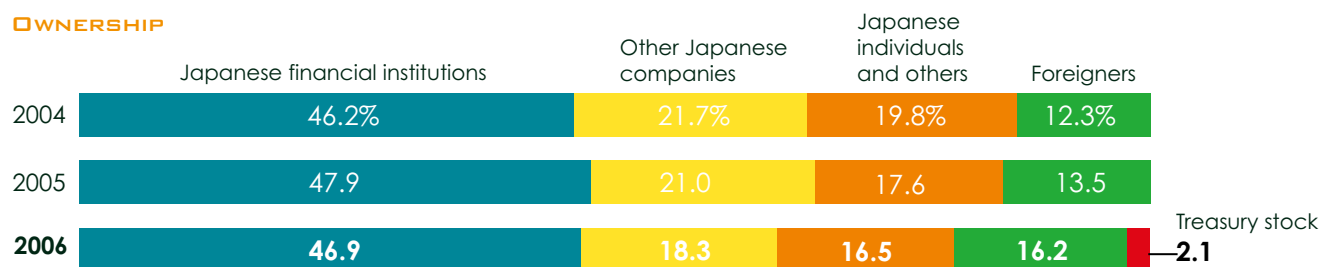
[www.yrc-pressroom.jp/ir\\_en/](http://www.yrc-pressroom.jp/ir_en/)

## 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



### PRINCIPAL SHAREHOLDERS

Name	Percentage of voting rights
Japan Trustee Service Bank, Ltd. (trust account) -----	7.0%
Master Trust Bank of Japan, Ltd. (trust account) -----	7.0
ZEON CORPORATION -----	5.1
ASAHI MUTUAL LIFE INSURANCE COMPANY -----	4.3
Tokio Marine & Nichido Fire Insurance Co., Ltd.-----	3.5

### COMMON STOCK PRICE TRENDS

	2006	2005	2004	2003	2002
Stock price (yen):					
High	700	480	387	350	352
Low	403	342	272	235	228
Fiscal year-end	612	425	357	304	296
Shares issued	342,598,162	342,598,162	342,598,162	342,598,162	342,598,162

### STOCK PRICE RANGE AND TRADING VOLUME ON THE TOKYO STOCK EXCHANGE

