CSR Report of Nagano Plant (GP)

Nagano Plant
- Business activities: Production of hydraulic-hose fitting and auto-hose fitting parts, and the production of self-sealing coupling assembles
- Total site area: 28,169m²
- Number of employees: 188 (as of June 2015)
- Location: 548 Yoshida, Takamori-cho, Shimoina-gun, Nagano 399-3102, JAPAN

Nagano-Toyooka Plant
- Business activities: Hydraulic hose assemblies, auto hose assemblies
- Total site area: 239 (as of June 2015)
- Number of employees: 9100 Kawano, Toyooka-mura, Shimoina-gun, Nagano 399-3201, JAPAN
- Location: *Construction completed in February 2014.*

Contact for consultation and complaints:
Tel: +81-265-35-3211   Fax: +81-265-35-6884
E-mail: makoto.kurihara@y-yokohama.com

Message from the General Manager

Located in Inadani and surrounded by the abundant and naturally-beautiful Southern and Central Alps, with a metal product-processing plant in Takamori to the west across the Tenryu River, and a hose-assembly plant to the east in Toyooka (the Nagano-Toyooka Plant), we engage in integrated production, from clasp-processing through to hose-assembly.

The Nagano Plant started operations in 1961 in Takamori. In February 2014, with the completion of the new Nagano-Toyooka Plant and the production functions that were shifted from Hiratsuka East, operation of the newly-unified Nagano Plant commenced.

At Takamori, starting with machine tools such as multi-axis automatic boards and NC lathes, by using machining and cutting processes, we produce oil pressure hose claps and hose claps for automobiles. Meanwhile, at the Toyooka Hose-Assembly Plant, we complete the production of hoses produced at the Ibaraki Plant by caulking and assembling them. These products are then supplied to various hosepipe markets such as construction machinery, machine tools and automobiles.

From Takamori, in addition to the Toyooka Hose-Assembly Plant, clasps are supplied to affiliated plants in Japan and overseas and to other domestic customers nationwide. Furthermore, we don’t just engage in the cutting of clasps, we also undertake the assembly of self-seal couplings.

In conducting our business, in line with the Company’s Medium-term Management Plan, Grand Design 100 (GD100), we aim to become “a company having world-class strengths in technologies for protecting the environment.” In pursuing this aim, we take care to operate our business in a manner that will not burden the environment and will help with a greater abundance of nature in Nagano Prefecture.

In July 2012, we introduced equipment that “briquettes” metal scraps produced in clasp processing, and these “briquettes” we sell as products. Through this initiative we have reduced our total industrial waste by 70%. We shall continue this initiative in the future.

For energy-savings, in addition to promoting familiar energy-saving activities both at the plant and in the homes of all employees by acting as one, by introducing and renewing power saving-type equipment within the plant and seeking to control the wasteful use of energy, we are actively striving to prevent global warming.

As community and CSR activities, in 2013 we commenced biodiversity conservation with surveys of the flora and fauna along the Oshima and Tenryu Rivers. Such activities will help in conservation. Concerning the "YOKOHAMA Forever Forest Project" that has continued since 2007, the plant achieved its own planting objectives in 2013. However, we have continued to produce seedlings in order to provide them for plantings conducted outside the plant.

With respect to the “Heisei Forest Planting Festival” in Otsuchi-cho, Iwate Prefecture that was sponsored by Yokohama Rubber and concluded this year, in addition to supplying seedlings, the Nagano Plant also dispatched three volunteers.

For the Tenryu River which flows through the region, each year we proactively participate as a party in charge of allocations during the river cleanup (the environment picnic).

Through local elementary and high school student plant tours, and via opportunities for exchanges with the residents of Takamori and Toyooka, in addition to listening to what people have to say, we are working to improve understanding of the Company’s business activities and its environmental conservation efforts. By broadening the scope of these exchanges, we aim to become a valuable business within the region.

Organizational Governance

Concerning decision-making, a system is in place so that monthly meetings are held for each different area. Safety and health issues are decided by the Safety and Health Committee, environment issues by the Environment and Energy Savings Committee, and quality issues by the Quality Committee. Furthermore, Section Chief Meetings and Follow-up Meetings are held as required to make decisions on plant-wide issues.

Employees are notified of the decisions made by this committees system through daily communications and by the General Manager's Morning Meeting held at the start of each month.
Nagano Plant environmental policy

We will become a leading office having technologies that protect the environment, under the norm of “cherishing fairness in society and harmony with the environment” shown in the management policy.

(1) The Nagano Plant, as a unified clasp-processing and assembly operation, works on reducing environmental impacts at all stages, from production to waste recycling/handling.

(2) In order to remain a plant that is trusted, we endeavor continuously to prevent environmental pollution and sensory pollution in our effort to improve the environment. This we achieve by strengthening our environmental management systems and adopting a proactive stance.

(3) We address realization of a recycling society and low carbon society through promotion of means to prevent global warming, save energy and resources and to recycle.

(4) We observe the environment-related laws and regulations applicable to the plant, and other agreements in which we have entered and continue to strive for environmental protection.

(5) We work to promote cooperation with value chains and to contribute to both the local community and society. While doing so, we shall respect international regulations and deepen our communication with stakeholders.

(6) We have set out environmental objectives and targets to realize the environmental policy of the plant, and prepare and implement the plan.

(7) We maintain communications with the local community, and promote activities in harmony with the region that also make a contribution. These activities include the “YOKOHAMA Forever Forest Project.”

(8) As activities to protect biodiversity, we take steps to both protect and rehabilitate invaluable natural habitats.

(9) To improve their own awareness and actions, we educate and enlighten all our employees and individuals so that they fully understand this environmental policy.

(10) Our environmental policy shall be made available to the public upon request.

Disaster-prevention drills

Disaster-prevention drills were carried out on a total of five occasions on November 20, 25, 26, 27 and 28, 2014. A total of 494 people participated.
Environmental data (Nagano Plant)

■ Reductions in greenhouse gas emissions
Greenhouse gas emissions at Nagano Plant and their indices (base year = 100)

![Graph showing reductions in greenhouse gas emissions]

- Base year is defined as 1990 except for HFC, PFC and SF6, where the base year is 1995.
- Greenhouse gases (GHG) calculated in accordance with the Calculation and Reporting Manual for Greenhouse Gas Emissions (Ministry of the Environment, Ministry of the Economy, Trade and Industry). Note that GHG emissions associated with purchased power in FY2009 were calculated using the table of Emission Coefficients by Power Company (Ministry of the Environment).
- In FY2011, as the closing of accounts period was April to December, it is counted for January to December, by duplicating the data for January to March.

■ Effective use of resources/ Waste reductions

- Waste output

![Graph showing waste output]

■ Water usage

![Graph showing water usage]

■ Measures for discharges into water, air and soil

- Data related to water contamination

<table>
<thead>
<tr>
<th>Item</th>
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<th>Voluntary Standard Values</th>
<th>FY2014 results</th>
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<td>Oil concentration (mg/l)</td>
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- Waste discharged to Oshima River

- Participation in the Tenryu River Environment Picnic (Cleanup)
As with each year, we participated in the Tenryu River Environment Picnic held on May 17. We also fulfilled an organizing role in acting as the party responsible for a block of corporate participants. (participants: 39 adults, 7 children)

- YOKOHAMA Forever Forest Seedlings
Approximately 2,000 seedlings have been donated to external planting ceremonies. Because these plantings take place in cold regions, during the winter months plastic greenhouses are used.
**Biodiversity protection activities**

In FY2014, biodiversity protection activities were conducted on two occasions, in early summer and once again in autumn. Surveys were conducted downstream in the Oshima River where rainwater is discharged from the Nagano Plant, and also in the vicinity of the Tenryu River confluence. Surveys were also conducted downstream in the Terasawa River where rainwater is discharged from both the Nagano-Toyooka Plant and the Toyooka Warehouse, and along the agricultural-water runoff ditch located at Kono Hydrophilic Park.

**Fair Operating Practices**

**Thorough statutory compliance**

We recorded no environmental accidents, no environmental problems or no serious incidents of an environmental nature. Furthermore, we also received no information regarding complaints from external sources.

**Consumer Issues**

**Hosting plant tours**

On May 26, we hosted a plant tour comprised of 47 third year high school students who are considering employment locally.

On November 4, we hosted a plant tour comprised of approximately 120 fifth grade students from Takamori-Minami Elementary School. We also have exchanges with this same school twice a year through classes in traffic manners that are sponsored by Yokohama Rubber.
Volunteering
Three people volunteered to participate in the “Heisei Forest Planting Festival” that was held in Otsuchi-cho, Iwate Prefecture. Held around June of each year, we continued our record of participating in the Tenryu River Environment Picnic (Cleanup) which we commenced with the inception of the event.

Informal meetings with citizens
- Apr. 24: Plant tour by representatives of the Takamori Town Office and the Takamori Local Assembly (15 participants)
- May 10: Display held within the plant for the benefit of residents living in the neighborhood of the Toyooka Plant and the local residents’ association (24 participants)
- Oct. 8: Plant tour by representatives of the Toyooka Village Chamber of Commerce (25 participants)

Regional donations
Donations were made to the following:
- The Floating of Lanterns in Ichida
- The Yoshida Shrine Fireworks Festival
- The Toyooka Cherry Blossom Festival
- The Toyooka Fireworks Festival
- The Relay Race Across Nagano
- The Central Community Chest of Japan

Workplace recreation
Workplace recreation events are conducted annually through the cooperation of labor and management. Each individual event is held multiple times to ensure against work-shift bias.
A bowling competition was held four times across November and December in which 128 people participated. Through their participation they had the opportunity to develop friendships with colleagues employed at other workplaces.
Family bus tours were conducted twice across November and December in which 98 people participated. The children quickly made friends while family groups also interacted with one another.

Collecting trash in the vicinity of the plant
Commencing in July of 2013, we started to collect trash on the public roads in the vicinity of the plant (three courses were set out and used repeatedly). This was done to make a contribution to the region. This activity was conducted throughout the year at the pace of once a month. The persons responsible for 5 S zones were established, this being done by focusing on the organizational structures of each individual workplace. The cooperation of a number of people from each zone was then secured. Over the course of FY2014, some 120 participants collected trash whose total weight was 14.2kg.
During a patrol conducted in March, a woman’s handbag was discovered in a patch of long grass. Given that the bag might have been stolen, it was handled into the police box in Takamori.

Blood donations
Blood drives were conducted at Takamori (in May, 34 participants) and Toyooka (in June, 32 participants).

Relations with local government
It was requested that we supply a member to the Committee for the Promotion of the Takamori Environmental Basic Plan. One person is now participating in this committee (term: November 1, 2013 – October 31, 2015).