Executive Message

Editorial Policy
The Yokohama Rubber Group aims in its CSR management vision to “build a trusted identity as a contributing member of the global community.”

The layout of this fiscal year’s CSR Report (printed edition) is based on this vision.

In Up Close 1, we introduce the various ways in which the Tire Group and MB Group of Yokohama Rubber contribute to protecting the environment. This section illustrates who is involved and what their approach is in bringing Yokohama Rubber’s products to society, and also looks at the role that these products play in our daily lives.

In Up Close 2, we return to the roots of our CSR management vision and describe a round-table discussion held with young employees under the theme, “What should Yokohama Rubber do to build a trusted identity within society?” Young employees, the future leaders of the Yokohama Rubber Group, shared their ideas about what Yokohama Rubber should do to realize their newly shared vision for its future.

Other topics covered in this report include our globally expanding YOKOHAMA Forever Forest Project, our medium- to long-term CSR and environmental plans, and a review of our performance in FY2009. We have made a concerted effort to describe our initiatives in as simple terms as possible.

We are committed to continuing to build a trusted identity as a contributing member of the global community for generations to come.

We would greatly appreciate readers’ participation in the attached survey. Please do not hesitate to give us your most honest opinion.

Note: FY2009 is the fiscal year from April, 2009 through March 31, 2010 in this report.

The Online Edition
Reflecting the GRI Guidelines, the online edition provides a comprehensive amount of information. We disclose specific data not included in the printed edition for additional reference.
http://www.yrc.co.jp/csr/

Easy Search
You can search for information on our website via keywords, the sitemap, a GRI Guidelines reference table, and by individual business activity.

Printed edition content

Environmental Aspects
• Environmental management
• Green procurement
• Environmentally sound products
• Environmentally friendly production

Social Aspects
• With Employees
• With Stakeholders and Investors
• With Customers

CSR Reports Produced by Plants and Affiliates

Content only in the online edition

Yokohama Rubber Group’s Approach to CSR

Up Close 1: Contributing Positively to the Environment through Craftsmanship
10-15 From Birth to Reuse: Our Endevours in Tire Making
16-17 Discover Yokohama Rubber in These Places!
18-19 How Did the High-Pressure Hydrogen Hose Come to Completion? (Developers in action)

Up Close 2: Building a Trusted Identity within Society

YOKOHAMA Forever Forest Project

Management

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State of Progress in FY2009
28-29 Corporate Governance
30 Overview of environmental impact

Third-party Opinion / On the third-party opinion

Notes Concerning Forward-looking Statements
This report contains projections, statements regarding plans and objectives, and other forward-looking statements. All such statements are made based on assumptions and judgments derived from information available as of July 2010, and are subject to risks and uncertainties that could cause actual performance to differ, including not only the business activities of the Yokohama Rubber Group but also global and economic trends and changes in the global environment.

Issued date: October 2010

Editorial Responsibility: CSR Report Editorial Group
Yokohama Rubber Group at a glance (as of March 31, 2010)

- **Company Name**: The Yokohama Rubber Co., Ltd.
- **Established**: October 13, 1917
- **Paid-in Capital**: ¥38,909 million
- **Net Sales**: ¥466,358 million (Consolidated)
- **Fiscal Year End**: March 31
- **President and Representative Director**: Tadanobu Nagumo
- **Head Office**: 36-11, Shimbashi 5-chome, Minato-ku, Tokyo, Japan 105-8685

**Number of Employees**: 17,566 (Consolidated)

**Number of Shareholders**: 16,757

**Number of Consolidated Subsidiaries**: 127

**Stock Exchange Listings**: Tokyo, Osaka, Nagoya

**URL**: [http://www.yr.co.jp/english/](http://www.yr.co.jp/english/)

**Net sales and net income** (consolidated)

- **Net sales**: ¥4,000 billion
- **Net income of the period**: ¥250 million

**Total assets and equity ratio** (consolidated)

- **Total assets**: ¥30,010 billion
- **Equity ratio**: 35%

**Number of companies**

- **Number of companies: 107**
  - **Number of employees**: 10,531
  - **Company Name**: The Yokohama Rubber Co., Ltd.
  - **Address**: 36-11, Shimbashi 5-chome, Minato-ku, Tokyo, Japan 105-8685

**Economic dividends to stakeholders**

<table>
<thead>
<tr>
<th>Category of stakeholder</th>
<th>FY2009</th>
<th>FY2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business partners</strong></td>
<td>211.2%</td>
<td>211.2%</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>49.1%</td>
<td>50.9%</td>
</tr>
<tr>
<td><strong>Shareholders</strong></td>
<td>2.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td><strong>Creditors</strong></td>
<td>2.8%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td>2.5%</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Society</strong></td>
<td>1%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td>8.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td><strong>Internal</strong></td>
<td>8.7%</td>
<td>-10.0%</td>
</tr>
</tbody>
</table>

**Method of calculation**

- **Cost of sales** and selling, general, and administrative expenses
- **Payment of dividends according to cash flow statement**
- **Interest expense component of non-operating expenses**
- **Social contribution expenditure as estimated by Yokohama Rubber**
- **Net income less dividend payments**

**Core products and group companies by segment**

**Tire segment**

**Business Scope**: Manufacture and distribution of Yokohama brand tires, tubes, and aluminum wheels (for passenger cars, trucks, buses, light trucks, construction and mining equipment, etc.), and automotive products.

**Subsidiaries and affiliates**: 11 manufacturing and sales companies, including
- Yokohama Tire Corporation
- Yokohama Tire Philippines, Inc.
- Hangzhou Yokohama Tire Co., Ltd.
- Yokohama Tire Manufacturing (Thailand) Co., Ltd.
- Suzhou Yokohama Tire Co., Ltd.

**155 distributors**, including
- Yokohama Tire Japan Co., Ltd.
- Yokohama Tire Canada Inc.

**MB segment**

**Business Scope**: Manufacture and distribution of conveyor belts, hoses, pneumatic marine fenders, bridge rubber bearings, non-skid lining/abrasion proof products, adhesives, sealants, aeroplane interior parts and structural materials, and PRGR-branded golf products.

**11 distributors**, including
- Yokohama Rubber MBE Co., Ltd.
- PRGR Co., Ltd.

**Other segments**

- **19 Subsidiaries and Affiliates, including**
  - Hamagomu Logistics Co., Ltd.
  - Hamagomu Real Estate Co., Ltd.
  - Hamamatsu Comac Inc.
  - Hamamatsu Kosan Co., Ltd.

**Breakdown of operations by region**

- **Number of countries and regions in which we operate**: 10

**Japan**

- **Number of companies**: 107
- **Number of employees**: 10,531

**North America**

- **Number of companies**: 36
- **Number of employees**: 10,835

**Other**

- **Number of companies**: 9
- **Number of employees**: 1,932

**Number of companies: consolidated subsidiaries and affiliates accounted for by the equity method**

**Number of employees: employees of Yokohama Rubber and its consolidated subsidiaries**