CSR Report of Ibaraki Plant

Message from the General Manager

The Ibaraki Plant started its operations in 1973 as an exclusive plant of high pressure hoses one of the largest in Japan and in 1997 it started plant operations for building sealing materials and has continued production today. The plant has an environmental policy of aiming at harmony, fusion and co-existence with the abundant and beautiful nature of Ibaraki and makes efforts to carry out measures with the aim of being "a top level contributor in terms of the environment," based on the basic policy of GD100 of the Company. For reduction of industrial waste, we achieved results by strengthening team improvement activities under the theme of reduction of process nonconformities and improvement of materials and equipment management.

For energy saving activities, all employees actively promote renewal of machinery and equipment of power saving types, increased energy saving awareness and paperless processes. The plant has been maintaining the highest AAA rank of the eco office registration system established by the prefecture.

This year we start biodiversity activities and a survey of aquatic nature life from the Sonobe River to Kasumigaura. We have also targeted improvement in communications with local communities through above activities and participation in regional activities. The Ibaraki Plant will further strengthen its environmental management system and promote prevention of environmental pollution and continued improvement through activities in which all employees participate.

Safe and Healthy Workplace Environment

Efforts for Safety and Health

Safety Policy

Basic Policy
Safety and health is the basis of any work operation.
With the recognition that securing of safety and health is inseparable from corporate activities, under the strong leadership of managers and supervisors and cooperation of all employees, we aim to prevent occupational accidents and improve the workplace environment and health care.

Safety and Health Policy
(1) Every one of the employees places priority on safety and health, with participation, action and cooperation of all employees, safety and health activities will be improved.
(2) Comply with the related laws and regulations and the Regulations for Safety and Health Management and actively conform to the administrative guidelines.
(3) By the Occupational Safety and Health Management System (OSHMS), run the PDCA cycle to eliminate potential dangers, including equipment, and continue to reduce risks and promote essential equipment safety.
(4) Ensuring 2S with an understanding that "Arrangement and consolidation is a basis for safety & health".
(5) Make thoroughly known to all employees and members the importance of safety and health and conduct necessary education and training.
(6) Secure health through forming a comfortable workplace environment where employees can work securely and support health care of employees, considering the health conditions of employees.
(7) Make efforts to prevent traffic accidents as a company playing a role in the automotive industry.

Examples of disasters in the plant and other plants are posted to improve sensitivity to safety.
Through exchanges among business sites, we promote preventing disasters and accidents.

Safety Awareness
1) Safety Man(Safety Monitor) Evaluation: Evaluation shall be made by individual and improvement education shall be provided.
2) Clarification of definition of "stop, call and wait" and education.
3) Do not take a risk. If you find colleagues taking a risk, report it to your superior.

Improving a safe workplace environment
1) Education and training for employees within three years from employment
2) Achievement of NT cutter zero
3) Strengthening risk assessment in conducting open work observations

Improvement of management of safety and health based on the Occupational Safety and Health Management System (OSHMS/OHSAS)
1) Deliberate implementation of safety diagnosis and strengthening follow-ups of the results: introduction of top management diagnosis
2) Encouragement in sharing and support for disaster control activities of cooperating companies

Implementation of equipment safety
1) Review of assessment by new risk assessment method and mapping of results and deliberate improvement.
2) Provide safety with work safety within the safety fence

Implementation of safe of work
1) Review of the work procedure manual by implementation of open work observation.
2) All employees work in accordance with the work procedure manual.

Other
1) Compliance with laws on chemical substances
2) Deliberate implementation of improvement of work environment
3) Management of employees working long hours
4) Prevention of traffic accidents

Responses in case of disasters
Under the instruction of the regional fire department, we conduct disaster prevention and evacuation drills once a year. Learning from the lessons of the Great East Japan Earthquake, we are carrying out establishment of evacuation routes and safety measures.
Ibaraki Plant Environmental Policy

(1) Ibaraki Plant, based on the corporate philosophy of the entire company and the basic policy of Environmental GD 100, will cope with measures for achieving a company having world class technologies protecting the environment.

(2) In order to become a trusted plant, we will strengthen the environmental management system and continue to prevent environmental pollution and improve the environment.

(3) By promoting a reduction in waste, recycling and green purchase for energy savings and resource protection as global warming countermeasures, we will realize a resource saving society and low carbon society.

(4) In order to realize society of biodiversity, we will address environmental protection.

(5) In compliance with the related legal regulations and agreements, etc., we will address environmental protection.

(6) In order to realize the environmental policy, we have set out the environmental objectives and targets and carry them out thoroughly. We review the environmental objectives, targets, and plans once a year.

(7) We will strive for education and enlightenment to make it thoroughly known so that all employees and all persons working for the organization shall understand the policy and act accordingly.

(8) We aim at harmony and fusion with regional nature and coexistence. We also contribute to the region and society.

(9) The policy shall be published at the request of the public.

January 1, 2013
Hiroaki Shibano
General Manager

Environmental data & comment

■Reduction of greenhouse gas emissions
  • Energy Usage
    Main energy usage consists of electricity of 76% and heavy oil of 24%.
  • Greenhouse gas emission
    Greenhouse gas emissions have been gradually reduced since FY2010.

Status of Management of Chemical Substances

■Effective use of resources/ Reduction of waste
  • Amount of Generation of Waste
    From FY2006, we have continued complete zero emissions.
  • Landfill Amount of Waste
    In FY2007, we achieved a recycling rate of 100% and we have maintained that rate since.

■ Use of water
  The plant uses 240,000 tons of water a year. Sources consist of underground water of about 82% and city waterworks of 18%.

* Base year is defined as 1990 except for HFC, PFC and SF6, where the base year is 1995 as per the Kyoto Protocol.
* 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 FY2001, as the closing of accounts period was April–December, it is counted for January–December, by duplicating the data for January–March.
Environmental data & comment

Measures for Discharge into Water, Air and Soil

Data related to Water Contamination

The plant discharges waste water of about 480,000 tons a year into the Sonobe River.

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Soil Contamination

We conduct underground water analysis (shallow well) once a year and confirmed that the standard targets were within the laws and the ordinances of Omitama City.

Air Pollutants (NOx, SOx, Soot and Dust)

Measurement is made twice a year and we confirmed that the standard targets were within the laws and the ordinances of Omitama City.

For extra materials and auxiliary materials, we confirm the existence of 1st Class chemical substances by MSDS and we report once a year to the national government (Prefecture) the subject substances of which the handling amount is provided for in the PRTR Law.

Noise reduction

Once a month, noises are measured at fifteen places of the border of the premises of the plant and we confirmed that standard targets were within the ordinance of Omitama City (below 55db).

Safety Evaluation

<table>
<thead>
<tr>
<th>Substance</th>
<th>NOx</th>
<th>SOx</th>
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<td>Amount of emission (t/year)</td>
<td>28</td>
<td>20</td>
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Facility          Substances          Regulation          Self-imposed control value          FY2012 result

Ibaraki Plant

Bolier

Sulfur oxide emissions (K-value) 13 250 0.3
Nitrogen oxide density (ppm) 125
Soot and dusts density (g/m2) 63

*1: Amounts of 1 ton or more are listed (excluding dioxin). As for substances designated as Class 1 Specified Chemicals such as benzene, amounts of 0.5 tons or more are listed.

*2: Emission = Air + public water + soil

*3: Transfer = Waste + public sewage

*4: For the standards of the safety and health impact evaluation, please refer to the "Table of Safety Evaluation of Domestic Production Bases."

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Safety and Quality of our Products and Services

Communication with customers

We invite users, including construction machine manufacturers to the plant and have them visit the manufacturing site and confirm the quality and performance of products.

Response to complaints

If any complaints are raised about products, we quickly collect the actual item and investigate the causes and prepare reports to make a response satisfactory to the customer.

Human Rights and Labor Practices

Education on respect for Human Rights

At compliance workplace learning, we provide education mainly for human rights and labor issues.

Dealing with appropriate suppliers

We obtain the information of new business partners using an internal database and determine whether they are appropriate business partners, also considering their financial conditions.

Promotion of employment of people with disabilities

One disabled person is working actively.
Compliance Training

We comply with the following Purchase Ethics (Rules to be observed by the purchase staff)

1. Compliance with related laws and social public order Acts against public order and which would cause loss of social credibility will result in damage to the Company.
2. Modesty and Manners
   Autocratic attitude and condescending words and deeds would significantly damage the dignity and image of the company.
3. Arms'-length relationships
4. Fair transactions and judgment
   Treat all estimate submitters equally and shall not give specific information to a particular estimate submitter and conduct negotiations.
5. Fair transactions (prohibition of disloyal act)
   Not to commit any method or transaction, which would give an impression of betrayal or deception to counterpart.
6. Distinction between public and private
7. Confidentiality

“Code of Conduct” for employees of Yokohama Rubber Group
1. Provision of valuable products and services to society, acquisition of customers' satisfaction and trust
2. Fair, transparent and free competition, and appropriate trade
3. Reasonable disclosure of corporate information
4. Realization to make our employees affluent and wealthy
5. Proactive initiatives to environmental issues
6. Conduct as “Good Corporate Citizens”
7. Conservation of corporate properties and information
8. Contribution to international cooperation and regional development

Employees attend e-learning education offered by the Compliance Promotion Office.
We also provide education of “compliance workplace learning” mainly of previous cases.

Communication with business partners

With Material Procurement Department as the contact, we properly respond to opinions and requests from business partners.

Major opinions and complaints we had received and our responses

In 2012, we did not receive any particular comments or complaints.

Relationship with local communities

1. On June 2, we donated 90 seedlings of hydrangea to Omitama City, Takehara District and one employee participated in the planting.
2. On August 25, we set up a booth at Omitama City, Fureai Festival and donated 1,083 seedlings.
3. We address cleanup activities around the Plant and provide support for traffic safety during elementary school students commuting time.
4. We actively participate in regional festivals and open the baseball grounds to people in the region.

Factory tour and workshop

We accept plant visits of elementary and junior high school students. Please contact the following.
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Contact Person: Hidemasa Akiyama