

Third-Party Opinion

Continuing from the 2009 CSR Report, we received a third-party opinion from Mr. Hideto Kawakita, CEO of the International Institute for Human, Organization and the Earth (IIHOE).

The description herein refers to the opinions based on this report, a related website (<http://www.yrc.co.jp/csr/en/>), and also some hearings conducted with each personnel from YRC's Raw Material, Human Resources, General Affairs, Corporate Communications, and CSR Division. Suffice to say that YRC's various approaches toward CSR are steadily progressing with PDCA (Management cycle) especially with the reduction of environmental burdens.

Truly Commendable Areas

➤ Regarding the YOKOHAMA Forever Forest project (http://www.yrc.co.jp/csr/en/feature/feature_6-2.html), YRC has planted more than 180,000 trees with sufficient consideration towards the preserving and improvement of biodiversity both in their domestic and overseas offices within four years since its commencement. They nurtured the seedlings on their own, and also not only were 70% supplied internally in the fiscal year of 2010, but also in Japan, they have been providing more than 40,000 trees so far for municipal governments and other companies. I truly commend their program for contributing to society to preserve and improve the forest ecosystem and greeneries; without a doubt they deserve the highest standard of the world; meanwhile from now on, I expect them to establish a portal site called Members of Forever Forest Projects to introduce by incorporating other companies' cases who are engaging in similar approaches.

➤ Regarding Preservation of Biodiversity (<http://www.yrc.co.jp/csr/en/report2011/environment/biodiversity.html>), it is great that they conducted the preliminary studies of surrounding areas of their offices both in their domestic and overseas facilities. From now on, I expect them to continue to work on so that the preservation will progress by introducing their study results widely to employees, partners, and local residents, and also sharing the meaning of the richness of ecosystem.

➤ As for the basic structure of this report, it is also great that they introduce their approaches as their important items based on their seven core subjects of ISO26000. From now on, I expect YRC to introduce more details on various approaches done by both domestic and overseas offices within the Group, and to facilitate the Stakeholder Engagement required by ISO26000 by creating continuous opportunities to have a dialogue with NPO, etc. at primary sites of their businesses.

While Approving of Progression, Areas may need Improvement

➤ Regarding the CSR promotion system (<http://www.yrc.co.jp/csr/en/outline/group.html>), I think it is good that various approaches of a problem-solving-type started to take place by setting up mid-term targets before 2017; meanwhile, from now on, I expect them to facilitate to express specific goals, benchmarks, and policies through bottom-up approach from various sites both in Japan and overseas.

➤ Regarding reduction of environmental burden (<http://www.yrc.co.jp/csr/en/report2011/environment/>), I think it is also good that the reduction of environmental burden is being expedited through their products such as the launch of fuel efficient tire BluEarth, a common brand in the world, and increasing the usage of the ratio of recycled powdered rubber. At the same time it is worrisome that the generation of waste material and the emission of greenhouse gasses have greatly increased due to recovery in their production quantity compared to last year. From now on as well, I strongly expect them to facilitate with that.

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International Institute for Human, Organization and the Earth

IIHOE:

The International Institute for Human, Organization and the Earth is a non-profit organization established in 1994 for democratic and balanced development of all the lives on the earth. Although they mainly provide management support for citizens' groups and welfare workers, they are also heavily involved in providing CSR support for leading enterprises.

<http://blog.canpan.info/iihoe/> (Japanese language only)



Non-fixation of energy usage adjustable to the fluctuation of production quantity (Just-In-Time for Energy) by going thoroughly about with the visualization of challenges and methods, and also sharing the same support system among their divisions and overseas production sites.

➤ Regarding CSR with their partners

(<http://www.yrc.co.jp/csr/en/report2011/partner/>), I think it is also good with their approaches for the environment and human rights with their suppliers of more than 90% of trading value by implementing their self-evaluation sheet for them to visualize, also their co-research with regards to the usage of natural rubber under low-quality with Prince of Songkra University in Thailand. From now on as well, I strongly expect them to establish a supporting system to mingle with them for sharing, appraisal, and problem solving of actual cases in order to expedite the improvement on various approaches by their suppliers.

➤ Regarding the improvement of workplace to retain employees (<http://www.yrc.co.jp/csr/en/report2011/employee/employee4.html>), the percentage of The Yokohama Rubber Co., Ltd.'s employee who actually took the system for leave or shorter work hours to raise children or take care of the elderly remained at 0.53%. I expect them to establish an environment where everybody can continue to work while taking a break by introducing actual cases by those who have an experience of taking maternity leave. Also, I commend them for having enhanced their company doctors for the area of their mental care, and at the same time, I expect them to progress with their strategy to focus more on the prevention of any recurrence from them.

➤ As for the enhancement of a human resource portfolio as a global corporation in mid-term, I think it is good that they started taking actions on the consistent evaluation process as a group corporation for those who belong to managerial layer, meanwhile, from now on, I expect strongly so that the nurturing of the next generation of executive position shall be accelerated both in the headquarters and overseas offices

Areas Needing more Improvement

➤ Regarding the employment of persons with disabilities (<http://www.yrc.co.jp/csr/en/report2011/employee/employee5.html>), even though in a single month of the fiscal year of 2010 had outgrown its legally set ratio, it has kept declining in the numbers in recent months; in order to fulfill it early and continuously as an entire group, it is strongly encouraged to research how other companies are doing this and expand the positions that may be filled.

Upon Acknowledgement of Third-Party Opinion

Yokohama Rubber has expressed its desire to build a trusted identity as a contributing member of the global community as our management vision since 2008. Mr. Hideto Kawakita, Representative Director of IIHOE (International Institute for Human, Organization and the Earth) has been our great mentor in numerous areas such as the Follow-Up Meeting of the Hearing of the Seven Pillars of Critical Issues under ISO26000 and how to contribute to the society as a corporation as to relief effort of the Great Eastern Japan

Earthquake in the fiscal year of 2010. As for the preservation of biodiversity, we will continue to proceed by sharing the meaning of the richness of the ecosystem with our stakeholders. Following the previous year, we will also take very seriously the areas needing more improvement being pointed out by him. Especially, we recognize that the facilitation of the employment of disabled persons as a critical challenge of CSR and will go about this as soon as possible in a continuous way.



Kinya Kawakami

Director and Managing Corporate Officer, General Manager, Corporate Social Responsibility Division