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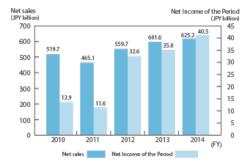
Yokohama Rubber Group at a Glance (as of December 31, 2014)

The Yokohama Rubber Group Co., Ltd.
October 13, 1917
JPY 38,909 million
JPY 625,245 million (consolidated)
December 31
Tadanobu Nagumo
Hikomitsu Noji
〒105-8685 36-11 Shimbashi 5-chome, Minato-ku, Tokyo, Japan

Number of Employees	21,441 (consolidated)
Number of Shareholders	9,349
Number of Shares Issued and Outstanding	342,598,162
Number of Consolidated Subsidiaries	120
Number of Affiliates Accounted for by the Equity Method	1
Stock Exchange Listings	Tokyo and Nagoya
Our Worldwide Locations	Japan, the USA, Canada, Australia, Germany, the Philippines, Vietnam, China, Thailand, Russia, etc.
Website	http://y-yokohama.com/globa

^{*} In order to be consistent with our overseas subsidiaries for consolidated accounting, we have decided to shift our financial closing date from March 31 to December 31 as of the fiscal year of 2011.

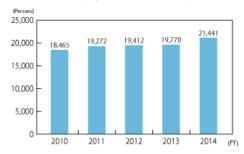
\ Net Sales and Net Income (consolidated) \rightarrow



⟨ Total Assets and Equity Ratio (consolidated) ⟩



< Number of Employees (consolidated) >



Economic Dividends to our Stakeholders

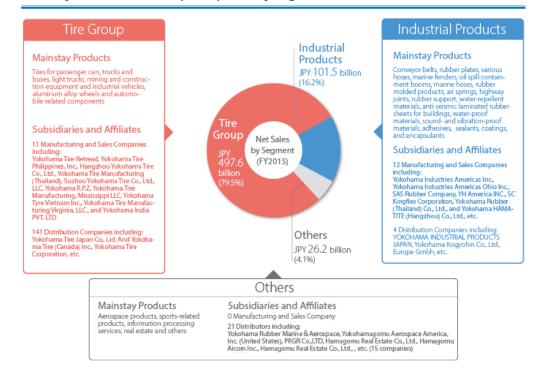
Stakeholders	Dividends Amo	`	Calculation Method	
	FY 2014	FY 2013		
Partners	287,037	270,477	Cost of Sales + Sales Admin Fee (excluding labor costs)	
Employees	52,403	49,966	Cost of Sales + Sales Admin Costs (labor costs)	
Shareholders	7,747	7,103	Payment of dividends	
Creditors	3,361	3,183	Interest expense	
Government	20,923	25,725	Corporate income tax, etc.	
Society	37	56	Donation (entertainment) and others <research and="" for="" high="" labs="" schools="" universities=""></research>	
Internal	25,579	24,914	Net income less dividend payments	
Total	397,087	381,424		

^{*} The figures for "Creditors" and "Government and administration" are for Yokohama Rubber on a consolidated basis, while the other figures are on a non-consolidated basis.

Financial Support Received from Government

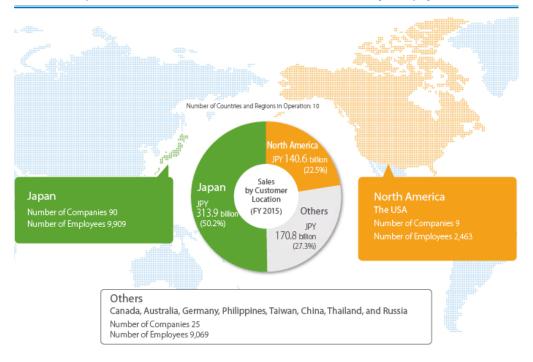
The total amount of the financial support for tax or subsidiary from national or municipal government in the fiscal year of 2014 was JPY 1.5 million from corporate tax relief due to donation expenses due to extraordinary amortization of assets under the regulations for peninsula development.

Mainstay Products and Group Companies by Segment



Breakdown of Operations by Region

Number of Companies: Consolidated Subsidiaries and Affiliates Accounted for by the Equity Method



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Corporate Philosophy and Yokohama Rubber Group's Approach to CSR

Yokohama Rubber established its corporate philosophy in 1990. It consists of the Basic Philosophy, Management Policies, Action Guidelines, and Corporate Slogan. The Basic Philosophy embodies the types of business where Yokohama Rubber commits itself in all activities. The Management Policies outline basic administrative principles for upper-level management to commitment themselves to. The Action Guidelines are the code of conduct for each employee to comply with.

In 2006, we drew up a medium-term management plan, the Grand Design 100 (GD100), and set a clear target of becoming a global company with one trillion yen in net sales by FY 2017. Also, since our Basic Philosophy has been compiled based on the strong awareness of the expectations and needs arising from the international community, the plan places a strong emphasis on CSR by adopting these two basic points; to assert worldclass strengths in technologies for protecting the environment, and fostering a customer-oriented corporate culture as our first priority by respecting higher standards of corporate ethics. In 2008, we reformed our corporate structure by establishing the CSR Division, followed by announcing our vision of CSR management both internally and externally. Our vision, to build a trusted identity as a contributing member of the global community, incorporates our desire to change the letter "R" in CSR to "Reliability", instead of the original "Responsibility." By doing so, we are hoping to make the concept more accessible and practical in our daily operations.

Incidentally, Yokohama Rubber still maintains the cautionary tale by Suekichi Nakagawa, who was president at the time of the inauguration of our Yokohama Plant (located in Tsurumi-ku, Yokohama City) in 1929 as our Founding Spirit. This tale comprises the balancing of both sociality and economic efficiency; it still greatly relates to today's notion of CSR management.

The Founding Spirit

- 1. Production business is a social service. Its purpose is to make people's lives more convenient and enjoyable. Its aim should be to offer good, useful products at moderate prices.
- 2. There must be a basic commitment to delivering quality products unrivaled by those of competitors.
- 3. Management should adhere to the principles of fairness and consideration. The mission of a fair, honest management is to ensure capital, share the fruits of endeavor with its workers, and fulfill its responsibilities to consumers to act, in other words, rationally.
- 4. A company should have as few employees as possible and make the best use of the productivity of machines. This is the great secret for improving efficiency.
- 5. The success or failure of a business depends on how much one is willing to study, and with how much determination, to mutually improve and grow. Accordingly, one must make a great effort.

Corporate Philosophy (Launched in 1990)

Basic Philosophy

To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advance technology to the creation of beneficial products

Management Policies

- Take on the challenge of new technologies to produce new value.
- Develop proprietary business fields to expand the scope of business
 Create a workplace that values, improves and energizes people.
- Deal fairly with society and value harmony with the environment

- Corporate Slogan

- Develop ourselves so that we may give our personal best.
 Trust, challenge and improve one another.
- Nurture a welcoming, open spirit.

Excellence by nature

CSR Management Vision (Launched in 2008)

To build a trusted identity as a contributing member of the global community.

• Identify continually changing social trends. • Ascertain the items that can contribute • Act swiftly to earn affirm trust. • Practice CSR in one's own work.

Yokohama Group Action Guidelines (Updated in 2014)

- 1. We shall respect human rights inside and outside the company
- We shall create workplaces that are safe and healthy
- 3. We shall harmonize our activities with the global
- 4. We shall provide safe and high-quality products and services
- 5. We shall conduct corporate activities with a high transparency and practice proper disclosure of information
- 6. We shall observe not only laws and regulations but also social norms
- 7. We shall aspire to harmony and prosperity with local communities

Yokohama Rubber Group Action Guidelines (See the entire document here (129KB)

Grand Design 100 (GD100) Medium-term Management Plan

GD100 Vision and Basic Policy
To mark the Yokohama Centennial in FY2017 we will evoke a distinctive global identity in building corporate value and in building a strong market presence.

Long-Term Financial Targets (FY2017) Net sales: ¥770 billion, operating income: ¥80 billion, operating margin: 10.4%

Basic Policy

Deliver the best products at competitive prices and on time. Assert world-class strengths in technologies for protecting the environment.
Foster a customer-oriented corporate culture that honors

rigorous standards of corporate ethics.

GD 100 and Our Approach to the Environment

Basic Policy

Following the principle of dealing fairly with society and valuing harmony with the environment, we shall assert our world-class strengths in technologies for protecting the environment.

- Continued improvement of environmental management.
- Action to combat global warming.
- Contributing to the creation of a sustainable recycling society.

Yokohama Rubber Group is committed to the Ten principles of the UN Global Compact and carries out the Plan-Do-Check-Act (PDCA) cycle following the framework of ISO26000.

UN Global Compact's 10 Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.





ISO26000 Seven Core Subjects

- Organizational governance
- Human rights
- 3 Labor practices
- The environment
- Fair operating practices
- 6 Consumer issues
- Community involvement and development

Medium-term Management Plan, the Grand Design 100 (GD100)

► GD100 Medium-term Management Plan

Environmental GD100

We are promoting CSR and environmental management by integrating environmental aspects and social aspects into GD100.

Environmental GD100

Our Stakeholders

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We have summarized the value provided to each stakeholder as "Yokohama Rubber's Important Issues."

Value provided to stakeholders

CSR and Environmental Management Promotion Framework

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CSR and Environmental Management Promotion Framework

CSR and Environmental Mid-term to Long-term Action Plans



The Yokohama Rubber Group sets medium to long-term targets and single year targets for each issue in line with the core issues of ISO26000, and conducts PDCA management on these issues.

ISO26000 Compliance Activity Report (843KB)

Participation in initiatives in Japan and overseas



Japan Association for the World Food Programme

Yokohama Rubber endorses the World Food Progamme (WFP) in undertaking to eradicate hunger and poverty and supports the activities of the WFP as a trustee.

Fun to Share Campaign

Yokohama Rubber has been participating and acting in accordance with Challenge 25, a national program to help prevent global warming that has been conducted since January 14, 2010. However, Challenge 25 has now been completed, and the new Fun to Share Campaign aimed at achieving a low-carbon society in response to climate change was launched from 2014. Yokohama Rubber has registered as a participating company and organization and made a declaration on the content of the initiatives.

〈 Yokohama Rubber Co., Ltd. 〉

Achieving a low-carbon society through fuel-efficient tires and environmental contribution products and activities.

"The declaration of Biodiversity by Keidanren" - Promotion Partners

Yokohama Rubber is in accordance with the idea of "The declaration of Biodiversity by Keidanren" and their promotion partners since 2009 to develop various approaches for the preservation of biodiversity. Basic policies and action guidelines have been set forth as "Yokohama Rubber's Guidelines on Biodiversity"

Japan Business Federation's "Action Plan for a Low Carbon Society"

Yokohama Rubber is in accordance with, and participating in various activities for Japan Business Federation's "Action Plan for a Low Carbon Society" under the vision of "Japanese industries playing a role as core functions with their technological strength in order to achieve our target which is to halve the greenhouse gas emission of the world in 2050."

WBCSD (World Business Council for Sustainable Development)

WBCSD refers to the unified association consists of top executives from global corporations in order to perform their leadership in their industry, have lively discussion, and propose policies with regards to the environment

and sustainable development. Yokohama Rubber is participating in the Tire Industry Project which is to conduct surveys pertaining to possible impact on the environment and health to be made by tires, and to promote various activities to save energies in the buildings and offices.



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The Global Reporting Initiative (GRI), an international non-government organization (NGO) that develops and disseminates globally applicable "Sustainability Reporting Guidelines", released the revised Version 4 of its GRI Guidelines (G4) in May of 2013. The content of G4 has shifted away from the "exhaustive disclosure of information" demanded previously. Instead, it demands the "disclosure of information that focuses on important issues (material aspects)". By deeper involvement of management in CSR activities, this development aims to have business proactively possess opinions, and for the content of information reported in CSR reports to be fixed. Because GRI shall demand the preparation of G4 rather than G3 reports from 2016 onwards, Yokohama Rubber is advancing preparations in accordance with the following steps so as to prepare for G4 reporting. With respect to the "important issues (materiality)" identified for this company, it is planned that such shall be reported upon both on the CSR Web and in the CSR Report 2015.

STEP1 G4 Gap Analysis



Focus was placed upon the G4 demands with respect to current information disclosure levels (CSR Report 2013). The current situation was grasped vis--vis the content and processes of both responsive and unresponsive items. (conducted January 2014)

2222	項目と責				ト2013のギャップ分析シート 解および禁忌が通常レベル △理解および禁忌が不十分 ×!	関示	なし
数字39 (D4)	プスペット GAIRORO	•	物師(04)	•	数据(GA) G内容(KD数)	•	いへの対象状況
ガバナンス	権略和よび分析	高計上び分音 G4-9			6 期間上で、この時間で終わる場合と、共和で開発に上降するためたの数据の 施定する機能の基準表決定ではこの。長年とした・ビルド等ととは最終的に 所用を扱って、 のプロドロでは、他に、制理が認定となりあるい。日本サインをは、特別が、業団の、も 合金料理、あるいは出きに何などでファイヤー、単位がから、人や開催としたの間の の機能をして、最初をいままった。とは、一般がから、人や開催としたの間の の機能をして、最初をいままった。と述べて表示すべきである。この声明では、 は、以下の内容を含むべきである。		・外部経営環境について、経済側面は触れられているが、環境や社会
			G4-2		。主要な影響、リスクおよび機会の技術を認定する 機会組織性、主要な影響、リスクおよび機会に関して、二つの整葉な記述制法	n+	〈セクション1〉について・自社の及任す者しい経済的、環境的、社会的影響について、全体を

STEP2 Issues Assigning G4 Gap Analysis Priority



Analysis was conducted in accordance with this company's industries, business sectors and business regions. After completion of this analysis, the G4 gap analysis priority was assigned vis--vis those issues identified through discussions with related business units. (conducted January - February, 2014)

Sample Evaluation

The "Supplier Environmental Evaluation" Aspect: For Yokohama Rubber, a company that procures natural rubber as a raw material, there is the necessity to consider that hidden human rights risks might exist within the upper reaches of supplier chains extending beyond its scope. Moreover, if wide-ranging business activities conducted in numerous regions encompassing both developed and developing nations are considered, such risks might be easily exposed. Through coordination in-house with the parties responsible for such matters, "human rights risk" was evaluated as being "a very important aspect" for Yokohama Rubber.

STEP3 Assigning an External Perspective G4 Gap Analysis Priority



Interview research was conducted among five stakeholders. From the perspective of what each of these individuals considered to be important issues (material aspects), a gap analysis priority was assigned based upon the research results. (conducted February - March, 2014)



Ms. Mariko Kawaguchi

Chief Researcher Research Division, Daiwa Institute of Research Ltd.

Ms. Kawaguchi has advised countless corporations on how to achieve a sustainable society from the perspective of corporate social responsibilities (CSR) and socially responsible investments (SRI).

I would like to draw attention to anti-corruption, in addition to those other important issues of human rights, diversity, equal pay, complaint processing systems, and the protection of customer's privacy. There is no dedicated government ministry in Japan that covers anti-corruption matters, and other countries pay much more attention to the issue of anti-corruption than we do in Japan. The UN Global Compact even has an independent provision on the issue. With globalization advancing today anti-corruption has become an even more important issue, and companies need to have a clear policy on anti-corruption and response measures in place.



Mr. Kenichi Kumagai

Member of the Editorial and Planning Committee, The Japan Association for Advancement of ILO Activities

Member of the International Drafting Committee Mr. Kumagai is actively involved in domestic and international deliberations on ISO26000 through its involvement as member of various committees. He is also a member of the Japan Labor Law Association.

Today, companies need to understand what parts of occupational safety and health and labor relations that society as a whole has an interest in and disclose information as necessary. For example, there is a strong interest in mental health initiatives among all companies. By disclosing that labor-management consultations have been carried out continuously, Yokohama Rubber will be able to correctly convey that it respects the rights of workers when expanding overseas. Additionally, the proactive appointment of female board members will be essential as Yokohama Rubber steps up its global expansion in the future.



Ms. Kaori Kuroda

Executive Director CSO Network Japan

Ms. Kuroda is an expert in community involvement and development. She established a regional forum with farmers and other community members in Fukushima Prefecture that is broadening exchange with other parts of Asia.

Today, a company should integrate social responsibility throughout the company and practice it in its value chain. For example, in areas that produce raw materials, such as rubber plantations, a company needs to pay a great deal of attention to human rights risks it may be susceptible to. A company must also convey that it has established a proper grievance mechanism for its own use and of its stakeholders. A company must be much more sensitive about human rights issues when expanding its operation globally.



Mr. Masao Seki

Associate Professor, School of Business Administration, Meiji University Senior Adviser on CSR, Sompo Japan Insurance Inc.

Mr. Seki was involved in the creation of ISO26000 as a representative of Japanese business. He also participates in various discussions on the topic of sustainable development at various international conferences.

An important perspective to keep in mind when expanding business operations into various regions is the extent to which the company contributes to local employment. Contributions to employment represent a topic of strong interest both in Japan and abroad and companies should be well aware of this. Additionally, educating consumers about sustainable consumption is another topic that must be remembered when aiming to realize a sustainable society. For example, Yokohama Rubber should tackle the challenge of communicating enhancements in its brand by appealing to consumers about its consideration of ecosystems and other matters.



Mr. Keisuke Takegahara

General Manager Environmental Initiative & Corporate Social Responsibility Support Department Development Bank of Japan Inc.

Mr. Takegahara lived in Frankfurt, Germany for a total of six years and is known as one of Japan's foremost experts in environmental finance, having development the Development Bank of Japan's environmental loan rating system.

In identifying important issues, a company needs to consider not only the unique characteristics of its location, but also the time frame. For example, a company may be aware of the regional risks and in control of these risks at the present time, but once the weight of emerging markets increases over the medium to long term, the risks that are currently under control could grow into much larger ones. In that sense, I would like Yokohama Rubber to get the message out about both its current issues and management reporting as well as its medium- to long-term vision and awareness of issues.

STEP4 Deciding Important Issues (Materiality)



Important issues were established for FY2014 based on the degree of importance analysis, research, and discussions conducted in Steps 2 and 3.

The important issues (materiality) identified are as follows.

We will focus on specific items among these and establish them as KPI as we work towards ongoing improvements by implementing the PDCA cycle.

Global environment	We challenge to build a sustainable society in harmony with the environment, to protect our blue planet and human beings.	 Materials Energy Water Biodiversity Emissions Products and services Environmental grievance mechanisms
Customers	We supply safe and secure products through manufacturing focused on the heart and technology.	 Customer health and safety Product and service labeling Marketing communications Compliance (Product liability)
Local communities	We build a trusted identity as a contributing member of the global community by making contributions to the development and prosperity of local communities.	 Market Presence Local communities Grievance mechanisms for impacts on society
Employees	We value and develop our people, and create opportunities for people.	 Occupational health and safety Training and education Diversity and equal opportunities Human rights grievance mechanisms
Shareholders and investors	We improve our company value by growing business opportunities.	■ Economic Performance
Business partners and suppliers	We promote CSR activities throughout the value chain.	 Supplier human rights assessment Supplier assessment for impacts on society Supplier environmental assessment Supplier assessment for labor practices Child labor Forced or Compulsory labor



Mr. Hiroki Uchida, Senior Researcher, Cre-en Incorporated

We supported Steps 1 through 3 from FY2013 to FY2014 in preparation for G4 support. Currently we are supporting the formulation of KPI in Step 4. While the completion of this will provide Yokohama Rubber with a structure for full-fledged CSR initiatives, we hope to continue well-balanced CSR initiatives without becoming overly satisfied with what has been achieved. We would like to create examples of initiatives unique to Yokohama Rubber in the areas selected for materiality through cross-company management and communicate these cases through information disclosure. In addition, by also continuing the initiatives up until now while conducting timely information disclosure in the areas selected for materiality, we aim to steadily improve the level of activities overall.

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