

Response to Outside Experts' Opinions

Yokohama Rubber took the following actions in response to the opinions expressed by outside experts Ms. Mariko Kawaguchi and Mr. Hideto Kawakita in discussions regarding CSR Report 2015. A selection of these actions is presented below.

Views and suggestions put forward by Ms. Kawaguchi and Mr. Kawakita	Yokohama Rubber's Response
Organizational Governance	
It is vitally important that, besides encouraging subordinates to take a responsible approach towards the specified materiality (important issues), senior management must also commit to these objectives, and the various measures must be linked together organically. In particular, because senior managers' commitment is seen as being especially important, attention must be paid to this point when undertaking disclosure.	The CSR Council and Environmental Council, both of which are chaired by the President, are held twice a year, and a framework has been put in place for relevant departments to formulate and review measures relating to the important issues that the Yokohama Rubber Group needs to tackle. In addition, matters that could have an impact on the Group's operations are reported to the Executive Committee, and then implemented once the Executive Committee's approval has been obtained. Furthermore, the Yokohama Rubber Group's commitments have been announced in the Chairman's Message and in the top-level interview.
It would be good to see Yokohama Rubber clarify "what," "when" and "how" it is doing in regard to achieving thorough visualization of the measures being implemented with respect to environmental, social and corporate governance (ESG). The key issue here is the extent to which transparency has been enhanced.	Yokohama Rubber Group is working towards the realization of building "a trusted identity as a contributing member of the global community." Information on the ESG-related positive and negative impacts of measures implemented by relevant departments are reviewed by the department head, the responsible director, the CSR department (compliance etc.), and by senior management, thereby ensuring accurate transmission of information.
Regarding materiality, clarification is needed as to precisely who particular issues are material to; this will require more precise, more concrete definitions of the targets of particular issues. With regard to the concept of being an enterprise that continues to be valued by society over the long term, there is a need to determine a priority order as to precisely who the company is important to.	Yokohama Rubber positions the global environment, local communities, customers, shareholders and investors, suppliers, and employees as our important stakeholders. In accordance with the principles and goals of the U.N. Global Compact, and in line with the framework prescribed by ISO 26000, we implement measures with regard to the important issues (materiality) that the company should be addressing, and strive to contribute to the resolution of social issues. We have established a priority order for the activities we see to implement; for example, with respect to customers we prioritize customer health and safety, with respect to suppliers we prioritize supplier human rights assessment, and with respect to employees we prioritize occupational health and safety, diversity and equal opportunities, etc. (see page 5).
The Environment	
As a tire manufacturer, ensuring a stable supply of natural rubber and synthetic rubber is a key issue for you. One would hope that you could find a way to explain to consumers, in an easy-to-understand way, the significance of your efforts to ensure efficient utilization of resources.	We are currently working to reduce the weight of our products, and to manufacture them using the smallest possible quantity of resources and with the greatest possible potential for recycling and reuse. In this way, we can help to improve vehicles' fuel economy while also contributing to the prevention of global warming through the reduction in carbon dioxide emissions. In addition, because countries and regions in different parts of the world have different road surfaces and different climatic conditions, we are working to raise awareness of the need to check one's tire pressure on a regular basis. Also, as part of our efforts to ensure that used tires are properly disposed of, we monitor the status of illegal tire dumping, and we try to ensure the implementation of recycling systems that reduce the amount of waste generated by ensuring effective utilization of resources. We also endeavor to spread awareness of these products and services in an easy-to-understand way.
Fair Operating Practices	
As a continuation of its ambitious overseas expansion strategy, Yokohama Rubber is now attaching considerable importance to M&A activity. It would seem to be important to evaluate the firms with which Yokohama Rubber forges tie-ups from an ESG perspective, and to identify the potential risks that linking up with these firms may bring.	In line with our goal of being an enterprise that plays a valued and irreplaceable role in society, we and the companies that we join up with do implement mutual appraisal from an ESG perspective, and work to build mutual trust, so as to facilitate the sustainable development of the Yokohama Rubber Group.
Consumer Issues	
Rather than merely viewing CSR as a means of safeguarding oneself against risk, it would seem to be advisable for Yokohama Rubber to aim at creating value through the adoption of a more proactive approach towards reducing the burden on the environment and enhancing safety.	The single biggest impact that tires have on the environment is the carbon dioxide emissions generated when the vehicle to which the tires are attached is in motion. With this in mind, we are endeavoring to spread awareness of the importance of having all vehicles fitted with low-energy-consumption tires, which not only help to save energy but also make for safer driving in rainy weather.
It would be seem to be important for Yokohama Rubber to spread awareness of the positive benefits to society from the company's contribution towards safer and more energy-efficient "driving, turning and braking."	Regarding tire performance, we inform customers of the level of performance that our tires provide with respect to rolling resistance and wet-grip performance; we are continuing to implement measures to spread awareness among consumers of the need to fit the most appropriate type of tire for each particular vehicle, and of the need to ensure that the tire pressure is correct.
Would it not be a good idea for Yokohama Rubber to prioritize helping elderly drivers in Japan's Tohoku Region to cope with the need to drive in snowy conditions, so as to ensure that senior citizens in this region can maintain their mobility safely?	We view helping senior citizens and people living in under-populated, remote areas to drive safely as an important social issue. We share information with local government authorities and related organizations, and we are examining ways to help arrange tire checks and tire replacement service for senior citizens; although our contribution so far has been less than we could have hoped, we have also been providing winter tires for the use of senior citizens.