

Organizational Governance

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Policy

Yokohama Rubber believes that considering the sustainability of society and companies in decision making and execution is important in order to achieve the Corporate Philosophy of "To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products." In addition, Yokohama Rubber makes various efforts based on appropriate corporate governance when addressing the core issues of human rights, labor practices, the environment, fair business practices, consumer issues, and community participation and community development. Along with this policy, the actions that should be taken by employees are stipulated in the Yokohama Rubber Group Action Guidelines.

Yokohama Rubber Group Action Guidelines

We shall conduct corporate activities with a high degree of transparency and practice proper disclosure of information.

〈 Basic stance of the Yokohama Rubber Group 〉

1. We shall conduct corporate activities with a high degree of transparency, in keeping with our Corporate Philosophy.
2. We shall make effective use of our corporate assets and heighten our corporate value.
3. We shall make systemic arrangements for ever-vigilant monitoring of risks surrounding the Yokohama Rubber Group, deal promptly with such risks, and constantly review these arrangements.
4. We shall establish standards for business processing and see that they are rigorously applied for correct performance of such processing.
5. We shall practice timely and appropriate disclosure of information on our business results, financial position, and business activities to our stakeholders, and engage in open and fair communication with them.

〈 Putting our basic stance into practice – our action 〉

1. We shall treasure the tangible and intangible assets of the Yokohama Rubber Group, including our reputation and brand, and strive to heighten our corporate value.
2. We shall exclude any and all ties with anti-social forces.
3. We shall be on guard against risks in our midst that could lead to disasters, scandals, and accidents, and deal promptly and appropriately with any related occurrences.
4. We shall obtain personal information on our customers, third parties, our employees, and other persons as well as confidential information on our customers and third parties, only by legitimate methods. In addition, we shall strictly manage any such information, utilize it only within proper scope, and carefully protect it.
5. We shall properly manage exports in accordance with the laws and regulations in the host countries and regions.
6. We realize that the pool of information acquired through our work includes some important undisclosed information otherwise known internally or only within the other organization. We shall properly manage all such information. We shall not engage in any buying or selling of stock etc. using such inside information.

Message from a manager

With the aim of having our management continue to maintain unshakeable credibility, Yokohama Rubber Group is making every effort to fortify and improve the support system needed to establish corporate governance that can realize management with transparency and fairness under our Corporate Philosophy.

In FY2017, we proceeded with the preparations – in terms of information collection, decision-making, etc. – needed to realize a further strengthening of our business foundations, and it was decided that, starting from March 2018, the number of Directors would be reduced, while at the same time adding one additional Outside Director. In addition, we strengthened the diversity of the board of Directors by appointing a female Outside Audit & Supervisory Board Member and appointing one Corporate Officer each from the U.S.A. and India. The current management structure of Yokohama Rubber consists of 6 Internal Directors including the Chairman and President with representation rights, and 4 Outside Directors, for a total of 10 Directors, as well as 15

Corporate Officers, along with 2 Audit & Supervisory Board Members and 3 Outside Audit & Supervisory Board Members.

Recognizing the need to clarify the managerial responsibilities of Directors, Yokohama Rubber has set the term for Directors at one year, and has adopted a system whereby, for Directors other than Outside Directors, compensation is linked to corporate performance. In addition, starting from 2018, we have adopted a new compensation system with restrictions on share transfer, so that Directors share the benefits and risks of fluctuations in the share price with ordinary shareholders, and have an increased incentive to contribute towards the enhancement of corporate value.

We aim to improve the transparency and fairness of management by enhancing initiatives aimed at strengthening the corporate governance structure going forward.

Shigeo Komatsu, Head of Corporate Administration Division

Data summary

[Organizational Governance \(495KB\)](#) PDF

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Corporate Governance Support System



Our support system of corporate governance is on top of various organizations stipulated under Companies Act (General Shareholders' Meeting, Representative Director, Board of Directors, Board of Auditors, and Accounting Auditors). We have also deployed a Corporate Officer System in order to ensure prompt management decision making and execution of work operations by making clear the supervision of our management and execution of work operations.

Also, in order to fortify strategizing functions in our top management, we conduct deliberation to understand the current status of various business schemes and business strategies by holding Management Meetings, with our Directors as core members. The Chair of the Board Meeting is our Chairman, who cannot serve as a Corporate Officer at the same time. Furthermore, at the 142nd Ordinary General Shareholders' Meeting held on March 29, 2018, the appointment of four External Directors was approved, and the number of Directors was reduced from 12 to 10.

The attendance rate of Internal Officers at meetings of the Board of Directors in 2017 was 100%, and the attendance rate of External Officers was as follows.

FY2017 attendance status

		Board of Directors	
		Number of times attended	Attendance rate
Director	Naozumi Furukawa	14/14	100.0%
Director	Hideichi Okada	12/14	85.7%
Director	Nobuo Takenaka	13/14	92.9%
Audit & Supervisory Board Member	Yoshiki Sato	12/14	85.7%
Audit & Supervisory Board Member	Akio Yamada	12/14	85.7%
Audit & Supervisory Board Member	Atsushi Kamei	13/14	92.9%

* Positions as of March 29, 2018.

* Please refer to the section on officers in [the annual report and Directors, Audit & Supervisory Board Members, and Corporate Officers \(available only in Japanese\)](#) for the career history and scope of responsibilities of officers.

Reasons for the selection of Outside Directors and Outside Audit & Supervisory Board Members

- Naozumi Furukawa
Naozumi Furukawa will have served as the Company's Outside Director for a period of four years as of the conclusion of the 142nd Ordinary General Shareholders' Meeting, and during this period he has expressed his opinion and provided advice based on an extensive knowledge of corporate management, accounting, and finance. He has been selected as a candidate for Director so that we can continue to incorporate his abundant experience and insight as an officer of Zeon Corporation in corporate management. Note that he served as the Company's Outside Audit & Supervisory Board Member for a period of seven years and nine months starting from June 2006.
- Hideichi Okada
Hideichi Okada will have served as the Company's Outside Director for a period of five years as of the conclusion of the 142nd Ordinary General Shareholders' Meeting, and during this period he has expressed his opinion and provided advice from an international perspective based on his wealth of experience working at government agencies and his corporate management experience at a leading Japanese company in the petroleum exploration business; he has fulfilled the role expected of him as an Outside Director (by monitoring the company's operations from a neutral stance independent of the company's management team, helping to ensure that the Company's business decisions are not unduly affected by internal biases).
He has maintained his independence, with no incidents that could have been deemed to be in conflict with the interests of ordinary shareholders, as defined by the Tokyo Stock Exchange.
- Nobuo Takenaka
Nobuo Takenaka will have served as the Company's Outside Director for a period of two years as of the conclusion of the 142nd Ordinary General Shareholders' Meeting, and during this period he has expressed his opinion and provided advice based on his abundant experience and insight as an officer of a leading homebuilder company and its group companies in corporate management

for many years; he has fulfilled the role expected of him as an Outside Director (by monitoring the company's operations from a neutral stance independent of the company's management team, helping to ensure that the Company's business decisions are not unduly affected by internal biases).

He has maintained his independence, with no incidents that could have been deemed to be in conflict with the interests of ordinary shareholders, as defined by the Tokyo Stock Exchange.

■ Yoshiki Sato

Yoshiki Sato has utilized his extensive experience and deep insights acquired as a manager at a financial institution and as an outside director of other companies to participate actively in board meetings etc. by addressing frank questions and expressing his opinions; he has fulfilled the role expected of him as an Outside Director (by monitoring the company's operations from an external perspective, thereby helping to ensure the soundness of the Company's management and enhance the transparency of its operations).

He has maintained his independence, with no incidents that could have been deemed to be in conflict with the interests of ordinary shareholders, as defined by the Tokyo Stock Exchange.

■ Akio Yamada

Akio Yamada has effectively utilized his specialized knowledge and insight gained through experience at government agencies and his experience as an Outside Audit & Supervisory Board Member at other companies to contribute to our Company's auditing and the strengthening of our audit system.

He has maintained his independence, with no incidents that could have been deemed to be in conflict with the interests of ordinary shareholders, as defined by the Tokyo Stock Exchange.

■ Atsushi Kamei

Atsushi Kamei has effectively utilized his experience and management perspective gained as an executive and CEO of Ito-Yokado Co., Ltd., which has been a leading company in the distribution sector in Japan for many years, to further strengthen our Company's audit system.

He has maintained his independence, with no incidents that could have been deemed to be in conflict with the interests of ordinary shareholders, as defined by the Tokyo Stock Exchange.

The Board of Directors' Meeting was held 14 times in fiscal 2017, and 65 proposals were deliberated.

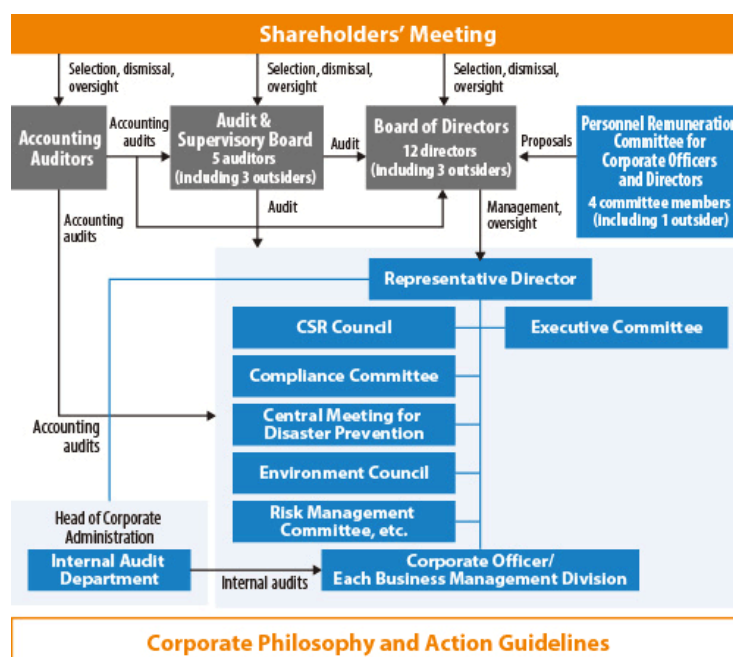
In addition, we seek and incorporate the opinions of institutional investors in matters including proposals at the General Shareholders' Meeting for Outside Officers, proposals on dividends and the Corporate Governance Code, and proposals regarding the Stewardship Code response policy.

Under our systems, Audit & Supervisory Board Members can get know the status of our business operations by attending various important meetings or committees such as the Management Meeting, and the Internal Audit Office that serves as an independent organization conducts internal audits of each business to check that operations are being conducted properly.

We have three pillars in our auditing system: the audits done by our Audit & Supervisory Board Members who supervise work execution by our Directors, accounting audits done by our independent accounting auditors as external audits, and finally, the audits done by our Internal Audit Department for work operation by our each corporate division and group companies, plus accounting audits. They function by maintaining each other's independency; by establishing the three pillars of the audit system, our Audit & Supervisory Board Members can fortify the function of Audit & Supervisory Board Members by obtaining information from our Accounting Auditors and Internal Audit Department in a timely manner.

Also, in order to secure transparency and fairness in relation to the appointment and various benefits of our Directors, we determine them at the Board of Directors' Meeting by establishing a voluntary Personnel/Remuneration Committee for Corporate Officers and Directors followed by our review.

The Personnel/Remuneration Committee for Corporate Offices had three Members (of which one was an Outside Member) during the fiscal year from April 2017 to March 2018, and four Members (of which two were Outside Members) during the fiscal year from April 2018 to March 2019. As required by law, all transactions by directors that could be deemed to have conflict of interest implications and all transactions involving competitor firms were subject to approval by the Board of Directors, with the results being reported at Board Meetings.



The structure is as of March 29, 2018.

Improvement of our Corporate Governance System



We have made resolutions under the “Basic Guidelines for Corporate Governance in Accordance with the Companies Act” during our Board of Directors’ Meeting in May 2006. Not only do we follow up with their activity status every year, we also keep making further enhancements such as our review by aiming for clearer description of the “Guidelines of the Elimination of Anti-Social Behavior” in April 2009 and re-establishment of the Basic Guidelines following the revision of the Companies Act in June 2015. Also, to comply with the J-SOX Law effective from the fiscal year of 2008 (evaluation of support system for financial account in accordance with Financial Instruments and Exchange Act), it has been confirmed that our corporate governance system is effective both in internal and external evaluation in the fiscal year of 2017. We will continue to make improvements on this aspect as well in order to maintain sustainable and effective functionality .

Remuneration for Corporate Officers and Directors



Candidates for Directors and Audit & Supervisory Board Members are selected by the Personnel/Remuneration Committee for Corporate Officers and Directors that incorporated Outside Officers as members as of 2016, submitted to a resolution by the Board of Directors, and then submitted to approval by the General Shareholders’ Meeting. With regard to remuneration, transparency and fairness are secured by the Personnel/Remuneration Committee for Corporate Officers and Directors, and remuneration is decided on by the Board of Directors. Regarding the remuneration of Audit & Supervisory Board Members, the Board of Directors has established a policy of “determining remuneration by Audit & Supervisory Board Members after deliberation by the Board of Directors in order to ensure the transparency, fairness, and independence of audits.” It was 643 million yen for fiscal 2017. We seek the opinions of stakeholders through means such as a shareholder questionnaire and the “Contact Us” page of our official website.

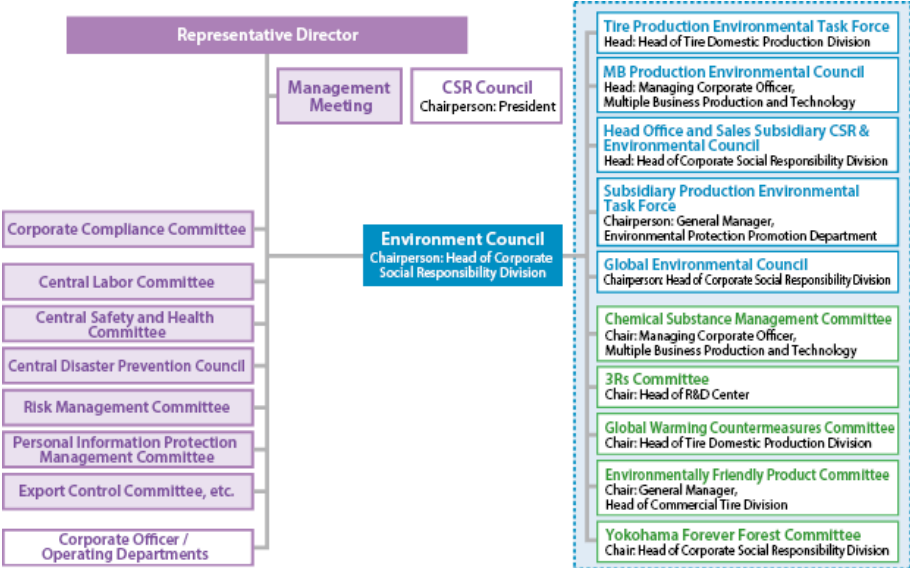
Details of executive remuneration

Executive category	Total remuneration (Million yen)	Total by type of remuneration (Million yen)			Number of applicable executives (persons)
		Basic remuneration	Bonus	Retirement allowance	
Directors (excluding Outside Directors)	542	397	145	-	12
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	58	46	12	-	2
Outside Officers	43	43		-	6

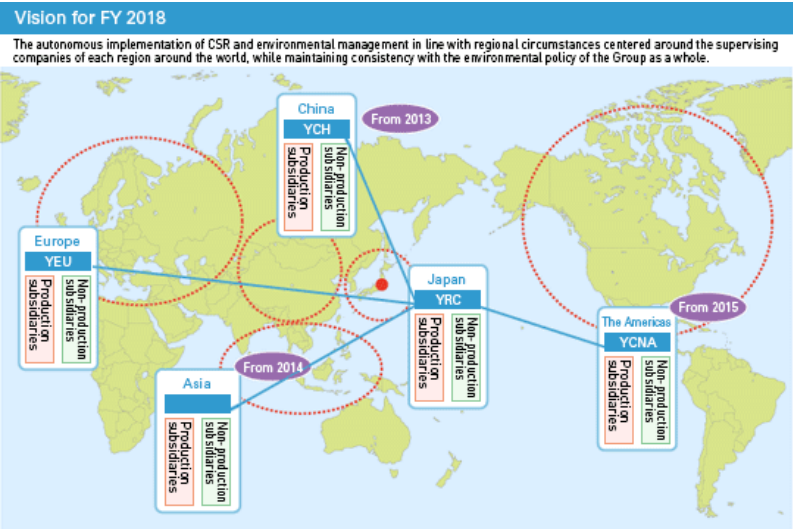
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CSR and Environmental Management Promotion Framework

Twice a year, we hold a CSR Council where our President serves as a chairperson, and an Environmental Council where our company President serves as a chairperson, as part of an organizational framework that was set up to discuss and develop plans for addressing the social responsibility issues that Yokohama Rubber Group is currently facing. Organizations including the Corporate Compliance Committee, Environment Council, Central Labor Committee, Central Safety and Health Committee, and Risk Management Committee have been established under the CSR Council, with responsible officers serving as the chairperson as a structure to deliberate various issues. Matters with a material impact on management are submitted to the Management Meeting for approval. We have three task forces, two sub-councils, and five committees that promote environmental activities as sub-bodies within the Environmental Council. The CSR Council and Environmental Council evaluates the performance of CSR activities carried out by the Group in accordance with the critical issues of the Yokohama Rubber Group and develops plans for improvement in the subsequent fiscal year. We aim to realize consistent, high-level environmental management in all our operations worldwide, and we work to promote effective area management; in fiscal 2017, Environment Councils were held in the China area and North America area.



CSR and environmental management promotion framework (as of March 29, 2018)



In order to build a trusted identity as a contributing member of the global community, Yokohama Rubber Group acts in accordance with the Yokohama Rubber Group Action Guidelines together with its stakeholders, which include customers, shareholders and investors, business partners and

suppliers, and employees.

To this end, the Yokohama Rubber Group has specified the following critical issues in reference to benchmarks including the GRI Guidelines and ISO26000, and conducts activities in response as the Critical Issues of the Yokohama Rubber Group.

As a company with a trusted identity as a contributing member of the global community, the Yokohama Rubber Group creates and provides to society the following forms of value while implementing the strategy of the GD2020 medium-term management plan based on the Action Guidelines, in order to move forward together with stakeholders.

For more information about the GD2020 medium-term management plan, see the “[Investor Relations](#)

” section of the Yokohama Rubber corporate website.
For more information about our CSR measures, see the section of the Yokohama Rubber corporate website that outlines our “[Caring for the Future](#)” CSR vision.

Environmental Management System



Enforcement of Global Environmental Management Based on ISO14001

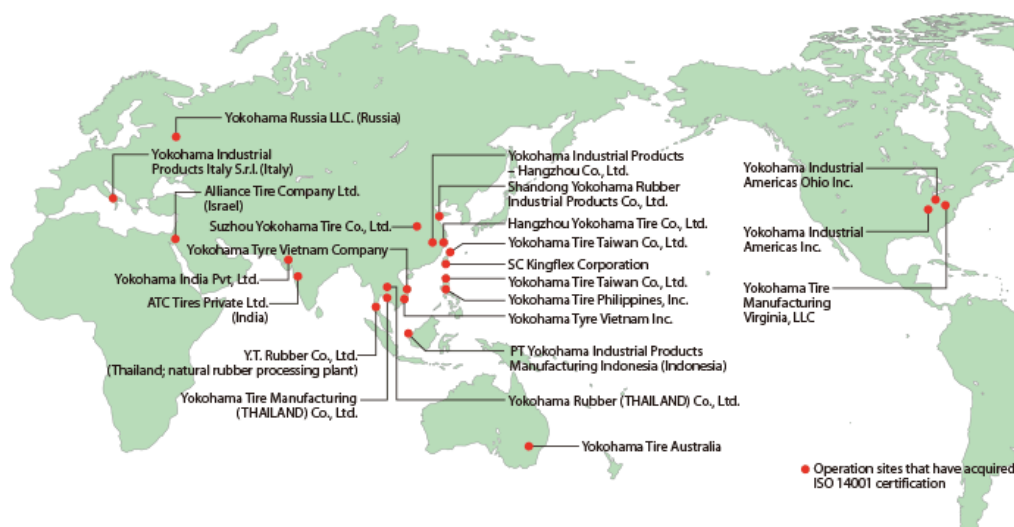
We aim to maintain high-quality environmental management under the same standard both in domestic and overseas group companies; thereby we have positioned ISO14001, which is the international Environmental Management System standard, as the basis of our management. We are trying to get all our operation sites to obtain ISO14001; so far, a total of 16 operation sites in Japan, comprising nine from Yokohama Rubber and seven from our group for domestic operations have obtained it, whereas overseas a total of 22 operation sites of 17 group companies have been certified.

It should be noted that during fiscal 2012, ISO14001 integrated certification was acquired for the integrated environmental management of Yokohama Rubber’s ten production bases and the head office, reflecting the high level of homogenization.

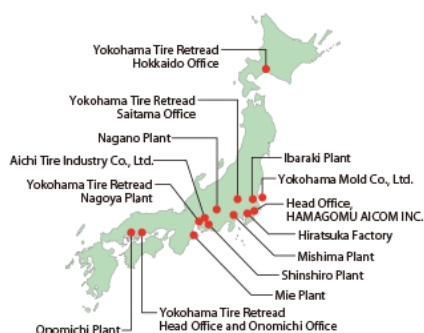
In addition, our non-manufacturing sites are promoting environment management in accordance with the ‘CSR Environmental Management Guidelines’ and our approach to the environment.

The Yokohama Rubber head office and systems company in Japan and Group distribution subsidiaries in Australia and Taiwan have acquired ISO14001 certification, under which they are further advancing their environmental management.

Overseas business locations that have acquired ISO14001 certification



◁ Japanese business locations that have acquired ISO14001 certification ▷



As of September 2018

■ Execution of Comprehensive Environmental Audit

We are conducting audits as to continual progression for improvement on the management system of environmental management, improvement on the environmental performance, and minimizing environmental risks per operation unit by conducting internal audits of business locations as a first-party audit, corporate wide environmental audits by the Environmental Protection Promotion Department, and an external audit as a third-party audit every year (all audits are based on ISO14001).

Also, our Environmental Protection Promotion Department is checking and verifying the score of self-evaluation at each business site in accordance with CSR Environmental Management Guidelines for domestic distribution companies within our group.

There were no indications of any violation of environmental legislation among all the auditing items in fiscal 2017.

◁ Internal Audit ▷

According to our manual of ISO14001:2015, we conducted a difference analysis at all our operation sites in fiscal 2016 as well. Through our internal audit, we work to continually improve the level of our environmental management system. We conducted our audit not just to operate and maintain our environmental management system, but also by setting our common themes as whether our system is duly functioning for our purposes, whether each member of our group is walking the talk by reviewing and setting up the guidelines, purposes, and target by shifting more focus on the reduction of environmental burden in an even more proactive manner during their normal business activities.

◁ Company-Wide Environmental Audit ▷

In order to make overall improvements to environmental management and work towards the cross deployment of key issues, corporate wide environmental audits are conducted by the Environmental Protection Promotion Department.

In fiscal 2017, we conducted internal audits based on the positioning for fiscal 2015, and we worked to improve the level of chemical substance control and response to environmental risks, focusing in particular on our production and development sites.

Also, we focused on the promotion of various activities to contribute to society from the perspective of CSR and the level of communication with stakeholders, including local residents, in the audit.

◁ External Audit ▷

During fiscal 2017, an integrated EMS certification registration audit was conducted by an ISO audit registration organization that covered all of the group's Japanese production bases and its Headquarters, and as a result we successfully transitioned to the 2015 version of ISO14001.

While no nonconforming items were found in the audit, we strove to make continuous improvements.

Audits were also conducted at overseas group companies.

In response to the introduction of the revised ISO14001:2015, transitional audits have been conducted at overseas group companies as well, and completed within the specified time period for transition.

Following the completion of transition at the group's Japanese production bases and its Headquarters, transition is now also being conducted at overseas production bases.

| CSR and Environmental Training

We have incorporated CSR and environmental training as one of the subjects to be studied by recent graduate hires and mid-career hires. In addition, a CSR and Environmental Knowledge Course (Beginner) was held for technicians and staff members who have been with our company for two to three years in Techno College personnel training. In addition to learning about the environment in general, education on biodiversity conservation including a river monitoring experience was provided. A total of 28 persons participated in fiscal 2017. Furthermore, we held a CSR and Environmental Knowledge Course (Intermediate) for employees that have been with the company for about ten years. The course, which had 30 participants, covered knowledge and environment relating to the U.N. Sustainable Development Goals (SDGs) and Environmental, Social and corporate Governance (ESG) focused investment, and a comprehensive range of CSR topics, including compliance, corporate governance, etc.

In addition, in order to ensure that our managerial and supervisor level employees thoroughly understand ISO14001, we are conducting training classes for environmental internal auditors. Including 60 personnel who have completed this course to get certified in fiscal 2017, currently a total of 2,122 personnel have been registered and are already active as our internal auditors. We conducted skill improvement seminars to further improve the levels of employees with internal auditor qualifications. We provided training on ISO14001:2015 audit methodologies for a total of 800 environmental operations employees and lead auditors.

| Enhancement of Education Activities

As part of our environmental education activities, we conduct improvement activities by getting involved with all our personnel by sending our President's message to all our employees in the Energy Saving Month in February and the Environment Month in June every year. For our Environment Month in June, we encourage our employees to provide environmental slogans and environmental posters. In fiscal 2017, we received 5,230 entries for slogans and 105 entries for posters in Japan and 2,603 entries for slogans and 475 entries for posters overseas.

Environment Month 2017 Eco Poster Excellent works



President's Award for Environmental Contribution

As a part of our strategy to raise awareness and enlighten with regard to the environment through our operations, we have established a President's Award for Environmental Contribution system. The fields for the award consists of a Factory Award for the production group, a Products Award for the groups of development and designing of environmentally-friendly products, and an Office Award for secretarial groups such as sales and administrative teams, as well as a Special Award that has been established for especially unique product development efforts and initiatives. We select these upon screening and reviewing as to their activities for the past one year per case description of their field from all our groups of our entire corporation. The award winning groups from each award will receive the certificate from our President every year. By implementing this President's Award for Environmental Contribution, it is evident that all our employees can have an even better awareness of getting involved with environmental contribution from their daily operation work.

Fields of Environmental Contributions Award			Winning Groups
Office Award	Top Award for Excellence		Yokohama Tire Japan Co., Ltd. Yamanashi Company
	Special Award		Yokohama Tire Japan Co., Ltd. Nagano Company
Product Award	Top Award for Excellence	iceGUARD iG60	Tire Designing Dept. No. 1 Tire Materials Development Dept. No. 2 Tire Materials Development Dept. No. 3
	Special Award	IHX (Internal Heat Exchanger)	Hose and Couplings Engineering Department
Factory Award	Top Award for Excellence		Ibaraki Plant
	Special Award		Suzhou Yokohama Tire Co., Ltd.

Environmental Accounting

Environmental conservation costs

Calculated since fiscal 2013 with the Head Office and domestic production bases as a boundary in reference to the environmental accounting guidelines issued by the Ministry of the Environment.

*(Millions of yen)

Item	Major initiatives	FY 2016		FY 2017	
Business area costs		Investments	Costs	Investments	Costs
Pollution prevention costs	Installation of deodorization equipment, supporting CFC regulations, etc.	368	25	475	24
Global environmental conservation costs	Compressors, air conditioning renewal, adoption of hybrid forklifts , etc.	587	18	629	11
Resource recycling costs	Costs related to waste segregation and processing	0	393	0	433
Upstream and downstream costs	Expenses for reuse of tire bladders and plastics liners for rubber take-up	0	36	0	29
Management activity costs	EMS maintenance, management, and information disclosure costs	0	204	0	179
Research and development costs	Research and development costs for reducing the environmental burden	3,004	11,383	2,776	12,198
Social activity costs	Tree planting activities in areas affected by the Great East Japan Earthquake, social contribution activities, etc.	0	7	0	14
Environmental remediation costs	Reserves for PCB processing, etc.	0	98	0	76
Subtotal		3,959	12,164	3,880	12,964
Total		16,122		16,844	

Economic effect

※(Millions of yen)

Type of effect	Major initiatives	FY 2016	FY 2017
Profits	Profits gained from wastes and recycling from business activities	5	66
Cost reduction	Cost reductions through energy conservation	381	262
	Cost reductions through the use of recycled products	173	1,924
Total		560	2,253

Environmental conservation effects

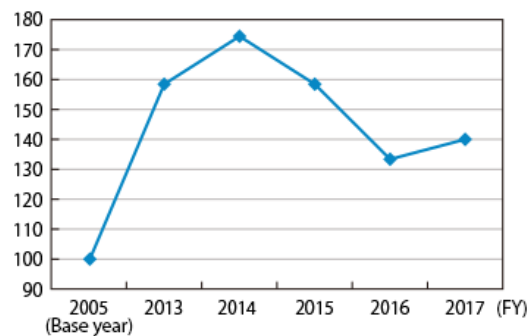
Type of effect	Year-on-year reduction	
	FY 2016	FY 2017
Greenhouse gas emissions (thousand tons, CO ₂)	-14.5	1.4
VOCs emissions (tons)	12.35	54.7
Waste reclamation quantity (tons)	0※	0※
Waste emissions (tons)	1,312	-879.1

* Zero emissions achieved domestically in FY 2010

Environmental efficiency

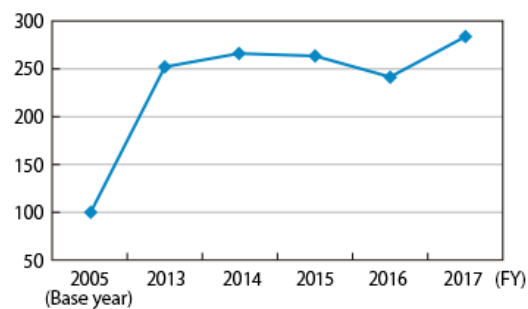
Greenhouse gas indicator

Index of sales/greenhouse gas emissions, with a value of 100 for the base year (FY 2005)



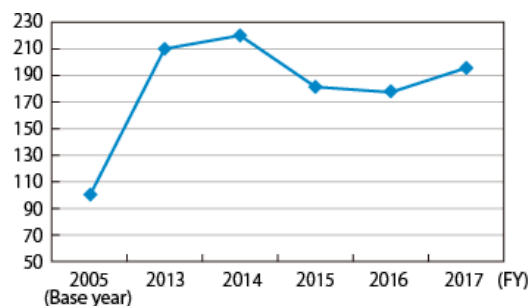
VOCs indicator

Index of sales/VOC emissions, with a value of 100 for the base year (FY 2005)



Industrial waste emission indicator

Index of sales/industrial waste emissions, with a value of 100 for the base year (FY 2005)



Risk Management

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Risk Management System

In order to strengthen our defense system against various risks in our operating environment, we have established a Risk Management Committee headed by the executive supervising CSR to manage risks in a cross-sectional manner and handle properly anything that may have a significant impact on the management of our company. Furthermore, in response to the specific individual risks involving compliance, safety, disasters, information security, and export management, we have established committees and councils including the Corporate Compliance Committee, Central Safety and Health Committee, Central Disaster Prevention Council, CSR Council, Environment Council, Information Security Committee, Personal Information Protection Management Committee, and Export Control Committee. We have prepared and developed regulations, guidelines, and manuals for implementing risk management, and we also conduct education and training activities. The status of the activities of each of these committees and councils are reported to the Management Meeting as appropriate and reported to the Board of Directors when deemed necessary.

The following meetings were held in FY2017:

1. Risk Management Committee	Met three times
2. Personal Information Protection Management Committee	Met twice
3. Export Control Committee	Met twice
4. Information Security Committee	Met twice

While reports were made to the Board of Directors for issues requiring advanced management decisions, there were no risk issues reported to the Board of Directors in fiscal 2017. Going forward, we will not neglect our daily activities, and we will implement the PDCA cycle by identifying possible risks, considering countermeasures, notifying the parties involved, and conducting verification.

Review of FY 2017 Activities

Verifying employee safety

A system for verifying employee safety was adopted in 2009, and has been implemented continuously since then.

The O.E. Tire Sales & Marketing Division, which is responsible for sales of tires to automotive manufacturers for fitting to new vehicles, implements safety verification training for relevant personnel several times a year.

Yokohama Tire Japan Co., Ltd. , which sells vehicle tires and related products, also carries out safety verification training for its employees based on a disaster scenario.



Training in progress at the Sales and Marketing Division office in Kanto-Koshin region.

Being prepared for a disaster (database activation)

In FY2017, data regarding the current implementation status of the stockpiling of emergency supplies at individual business sites, evacuation training to ensure readiness in the event of a disaster occurring, and first-aid training using automated external defibrillator (AED) equipment, etc., was collated in the form of a unified database.

This has facilitated the restocking of emergency supplies of which there was a shortage, and made it possible to add new items where needed.

We have also been able to verify the content and frequency of emergency evacuation drills, and the

number of people participating, to ensure that personnel can respond promptly in the event of a disaster.

In FY2017, besides re-confirming that business sites have several days' worth of water, food etc. stockpiled, we also began preparations to enable us to act as an emergency evacuation location for local residents in the event of a disaster.



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Basic Stance Towards Compliance

In order to respond effectively to the increase in risk that has accompanied globalization, in July 2017 the Yokohama Rubber Group Competition Law Compliance Policy and Yokohama Rubber Group Anti-corruption Policy were approved by the Board of Directors and came into effect. By announcing these new policies both in Japan and overseas, and by formulating rules and guidelines that embody the policies in concrete form and familiarizing stakeholders with them, we aim to prevent violations of competition law and criminal offences involving bribery.

By integrating these policies with our Global Internal Reporting System – adoption of which began in February 2018 – and implementing them in subsidiaries throughout the world, we believe that we can raise the overall level of compliance in the Yokohama Rubber Group to an even higher level.

Compliance System

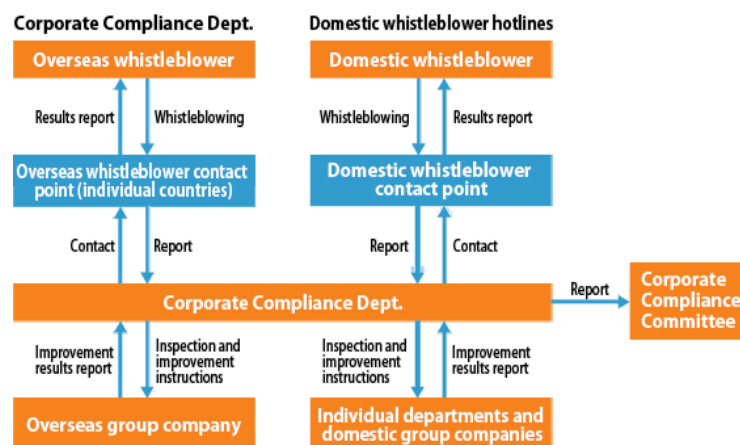
Yokohama Rubber has established a Corporate Compliance Committee with the Representative Director in charge of compliance as the Committee Chair and the Corporate Compliance Dept. as the implementation department. The Corporate Compliance Committee is held four times per year to continually implement various measures related to compliance at the Yokohama Rubber Group and report the state of these activities to the Board of Directors and Audit & Supervisory Board. The Corporate Philosophy and Action Guidelines of the Yokohama Rubber Group are made known and presented to Group companies, including overseas companies, to serve as the guidelines for the execution of duties by Directors and employees at each company. Every division in the Yokohama Rubber Group is assigned personnel who belong to the Corporate Compliance Dept. as well, to continue to share the progress of the activities in internal education and related information in the workplace. In our domestic and overseas Group companies as well, we have appointed managers to facilitate the development of the same level of activities at each of them.

Whistle-Blowing System (Corporate Compliance Hotline / General Counseling Room)

The Corporate Compliance Hotline refers to the system of accepting even anonymous whistle-blowing in accordance with the Whistle-Blower Protection Act. The telephone number and email address is stated on the Corporate Compliance Card that is distributed to all domestic Yokohama Rubber Group's employees. There are two hotlines, an internal hotline and an external hotline. As the external hotline has been established at an external law firm, independence has been secured for this hotline. The General Counseling Room is the contact point which all members can utilize regarding any doubt or anxieties at work that are related to corporate compliance, and requires name registration as a general rule. In fiscal 2017, we received a total of 117 cases of questions and concerns for items to confirm or seeking advice, consisting of 56 items through the hotline and 61 items through the General Counseling Room.

Preparations have been proceeding for the adoption of the Global Internal Reporting System at overseas subsidiaries. In February 2018, adoption of the new System began in China at the company responsible for overall supervision of our China-based operations and at our tire sales company in China. With the aim of ensuring that the Compliance Promotion Office is able, via an external contact window, to directly monitor and respond to behavior that violates competition law and behavior relating to bribery, the goal is to strengthen governance on a global scale by 2020, and then to expand beyond Asia by preparing to extend the operation of the system to include other regions too.

| Whistle-Blowing System (Flow chart)



| Education and Awareness Raising Activities

Using internal compliance issues as themes, we offer both general compliance materials that we would like all employees to know about, as well as contents for specific departments and positions, with teaching methods that include the distribution of educational materials, group learning at work, and group education. During fiscal 2017, we focused on maintaining compliance with bribery prevention and competition laws, and compliance education for executives and regular employees who have received an unofficial notification of overseas assignment.

| Seminars conducted (FY 2017)

(Unit: persons)

Training opportunities	Persons
Pre-departure orientation for overseas dispatch for executives	5
Pre-departure orientation for overseas dispatch	33
Bribery prevention and competition law compliance training	724
Antimonopoly Act and compliance training (for the MB Sales division)	52
Grand total	814

* The data presented above was compiled by the Corporate Compliance Committee.

| Privacy policy for employees

We strictly manage employees' personal information by obtaining prior consent by quoting the purpose of its usage. We understand the importance of employees' personal information and ensure its proper treatment; we also let our employees know, through our internal intranet, that we continue to take measures to protect their personal information.

| Measures against violations

- No sanctions against violations of the Anti-Monopoly Act have been imposed on our company.
- No sanctions against fraudulent accounting practice, discrimination or misconduct in the workplace have been imposed on our company.
- No sanctions against violations of environmental regulations have been imposed on our company.
- No complaints have been lodged over loss of customers' data.
- There have been no violations of laws relating to the supply of products and services, or their usage.

〈 Voluntary recall information in China and Canada 〉

In fiscal 2017, due to a problem with part of the production process for passenger car studless tires exported to China and Canada, certain tires may have had insufficient input of a compounding agent for the under tread layer. This could cause a portion of the tire tread to swell and bulge during driving. If the vehicle is operated with this condition, the bulge area may peel off which could affect steering stability. For these reasons, a voluntary recall has been conducted in both China and Canada, and affected tires are being recalled.

Economic Performance

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Responsible Department

Each business location and department

Stance and Target

Why is "Economic Performance" a critical issue to be addressed? Explanation of the reason and background

The Yokohama Rubber Group's GD2020 Medium-term Management Plan was launched in FY2018. The basic assumptions underpinning GD2020 are that global demand for tires will grow more rapidly than the rate of increase in the number of motor vehicles produced worldwide, but that competition in the tire market will intensify as tire manufacturers in emerging markets expand their production capacity. Faced with this business environment, Yokohama Rubber has identified three key issues that it needs to focus on: (1) Enhancing our product mix by concentrating resources on high-value-added products; (2) Ensuring that we maximize the benefits from already completed large-scale investment projects and acquisitions; (3) Strengthening our financial position.

Vision (attainment goal) / target Phase IV (FY 2015 to 2017)

Our positioning for the GD2020 Medium-term Management Plan emphasizes "Being prepared for further growth in the 2020s by strengthening our business foundations through the redefining of Yokohama Rubber's strengths and by implementing growth strategies for each of our businesses that contribute to the enhancement of a unique growth path for each business."

Our financial targets for the year 2020 are to achieve sales revenue of 700 billion yen, operating income of 70 billion yen, and an operating profit margin of 10%. We are also aiming to achieve a debt/equity ratio (D/E ratio) of 0.6 and a return on equity (ROE) of 10% by the end of FY2020.

Quantitative targets for 2020

Sales revenue	700 billion yen	ROE (net income)	10%
Operating income	70 billion yen	D/E ratio	0.6
Operating margin	10%		

Measures for vision achievement

The growth strategies for each of our business areas are outlined below. We will also be implementing a technology strategy and brand strategy that make effective use of our company's strengths.

Consumer tires business strategy	Further enhancing our presence in the premium tire market
Commercial tires business strategy	Positioning off-highway tires as a key growth driver that will support revenue growth over the next 100 years
MB operations business strategy	Focusing resources on areas where we are particularly strong

To strengthen our business foundations, we will be focusing on five key areas: Corporate social responsibility (CSR), human resources strategy, corporate governance, risk management, and financial strategy. In regard to financial strategy, we will be utilizing the cash-flow generated through effective implementation of our growth strategies to strengthen our financial position (by reducing interest-bearing debt, etc.) while also providing appropriate returns to shareholders.

[Medium-term Management Plan](#) 

| Distribution of economic value to stakeholders

Stakeholders	Distribution amount (million yen)			Calculation method
	FY 2017	FY 2016	FY 2015	
Business partners and suppliers	260,685	250,606	282,664	Cost of sales + SG&A expenses (excluding personnel expenses)
Employees	52,370	52,230	62,344	Cost of sales + SG&A expenses (personnel expenses)
Shareholders	9,140	8,339	7,747	Dividends paid
Creditors	2,915	2,699	2,961	Interest paid
Government and administration	17,115	12,638	20,177	Corporate taxes, etc. paid
Society	110	21	12	Donations (entertainment expenses), etc. [High school and university laboratories]
Internal	8,490	10,112	3,937	Net income - dividend amount
Total	350,825	336,645	379,842	

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

| Considerable financial assistance received from government

The amount of financial assistance in taxes and subsidies received from national and municipal governments was 51.7 million yen.

Human Rights

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Stance

Human rights are the fundamental rights that have been granted to all people. When taking into consideration processes back to the stage of the procurement of raw materials, there are an extremely large number of people involved in Yokohama Rubber's business and an extremely diverse range of human rights that should be respected. In addition, as our business activities expand on a global level and we become increasingly involved with a diverse range of people, the probability of having a direct impact or indirect impact on human rights violations increases. For that reason, we believe that it is important to fulfill our responsibility towards respecting human rights while taking into consideration the range of our impact, and accordingly [the Yokohama Rubber Group Action Guidelines](#) state that human rights should be respected both inside and outside of the company, and stipulate the actions that should be taken by employees to this end.

Policy

Yokohama Rubber Group Action Guidelines

We shall respect human rights inside and outside the company

〈 Basic stance of the Yokohama Rubber Group 〉

We shall respect human rights, and shall not practice or be a party to discrimination or harassment.

〈 To put our basic stance into practice — our action 〉

1. With an awareness of the diversity of the people working for us, we shall refrain from any action grounded in discrimination for reason of race, ethnicity, nationality, religion, sex, or other attributes. In addition, when we notice any such action, we shall resolutely point it out and urge its correction.
2. We shall refrain from harassment in any shape or form.
3. We shall not permit any violent behavior in the workplace.

Message from a manager

Rubber is one of the most important raw materials used in manufacturing Yokohama Rubber's products, including tires. The regions where rubber is produced are affected by various risks relating to environmental destruction, human rights and labor issues, etc. As part of our response to this situation, in January 2017 the Yokohama Rubber Co., Ltd. announced its support for the goals of the Sustainable Natural Rubber Initiative (SNR-i) as advocated by the International Rubber Study Group (IRSG), an inter-governmental organization that brings together representatives of the governments of both natural rubber and synthetic rubber producer nations and consumer nations; Yokohama Rubber also announced that it would be participating in SNR-i activities.

In the future, we will be conducting activities on a global scale, including requesting the collaboration of our overseas suppliers through the compilation of international versions of our CSR-aware procurement guidelines and self-diagnostics checklists.

Kazuhiro Yanadori, Head of Raw Materials Procurement Department, Global Procurement Division

Vision for FY 2020

- We will respect human rights both inside and outside of the company, and respond sincerely to complaints concerning human rights and make improvements to ensure that there is no child labor or forced labor at the Group or our suppliers.

Main action items to be addressed first

The following items have been established as the main action items that the Yokohama Rubber Group will address first, taking into account the level of impact of business activities and the level of social interest.

Child Labor

**Forced or
Compulsory Labor**

**Human Rights
Grievance Mechanisms**

Data summary

[Human Rights \(452KB\)](#) 

Child Labor

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Item	FY 2016 results	FY 2017 results
Businesses specified as being exposed to child labor risks (manufacturing plants, etc.) and the number of suppliers	(Consolidated) 0 (Upstream) 0	(Consolidated) 0 (Upstream) 0

Responsible Departments

Raw Materials Procurement Department and Indirect Materials Procurement Department, Global Procurement Division
Corporate Compliance Department, Global HR Department

Stance and Target

Why is "Child Labor" a critical issue to be addressed? Explanation of the reason and background

At the Yokohama Rubber Group, we comply with [the action guidelines of respecting human rights](#) both inside and outside of the company, and for this reason child labor, including child labor in the supply chain, is also prohibited in the CSR Procurement Guidelines. Meanwhile, as the Group procures natural rubber mainly through trading companies and because the probability of child labor is believed to be highest at the procurement stage, we also request surveys on the current state of production areas. While there have been no reports of cases of child labor at the current stage, it cannot really be said with certainty that they will not occur in the future when considering the situation in regions surrounding production areas for raw materials where rubber plantations are located. In consideration of the fact that natural rubber is the main raw material of tire and industrial products that are the core products of the Group, we believe that child labor should be recognized as a risk associated with our growth strategy, and accordingly we have selected it as a critical issue to be addressed.

Vision (attainment goal) / target

We aim for zero child labor at all of the Group's primary suppliers of natural rubber, including overseas suppliers, by 2019.

Measures for vision achievement

In fiscal 2017, we distributed copies of our CSR-aware procurement guidelines to our primary suppliers in Japan, and asked them to implement various CSR-related measures, including measures relating to human rights and labor issues. We also held a Natural Rubber Suppliers Day, and asked our primary suppliers of natural rubber to also implement CSR-related measures. In addition, we administered a survey of the current situation – using a self-diagnostics checklist – to both our natural rubber primary suppliers and our domestic primary suppliers, to confirm that there was no use of child labor.

In fiscal 2018, we continued to expand this initiative to cover overseas suppliers, by compiling English-language versions of our CSR-aware procurement guidelines and self-diagnostics checklist.

Review of FY 2017 Activities

Identification of the presence or otherwise of child labor at the Yokohama Rubber Group and in the supply chain

With regard to domestic raw materials suppliers, we conducted a survey of labor conditions using a self-diagnostics checklist, and confirmed that there were no cases of child labor.

In regard to suppliers of natural rubber, we completed the implementation of a questionnaire survey covering compliance issues (human rights, child labor, and the environment) that was administered to all suppliers. It was found that all companies were meeting compliance and regulatory requirements, and were implementing CSR-related measures (i.e. providing support for rubber farmers).

In fiscal 2017, we conducted an on-site survey of natural rubber plantations in Myanmar (with which we have not yet begun any transactions), and confirmed that there were no cases of child labor.

| Countermeasures to eradicate child labor

In addition to the efforts to assess the current state of child labor noted above, we also explained Yokohama Rubber's CSR-aware procurement policy to natural rubber suppliers on Suppliers' Day.

Issues and Future Improvement Measures



In the future, we will be aiming to further expand our efforts in this area to cover overseas suppliers, by issuing English-language versions of our procurement guidelines and self-diagnostics checklists.

Forced or Compulsory Labor

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Item

Businesses specified as being exposed to forced labor risks (manufacturing plants, etc.) and the number of suppliers

FY 2016 results

(Consolidated) 0
(Upstream) 0

FY 2017 results

(Consolidated) 0
(Upstream) 0

Responsible Departments

Raw Materials Procurement Department and Indirect Materials Procurement Department, Global Procurement Division
Corporate Compliance Department, Global HR Department

Stance and Target

Why is "Forced or Compulsory Labor" a critical issue to be addressed? Explanation of the reason and background

At the Yokohama Rubber Group, we comply with action guidelines that emphasize respecting human rights both inside and outside of the company and creating safe and healthy workplaces, and for this reason forced or compulsory labor, including forced or compulsory labor in the supply chain, is also prohibited in the CSR Procurement Guidelines.

In addition, taking into account the risk of illegal labor being forced upon people who work at plants, business locations, and suppliers as we expand production and sales overseas, we have selected forced or compulsory labor as a critical issue to be addressed.

Vision (attainment goal) / target

Our goal is to achieve zero forced or compulsory labor at all of the Group's primary suppliers of natural rubber, including overseas suppliers, by 2019.

Measures for vision achievement

In fiscal 2017, we distributed copies of our CSR-aware procurement guidelines to our primary suppliers in Japan, and asked them to implement various CSR-related measures, including measures relating to human rights and labor issues. We also held a Natural Rubber Suppliers Day, and asked our primary suppliers of natural rubber to also implement CSR-related measures. In addition, we administered a survey of the current situation – using a self-diagnostics checklist – to both our natural rubber primary suppliers and our domestic primary suppliers, to confirm that there was no use forced or compulsory labor. In fiscal 2018, we continued to expand this initiative to cover overseas suppliers, by compiling English-language versions of our CSR-aware procurement guidelines and self-diagnostics checklist.

Review of FY 2017 Activities

Identification of the presence or otherwise of forced or compulsory labor at the Yokohama Rubber Group and in the supply chain

With regard to domestic raw materials suppliers, we conducted a survey of labor conditions using a self-diagnostics checklist, and confirmed that there were no cases of forced or compulsory labor. A questionnaire survey on compliance (human rights, child labor, and the environment) with all natural rubber suppliers we have transactions with has been completed. We are observing compliance and legal systems while conducting CSR initiatives (plantation support). In fiscal 2017, we conducted an on-site survey of natural rubber plantations in Myanmar (with which we have not yet begun any transactions), and confirmed that there were no cases of forced or compulsory labor.

Countermeasures to eradicate forced or compulsory labor

In addition to the efforts to assess the current state of forced or compulsory labor noted above, we also explained Yokohama Rubber's CSR-aware procurement policy to natural rubber suppliers on Suppliers' Day.



In the future, we will be aiming to further expand our efforts in this area to cover overseas suppliers, by issuing English-language versions of our procurement guidelines and self-diagnostics checklists.

Human Rights Grievance Mechanisms

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Item

Total number of complaints concerning human rights formally submitted to the system for handling complaints concerning human rights
* Number of cases for which official measures were taken

FY 2016 results

(Consolidated) 0

FY 2017 results

(Consolidated) 0

Responsible Departments

Contact point: Corporate Compliance Department

Individual response: Global HR Department

Stance and Target

Why is "Human Rights Grievance Mechanisms" a critical issue to be addressed? Explanation of the reason and background

At the Yokohama Rubber Group, there is an increasing diversity of people working at domestic offices and subsidiaries. The nature of complaints concerning human rights is also becoming more diverse and the number of complaints is also on the rise. Considering this diversification of employees and ways of working, we view the presence of contact points at both domestic and overseas business locations that enable direct consultations on sexual harassment and abuse of authority at the workplace to be important.

Complaint handling policy

The following seven items are set forth in the Yokohama Rubber Group Action Guidelines, and the same policy is followed in handling complaints.

1. We will respect human rights both inside and outside of the company.
2. We will create safe and healthy workplaces.
3. We will aim for harmony with the global environment.
4. We will provide safe and high quality products and services.
5. We shall conduct corporate activities with high transparency and practice proper disclosure of information.
6. We shall follow not only laws and regulations, but also social norms.
7. We shall strive for co-prosperity with local communities.

Overview of Human Rights Grievance Mechanisms

In Japan, the Corporate Compliance Department has established a whistle-blowing system that consists of the Corporate Compliance Hotline and General Counseling Room. In addition, a Compliance Officer has been assigned to all departments and related subsidiary companies. This Compliance Officer gathers complaints and inquiries from employees. Complaints concerning human resources are jointly resolved by the Corporate Compliance Department and HR departments.

◀ Scope of use of the system for handling complaints concerning human rights ▶

The system can be used by all executives and employees, part-time employees, temporary employees, dispatch employees, and employees of contractors that work at the Yokohama Rubber Group.

◀ Methods for spreading awareness of the system for handling complaints concerning human rights ▶

The system is described on the Yokohama Rubber Group's intranet, and it clearly states that consultations and reports can be conducted either with one's name stated or anonymously. In addition, a Compliance Card that states matters including the whistle-blowing process is distributed to all employees to inform them of the presence of contact points.

◀ Resolution process when a complaint is submitted ▶

1. The Corporate Compliance Department confirms the facts related to the consultation by the whistle-blower.
2. The necessary measures are taken in consultation with the HR department.
3. The results are directly reported to the whistle-blower if they have disclosed their name.
Reminders are issued within the company as necessary if the whistle-blower is anonymous.

◀ Monitoring of the effectiveness of the system for handling complaints concerning human rights ▶

At the Corporate Compliance Committee that is held quarterly with the Director responsible for compliance as the Committee Chair, reports are made, the appropriateness of response is assessed, countermeasures are implemented, and follow-up is conducted.

| Vision (attainment goal) / target

Our stance is intended to ensure that employees at all business locations – including overseas business locations – are familiarized with the code of conduct, that the whistle-blowing system functions properly, and that the meetings utilized to monitor implementation are used effectively. By promoting adoption of the whistle-blowing system on a global basis, we aim to enhance the level of compliance in the Group as a whole.

We collate case studies of problems that have been experienced in the Group in the past, and we have put in place a system so that employees can learn from these case studies at important milestones in their careers, such as when being given new assignments or being promoted.

Review of FY 2017 Activities

In 2017, a total of 14 sexual harassment and abuse of authority cases were reported via the Corporate Compliance Hotline or General Counseling Room. When an issue arises, the Compliance Promotion Office is closely involved in handling it, providing guidance as necessary, etc., and so is able to develop a clear picture of areas where Group personnel may be lacking in awareness. This information is collated in the form of “Workplace Learning Materials” which are used to provide feedback. In 6 out of 12 instances in 2017, the Office was able to provide relevant information relating to sexual harassment and abuse of authority.

In the future, we plan to put in place a system whereby employees can learn from these materials at the time of important career milestones such as assignment to new positions.

Issues and Future Improvement Measures

Being able to appropriately monitor the state of compliance at overseas subsidiaries is an important issue. By making effective use of the periodic reporting system that is already being implemented, and of the global whistle-blowing system that we have begun to adopt, we are approaching the stage where we will be able to effectively monitor compliance issues at each overseas business location.

Labor Practices

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Stance

Labor practices are practices that affect employee hiring and promotion, remuneration, disciplinary action, complaint response system, transfers and reassignment, termination of employment, human resources development, occupational safety and health, and working conditions (working hours and remuneration).

Bearing in mind that all corporate activities are made possible through the labor of employees, protecting the basic rights of workers is something that is very important for both companies and society.

As a manufacturer with rubber manufacturing plants, Yokohama Rubber has established [the Human Resource Policy](#) and [Basic Policy Towards Health and Safety](#), while [the Yokohama Rubber Group Action Guidelines](#) stipulate the company's basic policy towards creating safe and healthy workplaces and the actions that should be taken by employees.

Policy

Human Resource Policy of Yokohama Rubber

We will create an environment in accordance with our management policy of creating a workplace to value, improve, and energize people, where each of our ever-diversifying personnel can equip themselves with the necessary skills and perform by utilizing their capabilities to the fullest. Also, we aim to create a workplace where our employees can realize a satisfactory work-life balance.

Furthermore, we will address the development of personnel able to perform on the global stage as a pressing issue in order to achieve the goals of our GD2020 business strategies and technology strategies.

Basic Philosophy towards Health and Safety

With health and safety as the basis of all our activities, we work to prevent occupational injuries and create pleasant workplaces where employees are mentally and physically healthy.

Yokohama Rubber Group Health and Safety Policy

1. All employees make safety a primary concern, and improve safety activities through their participation, actions, and cooperation with others from all office organizations and job positions.
2. We faithfully comply with laws and government guidelines related to safety and health.
3. We familiarize employees with the importance of safety and health, and provide the necessary education and training.
4. We work to strengthen cooperation with related partner companies and ensure the safety and health of everyone involved in business activities.
5. We utilize the PDCA cycle and make continuous improvements to reduce risks for the elimination of potential hazards related to work and facilities through the Occupational Safety and Health Management System.
6. We strengthen 2S activities (seiri and seiton, or sorting and straightening) based on the idea that "2S is the basis of health and safety."
7. We promote a comfortable working environment where employees can work free from anxiety, and provide active support to promote mental and physical health.
8. As a company that plays a role in the automobile industry, we contribute to efforts to prevent traffic accidents.

Yokohama Rubber Group Action Guidelines

We shall create workplaces that are safe and healthy

〈 Basic Stance of the Yokohama Rubber Group 〉

1. We shall not tolerate child labor or compulsory labor at any of our member companies or suppliers.
2. We shall respect the rules governing working hours, days off, leave/vacations, minimum wage, and other factors as defined by laws and regulations in host countries and regions (i.e., those where we do business).
3. We shall place top priority on the assurance of safety and health in the workplace, and strive to prevent accidents and disasters.
4. We shall aim for the growth of all members of the Yokohama Rubber Group through their work, and proactively support their career and capacity development.
5. We shall confer with worker representatives in good faith in order to build and maintain sound labor-management relations.

〈 Putting our basic stance into practice — our actions 〉

1. We shall be on guard against the supply of labor by children who have not yet reached the employable age prescribed in the laws and regulations of the host countries, not only at member companies of the Yokohama Rubber Group but also at our suppliers.
2. Recognizing that all labor must be supplied voluntarily and that all workers should be able to freely quit their jobs, we shall be on guard against the compulsory or forced supply of any labor.
3. In order to build workplaces in which safety and health are assured, we shall proactively participate in activities aimed at the improvement and penetration of rules and systems for safety and health.
4. We shall obey rules governing safety and health in the workplace and show concern for a good work-life balance.
5. In the event of disasters, we shall respond properly, in accordance with the prescribed rules.
6. We shall help employees with problems on the job to deal with them in cooperation with concerned personnel instead of treating them as personal worries or difficulties to be handled by those employees alone.
7. People who are under the influence of alcohol or drugs shall not be permitted to enter the workplace.

Message from a manager

In order to establish the global human resources management system aimed for by the Yokohama Rubber Group in the future, we believe that it is even more important to become an organization where diverse human resources can perform to the fullest regardless of age, gender, nationality, etc. In order to achieve this, we will implement concrete measures including the hiring and development of human resources to support the next generation, human resource interchange of Group employees on a global level, further utilization of women, and improvement in the disabled person employment ratio. In addition, we will develop working environments that are easier to work at and enable employees to perform to their fullest by enhancing measures for childcare and nursing case and by promoting initiatives relating to mental health.

Shingo Ishimitsu, General Manager and Head of Global HR Department

As we expand the production of tires and other rubber products including hoses and conveyor belts, as well as adhesives and sealants, in regions around the world, it is important to ingrain the culture of creating "a safe and comfortable working environment and good health" that Yokohama Rubber has fostered. Through measures that include cooperation between labor and management to establish safety and health management systems at each business location, preventing the recurrence of disasters and identification and eradication of latent causes of disasters through safety patrols, safety diagnosis, and follow-ups, and also the elimination of unanticipated risks through risk assessments, we will work to make the transition from workplaces with zero accidents to workplaces with zero risks.

In addition, we will share information and activities with the relevant safety and health organizations overseas and in Japan as we aim to further improve safety levels.

Vision for FY 2020

- Become an organization where diverse human resources can perform to the fullest regardless of age, gender, nationality, etc.
- We will establish a safety culture aiming for zero risks by promoting both physical and mental health.

Main action items to be addressed first

The following items have been established as the main action items that the Yokohama Rubber Group will address first in consideration of the level of impact of business activities and the level of social interest.

**Occupational Health
and Safety**

**Training and
Education**

**Diversity and Equal
Opportunities**

Data summary

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Occupational Health and Safety

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KPI

Item	FY 2016 results	FY 2017 results
Lost-time injury frequency rate (global, directly employed)	(Consolidated) 0.60 Domestic 0.60 Overseas 0.61	(Consolidated) 0.50 Domestic 0.23 Overseas 0.64
Scope of application of Occupational Health and Safety Program	—	100%
Number of workers with a high risk of accident or illness	—	Zero
Formal agreement with labor unions regarding occupational health and safety matters	—	Yes (at those business locations where there is a labor union)

Responsible Departments

Each business location

* Activities are conducted by each business location, and the Central Committee of Safety and Health that the Safety and Health Management Department serves as a secretariat implements company-wide policy discussions and activities.

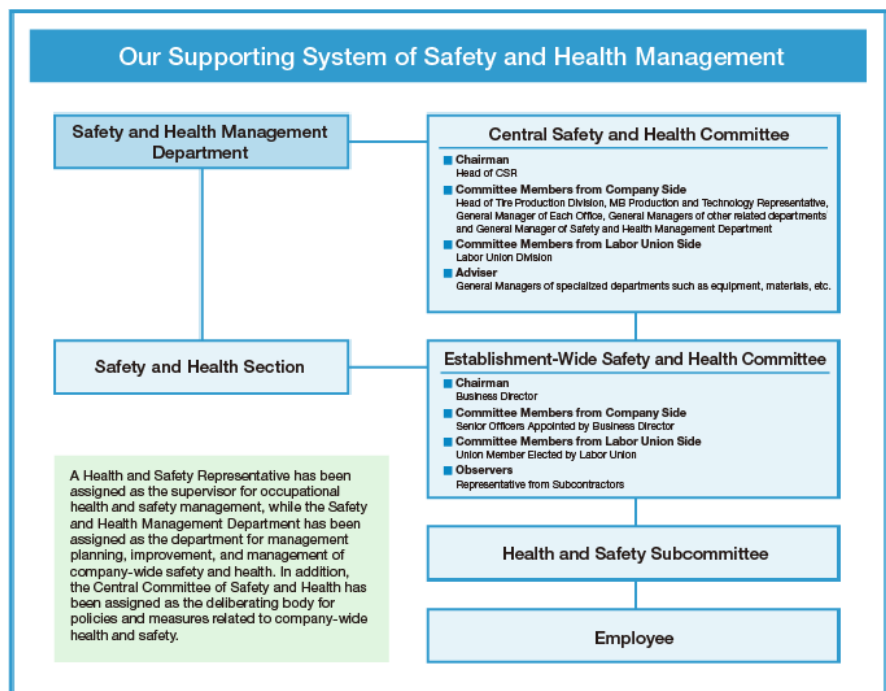
Stance and Target

Why is "Occupational Health and Safety" a critical issue to be addressed? Explanation of the reason and background

We believe that for workers to be able to work in a secure and safe manner serves as the foundation for operations. As regards work-related accidents at the Yokohama Rubber Group in Japan and overseas, while the frequency of occurrence is low when compared with the average occurrence frequency for the production and manufacturing sector as a whole, it is not zero. Analysis of the causes of such accidents has revealed that many of them could have been prevented by countermeasures taken in advance. Because it is necessary to handle large-scale machinery at production plants due to the nature of our business, this leads to the possibility of major accidents from defects in equipment specifications and mishandling, and for this reason safety countermeasures are necessary. In addition, due to factors such as the fact that mental health issues account for an increasing percentage of long-term absentees, we need to respond fully to not only physical health, but mental health as well. For this reason, at the Yokohama Rubber Group we have selected occupational safety and health as a critical issue to be addressed.

Supporting System for Safety and Health Management

In Japan, we formed a "Safety and Health Sub-Committee" at each division and workplace and the "Office-Wide Safety and Health Committee (legally stipulated)" at each office, under our Central Committee of Safety and Health that is headed by the CSR Department Manager. The importance of safety and health activities is recognized by both Group companies and unions. Through interaction with the Japan Rubber Manufacturers Association and Japan Rubber Workers Union Confederation to share safety information with other companies and other union confederation members, we are also trying to facilitate collaborative action by labor and management. We also share our activities with our subcontractors by having them join their respective committees. As for our various overseas offices, they have their own supporting system in place according to the prevailing law under their country's governance. The Safety and Health Management Department manages activities relating to safety and health both in Japan and overseas.



Vision (attainment goal) / target

- We will promote the creation of a safe and comfortable working environment and good health.
- We will establish a safety culture aiming for zero risks, and aim for zero work-related accidents.

Measures for vision achievement

We will implement the following seven measures to create workplaces that enable employees to work in a safe and healthy manner.

1. Strengthening safety measures for equipment and work
Implementing risk assessments for all equipment and work, creating facilities so that sources of danger don't reach the bodies of people and cannot be reached, and implementing safety measures taking into account the line of vision of workers and the motion lines of people.
2. Developing safety-conscious human resources
Conducting One-on-One education, to develop safe workers. Reinforcement of Stop-Call-Wait procedure and countermeasures in response to risk causes. Implementation of KYT (Kiken Yochi Training / hazard prediction training), sampling and improvement of near-miss incidents, and hazard demonstration training in order to improve sensitivity towards risks.
3. Development of standard work manuals
Identifying unsafe places and unsafe behaviors and reviewing standard work through open work observation.
4. Promoting both physical and mental health
Strengthening mental health countermeasures (management of working hours, face-to-face guidance and work improvement suggestions for employees working long hours, education for improving communication skills through attentive listening training classes, and conducting stress checks).
5. Improvements in workplaces
Chemical substances risk assessment, improvements in equipment development and working methods, and thoroughly enforcing the 5Ss (seiri [tidiness], seiton [being organized], seiso [cleanliness], seiketsu [hygiene], and shitsuke [discipline]).
6. Prevention of traffic accidents
Conducting accident prevention activities and identifying risk points on commuting routes in order to achieve the target of zero accidents resulting in injury or death.
7. Establishment of a safety and health platform
Continuation and spiraling up of management systems (JISHA method qualified OSHMS, OHSAS18001, and ISO 45001), development of job grade-specific training system, enhancement of check function through safety patrols, safety diagnosis, and diagnosis follow-up

The following activities were conducted for the measures implemented in FY 2017.

1. Strengthening of facility measures

Risk assessment for all facilities and work is implemented in a planned and ongoing manner, and safety measures are being implemented for facilities. In particular, we focused on implementing safety measures in relation to maintaining a distance from risk sources; to this end, we have implemented a worldwide facilities inspection program.



Safety diagnostics

2. Developing safety-conscious human resources

We are trying to train our workers to have good safety awareness, so that they can foresee risks in any potential situation. We are conducting KYT (Kiken Yochi Training / hazard prediction training), which is to be done by every worker every day, along with sampling and improvement for near-miss incidents, which constitute self-directed activities that we encourage everyone to participate in. We have also conducted hazard demonstration training sessions at our Taikan Dojo (training through actual experience for accident prevention). Also, we have facilitated safety awareness-raising by focusing on communication, for example by having supervisors interact with workers one-to-one to help them understand the meaning of each operation until the worker develops the autonomy needed to conduct safe operations on their own.

In addition, as people who work with us, partner employees also participate in activities to prevent the occurrence of disasters in an effort to improve safety levels.



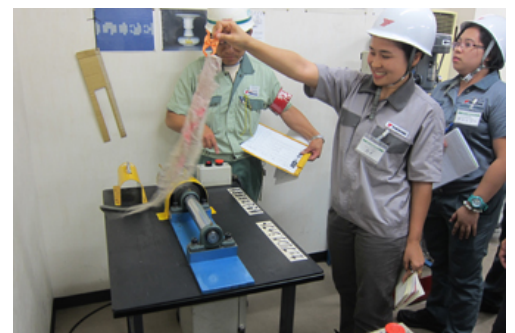
KYT



Hands-on safety drills with overseas trainees
(V belt catching hands-on experience equipment)



Hands-on safety drills with overseas trainees
(Dust explosion hands-on experience training equipment)



Hands-on safety drills with overseas trainees
(Shaft catching hands-on experience equipment)

3. Development of standard work manuals

We conduct open work observation in a planned and ongoing manner, and identify unsafe places and unsafe behaviors and review standard work manuals.



Singing the Safety Chant together before beginning work.

4. Promoting both physical and mental health

Our efforts in mental health include management of working hours through a clocking in and clocking out system, face-to-face guidance and work improvement suggestions for employees working long hours, education for improving communication skills through attentive listening training classes, etc. In addition, stress checks were commenced from fiscal 2016. These checks are mainly for the purpose of assessing the level of stress of employees and encouraging employees to notice their own stress levels in order to lead to improvements in the workplace and encourage the creation of ideal working environments, which will prevent mental health issues among employees (primary prevention).

For the reinstatement of long-term absentees who have been absent due to mental health reasons, we hold interviews with the employee involved, and confirm the situation with family physicians, industrial physicians, public health nurses, and the workplace in order to discuss matters such as the means of reinstatement, timing, and work limitations in order to achieve a well-planned reinstatement. Reinstatement has been achieved at the Head Office and Hiratsuka in cooperation with the Jikei University Hospital and three industrial mental health physicians, which is still a relatively rare situation.

Furthermore, after reinstatement, regular three-party interviews are held between employees, industrial physicians, and workplace representatives in order to gradually loosen work limitations and provide follow-up until all restrictions have been fully released.



Stress check study session given by the Japan Industrial Safety and Health Association (Mie Plant)

5. Improvements in workplaces

We have improved equipment and promoted the improvement, maintenance, and management of working methods aimed at using working environment measurements in order to maintain a pleasant workplace. In addition, based on the 5S (seiri, seiton, seiso, seiketsu, and shitsuke, or sorting, straightening, systematic cleaning, standardizing, and sustaining) methodology, we promote manufacturing where the things you need are available in a location that is not unsafe when you need them.

6. Preventing traffic accidents

Each business locations conducts awareness raising activities while cooperating with the holding of traffic safety seminars with local police stations and traffic safety related organizations. In addition, traffic etiquette classes are provided by traffic safety expert Mr. Yahashi for students in the fourth grade of elementary schools located near our business locations to contribute to the prevention of local traffic accidents. Education was provided in 58 lessons for 34 classes in 14 schools during 2017. We will continue to expand these efforts in the future.



Road safety etiquette class for elementary school fourth graders

7. Establishment of a safety and health platform

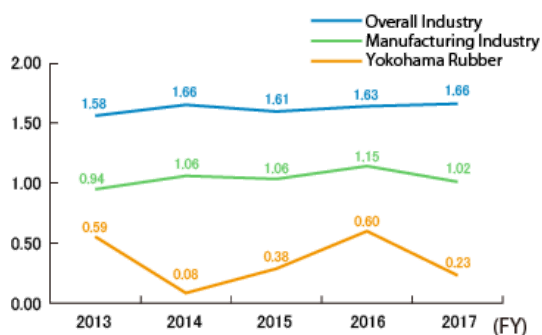
We have acquired Occupational Safety and Health Management System (JISHA/OSHMS) certification at 17 domestic and overseas business locations; during fiscal 2017, we acquired this certification at one additional business location and renewed the certification at 5 business locations (the certification process is ongoing at other business locations).

In addition, OSHMS level-up audits by Japan Industrial Safety and Health Association (JISHA) based on JISHA standards that started in Japan in April 2015 were expanded to 1 additional business locations in 2017, and certification was successfully renewed. We will continue to improve management systems and implement the PDCA (plan, do, check, act) cycle as we work to enhance our safety and health infrastructure.



The frequency of occupational accidents was 0.23. We will be working to achieve the target of zero accidents and also to realize zero risks.

Frequency of Occupational Accidents (Lost-time injury frequency rate)



Explanation of the numbers

※ * Lost-time injury frequency rate = (number of work-related injuries / total working hours) x 1,000,000 hours

* All data are annual aggregated values (January to December)

* Figures for all production industry (excluding general contracting) and manufacturing industry are based on the Survey on Industrial Accidents statistical table released by the Ministry of Health, Labor and Welfare

	FY 2015	FY 2016	FY 2017
Lost-time injury frequency rate	0.38	0.60	0.23
YRC frequency rate	1.30	1.03	0.75

The Group conducts strict management based on Yokohama Rubber's unique frequency rates (all frequency rates).

Yokohama Rubber's unique management standards (YRC frequency rate): The YRC frequency rate covers all accidents that occur at the company, and it is calculated including dispatched and contracted workers based on a coefficient of 1.0 for major or lost-time injury resulting in leave (one day or more), 0.3 for minor injury not resulting in leave, and 0.1 for light injuries.

This is because we believe that it is necessary to enact countermeasures and work to prevent recurrence of not only injuries resulting in leave but all injuries, including injuries not resulting in leave and light injuries, involving everyone working at Yokohama Rubber, in order to achieve the goal of zero accidents.

Overview of Initiatives

On Wednesday November 22, 2017, the "2017 Japanese-owned Enterprises Occupational Health and Safety Managers Information Exchange Meeting – Let's Get Together to Think About How to Reduce Occupational Accidents and Invigorate Health and Safety Activities" meeting, organized by the Japan Industrial Safety & Health Association (JISHA), was held at the Hangzhou Yokohama Tire Co., Ltd. (CHZY) factory in Hangzhou, China.

The main participants in the meeting were occupational health and safety managers etc. at Japanese-owned enterprises operating in China. Held with the aim of helping to reduce the incidence of occupational accidents and revitalize health and safety activities, the meeting provided an opportunity for sharing information about "zero occupational accidents" initiatives, the adoption and effectiveness of occupational health and safety management systems, and the health and safety issues affecting individual workplaces, etc. The meeting was attended by representatives of the China Academy of Safety Science and Technology (CASST), a research institution affiliated with the Chinese government. The meeting benefited from funding support from Japan's Ministry of Health, Labour and Welfare (MHLW), and the Yokohama Rubber Co., Ltd. also assisted with the organizing of the event.

The number of participants from various different companies exceeded the 40-person capacity of the venue, reflecting the high level of concern for occupational health and safety activities among Japanese-owned enterprises.

The activities during this combined study session and exchange meeting included the following: (1) A representative of the China Academy of Safety Science and Technology (CASST), which is affiliated with the Chinese government, gave a talk on the theory and practice of hazard prevention activities. (2) The director of JISHA's JISHA-ISO Management System Audit and Certification Center reported on the status of the establishment of the ISO 45001 standard for occupational health and safety management systems, and on the Japanese management standard that is being recommended by the MHLW and promoted by Japan's Ministry of Economy, Trade and Industry (METI). (3) Participants were given a presentation on the occupational health and safety activities implemented at Hangzhou Yokohama Tire Co., Ltd. (CHZY), and were also given a tour of the plant to see how the activities are implemented in practice. (4) The participants engaged in small group discussions (exchanging ideas and views regarding the issues affecting occupational health and safety, including the causes of occupational accidents in the workplace, and the current status of implementation of relevant measures, etc.).

Participants felt that the meeting had been a very meaningful and worthwhile experience, with comments such as: "It was great having the opportunity to learn about the implementation status of health and safety activities, and about the situation and problems experienced at other companies, etc."



The entrance to the venue



The meeting venue



The meeting venue



The meeting venue



The entrance to the venue



Factory tour to help participants learn about experiential training



Factory tour to help participants learn about experiential training

Issues and Future Improvement Measures

We are implementing various measures aimed at creating a safe and employee-friendly workplace environment, and at safeguarding employees' health; however, the current situation is that we have yet to realize our goal of reducing the number of accidents to zero. Besides proceeding with facilities-related measures that focus on maintaining distance from sources of danger, we are also working to cultivate employees who know how to act safely.

Training and Education

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KPI		
Item	FY 2016 results	FY 2017 results
Annual average hours of training per employee	(Non-consolidated) Regardless of gender, 8.9 hours (managerial positions) * 44.0 hours (including new employee training) 9.0 (technical positions)	(Non-consolidated) Regardless of gender, 8.9 hours (managerial positions) * 40.0 hours (including new employee training) 9.0 (technical positions)

Responsible Departments

Global HR Department

Stance and Target

Why is "Human Resource Development through Training and Education" a critical issue to be addressed? Explanation of the reason and background

Based on the idea that having each individual employee work to achieve personal growth by making effective use of opportunities for self-cultivation will in turn lead to our company's growth, we are providing the comprehensive support needed to realize this goal. We recognize that the assignment of professional human resources that have a strong desire to achieve and a broad range of perspectives, and who are capable of performing to their fullest while having an influence around them, is required at our business locations, which are expanding on a global scale, and we also recognize the need to implement new measures, including the putting in place of an effective education and training system, as an important means for achieving this objective.

Vision (attainment goal) / target

We will aim to develop the sentiment, capabilities, and skills required for global business deployment and individual skills that include leadership for each management level, the ability to solve problems while working closely with the field, presentation skills, and negotiation skills, while implementing genba, genbutsu, and genjitsu principle-based education in which employees learn from sensation and experience.

Measures for vision achievement

The following measures will be implemented to achieve our vision.

New human resources system GLOBAL (development of core human resources)

Our Human Resources System, which was adopted in 2010, is focused on personnel training to cultivate employees who are able to perform on a global stage. For example, we have set up eight hierarchies from new entry level to divisional General Manager; each threshold must be cleared in order to go up to the next level. The threshold comprises performance evaluation, work experience (total number of work rotations), compulsory training, and language skills; in this way, relevant personnel can acquire necessary skills as a candidate so he/she can perform on the global stage by clearing each threshold one-by-one.

Use of re-employment employees aged 60 or above

Operations were commenced by Yokohama Business Association Corporation (YBAC), which was established in July 2013 as a staffing company specializing in re-employment employees.

Personnel Training Program

1. Fresh Graduates

1.1 Overseas training program

Starting from fiscal 2009, we have been providing training for all of our new graduate hires on the management career track in our overseas group offices for just over two months in order to have them enhance their sensibility towards different cultures and make them more comfortable with different cultures by having first-hand experience that not everything is different as there are some universal things, through hands-on experience of diversified culture while they are young.

1.2 Brother System

This system has been around for as long as 25 years already; initially it started as a system to give one-on-one training by senior employees to nurture young engineers; now it has also been extended to cover all new graduate hires in administrative positions (main career track).

2. Advanced Specialists and Skills Meister System

We are certifying those of our personnel who have made a significant contribution and those whose skills are needed to strengthen our business as “Advanced Specialists” with a top level of specialization in a specific technology area, so that they can focus their activities on technology. In addition, from fiscal 2015, the “CIA Program” was launched as a framework for young employees who will become specialists in the future to help them to devote themselves to research as a form of R&D certification.

Also, we are certifying as “Technical Meisters” those of our personnel in technical fields who are able to train juniors by utilizing their specialized skills and knowledge, in order to pass on our technology to the new generation.

3. Education for Company Expatriates and their Family Members

Amid the global expansion of our businesses, the number of company personnel assigned to work overseas is rising every year. Since fiscal 2009, we have provided overseas pre-relocation seminars for all employees going overseas. The seminars consist of information on how to proceed with work operations in different cultures, any necessary formalities, safety lectures specific to the destination region (necessary knowledge regarding the state of public order and ensuring safety), medical training, legal and compliance training, accounting and internal controls training, language training, and information on schooling for dependent family members.

4. Incentive to Obtain Official Certifications

We have an incentive system to encourage our employees to obtain official certifications which are advanced levels which may not be easy to obtain, but which are essential for our company growth; the company is thereby trying to encourage our personnel to obtain as many of these certifications as possible.

5. Qualified Employee Allowance

As a company, an allowance is provided to employees registered as qualified employees who maintain the official qualifications required for plant operations.

6. Foreign Language Subsidy

To encourage improvements in foreign language abilities, a foreign language subsidy has been provided to those employees who have achieved at least intermediate level in a language other than their native tongue.

Review of FY 2017 Activities



The following results were achieved for the measures implemented in fiscal 2017.

| Use of re-employment employees aged 60 or above

As of the end of December 2017, there were 566 re-employment employees enrolled, including both partner employees directly employed by Yokohama Rubber and YBAC employees. In fiscal 2017, 89.9% of employees reaching retirement age continued working using the re-employment system. Efforts will be made to develop successors and pass on skills while utilizing the experience and advanced skills of these employees.

Personnel Training Program

Name of training program	Number of participants		
	Men	Women	Total
New employee training	29	14	43
New employee follow-up training	34	12	46
Hierarchical training (third year since company entry)	26	13	39
Hierarchical training (sixth year since company entry)	28	9	37
Hierarchical training (ninth year since company entry)	26	7	33
Training prior to re-employment	16	0	16

Education and training expenses	83 million yen
Annual average hours of training per employee (managerial positions)	8.9 hours/person (40.0 hours/person including new employee training)

* Regardless of gender, the annual average hours of training for technical workers is 9.0 hours/person

System users and number of applicable employees for each program

* As of December 2017

1 New employees	1.1 Overseas training program	43 employees	Total of 434 up until now
	1.2 Brother System	43 employees	
2 Advanced Specialists and Skills Meister System	Advanced Specialists	29	
	Skills Meister	50	
3 Education for Company Expatriates and their Family Members		39	
4 Incentive to Obtain Official Certifications		18	
5 Qualified Employee Allowance		125	
6 Foreign Language Subsidy		507	

Number of employees that obtained official certifications

Certification	Number of Achievement Cases				
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Radiation Protection Supervisor	-	1	-	1	-
Certified Measurer	-	-	-	-	1
Special Boiler Expert	-	-	1	-	4
Qualified Energy Manager	2	2	-	1	2
Class-1 Health Supervisor	2	11	13	10	6
Industrial Hygiene Health Officer	1	-	1	1	-
High Pressure Gas Production Safety Manager	1	2	2	1	2
Class-1 Boiler Expert	1	-	3	2	-
Operations chief of radiography with X-rays	1	-	2	2	1
Class-3 Electrical Chief Engineer	1	-	1	1	-
Manager in Charge of Pollution Control	1	-	4	1	2
Work Management Measurement Expert	-	1	-	-	-

Issues and Future Improvement Measures

In employee cultivation at Group companies in Japan and overseas, we will continually improve development structures for cultivating the mindset, capabilities, and skills needed to support the implementation of our business activities, developing programs for the development of young employees and also for creating high-performance human resources.

Diversity and Equal Opportunities

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KPI		
Item	FY 2016 results	FY 2017 results
Female employee ratio	(Consolidated) 12.8% (Domestic) 6.7%	(Consolidated) 12.7% (Domestic) 7.5%

Responsible Departments

Global HR Department

Stance and Target

Why is “Human Resources Diversity” a critical issue to be addressed? Explanation of the reason and background

In order to achieve the targets of the Grand Design 2020 (GD2020) medium-term management plan and further increase our presence on a global level, it is necessary to promote human resources diversity to an even greater extent than we have done in the past.

We recognize that the building of frameworks that allow diverse human resources to perform to their fullest is an important issue in order to create workplaces that will allow all employees to work happily and enthusiastically together.

Vision (attainment goal) / target

We will hire employees regardless of their nationality and gender. It should be noted that there is no gap between men and women currently employed at the company in terms of base salary and treatment, and going forward we will maintain a situation in which there is no discrimination based on gender, race, religion, culture, etc.

Yokohama Rubber (non-consolidated) will maintain a ratio of women in managerial positions of at least 30%.

Measures for vision achievement

The following measures will be implemented to achieve our vision.

◀ Employing diverse employees in managerial positions ▶

Under the new human resources system GLOBAL introduced in July 2010, we aim to provide opportunities to employees with ambitions and capabilities. In addition, a regional-specific managerial position system was introduced in 2014. These are positions that work closely together with regions as human resources that fulfill an important function at domestic plants that are the core of Yokohama Rubber’s manufacturing.

◀ Stable new graduate hiring and mid-career hiring according to business strategy ▶

New graduates are hired on an ongoing basis from a long-term perspective. In addition, experienced employees (mid-career hires) are also hired depending on business needs.

◀ Employment of people with disabilities ▶

Up until now, new employees with disabilities have been hired on a regular basis mainly for work within our existing operations that could be conducted regardless of their handicaps, and they have been accepted as new graduates on a regular basis at each business location. Going forward, we will develop new businesses in order to expand the scope of employment of people with disabilities.

◀ Support for work-life balance through various systems ▶

We will develop and expand various programs to support the work-life balance of employees, including a childcare leave system and career return system, a nursing care leave system, a working-from-home system, and a shorter work hours system.

◀ Support through seminars, etc. ▶

“Second Life Seminars” are held jointly by labor and management to support revitalization while employed and life planning after reaching retirement age.

In addition, with Japan entering the “Era of Widespread Care Responsibilities” (with a growing share

of the population requiring care), starting from 2017 care-related seminars have been held, jointly organized by the company's management and by the labor union, with the aim of helping to ensure that employees are prepared for the challenge of working while also providing care for family members.

Review of FY 2017 Activities



During fiscal 2017, we conducted the following activities and achieved the following results in terms of ensuring the diversity of human resources and the provision of equal opportunities.

Employing diverse employees in managerial positions

Since the introduction of a regional-specific managerial position system in July 2014, this system has been continually implemented and deployed at each business location, and it has led to the adoption of regional-specific managerial positions at four business locations at present.

Steady implementation of new graduate hiring and mid-career hiring according to business strategy

During fiscal 2017, 149 employees were hired.

Of these, 47 were management career track positions (ratio of female employees of 34%).

Number of female employees (managerial positions: new graduates + mid-career) (unit: persons)

	FY 2015	FY 2016	FY2017
Women	12	15	16
Men	36	44	31
Total	48	59	47
(Ratio of women)	25%	25%	34%

Number of employees by age and gender (non-consolidated) (unit: persons)

			Japan	North America	Asia	Europe	Other	Total
Less than 30 years old	Regular employees	Male	937	1	2	0	0	940
		Female	87	0	1	0	0	88
	Junior employees	Male	0	0	0	0	0	0
		Female	0	0	0	0	0	0
	Contract workers	Male	3	0	0	0	0	3
		Female	1	0	0	0	0	1
Age 30 to 50	Regular employees	Male	3,148	25	59	10	5	3,247
		Female	245	0	2	0	0	247
	Junior employees	Male	5	0	0	0	0	5
		Female	21	0	0	0	0	21
	Contract workers	Male	9	0	5	1	0	15
		Female	4	0	0	0	0	4
Above age 50	Regular employees	Male	828	8	28	2	5	871
		Female	43	0	0	0	0	43
	Junior employees	Male	1	0	0	0	0	1
		Female	9	0	0	0	0	9
	Contract workers	Male	22	0	2	0	0	24
		Female	1	0	0	0	0	1
Grand total			5,364	34	99	13	10	5,520

Employment of people with disabilities

From fiscal 2011, we started accepting interns from special needs high schools on the assumption of future employment. Moreover, in March 2012, in order to offer work places to an increased number of hires with disabilities, the Company launched operations at Yokohama Peer Support Co., Ltd.,

established for the employment of persons with disabilities. Subsequently, on May 31 the entity acquired recognition as a Special Provision Subsidiary under the Act for the Promotion of Employment of Persons with Disabilities (Disabled Persons Employment Promotion Act). We have focused on the employment of persons with intellectual disabilities since January 2012, and as of January 2018, 27 persons with disabilities were employed.

In addition, the four companies of Yokohama Rubber, Yokohama Peer Support, Yokohama Tire Japan, and Yokohama Rubber MB Japan have been recognized for having a disabled person employment ratio system or as special subsidiaries in accordance with the grant system for employing persons with disabilities, and the employment rate of people with disabilities was 2.28% as of the end of January 2018 (total for the four companies).

Support through our Systems

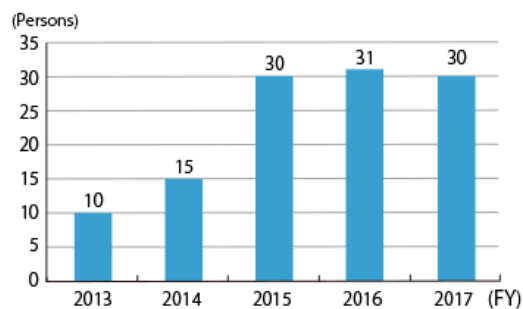
Childcare Leave System

Since 1992, we had been supporting our employees who have a child less than 1 year old (up to 2 years if certain criteria are met) with a childcare leave system ("Childcare Leave System A"). In addition, our "Childbirth and Childcare Leave System," available for male employees only, was converted into the "Childcare Leave System B" in May 2017. The aim of this change was to encourage male employees' participation in childcare, and to provide support to help female employees who have returned to work after taking childcare leave to balance their work and family responsibilities.

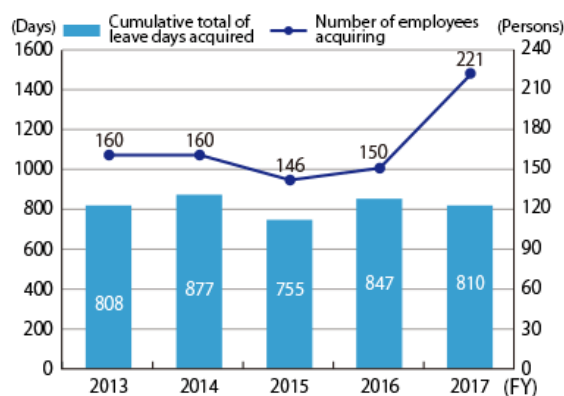
With respect to employees who obtained childcare leave in the period 2013 to 2017, the labor retention rate among these employees was 91.4%.*

* Defined as still being employed by the company twelve months after returning to work.

Changes in the Number of Employees who have taken Childcare Leave (Childcare Leave System A) (unit: persons)



Changes in the Number of Employees who have taken Childcare Leave (Childcare Leave System B) (unit: persons)



*Figures for years up to and including fiscal 2016 denote the number of employees taking Childbirth and Childcare Leave, and the number of days' leave taken.

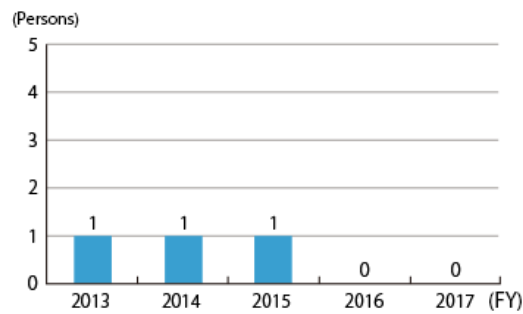
Figures for fiscal 2017 are combined totals for both the old and new systems: Childbirth and Childcare Leave, and Childcare Leave System B.

Family-Care Leave System

We introduced the Family-Care Leave System from fiscal 1994 to support employees with family members requiring constant nursing care. In addition, it is possible to take paid nursing care leave for a period of 5 days per year if there is 1 family member who requires nursing care, and 10 days per year if there are 2 family members or more requiring nursing care. Furthermore, it became possible to take nursing care leave in units of one hour as of January 2016. Also, we are expanding

the scope of “nursing leave for children” (up to 5 days per year) which is to enable employees to take care of children who have become ill, to include children studying in elementary school as well as younger children.

Changes in the Number of Employees who have taken Nursing Leave for Children (unit: persons)

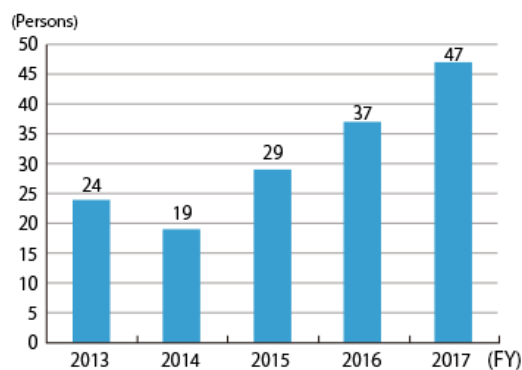


◁ Shorter Working Hours Scheme ▷

Employees may utilize our shorter working hours scheme if they have pre-school children or any family members who need nursing care, upon request from the employee in question. Also, we have a staggered working hours system for those who have children in the third year of primary school or younger.

Furthermore, since fiscal 2010 we have deployed a system for employees those who wish to be located in the assigned area only without relocation for the next two years.

Changes in the Number of Employees who have made use of the Shorter Work Hours Scheme (unit: persons)



Introduction of Initiatives

■ “Women’s Participation and Advancement Taskforce” activities

In response to the enactment of the Act on Promotion of Women's Participation and Advancement in the Workplace, Yokohama Rubber launched the “Women’s Participation and Advancement Taskforce” initiative in October 2016.

In 2017, a survey was administered to all employees, and individual interviews were held with all female employees, providing an opportunity to hear employees’ frank views about their working environment and their requirements, directly from the employees themselves.

As a result, it was possible to clarify employees’ expectations regarding the creation of an employee-friendly working environment and related systems, and the company was able to collate the issues where it needed to provide support in relation to the realization of diverse working styles, including the balancing of work responsibilities with childcare and family care responsibilities.

We formulated a basic policy of “Recognizing the need to support diverse working styles, and aiming to create an employee-friendly company that employees will want to remain in for the long term,” and set to work on building an employee-friendly working environment.

In 2018, we have implemented concrete measures in the three areas of childcare, family care, and career development.

1. Childcare

We are expanding measures to help employees balance their childcare and work responsibilities.

- Strengthening the foundations through the adoption of employee-friendly systems such as the Working from Home System
- Measures for effectively utilizing employees who are making use of the Shorter Working Hours

Scheme

- Holding of Working Mothers Meetings

2. Family Care

We have administered a survey to all employees to clarify the current state of employees' family care responsibilities.

- (Quantitative survey) Survey administered to all employees
- (Qualitative survey) Survey administered to employees with care-giver responsibilities
- Holding of study meetings aimed at preventing the situation where care responsibilities cause employees to resign from their jobs

3. Career Development

We are expanding the provision of training etc. to help female employees continue to work for the company over the long term.

- Female employee career continuity measures (training, lectures, etc.)
- Fostering understanding of employee diversity, and strengthening risk management education
- Holding health seminars for female employees (covering breast cancer, the menopause, etc.)

[VOICE] A female manager working in Thailand

Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT)
Technology Section Chief
Suarpa Ratanavaraha



As a Technology Section Chief, I am responsible for supervising the entire tire manufacturing process. I have been working at YTMT for 13 years now. When I first joined the company, I was working as a rubber compounder; I was subsequently promoted to Assistant Section Chief, and then to my current position in 2014. The Technology Section has 40 employees, of which half are women; the two Assistant Section Chiefs are both men. I don't feel that being a woman has made it difficult for me to work as a manager; in Thailand, it is considered normal for women to hold managerial positions.

In Thailand, we get on with co-workers in the same way that we get on with members of our own family. Of course, that is true for me as well; I treat my colleagues like my own family members. Every morning, when I see team members' faces during meetings, if it looks as though something is wrong, I make a point of talking to that colleague immediately. We also all enjoy participating in company events such as marathon competitions and dinner parties together. We are always ready to provide support for one another, even if it is a family problem and not directly work-related. One of my subordinates had problems with her eyes because of diabetes, so I moved her to a different position in which she wouldn't need to use a PC so much, and all of us worked together to prevent her from eating too much sugary food.

I want to keep working as long as I can, and I hope to be able to create happiness – both for myself and for my colleagues – through my work. I believe that if you focus not just on your own happiness but on that of others too, it is possible to really enjoy your work. As I see it, everyone is bound to make mistakes occasionally as they take on new challenges; by making mistakes and learning from them, you are actually strengthening your capabilities. When holding meetings with managers from Yokohama Rubber group headquarters in Japan, by communicating directly in English rather than relying on an interpreter, it is possible to invigorate the communication, and also to strengthen our English ability in the process. I have been very pleased to see how our whole company has developed a corporate culture that supports challenging oneself.

[VOICE] A female manager working in Thailand

**Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT)
Accounting Section Chief
Suphawadee Trairatsarabakul**



I am responsible for cost management at YTMT's accounting section. I have 17 people working under me in the section, who all happen to be women. This is not because our company discriminates on the basis of gender; I think it may be because the kinds of people who pay attention to small details – which is important in accounting – tend to be women. As a workplace with many female staff, it is inevitable that there will be many cases of personnel needing to take maternity leave. However, because the period of maternity leave is fixed, we can plan the arrangements for other staff to take over their responsibilities in a systematic way. I believe that being a well-organized company with a clear division of responsibility is what makes YTMT such a great place to work.

With subordinates, I make an effort to understand their individual personalities and to communicate with them considerately. If someone has a problem, they won't always come over to talk to you about it, so I will strike up a conversation with them to try to get them to tell me what is bothering them. Thailand has a tight job market at the moment, with plenty of job vacancies, which makes it easy for people to change jobs, and so we often get people leaving the company suddenly. Besides trying to avoid this situation, I also try to be ready for it, so I get staff to work in teams of two people (so that one can take over if the other leaves suddenly).

I want the personnel in my section to be proactive about expanding their own capabilities. Given the great working environment that we have here, and the opportunities for personal growth, it seems to me to be a shame to just allow one's work to become circumscribed. I think it is important to challenge yourself, for example by trying to resolve problems by yourself when your supervisor is absent.

Thailand has a lot of women working in office jobs, and as a consequence it also has a lot of female managers. I didn't set out with the idea of wanting to become a manager; I just happened to find myself being promoted to a managerial position at a time when I wanted to learn more. I have now been in my current position for 10 years, and I would like to further enhance my capabilities and learn new skills in a different area. If I have the opportunity to do so, I hope to rise to departmental manager or higher in the future.

[VOICE] A female employee working in Thailand

**Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT)
Human Resources Department
Nao Nishimoto**



Having previously worked in the Human Resources Department at the Yokohama Rubber Co., Ltd., I was assigned to YTMT in July 2017; I also serve as a member of the Women's Participation and Advancement Taskforce. I had always hoped to have the opportunity to work overseas, in order to broaden my outlook, so I was very pleased when the assignment to YTMT was confirmed. One of the first things that struck me after arriving in Thailand was that the way in which colleagues in Japan can more or less "read each other's minds" does not work here. Because different countries have different ideas about what constitutes "common sense," and different approaches to doing things, in order to fully understand what you are saying to one another you need to take great care over even the smallest details of communication. Every day, there are new challenges to be overcome, but I view these as an opportunity for growth, and work proactively to overcome them. Companies in Thailand usually don't have a shorter working hours system (for new parents), but it is normal to leave work on time. Because family members and neighbors are willing to help with childcare, it is normal for women to keep working while pregnant and when they have young children. As work-styles and the social background in Japan are different, I think it would be difficult to have exactly the same kind of situation in Japan, but I think that, if you can develop systems suited to the society in question, then as people get used to these new systems, the number of women who continue working over the long term will increase, and then you will naturally see an increase in the number of female managers. Japanese people and Thai people each have their own special strengths. Japanese employees are good at preventing problems from developing, and at drawing up schedules to plan their work; Thai employees are good at responding quickly and decisively when a problem develops, and I find that I am able to learn from my Thai colleagues on a daily basis. I feel that, if it were possible to create an organization that combined the strengths of both countries, it would be a truly first-class organization.

Completion of a new form of company housing and employee dormitory, and improvements in communication and disaster response

The new integrated company housing and employee dormitory facility Ciento Musashi-Kosugi (the nearest railway station is Musashi-Kosugi) has been constructed in Imainishimachi, Nakahara Ward, Kawasaki City, Kanagawa Prefecture, and it started to accept residents from the end of March 2017. The facility is characterized by being a new form of facility that contains company housing, a men's dormitory, and a women's dormitory.

This new integrated facility is based on the three concepts of stimulating communication among employees, improving safety levels and the ability to respond when disasters occur, and the provision of secure housing to employees as an integrated facility that brings together company housing, a men's dormitory, and a women's dormitory.

The word ciento means "100" in Spanish, and this name was used to commemorate Yokohama Rubber's 100th anniversary since foundation.



Outside of Ciento Musashi-Kosugi



Communal lounge with kitchen where both adults and children can gather

- Effective utilization of a popular and convenient location for employees

We aim to increase motivation by creating a comfortable living environment that effectively utilizes a location that is popular as a neighborhood people want to live in and is convenient for commuting for employees.

- Stimulating communication between employees

In an effort to deepen communication regardless of gender or generation, we have established a wide variety of comfortable communal spaces that include a lounge with kitchen where both adults and children can gather on the 1st floor, a library where adults can study in a quiet setting, and a garden and patio.

- Improving safety levels and the ability to respond when disasters occur

We will improve safety levels and the ability to respond when disasters occur by consolidating company housing and employee dormitories.

In addition, the facility will be used as a base for providing integrated support for employees and the region by making available emergency equipment and emergency food supplies, and opening it as an evacuation area for people from neighboring areas during disasters.

- Provision of secure housing to employees

This facility that will serve as the first women's dormitory for Yokohama Rubber will be equipped with strong security features in order to provide secure housing where people can gather during emergencies while maintaining privacy.

- Contributing to the regional environment

We have actively conducted greening in gardens and areas surrounding the building, and installed footpaths, benches, etc. In addition, we aim to contribute to safety and towards improving the local environment by creating a bright neighborhood with lighting which lights up the building and the planted areas adjacent to it.

Issues and Future Improvement Measures



With the adoption of the Working from Home System, provision of pay during nursing care leave, and it becoming possible to acquire nursing care leave in hourly units, we have established a framework that makes it easy to work while providing nursing care for family members. Going forward, we will promote the creation of environments that make it easy to work while providing child care and nursing care, and we will also work actively in areas such as the operations of Yokohama Peer Support Co., Ltd. for the employment of people with disabilities, as we strive to create a workplace so that all of our diversified personnel can perform to the fullest.

The Environment

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Stance

Currently, society faces various issues such as the depletion of natural resources, climate change, and the destruction of ecosystems, and all business activities have an impact on the environment. Furthermore, it is also a fact that changes in the environment can lead to major risks involving business continuity. For this reason Yokohama Rubber works to minimize its environmental footprint in all business processes. As part of these efforts, environmental assessments are conducted with respect to global warming prevention, resource recycling, resource conservation, and safety and comfort, and only the products that fulfill the stipulated criteria are released on the market in order to expand our line-up of environmentally friendly products.

This way of thinking, and these activities, have been clearly stated in [the Yokohama Rubber Environmental Policy](#) as declarations both inside and outside of the company of our position as a top-level environment-friendly company. In addition, the actions that should be taken by employees are stipulated in [the Yokohama Rubber Group Action Guidelines](#).

Policy

Yokohama Rubber Basic Environmental 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 Environmental 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.

1. Under the leadership of top management, Yokohama Rubber will globally initiate environmentally conscious measures in all of its activities, and will carry out the same high level of environmentally activities across the entire Group.
2. Yokohama Rubber will deepen communications with stakeholders and will strive to make contributions to local communities and to society as a whole.
3. Yokohama Rubber will strengthen its environmental management system and will continually strive to help continually improve the environment by using preemptive approaches to mitigate its impacts on the environment, prevent environmental pollution, with the aim of eliminating environmental risks.
4. Yokohama Rubber will comply with all related laws, regulations, and agreements as well as endeavor to continually implement activities that help improve the environment.
5. Yokohama Rubber will strive to prevent global warming, conserve energy and resources as well as promote resource recycling aimed at the fulfillment of a recycling oriented and low carbon society.
6. Yokohama Rubber will strive to conserve biological diversity and use natural resources in a sustainable manner in its business activities.
7. Yokohama Rubber will promote harmony with local communities as part of its commitment to work with local communities and become a company that is trusted by local communities.
8. Yokohama Rubber shall publish this policy and make it known to all.

Yokohama Rubber Group Action Guidelines

We shall harmonize our activities with the global environment

〈 Basic Stance of the Yokohama Rubber Group 〉

1. As members of a corporate group with the highest levels of contribution to the environment, we shall take up the challenge of environment-related issues and help to build a sustainable society.
2. We shall construct and operate mechanisms for companywide management in order to observe environmental laws and regulations in each host country and region.

〈 To practice our basic stance — our action 〉

1. We shall observe all laws and regulations for prevention of air pollution, water pollution, soil contamination, etc.
2. In accordance with laws and regulations, we shall control environment-burdening substances, strive to reduce environmental risks deriving from them, and exclude prohibited chemical substances from our product manufacturing processes.
3. In all stages of our business activities, we shall eliminate the waste of resources and energy, and reduce emissions of CO₂ and other greenhouse gases.
4. In all stages of our business activities, we shall promote the reduction of industrial waste derivation and final disposal volumes.
5. In order to preserve biodiversity, we shall engage in various activities in accordance with our Guidelines on Biodiversity.

Message from a manager

With the aim of achieving harmony with the global environment in line with international agreements, and in order to achieve sustainable business management, the Yokohama Rubber Group is promoting the homogenization of global environmental management aimed at the realization of a low carbon society, the realization of a resource recycling oriented society, and the preservation of biological diversity. For the realization of a low carbon society, we will make sure all products delivered to customers are environmentally friendly and work to reduce greenhouse gas emissions (GHG) throughout the entire value chain in accordance with medium to long-term targets. For the realization of a resource recycling oriented society, we will promote the recycling of regenerated rubber, reduce industrial waste, and in fiscal year 2017 all of our production bases achieved completely zero emissions. In regard to the preservation of biological diversity, we will conduct surveys and preservation activities in order to reduce water risks in environments near production bases in Japan as well as to help ensure the stable supply of natural rubber overseas. Furthermore, we believe that the tree planting and seedling activities in local communities and disaster areas as part of our Yokohama Forever Forest Project reflect our intent to work together with local communities in order to continue protecting our blue earth. We will promote these activities in coordination with Group companies in locations including China, Asia, North America, and Europe.

Yoshiaki Mori, General Manager and Head of Environmental Protection Promotion Department,
Corporate Social Responsibility Division

Vision for FY 2020

- We will maintain all of our products as environmentally friendly ones.
- 50% reduction in total GHG emissions compared to 2005 in the value chain
- We will promote the effective use of water resources in line with the characteristics of water risks.
- We will implement biodiversity preservation activities at production bases
- Plan 1.3 million trees under the YOKOHAMA Forever Forest Project by 2030
- Promote CSR procurement of resources including natural rubber, etc.
- Achieve zero environmental risks

Main action items to be addressed first

The following items have been established as the main action items that the Yokohama Rubber Group will address first in consideration of the level of impact of business activities and the level of

social interest.

Energy	Water	Biodiversity
Effluent and waste	Emissions	Materials
Products andServices	Environmental Grievance Mechanisms	

Data summary

[The Environment \(452 KB\)](#) PDF

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KPI		
Item	FY 2016 results	FY 2017 results
Total energy consumption	(Consolidated) 1,340,959 MWh * Crude oil equivalent: 339,335 KL	(Consolidated) 1,353,082 MWh * Crude oil equivalent: 342,456 KL
Total external energy consumption * Reported as Scope 3 (Other emissions)	675,757,910MWh	656,390,395MWh

Responsible Departments

Each business location
* Activities are conducted by each business location, and the Global Warming Countermeasures Committee that the Environmental Protection Promotion Department serves as a secretariat for implements company-wide policy discussions and activities.

Stance and Target

Why is “Energy” a critical issue to be addressed? Explanation of the reason and background

The Yokohama Rubber Group, which conducts production activities in 13 countries (Japan, United States, the Philippines, China, Thailand, Russia, Vietnam, India, Taiwan, Indonesia, Italy, Mexico and Israel) around the world, uses a large volume of energy in each business process. Because the reduction of energy consumption will lead to a response to the issue of climate change that is a problem on a global scale, the effective use of resources that are becoming depleted, and cost reductions, we have selected energy as a critical issue to be addressed.

Policies and stance relating to energy

The Yokohama Rubber Group has embodied our stance towards the environment in [the Yokohama Rubber Environmental Policy](#) and will work to minimize the burden on the environment by the provision of products and services in accordance with the [Yokohama Rubber Group Action Guidelines](#). To this end, we take steps to realize sustainable, appropriate energy use and reduction of energy consumption throughout the value chain, starting from the design and manufacturing stage, by developing and adopting environmentally friendly technologies and working closely with everyone involved in the provision of related products and services.

We will conduct activities in an aim for the appropriate use and reduction of energy in accordance with international agreements concerning the proper use of energy, the regulations of countries where we conduct business (such as Japan’s Act on the Rational Use of Energy and Act on Promotion of Global Warming Countermeasures), and the policies of related organizations.

Vision (attainment goal) / target

In line with our shared global goal of reducing greenhouse gases by half by 2050, the Group is working to reduce total greenhouse gas (GHG) emissions as an energy use reduction target.

- Long-term target:
By 2050, reduce total CO₂emissions throughout the entire value chain of the Group by at least 50% of total CO₂ emissions in the base year (fiscal 2005).
- Mid-term target:
 - By 2030, reduce total CO₂emissions per unit of net sales throughout the entire value chain of the Group by at least 40% of total CO₂ emissions in the base year (fiscal 2005).
 - At our domestic group companies, we are working towards reducing the ratio of greenhouse gas emissions by 25% compared to the base year (fiscal 1990) by fiscal 2020.
 - By 2030, reduce manufacturing-related CO₂ emissions per unit of net sales, including both Scope 1 and Scope 2 emissions within the Group and (through collaboration with our partner companies) manufacturing-related CO₂ emissions throughout the value chain, by at least 30% compared to the base year (2013).

Measures for vision achievement

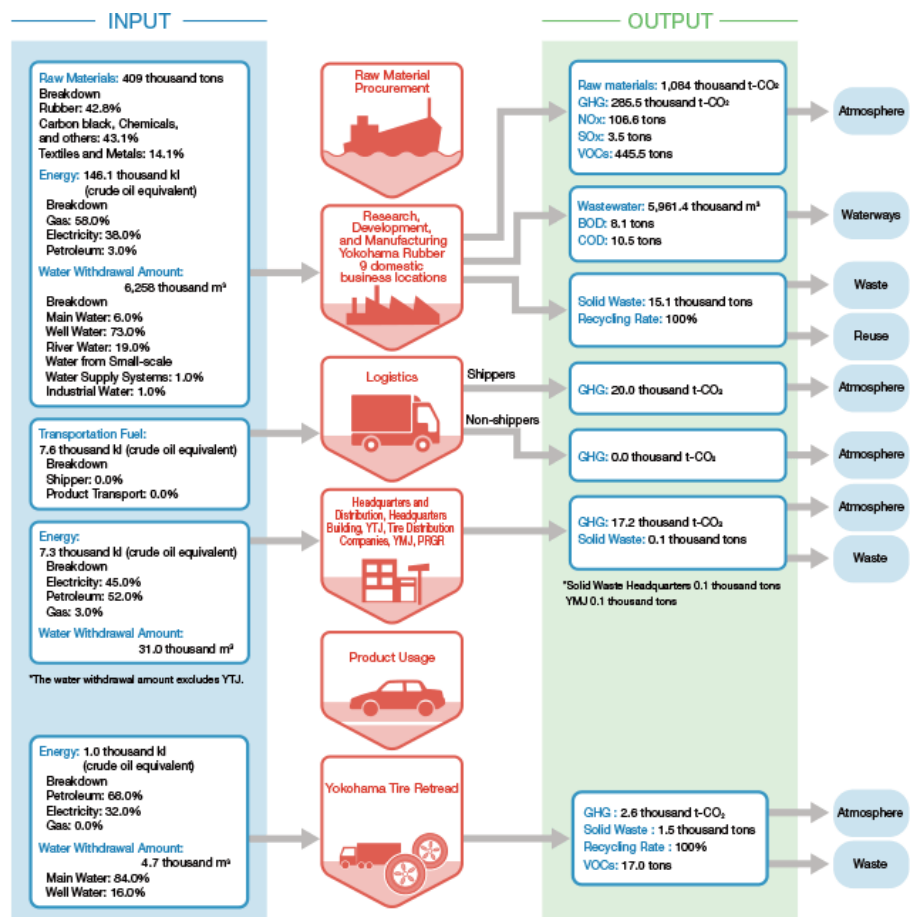
We will implement the following measures aimed at promoting the appropriate use and reduction of energy throughout overall business activities.

1. Promotion of a modal shift in logistics
2. Management of energy in production
We will promote the effective use of energy through system improvements, savings improvements, process improvements, the development of management systems, the introduction of production systems, and the introduction of new energy (renewable energy) in the production process.
3. The Yokohama Group will establish seven energy-saving subcommittees under the supervision of the Global Warming Countermeasures Committee, and will promote energy reduction activities.
4. We will promote the development and sales of eco-products in order to reduce the amount of energy use when products are used.

Review of FY 2017 Activities

GHG emissions were reduced by 15% compared to fiscal2005 as a result of system improvements (the development of energy-efficient vulcanization systems, and utilization of cogeneration), savings improvements (expanded use of LED, improvements in capacity utilization), process improvements (optimization of the rubber kneading process), and the introduction of new energy (introduction of solar cell power generation systems).

Overall picture of the environmental burden in Japan



* GHG emission is calculated based on the actual emission coefficient.

* For sales relationship, the amount of data has increased for recording warehouse and PRGR portions (from FY2015)

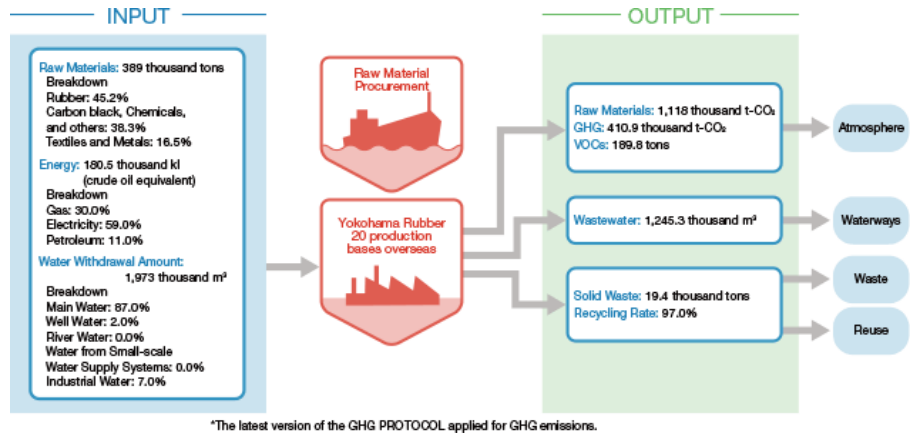
* YTJ oil category data was recorded from FY 2015.

<Statistics Source>

Research, Development, and Manufacturing: Yokohama Rubber 8 domestic business locations

Headquarters and Distribution: Headquarters Building, YTJ, Tire Distribution Companies, YMJ

Retread Tires: Yokohama Tire Retread (YTR)

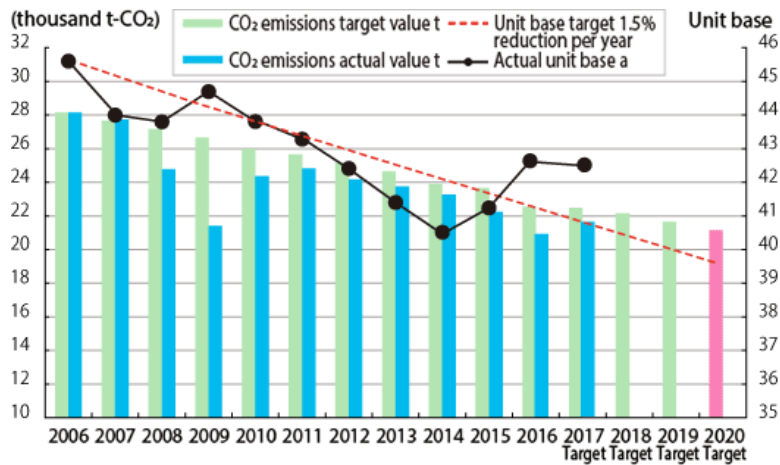


Introduction of Initiatives

Reduction of energy usage and CO₂

- Target: Reduce CO₂ emission by 25% by 2020 compared to the base year of 2006.
- Results: A 0.1% reduction in CO₂ emissions to 21,130 tons was achieved over the previous fiscal year during fiscal year 2017 and there was a decrease in ferry deliveries from domestic plants due to an increase in tire imports. On the other hand, emissions per unit remained the same as last year at 42.7 KL per million ton-kilometers.

CO₂ emissions and emissions per unit of output (from 2006)



* Yokohama Rubber on a non-consolidated basis



Rail transport for Shinshiro to Kyushu shipments

Energy management

1. Use of in-house power generation
2. Control of peak demand through demand control equipment
3. Building and roof heat retention and insulation
4. Production equipment investment (improving the efficiency of air conditioners, motors and pumps, and decreasing compressed air pressure)

Energy consumption per unit was reduced through the efforts noted above.

| Full Operation of Co-generation Systems

At tire plants that use a large volume of energy and steam, it is possible to achieve a significant reduction in CO₂ emissions through the adoption of co-generation systems that supply energy and steam at the same time. As of 2017, co-generation system had begun operation at three domestic plants. As a result of continuous 24-hour operations, 72% of the energy and nearly all of the steam used by these plants is now supplied by co-generation systems, contributing to a reduction in CO₂ emissions and a reduction in peak electric power consumption and in the overall amount of power purchased from the electric company. This was also adopted at the Thai Plant.



Mie Plant co-generation system



Mishima Plant co-generation system



Shinshiro Plant co-generation system



Thai Plant co-generation system

| Improving the efficiency of production equipment motors and pump

We will update production equipment motors and pumps that consume large volumes of energy to high-efficiency models, and will also review capacity to achieve major energy savings compared to previous equipment.



High-efficiency motor

| Improving the efficiency of production equipment cooling-water pumps

We are replacing the cooling-water pumps which play a vital role in supplying cooling-water for tire production facilities 24 hours a day with new, highly-efficient pump models, thereby reducing electric power consumption.



Cooling-water pump

| Adoption of LED lights

We will renew the overhead lighting (mercury lamps and fluorescent lamps) for our buildings in Japan and overseas with LED lights and high-efficiency lighting. We are achieving significant results in power reduction for lighting.



Mercury lighting → LED lighting

| Solar power generation

We are proceeding with the installation of environmentally friendly , renewable solar power generation facilities.

Also adopted in plants in India and China in fiscal year 2017.



Solar power generation (Suzhou, China) installed capacity: 3,000 kw



Solar power generation (Hangzhou, China) installed capacity: 80 kw



Solar power generation (India) installed capacity: 200 kw



Solar power generation (Mie) installed capacity: 500 kw

| Energy Saving Month activities

Based on the vision of “building up goal-oriented team efforts by aggressively taking on energy saving challenges,” during the energy-saving month of February, significant results were achieved through the accumulation of multiple small efforts, thanks to effective coordination between the production department, equipment maintenance department, and administration department at plants.



Education activities during the Energy Saving Month

| Activities to strengthen energy management based on guidance from consultants.

We are strengthening energy guidance through means such as reductions in energy loss in line with production variation (switching equipment on and off), representing the adoption of a just-in-time system for energy.

Consultants provide guidance every year at business locations in Japan and overseas.



Provision of guidance by consultants

Issues and Future Improvement Measures

We expect to achieve our targets for reductions in total energy use as we will continue to expand the introduction of cogeneration systems.

With the aim of increasing the renewable energy usage ratio, we plan to adopt solar power generation, etc. at locations such as Europe and North America in order to increase the percentage of our business locations that use renewable energy.

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KPI		
Item	FY 2016 results	FY 2017 results
Water intake	(Consolidated) 8,925 thousand m3	(Consolidated) 8,262 thousand m3
Percentage of recycled and reused water (Circulating water/water intake ratio)	(Consolidated) 136%	(Consolidated) 141%
Water sources significantly affected by water intake	(Consolidated) NA <Endangered species> There are endangered species in the Miya River (Mie), Kanogawa River (Mishima), and Kaname River (Hiratsuka) (red list of threatened species) <Intake of water from protected areas> Not applicable. There is no intake of water from protected areas.	(Consolidated) NA <Endangered species> There are endangered species in the Miya River (Mie), Kanogawa River (Mishima), and Kaname River (Hiratsuka) (red list of threatened species) <Intake of water from protected areas> Not applicable. There is no intake of water from protected areas.

Responsible Departments

Each business location

* Performance is managed by the Production Environmental Task Force.

Stance and Target

Why is “Water” a critical issue to be addressed? Explanation of the reason and background

Yokohama Rubber Group’s use of water consists of two forms: the use of water such as cooling water for boilers and production facilities at production bases (direct use) and the use of water at suppliers of raw materials etc. (indirect use).

For direct use, the risks (physical, regulatory, reputation risk, etc.) vary depending on the region of each business location. For this reason, we believe that it is important to effectively use precious water resources in line with the characteristics of each production base.

In addition, for the indirect use of water in the production process for raw materials such as natural rubber as well, we believe that it is necessary to confirm the situation and take the appropriate responses as necessary. This is based on our stance that if it is not possible to procure raw materials due to water-related risks at suppliers, this could directly result in serious problems that affect our operations.

Water use policy

Our domestic bases have rich water resources, and while we use these resources effectively as a recycled resource*, there are areas with water use constraints among our overseas business locations. For this reason, it is necessary to conduct water risk assessments in these areas and work to ensure that water is properly managed. We also believe that it is necessary to confirm the state of water use at suppliers and work together to adopt countermeasures in the event of water risks arising.

For this reason, we decided on a policy after reviewing the situation from fiscal 2015 to 2017. Furthermore, we will broadly release updates on the progress of these measures through means such as external questionnaires (CDP’s water, etc.) and our website.

* We use water based on formal procedures such as agreements with regions (governments).

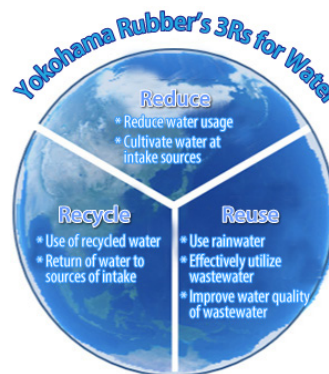
| Water risk assessments

For many production base areas that use a lot of water, we use existing water risk assessment tools such as WRI's Aqueduct to confirm potential water risks. As there are cases where the use of only existing tools might be unable to provide a completely accurate picture of the actual water risk, we also incorporate local information to make judgments on comprehensive water risks.

Based on these results, we identify the highest risks among representative water risks for each business location (physical, regulatory, reputation risk, etc.), and consider measures that should be taken, starting with the highest priority risks.

| Vision (attainment goal) / target

We will promote 3R initiatives for water at all of our business sites, including in the supply chain, and in each community to strive to use water soundly and conserve water resources. As a result, we will contribute to an appropriate water cycle on a global scale.



| Measures for vision achievement

At domestic and overseas production bases, we conduct the following initiatives aimed at reducing water intake per unit of output by 1% year-on-year.

- Reinforce countermeasures for reducing water usage at sites with a high physical risk (water shortage)
- Thoroughly manage wastewater quality at sites with a high regulatory risk
- Enhancement of areas communication at sites with a high reputational risk

Review of FY 2017 Activities

- A water risk assessment is conducted by incorporating local information with the results from WRI's Aqueduct existing water risk assessment tool to manage risks by country in the categories of water volume risk (India, the Philippines, Italy), water quality risk (Japan, US, Thailand, Vietnam, Russia, Taiwan), and water volume and water quality risk (China, Indonesia). Reduction of 1% over the previous fiscal year was set.
- We completed a questionnaire relating to the CDP Water program and supply chain water usage once again in fiscal year 2017, and reported to suppliers.
- We have implemented the effective use of water at all business locations through continuous leakage prevention and improvements to equipment using recycled water. In particular, water closed systems have been introduced at many overseas production bases in response to physical (water shortage) risks. Introduction of Initiatives

Introduction of Initiatives

We have made capital investments at our Mie and Onomichi domestic production bases in leakage protection for facility pipes and recycled water use facilities.

As for our overseas production bases, we introduced a closed-loop system at the time of constructing our plant in India.

In Thailand and China, we collect rainwater and use it as cooling water and for restrooms. In addition, water treatment facilities are being installed at all production bases to prevent deterioration in wastewater water quality.



Water treatment facilities at our production base in Italy

At our Nagano Plant, we recycle cooling water, etc., using a water recycling system.



Nagano-water recycling system

We are also conducting [biodiversity conservation activities](#) at Mie, Shinshiro, Mishima, and Ibaraki to investigate the impact on rivers that are water discharge sites.

Issues and Future Improvement Measures

A framework will be established for the assessment of global data on water use, and the following initiatives will be implemented.

- Formulation of Yokohama Rubber Group standards (guidelines) for the proper management of water
- Enhancing internal awareness of the water initiatives and the need for these initiatives
- Joint implementation of water initiatives throughout the supply chain

Biodiversity

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KPI		
Item	FY 2016 results	FY 2017 results
Implementation rate of biodiversity conservation activities for ecosystems near production facilities	(Consolidated) 38% (8 domestic business locations, and 5 overseas locations)	(Consolidated) 50% (10 domestic business locations, and 7 overseas locations)
Biodiversity in each area, and impact	Yokohama Tire Retread Co., Ltd. (YTRH) Vicinity of Lake Utonai	Yokohama Tire Retread (YTRH) Vicinity of Lake Utonai
Habitats being safeguarded or restored	Satoyama (traditional community-managed forest) conservation in Toyooka Village, Nagano Prefecture; Satoyama conservation in Tsuchiya district, Hiratsuka City, Kanagawa Prefecture; conservation of Loggerhead Turtle egg-laying sites along the Ominato Coast in Ise City, Mie Prefecture.	Satoyama (traditional community-managed forest) conservation in Toyooka Village, Nagano Prefecture; Satoyama conservation in Tsuchiya district, Hiratsuka City, Kanagawa Prefecture; conservation of Loggerhead Turtle egg-laying sites along the Ominato Coast in Ise City, Mie Prefecture, and conservation of breeding grounds of Eastern bluebird near the Virginia Plant
Total number of species included in the IUCN Red List of Threatened Species or in Japan's domestic list of species requiring special conservation efforts	Rivers receiving wastewater Endangered: One species: Chara braunii Vulnerable: Three species: Japanese Killifish (all rivers); Japanese Fluvial Sculpin (Kuroda River); Loach Catfish (Tenryu River) Near-threatened: Three species: Kamatsuka Pike Gudgeon (Kaname River); Sicyopterus Japonicus (Kaname River); Appasus Japonicus (Sonobe River) Least concern: Four species: Dark Chub (Goten River); Gnathopogon elongates (Goten River); Rhinogobius kurodai (Goten River); Japanese Common Catfish (Kaname River)	Rivers receiving wastewater CR+EN: One species: stonewort VU: Two species: Japanese rice fish (each river) and goosefoot (Tenryu River) NT: Three species: ferocious water bug (Sonobe River), freshwater sculpins (Kuroda River), black-spotted pond frog (Tenryu River) On premises of plants and satoyama VU: One species: golden orchid NT: Three species: great purple emperor, whisk fern, Japanese fire belly newt Least concern: One species: grey-headed lapwing
<Categories of threatened species> • Critically endangered (CR) • Endangered (EN) • Vulnerable (VU) • Non-threatened (NT) • Least concern		

Responsible Departments

Each business location

* Activities are conducted by each office, with the Biodiversity Committee (which the Environmental Protection Promotion Department serves as a secretariat for) implementing company-wide policy discussions and activities.

Why is “Biodiversity” a critical issue to be addressed? Explanation of the reason and background

We are engaged in a business that is dependent on natural capital (the gifts of nature) including natural rubber. In addition, many production facilities use large quantities of water for the cooling of equipment, and emit heat and carbon dioxide. We recognize that the burden on the natural environment caused by these kinds of business activities is not unrelated to the loss of biodiversity currently proceeding on a global scale. We view efforts to preserve the links between the variety of life nature has blessed us with (= biodiversity) and to use natural resources in a sustainable manner and carry biodiversity on to future generations to be our responsibility.

Guidelines on Biodiversity

〈 Basic Policy 〉

In running our business, we rely heavily on nature’s blessings. We should pass on this rich nature to our future generations by addressing the preservation of biodiversity and utilization of sustainable biological resources through our business activities, whilst recognizing the fact that “linking diversified lives equals biodiversity”, which is the basis of nature’s blessings, has been dwindling rapidly on a global scale in recent years.

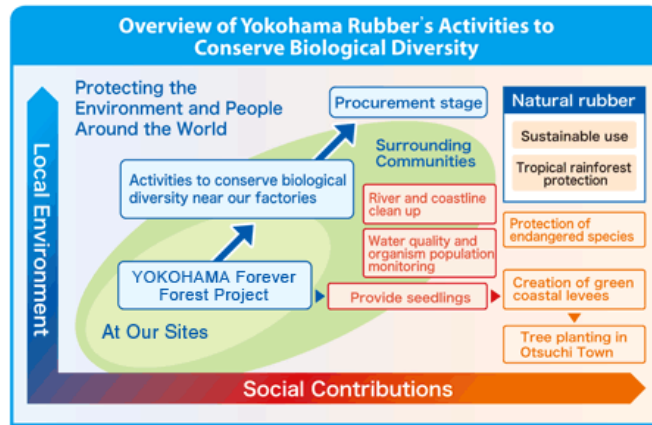
〈 Action Guidelines 〉

1. Recognition as a Management Issue
Since Yokohama Rubber is directly using biological resources and conducting business activities that may affect biodiversity, we recognize the importance and risks towards the grace of nature. Therefore we will address the preservation of biodiversity from a long-term perspective.
2. Participation by All Employees
We will raise the awareness of our employees in regard to the grace of nature. All our employees will contribute to the preservation of biodiversity both at work and their local communities.
3. Determine the Effect on Biodiversity and its Reduction
We will determine the effect that our business activities may have on biodiversity, and shall thereby try to avoid or minimize such effect.
4. Preservation of Biodiversity through the Supply Chain
In order to preserve biodiversity, by understanding that it is important to be considerate as early as the stage of resource extraction, we shall contribute to the preservation of biodiversity at resource mining sites through cooperation with relevant personnel of the supply chain.
5. Sustainable Usage of Biological Resources
We will work on any sustainable usage of biological resources by gathering knowledge with regards to biodiversity, and also through technological development, innovation of design and production, or approaches to biodiversity in the value chain.
6. Information Sharing and Communication
We will work on the information gathering or social requirement as to preservation of biodiversity; we shall thereby disclose our activities and achievements proactively to facilitate dialogue and tie-ups with our stakeholders, such as customers, local communities, NGOs, and the government.

Vision (attainment goal) / target

In the preservation of biodiversity, we evaluate the impact that our business activities have on the natural environment and upon ecosystems, and then implement conservation activities in order that this impact can be further mitigated. Additionally, we aim for harmony with nature and the development of employees with an awareness of the environment.

YOKOHAMA Forever Forest project achieved its goal to plant 500,000 seedlings in both our domestic and overseas production sites and related department sites in September 2017. Going forward, the project is working toward the new target of planting 1.3 million trees by 2030 through afforestation at production sites and related department sites and the provision of seedlings to communities.



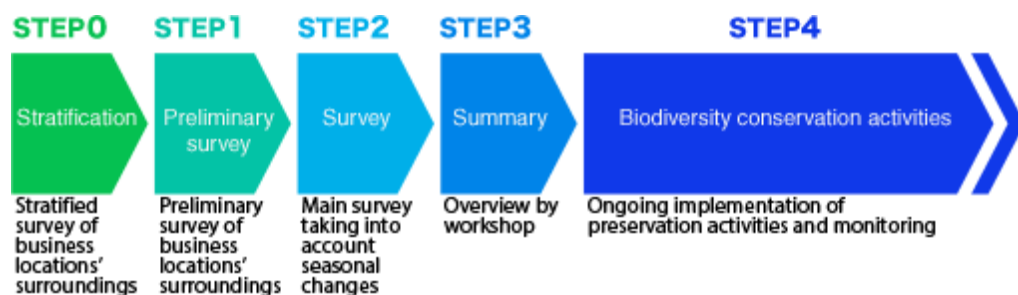
Measures for vision achievement

The locations of our offices differ in terms of geography, history, and culture. Because the living things that live at these locations also differ, we believe that it is necessary to assess the situation and establish issues for each office, and based on this we deploy our biodiversity conservation activities in stages. After gaining a general understanding of the environments surrounding offices, including waters, green areas, nature reserves, residences, and plants, we conduct surveys on the water quality of rivers that our business activities have an effect on, and monitoring of observed wildlife in the communities surrounding offices that have been surveyed, and specify the organisms subject to assessment. Through monitoring throughout the year, we assess the impact of our business activities, determine which organisms are subject to preservation, conduct preservation activities, and release the results.

In water quality surveys, we measure water temperature, electrical conductivity, pH, etc., and in the monitoring of organisms, we conduct bird observation, vegetation surveys, and observation of aquatic organisms and insects.

Business location	Location	Water quality*	Aquatic life	Vegetation	Wild birds	Insect	Other
Mie Plant	Within premises	○	○	○	○	○	
	Outside premises	○	○	○	○	○	Loggerhead turtle
Mishima Plant	Outside premises	○	○		○		
Shinshiro Plant	Within premises	○	○				
	Outside premises	○	○		○		Amphibians
Onomichi Plant	Within premises			○	○	○	
	Outside premises	○	○	○	○		
Hiratsuka Factory	Within premises	○	○	○	○	○	
	Outside premises	○	○	○	○	○	
Ibaraki Plant	Within premises	○			○		
	Outside premises	○	○	○	○		
Nagano Plant	Outside premises	○	○	○	○		
Yokohama Tire Retread Hokkaido Plant	Outside premises			○			
Yokohama Retread Onomichi Plant	Outside premises	○	○	○	○	○	
Yokohama Mold	Outside premises	○	○	○	○		
YTMT	Within premises	○			○	○	
YTRC	Within premises	○	○		○		
CHZY	Within premises			○	○	○	
	Outside premises	○	○	○	○	○	
CSZY	Outside premises			○	○	○	
YTPI	Within premises			○	○	○	
YTMV	Within premises			○	○		Mammals
	Outside premises	○	○		○		
YRPZ	Outside premises						Growth of pine trees

* Presence or absence of biodiversity activities



YOKOHAMA Forever Forest Project

A cumulative total of 526,000 trees have been planted as of the end of 2017 (representing an achievement rate of 105%). The cumulative total including the number of seedlings provided equates to 852,000 trees. This marks a 66% achievement rate for the target of 1.3 million trees by 2030. In order to assess forest growth and environmental changes, we conduct surveys on the amount of growth (measurement of tree height and diameter at breast height) and surveys on wild birds observed within plant premises. From surveys on the growth amount of seedlings we have calculated the fixed quantity of carbon dioxide from the YOKOHAMA Forever Forest Project and determined that the fixed quantity of carbon dioxide from the YOKOHAMA Forever Forest Project is higher than that for a typical broadleaf forest. This is likely the effect of the mixed planting and close planting of various kinds of trees.

In wild bird surveys at the Hiratsuka Factory, 55 species of wild birds have been observed on plant premises up until now. From the third year of tree planting, we began to see brown-headed thrushes that have a penchant for forests. We believe this reflects how the Forever Forest is functioning as it should as a forest for wild birds. In addition, we observed the crowned willow warbler and the great reed warbler that is seen near water, which suggests that the Forever Forest is functioning as a stopover for wild birds as they move throughout their habitat.



Review of FY 2017 Activities

Participation in initiatives aimed at maintaining natural rubber as a sustainable resource

Yokohama Rubber supports the aims of the Sustainable Natural Rubber Initiative (SNR-i), an initiative launched by the International Rubber Study Group (IRSG) with the aim of developing rubber as a sustainable natural resource, and has participated in SNR-i activities.

Expansion of biodiversity conservation activities in supply chain

At the “9th ThinkEco Hiratsuka” public event held at the Hiratsuka Factory, a panel discussion on biodiversity was held for the fourth year running. Based upon the theme of “What can we do to protect the environment around Hiratsuka waterways? How satoyama conservation results in vibrant waterways,” we gained the participation of a total of around 35 stakeholders including employees, local residents, and environmental NPOs, and shared activities concerning the results of Yokohama Rubber’s report on biodiversity, and policies on future activities. Most of the underground water used by the Hiratsuka Factory is from the Kaname River system. It is important to carry out initiatives to cultivate underground water in order to use this water resource continuously. Participants learned about the importance of efforts that balance underground water cultivation with conservation of biological diversity.

| Classroom-based biodiversity training for overseas managers

In November, managers responsible for biodiversity activities at three overseas production facilities were brought together for a classroom-based training activity. The training covered basic biodiversity knowledge, as well as the purpose and practical implementation of monitoring surveys, supported by practical activities. In addition, managers from each facility gave presentations on the types of activities that their facilities will be implementing to safeguard biodiversity in the future, followed by a discussion of these plans.

| Employee education

We are working to preserve biodiversity through our business activities, carrying out employee education to increase awareness, and are further ensuring that all employees act with an awareness of the benefits of biodiversity through employee education. A biodiversity course is now provided for young employees as part of their Technology training, trainees further their understanding through lectures, monitoring, and workshops.

Introduction of Initiatives



| Hiratsuka Factory

The Hiratsuka Factory comprises multiple divisions and departments, thus this is the location for employee training in biodiversity activities.

Activities are being carried out on the mid- and downstream portions of the Kaname River.

The presence of birds including streaked fantail warblers, kingfishers, great reed warblers, bull-headed shrikes, and migratory fish including eels, rhinogobius, and gobies in the Kaname River are indicative that both the river and the nearby sea are healthy. However, investigations of the vegetation showed significant quantities of introduced species such as giant ragweed and bur cucumber, and we decided that our conservation activities should include removal of specific introduced species. Last year, with help from our employees (around 250 of whom took part in the activities), we removed a cumulative total of approximately 1.7 tons of introduced species.

In March each year, at the invitation of the Kaname River Basin Watershed Network, we conduct river cleanup activities in collaboration with local government authorities and civic organizations.

Additionally, starting in 2015, we began to implement activities aimed at revitalizing Satoyama (traditional community-managed forests), including renting abandoned land in Yadota, near Komagataki in the Tsuchiya district of Hiratsuka, to create a biotope through manual labor.

In May 2017, a “dragonfly pond” was made in the grounds of the Hiratsuka Factory through manual labor, and activities began to be held to enable people to experience for themselves our links with other living things by observing the dragonflies, butterflies, frogs etc. that congregate at the pond. These activities to conserve biological diversity and our ongoing surveys of fixed amounts of CO2 absorption associated with the growth of the Forever Forest planted in and around the site in 2007 were recognized with Association for Business Innovation in Harmony with Nature and Community (ABINC) certification as a plant that is considerate of biodiversity in March 2017.

| Mie Plant

Three teams are continuing to implement biodiversity conservation activities as follows.

- “Black Team”: Conducted water quality survey on rivers that factories discharge wastewater into (Hinokijiri River and Hotosu River) and aquatic life survey on organisms such as killifish
- “Tall Team”: Measured the number of foreign species removed and native plants and conducted a loggerhead sea turtle egg laying survey at beaches (Ominato sea coast) near to where wastewater flows out
- “Short Team”: Created biotopes in rainwater ponds at plants, conducted water quality survey, biological survey, aquatic life survey, and water quality measurements

We presented lectures at the local Ominato Elementary School. Children at Ominato Elementary School learned about living things along the Ominato coast, and also participated in removing introduced species. In FY 2017, we newly held tree planting events and outreach classes for four elementary schools in Ise City covering the theme of activities to conserve biodiversity in our biotope. As a general activity, we held clean-up events on two occasions during the year with the community association and local government. In addition, we host a presentation on our activities to conserve biological diversity for the community association and local government every year where we exchange views with one another.

Together with people from the local community association at Kanomi town in Ise city, we are continuing to implement surveys of water quality of the rivers flowing through the town that play host to fireflies, as well as of living creatures.

| Mishima Plant

The factory discharges water into the Goten River, and we had three teams—"Loach Team," "Softshell Turtle Team," and "Eel Team"—carry out ongoing surveys into water quality and wildlife. These confirmed that the Goten River was home to a huge variety of wildlife, including larvae from damselflies and koyama dragonflies; fish such as the Zacco platypus (pale chub) and the dark chub; reptiles including the Chinese pond turtle; and birds such as kingfishers. However, the river also included large amounts of discarded trash, and so after monitoring, we also carried out some cleaning to do what we could in order to preserve the Goten River in a pristine state. We are also working together with NPO Groundwork Mishima to undertake restoration of the Haizuka River (which runs along what was formerly the course of the Kano River).

| Shinshiro Plant

We have been carrying out monitoring of water quality in the Noda and Kuroda Rivers, which also receive discharge from factories. The biotope located within the plant grounds, which had become neglected, has been restored; Japanese Killifish are thriving in the discharge water from the plant, which suggests that the discharge water has no adverse effect on the wildlife.

At Yotsuya Senmaida, we are creating and maintaining a biotope in unused farmland. Here, we can find freshwater crabs, pond frogs, forest green tree frogs, fire belly newts, and other creatures.

On July 7, we attended the 8th Chubu Region Five Environmentally Progressive Cities Summit (TASKI) at the invitation of Shinshiro City government, where we gave a presentation on our efforts to expand the scope of activities at our factories aimed at safeguarding biodiversity, and engaged in discussion with other participating organizations. Additionally, through the Shinshiro Shitara Ecosystem Network Council, on October 14th together with participants we planted 600 broadleaf trees (provided by the Shinshiro Plant) that will provide food for various wildlife on the mountain where conifer trees were thinned.

| Onomichi Plant

At the Onomichi Plant, we are carrying out surveys of water quality and of aquatic life, birds, and plants at the Nishifuji Shinsui Park on the Fujii River, as well as observing wild birds and insects within the plant premises.

Surveys of aquatic life in the Fujii River found aquatic insects including mayflies, damselflies, and dragonflies; fish such as cyprinids, sleepers, and rhinogobius; and crustaceans such as mitten crabs and lake prawns.

Within the plant premises, we are providing a mosaic of environments to host wildlife, by growing trees to create a Forever Forest and by creating ponds and marshes from groves, grass areas, and rainwater—this has become home to dragonflies, butterflies, crickets and grasshoppers. Within the plant premises, we can also see nest-building by skylarks, shrikes and redstarts staking out their territories, and wintering by bush warblers.

At the 41st Fujiigawa Evening held on June 4, we introduced activities contributing towards biodiversity in the plant, and distributed 150 seedlings for the Forever Forest.

Also, we applied for Association for Business Innovation in Harmony with Nature and Community (ABINC) certification in 2017 and obtained it in January 2018.

| Nagano Plant

The Nagano Plant is located in an area that is highly natural compared to other plants. As there is almost no drainage other than rainwater, we believe the environmental impact of this plant is low compared to other plants.

We are carrying out surveys into water quality, aquatic life, and wild birds at the confluence of the Tenryu River, which is the site of our Nagano Plant, and its subsidiary the Oshima River, as well as at the Shinsui Park on the Terasawa River. Goosefoot, which is a quasi-endangered species in Nagano Prefecture, and stonewort, which is a category I endangered species, were found during monitoring last year.

Based upon the "Forest Adoption Promotion Project" being promoted by Nagano Prefecture, we concluded with Toyooka village a "forest adoption agreement" to cooperate in maintenance of the village's forest.

| Ibaraki Plant

At the Ibaraki Plant, we continued to conduct water quality surveys and biological surveys on the Sonobe River where factory wastewater is discharged to. In biological surveys we studied vegetation, aquatic life, and birds. Because the Sonobe River is used as agricultural irrigation water, we take great care in safeguarding the quality of discharge water. Because electrical conductivity is lower and transparency is higher in the water at the plant water discharge area than in other stretches of the Sonobe River, we believe that plant wastewater management is acceptable. A water

tank has been installed at the entrance to the plant offices; fish caught in the Sonobe River are able to live in the tank, which contains discharge water from the plant. Appasus, an aquatic insect that is classified as a quasi-endangered species in Ibaraki Prefecture, was found in the aquatic life survey. When implementing monitoring, the Ambrosia trifida, Goldenrod and Star Cucumber plants that were growing rampantly on the embankments of the Sonobe River were removed; as a result, the area covered by these three non-native species has been reduced.

Additionally, in 2015, we started surveys of bird life within the plant premises. Comparing the results of observations within the park area has helped us to understand the different environments, further assisting in letting us provide more support for local wildlife.

These activities have been carried out with guidance from the Wild Bird Society of Japan (Ibaraki Office), and from the Omitama Wildlife Association. The activities implemented at the Ibaraki Plant to safeguard biodiversity have been featured on the Omitama Wildlife Association's website.

| Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT)

Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT), a tire plant in Thailand, is located within an industrial park. Because water intake and discharge is centrally managed at industrial parks in Thailand, unlike the plants in Japan, it is not possible to confirm the impact of individual plants on water intake and discharge areas. For this reason, we monitor birds and insects in order to assess the green areas (Forever Forests and biotopes) on plant premises. In order to recreate a rich ecosystem within the plant premises, we are creating two types of biotope—marshes and ponds. We have been carrying out further planting in order to preserve the connection between aquatic and land wildlife. We also secure habitats for local species and conduct environmental education for employees through these activities.

Additionally, we carried out activities to create areas of saline soil, with the aim of helping preserve the wildlife within the Khao Yai National Park, a world heritage site.

| Y.T. Rubber Co. Ltd. (YTRC)

Y.T. Rubber Co., Ltd. (YTRC) is located in Surat Thani Province, Thailand and is the only natural rubber processing plant in the Yokohama Rubber Group. While large volumes of water are used in the natural rubber processing process, we work to effectively use water resources through 100% recycling. In April, we introduced a mechanism that reduces water intake by automatically closing the valve when process facilities are not in operation to control the revolutions of the motor. As a result, we reduced water intake by around 30%. By reducing the water we use, we should be able to make greater progress with breaking down effluent in the purification pond through improved separation of impurities in the settling tank. Going forward, we will continue to check the effects of water quality improvement.

We have conducted monthly monitoring of aquatic life (fish) and water quality since November 2014. We discovered that anti-flood ponds are connected to the adjacent Tapi River during flooding in the rainy season, and contain the same kinds of fishes. Additionally, we observed that providing different configurations within the anti-flood ponds allows coexistence of different species of fishes. We found that, currently, 18 different species of fish are living in the anti-flood ponds, and 21 different bird species are found there. We realized that this contributed to saving the different types of fishes in the Tapi river as well as their genomes, and we will continue to monitor water quality trends, so that these more closely match the water quality of the river.

| Hangzhou Yokohama Tire Co., Ltd. (CHZY)

Hangzhou Yokohama Tire Co., Ltd (CHZY) is situated in an industrial park in Hangzhou, China. While there are green areas within the industrial park, there are not many species of trees, and the park has a paucity of biodiversity. Accordingly, we have carried out an evaluation of the Forever Forest, and surveys of wildlife within the Forest to confirm whether the Forever Forest at CHZY was suitable for forest dwelling wildlife.

Additionally, the Qiantang River which flows near the plant is connected to many other waterways, and sewage flowing into these has raised concerns about water quality. Together with Hangzhou Normal University and local government, we are implementing biodiversity conservation activities, using one of these waterways as a model for making improvements to water quality.

| Yokohama Tire Philippines, Inc. (YTPI)

Yokohama Tire Philippines, Inc. (YTPI) is situated in the Clark Special Economic Zone in Pampanga, Philippines, and is not near any sizable wooded areas. Accordingly, we thought that the plant's Forever Forest could provide a habitat for forest-dwelling creatures, and thus we are planting trees there and conducting surveys into the changing nature of the forest as well as on birds, butterflies, and moths in the Forever Forest. We hold presentations and provide education using games to instill

in employees approaches to biodiversity. We provide seedlings to area elementary schools as part of our green web activities and also take part in activities for improving the community's ecosystem, including coastal cleanups along Subic Bay.

| Yokohama Tire Manufacturing Virginia (YTMV)

YTMV is located at the foot of the Appalachian Mountains of Virginia in the eastern United States. The area offers a vibrant natural environment similar to Japan where you can experience four distinct seasons. The growth of the Forever Forest planted at the company's factory has provided a natural habitat for a large variety of wildlife and wild fowl. The nearby Roanoke River, into which we discharge rainwater, also contains a wide array of aquatic life. We are carrying out activities to balance conservation of this natural environment and our production activities. In 2015, we began setting up nests to protect the breeding of the Eastern bluebird. All of our employees keep a close watch on the growth of the chicks. Every quarter we conduct surveys of organisms living at the bottom of the Roanoke River.

| Suzhou Yokohama Tire Co., Ltd (CSZY)

We launched biodiversity activities jointly with the New District Environmental Protection Council and XUGUAN TOWN elementary school in December 2016. We invite area elementary school students, teachers and their parents and guardians to take part in our living organism surveys conducted at our plant in the Forever Forest area. This has become a good opportunity for deepening understanding of the positive impacts that the growth of our Forever Forest has on the community's ecosystem through observations of the living organisms that inhabit it.

| LLC Yokohama R.P.Z.(YRPZ)

In 2017, we initiated joint research with Voronezh State University of Forestry and Technologies into planting one species of pine tree (*Pinus Sylvestris*L.) on the premises of our plant. The purpose of this activity is to research how much pine trees will grow in an industrial belt and restore YRPZ's biodiversity. In addition, this activity has been appraised as a biodiversity research activity. YRPZ and forest science experts from Voronezh State University of Forestry and Technologies are now researching the ideal conditions for the growth of trees. Additionally, we invite children from local schools to help plant oak seeds cultivated by YRPZ.

Issues and Future Improvement Measures



Up until now, activities have focused on assessing the species that live in areas affected by the business activities of the Yokohama Rubber Group. In the future, we will expand activities to include overseas business locations, and maintain and improve biodiversity in areas where our businesses are located with the aim of realizing sustainable operations.

Because biodiversity is a concept that people in general are still not familiar with, we will enable employees to deepen their understanding of the importance of biodiversity conservation through participation in monitoring activities and conservation activities, and we will actively communicate information to local communities to provide a better understanding of our efforts.

Effluents and Waste

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KPI		
Item	FY 2016 results	FY 2017 results
Achievement of total zero-emissions	Landfill rate 7.2% percentage of bases achieving target 86.0%	Landfill rate 0.0% percentage of bases achieving target 100.0%
Water quality and total wastewater emissions by type of discharge	Surface water 5,837,000 m ³ Groundwater 0.0 m ³ Sewerage 1,183,000 m ³ Others 522,000 m ³	Surface water 5,616,000 m ³ Groundwater 0.0 m ³ Sewerage 1,114,000 m ³ Others 496,000 m ³
Total number of serious leaks and amount of wastewater leaked	None	None
Total quantity of hazardous waste transported, imported or processed, and percentage of waste that was transported internationally	NA	NA
Waterways and connected habitats affected by wastewater discharge—locations, size, conservation status, and value of biodiversity	NA	NA

Responsible Departments

Each business location

Stance and Target

Why is “Effluents and Waste” a critical issue to be addressed? Explanation of the reason and background

We believe that minimizing the impact of our business activities in Japan and overseas on the environment will lead to sustainable operations. Accordingly, we believe that it is important for effluents and waste to be minimized as much as possible in a form with a low environmental impact.

Vision (attainment goal) / target

Mid-term targets are set for water use in Japan and overseas.

Based on these targets, and after confirming water risks and the status of wastewater, we will improve recycled water use and ultimately aim for a closed system.

We will work to achieve a reduction of 1% in waste materials per unit of waste, and aim for the attainment and maintenance of 100% recycling*¹. We will then aim to achieve total zero-emissions*² at all production bases.

Specially managed industrial wastes such as PCB, asbestos, chlorofluorocarbons, and mercury, etc., will be appropriately processed in accordance with relevant laws and regulations.

*1 100% recycling: Achieve zero final disposal (= direct landfilled amount + incineration disposal amount resulting in ineffective use)

*2 Total zero-emissions: Make the direct landfilled amount zero.

Measures for vision achievement

- We will introduce water recycling facilities, increase recycled water use, and reduce the volume of water discharge.
- Even in the case of business locations that are legally entitled to have waste disposed of in landfill sites, we will look for and select industrial waste disposal contractors that do not conduct landfilling, and contract with them to undertake recycling processing.
- The processing of PCB-containing devices will be conducted within the deadline specified by law.

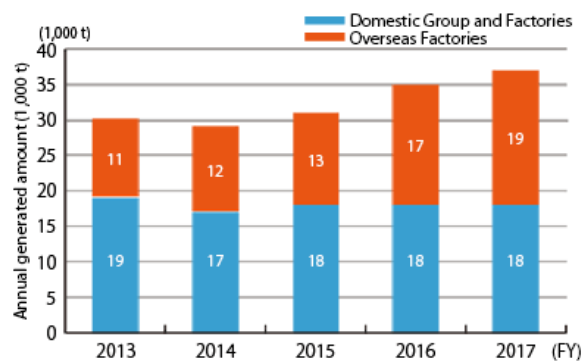
At overseas production bases in areas with high water risks (Thailand and India), closed systems have been introduced at the time of plant construction, and there is minimal water uptake and no water discharge.

Amount of waste material generated at Group companies in Japan and overseas

The amount of waste material generated at all Group production bases in Japan and overseas during fiscal year 2017 increased by 6.3% year-on-year to 37,219 tons.

We conduct recycling and activities aimed at achieving total zero emissions at all production bases in Japan and overseas.

We have established a target aimed at zero total emissions by fiscal year 2017 at our four overseas production bases in North America (excluding one new production base in the United States). Additionally, other new plants overseas are also developing activities aimed at achieving zero emissions.



PCB wastes

Used PCB-containing devices are properly stored and processed according to relevant laws and regulations. During fiscal year 2017, 4 tons of PCB-containing devices were processed. We have begun processing PCB stabilizers depending on the region.

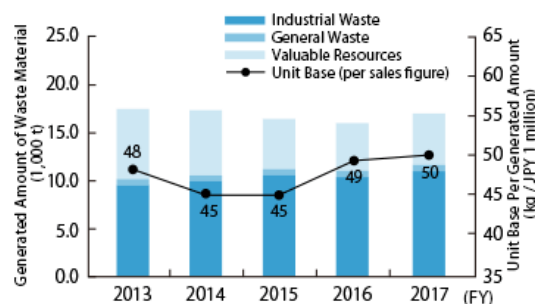
We will continue to implement proper processing of PCB-containing devices in use within the legally mandated deadline.

Introduction of Initiatives

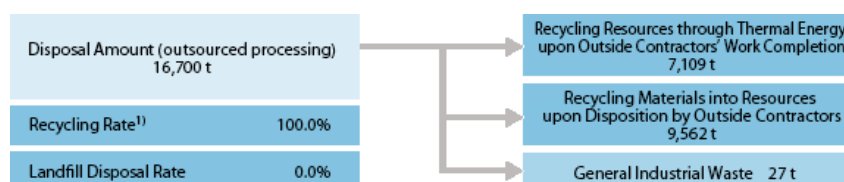
At the Onomichi Plant, we improved and strengthened water filtration capabilities, worked to stabilize water quality, and succeeded in significantly improving the period of possible repeated use.

Amount of waste material generated at production bases in Japan

The amount of waste materials generated in fiscal year 2017 totaled 16,488 tons, representing a 3.5% increase year-on-year; the unit base of the generated amount of waste materials (per net sales) deteriorated by 1.1% compared to the previous year.



The processing flow for waste materials at production bases in Japan during fiscal year 2017 was as follows.



1) Excluding general industrial waste

2) Consumer paper manufacturing waste, tree planting material, various consumer waste

In order to prevent improper disposal such as illegal dumping, local audits of processing contractors are conducted every year. A total of 95 audits were conducted fiscal year 2017, and it was confirmed that waste was properly disposed of.

Issues and Future Improvement Measures

- Selection of overseas production bases of industrial waste disposal contractors that don't conduct landfilling
- Development of low-water-use facilities, and review of and investment in closed systems
- Formulation of disposal plans for devices that are currently in use which contain low concentrations of PCB
- Consider increasing the effective recycling value by increasing the ratio of valuables from industrial waste

Emissions

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Item	FY 2016 results	FY 2017 results
Emissions of greenhouse gases	(Consolidated) Scope1 354 thousand tons Scope2 360 thousand tons Scope3 23,920 thousand tons	(Consolidated) Scope1 363 thousand tons Scope2 354 thousand tons Scope3 23,237 thousand tons
Ozone-depleting substances	Emissions of CFCs (Domestic) 578.0 tons	Emissions of CFCs (Domestic) 688.0 tons
HAPs (Hazardous Air Pollutants)	(Domestic) 27 tons	(Domestic) 17.6 tons

Responsible Departments

Each business location

* Activities are conducted by each location, and the direction of policies and activity measures are decided on by bodies that include the Global Warming Countermeasures Committee and the Chemical Substance Management Committee.

Stance and Target

Why is "Emissions" a critical issue to be addressed? Explanation of the reason and background

We use resources to manufacture and sell various rubber products such as tires, hoses, and belts. In addition, we handle chemicals adhesives and sealants. In particular, we recognize the reduction of emissions in the manufacturing process and the use of products as an important initiative that will lead to the prevention of global warming and environmental pollution, as well as sustainable operations at each business location.

Policies and stance relating to air pollution

The Yokohama Rubber Group will work to minimize the burden on the environment caused by the provision of products and services in accordance with [the Yokohama Rubber Environmental Policy](#), and [Yokohama Rubber Group Action Guidelines](#).

To this end, we will develop and introduce environmental technologies while working together with various people involved in the provision of products and services to reduce air pollution throughout the entire value chain.

We comply with international agreements on emission, the regulations of each country (in Japan, the Energy Saving Act, Act on Promotion of Global Warming Countermeasures, etc.), and the regulatory response policy of related organizations such as the Japan Rubber Manufacturers Association while setting stricter self-imposed standards in order to control air pollution.

Risks and opportunities at the Yokohama Rubber Group related to greenhouse gas emissions

< Risks >

Risks include an increase in facility investment costs incurred in order to reduce emissions, an increase in energy costs related to the use of renewable energy, and global warming leading to deterioration in the working environment and an increase in investment costs for countermeasures.

< Opportunities >

We contribute to society by improving the energy efficiency of operations through the reduction of emissions, environmental conservation in the areas we operate in, and the external provision of heat insulation materials, etc. Because controlling emissions of volatile organic compounds (VOC) and air pollutants in addition to greenhouse gas emissions makes it possible to reduce the cost of environment-related investment, this leads to a reduction in product manufacturing costs.

| Use of offsets

Offsets are not used.

| Vision (attainment goal) / target

As international regulations related to emissions become increasingly stringent, as a general rule we aim to achieve control standards equivalent to those of the developed economies.

The Yokohama Group is working to reduce total greenhouse gas (GHG) emissions as an energy use reduction target.

■ Long-term target:

By 2050, we will have reduced total CO₂ emissions throughout the entire value chain of the Group by at least 50% compared to the base year (fiscal 2005).

■ Mid-term target:

By 2030, we will have reduced the Group's Scope 1 and Scope 2 emissions, as well as product manufacturing related CO₂ emissions per unit of production output (through collaboration with our supply chain partners) by at least 30% compared to the base year (2013).

| Measures for vision achievement

The Group conducts the following measures to monitor and reduce the environmental footprint that is produced through our production activities, R&D, and offices.

1. The Group sets independent management standards that are stricter than those required in accordance with laws and regulations, and based upon which we conduct constant monitoring.
2. Legally-required measurement results are regularly reported to government authorities and local residents.
3. We will strengthen activities aimed at reducing our environmental burden, such as improvements to our production process.
Conversion of energy used, introduction of renewable energy, control of waste heat through heat retention and insulation, and the introduction of the latest environmental technologies and systems.
4. Prevention of environmental pollution
Identification and remedying of environmental pollution risks, conducting regular monitoring and measurements, etc.

Review of FY 2017 Activities

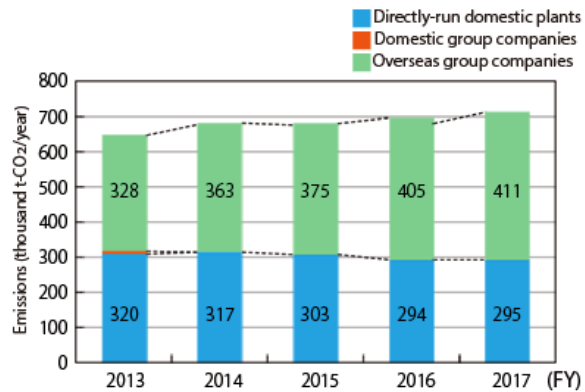
There were no events that led air pollution.

We carefully manage the concentration of our NO_x and SO_x emissions to fully comply with parameters specified by law.

Emissions of NO_x, SO_x, etc.
(Domestic) (Unit: tons)

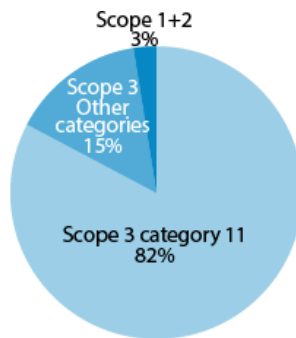
Category	NO _x	SO _x
FY 2016	121.0	4.0
FY 2017	106.6	3.5

We do not use or emit any ozone-depleting substances. There were no cases of dioxin use. While GHG emissions remained the same as last year in Japan, because overseas emissions increased by 0.7% due to expanded production, emissions grew overall. Emissions of VOCs were down by 5.6% overall.



Scope 3 estimation

Scope 1 to 3 emissions for fiscal 2017 are as follows. A breakdown of Scope 3 is also displayed. Greenhouse gas emissions (Scope 1+2) resulting from the corporate activities of Yokohama Rubber during fiscal 2017 were 706 thousand t-CO₂, and greenhouse gas emissions for the entire value chain including indirect emissions (Scope 3) were 23,221 thousand t-CO₂. Scope 3 accounted for 97% of this, and use of products accounted for 82% of Scope 3 emissions. We will work towards the spread of environmentally friendly products and fuel efficient tires while working together with suppliers to reduce GHG emissions throughout the value chain.



Category	Scope 3 category	Emissions (thousand t-CO ₂)
1	Purchased products and services	2,478
2	Capital goods	48
3	Fuel and energy	116
4	Transportation and distribution (upstream)	144
5	Waste	2
6	Business travel	28
7	Commuting employees	23
8	Upstream lease assets	NA
9	Downstream transportation and distribution	51
10	Processing of sold products	4
11	Use of products	19,726
12	Disposal of products	499
13	Downstream lease assets	0
14	Franchise	NA
15	Investment	118
		23,237

*1 Scope 1: Direct emissions of greenhouse gases by the company (examples: fossil fuel, natural gas, etc.)

*2 Scope 2: Indirect emissions of greenhouse gases by the company (electric power use, etc.)

*3 Scope 3: Greenhouse gases emitted indirectly by the Company through the supply chain (examples: manufacturing, transportation, business travel, commuting, etc.)

*4 The calculation was conducted in accordance with the criteria of Scope 3 issued by the GHG PROTOCOL.

Verification of greenhouse gas (GHG) emissions

Verification by a third party was obtained in order to verify the reliability of GHG emission calculation information.

- Third-party greenhouse gas verification report
 - [Japanese version \(122 KB\)](#) PDF
 - [English version \(128 KB\)](#) PDF

Introduction of Initiatives

Conversion to the use of natural gas as fuel

The use of natural gas through environmentally friendly gas supply line is continuously being implemented in factories in Japan. Efforts to switch to natural gas as a source of fuel in reducing CO₂ emissions are also implemented in overseas factories where gas supply lines are not yet in place. This includes using tank lorries to transport liquefied natural gas in the Vietnam Plant and use of gas cylinders in the India Plant to replace heavy fuel oil.



Switch to gas cylinders in the India Plant

Installation of solar lights

Installation of outdoor lights using a combination of high efficiency solar panel and LED
The outdoor lights will be effective even in events of a disaster or power outage due to their independent power supply.



Installation of solar street lights



Installation of solar and wind powered street lights

Utilizing heat recovery technology to use factories' waste heat for air-conditioning (absorption chilling equipment)

By adopting absorption chilling equipment, which uses heat recovery from waste heat etc., we are able to reduce CO₂ emissions and also reduce peak electric power consumption during the summer months.



Absorption chilling equipment

Steam driven compressor

The plant gets air from air compressor powered by the energy harvested from the pressure difference as steam decompresses, which has never been used before. Showing results in cutting down power consumption and CO₂ emission.



Steam driven compressor

Energy saving improvements through heat insulation materials

We manufacture and install heat insulation materials fitting the size of equipment and piping. We are implementing energy-saving activities that control heat release by installing heat insulation materials on and near steam pipework in our business locations both in Japan and overseas.



Pipe insulation

| Energy-Saving Technology Committee

The Energy-Saving Technology Committee helps to improve the effectiveness of measures to reduce energy consumption through the adoption of energy management methods conforming to the Act on the Rational Use of Energy, the introduction of energy-saving equipment, etc.



Energy-Saving Technology Committee

As well, energy saving activities are implemented from the management level as well.

1. Promoting the office black illumination, leaving work on time campaign
2. Energy saving programs in summer (cool biz) and winter (warm biz)
3. Thoroughly enforce turning off standing by power consumption of OA equipment
4. Enhance energy saving awareness by making the energy consumption rate visible
5. Develop a lateral spread of energy saving improvements by sharing case examples (database building)

Issues and Future Improvement Measures

Issues include thorough management of data on global air emission volumes at overseas sales bases, etc. and working to reduce emissions in collaboration with the supply chain.

Materials

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Item	FY 2016 results	FY 2017 results
Total volume of raw materials used	(Consolidated) 757,000 tons	(Consolidated) 798,000 tons
Ratio of rubber recycling	(Consolidated) 0.8%	(Consolidated) 2.3%

Responsible Departments

Technology and design departments

* Supervised by the 3Rs Committee

Stance and Target

Why is "Materials" a critical issue to be addressed? Explanation of the reason and background

Yokohama Rubber Group sells products using chemicals and natural capital such as natural rubber and water. These raw materials are made from the Earth's natural resources, and they are by no means infinite. Accordingly, we view using minimal raw materials, promoting the sales of recycled products (such as retread tires), and the delivery of products that will please customers and society using recycled raw materials (such as regenerated rubber) to be important issues.

Policies and stance relating to raw materials

The Yokohama Rubber Group will work to develop raw materials that minimize the burden on the environment, and to minimize procurement and use volumes in accordance with [the Yokohama Rubber Environmental Policy](#) and [Yokohama Rubber Group Action Guidelines](#).

Vision (attainment goal) / target

By reducing the amount of raw materials used, promoting the sales of retread tires, and working to expand use of recycled raw materials, we will establish a raw materials procurement system that can be used in a sustainable manner with a minimal impact on the environment and society throughout the entire life cycle. These activities will contribute to reducing CO₂ emissions in Scope 3 Category 11 (product use stage) by fiscal 2050.

Measures for vision achievement

We will develop and use raw materials with a reduced burden on the environment and society through the following initiatives in order to achieve business continuity.

1. We will review factors such as structural design and material rigidity to fulfill the required performance while achieving weight reductions.
2. We will work to promote sales of retread tires.
3. Furthermore, we will develop tires and belts with a high regenerated mixture ratio, and reusable products.

Review of FY 2017 Activities

Expand the use rate of rubber recycled materials

The Yokohama Rubber group is effectively utilizing recycled materials, and working to expand the usage of regenerated rubber in all models of tires.

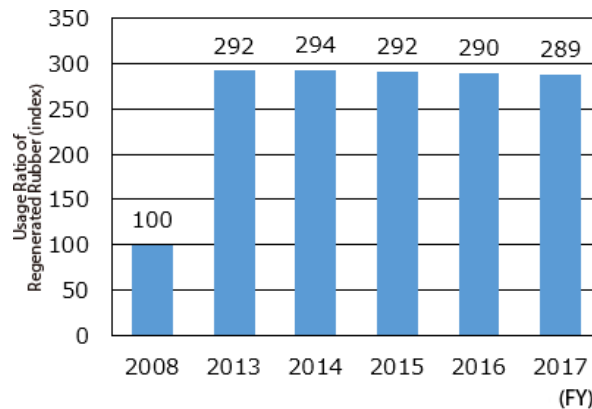
Rubber recycled materials can be categorized as three types—rubber powder, reclaimed rubber, and rubber regenerated from in-house sources.

The percentage of raw materials (compounds) accounted for by rubber recycled materials was 2.30% for the entire group (2.41% for domestic business locations and 2.19% for overseas business locations). We are working to enhance rubber compounding and blending technologies with the aim of increasing the adoption ratio of rubber recycled materials overseas.

Regenerated rubber powder is a powdered material obtained by grinding up waste tires, principally by using heat on the waste tires, and this recycled material contributes to major savings and recycling of resources. In the past, regenerated rubber powder had large particle size, and blending

with rubber resulted in degraded physical properties—this meant that it was difficult to use in tires. However, Yokohama Rubber established blending technologies that control physical degradation with compounds of fine powder grade, and commenced mass production of tires made from a compound of this regenerated rubber from February 2009. Over the past five years, the volume of regenerated rubber used by the Yokohama Rubber Tire Group has grown by around 2.9 times since 2008.

Usage ratio of regenerated rubber in all Yokohama Rubber products*1



*1 Ratio of raw materials rubber (compounds) based on results of acceptance inspections

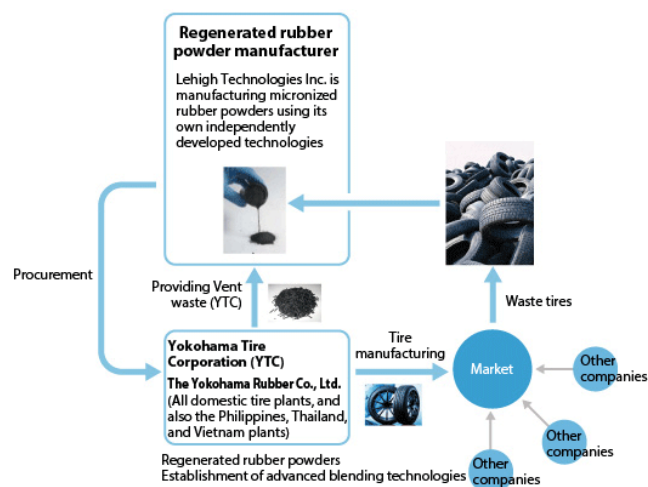
Currently, we are utilizing regenerated rubber powder in various compounds found mainly in PC, TB, and OR tread liners manufactured at our plants in Japan, the United States, the Philippines, Thailand, Vietnam, China, and India. In terms of technology, we will work to improve blending technologies, expand the applicable compounds that can be blended for regenerated rubber powder, and also actively strive to increase the compound volume through further miniaturizing of powder size.

Initiatives to expand usage, and development of new technologies

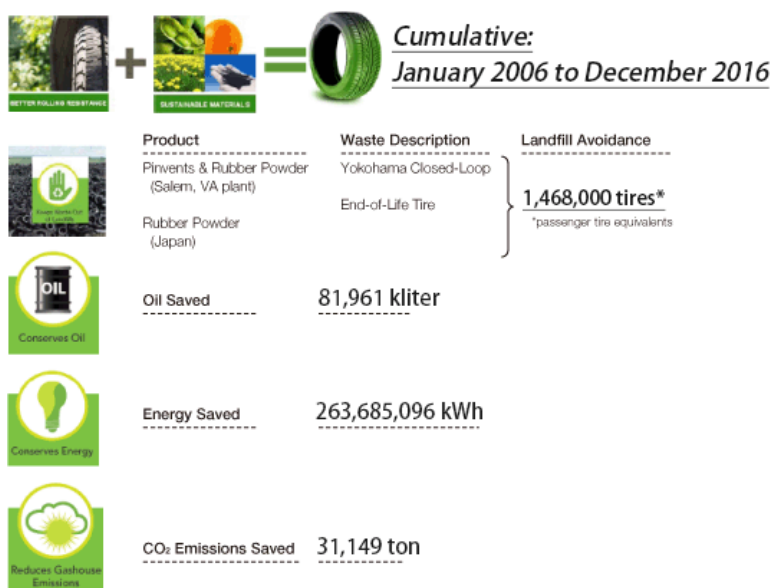
A regenerated rubber powder manufacturer has calculated that since use of recycled rubber powder was commenced at plants in the U.S. in 2006, the use amount at the Yokohama Rubber Group is equivalent to 1.64 million waste tires. This is equivalent to approximately 91,838 kl if converted into oil and equivalent to resource and energy savings of approximately 295,370,000 kWh if converted into power. In addition, if converted into CO2 emissions, this is equivalent to an emissions reduction of approximately 34,860 tons.

We are newly establishing and expanding overseas plants, and we plan to produce tires incorporating regenerated rubber powder, further developing the effective usage of recycled materials.

Resources circulation by using regenerated rubber powder



Helping Tire Companies
Create the Greenest Tires Possible



*2 Data provided by Lehigh Technologies

High-rigidity wind sealant

Our automotive glass sealant (wind sealant) has a positive reputation for its high durability, and we have developed high-rigidity wind sealant to improve the rigidity of car bodies. This not only improves safety, but also contributes to lighter car bodies through a decrease in the volume of sealant used.

Recycling activities in the MB business

As with last year, recycled rubber is mainly used in the manufacturing of rubber belts for use with railway track ballast; with this ratio maintained at around 3.0%.

The resin mold material (thermoplastic resin) used in hose manufacturing can be crushed and melted down again after use; however, in the past the powder generated in the crushing process has normally been discarded as waste. By introducing a two-stage crushing process, the crushed particles can be kept at a larger size in the first stage, controlling the generation of powder.

The powder generated in the next stage of the crushing process can be collected and reused with the same level of traceability as the larger crushed particles.

As a result, a recycling rate of over 90% has been achieved, and the annual usage of resin mold material has been reduced by 3.6 tons.

Issues and Future Improvement Measures

While using raw materials in business activities is unavoidable, our final goal is a state which minimizes the use of the Earth's resources.

A key issue is correctly assessing whether the use of reusable products and recycled materials is leading to a reduction in the use of the Earth's resources and the environmental impact, and to deploy these assessments on a global level.

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Item	FY 2016 results	FY 2017 results
Ratio of environmentally friendly products to all products handled	(Consolidated) 98.9%	(Consolidated) 100.0% * *Certain products for which production is outsourced are not included.
Reuse and recycling ratios for used products and packaging materials	(Consolidated) Used products Tires 52% MB 56% Packaging materials 98%	(Consolidated) Used products Tires 54% MB 57% Packaging materials 97%

Responsible Departments

Product development and planning division
Supervised by the Environmentally Friendly Product Committee

Stance and Target

Why is "Environmentally Friendly Products" a critical issue to be addressed? Explanation of the reason and background

LCA (life cycle assessment) refers to the method used to understand the environmental load (CO₂ emissions) in numerical data of each stage of the product lifecycle from production to disposal. In the case of tires, which are the core products of the Yokohama Rubber Group, 80–90% of CO₂ emissions take place during the usage period of the life cycle. For this reason, the Yokohama Rubber Group is focusing on coming up with environmentally friendly products to realize low fuel consumption.

Policies and stance relating to products and services

In accordance with the basic stance set forth in [Yokohama Rubber Environmental Policy](#), and [Yokohama Rubber Group Action Guidelines](#), the Yokohama Rubber Group will work to prevent global warming, effectively use resources, and consider and improve chemical substance management in order to minimize the burden of products and services provided by the Yokohama Rubber Group on the environment. In addition, we will provide environmentally friendly products with improved safety and quality (performance) to customers.

Vision

We aim to make 100% of product sold environment friendly products, and improve environmental performance based on social demands.

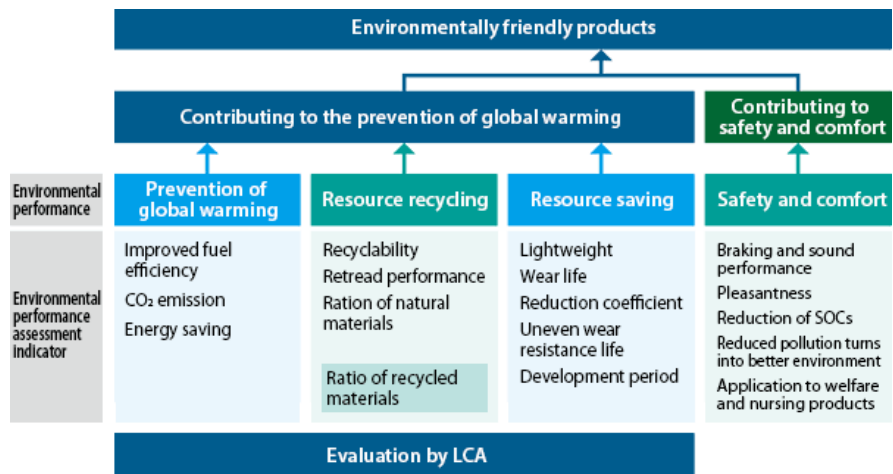
Measures for vision achievement

In order to become a top-level environment friendly company, we aim to make all products environment friendly products.

We will not only reduce emissions of greenhouse gases through products, but also work to ensure safety and comfort through means such as resource recycling, resource savings, and the reduction of chemical substances contained in our environment friendly products. For new products, because we conduct environmental assessments at the beginning of the development process and have a framework under which development is not allowed if products do not clear our Environmentally Friendly Products Regulations*, all new products that are released are environmentally friendly products.

* Environmentally Friendly Products Regulations: The Yokohama Rubber Group defines environmentally friendly products as newly developed products for which the average score of the four items of global warming prevention, resource recycling, resource conservation, and safety and comfort exceeds 5%, and for which the score for any of these items has not deteriorated.

< Four Pillars of Environmental Function and Environmental Performance Evaluation Index >



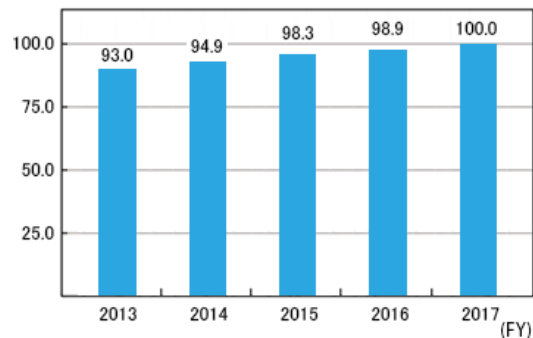
Review of FY 2017 Activities

The ratio of environmentally friendly products for the Yokohama Rubber Group was 100.0%, and percentage for the fuel efficient tires lineup was 52%.

A performance assessment was not conducted for the degree of environmental contribution and environmental impact in the development of environmentally friendly products.

In terms of the improvement effects, 87% of standard passenger vehicle tires manufactured in Japan were fuel efficient tires, and CO₂ emissions were reduced by approximately 734 thousand tons for GHG emissions at the stage of product use (Scope 3) indirectly emitted through the supply chain.

Results for the environmental contribution ratio (overall)

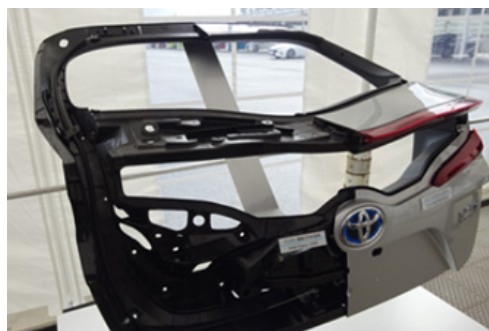


* Environmental contribution ratio in products sold by the Yokohama Rubber Group (consolidated)

Introduction of Initiatives

Resin Adhesive (WS-242/AN-1)

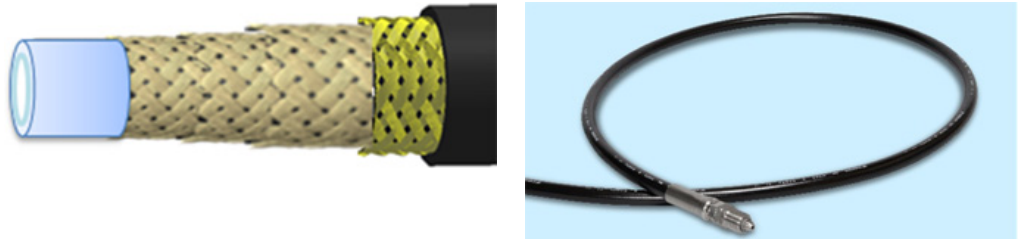
There is a growing trend for automotive manufacturers to make more extensive use of plastic materials, in order to reduce vehicle weight. However, unlike metal plate, plastic components cannot be welded, and in the past plastic adhesives have also required the use of primers to be effective. Yokohama Rubber has succeeded in developing primer-less adhesive technology, and has launched a new adhesive product made from vegetable oil which features this technology.



This new adhesive product facilitate the use of plastic components in automotive manufacturing, which in turn contributes to reducing the burden on the environment by making it possible to reduce vehicle weight by around 40%.

| High-pressure Hydrogen Gas Hoses (ibar HG82)

For hydrogen infrastructure to be successfully deployed in society, the availability of durable, lightweight, flexible hoses that can withstand high pressures is an important prerequisite. Yokohama Rubber has developed a new hose specification that features a reinforced hybrid hose structure utilizing PBO fiber (Polybenzoxazole fiber) and steel wire, and has launched new hose products that meet the requirements outlined above.



| Fuel-efficient Tires (BluEarth RV-02)

Yokohama Rubber's BluEarth RV-02 tires were designed specifically for use on mini-vans, with a design concept that emphasizes fuel efficiency and good rain performance. The tire design effectively counters the problem of uneven wear that tends to affect tires on high vehicles, and also provides first-class noise performance; the tires have attracted positive comment because the reduced noise makes it possible to enjoy a relaxed conversation inside a mini-van.



Issues and Future Improvement Measures

One issue is the handling of old products that are difficult to replace with new products due to promises made to customers. The development and planning departments for each product will formulate implementation plans aimed at achieving 100% environmentally friendly products, and we will conduct activities aimed at achieving our goals, which include an adjustment of the product structure, the development of lighter products through design review, and changes in manufacturing methods aimed at environmental improvements.

Environmental Grievance Mechanisms

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Total number of complaints concerning the environment formally submitted to the system for handling complaints concerning human rights
* Number subject to official procedures

FY 2016 results

(Consolidated) 0

FY 2017 results

(Consolidated) 0

Responsible Departments

Basic activities: each business location

Consolidation: Environmental Protection Promotion Department

Stance and Target

Why is “Environmental Grievance Mechanisms” a critical issue to be addressed? Explanation of the reason and background

The Yokohama Rubber Group, which has production bases in Japan and overseas, views the minimizing of the adverse effects of plants (such as noise and odors), communication with local residents, and creating trust relationships by continuing to live up to expectations, to be important for achieving sustainable operations in each region.

The Environmental Grievance Mechanisms is a system that allows anyone to file complaints, principally local residents that live near plants. It is a system that will enable us to make fully-fledged environmental improvements for local residents and also lead to environmental improvements within plants. For this reason, the Environmental Grievance Mechanisms has been selected as an import initiative for the Yokohama Rubber Group.

Policies and stance towards handling complaints

We aim to clarify the method for receiving information related to the environment both internally and externally throughout the entire company and achieve proper communications with external stakeholders, while promptly and accurately sharing information between business locations in order to prevent the occurrence of similar types of complaints throughout the entire company.

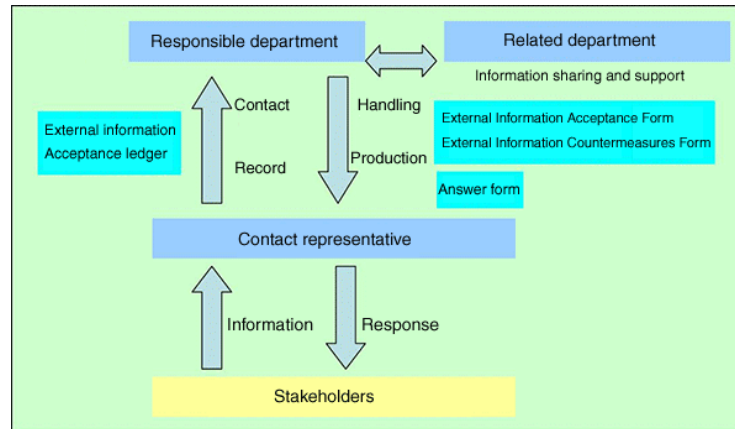
Overview of the Environmental Grievance Mechanisms

External environment information gathered at each business location that could involve environmental risks is entered in the External Information Acceptance Ledger, and it is determined whether the information constitutes an external complaint based on the external information standards of the company-wide guidelines. If such information is certified as an external complaint, it is handled in accordance with the emergency response standards of the company-wide guidelines. For information that is not certified as an external complaint, the relevant department will be contacted as appropriate if deemed necessary by the environment representative of each business location.

In the event of warning, guidance, or recommendations from the government, an External Information Acceptance Form will be issued and simultaneously sent to the Environmental Protection Promotion Department, other business locations, and the Tire and MB (industrial products) Production Environmental Task Force.

The Environmental Protection Promotion Department will provide advice on countermeasures while receiving advice from the Legal Department, and the entire Group will cooperate in response.

Complaint process flow



〈 Resolution process when a complaint is submitted 〉

If an environmental management representative has deemed that there has been an external complaint, an External Information Countermeasures Form will be issued and simultaneously sent to the Environmental Protection Promotion Department, other business locations, and the Tire and MB Production Environmental Task Force.

The Environmental Management Task Force of the business location will submit an answer form to an external information provider after reporting and gaining approval from the manager of the business location for all documents from complaint receipt to response. This answer form will be sent and shared if there has been a request from other business locations or the Environmental Protection Promotion Department.

〈 Users of the Grievance Mechanisms 〉

It can be used by all stakeholders.

〈 Methods for spreading awareness of the Grievance Mechanisms 〉

We have formulated company-wide guidelines for the Environmental Grievance Mechanisms that will be distributed to all business locations in Japan and overseas. In addition, every time regular audits are conducted at each business location, we will work to ensure awareness of the overview of the system and how to use it. At the same time, we will use opportunities such as the Environment Council to deepen an understanding of the system at each business location.

As an example, when construction work takes place inside a plant, we communicate with local residents by sending out advanced notices of the period of work, hours of work each day, and a telephone number to call to local residents.

〈 Monitoring of the effectiveness of the Grievance Mechanisms 〉

We have decided on internal monitors and external monitors for each business location to gather information through regular visits, etc. conduct communication, and check that the complaint handling system is operating effectively.

■ Vision (attainment goal) / target

Manuals have been developed on complaint collection and response, and a system capable of uniform response throughout the Yokohama Rubber Group has been adopted. We will continue to utilize the monitor system so that the system continues to be operated appropriately. We will aim for zero complaints.

■ Measures for vision achievement

As measures to strengthen coordination between each business location, we will conduct regular audits and define business locations with high risks of environmental issues as focus business locations for regular follow-up, Environment Council attendance, and guidance on improvement methods.

Review of FY 2017 Activities



In fiscal year 2017, no complaints were received.

We will continue to reinforce stakeholder engagement to maintain this track record of no complaints. We will also examine and address the views and requests of outside monitors to prevent complaints from occurring in the future.

In the future, by analyzing the causes of complaints and developing suitable countermeasures, we will ensure that we are able to offer considerate explanations to the parties filing complaints and respond appropriately to their requests.

Issues and Future Improvement Measures



We will continue efforts to raise awareness of the complaint handling system both internally and externally, while continuing monitoring the system to enable appropriate system operation.

In regard to countermeasures for odor issues, which constitute one cause of complaints, it is difficult to adopt uniform measures because the types and components of odors differ by business location, and they are highly susceptible to the sensitivity of individual people. With the aim of achieving zero complaints, we will conduct a detailed analysis of causes and install a reactor tank, which is effective at eliminating odorous components (through reaction, absorption, etc.), to increase the effectiveness of our countermeasures.

Going forward, we will continue to roll out initiatives horizontally and implement further countermeasures.

Fair Operating Practices

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Stance

In order for Yokohama Rubber to be a company that continues providing value to society, partnerships with suppliers based on strong trust relationships are essential. In addition, the scope of corporate social responsibility has expanded to not only include one's own company, but also suppliers for the procurement of raw materials, goods, and services required for business activities, and we believe that it is necessary for Yokohama Rubber to promote CSR that improves corporate value for suppliers so that it is a win-win relationship for both companies. In particular, because there are suppliers from emerging and developing countries in the upstream of the supply chain for our business, we also recognize the importance of assessment from a social and environmental perspective.

This stance is declared in [the Basic Procurement Policy](#), and the actions that should be taken by employees are stipulated in [the Yokohama Rubber Group Action Guidelines](#).

Policy

Yokohama Rubber's Basic Procurement Policy

In making our CSR management vision a reality, we conduct our procurement activities in accordance with the policies below.

■ Optimal procurement of goods and services

In order to offer high-quality products, Yokohama Rubber strives to procure optimal materials, services, works and constructions.

■ Fair and impartial business

Yokohama Rubber does business based on principles of fairness, and free competition, and seeks its suppliers from all around the world.

■ Rational selection of our partners

Yokohama Rubber chooses its suppliers on the basis of economic rationality taking into comprehensive account the quality and prices that they offer and their stability of supply, technological development capabilities, and concern for the CSR and environment.

■ Partnerships

Yokohama Rubber nurture fair and cooperative relationship with its suppliers through sound transactions.

To build a sustainable society, Yokohama Rubber develops activities for CSR and environment contribution throughout its supply chains.

■ Compliance

Yokohama Rubber complies with all relevant legislation and social norms in its procurement activities and preserves the confidentiality of information obtained in the course of business. It also endeavors to act with moderation so as to avoid causing misunderstandings in light of commonly accepted social standards.

■ Harmony with the environment

Yokohama Rubber strives to procure raw materials that have less of an impact on the global environment.

Yokohama Rubber contributes to conservation of biodiversity and sustainable use of natural resources including Natural Rubber.

Yokohama Rubber Group Action Guidelines

We shall observe not only laws and regulations but also social norms.

〈 Basic stance of the Yokohama Rubber Group 〉

1. We shall not engage in any activity that is in violation of the competition-related law (antitrust legislation), any acts of bribery, and any other acts that deviate from laws, regulations, or business conventions.
2. We shall open our doors wide to all prospective suppliers, engage in just and fair transactions with them, and construct partnerships grounded in observance of laws and regulations and in mutual trust. In addition, we shall take approaches with them to CSR issues (in the aspects of the environment, safety, human rights & labor, and compliance), ascertain the facts of their situation, and proactively assist them in their related efforts.

〈 To practice our basic stance—our action 〉

1. We shall observe the competition-related law (antitrust legislation) in each host country and related laws and regulations (such as the Japanese Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors).
2. We shall maintain sound relations with political groups and public administrative authorities, and shall not engage in any acts of bribery, in Japan or any other country or region. We shall not entertain, give any gifts to, or give any money to business partners for the purpose of gaining illicit advantage.
3. We shall protect the intellectual property of the Yokohama Rubber Group, including technical information at hand. We shall not illicitly acquire or use intellectual property belonging to third parties, or infringe upon their rights.
4. We shall strive to understand and observe the laws and regulations pertaining to the work to which we are assigned, and to preclude the occurrence of risks in the workplace. In the event of any deviation, we shall swiftly make corrections.
5. When we suspect the existence of illegal acts in our own conduct or that of others, we shall not ignore it; instead, we shall confirm conformance with the law by utilizing the setup for whistle-blowing.

CSR Procurement Guidelines

[CSR Procurement Guidelines \(790KB\)](#) PDF

Message from a manager

The Yokohama Rubber Group's Procurement Policy is "to build relationships of trust based on equitable and fair trade in its aim for co-existence, prosperity, and mutual development" and to select suppliers based on economical reasonability under consideration of comprehensive perspectives; their quality, price, stable supply, ability for technology development, and consideration to the environment, human rights, and occupational safety and health. We believe that true CSR consists of expanding business with suppliers that can understand and support our policies in the areas near our production bases and working towards co-prosperity with the region rather than as a single company. We hold Supplier Study Meetings and CSR and Environment Contribution Awards as part of our aim to conduct CSR activities together.

Yasuo Hirokawa, General Manager, Indirect Materials Procurement Department, Global Procurement Division

Vision for FY 2020

- Our company is able to enhance various CSR activities by working hand-in-hand with our partners.

Main action items to be addressed first

The following items have been established as the main action items that the Yokohama Rubber Group will address first in consideration of the level of impact of business activities and the level of social interest.

**Supplier Environmental
Assessment**

**Supplier Assessment
for Labor Practices**

**Supplier Human
Rights Assessment**

**Supplier Assessment
for Impacts on Society**

**Grievance Mechanisms
for Impacts on Society**

Data summary

[Fair Operating Practices \(452 KB\)](#) PDF

Supplier Environmental Assessment

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Item	FY 2016 results	FY 2017 results
Ratio of new suppliers that business was commenced with after conducting an environmental impact assessment	100% (159 companies)	100% (67 companies)
Negative impacts in the supply chain and actions taken	—	We distribute our Green Procurement Guidelines when starting up business dealings and only initiate transactions after the supplier understands these guidelines.

Responsible Departments

Raw Materials Procurement Department, Indirect Materials Procurement Department, Global Procurement Division

Stance and Target

Why is "Supplier Environmental Assessment" a critical issue to be addressed? Explanation of the reason and background

The raw materials used in the major products of the Yokohama Rubber Group contain many petrochemical products (chemicals) including various types of synthetic rubber that can cause environmental pollution and have a negative impact on the lives of local residents during the manufacturing process. Because the worst case can lead to suspension of operations at suppliers, we have selected environmental impact assessments of suppliers as a critical issue to be addressed from both the perspective of the stable procurement of raw materials and the perspective of ethics.

Environmental impact assessment at the start of new business relationships

When adopting new raw materials, it is confirmed whether the materials comply with various regulations, and suppliers are asked to submit documents to serve as evidence of compliance.

1. Quality control survey form
2. Raw materials standards
3. Shipped materials inspection report
4. Safety data sheet (SDS*) (the applicable raw materials are chemicals that include rubber compounding agents that SDS is applied to)
5. Specific toxic chemical substances survey form
6. Pledge of non-inclusion of substances prohibited by the European ELV Directive*
7. Data proving non-inclusion of substances prohibited by the European ELV Directive*
8. Four heavy metal substances survey form

In addition, we have issued the Green Procurement Guidelines that indicates the Green Procurement Policy of the Yokohama Rubber Group and our requests to suppliers in order to gain an understanding of these matters.

* SDS: Safety data sheets are international standard-forms to provide information on the characteristics and handling of chemicals when transferring or providing chemical substances or products (chemicals) that contain them.

* EU ELV Directive: An EU directive aimed at reducing the impact of end of life vehicles (ELV) on the environment.

Assessment of environmental impact in the supply chain

We ask suppliers to conduct a CSR self-check that includes a self-evaluation to report on matters including environmental management systems, substances of concern, and greenhouse gases. We revised the check sheet to further boost results in 2017.

〈 CSR self-check sheet 〉

Result Summary

This sheet is for summarizing the results, and the results are displayed automatically.
Questions are on the following individual sheet, please fill in there.

Date	
Name of company	
Name of writer	

1. Results of Self-Assessment (Automatic accumulation)
Please fill in the blue box below for comments and requests

Domain	Item	Score	Perfect score	%
Respect for Human Rights and Non-discriminations	Non-discrimination and Respect of human rights	0	25	0%
	Elimination of harassment, verbal abuse, violence	0	25	0%
	Subtotal	0	50	0%
Working Conditions and Safe workplaces	Child labor avoidance	0	25	0%
	Prohibition on forced labor	0	25	0%
	Fair wages	0	25	0%
	Management of working hours	0	25	0%
	Safe & Healthy workplace	0	25	0%
Subtotal	0	125	0%	
Protection of Environment and Conservation of Biodiversity	Environmental Management System	0	25	0%
	Control of chemical substances	0	25	0%
	Climate and Air emission	0	25	0%
	Waste reduction	0	25	0%
	Resource and energy saving	0	25	0%
Subtotal	0	125	0%	
Safe and high-quality products and services	Ensuring safety of products and services	0	25	0%
	Guarantee quality of products and services	0	25	0%
	Risk assessment and Risk management	0	25	0%
	Business Continuity Plan	0	25	0%
Subtotal	0	100	0%	
Transparent corporate management and Information Disclosure	Disclosure of information to stakeholders	0	25	0%
	Providing accurate information of products and services	0	25	0%
Subtotal	0	50	0%	
Compliance with related legislations and adherence to social morality	Compliance with competition laws	0	25	0%
	Anti-corruption measures	0	25	0%
	Management and protection of confidential information	0	25	0%
	Eliminating anti-social forces	0	25	0%
	Export controls	0	25	0%
Subtotal	0	150	0%	
Social Contribution	Contribute to local communities	0	20	0%
	Support for employee social contribution activities	0	20	0%
Subtotal	0	40	0%	
Supply Chain	Promotion of supplier CSR activities	0	20	0%
	Subtotal	0	20	0%
Grand Total		0	685	0%

2. Comments
Please feel free to fill out the strengths of your company and the initiatives that you think needs improvement.

3. Requests
Please write your opinions and requests freely for self-assessment.

Please answer about your company.
-If possible, please send your company's management philosophy, action policies, or management organization chart with this file to the email address below.
-After filling, please return the email address below.
-After filling in all the sheets, please save the document to your PC and send it back to us by email. Please do not change the file name.

Countermeasures in response to suppliers found to have a significant impact on the environment

While there have not been any such cases up until now, in such a case we will hold direct discussions with supplier plants on improvement points, causes, and improvement measures, and then implement these measures. We will suspend transactions in cases when improvements are not seen or malicious cases such as false reports.

Vision (attainment goal) / target

We started assessments with the new check sheet from 2017, and conducted self-check investigations of suppliers of main raw materials. Based on the results, we asked several suppliers to participate in workshops and carried out activities to deepen their understanding regarding CSR. In 2018, we will carry out self-check investigations of overseas suppliers and expand our activities.

Measures for vision achievement

Study meeting have nearly been completed for procurement representatives at domestic and overseas business locations of the Yokohama Rubber Group.

In addition, by holding study meetings for domestic suppliers, we communicate the policies of the Yokohama Rubber Group towards requests to suppliers including those related to the environment and make an appeal for understanding of visiting audits. We will work to further expand the scope of such meetings going forward.

In fiscal 2018, we will once again hold Suppliers' Day for suppliers of natural rubber to call for their cooperation in CSR. At the same time, we are now preparing to roll out a similar activity for all other suppliers.

Y.T. Rubber Co., Ltd. (YTRC) of Thailand includes in basic trading contracts clauses on compliance including environmental protection and human rights, in an effort to promote CSR at natural rubber plantations.

Review of FY 2017 Activities

- Among all 67 new suppliers in Japan, there were no suppliers that caused an environmental impact.
- A CSR study meeting was held and attended by 364 persons representing 330 suppliers.
- All members of procurement departments received compliance training.

Number of companies that participated in CSR supplier study meeting (objective: more than 90%)

	Number of target companies*	Number of participating companies	Participation rate (%)
FY2013	329	298	90.6
FY2014	331	299	90.3
FY2015	351	317	90.3
FY2016	346	312	90.2
FY2017	364	330	90.7

* Target companies: Medium and small-size companies with a certain level of transactions

Green procurement

Yokohama Rubber has been working on the development and usage of raw materials to contribute to the environment under the cooperation of our business partners with preservation of forest resources, control global warming, usage of recycled raw materials, and expansion of non-petroleum raw materials as the main themes.

Furthermore, we manage parts procurement based on the Yokohama Green Procurement Guidelines. We ask that all suppliers confirm whether products contain SOC (substances of concern) and ask that they submit a statement of non-use.

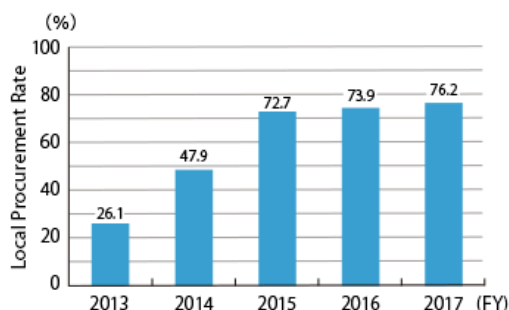
We began participating in SNR-i activities that aim for the sustainable economics of natural rubber advocated by the International Rubber Study Group (IRSG) from 2017.

Reductions in CO₂ emissions from shipment (promotion of local procurement adoption)

Further advances were made in the adoption of local procurement in at plants in China. In addition, we were able to switch from raw materials important from Japan to local procured goods at plants in North America as well. We were also advancing with the adoption of Russian raw materials at plants in Russia.

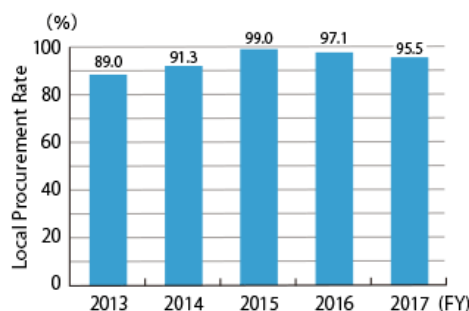
Changes in local procurement in Russia

Changes in local procurement in Russia

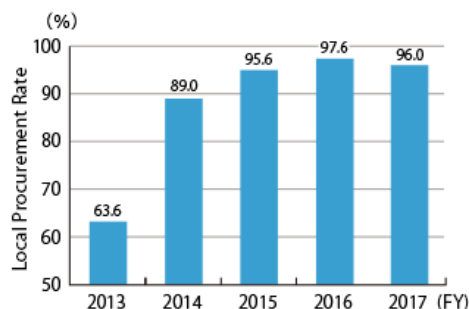


Changes in local procurement in China

Changes in local procurement in our Suzhou Plant



Changes in local procurement in our Hangzhou Plant



Yokohama Green Procurement Guidelines

With the management of chemical substances contained in products as a form of entrance control, we ask that suppliers work towards environmental preservation and manage procurement items in accordance with our Green Procurement Guidelines.

Furthermore, based on our Green Procurement Policy, we purchase raw materials, outsourced items, and subsidiary materials in accordance with environmental footprint standards.

Expansion of agroforestry plantations in Thailand

Y.T. Rubber Co., Ltd. (YTRC), a natural rubber processing company located in Thailand, supports the agroforestry plantation methods advocated by Professor Sara of Songkla University. YTRC is expanding initiatives to introduce this method to rubber plantations owned by neighboring farmers and the families of employees to validate its effectiveness.

Theory behind Professor Sara's agroforestry method

- The following synergistic effects will be achieved by planting different tree species between the rows of natural rubber trees grown at plantations.
- Other trees will promote the growth of natural rubber trees increasing yield, extending their life, and reducing the amount of chemical fertilizers used
- Products harvested from other trees, such as fruit, bamboo and wood, increases farmer income
- Compared to conventional rubber tree plantations, trees can be maintained in a state that is close to a natural forest

From 2016, YTRC worked together with Professor Sara to provide guidance to and conduct verification on experimental plantations nearby. In addition, we regularly create organic fertilizer and supply it together with seedlings to nearby plantations and government agencies (Fiscal year 2017: 300 seedlings, 10 tons of fertilizer).



We are also conducting questionnaire surveys with natural rubber suppliers in Thailand to assess the state of natural rubber farmers and farms and to gather information on CSR activities that are being conducted.

Because the number of suppliers is also on the rise as our business expands, creating a database of supplier information including environmental impact is an urgent task.

In addition, we recognize keeping self-checks by suppliers uniform at a high level as an important issue, and accordingly we identify issues and use them as the main theme of study meetings as we work towards improvements. Furthermore, in order to promptly implement the above, we recognize the need to aim for further improvements in the level of procurement representatives at the domestic and overseas business locations of the Yokohama Rubber Group.

We also analyze the aggregated results of questionnaires with overseas suppliers of natural rubber, and consider countermeasures.

Supplier Assessment for Labor Practices

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Item	FY 2016 results	FY 2017 results
Ratio of new suppliers that business was commenced with after conducting a labor practices assessment	(Consolidated) 100%	(Consolidated) 100%
Number of suppliers identified with a negative impact on labor practices after conducting a CSR self-diagnosis and detailed analysis	Zero	Zero We requested suppliers to conduct a CSR self-diagnosis, and conducted a more detailed analysis on the response to labor practices. There were no suppliers identified that had a negative impact on labor practices.

Responsible Departments

Raw Materials Procurement Department, Indirect Materials Procurement Department, Global Procurement Division

Stance and Target

Why is "Supplier Assessment for Labor Practices" a critical issue to be addressed? Explanation of the reason and background

Yokohama Rubber Group's products use natural resources that include natural rubber, fats, oil, and minerals, as well as industrial products and processed goods. We recognize conducting labor practices assessments as an important issue because in order to ensure stable and ethical procurement in the future, the development of a healthy and safe working environment for the people who work in the development and collection of human resources and the manufacturing of industrial products and processed goods that allows them to live safely together with their families is important.

Labor practices assessment at the start of new business relationships

We conduct CSR questionnaires and request answers to questions concerning labor conditions.

Assessment of labor practices in the supply chain

We recognize that in some countries and regions where our business locations are located there may be cases of people coming to work from other countries and regions, and for this reason there is the possibility of the same work conditions not applying for the same work.

Countermeasures in response to suppliers found to have a significant impact

We request that corrective action is taken by suppliers that are found to have a significant impact.

For example, we deem the impact to be significant in cases such as child labor (that results in children not going to school, etc.) and forced labor (long working hours, lack of appropriate breaks, low wages, etc.).

In malicious cases, we notify the suppliers that penalties such as terminating transactions may be applied and respond according to the situation.

Vision (attainment goal) / target

We aim for the creation of a framework that ensures assessments are conducted in every case of procurement of local raw materials at the time of industry reorganization or expansion into new countries and regions so that contracts are entered after confirming local conditions.

| Measures for vision achievement

We will check that our employees are reliably conducting assessments of new suppliers in accordance with the action guidelines and procurement code of conduct.

Review of FY 2017 Activities



At CSR workshops, we requested suppliers to make efforts to prevent and rectify labor issues within the scope of their influence, which includes not only their own company, but also their subsidiaries and suppliers. Questionnaires and visiting audits were conducted on suppliers, and no cases requiring improvement were found.

Questionnaire surveys were also conducted with natural rubber suppliers in Thailand.

Issues and Future Improvement Measures



We will promote the implementation of management systems in order to share information across the Group on conditions in countries and regions we expand our business into in the future.

We analyze the aggregated results of questionnaires targeting overseas suppliers, and consider countermeasures.

Supplier Human Rights Assessment

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Item	FY 2016 results	FY 2017 results
Ratio of new suppliers that business was commenced with after conducting a human rights assessment	(Consolidated) 100%	(Consolidated) 100%
Number of suppliers identified with a negative impact on human rights after conducting a CSR self-diagnosis and detailed analysis	—	Zero We requested suppliers to conduct a CSR self-diagnosis, and conducted a more detailed analysis on the response to human rights. No specific suppliers were identified to have negative impacts on human rights

Responsible Departments

Indirect Materials Procurement Department, Raw Materials Procurement Department, Global Procurement Division

Stance and Target

Why is "Supplier Human Rights Assessment" a critical issue to be addressed? Explanation of the reason and background

Yokohama Rubber Group's products use natural resources that include natural rubber, fats, oil, and minerals, as well as industrial products and processed goods. For this reason, the risk of human rights issues in some regions cannot be denied as we promote local procurement accompanying the global expansion of the supply chain and the expansion of overseas business locations, and in order to ensure stable and ethical procurement in the future we recognize conducting labor practices assessments on the people who work in the development and collection of human resources and the manufacturing of industrial products and processed goods as an important issue.

Policies and stance relating to human rights assessments of suppliers

Under [Yokohama Rubber's Basic Procurement Policy](#) and [the Yokohama Rubber Group Action Guidelines](#), it stipulates that we should work towards fair business practices and conduct procurement activities that take the human rights of the employees of suppliers into consideration.

Labor practices assessment at the start of new business relationships

We conduct CSR questionnaires and request answers to questions concerning human rights to confirm that there are no issues.

Recognition of the impact of human rights in the supply chain

We recognize that in some countries and regions where our business locations are located there may be cases of people coming to work from other countries and regions, and for this reason there is the possibility of acts or treatment that damage human rights occurring.

Countermeasures in response to suppliers found to have a significant impact

We request that corrective action is taken by suppliers that are found to have a significant impact. In malicious cases, we notify suppliers of penalties such as limitations on some transactions and respond according to the situation.

Vision (attainment goal) / target

We aim for the creation of a framework that ensures assessments are conducted in every case of procurement of local raw materials at the time of industry reorganization or expansion into new countries and regions so that contracts are entered after confirming local conditions so that there is no damage to human rights in our supply chain.

Measures for vision achievement

We will check that our employees are reliably conducting assessments of new suppliers in accordance with the action guidelines and purchasing code of conduct.

Review of FY 2017 Activities

Each of our business sites hosted CSR study meetings for suppliers and study sessions on outsourcing guidelines for persons in charge at Yokohama Rubber.

CSR study sessions were held at seven business locations, with a total of 311 suppliers participating. Discussions were held during study sessions, while CSR surveys and visiting audits of suppliers were also conducted, but there were no cases requiring improvement by suppliers.

Study sessions on outsourcing guidelines are held to educate Yokohama Rubber Group employees about the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and prevent legal violations.

Speakers (attorneys) were sent from the Small and Medium Enterprise Agency to each business site, giving presentations at three locations.

A total of 192 employees attended, including employees of Yokohama Group Companies.



Onomichi



Shinshiro

Introduction of Initiatives

At CSR workshops, we requested suppliers to make efforts to monitor and rectify human rights and labor issues, which includes not only their own company, but also their subsidiaries and suppliers. In addition, we initiated investigations based on the questionnaire whose content we reviewed.

Issues and Future Improvement Measures

We will continue to create opportunities to share and study together the challenges faced by suppliers.

We also analyze the results of questionnaires targeting suppliers, and consider countermeasures.

Supplier Assessment for Impacts on Society

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Item	FY 2016 results	FY 2017 results
Ratio of new suppliers that business was commenced with after conducting a social impact assessment	(Consolidated) 100%	(Consolidated) 100%
Negative impacts on societies in the supply chain and actions taken	Various surveys, studies and audits were performed on 159 companies that we did business with for the first time No specific suppliers were identified to have negative impacts on human rights	Various surveys, studies and audits were performed on 67 companies that we did business with for the first time No specific suppliers were identified to have negative impacts on human rights

Responsible Departments

Raw Materials Procurement Department, Indirect Materials Procurement Department, Global Procurement Division

Stance and Target

Why is "Supplier Assessment for Impacts on Society" a critical issue to be addressed? Explanation of the reason and background

The raw materials used in the major products of the Yokohama Rubber Group contain many petrochemical products (chemicals) including various types of synthetic rubber that can cause environmental pollution and the lack of communication with local residents that live near production plants could have a negative impact. In addition, if materials used at business locations are purchased from local suppliers, there could be cases of fair trade not being conducted or costs increasing resulting from delivery delays, defective parts, etc.

In addition, in response to the possibility of profits from transactions involving minerals (tantalum, tin, tungsten, and gold) in conflict areas being used as funding for anti-social organizations, the Securities and Exchange Commission (USA) established the Dodd-Frank Act that calls for the identification of refiners. We have selected social impact assessments of suppliers as a critical issue to be addressed from both the perspective of the stable procurement of raw materials and the perspective of ethics.

Social impact assessment at the start of new business relationships

When newly adopting raw materials, we request suppliers to answer a questionnaire on (1) whether a framework for just and fair trade has been established, (2) external communication frameworks, and (3) what kind of activities they conduct. In addition, we also ask suppliers to participate in CSR Supplier Study Meetings and to cooperate with surveys on conflict mineral use.

Recognition of social impact in the supply chain

We recognize that in some countries and regions where our business locations are located there is the possibility of corruption related to commercial transactions, compliance, or anti-competitive behavior occurring due in part to the impact of culture or customs.

Countermeasures in response to suppliers found to have a significant impact

We request that corrective action is taken by suppliers that are found to have a significant impact, and promote improvements together. In malicious cases, we inform the suppliers that penalties such as suspension of transactions may be applied, and respond according to the situation.

Vision (attainment goal) / target

As production sites expand on a global level going forwards, we aim to conduct appropriate procurement in each country and region and increase the ratio of appropriate procurement. To that end, to confirm there are no issues in advance, we will begin checking the details of business partner surveys and self-check sheet responses by suppliers.

| Measures for vision achievement

We hold CSR Supplier Study Meetings to share information on matters including trends in transaction rationalization and initiatives.

In addition, we ask suppliers that provide raw materials used in the Yokohama Group's products to investigate and confirm their materials due not contain conflict minerals.

| Responding to conflict minerals

At the Yokohama Rubber Group, we endeavor to take into consideration human rights, society, and the environment in our global procurement activities.

As part of these efforts, we do not intentionally use minerals (tantalum, tin, gold, and tungsten) from conflict areas in the Congo.

Review of FY 2017 Activities



We conducted various questionnaires, survey, and audits with 67 companies that we commenced businesses with during fiscal year 2017, and there were no items that required improvement. For products delivered to customers that are listed on the stock market in the US, there were no raw materials that used minerals (tantalum, tin, tungsten, and gold) coming from conflict areas. In addition, questionnaire surveys were also conducted with natural rubber suppliers in Thailand.

Issues and Future Improvement Measures



We recognize the continual acquisition and management without exception of results of surveys and assessment on the social impact of suppliers of raw materials used in the products of the Yokohama Rubber Group as an important issue.

We also analyze the aggregated results of questionnaires targeting overseas suppliers, and consider countermeasures.

Grievance Mechanisms for Impacts on Society

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Item

Total number of complaints concerning social impact formally submitted to the Grievance Mechanisms for impacts on society
* Number of cases where formal procedures were taken

FY 2016 results

(Consolidated) 0

FY 2017 results

(Consolidated) 0

Responsible Departments

Contact point: Procurement departments and sales departments

Response and support: Corporate Compliance Department, legal and HR departments

Stance and Target

Why is "Grievance Mechanisms for Impacts on Society" a critical issue to be addressed? Explanation of the reason and background

At the Yokohama Rubber Group, there is a diverse range of people that work at domestic and overseas business sites, and there is also a diverse range of compliance complaints. In addition, because a broad range of activities can be perceived as anti-social behavior in business activities with suppliers depending on differences in culture and customs in that country or region, we recognize the establishment and functioning of contact points that allow for direct reports or consultations on issues such as corruption, anti-competitive practice and sexual harassment as well as abuse of authority and handle complaints to be an important issue in both in Japan and overseas.

Grievance Mechanisms policy

The following seven items are set forth in the Yokohama Rubber Group Action Guidelines, and the same policy is followed in handling complaints.

1. We shall respect human rights inside and outside the company.
2. We shall create workplaces that are safe and healthy.
3. We shall harmonize our activities with the global environment.
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.

Overview of Grievance Mechanisms for impacts on society

In Japan, the Corporate Compliance Department has established a whistle-blowing system that consists of the Corporate Compliance Hotline and General Counseling Room. In addition, Compliance Officers are assigned to every division and affiliated company worldwide.

We began detailed preparation work in 2017 to address the growing need for a global internal whistleblower system covering our overseas business locations. In February 2018, we introduced our global internal whistleblower system at our regional headquarters and tire sales company in China. This system makes it possible for the Corporate Compliance Department to directly assess and respond to issues concerning competition law compliance and anti-bribery reported through the external hotline. Looking ahead, we will steadily expand this system outward from Asia. For details about the system, please see ["Compliance."](#)

The Compliance Officers in procurement and sales departments gather complaints and inquiries from suppliers concerning business transactions through the CSR procurement contact point and other organizations.

Complaints concerning social impact are jointly resolved by the Corporate Compliance Department, Legal Department and HR departments in addition to the responsible department.

◁ Scope of use of the Grievance Mechanisms ▷

The system can be used by all executives, employees, part-time employees, temporary employees, dispatch employees, and employees of contractors that work at the Yokohama Rubber Group.

◁ Methods for spreading awareness of the Grievance Mechanisms ▷

In Japan, the system is described on the intranet that can be used within the Yokohama Rubber Group, and it clearly states that consultations and reports can be conducted either with one's name stated or anonymously. In addition, a Compliance Card that states matters including the whistle-blowing process is distributed to all employees to inform them of the presence of contact points. Furthermore, we will enhance this system further through in-house training targeting all employees.

◁ Resolution process when a complaint is submitted ▷

1. The Corporate Compliance Department confirms the facts related to the consultation by the whistle-blower.
2. The necessary measures are taken in consultation with the procurement departments and sale & marketing departments.
3. The results are directly reported to the whistle-blower if they have disclosed their name. Reminders are issued within the company as necessary if the whistle-blower is anonymous.

| Monitoring of the effectiveness of the Grievance Mechanisms

At the Corporate Compliance Committee that is held quarterly with the Director responsible for compliance as the Committee Chair, reports are made, the appropriateness of response is assessed, countermeasures are implemented, and follow-up is conducted.

| Vision (attainment goal) / target

A code of conduct for each business location, whistle-blowing system, and meeting bodies have been established at each business location including overseas business locations in an aim for uniform management.

| Measures for vision achievement

We will continue communication through a document called the Compliance Monthly with each business location once per month.

As the management of each business location has a high level of interest and similar awareness of compliance, in the three-year plan we plan to create a system under which the three points above are uniform, while also translating guidelines into local languages and establishing a reporting system.

Review of FY 2017 Activities



As with 2016, there were no complaints concerning the impact on society for which official procedures were conducted. In 2017, we established global policies on compliance with competition laws and anti-bribery as the preparatory stage for introducing a global internal whistleblower system covering competition laws and anti-bribery.

Please see ["Compliance."](#)

Issues and Future Improvement Measures



We will roll out our internal whistleblower system globally with the goal of strengthening governance worldwide ahead of 2020.

Additionally, we will create training opportunities for compliance representatives at each business location and enhance sensitivity to ensure that no issues are overlooked.

Consumer Issues

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Stance

As a company that provides products directly connected to the safety of customers consisting of tires for passenger vehicles, trucks, buses, construction vehicles, racing vehicles, etc., it is our corporate duty to provide safe products that will satisfy customers, and to ensure that it is possible for everyone to access accurate information. In addition, we would like to educate consumers on sustainable consumption and work to support the needs of consumers in a weak or disadvantageous position.

This stance is declared in [the Quality Policy](#), and the actions that should be taken by employees are stipulated in [the Yokohama Rubber Group Action Guidelines](#).

Policy

Quality Policy

We will contribute to society by planning, designing, producing, and selling attractive products for the satisfaction of our customers while maintaining a quality assurance system in all of our processes, including service. To this end, we will conduct systematic activities to ensure that all the basic steps in our quality assurance activities function properly.

Yokohama Rubber Group Action Guidelines

We shall provide safe and high-quality products and services

〈 Basic Stance of the Yokohama Rubber Group 〉

We shall develop, design, manufacture, and sell attractive products that satisfy customers; provide society as a whole with safe and high-quality products and services; and endeavor to enhance the value of the Yokohama Rubber brand.

〈 To practice our basic stance — our action 〉

1. We shall listen to the views of our customers, accurately ascertain their needs, and develop, design, manufacture, and sell products of genuine use to society.
2. We shall provide our customers with appropriate information concerning our products.
3. In the manufacture and sale of our products, we shall observe the laws and regulations on safety applied in each host country and region.
4. We shall proactively participate in the construction and operation of companywide mechanisms to assure the quality of our products.
5. We shall take prompt action in response in the event of accidents related to our products.
6. Through these actions, we shall work to enhance the value of the Yokohama Rubber brand.

Message from a manager

As Yokohama Rubber celebrated its centennial last year, it aims to continue to be a company indispensable to society over the next 100 years based on the strong foundation of trust garnered in its first century. To do so, we are committed to improving product quality and services in order to provide attractive products that will satisfy customer needs and guarantee safety and peace of mind which foster the trust.

Specifically, we are steadily implementing the Yokohama Rubber Quality Management System (QMS) for improving quality of products and services at overseas business locations and external manufacturing partners, which have been expanding and diversifying in order to provide our products to more customers.

In order to further enhance the quality of after-sales service as well as services such as pre-sale promotion, we are implementing systematic improvements in terms of training of service engineers, conducting training seminars at sales locations both in Japan and overseas, and improving the training materials and programs used for these activities. These efforts aim to build a closer relationship with customers.

Hiroyuki Narabaya, Head of Tire Quality Assurance Division
Yasushi Hayano, Officer, in charge of MB Quality Assurance Division

Vision for FY 2020

- A uniform quality assurance system corresponding to the expansion of global production sites
- Global service structure that covers our entire product range
- Raise awareness about the proper use of products to enhance customer safety and help realize a low-carbon society
- Implement quality education for all employees including production sites and services

Main action items to be addressed first

The following items have been established as the main action items that the Yokohama Rubber Group will address first in consideration of the level of impact of business activities and the level of social interest.

Customer Health and Safety	Product and Service Labeling	Marketing Communications
Customer Privacy	Compliance (Product Liability)	

Data summary

[Consumer Issues \(452KB\)](#) PDF

Customer Health and Safety

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KPI		
Item	FY 2016 results	FY 2017 results
Total number of violations of regulations and voluntary standards concerning product safety	(Consolidated) 0	(Consolidated) 1
Implementation rate of product safety and evaluation (including determination based on compliance with design standards) based on review of design plan for tire products and MB products.	100%	100%

Responsible Departments

Tire Quality Assurance Division (including related products)
 MB Quality Assurance Department (products other than tires)
 Monitoring by the Quality Audit Department from an internal third-party position

Stance and Target

Why is "Customer Health and Safety" a critical issue to be addressed? Explanation of the reason and background

If there is a quality issue with tire products or MB products of the Yokohama Rubber Group, it could have a significant impact on the customer's life, property, or environment. In order to achieve sustainable management, it is important to create trust among customers so that they feel secure in using the products of the Yokohama Rubber Group, and quality issues could lead to a loss of trust from customers. Based on this awareness, the Yokohama Rubber Group has selected customer health and safety as a critical issue to be addressed.

Policies and stance towards handling complaints

Quality Policy

We will contribute to society by planning, designing, producing, and selling attractive products for the satisfaction of our customers while maintaining a quality assurance system in all of our processes, including service.

To this end, we will conduct systematic activities to ensure that all the basic steps in our quality assurance activities function properly.

Response to quality issues calls for preventive measures, prompt prevention of issues spreading after occurrence, and countermeasures to address the source of issues. We conduct risk assessments and countermeasures that put the safety of customers first for all quality issues, while addressing the need to immediately implement measures to prevent issues from spreading, from the perspective of recurrence prevention. In order to achieve this, we share all of the processes from cause investigation to permanent countermeasures in response to quality issues throughout the entire Group, and implement mutual surveillance and horizontal deployment.

Impact assessment on product health and safety implemented in each process

Process	Impact assessment on product health and safety
Impact assessment on product health and safety	In plan examinations, we decide on the target quality in new product development based on existing product quality information and forecasts of customer use conditions, and share points to remember concerning product safety with the related departments.
R&D	Through internally stipulated design reviews, we finalize the means and measures for achieving the target quality described above, confirm conformance with the regulations, standards, and certifications of the destination of shipment, and confirm conformance with the customer's requirements. We only move on to the mass production process once this has been ensured.
Manufacturing and production	Legitimacy tests and inspections are conducted to confirm that the target quality has been secured in mass production. The certainty of the effectiveness of our process quality assurance and inspections in each manufacturing process is also maintained through means such as regular internal audits.
Marketing and advertisements	In order to ensure product safety, we inform customers and business partners of product handling through means such as catalogs and our website.
Storage and distribution	In order to deliver product quality to customers we monitor the storage and distribution process for the presence of defects so that we can achieve improvement measures.
Use	We recognize the necessity of explanations and warnings on product use methods, and communicate to spread awareness accordingly. In addition, we endeavor to communicate with customers through customer satisfaction and technology service activities, and we provide feedback to design departments in order to achieve continuous improvements.
Disposal, reuse, and recycling	We also conduct control for the retread process for truck and bus tires.

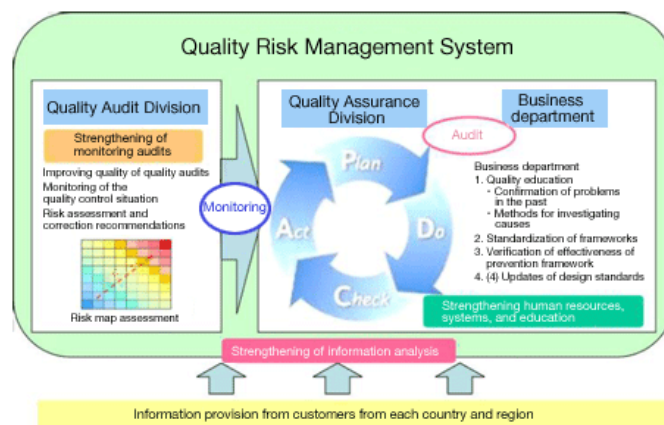
Measures for vision achievement

In order to further improve the quality activities (PYB management*) we have conducted in the manufacturing process up until now, we will strengthen frameworks for the development of human resources capable of watching over changes in the quality of products released in the market and the prompt communication of such information, and also enhance internal quality audits on a global level in order to confirm that such frameworks are functioning without any issues.

* PYB management: A management system that prevent recurrence in the stages of P (pink, specification), Y (yellow, implementation of improvements), and B (blue, confirmation of effects) when a defect is found in the manufacturing process.

〈System〉

For all major quality issues involving products and services provided to customers on a global level, Yokohama Rubber conducts its own risk mapping on what kind of impact defects can have on the customer in all aspects ranging from their self, family possessions, and environment, as well as what kind of potential risks there are, and then analyzes and classifies these risks quantitatively. Based on these results, business quality assurance and service departments ensure the implementation of internal handling that prioritizes customer safety and is prompt, legitimate, and compatible, while the check and monitoring function is fulfilled by the Quality Audit Division.



◁ Response when a problem occurs ▷

If it has been determined that it is not possible to sufficiently ensure customer safety, internal procedures are implemented as quickly as possible, legitimate market measures are adopted, and means such as our website and external media are used to notify customers.

◁ Advance prevention and recurrence prevention ▷

Through the quantitative classification of potential risks in accordance with a quality management system (QMS) and the adoption of a preventive safety design stance based on FMEA*, we are working to establish a framework that ensures that the same kind of quality issue does not occur twice.

While the phenomenon of quality issues differs depending on the business or product, we share cases and countermeasures throughout the Group because there are many similarities in approaches even for different businesses or products, including design approach, risk prediction, environmental consideration, and causes and measures to prevent spreading broken down by each process. As part of this, the Company-wide Quality Problem Recurrence Prevention Report Meeting is held every year concerning the recurrence prevention measures for major quality issues in all businesses in order to confirm the effectiveness of such measures and the status of their cross deployment.

* FMEA (failure mode and effect analysis): Systematic analysis method for potential failures for the purpose of preventing failures and defects.

◁ Implementation of human resource development and seminars for customers ▷

We assign engineers with a wealth of experience to distribution companies and sales bases in markets in Japan and overseas to conduct planned internal training on product knowledge and handling. In addition, we regularly hold seminars in order to increase opportunities for meeting customers to ensure that they handle products safely and properly.

Review of FY 2017 Activities

The number of quality complaints received from customers as a share of all complaints received was reduced by 14% over the previous year in the Tire Group, and by 20% in the MB Group. In addition, the implementation rate was 100% for internal quality audits for the purpose of ensuring the QMS system based on ISO and IATF, while the implementation rate for external quality audits was also 100%.

Establishment of a quality assurance system

The basis of quality assurance systems in the automotive industry is conformance with IATF16949. For this reason we conduct quality education and promote the acquisition of internal quality auditor certification among managerial and supervisor level employees.

During fiscal 2017, 36 employees were newly certified (total of number of certified employees: 243).

In addition, in order to promote the acquisition of high accuracy market information and rapid response when product defects occur, the Tire Group has implemented a qualification system and formed a service network.

In 2017, 34 staff were newly certified (6 in Japan and 28 overseas) as tires service engineers and 28 staff qualified as authorized adjuster (27 in Japan and 1 overseas) to make judgments regarding complaints.

〈FY 2017〉

Number of staff that has received training and qualifications	In Japan	Overseas
Number of staff that obtained IATF 16949 internal auditor certification	36 (cumulative total of 243)	—
Number of staff which was newly certified as a tire service engineer	6	28
Total number of certified tire service engineer	1,031	497
Number of the authorized adjusters who can make judgements regarding tire complaints (new)	27	1
Total number of authorized adjusters who can make judgements regarding tire complaints	1,008	204

Introduction of Initiatives

An issue that occurred in fiscal 2017 is discussed below.

Report on a product quality issue

〈Voluntary recall information in China and Canada〉

Due to a problem with part of the production process for passenger car studless tires exported to China and Canada, certain tires may have insufficient input of a compounding agent for the under tread layer. This could cause a portion of the tire tread to swell and bulge during driving. If the vehicle is operated with this condition, the bulge area may peel off which could affect steering stability. For these reasons, a voluntary recall is conducted in both China and Canada, and affected tires are being recalled.

Issues and Future Improvement Measures

In order to eradicate quality issues, provide products that clearly address customer needs, and achieve safety, legitimacy, and compatibility, we have deployed a service network around the world to gather, analyze, and classify the voices of customers as part of a cycle that ensures such voices are incorporated into new products.

Going forward, in order to pursue the provision of products that will satisfy the needs and use environments of customers, one important issue is being sure to listen sincerely to information about complaints from customers and work to steadily reduce the number of complaints. In order to achieve this, we will work to strengthen our market quality information gathering capabilities and promote market adaptability in each market through service departments and customer contact points.

Quality assurance at partner companies is also an extremely important challenge for us. For this reason, we are implementing certain self-check frameworks based on the clarification of responsibilities and past problems, as well as audits of partner companies.

Product and Service Labeling

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Item

Total number of violations of regulations and voluntary standards concerning the labeling of products

FY 2016 results

(Consolidated) 0

FY 2017 results

(Consolidated) 0

Responsible Departments

Consumer Tire Product Planning Department and Commercial Tire Business Planning Department

Stance and Target

Why is "Product and Service Labeling" a critical issue to be addressed? Explanation of the reason and background

Labeling is important for communicating matters such as the environmental performance of the Yokohama Rubber's products in a manner that is easy for customers to understand so that customers can select a product that fits their needs.

Policies and stance relating to the labeling of products and services

Yokohama Rubber Action Guidelines stipulate that "we shall accurately ascertain the needs of customers and provide safe and high-quality products and services of genuine use to society" and that "we shall provide our customers with appropriate information concerning our products."

Frequency of customer satisfaction measurement, survey method, and feedback mechanism

Technical service personnel conduct interview surveys with customers and on-site surveys based on information from distribution companies.

In addition, the Customer Service Division directly responds to inquiries from customers (feedback and complaints regarding products, services, etc.) via telephone or email on a daily basis. The information gathered is shared within the company, and the information from customers is also aggregated and analyzed on regular basis (once a month and once every six months) for improvements in product performance and incorporation in upcoming products.

Vision (attainment goal) / target

We strive to communicate the latest and correct information in a timely manner to all stakeholders through means such as our website and the distribution of news releases.

Measures for vision achievement

Our website can be subdivided into two types of websites: a website that provides business information on the entire Yokohama Rubber Group including Yokohama Rubber and its affiliates, and a website with a strong awareness of product information for both Japan and overseas including repair tires, hoses and pipes, adhesives, industrial materials, aviation parts, and golf parts.


Products information

In addition, we have acquired official labeling and implement various forms of labeling within our company in order to prove we offer the products and services desired by customers.
Example: Labeling for BluEarth-1 EF20



Review of FY 2017 Activities

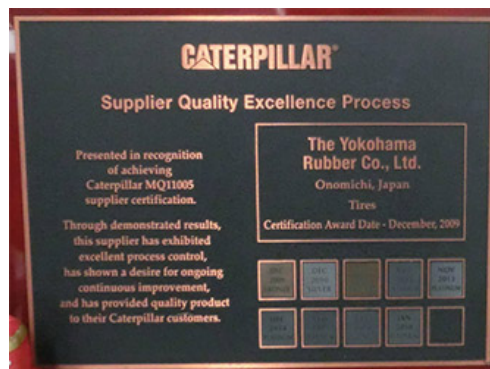
In order to raise awareness on the correct use of tires, we held special classes focusing on tire inflation work and seminars on basic knowledge of tires and daily inspection and management. As customers interested in environmentally friendly and cost savings initiatives are highly interested in fuel-efficient tires, we also conduct seminars on topics including tire performance, the manufacturing process, and how to select tires.

In addition, we share practical knowledge about tires on our website under [our Check and Smile section](#) .

Introduction of Initiatives

The Onomichi Plant that manufactures large tires for construction machinery has acquired the highest platinum certification in the Supplier Quality Excellence Process (SQEP) for six years in a row from Caterpillar.

We are proud to say that in addition to the provision of products and services that meet the demand of customers around the world, our production and distribution also have a strong reputation and have gained the trust of customers.



Issues and Future Improvement Measures

All product information is stated on our website, and we make improvements and refinements through product lists and associations to make it easy for customers to select products they will be satisfied with. In addition, we also provide information on products that have incorporated the voices of customers in order to build trust with customers.

Marketing Communications

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Item	FY 2016 results	FY 2017 results
Total number of violations of regulations and voluntary standards concerning marketing communication	(Consolidated) 0	(Consolidated) 0
Sales of prohibited products or products under dispute	(Consolidated) 0	(Consolidated) 0

Responsible Departments

Corporate Communications Department

* Each respective responsible department supports information concerning products and services from retailers, etc.

Stance and Target

Why is "Marketing Communication" a critical issue to be addressed? Explanation of the reasons and background

Letting more people know about the products and services of the Group and providing them with an understanding of our business activities is our lifeline. In the event of a mistake in such PR or advertisements, it will not be possible to correctly communicate the value of the Group, and this could actually lead to a decline in the value of the Group. For this reason as well, we have selected appropriate marketing communication as a critical issue to be addressed, and accordingly we will aim to make improvements through the PDCA cycle.

Policies and stance relating to appropriate marketing communication

We strive to communicate the latest and correct information in a timely manner to all stakeholders through means such as our website and the distribution of news releases. As a member of the Tire Fair Trade Council, we actively participate in the activities of the Council in line with the principles of fair competition.


In addition, we promptly communicate the requests and opinions of customers and quality information to the relevant internal departments. We coordinate with the related departments to promptly resolve suggestions as we constantly strive to live up to the expectations of customers.

Vision (attainment goal) / target

We aim for a situation in which customers can easily obtain the accurate information that they need concerning our products through improvements to websites and catalogs, the content of which reflects customers' views and comments.

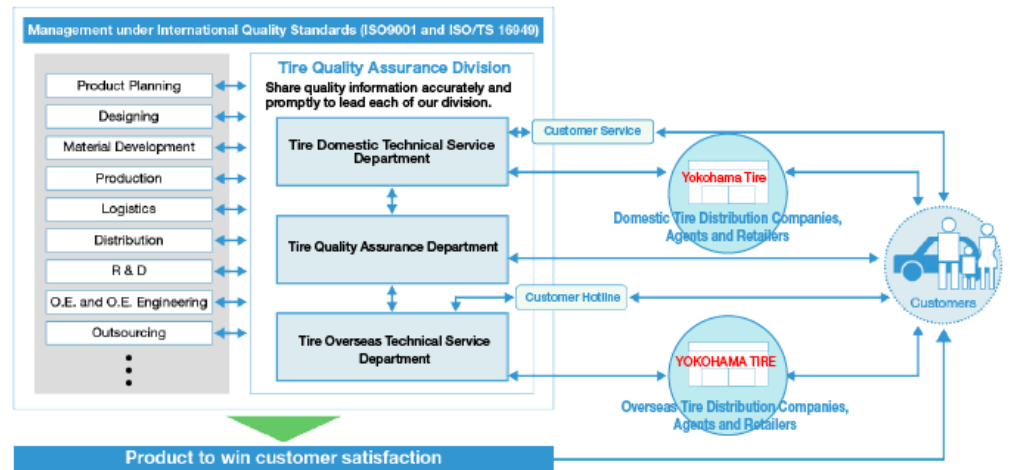
In addition, we also aim to maintain a framework that incorporates the opinions and requests of customers in products and services in a timely and appropriate manner.

Measures for vision achievement

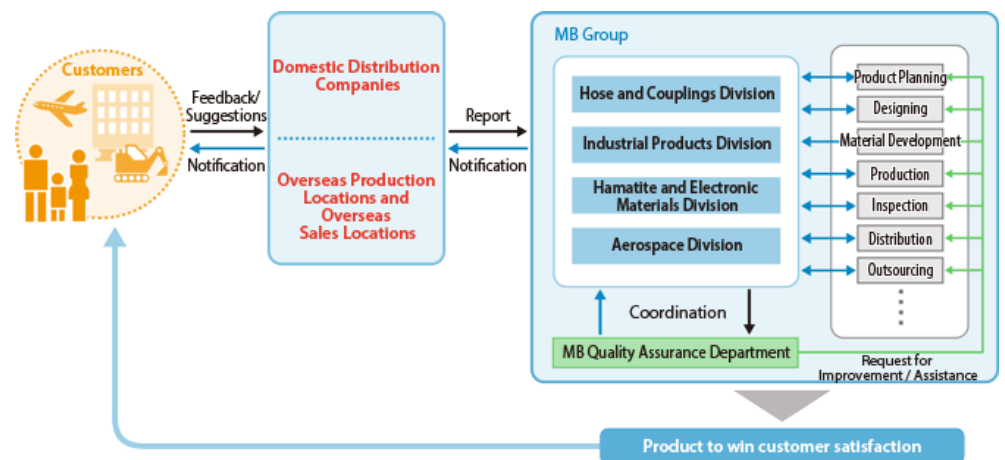
The Customer Service Center accepts inquiries concerning products by both telephone and through [our website](#) . Inquiries are responded to on a daily basis directly by the responsible department, and we conduct revisions so that PR and advertising methods and the communication media used are appropriate.

In addition, regular checks are conducted to ensure that the operational flow for providing feedback in relation to comments received from customers both in Japan and overseas shown in the flow chart below functions appropriately, and we create databases in order to collect all customer feedback throughout the Group.

〈 Tire Group 〉



〈 MB Group 〉



Review of FY 2017 Activities

The Group always participates and cooperates with the council members of the Tire Fair Trade Council at each respective level responsible for the development and implementation of regulations and market field research in Japan and overseas, and it conducts PR and advertising activities based on the council's regulations. There were no cases of violations of the regulations in 2017.

| Collection of information on market trends

Information collected for each region and country is analyzed and used to make better products through means such as improvements of existing products and the planning of new products. Because usage conditions for vehicle tires for construction and industrial use vary considerably depending on the customer, tires suitable for customers are selected and recommended after investigating the use environment of each respective customer.



5

Furthermore, in addition to the communication of information, we will make further improvements in how we communicate information, accumulate this information internally, and establish and manage relevant databases.

Twitter feed:

Facebook page:

YouTube channel:

Niconico (popular Japanese video-sharing service) channel:

<http://ch.nicovideo.jp/vokohamarubber>

Customer Privacy

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KPI		
Item	FY 2016 results	FY 2017 results
Number of complaints submitted relating to customer privacy	0	0

Responsible Departments

Tire, MB, and sports products sales departments

* Operations are supported by the Corporate General Affairs Department, product planning departments, and system departments, and confirmation is conducted by the Personal Information Protection Management Committee and the Risk Management Committee.

Stance and Target

Why is "Customer Privacy" a critical issue to be addressed? Explanation of the reason and background

The business activities of the Yokohama Rubber Group often involve holding the personal information of customers. We fully recognize the importance of the handling of personal information received from customers, and for this reason we acquire information through appropriate methods, and we use and store such information correctly.

Policies and stance towards handling complaints

〈 Privacy Policy 〉

At the Yokohama Rubber Co., Ltd. and the Yokohama Rubber Group (hereinafter, the "Company"), the carrying out of activities relating to our business operations frequently involves handling customers' personal information. Being fully aware of the importance of safeguarding customers' personal information, we view the taking of appropriate steps to protect personal information as a key responsibility, and we have implemented suitable measures for the protection of all personal information in line with the basic policy outlined below.

1. In accordance with the establishment of the Personal Information Protection Act and the Company's subsequent formulation of relevant compliance provisions, Yokohama works to ensure that all relevant employees are thoroughly aware of the protocol and procedures, and that they handle personal information in a proper manner.
2. Yokohama collects and uses personal information only to the extent necessary, after informing or indicating to customers the purpose(s) of use (management of customers' information, marketing or providing our services, etc.).
3. Collected personal information is never provided to third parties unless consent from the respective customers has been given or unless such provision is permitted by law. This excludes cases where such disclosure is required by law, or where disclosure to the Company's sub-contractors is necessary in order to realize the purpose of use. In cases where personal information is disclosed to a sub-contractor, the Company will implement all necessary supervision to ensure that the sub-contractor takes appropriate measures to safeguard the personal information in question.
4. Yokohama is establishing regulations and safety measures to prevent and redress the illegal access, leakage, loss or destruction of personal information received from customers.
5. A framework is in place to properly handle personal information through an information administrator and/or information administrative department.
6. In the event that customers request that their personal information no longer be displayed, revised or used, or be removed from the database, such customers are requested to contact the personal information contact desk. The requested action will be taken within a reasonable period of time.
7. Yokohama strives to accurately address changes in societal norms regarding the handling of personal information, and works to reassess and improve privacy policies and other compliance regulations as necessary.

| Vision (attainment goal) / target

The Yokohama Rubber Group will establish a system for the use of personal information received from customers in product development, various notices such as new product introductions, and repairs and after-sales service, while managing this information rigorously to ensure that it doesn't leak outside the company.

| Measures for vision achievement

- The department that manages personal information will be clarified for each product.
- Department personnel will be educated on the basics of personal information management.
- The results of activities and other matters will be reported at the Personal Information Protection Management Committee every quarter.

Review of FY 2017 Activities



Meetings of the Personal Information Management Committee were held two times in fiscal 2017. During these meetings, progress reports were made on the revised Personal Information Management Regulations based on the revised Personal Information Protection Act enacted in May 2017. In fiscal 2017, there were no issues concerning the personal information of customers raised as a topic.

In addition, using Workplace Learning, an education system for domestic members, the issue of personal information was covered in the first half of 2017. Topics included types of personal information and how to respond to inquiries from customers.

Issues and Future Improvement Measures



We have raised awareness among employees about personal information relating to Japan's Individual Number ("My Number," a unique 12-digit number used for social security and tax purposes) system, and reviewed operations based on revisions to related laws.

Compliance (Product Liability)

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Item	FY 2016 results	FY 2017 results
Number of violations of laws and regulations related to the provision and use of products	(Consolidated) 1	(Consolidated) 1

Responsible Departments

Quality Audit Department

Stance and Target

Why is "Compliance (Product Liability)" a critical issue to be addressed? Explanation of the reasons and background

Our mission is to achieve corporate prosperity and contribute to society by not only satisfying customers but also winning their confidence and securing an appropriate level of profits. In order to achieve this, we must continually provide quality products that customers around the world will feel secure in buying and that will satisfy customers. Furthermore, we need to contribute to society by planning, designing, producing, and selling attractive products for the satisfaction of our customers while maintaining a quality assurance system in all of our processes, including service provision. For this reason as well, we regard compliance (in relation to product liability) that monitors and supervises the entire quality insurance process from planning, designing, producing, and selling for all products as a critical issue to be addressed.

Policies and stance relating to compliance (product liability)

In accordance with [the Yokohama Rubber Action Guidelines](#), "We shall listen to the views of our customers, accurately ascertain their needs, and develop, design, manufacture, and sell products of genuine use to society."

In the event of any quality problems or complaints in the market related to products provided to customers, we will respond promptly in an attempt to resolve such problems and implement recurrence prevention activities. As part of recurrence prevention measures, we regularly conduct quality audits to confirm the implementation status of corrective action and verify its effectiveness.

Vision (attainment goal) / target

We shall work to improve quality performance and provide safe, secure, and high-quality products and services.

We aim for 100% conforming products, zero recalls in the market, and zero complaints in the market.

Measures for vision achievement

Improvements to the quality assurance system from the customer's perspective

In order to improve the quality assurance system, we identify problems from the customer's perspective through internal quality audits and work to improve the quality system in order to resolve such issues.

Implementation of top-level quality diagnosis

We believe that a high level of commitment by the President and top management towards quality improvement activities can help to improve motivation in the field and accelerate and strengthen further improvement activities. The top management therefore conducts a diagnosis of each plant and department as a top-level quality diagnosis every year at Yokohama Rubber.

Ensuring safety throughout the product lifecycle

So that customers can use safe and comfortable products, in the event of a defect that could cause an inconvenience for customers such as a product recall, we will promptly notify customers and rapidly respond.

Review of FY 2017 Activities



We responded and made improvements in response to quality information and complaint handling information received from customers. In addition, we also continued to conduct the top-level quality diagnosis that we conduct every year in fiscal 2017.

In 2017, however, tires were recalled in China and Canada as improper tread rubber was found to be used in studless tires, and one case of voluntary collection of a tire repair kit was reported.

Introduction of Initiatives



Reporting of Product Issues

◁ Peeling of tread on studless tires for passenger vehicles in China and Canada ▷

A recall is taking place in China and Canada due to the suspected use of improper tread rubber in studless tires. As of now, there have not been any incidents due to this defect. The collection is taking place smoothly. Also, measures have already been taken to prevent the same issue.

◁ Voluntary collection of tire repair kit ▷

The AIRLOCK ONE tire repair kit had poor tire filling and was voluntarily recalled as a campaign. All defective parts have been recovered.

Issues and Future Improvement Measures



We continue to strive for a work environment that is free from mistakes by developing programs for preventing quality defects and implementing training for all employees in Japan and overseas who are involved in quality, data management, and other areas.

We are performing systematic inspection and confirmation on whether rules are being followed and if there are any defects in quality, and making improvements as needed.

Community Involvement and Development

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Stance

Our business activities impact the local communities where we are active in various ways. It is extremely important to communicate with local communities to ensure that their expectations are met in order to ensure sustainable business activities. In addition, we recognize that we have shared interests with the community as a stakeholder in the region, and for this reason we would like to work towards community development.

This stance is declared in the Stakeholder Policy, and the actions that should be taken by employees are stipulated in the Yokohama Rubber Group Action Guidelines.

Local communities

As a globally active business, we relate to local communities in a number of domains - the natural environment, law, culture, customs and the economy. We will strive to build a healthy relationship for various local communities together with our both domestic and overseas offices.

Yokohama Rubber Group Action Guidelines

We shall aspire to harmony and prosperity with local communities.

〈 Basic stance of the Yokohama Rubber Group 〉

1. We shall never forget that we are members of society, and shall endeavor to exist harmoniously and prosper together with society as well as to build ties of trust with stakeholders.
2. We shall support the social contribution activities of our employees and breed a corporate culture oriented toward active participation by them in such activities.
3. We shall practice proper provision of information on business activities involving the community.

〈 To practice our basic stance — our action 〉

Our activities of social contribution shall not be confined to those through our business activities; we shall also take a proactive part in volunteer programs and social activities rooted in the local community.

Message from a manager

We recognize that aiming for harmony with local communities where we conduct business is of the utmost importance, in order to achieve both social trust and business management, and to provide sustainable value as a global company.

In fiscal 2017, each plant continued to carry out dialogue with local communities through meetings with residents. All plants in Japan have implemented traffic safety manners seminars at local elementary schools.

We are now considering offering our business locations as evacuation sites for local residents in the event of a disaster.

The same activities are also being promoted at overseas locations.

The Yokohama Magokoro Fund established in 2016 is a social contribution program by employees that is providing support to seven organizations in Japan and overseas and the areas affected by disaster.

Using funds contributed by employees, we will strive to actualize our desire to help address issues together with local communities.

We aim to build a trusted identity as a company and workplace.

Mika Takezaki, General Manager,
Corporate Social Responsibility Planning Department
Corporate Social Responsibility Division

Vision for FY 2020

- Building a trusted identity together with local communities
To achieve this, we will use various forms of engagement and focus on issues and development in the local communities.
- A worldwide system is in place to apply what stake holders have to say.
- We have planted and supplied a total of 1.3 million trees and seedlings worldwide.

Main action items to be addressed first

The following items have been established as the main action items that the Yokohama Rubber Group will address first in consideration of the level of impact of business activities and the level of social interest.

Local Communities

Market Presence

Data summary

[Community Involvement and Development \(452KB\)](#) 

Local Communities

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Item		
Item	FY 2016 results	FY 2017 results
Implementation rate of community activities and dialogs	(Consolidated) 100%	(Consolidated) 100%
Businesses with a negative impact on the local community	(Consolidated) 0%	(Consolidated) 0%

Responsible Departments

Each business location

* The Corporate Social Responsibility Planning Department and Environmental Protection Promotion Department serves as a secretariat for the deployment of policies and sharing information.

Stance and Target

Why is “Engagement with Local Communities” a critical issue to be addressed? Explanation of the reason and background

The Yokohama Rubber Group currently conducts production activities in 13 countries. If the Group commenced operations or withdrawals from any region, it will have a social impact on the community in terms of the environmental impact, employment, etc. Because that impact varies depending on the circumstance of each region, we believe that it is extremely important for the Group's sustainable management to consider how to expand the positive impact and reduce the negative impact while engaging with local communities, and to then take action accordingly.

Vision (attainment goal) / target

As a globally active business, we relate to local communities in a number of domains - the natural environment, law, culture, customs and the economy. We will strive to build a healthy relationship for various local communities together with our both domestic and overseas offices. The following three points are aimed for as the vision for 2020.

- Building a trusted identity together with local communities
To achieve this, we will use various forms of engagement and focus on issues and development in the local communities.
- A worldwide system is in place to apply what stake holders have to say.
- We have planted and supplied a total of 1.3 million trees and seedlings worldwide.

Measures for vision achievement

The following approaches will be considered from various perspective to achieve our vision.

- Social gatherings with local residents as a form of communication in local communities will be held twice a year as a general rule.
- We conduct activities in cooperation with local NGOs at production bases in Japan* where biodiversity conservation activities are being commenced. We conduct biological monitoring while receiving instructions on matters such as the names and ecology of wild birds and aquatic organisms from chapters of the Wild Bird Society of Japan and nature conservation organizations.
...Review of FY 2017 activities (1)
- At ThinkEco Hiratsuka, an environmental event held at Hiratsuka Factory, we held a panel discussion on biodiversity and discussed together with local residents how Yokohama Rubber can protect and improve area waterways.
...Review of FY 2017 activities (2)
- Seedlings raised as part of the YOKOHAMA Forever Forest Project are provided to schools, social welfare facilities, NPOs, etc. that conduct tree planting activities in the region.
...Review of FY 2017 activities (3)
- In the disaster area reconstruction support that is conducted by our company, in order to support the creation of a “Forest That Protect Lives” as part of reconstruction plans for Otsuchi Town, Shimohei County, Iwate Prefecture, tree planting activities for an embankment called the “Heisei Forest” have been conducted from 2012 to 2015. Since 2014, we have also supporting forest development and afforestation activities as part of the Furusato Class programed at Otsuchi

Gakuen (including the former Otsuchi Elementary School).

...Review of FY 2017 activities (4)

- In our "Social Contribution Support Program", employees from across the company are involved in a variety of volunteer activities that contribute to local communities.

The Yokohama Magokoro Fund launched in May 2016 enables employees to put aside funds from their monthly salary which can be donated to NPOs, NGOs, or social welfare corporations in support of their efforts in promoting education, environmental conservation activities in social welfare or poverty regions or disaster relief funds.

...Review of FY 2017 activities (5)

* Mie Plant, Shinshiro Plant, Mishima Plant, Onomichi Plant, Ibaraki Plant, Nagano Plant, and Hiratsuka Factory

Review of FY 2017 Activities



The following measures were conducted during FY 2017.

- (1) Biodiversity conservation activities were conducted at eight domestic and six overseas production sites*. These activities assessed that biodiversity monitoring is being carried out on the impacts that tire plant and factory operations have on the ecosystem from the use of large quantities of water, both withdrawn and discharged, into rivers in order to cool production facilities. We also cleaned up rivers and their surrounding areas while also removing (weeding) non-native species in an effort to foster a closer relationship with the local community and make these areas more biologically diverse. Community briefings were held to gain the understanding of local residents with regards to the purpose and results of our monitoring and environmental conservation activities.
- (2) A panel discussion on biodiversity was held on November 11 and attended by around 40 people in total, representing the local government, university, NPO, local residents and employees. In woodland conservation activities started at the Hiratsuka Factory, we introduced biodiversity activities through the fostering of water resources and water systems.
- (3) In the YOKOHAMA Forever Forest Project, 22,169 seedlings were provided during 2017, for a cumulative total of 326,673 seedlings.
- (4) In disaster area reconstruction support, approximately 700 trees were planted at afforestation mounds at the Otsuchi Purification Center in Otsuchi Town, Shimohei County, Iwate Prefecture together with approximately 70 fourth grade students from Otsuchi Elementary School after they learned about the importance of the global environment and tree planting.
- (5) The social contribution activity support system provided around 800,000 yen to assist employees taking part in 19 volunteer projects. Highlights of these activities include tree planting and planting mound maintenance in Otsuchi, Iwate, tree planting activities in Kakegawa, Shizuoka and Iwanuma, Iwata, support activities of post-earthquake restoration in Kumamoto, support activities for dementia, agricultural assistance, and tourism volunteers.

Yokohama Magokoro Fund

As of the end of December 2017, the fund together with the company have made 9 donations totaling 6.8 million yen to disaster-affected areas in Japan and overseas, as well as organizations involved in environmental conservation and children's welfare.



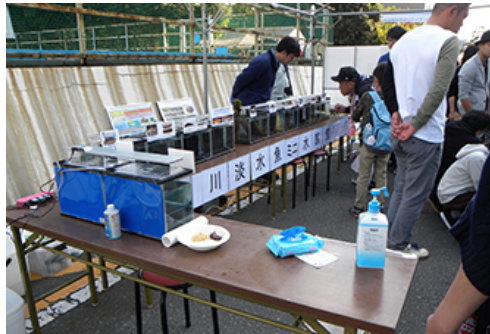
Under the Yokohama Magokoro Fund, contributions (from 100 yen to the desired amount per month) are collected from employees (members) who support the fund, members recommend an organization they would like to support, and a Fund Steering Committee composed of member representatives then screens the recommended organizations and decides whether to make a donation.

The fund is a mechanism in which Yokohama Rubber makes a donation of the same amount as the fund when donations are made to the organization decided on.

* Yokohama Tire Manufacturing (Thailand) Co., Ltd., Y.T. Rubber Co., Ltd., Yokohama Tire Philippines, Inc., Hangzhou Yokohama Tire Co., Ltd., Yokohama Tire Manufacturing Virginia LLC

Hiratsuka Factory

Think Eco Hiratsuka is held as an experience-based event with an environmental theme that encourages families of the employees to interact with local residents based on the concept of "Learn, Play, and Have Fun Together". With collaboration from nearby universities and local authorities, we aim to develop an identity as a dependable company in the community.



Mini aquarium

Mie Plant

In support of the reconstruction after the Great East Japan Earthquake, 53 scrap tires manufactured by the company were used to make play equipment and fences at two daycare centers in Onagawa, Miyagi. Mie Plant has been providing continued assistance since the earthquake by providing materials and cleaning up the town hall.



Yokohama Tire Philippines, Inc. (the Philippines)

Yokohama Tire Philippines, Inc. is surrounded by mountainous areas, where the residents need to go through the hard work of fetching water from the river on a daily basis. The company has donated tires equipped with a water tank to all 70 households thereby lightening their burden.



| Yokohama Industries Americas Inc. (United States)

Local high school students were invited to the plant for a workshop. Approximately 100 students attended the factory tour and participated in team building games.



Issues and Future Improvement Measures



As for environmental impact assessments through biological monitoring, the framework for the PDCA cycle including communication with local residents was completed, and biodiversity conservation activities have begun. In order to complete the framework for assessing the environmental impact at all business locations by 2018, we also held group training for persons in charge outside of Japan in 2017, too. We plan on promoting activities at these sites as model plants in their respective areas.

In addition, we will promote communication with local communities through social contribution activities such as regional employment and volunteer activities in order to contribute to regional economic development.

Market Presence

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KPI

Item	FY 2016 results	FY 2017 results
Ratio of business locations that have made salary payments exceeding the minimum wage	(Consolidated) 100%	(Consolidated) 100%
Percentage of senior managers hired from the local community	(Consolidated) 24.9%	(Consolidated) 35.40%

Responsible Departments

Each business location and Global HR Department

Stance and Target

Why is "Market Presence"* a critical issue to be addressed? Explanation of the reason and background

As a large automotive market shifts overseas going forward, production and sales at each business location must be conducted for products that respond to the demands of each country and region. Furthermore, there will be no growth if business activities are not conducted in line with the unique cultures and customs of each country and region. For this reason, we recognize the importance of employing employees from the region of business locations, promoting these employees to management positions, conducting business activities, and producing economic benefits in these regions.

Vision (attainment goal) / target

In the tire business, we will increase production capacity to 89 million units by 2020, and in the MB business we will expand automotive parts and marine products on a global level.

To this end, we will conduct employment in the countries and regions where business locations are located, promote these employees to management positions, rotate these employees on a global level, and conduct training programs to accumulate knowledge.

Measures for vision achievement

- Employment of local human resources for operations at each business location, development of management candidates
- Development and training for global human resources, global rotation of human resources

Review of FY 2017 Activities

The salaries for operations for local employees at overseas business locations are set in consideration of the wage provisions set by law in that country and region. In addition, a salary system has been developed based on skills improvements and position assignments.

Yokohama Rubber (Thailand) (YRTC)

There are currently 150 employees working at YRTC, consisting of 4 Japanese expatriates, 2 Thai executives, and 144 Thai staff. The company's workforce includes 113 men and 37 women. There are 20 management class employees, consisting of 14 men (3 from Japan and 11 from Thailand) and 6 women (6 from Thailand). This also includes one handicapped employee (a woman).

Yokohama Rubber Industrial Products-Shanghai Co., Ltd. (YIPSH)

China is a country composed of 56 ethnic groups. The Han Chinese account for 92% of the population, and the remaining groups are referred to as "minority groups". In addition to not discriminating based on gender in hiring practices as a matter of course, there is also no discrimination regarding minority groups.

| PT. Yokohama Industrial Products Manufacturing Indonesia (YI-ID)

Indonesia is a multi-ethnic country, and cultures and traditions differ depending on the ethnic group. The country was established with the spirit of everyone coming together in unity while respecting diverse environments and cultures.

We also respect this spirit, and we conduct hiring activities that are in compliance with laws related to race, gender, religion, child labor, etc.



Celebrating Independence Day (YI-ID)

Issues and Future Improvement Measures



Together with the expansion of operations at business locations overseas, we will instill the Action Guidelines among employees newly joining the Yokohama Rubber Group. In addition, the establishment of a structure that makes cooperative activities aimed at the resolution of social problems that communities face is an issue, in addition to the economic effect associated with business activities.