

People



Aiming to build workplaces that prioritize employee safety and peace of mind

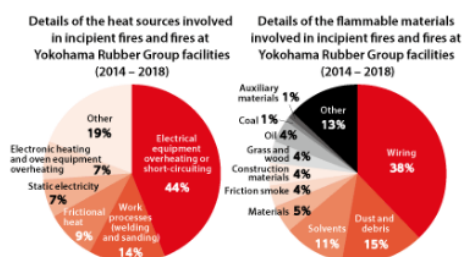
Creating workplaces where smiles spread

The facilities of the companies that make up the Yokohama Rubber Group have employees of many different nationalities working there. Our goal is to provide workplaces in which employees with a wide range of family structures and home environments can work with safety and peace of mind, while respecting one another's diversity and maintaining harmony with the local community.

Working to strengthen disaster-preparedness measures

Following the fire that occurred at our Philippines plant in 2017, the Yokohama Rubber Group immediately launched a general fire risk inspection of all our production facilities. The inspection results showed that potential ignition sources, which could lead to fires, included overheating or short-circuiting of electrical wiring, as well as sparks created during welding or other work that involves the use of flame; flammable substances were found to include organic solvents, rubber waste, dust and debris, etc. The inspection results also provided a reminder of the importance of inspection and cleaning of areas that may appear clean on the outside, such as the inside of distribution boards and the inside of dust collector ducts, etc.

When a fire occurs, besides threatening the safety of company employees, it can also cause worry and inconvenience to employees' family members, suppliers and customers. Besides focusing on safety, every individual employee also needs to pay more attention to the "3Ss" ? "Sorting, Straightening, and Systematic cleaning" (seiri, seiton, seiso) ? in order to eliminate small fire risk. Yokohama Rubber's corporate headquarters has formulated global fire prevention guidelines which are applicable to all Group companies, and fire prevention auditing is being performed at all production facilities based on these guidelines. In fiscal 2018, large-scale natural disasters occurred in countries throughout the world, partly as a result of climate change, and several Yokohama Rubber facilities were affected. With the aim of transforming our facilities into "fire prevention bases" where protecting the lives of every employee is the key priority, we are working to strengthen our disaster preparedness by working actively to identify latent risks and making necessary improvements in response.

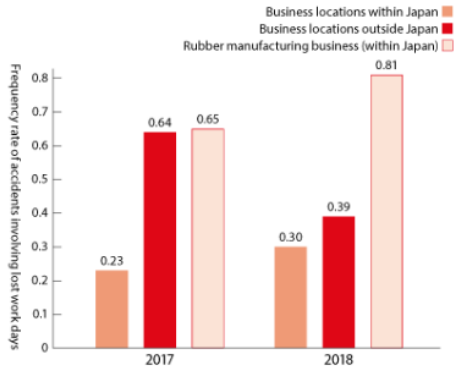


Fire-extinguishing training

Working to strengthen safety measures

The Yokohama Rubber Group now has more production located outside Japan than within Japan, and the share of total sales accounted for by overseas sales is increasing (in fiscal 2018, overseas sales accounted for 58% of the Group's total sales). Implementing the "3Ss" (Sorting, Straightening, and Systematic cleaning) (seiri, seiton, seiso) measures and executing improvement strategies can reduce the incidence of occupational accidents. At our overseas facilities, focusing on equipment safety has led to a decrease in the number of serious accidents relating to production equipment. In fiscal 2018, there was a significant improvement in the frequency rate of accidents involving lost work days; the figures for overseas facilities represented a particularly marked improvement compared to the previous year. With regard to departments not directly involved in production operations, anticipating the types of risk that employees are exposed to when commuting or at work, we are working to enhance safety awareness by means such as having employees recite the company's Safety Chant every day. At the same time, although we endeavor to ensure that, when problems do occur, employees follow the "Stop ? Notify ? Wait" protocol properly, nevertheless, unsafe behavior by employees has become more noticeable recently. In response to cases of employees handling equipment in an unsafe way because of carelessness, or acting unsafely because of overconfidence, we are undertaking analysis and implementing counter-measures with an emphasis on human behavior.

Change in the frequency rate of accidents involving lost work days



Holding of the 1st Global Safety Managers Meeting

Yokohama Rubber's first Global Safety Managers Meeting was held in November 2018, bringing together 16 safety managers from 9 different countries. The managers gave presentations on the safety activities being implemented in Yokohama Rubber Group facilities in their respective countries, and each presentation was followed by a lively question-and-answer session. Following the meeting, the participants were divided into groups and taken to visit Yokohama Rubber factories in Japan. Even for facilities using basically the same equipment, there are some facilities that experienced accidents and others that did not. To find and eliminate the causes of this disparity, we will make use of these meetings for productive mutual discussion on the measures that can be taken in response in relation to equipment and safety training, and we will disseminate the information obtained in this way as widely as possible.



Participants in the Global Safety Managers Meeting

TOPIC

Aiming to make Yokohama Rubber a company where people can continue to work over the long term



Women's health seminar for female employees

So as to provide support to help employees achieve the right balance between work and their personal lives, Yokohama Rubber is building a working environment that will give employees greater peace of mind and encourage them to stay with the company over the long term. In 2016, we established the Women's Participation and Advancement Taskforce. Besides promoting women's participation in the workplace, we are also implementing various measures aimed at providing the support needed for employees to balance work with childcare or senior care responsibilities, providing support for female employees' career development, and strengthening management of diversified human talent. In fiscal 2018, we held various seminars on balancing work responsibilities with childcare or senior care responsibilities. We are also implementing system reforms aimed at making Yokohama Rubber a company that respects different working styles, and which encourages employees to want to stay over the long term. We have introduced a Working from Home System, and also a system whereby employees can take annual leave in hourly units; in addition, our Career Return System has been expanded to cover former employees who left the company because of childcare or nursing care responsibilities and now wish to return.

9 seminars held (with a total of 295 participants)

Human Rights



Labor Practices



Consumer Issues



[Message from the President](#) [Business and SDGs](#) [CSR Slogan "Caring for the Future"](#) [Basic Policy](#) [Message from a manager](#)

[Corporate Governance](#) [Products](#) [The Earth](#) **[People](#)** [Community](#) [Primary Initiative Progress Report](#) [Reference Table for GRI Guidelines](#)

[Data Summary](#) [Related Information on CSR Report](#) [Site Data](#) [CSR News](#) [YOKOHAMA The Forever Forest Project](#)

Human Rights

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

Yokohama Rubber Group Action Guidelines

<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 2018, Yokohama Rubber formulated its Procurement Policy for the Sustainable Natural Rubber.

This policy indicates Yokohama Rubber's approach and initiatives for natural rubber procurement, along with its requests to suppliers. The Yokohama Rubber Group shares this policy with the entire supply chain that is related in an aim to achieve the sustainability of natural rubber.

Kazuhito 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 \(442KB\)](#)

Human Rights Labor Practices Consumer Issues

Child Labor

KPI

Item	FY 2017 results	FY 2018 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

Along with population growth and increased mobility on a global level, demand for tires and natural rubber that is the main raw material for tires is constantly growing. Meanwhile, there are concerns such as illegal deforestation and land exploitation, human rights violations, and the adverse impact on biodiversity in areas where natural rubber is produced. To help resolve these problems, Yokohama Rubber is participating in the Sustainable Natural Rubber Initiative (SNR-I) being launched by the International Rubber Study Group. The Company is also a member of the Tire Industry Project (TIP) led by the World Business Council for Sustainable Development (WBCSD). In October 2018, WBCSD TIP launched a platform to ensure the sustainability of natural rubber, and Yokohama Rubber formulated its Procurement Policy for the Sustainable Natural Rubber based on these global activities, and released a policy prohibiting child labor.

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 such as providing support for rubber farmers.

Countermeasures to eradicate child labor

We demanded natural rubber suppliers to prohibit child labor on Suppliers' Day.

Issues and Future Improvement Measures

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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

KPI

Item	FY 2017 results	FY 2018 results
Businesses specified as being exposed to forced 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 “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

Along with population growth and increased mobility on a global level, demand for tires and natural rubber that is the main raw material for tires is constantly growing. Meanwhile, there are concerns such as illegal deforestation and land exploitation, human rights violations, and the adverse impact on biodiversity in areas where natural rubber is produced. To help resolve these problems, Yokohama Rubber is participating in the Sustainable Natural Rubber Initiative (SNR-i) being launched by the International Rubber Study Group. The Company is also a member of the Tire Industry Project (TIP) led by the World Business Council for Sustainable Development (WBCSD).

In October 2018, WBCSD TIP launched a platform to ensure the sustainability of natural rubber, and Yokohama Rubber formulated its Procurement Policy for the Sustainable Natural Rubber based on these global activities, and released a policy prohibiting child labor.

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).

Countermeasures to eradicate forced or compulsory labor

We demanded natural rubber suppliers to prohibit forced or compulsory labor 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.

Child Labor **Forced or Compulsory Labor** Human Rights Grievance Mechanisms

Human Rights Grievance Mechanisms

KPI

Item	FY 2017 results	FY 2018 results
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	(Consolidated) 0	(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 shall respect human rights both inside and outside of the company.
2. We shall create safe and healthy workplaces.
3. We shall aim for harmony with the global environment.
4. We shall 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 observe 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 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

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 2018 Activities

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In 2018, a total of 18 sexual harassment and abuse of authority cases were reported via the Corporate Compliance Hotline or General Counseling Room.

When an issue arises, the Corporate Compliance Department 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 2018, the Office continued 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.

YTPI compliance training

At Yokohama Tire Philippines, compliance education was held six times over a period of two days in preparation for the adoption of the whistle-blowing system on a global basis. For the education program, an external law office was hired to create training materials in English, and the lectures were conducted in English and Tagalog (local language). An effort was made to raise awareness on the importance of compliance, compliance with competition law, the prohibition of bribery, and the whistle-blowing system. In addition, guidance was received from an external attorney.



Education from an external attorney



Internal education

Thorough enforcement of compliance through monthly reports

174 compliance officers have been assigned to Group companies in Japan and overseas. We respond appropriately in coordination with the Corporate Compliance Department to issues that occur in various situations including the workplace and external transactions.

Each compliance officer sends a monthly report to the Corporate Compliance Department as part of efforts to enable an advance understanding of issues.

Officer of nine European distributors



Annette Mayer
(Yokohama Europe GmbH : YEU)

Officer of Japanese tire distributors



Yukitoshi Tanaka
(Yokohama Tire Japan, YTJ)

Officer of Japanese industrial product distributors



Seiichi Endo
(Yokohama Rubber MB Japan, YMJ)

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.

Child Labor Forced or Compulsory Labor Human Rights Grievance Mechanisms

Labor Practices

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

Following the Management Policy "Create a workplace that values, improves and energizes people," Yokohama Rubber shall consider the safety and health to be the basis for everything, and focus on preventing occupational accidents and creating workplaces comfortable and healthy both physically and mentally.

Yokohama Rubber Group Health and Safety Policy

1. Giving top priority to the safety and health, participating by all members and developing globally, whole Yokohama Rubber group will improve the safety and health activities.
2. Yokohama Rubber will comply with all laws and regulations related to the safety and health, and take continuous improvement for the safety and health.
3. Yokohama Rubber will communicate with stake holders and cooperate with value chains to contribute to the local communities and the society.
4. Yokohama Rubber will strengthen the use of the Occupational Safety and Health Management System and repeat the PDCA cycle for continuous improvement.
5. Yokohama Rubber will carry out Risk Assessments for the "safety of the equipment" and "establishment of the Standard Operating Procedure" to promote reduction of the risk.
6. Being a part of the automotive industry, Yokohama Rubber will take preventive measures against traffic accidents.
7. Yokohama Rubber will create the safe and comfortable workplace, and take measures to promote physical and mental health positively.
8. Yokohama Rubber will make employees recognize the importance of the safety and the health, and provide education and training for them as required.
9. Yokohama Rubber shall publish this policy and make it known to all.

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.

<To put our basic stance into practice — our action>

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

We believe that the foundations that enable diverse human resources to play active roles can be realized through a fair evaluation system and frameworks that make it possible to continue working through various life events. In addition, the sharing of human resources exchanges, development, and personnel management are also essential for Group employees to share the same values and aim to achieve the same targets on a global level. We addressed these issues in fiscal 2018, and we intend to speed up such efforts going forward as well.

Shingo Ishimitsu
General Manager, 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.

Yoshiaki Mori
General Manager, Head of Safety & Health Management Department, Corporate Social Responsibility Division

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

 [Labor Practices \(442KB\)](#)

Human Rights **Labor Practices** Consumer Issues

Occupational Health and Safety

KPI

Item	FY 2017 results	FY 2018 results
Lost-time injury frequency rate (global, directly employed)	(Consolidated) 0.50 Domestic 0.23 Overseas 0.64	(Consolidated) 0.36 Domestic 0.30 Overseas 0.39
Scope of application of Occupational Health and Safety Program	100%	100%
Number of workers with a high risk of accident or illness	Zero	Zero
Formal agreement with labor unions regarding occupational health and safety matters	Yes (at those business locations where there is a labor union)	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

1. We will promote the creation of a safe and comfortable working environment and good health.
2. 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

Review of FY 2018 Activities

The following activities were conducted for the measures implemented in FY 2018.

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.



Hands-on safety drills with overseas plant safety personnel
(Human error hands-on experience equipment)



Hands-on safety drills with overseas plant safety personnel
(Hands-on experience of stairs with holding a load)

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.

In addition, we also conduct activities that support smoking cessation of employees to promote health, and physical fitness seminars.



Stress check study session at Onomichi Plant

Smoking cessation activities at Mie Plant



Confirmation of smoking level through measurement of carbon monoxide concentration in the breath



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.

In addition, life-threatening heat has been experienced recently, and we are engaged in a variety of initiatives for heatstroke as a disaster that could lead to death in the same manner as an injury.



Visualization of working environment with a WBGT measuring instrument

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 49 lessons for 26 classes in 11 schools during 2018. We will continue to expand these efforts in the future.



Road safety etiquette class for elementary school fourth graders (Hiratsuka Sozen Elementary School)



(Mie Misono Elementary School)



Traffic manner seminar for employees



Traffic manner seminar for employees

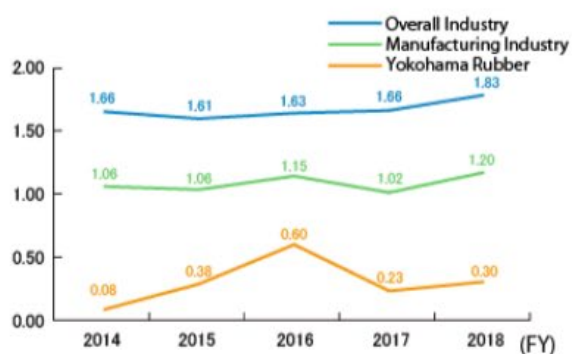
7. Establishment of a safety and health platform

We have acquired Occupational Safety and Health Management System (JISHA/OSHMS/OHSAS18001/ISO45001) certification at 17 domestic and overseas business locations; during fiscal 2018, we renewed the certification at 4 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 2018, 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 0.30. 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 2016	FY 2017	FY 2018
Lost-time injury frequency rate	0.60	0.23	0.30
YRC frequency rate	1.03	0.75	0.79

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.

A Global Safety Representative Meeting was held for the first time in November 2018, and it was attended by 16 representatives and interested personnel from 9 countries. Presentations on safety activities at business locations in each country were made and active Q&A session was held. After the meeting, the attendees separated into groups and visits were made to plants in the country. Even though having similar facilities, there are business locations where accidents occur and business locations where accidents don't occur. Mutual discussions are being held on what caused the difference, equipment countermeasures, and safety education, and this information will be actively deployed in each country.



Announcements on safety activities by employees from each plant



Q&A session



The attendees



Plant tour the day after the meeting



Observed equipment safety measures

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 equipment -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

KPI

Item	FY 2017 results	FY 2018 results
Total number of training participants per year	(Non-consolidated) Regardless of gender, 1,052 total participants (managerial positions) 441 participants (technical positions)	(Non-consolidated) Regardless of gender, 1,406 total participants (managerial positions) 447 participants (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 production bases for about one month 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 2018 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 2018, there were 492 re-employment employees enrolled, including both partner employees directly employed by Yokohama Rubber and Yokohama Business Association Corporation (YBAC) employees. In fiscal 2018, 96% 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	27	13	40
New employee follow-up training	35	14	49
Newly appointed key position training	19	0	19
Newly appointed organization management position training	9	0	9

Evaluator training	294	2	296
Training prior to re-employment	13	2	15

Education and training expenses	180 million yen
Total number of training participants per year (managerial positions)	1,406 employees

※Regardless of gender, the total number of training participants per year for technical workers was 447

<System users and number of applicable employees for each program>

※As of December 2018

1 New employees	1.1 Overseas training program	40 employees Total of 474 up until now
	1.2 Brother System	40 employees
2 Advanced Specialists and Skills Meister System	Advanced Specialists	24 employees
	Skills Meister System	45 employees
3 Education for Company Expatriates and their Family Members		35 employees
4 Incentive to Obtain Official Certifications		10 employees
5 Qualified Employee Allowance		127 employees
6 Qualified Employee Allowance		505 employees

<Number of employees that obtained official certifications>

Certification	Number of Achievement Cases				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Radiation Protection Supervisor	1	-	1	-	1
Certified Measurer	-	-	-	1	1
Special Boiler Expert	-	1	-	4	-
Qualified Energy Manager	2	-	1	2	2
Class-1 Health Supervisor	11	13	10	6	2
Industrial Hygiene Health Officer	-	1	1	-	1
High Pressure Gas Production Safety Manager	2	2	1	2	-
Class-1 Boiler Expert	-	3	2	-	2
Operations chief of radiography with X-rays	-	2	2	1	-
Class-3 Electrical Chief Engineer	-	1	1	-	-
Manager in Charge of Pollution Control	-	4	1	2	1
Work Management Measurement Expert	1	-	-	-	-

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.

Occupational Health and Safety **Training and Education** Diversity and Equal Opportunities

Diversity and Equal Opportunities

KPI

Item	FY 2017 results	FY 2018 results
Female employee ratio	(Consolidated) 12.7% (Domestic) 7.5%	(Consolidated) 13.7% (Domestic) 7.3%

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.

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.>

We hold a wide range of seminars as a part of promoting diversity. These seminars have included various seminars for the purpose of strengthening the management capabilities of a wide variety of human resources, career development support seminars to promote the active participation of women, networking events to support a balance between childcare and work among employees, and health seminars (breast cancer, menopause, cervical cancer, etc.).

In addition, labor and management jointly had nursing care questionnaires with all employees, held individual interviews, and held nursing care seminar reflecting the contents of these field surveys.

Review of FY 2018 Activities

During fiscal 2018, 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 2018, 118 employees were hired.

Of these, 70 were management career track positions (ratio of female employees of 23%).

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

	FY 2016	FY 2017	FY 2018
Women	15	16	16
Men	44	31	54
Total	59	47	70
(Ratio of women)	25%	34%	23%

Although the percentage of women is 32.5% if you look only at new graduates for hires in 2018, it is 22.8% if mid-career hires are also included.

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

	Employee category	Gender	Japan	North America	Asia	Europe	Other	Total
Less than 30 years old	Regular employees	Men	957	1	2	0	0	960
		Women	84	0	0	0	0	84

Age 30 to 50	Regular employees	Men	3,250	22	49	9	3	3,333
		Women	265	0	3	0	0	268
	Junior employees	Women	2	0	0	0	0	2
	Contract workers	Men	9	0	6	1	0	16
		Women	4	0	0	0	0	4
Above age 50	Regular employees	Men	909	7	35	2	6	959
		Women	59	0	3	0	0	59
	Junior employees	Women	1	0	0	0	0	1
	Contract workers	Men	18	0	2	0	0	20
		Women	1	0	0	0	0	1
Total			5,559	30	97	12	9	5,707

<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 December 2018, 28 persons with disabilities were employed.

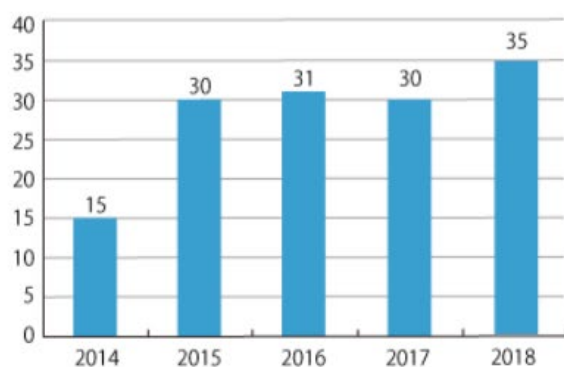
In addition, the four companies of Yokohama Rubber, Yokohama Peer Support, Yokohama Tire Japan, and Yokohama Rubber MB Japan have been recognized for having a disabled person employment ratio system or as special subsidiaries in accordance with the grant system for employing persons with disabilities, and the employment rate of people with disabilities was 2.18% for 2018 (results for April 2017 to March 2018).

Support through our Systems

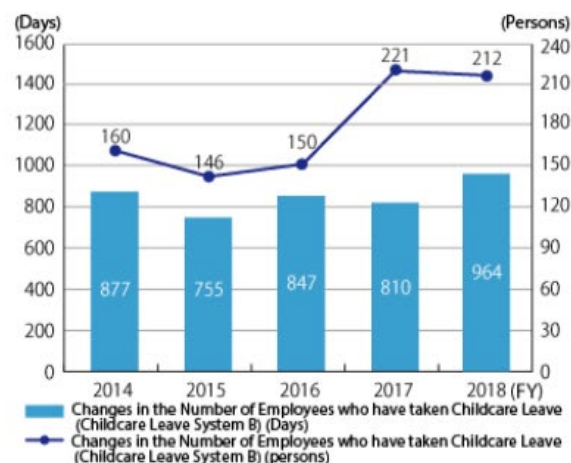
<Childcare Leave System>

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 2018, the labor retention rate among these employees was 88%.*

※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) Number of persons

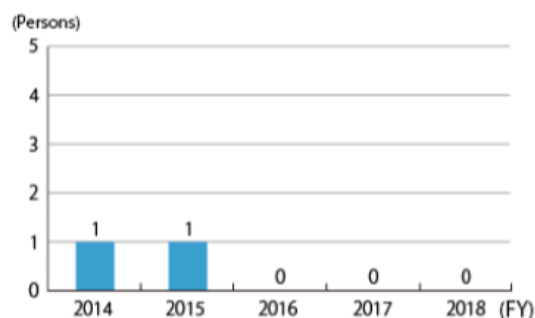


Changes in the Number of Employees who have taken Childcare Leave (Childcare Leave System B) (unit: persons)

※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, since fiscal 2016 it has been possible to take paid nursing care leave by hourly units 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 preservation leave for providing nursing care for a spouse, parent, child, or family member (up to a relation of the second degree) in units of a half day for a period of 10 days as of fiscal 2018. 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.



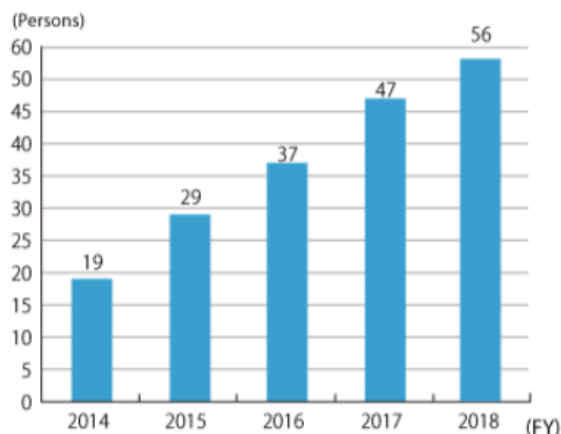
Changes in the Number of Employees who have taken Nursing Leave for Children (unit: persons) Number of persons

<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 that was for those who have children in the third year of primary school or younger, and it has now been extended to include up to the sixth year of elementary school.

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.

It was used by 56 employees in 2018.



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

<Introduction of a working-at-home option>

A working-at-home option has been introduced to promote a balance between work and family including childcare and nursing care, improve operational efficiency, and prevent constraints for long periods of time out of consideration for health.

<Nursing care career return system>

In order to promote a balance between work and family, the career return framework in the leave system and career return system for a spouse transfer has been expanded to also include people who have resigned due to childcare or nursing care.

<Introduction of system for the acquisition of paid leave in hourly units>

In order to promote a balance between work and family, a system for the acquisition of paid leave in hourly units has been introduced.

It was used by 649 people in 2018.

Introduction of Initiatives

Promotion of gender equality and others at Shandong Yokohama Rubber Industrial Products Co., Ltd. (YRSC)

The employment rate of women at YRSC is 10.2% of all employees. There are three women in management positions, who account for 8.1% of all management positions. There is no gap between the promotion of men and women to higher posts or positions. New hires are also assigned with respect to the wishes and capabilities of individuals.

In addition, in order to effectively use corporate housing facilities, some rooms have been used as a daycare to provide childcare support to couples in the prime of life.



“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.

A nursing care questionnaire on all employees was jointly conducted by labor and management in 2018. As a result of the survey, a policy was adopted to enhance the nursing care system, foster knowledge related to nursing care, support a work-life balance, and implement measures to prevent turnover as a result of nursing care.

In addition, as part of efforts to promote diversity, we have held various seminars for the purpose of strengthening the management capabilities of a wide variety of human resources for people in management positions and career development support for female employees and employees achieving a balance between work and responsibilities such as childcare and nursing care.

Going forward, we will continue to implement 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.

- 1-1. Strengthening the foundations through the adoption of employee-friendly systems such as the Working from Home System
- 1-2. Measures for effectively utilizing employees who are making use of the Shorter Working Hours Scheme
- 1-3. 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.

- 2-1. (Quantitative survey) Survey administered to all employees
- 2-2. (Qualitative survey) Survey administered to employees with care-giver responsibilities
- 2-3. 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.

3-1. Female employee career continuity measures (training, lectures, etc.)

3-2. Fostering understanding of employee diversity, and strengthening risk management education

3-3. 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.

Consumer Issues

Stance

As a member of mobility society, we believe that sustainable growth supported by and with customers is possible by providing products that satisfy passengers while being committed to their safety when driving passenger vehicles, trucks and buses, as well as working to provide correct information desired by customers.

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 put our basic stance into practice — 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

With the start of the new Grand Design 2020 Medium-term Management Plan in 2018, we aim 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 sales and services such as pre-sale promotion, we are implementing systematic improvements in terms of training of salespeople and 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 Narabayashi, 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 \(442KB\)](#)

Human Rights Labor Practices **Consumer Issues**

Customer Health and Safety

KPI

Item	FY 2017 results	FY 2018 results
Total number of violations of regulations and voluntary standards concerning product safety	(Consolidated) 1	(Consolidated) 2
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.

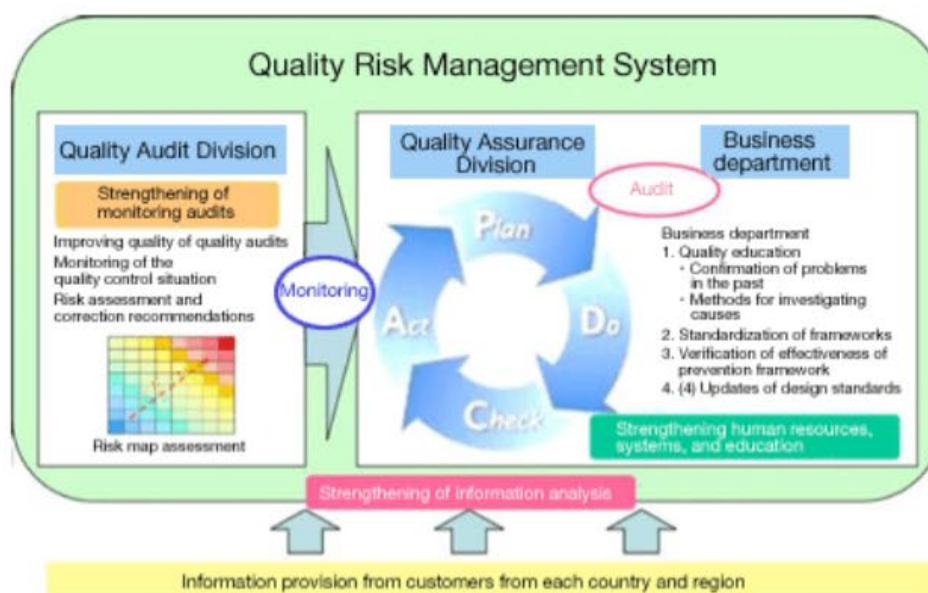
Measures for vision achievement

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 2018 Activities

In 2018, the Tire Group strengthened customer consultation to hear more opinions from customers, therefore the number of inquiries from customers increased by 11% and thus the number of quality complaints increased by 18% over the previous year; while such complaints received by the MB Group decreased by 8.5% from the previous year. 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 2018, 30 employees were newly certified (total of number of certified employees: 267).

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 2018, 46 staff were newly certified (6 in Japan and 40 overseas) as tires service engineers and 65 staff qualified as authorized adjuster (29 in Japan and 36 overseas) to make judgments regarding complaints.

<FY 2018>

Number of staff that has received training and qualifications	In Japan	Overseas
Number of staff that obtained IATF 16949 internal auditor certification	28 in the MB Group (cumulative total of 256) 2 in the Tire Group (cumulative total of 11)	—
Number of staff which was newly certified as a tire service engineer	6	40
Total number of certified tire service engineer	21	451
Number of the authorized adjusters who can make judgements regarding tire complaints (new)	29	36
Total number of authorized adjusters who can make judgements regarding tire complaints	1,009	219

In 2018, there were two cases of recalled truck tires in the United States.

Report on a product quality issue

<Two cases of recalled truck tires in the United States>

1. Truck tires manufactured in factories in the United States with inscriptions showing less than the actual number of reinforcing material plies were distributed. Because the problem involves only inconsistent inscriptions, there is no impact on safety.
2. Inappropriate tread rubber may have been used for truck tires manufactured in factories in the United States, and a recall is taking place in the United States. As of now, there have been no accidents due to this defect. The collection is taking place smoothly. Also, measures have already been taken to prevent the same issue.

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

KPI

Item	FY 2017 results	FY 2018 results
Total number of violations of regulations and voluntary standards concerning the labeling of products	(Consolidated) 0	(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 2018 Activities

In order to raise awareness on the correct use of tires, we held special classes for tire dealers and agents focusing on tire inflation work and seminars on basic knowledge of tires and daily inspection and management.

On "Tire Day" every April 8th, we conduct tire safety awareness activities nationwide. These activities have been implemented since 2009 with the aim of raising awareness of regular tire checks and eco-driving during holiday seasons when the use of cars and long-distance driving increases.

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 seven 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

We will provide information on products, services and labeling needed by customers on our website, and aim to make further improvements and refinements to make it possible for us to help customers choose the right tires. In addition, we will increase the trust of customers by incorporating customer requests in products and information development.

Marketing Communications

KPI

Item	FY 2017 results	FY 2018 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 reason 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

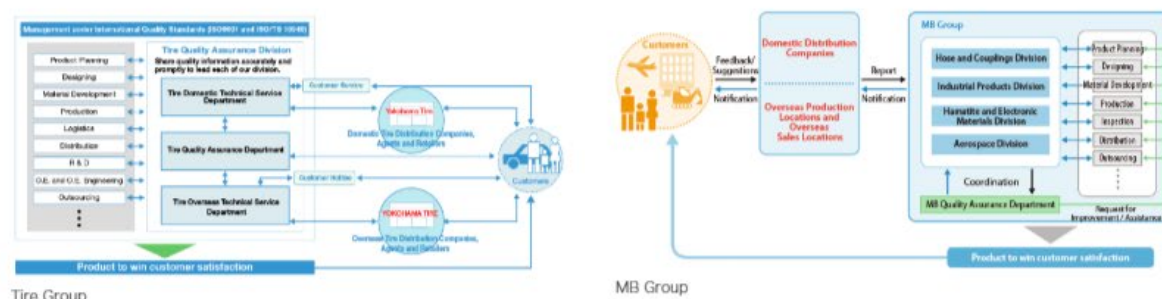
We aim for a situation in which customers can easily obtain the accurate information that they need concerning our products through improvements to websites and catalogs, the content of which reflects customers' views and comments. In addition, we also aim to maintain a framework that incorporates the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

Flow Chart showing our Customer Feedback and Notification



Review of FY 2018 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.



Customer information for vehicle tires for construction and industrial use

Because the Group handles various products, the target for information communication is broad and it is currently difficult to verify whether the appropriate information is being sufficiently communicated to the appropriate persons. In addition to the communication of information using media, we believe that it is necessary to verify the approach towards effective information communication including comprehensive channels such as seminars, events, and retailers. 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. Our corporate website (<https://www.y-yokohama.com/global/>) features the latest information about Yokohama Rubber, and we also share information via our official accounts with social networking services.

Twitter feed:

 https://twitter.com/YRC_Global

Facebook page:

 <https://www.facebook.com/YokohamaRubber>

YouTube channel:

 <https://www.youtube.com/user/TheYokohamaRubber?feature=mhum>

Niconico (popular Japanese video-sharing service) channel:

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

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

Customer Privacy

KPI

Item	FY 2017 results	FY 2018 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 2018 Activities

Meetings of the Personal Information Management Committee were held six times in fiscal 2018. A report was made of activities in line with the revised Personal Information Management Regulations based on the revised Personal Information Protection Act enacted in May 2017. In fiscal 2018, there were no issues concerning the personal information of customers raised as a topic.

Issues and Future Improvement Measures

We have raised awareness among employees about the management of personal information such as Japan's Individual Number ("My Number," a unique 12-digit number used for social security and tax purposes) system, and we will review operations based on revisions to related laws, if any.

Compliance (Product Liability)

KPI

Item	FY 2017 results	FY 2018 results
Number of violations of laws and regulations related to the provision and use of products	(Consolidated) 1	(Consolidated) 2

Responsible Departments

Quality Audit Department

Stance and Target

Why is “Compliance (Product Liability)” a critical issue to be addressed? Explanation of the reason 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 2018 Activities



We made improvements in response to information regarding quality and complaints received from customers. In addition, we conducted the top-level quality diagnosis that we conduct every year also in fiscal 2018. In 2018, there were two cases of recalled truck tires in the United States.

Introduction of Initiatives



Reporting of Product Issues

<Two cases of recalled truck tires in the United States>

1. Truck tires manufactured in factories in the United States with inscriptions showing less than the actual number of reinforcing material plies were distributed. Because the problem involves only inconsistent inscriptions, there is no impact on safety.
2. Inappropriate tread rubber may have been used for truck tires manufactured in factories in the United States, and a recall is taking place in the United States. As of now, there have been no accidents due to this defect. The collection is taking place smoothly. Also, measures have already been taken to prevent the same issue.

Issues and Future Improvement Measures



To prevent quality frauds, we continue to strive for a work environment that is free from mistakes by creating programs that drive at the reasons for frauds through examples at other companies, and planning and implementing training for all employees in Japan and overseas including in affiliated companies. In addition, we are performing inspection and confirmation of work on whether rules are being followed, and making improvements as needed.

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