

We will pursue the sustainability of both society and companies.

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President and Representative
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For a world with an uncertain future

As you all know, the outbreak of the new coronavirus (COVID-19) has prevented us from doing business as normally would have in the past since the beginning of 2020. Yokohama Rubber also prioritized the safety of its employees and took measures such as restricting movement in and out of Japan and shutting down its plants in accordance with governmental directives. These measures began in January 2020, when the Yokohama Rubber Group announced its policy of “prioritizing the health and safety of employees, their families and business partners” and “minimizing the impact on our business and operations” at the New Coronavirus Countermeasures Headquarters and Risk Management Committee when we received information about these directives. We have established IT environments for remote work (telecommuting) and web conferencing to avoid the Three Cs (Crowded places, Close-contact settings, and Confined and enclosed spaces), revised systems to include staggered working hours and hourly leave, issued guidelines for employee behavior, and made revisions as appropriate in response to changing circumstances. On top of that, I believe that damage and infections have been minimized by every department and location taking all possible measures to ensure efficient operations.

However, as we look around the world, there is still a lot of

uncertainty about the convergence of infections, and economic activity at home and abroad is expected to continue to fluctuate significantly.

Tires are essential goods, and we have a mission to provide indispensable products to society. In addition, we will fulfill our supply responsibilities as a supplier of conveyor beltings, marine hoses and many other products that support the infrastructure of society. For this reason, we will strengthen our organization that allows us to provide flexible and prompt production and services while assessing the costs that are essential to our business operations.

Unique CSR management to survive uncertain times

Fiscal 2019 marks the end of the second year of our three-year medium-term management plan, Grand Design 2020 (GD2020), which was launched in 2018. It calls for redefining Yokohama Rubber's strengths, fortifying our business foundation through growth strategies in each individual business with strengthened original approaches, and preparing for further growth in the coming decade of the 2020s. In fiscal 2019, we continued to vigorously promote the growth strategies of each of our businesses to give momentum toward the final year of 2020,

while also working to fortify our business foundation through ESG practices* and workstyle reforms.

First, each business worked to implement their growth strategies. In the consumer tires business, we expanded the installation of mainly high-inch, high-performance tires on various premium cars as part of our Premium Car Strategy. In addition, we began selling all-season tires in Japan under our Winter Tire Strategy. In North America, we enthusiastically launched new products, including studless tires for both passenger cars and SUVs. Our Hobby Tire Strategy promotes the joy of driving and has demonstrated our strong presence in the global market, such as by sweeping the U.S. SEMA Show's "Best New Tire" awards.

In the tires business, the Alliance Tire Group's (ATG) product lineup for off-highway tires (OHT), such as those for agricultural and forestry machinery-use, have been recognized for their superior buoyancy performance that does not damage agricultural and forestry land and does not impair plant growth, as well as for their high on-road performance, and won the silver medal the world's largest agricultural machinery exhibition. We are expanding the production of ultra-flat single tires for trucks and buses, which contribute to lower maintenance and higher load capacity, as one of the pillars of our growth.

In MB, we have begun delivering the world's largest pneumatic fenders, contributing to the safety of marine transport with the aim of becoming the world's number one company in the marine industry.

To fortify our business foundation, we are working to strengthen our financial position, revitalize our corporate culture, and upgrade risk management. ESG activities, which have become increasingly important in recent years, include expanding the use of renewable energy, promoting the development of products that contribute to the environment, supporting farms and surveying labor conditions to achieve sustainable natural rubber procurement, and appointing independent outside directors and foreign directors. We are also reforming the way our employees work with a focus on "utilizing diverse human resources" and "supporting work-life balance." The Company's ESG activities have been recognized globally, including inclusion in the international environmental NPO CDP's Climate Change A List in 2019, and inclusion in the FTSE4Good Index Series, a global index of ESG investments, for 15 straight years.

However, there are significant changes in the planet and society, including the mild winter and occurrence of natural disasters in 2019, and COVID-19 in 2020, and we need to be properly aware of risks and opportunities. In addition, we will accurately assess the needs of the regions in which we operate, and each base will work to strengthen its business continuity plan (BCP), including disaster prevention and safety. Through new ways of working, I would like to collaborate as a team and increase motivation while clarifying our vision and the mission and actions of each of us to achieve it.

To become a company indispensable to customers around the world

We must keep in mind that even after the effects of COVID-19



Company-wide safety and disaster prevention meeting (2019)

subside, we may be unable to return to the same life and society as before. This is a change in values that calls for "new ways of working and living that give many people a sense of fulfillment and satisfaction, rather than the old way of living with its many problems," and customers' purchasing behavior will also change.

I have been talking about "Business Creation and Business Maintenance" since I became president. Promoting internal improvements (business maintenance) and growth strategies (business creation) simultaneously will lead to solutions for social, environmental and business sustainability issues.

We are committed to protecting jobs and ensuring the health and safety of our employees, their families and the people around them, while striving for sustainable economic development in line with these changing values.

Specifically, in order for rubber plantations to produce natural rubber sustainably and for us to have a stable supply, we will work with a natural rubber public corporation in Thailand and our suppliers to further promote study meetings, fertilizer provision, and agroforestry farming methods. In addition, we will utilize the YOKOHAMA Magokoro Fund to collaborate with many NPOs and contribute to solving related issues.

In this way, we will work together with the Sustainable Development Goals (SDGs) aiming to resolve international social issues, the United Nations Global Compact (UN-GC) and the World Business Council (WBCSD) to ask what we should prioritize in solving various social issues.

And we will demonstrate our future initiatives post-GD2020.

To ensure that our business activities contribute to the SDGs, we have created a business vision that addresses the risks and opportunities in the world, such as the climate crisis, deforestation, agriculture and food, and human rights in the supply chain, as well as new social opportunities, through collaborating and working together with our stakeholders.

Finally, we re-confirm once again that "safety, quality and compliance" are the prerequisites for all of our activities, and the entire company will work together to thoroughly prevent the occurrence and spread of disasters and infectious diseases. I would like to ask for the cooperation of all of our stakeholders to overcome these challenges together.

*ESG activities: In addition to financial activities, initiatives for long-term growth in terms of environment, social and governance