

**MESSAGE FROM THE
PRESIDENT**



**Yokohama Rubber's Commitment to be
a Corporate Group Truly Indispensable to
Society Like No Other**

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Fulfilling Our Responsibility as a Supplier with a Global Perspective

The principle of “To build a trusted identity as a contributing member of the global community” represents the CSR management vision we at Yokohama Rubber uphold. In FY 2013, our employees worked collectively toward achieving this vision, and it was also a year in which we made a great deal of progress in the global expansion of our businesses.

Worldwide demand for tires is expected to increase over the medium to long term, causing supply shortages to continue. In response, it will be more important than ever to think truly globally, in which Japan is a single country in the world, instead of viewing the world from a Japanese perspective. That is, where in the world and how many tires should be manufacture? What is the most efficient means to shipping these tires and getting them to our sales channels? Without being aware of these answers and more, we will never be able to fulfill our responsibility as a supplier on a worldwide scale.

In the future, we may not even need to have our head office located in Japan. I believe we must develop the future leaders of our company organically from locally hired employees at each of our sites around the world. We will also build a framework for promptly identifying and addressing human rights issues and preventing these violations and labor issues from ever occurring. At the same time, I am deeply aware of our responsibility to implement various measures that will contribute to the living standards of the local community.

Various global standards on quality and reducing environmental impacts carry with them a great meaning when it comes to our expansion in international markets. Not only do we have to launch high-value added products, but we must also actively take part in creating global standards, through our participation in the World Business Council for Sustainable Development (WBCSD) as a member of the Japan Automobile Tyre Manufacturers Association (JATMA). In turn, this will improve quality across the entire market.

Finding Ways to Conserve Resources in Every Facet of Our Businesses

In terms of reducing our environmental impacts, and to establish a stable supply of raw materials, we must conserve resources in every feasible manner within our businesses.

On the frontlines of production we are in the process of researching rubber created using enzymes and other materials, instead of petroleum. Although this type of basic research is not always glamorous, it carries with it significant meaning for the future of Yokohama Rubber.

In addition to reusing crushed used rubber as a raw material in new tires, we are also focusing on improvements in the quality and manufacture of re-treaded products where the tire tread is removed and replaced with a new one. We are also moving forward with an initiative where certain logistics providers return their used truck tires to Yokohama Rubber and all they have to do is pay a usage fee. These tires can also be reutilized as retreaded tires after they have been returned. We plan on expanding this initiative going forward.

To that end, we need to be open and widely share how we are providing value to society and the technologies and products we are producing. That is, I believe we need to further expand our engagement of consumers and stakeholders, which includes plant visits and other means.

Establishing Brand Power where Consumers Purchase Our Products Because of the Yokohama Rubber Name Brand

Yokohama Rubber’s medium-term management plan Grand Design 100, or GD100, calls for evoking a distinctive global identity in building corporate value and in building a strong market presence by FY 2017.

I believe this distinctive global identity is similar to a local bakery where people actually go out of their way to travel a long distance just to purchase its products. This presence represents a company that is truly indispensable like no other for both society and its customers. This does not necessarily mean carrying only high priced products, but rather a company where consumers believe their lives just would not be the same without Yokohama Rubber. We will not focus on selling only certain products that are the most popular, but rather a company where the Yokohama Rubber brand has established a solid footing among consumers and markets. These visions truly represent a distinctive global identity.

To achieve these, we must continually launch products that are one step ahead of our customers’ expectations. Yokohama Rubber has a wealth of human resources on the front lines of production with advanced skill sets that cannot be obtained through automation. Our goal will be to pass down these skills globally across the entire Yokohama Group. As is the case with our already released adjustable air cushion for wheelchairs, we are seriously exploring the possibilities of rubber materials in completely different fields and applications to create products that help resolve social issues. This is an area that we will focus even greater efforts in the future.

It will also be important to utilize our diverse pool of human resources to deploy the right people at the right place. Currently, we require that all newly hired employees participate in training sessions held outside of Japan, and we are implementing initiatives that combine with rotations to ensure our people can experience working in a host of different workplaces early in their careers. In this manner, we will be able to create opportunities for various human resources to get the most out of their skills and talents, which, I believe, represents the truest form of diversity.

The year 2014 represents the final year of phase III under GD100, which began back in FY 2006. We find ourselves at a time when we need to be thinking about our future beyond 2017, or the target year of GD100. Currently, we are reviewing specific targets and a future vision, but I would like to carry on with the vision of a distinctive global identity forged under GD100 beyond the year 2017.

Our ultimate goal is to increase the number of customers that believe they need to buy only Yokohama Rubber brand products and not those from any other company. Moving forward, we will continue working hard to achieve this goal.