Management Plan

Phase II

November 12, 2008
The Yokohama Rubber Co., Ltd.
Management Plan

Phase II

Vision and Basic Policy
GD100 Vision and Basic Policy

To Mark the Yokohama Centennial in 2017

Evoke a distinctive global identity…
■ in building corporate value and
■ in building a strong market presence

Long-Term Financial Targets

- Net sales: ¥1 trillion
- Operating income: ¥100 billion
- Operating return on sales: 10%

Basic Policy

- Deliver the best products at competitive prices and on time
- Assert world-class strengths in technologies for protecting the environment
- Foster a customer-oriented corporate culture that honors rigorous standards of corporate ethics
Management Plan

Phase II

Issues and Themes

Presented here:
A summary of Phase II of GD100

To be presented later in 2009:
Phase II financial targets
GD100 Phase II Issues

Phase I
(April 1, 2006 to March 31, 2009)

Achieve profitable sales growth amid...
Surging global demand

Phase II
(April 1, 2009 to March 31, 2012)

Address the issues of...
- The global financial crisis
- Weakening demand
- Fluctuating raw material prices
- Economic uncertainty
- Environmental degradation

Strengthen fundamentals qualitatively to lay the groundwork for renewed growth in Phase III of GD100, starting in April 2012
Phase II of GD100 is a time for achieving quality growth worldwide in the name of laying the groundwork for achieving the GD100 goals for the Yokohama centennial in 2017.
Management Plan

Phase II

Tackling Phase II
Corporate Social Responsibility

Phase I Focuses
(April 1, 2006 to March 31, 2009)
- Environmental management
- Corporate ethics

Phase II Focus
(April 1, 2009 to March 31, 2012)
- Corporate social responsibility

Fulfilling corporate social responsibility is how companies earn the trust of the community.

Yokohama will step up its emphasis on fulfilling its corporate responsibility in the interest of reinforcing its corporate foundation.
Build a More-Prominent Identity in the Global Marketplace through Corporate Branding

- Offer competitive products globally—especially products that feature unique strengths in protecting the environment and conserving resources
- Win new-car fitments around the world to raise Yokohama’s market visibility
Tire Growth Strategy (2)

Fortify Global Marketing

Supplement operations in...

...with expanded operations in...

Localize strategy for each region and put in place localized management teams to share in regional market expansion

Strengthen sales and marketing capabilities in each region and deploy products matched to local needs and circumstances
Tire Growth Strategy (3)

Use Original, Small-Scale Production Technology to Increase Production Capacity Incrementally

- Tailor investment flexibly to regional trends in demand
- Establish local production capabilities in emerging markets, such as India, Brazil, and Russia

Build a framework to respond promptly to opportunities in a global context

Demand

Large risk inherent in sharp increases in production capacity

Minimize risk by increasing production capacity incrementally

Demand
Large-scale investment
Incremental production technology

Time
Multiple Business Growth Strategy

Globalize Operations Aggressively In Growth Sectors

Strengthen production and sales operations for industrial products, hoses, and sealants and adhesives in North America, Europe, and China

Secure Cash Flows from New Lines of Business

Develop business in electronic materials and in structural adhesives for automobiles
Technology Strategy

Environmental Technology

Establish a position among the world leaders in technologies for protecting the environment and for conserving energy and resources

- Curtail global warming
- Conserve energy and resources
- Recycle and reuse resources

Technology for Benefiting Customers and for Supporting Corporate Growth

Sharpen the focus on quality manufacturing in the spirit of delivering the best products at competitive prices and on time

- Product differentiation
- Safety and comfort
- Flexible production
- Cost reductions
Strengthening the Corporate Foundation

Begin a New Phase of Waste Reduction (*Muda-Dori*)

- Redouble efforts to deliver the best products at competitive prices and on time
- Strengthen overall cost competitiveness through sweeping kaizen improvements

Structurally Revamp Japanese Operations

- Fortify operations qualitatively
- Improve responsiveness to future changes in the structure of demand

Reinforce Foundation for Renewed Growth in Phase III of GD100

- Strengthen fundamental technology
- Globalize R&D
- Create model for regional companies
- Foster human resources globally
- Upgrade procurement
- Set up GD100 Promotion Department
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All plans, projections, and other content described in this presentation that are not historical results reflect judgments based on presently available information, and they are subject to known and unknown risks and to other unforeseeable events.

The company’s actual performance could therefore differ significantly from management’s expectations.