

# RESHAPING

## **Yokohama's Replacement Tire Marketing in Japan**

**Yokohama has built highly regarded sales networks in Japan**

**for passenger car tires and for truck and bus tires. Those**

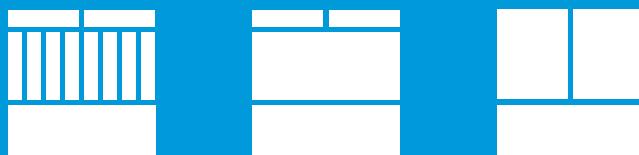
**networks are a crucial strategic asset, and keeping them**

**focused on changing market circumstances is a high priority.**

**Yokohama is therefore reshaping its sales networks to cope**

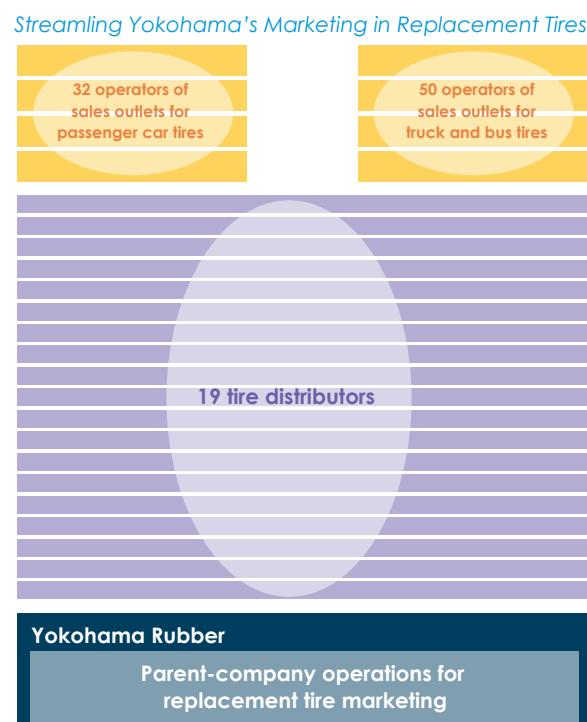
**with market saturation and with the economic ramifications of**

**Japan's aging and gradually shrinking population.**



## Three companies by 2011

Work got under way in July 2009 on sweeping measures for reinforcing the effectiveness of Yokohama's Japanese sales networks for tires. Those measures consist of (1) combining all of Yokohama's tire-wholesaling operations in a single subsidiary and (2) combining all of Yokohama's company-owned tire-retailing operations in two subsidiaries: one for passenger car tires and one for truck and bus tires.



First Step: July 2009

### STEP 1

#### Set up a wholesaling subsidiary in July 2009

In July 2009, Yokohama established the wholly owned subsidiary Yokohama Tire Japan Co., Ltd., to handle all of its tire wholesaling in Japan. It created Yokohama Tire Japan by combining 18 majority-owned distributors, a marketing subsidiary for sport-utility tires, and the parent-company operations for replacement tire sales. That integration brings Yokohama's marketing closer to customers and lowers costs by eliminating redundancy in administrative functions.

#### Yokohama Tire Japan: wholesaling

##### Marketing headquarters

##### Bloc sales division

###### Regional sales unit

###### Regional sales unit

###### Regional sales unit

38 regional sales units in 6 geographical blocs

## STEP 2

### Set up retailing subsidiaries for passenger car tires and for truck and bus tires by 2011

Yokohama owns 32 companies that operate sales outlets for its passenger car tires. It will combine those companies by 2011 to create a single retailing subsidiary for passenger car tires. That will eliminate redundancy in administrative and marketing functions, and it will allow the retail outlets to focus on customer service.

Similarly, Yokohama owns 50 companies that operate sales outlets for truck and bus tires. And it will combine them by 2011 to create a retailing subsidiary for truck and bus tires. Along with raising operational efficiency, that will enable Yokohama to provide truck and bus operators with seamlessly integrated service nationwide.

National retailing subsidiary  
for truck and bus tires

National retailing subsidiary  
for passenger car tires

Yokohama Tire Japan: wholesaling

**Second Step: by 2011**

## Summary of Step 1

### Community-based sales

The new wholesaling subsidiary, Yokohama Tire Japan, has divided Japan into 38 sales territories. That is more than twice as many as the 18 territories served by the distributors that it absorbed. The smaller sales territories will enable Yokohama Tire Japan to tailor its marketing more closely and more promptly to local needs and circumstances.

### A unified approach to large independent retailers

Yokohama Tire Japan groups its 38 sales territories in six geographical blocs, each under a separate sales division. The sales divisions, in addition to coordinating their sales units, promote Yokohama tires strategically to large independent retailers of automotive supplies in their geographical blocs. Large retailers of automotive products that operate nationwide chains are important sales channels for tires. The creation of Yokohama Tire Japan has given Yokohama an integrated, nationwide platform for serving those retailers.

### Leaner operations

The sales divisions for the six geographical blocs have absorbed the accounting, human resources, and general affairs functions of the former 18 distributors. In addition, Yokohama is moving to streamline logistics in its Japanese network of 313 supply depots.