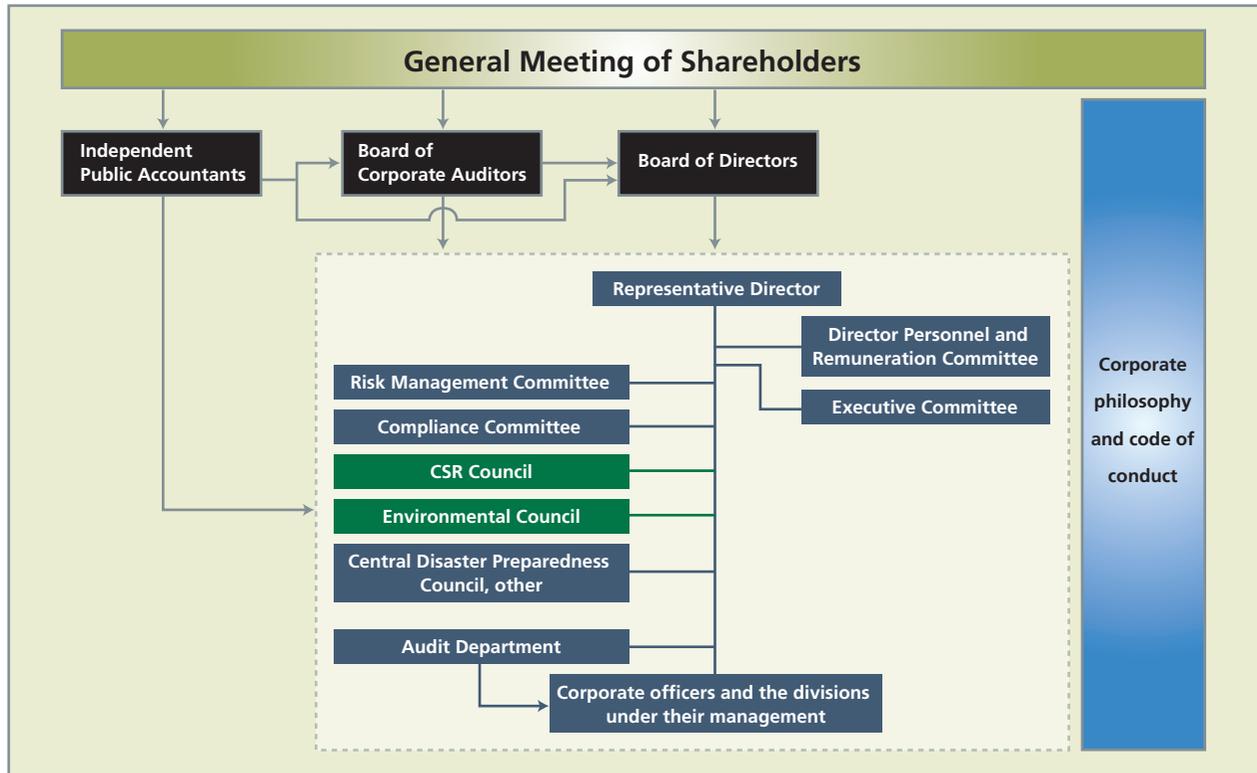


Corporate Governance

We are committed to positioning Yokohama to achieve continuing growth in corporate value and to earn the unwavering confidence of all our stakeholders. In that spirit, we have built a framework of corporate governance for achieving sound management characterized by transparency and fairness. We continue to reinforce that framework in accordance with our Basic Philosophy, which calls for enriching life through beneficial products.

Yokohama's Framework for Corporate Governance



Framework

Our management framework differentiates clearly between operational responsibility, invested in the corporate officers, and oversight responsibility, invested in the Board of Directors. That helps maximize our responsiveness in management. Presently, the senior-management team comprises 8 directors, headed by the chairman and president and including 4 members who serve concurrently as corporate officers, and 14 corporate officers, not including officers who serve concurrently as directors.

The Executive Committee, which comprises the chairman and other selected members of the Board

of Directors and other executives, reviews overall operational policy and matters crucial to the performance of work. It reports its findings to the Board of Directors, and the directors discuss and act on the council's recommendations in accordance with the pertinent corporate guidelines.

Transparency and fairness are overriding emphases in appointing directors and corporate officers and in determining their compensation. Appointments and compensation receive thorough consideration in the Director Personnel and Remuneration Committee and then go to the Board of Directors for decisions.

Auditing

Auditing at Yokohama is a tripartite undertaking by our corporate auditors, an independent public accounting firm, and our Audit Department. We reinforce the auditing function by maintaining autonomy among those units.

The corporate auditors number five, including three recruited from outside the Company to help ensure objectivity in the auditing function. They participate in meetings of the Executive Committee and at other management gatherings where important matters are discussed. They also obtain important information from the independent public accounting firm and from the Audit Department. The independent public accounting firm monitors the Company’s financial accounting, and the Audit Department monitors operations and accounting at the parent company and at subsidiaries. We assign an assistant to the auditors to help them carry out their work smoothly and effectively.

Risk Management

Spearheading risk-preparedness measures at Yokohama is our Risk Management Committee, chaired by the general manager of the Corporate Social Responsibility

Division. That committee evaluates risk from a cross-sector perspective and devises precautionary measures. We have also established committees to manage risk, respond to incidents, and establish guidelines in regard to ethical compliance, disaster preparedness, information security, personal conduct, and exports. Our Board of Directors, Executive Committee, and corporate auditors receive timely reports from all of those committees.

Ethical Compliance

Our Compliance Committee, chaired by the president, oversees activity at the company with an eye to ensuring compliance with laws and regulations. Responsible for enforcing ethical compliance is our Corporate Compliance Department. In addition, we assign compliance monitors for each sector of operations at the parent company and for each subsidiary in Japan to help foster awareness of our ethical guidelines. They report to the Compliance Committee, which evaluates ethical infractions and potential problems and adopts appropriate countermeasures. We also maintain hotlines to handle reports of suspected infractions from persons inside and outside the Company.

How the Compliance Hotline Works

