

# NEWS RELEASE



# YOKOHAMA

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Contact:  
Corporate Communications Dept.  
The Yokohama Rubber Co., Ltd.  
36-11, Shimbashi 5-chome  
Minato-ku, Tokyo 105-8685  
Phone: 81-3-5400-4531  
Fax: 81-3-5400-4570

## **Yokohama Rubber Announces Outline of Phase II of Grand Design 100** *“Quality Growth” Forms Its Basic Policy*

Tokyo – The Yokohama Rubber Co., Ltd., announced today that it outlined the policy for Phase II of the Grand Design 100 that is the company’s medium-range management plan started in FY2007 (a fiscal year ending March 2007). The Phase II is scheduled to begin in April 2009 following the Phase I ending March 2009. Yokohama Rubber plans to determine details of the Phase II (FY2010 –2012) and release its contents including financial targets in March 2009.

The policy for the Phase II has been defined as “Quality Growth”. In order to keep growing even in a business environment that is unforeseeable due to current instability of the global financial system and rapid recession, it is indispensable for the company to be aggressive with flexibility and establish a corporate culture supporting lean and agile operations. For the achievement of these two aspects, Yokohama Rubber believes it necessary to improve quality in terms of both operations and management. With “Quality Growth”, the company makes efforts to strengthen its managerial foundation to prepare for another jump in Phase III (FY2013 – 2015).

In the aspect of operations that drive the growth, Yokohama Rubber will strengthen its Tire Group, Multiple Business Group and technological development. In the Tire Group, it plans to improve the global presence of Yokohama brand, expand and improve sales networks in regions such as Europe and Latin America, and establish new manufacturing bases in BRICs countries. With respect to the establishment of new manufacturing bases, the company will employ a compact, integrated production platform that enables it to make flexible and quick investments. In the Multiple Business Group, it will beef up production and sale of industrial materials, hoses and Hamatite (sealants and adhesives) in China and Europe, vigorously approach new business opportunities including adhesives for electronic materials and

横浜ゴム株式会社 広報部広報・IRグループ  
〒105-8685 東京都港区新橋5-36-11 TEL:(03) 5400-4531 FAX:(03) 5400-4570

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THE YOKOHAMA RUBBER CO., LTD. CORPORATE COMMUNICATIONS DEPT.  
36-11, Shimbashi 5-chome, Minato-ku, Tokyo 105-8685, Japan Telephone: 81-3-5400-4531 Facsimile: 81-3-5400-4570

structural adhesives for automobiles, and push forward with the technological development that makes it possible to provide products characterized by their environmental performance, safety and comfort through highly profitable designing and manufacturing methods.

In the aspect of management, Yokohama Rubber will make efforts to establish corporate social responsibility (CSR) management, strengthen the corporate foundation, and improve financial quality. With respect to the CSR management, the CSR Division created in June this year will play the central role in steering the company with a good balance between the aspects of economy, environment and society. The fundamental enhancement is to increase cost competitiveness through continued waste-reduction activities (“*Muda-Dori*”) and redesign business structure in Japan where society is rapidly aging with lowering birth rates. In overseas, the company will promote R&D functions, unfold regional business operations and strengthen procurement functions such as own natural rubber plant operation.

The Grand Design 100 is the medium-range management plan designed for Yokohama Rubber to become a “global company with a distinctive presence in terms of corporate value and market position” in the company’s centenary in 2017. It sets three financial targets for FY2018: ¥1 trillion in net sales, ¥100 billion in operating income and 10% operating return on sales. Consisting of 4 phases, each of which lasts for 3 years, the Grand Design 100 determines a basic policy, business strategy and financial targets for each phase.