

# Japanese Businesses: Impact of the Great East Japan Earthquake—Continuing through the Year

- Those Active in the Market anticipate feeling the Effect through to the First Quarter
- Japan Investor Relations Association and QUICK Corporation issue the Results of a Joint Survey

The Japan Investor Relations Association (JIRA) and QUICK Corporation (QUICK Corp.) have collected results for a survey that they jointly conducted on the Impact of the Great East Japan Earthquake on Business Earnings and on Projected Earnings Disclosures, targeting publicly listed businesses and those active in the market, such as institutional investors.

When asked in the survey whether there would be a negative impact on business earnings from power shortages and breaks in the supply chain as a result of the earthquake, at 33.2%, the largest number of responding businesses indicated that the impact would continue through the year. The greatest response from those active in the market, however, was 60.0%, who indicated that the impact would continue to the quarter from July to September.

## Summary of Survey

### Impact of the Earthquake on Business Earnings—Difference in Awareness between Businesses and Investors

#### Responses from Publicly-listed Business

Of the 202 responding publicly-listed business, the most respondents (33.2%) indicated that the impact from the earthquake would continue through the year, followed by those (28.7%) who indicated it would continue to the quarter from July to September. The same trend was indicated for results gathered from businesses that ended their fiscal year March.

#### Responses from Those Active in the Market

For those active in the market, the most respondents (60%) indicated that the impact from the earthquake would continue to the quarter from July to September, followed by those (24%) who indicated it would continue through the year, for a total of roughly 90% who saw that the impact would be contained within this year.

### Projected Earnings Disclosures—Meeting the investors' demanding requirements

#### Responses from Publicly-listed Business

There were 160 companies, or 79.2%, that disclosed projected earnings at the same time as reporting their statements for FY2010.

Reasons for disclosure include:

- Because our investors requirements are demanding (85.6%)
- To continue and be consistent in disclosure (71.3%)
- To assuage the worries and concerns of our investors, etc. (51.3%)
- To disclose the impact of the earthquake and our recovery as much as possible (46.3%)

These were the most frequent responses, in order of frequency.

#### Responses from Those Active in the Market

When those active in the market were asked their opinions about businesses that did not release projected earnings with their FY2010 statements, the most responses were either to indicate that it was likely that there was probably not enough time to release the projected earnings together with the statements but that they hoped that a release would be made as soon as possible (35%), or to indicate that they wanted projected earnings released with the statement, even if that required a set of conditions (35%).

This survey targeted publicly-listed stock-issuing members of JIRA (553 companies) and was conducted from May 9<sup>th</sup> through May 12<sup>th</sup>, 2011. Responses were received from 202 companies for a response rate of 36.5%.

QUICK Corp., which was jointly involved in the survey, targeted 254 people active in the market, including institutional investors, from May 10<sup>th</sup> through May 12<sup>th</sup> 2011, with questions on the impact of the Earthquake and projected earnings disclosures within their QUICK Stock Monthly Survey. The survey had 185 respondents, for a response rate of 72.8%.

#### About QUICK Corp.

Founded in 1971. A comprehensive financial information vendor within the Nihon Keizai Shimbunsha Group. <http://corporate.quick.co.jp/>

#### About JIRA

The Japan Investor Relations Association (JIRA) is a not-for-profit association founded in 1993 for the purpose of promoting investor relations in Japan. The Association supported by 638 members (as of May, 2011). The Association became a general incorporated association on April 1, 2010. TDK Corporation chairman Mr. Hajime Sawabe serves as chair of the JIRA.

<https://www.jira.or.jp/jira/jsp/usr/english/en1.html>

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