

Japan Investor Relations Association Announces Trends in This Year's Annual Shareholders' Meetings and Investor Relations

Over 60% of Listed Companies Explain Influence of the Great East Japan Earthquake, 30% Consider Reporting on Director Income

The Japan Investor Relations Association (JIRA, Chairman: Hajime Sawabe, TDK Chairman), the only privately-run non-profit organization working for the proliferation and improvement of investor relations (IR) activities in Japan, has released the results of a "Survey on Changes in Annual Shareholders' Meetings, Investor Relations, and Disclosure." 169 companies (139 companies ending their fiscal year in March, and 30 ending their fiscal year in other months.) of the 548 publicly traded companies that are members of JIRA responded to this survey, which was conducted between June 29 and July 7, 2011 for a response rate of 30.8%.

Overview of Survey Results

Looking at the IR activities associated with the most recent round of annual shareholders' meetings, JIRA found that 60% of companies participating in the survey devoted time to answering questions about and explaining the influences of the Great East Japan Earthquake. Furthermore, 60% of companies disclosed shareholder voting results and the percent passage rates (extraordinary reports) of resolutions presented during annual shareholders' meetings on their corporate IR websites, 40% conducted analysis of resolutions that had a large percentage of dissenting votes in the previous year, and 14% expanded the amount of time for question and answer sessions to explain various topics to shareholders.

Influence of The Great East Japan Earthquake

In response to questions about the influence of the Earthquake during annual shareholders' meetings, the most common responses included explanations about "fortifications of responses to the disruption of transportation and electricity," "detailed information about the various influences of the Earthquake," and "detailed information about crisis management in the aftermath of the Earthquake," which accounted for 69.5%, 62.2% and 29.3% of all respondents respectively.

Shareholder Voting Results Disclosure and Preparation

The activities related to disclosure of shareholder voting results gathered from extraordinary reports included "analysis of resolutions that saw a high rate of dissenting votes in the previous year" (43.8% implemented, 18.3% considering implementation), "expansion of the time allotted to question and answers to explain various topics" (13.6% implemented, 29.0% considering implementation), "disclosure of the value amount and determination process of director compensation ahead of the annual shareholders' meeting via reference materials" (11.2% implemented, 23.7% considering implementation), and "disclosure of the value amount and determination process of director compensation during the annual shareholders' meeting," (5.3% implemented, 27.8% considering implementation). While the number of companies surveyed that actually "filed financial reports ahead of the annual shareholders' meeting" is low, 35.3%

responded that they are considering filing their financial reports ahead of the meeting in the future.

Future Investor Relation Information Disclosure

In the aftermath of the Earthquake, the announcement of earnings estimates for the coming fiscal year 2011 became widely varied. However 84.6% of respondents indicated that they “will announce their earnings estimates for the fiscal year 2012 along with their announcement of earnings results for fiscal year 2011.” Moreover, in response to delays in the mandatory implementation date of International Financial Reporting Standards (IFRS), 46.5% of respondents replied that they are “making preparations to implement IFRS standards on a voluntary basis ahead of the mandatory implementation date,” 22% indicated that they “are not currently considering any actions,” 16% answered that they “will begin preparations after the mandatory implementation date is officially determined,” 13% replied that they are adopting “other responses,” and 2.4% did not respond.

For more details of the survey results, please check JIRA website at:

<https://www.jira.or.jp/jira/jsp/usr/english/en5.html>

About JIRA:

The Japan Investor Relations Association is a non-profit association founded in 1993 for the purpose of promoting investor relations in Japan. The association is comprised of 629 members (As of July 13, 2011) and conducts various educational and research activities on behalf of its members and the investment community in general. URL : <https://www.jira.or.jp/>

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