

## **The Japan Investor Relations Association Announces Its Eighteenth Annual IR Grand Prix**

The Japan Investor Relations Association (JIRA, Chairman: Shuzo Sumi, Tokio Marine Holdings, Inc., Chairman of the Board), the only privately-run non-profit organization working for the proliferation and improvement of investor relations (IR) activities in Japan, has announced the recipients of the 2013 Annual IR Grand Prix Awards.

The IR Grand Prix (Committee Chairman: Masanobu Kaizu, Senior Research Fellow and Advisor, Nomura Securities Co. Ltd., Financial and Economic Research Center) is designed to recognize those companies which have achieved successful results and gained the support of the investment community for their strong understanding of and proactive efforts to promote investor relations. This year marks the 18<sup>th</sup> year that the IR Grand Prix has been held, and characteristics of the awards and their recipients are listed below.

- Management takes the opinions of analysts and investors into consideration in the disclosure and implementation of medium to long term business strategies.
- Management endeavors to fortify and disclose various data including impact of foreign exchange rate fluctuations and other factors that are of keen interest to investors.
- The number of companies that are endeavoring to fortify and improve their investor relations activities on an ongoing basis is increasing.

Committee Chairman Masanobu Kaizu states that “the companies chosen for the IR Grand Prix are keenly aware of the expectations of analysts and investors, and implement various efforts to improve shareholder value. Furthermore they have successfully increased their credibility with stakeholders by continuing to improve their information disclosure.”

Of the members of JIRA, 276 publicly traded companies applied for screening in the 2013 IR Grand Prix. Of these companies, a total of 13 companies were selected to receive awards, including one for the IR Grand Prix Award, five for the Best IR Award, five for the IR Special Award, and two for the IR Award for Small to Medium Capitalization Companies. Reasons for the selection of the award recipient companies and other details are provided below.

## **“IR Prime Business Award”**

### **Recipient, IR Grand Prix Award**

Lawson, Inc.

### **Recipients, Best IR Award**

Fuji Heavy Industries Ltd.

Komatsu Ltd.

Shin-Etsu Chemical Co., Ltd.

Sumitomo Metal Mining Co., Ltd.

Sumitomo Mitsui Financial Group, Inc.

### **Recipients, IR Special Award**

Akebono Brake Industry Co., Ltd.

Asahi Group Holdings, Ltd.

Autobacs Seven Co., Ltd.

Mitsui Chemicals, Inc.

United Arrows, Ltd.

### **Recipients, Best IR Award for Small to Medium Sized Capitalization Companies**

Artnature Inc.

Gurunavi, Inc.

Note: Companies cited above are listed in alphabetical order

### **Details of the awards are provided below:**

#### **Best IR Award**

The recipient of this annual award is chosen from publicly traded companies that are members of the Japan Investor Relations Association (JIRA).

#### **IR Grand Prix Award**

This year marks the third year that recipients have been chosen for this award, which was started in 2005. Award recipient companies chosen for this award are excluded for consideration of this same award for two years after they have been selected.

#### **IR Special Award**

Amongst the companies applying for this award, companies that take on a leadership role within their industry by promoting ongoing efforts and activities to raise their level of IR and promote IR to individual investors are regarded highly. This award was also started in 2005.

#### **IR Award for Small to Medium Capitalization Companies**

Publicly traded companies that are listed on emerging markets, the Second Section Market of the Tokyo Stock Exchange, and medium to small sized capitalization companies of the First Section

Market of the Tokyo Stock Exchange that have been listed for less than 10 years are considered for this award. This award was started in 2002.

### **IR Special Award for Small to Medium Capitalization Companies**

Candidates for this award are evaluated for the same criteria as those of the IR Award for Small to Medium Capitalization Companies with awards given to those companies that promote unique IR activities and are expected to promote efforts to improve their IR activities going forward. This award was started in 2011.

### **Three step screening process described below:**

- ① Preliminary screening based upon “surveys” filled out and submitted by companies applying for awards, of which 206 companies were selected to be considered for secondary screening.
- ② The 13 committee members are comprised of securities analysts, institutional investors, journalists, and other members with investment expertise. These members closely examined the 172 companies considered for the IR Grand Prix, Best IR and IR Special Awards, and 34 companies considered for the IR Award for Small to Medium Sized Capitalization Companies that passed the preliminary screening process.
- ③ Candidate companies that have passed the secondary screening are further screened by academics, attorneys, and other individuals with expertise in the field of investments in addition to the above mentioned committee members.

The awards ceremony is expected to be conducted at the “**IR Conference 2013**” to be held on December 16 from 1140 AM at the Garden City Shinagawa.

Contact:

Japan Investor Relations Association

Yoshiko Sato, Chief Research Fellow

Tetsuro Shinohara, Chief Research Fellow

Toshihiro Kitazono, Chief Research Fellow

Miho Sakurai

Aki Yamazaki

Telephone: +81-3-5259-2676, Fax: +81-3-5259-2677

### **About JIRA**

The Japan Investor Relations Association (JIRA) is a non-profit organization founded in 1993. JIRA is comprised of 564 members (as of October 31, 2013) and conducts educational activities, surveys, research, and provides opportunities for member companies to exchange information.

<https://www.jira.or.jp>

<Supplemental Information> Main Reasons for Selection of Award Recipients and Other Information

**Recipient, IR Grand Prix Award**

Lawson, Inc. (Best IR Award recipient in 2009, 2012, first time recipient of the IR Grand Prix Award)

Lawson received high marks for its ongoing and high standards of IR activities. Top management also clearly demonstrated their focus upon shareholder values with a strategy that includes important topics such as cost of equity and maximization of economic value addition. The Company's proactive efforts to implement IR activities both within Japan and in overseas markets are also regarded highly. The IR division receives a high priority within Lawson's corporate strategy and their efforts to clearly explain interesting themes has been well received by investors. Top management's concrete efforts to clearly explain the risks involved with its operations in China were also favorably received.

**Recipients, Best IR Award**

Komatsu Ltd. (Best IR Award recipient in 2007, 2008, and IR Grand Prix recipient in 2010)

Komatsu management implements an aggressive IR program with clear disclosure of its management philosophy and its medium to long term business strategies. Information that is highly pertinent to investors is included in its earnings announcement presentation materials, and analysts acknowledge that the Company's IR division has a solid grasp of important management information. Komatsu also places a high priority upon IR to individual investors, as reflected by its factory tours provided to their shareholders and the fortification of information provided in its corporate website. This year's award comes on the back of its IR Grand Prix Award received in 2010 and JIRA looks forward to Komatsu's continued outstanding investor relations activities.

Shin-Etsu Chemical Co., Ltd. (First time Award recipient)

Shin-Etsu Chemical has gained increased recognition for its IR activities during the past several years. In particular, top management is noted for their commitment to undertaking an aggressive stance towards its IR activities, including participation in investor conferences and small meetings held by securities companies, and efforts to increase communications with investors through various opportunities including question and answer sessions at earnings presentation meetings. Shin-Etsu Chemical's proactive efforts to further the understanding of the investment community through various activities such as plant visits have also been favorably received. At the same time, the Company has received praise for its highly useful communication and discussion efforts from analysts, and for the fortification of staffing in its IR division.

Sumitomo Metal Mining Co., Ltd. (Best IR Award recipient in 2011)

Sumitomo Metal Mining received high marks for its efforts to conduct a management strategy solidly founded on a long term vision and to raise its corporate value. The Company demonstrates

a clearly defined direction for its future, and provides easy to understand explanations of its various projects and the process of achieving its future goals. The quality of data collected from within and outside of the Company and level of analysis provided within presentation materials is very high. Combined with this data, opportunities to visit plants have contributed to an increased understanding of Sumitomo Metal Mining by both analysts and institutional investors. The Company's IR activities have also been praised for their awareness of "ESG" issues and for their detailed explanation of resolutions submitted to general shareholders' meetings.

Fuji Heavy Industries Ltd. (First time Award recipient)

Fuji Heavy Industries' President and CFO participate in and provide explanations at earnings announcement meetings. Furthermore, the IR division is noted for their disclosure of accurate and consistent information in times of both good and bad conditions in its business environment. The Company's IR activities also involve the entire company with opportunities to visit plants, presentations on new products and technologies, and earnings results presentation materials containing information that is highly pertinent to investors. The selection of Fuji Heavy Industries as an award recipient is based upon a combination of its proactive IR activities and its successful business strategy in the United States, and JIRA looks forward to a continuation of the proactive IR from the Company.

Sumitomo Mitsui Financial Group (First time Award recipient)

Sumitomo Mitsui Financial Group's top management's aggressive IR strategy was a major reason behind its selection. In particular, opportunities for investors to communicate directly with the Company through earnings results presentation meetings, that are attended by not only top management, but also by personnel responsible for major business divisions, is regarded highly. And while Sumitomo Mitsui Financial Group has been fortifying its earnings results presentation materials for some time, it has achieved significant improvements in recent years in the overall balance of its materials in terms of volume and contents. The Company also identifies and discloses information that is important to investors. Furthermore, Sumitomo Mitsui Financial Group's efforts to create a data book that combines both Japanese and English is also regarded highly.

### **Recipients, IR Special Award**

Akebono Brake Industry Co., Ltd. (First time Award recipient)

Akebono Brake Industry was selected for its ongoing efforts to increase and improve its IR activities over the past several years. The Company is also highly regarded for objectivity in its disclosure of both positive and negative information, and for the close working relationship between top management and the IR division. Analysts also give the Company a high rating for its various presentation materials and meetings, which includes highly consistent and comprehensive earnings results presentation materials. Akebono Brake Industry also received high marks for the participation of personnel responsible for various business divisions, materials

detailing the effective restructuring of its United States operations, and detailed disclosure of various segment information.

Asahi Group Holdings, Ltd. (First time Award recipient)

Top management of Asahi Group Holdings has taken a direct role in IR activities as the IR division came under the direct line of command of the President along with the transition to a pure holding company in 2011. Consequently, top management has sought to fortify information disclosure and to promote a management strategy that seeks out direct communications with participants in the capital markets. Investors have also given high marks to the Company's announcement of a long term vision and medium term business plan in February 2013, which establishes goals of achieving increases in ROE, continued growth in EPS, and implementation of a management policy of increasing corporate value.

Autobacs Seven Co., Ltd. (First time Award recipient)

Autobacs Seven management maintains a deep understanding of IR and proactively seeks out opportunities to communicate with the investment community. This strategy allows the Company to understand the position of investors and to use information provided from investors internally. The viewpoint of investors is taken into consideration in the creation and explanation of the Company's medium term business plan, and allows investors to easily assess progress in its plan. Autobacs Seven also pursues a clear strategy that seeks to achieve a stable balance between capital policy and shareholder return. While the number of staff in the IR division is small, they continue to provide easy access and thorough responses to analysts.

Mitsui Chemicals, Inc. (First time Award recipient)

Mitsui Chemicals clearly indicates its willingness to communicate with the investment community through the disclosure of its medium to long term management policy by top management. The IR division is recognized for its provision of highly useful information to analysts and investors and its steadfast IR activities. The Company's various presentations including facility tours and presentations conducted by responsible staff have also received high marks. The Company's efforts to explain specific responses to difficulties in its businesses are also regarded highly. Presentation materials used in conference calls are also praised for their useful and concise contents.

United Arrows, Ltd. (Recipient of Best IR Award for Small to Medium Sized Capitalization Companies in 2002, Best IR Award in 2003 and 2005)

United Arrows has been selected for its continued provision of high level IR activities. The Company maintains a steadfast policy of raising corporate value as reflected by the maintenance of a proactive IR strategy even after the change of the President. The high communication skill levels of the IR division staff and their willingness to provide detailed responses to inquiries is regarded highly by the investment community. Other activities that received praise include the

proactive efforts to provide investors with highly interesting and useful information, detailed explanations regarding the impact of increasing materials pricing and the Electronic Commerce (EC) business strategy, and fortification of monthly sales information provided in the corporate website. The holding of meetings for small groups of investors by staff responsible for various businesses was also noted as a highlight of United Arrows' IR strategy.

### **Recipients, Best IR Award for Small to Medium Sized Capitalization Companies**

Artnature Inc. (First time Award recipient)

Artnature was chosen as an Award recipient because of its aggressive IR activities to help deepen the understanding of investors because of its position within a relatively small market and the low recognition of its business model. Going forward, the Company is expected to increase its efforts to provide presentations to individual investors, including presentations regarding the usage of products due in part to expectations of growth in demand from female customers. Artnature provides validation of successful results of its growth strategy in the near term and a clearly defined roadmap for its medium term growth strategy. The Company also provides highly detailed segment information as part of its monthly sales data.

Gurunavi, Inc. (First time Award recipient)

Gurunavi promotes an aggressive IR strategy that includes the holding of investor days. At the same time, the Company's top management, CFO and personnel responsible for specific businesses also participate in various IR activities. The consistent and objective IR activities conducted recently to explain the Company's growth strategy despite difficult issues relating to the management of the Company have contributed to improvements in the effectiveness of its overall IR program. Analysts and institutional investors have also been invited to attend events targeting customers.