



NEWS RELEASE

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Japan Investor Relations Association Announces 2019 IR Award Winners

The Japan Investor Relations Association (JIRA, Chairman: Naoki Izumiya, Chairman of the Board of Asahi Group Holdings, Ltd.), the only privately-run non-profit organization working for the proliferation and improvement of investor relations (IR) activities in Japan, has announced the 2019 IR Award winners.

The IR Award (Committee Chairman: Tetsuo Kitagawa, Emeritus Professor of Aoyama Gakuin University and Professor of Tokyo Metropolitan University) is designed to recognize companies which have been highly accredited in the investment community for their understanding and promotion of IR activities. This year marks the 24th year since the first IR Award. The 2019 IR Award winners have been selected with an emphasis on the following initiatives.

- Initiatives to maintain commitment for proactive disclosure even in the situation of uncertain outlook, and comprehensively raise the level of IR.
- Commitment by an overall corporate group, led by its top management, to make the progress and outcome of its management strategy to be better understood by investors. For example, initiatives to establish a system to make managers of business departments and outside directors be involved in IR activities.
- Initiatives to deepen dialogues with shareholders and investors, demonstrate enhanced or more effective governance structure, and explain how these efforts lead to raise corporate value.
- Initiatives to incorporate the perspective of environmental, social, and corporate governance (ESG) in management, utilize and disclose non-financial information, and aim at the enhancement of corporate value in the medium- to long-term.
- Initiatives to distribute information that can be easily understood by individual investors and introduce new IR activities, while being mindful of fairness in information access.
- Initiatives to demonstrate that a company recognizes potential risks at an early stage and is prepared to respond to it, including to prevent scandals.

According to Committee Chairman Tetsuo Kitagawa: “The companies selected for the IR Award this year strive to prove trustworthy of shareholders and investors by further enhancing the level of

disclosure and dialogue amid heightened economic uncertainties. Good examples might be top management who actively provide opportunities to have a dialogue with shareholders and investors, or IR activities to show long-term strategies or business models, involving the entire corporate group, that drew the attention of the investment community. Companies which continue fair disclosure and IR activities for individual investors also receive high acclaim. Winners of the Best IR Award for Encouragement have top management that willingly engages in IR, prepares easy-to-understand briefing materials from the viewpoint of investors, and distributes a wide range of information.”

Of the JIRA member companies, 315 publicly-traded companies applied for the 2019 IR Award and a total of 14 companies were selected and received awards: the IR Grand Prix was given to one company, the Best IR Awards to seven, the IR Special Awards to four, and the Best IR Awards for Encouragement to two. The major reasons for the selection with previous award records for each winner are stated in the Supplementary Information.

IR Grand Prix

Mitsubishi UFJ Financial Group, Inc.

Best IR Award

Asahi Group Holdings, Ltd.
Kao Corporation
Sony Corporation
Daikin Industries, Ltd.
Marui Group Co., Ltd.
Sumitomo Mitsui Financial Group, Inc.
Mitsui & Co., Ltd.

IR Special Award

Sekisui Chemical Co., Ltd.
Nippon Telegraph and Telephone Corporation
Hitachi Construction Machinery Co., Ltd.
Yokogawa Electric Corporation

Best IR Award for Encouragement

TechnoPro Holdings, Inc.
Metawater Co., Ltd.

Details of each award

Best IR Award

This is the annual award given to the publicly traded companies with best IR practices among members of the Japan Investor Relations Association (JIRA).

IR Grand Prix

This award, introduced in 2005, is given to companies that have been awarded the Best IR Award twice in the last 10 years, and are worthy of being selected for a third time. The award winners are excluded from consideration for the Best IR Award for two years from the year they receive an award.

IR Special Award

Companies selected for this award are given from among applicants for the Best IR award. They include companies that take on a leadership role in IR activities in their respective industry, consistently improve IR practices and are highly regarded for promoting their IR to individual investors. This award was introduced in 2005.

Best IR Award for Encouragement

Out of the applicants for the Best IR Award, the companies selected in this award category are: listed either on emerging markets or the Second Section of the Tokyo Stock Exchange; companies listed for less than ten years on the First Section of the Tokyo Stock Exchange; or small and mid-cap companies which apply for the Best IR Award for the first time. This award was launched in 2002.

Three-step selection process

- ① The first screening was based on the surveys filled out and submitted by applicant companies. (266 companies were selected for advancement to the second screening.)
- ② The second screening was conducted by 15 select committee members, comprising of securities analysts, institutional investors, journalists and others. They closely examined 229 candidate companies for the IR Grand Prix, Best IR Awards and IR Special Awards, and 37 candidate companies for the Best IR Award for Encouragement.
- ③ The final (third) screening was conducted by all committee members, including academics, attorneys and other experts in addition to the above select members.

The award ceremony will be held as part of the “IR Conference 2019.”

December 13, 2019, from 11:30am at the Belle Salle Tokyo Nihonbashi in Tokyo

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About the Japan Investor Relations Association (JIRA):

JIRA, founded in 1993, is a non-profit organization which promotes IR practices in Japan. It has 599 members as of October 1, 2019. Its major activities include IR education, surveys and research, and hosting opportunities for interchanges among member companies.

【Supplementary Information】

Major Reasons for the Selection of Awards and Previous Award Records for Each Winner

IR Grand Prix

Mitsubishi UFJ Financial Group, Inc.

(Received the Best IR Award in 2017 and 2018)

MUFG's top management is consistently engaged in IR activities and is proactively involved in dialogues with investors at occasions such as financial result briefings and visits to investors. Among financial institutions, MUFG carries out progressive activities, providing opportunities to better understand its management strategies and operations to investors. MUFG's IR Department regularly hosts meetings, such as the Investors Day and theme-based business strategy seminars, and makes efforts to present diverse contents on such occasions. A great deal of attention was given to the presentation on their thoughts behind new business strategy and to the ESG briefing where an outside director pointed out challenges and made candid comments.

Best IR Award

Asahi Group Holdings, Ltd.

(Received the IR Grand Prix in 2014, the Best IR Award in 2004 and 2010, and the IR Special Award in 2013)

Asahi Group has raised transparency in management and has made clear efforts to make use of insights acquired from IR activities. The top management is proactively engaged in dialogues with investors, enabling profound discussions on management issues and growth strategies. Asahi Group's stock price fell right after the announcement of an acquisition of an Australian company in 2019 but their subsequent explanation was highly praised as being articulate. The IR Department appropriately responds to needs of investors by preparing good materials which include industry trends, and by arranging the IR Day. Explanation regarding corporate governance has also been enhanced by covering topics of interest to shareholders, such as the results of evaluation of the effectiveness of the board of directors.

Kao Corporation

(Received the Best IR Award in 2000 and 2002)

Kao's top management is spearheading efforts to enhance the level of IR. The President's sincere attitude in his explanations is highly praised. Records of Briefings and Q&A sessions, attended by the top management, are made accessible at the company's website. In 2019 Kao announced its ESG strategy and clarified its policy to position ESG as a core issue of the management intended to enhance corporate value. By conducting dialogues with capital markets, the company is becoming better known. Kao is also proactively making efforts to make its organizational structure better understood, such as by reporting of dialogues with a director in charge of legal department.

Sony Corporation

(Received the Best IR Award in 1996 and 2018 and the IR Special Award in 2017)

Sony's CEO and CFO seriously regard dialogues with shareholders and investors and are consistently determined to use them for enhancing medium- to long-term corporate value. In 2019 Sony issued a letter from the CEO to its shareholders that received high acclaim as a statement of progressive action. In addition to holding an ESG briefing, Sony issued an integrated report and advances its ESG initiatives. The company's continual efforts at making fair disclosures is also highly regarded.

Daikin Industries, Ltd.

(Received the Best IR Award in 2017)

Daikin makes efforts in thorough information disclosure and proactive dialogues with investors, with the aim of enhancing relationships with medium- to long-term investors. The company's ESG briefing and meetings by business segments were highly regarded as information that covered business activities having high affinity to ESG and did so through effective communication. Besides increasing dialogues with shareholders and investors, Daikin put emphasis on responding to issues of interests of each investor, and is eager to be understood by capital markets. Its materials for financial result briefings and for presentation of business strategy and market trend by product are highly praised for being useful and easy to be referred to.

Marui Group Co., Ltd.

(Received the Best IR Award in 2017 and the IR Special Award in 2016)

Marui is highly conscious of sustainability and continues to carry out progressive IR activities. The proactive attitude of the top management and the CFO are highly regarded, while Marui's integrated report, which has been published since 2015, and its Kyoso (Co-Creation) sustainability presentation meeting (IR Day) attracted attention. The company announced a long-term vision looking ahead to 2050. This vision as well as the company's signing of a statement to support the TCFD and inclusion of KPIs in explanations, such as an emphasis on EPS, are easy to understand. The company is also highly rated for its easy-to-understand description of operational conditions and detailed disclosure on strategic shareholdings in its Securities Report.

Sumitomo Mitsui Financial Group, Inc.

(Received the Best IR Award in 2013)

SMFG top management's regularly-held dialogues with shareholders and investors, as well as the management's visits to investors, are highly regarded by analysts and investors. These opportunities helped deepen the attendees' understanding about SMFG and raise its credibility. Explanation on capital strategy, including return to shareholders, was easy to understand. Meetings to exchange opinions with heads of business divisions and presidents of subsidiaries, and the IR Day, when the head of each business division makes a presentation, were good opportunities for investors to check on directions of business strategies and mindfulness of ROE. The IR department makes efforts to disclose matters of concern by capital markets in an quantitative way.

Mitsui & Co., Ltd.

(Received the Best IR Award in 2008 and 2018 and the IR Special Award in 2014)

Being the first to hold the Investor Day event among general trading companies, Mitsui has continued a high-level of IR activities, including involvement by its top management. Investors highly evaluate Mitsui's regularly-held dialogue opportunities with participation by the management, and visits by the CFO. The IR Department is positioned close to the management and generates proper feedback, which has resulted in the enhancement of dialogues and IR activities. Mitsui's integrated report with expanded contents of the Investor Day and its assumptions for business plans are easy to understand. Overall IR activities are well balanced.

IR Special Award

Sekisui Chemical Co., Ltd.

(First time recipient)

Sekisui Chemical's top management and business managers are openly involved in discussions on strategies and issues with investors. The head of the IR department has an appropriate grasp of the company's strengths, status of product markets, and other important matters, and gives rational, easy-to-understand explanations. The financial result briefing materials are well prepared and include factor analysis of performance by sector and other information. Sekisui Chemical is also highly mindful of fair disclosure and, as an example, the company promptly uploads the video of a briefing, up to the Q&A session, on the corporate website. The company's ESG measures are effectively communicated, by methods such as meetings.

Nippon Telegraph and Telephone Corporation

(Received the Best IR Award in 2015 and the IR Special Award in 2014)

NTT's top management uses KPIs that relates to capital efficiency in explaining progress of its medium-term management strategy and direction of shareholder return. Some analysts and investors have highly regarded NTT's regular dialogues with investors as great opportunities to communicate with the company on particular issues. Sessions of the IR Day activities have been enhanced, including addition of a presentation by an executive officer in charge of areas of high interests by investors and introduction on ESG activities. The session in which NTT's approach on governance issues was candidly explained with its plan to make progress in increasing diversity drew investors' attention. ■

Hitachi Construction Machinery Co., Ltd.

(First time recipient)

The investment community is paying attention to Hitachi Construction Machinery's improvement and enhancement of IR activities. The top management is well known for its positive attitude and conducts constructive dialogues with investors. The IR Department responds thoroughly to inquiries from investors and is expanding its activities, such as by hosting business briefings.

Investors' opinions, including harsh ones, are reported back to the management in order to internally promote better understanding of IR, while investors' requests and comments are used to improve IR materials. The company is also preparing materials that link core business with SDG initiatives.

Yokogawa Electric Corporation

(First time recipient)

Yokogawa Electric's top management seriously regards dialogues with investors and promotes information disclosure. The company gives good explanations of its business strategy based on its philosophy and on its positioning in the industry, with additional explanation on the situation of its competitors. Such efforts are praised as being useful, particularly by investors with a medium- to long-term viewpoint. Progress of Yokogawa Electric's ESG response, in light of the relevant challenges, is also noted. Yokogawa's community-based IR activities for individual investors received high acclaim. Specifically, the company willingly has exchanges with residents in communities where it has business bases and holds presentations in branch offices of securities companies in various places.

Best IR Award for Encouragement

TechnoPro Holdings, Inc.

(First time recipient)

TechnoPro's top management is engaged in IR activities with enthusiasm and clearly explains management policy. Articulate explanation was given when the CFO was replaced. The company explains business strategies from the investors' viewpoint and its use of WACC and ROIC, with consciousness of the cost of capital, was highly praised. Information disclosure, including financial result briefing materials and script of financial result briefings, is detailed and easy to understand. Moreover, the company's explanation concerning accounting treatment of impairment loss on goodwill of an acquired company drew attention. TechnoPro also well explained measures toward enhancement of corporate governance.

Metawater Co., Ltd.

(First time recipient)

Metawater is actively committed to IR activities, with the aim of raising awareness on the water infrastructure of society, a subject and area of activity in which the company is intimately engaged, this having acquired greater importance as countermeasures against deterioration of facilities are urgently needed in increasingly disaster-prone Japan. While the company's business model is regarded difficult to understand in general, the top management and IR department tried to explain it in easy language by relating it to measures taken by the national government or local authorities. The company also strives to promote understanding of the water-related industry. In addition to hosting meetings by business segment, the company publishes the Metawater Report (annually), which investors find useful as it incorporates ESG perspectives.

* Major abbreviations used in the Major Reasons for the Selection of Awards

EPS: Earnings Per Share

KPI: Key Performance Indicators

ROIC: Return on Invested Capital

SDGs: Sustainable Development Goals, set by the United Nations

TCFD: The Financial Stability Board's Task Force on Climate-related Financial Disclosures

WACC: Weighted Average Cost of Capital

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