

November 30, 2018



**<WICI NEWS RELEASE>**

**Announcement of The 6th WICI Japan “Award for Excellence in Integrated Reporting”**

WICI Japan (The Japan chapter of the World Intellectual Capital/Assets Initiative-WICI, Masahiko KON, Chairman), is pleased to announce this year's winners of the 6<sup>th</sup> Integrated Reporting Award. This award, started in 2013, has been one of driving force to promote integrated reporting activities in Japan in alignment with the International Integrated Reporting Committee (IIRC; headquartered in London: CEO Richard Howitt) concept to improve interactive communication with stakeholders of business entities and improve the sustainability of business entities and society through clear and concise business reporting.

This year marks the sixth year of the Award for Excellence in Integrated Reporting, and the results are below.

***1. The Best Integrated Reporting Grand Prize:***

***MS&AD Insurance Group Holdings, Inc. (first time recipient)***

This award is presented to a company recognized as best practices case that a corporation presents its outcomes concisely through all practices based on the integrated thinking management, which enables stakeholders to foresee the company's future business activities. In addition, this company makes every effort to enhance the report every year striving for a higher level of completion, which deserved the Excellent Integrated Reporting Prize three times in the past. Their sustained efforts to pursue the best quality of the report are highly respected.”

***2. The Excellence in Integrated Reporting Prize:***

***Ajinomoto Co., Inc. (first time recipient)***

***Daiwa House Industry Co., Ltd. (first time recipient)***

***Konica Minolta, Inc. (first time recipient)***

**NSK Ltd.** (recipient for the third consecutive year)

This award was given to these four companies above carrying on the tradition of preparing paper-based annual reports and excellent integrated reports that integrate financial and non-financial data, indicate in a concise manner the value creation activities of the company, and provide insight into the future of the company either via reports for shareholders and investors or via CSR reports.

### ***3. Integrated Reporting Award:***

**MARUI GROUP CO., LTD.**

**SYSMEX Corporation**

Although the two above companies did not attain the level of the Award for Excellence in Integrated Reporting based on the key points required in <IR> (“basic principles” and “content elements”), they received this award as companies expected to be eligible for the Award for Excellence in Integrated Reporting in the future because of their unique approach to presentation that facilitates an accurate understanding of the actual conditions of corporate activities.

The award ceremony for the 6th WICI Japan “Award for Excellence in Integrated Reporting” was held from 1:30 to 2:30 pm on Friday, November 30, 2018 as part of WICI Symposium 2018 events held at the Waseda University Okuma Auditorium.

For details of the program, please check the WICI website (<http://www.wici-global.com/>).

Contact details:

WICI Japan Secretariat

Shigeru Nishiyama Laboratory, Room 1139, Building 11, Graduate School of Commerce,  
Waseda University

1-6-1, Nishiwaseda, Shinjuku-ku, 169-8050

Contact persons: Yasuhito HANADO (Tel: 090-3912-2729), Chieko SEGAWA (Tel: 090-8728-8863)

## **WICI Japan Award for Excellence in Integrated Reporting Review**

### **1. Purpose of the Review**

The purpose of the WICI Japan Award for Excellence in Integrated Reporting Review is to encourage companies to prepare reports that enable stakeholders to understand the value creation activities of the company concerned more accurately through clear, concise presentation in financial reports of the results of business activities, intangible management resources that support value creation in business activities, and the relationships between the two. If such reports can continue to be provided, we believe that this will lead to the improvement of sustainability of business entities and society by improving bidirectional communication between companies and their stakeholders and enabling the “value creation story” of companies to be accurately perceived. This purpose is in line with the business reporting activities conducted by the IIRC, of which WICI is a cooperating organization.

The review also aims to link the awards to improvement in integrated reporting by giving encouragement to award recipients through feedback based on the results of the award review, which will enable them to reflect this in their efforts in “integrated reporting activities” from the following year.

### **2. Review Points**

- 1) Based on required matters prescribed in the IR framework specified by the IIRC, is it well organized for both financial information and non-financial information in quantitatively and qualitatively to ensure these cohesively demonstrate the company’s ability to create value, and convey “value creation story” concisely and clearly?
- 2) Is it well organized for both results achieved in past business activities and outstanding issues identified, clarified that those is connected with current results, demonstrated to foresee corporate strategies for future business is developed based on these along with the associated risks?
- 3) Is it well described value creation drivers in each of the business activities the company engages in indicated using KPIs, provided in a manner that allows for comparison over time or with peer groups, and prove their relevance with other financial and non-financial data presented?
- 4) Is it provided ESG information supporting long-term sustainability of business activities, and governance and management monitoring systems suitable for the issuing entity being maintained?
- 5) Is it operated by top management who understands the meaning of the company’s capital cost, pay attention to shareholders as a listed company and strive to manage in well-balanced consideration for multiple stakeholders?

### 3. Review Procedure

1) The Review Secretariat conducted the preliminary review under the director of the Secretariat according to the following procedures:

(i) The companies meet the criteria mentioned below were determined to be primary candidates for the WICI “Award for Excellence in Integrated Reporting” (hereinafter “primary candidates”), and the review was conducted on the annual integrated report (IR) based on the most recent fiscal year end as of September 30, 2018, regardless of whether the report was stated as an integrated report, a corporate report, or an annual report.

- Top 300 companies listed in the First Section of the Tokyo Stock Exchange based on market capitalization as of August 31, 2018

- 159 issuers not included in the top 300 companies based on market capitalization but determined to have prepared an annual report equivalent to an IR

(ii) The above “Review Points” for the above primary candidates were broken down into specific evaluation items based on the general structure of an IR, and evaluation was carried out using the “WICI Award for Excellence in Integrated Reporting Primary Candidate Review Sheet” (hereinafter “Primary Review Sheet”) prepared independently by the Committee Secretariat.

(iii) Twenty-three final review candidates were chosen from among the issuers with a certain score or higher based on an evaluation using the Primary Review Sheet and presented to the Review Committee to determine whether there were any candidates that should be excluded from or added to the final review.

2) The Review Committee conducted the final review using the following procedures:

(i) As there were no requests from the Review Committee members to remove or add candidates, four Review Committee members evaluated each of the 23 selected final review candidates using the “WICI Award for Excellence in Integrated Reporting Secondary Review Sheet” (hereinafter “Secondary Review Sheet”) prepared by the Secretariat.

(ii) When the evaluations using the Secondary Review Sheet by the Review Committee members were ready, the Review Committee members gathered to hold a Secondary Review Meeting led by the Chairman of the Review Committee, and narrowed down the candidates for the final Tertiary Review to nine candidates based on the actual scores and standardized scores from Review Sheets, and evaluations and recommendations of each Review Committee member.

(iii) All Review Committee members carefully read the reports of the nine companies above, held a Final Review Meeting, and reached the above review results.

## **WICI Japan Award for Excellence in Integrated Reporting Review Committee**

Chairman: Noriyuki Matsushima (Chief Advisor, Mitsubishi UFJ Research and Consulting Co., Ltd.)

Members: Satoshi ANDO (Director, OMRON Corporation)

Akihiko UCHIYAMA (Professor, Graduate School of Social Sciences, Chiba University)

Mizue UMINO (Representative Director, So-Tech Consulting Inc.)

Shizuko OMI (General Manager, Head of ESG Research at AMUNDI Japan Ltd.)

Mariko KAWAGUCHI (Chief Researcher, Daiwa Institute of Research)

Minoru KAWAHARA (Representative Director, Value Raiser International Inc.)

Noriyuki KONISHI (Professional Accountancy Major, Graduate School of Professional Accountancy, Aoyama Gakuin University)

Michinori SHIMIZU (G Management & Research)

Yukio SUZUKI (CEO and Chief Analyst, Belle Investment Research of Japan Inc.)

Yasuo AKAI (FALCON Research & Consulting Ltd.)

Hidemi TOMITA (Director, Lloyd's Register Japan K.K.)

Kiyohide NAGATA (Executive Officer and Chief Strategist, Tokai Tokyo Research institute Co., Ltd.)

Yoshihiro NOMURA (Chief Researcher, PricewaterhouseCoopers Aarata Institute)

Yasuhito HANADO (Chief Adviser, WICI Japan)

Jun HONDA (Senior Researcher, WICI Japan)

Minoru MATSUBARA (Group Leader, Responsible Investment Group, Asset Management Division, Resona Bank, Ltd.)

Yosuke MITSUSADA (Professor, Sanno University School of Management)

One other Review Committee member

Review Committee Member and Director of Review Secretariat

Masayoshi MIYANAGA (Professor, Graduate School of Management, Tokyo University of Science)