



Corporate Value Reporting Lab

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# Integrated Reporting to Support Sustainable Growth in Japan

Japan faces the problems of a declining birth rate and an aging population and, as such, it has become necessary to increase the capital efficiency of various limited resources (such as financial capital, human capital, and intellectual capital) and work toward the preservation and materialization of long-term national wealth.

Corporate initiatives to increase earning power, realize sustainable value creation, and generate long-term returns for providers of financial capital – that is to say, the realization of a prosperity cycle and sustainable growth through the optimization of every link along the “investment chain” – represents Japan’s most pressing task going forward.

The final report on the “Competitiveness and Incentives for Sustainable Growth: Building Favorable Relationships between Companies and Investors” project (the Ito Review), presented proposals and recommendations based on the identification of potential problems and assessment of current circumstances. Various collaborative initiatives between the public and private sectors have been implemented to counter short-termism and, as a result, Japan is moving toward reform and the creation of optimized investment chains geared toward the expansion of national wealth. These initiatives include the establishment of the JPX-Nikkei Index 400, which was first calculated in January 2014, the Japanese Stewardship Code, announced in February 2014, the “Report on the Study Group concerning Promoting Dialogue between Companies and Investors for Sustainable Growth,” publicized in April 2015, amendments to the Companies Act implemented in May 2015, in addition to the adoption of the “Corporate Governance Code” and launch of the “Management-Investor Forum,” both of which took place in June 2015.

Japan’s public pension, the Government Pension Investment Fund (GPIF) was awarded the Asian Investor Institutional Excellence Award in 2015. Initiatives such as changes to its basic portfolio in October 2014, acceptance of the Japanese Stewardship Code, and inclusion in a new Japanese stock index have been cited as reasons for its recognition. In September 2015, GPIF became a named institution of the United Nations’ Principles for Responsible Investment (PRI), which promote ESG (Environment, Social, Governance) in fund management and, going forward, is set

to push ahead with full-scale sustainable investment. According to a survey by the Japan Sustainable Investment Forum (JSIF), Japan's sustainable investment balance as of January 2016 was approximately ¥26.6 trillion.

Medium-to long-term fair disclosure initiatives are going to represent a key element in facilitating constructive dialogue between corporations and investors going forward. In Japan, principles-based voluntary ESG information disclosure initiatives are progressing rapidly, due in particular to the publication of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework. According to a survey by the Corporate Value Reporting Lab (managed by the EDGE Research Institute), the sum of listed and non-listed corporations engaged in voluntary integrated reporting initiatives now exceeds 200, which is an increase of 1.5 times over last year. Moreover, opportunities continue to present themselves across a diverse range of industries in Japan, from large corporations supported by a well-balanced distribution of shareholders, including institutional investors, individual investors, and staff, to small- and medium-sized corporations supported by shareholders comprising mainly of individual investors. Public opinion is beginning to adopt the view that the implementation of the adoption of voluntary disclosure mediums in Japan is gradual, and that corporations should also be working to improve accountability from a qualitative perspective based on dialogue with investors and stakeholders, while investing time and money into enhancing dialogue with a focus on information disclosure.

The transition of Japanese corporations toward integrated reporting is top down, and IR / CSR departments usually start with a bottom up approach. When producing an integrated report, corporations conduct cross-departmental discussions to identify corporate value while working to implement reforms and promote awareness. There are many cases where corporations invest a great deal of time in such initiatives, such as when they are working to adopt integrated reporting for the first time or implement a full-scale review. Participants of these discussions comprise mainly of staff from corporate planning, IR, CSR, public relations, accounting and finance, and legal departments, most of whom work within the management classes. Directors and top management may also participate.

IR departments usually oversee the production of integrated reports at Japanese corporations, followed closely by CSR departments, and there may be incidences where both departments collaborate. Many corporations utilize the expertise of IR support and printing companies in the preparation of reports. Free discussion regarding corporate value has led to a trend of corporations spending years working to foster an understanding of the IIRC's framework, focusing their efforts into raising the quality of their reports, and making information more accessible through visual aids.

As we may observe from the publication dates of integrated reports, peak season is five months from the end of each fiscal period, with 80% of all reports published within four to six months. This is longer than it takes to compile a conventional annual report, but the process tends to start earlier. If we compare the entire production periods for both, it takes, on average, two months longer to produce an integrated report, with a tendency toward more significant investments in time and mediation. With reports increasingly focused on the importance of the relationship between a company and its stakeholders, the evolution toward living integrated reports through the implementation of perception studies targeted at providers of financial capital, outside directors and other stakeholders associated with corporate interests, will be crucial going forward.

Finally, it is our wish that integrated reporting initiatives in Japan will be useful in promulgating reporting methods based on the IIRC's framework, and we welcome suggestions from IIRC members on how to instigate the transition of integrated reporting in Japan from theory to practice. In Japan we seek to evaluate the IIRC's international initiatives and will continue to report on domestic activities. We also aspire to contribute to the sustainability of integrated reporting from a long-term perspective by fostering active communication between corporations and their providers of financial capital and stakeholders going forward.

January 2016  
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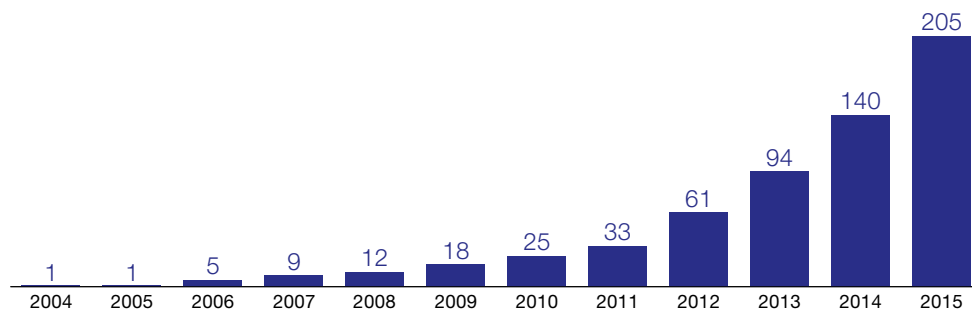
# List of Corporations in Japan Engaged in the Publication of Self-Declared Integrated Reports (2015)

As of the end of December 2015

Self-declared integrated reports are assessed as such by the Corporate Value Reporting Lab because they represent integrated reports from an editorial perspective or reflect an awareness of integrated reporting due to the comprehensive inclusion of both financial and non-financial information.

(The Corporate Value Reporting Lab replaced the ESG Communication Forum in October 2015).

### Trend in the number of corporations in Japan engaged in the publication of self-declared integrated reports



\* Survey based on companies listed on the first and second sections of the Tokyo Stock Exchange, with other listed and non-listed companies included where possible. Year is based on report publication dates and the survey applies principally to companies that adopt an annual reporting cycle. Should we receive no negative criticism regarding this method we will continue to employ it next year and onward. Specification of the year that a company switched to integrated reporting is based on this method.

Company name	Report name	First year of implementation
Aeon Financial Service Co., Ltd.	Annual Report 2015	2014
Ahresty Corp.	Ahresty Report 2015	2014
Aisin Seiki Co., Ltd.	AISIN GROUP REPORT 2015	2006
Akebono Brake Industry Co., Ltd.	AKEBONO REPORT 2015	2009
Alps Electric Co., Ltd.	Annual Report 2015	2014
Amita Holdings Co., Ltd.	Annual Report 2015	2014
ANA HOLDINGS INC.	Annual Report 2015	2010
Anritsu Corp.	Anritsu Integrated Reporting 2015	2015
Asahi Glass Co., Ltd.	AGC Report 2015	2012
Asahi Group Holdings, Ltd.	Integrated Report 2014	2015
Asahi Industries Co., Ltd.	Asahi Industries Group Report2015	2013
Asahi Kasei Corp.	Asahi Kasei Report 2015	2014
ASKA Pharmaceutical. Co., Ltd.	*available in Japanese only	2014
Astellas Pharma Inc.	Annual Report 2015	2012
Azbil Corporation	azbil report 2015	2007
Brother Industries, Ltd.	Communication Report 2015	2015
Capcom Co., Ltd.	Integrated Report 2015	2015
Chiome Bioscience Inc.	Integrated report 2015	2014
Chubu Electric Power Co., Inc.	Annual Report 2015	2012
Chugai Pharmaceutical Co., Ltd.	Annual Report 2014	2013
Dai-Dan Co., Ltd.	DAI-DAN REPORT 2015	2014
Daiichi Sankyo Co., Ltd.	Value Report 2015	2013
Daikyo Inc.	DAIKYO INCORPORATED REPORT 2015	2015
Dainippon Sumitomo Pharma Co., Ltd.	Annual Report 2015	2011
Daito Trust Construction Co., Ltd.	Strategy Report 2015	2014
Daiwa Securities Group Inc.	2015 Annual Report	2012
DENKI KAGAKU KOGYO KABUSIKI KAISHA	CSR REPORT 2015	2013
Development Bank of Japan Inc.	Annual Report & CSR Report 2015	2007
Don Quijote Holdings Co., Ltd.	Integrated Report 2015	2015
Ebara Corp.	Integrated Report 2015	2015
ECHO ELECTRIC CO., LTD	*available in Japanese only	2014

Company name	Report name	First year of implementation
Eisai Co., Ltd.	Integrated Report 2015	2015
EY Japan	*available in Japanese only	2012
Familymart Co., Ltd.	Annual Report 2015	2012
Fancl Corp.	FANCL Report 2015	2015
Freund Corporation	FREUND Report 2015	2013
FUJI ELECTRIC CO., LTD.	FUJI ELECTRIC REPORT 2015	2011
Fuji Heavy Industries Ltd.	Annual Report 2015	2013
Fujikura Ltd.	CSR Integrated Report 2015	2014
Fujitsu Limited	Fujitsu Group Integrated Report 2015	2015
Furukawa Electric Co., Ltd.	Sustainability report 2015	2012
Hitachi Capital Corp.	Hitachi Capital Report 2015	2015
Hitachi Chemical Co.,Ltd.	Annual Report 2015	2012
Hitachi Construction Machinery Co., Ltd.	CSR & Financial Report 2015	2011
Hitachi High-Technologies Corp.	Integrated Annual Report 2015	2015
Hitachi Maxell, Ltd.	Integrated Report 2015	2015
Hokuetsu Kishu Paper Co., Ltd.	CORPORATE REPORT 2015	2014
Horiba, Ltd.	HORIBA Report 2014	2014
Hulic Co., Ltd.	CSR Report 2015	2014
Idemitsu Kosan Co.,Ltd.	2015 Idemitsu Report	2012
IHI Corp.	Integrated Report 2015	2015
Iino Kaiun Kaisha, Ltd.	IINO Report 2015	2009
Inpex Corp.	Annual Report 2015	2014
Ito En, Ltd.	ITOEN REPORT 2015	2015
ITOCHU Corporation	Annual Report 2015	2012
Itochu Enex Co., Ltd.	Annual Report 2015	2004
Itochu Techno-Solutions Corp.	Annual Report 2015	2014
Japan Airlines Co., Ltd.	JAL REPORT 2015	2013
Japan Assurance Aarata	*available in Japanese only	2013
Japan Exchange Group, Inc.	JPX Report 2015	2014
JFE Holdings, Inc.	JFE Group TODAY 2015	2006
JGC Corp.	JGC Report 2015	2015

Company name	Report name	First year of implementation
J-OIL MILLS, Inc.	*available in Japanese only	2014
JVC Kenwood Corp.	JVCKENWOOD Report 2015	2014
JX Holdings, Inc.	Annual Report 2015	2015
Kajima Corp.	Corporate Report 2015	2014
Kansai Paint Co.,Ltd.	Corporate Report 2015	2011
Kawasaki Heavy Industries, Ltd.	Kawasaki Report 2015	2013
Kawasaki Kisen Kaisha, Ltd.	"K" LINE REPORT 2015	2014
KDDI CORPORATION	Integrated Report 2015	2012
Kirin Holdings Co., Ltd.	KIRIN REPORT 2014	2015
Komatsu Ltd.	KOMATSU REPORT 2015	2013
KPMG Japan	*available in Japanese only	2015
KUBOTA Corporation	KUBOTA REPORT 2015	2011
Kurimoto, Ltd.	KURIMOTO REPORT 2015	2014
Kyorin Holdings, Inc.	Annual Report 2015	2015
KYOWA EXEO CORPORATION	Corporate Report 2015	2012
Kyowa Hakko Kirin Co., Ltd.	Annual Report 2014	2013
Lawson, Inc.	Integrated Report 2015	2013
Leopalace21 Corp.	Annual Report 2015	2014
Lintec Corp.	Annual Report 2015	2015
LIXIL Group Corporation	Annual Report 2015	2013
Marubeni Corporation	Annual Report 2015	2013
Marui Group Co., Ltd.	Co-Creation Management Report 2015	2015
Mec Co., Ltd.	*available in Japanese only	2015
MEIDENSHA CORPORATION	MEIDENSHA REPORT 2015	2013
Meiji Holdings Co., Ltd.	Annual Report 2015	2014
Meiji Yasuda Life Insurance Company	Annual Report 2015	2015
Mitsubishi Chemical Holdings Corporation	KAITEKI Report 2015	2013
Mitsubishi Corporation	Integrated Report 2015	2011
Mitsubishi Heavy Industries, Ltd.	MHI REPORT 2015	2014
Mitsubishi Paper Mills Ltd.	*available in Japanese only	2015

Company name	Report name	First year of implementation
Mitsubishi Research Institute, Inc.	Fiscal Year Ended September 2014 Mitsubishi Research Institute Group Report	2014
Mitsubishi Tanabe Pharma Corporation	Corporate Report 2015	2013
Mitsubishi UFJ Financial Group, Inc.	MUFG Report 2015	2015
Mitsubishi UFJ Lease & Finance Co., Ltd.	Corporate Report 2015	2014
MITSUI & CO., LTD.	Annual Report 2015	2012
Mitsui Chemicals, Inc.	Annual Report 2015	2015
Mitsui Engineering & Shipbuilding Co., Ltd.	Corporate Report 2015	2015
Mitsui Fudosan Co., Ltd.	Annual Report 2015	2015
Mitsui O.S.K. Lines, Ltd.	Annual Report 2015	2015
Mizuho Financial Group, Inc.	2015 Integrated Report	2015
Monex Group, Inc.	ANNUAL REPORT 2015	2014
Morinaga Milk Industry Co., Ltd.	Annual Report 2015	2015
MS&AD Insurance Group Holdings, Inc.	Integrated Report 2015	2015
Nabtesco Corp.	Integrated Report 2015	2014
NAGASE & CO., LTD	Annual Report 2015	2013
NEC Capital Solutions Ltd.	INTEGRATED REPORT 2015	2014
NEC Corporation	Annual Report 2015	2013
NHK SPRING CO., LTD.	NHK Spring Report 2015	2008
NICHICON CORPORATION	Integrated Report 2015	2013
Nihon Unisys, Ltd.	Integrated Report 2015	2015
Nikon Corp.	NIKON REPORT 2015	2014
Nippon Koei Co., Ltd.	*available in Japanese only	2015
Nippon Shinyaku Co., Ltd.	Annual Report 2015	2012
Nippon Signal Co., Ltd.	NIPPON SIGNAL REPORT 2015	2015
Nippon Telegraph And Telephone Corp.	Annual Report 2015	2014
Nippon Yusen Kabushiki Kaisha	NYK Report 2015	2013
Nissha Printing Co., Ltd.	Nissha Report 2015	2015
Nisshinbo Holdings Inc.	Annual Report 2015	2015
Nissin Foods Holdings Co., Ltd.	ANNUAL REPORT 2015	2015
Nitto Denko Corporation	Nitto Group Report 2015	2007

Company name	Report name	First year of implementation
Nomura Co., Ltd.	Annual Report 2015	2014
Nomura Holdings, Inc.	Nomura Report 2015	2012
Nomura Real Estate Holdings, Inc.	Integrated Report 2015	2014
Nomura Research Institute, Ltd.	Integrated Report 2015	2014
Noritz Corp.	NORITZ REPORT 2015	2015
NS United Kaiun Kaisha, Ltd.	NS United Report 2015	2015
NTN Corporation	NTN Report 2015	2010
NTT Urban Development Corp.	Annual Report 2015	2014
Obayashi Corporation	CORPORATE REPORT 2015	2012
Ohara Inc.	OHARA Report 2015	2014
Oji Holdings Corporation	Oji Group Report 2015	2013
Olympus Corp.	Annual Report 2015	2015
OMRON Corporation	Integrated Report 2015	2012
Ono Pharmaceutical Co., Ltd.	Corporate Report 2015	2015
Osaka Soda Co., Ltd.	OSAKA SODA REPORT 2015	2015
Pacific Industrial Co., Ltd.	Pacific Report 2015	2015
Panasonic Corp.	Annual Report 2015	2015
Parco Co., Ltd.	Annual Report 2015	2015
Penta-Ocean Construction Co., Ltd.	Annual Report 2015	2014
Pola Orbis Holdings Inc.	Corporate Report 2014	2014
Ricoh Company, Ltd.	Sustainability Report 2015	2012
Rohm Co., Ltd.	Innovation Report 2015	2012
S.T. Corporation	Creating Corporate Value Report 2015	2013
Sangetsu Co., Ltd.	SANGETSU REPORT 2015	2015
SANKI ENGINEERING CO., LTD.	SANKI REPORT 2015	2012
Sato Holdings Corp.	Integrated Report 2015	2014
Sawai Pharmaceutical Co., Ltd.	Integrated Report 2015	2015
SCREEN Holdings Co., Ltd	Annual Report 2015	2010
SCSK Corp.	SCSK Report 2015	2015
SEGA SAMMY HOLDINGS INC.	ANNUAL REPORT 2015	2013
Sekisui House, Ltd.	Sustainability Report 2015	2015

Company name	Report name	First year of implementation
Senshukai Co., Ltd.	*available in Japanese only	2015
SHIKOKU ELECTRIC POWER CO.,INC.	Annual Report 2015	2013
Shionogi & Co., Ltd.	Annual Report 2015	2007
Shiseido Company, Limited	Annual Report 2015	2011
SHOWA SHELL SEKIYU K. K.	Corporate Report 2015	2012
Skylark Co., Ltd.	Annual Report 2014	2015
Sohgo Security Services Co., Ltd.	Integrated Report 2015	2015
Sojitz Corporation	Integrated Report 2015	2010
Solaseed Air Inc.	*available in Japanese only	2015
Sompo Japan Nipponkoa Holdings, Inc.	ANNUAL REPORT 2015	2014
Sumitomo Chemical Co., Ltd.	Annual Report 2015	2015
SUMITOMO CORPORATION	Annual Report 2015	2013
SUMITOMO LIFE INSURANCE COMPANY	*available in Japanese only	2012
Sumitomo Mitsui Construction Co., Ltd.	Corporate Report 2015	2015
Sumitomo Riko Co., Ltd.	Integrated Report 2015	2014
Sun Messe Co.,Ltd.	*available in Japanese only	2013
System Corp.	Annual Report 2015	2015
Taisei Corporation	ANNUAL REPORT 2015	2012
Taisho Pharmaceutical Holdings Co., Ltd.	Annual Report 2015	2015
Takeda Pharmaceutical Company Limited	Annual Report 2015	2006
Takenaka Corporation	TAKENAKA Corporate Report 2015	2014
Teijin Ltd.	INTEGRATED REPORT 2015	2015
Terumo Corp.	Annual Report 2015	2014
The Dai-ichi Life Insurance Co., Ltd.	Annual Report 2015	2014
THE Kansai Electric Power Co.,Inc.	Kansai Electric Power Group Report 2015	2013
TODA CORPORATION	TODA Corporate Report2015	2013
Tokio Marine Holdings, Inc.	Integrated Annual Report 2015	2015
Tokyo Dome Corp.	*available in Japanese only	2014
Toppan Forms Co., Ltd.	Integrated Report 2015	2015
Toppan Printing Co., Ltd.	Annual Report 2015	2014
Topy Industries Ltd.	TOPYReport2015	2012

Company name	Report name	First year of implementation
TOTO LTD.	Corporate Report 2015	2009
Toyo Construction Co., Ltd.	*available in Japanese only	2014
TOYO DENKI SEIZO K.K.	Toyo Denki Seizo Report 2015	2013
Toyo Engineering Corp.	Integrated Report 2015	2015
TOYODA GOSEI CO.,LTD.	Toyoda Gosei Report 2015	2009
TOYOTA BOSHOKU CORPORATION	Toyota Boshoku Report 2015	2009
Toyota Industries Corporation	Toyota Industries Report 2015	2008
Toyota Tsusho Corp.	Annual Report 2015	2015
TS TECH CO.,LTD.	TS TECH Report 2015	2012
Tsubakimoto Chain Co.	2015 Corporate Report	2010
UACJ Corporation	UACJ Report 2015	2015
ULVAC, Inc.	ULVAC CSR & Annual Report 2015	2012
Unicharm Corp.	Integrated Report 2015	2015
UNITED ARROWS LTD.	Annual Report 2015	2013
WACOL HOLDINGS CORP.	Integrated Report 2015	2011
Yamaha Motor Co., Ltd.	Annual Report 2014	2013
Yamato Holdings Co., Ltd.	Annual Report 2015	2015
YASKAWA Electric Corporation	YASKAWA Report 2015	2012
Yokogawa Electric Corp.	YOKOGAWA Report 2015	2015
Yoshinoya Holdings Co., Ltd.	CORPORATE PROFILE 2015	2014
ZEON CORPORATION	CORPORATE REPORT 2015	2013

If there are any companies that are already producing integrated reports that wish to be included on this list, please contact our administrative office (info@cvrl-net.com).