

Summary of the Survey on Corporate Philanthropic Activities in Fiscal 2012

October 15,2013
Keidanren
1%(One-percent)club

About the Survey

1. Survey content

- I. Survey of expenditure for corporate philanthropic activities
- II. Survey of arrangements and awareness of corporate philanthropic activities
- III. Survey of specific cases of corporate philanthropic activities (Conducted every three years)

2. Survey period

May to August 2013

3. Survey targets

Member companies of Keidanren and corporate members of the 1% Club: 1,326 companies in total

4. Number of respondents

- I. Survey of expenditure: 397 companies and groups (29.9% response rate)
(Reflects responses of approx. 10,650 companies, including consolidated companies)
- II. Survey of arrangements and : 420 companies (31.7% response rate)
- III. Survey of specific cases: 358 companies (27.0% response rate)

Introduction

The Keidanren Committee on Corporate Philanthropy and the 1% (One-Percent) Club have conducted an annual survey among their member companies every year since 1991, analyzing the trends in corporate philanthropic activities and studying the results in order to further promote such activities.

In addition to “I. Survey of expenditure” and “II. Survey of arrangements and awareness,” for the 2012 fiscal year, “III. Survey of specific cases” was also conducted for the first time in three years, in order to collect examples of specific efforts being made by individual companies. More than 400 companies and groups responded to the survey, and Keidanren wishes to express its sincere gratitude to those companies for having provided detailed data.

The amount of expenditure for corporate philanthropic activities totaled an average of ¥446 million per company in fiscal 2012. This represented a decline from the preceding fiscal year, when companies undertook substantial spending for relief activities related to the Great East Japan Earthquake, but the amount was around the level prior to the earthquake. Excluding the earthquake-related expenditure, the amount averaged ¥410 million per company, and the survey also found that companies responding for two successive years recorded a year-on-year increase of 2.8%, to ¥474 million. This suggests that, irrespective of the companies’ external environment, spending for corporate philanthropic activities remains stable.

Expenditure related to the Great East Japan Earthquake was an average of ¥36 million per company, totaling ¥14.3 billion. This assistance was larger in scale than spending on assistance to other disaster-stricken areas in normal years, reflecting the fact that, even a year after the disaster, many companies had not forgotten the stricken areas of the earthquake and were continuing to assist them.

The survey of arrangements and awareness inquired particularly about aspects such as companies’ grasp of the philanthropic activities of their entire corporate group and their prioritization of activities by content. From this, it was evident that efforts were being made to have a concrete grasp of the philanthropic activities of group members, and that there was a tendency to give consideration to management policies, business fields, and the locations of their places of business and markets when determining the nature of those activities.

In addition, given the growing interest in the relationship between core business and corporate philanthropic activities, Keidanren surveyed for the first time the state of the introduction of cause-related marketing (CRM), which takes the form of marketing products linked with donations to good causes. Through this, it was found that approximately 30% of companies were implementing it or considering doing so. We intend to monitor future developments in this sphere.

In the survey of specific cases, approximately 1,000 cases were provided by more than 300 companies. A remarkable number of the cases were either in line with individual companies' management policies or business fields, or were mindful of relationships with the local community. In addition, a survey—continuing the one made the previous year—of some 200 cases involving assistance to areas stricken by the Great East Japan Earthquake cast light on the stances of companies continuing their efforts to provide assistance to stricken areas by means, for example, of the regular dispatch of volunteers or of conducting routine programs in those areas.

Growing interest in corporate philanthropic activity was triggered both within and outside the corporate sector by the Great East Japan Earthquake, and this has called for ingenuity by individual companies to devise unique activities based on their own corporate philosophies and management policies, and to put into practice effective activities tied in with their own in-house management resources.

Based on the results of this survey, the Keidanren Committee on Corporate Philanthropy and the 1% (One-Percent) Club will continue to discuss the various issues surrounding corporate philanthropic activities in greater depth. We hope that these survey results will help companies to position corporate philanthropic activities strategically within their corporate management.

October 15, 2013

Nobuyuki Koga

Chairman, Committee on Corporate Philanthropy

Keidanren

Masatoshi Sato

Co-Chairman, Committee on Corporate Philanthropy

Keidanren

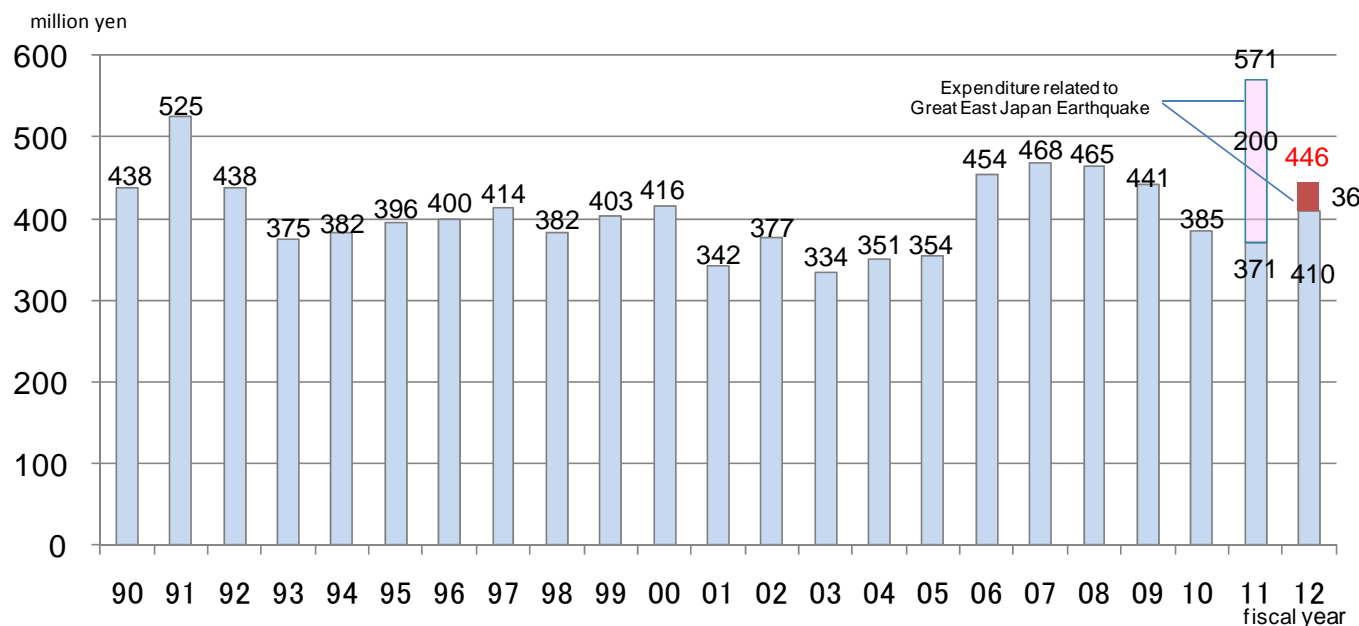
Chairman, 1% (One-Percent) Club

I. Survey of expenditure for corporate philanthropic activities

1. Fiscal 2012 expenditure for corporate philanthropic activities

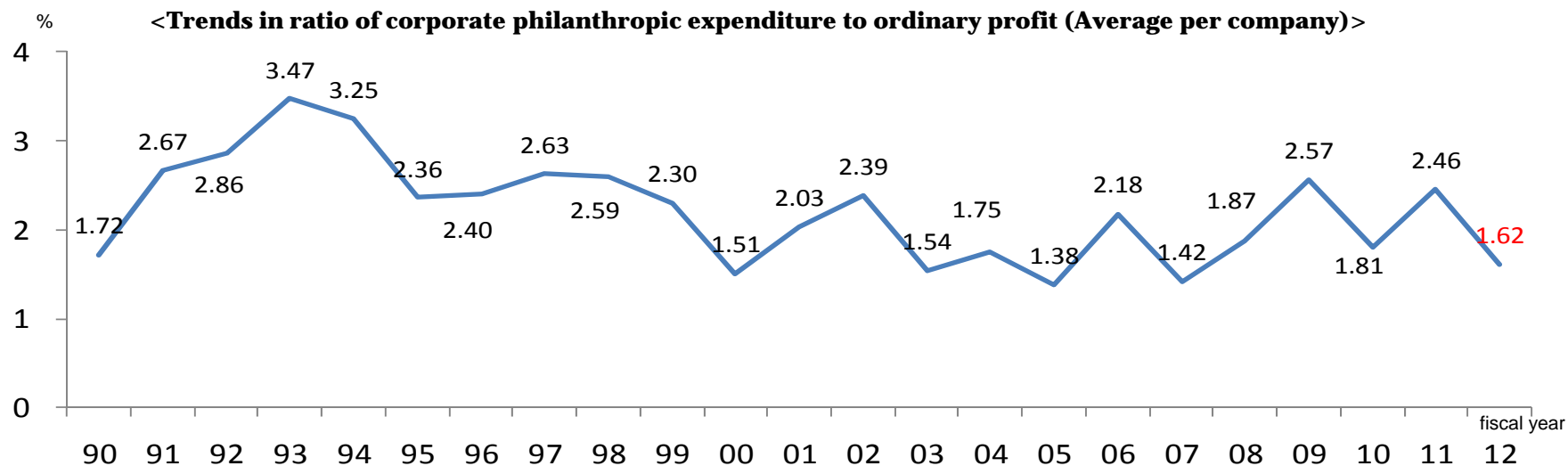
- Total expenditure ¥177.1 billion, or ¥162.7 billion excluding spending related to the Great East Japan Earthquake (¥14.3 billion).
- Average expenditure per company totaled ¥446 million (down 21.9% year-on-year). The total is ¥410 million (up 10.5%) if spending related to the Great East Japan Earthquake (¥36 million) is excluded.
- Examining changes at the 328 companies that responded for both the 2011 and 2012 fiscal year surveys, average expenditure per company totaled ¥517 million (down 25.0%). Excluding expenditure related to the Great East Japan Earthquake (¥43 million), the amount totaled ¥474 million (up 2.8%).
- Although there was a decline from the previous year, when there was substantial expenditure for assistance related to the Great East Japan Earthquake, there was a modest increase in total spending net of that earthquake-related expenditure.

<Trends in expenditure for corporate philanthropic activities (Average per company)>



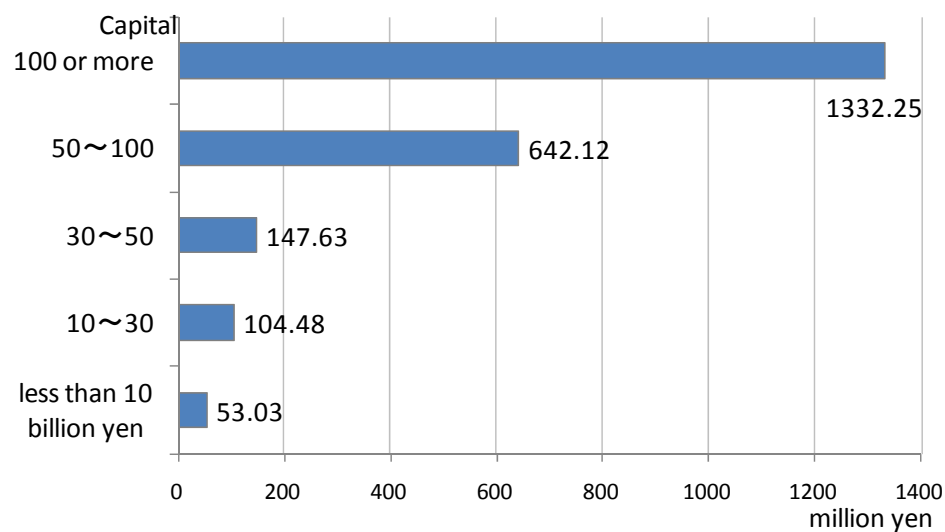
I. Survey of expenditure for corporate philanthropic activities

2. Ratio of corporate philanthropic expenditure to ordinary profit



3. Corporate philanthropic expenditure by bracket of capitalization

<Expenditure by bracket of capitalization (Average per company)>



I. Survey of expenditure for corporate philanthropic activities

4. Corporate philanthropic expenditure by field

- The field of “Education, social education,” in which most expenditure occurred from the 2007 to 2010 fiscal years, once again attracted the most spending of any field.

<Trends in ratio of corporate philanthropic expenditure to total expenditure by field>

	The ratio (by estimate)		
	Note: The circled number means expenditure order		
	FY2010	FY2011	FY2012
(1) Education including social education	① 18.7%	② 11.0%	17.7%
(2) Culture and the arts	④ 12.6%	⑤ 8.3%	12.8%
(3) Academic and research programs	② 16.8%	③ 8.9%	12.3%
(4) Health, medicine and sports	⑤ 11.4%	④ 8.4%	11.0%
(5) The environment	③ 13.9%	⑥ 7.2%	10.6%
(6) Assistance to disaster-stricken areas	⑨ 1.4%	① 39.4%	9.4%
(7) Local community activities	⑥ 8.4%	⑦ 5.2%	8.1%
(8) Social welfare and social inclusion	⑦ 4.9%	⑧ 3.6%	5.8%
(9) International exchange and cooperation	⑧ 2.1%	⑨ 1.5%	2.0%
(10) Capacity building for NPOs/NGOs	⑩ 1.0%	⑩ 0.7%	0.9%
(11) Creating jobs, promoting skills development and providing assistance in searching employment	⑫ 0.5%	⑫ 0.3%	0.8%
(12) Political donations	⑪ 0.8%	⑪ 0.6%	0.7%
(13) Community disaster-prevention and crime prevention	⑬ 0.3%	⑬ 0.2%	0.5%
(14) Human rights and human security	⑭ 0.2%	⑭ 0.1%	0.2%
(15) Others	7.1%	5.8%	7.3%

I. Survey of expenditure for corporate philanthropic activities

5. Itemized breakdown of average expenditure per company

<Itemized breakdown of expenditure for corporate philanthropic activities per company>

Corporate philanthropic expenditure	Donations	¥283 million (63%)	Cash donations	¥216 million (48%)
	Self-organized and collaborative programs	¥119 million (27%)	Donations in kind	¥9 million (2%)
	Assistance to disaster-stricken areas	¥40 million (9%)	Opening of facilities	¥12 million (3%)
	Others, no specific category	¥4 million (1%)	Dispatch of personnel	¥30 million (7%)
			Others	¥16 million (4%)
			Related to Great East Japan Earthquake	¥36 million (8%)
			Other disasters	¥3 million (1%)

Notes

1. Amount for each component: Expenditure for each component/Number of respondent companies (397)
2. Since numbers are rounded, totals may not sum to 100%.

6. Corporate spending on assistance to disaster-stricken areas in fiscal 2012

- Spending totaled ¥15.7 billion, ¥14.3 billion of which was for assistance related to the Great East Japan Earthquake.

<Breakdown of corporate spending on assistance to disaster-stricken areas in fiscal 2012>

	Spending on assistance to disaster-stricken areas (Portion contributed by companies)			(Reference) Spending on assistance to disaster-stricken areas by employees, consumers/customers, etc.		
	Expenditure(Total)	Expenditure related to Great East Japan Earthquake	Expenditure related to other disasters	Expenditure(Total)	Expenditure related to Great East Japan Earthquake	Expenditure related to other disasters
Expenditure	¥15.7 bn	¥14.3 bn	¥1.4 bn	¥3.0 bn	¥2.8 bn	¥0.1 bn
Number of companies implementing	261	233	112	88	77	30

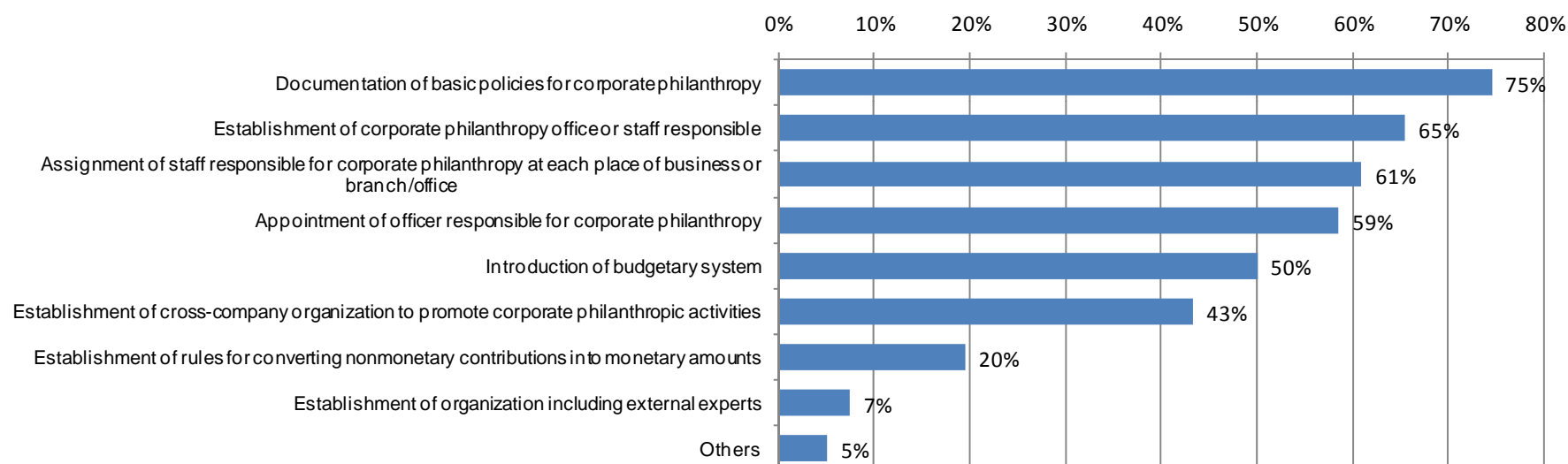
Note: Amounts from donations solicited by companies from employees, consumers, etc., e.g. fund-raising among employees and in stores.

II. Survey of arrangements and awareness of corporate philanthropic activities

1. State of introduction of in-house arrangements to promote corporate philanthropic activities (Multiple responses)

- Widespread and well-established systems include “Documentation of basic policies,” “Establishment of corporate philanthropy office or responsible staff,” “Appointment of responsible officer.”

<State of introduction of in-house arrangements to promote corporate philanthropic activities (Multiple responses)>

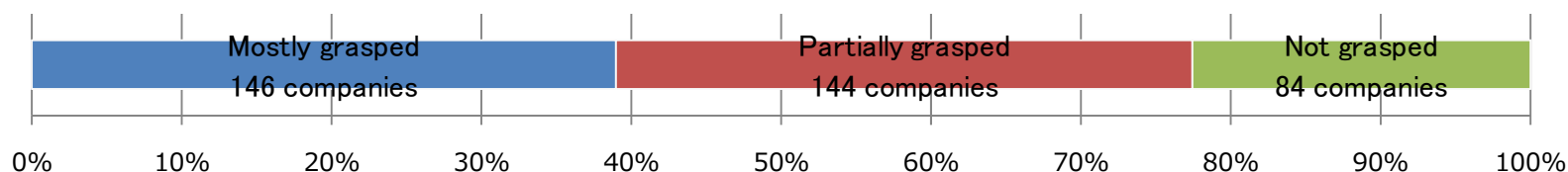


Note: “Component ratio (%)”: “Number of respondents per component/Total number of survey respondents (420)”

2. Grasp of groups’ corporate philanthropic activities

- Approx. 80% of companies responded that they grasped these activities mostly or partially.

<Grasp of corporate philanthropic activities by group consolidated companies>

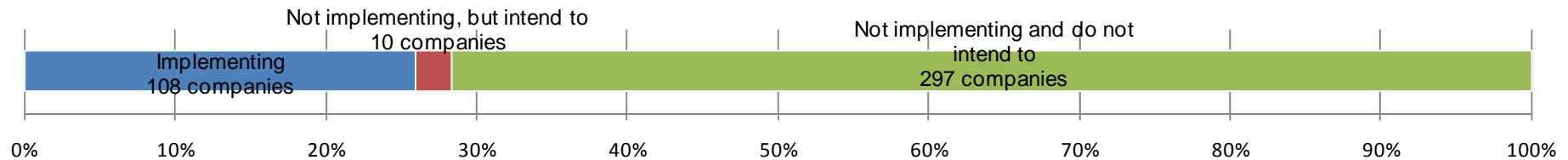


II. Survey of arrangements and awareness of corporate philanthropic activities

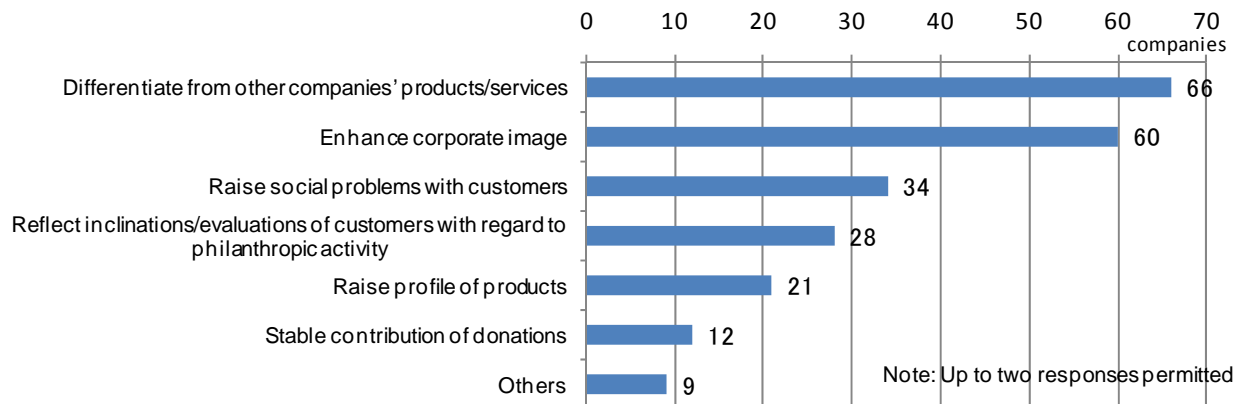
3. Relationship with core business

- Approx. 30% of companies are implementing or considering implementing CRM*.
*A method of marketing that aims to combine resolving social issues with increasing earnings, primarily by selling products linked with donations to good causes.
- The largest number of responses was that the aim of implementing CRM was “Differentiate from other companies’ products/services.”
- There were many cases in which employees other than those responsible for corporate philanthropy were leading the planning of products and services.

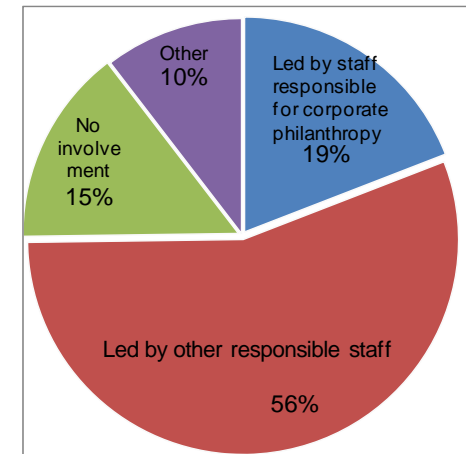
<Record of CRM implementation>



<Aims when conducting CRM product/service>



<Participation of staff responsible for corporate philanthropy in CRM products/services>

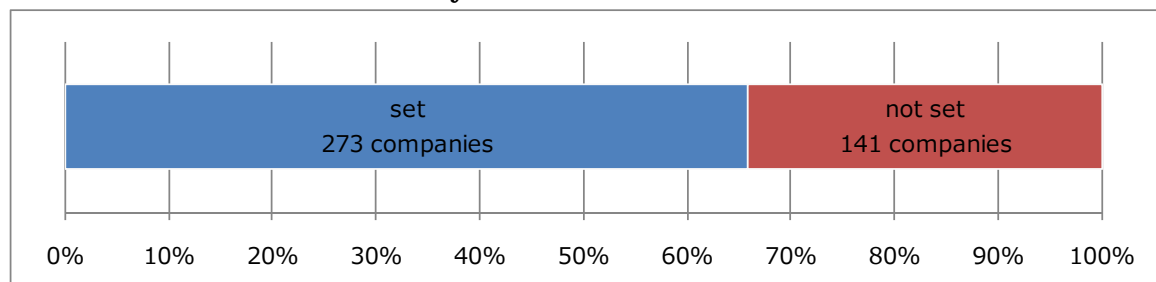


II. Survey of arrangements and awareness of corporate philanthropic activities

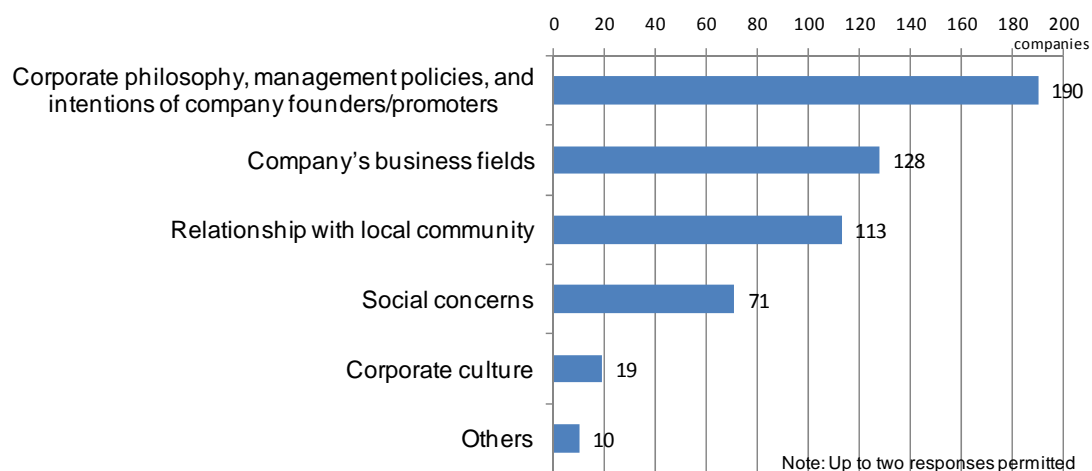
4. Prioritization of activity content

- Approx. two-thirds of companies have laid down priority fields.
- The largest number of responses was that decision-making for determining priority fields is based on corporate philosophy, management policies, and the intentions of company founders.
- When determining the content of activities, many companies take into consideration whether activities are directed at their places of business or the locations of their markets (90% of domestically-oriented activities; 70% of overseas-oriented activities).

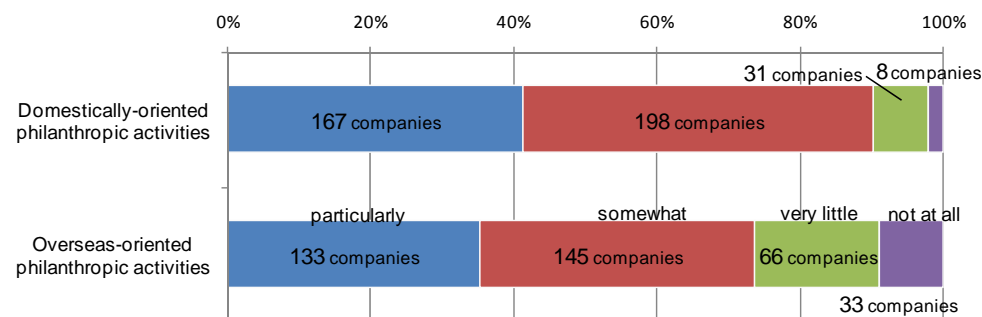
<Priority fields have been set or not>



<Factors used for determining priority fields>



<Consideration as to whether activities are directed at places of business or locations of markets>

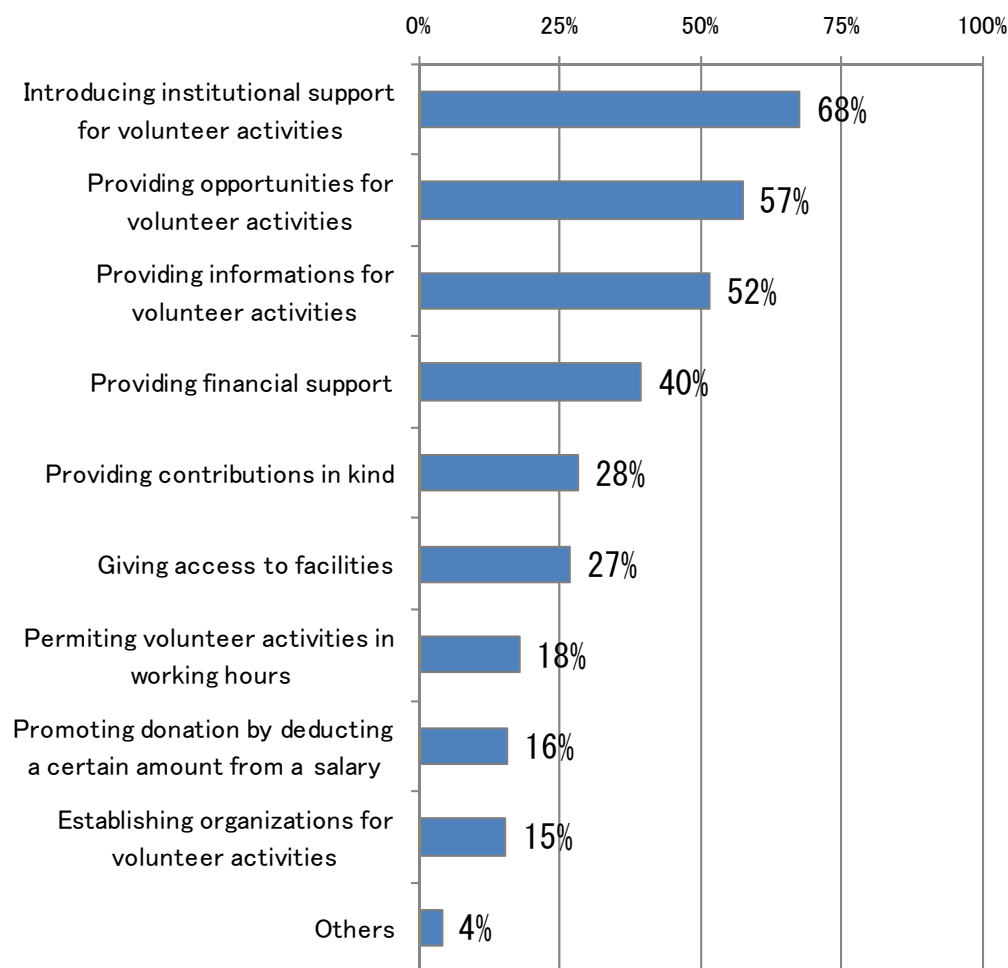


II. Survey of arrangements and awareness of corporate philanthropic activities

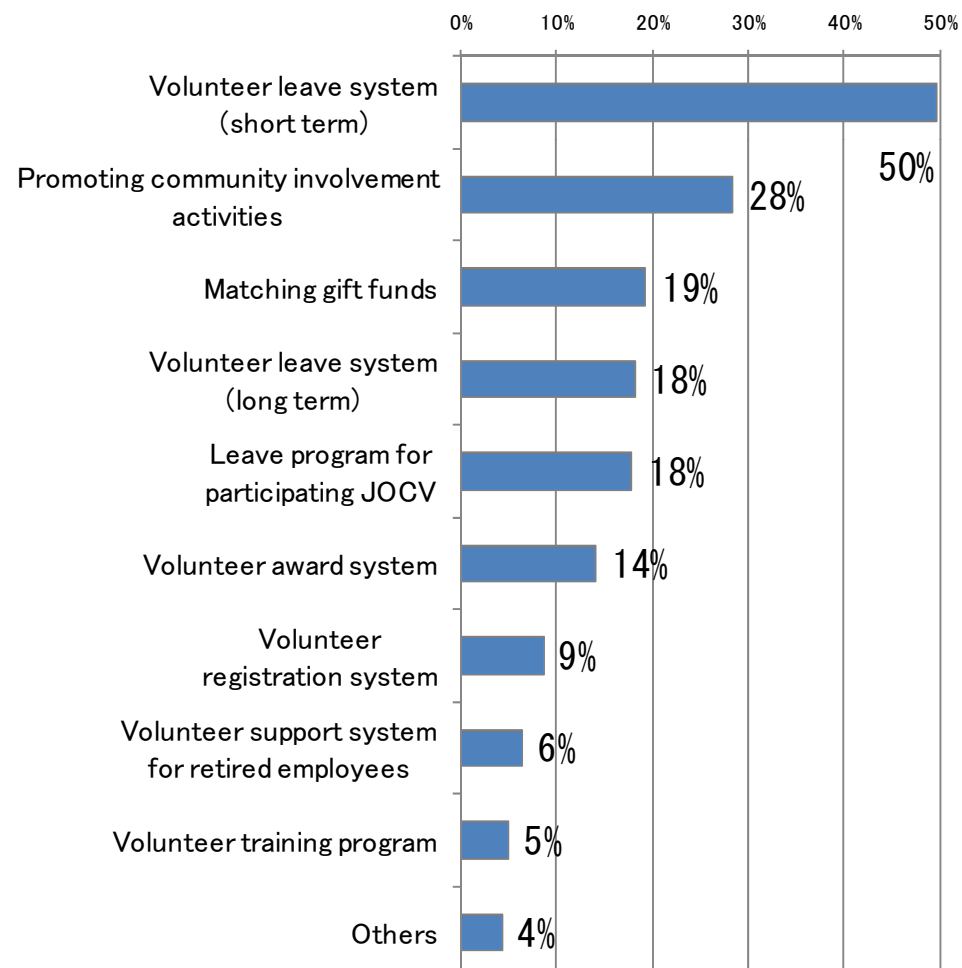
5. Support for employee's volunteer and philanthropic activities

- Among all respondent companies, more than 80% (342) support employee's volunteer activities.

<Contents of tangible support (Multiple answers)>



<Corporate's support for employee's philanthropic activities (Multiple answers)>



Note: "Component ratio (%)": "Number of respondents per component/Total number of survey respondents (420)"

III. Survey of specific cases of corporate philanthropic activities

- The survey gathered details of the content of individual companies' policies and in-house arrangements regarding corporate philanthropy, and specific cases of activities.
- Cases related to reconstruction after the Great East Japan Earthquake were also gathered.

Cases gathered

- Number of companies listed: 358
- Content of specific cases of activities: 1,006 (including 196 related to assistance for post-earthquake reconstruction)

<The number of the cases by field (ordinary 810 cases)>

Field	Number	Field	Number
Education including social education	312	Academic and research programs	61
The environment	271	Assistance to disaster-stricken areas	57
Local community activities	184	Community disaster-prevention and crime prevention	39
Social welfare and social inclusion	161	Creating jobs, promoting skills development and providing assistance in searching employment	38
Culture and the arts	102	Capacity building for NPOs/NGOs	37
Health, medicine and sports	93	Human rights and human security	28
International exchange and cooperation	83	Others	28

<The number of the cases by field (196 cases related to assistance for post-earthquake reconstruction)>

Field	Number	Field	Number
Support for community	96	Support for the weak	24
Education and Next-generation support	70	Support for the intermediary organizations*	24
Psychological support	61	Support for refugee outside the prefecture	15
Industrial reproduction and job creation	52	Others	34

Note: Some cases extend over the multiple fields.