

Summary of the Survey on Corporate Philanthropic Activities in Fiscal 2015

October 18, 2016 Keidanren 1% (One-Percent) Club

About the Survey

1. Survey content

- I. Survey of Expenditure for Corporate Philanthropic Activities
- II. Corporate Philanthropic Activity Case Studies (Conducted every three years)
- III. Special Surveys on Corporate Philanthropic Activities (Survey on Activities Related to Reconstruction after the Great East Japan Earthquake and Survey on Recovery and Reconstruction after the 2016 Kumamoto Earthquake)

2. Survey period

May to August 2016

3. Survey target audience

Member companies of Keidanren and corporate members of the 1% Club: Total of 1,363 companies

4. Number of respondents

- I. Survey of Expenditure for Corporate Philanthropic Activities: 334 companies and groups (24.5% response ratio) (incorporates responses from approx. 11,700 companies, if consolidated companies are included)
- II. Corporate Philanthropic Activity Case Studies: 335 companies (24.6% response ratio)
- III. Special Surveys on Corporate Philanthropic Activities

Status of Activities Related to Reconstruction after the Great East Japan Earthquake: 358 companies (26.2% response ratio)

Examples of Activities Related to Reconstruction after the Great East Japan Earthquake: 242 companies (17.8% response ratio)

Status of Activities Related to Recovery and Reconstruction after the 2016 Kumamoto Earthquake: 358 companies (26.2% response ratio)

Examples of Activities Related to Recovery and Reconstruction after the 2016 Kumamoto Earthquake: 275 companies (20.2% response ratio)

Introduction

Japanese companies began undertaking corporate philanthropic activities in earnest in the 1990s. As global interest in corporate social responsibility (CSR) grew in the 2000s, companies considered such activities as one of the management matters, and today they adopt original and ingenious approaches to a diverse range of initiatives, often conducted from the perspective of creating new social value with a view to the sustainable development of society. Presentation of quantitative as well as qualitative data is vital to promoting broad-based public understanding of such corporate efforts.

To this end, every year since 1991 Keidanren and the 1% Club have conducted a Survey on Corporate Philanthropic Activities targeting Keidanren member companies. As well as analyzing trends in corporate philanthropic activities, we examine various issues to further encourage corporate initiatives.

This year, in addition to the annual Survey of Expenditure to ascertain corporate spending on philanthropic activities, we conducted the triennial Case Studies to identify companies' distinctive corporate philanthropic activities, and Special Surveys on reconstruction efforts following two large-scale disasters that have occurred in recent years, the Great East Japan Earthquake and the 2016 Kumamoto Earthquake. A large number of enterprises and corporate groups responded to these surveys. We would like to sincerely thank all the respondents who spared the time to cooperate in the survey by submitting detailed data.

Based on the results of these surveys, Keidanren and the 1% Club will continue to extend discussion of various issues relating to corporate philanthropic activities.

October 18, 2016

Senji Miyake

Chair, Committee on Corporate Behavior & Social Responsibility, Keidanren

Masaya Futamiya

Chair, Committee on Corporate Behavior & Social Responsibility, Keidanren

Chair, 1% (One-Percent) Club

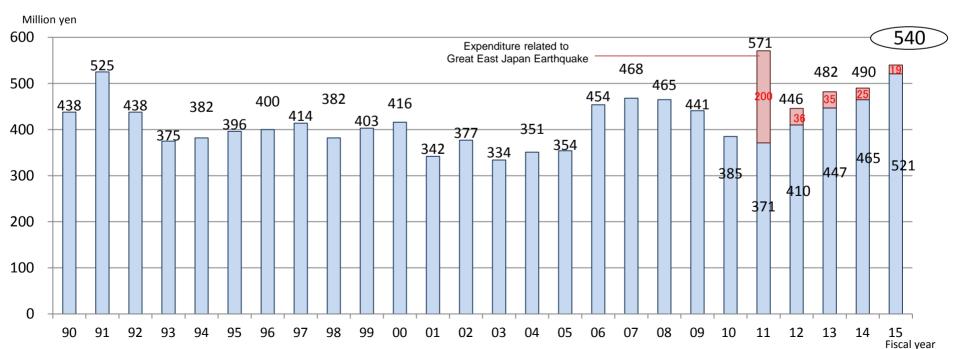
Kazuhiro Tsuga

Chair, Committee on Corporate Behavior & Social Responsibility, Keidanren

1. Fiscal 2015 expenditure for corporate philanthropic activities

- **◆** Total expenditure for corporate philanthropic activities amounted to ¥180.4 billion, and <u>average expenditure per company rose 10.2% year-on-year to ¥540 million</u>. <u>Average expenditure per company has increased for three consecutive years</u>.
- ◆ Excluding expenditure related to the Great East Japan Earthquake, the total was ¥174.1 billion, and average expenditure per company increased 12.0% year-on-year to ¥521 million, which is around the same level as fiscal 1991.
- **♦** Total expenditure related to the Great East Japan Earthquake was ¥6.3 billion, and average expenditure per company was ¥19 million, showing continuing support for reconstruction after the disaster.

Trends in expenditure for corporate philanthropic activities (average per company)



2. Corporate philanthropic expenditure by field

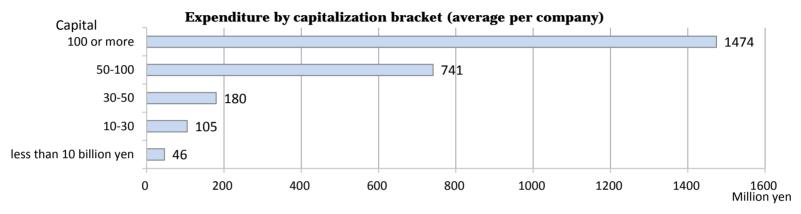
♦ "Education, including social education" topped the list of expenditure by field for the fourth consecutive year, followed by "Health, medicine, and sports" and "Academic and research programs." Together, these three fields accounted for nearly half of all expenditure, at 47.6%.

Trends in corporate philanthropic expenditure as a percentage of total expenditure by field

	Percentage (estimate) (Note: Numbers in parentheses signify ranking.)				
	Fiscal 2013		Fiscal 2014		Fiscal 2015
1. Education, including social education	(1)	19.5%	(1)	15.5%	20.2%
2. Health, medicine, and sports	(3)	11.7%	(3)	13.5%	14.4%
3. Academic and research programs	(2)	14.5%	(2)	13.8%	13.0%
4. Local community activities	(6)	8.1%	(5)	9.3%	12.3%
5. Culture and the arts	(4)	10.7%	(4)	13.1%	10.4%
6. Assistance to disaster-stricken areas	(5)	8.8%	(6)	7.3%	6.9%
7. Social welfare and social inclusion	(8)	5.3%	(8)	5.6%	5.2%
8. The environment	(7)	6.5%	(7)	7.3%	4.4%
9. International exchange and cooperation	(9)	1.8%	(9)	2.5%	1.8%
10. Political donations	(10)	0.9%	(11)	1.1%	1.0%
11. Capacity building for NPOs/NGOs	(11)	0.7%	(10)	1.1%	0.9%
12. Creating jobs, promoting skills development, and providing assistance in employment	(12)	0.6%	(12)	0.8%	0.7%
13. Community disaster-prevention and crime prevention	(13)	0.4%	(13)	0.6%	0.3%
14. Human rights and human security	(14)	0.1%	(14)	0.3%	0.1%
15. Others		10.2%		8.3%	8.2%

3. Corporate philanthropic expenditure by capitalization bracket

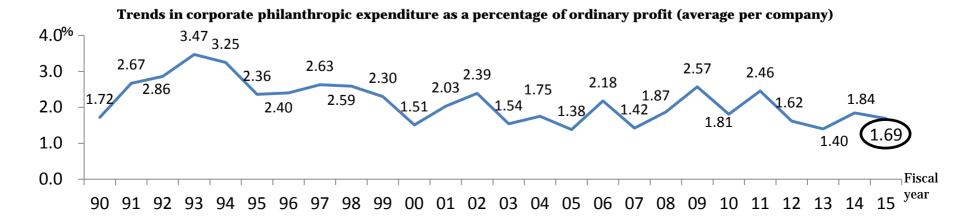
♦ A correlation can be seen between capitalization and corporate philanthropic expenditure.



Expenditure for Corporate Philanthropic Activities

4. Corporate philanthropic expenditure as a percentage of ordinary profit

◆ Corporate philanthropic expenditure accounted for 1.69% of ordinary profit.



5. Itemized breakdown of average expenditure per company

♦ A breakdown of average expenditure on corporate philanthropic activities per company shows that <u>donations accounted</u> <u>for ¥406 million (75%)</u>, company-organized and collaborative programs ¥110 million (20%), and assistance to disaster-stricken areas ¥23 million (4%).

Itemized breakdown of expenditure for corporate philanthropic activities per company

Corporate philanthropic expenditure: ¥490 million per company	Donations	¥406 million (75%)		Monetary donations	¥305 million (75%)
		#400 IIIIIII0II (7970)		Donations in kind	¥17 million (4%)
	Company-organized and	¥110 million (20%)		Giving access to facilities	¥13 million (3%)
	collaborative programs	#110 mmion (2070)		Dispatch of personnel	¥37 million (9%)
	Assistance to disaster- stricken areas	¥23 million (4%)		Others	¥34 million (8%)
		¥2 million (0%)		Related to Great East Japan Earthquake	¥19 million (83%)
		12 111111011 (0/0)		Other disasters	¥4 million (16%)

Notes 1. Amount for each item: Expenditure for each item/Number of respondent companies (334)

6. Corporate expenditure on assistance to disaster-stricken areas in fiscal 2015

◆ Expenditure totaled ¥7.6 billion, of which ¥6.3 billion was for assistance related to the Great East Japan Earthquake.

Breakdown of corporate expenditure on assistance to disaster-stricken areas in fiscal 2015

	Expenditure on assistance to disaster-stricken areas (contributed by companies)			(Reference) Expenditure on assistance to disaster-stricken areas contributed 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	¥7.6 billion	¥6.3billion	¥1.2 billion	¥0.9 billion	¥0.2 billion	¥0.6 billion		
Number of companies providing assistance	246	188	165	106	66	67		

Notes: 1. Amounts from donations solicited by companies from employees, consumers, etc. via fund-raising among employees and in stores.

2. Since numbers are rounded, totals may not tally.

^{2.} Since numbers are rounded, totals may not tally.

II. Corporate Philanthropic Activity Case Studies

♦ The case studies gather details of companies' policies and internal systems relating to corporate philanthropic activities as well as examples of specific activities. Responses provided 832 examples of specific activities from 321 companies.

Details provided in examples (item classifications and other details basically respect the responses provided by each company)

- (1) Company name (company name provided in the response)

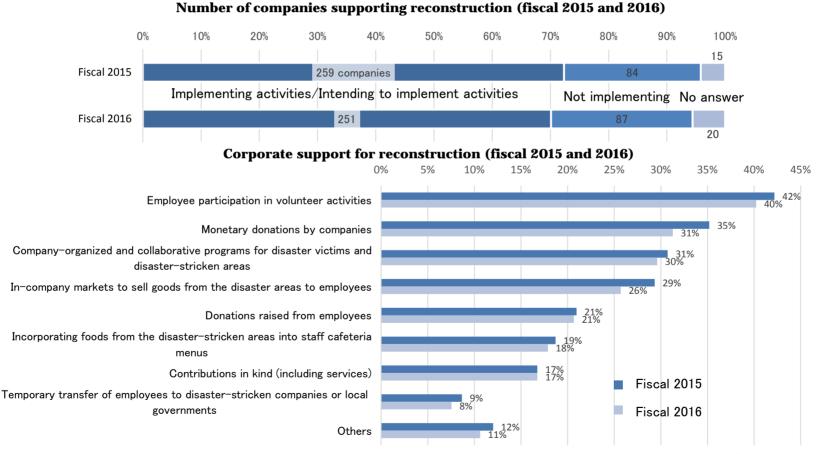
 Where the company carrying out the activity is a member of a corporate group, its name is sometimes specified within the example.
- (2) Policies and internal systems relating to philanthropic activities
 - Philanthropic mission and objectives
 - Guiding principles, priority fields, etc. for philanthropic activities
 - Implementation systems
 - Information disclosure
 - Policies on support for employee volunteer activities
- (3) Examples of specific activities
 - Activity name
 - Field
 - Form of activity
 - Donee organization/partner
 - Aim of activity
 - Outline

The URL of the survey result (Japanese); http://www.keidanren.or.jp/policy/2016/092.html

(Survey on Activities Related to Reconstruction after the Great East Japan Earthquake)

1. Activities related to reconstruction after the Great East Japan Earthquake

- **◆** Approximately 70% of companies are conducting activities related to reconstruction after the Great East Japan Earthquake.
- **♦** The main efforts are employee participation in volunteer activities, monetary donations, and company-organized and collaborative programs.



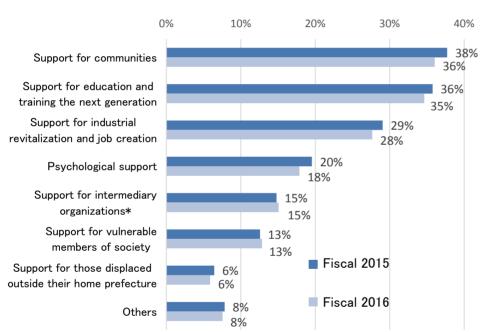
Note: Percentages were calculated as follows: Number of respondents per item/Total number of survey respondents (358)

(Survey on Activities Related to Reconstruction after the Great East Japan Earthquake)

2. Reconstruction support activities: fields, donee organizations, and partners

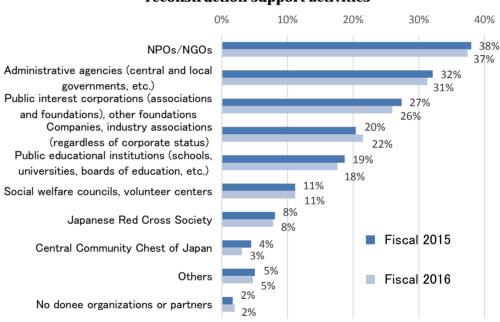
- **♦** The main fields are support for communities, support for education and training the next generation, and support for industrial revitalization and job creation.
- **♦** Much support is offered in partnership with NPOs/NGOs, administrative agencies, and public interest corporations.

Fields of reconstruction support activities



*Intermediary organizations include administrative agencies, companies, and organizations that support the work of NPOs, etc.

Donee organizations and partners for reconstruction support activities



3. Specific activities

◆ Descriptions of a total of 242 specific activities were submitted.

The URL of the survey result (Japanese); http://www.keidanren.or.jp/policy/2016/092.html

(Survey on Recovery and Reconstruction after the 2016 Kumamoto Earthquake)

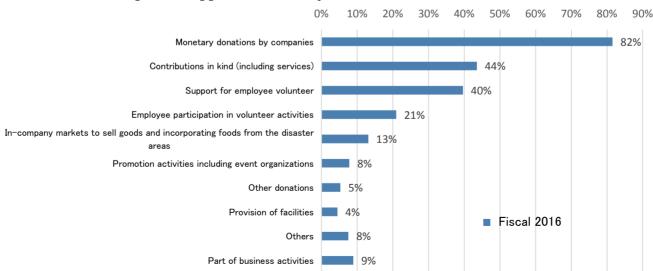
1. Activities related to recovery and reconstruction after the 2016 Kumamoto Earthquake

- **◆** Approximately 90% of companies are conducting activities related to recovery and reconstruction after the 2016 Kumamoto Earthquake.
- ◆ In addition to monetary donations and contributions in kind, many companies are supporting volunteer activities and the sale and use of goods from the disaster areas.





Corporate support for recovery and reconstruction (fiscal 2016)



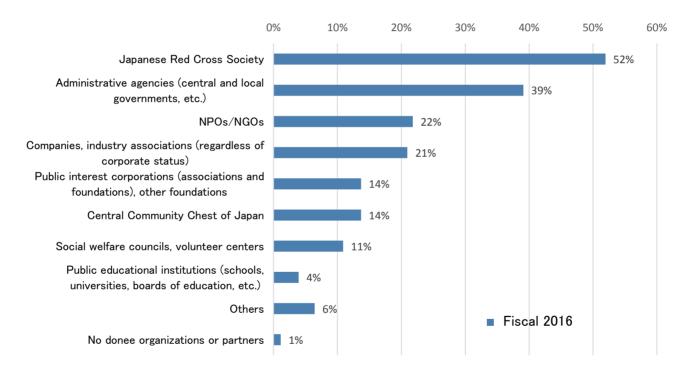
Note: Percentages were calculated as follows: Number of respondents per item/Total number of survey respondents (358)

(Survey on Recovery and Reconstruction after the 2016 Kumamoto Earthquake)

2. Recovery and reconstruction support activities: fields, donee organizations, and partners

♦ Much support is offered in partnership with the Japanese Red Cross Society, administrative agencies, and NPOs/NGOs.

Donee organizations and partners for recovery and reconstruction support activities



3. Specific activities

◆ Descriptions of a total of 275 specific activities were submitted.

The URL of the survey result (Japanese); http://www.keidanren.or.jp/policy/2016/092.html