

Synopsis of the survey on Corporate Philanthropic Activities in Fiscal 2000

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Keidanren

In July of 2001, Keidanren mailed questionnaires to 1,039 companies which were either members of Keidanren or its 1% Club. The questionnaire touched on matters such as the amount of money spent on corporate philanthropic activities in fiscal 1999, the ratio between philanthropic expenditures and pretax profits, the ratio of donations to tax exemption limits, and the introduction of corporate systems to promote philanthropic activities.

In total, 339 companies answered the questionnaire for a 32.6% reply rate.

Results of Expenditure Survey

. Total Expenditures on Philanthropic Activities

The total amount of money spent on philanthropic activities in fiscal 2000 by the 323 corporations that responded to the survey was 134.5 billion yen. This translates to average 416 million yen expenditure per company for a 3.2% rise from the fiscal 1999 figure of 403 million yen per company.

As to the trends of average expenditure per company and its ratio to the ordinary profit, please refer to the Chart 1 on page 2.

Total Expenditure on Philanthropic Activities

(in millions of yen)

Fiscal Year	1994	1995	1996	1997	1997	1999	2000
Total Amount	154,200	145,400	162,000	155,700	137,600	124,600	134,500
(Number of companies)	(404)	(367)	(405)	(376)	(360)	(309)	(323)
Average per company	382	396	400	414	382	403	416
(Growth Rate)	(-5.7%)	(+3.8%)	(+1.0%)	(+3.5%)	(-7.7%)	(+5.5%)	(+3.2%)

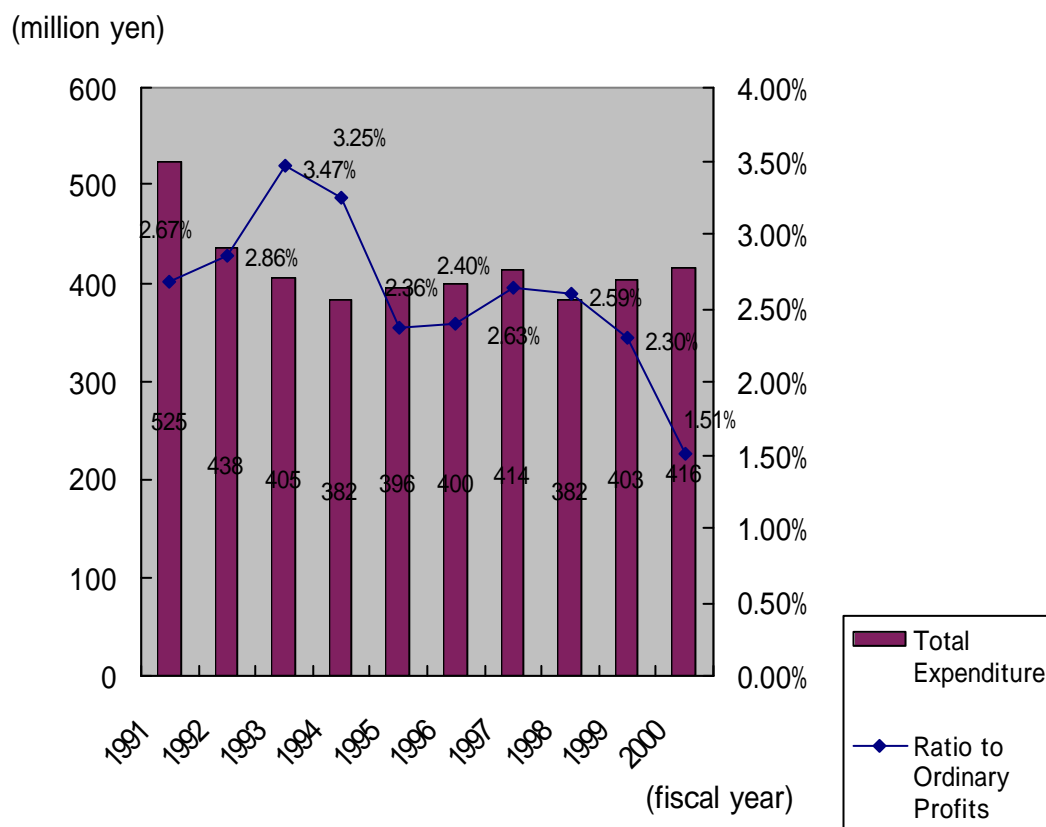
II. Ratio of Expenditures on Philanthropic Activities to Ordinary profits, etc. (Simple Average)

Among the 308 respondents to the question regarding the ratio of philanthropic expenditures to ordinary profit in fiscal 2000, the ratio per company on a simple average was 1.51%. This figure is down 0.79 points from the data collected for fiscal 1999 and is the lowest level ever recorded in our surveys. Among the 274 companies which responded to the question regarding the ratio of philanthropic expenditures to pretax profits, the ratio is also down by 2.2 points for 2.56%.

The Ratio of Expenditure on Philanthropic Activities to Total Sales, Ordinary profits and Pretax Profits (Simple Average)

Fiscal Year	1994	1995	1996	1997	1998	1999	2000
Ratio to Total Sales (Number of companies)	0.17% (347)	0.16% (341)	0.18% (384)	0.12% (363)	0.10% (342)	0.10% (283)	0.10% (303)
Ratio to Ordinary Profits (Number of companies)	3.25% (333)	2.36% (326)	2.40% (368)	2.63% (337)	2.59% (295)	2.30% (279)	1.51% (308)
Ratio to Pretax Profits (Number of companies)	3.50% (318)	3.30% (312)	2.88% (350)	2.97% (319)	2.70% (256)	4.76% (229)	2.56% (274)

<Chart 1: The trend of average expenditure on philanthropic activities and its ratio to ordinary profit>



• **The Breakdown of Expenditure on Philanthropic Activities**

After asking the total expenditure, the questionnaire delved into how much of the expenditures were comprised of donations and how much were comprised of money spent supporting the corporation's independent programs (money spent enacting philanthropic programs designed by the corporation).

A. *Donations*

Within the philanthropic expenditures, among the 318 respondents the average donations per company in fiscal 2000 was 274 million yen for a 6.6% increase from fiscal 1999.

Total Donations

(in millions of yen)

Fiscal Year	1994	1995	1996	1997	1998	1999	2000
Total Amount	112,800	107,100	104,900	102,700	88,300	78,700	87,300
(Number of companies)	(402)	(360)	(396)	(373)	(357)	(306)	(318)
Average per company	281	297	265	275	247	257	274
(Growth Rate)	(-4.1%)	(+6.0%)	(-10.8%)	(+3.9%)	(-10.2%)	(+4.0%)	(+6.6%)

B. *Expenditures on Corporate Independent Programs*

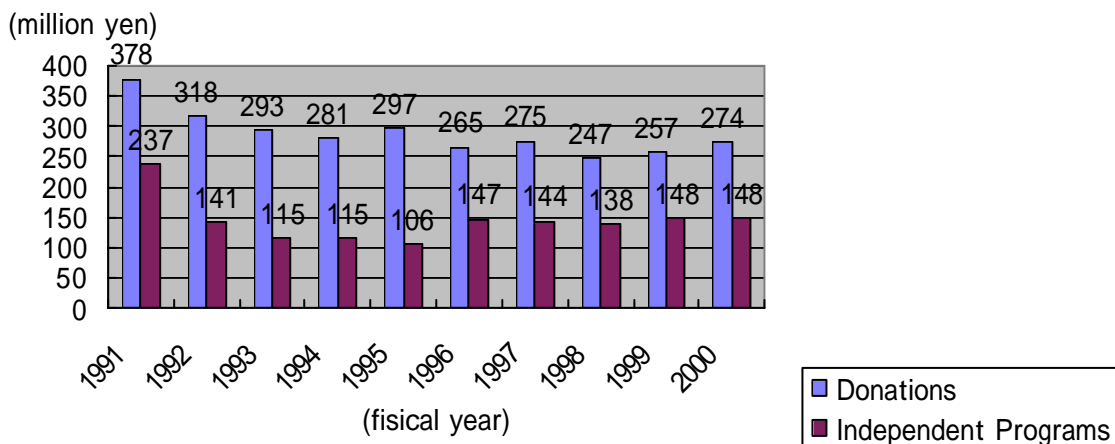
Within the philanthropic expenditure figures, among the 317 respondents the average amount per company spent on independent programs in fiscal 2000 was 148 million yen, the same as fiscal 1999.

Expenditure on Independent Programs

(in millions of yen)

Fiscal Year	1994	1995	1996	1997	1998	1999	2000
Total Amount	41,300	38,300	57,100	53,000	49,300	44,100	47,000
(Number of companies)	(361)	(361)	(387)	(367)	(357)	(298)	(317)
Average per company	115	106	147	144	138	148	148
(Growth Rate)	(0.0%)	(-7.8%)	(+38.7%)	(-2.1%)	(-4.2%)	(7.2%)	(0%)

<Chart 2: Average donations and independent programs per company>



C. Uses of Donations and Money Spent in Independent Philanthropic Programs

Upon classifying the ratio of donation expenditures by category, one sees that high ratio fields were “Academic Research” at 19.1% and “Community Involvement” at 12.6% or “Education” at 11.8%. On the heels of fiscal 1999, one observes that a large ratio of donations went into the “Other” category which includes either activities that did not fit well into the other 11 categories or activities to be included in several categories.

On the other hand, the categories with a high ratio of Expenditures in regards to corporate independent programs were “Community Involvement” rising by 5.9 points from the previous year to 22.5%, “Art/Culture” at 19.7%, and “Environmental Protection” at 11.5% in fiscal 2000.

	Donations		Independent Programs		
	Percentage of the Total for Fiscal 2000 (Number of companies: 318)	Percentage of the Total for Fiscal 1999	Percentage of the Total for Fiscal 2000 (Number of companies: 317)	Percentage of the Total for Fiscal 1999	
(1) Social Welfare	7.0%	8.6%	(iv)	10.9%	13.1%
(2) Health/Medicine	4.6%	5.0%		4.5%	3.4%
(3) Sports	6.1%	6.2%		8.3%	11.3%
(4) Academic Research	(i) 19.1%	18.1%		5.0%	7.1%
(5) Education	(iii) 11.8%	11.7%	(v)	8.7%	9.2%
(6) Arts/Culture	(iv) 10.1%	9.2%	(ii)	19.7%	22.0%
(7) Environmental Protection	6.8%	4.6%	(iii)	11.5%	10.1%
(8) Preservation of Historical Site and Traditional Culture	1.5%	2.4%		0.6%	0.7%
(9) Community Involvement	(ii) 12.6%	13.6%	(i)	22.5%	16.6%
(10) International Exchange/Cooperation	6.8%	5.6%		3.5%	3.5%
(11) Disaster Aid	4.0%	3.7%		0.7%	0.2%
(12) Others	(v) 10.0%	10.9%		4.1%	3.0%

*; (i)-(v) Top five in each category

IV. The Ratio of Donations to Tax Exemption Limits (Simple Average)

Although the application rate (simple average) of tax exemption limit to general donations was slightly rose over the previous fiscal year up to 48.5%. To the contrary, that to Designated Public Interest Organization was declined by 3.2 points down to 21.1%.

The number of companies that reached 100% of the tax exemption limit was 32 (11.6% of the respondents) for general donations and 13 (4.9% of the respondents) for Designated Public Interest Organization.

The Ratio of Donations to Tax Exemption Limits (Simple Average)

Fiscal Year	1994	1995	1996	1997	1998	1999	2000
Average Ratio to General Tax Exemption Limit	48.8%	52.8%	51.2%	55.1%	51.0%	47.7%	48.5%
(Companies responding)	(329)	(286)	(328)	(324)	(312)	(269)	(275)
Average Ratio to Tax Exemption Limit of Donations to Designated Public Interest Org.	27.2%	29.1%	24.8%	27.8%	22.9%	24.3%	21.1%
(Companies responding)	(318)	(269)	(313)	(315)	(302)	(259)	(266)

The Number of Corporations Which Gave Donations up to the 100% of Tax Exemption Limit

Fiscal Year	1994	1995	1996	1997	1998	1999	2000
General Tax Exemption Limit	30 corp.	25 corp.	34 corp.	51 corp.	42 corp.	32 corp.	32 corp.
(Ratio to companies responding)	(9.1% of 329 corp.)	(8.7% of 286 corp.)	(10.4% of 328 corp.)	(15.7% of 324 corp.)	(13.5% of 312 corp.)	(11.9% of 269 corp.)	(11.6% of 275corp.)
Tax Exemption Limit of Donations to Designated Public Interest Org.	22 corp.	12 corp.	19 corp.	20 corp.	13 corp.	12 corp.	13 corp.
(Ratio to companies responding)	(6.9% of 318 corp.)	(4.5% of 269 corp.)	(6.2% of 313 corp.)	(6.3% of 315 corp.)	(4.3% of 302 corp.)	(3.7% of 259 corp.)	(4.9% of 266 corp.)

V. III. The Average Donation Amount and Number of Donations per Company Divided According to the Type of Recipient

When looking at the average number and amount of donations per company divided according to the type of recipient, figures decline for numbers but rose for amounts over those recorded in fiscal 1999 for donations made to designated donations, donations made to Designated Public Interest Organizations or Nonprofit public interest organizations.

The Average Donation Amount and Number of Donations per Company Divided According to the Type of Recipient

amount of donations in million yen
(number of donations)

Fiscal Year	1994	1995	1996	1997	1998	1999	2000
National/Local governments				37 (25.7)	33 (21.0)	50 (26.6)	35 (27.5)
Designated donations	63	59	60	26 (17.7)	16 (18.4)	26 (21.7)	35 (18.1)
Designated Public Interest Organizations	69	72	77	93 (44.3)	80 (43.4)	82 (48.6)	85 (46.7)
Nonprofit public interest corporations				59 (28.9)	55 (34.6)	49 (25.5)	51 (21.5)
Specified nonprofit corporations						29 (7.3)	24 (6.7)
NPO/NGOs which do not have legal status as corporations	110	120	117	8 (32.5)	9.6 (40.2)	15 (24.5)	14 (17.0)
Others				72 (113.7)	62 (116.2)	74 (140.4)	71 (122.2)
Corporate Foundations of our own	71	99	118	110 (1.8)	105 (1.9)	110 (2.3)	81 (2.4)

Results of Philanthropic System Survey

Philanthropic activity promotion organizations within the Corporate Structure

The number of companies which established some types of philanthropic activity promotion organization was 187, or 55.2% of all responding companies. In particular, companies with "documentation of basic policies" (152) and "organization of an exclusive department or appointment of a director in charge of corporate philanthropy" (135) stand out.

Fiscal Year	~ 1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Number of corporations that introduced system	57	41	37	25	19	23	18	26	21	25	15	
Documentation of basic policies	38	16	18	15	9	8	5	18	10	11	4	152
Organization of an exclusive department or appointment of a director	21	24	19	14	6	12	8	10	9	8	4	135
Appointment of a director in branches	5	5	4	4	0	1	5	5	6	6	1	42
Establishment of a corporate philanthropy committee	9	13	8	6	3	5	4	6	3	7	5	69
Making the budget for philanthropic activities	17	14	7	4	3	8	1	6	4	3	3	70
Establishment of money conversion rules	3	7	6	2	1	4	1	5	1	3	0	33
Others	4	1	1	0	2	1	0	0	1	3	2	15
Total	97	80	63	45	24	39	24	50	34	41	19	516

Programs to support the philanthropic activities of employees

When looking at the data to discern conditions for companies introducing programs to aid personnel in participating in philanthropic activities, one sees that around half of the respondents at 168 companies have introduced some sort of program.

Especially striking is the number of firms setting up programs giving employees time off for volunteer activities at 94 cases and the number of firms giving employees time off to participate in the Japanese version of the Peace Corps at 77 cases.

Fiscal Year	~ 1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Number of corporations that introduced program	58	26	44	36	32	25	27	28	17	22	9	
Volunteer leave system	2	5	16	7	5	2	6	1	2	2	1	49
Japan Overseas												
Cooperation participation	15	12	18	9	14	3	4	1	0	1	0	77
Volunteer time-off system	0	5	16	16	9	10	14	7	7	8	2	94
Local community activity time-off system	1	2	5	4	4	0	1	2	1	2	0	22
Volunteer activist recognition system	6	3	8	4	3	3	3	5	1	0	2	38
Volunteer registration	2	0	2	6	6	5	3	4	2	5	2	37
Training in volunteer activities	1	0	2	4	2	0	1	1	3	3	2	19
Support for retired employees' volunteer activities	0	1	0	3	1	1	0	2	0	2	1	11
Matching gift system	1	2	8	5	0	5	4	3	6	2	0	36
Local community contribution activity campaign	10	8	9	1	1	1	2	6	2	4	2	46
Others	3	3	7	4	9	1	2	5	6	4	1	45
Total	41	41	91	63	54	31	40	37	30	33	13	474

Results of Case Survey

We received replies from 218 corporations in regards to the portion of the survey that asked companies to list three or fewer cases where the firm had clear intension and considered as effective philanthropic activities. The 218 corporations cited some 393 instances.

- (1) The number of Independent Programs (219 cases) is followed by Cash Donations(142 cases). One out of three reported cases is the combination of Donation, Independent Program, and Support voluntary activities by employees.
- (2) In 12 categories, the cases most often fit into “Art/Culture,” followed by “Environmental Protection,” “Education,” and “Community Involvement.”
- (3) When looking at the cases by intention, 145 cases intended to “support the community”. “Investment in future society” was the next.

Types of activities (multiple response)

Fiscal Year	2000		1999
	Number of cases		
Donations			
Cash	142	23.3%	23.4%
Goods	55	9.0%	7.8%
Facilities usage	42	6.9%	4.7%
Employees' participation	72	11.8%	9.3%
Others	21	3.4%	3.8%
Independent Programs	219	36.0%	37.4%
Support volunteer activities by employees	58	9.5%	11.9%
Others	-	-	1.7%
Sum	609	100.0%	100.0%

By category (multiple response)

Fiscal Year	2000		1999
	Number of cases		
Social Welfare	54	13.2%	15.3%
Health/Medicine	13	3.2%	3.5%
Sports	24	5.9%	5.1%
Academic Research	28	6.9%	5.6%
Education	54	13.2%	13.0%
Arts/Culture	67	16.4%	11.7%
Environmental Protection	61	15.0%	12.3%
Preservation of Historical Site and Traditional Culture	4	1.0%	2.6%
Community Involvement	54	13.2%	16.6%
International Exchange/Cooperation	32	7.8%	8.9%
Disaster Aid	10	2.5%	3.8%
Others	7	1.7%	1.4%
Sum	408	100.0%	100.0%

By intention (multiple response)

Fiscal Year	2000	
	Number of cases	
Support to community	145	37.7%
Supporting Company Employees '		
Participation in Philanthropy	36	9.4%
Power in Persistence	4	1.0%
Utilization of Professional Skills and Knowledge	29	7.5%
Partnership with Different Organizations	15	3.9%
Investment for Future Society	74	19.2%
Challenges for Management in Dealing with New Urgent Tasks	5	1.3%
Others	77	20.0%
Sum	385	100.0%

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