

Synopsis of the Survey
on
Corporate Philanthropic Activities
in Fiscal 2002

(Tentative Translation)

<Table of Contents>

Preface	1
I. Survey Summary	2
II. Expenditure Survey Results.....	3
1. Philanthropy-related expenditures	3
2. Percentage of philanthropy-related expenditures to current profit and others	5
3. Total Contributions	6
4. Expenditures on independent programs	8
5. Cash equivalence of contribution in kind, facility usage offers and employee participation.....	9
III. Results on Awareness/Program Survey	11
1. Actions on and Awareness of Corporate Philanthropic Activities	11
2. Current status of in-house system and program implementation for philanthropy promotion	13
3. Communications on Philanthropy.....	15
4. Support for volunteer activities conducted by employees	16
5. Corporate Foundation and Public-interest trust.....	17
6. Cooperation with and assistance for NPO and NGO	19

January 20, 2004
Nippon Keidanren

Preface

Since 1991, the Japan Business Federation (Nippon Keidanren) has conducted “Survey on Corporate Philanthropic Activities” targeting the members of the Federation as well as the corporate members of the “1% Club.” This is the year of the fifth major survey, which is conducted every three years, and we were able to conduct awareness surveys in addition to the expense and example surveys that we conduct annually. Despite being a lengthy survey, we received responses from 340 companies. We express deep appreciation, particularly to the staff in charge in each company, for the willingness to participate in our project.

Upon review of the survey results, we find that current and pretax profits of responding companies are improving from the previous fiscal year, and that the average philanthropy-related expenditures per company rose 9.9% to 376 million yen. Moreover, we are finding from the present survey that philanthropic expenditures by those corporations with capital of less than 10 billion yen were increasing despite the harsh economic climate, indicating that philanthropy is taking root and becoming a common practice for a wide range of companies.

In fiscal 2002, due to a series of corporate scandals, society as a whole began to demand corporate management based on “trust and responsibility.” This demand appears to result in some changes in the way each company sees philanthropy. The awareness survey shows that more and more companies are convinced of the importance of philanthropy as they deem it “part of the social responsibilities”, “contribution to the communities”, and “communication with the society.” It is also clear from the awareness survey that most of the companies are making efforts to promote philanthropy by sharing and communicating related information internally and externally and to gain the understanding and support of stakeholders. In fact, the number of companies that are disclosing information on philanthropic activities rose from 60% in fiscal 1993, to 90%, of overall respondents. Moreover, more companies are posting philanthropy-related information on the Internet and publishing the information as part of annual reports. Some companies even publish hard copies of “sustainability reports” featuring corporate actions on environment issues and social responsibilities.

In response to an increasing awareness through information sharing, we decided to include in the example survey of each company, instead of traditional tables of actual examples, questions about the company’s basic philosophy of philanthropy, the internal system for philanthropy promotion, policies to support volunteer activities by employees and concrete types of activities.

With global interest in corporate responsibilities to society growing rapidly, it is our sincere desire that the results of the present survey will provide basic data indicating a deep involvement by Japanese companies with social responsibility. Moreover, we hope that the companies will study and make the most of the survey results for future philanthropic activities and information sharing.

Morio Ikeda,
Chairman, Committee on Corporate Philanthropy

Josei Itoh,
President, 1% Club

I. Survey Summary

1. Target of the Survey

Corporate members of Japan Business Federation (Nippon Keidanren), corporate members of “1% Club” totaling 1,302 companies

2. Committee in charge

Committee on Corporate Philanthropy and 1% (One Percent) Club

3. Purpose of the Survey

To clarify the actual status of philanthropic activities by corporations, deepen understanding by the society, and make contribution to future development of activities.

4. Details of the Survey

Expenditures on philanthropy in fiscal 2002, percentage of the expenditure to current profit, current status of awareness on philanthropy as well as implementation of internal systems and programs, and actual philanthropy examples for each company.

5. Survey Period

August ~ October, 2003

6. Total Responses

340 companies (Response rate: 26.1%)

[Comparison: The number of companies responded in fiscal 2001 to the Actual Performance Survey conducted in July 2002 was 382 (out of 1,262 companies) for a response rate of 30.3%]

II. Expenditure Survey Results

1. Philanthropy-related expenditures*1

(1) Total philanthropy-related expenditures by the 316 companies that answered questions concerning philanthropy expenditure in fiscal 2002 was 119 billion yen, or 176 million yen per company, a 9.9% increase over fiscal 2001.

The average spending per corporate member of the "1% Club" (143 companies responded) in fiscal 2002 decreased, for the second year in a row, 5.1% from fiscal 2001, to 647 million yen. However, the average expenditure of "1% Club" members is 1.7 times that of the overall respondents. Moreover, the average expenditure per company for the 210 companies that responded in both fiscal 2001 and 2002 is 458 million yen.

Philanthropy-related Expenditures (in millions of yen)

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
Total expenditure	162,000	155,700	137,600	124,600	134,500	117,000	119,000
(Number of companies)	(405)	(376)	(360)	(309)	(323)	(342)	(316)
Average per company	400	414	382	403	416	342	376
(change from previous year)	(+1.0%)	(+3.5%)	(-7.7%)	(+5.5%)	(+3.2%)	(-17.8%)	(+9.9%)

Sub-total Expenditure for 1% Club member companies

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
Total expenditure	127,200	129,400	111,900	79,200	117,900	99,600	92,500
(Number of companies)	(188)	(185)	(173)	(115)	(167)	(146)	(143)
Average per company	677	699	647	689	706	682	647
(change from previous year)	(+7.5%)	(+3.2%)	(-7.4%)	(+6.3%)	(+2.6%)	(-3.4%)	(-5.1%)

(2) Out of 210 companies that responded to the survey in both 2001 and 2002, the number of companies that said the expenditure is higher in 2002 is 80 (38.1%) with 71 (34.0%) claiming an increase of 10% or more.

However, 124 companies, or more than half of the overall respondents, answered that their expenditures in 2002 were lower with 96 (45.7%) reporting 10% or more decrease.

Changes in philanthropy-related expenditures

(210 companies that answered for two consecutive years)

	Number of companies	Ratio to respondents
Increase in philanthropy-related expenditures	80	(38.1%)
10% or more increase	71	(34.0%)
Decrease in philanthropy-related expenditures	124	(59.0%)
10% or more decrease	96	(45.7%)

*1 Philanthropy-related expenditures

The philanthropy-related expenditures in the present survey comprises (1) total contributions (cash contributions and contributions in kind related to philanthropy regardless of tax deductibility status.), and (2) total of expenditures on philanthropy-related independent programs (including expenditures that are written off as advertisement and promotion expenses for tax purposes, but the companies consider, in reality, as philanthropic expense.)

(3) The following table is a comparative ratio by field of the philanthropy-related expenditures in fiscal 2002.

Out of the 275 companies that responded, contribution in simple average to academic and research fields was the highest (17.2%), followed by arts and culture (14.4%), education (13.1%) and community activities (12.7%).

Moreover, in regards to the estimation of the sum of the percentage of expenditures by field for overall respondents to the total expenditure, academic and research fields are the highest followed by arts and culture, education including social education, sports and environment.

	Ratio in Simple Average	Ratio to the Estimated Sum of Expenditures
(1) Social Welfare	7.1%	5.6%
(2) Health and Medicine	4.5%	6.3%
(3) Sports	7.3%	10.7%
(4) Academic Research	17.2%	18.7%
(5) Education	13.3%	11.4%
(6) Arts and Culture	14.4%	16.1%
(7) Environmental Protection	6.0%	9.5%
(8) Historical Sites & Traditional Arts Preservation	1.7%	0.9%
(9) Community activities	12.7%	8.9%
(10) International Exchange & Cooperation	6.4%	3.6%
(11) Disaster Relief	0.6%	0.3%
(12) Human Rights	0.2%	0.4%
(13) NPO Infrastructure Establishment	0.9%	0.3%
(14) Others	7.9%	6.7%

2. Percentage of philanthropy-related expenditures to current profit and others*²

- (1) The average amount of current profit per company that responded in fiscal 2002 rose 88.9% over the previous fiscal year to about 21.2 billion yen (332 firms responded). Moreover, the average pretax balance rebounded from loss to 1.27 billion yen profit. Furthermore, the number of companies reporting current and pretax losses decreased sharply, as evidenced by 31 companies, down 23 from the previous year, suffering current losses and 56 companies, down 56, posting pretax losses.

Average current and pretax profit per company (in millions of yen)

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
Average current profit	21,209	15,241	9,390	28,815	32,051	11,226	21,199
(Number of companies)	(419)	(385)	(367)	(316)	(336)	(364)	(332)
(change from previous year)	(+31.0%)	(-28.1%)	(-38.4%)	(+206.9%)	(+11.2%)	(-65.0%)	(+88.9%)
Average pretax profit	18,345	9,851	8,743	10,800	20,986	-4,226	12,720
(Number of companies)	(414)	(379)	(357)	(305)	(331)	(353)	(325)
(change from previous year)	(+14.7%)	(-46.3%)	(-62.0%)	(+188.5%)	(+94.3%)	(-120.1%)	(+130.1%)

- (2) The percentage of the philanthropy-related expenditures to current profit per company (simple average) grew 0.36 point over fiscal 2001 to 2.39% (267 firms responding). However, the percentage of expenditures to revenue was 0.13% (302 companies) and to pretax profit was 3.20% (233 firms), both figures showing slight drop over the previous fiscal year.

Incidentally, the percentage of expenditures to the current profit for “1% Club” member companies was 2.82% (121 firms), 0.43 point higher than the average of overall respondents.

Percentage of philanthropy-related expenditures (simple average) to revenue, current profit and pretax profit.

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
Percentage to revenue	0.18%	0.12%	0.10%	0.10%	0.10%	0.19%	0.13%
(Number of companies)	(384)	(363)	(342)	(283)	(303)	(322)	(302)
Percentage to current profit	2.40%	2.63%	2.59%	2.30%	1.51%	2.03%	2.39%
(Number of companies)	(368)	(337)	(295)	(279)	(308)	(275)	(267)
Percentage to pretax profit	2.88%	2.97%	2.70%	4.76%	2.56%	3.31%	3.20%
(Number of companies)	(350)	(319)	(256)	(229)	(274)	(218)	(233)

1% Club member companies

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
Percentage to revenue	0.21%	0.16%	0.13%	0.13%	0.13%	0.26%	0.21%
(Number of companies)	(179)	(180)	(165)	(111)	(162)	(143)	(140)
Percentage to current profit	2.69%	2.81%	3.22%	2.46%	1.91%	2.28%	2.82%
(Number of companies)	(178)	(170)	(147)	(109)	(162)	(120)	(121)
Percentage to pretax profit	3.07%	3.66%	3.15%	5.39%	3.25%	3.28%	3.63%
(Number of companies)	(167)	(162)	(122)	(93)	(142)	(98)	(103)

*² Percentage to current profit:

Average current profit and pretax profit per company in (1) are the average of overall respondents. Starting (2), it is the simple average of the percentage of philanthropy-related expenditures by companies that reported positive figures for each item.

3. Total Contributions *³

- (1) Average per company contribution in fiscal 2002 rose 12.8% over fiscal 2001 to 264 million yen (301 firms). Among these, the average for a member of the "1% Club" (138 firms) is 467 million yen, a 1,9% decrease over the previous fiscal year, but 230 million yen higher than the overall average.

Total Contributions		(in millions of					
Fiscal Year	1996	1997	1998	1999	2000	2001	2002
Total Amount	104,900	102,700	88,300	78,700	87,300	78,500	79,600
(Number of companies)	(396)	(373)	(357)	(306)	(318)	(336)	(301)
Average per company	265	275	247	257	274	234	264
(change from previous year)	(-10.8%)	(+3.9%)	(-10.2%)	(+4.0%)	(+6.6%)	(-14.6%)	(+12.8%)

Sub-total Donations for 1% Club member companies

Fiscal Year	1996	1997	1998	1999	2000	2001	2002
Total Amount	80,700	82,700	71,600	46,400	75,400	69,000	64,500
(Number of companies)	(185)	(183)	(172)	(115)	(164)	(154)	(138)
Average per company	436	452	416	403	460	476	467
(change from previous year)	(-5.8%)	(+3.6%)	(-8.0%)	(-3.1%)	(+14.1%)	(+3.5%)	(-1.9%)

yen)

- (2) Among 206 companies that responded for both fiscal 2001 and 2002, 95 (46.1%) reported higher contributions in 2002, while 104 (50.5%) said that they spent less in 2002.

Changes in total contributions	Number of companies	Ratio to respondents
Increase in total contributions	95	(46.1%)
10% or more increase	70	(34.0%)
Decrease in total contributions	104	(50.5%)
10% or more decrease	86	(41.7%)

- (3) The amount of the contributions by recipients of the contributions in fiscal 2002 are listed below.

The average amount of contribution by beneficiaries

(in millions of yen)

Fiscal Year	1996	1997	1998	1999	2000	2001	2002
(a) Contributions to the government and local municipalities	60	37	33	50	35	33	45
(b) Designated contributions		26	16	26	35	30	26
(c) Contributions to special public-interest promotion corporations and certified incorporated NPO.	77	93	8	82	85	75	62
(d) Contributions to public-interest corporations other than special public-interest promotion corporations.	117	59	55	49	51	53	88
(e) Contributions to incorporated NPO		80	10	29	24	21	
(f) Contributions to non-incorporated NPO				15	14	14	
(g) Others		72	62	74	71	71	
(h) Contributions to corporate foundations	118	111	105	110	81	67	58

*³ Contributions: In the present survey, contributions such as political donations and contributions to affiliates were excluded, and respondents were asked to answer questions only about

- (4) Average utilization rate of the maximum tax deductible contribution allowance was 43.4% for general contributions, 17.9 points lower than fiscal 2001, but was 26.2% for the contribution to special public-interest promotion corporations, which was about the level of fiscal 2001. For members of “1% Club”, the average utilization rate is higher than the average of overall respondents by 10.4 points in general contributions and 5.8 points in contributions to special public-interest promotion corporations.

Moreover, the number of firms that utilized the maximum tax-deductible contribution was 33 (12.9%) for general contributions and 14 (5.7%) for contributions to special public-interest promotion corporations, with 6 companies reporting full utilization for both contribution categories.

Utilization rate of maximum tax deductible contribution allowance

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
General contribution tax deductible allowance (Number of companies)	51.2% (328)	55.1% (324)	51.0% (312)	47.7% (269)	48.5% (275)	61.3% (272)	43.4% (255)
Special public-interest promotion corporation contribution allowance (Number of companies)	24.8% (313)	27.8% (315)	22.9% (302)	24.3% (259)	21.1% (266)	26.5% (265)	26.2% (245)

1% Club member companies

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
General contribution tax deductible allowance (Number of companies)	45.9% (150)	56.8% (164)	60.8% (151)	59.8% (100)	53.6% (143)	62.0% (119)	53.8% (117)
Special public-interest promotion corporation contribution allowance (Number of companies)	29.6% (147)	30.9% (161)	31.0% (149)	34.6% (100)	29.9% (140)	32.3% (119)	32.0% (116)

Companies with 100% maximum tax deductible contribution allowance utilization

Fiscal Year	1996	1997	1997	1999	2000	2001	2002
General contribution tax deductible allowance (Number of companies)	34	51	42	32	32	35	33
Ratio to the respondents	10.4%	15.7%	13.5%	11.9%	11.6%	12.9%	12.9%
Special public-interest promotion corporation contribution allowance (Number of companies)	19	20	13	12	13	13	14
Ratio to the respondents	6.2%	6.3%	4.3%	3.7%	4.9%	4.9%	5.7%
Special public-interest promotion corporation contribution allowance (Number of companies)	9	12	5	5	1	2	6
Ratio to the respondents	2.9%	3.8%	1.7%	1.9%	0.4%	0.8%	2.5%

contributions aimed at philanthropy.

4. Expenditures on independent programs*⁴

(1) Average per company expenditure on independent programs in fiscal 2002 was 118 million yen (299 firms), a 7.3% increase over fiscal 2001. Moreover, the average expenditure per “1% Club” corporate member (137 firms) was 174 million yen, a 15.5% drop from the previous fiscal year, but 5.6 million yen more than the overall average of respondents.

Expenditures on independent programs (in millions of yen)

Fiscal Year	1996	1997	1998	1999	2000	2001	2002
Total Amount	57,100	53,000	49,300	44,100	47,000	36,100	35,300
(Number of companies)	(387)	(367)	(357)	(298)	(317)	(328)	(299)
Average per company	147	144	138	148	148	110	118
(change from previous year)	(+38.7%)	(-2.1%)	(-4.2%)	(7.2%)	(0%)	(-25.7%)	(+7.3%)

Sub-total Donations for 1% Club member companies

Fiscal Year	1996	1997	1998	1999	2000	2001	2002
Total Amount	46,400	46,800	40,300	31,800	42,300	29,200	23,900
(Number of companies)	(183)	(180)	(171)	(111)	(163)	(142)	(137)
Average per company	254	260	236	287	260	206	174
(change from previous year)	(+47.4%)	(+2.4%)	(-9.2%)	(+21.6%)	(-9.4%)	(-20.8%)	(-15.5%)

(2) Out of 198 companies that responded for both fiscal 2001 and 2002, 49 (24.7%) reported higher expenditures on independent programs in fiscal 2002, while 75 (37.9%) said that the expenditures decreased in fiscal 2002.

Change in expenditures on independent programs (198 firms responded for two consecutive years).

	Number of companies	Ratio to respondents
Increase in expenditures on independent programs	49	(24.7%)
10% or more increase	33	(16.7%)
Decrease in expenditures on independent programs	75	(37.9%)
10% or more decrease	60	(30.3%)

*⁴ Expenditures on independent programs:

Philanthropic programs carried out independently by the company or jointly with other firms. In the present survey, we asked the respondents to include those programs that were written off as advertisement/promotion expense as independent programs as long as the main purpose of the program was philanthropy.

5. Cash equivalence of contribution in kind, facility usage offers and employee participation

- (1) Percentage of respondents that reported non-cash contributions for the purpose of philanthropy increased in fiscal 2002 in all categories: contributions in kind, facility usage offers and employee participation. The average per corporate member of “1% Club” were 11 ~ 14 points higher than the average per respondent in all categories.

Percentage of companies that made non-cash contributions

Fiscal Year (Number of respondents)	1996 (391)	1997 (370)	1997 (356)	1999 (301)	2000 (297)	2001 (311)	2002 (333)
Contribution in kind (Number of companies)	26.6% (104)	24.9% (92)	23.6% (84)	27.9% (84)	26.3% (78)	27.0% (84)	32.7% (109)
Facility usage offers (Number of companies)	27.4% (107)	30.0% (111)	31.7% (113)	31.2% (94)	30.0% (89)	27.7% (86)	30.6% (102)
Employee participation (Number of companies)	30.9% (121)	31.1% (115)	31.5% (112)	34.2% (103)	30.0% (89)	28.9% (90)	32.4% (108)
Others (Number of companies)			10.3% (39)	13.0% (42)	16.8% (50)	15.1% (47)	16.8% (56)

1% Club member companies

Fiscal Year (Number of respondents)	1996 (182)	1997 (181)	1997 (172)	1999 (114)	2000 (156)	2001 (137)	2002 (145)
Contribution in kind (Number of companies)	34.6% (63)	33.7% (61)	29.7% (51)	37.7% (43)	35.3% (55)	38.7% (53)	47.6% (69)
Facility usage offers (Number of companies)	33.5% (61)	38.7% (70)	40.7% (70)	40.4% (46)	38.5% (60)	40.1% (55)	43.4% (63)
Employee participation (Number of companies)	35.7% (65)	42.5% (77)	41.3% (71)	43.9% (50)	39.7% (62)	38.0% (52)	44.1% (64)
Others (Number of companies)			17.4% (31)	19.5% (23)	21.8% (34)	21.2% (29)	26.2% (38)

- (2) Cash equivalence of non-cash contributions showed that contribution in kind declined from fiscal 2001, but facility usage offers, employee participation and other categories were much higher in fiscal 2002. The average per member of "1% Club" topped the average per respondent in all categories---by 4 million yen in contributions in kind, 20 million yen in facility usage offers and by 24 million yen in employee participation. Percentage of total contributions in kind to total contributions was 19.1%.

Cash equivalence of non-cash contributions (in millions of yen)

Fiscal Year	1996	1997	1998	1999	2000	2001	2002
Contribution in kind	3,100	2,321	2,326	2,063	2,133	1,439	1,213
(number of companies)	(104)	(92)	(84)	(84)	(78)	(84)	(109)
Average per company	30	25	28	25	27	17	11
Facility usage offers	3,054	3,535	4,784	2,076	2,162	2,752	4,327
(number of companies)	(107)	(111)	(113)	(94)	(89)	(86)	(102)
Average per company	29	32	42	22	24	32	42
Employee participation	5,771	6,243	6,135	5,896	4,034	3,676	5,005
(number of companies)	(121)	(115)	(112)	(103)	(89)	(90)	(108)
Average per company	48	54	55	57	45	41	46
Others			2,126	2,070	2,053	2,342	4,655
(number of companies)			(39)	(42)	(50)	(47)	(56)
Average per company			55	49	41	50	83

Sub-total for 1% Club member companies

Fiscal Year	1996	1997	1998	1999	2000	2001	2002
Contribution in kind	2,328	1,873	1,472	951	1,778	1,143	1,050
(number of companies)	(63)	(61)	(51)	(43)	(55)	(53)	(69)
Average per company	37	31	29	22	32	22	15
Facility usage offers	1,778	2,850	3,931	956	1,781	2,148	3,924
(number of companies)	(61)	(70)	(70)	(46)	(60)	(55)	(63)
Average per company	29	41	56	21	30	39	62
Employee participation	4,191	5,248	5,551	3,729	3,555	3,279	4,455
(number of companies)	(65)	(77)	(71)	(50)	(62)	(52)	(64)
Average per company	64	68	78	75	57	63	70
Others			1,962	1,445	1,602	1,658	3,760
(number of companies)			(31)	(23)	(34)	(29)	(38)
Average per company			63	63	47	57	99

**Percentage of contributions in kind to overall contributions
(total amount only)**

Fiscal Year	1996	1997	1998	1999	2000	2001	2002
Overall non-cash contributions	11.4%	11.8%	17.4%	15.4%	11.9%	13.0%	19.1%
Contribution in kind	3.0%	2.3%	2.6%	2.6%	2.4%	1.8%	1.5%
Facility usage offers	2.9%	3.4%	5.4%	2.6%	2.5%	3.5%	5.4%
Employee participation	5.5%	6.1%	6.9%	7.5%	4.6%	4.7%	6.3%
Others			2.4%	2.6%	2.4%	3.0%	5.8%

III. Results on Awareness/Program Survey

In addition to the yearly expenditure survey, the present survey included surveys of programs for and awareness of philanthropy that are conducted every three years (conducted in fiscal '90, '93, '96 and '99 during the actual record survey). In the present survey, the basic philosophy on philanthropic activities, opinions on in-house organization, support for employee volunteer activities and the like were surveyed by revising questions to focus on such subjects as "major tasks over the next three years in promoting philanthropic activities" and "status of information disclosure." (Overall respondents, 338 firms. Multiple responses or no response were allowed depending on the question. In the table, "-" indicates the questions that involve projects not carried out in the fiscal year in question.)

1. Actions on and Awareness of Corporate Philanthropic Activities

(1) The number of companies responded "positive" or "fairly positive" for the question on attitude of its own company on philanthropy was 40.5%. The self-evaluation of the company's attitude on philanthropy showed little change since fiscal 1990.

Attitude on philanthropic action

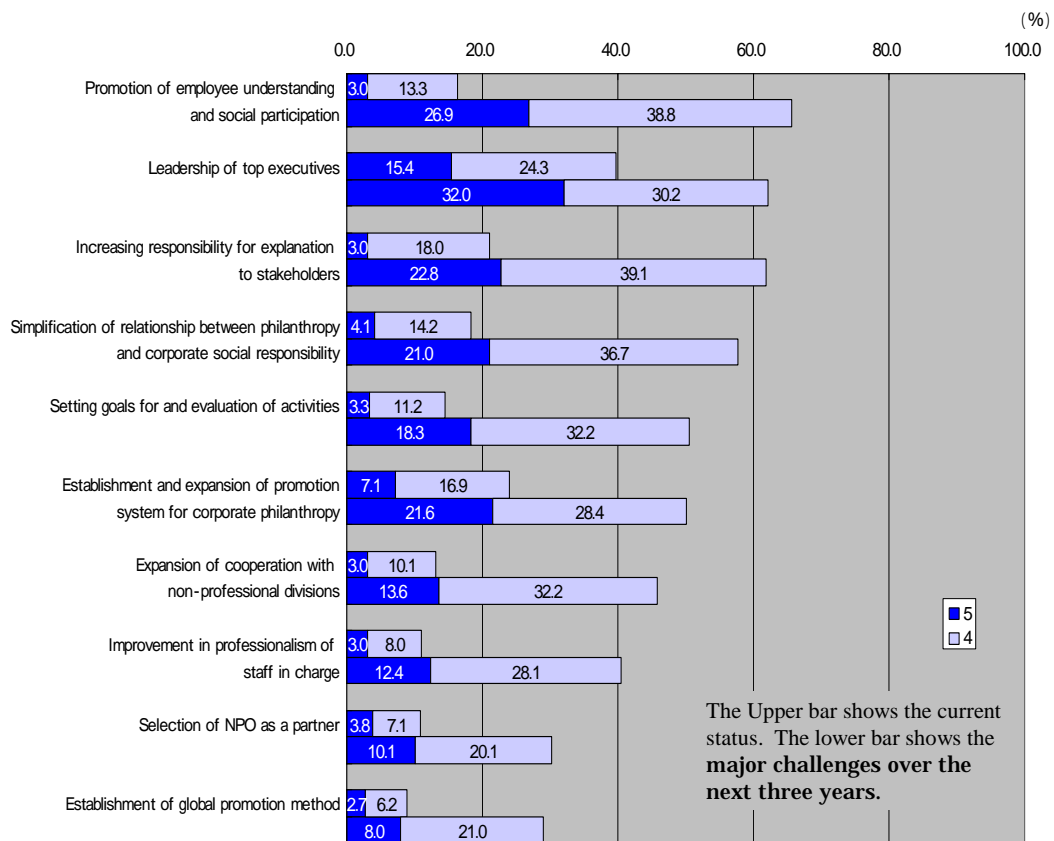
Fiscal Year	1990	1993	1996	1999	2002	
(a) Positive	18.7%	18.7%	18.4%	23.8%	18.9%	(64)
(b) Fairly positive	22.6%	20.7%	20.0%	20.4%	21.6%	(73)
(c) Average	40.8%	40.9%	41.0%	34.6%	37.0%	(125)
(d) Not so positive	13.1%	12.8%	12.1%	12.3%	13.6%	(46)
(e) Negative	2.2%	3.6%	3.7%	1.2%	4.1%	(14)
(f) No answer	2.5%	3.3%	4.7%	7.7%	4.7%	(16)

(2) For the question on how philanthropy is viewed, the response claiming "part of social responsibility" was the highest at 85.5%, followed by "contribution to community" at 72.2%, "communication with the society" at 43.2% and "sharing of profit with the society" at 43.2%. Moreover, comparing the top six answers since fiscal '90, "part of social responsibility" consistently scored higher than 80% and "communication with the society" rose sharply despite other answers decreasing. The newly added answer, "contribution to community" scored 72.2%.

How philanthropy is viewed

Fiscal Year	1990	1993	1996	1999	2002	
1. Part of social responsibility	88.0%	85.9%	84.4%	84.3%	85.5%	(289)
2. Contribution to community	-	-	-	-	72.2%	(244)
3. Communication with society	-	27.1%	30.8%	21.9%	43.2%	(146)
4. Sharing profit with the society	46.6%	36.6%	38.9%	47.2%	30.8%	(104)
5. A strategy to improve brand image	56.4%	38.9%	40.1%	35.5%	19.2%	(65)
6. A strategy to promote formation of corporate culture	23.7%	24.6%	23.3%	21.0%	10.1%	(34)
7. A strategy for raising the company's social sensitivity	-	-	-	-	7.4%	(25)
8. Investment in society	-	-	-	-	7.1%	(24)
9. A strategy for improving the company's competitiveness	-	-	-	-	2.4%	(8)
10. Opportunity for new business development	2.5%	2.6%	1.9%	1.9%	2.1%	(7)
11. A strategy for risk management	0.8%	1.3%	0.5%	0.6%	1.8%	(6)
12. A strategy for hiring and maintaining promising staff	1.7%	0.8%	0.0%	0.3%	1.2%	(4)
13. Others	4.5%	3.1%	3.3%	2.8%	2.1%	(7)

(3) For questions on status of actions on philanthropy, 39.7% reported satisfaction with current status for “leadership of top executives” and 24.0% for “establishment and expansion of promotion system.” On the other hand, for answers on which issues may become major challenges over the next three years, “promotion of employee understanding and social participation” accounted for 65.7% of overall respondents indicating high priority (sum of the firms marking priority of 5 or 4). The next three issues were “leadership of top executives” (62.2%), “increasing responsibilities for explanation to stakeholders” (61.9%), and “simplification of relationship between philanthropy and corporate social responsibilities” (57.7%). Moreover, analysis of the differences between priority and current status revealed that “promotion of employee understanding and social participation” had the biggest difference (49.4 points), followed by “responsibilities for explanation to shareholders” (40.9 points), “simplification of relationship with corporate social responsibilities” (39.4 points), “setting goals for and evaluation of activities” (36.0 points), and “expansion of cooperation with other divisions” (32.7 points).



2. Current status of in-house system and program implementation for philanthropy promotion

(1) The number of companies that established an in-house system for promotion of philanthropy rose to 221, a 65.4% of overall respondents. In particular, increase in affirmative responses to “spelling out of basic policies” (181 firms) and “establishment of professional division and/or staff in charge” (149 firms) is noticeable.

System for philanthropy promotion

(number of companies)

Fiscal Year	~ 1990	1991 ~ 1995	1996 ~ 2000	2001	2002	Not identified	Total	
0. Spelling out of basic policies	-	-	-	-	-	-	181	53.6%
1. Establishment of professional division and/or staff in charge	27	50	34	8	18	12	149	44.1%
2. Appointment of staff in charge for philanthropy in each plant and branch	3	10	11	2	4	2	32	9.5%
3. Establishment of promotion organization consisting of representatives from other divisions in the company.	6	17	18	3	17	8	69	20.4%
4. Establishment of organization including expertise from outside	0	1	1	1	1	2	6	1.8%
5. Implementation of budget system	7	18	12	0	11	37	85	25.2%
6. Formulation of cash equivalence conversion rule	2	5	8	5	6	21	49	14.5%
7. Others	0	5	0	1	8	1	15	4.5%
8. Changes in System	0	0	19	7	21	3	50	14.8%

* The number of companies that implemented an in-house system or program for philanthropy promotion was 221 (65.4%) out of 338 overall respondents.

There were 50 firms that experienced changes in the in-house system or programs with 21 of these carrying out the change in fiscal 2002 (including some in 2003). Moreover, consolidation with corporate communication divisions, establishment of company-wide organization for social responsibility, and change in division or name of the unit in conjunction with organization change are examples of concrete cases of changes.

The number of staff in charge of philanthropy is shown below.

Number of staff	Number of companies	Ratio to the respondents
1	21	14.1%
2	26	17.4%
3	30	20.1%
4	11	7.4%
5	13	8.7%
6	6	4.0%
7	7	4.7%
8	4	2.7%
9	4	2.7%
10	3	2.0%
more than 11	9	6.0%
with additional post	3	2.0%
not identified	3	2.0%

(2) Schematic program

- (a) The number of companies that include philanthropy in the annual budget increased from fiscal 1990 (7.8% -> 25.1%), the year the survey began, a virtual reversal of the number of companies that decided on philanthropy expenditure as a percentage of revenue, current profit or pretax profit (21.8% -> 6.2%)

Existence of budget system

Fiscal Year	1990	1993	1996	1999	2002	
(a) Philanthropy is included in annual budget	7.8%	13.8%	14.9%	28.1%	25.1%	(85)
(b) Philanthropy goal is set	21.8%	13.0%	11.2%	11.4%	6.2%	(21)
(b-1) Determined as percentage of sales	2.8%	1.3%	0.0%	0.3%	0.6%	(2)
(b-2) Determined as percentage of current profit	15.9%	10.0%	7.7%	6.8%	4.1%	(14)
(b-3) Determined as percentage of pretax profit	1.4%	1.0%	0.5%	0.6%	0.3%	(1)
(b-4) Determined by other unique index	1.7%	1.8%	2.8%	3.4%	1.2%	(4)

- (c) The number of companies that conduct post-project evaluations was higher than in the previous survey (34.6% -> 36.4%) with some firms (21.3%) using professional division for evaluation. However, some other firms are using outside professionals for evaluation. Criteria for post-project evaluation places importance on “quality evaluation” including “achievement level of predetermined goals” (16.9%), “social impact” and “comments from the beneficiaries of philanthropic projects.” There are quite a few companies that do evaluations based on quantifiable criteria such as “the number of activities” and “the number of beneficiaries.” Moreover, a growing number of firms are focusing on benefits for the employees as evidenced by emphasis placed on “the number of employees participating” and “impact on employees.”

Post-project evaluation of philanthropic activities

Fiscal Year	1990	1993	1996	1999	2002	
(a) Conduct post-project evaluations	-	-	26.1%	34.6%	36.4%	(123)
(a-1) Evaluated by board meetings	5.0%	4.3%	3.7%	0.9%	4.1%	(14)
(a-2) Evaluated by executive in charge of philanthropy	6.7%	8.7%	5.8%	3.1%	4.4%	(15)
(a-3) Evaluated by professional (responsible) division	15.4%	14.8%	13.5%	22.2%	21.3%	(72)
(a-4) Evaluated by company-wide organization other than the board	3.6%	6.9%	8.4%	8.0%	1.5%	(5)
(a-5) Evaluated by outside professionals	-	-	-	-	4.4%	(15)
(a-6) Others	-	-	-	-	3.6%	(12)
(b) No system for conducting post-project evaluation	71.8%	68.3%	68.1%	52.2%	55.9%	(189)

3. Communications on Philanthropy

- (1) Fully 90.8% of overall respondents said that philanthropy-related information should be disclosed, 15.5 points increase over the previous fiscal year. The number of companies that selected “to spell out responsibilities as business entity” and “management philosophy should be made known to society” as reasons for disclosure is rising.

Disclosure of philanthropic activities by companies

Fiscal Year	1990	1993	1996	1999	2002	
A. Should be disclosed	-	64.2%	68.8%	75.3%	90.8%	(307)
1. Information disclosure is prerequisite for fulfilling corporate responsibilities	33.2%	36.3%	35.7%	40.1%	54.4%	(184)
2. To emphasize the company’s position in regard to the society and to improve the corporate image.	47.8%	41.2%	43.8%	47.8%	43.5%	(147)
3. To convey management philosophy to shareholders, employees and clients	32.1%	25.3%	30.5%	27.2%	43.2%	(146)
4. To provide information to shareholders	5.3%	3.6%	7.0%	11.4%	14.8%	(50)
5. Examination of outside opinions help improve the company’s own philanthropy	8.7%	7.4%	5.1%	6.2%	8.3%	(28)
6. Others	2.5%	0.5%	0.5%	1.2%	1.5%	(5)
B. Should not be disclosed	-	29.9%	22.8%	11.4%	2.7%	(9)
1. To avoid misconception that the company is using philanthropy as advertisement and promotion	16.2%	12.8%	9.1%	3.4%	1.2%	(4)
2. To prevent influx of contribution requests	7.5%	9.2%	6.8%	3.7%	0.9%	(3)
3. To avoid negative impact on autonomy of the recipients	11.2%	12.3%	8.9%	6.8%	0.6%	(2)
4. Philanthropy should be done without recognition	10.9%	10.5%	9.1%	3.1%	0.6%	(2)
5. Others	3.4%	0.8%	0.9%	0.0%	0.3%	(1)

- (2) In regards to external disclosure methods for philanthropy-related information, using the “Internet Web page” was the most popular (57.7%), followed by “including in annual report” (39.6%) and “publishing sustainability report” (37.9%). The most common method of internal communication is “intranet and in-house mail” (44.7%).

Information disclosure means for the company’s own philanthropy

Fiscal Year	1990	1993	1996	1999	2002	
1. Post on Internet Web site	-	-	12.1%	36.4%	57.7%	(195)
2. Provide information using in-house mail, electronic display board and others	-	-	15.4%	34.0%	44.7%	(151)
3. Include in the annual report	-	-	-	25.0%	39.6%	(134)
4. Publish a sustainability report	-	-	-	-	37.9%	(128)
5. Publish information disclosure newsletter for in-house use	-	-	10.5%	4.9%	25.4%	(86)
6. Create flyers and booklets on philanthropy	-	-	18.9%	16.0%	16.0%	(54)
7. Others	-	-	9.6%	13.0%	9.5%	(32)

4. Support for volunteer activities conducted by employees

- (1) The number of companies that support employees' volunteer activities is growing rapidly, from 35.3% in fiscal 1993 to 60.9%. As for support methods, "implementation of volunteer holidays, leaves and recognition program" (41.1%) is the highest, followed by "providing information on volunteer activities" (35.5%) and "providing opportunity for volunteer activities" (32.0%).

Support for employees' volunteer activities

Fiscal Year	1990	1993	1996	1999	2002	
(a) Yes	-	35.3%	49.0%	61.1%	60.9%	(206)
(a-1) Established volunteer holidays, leaves and recognition programs	-	22.0%	33.1%	39.2%	41.4%	(140)
(a-2) Provide information on volunteer activities	-	15.3%	24.0%	32.1%	35.5%	(120)
(a-3) Provide opportunity for volunteer activities	-	10.2%	20.5%	28.4%	32.0%	(108)
(a-4) Make facilities available	-	9.7%	14.5%	18.8%	20.4%	(69)
(a-5) Give financial support	-	7.7%	9.6%	13.9%	17.5%	(59)
(a-6) Give material support	-	4.6%	8.4%	9.6%	11.5%	(39)
(a-7) Allow volunteer activities during regular work hours	-	4.9%	6.5%	5.9%	7.4%	(25)
(a-8) Others	-	2.8%	4.0%	5.6%	4.4%	(15)
(b) None	-	61.4%	47.6%	29.6%	34.9%	(118)

- (2) In regards to the reason for supporting volunteer activities, "leads to support and development of communities" (43.5%) is the highest, followed by "some employees desire support" (30.5%), "beneficial to have employees with community ties" (28.7%), and "contributes to employee training (27.5%).

Reason to support volunteer activities

Fiscal Year	1990	1993	1996	1999	2002	
1. Leads to support and development of	-	22.0%	29.6%	37.3%	43.5%	(147)
2. Some employees desire support	-	14.3%	19.1%	25.6%	30.5%	(103)
3. Beneficial to have employees with community ties other than the company	-	18.7%	26.1%	25.3%	28.7%	(97)
4. Contributes to employee training	-	9.5%	18.9%	22.5%	27.5%	(93)
5. Improves corporate image	-	9.2%	14.0%	19.8%	23.1%	(78)
6. Increases employee pride for the company	-	9.0%	11.9%	17.3%	21.3%	(72)
7. Others	-	0.8%	2.1%	2.8%	3.3%	(11)

- (3) Current status of implementation of employee volunteer activity support program by corporations

Fiscal Year	~ 1990	1991 ~ 1995	1996 ~ 2000	2001	2002	Not identified	Total	
1. Volunteer leave program	5	23	20	2	1	1	52	15.4%
2. Leave for participation in Japan Overseas Cooperation Volunteers	17	38	11	1	1	3	71	21.0%
3. Volunteer holiday program	1	37	34	7	10	3	92	27.2%
4. Volunteer activity participant recognition program	3	15	7	3	4	5	37	10.9%
5. Volunteer activity participant registration program	0	11	12	1	1	3	28	8.3%
6. Volunteer training program	0	6	7	1	0	3	17	5.0%
7. Retiree volunteer support program	0	3	11	1	3	3	21	6.2%
8. Matching gift fund support program	1	15	17	1	10	3	47	13.9%
9. Community contribution activity promotion campaign	3	18	10	3	8	5	47	13.9%
10. Others	0	16	13	3	5	3	40	11.8%

5. Corporate Foundation and Public-interest trust

(1) The companies that have their own foundation or public-interest corporation account for 36.1% and 5.3% respectively of overall respondents. However, the number of companies in this category has not changed much from fiscal 1990, the first year of the survey. In regards to the relationship between the company and the foundation, 80.3% of 122 firms that established their own foundation continue to support the foundation by “increasing basic assets or contributions even after establishment.” Moreover, fully 94.3% of the companies make some kind of human resource support for the foundations. About 51.6% of total respondents said that the company and the foundation “conduct some activities together.”

Companies having corporate foundations & public-interest trust

Fiscal Year	1990	1993	1996	1999	2002
(a) Corporate Foundation					
(a-1) Yes	34.4%	31.7%	31.5%	31.5%	36.1% (122)
(b-1) None	57.0%	60.1%	61.1%	53.1%	55.6% (188)
(b) Public-interest trust					
(b-1) Yes	0.8%	2.3%	2.6%	2.5%	5.3% (18)
(b-2) None	76.3%	72.6%	75.1%	67.0%	77.5% (262)

Relationship with the foundation

Fiscal Year	2002
(a) Financial assistance	
(a-1) Supplies basic assets at the time of establishment only	80.3% (98)
(a-2) Increases basic assets or contributions even after establishment.	13.1% (16)
(a-3) Others	6.6% (8)
(b) Human resource support	
(b-1) Board members and employees of the company are serving as board members of the foundation	75.4% (92)
(b-2) Board members and employees of the company are transferred to the foundation.	53.3% (65)
(b-3) No human resource assistance is given to the foundation.	5.7% (7)
(b-4) Other	4.9% (6)
(c) Joint activities	
(c-1) Some philanthropic activities are conducted by the company and the foundation jointly.	51.6% (63)
(c-2) The company and the foundation do not have joint activities but exchange information.	35.2% (43)
(c-3) There is no cooperation between the company and the foundation.	9.0% (11)
(c-4) Other	3.3% (4)

*100%=122 companies that have corporate foundations.

- (2) In regards to activities through the foundation, 29.6% of respondents said that “public-interest activities are promoted based on the intent of establishment,” 18.3% said that “stable project size is assured,” and 18.0% claimed that “the plan is made based on long-term prospects.”

On the other hand, desire for more flexible foundation administration is indicated with responses such as “project contents are rigid” (15.4%), “project size is restricted every year “ (14.2%) and “unable to respond to urgent matters” (8.3%). Moreover, quite a few companies pointed out problems in establishing foundations saying that the funds needed for establishment and maintenance of a foundation are too heavy” (13.3%).

Merits of activities through the foundation

Fiscal Year	1990	1993	1996	1999	2002	
(a) Be able to promote public-interest projects based on the intent of establishment.	-	-	-	-	29.6%	(100)
(b) Stable project size is assured.	29.9%	24.3%	21.7%	19.1%	18.3%	(62)
(c) Be able to plan projects from long-term prospective.	29.3%	27.1%	20.3%	18.5%	18.0%	(61)
(d) The foundation is able to make its own decisions.	20.9%	18.4%	20.0%	20.7%	13.6%	(46)
(e) Be able to respond to contribution requests professionally and rationally.	10.3%	11.5%	9.8%	10.8%	6.5%	(22)
(f) Other	2.2%	1.5%	0.9%	2.2%	0.6%	(2)

Problems of philanthropic activities through foundations

Fiscal Year	1990	1993	1996	1999	2002	
(a) Project contents are rigid	14.0%	11.3%	9.3%	12.0%	15.4%	(52)
(b) Project size is restricted every year.	21.2%	18.4%	14.7%	10.5%	13.3%	(45)
(c) Large amount of funds is required for administration of foundations.	16.2%	11.8%	10.3%	10.5%	14.2%	(48)
(d) Unable to respond to urgent matters.	9.2%	8.7%	5.4%	7.1%	8.3%	(28)
(e) Percentage of overhead expense is high.	11.7%	7.9%	6.8%	5.6%	6.2%	(21)
(f) Cooperation with the professional division or division	-	-	-	4.9%	4.7%	(16)
(g) Has no choice but to accept personnel from supervising government offices	1.7%	2.0%	1.2%	0.6%	1.2%	(4)
(h) Others	2.2%	2.0%	3.7%	1.5%	1.2%	(4)
(i) No special problems.	11.5%	7.4%	7.7%	8.6%	6.5%	(22)

6. Cooperation with and assistance for NPO and NGO

- (1) Companies see NPO and NGO as “drivers for creation of a civil society” (69.5%) and “partner for philanthropy promotion” (50.9%), indicating high expectations for NPO and NGO.

Expectations for NPO and NGO

Fiscal Year	1990	1993	1996	1999	2002	
(a) To become driver for creation of a diversified civil society	-	-	57.6%	60.2%	69.5%	(235)
(b) To become powerful partners for philanthropic activity promotion	-	-	37.1%	44.8%	50.9%	(172)
(c) To become the main force replacing the government for providing services	-	-	23.1%	21.3%	27.5%	(93)
(d) To become providers of volunteer opportunities for company employees	-	-	16.6%	14.2%	17.8%	(60)
(e) To become watch dogs for the society	-	-	-	-	16.6%	(56)
(f) To become partners for project execution	-	-	2.8%	3.1%	8.0%	(27)
(g) To become spokespersons for minority opinion holders	-	-	5.1%	4.3%	5.3%	(18)
(h) No special expectations	-	-	-	-	11.8%	(40)
(i) Others	-	-	2.6%	0.6%	0.9%	(3)

- (2) In regard to the company’s relationship with NPO, 44.1% of the overall respondents said they “support NPO”, and 26.3% claimed that “some projects are executed jointly”, indicating positive relationships. On the other hand, 38.8% expressed that “there is no direct contact.”

Moreover, the companies responding positively to NPO and NGO (16.3% including “positively” and “somewhat positively”) said that the relationship is diversified including “support” and “joint projects.” Moreover, 30.8% of those that responded “average relationship” (38.5% overall) engage in joint projects. Even among the firms that said they have had “not so positive relationships” (36.4%, including “negative” and “somewhat negative,”) 18.7% support contact with NPO. However, 75.6% of the firms in this category said that they have no direct contacts with NPO.

Relationship with NPO

Fiscal Year	1990	1993	1996	1999	2002	
(a) Support NPO (cash contribution, contribution in kind, facility usage offers and others)	-	-	-	-	44.1%	(149)
(b) Some projects conducted jointly	-	-	-	-	26.3%	(89)
(c) Transfer or dispatch of employees from the company	-	-	-	-	8.6%	(29)
(d) Hold dialogue with NPO to know its advocacy	-	-	-	-	4.4%	(15)
(e) Accept evaluation by NPO positively	-	-	-	-	2.4%	(8)
(f) Others	-	-	-	-	3.3%	(11)
(g) No direct contact with NPO	-	-	-	-	38.8%	(131)

Willingness to establish relationship with NPO and NGO

Fiscal Year	1990	1993	1996	1999	2002	
Positive	-	-	4.2%	9.0%	7.7%	(26)
Slightly positive	-	-	14.0%	16.7%	8.6%	(29)
Average	-	-	-	-	38.5%	(130)
Slightly negative	-	-	28.9%	27.8%	18.9%	(64)
Negative	-	-	32.4%	21.3%	17.5%	(59)

- (3) In assisting and cooperating with NPO and NGO, companies focus on “transparent administration”, “consistency with the company’s basic policies and field”, and “program planning and proposal capability.”

Points of focus in assisting and cooperating with NPO and NGO

	5	4	1 ~ 3
(1) Transparent administration	54.6%	29.2%	16.2%
(2) Consistency with the basic policy and field of the company	47.6%	33.9%	18.5%
(3) Program planning and proposal capability	40.6%	42.1%	17.3%
(4) Activity track record	32.1%	48.0%	19.9%
(5) Professionalism of NPO and NGO	24.7%	43.9%	31.0%
(6) Leadership of representatives	22.5%	36.9%	40.2%
(7) Environment that makes participation and cooperation by employees comfortable	20.7%	34.7%	44.3%
(8) Network run by NPO and NGO	18.5%	39.9%	41.7%

*5: Very important, 4: Important, 3: Fair, 2: Not so important, 1:Not important
 The number of respondents: 271 companies

