

July 3, 2023

(July 13, 2023, revision)

(January 10, 2024, revision)

Ministry of Economy, Trade and Industry

Economic and Social Policy Office, Economic and Industrial Policy Bureau

Notice of Revision to the Nadeshiko Brands Report for FY2022

On July 3, 2023, the Chiba Bank, Ltd. was excluded from the Nadeshiko Brands Selected Companies for FY2022.

On July 13, 2023, Fujitsu Limited was excluded from the Nadeshiko Brands Selected Companies for FY2022.

On January 10, 2024, Sompo Holdings, Inc. was excluded from the Nadeshiko Brands Selected Companies for FY2022.

Please note that the information in this report is that of March 22, 2023, and does not reflect any subsequent changes.

FY 2022 Nadeshiko Brands

1. Overview of Nadeshiko Brands

Overview

The Nadeshiko Brands initiative aims to introduce certain Tokyo Stock Exchange(TSE)-listed enterprises that are outstanding in terms of encouraging women's empowerment in the workplace as attractive stocks to investors who place emphasis on improving corporate value in the medium- and long-term, thereby further raising investors' interest in such enterprises and accelerating the encouragement of women's empowerment in outstanding enterprises. This year marks the 11th round of the Nadeshiko Brands, and it has been updated to promote the disclosure of information related to efforts to encourage women's empowerment, in addition to selecting enterprises that encourage women's empowerment as part of their business strategy.

METI and the TSE assessed 312 TSE-listed enterprises that responded to the survey. The most outstanding enterprise in each industry was then selected to be a Nadeshiko Brand, for a total of 17 enterprises.

17 Industries

1	FOODS	7	STEEL & NONFERROUS METALS	13	COMMERCIAL & WHOLESALE TRADE
2	ENERGY RESOURCES	8	MACHINERY	14	RETAIL TRADE
3	CONSTRUCTION & MATERIALS	9	ELECTRIC APPLIANCES & PRECISION INSTRUMENTS	15	BANKS
4	RAW MATERIALS & CHEMICALS	10	IT & SERVICES, OTHERS	16	FINANCIALS (EX BANKS)
5	PHARMACEUTICAL	11	ELECTRIC POWER & GAS	17	REAL ESTATE
6	AUTOMOBILES & TRANSPORTATION EQUIPMENT	12	TRANSPORTATION & LOGISTICS		

2. Judges

Name	Organization
Tetsuo Kitagawa, Dr	Emeritus Professor of Aoyama Gakuin University and Professor of Tokyo Metropolitan University
George Iguchi	Executive Officer, Deputy Head of Investment Division, Chief Corporate Governance Officer
Katsuya Kikuchi	Associate Director of Tokio Marine Asset Management Co., Ltd.
Kaoru Kobu	Head of ESG, Japanese Equity Investment, Invesco Asset Management Japan
Hiroki Sato	Professor Emeritus, the University of Tokyo
Ken Shibusawa	Chief Executive Officer, Shibusawa and Company, Inc.
Yoshiko Takayama	Managing Director of J-Eurus IR Co., Ltd.
Nomura Hiroko	Distinguished Invited Professor, Tokyo Kasei Gakuin University

3. Selection Process



*Prime : For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, keep a higher quality of corporate governance, and commit to sustainable growth and improvement of medium- to long-term corporate value, putting constructive dialogue with investors at the center.

Standard : For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments in the open market, keep the basic level of corporate governance expected of listed companies, and commit to sustainable growth and improvement of medium- to long-term corporate value.

Growth : For companies which have a certain level of market value by disclosing business plans for realizing high growth potential and their progress towards these appropriately and in a timely manner, but at the same time pose a relatively high investment risk from the perspective of business track record.

4. Screening and Quantitative Review

- METI and the TSE assessed 312 TSE-listed enterprises based on screening criteria and scoring items below.

Screening Criteria

- ✓ Listed enterprise that has at least one female director (either internal or external).
- ✓ The enterprise that has an action plan based on The Act on Promotion of Women's Participation and Advancement in the Workplace*1 (for companies with 101 or more employees).
- ✓ The enterprise that discloses the ratio of women in managerial positions in The Database on Promotion of Women's Participation and Advancement in the Workplace.*2
- ✓ The enterprise that does not have negative ROE for the last three years.

Quantitative Scoring Items

Percentage of Women on Boards	Officer*3
	Director
	Inside director
	Executive director*4
Percentage of women in the workplace	Managers
	Section chiefs
	Full-time employees*5 employment rate
	Full-time employees
	Gender gap in promotion from section chief to managerial positions
	Gender gap in promotion from manager to executive officer positions
	Gender gap in average years of service of full-time employees
	Percentage of female full-time employees returning to work from maternity leave

*1 The Act on Promotion of Women's Participation and Advancement in the Workplace is a Japanese law to promote the participation and advancement of women in labor force.

*2 it is a website that discloses data, action plans and assessments regarding women's participation in each company, based on The Act on Promotion of Women's Participation and Advancement in the Workplace.

*3 Total number of directors, supervisory director and executive officer.

*4 A position in charge of the execution of a company's business.

*5 Full-time workers who are employed permanently. It does not include contract, temporary employment, and part-time indefinite employment.

5. Qualitative Review (1/2)

- In addition to a quantitative questionnaire regarding women's empowerment, enterprises that completed a qualitative questionnaire consisting of the following 4 questions under 4 pillars were assessed.

Questions	
-	Basic corporate information
1	Integration of women's success into corporate strategy
2	Approach to promote women's empowerment in the workplace
3	Contribution to the enhancement of corporate value
4	Information disclosure on progress regarding women's empowerment in the workplace

I . Strategy	
① High-level Corporate Leadership	<ul style="list-style-type: none"> • The enterprise clearly and logically explains enterprise's commitment to promote the active participation of women in the workplace. • CEO and the executive team recognize the importance of women's participation and advancement in the workplace, and it is integrated into the corporate strategy. Eg: KPIs and roadmaps are developed. • The enterprise commits to internally communicating the purpose and vision regarding women's empowerment throughout the organization.
② Integration of women's empowerment into corporate strategy	<ul style="list-style-type: none"> • The enterprise has positioned its management strategy and human resource strategy (promoting women's empowerment) based on its goal of enhancing corporate value. • The enterprise quantitatively measures the gap between the current and preferred state regarding women's empowerment in the workplace and has developed an appropriate human resources strategy. • The enterprise holds discussions regularly at the director and management levels and has established a monitoring system. • The enterprise focuses on enhancing corporate value by promoting women's empowerment in the workplace.

5. Qualitative Review (2/2)

II. Effort/Action	
③ Set appropriate KPI based on the corporate strategy	<ul style="list-style-type: none"> • The enterprise clarifies the definition of the indicators and the rationale for KPIs considering business conditions, management issues, the progress of promoting women’s empowerment and comparability. • The enterprise has set ambitious targets aimed at enhancing corporate value.
④ Implementation of initiatives in line with the needs of enterprise	<ul style="list-style-type: none"> • The enterprise is aware of the current status of progress and achievements. • The enterprise has developed upcoming initiatives and activities based on the current state analysis. • The enterprise has explained PDCA cycle in detail.
III. Outcome	
⑤ Contribution to the enhancement of corporate value	<ul style="list-style-type: none"> • The enterprise has elaborated the business results. • The enterprise has explicitly explained the long-term enhancement of corporate value through innovation.
IV. Disclosure	
⑥ Information disclosure	<ul style="list-style-type: none"> • The enterprise recognizes the importance of disclosing information and has a solid plan to do so. • The enterprise discloses information regarding promoting women's active participation in the workplace through appropriate media and utilized it in dialogue with stakeholders.

6. Industry Trends (Comparison of resulting scores)

<Average score of each industry for scoring items**>

■ Highest ■ Lowest

	Energy Resources	Pharmaceuticals	Transport & Logistics	Machinery	Financials (ex Banks)	Banks	Construction & Materials	Automobiles & Transportation Equipment	Commercial & Wholesale Trade	Retail Trade	IT & Services, Others	Foods	Raw Materials & Chemicals	Steel & Nonferrous Metals	Electric Appliances & Precision Instruments	Electric Power & Gas	Real Estate
Operating Officer	14.6	15.0	17.0	12.1	9.4	12.3	13.7	14.8	15.0	17.1	18.0	15.2	17.8	15.9	12.9	15.3	15.0
Director	14.8	14.5	15.2	13.8	9.4	14.0	15.5	15.4	12.8	17.2	19.3	15.8	17.6	14.6	12.8	15.4	14.6
Inside director	4.5	1.4	4.4	1.5	0.9	3.2	5.1	1.9	0.0	8.5	8.4	8.1	6.2	5.0	0.0	1.4	0.0
Executive Officer	6.3	5.1	12.4	4.9	6.2	8.3	5.8	2.1	1.0	2.6	8.8	7.6	7.3	6.6	1.9	8.5	3.8
Managers	11.8	4.1	14.0	9.9	4.4	20.7	16.9	4.2	2.4	5.8	18.2	18.3	8.8	12.9	2.2	7.2	4.7
Section chiefs	23.9	13.6	25.8	20.3	9.7	50.4	44.9	24.6	4.8	19.6	36.6	27.4	15.7	22.2	7.0	13.5	11.1
Full-time employee employment rate	35.9	20.2	43.7	32.9	18.6	46.0	49.6	23.7	17.7	33.4	53.7	44.1	37.5	36.0	15.0	27.6	21.6
Full-time employees	29.1	15.8	29.7	28.0	14.8	47.2	46.0	17.3	13.3	26.8	42.9	35.0	25.6	28.3	10.9	21.6	14.9
Gender gap in average years of service of full-time employees*	81.6	84.9	86.6	71.3	75.6	89.0	81.7	77.3	85.2	79.1	75.1	82.9	78.2	83.7	79.3	84.8	93.6
Percentage of female full-time employees returning to work from maternity leave	96.4	98.3	96.4	96.2	96.8	89.0	96.9	98.1	99.4	94.4	94.3	96.4	96.9	96.2	97.1	98.7	99.8

Qualitative research analysis is not included in the English version of the report.

*The figures indicate the percentage of women with men as 100%.

**Figures in error due to the automatic calculation of the quantitative questionnaire are not included in the statistics

7. Selected Enterprises

Name of industry type	Name of selected enterprise
FOODS	Ajinomoto Co., Inc.
ENERGY RESOURCES	Idemitsu Kosan Co.,Ltd.
CONSTRUCTION & MATERIALS	LIXIL Corporation
RAW MATERIALS & CHEMICALS	Shiseido Company, Limited
PHARMACEUTICAL	Otsuka Holdings Co., Ltd.
AUTOMOBILES & TRANSPORTATION EQUIPMENT	AISIN CORPORATION
STEEL & NONFERROUS METALS	Furukawa Electric Co., Ltd.
MACHINERY	Komatsu Ltd.
ELECTRIC APPLIANCES & PRECISION INSTRUMENTS	Fujitsu Limited
IT & SERVICES, OTHERS	Members Co., Ltd.
ELECTRIC POWER & GAS	TOKYO GAS CO.,LTD
TRANSPORTATION & LOGISTICS	Mitsui O.S.K. Lines, Ltd.
COMMERCIAL & WHOLESALE TRADE	Sojitz Corporation
RETAIL TRADE	MARUI GROUP CO., LTD.
BANKS	The ChibaBank, Ltd.
FINANCIALS (EX BANKS)	Sompo Holdings, Inc.
REAL ESTATE	Mitsui Fudosan Co., Ltd.