

Japan's Best Global Brands 2012

Press Release

14 February 2012

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brand value™

Interbrand

Announcing Japan's Top 30 Global Brands and Top 30 Domestic Brands

Japan's top brands maintained their value despite the earthquake, flooding, and appreciating yen.

Nissan and Bridgestone jumped in brand value.

Subaru, Fujifilm, and Muji made the rankings for the first time, while Olympus and TEPCO dropped out.

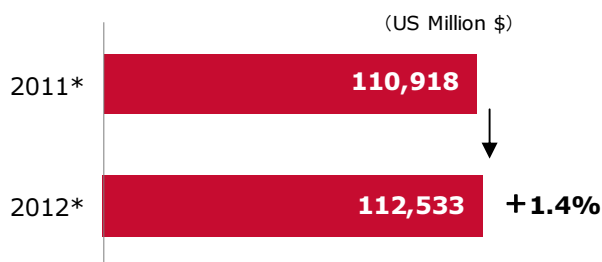
Global brand consultant Interbrand has released "**Japan's Best Global Brands 2012**," its fourth annual ranking of the value of Japanese brands against a global standard. The list ranks the value of global brands originating in Japan — brands of Japanese companies doing business globally — converted into monetary amounts. The results of this ranking can be compared with "**Best Global Brands**," the ranking of the top 100 global brands that Interbrand has published every year since 1999. In addition, Interbrand has also released its second annual ranking of "**Japan's Best Domestic Brands**."

Interbrand “Japan’s Best Global Brands 2012”

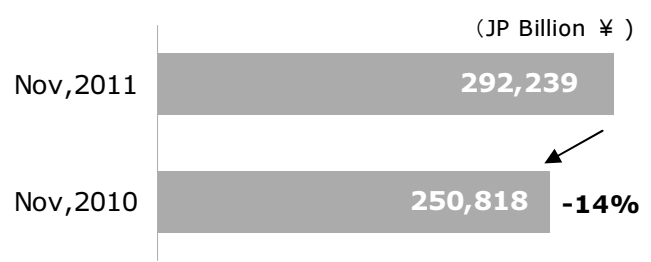
“Japan’s Best Global Brands 2012”

In 2011 the overall standing of Japanese brands was shaken — by production lines brought to a halt by the Tohoku earthquake and tsunami, by flooding in Thailand, and by concerns about the safety of Japanese products, particularly food products, due to radiation from the Fukushima plant. Yet the total value of Japan’s top 30 global brands rose slightly (1.4%) over the previous year. A comparison of the total market value of the companies listed on the First Section of the Tokyo Stock Exchange on the days that Japan’s Best Global Brands were assessed for 2011 and 2012 shows a drop in share prices, yet companies included among “Japan’s Best Global Brands” raised the value of their own brands, indicating that brands do have value as beneficial corporate business assets. Adequate investment in brands brought many benefits to corporate activities even during a time of crisis, and great advantages in terms of business continuity.

- Japan’s Best Global Brands
Total Value of Top 30 Brands
(Year-over-year)



- Total Value of the TSE First Section
(End of Nov. 2010/End of Nov. 2011)



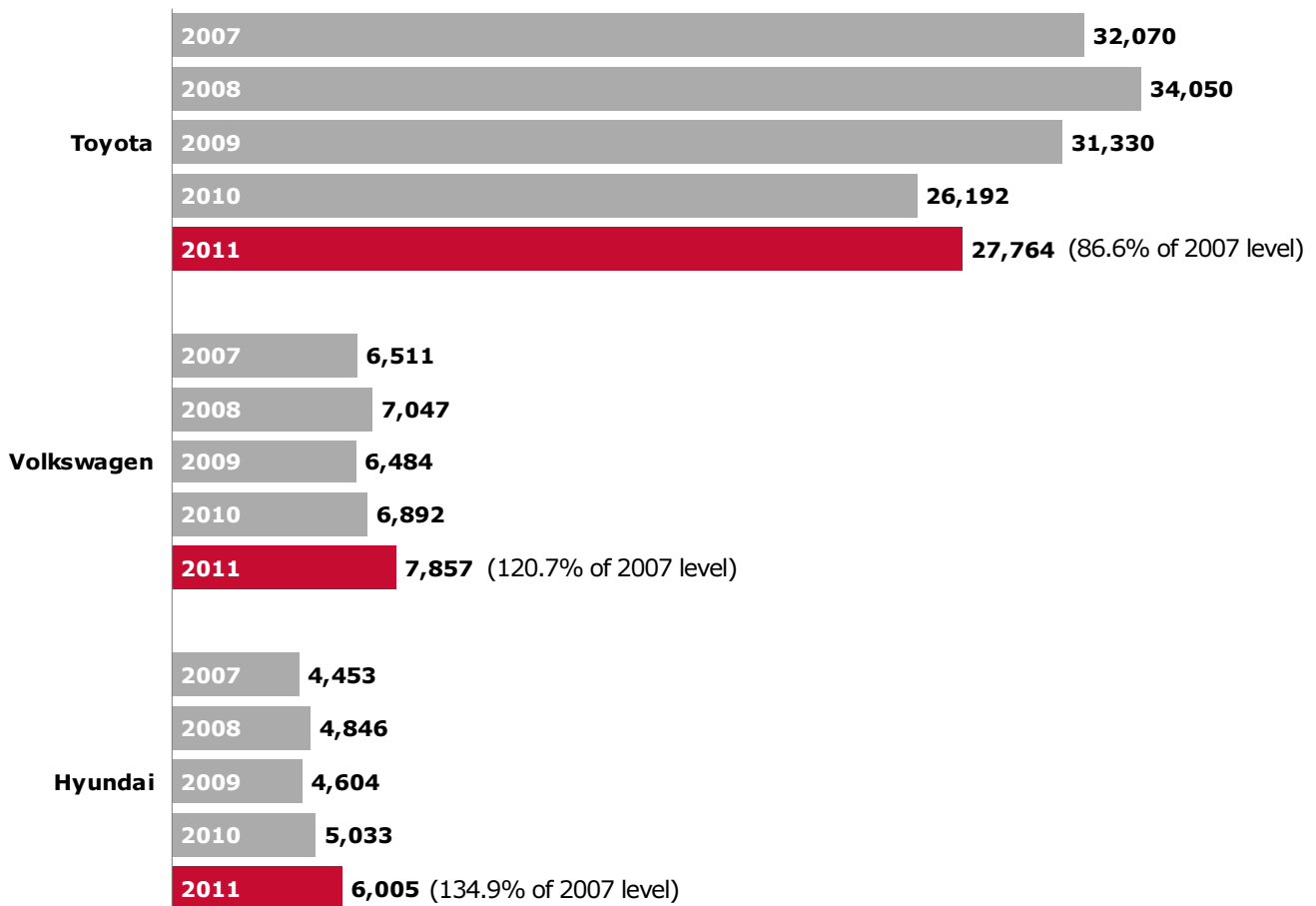
* Financial analysis of Japan’s Best Global Brands is based on analyst consensus data from the following dates:
2011 Ranking: 18 November 2010
2012 Ranking: 25 November 2011

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Environmental Consciousness and the Rapid Growth of Emerging Markets is Driving Increased Brand Value in the Automotive Segment

Recall issues in 2010 temporarily damaged confidence in **Toyota** (+8%; #1) but with the success of the **Prius** cementing the brand's green image and its No. 1 ranking in "**Best Global Green Brands 2011**," published by Interbrand in July 2011, the brand's global reputation for environmental consciousness leaves competitors far behind. However, Germany's **Volkswagen** and Korea's **Hyundai Motors**, global brands that produce mostly mass-market cars in the same category as **Toyota**, have increased their brand value considerably by going on the offensive in North America and pushing expansion in emerging markets. With these markets growing rapidly, the diagram of power in the automotive segment is being radically redrawn.

- Brand Value for Toyota, Volkswagen, and Hyundai Over the Past 5 Years (Unit: US Million \$)



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Nissan (+32%; #7) and **Bridgestone** (+20%; #15) have also made their brands stronger and greatly increased brand value by focusing both on the emerging markets that continue to drive world economic growth and on environmental consciousness that meets the demands of the times on a global level. Joining the rankings for the first time, **Subaru** (#29) is a brand with a tradition of prioritizing reliable product manufacturing and original technology like its horizontally opposed engine. Overseas sales, including those in the United States and China, have been strong in recent years and the brand achieved its highest ever results for both unit sales and sales revenue last year.

Global Brands That Increased Their Value Even Amid Great Crisis— And Those Hit Hardest

Nikon (+14%; #12), which marked double-digit growth for the second year in a row, has further increased its presence in global markets, including those in emerging countries. **Fujifilm** (#30), amid a continued drop-off in demand for color film due to the rapid rise of digital photography, has steadily pursued business structure reforms including the application of photographic film technologies to other industries.

The global reexamination of nuclear energy policy sparked by the accident in Fukushima created a tough climate for Japan’s infrastructure brands in the nuclear power business, but both **Hitachi** (+6%; #23), which is boosting its “social innovation business” to support reconstruction in the areas affected by the Tohoku disaster, and **Toshiba** (+4%; #9), which acquired a major Swiss manufacturer of smart meters and is strengthening its smart grid business, were able to achieve solid growth in brand value.

Conversely, **Nomura** (-21%; #19), having instantly built the foundations of a global brand in 2008 when it took over Lehman Brothers businesses in the Asia-Pacific, European and Middle Eastern regions, was hit hard by the recession triggered by the sovereign debt crisis in Europe and ended up losing more value than any other brand in the “**Japan’s Best Global Brands 2012**” rankings. **Olympus**, whose brand value plunged as a result of enormous concealed losses in Japan, dropped out of the top 30 after ranking 17th last year.

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"Japan's Best Global Brands 2012" TOP30

2012 Rank	2011 Rank	Brand	Sector	Brand Value (US million \$)	Change in Brand Value	Ratio of Overseas sales (FY 2010)
1	1	Toyota	Automotive	27,764 *	8%	72%
2	2	Honda	Automotive	19,431 *	7%	83%
3	3	Canon	Computer Hardware	11,715 *	2%	81%
4	4	Sony	Consumer Electronics	9,880 *	-13%	71%
5	5	Nintendo	Consumer Electronics	7,731 *	-16%	83%
6	6	Panasonic	Consumer Electronics	5,047 *	11%	48%
7	7	Nissan	Automotive	3,819 *	32%	79%
8	8	Lexus	Automotive	2,554	1%	72% **
9	9	Toshiba	Diversified	2,325	4%	55%
10	11	Komatsu	Machinery	2,317	6%	81%
11	10	Shiseido	Personal Care	2,246	1%	43%
12	13	Nikon	Optical	1,952	14%	86%
13	12	Sharp	Consumer Electronics	1,884	-6%	47%
14	14	Suzuki	Automotive	1,336	-2%	64%
15	18	Bridgestone	Automotive	1,310	20%	77%
16	15	Ricoh	Computer Hardware	1,123	-9%	55%
17	19	Mitsubishi Electric	Diversified	1,048	0%	34%
18	20	Daikin	Machinery	978	-3%	61%
19	16	Nomura	Financial Services	933	-21%	42%
20	22	Asics	Sporting Goods	794	7%	63%
21	21	Yamaha***	Diversified	760	0%	71%
22	24	Fujitsu	Computer Services	683	6%	35%
23	25	Hitachi	Diversified	673	6%	43%
24	27	Shimano	Machinery	655	10%	87%
25	23	Konica Minolta	Computer Hardware	652	-10%	72%
26	28	Unicharm	Personal Care	635	8%	42%
27	29	Ajinomoto	Food	597	5%	34%
28	26	Mazda	Automotive	591	-6%	77%
29	New	Subaru	Automotive	552	-	70%
30	New	Fujifilm	Diversified	548	-	53%

* The brand values of the top seven brands were taken from "Best Global Brands 2011"

** Lexus's ratio of overseas sales is the same as Toyota's.

*** Yamaha here refers to Yamaha Motor and Yamaha Corporation.

Interbrand “Japan’s Best Global Brands 2012”

“Japan’s Best Domestic Brands 2012”

One of the conditions for inclusion in the ranking of **Japan’s Best Global Brands** is that overseas sales make up at least 30% of total sales (based on consolidated results for FY 2010). In more and more cases, Japanese domestic brands that do not meet this standard are moving aggressively to promote overseas expansion. For the second year in a row, therefore, we have taken a look at Japan’s potential global brands of the future by calculating the value of the top 30 domestic brands whose overseas sales made up less than 30% of total sales (based on FY 2010 results).

In addition to the Tohoku earthquake and tsunami, in 2011 Japan was affected by other natural disasters including Typhoon Talas, the 12th of the season, which caused massive destruction on the Kii peninsula and elsewhere as it ripped through the Shikoku and Chugoku regions. The debt crisis in Europe and the appreciating yen dragged down Japan’s domestic economy. Under these conditions, the total value of the top 30 brands remained roughly the same as last year, growing by just 1.0%. Within this overall figure, however, there were remarkable winners and losers.

Astounding Growth by IT Brands

Notable increases in brand value were recorded by the social gaming brands **Mobage** (+32%; #21) and **GREE** (+34%; #23). Both soared in the rankings, with **Mobage** moving from 28th to 21st and **GREE** from 30th to 23rd. The size of the domestic market for social gaming was just 37.1 billion yen in FY 2009. Having reached 140.0 billion yen in FY 2010 and 257.0 billion yen in FY 2011, it is expected to continue growing rapidly. **Rakuten** (+14%; #10) also recorded double-digit growth over the year, further accelerating its overseas expansion with e-commerce acquisitions in Russia and the UK.

Retail Looks Promising With Aggressive Moves Overseas

In recent years, many Japanese retail brands such as restaurants, apparel, and convenience stores have increased their foreign operations, drawing attention to the segment as a possible new source of brands that define Japan. **Uniqlo** (+13%; #6), seeking to make the leap to become a global brand, has succeeded in greatly increasing its brand value. **Muji** (#30), which appears in the ranking for the first time, is a Japanese brand that is known overseas as well as at home. Currently moving aggressively to expand abroad, particularly in

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Asia, it holds the promise of becoming a truly global brand in fact as well as in name. Growth in brand value was also comparatively strong for **Lawson** (+11%; #14) and **FamilyMart** (+8%; #18), brands that not only recorded strong sales and profits but also benefitted from a reexamination, due to the Tohoku earthquake and tsunami, of their convenience and role as social infrastructure.

However, the value of many financial brands fell. Insurance brands like **Dai-ichi Life** (-11%; #25) and **Tokio Marine** (-8%; #12), which faced a deteriorating investment environment due to the low interest rates and falling stock prices resulting from the European crisis, were hit particularly hard. Among the three mega-bank brands ranked among the top 10, the value of **MUFG** (-1%; #2) and **Mizuho** (-6%; #7) fell while that of **SMFG** (+2%; #4) rose. SMFG’s success reflects the impact on the brand of changing the name of group company Nikko Cordial Securities to SMBC Nikko Securities in April 2011, repositioning it clearly as the SMFG Group’s general securities company.

Although **TEPCO** (Tokyo Electric Power Company) was ranked 16th last year, a decline in brand value, combined with deteriorating business results due to the nuclear power plant accident in Fukushima, cast the brand out of the top 30.

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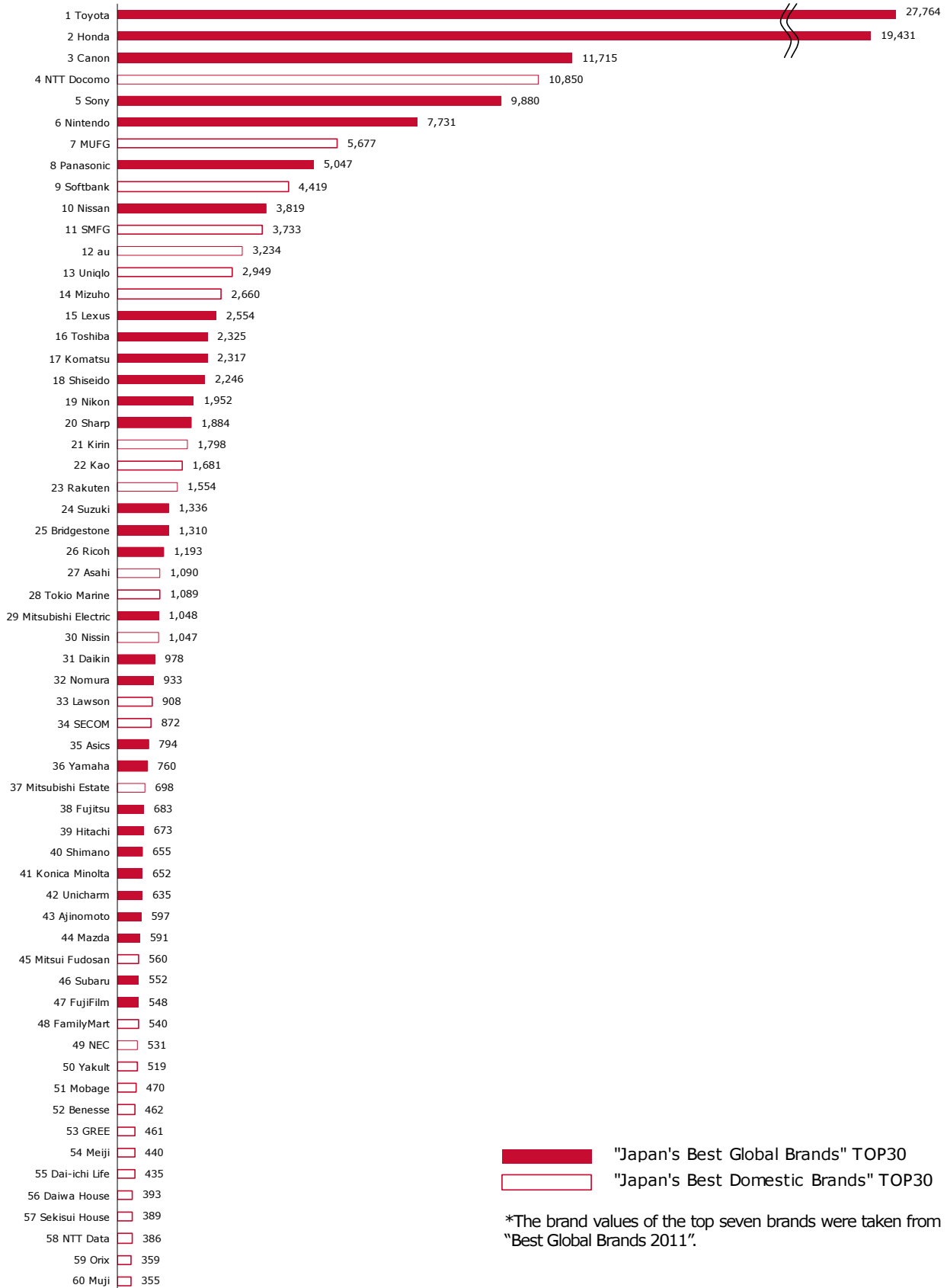
"Japan's Best Domestic Brands 2012" TOP30

2012 Rank	2011 Rank	Brand	Sector	Brand Value (US million \$)	Change in Brand Value	Ratio of Overseas sales (FY 2010)
1	1	NTT Docomo	Telecommunications	10,850	1%	Less than 10%
2	2	MUFG	Financial Services	5,677	-1%	21%
3	3	Softbank	Telecommunications	4,419	7%	Less than 10%
4	4	SMFG	Financial Services	3,733	2%	11%
5	5	au	Telecommunications	3,234	8%	Less than 10%
6	7	Uniqlo	Retail	2,949	13%	14%
7	6	Mizuho	Financial Services	2,660	-6%	Less than 10%
8	8	Kirin	Food & Beverages	1,798	-1%	21%
9	9	Kao	Personal Care	1,681	5%	26%
10	10	Rakuten	Internet Services	1,554	14%	Less than 10%
11	12	Asahi	Food & Beverages	1,089	6%	Less than 10%
12	11	Tokio Marine	Financial Services	1,089	-8%	16%
13	13	Nissin	Food & Beverages	1,047	7%	14%
14	15	Lawson	Retail	908	11%	Less than 10%
15	14	SECOM	Security	872	3%	Less than 10%
16	17	Mitsubishi Estate	Construction & Real Estate	698	4%	Less than 10%
17	18	Mitsui Fudosan	Construction & Real Estate	560	-6%	Less than 10%
18	20	FamilyMart	Retail	540	8%	14%
19	19	NEC	Computer Services	531	-6%	15%
20	22	Yakult	Food & Beverages	519	7%	25%
21	28	Mobage	Internet Services	470	32%	Less than 10%
22	23	Benesse	Education	462	-1%	Less than 10%
23	30	GREE	Internet Services	462	34%	Less than 10%
24	24	Meiji	Food & Beverages	440	2%	Less than 10%
25	21	Dai-ichi Life	Financial Services	435	-11%	Less than 10%
26	27	Daiwa House	Construction & Real Estate	393	8%	Less than 10%
27	25	Sekisui House	Construction & Real Estate	389	1%	Less than 10%
28	26	NTT Data	Computer Services	386	2%	Less than 10%
29	29	Orix	Financial Services	359	2%	20%
30	New	Muji	Retail	355	-	12%

Interbrand "Japan's Best Global Brands 2012"

Reference: "Japan's Best Global Brands 2012" TOP 30 & "Japan's Best Domestic Brands 2012" TOP 30

(US million \$)



"Japan's Best Global Brands" TOP30
 "Japan's Best Domestic Brands" TOP30

*The brand values of the top seven brands were taken from "Best Global Brands 2011".

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Brand Evaluations in “Japan’s Best Global Brands 2012”

■ CRITERIA FOR CONSIDERATION

This ranking uses criteria for consideration that are similar to those of the “Best Global Brands” ranking published by Interbrand every year, in order to clarify the values of Japanese brands that are active worldwide, and compare ranks using a “global standard.” Companies meeting the following criteria were selected for consideration:

- ① The brand must have been created in Japan
 - It must be a corporate or business brand that was created by a Japanese enterprise
- ② It must publish financial information
 - It must be a corporation listed on a stock exchange as of October 31, 2011, and must make analyst reports available
- ③ Over 30% of its total sales must come from overseas sales (sales outside Japan) based on results from FY 2010
- ④ Even if it is a B2B company, it must have general level of global recognition
 - It must have recognition of at least 10% among consultants at Interbrand’s global offices

(Note: “Domestic brands” are selected by adding to the above the criterion the requirement that overseas sales account for no more than 30% of total sales)

■ METHODOLOGY

Interbrand’s methodology evaluates brand value based on its financial strength, the influence of the brand on purchasing decisions, and the brand’s future earning potential. In the same way that securities analysts analyze and evaluate corporate value, we analyze and evaluate brand value based on the question, “What is its future earning potential?” This methodology has been certified under International Organization for Standardization (ISO) 10668 as a global standard for measuring the monetary values of brands. The evaluation consists of the following three specific analyses.

Financial Performance: Estimate the profits that the company will generate

We first estimate the current and future revenues of the business operating under the brand. We then arrive at the future economic profit by subtracting from that number the cost of sales, taxes, and capital cost from invested capital. This analysis is based on published corporate data, while future estimates are based on performance estimates made by financial analysts. (Note: the performance estimates by financial analysts employed in this evaluation use the average estimated values by major analysts called the IFIS Consensus, published by IFIS Japan, Ltd. <http://www.ifis.co.jp/index.htm>)

The IFIS Consensus data used is current as of November 25, 2011.

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Role of Brand: Identify the contribution that the brand makes to profits

We next analyze the impact that the brand has on customer purchasing decisions, in order to identify the contribution that the brand makes to the future economic profit calculated in the financial analysis. With regard to the role that brands play in consumer purchasing trends, the evaluation uses a database of brand-value evaluation performance that we have built up over the past 25 years, as well as benchmark analyses by industry. We then research and analyze each individual brand based on its industry benchmark to calculate the brand’s contribution as a score.

Brand Strength: Evaluate the future earnings potential provided by the brand

Brand-strength analysis measures the brand’s power to generate client need (the ability to maintain future earnings) – market loyalty, repeat purchases by consumers and lock in – and calculates a current value by discounting the brand’s earnings by this amount. This evaluation is a systematic method for determining a brand’s risk, and is made from a wide range of perspectives relating to the brand, including the brand’s market position, consumer recognition and popularity, image, and support for the brand. The evaluation score is then converted into a discount rate, which is subtracted from the brand’s future profitability to arrive at the brand value.

Note: Role of brand and brand strength are calculated based on a multidimensional evaluation by expert consultants at our global offices, using a wide range of published reports and other information.

Interbrand “Japan’s Best Global Brands 2012”

About Interbrand

Founded in 1974, Interbrand is recognized for being at the forefront of the dialogue on brands as business assets. Today, Interbrand is amongst the largest brand consultancies and has grown to include 40 offices in 25 countries. The combination of rigorous strategy and analytics with world-class design creativity help its clients to create and manage brand value in all market dynamics. It is widely respected for its annual study, The Best Global Brands, and creating a broader platform for the discussion on brands in the Webby-award winning website brandchannel.com. For more on Interbrand, visit <http://www.interbrand.com/>.

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