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Interbrand Releases 5th Annual Report on 'Japan's Best Global Brands' and Evaluates Top 30 Best Domestic Brands

Toyota, Honda, and Canon top "Japan's 2013 Best Global Brands' while the global expansion of domestic retailers Muji, Uniqlo, and Rakuten contribute to increase in brand value

TOKYO, Japan (13 February 2013) – Interbrand, the world's leading brand consultancy, has released its 2013 Japan's Best Global Brands report. For the fifth consecutive year, Interbrand has ranked the value of global brands originating in Japan – brands of Japanese companies that conduct business globally. The results can be compared to those found in Interbrand's 2012 Best Global Brands report, a report that identifies the world's 100 most valuable brands. In addition, Interbrand has also released its third annual report of Japan's Best Domestic Brands, which takes a closer look at the top Japanese brands poised for global expansion.

Japan's 2013 Best Global Brands: Overview and Top Findings
As the yen reached historic highs following the 2011 earthquake, coupled with territorial issues straining relations with neighboring countries, 2012 continued to present Japanese companies with a difficult economic environment. As a result, the total value of Japan's Best Global Brands increased only a slight (0.7%) over the previous year.

Japanese Automotive Brands Witness Sharp Increase in Brand Value
Numerous Japanese automakers experienced notable increases in brand value over the past year. **Toyota** (+9, #1) not only earned a top spot in *Consumer Reports'* survey of brand reliability, but it also ranked #1 in Interbrand's 2012 Best Global Green Brands report and further solidified its global image as an environmentally-conscious brand. **Nissan** (+30%; #7) pursued aggressive expansion into emerging markets and also announced the revival of the Datsun brand. Also experiencing a sharp increase in brand value was **Bridgestone** (+23%; #13) **Subaru** (+24%, #23), which earned a position in the report for the first time last year, increased its brand value in part because of record unit sales in its highest priority market – the United States – for the third consecutive year.

'Top Risers' - Leading Japanese Brands Pursue New Markets and Build Global Presence
Sporting goods giant, **Asics** (+14; #18) experienced a laudable increase in brand value. Following the opening of its brand flagship store in Amsterdam, the brand bolstered its operations in London, India, and in Singapore. Personal care brand **Unicharm** (+14; #21) also increased its brand value and pursued a path a global expansion – entering into India, South America, and Africa. **Nikon** (+19; #10) also experienced a sharp increased in brand value. Despite the rapid proliferation of smartphones equipped with high-resolution cameras, the brand demonstrated its stability and brand strength with double-digit growth for the third consecutive year.

Consumer Electronic Giants Struggle Amid China's Economic Slowdown and Experience Decline in Brand Value
Sharp (-57%; #19) experienced the steepest decline in value among Japan's Best Global Brands this year. Plummeting domestic demand for LCD televisions and the stagnant sales of solar cells were two contributing factors. The brand value of Mitsubishi Electric (-13%; #17) also suffered because of the economic slowdown in China, as well as the penalties it faced for having overcharged the Ministry of Defense in Japan. Yamaha (-11%; #24), too suffered this past year. Its motorcycle business was negatively impacted by loan restrictions and its musical instrument business was hit hard by both the recession in Europe and the slowing economy in China.

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"Japan's Best Global Brands 2013" TOP30

2013 Rank	2012 Rank	Brand	Sector	Brand Value (US million $)	Change in Brand Value	Ratio of Overseas sales (FY 2011)
1	1	Toyota	Automotive	30,280 *	9%	70%
2	2	Honda	Automotive	17,280 *	-11%	81%
3	3	Canon	Computer Hardware	12,029 *	3%	81%
4	4	Sony	Consumer Electronics	9,111 *	-8%	68%
5	5	Nintendo	Consumer Electronics	7,082 *	-8%	77%
6	6	Panasonic	Consumer Electronics	5,765 *	14%	47%
7	7	Nissan	Automotive	4,969 *	30%	76%
8	8	Lexus	Automotive	2,556	0%	70%**
9	9	Toshiba	Diversified	2,347	1%	55%
10	12	Nikon	Optical	2,327	19%	86%
11	10	Komatsu	Machinery	2,297	-1%	80%
12	11	Shiseido	Personal Care	2,072	-8%	44%
13	15	Bridgestone	Automotive	1,610	23%	77%
14	14	Suzuki	Automotive	1,510	13%	60%
15	16	Ricoh	Computer Hardware	1,161	3%	53%
16	18	Daikin	Machinery	968	-1%	61%
17	17	Mitsubishi Electric	Diversified	909	-13%	34%
18	20	Asics	Sporting Goods	906	14%	63%
19	13	Sharp	Consumer Electronics	818	-57%	52%
20	23	Hitachi	Diversified	739	10%	43%
21	26	Unicharm	Personal Care	722	14%	47%
22	22	Fujitsu	Computer Services	689	1%	34%
23	29	Subaru	Automotive	683	24%	67%
24	21	Yamaha***	Diversified	676	-11%	71%
25	19	Nomura	Financial Services	672	-28%	24%
26	24	Shimano	Machinery	666	2%	87%
27	25	Konica Minolta	Computer Hardware	656	1%	72%
28	27	Ajinomoto	Food & Beverages	650	9%	34%
29	28	Mazda	Automotive	622	5%	72%
30	NEW	Kikkoman	Food	567	New	44%

* The brand values of the top seven brands were taken from "Best Global Brands 2012".
** Lexus's ratio of oversea sales is the same as Toyota's.
*** Yamaha here refers to Yamaha Motor and Yamaha Corporation.

Japan's Best Domestic Brands 2013

One of the conditions for inclusion in the ranking of **Japan's Best Global Brands 2013** is that overseas sales make up at least 30% of total sales (based on consolidated results for FY 2011). More and more, Japanese domestic brands that do not meet this standard are moving aggressively to promote overseas expansion. Since 2011, therefore, in order to take a closer look at Japan's potential global brands of the future, we have also calculated the value of the top 30 domestic brands whose overseas sales made up less than 30% of total sales (based on FY 2011 results).

Retail Brands Pursuing Overseas Expansion Leap Forward

Despite Japan's turbulent economy, spurred by a decline in demand by developed countries, deepening deflation, and failing incomes, the total value of the top 30 domestic brands increased by 6.7% over the previous year.

Among them, **Muji** (+38%; #21), which continued last year's aggressive global expansion efforts centered on Asia, saw the greatest increase in brand value. Opening branch stores overseas in their pursuit of becoming global brands, **Uniqlo** (23%; #6) and **Rakuten** (+12%; #10) also saw their brand values increase. With a brand value of 3.6 billion USD, **Uniqlo**, in particular, is closing in on **Gap** (3.7 billion USD), which now closes out the top 100 brands ranked on Best Global Brands 2012.

As was true last year, **Lawson** (+29%; #12) and **FamilyMart** (+19%; #17) saw sharp increases in brand value, buoyed by the post-earthquake reassessment of convenience stores as familiar retail outlets that play a critical role as social infrastructure as well as by their development of in-house brands and efforts to respond to older customers. **Calbee**, which seeks to become a global snack foods brand, also joined the rankings for the first time at #29 following its IPO in 2011. Dynamic overseas expansion by such domestic brands is one factor that greatly increased their brand value.

"Japan's Best Domestic Brands 2013" TOP30

2013 Rank	2012 Rank	Brand	Sector	Brand Value (US million $)	Change in Brand Value	Ratio of Overseas sales (FY 2011)
1	1	NTT Docomo	Telecommunications	10,769	-1%	Less than 10%
2	2	MUFG	Financial Services	5,855	3%	29%
3	3	Softbank	Telecommunications	5,076	15%	Less than 10%
4	4	SMFG	Financial Services	3,818	2%	14%
5	5	au	Telecommunications	3,683	14%	Less than 10%
6	6	Uniqlo	Retail	3,634	23%	20%
7	7	Mizuho	Financial Services	2,830	6%	17%
8	9	Kao	Personal Care	1,870	11%	27%
9	8	Kirin	Food & Beverages	1,822	1%	22%
10	10	Rakuten	Internet Services	1,733	12%	Less than 10%
11	11	Asahi	Food & Beverages	1,183	9%	Less than 10%
12	14	Lawson	Retail	1,167	29%	Less than 10%
13	12	Tokio Marine	Financial Services	1,162	7%	14%
14	13	Nissin	Food & Beverages	1,074	3%	13%
15	15	SECOM	Security	969	11%	Less than 10%
16	16	Mitsubishi Estate	Construction & Real Estate	738	6%	Less than 10%
17	18	FamilyMart	Retail	645	19%	14%
18	20	Yakult	Food & Beverages	626	21%	27%
19	17	Mitsui Fudosan	Construction & Real Estate	589	5%	Less than 10%
20	22	Benesse	Education	494	7%	13%
21	30	Muji	Retail	491	38%	13%
22	24	Meiji	Food & Beverages	463	5%	Less than 10%
23	26	Daiwa House	Construction & Real Estate	437	11%	Less than 10%
24	25	Dai-ichi Life	Financial Services	436	0%	Less than 10%
25	28	NTT Data	Computer Services	428	11%	17%
26	27	Sekisui House	Construction & Real Estate	414	6%	Less than 10%
27	21	Mobage	Internet Services	411	-12%	Less than 10%
28	19	NEC	Computer Services	405	-24%	16%
29	New	Calbee	Food	374	New	Less than 10%
30	29	Orix	Financial Services	370	3%	19%

Brand Evaluations in "Japan's Best Global Brands 2013"

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, 2012, 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 2011

4. Even if it is a BtoB 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/en/index.htm)

The IFIS Consensus data used is current as of November 21, 2012.**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.

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About Interbrand
Founded in 1974, Interbrand is one of the world's largest branding consultancies. With nearly 40 offices in 27 countries, Interbrand's combination of rigorous strategy, analytics, and world-class design enables it to assist clients in creating and managing brand value effectively, across all touchpoints, in all market dynamics. Interbrand is widely recognized for its annual Best Global Brands report, the definitive guide to the world's most valuable brands, as well as its Best Global Green Brands report, which identifies the gap between customer perception and a brand's performance relative to sustainability. It is also known for having created brandchannel.com, a Webby-award winning resource about brand marketing and branding. For more information on Interbrand, visit interbrand.com.

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