

Invitation to Foreign Financial Institutions to Participate in FY 2015 Environmental Reporting Platform Development Pilot Project

Japan's Ministry of the Environment is inviting financial institutions and other companies to participate in a hands-on experience with the browsing and comparative-analysis features and dialogue-oriented communications tools in an Environmental Reporting System it has launched on a pilot basis as part of its FY 2015 Environmental Reporting Platform Development Project.

1. Implementation Overview and Objectives

Japan's Stewardship Code and Corporate Governance Code were recently enacted as two sets of principles of conduct that institutional investors and private corporations will be expected to follow, respectively. Their establishment underscores the growing importance of environmental, social, and governance (ESG) information in corporate valuations.

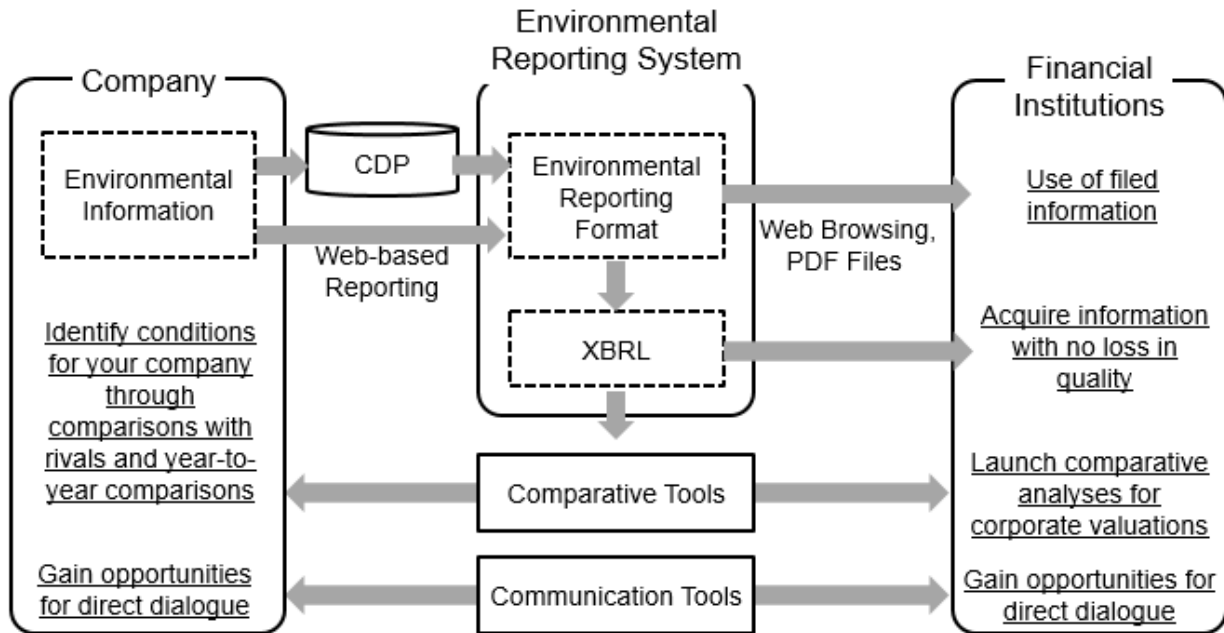
This Project has the objectives of building and launching a pilot version of the Environmental Reporting System and testing the following criteria.

- (i) Usefulness of filed corporate information in expediting investment decisions
- (ii) Usefulness of XBRL in averting losses in information quality
- (iii) Usefulness of tools for comparisons of filed information
- (iv) Effectiveness of communication tools for the promotion of dialogue

Through hands-on experience with the Environmental Reporting System, we believe financial institutions will have an opportunity to assess methods for the utilization of ESG information reported by private companies.

This Project will be managed by NTT DATA Corporation ("NTT DATA" hereafter), the company we have commissioned for implementation.

[Image]



2. Noteworthy Elements of the Project

Efforts to utilize environmental and other nonfinancial information can be expected to face the following issues.

- (i) The capacity for useful comparisons may be difficult to ensure because the environmental information and other types of nonfinancial information in environmental reports, CSR reports, and other reports that companies issue are not based on a unified format.
- (ii) The tasks of processing and editing information into a format that facilitates comparisons can entail an enormous investment in time and cost due to the necessity of re-entering and re-verifying all of the pertinent data.
- (iii) As an outcome of the processing and editing tasks, the information will be re-written, thus posing a risk to its original quality.

This Project will comprise a number of noteworthy measures aimed at resolving the above-cited issues.

- The environmental reporting platform will indicate where information reported based on CDP or GRI suffices to answer questions in the environmental reporting system. This will reduce reporting burden. Survey questions shared with CDP will enable answers to the CDP questionnaire to be automatically transferred into the Environmental Reporting System.
- XBRL (Note) has come into widespread use worldwide as a language for financial information reporting. Its application to the reporting of nonfinancial information will expedite the tasks of comparative analysis and information processing while averting losses in information quality.

Note: The eXtensible Business Reporting Language, i.e., XBRL, is a standardized, XML-based computer language that enables the preparation, circulation, and utilization of information for a range of business reporting purposes. It has been introduced in about 50 countries around the world. Unlike the HTML utilized for ordinary website construction, XBRL

incorporates tags that enable systems to automatically recognize various types of information. These allow for the information to be re-used in an automated fashion, avoiding data entry- or transfer-related mistakes and other forms of human error, and thus facilitate speedier information analysis and processing. In Japan, XBRL has been adopted by the Financial Services Agency's EDINET system, the TDnet system run by the Tokyo Stock Exchange, and for corporate governance reporting purposes.

3. Desired Participants

We seek financial institutions and other corporate participants that will share with us their views on the usefulness of filed corporate information in making investment decisions, the usefulness of XBRL, the usefulness of tools for comparisons of filed information, and the effectiveness of communication tools for the promotion of dialogue.

Specifically, we welcome participation by (i) asset owners, asset managers, information vendors, and other institutions that can be expected to utilize environmental information for their investment decisions and other corporate valuation activities, and (ii) researchers and research institutions that can be expected to utilize environmental information for research objectives with relevance to investments and other corporate valuation activities. Participants should have the ability to browse environmental information filed in the Environmental Reporting System, share comments with the corporate filers of that information, and reply to questionnaire surveys. We seek a total of approx. 100 institutions as participants in this Project.

4. Application Term

From July 31st, 2015 to September 30th, 2015

5. How to make an application

Please enter the information required in the attached application form with your seal or signature affixed, and return it by postal mail to the following address.

Address for sending the application form

[Company name and Section]

Public Division 1, Public Sector 1, NTT DATA Corporation

[Contact Name]

Masaaki Morita (Mr.), Koichi Ogawa (Mr.)

[Address]

16th floor, Toyosu Center Bldg. Annex, 3-9, Toyosu 3-chome

Koto-ku, Tokyo 135-8671, Japan

[E-mail]

env_report@am.nttdata.co.jp

6. Implementation Overview

(1) Plenary briefing session (tentatively to be held only in Japan, October 2015)

We plan to hold a briefing session for institutions that are committed participants in this Project. The session will comprise in-depth presentations on the content of this year's Project and instructions for utilization of the Environmental Reporting System and its comparative and communication tools, with real-world examples involving the utilization of environmental information by institutions that participated in the FY 2014 Project.

We plan to hold the briefing session in Tokyo. However, we will be prepared to provide information on the session content to interested parties that are unable to attend for extenuating reasons including the necessity of traveling from distant locations. Session materials will be sent by either email or postal mail.

(2) Browser access to environmental information (tentatively, mid-November 2015 to mid-February 2016)

Financial institutions will have access to the environmental information filed with the Environmental Reporting System by companies participating in this Project. Please refer to the supplemental materials for details on the information that will be filed into the Environmental Reporting System. Participants will have browser access to the system over the Internet.

In addition to viewing environmental information filed with the Environmental Reporting System on their computer displays, participating institutions also will have the option of downloading that information in the PDF or XBRL file formats. Further, beginning this fiscal year, we plan to provide tools that enable simple corporate comparisons and year-to-year comparisons with the data in files downloaded in the XBRL format.

(3) Period for feedback on filed corporate information (tentatively, late December 2015 to late January 2016)

Institutions will have the opportunity to leave comments about the content of information filed with the Environmental Reporting System by companies participating in the Project. Comments will be based on a format (fields) prepared by our secretariat and provided to the companies as feedback using the communication tools.

Companies eligible to receive comment-based feedback will be selected by the secretariat with attention to the desires and expectations of participating financial institutions.

(4) Questionnaires and interviews (tentatively, mid-January to mid-February 2016)

Participating institutions will be asked to respond to a questionnaire survey about the usefulness of the filed corporate information in aiding investment decisions, the usefulness of XBRL data and comparison tools, and the effectiveness of the communication tools for the promotion of dialogue. Additionally, consenting institutions may be asked to participate in interviews and roundtable discussions led by the Project's organizers.

7. Schedule

Schedule of the pilot project is as follows.

Contents	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
(Application Term)		←→							
(1) Plenary briefing session *Only in Japan				○					
(2) Browser access to environmental information					←→				
(3) Period for feedback on filed corporate information						←→			
(4) Questionnaires and interviews							←→		

8. Miscellaneous Points

- (i) The names of the companies and financial institutions participating in this Project will be listed on the Environment Ministry's website and disclosed through other channels used to publicize information about the Project.
- (ii) The environmental information filed into the Environmental Reporting System will be utilized solely for the purposes of this Project and disclosed only to participating companies and financial institutions as well as expert focus groups (workshops) that convene to explore issues of relevance to Project operations.
- (iii) Analytical findings derived from the questionnaires and other information will be organized and prepared in a manner that protects participating financial institutions from being identified by name. The findings will then be published in reports issued in association with this Project and presented at a symposium (tentatively scheduled to be held in March 2016) that will report on the outcome of the Project.

【Note】

- (i) We, the secretariat of this project don't guarantee reliability of registered data in the environmental reporting system.
- (ii) We, the secretariat of this project assume no responsibility for any damage which you receive as a result of your investment according to registered data in the environmental reporting system.