

Interbrand

Press Materials
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Interbrand Japan, Inc.

Interbrand “Best Japan Brands 2019”

Announcing Japanese brands ranked by brand value,
Japan’s Best Global Brands top 40,
and Japan’s Best Domestic Brands top 40

- Toyota ranked #1 in Japan’s Best Global Brands for the 11th consecutive year
- Kao and Terumo debut in the ranks of Japan’s Best Global Brands
- ZOZOTOWN increases 38%, the highest growth rate in the ranking
- Mercari, listed last year on the TSE, debuts in the ranks of Japan’s Best Domestic Brands

Interbrand Japan, Japan’s largest branding company (headquartered in Shibuya, Tokyo, President & CEO: Masahito Namiki) has announced Best Japan Brands 2019, a ranking of Japanese brand values using a unique brand valuation method to convert brand value into monetary value.

Best Japan Brands 2019, the 11th released since 2009, announces the top 40 brands of two sections: Japan’s Best Global Brands (JBGB), featuring global Japanese brands (over 30% overseas sales), and Japan’s Best Domestic Brands (JBDB), featuring Japanese domestic brands (less than 30% overseas sales).

Best Japan Brands 2019 uses the same valuation methods used in the global brand value ranking Best Global Brands announced by Interbrand since 2000, and uses global standards to compare the brand value of leading global brands with Japanese brands.

Overview of Best Japan Brands 2019

Recently, paradigms in all industries across the world have begun to change at an unprecedented scale and speed. These paradigms include the way people live and work, their concepts and values toward ownership and sharing, the flow and state of money as it evolves through FinTech, and the increasing importance of information in realizing customer centricity, all affected by the constant and continuous change in communications. Companies have readily adapted to the ramifications of these structural changes, and they have become a huge boon for business.

Brands that create new value by finding solutions to the real world problems of society and its people—that is, companies that try bold new things—continue to improve their value.

Looking at the overall rankings of different industries, the three segments that show the biggest presence are financial (11 brands), automotive (9 brands), and retail (9 brands).

This year, cosmetic and toiletry brands have shown growth, such as Kao (14th place in JBGB, +11% from the previous year), which debuted in the JBGB ranks from JBDB, Shiseido (15th place in JBGB,

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+30% from the previous year), and KOSÉ (12th place in JBDB, +27% from the previous year), which showed remarkable growth rates, and Lion (37th place in JBDB) and POLA (39th place in JBDB), which made their debut in JBDB.

In addition, brands offering new business models and unprecedented services realized remarkable growth, including ZOZOTOWN (25th place in JBDB, +38% from the previous year), which showed the highest growth rate this year, and Mercari (40th place in JBDB), which was listed on the Tokyo Stock Exchange in 2018, making it now eligible for valuation.

Japan's Best Global Brands 2019

Four of the top 10 brands of JBGB 2019 were automotive: Toyota at the top spot for the 11th consecutive year (+6% from the previous year), Honda (2nd place, +4% from the previous year), Nissan (3rd place, +6% from the previous year), and Subaru (10th place, +5% from the previous year). With Bridgestone (12th place, +10% from the previous year) and Suzuki (16th place, +23% from the previous year), the overall ranking had nine automotive brands in the Top 40, demonstrating the recent strengthening of this sector.

By meeting the Global Standard of having more than 30% of sales overseas, Kao (14th place, +11% from the previous year) moved from the JBDB to the JBGD, showing the steady progress of Japanese brands toward globalization. (In the period Interbrand has been compiling these reports, brands that have moved to JBGB from JBDB include UNIQLO and Yakult in 2015, MUFG in 2016, Tokio Marine and MUJI in 2017, and Mizuho and SMBC in 2018, making Kao the 8th.)

Terumo (39th place) made its debut in the ranking, and Makita (40th place) returned to the rankings after a two-year absence, since 2016.

Overall, growing brands were the ones that continued to meet customers' essential needs by creating new value.

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Top 5 Growing Brands (Year-on-Year Growth Rate Increase in Brand Value)

Shiseido (15th place, +30% from the previous year)

Claims itself “Be a global winner with our heritage” and has accelerated its overseas expansion. Achieved its 2020 sales target of 1 trillion yen three years ahead of schedule, with operating income reported at record highs. In addition to its “Prestige First” brand strategy, Shiseido plans to differentiate its brand in overseas markets. The company believes in the creation of new value through innovation. It has increased investment in research and development as well as in mergers and acquisitions, and is developing new areas of business.

Suzuki (16th place, +23% from the previous year)

With “develop products of superior value by focusing on the customer” as its mission statement, and “small cars for a big future” as its slogan, Suzuki creates small cars based on customer demand and promotes a differentiation strategy specializing in environmentally-friendly manufacturing. The company has proposed strengthening and establishing the Suzuki brand globally in Suzuki Next 100, a new mid-term business plan.

Yamaha (25th place, +20% from the previous year)

Yamaha Motor has implemented efforts from its previous mid-term plan (until 2018), including strengthening its organization through brand committees, creating and advancing a Global Brand Strategy through the involvement of top levels both domestically and globally, and creating a “Kando cycle” that brings together business activities from a brand perspective. Yamaha (Music) has made brand power’s contribution to performance a theme as part of its current mid-term management plan, aiming to be an “Indispensable, Brilliantly Individual Company.” It has established a brand strategy headquarters under direct control of the president, and is strengthening its governance. In addition, it has made efforts toward integrating the Yamaha brand as a whole, including hosting joint events for both companies.

Nintendo (9th place, +19% from the previous year)

From its announcement in March 2017, Nintendo Switch has changed preexisting concepts of video games and opened new possibilities for gaming. The device was accepted by people worldwide, strengthening Nintendo’s brand presence. Nintendo has maintained good performance, and plans to release new products and series. Further increases in brand value are expected.

UNIQLO (8th place, +19% from the previous year)

The brand’s continuous and consistent development of LifeWear (the ultimate in casual wear) concept has permeated markets overseas. Uniqlo promotes unique channels, offering products on the company’s platform only, based on the concept of seamless integration of e-commerce and brick-and-mortar shops. Expanding its sales primarily in Asia, this term (FY 2018) was the first time that overseas sales have exceeded domestic sales, indicating increased globalization.

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New Entrants

Kao (14th place, +11% from the previous year)

An increased overseas sales ratio has lifted Kao from the JBDB to the JBGB ranking. Along with shifting focus from products to brand vision and story, Kao has rebuilt its portfolio into the New Global Portfolio, divided into a global strategy brand and a Japan-focused regional brand, selected brands for strategic investment, and is planning to grow more effective brands. In particular, it is focusing on prestige areas in its global strategy brand.

Terumo (39th place)

The company aims to develop its business based on its founding philosophy of “contributing to society through healthcare,” improve the total quality of its products, supplies, and services as its mid-term vision, and become a “global Japanese company” trusted globally as a leading brand in the field of medicine. To achieve this, the company has invested more in research and development as well as mergers and acquisitions, steadily enhancing its global presence.

Makita (40th place)

Makita has made a comeback in the Global Brand ranks for its strong presence in Europe in particular. It is building a brand based on customer-oriented technical skill, quality, and after-sales service. The company aims to be the world’s most reliable power tool manufacturer, with a vast service network and the ability to respond to market needs and serve as an innovative leader in product development.

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Japan's Best Global Brands 2019

2019 Ranking	2018 Ranking	Brand	Sector	Brand Value (US m\$)	Change in Brand Value	Ratio of Overseas Sales (FY 2017)
1		Toyota	Automotive	53,404	6%	75.3%*
2	2	Honda	Automotive	23,682	4%	68.0%*
3	3	Nissan	Automotive	12,213	6%	81.6%*
4	4	Canon	Electronics	10,380	6%	78.3%*
5	5	Sony	Electronics	9,316	10%	69.3%*
6	6	MUFG	Financial Services	6,807	1%	42.6%
7	7	Panasonic	Electronics	6,293	5%	53.3%*
8	8	UNIQLO	Apparel	6,235	19%	43.4%
9	10	Nintendo	Electronics	4,696	19%	75.3%*
10	9	Subaru	Automotive	4,214	5%	80.4%*
11	12	SMBC	Financial Services	3,335	-2%	27.7%**
12	13	Bridgestone	Automotive	3,324	10%	81.2%
13	14	Mizuho	Financial Services	2,410	-10%	32.5%
14	NEW	Kao	FMCG	2,340	11%	37.0%
15	18	Shiseido	FMCG	2,324	30%	54.5%
16	17	Suzuki	Automotive	2,270	23%	70.3%
17	15	Tokio Marine	Financial Services	1,999	4%	36.1%
18	19	Komatsu	Machinery	1,798	16%	84.2%
19	16	Mazda	Automotive	1,728	-8%	81.8%
20	20	MUJI	Retail	1,599	15%	37.8%
21	21	Daikin	Machinery	1,518	11%	76.3%
22	23	Unicharm	FMCG	1,387	12%	58.5%
23	22	Shimano	Machinery	1,294	3%	88.6%
24	24	Hitachi	Diversified	1,201	6%	50.4%
25	27	Yamaha	Diversified	1,195	20%	84.2%***
26	28	DENSO	Automotive	1,133	14%	59.6%
27	26	Mitsubishi Electric	Diversified	1,053	0%	45.3%
28	31	Yakult	Food & Beverages	918	6%	42.5%
29	30	Ricoh	Machinery	906	3%	61.2%
30	39	OMRON	Diversified	872	15%	60.4%
31	25	ASICS	Sporting Goods	857	-24%	74.7%
32	34	Ajinomoto	Food & Beverages	852	10%	40.4%
33	32	Nomura Holdings	Financial Services	845	5%	25.6%****
34	35	Kikkoman	Food & Beverages	844	9%	58.2%
35	29	Nikon	Precision Equipment	843	-6%	85.7%
36	37	Isuzu	Automotive	819	8%	62.0%
37	38	Kubota	Machinery	802	6%	67.8%
38	33	Fujitsu	Business Services	800	2%	36.8%
39	NEW	Terumo	Healthcare	795	New	67.9%
40	NEW	Makita	Machinery	790	New	82.7%

* Brands ranked in Best Global Brands 2018 use that brand's value amount.

** Although overseas sales were less than 30%, businesses operating under the SMBC Brand exceeded 30% overseas sales, making it eligible for this ranking.

***The brand value of Yamaha, developed by both Yamaha Motor Co., Ltd. and Yamaha Corporation, has been calculated together.

(The ratio of overseas sales is the total amount of overseas sales divided by total sales)

****Although overseas sales were less than 30%, companies ranked in previous JBGBs are eligible for this ranking.

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Japan's Best Domestic Brands 2019

NTT DOCOMO (-1% from the previous year) took the top spot for JBDB 2019 for the 9th consecutive year, followed by SoftBank (2nd place, -6% from the previous year) and au (3rd place, +2% from the previous year), marking the 4th consecutive year that the three major telecommunications companies ranked in the top three.

Four brands made their debut in the ranking: Sagawa (30th place), Lion (37th place), POLA (39th place), and Mercari (40th place).

In the ranking, brands that actively promote e-commerce and continue to create new value in response to the essential needs of customers have grown, as seen in the Top 5 brands. Despite the fact that these are domestic brands, many of them are experiencing accelerating global expansion.

Top 5 Growing Brands (Year-on-Year Growth Rate Increase in Brand Value)

ZOZOTOWN (25th place, +38% from the previous year)

Changing its name to ZOZO, Inc. in October 2018, the company has made “make the world a better place, bring smiles to the world” its philosophy, and clearly states its goals as a brand in its mid-term management plan. The company has made efforts to bring about a “fashion revolution,” and has overturned the theory in the apparel industry that “clothes don’t sell online,” continuing to create new value.

KOSÉ (12th place, +27% from the previous year)

The company has promoted growth and market breakthroughs in five global brands. With record sales and profits in the 2017 fiscal year, it achieved its goal of 300 billion yen in sales ahead of schedule. The reason behind this success is the strong performance of its mainstay luxury brand Cosme Decorté, and its strong performance in the Asia region, led by China and Korea. Kosé is working to “anticipate” global change as shown in “evolving to a company with worldwide presence” stated in its newly created VISION 2026, and continues to create unique value and expand globally.

Asahi (7th place, +25% from the previous year)

Asahi advocates value creation that is “glocal,” a combination of global and local, aimed at growth based on high added value. It has rebuilt its brand as a domestic liquor company and grown it into one of high added value in the food and beverage industry. In the overseas market, it is developing a leading brand across borders as a “competitive, global premium beer manufacturer.”

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Matsumotokiyoshi (29th place, +21% from the previous year)

In order to spread its private label brands matsukiyo and matsukiyo LAB, the company has strengthened its internal branding activities to improve the ability of in-store staff to convey the appeal of these private labels and other brands to customers. In addition, it is focusing on developing unique products, such as an energy drink which has trended on social media. Furthermore, Matsumotokiyoshi has expanded its next-generation healthcare store matsukiyo LAB, which supports healthy lifestyles, and has focused on responding to a variety of other needs, including developing new markets such as hotels and airport stores to meet the demands of inbound travelers.

Nitori (33rd place, +21% from the previous year)

Amid good performance, the company has opened roughly 50 stores since October 2017, expanding its locations to 555. The company actively promotes O2O, and has strengthened its mail order business with “Hands-Free Shopping” and an “In-Store Pick-Up Service,” meeting essential customer needs. It aims to improve brand value without depending on pricing strategy, and is strengthening product development aimed at establishing a coordination between Nitori products.

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New Entrants

Sagawa (30th place)

Listed on the First Section of the Tokyo Stock Exchange in December 2017, it has focused on business logistics to expand performance. Sagawa has promoted business model development, and reform of its working styles, to be “fast, certain, and polite,” based on its origins as a courier. Through its advanced logistics project team GOAL (Go Advanced Logistics), it provides solutions to improve logistics.

Lion (37th place)

With “fulfilling a spirit of love” as its corporate philosophy since the company’s foundation, Lion advocates building a company that plays a role in everyday health and comfort through “creating better lifestyle habits.” It has created a new management vision for 2030 towards “becoming an advanced daily healthcare company.” Lion is changing its strategy system from individual products to a master brand strategy, and its focus from “functional” to “experiential.”

POLA (39th place)

Pola has shifted its business model from sales visits to relatively older women to a counseling model that emphasizes brand experience. As it pursues brand value management under its newly defined value of “Science. Art. Love.,” it has established a “scientific” brand image with good performance from products such as Wrinkle Shot and White Shot, the fruits of years of research and development. In addition to successfully breaking through to a younger generation, it has also begun expanding overseas.

Mercari (40th place)

With “creating value in a global marketplace where anyone can buy and sell” as its mission, Mercari has developed an unprecedented flea market smartphone app. This has spread among young people and currently boards 11 million users each month. By providing users with innovative convenience and reliability for payment and shipping methods, Mercari has continued to grow, being listed on the First Section of the TSE Mothers in June 2018 and expanding globally.

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Japan's Best Domestic Brands 2019

2019 Ranking	2018 Ranking	Brand	Sector	Brand Value (US m\$)	Change in Brand Value	Ratio of Overseas Sales (FY 2017)
1	1	NTT DOCOMO	Telecommunications	9,732	-1%	Less than 10%
2	2	SoftBank	Telecommunications	5,523	-6%	51.5%*
3	3	au	Telecommunications	4,685	2%	4.9%
4	4	Recruit	Media	3,947	16%	46.1%*
5	5	Rakuten	Retail	2,626	-8%	20.6%
6	6	Suntory	Food & Beverages	2,342	6%	44.2%*/**
7	9	Asahi	Alcohol & Others	2,091	25%	30.8%*
8	8	Kirin	Alcohol & Others	2,007	16%	31.5%*
9	11	NISSIN	Food & Beverages	1,184	1%	23.8%
10	12	Japan Airlines	Airlines	1,081	-2%	38.7%***
11	13	SECOM	Security	980	-5%	5.0%
12	16	KOSÉ	FMCG	895	27%	24.9%
13	10	Lawson	Retail	884	-25%	Less than 10%
14	14	Mitsubishi Estate	Construction & Real Estate	869	1%	Less than 10%
15	15	LINE	Technology	729	1%	25.6%
16	22	Daiwa House	Construction & Real Estate	668	12%	Less than 10%
17	20	Mitsui Fudosan	Construction & Real Estate	652	2%	Less than 10%
18	18	Calbee	Food & Beverages	611	-12%	13.4%
19	19	Kampo Seimei	Financial Services	605	-6%	Less than 10%
20	23	Dai-ichi Life	Financial Services	605	2%	24.3%
21	21	Meiji	Food & Beverages	595	-4%	Less than 10%
22	17	FamilyMart	Retail	594	-15%	6.4%
23	24	NEC	Business Services	545	-2%	26.0%
24	25	BANDAI NAMCO	Entertainment	539	15%	29.5%
25	32	ZOZOTOWN	Retail	490	38%	Less than 10%
26	26	ORIX	Financial Services	478	8%	16.9%
27	27	Sompo Holdings	Financial Services	474	16%	18.9%
28	29	TOTO	Residential Equipment	423	4%	26.1%
29	34	Matsumotokiyoshi	Retail	388	21%	Less than 10%
30	NEW	Sagawa	Logistics	387	New	Less than 10%
31	30	Sekisui House	Construction & Real Estate	382	0%	14.2%
32	28	Resona	Financial Services	379	-7%	Less than 10%
33	37	Nitori	Retail	367	21%	Less than 10%
34	35	Sumitomo Mitsui Trust	Financial Services	354	11%	18.8%
35	33	ABC-MART	Retail	334	1%	26.6%
36	31	Yamato	Logistics	308	-15%	1.8%
37	NEW	Lion	FMCG	286	New	27.0%
38	38	Gusto	Restaurants	285	4%	Less than 10%
39	NEW	POLA	FMCG	283	New	8.4%
40	NEW	Mercari	Retail	282	New	5.7%

* Although overseas sales exceeded 30%, individual businesses operating under each Brand (SoftBank, Recruit, Suntory, Asahi, Kirin) were deemed to have less than 30% overseas sales, making them eligible for this ranking.

**The Suntory brand value and overseas sales ratio is based on the value of Suntory International food products on the market.

***For overseas sales for Japan Airlines, international flights and overseas sales are combined and the actual sales generated overseas are not disclosed publicly, making it eligible for this ranking.

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Criteria and Methodology

Criteria for inclusion

In order to shed light on the value of global Japanese brands and enable comparison of their relative position against a common global measure, brands meeting the following criteria were selected for evaluation:

1. The brand originated in Japan: The corporate or business brand is the product of a Japanese enterprise.
2. Financial information is publicly available: The corporation was publicly listed as of October 31, 2018, and analyst reports are available.
3. Overseas sales (sales outside Japan) account for at least 30% of the brand's total sales, based on FY 2017 results: Brands for which overseas sales account for less than 30% of total sales are covered in the ranking of the Top 40 domestic Japanese brands.
4. The brand is generally recognized as a global brand.

Methodology

Interbrand's methodology for evaluating brand value is based on the brand's financial strength, influence on purchasing decisions, and contribution of future earnings. In the same way that securities analysts analyze and evaluate the value of a company, we analyze and evaluate the value of a brand by asking, "What is its future earning potential?" This methodology has been certified compliant with the ISO 10668, the global standard for measuring the monetary value of brands as established by the International Organization for Standardization. The evaluation is made up of the following three specific analyses:

1. Financial Performance: Project the company's future earnings

First, we estimate the current and future revenues of the business operating under the brand. We then subtract operating earnings, taxes, and capital cost of investment to calculate future economic profit. Our analysis is based on published corporate data; future projections are based on analyst performance forecasts. (Note: For analyst forecasts this evaluation relies on analysts' estimates obtained from IFS Japan, Ltd. The IFIS Consensus data <http://www-en.ifis.co.jp/> used is current as of November 19, 2018.)

2. Role of Brand: Derive the brand's contribution to profits

Next, to derive the brand's contribution to future economic profits as calculated in the analysis of financial performance, we analyze the brand's influence on customer purchasing decisions. In evaluating the role that a brand plays in consumer purchasing trends, we perform benchmark analyses by industry that draw on our database of brand value evaluations accumulated over the past 30 years. Based on these industry benchmarks, we perform a proprietary analysis to derive a brand contribution score.

3. Brand Strength: Evaluate the brand's contribution to future earnings

Brand strength analysis measures a brand's power to inspire what the client needs to sustain future earnings—market loyalty, repeat purchases by consumers, and lock in—and discounts brand earnings to derive a present value. Our evaluation offers a systematic means of determining a brand's risk based on the 10 factors below that we believe are key. These include not only external factors such as market position, consumer recognition and favorability, and brand image but also internal factors such as support for the brand among management and employees and the company's brand protection system. This results in a score between 0 and 100 on a 100-point scale. The analyses for the role of the brand and the brand strength use various published reports for calculation based on multifaceted consultant evaluations.

Brand Strength Model 10 Factors

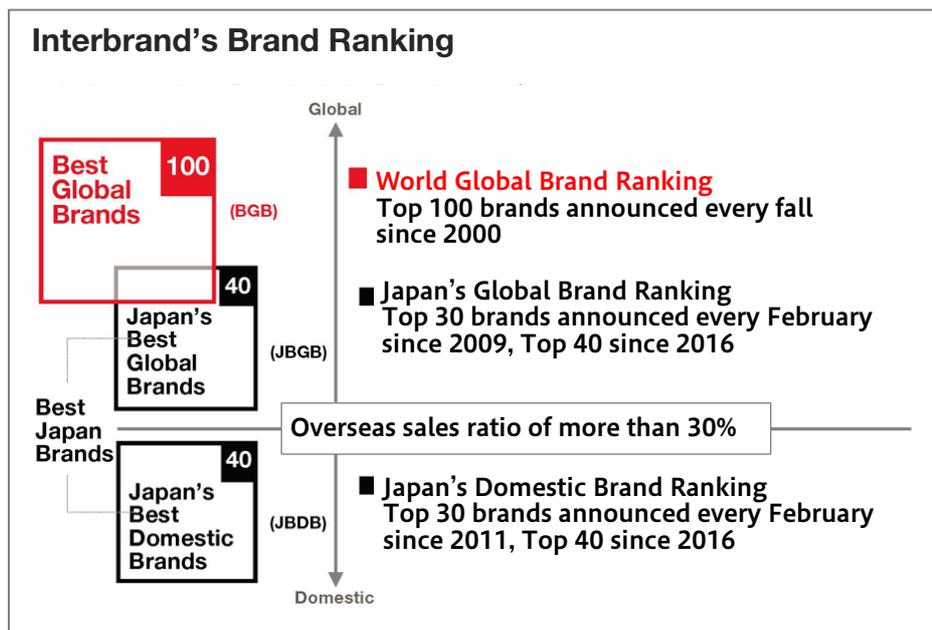
Internal Factors

- Clarity
- Commitment
- Governance
- Responsiveness

External Factors

- Authenticity
- Relevance
- Differentiation
- Consistency
- Presence
- Engagement

Next, the brand strength score is converted into a discount rate through a calculation method unique to Interbrand into a discount rate to derive brand value.



About Interbrand

Interbrand is the world's leading brand consultancy, established in London in 1974. Interbrand defines a brand as a living business asset because we believe organizations nurture growth when they offer a superior customer experience through a clear organizational strategy. With 18 offices in 14 countries, we have supported the promotion of growth for both the brand and businesses of our clients through a combination of strategy, creativity, and technology.

Interbrand Brand Valuation is the first recognized global standard through the ISO to measure the monetary value of brands worldwide. We publish various brand value and brand strength reports, including Best Global Brands which evaluates and ranks the value of global brands. We advance projects by gathering strategic analysis professionals who use state-of-the-art methodologies with highly creative artists into one team. We conduct all aspects from analysis to execution with in-house resources from strategic consultants who lead the assessment of brand value and building of brand strategies to designers who develop brand logos, packages spaces, and digital signage in addition to copy writers who create names, slogans, and messages.

Interbrand Japan was established in 1983—historically the third office in Interbrand's global network, following London and New York. Interbrand Japan provides a full suite of services to various Japanese organizations and associations from Japanese and foreign-owned enterprises to governmental offices and agencies. Please visit <http://www.interbrandjapan.com> to learn more.

Contact us

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