

Interbrand “Best Japan Brands 2023”

Announcing the Top 100 Japanese Brands Ranked by Brand Value

- The total brand value of Japan’s Top 100 brands grows by 7.7% year-on-year (it grew 6.9% from 2021 to 2022)
- Leading brands continue to recover, with 80 brands out of the 100 experiencing brand value growth (it was 79 last year)
- Toyota ranks #1 in Best Japan Brands for the 15th consecutive year
- Yakult has the highest growth rate, up 28%
- NRI ranked for the first time, TOTO re-ranked

Interbrand Japan, Japan’s largest branding company (headquartered in Shibuya, Tokyo, President and CEO: Masahito Namiki), has announced Best Japan Brands 2023, a ranking of Japanese brand values using its proprietary Brand Valuation™ method to convert brand value into monetary value.

This is the 15th year these rankings have been announced. Best Japan Brands uses the same valuation methods used in Best Global Brands, a global brand value ranking Interbrand has announced every year since 2000. By comparing the value of leading global brands with that of Japanese brands using the same system of measurement, it examines the value of brands as business assets.

Overview of Best Japan Brands 2023

In an environment in which Covid-19 has become the norm, the average year-on-year growth rate for all 100 brands ranked in Best Japan Brands 2023 was +6.0% (+8.6% last year). The number of brands with brand value growth was 80 (79 last year) and the total brand value of all 100 brands was USD 273.3 billion (+7.7% year-on-year), confirming the stable growth of Japan's leading brands.

This year's analysis of the commonalities among brands that have achieved significant growth in brand value shows that, of the 10 factors in the Brand Strength Analysis (see page 6), the factors found to be high were: Agility (the speed to market that a company demonstrates in the face of opportunity or challenge, enabling it to get ahead and stay ahead of expectations), Coherence (the degree to which customer interactions, whilst varying depending on channel and context, remain authentic to the brand's narrative and feel) and Distinctiveness (the existence of uniquely ownable signature assets and experiences that are recognised and remembered by customers and difficult to replicate).

Brands grew that responded quickly to changes in customers and society, consistently and thoroughly conducted activities based on their company's purpose (*raison d'être*) both internally from management to employees and externally, and at times created unique values and experiences beyond their core business areas.

Looking at both Japan and the rest of the world, while new paths for growth are being created through rapid advances in technology, there are also impediments: the pandemic that is unlikely to end completely; divisions caused by differences in thought and ideology; widening inequalities; resource, environmental, and economic issues; and many other aspects that are causing social challenges in terms of the survival of a sustainable society. These challenges are becoming wider and deeper every year.

In this world, what role should companies and brands play in the future?

The era is coming to an end when brands could build around core business products and services and leverage their strengths to become category leaders. At the intersection of possibility and uncertainty, we need companies and brands to demonstrate the same kind of leadership as we expect of people — to share values, to have an ethic of doing the right thing right, and to solve problems and needs through exceptional experiences. The key to future growth will be building businesses around this “brand leadership” and reassessing and expanding existing business areas from the consumer's perspective.

(Currently, Interbrand Japan is researching the differences between consumer awareness of the business domain of each brand and the awareness of company management. The results of this analysis will be published around the end of March).

Top 5 Growing Brands (year-on-year growth of brand value)

Yakult (36th, +28% YoY)

Yakult's corporate philosophy is "Based on the pursuit of life science, we contribute to the health and happiness of people around the world." The company constantly aims to maintain and improve the health of people, which is one of the most important issues facing society. Following the Covid-19 disaster, health and immunity awareness is growing globally, and overseas sales are also expanding.

The successful Yakult 1000 and Y1000, which focused on one of the major health concerns for people today, namely short sleep time with stress, and tried to solve this social problem with lactic acid bacteria, one of the company's strengths, contributed significantly to the value enhancement of the Yakult brand.

Additionally, Yakult's strength in making the most of the Yakult Lady and the credibility of the explanations based on the actual experiences of Yakult Ladies themselves has increased diffusion of the Yakult brand among consumers. The brand is also developing lactic acid bacteria into cosmetics, and is aiming to realise its purpose by quickly and to the maximum extent possible utilising the brand's unique strengths (technology, products, services and people) in line with the changing market.

WORKMAN (60th, +24% YoY)

In 2022, WORKMAN evolved in line with its management philosophy "To the one whose voice is heard, we evolve" and corporate philosophy "Dream: evolve towards the voice; Purpose: function and price, new standard; Belief: management not to do, data management, standardisation." It entered new markets such as women's innerwear, trekking, and shoes, and developed innovative and highly original products and services such as home delivery without EC using its shop network, "Mamaraku" for pregnant mothers and mothers with small children, and "WORKMAN Pro," a new business category for craftspeople.

In addition, the company has maintained the prices of its own PB products in accordance with its purpose "New standards in functionality and price" at a time when the world is experiencing price hikes. The company plans to double the number of fans who cooperate in product development to 100 in three years' time, and has begun full-scale joint development with companies in other industries. It is "evolving into the voice of the customer" through co-creation with customers and other companies.

Shimano (25th, +23% YoY)

As a global bicycle and angler's brand that celebrated its centenary in 2021, Shimano is reassessing its value in the wake of growing global demand for its products due to Covid-19. Particularly in the field of bicycles, Shimano continues to fascinate the world with its high quality and design capabilities, from competition bicycles used by the world's top racers to bicycles for everyday use.

The company's basic philosophy is "More to nature, more to people" and its mission is "To create new values in the interaction between people and nature, and to contribute to health and pleasure." It has also focused on many social, cultural, and sporting activities over the years to communicate with users and employees.

In March 2022, the Shimano Bicycle Museum opened to strengthen communication of Shimano's origins and character. As a development-oriented digital manufacturing company from Japan, Shimano produces "exciting products."

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Daikin (20th, +20% YoY)

Daikin is the world's leading air conditioning manufacturer. Covid-19 drew attention to air quality, and the company's consistent business and communication activities as "a company that provides answers with air," which it had been advocating since before the pandemic, established a new, unique, and strong brand position.

Furthermore, under the strategic management plan FUSION25, Daikin is committed to "providing new value for the environment and air, contributing to a sustainable society, and realising Group growth," and was quick to commit to the target of "virtually zero greenhouse gas emissions by 2050." It is working to further expand the potential of air to become "a company that creates new value through air." The Group continues to deliver results in the transformation of social value into economic value.

Fujitsu (37th, +19% YoY)

In October 2021, Fujitsu developed and deployed a new business brand, Fujitsu Uvance, to accelerate its business and propose solutions to social challenges, in order to realise its 2020 Purpose: "Bringing trust to society and making the world more sustainable through innovation." It aims for Sustainability Transformation (SX), which connects companies across industry boundaries, transforming their respective strengths into great strengths to better the planet and society, and communicating this to the world through consistent visuals and communication activities.

The company also believes that in order to realise its Purpose, it is important to bring together the aspirations of each and every employee to generate greater strength, and is commended for its "Purpose Carving" dialogue programme to help each and every employee realise their own Purpose.

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New Entrants (ranked for the first time)

NRI (83rd)

Based on its corporate philosophy of “Future Creation,” NRI has set a policy of creating digital social capital by gaining insight into the wealth that lies beyond DX in order to contribute to the creation of a sustainable future society and to remain an indispensable part of society.

To realise this policy, the company benefits from the strong involvement and commitment of its top management, who hold the Future Creation Forum to send out clear messages to customers and society and move to strengthen the presence of the new NRI, such as reviewing its DNA and communicating it as a brand story, both internally and externally.

In the future, as a total solutions company that creates new business models and social systems for the next generation, it is expected that NRI will go beyond communication and further show its implementation capabilities through its business activities on a global level.

Re-Entrants (re-ranked)

TOTO (98th)

TOTO, which has been re-ranked since dropped out of the Top 100 in 2021, has a strong Group Corporate Philosophy “We, the TOTO Group, aim to be a company that contributes to the development of society and is trusted by people around the world” and the mission “Towards the ‘tomorrow’ that continues into the future, we want to create ‘different’ value from the past and deliver ‘everyday’ that exceeds expectations to people around the world, with kindness for people and the planet.”

The global increase in hygiene awareness due to Covid-19 has provided a tailwind, reaffirming the direction in which the TOTO brand will evolve in the future. It is further pursuing functionality and design as a high-quality brand.

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Best Japan Brands 2023 (#1 to #50)

2023 Ranking	2022 Ranking	Brand	Sector	Brand Value (US m\$)	Change in Brand Value	Ratio of Overseas Sales (FY2021)	Global/ Domestic	
1	1	Toyota	Automotive	59,757	10%	80%	Global	*1
2	2	Honda	Automotive	22,837	7%	84%	Global	*1
3	3	Sony	Electronics	16,989	18%	72%	Global	*1
4	4	Nissan	Automotive	12,212	10%	82%	Global	*1
5	5	Nintendo	Electronics	10,676	16%	79%	Global	*1
6	6	UNIQLO	Apparel	10,470	15%	53%	Global	
7	7	NTT DOCOMO	Telecommunications	6,363	-8%	-	Domestic	*6
8	9	Panasonic	Electronics	6,337	9%	57%	Global	*1
9	8	Canon	Electronics	5,828	-15%	76%	Global	*1
10	11	MUFG	Financial Services	5,513	8%	45%	Global	
11	10	SoftBank	Telecommunications	5,295	-3%	10%	Domestic	
12	12	au	Telecommunications	4,712	5%	Less than 10%	Domestic	
13	13	Subaru	Automotive	4,668	8%	82%	Global	
14	15	Suntory	Food & Beverages	4,162	15%	-	Domestic	*2, *6
15	14	Recruit	Media	4,086	3%	56%	Domestic	*4
16	17	Bridgestone	Automotive	3,448	10%	83%	Global	
17	19	Asahi	Food & Beverages	3,441	14%	46%	Domestic	*4
18	20	Shiseido	Personal Care	3,206	8%	69%	Global	
19	18	Kao	Personal Care	3,073	0%	42%	Global	
20	23	Daikin	Machinery	2,974	20%	79%	Global	
21	21	7-Eleven	Retail	2,949	9%	60%	Global	
22	16	Rakuten	Technology	2,660	-21%	17%	Domestic	
23	22	Kirin	Food & Beverages	2,655	5%	36%	Domestic	*4
24	24	SMBC	Financial Services	2,509	3%	36%	Global	
25	27	Shimano	Machinery	2,304	23%	90%	Global	
26	25	Tokio Marine	Financial Services	2,289	3%	42%	Global	
27	26	Suzuki	Automotive	2,190	7%	70%	Global	
28	28	Yamaha	Diversified	2,004	11%	88%	Global	*3
29	31	Hitachi	Diversified	1,964	15%	59%	Global	
30	29	Unicharm	Personal Care	1,848	3%	62%	Global	
31	30	Komatsu	Machinery	1,708	-1%	86%	Global	
32	34	NISSIN	Food & Beverages	1,451	9%	30%	Domestic	*4
33	37	Ajinomoto	Food & Beverages	1,391	15%	61%	Global	
34	36	Fujifilm	Diversified	1,336	4%	61%	Global	
35	32	MUJI	Retail	1,330	-9%	38%	Global	
36	45	Yakult	Food & Beverages	1,295	28%	45%	Global	
37	42	Fujitsu	Business Services	1,278	19%	37%	Global	
38	38	Mitsubishi Estate	Construction & Real Estate	1,260	5%	12%	Domestic	
39	39	DENSO	Automotive	1,193	9%	58%	Global	
40	33	Mizuho	Financial Services	1,189	-14%	48%	Global	
41	35	Mazda	Automotive	1,171	-9%	82%	Global	
42	41	Kubota	Machinery	1,163	8%	73%	Global	
43	40	OMRON	Electronics	1,153	6%	62%	Global	
44	47	NTT DATA	Business Services	1,142	16%	41%	Global	
45	43	Terumo	Healthcare	1,110	7%	71%	Global	
46	46	HOYA	Precision Equipment	1,068	8%	75%	Global	
47	51	BANDAI NAMCO	Entertainment	1,042	13%	42%	Global	
48	44	SECOM	Security	1,033	0%	5%	Domestic	
49	48	Kikkoman	Food & Beverages	1,001	5%	69%	Global	
50	52	Nissay	Financial Services	993	8%	-	Domestic	*6

*1: The brand value amount for brands ranking in Best Global Brands 2022 is applied.

*2: Suntory's brand value has been evaluated based on Suntory HD's figures.

*3: The total value of the Yamaha brand developed by Yamaha Motor Co., Ltd. and Yamaha Corporation has been calculated together.
(International sales ratio is the total international sales ratios of both companies divided by total sales)

*4: While international sales ratios exceed 30%, these are considered Domestic Brands because international sales of the businesses crowning each brand
(Recruit, Asahi, Kirin, NISSIN, Dai-ichi Life) are deemed to be below 30%.

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Best Japan Brands 2023 (#51 to #100)

2023 Ranking	2022 Ranking	Brand	Sector	Brand Value (US m\$)	Change in Brand Value	Ratio of Overseas Sales (FY2021)	Global/Domestic
51	53	KEYENCE	Electronics	972	8%	59%	Global
52	54	Olympus	Healthcare	968	14%	84%	Global
53	50	LINE	Media	961	3%	-	Domestic
54	57	ASICS	Sporting Goods	868	15%	79%	Global
55	61	Murata	Electronics	860	18%	91%	Global
56	58	Isuzu	Automotive	849	13%	65%	Global
57	59	Nitori	Retail	847	15%	Less than 10%	Domestic
58	49	Makita	Machinery	794	-16%	84%	Global
59	60	Daiwa House	Construction & Real Estate	771	5%	Less than 10%	Domestic
60	70	WORKMAN	Retail	761	24%	Less than 10%	Domestic
61	63	Nomura	Financial Services	742	6%	32%	Global
62	55	Ricoh	Business Services	741	-6%	60%	Global
63	62	NEC	Business Services	735	5%	25%	Domestic
64	56	KOSÉ	Personal Care	721	-6%	49%	Global
65	71	Sompo Holdings	Financial Services	710	17%	25%	Domestic
66	68	Chugai	Pharmaceuticals	697	10%	48%	Global
67	66	Epson	Business Services	695	7%	80%	Global
68	64	Lawson	Retail	677	-2%	11%	Domestic
69	73	Mitsubishi Motors	Automotive	668	16%	81%	Global
70	69	Meiji Yasuda	Financial Services	639	2%	-	Domestic
71	72	Japan Airlines	Logistics	631	6%	39%	Domestic
72	67	Meiji	Food & Beverages	621	-2%	Less than 10%	Domestic
73	65	Pigeon	Personal Care	620	-9%	62%	Global
74	77	Mitsui Fudosan	Construction & Real Estate	615	15%	Less than 10%	Domestic
75	75	ORIX	Financial Services	578	3%	23%	Domestic
76	83	KONAMI	Entertainment	539	15%	23%	Domestic
77	82	Matsumotokiyoshi	Retail	537	12%	Less than 10%	Domestic
78	80	Calbee	Food & Beverages	527	4%	23%	Domestic
79	78	Sagawa	Logistics	520	2%	26%	Domestic
80	76	FamilyMart	Retail	518	-6%	-	Domestic
81	79	Brother	Business Services	514	2%	85%	Global
82	74	Mitsubishi Electric	Diversified	508	-10%	48%	Global
83	NEW	NRI	Business Services	499	New	13%	Domestic
84	84	Sumitomo Life	Financial Services	479	2%	-	Domestic
85	81	Casio	Electronics	472	-5%	75%	Global
86	90	ZOZOTOWN	Retail	469	18%	Less than 10%	Domestic
87	86	Dai-ichi Life	Financial Services	457	5%	34%	Domestic
88	87	Lion	Personal Care	452	8%	28%	Domestic
89	88	Astellas	Pharmaceuticals	450	9%	79%	Global
90	91	Nikon	Precision Equipment	422	12%	82%	Global
91	85	Asahi Kasei	Diversified	408	-10%	48%	Global
92	93	Sekisui House	Construction & Real Estate	396	13%	16%	Domestic
93	92	Resona	Financial Services	395	7%	Less than 10%	Domestic
94	89	Mercari	Retail	340	-15%	28%	Domestic
95	96	Yamato	Logistics	333	9%	Less than 10%	Domestic
96	97	MS&AD	Financial Services	332	9%	18%	Domestic
97	95	Daihatsu	Automotive	316	-1%	-	Domestic
98	NEW	TOTO	Diversified	312	New	31%	Global
99	99	CAINZ	Retail	296	9%	-	Domestic
100	98	POLA	Personal Care	295	2%	18%	Domestic

*5: Japan Airlines is considered a Domestic Brand because its international sales combine domestic flights and international sales, and the actual sales generated internationally is not published.

*6: The overseas sales ratio of NTT DOCOMO, Suntory, LINE, Nissay, Meiji Yasuda, FamilyMart, Sumitomo Life, Daihatsu, and CAINZ is not disclosed, so we consider them as Domestic brands.

About Best Japan Brands 2023 Brand Valuation

Criteria for Inclusion

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:

- The brand originated in Japan: The corporate or business brand is the product of a Japanese enterprise.
- Various financial information must be publicly available or audited financial information must be available.
- The brand is recognized in Japan.
- The brand evidences long-term positive economic profit after factoring in the cost of capital.
- 2022 brand values were applied to brands ranked in Best Global Brands 2022.

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. This analysis is based on publicly available or audited corporate information, and future projections are based on analysts' estimates*.

*For analyst forecasts this evaluation relies on analysts' estimates obtained from IFIS Japan, Ltd at <http://www.ifis.co.jp/>. The IFIS Consensus data <https://www.ifis.co.jp/en/> used is current as of October 21, 2022.

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 set benchmarks by industry that draw on our database of over 10,000 brand value evaluations accumulated over the past 20 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 customer 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 10 factors key to brand vitality, and is represented on a scale of 0 to 100, with 100 being a perfect brand. Brands within the same industry are compared based on these factors, and the top brands are then compared to global brands in other industries.

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Brand Strength Model 10 Factors		
<u>Internal Factors</u>	<u>External Factors</u>	
Leadership	Engagement	Relevance
• Direction	• Distinctiveness	• Presence
• Alignment	• Coherence	• Trust
• Empathy	• Participation	• Affinity
• Agility		

This brand strength score is then converted into a discount rate a method unique to Interbrand, and this rate is used to discount future brand profits, thus calculating the brand value. Brand Role Analysis and Brand Strength Analysis are calculated using a wide variety of published reports and other documents, which are then assessed by consultants in each of our global offices.

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About Interbrand

Interbrand is the world's leading brand consultancy, established in London in 1974. For more than forty years, Interbrand has helped clients drive growth for both their brands and their business through a combination of strategy, creativity, and technology.

In this era of an unprecedented abundance of choices and rapid innovation despite increasing social uncertainty, customer expectations and values are changing faster than businesses are. At Interbrand, we believe it is crucial to explore the truth hidden behind these ever-changing human insights, understand customer thoughts and expectations as quickly as possible, make the decision to provide an experience that exceeds those expectations and take action. We call this decisiveness and action Iconic Moves™.

At Interbrand, our strategic team, which employs cutting-edge analyses measures such as Brand Valuation™, recognized by ISO as the world's first global standard for measuring the monetary value of brands, has come together with our award-winning creative team to work on projects where we handle everything in-house, from analysis to strategy building, creative development, internal and external engagement, and support for incorporating brand into management indicators to create innovation throughout the organization.

About Interbrand Japan

Interbrand Japan was established in 1983, the third office in Interbrand's global network, following London and New York. Together with C Space (headquartered in Boston and London, Japanese office in Shibuya, Tokyo), a customer agency that has developed globally to help companies incorporate the customer's perspectives into its business through online community management and co-creation workshops with customers, we provide total branding services for a variety of organizations including Japanese enterprises, international companies, governments, and public agencies. Please visit <https://www.interbrandjapan.com> to learn more.

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