

PRESS RELEASE

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Tokyo Stock Exchange, Inc.

Selection of Finalists for 5th Corporate Value Improvement Award

Four finalists have been selected by the Listed Company Award Selection Committee (Chairman: Adjunct Professor Kunio Ito, Hitotsubashi University, Graduate School of Commerce and Management) for the 5th Corporate Value Improvement Award as indicated below.

The committee recognized that these four companies had significantly improved corporate value and implemented management practices that are aimed at creating corporate value that exceeds capital cost.

The Listed Company Award Selection Committee will hold interviews with the management of the respective finalists and consider feedback from investors before deciding on the Grand Prix winner in January 2017.

Finalists

Company Name	Code	Sector	Market Division
Meiji Holdings Co., Ltd.	2269	Foods	1st Section
START TODAY CO., LTD.	3092	Retail Trade	1st Section
Kao Corporation	4452	Chemicals	1st Section
Astellas Pharma Inc.	4503	Pharmaceutical	1st Section

(in order of code number)

Reference: Corporate Value Improvement Award

The Corporate Value Improvement Award recognizes listed companies that adopt management practices aimed at increasing corporate value from the investors' perspectives, such as capital cost.

The selection is based on the process shown in the following table, which is conducted by the Listed Company Award Selection Committee consisting of experts.

Selection Process for Corporate Value Improvement Award

Selection Method & Selection Process
<p>Preliminary screening based on average equity spread (ROE – cost of equity)</p> <ul style="list-style-type: none">- From all TSE-listed companies (approx. 3,500 cos.), select 400 companies based on average equity spread (ROE – cost of equity) or its growth rate over the past three years.
<p>1st Round</p> <ul style="list-style-type: none">- Send out a simple questionnaire on awareness of capital cost and other matters to the 400 companies selected in preliminary screening. Check whether they manage the companies in strong consideration of improving corporate value.- Select the top 50 companies based on weighted average cost of capital (WACC) and corporate value creation, calculated based on a preset formula using figures from consolidated financial statements for their most recent business year <p>⇒ Companies selected as candidates are announced. (September 26)</p>
<p>2nd Round</p> <ul style="list-style-type: none">- Send out a detailed questionnaire on management approach and other policies toward improving corporate value to the 50 companies selected in the 1st round- The Listed Company Award Selection Committee selects the finalists based on the questionnaire responses. <p>⇒ <u>Companies selected as finalists are announced. (Today)</u></p>
<p>Winners</p> <ul style="list-style-type: none">- The Listed Company Award Selection Committee interviews finalists' management. Release list of finalists and gather feedback from investors before deciding on the winners.- The Listed Company Award Selection Committee selects the winners in consideration of the interview responses and investor feedback. <p>⇒ The first and the second place winners, and reasons for the selection are announced. (January 2017)</p>

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