

Indicator 12.6.1

Indicator Name, Target and Goal

Indicator 12.6.1 Number of companies publishing sustainability reports

Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Goal 12 Ensure sustainable consumption and production patterns

Definition and Rationale

○ Definition

This indicator refers to the number of companies publishing sustainability reports.

In Japan, sustainability reports include annual securities reports, which are legally required to be disclosed and include the "Sustainability-related Financial Information," as well as integrated reports and sustainability reports, which are voluntarily prepared by companies.

This indicator aggregates data from annual securities reports.

○ Concepts

An annual securities report is a report in which, under Article 24, paragraph (1) of the Financial Instruments and Exchange Act, a company issuing securities set forth in items (i) through (iv) of that paragraph (excluding specified securities) states, for each fiscal year and pursuant to the provisions of Cabinet Office Order, the trade name of the company, the financial condition of the business group to which the company belongs and of the company, other material matters concerning the content of the business, and other matters specified by Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. as necessary and appropriate in the public interest or for the protection of investors. "Sustainability-related Financial Information" is required to be included in annual securities reports.

In this indicator, "companies" refers to companies submitting annual securities reports, including listed companies.

○ Rationale and Interpretation:

Sustainability-related reports in Japan include not only the above-mentioned annual securities reports, which are statutory disclosure documents, but also reports voluntarily prepared by companies, such as integrated reports, which integrate financial and non-financial information (including information on sustainability) to explain the value creation process of companies, and sustainability reports, which disclose companies' initiatives towards realizing a sustainable society.

However, the number of companies preparing those reports voluntarily is unknown.

On the other hand, we identified the number of companies that have submitted an annual securities report as the indicator because the relevant data is available on EDINET (Electronic Disclosure for Investors' NETwork), an electronic disclosure system for statutory disclosure documents, including annual securities reports, etc. under the Financial Instruments and Exchange Act.

Data Sources and Collection Method

EDINET

Method of Computation and Other Methodological Considerations

○ Computation Method

For this indicator, the number of annual securities reports that meet the following conditions is extracted from EDINET.

- The end date of the fiscal year to which the annual securities report pertains falls within the following ranges: March 31, 2023 - March 30, 2024
- Applicable documents and forms: annual securities reports (Form 3 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.)
- Submission period for securities reports: the day on which the data is extracted

○ Comments and limitations

The period covered by this report is one year after the fiscal year ending

March 31, 2023, when the disclosure of "Sustainability-related Financial Information" became obligatory following the revision of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. (promulgated and put into effect on January 31, 2023).

The documents and forms covered do not include those for securities for professional investors, and foreign bonds, and securities reports using Form 3-2 and Form 4 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.

Data Disaggregation

N/A

References

- Publication of the finalized amendments to the "Cabinet Office Order on Disclosure of Corporate Affairs" and other relevant and applicable cabinet office orders after public consultation (January 31, 2023)
<https://www.fsa.go.jp/news/r4/sonota/20230131/20230131.html>
- EDINET (an electronic disclosure system for statutory disclosure documents, including annual securities reports, etc. under the Financial Instruments and Exchange Act)
<https://disclosure2.edinet-fsa.go.jp/WEEK0010.aspx>

Custodian Ministries of Data

Financial Services Agency

Custodian Ministries of Related Policies

Financial Services Agency

Ministry of Economy, Trade and Industry

International Organizations

United Nations Conference on Trade and Development (UNCTAD)

United Nations Environment Programme (UNEP)