

Japanese Depositary Receipts (JDRs)

With JDR services provided jointly by Mitsubishi UFJ Trust and Banking Corporation ("MUTB") and Citibank, N.A. ("Citi"), we can provide issuers with unparalleled access to Japan's investor community.

A Japanese Depositary Receipt (JDR) is an instrument issued by a trust bank in Japan that evidences ownership of shares in a corporation organized outside Japan. JDRs trade on the Tokyo Stock Exchange (TSE) in yen, and in accordance with Japanese market conventions, enabling foreign issuers to tap the Japanese capital market and local investors to efficiently invest in quality international companies.

Why JDRs?

Expand your horizons

A depositary receipt (DR) program can help you access capital outside your home market, build corporate and brand visibility on an international basis, broaden and diversify your shareholder base, expand the market for your shares and even develop share plans for foreign-based employees. Japan's depth of financial resources, substantial economy and captive investor base make it an ideal market for DR issuance.

Japan's economy is the third largest in the world and the second largest in Asia in terms of nominal Gross Domestic Product (GDP). And as a major center for international finance and trade with a wide array of multinational corporations, and prominent institutional and retail investor communities, Japan is primed to support new opportunities for international investment.

Why TSE?

Robust marketplace

TSE is one of the world's largest and most liquid securities exchanges. More specifically, TSE is the third largest exchange in the world and the largest in Asia, as measured by total market capitalization. Furthermore, TSE ranks first in Asia and third in the world in total value of share trading. TSE is also host to the second largest number of listed companies in Asia and the largest number of companies in the Far East.

Increased globalization

The introduction of JDRs is one of several steps TSE has taken to increase its participation in the international securities marketplace. In 2007, TSE entered into a strategic alliance with the NYSE (New York Stock Exchange) and established a cooperative agreement with the London Stock Exchange (LSE) to enhance both TSE's and LSE's international presence. Incidentally, the NYSE and LSE currently maintain a majority of the world's DR listings.

Also in 2007, TSE revamped its corporate structure in order to bolster the independence and effectiveness of its self-regulatory function, as well as allow it to act with more flexibility in its global business strategy.

Benefits at a Glance

- Participate in Asia's largest economy and securities exchange
- Access Japan's institutional and retail investor communities
- Augment corporate and brand visibility within Japan
- Leverage the experience, expertise, innovation and synergies of MUTB/Citi



Why MUTB/Citi?

Synergy

MUTB and Citi are parties to an agreement to jointly develop, market and support JDR programs.

MUTB acts as trustee for JDRs, which is the functional equivalent of a depository bank for American Depository Receipts (ADRs)/Global Depository Receipts (GDRs), utilizing its local trustee and transfer agency (TA) capabilities, an area where MUTB is a market leader in Japan. MUTB's dual role as trustee and transfer agent for JDRs can facilitate cost-efficiencies related to share-handling and other services pertaining to a cross-border listing for foreign issuers that would otherwise list their ordinary shares in Japan.

Citibank, a leading provider of ADR/GDR services as a depository bank, brings its product innovation, transactional expertise and global knowledge to this arrangement.

Experience

MUTB has been offering transfer agency services in Japan for approximately 50 years, maintaining a leading presence to this day. MUTB has aligned these services, including corporate action processing, dividend remittance and proxy administration, to support JDR programs.

MUTB is familiar with cross-border listings, with approximately 50% market share in the TA business for foreign companies listed in Japan.

Additionally, MUTB was nominated as the transfer agent for the first foreign ETF (exchange-traded fund) listed in Japan.

Citi's Depository Receipt Services is a leader in bringing quality issuers to global capital markets and in promoting DRs as an effective capital markets tool. Citi began offering DRs in 1928 and today is widely recognized for providing companies with access to the powerful global platform Citi has to offer.

Expertise

MUTB is positioned at the forefront of the JDR product in Japan. Examples of measures implemented by MUTB to achieve this standing include leading discussions on JDRs with METI (Ministry of Economy, Trade and Industry) and working closely with both TSE and JASDEC (Japan Securities Depository Center). MUTB has served as a subject matter expert on JDRs for securities companies, intermediaries, regulators and other local influencers.

Having received much recognition worldwide over the years, Citi Depository Receipt Services was once again awarded "Best Depository Receipt Bank" in Asia for 2020 in *The Asset's* Triple A Awards. Citi's DR platform has been entrenched in the market leader position in Asia for market capitalization, capital raised, trading volume and client satisfaction.

Investor relations support

MUTB can assist in your investor relations practices by furnishing

reports and providing intelligence on the nature and manner in which your JDRs are held and transacted. MUTB will provide a web-based platform for access to this information and more.

Citi's in-house global investor relations team provides advice, strategic insight and practical counsel directly to issuers.

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