

Keidanren

ANNUAL REPORT 2019



## About KEIDANREN

KEIDANREN (Japan Business Federation) is a comprehensive economic organization with a membership comprised of 1,412 representative companies of Japan, 109 nationwide industrial associations and 47 regional economic organizations (as of April 1, 2019).

Its mission as a comprehensive economic organization is to draw upon the vitality of corporations, individuals and local communities to support corporate activities which contribute to the sustainable development of the Japanese economy and improvement in the quality of life for the Japanese people.

For this purpose, KEIDANREN establishes consensus in the business community on a variety of important domestic and international issues for their steady and prompt resolution. At the same time, it communicates with a wide range of stakeholders including political leaders, administrators, labor unions and citizens. It encourages its members to adhere to the Charter of Corporate Behavior in an effort to establish and maintain public confidence in the business community. It also strives for the resolution of international issues and the development of closer economic relations with various countries through policy dialogue with the governments and economic associations of each country as well as international organizations.

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### Keidanren Report 2019 Message from the Chairman

The tide of digitalization continues to sweep the world, transforming corporate activities and bringing dramatic changes to people's lifestyles. Growth happens differently in this era of digitalization. Digital technologies such as robotics, blockchain, AI, and IoT combine with human imagination and creativity to resolve social issues and create new value at the same time. It is from these activities that new economic growth will emerge. The future for Japanese society must be based on the concept of a "Society 5.0 for SDGs." This vision combines the United Nations Sustainable Development Goals (SDGs) with the idea of Society 5.0, the next stage of human society following on from the Hunting Society, Agrarian Society, Industrial Society, and Information Society. Keidanren is doing everything it can to implement "Society 5.0 for SDGs".

Another urgent issue to be addressed concerns aging of Japan's population and its low birthrate. Keidanren is stepping up its efforts to promote reforms that will bring about social security for all generations while supporting the current workforce and corporate vitality. At the same time, we will continue to seek a healthier fiscal balance of the government budget.

Investment in the electricity industry has become stagnant. If this situation is not be addressed, there is a risk that infrastructure will decay, and Japan will continue to depend heavily on thermal power to an extent not seen in other developed countries. To avoid deterioration of power quality, price increases, and delays in responding to climate change, it is necessary to have an in-depth debate involving industry, academia, and government regarding the future power system of this country. This debate needs to consider safety, energy security, economic efficiency, and environmental protection ("S+3E").

The existing international order is suffering from systemic fatigue. While challenges that cannot be resolved within the current frameworks are accumulating, there are increased expectations for Japan to play its part and show leadership. Global rule-making processes are changing. Keidanren will actively work to communicate the importance of a free and open international economic order based on the rule of law, and will help to maintain and strengthen that order by playing a leading role in multilateral and multi-layered private-sector diplomacy.

In addition to addressing the above-mentioned policy issues, Keidanren will expand the scope of its activities by establishing new cross-sectoral councils and committees to reinforce existing frameworks. I hope we can look forward to the continued support of all members as we move forward into the future.

Chairman 中西宏明  
NAKANISHI Hiroaki

Policy Main Proposals and Reports

2018

- April 7 2018 B7 Declaration
- April 16 Action plan for the realization of work style reform  
Call for action on energy and climate change that delivers electricity price reductions
- April 17 Global services coalition recommendations to the member states of the European Union regarding the European Commission proposal on data flows  
Basic philosophy on improving Japan's fiscal position  
Proposal on Companies Act reflecting digitalization and globalization  
- Opinion regarding the Ministry of Justice interim proposal for reforms to the corporation legal framework (corporate governance and related matters) -  
Establishing an environment that fosters creation of new high-added-value industries  
Toward better measures for supporting balancing work and nursing care  
- recommendation for sharing efforts in nursing care within each company  
- Recommendation for shared care at companies -
- May 15 Development of a comprehensive international strategy to promote digital economy  
Creation of New Value through "Three Business Principles for Realizing Society 5.0" - toward formulation of an "Intellectual property strategic vision" -  
- Toward formulation of an "Intellectual Property Strategy Vision" -  
Toward establishment of sustainable social security system for all generations - opinion on systemic reforms -  
- Opinion on systemic reforms -
- June 15 Urgent recommendations for achieving digital-government
- June 19 Recommendations regarding form of future university reforms in Japan  
Toward realization of new national defense program guidelines and next medium term defense program  
Call for early signing of social security agreement with Vietnam
- July 17 Innovation for SDGs - Road to Society 5.0 -  
Dash to the GOALS!  
- Our initiatives to deliver on SDGs -  
Review on Keidanren regulatory reform requests (FY2017)
- July 20 Summer Forum 2018 Keidanren declaration



Chairman Sakakibara signing B7 Declaration at B7 Summit in Quebec City



Summer Forum 2018



Meeting of Board of Directors

- July 23 Roadmap for an economic partnership agreement between Japan and Mercosur
- July 31 Joint declaration by Tohoku Economic Federation and Keidanren  
- Reinvigoration of Tohoku by co-creation of "Wakitatsu Tohoku" and "Society 5.0" -
- September 18 Agriculture: its future as a leading-edge growth industry  
- Policies for the realization of Society 5.0 -  
Proposal for Fiscal 2019 tax reform  
Keidanren proposals for TICAD VII  
Requests on early conclusion of Japan-Korea social security agreement
- October 3 Expectations from the new cabinet - Toward Society 5.0 for SDGs -
- October 12 Call for acceleration of action on making renewable energy a mainstream source of electric power
- October 15 Call for cooperation between German and Japanese governments to promote data utilization - Joint declaration by BDI and Keidanren -  
- Joint declaration by Federation of German Industries (BDI) and Keidanren -
- October 16 Views on promoting partnership between business and politics  
Evaluation of major political parties' policies (2018)  
Basic views on accepting foreign workers in Japan - Response to deepening globalization -  
- Response to deepening globalization-  
Logistics in the age of Society 5.0  
- Hi-tech-driven innovations and advances in globalization  
Declaration of biodiversity by Keidanren (Revised edition) Revised edition
- October 18 Calling for launching negotiations on a Japan-Mercosur economic partnership agreement
- October 24 Business groups: urgent action needed to reform the WTO
- November 13 Society 5.0  
- Co-creating the future -  
Realizing effective and fair global warming countermeasures under the Paris Agreement  
Opinion on formulating the "Resource Circulation Strategy for Plastics"  
- Toward promoting resource circulation and solving marine plastic litter issues -  
Contributing to avoided emissions through the global value chain  
- A new approach to climate change measures by private actors -  
Case studies of work style reform: work style reform toward Society 5.0
- December 4 Proposal for corporate recruitment activities and university education

2019

- January 15 Actions by the business community on long-term global warming countermeasures up to 2050
- January 18 Global services coalition letter to WTO ministers to re-double efforts to make progress toward a high standard e-commerce framework
- January 22 Summary of the 2019 report of the Committee on Management and Labor Policy  
- Improved job satisfaction and creating innovation by Society 5.0 -  
Call for the Realization of Trade Policies for the New Era  
- Focus on Reform of the World Trade Organization (WTO)
- February 19 Progress on venture ecosystems for realizing Society 5.0  
AI utilization strategy for an AI-ready society  
For an AI-ready society
- February 20 Expectations for announcement on attracting international linear collider
- March 15 B20 Tokyo Summit joint recommendations "Society 5.0 for SDGs"
- March 19 Proposal on Japan's long-term growth strategy under the Paris Agreement  
- Business-led innovation to address challenges towards decarbonization -  
Towards strategic promotion of the infrastructure export (FY2018)  
- FY2018 Edition -  
Keidanren regulatory reform requests (FY2018)  
Recommendations on promotion system of regulatory reforms  
- call for all-of-government action in realizing Society 5.0 -



51st joint declaration by Tohoku Economic Federation and Keidanren



Presentation of proposal for university education reforms (from right) Minister of Education, Culture, Sports, Science and Technology Yoshimasa Hayashi, Chairman Okamoto, and Chairman Watanabe



Chairman Tokura (third from left) and Chairman Sato (second from left) presenting agriculture reforms proposal



Chairman Nakanishi presenting B20 joint recommendations to Prime Minister Abe (center) at B20 Tokyo Summit



# Fiscal 2019 KEIDANREN's Policy

As a new imperial era has just started in Japan, it is time for the Japanese economy to establish a new foundation for stable growth. To seize this opportunity and contribute to stability and growth both in Japan and the global economy and society, Keidanren is addressing four key issues: promotion of growth strategy, pursuit of economic structural reforms, implementation of sustainable energy and environmental policies, and engagement in economic diplomacy.

The Society 5.0 concept is a key pillar in promotion of growth strategy. Digitalization is rapidly transforming the entire framework of the global economy as it sweeps the world. To realize hopeful society in the future, Keidanren is devoting its full capabilities to shifting Society 5.0 for SDGs into the implementation phase. With technological innovation as a base, Keidanren will lead reforms that harness imagination and creativity to realize a human-centric society. To this end, Keidanren will encourage the horizontal expansion of digital transformation across various sectors to achieve strong economic growth, improve standards of living, and facilitate efficient allocation of human resources, goods, and finance. By resolving social issues, Keidanren will also contribute to delivering on the Sustainable Development Goals (SDGs) adopted by the United

Nations. In doing so, Keidanren will encourage rejuvenation of industrial structures and act resolutely to establish a competitive environment that shields no sector and encourages new challenges regardless of business size.

In pursuit of economic structural reforms and to alleviate public uncertainty about the future, Keidanren will urge reform of the social security system and fiscal consolidation compatible with economic growth. By advocating regulatory and tax reforms that will help to reinvigorate corporate activity, Keidanren will take steps to make Japan the world's most business-friendly country.

In the energy sector, balancing energy security, economic efficiency, and environmental conservation without comprising safety (an approach dubbed "S+3E") is fundamental to people's way of life and the business environment. Meanwhile, the adoption of the Paris Agreement and the spread of ESG investment are prompting greater international concern over measures to address climate change. With a view to implementation of sustainable energy and environmental policies compatible with economic growth, Keidanren promotes fundamental reforms by expressing constructive opinions as well as encouraging voluntary initiatives.

Factors such as US-China trade friction, Brexit, and the North Korean issue continue to create high levels of uncertainty in the international situation. Leveraging benefits stemming from long-term political stability in Japan, Keidanren will pursue proactive engagement in economic diplomacy. In forums including the B7 and B20 summits, we present business community views on the importance of a free, open, and rule-based international economic order and contribute to maintaining and strengthening this order.

Keidanren will continue its efforts to revitalize the Tohoku region through steady implementation of post-earthquake reconstruction projects, and seek ways of bringing the country together to ensure the success of national events such as the 2019 Rugby World Cup, the 2020 Tokyo Olympic and Paralympic Games, and the 2025 World Expo in Osaka, Kansai.

Guided by these aims, Keidanren will further enhance its communication and implementation capabilities, and engage with the policy issues listed below as it strives to create a vigorous economy and society.

## Policy issues

### 1. Promotion of growth strategy: Action Plan for Implementation of Society 5.0 for SDGs

#### Reform of Business Sector

- (1) Realization of Society 5.0  
 Key fields:  
 (a) healthcare, (b) agriculture, (c) tourism, (d) logistics, (e) disaster prevention and mitigation, (f) finance, (g) education
- (2) Promotion of engagement in SDGs by companies
- (3) Building innovation ecosystems
- (4) Workstyle reform
- (5) Promotion of diversities including increased participation of women in the workplace
- (6) Realization of diverse working styles for senior employee and people with disabilities

#### Reform of Human Resources

- (7) Acceptance of foreign talents
- (8) Promotion of human resource development

#### Reform of Public Sector

- (9) Promotion of digital government
- (10) Regional revitalization
- (11) Enhancement of urban functions

#### Reform through Data and Technology

- (12) Promotion of data utilization
- (13) Ensuring free cross-border data flows
- (14) Reinforcement of cybersecurity
- (15) Encouraging innovation
- (16) Promotion of utilization of AI (artificial intelligence)
- (17) Stimulation of consumption

### 2. Pursuit of economic structural reforms

- (1) Fiscal consolidation
- (2) Social security system reform
- (3) Regulatory reform
- (4) Tax reform
- (5) Creation of an environment for realizing a family-friendly society
- (6) Reform of corporate law system and corporate governance, promotion of SDGs-related investment through constructive dialogue with investors

### 3. Implementation of sustainable energy and environmental policies

- (1) Promotion of energy policies that ensure S+3E balance
- (2) Implementation of environmental policies compatible with economic growth

### 4. Engagement in economic diplomacy

- (1) Maintenance and strengthening of a free, open, and rule-based international economic order
- (2) Strengthening relations with Japan's main economic partners
- (3) Promotion of overseas deployment of infrastructure systems

### 5. Success of national events

- (1) Tokyo Olympic and Paralympic Games, etc.
- (2) 2025 World Expo Osaka, Kansai

### 6. Steady post-earthquake reconstruction and revitalization of the Tohoku region

## Materialize Society 5.0



J-Startup (November 2018)

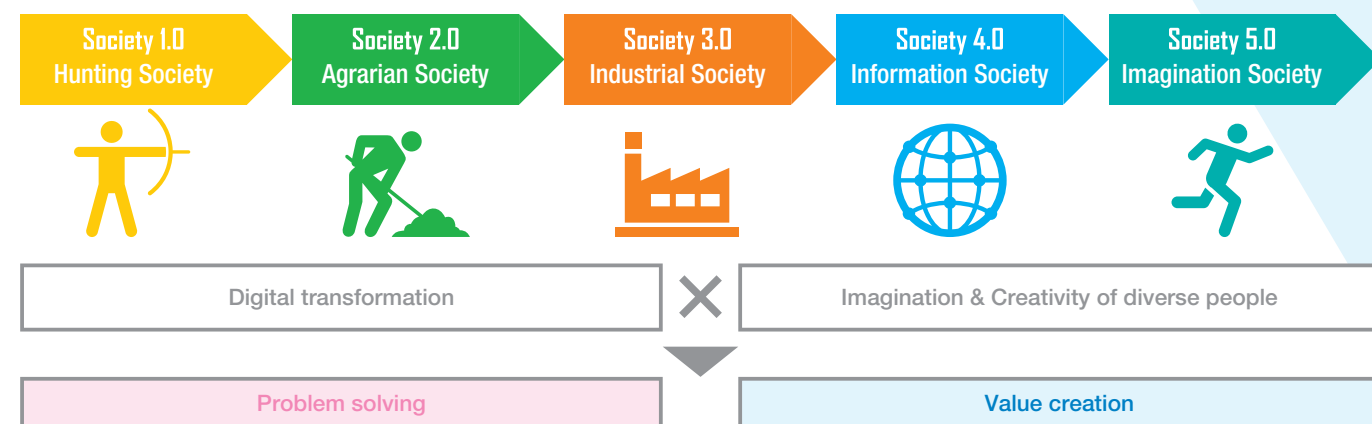
Keidanren is observing new opportunities arising from changes to the economy and society brought about by digital transformation, and it is trying to materialize "Society 5.0", the society of the future. In a society where digital transformation is well advanced, the key for success lies in demonstrating power to imagine and create the resolve of social issues and to new value sets by using digital technology and big data. As the fifth stage of society, following on from the Hunting Society, Agrarian Society, Industrial Society, and Information Society, Society 5.0 is the society of creation. Society 5.0 will look for the resolve of the global issues, and that cannot be brought about by one company or one nation alone. Keidanren plans to accelerate its dialogue and collaboration with a wide range of other entities in Japan and elsewhere.

Keidanren is presenting a society vision by focusing on the areas like healthcare, agriculture, and logistics, and asking how society will look like in the new era. To materialize Society 5.0, it will be important to pursue open innovation in which a diverse range of entities come together, transcending the boundaries between different fields and organizations. Accordingly, Keidanren is undertaking a variety of measures, making efforts to encourage collaboration between startups and large companies through such measures as promoting reforms on taxation for enhancement of research and development.

Society 5.0 is not something one could wait to come by, but something one must create. Keidanren will reform itself to take the initiative in transforming Japanese economy and society to bring about the Society 5.0.

### Society 5.0: The Imagination Society

# Society 5.0



## Data utilization and cybersecurity

It is said that data is a fourth management resource after human resource, goods, and money. Promoting the utilization of data will be important for materializing Society 5.0. Recognizing the need to establish mechanisms that facilitate the use of data while ensuring that privacy remains a key prerequisite, Keidanren has already proposed specific policy framework for creating an environment for data utilization.

Cybersecurity, meanwhile, is a major issue amid the ongoing digital transformation. Having formulated the "Keidanren Declaration of Cybersecurity Management", Keidanren also held a symposium for management-level personnel to promote better awareness of the issue among member companies and organizations. Crucial issue is to recognize strengthening of cybersecurity measures is an important management issue, and to see it as an investment rather than cost.



Presentation of Keidanren Declaration of Cyber Security Management to Chief Cabinet Secretary Yoshihide Suga (April 2018)

## Engagement in Sustainable Development Goals (SDGs)

While Society 5.0 seeks to resolve social issues and coexist with the environment, it also contributes to achieving the Sustainable Development Goals (SDGs) adopted by the United Nations. To this end, Keidanren aims at delivering on the SDGs through realization of Society 5.0. As part of its effort to achieving it, Keidanren has compiled the booklet of the case studies of innovations by member companies that contribute to

implementing the SDGs as well as launched the special website where the online database of those cases is available. Keidanren is also strengthening collaboration with international organizations such as the United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), and World Bank, and with other non-governmental organizations promoting the SDGs.

**Aiming to resolve social issues and coexist with the environment, Society 5.0 will contribute to delivering on the United Nations SDGs. The two reforms share a common direction.**

### Society 5.0

#### Nine fields

- 1 Cities and Regions
- 2 Energy
- 3 Disaster Prevention and Mitigation
- 4 Healthcare
- 5 Agriculture and Food
- 6 Logistics
- 7 Manufacturing and Services
- 8 Finance
- 9 Public Services

### SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



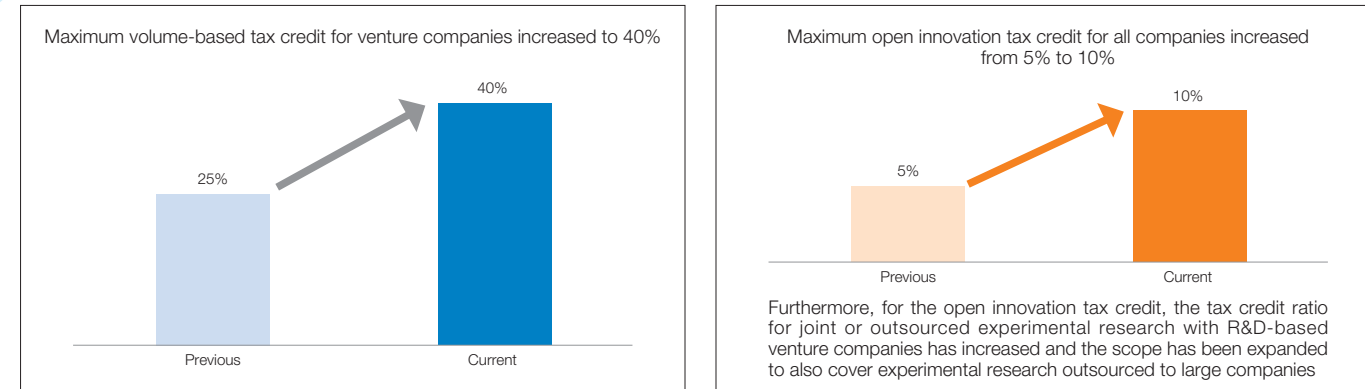
Keidanren supports the SDGs.  
Source: United Nations Information Centre  
[https://www.un.org/activities/economic\\_social\\_development/sustainable\\_development/2030agenda/sdgs\\_logo/](https://www.un.org/activities/economic_social_development/sustainable_development/2030agenda/sdgs_logo/)

## Realizing sustainable economic growth

Recovery from deflation and economic revitalization are the highest priority policy issues for Japan. While subject to influences from the rest of the world, Japan's economy is currently experiencing a slow but steady recovery. In the future it will be necessary to sustain medium to long term growth by strengthening its growth strategy centering around materialization of the Society 5.0. It would be necessary for the businesses to utilize technologies such as IoT, AI, and robotics so as to transform and upgrade the economy and society and resolve social issues

through their activities. Furthermore, it would be necessary to bring about a good economic cycle by rewarding employees the growth of the businesses through wage increases and other employee benefits. On the occasion of voicing its views on FY 2019 tax reform, Keidanren requested on expansion of R&D tax credits to boost innovation and reduction of car and housing related taxes with a view to mitigating demand fluctuation expected to arise this autumn due to consumption tax hike to 10%.

### ● Fiscal 2019 tax reform for tax credit system of research and development

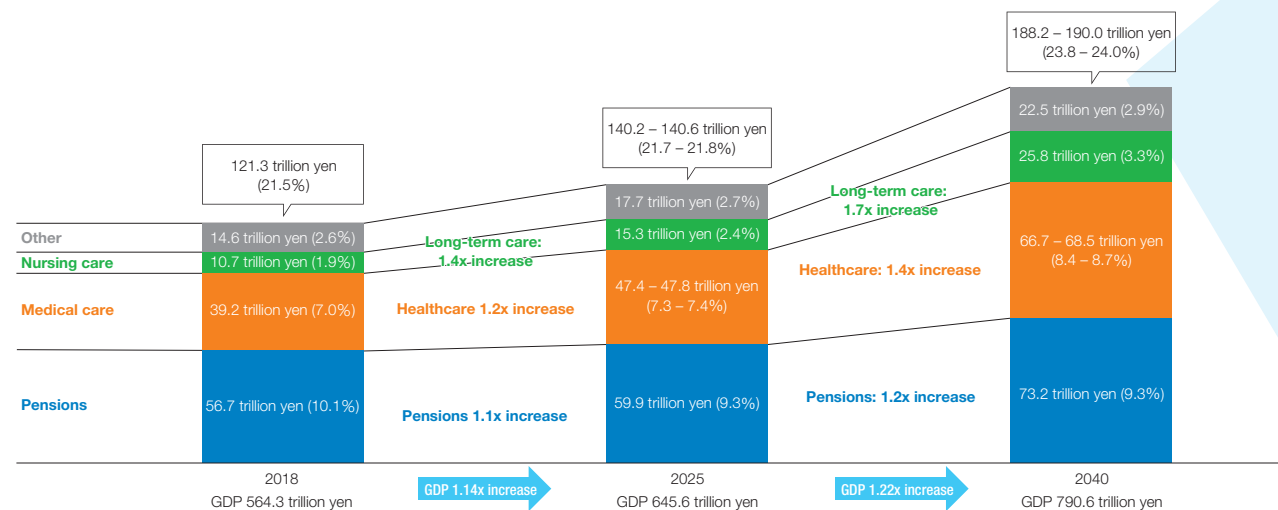


## Reforms to finances and social security systems

Sound finance and sustainable social security are the underpinnings of the economy and society, and structural reforms are essential. Accordingly, Keidanren has long called for consumption tax hike to 10% together with a thorough reform of expenditures. With regard to the social security system reforms, Keidanren is lobbying for the streamlining and rationalization of social security benefits with a view to minimizing the social insurance premiums paid by corporations and the working

generation while also ensuring system continuity despite increasing benefit expenses due to factors such as the aging of the population. The utilization of data will also have an important role in promoting reforms. It is through data utilization that evidence-based policy-making become possible. Given rising demand in the future due to the aging population and other factors, it is expected to find ways of delivering medical and nursing care services efficiently.

### ● Forecast of social security benefits



Source: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labour and Welfare "2040 Outlook for Social Security Costs" (plan based, economic baseline case) (published May 2018)

## Boosting regional economy

For Japan's economy to achieve sustainable growth, steps need to be taken to strengthen the competitiveness of agriculture, tourism, and other core regional industries. Keidanren is engaging in a variety of measures that include promoting business matching between member companies and regional companies and universities, setting-up projects through partnerships with the agricultural and economic sector, promoting tourism, and expediting reconstruction in the areas affected by natural disasters.

Specifically, holding joint workshops in December 2018 for business matching with companies, universities, and other organizations in the Hokuriku and Shikoku regions, holding the "Festival in support of Tohoku reconstruction 2018" in October through November, and collaborating with the Hokkaido Economic Federation to hold the "Hokkaido Genki Declaration Symposium in Sapporo" in November to underpin reconstruction work for the Great East Japan Earthquake and the Hokkaido Eastern Iburi Earthquake.



Festival event supporting Tohoku reconstruction 2018 (October 2018)



Hokkaido Genki Declaration Symposium in Sapporo  
Chairman Nakanishi (right) and Chairman Takahashi of the Hokkaido Economic Federation (left) at press interview (November 2018)

## Promoting business and politics partnership

In the international arena, rise in anti-globalism and populism is observed around the world. In Japan, meanwhile, political stability has brought a stable government, and the economy is experiencing a steady recovery. While strengthening the steps toward the economic revitalization in Japan, politics should play a major role in maintaining and developing a free and open economic order in the international community. Japan is expected to play a larger role in the international arena, and it is important for the

businesses to join forces with the political sector to implement policies in Japan and abroad. Keidanren has been strengthening collaboration with political leaders in delivering (1) policy recommendations, (2) communication with political parties and politicians, and (3) promotion of economic diplomacy under public-private collaboration.



Meeting with leadership of the Liberal Democratic Party (October 2018) as well as the Komeito leaderships (November 2018)

## Promoting work style reform

With the economy and society of Japan facing major changes and both companies and their staff being called on to reform, Keidanren is leading work style reform. Specifically, in addition to presenting positive case studies that deliver improvements in job satisfaction, Keidanren has called for the formulation of action plans by each company, the rectifying of business practices that lead to long working hours, and the prevention of excessive workloads and practices such as power harassment in the workplace. Also, diversity of talent with various attributes such as age,

gender, and nationality working together is essential for encouraging innovation. Accordingly, Keidanren has set promoting women's active participation in the workforce one of its top priorities and has been encouraging initiatives at individual companies, through hosting the Leadership Mentor Program that invites Keidanren leaders to be mentors for female executives at member companies, and also seminars and human resource development programs aimed at people at different levels in the organization.



Chairman Nakanishi speaking at Leadership Mentor Program (January 2019)

**Early planning,  
workplace understanding, take vacations  
– My vacation plan 7 seven! 5 five! 3 three! –**

- 1 Target 70% or higher percentage of annual leave being taken**  
The average of using paid leaves among Keidanren member companies is 66.2%\*.  
\* Data for 2017 from Keidanren 2018 Working Hours Survey
- 2 Take action to prevent anyone from taking less than five days of annual leave**  
Revisions to the Labor Standards Act oblige employers to specify at least five days of paid leave each year.
- 3 Create a long weekend by combining paid leaves and weekends or public holidays so that workers can rest three or more consecutive days**  
From considerations of workers' upskilling, taking advantage of Kids Week, and Premium Friday (movement to take last Friday of each month off), it is anticipated that diverse use of vacations could bring about expanded tourism and stimulating consumption.

## Engaging in higher education reform

Society 5.0 will require amalgamation of a wide variety of value sets, requiring the people to possess literacy and logical thinking skill including data analysis and logical expression regardless of the major of each and every student. While Keidanren announced in October 2018 that it would no longer formulate recruiting schedules from the FY2021 graduate intake onward, it also used the opportunity to reiterate the need of educational reforms that all universities are being called for. Following this, a standing

committee was established in January 2019 for industry and academia to jointly address the issues regarding recruitment and higher education – the standing committee has been used for exchange of views on higher education businesses would like to see and ways and means of student recruiting that will be win-win for both educational institutions and businesses.



Standing committee on recruitment and higher education by businesses and academia (January 2019)



## Action on the environment and energy issues

Keidanren is taking initiatives in addressing environmental issues. To help achieve global-scale reductions in the emission of greenhouse gases, it promotes the "Commitment to a Low Carbon Society" with participation

by more than 60 industries, and it sends delegations to the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) every year. Keidanren is also promoting the Voluntary Action Plan for Establishing a Sound Material-Cycle Society and Declaration of Biodiversity.

In this fiscal year, Keidanren has collated recommendations to resolve the global issues of plastics waste in the ocean and promote plastic recycling in Japan and is lobbying its policy to the government. It is also asking its member companies and organizations to promote their own stance on waste plastics, and publish a collection of case studies on the plastics issues in Japan and abroad.

Energy is fundamental to people's way of life and to business activity, and it is essential to balance energy security, economic efficiency, and environmental protection without compromising safety. Nearly 90% of Japan's energy depends on fossil fuels, and Keidanren promotes the restarting of nuclear power plants and making renewable energy a mainstream source of electric power. Keidanren is also taking steps to encourage investment in electric power for the building of a next-generation electricity network to help realize Society 5.0.



Vice Chair Sugimori giving a speech at a COP24 side event (December 2018)

## Dialogue with investors and markets

To realize Society 5.0 through further fostering innovation, it will be crucial to boost the appeal of Japanese companies and the economy in general as investment targets, and on that basis spur more foreign and domestic investments in the nation's financial and capital markets. For this purpose, it will be important that companies go further with their proactive efforts on corporate governance and deepen constructive dialogue with investors. Keidanren has been encouraging corporate efforts by hosting symposiums as well as engaging in dialogue with stakeholders including Japanese and overseas institutional investors such as the United Nations-supported Principles for Responsible Investment (PRI) and Japan's Government Pension Investment Fund (GPIF).



Meeting with PRI (June 2018)



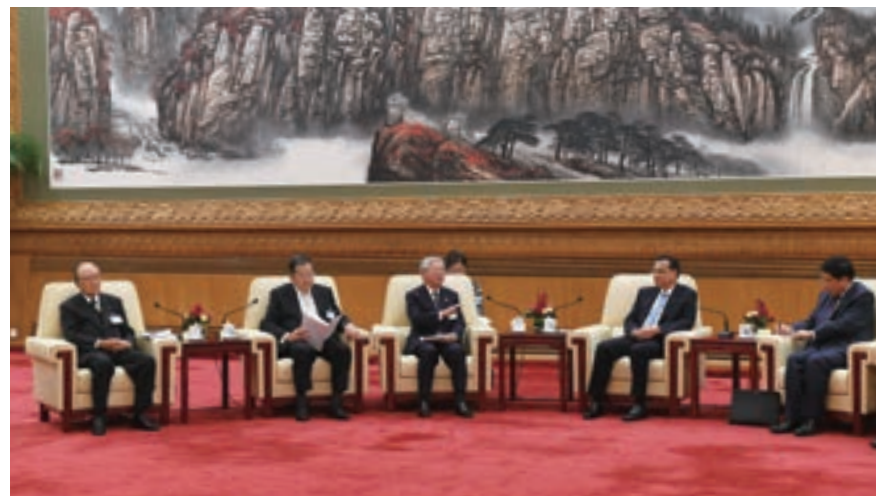
Symposium on effective corporate governance. (November 2018, Chairman Nakanishi resided (second from left))

## Promotion of economic diplomacy

Keidanren provides an important platform for policy recommendations to improve the global business environment and to strengthen economic relations between Japan and other nations and regions around the world. In FY 2018, Keidanren delegations visited various different nations and regions around the world, including the U. S., Europe, Russia, China, and India. It has also frequently held joint conferences and other bilateral/multilateral meetings to actively exchange opinions with diverse stakeholders including leaders of both government and business communities. Through these activities, Keidanren has worked on reforms to maintain and strengthen the functions of the World Trade Organization (WTO) to reinforce free and open international economic order based on rules of the law. Also, Keidanren has taken strong leadership to implement the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (also known as the TPP11), the Japan-EU Economic Partnership Agreement (EPA), supported the negotiations on the Regional Comprehensive Economic Partnership (RCEP), and other arrangements. Furthermore, Keidanren facilitated the provision of high-quality infrastructure. Keidanren engages vigorously in dialogue through multilateral frameworks such as the B7, Asian Business Summit, and Japan-China-Korea Business Summit. Specifically for FY 2018, Keidanren hosted the B20 Tokyo Summit in March 2019 as a precursor to the first G20 meetings held in Japan in order to reflect business community's viewpoints at the G20 Summit. At the B20 Summit, with Society 5.0 for SDGs as an overarching agenda, economic organizations of G20 member countries debated on how business communities should tackle the global issues such as free trade and digital transformation. The B20 Tokyo Summit Joint Recommendations and were presented to Prime Minister Abe.



Hosted the B20 Tokyo Summit (March 2019)

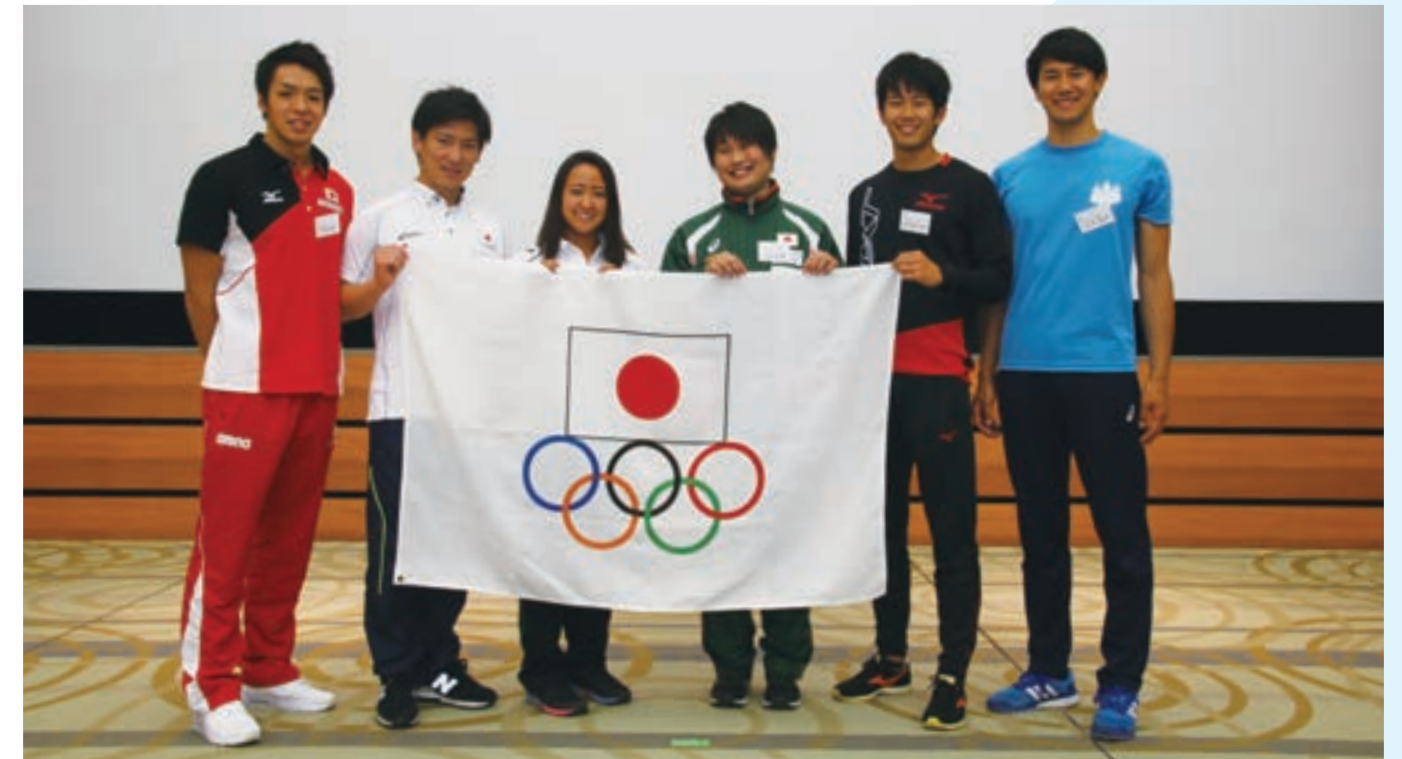


Joint delegation of Keidanren, Japan-China Economic Association, and Japan Chamber of Commerce and Industry to China met with Li Keqiang, Premier of the State Council of China (September 2018) (photo courtesy of Japan-China Economic Association)



Hosted India-Japan Business Leaders Forum 2018 in Tokyo (October 2018)

## Toward success of national events



Briefing on Ath-navi, an employment support program for top athletes (May 2018)

The Rugby World Cup to be held in Japan in 2019 as well as the 2020 Tokyo Olympic and Paralympic Games pose wonderful opportunities for Japan to attract the world attention. Japan should use this opportunity to appeal to the world of its attractions and technologies along with how it has recovered from the damages of the Great East Japan Earthquake while making sure the international sporting events ends in successes. Keidanren engages with and supports athletes and those associated with sports throughout Japan and also facilitates the companies' employment of athletes so that teams and athletes perform to the fullest without fear of the future. Meanwhile, the All Japan Business Committee for the 2020 Olympics and Paralympics, made up of Keidanren and other economic organizations, is rolling out activities across Japan to shift national

momentum for the Games and to build the post-2020 legacy, by promoting the inculcation of sports, support of sports for people with disabilities, making society barrier-free, revitalize regional economy, and publicizing Japan's leading technology.

Furthermore, it was decided in November 2018 to stage the 2025 World Expo in Osaka, Kansai. By presenting the international community with a specific vision for what Society 5.0, the society of the future, might look like, and giving people an opportunity to experience it for themselves, Osaka, Kansai World Expo will act as a trigger of further economic development. Keidanren will work with national and local government and the other organizations involved to do all it can to make the event a success.



Held a inter-company competition for parasport "Boccia" (September 2018)



Produced a map showing barrier-free access around a Rugby World Cup venue (November 2018)

Chairman



**NAKANISHI Hiroaki**  
Executive Chairman  
Hitachi, Ltd.

Chairman of the Board of Councillors



**KOGA Nobuyuki**  
Chairman of the Board of Directors  
Nomura Holdings, Inc.

Vice Chairs

**OKAMOTO Tsuyoshi**  
Senior Corporate Adviser  
Tokyo Gas Co., Ltd.

**KOBAYASHI Ken**  
Chairman of the Board  
Mitsubishi Corporation

**ISHIZUKA Kunio**  
Senior Advisor  
Isetan Mitsukoshi Holdings Ltd.

**KUNIBE Takeshi**  
Chairman of the Board  
Sumitomo Mitsui Financial Group, Inc.

**YAMAUCHI Takashi**  
Chairman, Member of the Board  
Taisei Corporation

**SHINDO Kosei**  
Representative Director and Chairman  
NIPPON STEEL CORPORATION

**YAMANISHI Kenichiro**  
Executive Corporate Adviser  
Mitsubishi Electric Corporation

**HAYAKAWA Shigeru**  
Vice Chairman  
Toyota Motor Corporation

**SUMI Shuzo**  
Counsellor  
Tokio Marine & Nichido Fire Insurance  
Co., Ltd.

**TOMITA Tetsuro**  
Chairman and Director  
East Japan Railway Company

**KATANOZAKA Shinya**  
President and CEO  
ANA HOLDINGS INC.

**SUGIMORI Tsutomu**  
Representative Director, President  
JXTG Holdings, Inc.

**NAKAMURA Kuniharu**  
Chairman of the Board of Directors  
SUMITOMO CORPORATION

**HIRANO Nobuyuki**  
Mitsubishi UFJ Financial Group, Inc.  
Chairman

**OCHI Hitoshi**  
President and CEO  
Mitsubishi Chemical Holdings  
Corporation

**WATANABE Koichiro**  
Representative Director, Chairman of  
the Board  
Dai-ichi Life Holdings, Inc.

**SHINOHARA Hiromichi**  
Chairman of the Board  
Nippon Telegraph and Telephone  
Corporation

**OHASHI Tetsuji**  
Chairman of the Board  
Komatsu Ltd.

Vice Chairs of the Board of Councillors

**MIYANAGA Shunichi**  
Chairman of the Board  
Mitsubishi Heavy Industries, Ltd.

**TOKURA Masakazu**  
Chairman of the Board  
Sumitomo Chemical Co., Ltd.

**ASANO Kuniko**  
Chairman  
HAKUICHI CO., LTD.

**IZUMIYA Naoki**  
Chairman and Representative Director  
Asahi Group Holdings, Ltd.

**NAGAE Shusaku**  
Chairman of the Board  
Panasonic Corporation

**SATO Yasuhiro**  
Chairman of the Board  
Mizuho Financial Group, Inc.

**ENDO Nobuhiro**  
Chairman of the Board  
NEC Corporation

**KOBORI Hideki**  
President & Representative Director  
Asahi Kasei Corp.

**NEGISHI Naofumi**  
Executive Advisor  
SEKISUI CHEMICAL CO., LTD.

**SAITO Tamotsu**  
Chairman of the Board  
IHI Corporation

Director General

**KUBOTA Masakazu**

**KOMODA Masanobu**  
President and CEO  
Mitsui Fudosan Co., Ltd.

**HATANAKA Yoshihiko**  
Representative Director, Chairman of  
the Board  
Astellas Pharma Inc.

**ISAKA Ryuichi**  
President & Representative Director  
Seven & I Holdings Co., Ltd.

**NIINAMI Takeshi**  
President & CEO  
SUNTORY HOLDINGS LIMITED

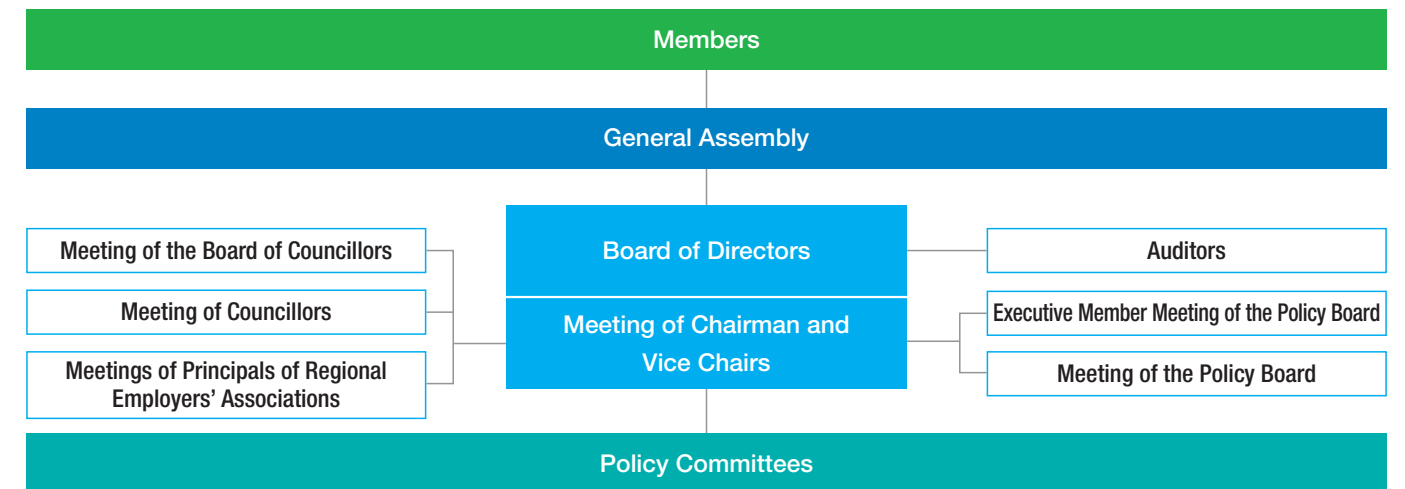
**KARASAWA Yasuyoshi**  
Chairman of the Board  
Mitsui Sumitomo Insurance CO., Ltd.

**KOKUBU Fumiya**  
Chairman of the Board  
Marubeni Corporation

**TSUTSUI Yoshinobu**  
Chairman  
Nippon Life Insurance Company

**HIBINO Takashi**  
Chairman of the Board  
Daiwa Securities Co., Ltd.

Organization Chart



|  |   |  |
|--|---|--|
| <b>Meetings</b>                                    | ● Digital Transformation Meeting  | ● Economic Structural Reform Meeting   |
| <b>Special Committees</b>                          | ● Committee on Comprehensive Strategy<br>● Committee for Recovery and Restoration<br>● Committee on Political Affairs   | ● Committee on Management and Labor Policy<br>● Committee on Startups<br>● Committee on Supply Chains  |
| <b>Macro-Economic Policy</b>                       | ● Committee on Economic and Fiscal Policy<br>● Committee on Administrative Reform<br>● Committee on Social Security<br>● Committee on Population Issues   | ● Committee on Taxation<br>● Committee on Economic Law<br>● Committee on Finance and Accounting  |
| <b>Industrial Policy</b>                           | ● Committee on Industrial Competitiveness<br>● Committee on Regional Economy<br>● Committee on Agriculture<br>● Committee on Tourism  | ● Committee on Urban Policy and Housing Development<br>● Committee on Logistics<br>● Committee on Consumer Goods and Services  |
| <b>Innovation Policy</b>                           | ● Committee on Innovation<br>● Committee on Digital Economy<br>● Committee on Cybersecurity<br>● Committee on Intellectual Property<br>● Committee on Space Activities Promotion  | ● Committee on Oceanic Resources<br>● Committee on Defense Industry  |
| <b>Environment and Energy Policy</b>               | ● Committee on Energy and Resources   | ● Committee on Environment and Safety  |
| <b>Social Policy</b>                               | ● Committee on Corporate Behavior & SDGs<br>● Committee on Diversity Promotion<br>● Committee on Consumer Affairs   | ● Committee on the Tokyo 2020 Olympic and Paralympic Games<br>● Committee on National Resilience<br>● Committee on Education and University Reform   |
| <b>Labor Policy</b>                                | ● Committee on Employment Policy  | ● Committee on Labor Legislation   |
| <b>Foreign Policy</b>                              | ● Committee on Foreign Affairs<br>● Committee on Trade and Investment   | ● Committee on Promotion of Development Cooperation<br>● BIAC (Business and Industry Advisory Committee to the OECD) Japan   |
| <b>Regional and Bilateral Relations Activities</b> | ● Committee on U.S. Affairs<br>● Committee on Canada<br>● Committee on Europe<br>● Committee on Asia and Oceania<br>● Committee on South Asia<br>● Committee on China<br>● Japan-Indonesia Economic Committee<br>● Japan-Thailand Trade and Economic Committee<br>● Japan-Vietnam Economic Committee<br>● Japan-Myanmar Economic Committee<br>● East Asia Businessmen's Conference Japanese Committee<br>● Japan-Hong Kong Business Cooperation Committee | ● Committee on Latin America and the Caribbean<br>● Japan-Mexico Economic Committee<br>● Japan-Brazil Economic Committee<br>● Japan-Venezuela Economic Committee<br>● Japan-Colombia Economic Committee<br>● Committee on the Middle East and North Africa<br>● Committee on Sub-Saharan Africa<br>● Japan-Turkey Economic Committee<br>● Japan-Iran Economic Cooperation Committee<br>● Japan-Algeria Economic Committee<br>● Japan-Russia Business Cooperation Committee<br>● Japan-NIS Business Cooperation Committee |
| <b>Special Activities</b>                          | ● The 21st Century Public Policy Institute  | ● Committee on Mutsu-Ogawara Development   |
| <b>Related Organizations</b>                       | ● Business People Political Forum<br>● Keidanren Committee on Nature Conservation   |  |

**Condensed Balance Sheets** (As of March 31, 2019)  
(Millions of yen)

| Items  | Current fiscal year |
|--|---------------------|
| <b>I Assets</b>  |                     |
| 1 Current assets   |                     |
| Total of current assets  | 2,746               |
| 2 Non-current assets   |                     |
| (1) Specific assets  |                     |
| Accumulated assets for replacement of office facilities                  | 9,855               |
| Accumulated assets for replacement of conference room facilities         | 6,630               |
| Other accumulated assets   | 1,870               |
| Total of specific assets   | 18,355              |
| (2) Other non-current assets   |                     |
| Buildings  | 6,060               |
| Land   | 3,503               |
| Other  | 5,932               |
| Total of other non-current assets  | 15,495              |
| Total of non-current assets  | 33,851              |
| Total of assets  | 36,597              |
| <b>II Liabilities</b>  |                     |
| 1 Current liabilities  |                     |
| Total of current liabilities   | 873                 |
| 2 Non-current liabilities  |                     |
| Total of non-current liabilities   | 897                 |
| Total of liabilities   | 1,771               |
| <b>III Net assets</b>  |                     |
| General net assets (of which the amount appropriated to specific assets) | 34,826 (18,355)     |
| Total of net assets  | 34,826              |
| Total of liabilities and net assets                                      | 36,597              |

**Statement of Changes in Net Assets**

(From April 1, 2018 to March 31, 2019)

In FY 2018, Keidanren's ordinary income was 6,731 million yen. Ordinary expenses were 5,512 million yen, the breakdown of which was 3,853 million yen for project expenses and 1,659 million yen for administration expenses. The amount of the ordinary accounts balance calculated by taking into account the gain/loss on valuation of assets and others was 1,295 million yen. The ordinary accounts balance is appropriated to the accumulation of specific assets for the maintenance/replacement of facilities, etc.

**History of KEIDANREN**

Japan Federation of Economic Organizations (Keidanren) was established in August 1946, immediately after the end of World War II, with the aim of reconstruction and recovery of the Japanese economy. Keidanren's first Chairman was Ichiro Ishikawa (1946-56). In April 1948, Japan Federation of Employers' Associations (Nikkeiren) was launched with the objective of establishing appropriate relations between labor and management, with the motto "Employers, Be Righteous and Strong". Nikkeiren's first Representative Executive Director was Kanichi Moroi (1948-68).

Since then, the two organizations have contributed to the development of the Japanese and global economies through maintaining and stimulating a free and open economic model and taking on internal and external challenges that the business community faced, such as liberalization of trade, promotion of free competition, promoting measures for addressing energy and environmental issues, promotion of private sector economic diplomacy, wage negotiations, and establishment of stable labor-management relations. Keidanren's Chairman Taizo Ishizaka (1956-68) emphasized that the business community must take the high road of liberalization, and helped achieve liberalization of capital.

In 1966, the original Keidanren Kaikan building was completed, and the organization continued its further development. Keidanren Chairman Toshio Doko (1974-80) used his experience gained through work on the streamlining of factory production to streamline government (administrative reform). Since the tenures of Keidanren Chairman Doko, Nikkeiren Chairman Bunpei Otsuki (1979-87), and Nikkeiren Chairman Eiji Suzuki (1987-91), the major roles of Keidanren and Nikkeiren in contributing to administrative and fiscal reforms have become a common knowledge amongst Japanese public.

Japan, although having achieved economic growth, era of trade friction arrived. In order to overcome, succeeding Keidanren introduced concepts such as "Philosophy of Endurance" by Keidanren Chairman Yoshihiro Inayama (1980-86); "Need of Co-existence" by Keidanren Chairman Gaishi Hiraiwa (1990-94); and "Attractive Japan" by Keidanren Chairman Shoichiro Toyoda (1994-98); so that Japanese companies accepted as good corporate citizens in the international society.

Amid the trend toward a declining birthrate and an aging population as well as diversification in Japanese peoples' mind sets and values sets, structural reforms of the social security system, labor market, and educational system have become indispensable for enhancing business competitiveness. Therefore, in 2002, Keidanren and Nikkeiren merged to form the Japan Business Federation as a new comprehensive economic organization to address the crosscutting issues. The first Chairman of new Keidanren was Hiroshi Okuda (2002-06).

In 2009, the new Keidanren Kaikan building was completed. On March 30, 2012, to comply with changes in legal framework around non-profit organizations, Keidanren changed its legal status from an incorporated association to a general incorporated association.

Keidanren has not only worked on the Japanese government to implement its policy proposals on various key issues, but also has released comprehensive and long-term development strategies for Japan at home and abroad. The chairman vision statements broadly presented the future image of the Japanese economy and the society as well: "Envisioning a Vibrant and Attractive Japan" (Chairman Okuda, 2003), "Land of Hope, Japan" (Chairman Mitarai, 2007), and "Toward the Creation of a More Affluent and Vibrant Japan" (Chairman Sakakibara, 2015). The "Sunrise Report" (Chairman Yonekura, 2010) declared the setting-up and promotion of business-led projects to enhance industrial strength.

Ever since Chairman Okuda became a private-sector member of the Council on Economic and Fiscal Policy (chaired by Prime Minister Koizumi at the time), Keidanren's Chairmen have been private-sector members at important government meetings to participate in government policy discussions in a wide range of fields, including economy, government finance, industry, and science and technology. Contributions made by Chairman Sadayuki Sakakibara (2014-2018) at meetings such as the Council on Economic and Fiscal Policy, the Council on Investments for the Future, and the Council for Designing 100-Year Life Society, recommendations made by Keidanren have been reflected in the Japan Revitalization Strategy and other initiatives of the Abe Cabinet.

As Japanese companies engage in business activities on a global scale, Keidanren's activities are also expanding from domestic to the global stage.

**Overview of KEIDANREN**

**Name:**

Ippan Shadan Hojin Nippon Keizai Dantai Rengokai KEIDANREN (Japan Business Federation)

**Objectives (Article 3 of the Articles of Incorporation):**

The objectives of Keidanren as a comprehensive economic organization are to contribute to the self-sustained development of the Japanese economy and the improvement of the lives of citizens, by drawing out the dynamism of corporations as well as that of the individuals and communities that support them.

**Established:**

August 16, 1946

**Authorized as an incorporated association:**

June 29, 1961

**Transition to a general incorporated association:**

March 30, 2012

**Representative Directors:**

NAKANISHI Hiroaki, Chairman  
KUBOTA Masakazu, Director General

**Directors: 25**

(Chairman: 1, Vice Chairs: 18, Director General: 1, Senior Managing Directors: 2, Managing Directors: 3)

**Auditors: 2**

**KEIDANREN is a corporation with an Accounting Auditor**

**Membership:**

Corporate members: 1412, Group members: 156, Special members: 32, Total: 1600 members (as of April 1, 2019)

**Secretariat:**

Staff members: 232 (including temporary staff, as of April 1, 2019)



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**Ippan Shadan Hojin Nippon Keizai Dantai Rengokai KEIDANREN or Japan Business Federation**

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Phone +81-3-6741-0111  
<http://www.keidanren.or.jp/>

**Kansai Office:**

Nakanoshima Dai Building, 3-3-23 Nakanoshima, Kita-ku, Osaka 530-6108  
Phone +81-6-6441-0841

**Keidanren U.S.A.:**

1200 17th Street, NW, Suite 201, Washington DC 20036 U.S.A.  
<http://keidanren.us/>

**Keidanren**  
Policy & Action