

# ANNUAL REPORT **2021**



## About KEIDANREN

KEIDANREN (Japan Business Federation) is a comprehensive economic organization with a membership comprised of 1,461 representative companies of Japan, 109 nationwide industrial associations and the regional economic organizations for all 47 prefectures (as of April 1, 2021).

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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## Message from the Chairman

Having assumed office as chairman of Keidanren this year, I look forward to continuing this organization's work in collaboration with our member companies.

In November 2020, Keidanren published “. The NEW Growth Strategy,” in which it advocated sustainable capitalism. The title of this policy proposal signifies our strong intention to put a period to conventional growth strategies and to indicate a new one, by redefining the purpose of economic activity anew as the basis for a new start.

It still remains the case that adherence to a free and vibrant competitive environment is vital for economic prosperity. However, companies must reflect sincerely on the fact that excessive capitalism caused economic disparities to increase and become entrenched, in addition to causing ecological destruction such as global warming. And, what is more, this pandemic has exacerbated these problems.

Even if digitalization and globalization are tides of the times that cannot be held back, when I seriously consider whether continuing on our established path of capitalism can truly bring happiness and whether the current generation can pass an abundant world on to future generations, I find that I am naturally led in the new direction of sustainable capitalism.

Keidanren is currently treating measures to address COVID-19 as an urgent priority issue and dedicating its efforts to balancing prevention of COVID-19 infection with economic activities. We are in the process of reinforcing our initiatives to reach the challenging targets of carbon neutrality in 2050 and a 46 percent reduction in greenhouse gas emissions by 2030. To that end, we are fleshing out our existing Commitment to a Low Carbon Society to develop “Carbon Neutrality Action Plan” . Meanwhile, artificial intelligence (AI) and other digital technologies facilitate solutions that allow us to balance the achievement of individual well-being with the optimization of society as a whole. Digital transformation (DX) is therefore an indispensable tool for bringing about the type of all-inclusive society targeted under the “Society 5.0 for SDGs” vision. I believe that creating this type of Society 5.0 is the only path toward making capitalism sustainable.

Taking the above into account, “. The NEW Growth Strategy,” sets out a future vision to be realized in 2030, focused on five key areas: new growth through DX, transformation of work styles, regional revitalization, rebuilding the international economic order, and realization of green growth. Backcasting from the future vision, the strategy proposes a range of policies in those five key areas.

Keidanren will deploy every opportunity to publicize this approach through coordination with the Japanese government and other means. We are determined to take the initiative in establishing sustainable capitalism, seeking to earn the understanding and support of Japanese citizens at every level of society, and of countries and territories outside Japan. As we do so, I look forward to continuing support and cooperation from all our member companies.



Chairman

十倉 雅和

TOKURA Masakazu



# Main Activities in Fiscal 2020

## 2020

### April

- April 2** • Proposal: Popularizing Contract-Drafting Practice that Facilitates Co-Creation between Start-ups and Large Companies
- April 20** • Keidanren-Rengo (JTUC) Joint Statement: Calling for Behavioral Changes to Prevent the Spread of Infection

### May

- May 12** • Request to raise the maximum payable under the employment adjustment subsidy
- May 14** • Guidelines for Preventing the Spread of Novel Coronavirus Disease (COVID-19)
- Request concerning measures to support corporate cash flows
- May 19** • Proposal: Digital Transformation—Opening up the future through co-creation of values
- Call for measures to support start-ups during the COVID-19 pandemic
- May 26** • Proposal: Future Promotion of Countermeasures against the Declining Birthrate
- May 29** • Message to students currently seeking employment (by the Keidanren-Academia Council for Future of Higher Education and Recruitment)
- Opinion regarding shifting school and university entry to September (by the Keidanren-Academia Council for Future of Higher Education and Recruitment)

### June

- June 8** • Challenge Zero—Innovation Challenges towards a Decarbonized Society
- June 11** • Initiative on the Declaration of Biodiversity by Keidanren
- June 12** • Proposal: Co-Creating Digital Development to Achieve Society 5.0 for SDGs
- June 30** • Opinion regarding Draft Interim Report on a Patent System Appropriate to the Era of AI and IoT Technologies

### July

- July 8** • Joint declaration: Calling for Fundamental Change in Systems, Practices, and Attitudes Based on Hard Copy Documentation, Use of Seals, and Face-to-Face Meetings—Making active use of digital technologies to redesign administrative procedures and business conventions
- July 14** • Proposal: Realizing Free, Open Trade and Investment under COVID-19—Targeting an Inclusive and Resilient Framework
- First proposal: Reforms to Elementary and Secondary Education Necessary to Achieve Society 5.0—Initiatives required for education in the era of life with COVID-19
- Proposal: Healthcare in the Society 5.0 Era, Part II—Use of DX to combat COVID-19 and the future beyond
- July 16** • Proposal: Further Accelerating Economic Activities while Combating COVID-19
- July 31** • Urgent Call for the Conclusion of the Japan-UK Economic Partnership Agreement—Joint statement by Keidanren and the Confederation of British Industry

### August

- August 1 & 2** • Job Fair organized and hosted by the Keidanren-Academia Council for Future of Higher Education and Recruitment
- August 19** • Request to extend the COVID-19-related special measures for the employment adjustment subsidy

### September

- September 15** • Proposal for Fiscal 2021 Tax Reform
- Proposal: Promoting Constructive Dialogue between Companies and Investors
- Towards Supply Chains in Society 5.0: Digitalizing B to B trades
- September 18** • Urgent proposal to the new administration calling for promotion of EdTech—Shifting to learning that can forge a path to a new era during and after COVID-19
- September 23** • Urgent proposal calling for the establishment of a new digital agency
- September 24** • Redesigning the Post-COVID-19 Socioeconomic System toward a Virtuous Cycle of Environment and Growth—Agreement between the Ministry of the Environment and Keidanren to Collaborate toward Realizing a Decarbonized Society
- September 29** • Keidanren's requests for the new administration

### October

- October 6** • Joint declaration by the Tohoku Economic Federation and Keidanren: Converting the COVID-19-Induced Changes in the Social Environment into Opportunities to Achieve Renewed Growth
- October 12** • Memorandum of Understanding among Workation Alliance Japan, Japan Travel and Tourism Association and Keidanren on model project to promote “workations”
- October 13** • Views on promoting partnership between business and politics
- Evaluation of major political parties' policies (2020)
- Proposal: Promoting Countermeasures against the Declining Birthrate that Anticipate the Post-COVID-19 Era
- Proposal: Calling for Drastic Regulatory Reforms for Society 5.0 and Post-Covid-19: a list of 75 items of reform required in the fiscal 2020
- Proposal: Formulating a Basic Plan for Science, Technology, and Innovation
- Proposal on making greater use of online technology for shareholders' meetings
- October 30** • Proposal: Calling for Institutional Reform to Create a Social Security System Truly Oriented to All Generations

### November

- November 4** • Opinion of five organizations on employees' health insurance with a view to reform of the health insurance system
- November 5** • Request to further extend the special measures for the employment adjustment subsidy
- November 6** • The 11th Asian Business Summit Joint Statement
- November 13** • Urgent proposal regarding EdTech for the fiscal 2020 third supplementary budget bill

## 2021

### January

- January 19** • 2021 Report of the Special Committee on Management and Labor Policy—Aiming to enhance employee engagement and overcome the era of living with COVID-19 to achieve Society 5.0
- January 20** • Agreement on launching the Japan Partnership for Circular Economy (J4CE)
- January 29** • Survey on implementation of telework, etc. during the state of emergency

### February

- February 16** • Proposal: Building a Socioeconomic System That Is Resilient in Emergencies—Drawing on the experience of the COVID-19 pandemic

### March

- March 2** • Establishment of the Japan Partnership for Circular Economy (J4CE)
- March 16** • Proposal: Electricity Policy to Realize Society 5.0 with Carbon Neutral
- Proposal: Enhancing Cooperation for the Reestablishment of a Free and Open International Economic Order
- Proposal: Developing Strategic Infrastructure Systems Overseas—Fiscal 2020 edition
- Proposal: Learning in the Society 5.0 Era, Part II—Employing EdTech to shift to autonomous learning
- Voluntary Action Plan for Establishing a Sound Material-Cycle Society—Results of Fiscal 2020 Follow-up & Policy for the Voluntary Action Plan for Establishing a Sound Material-Cycle Society from Fiscal 2021 and beyond
- March 31** • Keidanren's Commitment to a Low Carbon Society—Fiscal 2020 Follow-up Results (Performance in Fiscal 2019)





## Aim for Sustainable Capitalism through “. The NEW Growth Strategy”

Capitalism has reached a major turning point. The worldwide spread of the novel coronavirus (COVID-19) has not only struck a massive blow to the global economy; it has also exacerbated the economic disparities that were already worsening under conventional capitalism. Environmental issues were also worsening under this form of capitalism. The COVID-19 crisis has exposed the limitations of the conventional capitalism. The most urgent task now is to boldly invest policy resources to bring the pandemic under control, prioritizing rapid development, supply, and administration of vaccines through collaboration and coordination among countries. At the same time, it is necessary to look ahead to a new post-COVID-19 era and set out policies for resolving a variety of social issues, securing understanding and support throughout all levels of Japanese society to put these policies into practice.

In November 2020, Keidanren announced “. The NEW Growth Strategy” (referred to hereafter as “the new growth strategy”), intended to put a period to conventional growth strategies and to indicate a new one. This strategy advocates sustainable capitalism as a new form of capitalism, and argues forcefully for the need to respond to the increasingly diverse and complex demands of stakeholders as well as to include and co-create different forms of value in order to evolve capitalism as a means of overcoming the COVID-19 crisis and achieving sustainable growth.

Under these new guidelines, members of the business community, as key players within capitalist society, have a duty to act with greater speed and initiative than ever before to help resolve social issues such as economic disparity and climate change through their own business activities.

They should implement future-oriented initiatives to spur unprecedented innovation and recover the momentum for growth, relying on multifaceted, multilevel collaboration with a diverse range of players, including industrial, academic, and governmental entities, as well as start-ups. In doing so, the key will be to advance digitalization in every field of human intelligence, the economy, and society, using digital transformation (DX) to reveal issues and generate solutions. The result of such initiatives will be none other than the human-centric “Society 5.0 for SDGs” vision advocated by Keidanren. Another urgent task, meanwhile, is to urge rebuilding of a free and open international economic order, given that transformation of the postwar international order has now given rise to protectionism, and Japan’s environment in terms of national security is changing dramatically.

Keidanren aims to bring about “Society 5.0 for SDGs” by expediting five action targets set out in the new growth strategy: new growth through DX, transformation of work styles, regional revitalization, rebuilding the international economic order, and realization of green growth. At the same time, we will call for measures targeting fiscal consolidation in order to provide for emergencies and meet the need for appropriate resource allocation that enables sustainable growth. We will also strive to promote dialogue with business community members, both in Japan and in other countries including the US, China, and the nations of Europe, and Asia. In this way, Keidanren will contribute from the business community’s standpoint to help Japan exercise leadership in bolstering international coordination and collaboration.

1. A newly coined word combining the words “Health” and “Technology.” Describes the idea of utilizing digital technologies and data to solve a variety of issues, primarily in the fields of medical and nursing care, disease prevention, and health management.

2. A newly coined word combining the words “Education” and “Technology.” A means of utilizing digital technologies for digital transformation of learning.

3. Enjoying favorable circumstances physically, mentally, and socially.

## 1. Balancing Prevention of COVID-19 Infection with Economic Activities

Keidanren will continue to do all in our power to bring COVID-19 infections under control. Given that life with COVID-19 can be expected to continue for a prolonged period, the public and private sectors will work in unison to implement measures aimed at minimizing the pandemic’s effects on the economy. At the same time, capacity to deliver medical care will be bolstered by, for instance, enforcing measures to prevent infection and implementing strategies to effectively and efficiently ensure the availability of hospital beds. Setting our sights on a prompt return to normality followed by economic recovery, Keidanren will promote expansion of testing capacity, as well as provision of logistical capability and encouragement of

vaccination among the public to ensure vaccines are administered promptly. We will also support information-gathering and use of analysis infrastructure to rapidly monitor the extent of infections and implement anti-infection measures, and seek resumption of international economic activities through relaxation of restrictions on entering and leaving Japan, certification of negative test results, digitalization of personal vaccination records, and international collaboration. In addition, Keidanren will amend its Guidelines for Preventing the Spread of Novel Coronavirus Disease (COVID-19) as needed, based on scientific findings.

## 2. New Growth through DX

As DX transforms the structure of industries worldwide, attention is increasingly focused on the importance of pursuing digitalization as a means to combat COVID-19. Keidanren will continue to accelerate DX employing HealthTech<sup>1</sup> and EdTech<sup>2</sup> in order to improve well-being.<sup>3</sup> We will promote thorough regulatory reform, digitalization, and data-sharing across every sector of Japanese society, including public administration, finance, and industry to create a resilient economy and society. EdTech will be employed from elementary and secondary education up to university to drive forward educational reforms that enable a diverse range of people to learn in new ways, regardless of their location or environment. Meanwhile, Keidanren will build up and accelerate its multi-company co-creation

project that aims to realize value for consumers (the Keidanren DX Implementation Projects), targeting a society in which consumers genuinely feel that their lives are easier as a result of DX. In other measures, we will work to: create an environment to encourage utilization of data, including through participation in the Japanese government’s deliberations on a data strategy; strengthen cyber security; promote full use of the My Number system and popularization of My Number cards; make digital government a reality; encourage utilization of AI (artificial intelligence); and promote the start-ups that create and sustain new growth industries. Keidanren will also support real-world implementation of smart cities that serve as models for Society 5.0.

## 3. Transformation of Work Styles

Keidanren will aim to establish diverse, flexible work styles that emphasize workers’ autonomy in order to improve worker engagement and labor productivity, with a view to updating the Japanese employment system. Specifically, we will turn diversity into a business strength by promoting work styles unconstrained by time or place that allow a diverse range of people to play more active roles, including women, young people, senior citizens, people with disabilities, foreign nationals, and members of the LGBT community. Meanwhile, Keidanren will seek to further encourage side-jobs and concurrent employment, alongside fostering momentum toward an early increase in the types of work eligible for the planning-type discretionary

labor system and other amendments to working hours legislation. Anticipating the post-COVID-19 era, we will examine measures for promoting the smooth flow of labor into growth industries. In addition, Keidanren will support the expansion of recurrent education by, for instance, assisting in the planning of recurrent education programs offered by universities and other institutions. Given that responding to the COVID-19 crisis has depleted financial resources available for supporting stable employment, Keidanren will also urge the government to refinance its employment insurance system at the earliest opportunity by injecting funds from general revenue sources.



## 4. Regional Revitalization

Targeting a society that can leverage the strengths of areas outside major cities to continue generating value, Keidanren will use DX as a tool to strengthen collaboration with local business organizations and governments, universities, and other players fulfilling key roles in communities nationwide. Amid continued population decline across Japan as a whole, wider adoption of new work styles that have become familiar during the COVID-19 crisis, such as teleworking, will boost regional revitalization. Keidanren will investigate the best system of public administration to facilitate collaboration among local governments across geographically widespread areas in order to generate flows

of people into less urbanized localities as a means of rectifying the excessive concentration of people in major cities and enhancing the resilience of local economies and societies. Furthermore, Keidanren will investigate measures targeting structural reforms in industry and lobby the government to undertake reforms aimed at turning the agricultural industry—the main driver of local economies—into a growth industry capable of exporting, and creating a sustainable tourism industry, in addition to reinforcing the competitive advantages of manufacturing industries.

## 5. Rebuilding the International Economic Order

In preparing for the post-COVID-19 era, rebuilding a free and open international economic order is imperative, while close collaboration and coordination on global issues among countries and territories are crucial. Keidanren will pursue collaboration and dialogue with governments and business associations in various countries, including the US and China, and the nations of Europe and Asia. In conjunction with this, we will invest energy in further developing our private-sector diplomacy by proactively participating in forums such as the B7 and the B20. Meanwhile, Keidanren will actively involve itself in

drawing up a range of international rules, including those relating to WTO (World Trade Organization) reforms and materialization of the DFFT.<sup>4</sup> Aiming to strike a balance between national security and global business activities, we will cooperate with the Japanese government through dialogue to further discuss measures to ensure economic security, including the development of advanced technologies and reinforcement of the infrastructure for their implementation, and taking rigorous steps to prevent the leakage of critical technologies.

## 6. Realization of Green Growth

Keidanren will try to create a virtuous cycle between the economy and the environment (“green growth”) as an overall national strategy focused on measures to combat the pressing issue of climate change. Keidanren will work with unwavering resolve in unison with the government to achieve carbon neutrality by 2050, endeavoring to help others inside and outside Japan understand and trust Japan’s initiatives as it does so. In addition to accelerating global initiatives including those involving other Asian countries, we will drive our Challenge Zero<sup>5</sup> initiative forward, expediting unprecedented innovations that will radically reform our economy and society, such as overhauling of industrial production processes and

widespread dissemination of products and services that contribute to decarbonization. Keidanren will strive to establish cheap, reliable supplies of decarbonized energy, and with regard to electricity in particular, we will take steps to create the right environment for investment, develop next-generation electricity grids, expand renewable energy into a major power source, and ensure the continued use of nuclear power. To create a sustainable society and generate new growth opportunities, Keidanren will take a comprehensive approach to pursuing measures relating to issues such as establishment of a circular economy, biodiversity, and environmental risk management.

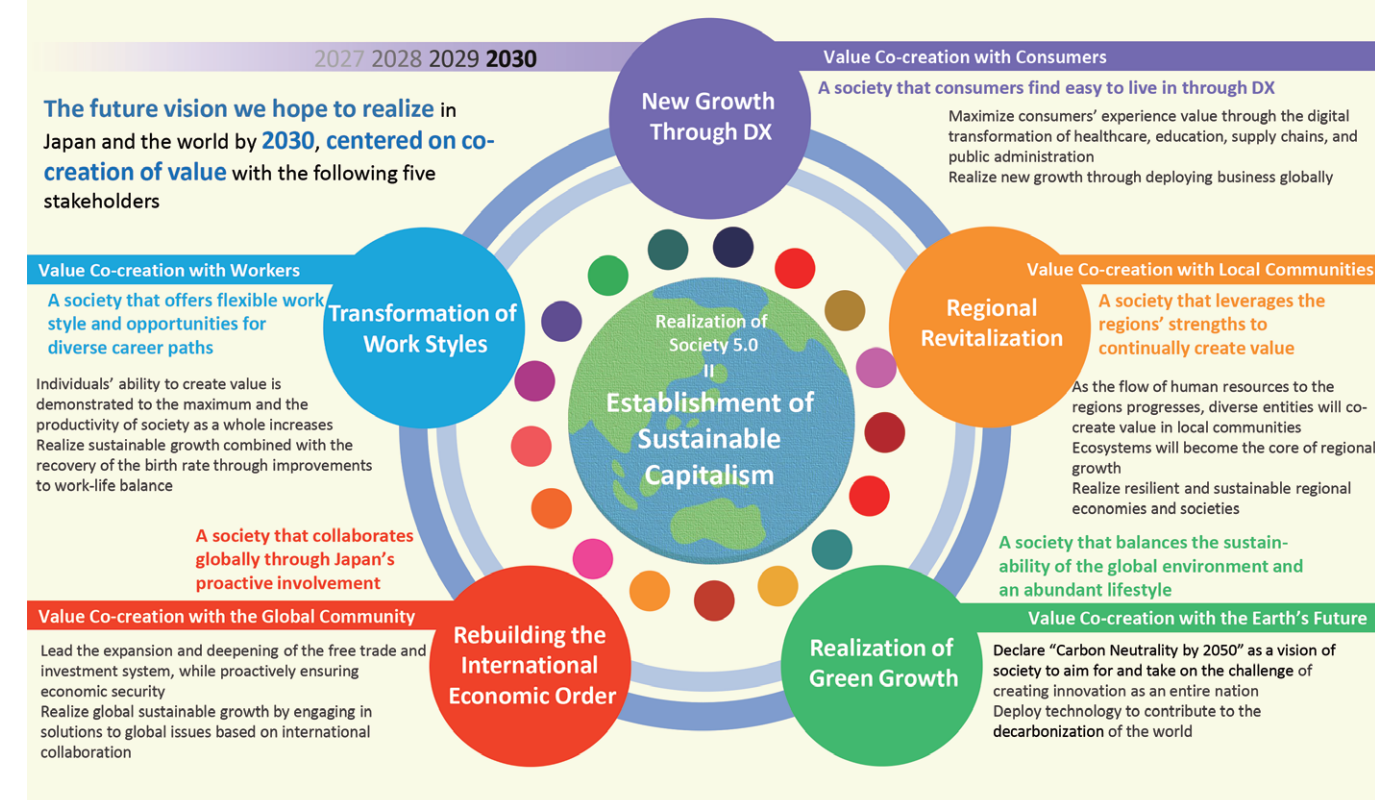
In order to achieve these aims, it will be essential for Keidanren to create an environment that helps to stimulate private-sector investment and productivity improvements, as well as provide support for policies tackling issues of national strategy that promote structural reform of the economy. Keidanren will coordinate the opinions of the business community regarding challenges facing companies and call on the government to devise the necessary policies. These challenges include reforms to create a social security system oriented to all generations, as well as amendment of the Japanese tax system to help revitalize business activity, and revision of international taxation rules in

accordance with agreements between individual nations to keep pace with the increase in digital economic activities.

Other challenges include creation of more resilient supply chains in Japan and overseas, including those of SMEs; ensuring appropriate transactions; fostering the momentum of the Japanese government’s global financial city initiative; implementation of university reform; deliberation on corporate governance and the form that competition-related policy should take in a digital economy, and promotion of diversity and inclusion.

## Future Vision for 2030

Bring together the wisdom of diverse stakeholders and establish **sustainable capitalism** with Society 5.0, which co-creates diverse value through DX



4. Data Free Flow with Trust

5. A new initiative whereby Keidanren collaborates with the Japanese government to aggressively publicize and encourage innovations targeting a decarbonized society undertaken by Japanese companies and organizations, in Japan and overseas. As of April 2021, 183 companies and organizations had participated in the initiative, and 385 examples of innovations had been publicized.



# 1. “. The NEW Growth Strategy”

## (1) Establishing Sustainable Capitalism through Society 5.0: Future Vision for 2030

The global spread of COVID-19 has further highlighted a range of problems that were already worsening under conventional capitalism, such as economic disparities and environmental issues. As digitalization and globalization continue to progress, demands of various stakeholders to companies are becoming increasingly diverse and complex. What is required to achieve sustainable growth is to update capitalism itself.

In “. The NEW Growth Strategy” (referred to hereafter as “the new growth strategy”), announced in November 2020, Keidanren’s first comprehensive growth strategy in around five years, we proposed the establishment of a new form of capitalism, sustainable capitalism, to be established through realizing Society 5.0. In the new growth strategy, we envisaged a future vision for the economy and society in fiscal 2030, the target year for achieving the United Nations Sustainable

Development Goals (SDGs), and set out a strategy for achieving a sustainable society, centered on co-creation of value with consumers, workers, local communities, the global community, and the Earth’s future. Keidanren itself is steadily implementing the actions set out in the new growth strategy, starting with those that can be put into effect now, while at the same time calling on each citizen to engage with similar actions contributing to the future.



## (2) COVID-19 Measures Anticipating Post-COVID-19 Life

Keidanren is doing all in its power to combat the pandemic, aiming to establish a sustainable society by balancing prevention of COVID-19 infection with economic activities. In the early days of the pandemic, Keidanren moved to secure supplies of medical goods and equipment, calling on companies to deliver high-performance masks and other supplies. As a result, we provided more than 1.2 million high-performance masks and more than 900,000 items that could be used as medical gowns to the government and medical institutions.

In May 2020, Keidanren drew up its Guidelines for Preventing the Spread of Novel Coronavirus Disease (COVID-19) to serve as a reference for measures to prevent infection at offices and manufacturing sites. Accumulated evidence later revealed which measures were most effective, and we amended the guidelines accordingly (in December 2020). At the same time, we devoted effort to expanding and extending the employment adjustment subsidy to protect employees’ jobs.

Keidanren also worked toward the resumption of global economic activity, requesting the government to progressively relax the restrictions on entering and leaving Japan, and to digitalize and improve the efficiency of the relevant procedures.



Hight-performance masks & medical gowns

## (3) Contributing to the Achievement of the SDGs

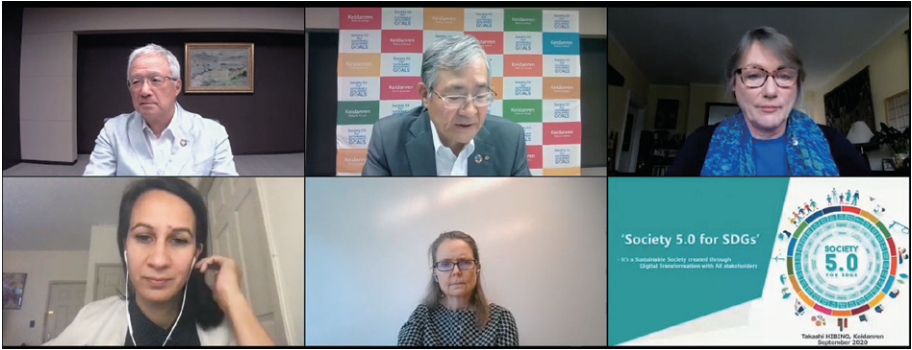
For the realization of a sustainable society, corporations worldwide are co-creating value with stakeholders, referring the SDGs as a global common language. Keidanren has been promoting Japanese corporate efforts to create a sustainable and inclusive society based on Keidanren’s Charter of Corporate Behavior, which was revised in 2017 with the primary aim of proactively delivering on the SDGs through the realization of Society 5.0. Strengthening ties with international organizations including the United Nations Development Programme (UNDP), the United Nations Children’s Fund (UNICEF), and the World Bank, as well as the Japan Network for Public Interest Activities

(JANPIA)\* and private groups promoting the SDGs, Keidanren also cooperates in creating opportunities to generate solutions that aim to resolve SDG issues through collaboration with companies, entrepreneurs, and NGOs.

At the same time, Keidanren shares good practices and suggestions for improvement based on the results of the survey on the measurement and evaluation of the impact of each corporation’s initiatives targeting “Society 5.0 for SDGs.” We are also striving to monitor and evaluate the Japanese government’s progress in achieving the SDGs as a means of lending impetus to corporate and governmental

initiatives. Meanwhile, Keidanren is engaging in dialogue and collaboration with stakeholders worldwide, including international organizations and civil society in order to promote corporate management that respects human rights, fundamental to the SDGs.

\* JANPIA is the Designated Utilization Organization under the Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector, established with support from Keidanren.



SDG Business Forum (September 23, 2020)

# 2. New Growth through DX

## (1) Use of Data and Innovation

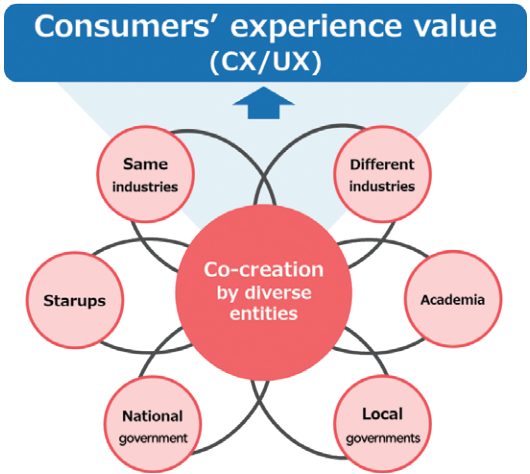
The key to renewed growth is to revolutionize the industrial structure and companies through digital transformation (DX). The spread of the COVID-19 pandemic has revealed that DX within Japan’s economy and society is lagging behind other countries. Against this backdrop, Keidanren published its report entitled “Digital Transformation—Opening up the future through co-creation of values” in May 2020, recommending action required of the business community and companies with the aim of creating Japan’s own original form of DX for value co-creation, and rolling it out to the world. In order to ensure the report’s content is understood throughout the business community and put into practice, Keidanren has conducted in-depth discussions through online seminars and other means.

With regard to utilization of data, which is essential in pursuing DX, Keidanren lobbied the Japanese government to review the current legislative as to personal information protection in order to facilitate the flow of such information. Keidanren also participated in continuous policy dialogue with the US and Europe on this matter.

To achieve Society 5.0 through DX it will also be essential to generate innovation by promoting science and technology. In October 2020 Keidanren published its proposal entitled “Formulating a Basic Plan for Science, Technology and Innovation” and we publicized the opinions of the business community regarding the five-year plan in question, which was to start in fiscal 2021.

### Value co-creation model: Realizing consumers’ values through co-creation by diverse entities

- A model that removes existing divisional and sectoral boundaries for the promotion of organic, autonomous co-creation by various entities sharing the consumers’ values—such as companies in the same or different industries, startups, universities, and national and local governments.
- This model goes beyond conventional corporate and business tie-ups; it promotes more fundamental, organic collaboration for the realization of consumers’ values.
- Diverse entities work to share trusted data in accordance with consumers’ will.



Direction of Japan-Original DX



(2) Promotion of Start-Ups

Keidanren is building an ecosystem to promote the start-ups that are creators and deliverers of new growth industries. Since 2019 we have been holding Keidanren Innovation Crossing (KIX), a series of high-level networking events involving both large companies and start-ups. In light of the COVID-19 crisis, since March 2020 we have been holding these events online once a month, under the name “KIX+.”

Keidanren also established a task force comprised entirely of start-ups, which engages in energetic discussions on policy issues that have a significant impact on start-ups’ growth, and makes recommendations. In May 2020, the task force published a call for measures to support start-ups during the COVID-19 pandemic, and this was reflected in the government’s second supplementary budget.



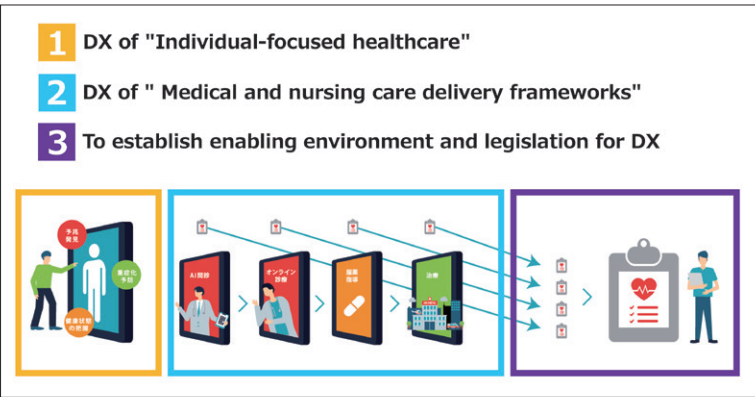
Keidanren Innovation Crossing (KIX)

(3) Healthcare DX

Utilization of the vast amount of data associated with healthcare, and digital technology, can be expected to enable longer healthy life expectancy, more reasonable medical expenses, and transformation of healthcare into a growth industry. However, development of a mechanism for individuals to manage and make use of their data, and digitalization on the frontlines of medical and nursing-care provision are still inadequate. In such a context, COVID-19 has highlighted the problems within Japan’s healthcare system.

era, it will be important for individuals, medical and nursing-care practitioners, the government, and companies to collaborate in pursuing initiatives focused on personal data. Keidanren too will seek to collaborate with other entities including the national government, local governments, the medical community, and relevant industry groups.

In July 2020, therefore, Keidanren published a proposal entitled “Healthcare in the Society 5.0 Era, Part II—Use of DX to combat COVID-19 and the future beyond.” In this proposal, we summarized the initiatives necessary to accelerate the ongoing process of healthcare DX spurred by the COVID-19 crisis, dividing these initiatives into two phases: the COVID-19 era and the post-COVID-19 era. In order to get through the COVID-19 era and establish the healthcare necessary for Society 5.0 in the post-COVID-19

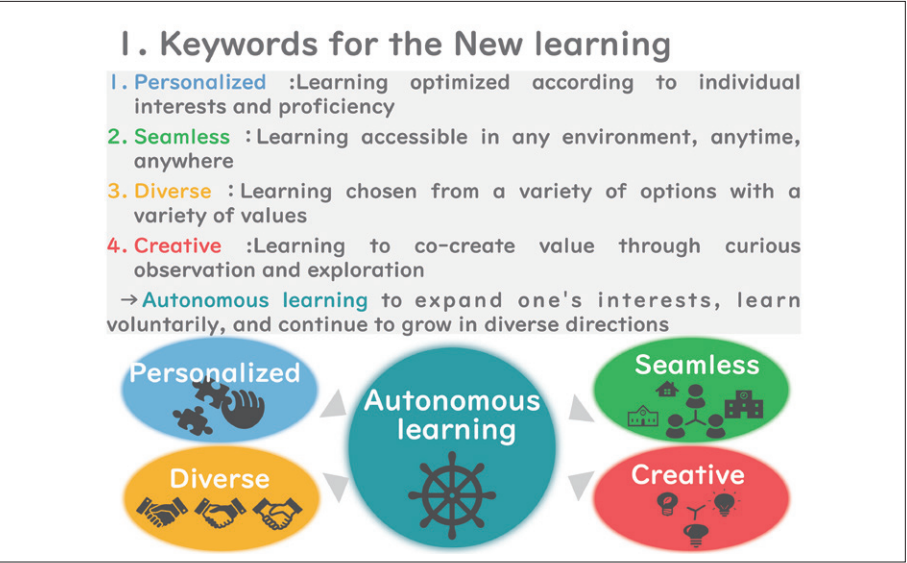


Actions for Healthcare in Society 5.0

(4) DX for Learning

To nurture a diverse range of talented individuals who can serve as leaders in Society 5.0, it is necessary to shift from the conventional model of one-size-fits-all learning based on identical instruction delivered to all students simultaneously to self-directed learning that emphasizes diversity by enabling students to pursue their own personal interests and learn on their own initiative. Given that Society 5.0 will require the creation of new value, moreover, it will be essential for school-based education to offer multi-disciplinary learning that combines the STEAM subjects (science, technology, engineering, art, and mathematics), including inquiry-based study. The key to achieving these changes is DX for learning.

Keidanren endeavors to further this type of DX, as well as new forms of learning for the Society 5.0 era, by compiling recommendations on the roles to be played by the respective protagonists, including educational institutions, teachers, national and local governments, and companies. We also compile recommendations on other issues, such as more rapid digitalization of school education, and lobby the relevant entities to put these recommendations into practice. This has resulted in the acceleration of government initiatives including implementation of the GIGA School Program ahead of schedule, abolition of the restrictions on the use of digital textbooks, and provision of STEAM education in high schools.



New learning in the era of Society 5.0

(5) Reforming Supply Chains for Society 5.0

To realize Society 5.0, a drastic reform is also required in the area of Supply Chains where unproductive B to B trading systems such as fax/telephone orders still exist. Against this backdrop, Keidanren works towards a new supply chain model and pursuing initiatives for digitalization in the area.

In March 2021, Keidanren held a large webinar on supply chain DX to disseminate the importance of digital transformation in supply chains regardless of industry, location, or enterprise, and fostered a momentum necessary to pursue such digitalization.

As a specific measure, Keidanren examined how we can innovate our Supply Chains through digitalizing order processing and payments, subsequently releasing a report in September 2020 entitled “Towards Supply Chains in Society 5.0: Digitalizing B to B trades.” The report sets out examples of how digitalization of conventional telephone/fax-based order processing and accounting work can lead to enhanced productivity and greater financial transparency.

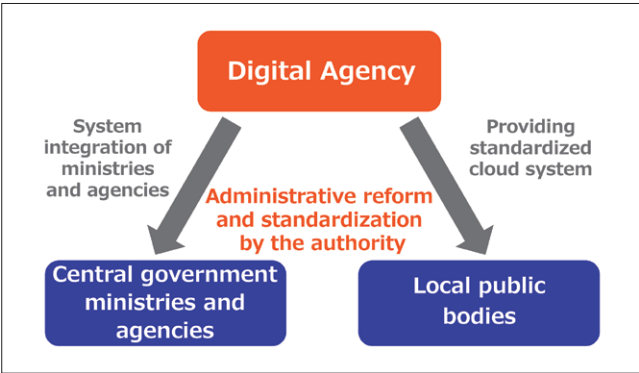


(6) Digital Government

The spread of COVID-19 also caused the sudden acceleration of efforts to establish digital government. In July 2020 Keidanren announced a joint declaration calling for revision of the established requirements for hard copy documentation, use of seals, and face-to-face meetings in order to firmly entrench a shift toward remote working, teleworking, and other new business conventions and achieve digitalization throughout society. As a result, the public and private sectors are now working together to fundamentally overhaul conventional systems and practices.

Post-COVID-19 Era,” recommending the overall direction policymaking should take and the voluntary initiatives that companies should implement.

Prime minister Yoshihide Suga announced plans to create a digital agency and the government started deliberating on the matter, so Keidanren released an urgent proposal in September 2020 addressing the role that such an agency should play and the form it should take. In December we published the proposal “Digital Economy Policymaking in the



Infrastructure development through standardization of operations and systems



### 3. Human Resource Development, Work Style Reform, and Promotion of Diversity

To achieve Society 5.0 it will be crucial to overhaul human resource development at every stage from elementary, secondary, and tertiary education through to recurrent education of workers. Keidanren releases proposals that address human resource development at each of these stages.

For instance, we are holding in-depth discussions through our Keidanren-academia council, a forum for direct dialogue between senior representatives of both Keidanren and universities to propose and implement specific joint industry-academia action plans. Topics under discussion include university education in the post-COVID-19 era, corporate recruitment and internships, and enhancement of recurrent education provision. Keidanren also operates scholarship programs for high school, university, and graduate school students studying abroad, with a focus on developing global leaders.

If Japan is to make Society 5.0 a reality, it will also be essential to enhance employee engagement, improve labor productivity, and expedite “Phase II” work style reforms to maximize added value. Keidanren is striving to enhance the engagement of employees of all kinds by examining company-specific employment systems including work

styles unconstrained by time and place, such as teleworking, and use of job-based recruitment by companies to create environments in which workers can genuinely feel that work is both motivating and manageable. In conjunction with this, we are aiming to establish working hour systems that are suited to independent, self-directed work styles by such means as expanding eligibility for discretionary working hour systems.

Diversity and Inclusion (D&I) is essential for organizations to achieve sustainable growth. In a survey of Keidanren member companies, more than 90 percent indicated that promotion of D&I will be important in dealing with the new business environment post-COVID-19. They also reported numerous business impacts as a result of D&I, including examples of D&I leading to new innovations or crisis response capabilities during the COVID-19 crisis. To further accelerate measures within individual companies, Keidanren will first of all encourage the creation of a movement to achieve the target set in the new growth strategy of raising the percentage of women in board director positions to 30 percent or more by 2030. Other measures we will take in conjunction with this include strengthening the talent pipeline by providing support appropriate to the career stage individuals have reached.



Meeting with executives of Rengo (JTUC) (January 27, 2021)



Mr. Watanabe (right) and Mr. Koji (left) visited MEXT Minister Hagiuda (center) to present “The second proposal on Reforms to Elementary and Secondary Education” (December 1, 2020)

### 4. Revitalization of Local Society and Economy

The spread of COVID-19 has accelerated the adoption of remote work as a way to reduce risk of contagion as well as to ensure continuity of businesses. Meanwhile, workers’ interest in living and working outside major cities is increasing. To certainly generate flows of people from metropolitan areas, including new residents and long-stay visitors contributing to local revitalization of the region, local governments

and communities are required to make themselves attractive. To this end, Keidanren has published policy proposals to request Japanese government to encourage efforts by local governments and private-sector entities.

Keidanren also promotes cooperation with local business organizations, local governments, universities and industry-

based organizations including agriculture and tourism, which are key industries in many regions. Annual dialogues in seven regions and business matching workshops are examples of collaborative programs between Keidanren and local business organizations from across Japan.

Particularly in the Tohoku region (Northeastern Japan), which suffered extensive damage from the Great East Japan



Online forum for supporting rehabilitation and revival of Tohoku region (March 2, 2020)

Earthquake and tsunami of March 2011, people are still facing challenges such as promoting industry, dispelling the persistent reputational damage resulting from the nuclear disaster, and handing down the lessons learned from their experiences. Keidanren will continue supporting efforts to rehabilitate and revive the Tohoku region through a variety of initiatives such as “the Festival in Support of Tohoku Reconstruction”.



Meeting with Mr. Tetsushi SAKAMOTO, State Minister for Regional Revitalization (December 17, 2020)

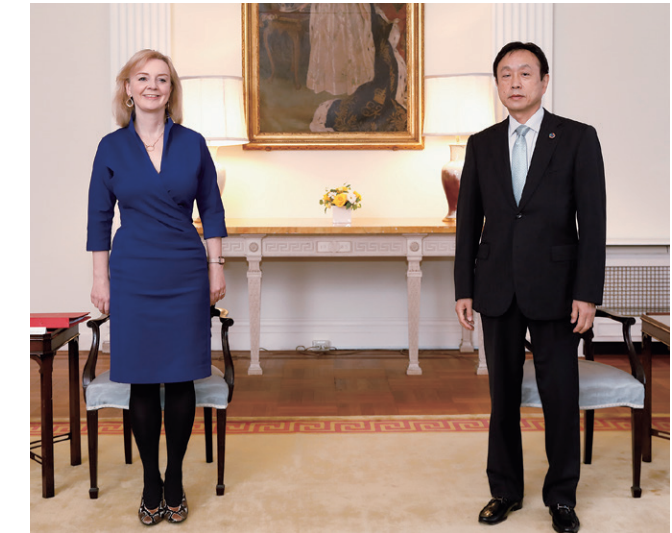
### 5. Rebuilding the International Economic Order

#### (1) Engaging actively in private-sector economic diplomacy

Amid restrictions on travel to and from other countries due to the COVID-19 crisis, Keidanren continues to actively pursue private-sector economic diplomacy, primarily by using online meetings to deepen interaction with economic organizations and government representatives in other countries and territories. Such interactions include networking events with the Brazil-Japan Business Council Plenary Meeting; the Mexican Business Council for Foreign Trade, Investment and Technology; and the Foreign Economic Relations Board of Turkey. We also held the Japan-China CEO and Former Senior Officials Dialogue, the Japan-Hong Kong Business Cooperation Committee, and the East Asia Businessperson’s Conference. In addition, in multilateral or regional frameworks, we held B20 Global Dialogue with Saudi Arabia and the Asian Business Summit.

In March 2021 Keidanren published a proposal entitled “Enhancing Cooperation for the Reestablishment of a Free and Open International Economic Order”, and addressed issues such as the response to COVID-19, digitalization, and the climate issues. We will continue our work to promote understanding and cultivate a shared perception at the international level regarding Keidanren’s opinions and concrete actions. We are also maintaining our bilateral or multilateral efforts in unison with the business communities

in other countries and territories to address global challenges such as the fight against COVID-19 and the reinforcement of trade and investment systems around the world to improve the business environment.



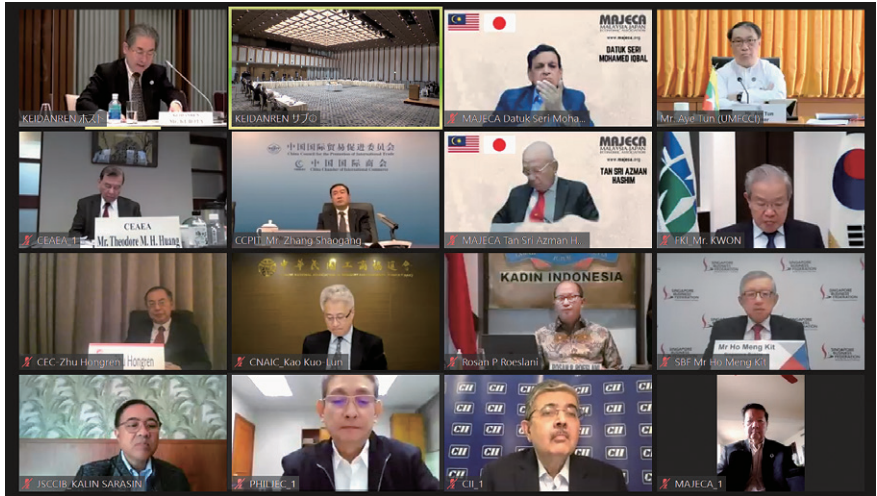
With the UK Secretary of State for International Trade and President of the Board of Trade, The Rt Hon Elizabeth TRUSS MP (October 23, 2020)



(2) Establishment of new international rules

Drastic changes such as the global spread of COVID-19, the continuing confrontation between the US and China, and the rise of protectionism have lent the international situation a new complexity. Under these circumstances, Keidanren is working toward rebuilding a free and open international economic order through establishing new international rules such as Free Trade Agreements (FTAs), Economic Partnership Agreements (EPAs), rules on data flows, and other issues liaising and cooperating with governments, business associations, and other entities inside and outside Japan. In response to the emergence of protectionist measures amid the COVID-19 crisis, in July 2020, Keidanren published its proposal entitled “Realizing Free, Open Trade and

Investment under COVID-19—Targeting an Inclusive and Resilient Framework” to advocate the need for adherence to a multilateral, free, and open framework and reform of the WTO, among other recommendations. As a result of such endeavors, the Japan-UK EPA and the UK-EU FTA came into force on January 1, 2021, and free trade and investment has continued uninterrupted among Japan, the UK, and the EU, even after the end of the transition period followed by the UK’s withdrawal from the EU. Meanwhile, in the Asia and Oceania region, the Regional Comprehensive Economic Partnership (RCEP) was signed by the 15 participant countries on November 15, 2020.



The 11th Asian Business Summit (November 2020)

6. Realization of Green Growth

For Japan to achieve its goal of carbon neutrality in 2050 and create a sustainable society, achieving green growth is indispensable.

Keidanren advocates “Integrated Environmental Corporate Management,” recognizing environmental issues such as climate change, resource circulation, biodiversity, and environmental risk management as key business challenges. In June 2020 Keidanren commenced “Challenge Zero” initiative targeting carbon neutrality. Meanwhile, Keidanren is promoting proactive initiatives such as “Commitment to a Low Carbon Society” and “Voluntary Action Plan for Establishing a Sound Material-Cycle Society”. Keidanren is also actively pursuing dialogue and collaboration with governments, business communities, and others inside and outside Japan, and has agreed with the Ministry of the Environment to further collaborate toward realizing a decarbonized society (September 2020), compiled a policy proposal entitled “Toward Realizing Carbon Neutrality by 2050 (‘Society 5.0 with Carbon Neutral’)—Determination and Actions of the Business Community” (December 2020), and established the Japan Partnership for Circular Economy (J4CE) (March 2021).

Energy is fundamental to everyday life and business activities, and a reliable supply of decarbonized energy with reasonable price is essential. Keidanren is encouraging initiatives that include making renewable energy a mainstream energy source, continuing utilization of nuclear power, and constructing next-generation grids, as well as undertaking the electricity investment necessary to support these efforts. To advance these initiatives, Keidanren compiled a proposal entitled “Electricity Policy to Realize Society 5.0 with Carbon Neutral” as the second electricity-related proposal after its proposal of April 2019, and is promoting it through government councils and other means for creation of the appropriate electricity infrastructure.



Chairman Nakanishi announcing the launch of Challenge Zero (June 2020)



Agreed with the Ministry of the Environment to further collaborate toward realizing a decarbonized society (September 2020)



<https://www.challenge-zero.jp/en/>

Participating company declares one of the below challenges and reports specific actions regarding its declaration.

- 1. Development of Net-Zero Emission Technologies (including Transition Technologies)
- 2. Dissemination and Implementation of Net-Zero Emission Technologies
- 3. Finance Companies that are engaged in the above Challenges



7. Drastic Regulatory Reforms for Innovation

Drastic regulatory reforms (i.e., amending laws/regulations) are required to innovate Japanese socio-economy, in particular, looking to Society 5.0. To that end, Keidanren works together with member companies to identify necessary reforms, and urges the government to amend the regulations every year.

Keidanren compiled a list of 75 regulatory reforms required for Society 5.0 and Post-Covid-19 and submitted it to the government in October 2020. Then we presented a proposal to Taro Kono, Minister of State for Regulatory Reform, the Liberal Democratic Party’s Administrative Reform Promotion Headquarters, and the government’s Regulatory Reform Promotion Council. As a result, majority of our proposals were taken into government policies to implementation.

Examples include abolishing physical stamps with a seal, promoting online administrative procedures, encouraging non-contact/non-face to face businesses and amending teleworking guidelines.



Meeting with Mr. Taro KONO, State Minister for Regulatory Reform (October 6, 2020)



Autonomous delivery robot ©ZMP

8. Social Security Reform for All Generations

As spending on medical and long-term care benefits continues to increase with the aging of Japan’s population, while the working generation that funds these benefits continues to dwindle, it has become essential to minimize increases in social insurance premiums borne by the working generation and companies, and to establish a sustainable social security system that provides peace of mind for everybody from parents of young children to senior citizens, while striking a balance with economic growth. On occasions such as the government’s Planning Meeting on a Social Security System Oriented to All Generations, in which former Keidanren chairman Hiroaki Nakanishi participated, Keidanren has called for the government to rectify the lack of balance between senior citizens and the working generation in the benefits received and burdens shouldered and to amend the system to ensure wise spending.

The Policy on Social Security Reform for All Generations approved by the Japanese Cabinet at the end of 2020 incorporated such recommendations from Keidanren, setting out a policy that seeks to reform the public health insurance system and improve measures to deal with the issue of wait-listed children for nursery schools, among other aims. Under the “New Plan to rear children with peace of mind”, daycare capacity for 140,000 children is to be secured by the end of fiscal 2024.



Handed policy proposal on Countermeasures against the Declining Birthrate to Minister Tetsushi Sakamoto (October 2020)



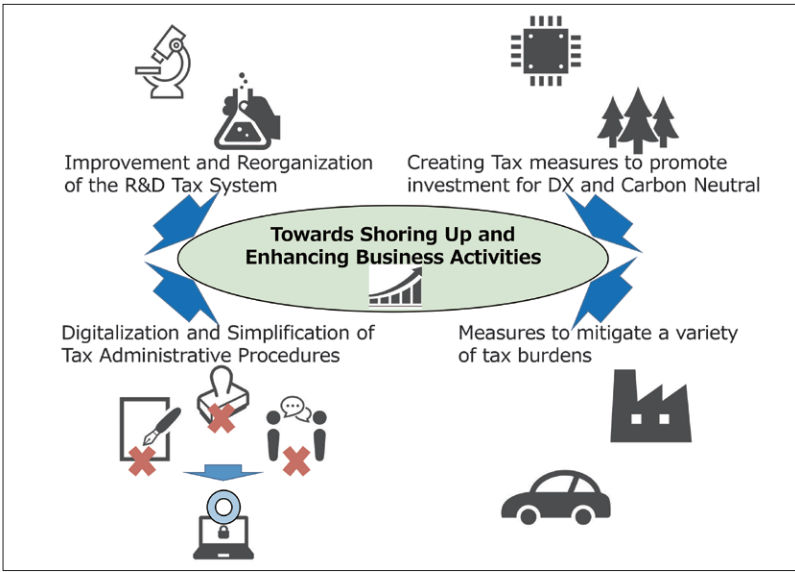
## 9. A Taxation System that Promotes Revitalization of Business Activity

During the COVID-19 crisis, it is vital that in addition to shoring up business activity suffering from temporal slumps, tax measures also contribute to realizing Society 5.0 through innovation and DX, and achieving the goal of carbon neutrality in 2050. As a result of Keidanren's lobbying to administrators and political leaders, the steps below are taken as part of the fiscal 2021 tax reform.

1. The R&D tax system is improved and reorganized to maintain and expand incentives for R&D investment.
2. New taxation schemes are set up to encourage investment in DX and in carbon neutrality.

3. As for a variety of tax administration procedures, the requirements for hard copy documentation, use of seals, and face-to-face meetings see a major overhaul, including comprehensive revision of the Electronic Books Maintenance Act.

In addition to the above, measures are taken to address the slump in business activity resulting from the COVID-19 crisis by creating a scheme for a special deduction limit for loss carryforwards, as well as measures to help lighten the taxation burden in relation to property tax on land and car-related taxes.



## 10. Attractive Financial and Capital Markets

Establishing sustainable capitalism requires an adequate supply of funding for the companies that produce innovation. It will be crucial to develop attractive financial and capital markets that draw in ESG investment and other funding from inside and outside Japan to provide this finance. Keidanren contributes in this regard by promoting management from a long-term perspective, reforms to corporate governance, and constructive dialogue with investors. We also play an active role in establishing the domestic institutions and international rules that support these efforts. In addition, Keidanren is proactive in communicating information both domestically and internationally regarding Japanese companies' initiatives and the latest trends. Efforts to this end include holding high-level online discussions with domestic and international investors and experts, as well as sending delegations to overseas.



Keidanren, the University of Tokyo, and the GPIF published the joint research report "The Evolution of ESG Investment, Realization of Society 5.0, and Achievement of SDGs" and declared that they will implement "the action plan to realize Society 5.0 for SDGs." (March 26, 2020)

## 11. Partnership between Business and Politics

The Japanese economy has achieved steady recovery under stable political landscape, but even an economy such as this is facing challenges as a result of the COVID-19 pandemic. At the same time, the international situation affecting Japan has become more unpredictable and uncertain than ever.

Politics has a large role to play in overcoming this state of affairs, reinforcing steps toward recovery and further growth in the Japanese economy, and enabling Japan to exercise leadership within the international community to rebuild a free and open economic order.

It is vital for the business community to join forces with politics and engage with domestic and international policy implementation. Keidanren continue to (1) propose policies, (2) communicate with political parties and politicians, and (3) engage in collaborative public-private economic diplomacy efforts through strengthening our partnership with politics.



The 9th Meeting of Councillors Prime Minister Yoshihide Suga (December 2020)



Keidanren Political Forum Member of House of Representatives Akira Amari (September 2020)



Keidanren Political Forum Special Advisor to the Prime Minister Masashi Adachi (December 2020)

## 12. Supporting Major National Events

The Tokyo Olympic and Paralympic Games will be held with all possible measures in place to prioritize safety and peace of mind; it is expected to be an event filled with hope that will assure the world of the revival and reconstruction of Japan's Tohoku region following the 2011 earthquake and tsunami, and of recovery from the COVID-19 crisis.

To energize athletes and teams, Keidanren has been backing sportspeople and their support networks nationwide and encouraging the employment of athletes. With a view to generating excitement about the Tokyo Games and forming a lasting post-Olympic legacy, the All Japan Business Committee for the Tokyo Olympics and Paralympics, which is made up of representatives of Keidanren and other business groups,

has been active throughout the country in popularizing sport, supporting para-sports, promoting a barrier-free society, and publicizing Japan's attractions and technological prowess.

In 2025, a World Expo will take place in Osaka. Under the main theme of "Designing Future Society for Our Lives", the Expo aims to pave the way for achieving Society 5.0 and accomplishing the United Nations Sustainable Development Goals. As a responsible and leading member of the Japan Association for the 2025 World Exposition, Keidanren is working to build nationwide support and social momentum for the great success of the event in collaboration with the national government, Osaka's local government and business community.



Held a job fair for top athletes with the Japanese Olympic Committee (November 2020)



"Yumeshima", venue for the 2025 World Exposition (source; Japan Association for the 2025 World Exposition)





## Officers (As of October 1, 2021)

### Chairman



**TOKURA Masakazu**  
Chairman of the Board  
SUMITOMO CHEMICAL Co., Ltd.

### Vice Chairs

**SUMI Shuzo**  
Senior Executive Advisor  
Tokio Marine & Nichido Fire Insurance Co., Ltd.

**SATO Yasuhiro**  
Chairman  
Mizuho Financial Group, Inc.

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

**KOMODA Masanobu**  
President and CEO  
MITSUI FUDOSAN CO., LTD.

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

**OHTA Jun**  
President and Group CEO  
Sumitomo Mitsui Financial Group, Inc.

**SUGIMORI Tsutomu**  
Representative Director,  
Chairman of the board, Group CEO  
ENEOS Holdings, Inc.

**YASUNAGA Tatsuo**  
Representative Director,  
Chairman of the Board of Directors  
Mitsui & Co., Ltd.

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

**HIGASHIHARA Toshiaki**  
Director, Representative Executive  
Officer, Executive Chairman & CEO  
Hitachi, Ltd.

**HIRANO Nobuyuki**  
Senior Adviser  
MUFG Bank, Ltd.

**HASHIMOTO Eiji**  
Representative Director and President  
NIPPON STEEL CORPORATION

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

**TSUGA Kazuhiro**  
Chairman of the Board  
Panasonic Corporation

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

**NAMBA Tomoko**  
Founder & Executive Chairman  
DeNA Co., Ltd.

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

**KUBOTA Masakazu**  
President  
Keidanren

### President

**KUBOTA Masakazu**

### Chairman of the Board of Councillors



**KOGA Nobuyuki**  
Special Senior Advisor  
Nomura Holdings, Inc.

### Vice Chairs of the Board of Councillors

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

**HIBINO Takashi**  
Chairman of the Board  
Daiva Securities Group Inc.

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

**ICHIKAWA Hideo**  
Director, Chairman of the Board of Directors  
Showa Denko K.K.

**HAYAKAWA Shigeru**  
Vice Chairman  
Toyota Motor Corporation

**SUZUKI Yoshihisa**  
Member of the Board, Vice Chairman  
ITOCHU Corporation

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

**YOSHIDA Kenichiro**  
Chairman, President and CEO,  
Representative Corporate Executive Officer  
Sony Group Corporation

**SAITO Tamotsu**  
Senior Counselor  
IHI Corporation

**NODA Yumiko**  
Chairman & Representative Director  
Veolia Japan K.K.

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

**TAKEUCHI Noriko**  
President  
Congrès Inc.

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

**IZUMO Mitsuru**  
CEO  
euglena Co., Ltd.

**NIINAMI Takeshi**  
Representative Director,  
President & CEO  
SUNTORY HOLDINGS LIMITED

**FUTAMIYA Masaya**  
Director - Chairman  
Sompo Japan Insurance Inc.

**KARASAWA Yasuyoshi**  
Director, Chairman of the Board  
MS&AD Insurance Group Holdings, Inc.

**AIKAWA Yoshiro**  
President and CEO,  
Representative Director  
Taisei Corporation

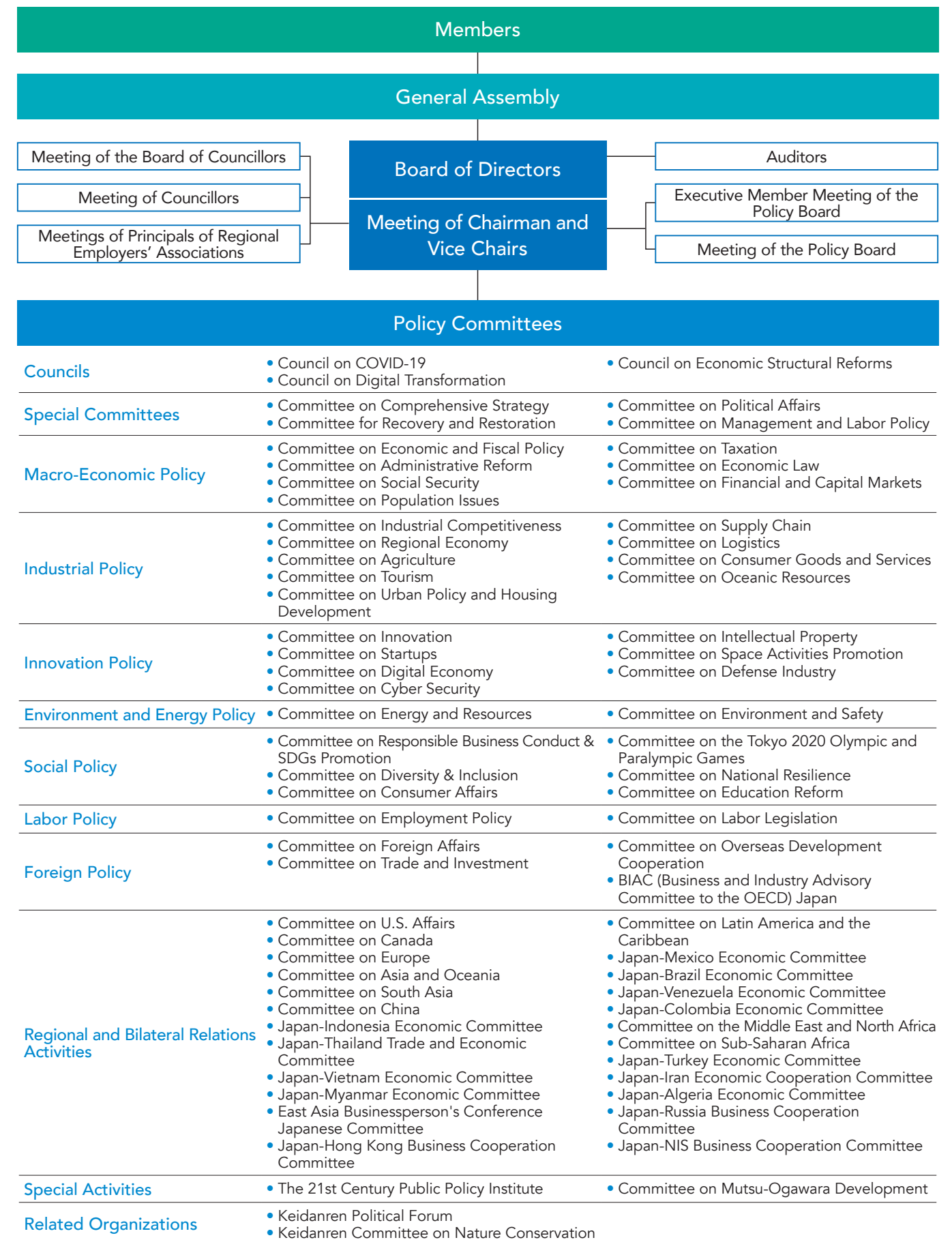
**KOKUBU Fumiya**  
Chairman of the Board  
Marubeni Corporation

**NAGAI Koji**  
Chairman of the Board of Directors  
Nomura Holdings, Inc.

**TSUTSUI Yoshinobu**  
Chairman  
Nippon Life Insurance Company

**TOKITA Takahito**  
Representative Director, CEO, CDXO  
FUJITSU LIMITED

## Organization Chart





# Financial Report and KEIDANREN's History

## Condensed Balance Sheets

(As of March 31, 2021)  
(Millions of yen)

Items	Current fiscal year
<b>I Assets</b>	
1 Current assets	
Total of current assets	3,019
2 Non-current assets	
(1) Specific assets	
Accumulated assets for replacement of office facilities	11,757
Accumulated assets for replacement of conference room facilities	6,519
Other accumulated assets	110
Total of specific assets	18,387
(2) Other non-current assets	
Buildings	5,371
Land	3,493
Other	8,277
Total of other non-current assets	17,142
Total of non-current assets	35,529
Total of assets	38,548

## II Liabilities

1 Current liabilities	
Total of current liabilities	878
2 Non-current liabilities	
Total of non-current liabilities	797
Total of liabilities	1,675

## III Net assets

General net assets	36,873
(of which the amount appropriated to specific assets)	(18,387)
Total of net assets	36,873
Total of liabilities and net assets	38,548

## Statement of Changes in Net Assets

(From April 1, 2020 to March 31, 2021)

In FY 2020, Keidanren's ordinary income was 6,514 million yen. Ordinary expenses were 5,465 million yen, the breakdown of which was 3,633 million yen for project expenses and 1,831 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 1,017 million yen. The ordinary accounts balance is appropriated to the accumulation of specific assets for the maintenance/replacement of facilities, etc.

## History of KEIDANREN

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 common knowledge amongst the Japanese public.

Although Japan achieved economic growth, an era of trade friction arrived. Keidanren introduced concepts such as the "Philosophy of Endurance" of Keidanren Chairman Yoshihiro Inayama (1980-86), the "Need for Co-existence" of Keidanren Chairman Gaishi Hiraiwa (1990-94), and "Attractive Japan," as advocated by Keidanren Chairman Shoichiro Toyoda (1994-98), so that Japanese companies would be accepted as good corporate citizens within international society.

Amid a declining birthrate and an aging population, as well as diversification in Japanese people's mind sets and values, 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 crosscutting issues. The first Chairman of the new Keidanren was Hiroshi Okuda (2002-06).

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

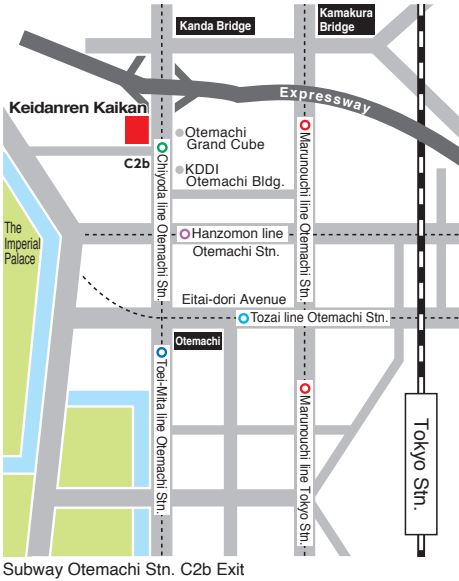
Keidanren has not only worked on the Japanese government to implement its policy proposals on various key issues, but has also released comprehensive and long-term development strategies for Japan at home and abroad, as well as the chairman vision statements, which broadly present the future image of the Japanese economy and society. These include "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, 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 the 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, as well as other recommendations made by Keidanren, have been reflected in the Japan Revitalization Strategy and other initiatives of the government. Under Chairman Hiroaki Nakanishi (2018-2021) too, Keidanren has engaged in lively policy discussions with the government, aiming to establish sustainable capitalism by expediting measures to bring about "Society 5.0 for SDGs." To that end, Keidanren has been dynamic in expressing its opinions and taking action on key issues such as DX (digital transformation) and environmental and energy policy.

As Japanese companies' activities become increasingly globalized and Japanese society faces issues such as climate change that affect the entire world, Keidanren is extending its activities from the 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:**  
TOKURA Masakazu, Chairman  
KUBOTA Masakazu, President
- Directors: 25**
- Auditors: 2**
- KEIDANREN is a corporation with an Accounting Auditor**
- Membership:**  
Corporate members: 1461, Group members: 156, Special members: 33,  
Total: 1650 members (as of April 1, 2021)
- Secretariat:**  
Staff members: 235 (including temporary staff, as of April 1, 2021)



**Ippan Shadan Hojin Nippon Keizai Dantai Rengokai  
KEIDANREN or Japan Business Federation**  
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Kita-ku, Osaka 530-6108

**Keidanren USA**  
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<https://keidanren.us/>



