



ANNUAL REPORT
2022

Keidanren
Policy & Action

About KEIDANREN

KEIDANREN (Japan Business Federation) is a comprehensive economic organization with a membership comprised of 1,494 representative companies of Japan, 108 nationwide industrial associations and the regional economic organizations for all 47 prefectures (as of April 1, 2022).

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

In 2022, the third year since the COVID-19 pandemic began, the world was faced with a new threat in the form of Russia's invasion of Ukraine. Such an attempt to change the status quo unilaterally using force is simply inexcusable. For the sake of the Ukrainian people, who are suffering unimaginable hardship, I sincerely hope that the war will be over as soon as possible.

A free and open international economic order is essential to enable companies to engage in business activities globally. Keidanren is taking every opportunity to call on the G7 nations and other members of the international community to adopt a unified response to Russia's invasion of Ukraine, which is seriously destabilizing the established international order economically, as well as in terms of national security.

Meanwhile, excessive emphasis on shareholder capitalism and market principles has resulted in a range of social issues including destruction of the natural environment and ecosystems, and the widening and replication of economic disparities. These issues have become even more pronounced during the COVID-19 pandemic. Of course, it goes without saying that capitalism is an excellent system that is a fundamental necessity for economic activities including free and vigorous competition, efficient allocation of resources, and the successful pursuit of innovation. Capitalism is, moreover, capable of overcoming social issues, and it is therefore imperative for the Japanese business community to practice an updated form of sustainable capitalism to achieve societal goals. These include making Japanese industry more competitive to create a virtuous cycle of growth and distribution, conserving the natural environment, restoring a substantial middle class, making society fairer and more equitable, and preparing to deal with emergencies.

Practicing sustainable capitalism requires first and foremost that the natural environment in which we live is sustainable. Keidanren is therefore focusing its efforts on green transformation with its sights set on Japan's extremely challenging goals of a 46 percent reduction in greenhouse gas emissions by 2030 and carbon neutrality in 2050.

Including the above, Keidanren has set the following as its priority initiatives for the fiscal year ending March 31, 2023 (fiscal 2022): (1) strengthen collaboration to rebuild a free and open international economic order; (2) implement COVID-19 measures targeting an exit strategy: shift the focus from pandemic to endemic; (3) accelerate green transformation (GX); (4) pursue digital transformation (DX); (5) establish Japan as a nation built on science and technology, and strengthen its industrial competitiveness; (6) promote startup; (7) promote transformation of work styles, investment in people, and educational reform; (8) revitalize local society and economy; and (9) promote fiscal consolidation and reforms to the social security and taxation systems.

Amid drastic changes both in Japan and overseas, Keidanren will continue to communicate impartial opinions from the social point of view at home and abroad. I look forward to the continuing support and cooperation of all our member companies during fiscal 2022.



Keidanren
Chairman

十倉 雅和

Masakazu Tokura



Main Activities in Fiscal 2021 (Proposals, Reports, etc.)

2021 April

- April 13** • Second Amendment of Guidelines for Preventing the Spread of Novel Coronavirus Disease (COVID-19)
- April 19** • Fiscal 2020 Report of the Keidanren-Academia Council for Future of Higher Education and Recruitment—Toward renewed university education and promoting industry-academia collaboration in the post-COVID era

May

- May 7** • Keidanren's Views on Draft Revision of Japan's Corporate Governance Code
- May 13** • B7 Summit 2021 Joint Statement
- May 31** • Opinion on draft guidelines for developing a system based on the amended Whistleblower Protection Act

June

- June 1** • Aim for Sustainable Capitalism through “The NEW Growth Strategy”—Keidanren policy for fiscal 2021
- Urgent Proposal Concerning COVID-19 Vaccination—Toward prompt economic recovery through faster administration of vaccines and herd immunity
- June 15** • Urgent Policy Proposal toward Achieving Green Growth
- Proposal: Japan-ASEAN Relations in the New Era—Toward the realization of a sustainable society through cooperation and co-creation
- Report: Current Situation and Issues Regarding Measurement and Assessment of Measures to Address the SDGs—Marking 10 years of action
- June 24** • Proposal: Call to Expedite Use of Records of Vaccination (Vaccination Passports)

July

- July 13** • Proposal for Implementation of Basic Plan on Space Policy
- Proposal: Toward Cyber Security Involving All Citizens

August

- August 31** • Launched online version of Keidanren Initiative for Biodiversity Conservation

September

- September 14** • Proposal on Revitalizing Economic and Social Activity While Living with COVID-19—Resuming economic and social activity while reducing severity rates, etc.
- Proposal: Towards the 12th WTO Ministerial Conference
- Proposal for Fiscal 2022 Tax Reform
- Proposal: Establishing a cycle of digital transformation and regulatory reform – a list of items of reform required in Fiscal 2021
- Report: Changes in the Behavior and Attitudes of Consumers during COVID-19 crisis, and Corporate Responses—With a view to promoting sustainable consumption

- September 24** • Comments on the IASB's Request for Information “Third Agenda Consultation”

October

- October 1** • Summary Proposal from Summer Forum 2021—Accelerating the transformation toward sustainable capitalism
- October 12** • Proposal: Toward Future Reform of the Medical and Long-Term Care System
- Proposal for Improvement of Official Statistics—Toward utilization of administrative record
- Views on promoting partnership between business and politics
- Evaluation of major political parties' policies (2021)
- Report: Encouraging Side-Jobs and Concurrent Employment—Aiming to implement “Phase II” work style reforms and enhance employee engagement
- October 15** • Third Amendment of Guidelines for Preventing the Spread of Novel Coronavirus Disease (COVID-19)
- October 21** • Proposal for COP26

November

- November 5** • Joint Statement 2021 by the US-Japan Internet Economy Private Working Group
- November 8** • Keidanren Carbon Neutrality Action Plan—Visions for carbon neutrality by 2050 and fiscal 2021 follow-up results (performance in fiscal 2020) [preliminary version]
- November 10** • Keidanren-CNI Joint Statement on a Japan Mercosur EPA
- Brazil-Japan Business Council Plenary Meeting
- November 11** • Keidanren's requests for the new administration

November

- November 16** • Toward Continuation of Economic and Social Activity While Implementing Infection Control Measures—Proposal to the new administration regarding measures to counter COVID-19
- Proposal: Call for Establishment of Sustainability Standards Board of Japan (Provisional Name) to Express Opinions on the Development of International Standards and Develop Japanese Standards
- Regional Co-creation Action Program and a selection of projects of Keidanren members' case studies
- Proposal: Data-Flow Policy to Promote DFFT
- Urgent Proposal Calling for Reliable Implementation of the GIGA School Program

- November 24** • Proposal: Request for FY 2022 Medical Fees Revision

- November 30** • Proposal: 2021 Best Practice for Empowering Women at Each Stage of Their Careers

December

- December 14** • Report on Economic and Industrial Trends, and Current Policy Issues: 2021 Edition
- Results of Questionnaire Survey on Business Risks and Policy Requests
- Revision of “Chapter 4: Respect for Human Rights” in the Implementation Guidance on the Charter of Corporate Behavior and Formulation of a Handbook for Management that Respects Human Rights
- December 21** • Joint Statement of the 7th Japan-China CEO and Former Senior Officials Dialogue
- December 24** • Opinion on Formulation of the Government's Plan for Promoting Digitalization of School Education

2022 January

- January 1** • Building the Society of the Future through Sustainable Capitalism—New year message from the chairman of Keidanren
- January 18** • 2022 Report of the Special Committee on Management and Labor Policy—Preparing for the post-COVID-19 era through labor-management collaboration to achieve Society 5.0 for sustainable growth
- Proposal: Opinion on Revision of Tourism Nation Promotion Basic Plan—Innovation for sustainable and resilient tourism
- Proposal: Healthcare in the Society 5.0 Era, Part III—Expansion of healthcare options through online access
- Proposal: Promoting University Education Reform for a New Era—Toward development of diverse human resources through self-directed learning
- Results of questionnaire on expectations for recruitment and university reform

February

- February 7** • Renewal of the Keidanren SDGs website and update “Innovation for SDGs,” a collection of innovation cases that contribute to achieving the SDGs
- February 9** • Proposal: Opinion on Economic Security Legislation—Based on the Policy Recommendation by the Governmental expert council
- February 15** • Proposal: Innovating Migration Policies

March

- March 14** • Proposal: Appeal for Prompt Enactment of Economic Security Promotion Bill (issued jointly with the Japan Chamber of Commerce and Industry and the Kansai Economic Federation)
- March 15** • Proposal: Vision for Advancement of Start-Ups—Targeting 10 x 10
- Proposal: Developing Strategic Infrastructure Systems Overseas—Fiscal 2021 edition
- Steering the Exit Strategies While Preparing for the Next Waves of Infections—Proposal on Countermeasures against COVID-19
- Voluntary Action Plan for Establishing a Sound Material-Cycle Society—Results of Fiscal 2021 follow-up
- March 30** • Keidanren Carbon Neutrality Action Plan—Visions for carbon neutrality by 2050 and fiscal 2021 follow-up results (performance in fiscal 2020) [final version]





Practice Sustainable Capitalism

Russia's invasion of Ukraine is a major crisis, and it is currently destabilizing the international order that built post-war prosperity. Such an attempt to change the status quo unilaterally using force is simply inexcusable. For companies, a free and open international economic order is essential to engage in business activities globally. Given the current situation, therefore, it is crucial for Japan to further strengthen its unity with the G7 nations, which share its values including freedom, democracy, and the rule of law. Collaborating with these nations, Japan must seek to avert international fragmentation while pursuing measures that take an integrated approach to the economy, diplomacy, and national security.

Meanwhile, excessive emphasis on shareholder capitalism and market principles has resulted in a range of social issues including destruction of the natural environment and ecosystems, and the widening and replication of economic disparities. Prompt action is also required to deal with issues such as the spread of new infectious diseases, frequent

natural disasters, and globally accelerating inflation. And to make matters worse, escalating prices for resources and foodstuffs have highlighted the new challenge of ensuring energy and food security.

Under such circumstances, what Japan's business community must do is practice sustainable capitalism, which is in line with the "new form of capitalism" advocated by the government. Accordingly, as Keidanren endeavors to improve well-being and achieve Society 5.0 for SDGs, it has set the measures listed below as its priority initiatives. Through these measures, Keidanren and the Japanese business community will seek to: make Japanese industry more competitive to create a virtuous cycle of growth and distribution, conserve the natural environment, restore a substantial middle class, make society fairer and more equitable, and prepare to deal with emergencies. Furthermore, amid drastic changes both in Japan and overseas, Keidanren will continue to communicate impartial opinions from the social point of view to the public at home and abroad.

1. Strengthen Collaboration to Rebuild a Free and Open International Economic Order

- Call on the international community to adopt a unified response to Russia's invasion of Ukraine
- Seek expansion of the CPTPP¹ and reliable implementation and management of the RCEP² agreement, etc.
- Promote economic security that takes freedom of economic activity into consideration³
- Work to maintain and strengthen the international competitiveness of Japanese industry by making supply chains more resilient considering geopolitical risks and global policy trends regarding the environment and human rights, etc.
- Promote management that demonstrates respect for human rights through action including human rights due diligence
- Pursue collaboration and dialogue with governments and business organizations in various countries, including the US and the nations of Europe and Asia, and develop Japan's private-sector diplomacy by proactively participating in forums such as the B7 and the B20

1. Comprehensive and Progressive Agreement for Trans-Pacific Partnership

2. Regional Comprehensive Economic Partnership

3. Lobbying for governmental and ministerial ordinances related to the legislation to promote economic security, etc.

4. In the fields of medicine and public health, an infectious disease is described as "endemic" when it occurs repeatedly in a specific geographical area with a certain incidence rate, or in a certain season. Compared with an "epidemic" disease, which causes a high number of infections exceeding normal predictions, an endemic disease spreads relatively gradually on a smaller scale, remaining within the predicted scope. A "pandemic" disease, on the other hand, is an epidemic disease that occurs simultaneously all over the world.

5. To be achieved by such means as abolishing restrictions on the number of entrants and purposes of travel, making immigration screening more efficient, or simplifying and cutting down on checks at the place of arrival (i.e., the airport)

6. An energy mix that makes safety (S) its prerequisite while balancing the three "E's": energy security, economic efficiency, and environmental conservation

2. Implement COVID-19 Measures Targeting an Exit Strategy: Shift the Focus from Pandemic to Endemic

- While living with COVID-19, seek to strike a balance between preventing infection from spreading and continuing socioeconomic activities
- Take action to draw up and implement an exit strategy, and shift course toward endemic⁴-oriented measures
- Lobby for development of laws that strengthen the authority of the national government and local governments to take effective measures against infectious diseases and build a robust healthcare system
- Prepare for full resumption of international travel by lobbying for more appropriate immigration controls⁵ based on scientific findings and trends in other countries

3. Accelerate Green Transformation (GX)

- Seek implementation of Keidanren's policy proposal entitled "Towards Green Transformation (GX)" to create a virtuous economic and environmental cycle, and work with unwavering resolve to achieve carbon neutrality in 2050
- Reinforce initiatives such as the "Keidanren Carbon Neutrality Action Plan" and "Challenge Zero," and strongly urge the government to draw up "GX Policy Package" that seeks to make Japanese industry more competitive by facilitating private-sector investment in R&D and other areas
- With regard to carbon pricing that contributes to growth, participate actively in the GX League to help build up knowledge, and call on the government to investigate how carbon pricing could maintain and strengthen the competitiveness of Japanese industry in light of trends overseas
- Urge the government to participate actively in creating international rules to facilitate sustainable finance, while also targeting a smooth transition
- Work toward carbon neutrality on a global scale through initiatives including support for other Asian countries, and call for a proactive economic diplomacy strategy to achieve growth by capturing the strong demand for "green" products and services overseas
- To ensure an energy mix based on the "S+3E"⁶ concept as Japan transitions to a new energy supply structure, encourage the government to devise a concrete energy policy that includes: (1) maintaining low cost, stable energy supplies given an international situation subject to dramatic change; (2) continuing utilization of nuclear power, which plays an important role as a quasi-domestic energy source (by making maximum use of existing plants, replacement and new construction, and using small modular reactors); (3) facilitating the development of new technologies such as nuclear fusion; (4) making renewable energy a major power source; and (5) achieving next-generation electricity networks
- In conjunction with GX, take an integrated approach to pursuing measures relating to issues such as establishment of a circular economy, biodiversity conservation, and environmental risk management

4. Pursue Digital Transformation (DX)

- Pursue DX to create a digital society and work to realize an all-inclusive social environment in which nobody is left behind by balancing the well-being of a diverse range of individuals with optimization of society as a whole
- Alongside ensuring that digital government becomes a reality and pursuing DX in fields such as healthcare and education, take other actions including acceleration of the multi-company co-creation project aimed at realizing value for consumers
- Encourage the Digital Agency and other relevant parties to ensure that the Digital Extraordinary Administrative Advisory Committee steadily achieves its structural reforms, particularly making all administrative procedures truly digital throughout
- Make specific appeals for reform of individual regulations and administrative procedures that impede DX and propose necessary tax measures that will contribute to DX
- Take action to promote data flow as the basis for DX, promote full use of the My Number system, encourage utilization of AI (artificial intelligence), and strengthen cyber security

5. Establish Japan as a Nation Built on Science and Technology, and Strengthen Its Industrial Competitiveness

- Strengthen medium- to long-term efforts, including financial allowances aimed at turning Japan into a world leader in science and technology through such means as improving education and research and providing environments for producing innovation in cutting-edge fields. As one element in these efforts, work to maintain and improve the R&D tax system
- Urge the government to focus investment of resources on fields that are important for Japan and will help to make Japanese industry more competitive, such as quantum technologies, AI, biotechnology, and life science. In addition, encourage the government to provide financial support for young researchers and interdisciplinary fields to foster emerging research. To maintain and strengthen the international competitiveness of Japanese companies, lobby for Japan's business environment to be placed on an equal footing with those of other countries
- To achieve Society 5.0, strengthen collaborative efforts involving industry, academia, and the government to nurture new technologies throughout the entire process from fundamental research to real-world implementation. The business community will also cooperate in the reform and implementation of the Cross-ministerial Strategic Innovation Promotion Program and other R&D schemes.
- Strive to promote the entertainment content industry and other aspects of the creative economy to demonstrate the soft power that earns trust and empathy from other countries
- Call for abolition of regulations that impede the real-world implementation of new technologies, and for agile, flexible governance. Support the development of institutional frameworks to encourage blockchain technologies and new businesses in the virtual space in particular.
- Reinforce efforts to prepare for and mitigate natural disasters such as earthquakes and typhoons, as well as to improve Japan's resilience and capacity to recover. In addition, ensure that a structure is put in place at the national level for management of crises such as pandemics, and seek to improve the efficacy of companies' business continuity plans

6. Promote Startup

- Fundamentally strengthen the startup ecosystem to lift Japan's economy as a whole and regain competitiveness
- Increase Japan's startup base—the number of startups—10-fold by 2027. In addition, target a 10-fold increase in the level reached by the most successful startups, set KPIs to ensure the target is reached, and monitor progress.
- To meet the targets in the previous item, rapidly drive through all the necessary measures simultaneously, including entrepreneur education involving both the public and private sectors, increasing the mobility of human resources, providing funding for growth, implementing tax measures, and reforming procurement, also bearing in mind the needs of local startups
- Endeavor to collaborate more with large companies that contribute to mobility of human resources among their ranks and the growth of startups, and work to increase M&As by large companies

7. Promote Transformation of Work Styles, Investment in People, and Educational Reform

- Seek amendments to working hours legislation to enable workers for whom outcomes are not proportional to working hours to fulfil their potential, such as promptly increasing the types of work deemed legally eligible for the discretionary labor system
- Encourage establishment of an environment that promotes the smooth flow of labor into growth sectors and industries
- Aim to establish a virtuous cycle of learning and work to promote collaborative provision of support for students' career planning by industry, academia, and the government, including recurrent education, reskilling, and internships. In addition, urge the government to undertake educational reforms addressing the needs of a new era
- Alongside furthering work style reform, call on companies to pursue diversity and inclusion that turns the active participation of diverse human resources into a strength, and to consider devising their own in-house employment systems suited to the actual circumstances in each company
- Continue urging companies to make efforts to raise wages and comprehensively improve treatment of employees according to fundamental principles for deciding wages to ensure investment in people and appropriate distribution of wealth to workers
- Promote appropriate trade practices by participating in the Declaration of Partnership Building initiative

8. Revitalize Local Society and Economy

- Target a locally-driven sustainable society by promoting new flows of people from metropolitan areas and creation of new businesses according to local needs, as well as development of high-quality infrastructure to support high-quality of life
- Accelerate investment for growth targeting initiatives such as DX and GX to realize the government's Vision for a Digital Garden City Nation
- Collaborate with the national government, local governments, universities, sports bodies, and cultural organizations to create attractive local communities and achieve growth by promoting regional co-creation to solve local challenges in line with Keidanren's Regional Co-creation Action Program (announced in November 2021)
- Investigate measures to turn Japan's agriculture—one of the main drivers of local economies—into a growth industry capable of exporting, and to create a sustainable, resilient tourism industry, and urge the government to take necessary action

9. Promote Fiscal Consolidation and Reforms to the Social Security and Taxation Systems

- Seek to slow down the decline in Japan's population while considering how to create a society and economy premised on population decline
- Work to bring about institutional reforms aimed at creating a social security system oriented to all generations that is more sustainable and increases peace of mind and security for the Japanese people. This should include addressing the balance between benefits received and burdens shouldered.
- Urge the government to restructure its revenue and expenditure to help achieve both growth and fiscal consolidation
- Make proposals addressing amendment of the Japanese tax system to help revitalize business activity and take action to encourage revision of international taxation rules in accordance with agreements between individual nations to keep pace with the increase in digital economic activities

1 Establishing Sustainable Capitalism, Pursuing Growth Strategies

(1) COVID-19 measures

Initiatives to balance infection control measures with continued economic and social activity

Keidanren has been proactively and successfully proposing the government to avoid stopping economic and social activity while controlling the spread of COVID-19. In June 2021, Keidanren published a proposal calling for faster administration of vaccines, and held an information session about vaccination in workplaces. In the same month, we also issued a proposal entitled “Call to Expedite Use of Vaccination Records (Vaccination Passports).” These efforts proved effective: in fall, around 80 percent of Japan’s population had received second dose of vaccine, and a system was introduced to allow entry to restaurants and events with proof of vaccination or a negative test result. Assuming that Japan would have to coexist with COVID-19 for a long time, Keidanren issued a succession of policy proposals based on scientific findings to boost economic and social activity, which were subsequently implemented. They included “Proposal on Preparing for Resumption of International Travel by Easing the Immigration Controls Appropriately”, and “Easing Regulations for Governing the Sale of Qualitative Antigen Test Kits”



Presented the “Proposal on Revitalizing Economic and Social Activity While Living with COVID-19” to former prime minister Yoshihide Suga (September 6, 2021)

(2) Green transformation (GX)

Achieving the goal of carbon neutrality by 2050 requires public and private sectors to join forces and pursue transformation of the overall economic and social system (GX: green transformation).

Keidanren addressed this imperative in June 2021 by publishing its Urgent Policy Proposal toward Achieving Green Growth, which called on the government to present a clear path toward a virtuous economic and environmental cycle and to mobilize policy resources. In October 2021, Keidanren compiled its Proposal for COP26, urging the Japanese government to make use of its diplomatic power to realize global carbon neutrality. Alongside making such policy proposals, Keidanren is also implementing proactive initiatives such as the Keidanren Carbon Neutrality Action Plan drawn up in November 2021, the Challenge Zero initiative, which supports innovation by companies, the Voluntary Action Plan for Establishing a Sound Material-Cycle Society, and the Keidanren Initiative for Biodiversity Conservation.

To achieve carbon neutrality by 2050, it will also be essential to ensure reasonably priced, reliable supplies of decarbonized energy. Accordingly, Keidanren is using government councils

and other means to promote recommendations such as making renewable energy a major power source, continuing utilization of nuclear power, and constructing next-generation electricity networks.

In addition, Keidanren examined policies on climate change and energy in an integrated way to prepare for compilation of a comprehensive proposal on GX in April 2022.



Meeting with Tsuyoshi Yamaguchi, Minister of the Environment (November 5, 2021)

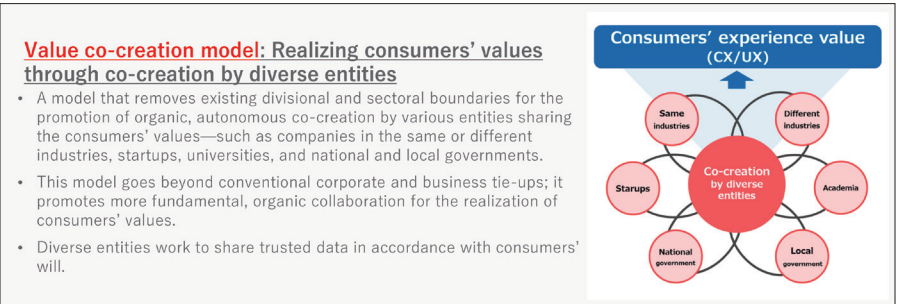
Anticipating Post-COVID-19 Life, and Achieving the SDGs

(3) Digital transformation (DX)

i. DX in general

The COVID-19 pandemic has revealed that DX within Japan’s economy and society is lagging behind other countries. Against this backdrop, Keidanren is collaborating with a diverse range of stakeholders to set up projects and organize online seminars and other events. Through initiatives such as these, we are aiming to expedite achievement of Japan’s own original form of DX for value co-creation, as well as the necessary human resource development.

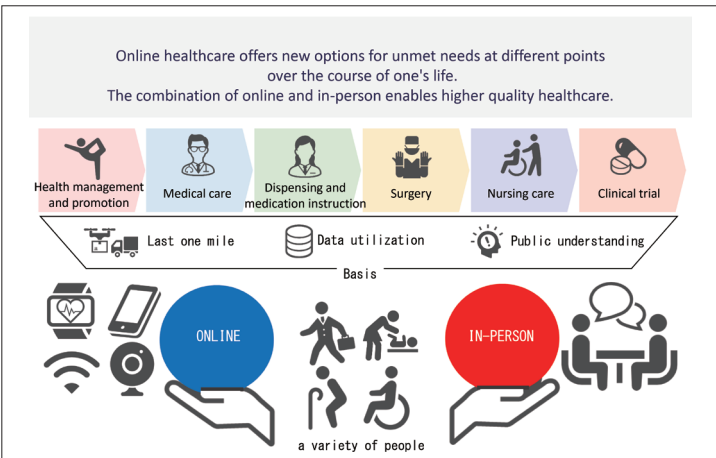
Two issues of vital importance in pursuing DX are cyber security and data utilization; Keidanren addressed these issues by publishing two proposals communicating the measures required of Japan: “Toward Cyber Security Involving All Citizens” in July 2021 and “Data-Flow Policy to Promote DFFT” in November 2021. Meanwhile, we participated in continuous policy dialogue with the US and Europe on these topics.



ii. Healthcare DX

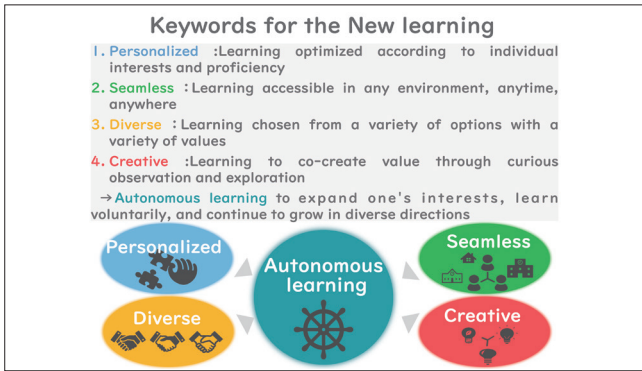
In January 2022, Keidanren published the proposal “Healthcare in the Society 5.0 Era, Part III—Expansion of healthcare options through online access.” Access to online treatment and other forms of online healthcare could pave the way for provision of new, convenient forms of care, particularly by

offering options catering to diverse needs that had not previously been adequately met. Keidanren is working with interested parties to make the necessary preparations from an institutional perspective and to encourage public acceptance of the idea.



iii. Educational DX

To establish new forms of learning for the Society 5.0 era and make DX for learning a reality, the Japanese government implemented its GIGA School Program ahead of schedule, distributing a digital device for educational use to all elementary and junior high school pupils. Keidanren compiled a proposal calling for full use to be made of these devices in order to guarantee all pupils the type of autonomous learning required in the Society 5.0 era, and urged the parties involved to put the proposal into practice. These efforts accelerated the pace of governmental initiatives including improvement of classroom facilities and financial support for acquisition of educational software.



iv. The Digital Extraordinary Administrative Advisory Committee

In November 2021, the administration of prime minister Fumio Kishida launched the Digital Extraordinary Administrative Advisory Committee in response to a proposal by Keidanren. Our chairman Masakazu Tokura represents Keidanren at the Advisory Committee, and in addition to calling to thoroughly implement user-oriented reform, we conducted a questionnaire of all our members in preparation for compiling our proposal “Opening the Doors to Society 5.0” in April 2022. Keidanren will make dedicated efforts to support the Advisory Committee’s reforms in order to accelerate the society-wide DX that is essential to achieving Society 5.0.



DX Council hosted by Keidanren (March 22, 2022)

(4) Promotion of Startup

In March 2022, Keidanren published our proposal “Vision for Startup Breakthrough,” aiming to create an ecosystem that would enable the number of Japanese startups to increase dramatically, while at the same time producing many startups achieving global success.

In addition, we are working to create opportunities for cooperation between startups and large companies by continuing to hold Keidanren Innovation Crossing (KIX), monthly high-level networking events as in the previous year.



Presented the proposal “Vision for Startup Breakthrough” to Koichi Hagiuda, Minister of Economy, Trade and Industry (March 15, 2022)

(5) Contributing to the achievement of the SDGs

As corporations worldwide seek to realize sustainable societies by co-creating value with stakeholders, the United Nations Sustainability Development Goals (SDGs) provide a globally shared “language.” Keidanren, for its part, has been promoting corporate efforts to create a sustainable and inclusive society based on its 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 United Nations agencies, as well as private groups promoting the SDGs, and the Japan Network for Public Interest Activities (JANPIA),* among others, Keidanren also cooperates in creating opportunities to generate solutions that aim to resolve SDG issues through collaboration with companies, entrepreneurs, and NGOs. As part of such efforts, we set up the Keidanren SDGs website, which includes “Innovation for SDGs,” a collection of innovation cases that contribute to achieving the SDGs, along with other examples of projects pursued by a variety of companies and organizations as part of the Keidanren Initiatives.

To promote measurement and evaluation of the impact of initiatives targeting “Society 5.0 for SDGs” at both the government and corporate levels, Keidanren shares good practices and suggestions for improvement, and urges the government to monitor and evaluate its progress in achieving the SDGs.

In addition, Keidanren took steps to further encourage corporate management that respects human rights, which are fundamental to the SDGs, by revising its Implementation Guidance on Charter of Corporate Behavior in line with the UN Guiding Principles on Business and Human Rights, and formulating a handbook to deepen understanding of member companies. At the same time, Keidanren is engaging in dialogue and collaboration with stakeholders worldwide.

* 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.



Handbook for Management that Respects Human Rights (front cover)

2 Education and Human Resource Development

As the COVID-19 pandemic has brought a substantial change to global economy and society, investment in human capital including relevant efforts/activities in terms of educational reforms and human resource development has been of increasing significance towards realization of “the new form of capitalism” advocated by the Japanese government. In these circumstances, from the perspective of the business community, Keidanren releases policy proposals addressing future challenges at every stage from elementary, secondary, and higher education through recurrent education to make a major contribution to foster outstanding and motivated human resources actively engaged in realization of Society 5.0.

A particularly urgent task in this regard is educational reform in Japan’s universities, which produce the human resources who play central roles in society. In January 2022, Keidanren released its proposal “Promoting University Education Reform for a New Era,” and is lobbying the relevant parties for implementation of the proposal’s recommendations, such as stronger guarantees regarding the quality of university education and collaboration by industry, academia, and the government on developing human resources and amending the requirements for establishment of universities.

Meanwhile, the Keidanren-Academia Council for Future of Higher Education and Recruitment, serving as a forum for direct dialogues between senior representatives of both Keidanren and universities (national, public, and private), is holding sincere debates on a wide range of issues, from a

viewpoint of industry-academia collaboration in developing human resources who are competent enough to push forward Society 5.0, such as enhancement of recurrent education organized in collaboration with universities and promotion of effective initiatives to support for students’ career planning. Based on those discussions, the council proposes specific joint industry-academia actions and make efforts to implement them without delay.

Keidanren is also focusing on development of world-class leaders through its Global-Minded Human Resources Development Projects, which include providing scholarship programs for high school, university, and graduate school students studying abroad, and setting up joint courses in collaboration with universities.



Presented the proposal “Promoting University Education Reform for a New Era” to Shinsuke Suematsu, Minister of Education, Culture, Sports, Science and Technology (February 15, 2022)

3 Promoting Work Style Reform, and Diversity and Inclusion

Improving labor productivity that is crucial for growth requires continued implementation of “Phase I” work style reforms, which increase the efficiency of labor input, as well as progression to “Phase II” reforms, which seek to maximize added value. Keidanren is seeking to enhance employee engagement—the key to successful implementation of these reforms—by encouraging teleworking, flextime systems, side-jobs, and concurrent employment. In conjunction with this, we are aiming to establish working hour systems suited to independent, self-directed work styles by such means as increasing the types of work deemed legally eligible for the discretionary labor system.

Innovation that emerges from a diverse set of values is the wellspring of growth and further promoted by diversity and inclusion. Accordingly, Keidanren is working to lay the groundwork for achieving its target of women occupying 30 percent or more of board director positions by 2030. At the

same time, we are taking steps to help individuals change entrenched attitudes, including by tackling unconscious bias.



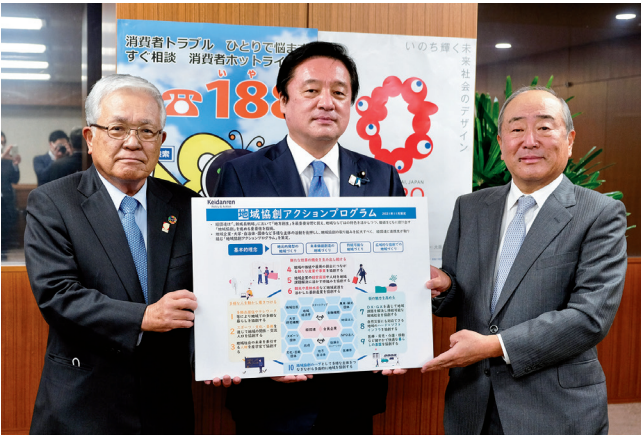
HereWeGo203030

4 Revitalization of Local Society and Economy

The COVID-19 crisis has prompted the Japanese public to take an increased interest in areas outside major cities. Viewing this as an opportunity for creative regional regeneration, Keidanren is promoting community-building designed to attract people to these areas as a means of revitalizing local societies and economies. In November 2021 Keidanren released its Regional Co-creation Action Program together with a selection of projects implemented by member companies. We are pursuing continuous regional co-creation together with the national government, local governments, universities, sports bodies, and agricultural and tourism organizations, among other entities.

Keidanren is also examining measures to ensure the sustainability of agriculture and tourism, which are key industries in many regions. With regard to tourism in particular, we published a policy proposal in January 2022, and are pursuing innovation to make the tourism industry sustainable and resilient.

To promote recovery and regeneration following the Great East Japan Earthquake and tsunami of March 2011, Keidanren is working in partnership with the national government, the relevant local governments, and other entities in the Tohoku region (Northeastern Japan) to promote industry and dispel the persistent reputational damage resulting from the nuclear and tsunami disaster. A key initiative in this regard is the Festival in Support of Tohoku Reconstruction.



Presented Regional Co-creation Action Program and a selection of projects of member companies to Kenji Wakamiya, Minister in Charge of Digital Garden City Nation Vision (December 7, 2021)



Discussion between Keidanren and the National Governors' Association (February 10, 2022)

5 Collaboration and Coordination with the International Community

(1) Engaging actively in private-sector economic diplomacy

Even 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 utilizing online meetings to deepen interaction with business associations and government representatives in other countries and territories.

In addition to engaging in online dialogues with other countries, including the Japan-China CEO and Former Senior Officials Dialogue and a networking event with the Foreign Economic Relations Board of Türkiye, Keidanren also exchanged views with the Vietnamese prime minister and

other officials who visited Japan, and held talks with ambassadors to Japan and other representatives. With regard to multilateral or regional frameworks, we published the proposal “Japan-ASEAN Relations in the New Era” in June 2021, conducted a policy dialogue session with ASEAN ambassadors in Tokyo, and organized a B20 Global Dialogue with Italy, among other discussions.

In a fluid and unpredictable global environment, Keidanren will strengthen its collaboration with other countries and regions to make societies more sustainable and create new value, while further enhancing good relationships.



Keidanren-ASEAN Ambassadors in Tokyo Policy Dialogue (November 12, 2021)

(2) A free and open international economic order

In a complex international situation, Keidanren is liaising and cooperating with governments, business associations, and other entities inside and outside Japan as it works to contribute to international rules-making, including those relating to WTO (World Trade Organization) reforms and the establishment of DFFT (Data Free Flow with Trust).

In September 2021, Keidanren released its proposal “Towards the 12th WTO Ministerial Conference,” and spoke directly to WTO Director-General Ngozi Okonjo-Iweala about the role the WTO should play in rebuilding a free and open international economic order based on rules. As a result of these efforts on the part of Keidanren, progress was achieved in negotiations on e-commerce transactions, among other matters.

In order to properly secure economic security while maintaining freedom of economic activities, Keidanren published the proposal “Opinion on Economic Security Legislation” in February 2022.



Discussion with Ngozi Okonjo-Iweala, WTO Director-General (September 8, 2021)

6 Regulatory Reforms

In order to achieve business-led economic revitalization it is essential to revise regulations and institutions that impede corporate activities. To that end, Keidanren works together with member companies to identify necessary reforms every year, and urges the government to amend the regulations.

The COVID-19 crisis revealed that Japan's digitalization is lagging behind that of other countries. To address this issue, in September 2021 Keidanren compiled a list of 75 regulatory reform-related requests aimed at accelerating DX, which was presented to the Minister of State for Regulatory Reform. Keidanren also explained the requests to the Liberal Democratic Party's Administrative Reform Promotion Headquarters, the Regulatory Reform Promotion Council, and the Digital Extraordinary Administrative Advisory Committee. As a result of these efforts, many of the requests were addressed in governmental policies, including amendment of guidelines for introducing local 5G in order to speed up and facilitate the process, and standardization of the format used for aggregating traffic data. Thus, progress was made in laying the groundwork for implementation of digital technologies.



Meeting with Mr. Taro Kono, then Minister of State for Regulatory Reform (September 16, 2021)

7 Fiscal Consolidation and Social Security Reform for All Generations

As Japan's birthrate declines and its population ages, establishing a virtuous cycle of growth and distribution to create a society in which all generations enjoy peace of mind will require the government to balance economic growth with fiscal consolidation and build a sustainable social security system for all generations.

Keidanren requests policy changes at forums such as the government's Council on Economic and Fiscal Policy, in which our chairman Masakazu Tokura participates. In one such request, we called for the government's PDCA (plan-do-check-act) cycle for fiscal management to be improved to facilitate agile economic and fiscal management from a

medium- to long-term perspective, along with wise spending. We also called for changes to medical and long-term care insurance and other aspects of the social security system to assuage Japanese citizens' anxieties about the future.

Having published the proposal "Toward Future Reform of the Medical and Long-Term Care System" in October 2021, Keidanren is calling on the government, the ruling political party, and other relevant organizations to ensure the system's sustainability by improving the efficiency of medical care provision system and reviewing benefits received and burdens shouldered under the long-term care system.

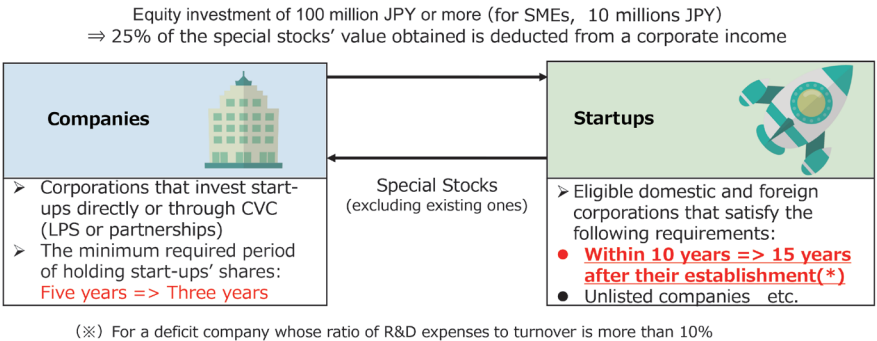
8 A Taxation System that Promotes Revitalization of Business Activity

It is essential for Japan to implement tax measures that will contribute to corporate reform and promote the revitalization of business activity during and after the COVID-19 pandemic. As a result of Keidanren's active involvement in administration and politics, the following measures were realized through the fiscal 2022 tax reform.

With regard to the corporate tax system, the existing tax measure to promote Open-Innovation activities was upgraded with extension by 2 years, which leads to more widespread and deeper open innovation between start-ups and large companies. The existing tax scheme to promote

5G network technology was extended. A special measure to promote M&A under the group aggregation system was established. In addition, for certain provisions of the Act concerning Preservation of Electronic Books relating to preservation of data for electronic transactions (as amended in fiscal 2021), a two-year safe harbor rule was provided from January 2022.

The tax reform packages also included a special measure to mitigate gradual increases of fixed asset tax related to commercial area and expanded housing loans tax credit for highly energy-saving houses.



Expansion and Extension of the existing tax measure to promote Open-Innovation Activities
(Red underlined items correspond to expansion)

9 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.



Keidanren organized an online discussion with CalSTRS (California State Teachers' Retirement System), at which views were exchanged on topics including ESG investment (April 15, 2021)



Fifth High-Level Symposium entitled "Toward realization of sustainable capitalism -innovations that solve social problems and the evolution of ESG Investment" (January 28, 2022)

10 Partnership between Business and Politics

As COVID-19 drags on, the international situation affecting Japan has become more unpredictable and uncertain than ever. Politics has a large role to play in facilitating the Japanese economy’s recovery from the pandemic, reinforcing steps toward the achievement of sustainable capitalism, and enabling Japan to exercise leadership within the international community to rebuild a free and open economic order. Indeed, Japan’s stable political system could be described as its key strength in terms of achieving these goals.

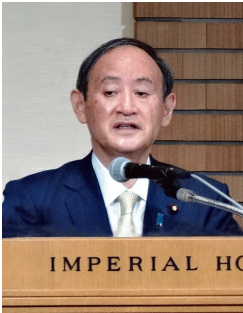
It is vital for the business community to join forces with politics and engage with domestic and international policy implementation. Accordingly, Keidanren continues to (1) propose policies, (2) communicate with political parties and politicians, and (3) engage in collaborative public-private economic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



The 10th Meeting of Councillors
Prime Minister
Fumio Kishida
(December 23, 2021)



Meeting with executives of the Liberal Democratic Party
Secretary-General of the Liberal Democratic Party
Toshimitsu Motegi
(January 11, 2022)



Keidanren Political Forum
25th Anniversary
Commemorative Lecture
Former Prime Minister
Yoshihide Suga
(December 2, 2021)

11 Success of Major National Events

The Tokyo Olympic and Paralympic Games held in the summer of 2021 successfully conveyed how inspirational it can be when people work together and share in the same excitement all over the world, despite facing challenging circumstances.

In the run-up to the Tokyo Games, Keidanren supported athletes’ preparations and encouraged their employment, among other initiatives. With a view to generating excitement about the Tokyo Games, the All Japan Business Committee for the Tokyo Olympics and Paralympics, which is made up of representatives of Keidanren and other business groups, was active in popularizing sport, supporting para-sports, promoting a barrier-free society, and publicizing Japan’s attractions and technological prowess. These activities have been taken over by local business communities and local governments all over Japan as a lasting post-Olympic legacy.



“Yumeshima,” venue for Expo 2025 Osaka Kansai
(Source: Japan Association for the 2025 World Exposition)

In 2025, a World Expo will take place in Osaka, and in 2027, the World Horticultural Exhibition will be held in Yokohama. Keidanren is focusing on preparing for these events, most notably by building momentum nationwide, in collaboration with the national government, and the local governments and business communities. It is hoped that the success of these major national events following on from the Tokyo Olympic and Paralympic Games will serve as a catalyst for growth in post-COVID Japan. In the run-up to Expo 2025 Osaka Kansai, which is only three years away, Keidanren is encouraging co-creation by companies and a variety of other entities, and urging participation in the Expo, with the aim of realizing “Society 5.0 for SDGs” in line with the Expo’s main theme of “Designing Future Society for Our Lives.”



Held para-sports meets all over Japan
(through the All Japan Business Committee for the Tokyo Olympics and Paralympics)

12 Combining the Expertise of the Business Community and Academia

The assumptions upon which corporate business activities are built have been rocked by problems that have come to light during the COVID-19 pandemic, as well as the confrontation between the US and China, and other changes in the international community. Meanwhile, the EU’s strategies regarding climate change and circular economies (CE) are likely to exert a major influence on the form that Japanese society takes in future.

Keidanren views such developments as issues that relate to capitalism and democracy, and is attempting to offer solutions by combining expertise from both the business community and academia, with the 21st Century Public Policy Institute taking the lead. As part of such efforts, Keidanren calls on experts in the liberal arts including philosophy and art to reexamine the relationship between business activities and the “universal values” that originated in Europe. In addition, we are analyzing the latest developments and key policies in the US, China, and the EU, and working to elucidate the international order’s current situation and future prospects, incorporating non-Western perspectives including those of the Middle East and Africa as we do so.

The outcomes of such research activities have been publicized via a range of media, including the Institute’s ad hoc reports and its newsletter published every other month, as well as in the Monthly Keidanren journal (in Japanese; January 2022

edition). The Institute has also published books including US Politics: Driven by 50 Individual States (in Japanese; Keiso Shobo, 2021), and EU and New World Order (in Japanese; Nippon Hyoron Sha Co., Ltd., 2021)



Monthly Keidanren journal (January 2022 edition)

Research Projects	Project Leader
1. International Relations	
1) United States	Project Leader: Fumiaki Kubo, President, National Defense Academy Deputy Project Leader: Kazuhiro Maeshima, Professor, Sophia University
2) China	Shin Kawashima, Professor, Graduate School, The University of Tokyo
3) Europe	Takao Suami, Professor, Graduate School, Waseda University
4) International Order	Masayuki Tadokoro, Professor, Keio University
5) International Law	Kazuhiro Nakatani, Professor, Graduate School, The University of Tokyo
2. Industry and Technology	
Circular Economy (CE)	Yasushi Umeda, Professor, Graduate School, The University of Tokyo
3. Environment and Energy	
Environment and Energy	Project Leader: Jun Arima, Professor, Graduate School, The University of Tokyo Deputy Project Leader: Sumiko Takeuchi, Visiting Professor, University of Tsukuba
4. Taxation and Finance	
International Taxes	Keiji Aoyama, Visiting Professor, Graduate School, Chiba University of Commerce
5. Capitalism and Democracy	
Capitalism and Democracy	Takahiro Nakajima, Professor, Institute of Advanced Studies on Asia, The University of Tokyo

21Century Public Policy Institution Research Projects(2021)

Officers (As of September 5, 2022)

Chairman



TOKURA Masakazu

Chairman of the Board
SUMITOMO CHEMICAL Co., Ltd.

Vice Chairs

NAKAMURA Kuniharu
Chairman of the Board of Directors
SUMITOMO CORPORATION

HIGASHIHARA Toshiaki
Director, Executive Chairman,
Representative Executive Officer
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
Chairperson, Member of the Board
Panasonic Holdings Corporation

SHINOHARA Hiromichi
Executive Advisor
Nippon Telegraph and Telephone
Corporation

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

OHASHI Tetsuji
Chairman of the Board
Komatsu Ltd.

KOJI Akiyoshi
Chairman of the Board
Asahi Group Holdings, Ltd.

SATO Yasuhiro
Senior Adviser
Mizuho Financial Group, Inc.

NAGANO Tsuyoshi
Chairman of the Board
Tokio Marine Holdings, Inc.

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

ENDO Nobuhiro
Executive Advisor
NEC Corporation

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

KOBORI Hideki
Chairman & Representative Director
Asahi Kasei Corp.

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

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

KUBOTA Masakazu
President
Keidanren

President

KUBOTA Masakazu

Chairman of the Board of Councillors



TOMITA Tetsuro

Chairman and Director
East Japan Railway Company

Vice Chairs of the Board of Councillors

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

TAKEUCHI Noriko
President
Congrés Inc.

HAYAKAWA Shigeru
Vice Chairman of the Board of Directors
Toyota Motor Corporation

IZUMO Mitsuru
President
Euglena Co., Ltd.

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

AIKAWA Yoshiro
President and CEO,
Representative Director
Taisei Corporation

KOKUBU Fumiya
Founder & Executive Chairman
Marubeni Corporation

TOKITA Takahito
Representative Director, CEO, CDXO
FUJITSU LIMITED

TSUTSUI Yoshinobu
Chairman
Nippon Life Insurance Company

KOSAKA Tatsuro
Senior Adviser
Chugai Pharmaceutical Co., Ltd.

HIBINO Takashi
Chairman of the Board
Daewa Securities Group Inc.

UOTANI Masahiko
Representative Director,
President & CEO
Shiseido Company, Limited

ICHIKAWA Hideo
Senior Adviser
Showa Denko K.K.

MITSUOKA Tsugio
Chairman of the Board
IHI Corporation

SUZUKI Yoshihisa
Vice Chairman
ITOCHU Corporation

KAKIUCHI Takehiko
Representative Director,
Chairman of the Board
Mitsubishi Corporation

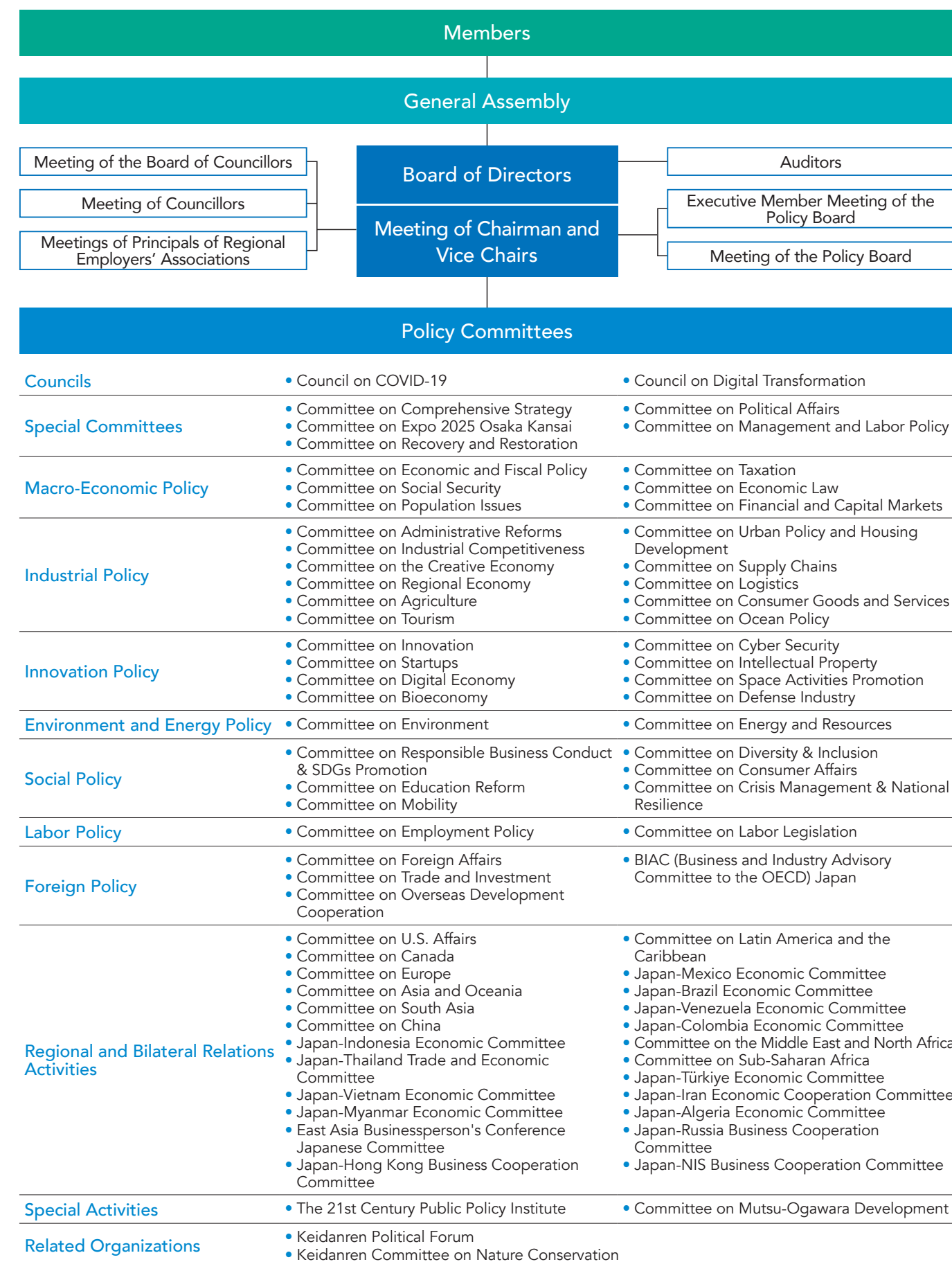
YOSHIDA Kenichiro
Chairman, President and CEO,
Representative Corporate Executive Officer
Sony Group Corporation

NISHIZAWA Keiji
Director - Chairman
Sompo Japan Insurance Inc.

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

YASUKAWA Kenji
Representative Director,
President and CEO
Astellas Pharma Inc.

Organization Chart





Financial Report and KEIDANREN’s History

Condensed Balance Sheet

(As of March 31, 2022)
(Millions of yen)

Items	Current fiscal year
I Assets	
1 Current assets	
Total of current assets	3,536
2 Non-current assets	
(1) Specific assets	
Accumulated assets for replacement of office facilities	12,700
Accumulated assets for replacement of conference room facilities	6,395
Total of specific assets	19,095
(2) Other non-current assets	
Buildings	5,086
Land	3,493
Other	8,207
Total of other non-current assets	16,786
Total of non-current assets	35,881
Total of assets	39,418

II Liabilities

1 Current liabilities	
Total of current liabilities	838
2 Non-current liabilities	
Total of non-current liabilities	855
Total of liabilities	1,694

III Net assets

General net assets	37,724
(of which the amount appropriated to specific assets)	(19,095)
Total of net assets	37,724
Total of liabilities and net assets	39,418

Statement of Changes in Net Assets

(From April 1, 2021 to March 31, 2022)

In FY 2021, Keidanren’s ordinary income was 6,643 million yen. Ordinary expenses were 5,689 million yen, the breakdown of which was 3,756 million yen for project expenses and 1,933 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 895 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 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, Vice Chairman President

Directors: 26

Auditors: 2

KEIDANREN is a corporation with an Accounting Auditor

Membership:
Corporate members: 1494, Group members: 155, Special members: 33,
Total: 1682 members (as of April 1, 2022)

Secretariat:
Staff members: 228 (including temporary staff, as of April 1, 2022)



**Ippan Shadan Hojin Nippon Keizai Dantai Rengokai
KEIDANREN or Japan Business Federation**
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Tokyo
100-8188
<https://www.keidanren.or.jp/>

Kansai Office
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Kita-ku, Osaka 530-6108

Keidanren USA
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20036 U.S.A.
<https://keidanren.us/>



Keidanren
Policy & Action