



ANNUAL REPORT

2025

Keidanren
Policy & Action

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Message from the Chairman

The world is facing one of the worst crises in recent times. The international order that was tirelessly built up over the years following World War II is being greatly destabilized by growing friction between the United States and China, Russia’s invasion of Ukraine, and other critical developments. Amid this instability, the tariff policies set out by the US have the potential to severely affect the free trade systems that have become the foundation of prosperity for so many countries. Global environmental problems also require urgent attention. Meanwhile, Japan must address a great number of structural and complex challenges, including an aging population, declining birthrate, and limited natural resources and energy.

In such unstable and uncertain times, it is Keidanren’s mission to confront each daunting challenge head-on and devise concrete solutions. Accordingly, in December 2024, Keidanren published “FUTURE DESIGN 2040,” providing a vision for Japan’s society in 2040 and necessary policy proposals.

Fiscal 2025 marks the beginning of Keidanren’s efforts toward achieving that vision. Keidanren will draw up a road map for realizing “FUTURE DESIGN 2040” and will devote its utmost efforts to facilitating Japan’s growth as a science and technology-oriented nation and trade and investment-oriented nation as well as its development as a fair, equitable, and sustainable society. Keidanren will swiftly respond to the present crises while, from a mid- to long-term perspective, assigning priorities to the required measures and steadily working toward the realization of a virtuous cycle of growth and distribution.

This means pursuing efforts in five specific fields of policy.

Firstly, innovation. Keidanren will continue to engage in measures key to growth, including Digital Transformation (DX), Green Transformation (GX), and the promotion of startups. In addition, Keidanren will establish the Committee on Science and Technology Strategy to chart a path that Japan must follow to become a science and technology-oriented nation. To this end, the Committee will develop comprehensive and seamless strategies for education, basic and applied research, social implementation, and enhanced industrial competitiveness.

Secondly, integrated reform of the tax, fiscal, and social security systems. In order to ensure the sustainability of the social security system, Keidanren will strongly call for comprehensive reforms of benefits and burdens - in particular, effective approaches to the latter including taxation - while also emphasizing the perspective of Japan’s fiscal consolidation.

Thirdly, regional revitalization. Keidanren aims to achieve the “New Regional Bloc Concept”, which divides Japan into around eight regional blocs. By prompting each region to formulate a vision toward economic development, it will promote broad collaboration over wider areas that will overcome the current barriers of municipal governments.

Fourthly, labor reform aimed at increasing productivity. To allow for the sustainability of wage increases no less than the pace of inflation, improving and increasing corporate productivity is of paramount importance. To achieve this, it is vital to facilitate smooth labor mobility and fundamentally review working hours legislation such as the discretionary labor system.

Last but not least, economic diplomacy. Maintaining and enhancing a free and open international order based on the rule of law is crucial for Japan to become a trade and investment-oriented nation. Based on this, Keidanren will call on the government to collaborate with like-minded nations and demonstrate greater leadership in the formation of rules. Alongside these approaches, Keidanren will set up the Committee on the Global South to enhance cooperation with the Global South nations achieving remarkable progress, while also actively engaging in private-sector economic diplomacy that draws on Japan’s soft power.

In order to pursue such approaches in these five fields, it is essential to secure an affordable and stable energy supply. Keidanren will engage in giving more concrete shape to, and steadily implementing “The 7th Strategic Energy Plan” of Japan.

Given the severe times we are facing, it is crucial for companies as front-runners to pave a way that Japan needs to follow for the future. I will always keep an eye on global trends while valuing both the “medium- to long-term perspective” and the “perspective of Japan in the world”. With these principles in my mind, Keidanren will strive to fulfill its responsibilities to future generations. Continued support and cooperation from all member companies will be vital to this endeavor.



KEIDANREN (Japan Business Federation)
Chairman TSUTSUI Yoshinobu

Keidanren Policy for Fiscal 2025

Achieve a Virtuous Cycle of Growth and Distribution to Build a Fair, Equitable, and Sustainable Economy and Society

The international order that was tirelessly built up over the years following World War II is being greatly destabilized by growing friction between the United States and China, Russia’s invasion of Ukraine, and other critical developments. Amid this instability, the tariff policies set out by the US have the potential to severely affect the free trade systems that have become the foundation of prosperity for so many countries. With global environmental problems also requiring urgent attention, the world is facing one of the worst crises in recent times. Here in Japan, we must address a great number of structural and complex challenges, including an aging population, declining birthrate, and limited natural resources and energy.

In such unstable and uncertain times, Keidanren must confront each daunting issue head-on. To this end, Keidanren published the proposal “FUTURE DESIGN 2040” in December 2024. Looking ahead to 2040, the proposal sets out a vision for Japan’s society and provides necessary policy proposals.

Fiscal 2025 marks the beginning of Keidanren’s activities toward achieving the vision set out in “FUTURE DESIGN 2040”. Keidanren will devote its utmost efforts to encouraging Japan’s growth as a science and technology-oriented nation and trade and investment-oriented nation, as well as its development as a fair, equitable, and sustainable society. In the short term, Keidanren will swiftly respond to the present crises while, from a mid- to long-term perspective, assigning priorities to the required measures and steadily working toward the realization of a virtuous cycle of *growth* and *distribution*.

In order to strongly drive growth and further enhance Japan’s industrial competitiveness internationally, Keidanren will establish the Committee on Science and Technology Strategy to chart a path that Japan must follow to become a science and technology-oriented nation. To improve industrial competitiveness, moreover, Keidanren will seek to enhance research capabilities and generate innovation by promoting increased investment in new growth areas such as artificial intelligence (AI), digital technology, robots, semiconductors, space technology, biotechnology, and entertainment content while implementing regulatory and system reforms. Continued efforts will also be made to advance Green Transformation (GX), facilitate Digital Transformation (DX), and promote startups that serve as the driving force of further growth.

As a basis for such progress, Keidanren will engage in giving more concrete shape to, and steadily implementing “The 7th Strategic Energy Plan” of Japan while pursuing measures to tackle climate change. In particular, efforts will be made to secure an affordable and stable supply of clean energy and to ensure a stable supply of natural resources essential for a variety of industrial activities amid the growing geopolitical risks.

Keidanren will also facilitate the development of human resources capable of fundamentally enhancing basic research capabilities, creating new values, and solving social issues.

Keidanren’s work to ensure distribution involves pursuing the development of a social security system oriented to all generations, and promoting integrated reform of the tax, fiscal, and social security systems. This will help to mitigate public concerns about the future, thereby contributing to increasing private consumption. Meanwhile, by further developing work style reforms, Keidanren will improve productivity by enhancing reskilling and recurrent education, and promoting the active participation of diverse human resources—including international talent, women, young people, and the elderly— which contributes to realizing structural wage increases encompassing small and medium enterprises (SMEs) and employees on fixed-term and other non-permanent contracts as investment in people.

In an effort to revitalize vibrant regional communities and economies, Keidanren will pursue the “New Regional Bloc Concept” to investigate possibilities for broad collaboration in wider regions that transcend the borders of existing municipal governments, while at the same time striving to strengthen Japan’s sustainability and resilience as a whole, including enhancing urban functions.

In establishing Japan as a trade and investment-oriented nation, it is essential to maintain and enhance a free and open international order based on the rule of law. Based on this, Keidanren will urge the government to collaborate with like-minded nations and demonstrate greater leadership in the formation of rules. Alongside these approaches, Keidanren will create the Committee on the Global South to enhance cooperation with the Global South nations achieving remarkable progress, while also actively engaging in private-sector economic diplomacy that draws on Japan’s soft power.

Furthermore, Keidanren will address the increasingly severe and frequent natural disasters by continuing its work to support disaster recovery in close cooperation with the affected areas. Keidanren will also cooperate to ensure the success of the World Expo and other major national events.

Without sustainable growth, Japan’s economy and society cannot survive. Keidanren will draw up a road map for “FUTURE DESIGN 2040” and realize this vision in close cooperation with member companies as front-runners, in order to fulfill its responsibility to future generations.

1. Economic and fiscal management / Social security

- (1) Balancing a virtuous cycle of growth and distribution with fiscal consolidation
- (2) Promoting integrated reform of the tax, fiscal, and social security systems
- (3) Building a social security system oriented to all generations

2. Realization of a virtuous cycle of the environment and economy

- (1) Advancing Green Transformation (GX)
- (2) Seeking diverse sources of energy; and securing and maximizing the use of renewables, nuclear and fusion energy, and other decarbonized power sources
- (3) Promoting Circular Economy (CE) and Nature-Positive (NP) initiatives

3. Revitalization of vibrant regional communities and economies

- (1) Advancing wide-area collaboration (“New Regional Bloc Concept”)
- (2) Boosting Japan’s resilience, including disaster prevention and reduction
- (3) Promoting agriculture, tourism, and other local industries according to each region’s special qualities such as the existence of energy resources

4. Creation of new value through innovation (Society 5.0+)

- (1) Enhancing industrial competitiveness through investment in new growth areas (AI, digital technology, robots, semiconductors, space technology, biotechnology, entertainment content, and deep tech)
- (2) Facilitating Digital Transformation (DX)
- (3) Accelerating the promotion of startups

5. Education and research

- (1) Advancing educational reform
- (2) Developing and promoting the active participation of highly skilled professionals
- (3) Fundamentally reinforcing research capabilities

6. Labor

- (1) Fostering the momentum and establishing the social environment to entrench structural wage increases
- (2) Further advancing Diversity, Equity and Inclusion (DEI) and promoting active participation of diverse human resources, including competent foreign workers
- (3) Actively promoting labor mobility that contributes to greater productivity, further developing work style reforms, and pushing for the revision of laws on working hours

7. Maintenance and enhancement of a free and open international economic order

- (1) Addressing US tariff policies
- (2) Promoting rules-based free and fair trade and investment
- (3) Ensuring economic security through public-private collaboration
- (4) Engaging in proactive diplomacy in collaboration with the Global South

8. Success of major national events

- (1) World Expo 2025
- (2) GREEN × EXPO 2027

1 FUTURE DESIGN 2040 “Virtuous Cycle of Growth and Distribution” —Aiming for a Fair, Equitable, and Sustainable Society

Looking ahead to Japan’s future, there are two major challenges that must be overcome: (1) an aging population and declining birthrate, and (2) its position as a resource-scarce island nation. It is also necessary to address global environmental changes such as increasingly frequent and severe natural disasters, ecosystem collapse, and an unstable international economic order. In December 2024, Keidanren published its vision “FUTURE DESIGN 2040 ‘Virtuous Cycle of Growth and Distribution’—Aiming for a Fair, Equitable, and Sustainable Society” to set out potential means of successfully tackling these challenges and present a vision for Japan’s future society.

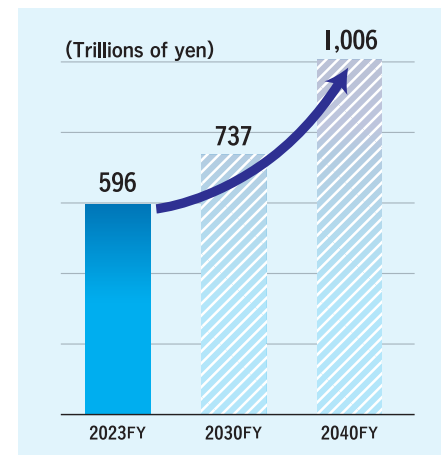
Our goal is to create a fair, equitable, and sustainable society where each citizen can proudly and independently express their individuality and abilities, achieve well-being, and ensure that future generations can continue to have hope. To achieve this, sustaining a virtuous cycle of growth and distribution is essential. Regarding growth, the realization of a science and technology-oriented nation and a trade and investment-oriented nation is the pathway that Japan’s economy and industry must follow.

FUTURE DESIGN 2040 outlines the necessary policies to build such a future. These challenges and policies are interrelated and form a complex nested structure. Therefore, a holistic approach is necessary, rather than individual responses. It is essential that not only the government but also all stakeholders—including businesses—execute policies from the social point of view.

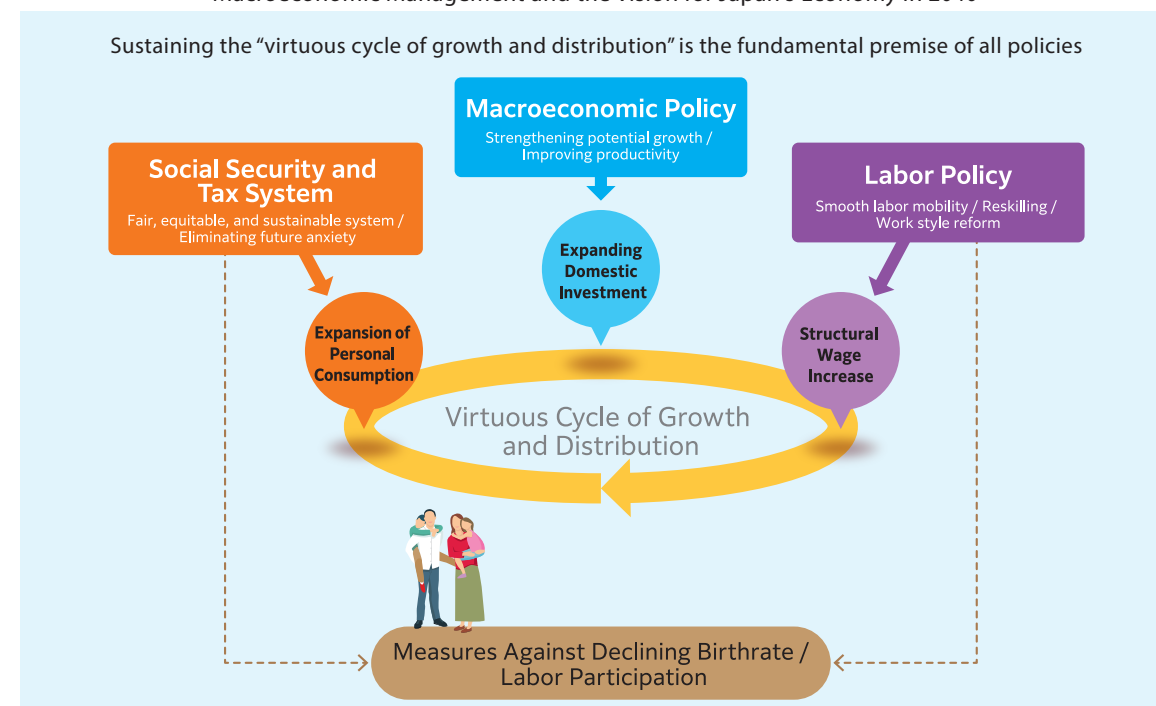
In FUTURE DESIGN 2040, simulations were conducted using a macroeconomic model. In the Reform Realization case, which includes various reforms necessary for the virtuous cycle of growth and distribution, real growth of about 2% and nominal growth of about 3% were projected to continue; as a result, nominal GDP is expected to reach approximately 1,000 trillion yen by fiscal 2040, and the country’s fiscal situation will improve.

Through the discussions in FUTURE DESIGN 2040, Keidanren will continue to face the realization of the virtuous cycle of growth and distribution head-on and work toward its achievement.

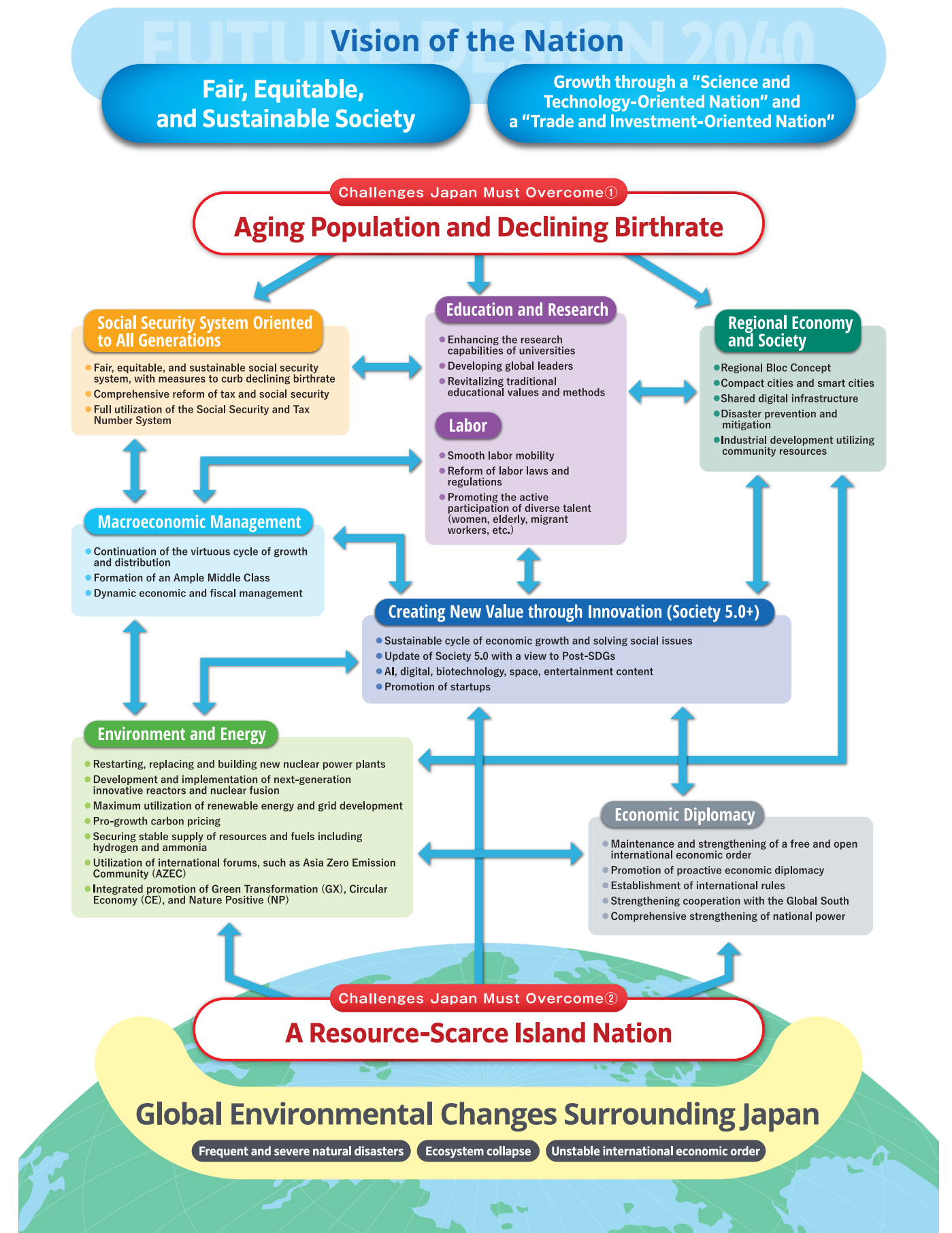
Nominal GDP Trends in the “Reform Realization Case” of the Macroeconomic Model Simulation



Macroeconomic Management and the Vision for Japan's Economy in 2040



Overview of FUTURE DESIGN 2040



2 Achieving Sustainable Economic Growth through Science, Technology, and Innovation

(1) Green transformation (GX)

Keidanren advances GX with the aim of achieving carbon neutrality while at the same time ensuring greater economic growth and industrial competitiveness. Efforts have been made to pursue the Keidanren Carbon Neutrality Action Plan and measures to maximize public- and private-sector investment in GX, such as designing an emissions trading system that contributes to growth, creating a GX market, facilitating transition finance, and advancing the Asia Zero Emission Community (AZEC) initiative. Keidanren's "Recommendations for Revising the Strategic Energy Plan" (October 2024) argued that maximizing the use of renewables, nuclear energy, and other decarbonized power sources is essential for ensuring that businesses actively pursue domestic investment. This stance has been incorporated in three government documents: GX2040 Vision, Strategic Energy Plan, and Plan for Global Warming Countermeasures (all decided by the Cabinet in February 2025). Keidanren will continue to provide opinions and pursue other such efforts toward accelerating GX.

In order to support the realization of a circular economy, which has been adopted as a national strategy, Keidanren has endeavored to ensure that its opinions are reflected in government discussions regarding, in particular, the formulation of the Act on Promotion of Advanced Recycling Business for Resource Circulation, the creation of a solar panel recycling program, and amendments to the Act on the Promotion of Effective Utilization of Resources (3Rs Act).

The 16th Meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP16) served as an opportunity for the Japanese business community to summarize and communicate its fundamental stance and initiatives for preserving biodiversity and enhance cooperation with related overseas institutions. Keidanren also participated in government deliberations on the formulation of policies such as the basic policy for the Act on Promoting Activities to Enhance Regional Biodiversity.



Presenting "Recommendations for Revising the Strategic Energy Plan" and "Recommendations for Advancing the AZEC Initiative" to MUTO Yoichi, Minister of Economy, Trade and Industry (November 22, 2024)



The first AZEC Advocacy Group Roundtable (August 20, 2024)

(2) Digital transformation (DX)

Keidanren pursues DX initiatives aimed at creating new value through the linkage and utilization of data and the social implementation of AI and other digital technology. In October 2024, a proposal was compiled for the construction of industrial data spaces as a framework for smoothly linking industrial data.



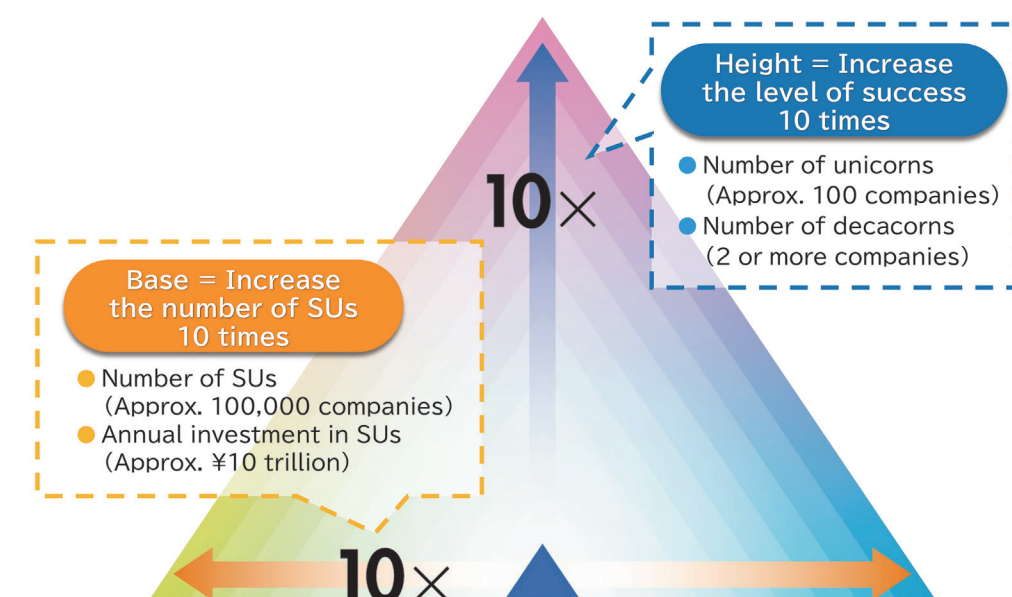
Announcement of the proposal "Towards the Construction of Industrial Data Spaces" (October 15, 2024)

(3) Promoting startups

As part of steps toward achieving tenfold increases in both the number and level of success of startups—as set out in its proposal "Vision for Startup Breakthrough" (March 2022)—Keidanren unveiled the "Science to Startup" proposal focused on university-based startups in September 2024.

Keidanren also pursues various approaches to achieving such tenfold increases, including a Startup-Friendly Scoring system as a means of prompting changes in the behavior of major companies and Keidanren Innovation Crossing (KIX) networking events for startups and major companies.

The "10X10X" target for tenfold increases in both the number and level of success of startups by 2027



(4) Strengthening competitiveness in new growth areas

(i) Bioeconomy: Keidanren presented its April 2024 proposal “Key Initiatives for Achieving Biotechnological Transformation (BX)” to TAKAICHI Sanae, Minister of State for Science and Technology Policy, and many of the recommendations were incorporated in the government’s new Bioeconomy Strategy. In June 2024, Keidanren sent its second bioeconomy mission to the United States, which had the opportunity to engage in dialogue with major stakeholders in the San Diego region of California. Keidanren also provides its opinions as necessary and makes proposals to the government on the international points of issue regarding genetic resources.

(ii) Creative economy: The Keidanren proposal “Entertainment Contents ∞ 2023” (April 2023) was instrumental in ensuring that entertainment contents (comics, anime, games, films, TV dramas, and music) were identified as key industries in government documents. Keidanren continues to engage in efforts to promote entertainment contents, including publishing the proposal “Entertainment Contents ∞ 2024” aimed at further enhancing the support policies in October 2024.

(iii) International standardization strategy: Having renamed its Committee on Intellectual Property to the Committee on Intellectual Property and International Standardization Strategy in May 2024, Keidanren hosted a seminar for top management aimed at promoting awareness at management level, and created a Sub-Committee on International Standardization Strategy, in June 2024. Keidanren also actively participates in government deliberations.

(5) Migration policies

Amid increasingly intense global competition to secure human resources, Keidanren established the Committee on Migration Policies in May 2024 with the aim of developing Japan into an environment that attracts truly promising human resources and allows them to play successful roles. Subsequently, in light of amendments to the Immigration Control and Refugee Recognition Act, Keidanren provided opinions at government expert meetings and other forums on designing the “Employment for Skill Development” program for migrant workers. In February 2025, Keidanren cohosted a symposium with the Central Japan Economic Federation as part of efforts to build momentum toward developing a society that is open to migrant workers playing successful roles.



Second bioeconomy mission to the US : visiting the University of California San Diego (June 6, 2024)



Presenting the proposal “Entertainment Contents ∞ 2024” to KIUCHI Minoru, Minister of State for “Cool Japan” Strategy (November 29, 2024)



The symposium on migration (February 14, 2025)

3 Creating an Ample Middle Class

(1) Developing the environment for achieving structural wage increases

Recognizing that Keidanren and companies share the social duty of ensuring that the strong momentum toward wage increases firmly takes root, Keidanren calls upon companies to adhere to the fundamental principle of wage and benefit determination that clearly defines wage increases as investment in people, to secure stable funds by striving to maximize added value, and to proactively consider and implement wage increases and comprehensive improvement in benefits.

In order to foster the momentum for wage increases throughout Japan, wage increases in SMEs, which account for around 70% of Japan’s employment, are essential. Achieving this requires

broad societal understanding and acceptance of appropriate price pass-through and increases in selling prices. In view of that, Keidanren amended Principle 2 of its Charter of Corporate Behavior to emphasize the purport of the Declaration of Partnership Building from the perspective of supply chain-wide support. This resulted in an increase in the number of companies that have made the declaration. Keidanren also published its opinions on establishing a business environment that promotes appropriate price pass-through across the supply chain, including opinions regarding potential revisions to the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors.

(2) Promoting diverse work styles and educational reforms

Keidanren seeks to encourage the values of diversity, equity, and inclusion (DEI) with the aim of creating a society in which anyone can play an active role, regardless of gender, age, nationality, disability, or any other factors. In addition to announcing and presenting the proposal “Toward a Society that Respects and Ensures Personal Choices” (June 2024) and calling for the legal reform that would introduce a dual-surname option for spouses, Keidanren held a meeting with MIHARA Junko, Minister in charge of Women’s Empowerment, and implemented various human resources development programs.

To improve employee engagement and boost worker productivity, Keidanren calls on society to continue the “Phase I” work style reforms, which focus on improving labor input efficiency, and to move forward to the “Phase II” reforms, which seek to maximize added value. Specifically, Keidanren urges the government to revise the laws on working hours, such as expanding the discretionary labor system, and to promote flexible working styles including side jobs and secondary employment. Moreover, in order to support workers to balance work with childcare or long-term family care responsibilities, Keidanren endeavors to prompt changes in public perceptions, for example by disseminating information on positive case studies of men taking childcare leave.

In order to help achieve educational reforms that accommodate major changes facing Japan, such as an aging population, declining birthrate, and decreasing global competitiveness,

Keidanren published its proposal “Educational Reforms Looking Ahead to 2040” in February 2025. Moreover, through the Keidanren-Academia Council regarding PhD-Level Human Resources established in fiscal 2024, Keidanren engages in debates with national, public, and private university executives aimed at enhancing career paths of PhD students. Keidanren also supports study abroad initiatives for young people in cooperation with the Keidanren Ishizaka Memorial Foundation and the United World College Japan National Committee.



Meeting with MIHARA Junko, Minister in charge of Women's Empowerment (January 14, 2025)

(3) Building a fair and equitable social security system oriented to all generations

As Japan strives to create an ample middle class, a social security system oriented to all generations that ensures citizens' peace of mind is recognized as the foundation of a virtuous cycle of growth and distribution. Amid progressive population aging and birthrate decline, it is essential to build a fair, equitable, and sustainable social security system that will dispel people's concerns about the future and allow for increases in personal consumption.

Moreover, in light of FUTURE DESIGN 2040, in order to curb increases in social insurance premiums for which the burden is largely borne by the current working generation and to secure financial resources through taxes, Keidanren has been advocating the necessity of integrated reform of the tax and social security systems at the Council on Economic and Fiscal Policy and other government forums.

Reforms of the medical and long-term care insurance systems to curb the increase in insurance premium burdens on the working generation, as well as reforms toward a pension system that is neutral with respect to different work styles, are also gradually progressing.

4 Establishing Administrative, Fiscal, and Taxation Systems as a Foundation for Strong Economic Growth

(1) Economic and fiscal management, and taxation systems

With the advent of a world with interest rates, Keidanren seeks to ensure both fiscal consolidation and the further promotion of a virtuous cycle of growth and distribution, by sharing the opinions of the business community with the government and various other interested parties.

Keidanren urges the government and ruling parties to build a taxation system that supports economic growth. As part of the fiscal 2025 tax reforms, revisions are to be made to the angel tax system and international taxation.

(2) Regulatory reform and economic laws

Based on awareness of the fact that regulations can be changed, each fiscal year, Keidanren compiles requests from its members for regulatory reforms and urges the government to address the regulatory issues that affect day-to-day business environments. In recent years, a certain amount of progress has been made in around half of the requests.

As a result of presenting opinions on amendments to the Companies Act that will contribute to the growth of companies, it was decided that the Legislative Council of the Ministry of Justice will begin deliberations in April 2025 on amendments aimed at fully legalizing virtual-only shareholders' meetings, among other changes.



Presenting the proposal "A List of Regulatory Reforms Required in Fiscal 2024" to TAIRA Masaaki, Minister of State for Regulatory Reform (November 19, 2024)

5 Building Vibrant Regional Communities and Economies

To revitalize and facilitate corporate activities—which play an instrumental role in regional economies—and thereby increase the sustainability and resilience of Japan as a whole, Keidanren engages in efforts to develop tourism, agriculture, and other local industries, as well as pursuing initiatives toward self-sustaining community development that entails an all-encompassing approach to developing the target regions by drawing on the cooperation of a diverse range of entities, including companies, universities, local governments, and

organizations involved in each local region. As part of such endeavors, on the basis of its Regional Co-creation Action Program (November 2021), Keidanren works toward accelerating and expanding further opportunities for co-creation, primarily by generating case studies of co-creation between member companies and various regional entities and disseminating a written collection of case studies of regional co-creation that records the efforts of its members.

6 Building a Resilient Society

(1) Natural disaster response, recovery, and preparedness

In addition to communicating to the government the disaster prevention and reduction measures to tackle increasingly frequent and severe natural disasters, Keidanren is involved in recovering and restoring disaster-affected areas. In April 2024, a delegation visited Ishikawa Prefecture, which was affected by the 2024 Noto Peninsula Earthquake; and in May 2024, a delegation visited Miyagi and Iwate Prefectures, which were affected by the 2011 Great East Japan Earthquake.



Activities by corporate volunteers in areas affected by the 2024 Noto Peninsula Earthquake (April 26–May 6, 2024)

Moreover, Keidanren launched a portal site entitled "Festa aimed at supporting Tohoku and Noto Reconstruction" as a one-stop source of information on various events related to their disaster-hit areas. Keidanren's response to the 2024 Noto Peninsula Earthquake involved activities such as dispatching corporate volunteers, providing relief supplies, and calling for donations and financial assistance.



The website for "Festa aimed at supporting Tohoku and Noto Reconstruction" (operational since September 17, 2024)

(2) Cybersecurity, space, and defense

In light of the technological advances in the field of space and its increasingly diverse spheres of activity in recent years, Keidanren calls for the realization of its "Recommendations for Revision to the Space Activities Act" (December 2024), which seeks revision to the legal mechanisms, and the steady implementation of the government's Basic Plan on Space Policy and Space Technology Strategy.

Building on the government's three strategic documents on national security (approved by the Cabinet in December 2022), Keidanren strives to share opinions regarding the establishment of a legal system for active cyber defense and other measures, and to maintain and enhance the defense production and technological infrastructure that constitute Japan's defense capacity itself.

7 Rebuilding a Free and Open International Economic Order

(1) Calling for efforts to maintain and strengthen a rules-based international economic order

With a view to maintaining and strengthening a rules-based, free, and open international economic order, Keidanren formulated the proposal “Toward the Fair, Equitable, Resilient and Sustainable Trade and Investment Environment” (June 2024), and visited the World Trade Organization (WTO) to exchange opinions. Moreover, to encourage multilateral policy coordination, Keidanren participated in the B7 Summit in Rome, the Korea-Japan-China Business Summit, and the B20 Summit in São Paulo. Collaborating and cooperating with governments, business associations, and other stakeholders both in and outside of Japan, Keidanren has campaigned for reform of the WTO, and for the conclusion of economic partnership agreements, free trade agreements, investment agreements, tax conventions, and joint credit mechanisms.

In order to freely conduct business activities domestically and internationally without adversely affecting national security, Keidanren advocated on the design of the security export control and security clearance systems.



Meeting with Angela Ellard, WTO Deputy Director-General (August 26, 2024)

(2) Promoting private-sector economic diplomacy proactively

Keidanren actively engages in private-sector diplomacy by exchanging opinions and interacting with governmental leaders and business associations from various countries and regions around the world.

During fiscal 2024, Keidanren held joint meetings with business representatives from Türkiye, Republic of Korea, Hong Kong, Brazil, Thailand, China, Ukraine, and Taiwan; and in addition to dispatching missions to the US, India, Europe (Finland and Poland), Singapore, Republic of Korea, Hong Kong, Africa (Côte d'Ivoire and Morocco), and the Middle

East (Saudi Arabia, Oman, and the United Arab Emirates), participated in the joint business mission to China with the Japan-China Economic Association, and hosted the Asian Business Summit.

Furthermore, through the recommendations set out in its “Proposal for Strengthening Cooperation with the Global South” (April 2024) and policy proposal on Japan’s contribution towards infrastructure development overseas (October 2024), Keidanren pursues efforts to further develop the relationship with the Global South.



Meeting with US Senator Bill Hagerty (February 20, 2025)



Meeting with Petteri Orpo, Finnish Prime Minister (October 22, 2024)



At the 13th Asian Business Summit (July 5, 2024)



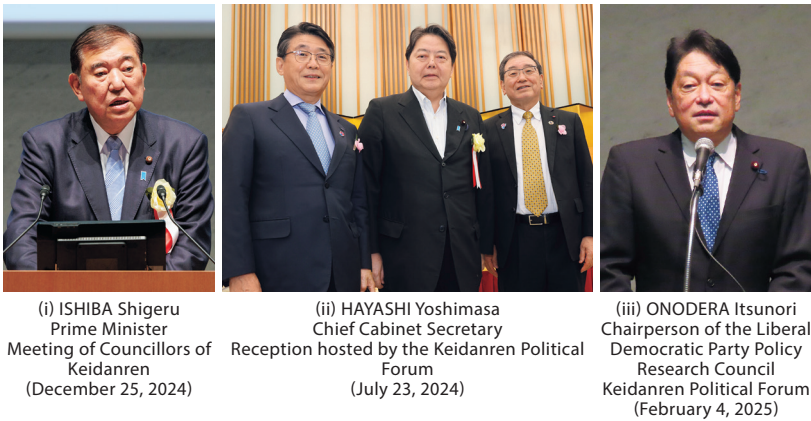
At the 31st meeting between Keidanren and the Federation of Korean Industries (October 18, 2024)



Visiting Khalid Al-Falih, Saudi Arabian Minister of Investment (February 10, 2025)

8 Partnership between Business and Politics

Despite growing division and disorder in international society, Japan has started the momentum toward the virtuous cycle of growth and distribution and taken a firm step toward growth. Amid the necessity for politics and business to join forces to ensure the implementation of policies in and outside of Japan with a view to creating a fair, equitable, and sustainable society, Keidanren strengthens its partnership with politics to support its efforts to (i) propose policies, (ii) communicate with political parties and politicians, and (iii) engage in collaborative public-private economic diplomacy efforts.



9 Supporting Major National Events

The World Expo 2025 is underway in Osaka, Kansai, in 2025, exploring the theme “Designing Future Society for Our Lives,” while the World Horticultural Exhibition (GREEN×EXPO 2027) will be held in Yokohama in 2027 to present “Scenery of the Future for Happiness.”

Keidanren is actively cooperating to ensure the success of these major national events through efforts to encourage momentum toward these events throughout the entire country in collaboration with the government, local authorities, business communities, and other entities.



10 Combining the Expertise of the Business Community and Academia

The various issues facing the world influence each other and interconnect to create a complex nested structure. Solving these difficulties will require the wisdom to combine diverse policy measures from versatile viewpoints. On this basis, the 21st Century Public Policy Institute not only analyzed the latest trends in major countries and regions such as the US, China, Europe, and South Korea, but also drew connections

with diverse topics including capitalism, democracy, AI and other digital technology, and economic security, combining insights from both the economic world and academia and sharing the results. (The 21st Century Public Policy Institute was renamed the Keidanren Policy Research Institute as of May 29, 2025.)

21st Century Public Policy Institute Research Projects (Fiscal 2024)	
Research Projects	Principal Researchers
Capitalism and Democracy	Nakajima Takahiro (Principal Research Director) Director and Professor, Institute for Advanced Studies on Asia, the University of Tokyo
United States Studies	Kubo Fumiaki (Principal Research Director) President, National Defense Academy, Japan
	Maeshima Kazuhiro (Deputy Research Director) Professor, Faculty of Global Studies, Sophia University
Europe Studies	Suami Takao (Principal Research Director) Professor of Law, Waseda Law School
China Studies	Kawashima Shin (Principal Research Director) Professor, Department of International Relations, Graduate School of Arts and Sciences, the University of Tokyo
Korea Studies	Fukagawa Yukiko (Principal Research Director) Professor, Economic Development, Department of political science and Economics, Waseda University
International Taxes	Watanabe Tetsuya (Principal Research Director) Professor, Faculty of Law, Waseda University
Economic Security and Intellectual Property	Watanabe Toshiya (Principal Research Director) Professor, Institute for Future Initiatives, the University of Tokyo
	Nagasawa Kenichi (Deputy Research Director) Advisor, Canon Inc.
Technology and International Order	Suzuki Kazuto (Executive Visiting Research Fellow) Professor, Graduate School of Public Policy, the University of Tokyo
Global South	Sahashi Ryo (Visiting Research Fellow) Professor of International Politics, Institute for Advanced Studies on Asia, the University of Tokyo

Proposals and Reports Published in Fiscal 2024

2024

April 2

- Fiscal 2023 Verification Report by the Keidanren Carbon Neutrality Action Plan Third-Party Evaluation Committee
- Keidanren Carbon Neutrality Action Plan: Visions for Carbon Neutrality by 2050 and Fiscal 2023 Follow-Up Results (Performance in Fiscal 2022) [Final Version]

April 16

- Proposal: Facilitating the More Active Participation of Older Employees
- Proposal: Toward the Resurgence of Japanese Industry—Calling for the Enhancement of Industrial Infrastructure Based on a Long-Term Strategy
- Proposal for Strengthening Cooperation with the Global South
- Proposal: Key Initiatives for Achieving Biotechnological Transformation (BX)

April 23

- Fiscal 2023 Report of the Keidanren-Academia Council for Future of Higher Education and Recruitment: Drawing on Industry-Academia Collaboration for the Development of Highly Skilled Human Resources and Future-Oriented Recruitment

May 7

- Revision to Principle 2 (Fair business practices) of the Charter of Corporate Behavior and Amendment to Chapter 2 of the Implementation Guidance on Charter of Corporate Behavior: Report of the Deliberation Group for Creating an Ample Middle Class

May 17

- B7 Summit 2024 Joint Statement

May 24

- Report: The Activities of the Japan-Korea Future Partnership Fund

May 27

- Joint Statement of the 8th Korea-Japan-China Business Summit

May 31

- Keidanren Policy for Fiscal 2024: Seize This Critical Opportunity to Completely Overcome Deflation and Realize a Virtuous Cycle of Growth and Distribution

June 18

- Proposal: Achieving a Society That Supports Choice—Overcoming the Systemic Obstacles to Women’s Participation
- Toward the Fair, Equitable, Resilient and Sustainable Trade and Investment Environment—Proposal for the Reconstruction of the Free and Open International Economic Order

July 5

- The 13th Asian Business Summit Joint Statement

July 16

- Recommendations for Advancing the AZEC Initiative: For the 2nd AZEC Ministerial Meeting

July 21

- Keidanren Summer Forum 2024 Karuizawa Declaration: Designing a Sustainable Future Society

September 17

- Proposal: Science to Startup
- Proposal: A List of Regulatory Reforms Required in Fiscal 2024

September 30

- Fundamental Opinions on the Next Amendments to the Pension System

October 3

- Proposal for FY2025 Tax Reform: Driving the Japanese Economy towards a New Stage of Growth

October 4

- Keidanren’s Request to Ishiba Administration

October 15

- Proposal: Entertainment Contents ∞ 2024—Act Now!
- Proposal: Towards the Construction of Industrial Data Spaces
- Recommendations for Revising the Strategic Energy Plan: A Call for Establishing an Energy Policy to Support Economic Growth and the Lives of People
- Views on Promoting Partnership between Business and Politics
- Evaluation of Major Political Parties’ Policies (2024)
- The Japanese Business Community’s Nature-Positive Initiatives and Expectations for CBD/COP16: Stance Paper for CBD/COP16
- Proposal: Developing an Infrastructure System Attractive to Foreign Partners—In Light of the Government’s Outline of New Strategy toward 2030

October 18

- Joint Statement of the 31st Business Summit between Keidanren and the Federation of Korean Industries

November 5

- Joint Recommendations Calling for Prompt Action to Establish Japan-Mercosur EPA

December 9

- Vision: FUTURE DESIGN 2040 “Virtuous Cycle of Growth and Distribution”—Aiming for a Fair, Equitable, and Sustainable Society

December 12

- Joint Statement of the 10th Japan-China CEO and Former Senior Officials Dialogue

December 17

- Proposal: Business Approaches in a World with Interest Rate—Expanding Investment to Boost Productivity and Generate Added Value
- Recommendations for the Next Basic Plan for Food, Agriculture and Rural Areas
- Recommendations for Revision to the Space Activities Act

2025

January 1

- Aiming for a Fair, Equitable, and Sustainable Society: New Year Message from the Chairman of Keidanren

January 16

- Proposal: Toward the Establishment of the Business Practice of Price Pass-Through across Society—Applying Structural Wage Increases to Achieve a Growing Economy

January 21

- 2025 Report of the Special Committee on Management and Labor Policy: Accelerating the Virtuous Cycle of Maximizing Added Value and Investing in People—Thorough Implementation of the Fundamental Principle of Wage and Benefit Determination

February 18

- Proposal: Educational Reform Looking Ahead to 2040—Fostering Self-Directed Thinking and Building a Sustainable Future

March 18

- Proposal: Calling for Swift Conclusion of the Japan-Türkiye EPA
- Voluntary Action Plan for Establishing a Sound Material-Cycle Society: Results of Fiscal 2024 Follow-Up
- Joint Statement of the 52nd East Asia Businessperson’s Conference
- Case Studies of Global Talent Management in Companies

March 31

- Keidanren Carbon Neutrality Action Plan: Visions for Carbon Neutrality by 2050 and Fiscal 2024 Follow-Up Results (Performance in Fiscal 2023) [Final Version]

Officers (As of July 2, 2025)

Chairman



TSUTSUI Yoshinobu
Executive Advisor
Nippon Life Insurance Company

Vice Chairs

KOJI Akiyoshi
Honorary Chairman
Asahi Group Holdings, Ltd.

NAGANO Tsuyoshi
Senior Executive Advisor
Tokio Marine & Nichido Fire Insurance Co., Ltd.

ENDO Nobuhiro
Executive Advisor
NEC Corporation

KOBORI Hideki
Chairman & Director
Asahi Kasei Corp.

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

SAWADA Jun
Executive Chairman
NTT, Inc.

KAKIUCHI Takehiko
Chairman of the Board
Mitsubishi Corporation

IZUMISAWA Seiji
Chairman of the Board
Mitsubishi Heavy Industries, Ltd.

NODA Yumiko
Chairman & Representative Director
Veolia Japan GK

KAMEZAWA Hironori
Member of the Board of Directors,
President & Group CEO
Mitsubishi UFJ Financial Group, Inc.

NAGASAWA Hitoshi
Chairman, Director
Nippon Yusen Kabushiki Kaisha Co., Ltd.

TAKASHIMA Makoto
Chairman of the Board
Sumitomo Mitsui Financial Group, Inc.

HYODO Masayuki
Chairman of the Board of Directors
SUMITOMO CORPORATION

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

OGAWA Hiroyuki
Chairman of the Board
Komatsu Ltd.

TOKITA Takahito
Representative Director, CEO
FUJITSU LIMITED

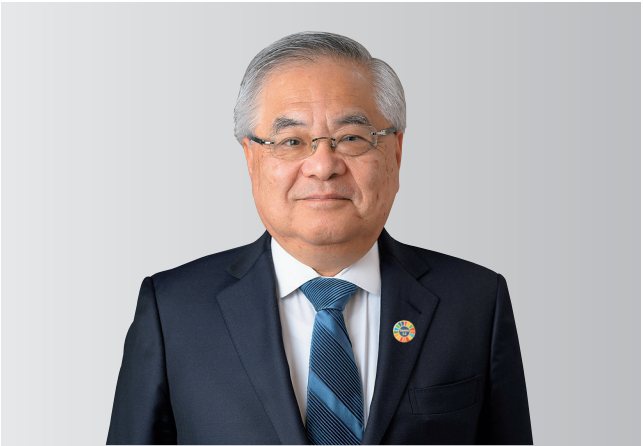
KIHARA Masahiro
President & Group CEO
Mizuho Financial Group, Inc.

SATO Koji
President, Member of the Board of Directors, CEO
Toyota Motor Corporation

KUBOTA Masakazu
President
Keidanren

KUBOTA Masakazu

Chairman of the Board of Councillors



TOMITA Tetsuro
Executive Advisor
East Japan Railway Company

Vice Chairs of the Board of Councillors

KOMODA Masanobu
Chairman of the Board
Mitsui Fudosan Co., Ltd.

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

HIGASHIHARA Toshiaki
Director, Executive Chairman,
Representative Executive Officer
Hitachi, Ltd.

HASHIMOTO Eiji
Representative Director, Chairman and CEO
NIPPON STEEL CORPORATION

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

KOSAKA Tatsuro
Senior Advisor
Chugai Pharmaceutical Co., Ltd.

UOTANI Masahiko
Senior Advisor
Shiseido Company, Limited

MITSUOKA Tsugio
Chairman of the Board
IHI Corporation

NISHIZAWA Keiji
Executive Advisor
Sompo Japan Insurance Inc.

YASUKAWA Kenji
Representative Director, Chairman of the Board
Astellas Pharma Inc.

HARA Noriyuki
Representative Director, Chairman of the Board
Mitsui Sumitomo Insurance Co., Ltd.

KAKINOKI Masumi
Chairman of the Board
Marubeni Corporation

INAGAKI Seiji
Director, Chair of the Board
Dai-ichi Life Holdings, Inc.

UCHIDA Takashi
Director, Chairperson of the Board
Tokyo Gas Co., Ltd.

INOUE Kazuyuki
Chairman of the Board and Representative Director
SHIMIZU CORPORATION

URUMA Kei
Representative Executive Officer, President & CEO
Mitsubishi Electric Corporation

NAKATA Seiji
Chairman of the Board
Daiwa Securities Group Inc.

ISHII Keita
President & COO
ITOCHU Corporation

TSUGIHARA Etsuko
President
SUNNY SIDE UP GROUP Inc.

KITO Shunichi
Representative Director, Chairman
Idemitsu Kosan Co., Ltd.

IWATA Keiichi
Chairman of the Board
SUMITOMO CHEMICAL Co., Ltd.

AKIIKE Reiko
Managing Director & Senior Partner
Tokyo Boston Consulting Group

KUSUMI Yuki
Representative Director, President, Group CEO
Panasonic Holdings Corporation

Organization Chart



President

Financial Report and KEIDANREN’s History

Condensed Balance Sheet

(As of March 31, 2025)
(Millions of yen)

Items	Amount
I Assets	
1 Current assets	
Total of current assets	5,321
2 Non-current assets	
(1) Specific assets	
Accumulated assets for replacement of office facilities	15,154
Accumulated assets for replacement of conference room facilities	6,574
Total of specific assets	21,728
(2) Other non-current assets	
Buildings	4,471
Land	3,493
Other	7,677
Total of other non-current assets	15,641
Total of non-current assets	37,369
Total of assets	42,690
II Liabilities	
1 Current liabilities	
Total of current liabilities	768
2 Non-current liabilities	
Total of non-current liabilities	1,011
Total of liabilities	1,779
III Net assets	
General net assets	40,911
(of which the amount appropriated to specific assets)	(21,728)
Total of net assets	40,911
Total of liabilities and net assets	42,690

Statement of Changes in Net Assets

(From April 1, 2024 to March 31, 2025)

In FY 2024, Keidanren’s ordinary income was 7,544 million yen. Ordinary expenses were 6,004 million yen, the breakdown of which was 4,110 million yen for project expenses and 1,893 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 1,261 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 ISHIKAWA Ichiro (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 MOROI Kanichi (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 promotion of free competition, liberalization of trade, 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 ISHIZAKA Taizo (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 DOKO Toshio (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 OTSUKI Bunpei (1979–87), and Nikkeiren Chairman SUZUKI Eiji (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 INAYAMA Yoshihiro (1980–86), the “Open Keidanren” of Keidanren Chairman SAITO Eishiro (1986–90), the “Need for Co-existence” of Keidanren Chairman HIRAIWA Gaishi (1990–94), and “Attractive Japan” as advocated by Keidanren Chairman TOYODA Shoichiro (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 mindsets and values, structural reforms of the social security system, labor market, and educational system have become indispensable for enhancing business competitiveness. Therefore, in 2002, under the leadership of Keidanren Chairman IMAI Takashi (1998–2002) and others, 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 OKUDA Hiroshi (2002–06).

In 2009, the new Keidanren Kaikan building was completed. In 2012, following changes in the legal framework around nonprofit organizations, Keidanren transitioned from an incorporated association to a general incorporated association.

Ever since Chairman Okuda became a private-sector member of the Council on Economic and Fiscal Policy, Keidanren’s Chairmen—MITARAI Fujio (2006–10), SAKAKIBARA Sadayuki (2014–18), NAKANISHI Hiroaki (2018–21), and TOKURA Masakazu (2021–25)—have been private-sector members at important government meetings to participate in government policy discussions. Keidanren’s proposals have been reflected in government policy documents such as annual Basic Policy on Economic and Fiscal Management and Reform. This is one of a number of ways in which Keidanren has helped to shape Japan’s major policies across a wide range of fields, including the economy, government finance, industry, and science and technology.

In addition to formulating recommendations on specific policy issues, Keidanren has released comprehensive proposals setting out visions for the long-term future of Japan’s economy and society with a wide audience in and outside Japan. These include: “Envisioning a Vibrant and Attractive Japan” (Chairman Okuda, 2003), “Land of Hope, Japan” (Chairman Mitarai, 2007), “Sunrise Report” (Chairman Yonekura, 2010), “Toward the Creation of a More Affluent and Vibrant Japan” (Chairman Sakakibara, 2015), “. The NEW Growth Strategy” (Chairman Nakanishi, 2020), and “FUTURE DESIGN 2040” (Chairman Tokura, 2024).

Of late, the international climate is becoming increasingly fluid and global-scale issues, especially rising inequality and climate change, are growing ever more severe. Amid these developments, Keidanren resolutely tackles major societal shifts such as digital transformation (DX) and green transformation (GX), and at the same time actively engages in private-sector economic diplomacy with countries and regions around the world as representative of Japan’s business community.

About KEIDANREN

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

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.

- **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:**
TSUTSUI Yoshinobu, Chairman
KUBOTA Masakazu, Vice Chair & President

■ **Directors:** 26

■ **Auditors:** 2

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

■ **Membership:**
Corporate members: 1,574, Group members: 152, Special members: 32,
Total: 1,758 members (as of April 1, 2025)

■ **Secretariat:**
Staff members: 228 (including temporary staff, as of April 1, 2025)
- **Access:**
**Ippan Shadan Hojin Nippon Keizai Dantai Rengokai
KEIDANREN (Japan Business Federation)**
Keidanren Kaikan, 1-3-2, Otemachi, Chiyoda-ku,
Tokyo 100-8188
<https://www.keidanren.or.jp/>

Kansai Office
Nakanoshima Dai Building, 3-3-23 Nakanoshima,
Kita-ku, Osaka 530-6108

Keidanren USA
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