

Updates on Japanese Business and Economy

<VOL.16> May 2020

As the world continues to confront the global COVID-19 pandemic, Keidanren is working not only to address the issue of preventing its further expansion, but also to develop a strategic vision for the coming post-crisis economic recovery. Below are some of the initiatives Keidanren has proposed and been working on. Even as our daily lives have been upended by this crisis, we sincerely hope that you and your families remain safe.

Contents

1. Keidanren's Response to COVID-19
2. Digital Transformation Proposal
3. Keidanren Releases Society 5.0 Concept Video

1. Keidanren's Response to COVID-19

Kei-dan-ren

Policy & Action @ "Stay Home"

(1) Overall Initiatives to Address the Crisis

Keidanren's overall response initiatives included:

- Establishing a Council on COVID-19 within Keidanren, chaired by Keidanren Chairman Hiroaki Nakanishi and comprised of 1) Keidanren Vice Chairs and 2) the Chairman and Vice Chairs of the Board of Councillors.
- Calling on members to thoroughly implement the Japanese government's Basic Guidelines, and to "Stay Home" and "Keep Social Distance" during the Golden Week holidays.
- Delivering a labor-management joint message with Rengo (Japanese Trade Union Confederation) President Rikio Kozu, agreeing to work together to prevent the spread of COVID-19.
- Developing [business guidelines](#) for COVID-19 prevention.
- Calling on members to donate medical equipment such as N95 facemasks and medical gowns.
- Encouraging members to support the Open COVID-19 Declaration (OCD), which calls for intellectual property (IP) owners to refrain from enforcing their IP rights in a manner that might hinder countermeasures to prevent the spread of COVID-19.

For further details, please refer to the [Response List](#) and [Fact Sheet](#).

(2) Keidanren Member Companies' Contributions to COVID-19 Mitigation Efforts in the U.S.

Japanese companies are leaders in corporate social responsibility and have long been dedicated to good corporate citizenship in the communities where they operate. As communities around the U.S. confront both the health and economic impacts of COVID-19, Keidanren member companies have been stepping up to contribute in a variety of ways.

- Hitachi group companies in the U.S. are delivering advanced Social Innovation solutions in the mobility, human life, industry, energy, and IT sectors. Today, they are also leveraging their deep operational technology, information technology, and products/systems expertise to combat the COVID-19 pandemic. For specific examples, please see <https://www.hitachi.us/about/about-index/covid-19>.
- Toyota Motor North America, Inc. (TMNA) continues to assist those in need with essential supplies, emergency relief and providing ongoing support to many local organizations and non-profits where it does business. These efforts include monetary, “in-kind” donations, plus utilizing several of the company’s North American facilities to fabricate face shields while consulting with medical device companies to speed the manufacture of ventilators, respirators and other vital devices for the medical community.
<https://pressroom.toyota.com/toyota-is-here-to-help/>
- Striving to fulfill its responsibility as a public transportation operator, Japan Airlines has responded to the increased demand for the smooth global distribution of emergency supplies, such as medical and food supplies, by actively utilizing its passenger planes as cargo carriers, including over 300 flights to the United States through May.
- As a good corporate citizen, Tokio Marine Group is committed to providing a healthy and safe work environment in the U.S. Tokio Marine has also supported activities of organizations, such as food banks, to help those affected by COVID-19. Furthermore, Tokio Marine has supported the Mount Sinai Hospital in New York for many years, which has spearheaded “Telehealth” for the broad local population, including the Japanese community, offering the highest quality video visits with bilingual internists and a pediatrician to combat COVID-19.
- Mitsubishi-UFJ Financial Group (MUFG) will direct \$2.9 million in philanthropic pledge efforts to local communities in the U.S. in collaboration with nonprofit organizations, local government agencies and public-private humanitarian partners.
<https://mufgamericas.com/sites/mufg.dd/files/03-27-20-mufg-pledges-3m-to-covid-19-support.pdf>

2. Digital Transformation Proposal

On May 11, Keidanren announced its proposal, “Digital Transformation (DX) – Developing the Future through Co-Creation of Value –”. The proposal was developed through discussions in Keidanren’s Council on Digital Transformation (DX) (chaired by Keidanren Chairman Hiroaki Nakanishi) and the DX Taskforce

(chaired by Sompo Japan Managing Director Shinichi Urakawa). It calls for utilizing DX to restructure industry and businesses in order to address the COVID-19 crisis and, upon its resolution, to realize a creative new society (Society 5.0).

DX means more than just digitalization. It means to combine the imagination and creativity of a diverse group of people to collaborate in the creation of new value. We no longer live in a world in which simply making good products ensures there will be demand for them. It is important to create value in collaboration with customers and other businesses. In addition, we must work to change the mentality and views of industry, organizations and workers. The digitalization bottlenecks that have been exposed by the current crisis must be eliminated.

The proposal contains concepts regarding the necessary elements for the co-creation of value. These include: **Management**, which administers the overall direction of the organization; a **Human Resources** model for the promotion of DX; the specific structure and culture of the **Organization**; establishing a **Technological** foundation such as data and systems. If these can be utilized at many businesses, leading to collaborative creation, it will accelerate Japan's promotion of DX.

3. Keidanren Releases Society 5.0 Concept Video



Keidanren has promoted the concept of Society 5.0 as a vision of the future. Society 5.0 is based on the idea that human society is moving into a fifth stage. Following on from the Hunting Society, Agrarian Society, Industrial Society, and Information Society, the fifth stage will be an Imagination Society, in which a

combination of digital transformation and the imagination and creativity of diverse people will make it possible to solve the problems facing society, and to create new values. Keidanren has released a concept video, “20XX in Society 5.0 - Our Future Created through Digital Transformation-.” It depicts a future society that could be achieved through Society 5.0.

Full Version (4 minutes 45 sec)

<https://www.youtube.com/watch?v=cWdGHWfAD1c>

Short Version (90 sec)

<https://www.youtube.com/watch?v=F1WWKRQMwSQ>

In addition, Keidanren has developed “Theater 5.0,” a collection of videos depicting member companies’ diverse visions of Society 5.0. They can be seen at <https://www.theater5-0.com>

* * *

For more information on Keidanren's recent activities, please visit [here](#) and our weekly journal [Keidanren Times](#).

Editor: Keidanren USA

- If you wish to stop receiving these emails, you can unsubscribe by replying to this email with “Unsubscribe” in the subject line. Thank you.
- Please feel free to forward this newsletter to anybody you think might be interested.
- Please let us (washingtondc@keidanren.us) know if you know of anybody who might wish to be included on this mailing list.