

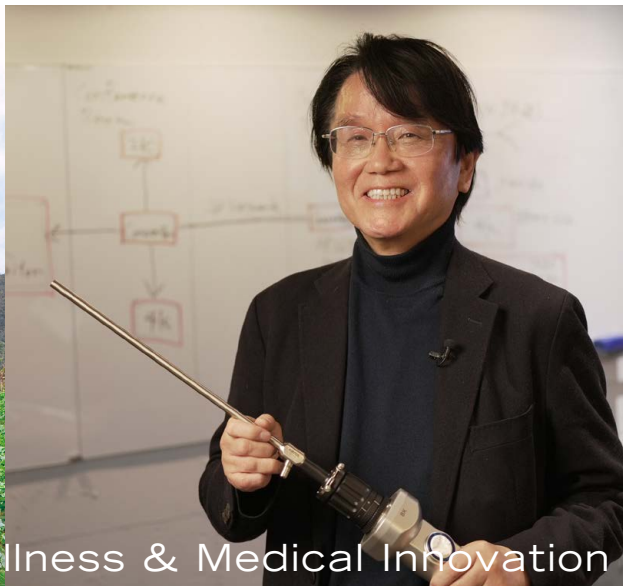
KIZUNA

Spring
2022

Linking Japan and the World



Key Policy Issues



Wellness & Medical Innovation



JAPANGOV
THE GOVERNMENT OF JAPAN



Welcome to KIZUNA, the official magazine of the Government of Japan.

This bold work of calligraphy is 絆 (*kizuna*) written in Japanese. *Kizuna* means the enduring bonds between people—close relationships forged through mutual trust and support.

Originally describing the rope used to tether domestic animals such as horses and dogs, the meaning of *kizuna* has evolved over the years. A passage in *The Tale of the Heike*, compiled in the 13th century, uses the term to refer to the bonds of love between a father and his children. More recently, *kizuna* has gone beyond bonds tying together family and close acquaintances; it is now used in a broader sense of human ties and connections. Of particular note is the *kizuna* born among people during natural calamities, which fosters feelings of solidarity and serves as the underlying strength to overcome hardships.

Similarly, the *kizuna* cultivated among the countries of the world has the power to deepen cooperation for a better future. By reporting on a wide variety of topics concerning Japan, we hope that this magazine will provide opportunities for Japan and the rest of the world to connect and build strong *kizuna*.



KANAZAWA SHOKO
Calligraphy Artist

Born in Tokyo in 1985, she started learning calligraphy from her mother when she was five years old. One of the notable young calligraphers of today, her solo exhibitions have been held throughout the world, in cities such as New York, Singapore, and Prague. She was selected as one of the official poster artists for Tokyo 2020.

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KIZUNA

Spring 2022

COVER

Top: To observe digitalization in rural areas, Prime Minister Kishida attended a mock computer-based class at Ehime Prefectural Matsuyama Higashi High School in November 2021.

Bottom Left: A man over 90 years old in Ogimi Village, Okinawa Prefecture lives actively with "*ikigai*," which brings value and joy to life.

Bottom Right: Dr. CHIBA Toshio developed the world's first 8K endoscope.

BUILDING A POST-COVID-19 NEW JAPAN:

POLICY SPEECH BY PM KISHIDA

AN EXCERPT

JANUARY 17, 2022

Full Text: https://japan.kantei.go.jp/101_kishida/statement/202201_00009.html

Introduction

The highest priority issue for the administration is responding to COVID-19. It is precisely because we are facing the hardship of COVID-19 that, rather than stand transfixed, we should build a post-COVID-19 new Japan, with everyone taking up this challenge in cooperation.

Fundamental approach to COVID-19 responses

I advance our responses based on the most up-to-date knowledge in a level-headed manner, as I listen to the views of experts. Even for policies on which decisions have already been taken, I intend to once again develop our response flexibly and without hesitation if a better approach exists.

Responses to the Omicron strain

By adopting the most stringent border measures among the G7 countries, we have minimized the inflow of the Omicron strain and we have had time to prepare for an increase in the number of domestic cases of infection. We will maintain the framework of border measures until the end of February.

Beyond that, from now we will place importance on domestic countermeasures. We will redouble our efforts to ensure that our medical treatment structures are solidly in place, with a focus on providing unerring medical treatment to patients with severe or moderate symptoms and persons at high risk.

Reinforcing our domestic framework of prevention, testing, and early treatment will also be critical. We will further accelerate the schedule for administering the third vaccine dose. The orally administered therapeutic has already been delivered to medical facilities.

A new form of capitalism

From the perspectives of both our Growth Strategy and our Distribution Strategy, we will embed structures into

capitalism that correct its various harmful effects, thereby maximizing the benefits that capitalism brings.

Under our Growth Strategy we will work to resolve social issues, including digitalization, climate change, economic security, and science, technology and innovation, and also bring together investments from both the public and private sectors into fields where Japan has been weak thus far to transform them into engines for growth.

We will also confront the problems of distribution and disparities head on, leading to subsequent growth. In this way, we will set the economy in motion from both the growth and distribution fronts, and by giving rise to a virtuous cycle, we will create a sustainable economy.

The first pillar of the Growth Strategy is revitalizing regions through digitalization. We will vigorously promote a Vision for a Digital Garden City Nation while also realizing bottom-up growth, from the regions to the nation as a whole.

Economic security is also a major pillar. We will enact new laws to, among other things, provide support for making the supply chain more resilient, prepare a safety pre-screening system for critical equipment and systems within core infrastructure, and prepare a patent non-disclosure system for inventions that are sensitive in terms of national security.

If we are to elevate social issues to become engines of growth, the power of science, technology, and innovation will be absolutely essential. Establishing a five-year plan, we will work to get startups off the ground on a large-scale.

The key to realizing a sustainable economy is our Distribution Strategy. First and foremost is wage increases. Second, we will undertake a fundamental strengthening of investments in people. We will at least double public and private investments made in people at an early time. Third, we will maintain the middle class of the next generation, which will shoulder the responsibilities of the future.



Focusing on families with small children and the young generation, we will work to raise household income.

This spring we will compile both the grand design of the new form of capitalism and an action plan. We will share this same awareness of issues with leaders around the world and build up a surge heading towards changes to capitalism.

Responses to the problem of climate change

The public and private sectors are working to share a common overall vision, urgently at least doubling investments into this field and we will be engaged in a transformation of our economy and society as a whole. We will show to the public a path forward for economic and social changes, as our Clean Energy Strategy.

To contribute to the decarbonization of the world, especially Asia, we aim to join forces with like-minded countries in creating the “Asia Zero Emissions Community.”

Towards a society in which all people can feel their purpose in life

We will work to foster women’s economic independence and eradicate violence against women.

We will establish an Agency for Children and Families in order to place policies affecting children at the very center of our society.

Regional revitalization

We will work to transform agriculture, forestry, and fisheries into growth industries.

Keeping the post-COVID-19 world firmly in view, we will promote a shift to greater added value in the tourism industry.

Disaster response measures

I am strongly determined for us to reinforce our efforts to prevent and reduce disasters and enhance national resilience.

In regard to the reconstruction from the Great East Japan Earthquake, we will advance our measures allowing temporary stays in preparation for returning to the area, moving towards the lifting of the evacuation order on Reconstruction and Revitalization Bases.

Diplomacy and security

Firmly holding aloft the flag of ideals for the future, and, looking squarely at the actual situation, I will pursue “realism diplomacy for a new era.”

As the first pillar, we will place importance on the

universal values and principles of freedom, democracy, human rights, and the rule of law. I will hold talks with President Biden, and we will further reinforce the deterrence and the response capabilities of the Japan-U.S. Alliance.

The abductions issue is one of the highest priority issues. Working in cooperation with other countries, I will do everything in my power to realize the return of all the abductees to Japan at the earliest possible date.

The concept of a “Free and Open Indo-Pacific” is supported by many nations. The Quad of Japan, Australia, India, and the United States is advancing its cooperation, with practical cooperation taking concrete shape. We will also strengthen our cooperation with ASEAN and the countries of Europe. The peace and stability of our neighboring region is also important.

As the second pillar, we will actively work to tackle global-level challenges. I will establish the International Group of Eminent Persons for a World Free of Nuclear Weapons, with the participation of current and former political leaders from around the world. We will convene the first meeting in Hiroshima, aiming at sometime within this year.

The third pillar is efforts to resolutely and fully defend the lives and livelihoods of the Japanese people. We will spend roughly a year drawing up a new National Security Strategy, National Defense Program Guidelines, and Mid-Term Defense Program.

We will realistically examine all options, including possessing what is called “enemy base attack capability,” without excluding any possibilities. We will fundamentally reinforce our defense capabilities with a sense of speed, including through the supplementary budget enacted last month and the budget for fiscal year 2022.

Constitution

Within this Diet session too, I wholeheartedly look forward to active debates on the Constitution being held.

Conclusion

Now, as we carve out a new era, we politicians and the administration are called upon to reform and control ourselves. I will engage in my duties humbly, aiming at politics of trust and sympathy. I make a sincere request to all the Japanese people for their understanding and cooperation. ●

VISION FOR A DIGITAL GARDEN CITY NATION

ACHIEVING RURAL-URBAN DIGITAL INTEGRATION AND TRANSFORMATION


DECEMBER 28, 2021

To maintain future prosperity in the outlying regions of Japan and to encourage many people around the world to gain a deeper understanding of and connection with the country's rural areas, Prime Minister Kishida has put forward his Vision for a Digital Garden City Nation, which aims to achieve rural-urban digital integration and transformation.

The vision focuses on four broad initiatives, as follows:

* * * * *

I Building digital infrastructure

90%
5G coverage 

The first is the building of digital infrastructure that stretches to every corner of the country, comprising the following four goals: 1. The completion, in roughly three years, of a digital superhighway using submarine cables surrounding the islands of Japan; 2. The building of more than a dozen regional data centers in about five years; 3. Making optical fiber a universal service by 2030, with 99.9% coverage of households, and; 4. Achieving 5G coverage for 90% of the Japanese population by the end of fiscal 2023 (March 31, 2024). With those objectives completed, it will be possible to use high-speed, large-capacity digital services anywhere in Japan.

II Developing and securing human resources with digital skills

2.3 million
human resources 

The second initiative is the development and securing of tech-savvy human resources. Aiming at the acquisition of powerful digital skills on the part of university students and those receiving vocational training, etc., the initiative will establish a program to annually train 450,000 personnel to be responsible for the promotion of digitalization in local regions, by the end of fiscal 2024 (March 31, 2025), reaching a total of 2.3 million by 2026.

The Tsuruoka Science Park, located among the beautiful rural scenery surrounding Tsuruoka City in Yamagata Prefecture in northern Honshu, is home to research institutes and venture companies that continue to create innovative technologies.



III Implementing digital services to solve rural issues



The third initiative builds on the first two initiatives to provide new digital services. For example, the following goals will be being worked towards: 1. Realizing an agriculture sector by 2025 in which almost all farmers in the country will practice “smart agriculture” with advanced technology—including AI, robots, and IoT—for improved efficiency and productivity in the face of labor shortages due to an aging population; 2. Implementing new mobility service initiatives across about 40% of local governments nationwide, such as setting up mobile clinics to eliminate medical disparities among regions; 3. Achieving digital transformation at approximately 70% of all logistics companies, including the use of drones and automated delivery robots, by fiscal 2025 (ending March 31, 2026); 4. Providing an educational ICT environment that is fair and optimized individually for each child, by distributing a digital device to each student attending school. The aim is to let children from diverse backgrounds further develop their qualities and abilities without anyone being left behind; 5. Working on revitalizing the country’s outlying regions through digital technologies, by carrying out such actions as promoting remote work at some 60% of all local public organizations so as to create a flow of people and work, and; 6. Utilizing digital tools to connect local small and medium-sized enterprises with overseas businesses, so as to introduce the advantages of Japanese products more widely and deeply.



Top: In November 2021, Prime Minister Kishida visited Ehime Prefectural Matsuyama Higashi High School to inspect a class making use of ICT. Left: Digital technology is being introduced into Japanese agriculture to improve the efficiency of farm work and the quality of products. Right: The imminent use of drones to deliver packages to depopulated areas is highly anticipated.

IV Initiatives to leave no one behind



The fourth initiative will, in addition to the previous three initiatives, establish a human-resource support system to promote and realize a digital society where no one is left behind and where everyone can enjoy the benefits of digital technologies regardless of his or her age, gender, or geographical location, among other characteristics. The system will begin in fiscal 2022 (i.e., from April 2022), with more than 10,000 digitalization supporters nationwide, and will be enlarged as time goes on.

* * * * *

The above four initiatives, using digital technology, will realize new rural environments nationwide that are both convenient and attractive while maintaining their prosperity, and will revitalize Japan as a whole through the bottom-up growth emanating from such areas. ●



TACKLING LOCAL CHALLENGES THROUGH DIGITAL TRANSFORMATION


Efforts are underway across Japan to tackle local challenges through the power of digital transformation, leading to regional revitalization. One such example is the digital transformation being implemented in a rural area of Fukushima Prefecture.

The Aizu region of Fukushima Prefecture is located about 200 km north of central Tokyo. Blessed with an abundance of nature, including Mt. Bandai and Lake Inawashiro, Aizu is emerging as a region where digital transformation is being incorporated into the very fabric of local government. The need for digital transformation stems from the same challenge being faced by regions throughout Japan: an aging and shrinking population.

With a population of just 3,300, Bandai Town was the first local government in the country to appoint, in November 2019, a Chief Digital Officer,

or CDO. “We’ve been working to move our systems online, to the cloud, so that anyone, anywhere, can take part in local government administration,” states SUGAWARA Naotoshi, the town’s CDO. “An outflow of human resources has been an issue in the countryside, but with the obstacle of transportation removed, those living outside the town have been able to get involved in matters of management. Where there are people, more ideas are generated, and that attracts even more people. The shortage of human resources can be overcome with digital technology.”

In July 2021, Bandai Town issued its own digital



Bandai Town is working on digital transformation such as issuing a digital currency using blockchain technology. It also holds smartphone classes for seniors so that everyone can enjoy the digital life. HIRO/A.COLLECTION/RF/AMANA/IMAGES

Aizu region

Top: Prime Minister Kishida taking a look at Aizuwakamatsu's smart city initiative. With the large screens at Smart City AiCT, users can hold meetings online as if in the same room with each other.

Bottom: Opened in 2019, Smart City AiCT has helped to create jobs in the region. New innovations are expected to emerge from its open interaction environment.



currency using the blockchain platform known as Hyperledger Iroha. Hyperledger Iroha is an industry-standard technology from Japan developed in collaboration with Soramitsu Co., Ltd., a company with a proven track record in blockchain technology around the world, and the University of Aizu, dedicated to computer science and engineering education. The year before, the National Bank of Cambodia chose Hyperledger Iroha when it launched the world's first central bank digital currency, and the technology is also being considered by the central banks of Laos and Fiji for similar purposes. "Digital currency enables the visualization of local economies through the analysis of recorded data. The challenge is how to circulate this currency within the region," says Sugawara.

Ever since it pledged a decade ago to become a "smart city," Aizuwakamatsu, one of the primary cities of the Aizu region, has been promoting the use of ICT. The city has been making innovations specifically aimed at its citizens, having developed a system of telemedicine using tablet devices, for example, as well as a real-time display to show where its snowplows are working, given the area's particularly heavy snowfall.



SUGAWARA Naotoshi, appointed as Bandai Town's CDO two years ago, says, "I want to develop the potential of the region through the power of digital technology."

In 2019 the city opened an ICT office known as Smart City AiCT to attract talent from the greater Tokyo area and create jobs for young people. Thirty-seven companies from Japan and overseas, including NEC, Microsoft, and Accenture, have offices at the open innovation base. With a population of 120,000 and as a hub for industries in the ICT sector, Aizuwakamatsu City is fast becoming a place where forward-looking proof-of-concept trials are being conducted in a wide range of fields full of potential, from new forms of mobility and self-driving robots to the establishment of energy management systems with electric vehicles as storage batteries.

To realize the sustainable society outlined by the Japanese government's Vision for a Digital Garden City Nation initiative, each region is working on carrying out a digital transformation in its own way, consistent with its needs and scale. Asked about what Bandai Town will be like 10 years from now, Sugawara replies, "I doubt the town will have changed much. Because digital technology is a means of infrastructure, I imagine the town's residents will be able to continue living the same happy lives in communities that are aided by the power that digital technology provides. That is Bandai Town's digital transformation." ●

ECONOMIC MEASURES TO OVERCOME COVID-19 AND PIONEER A NEW ERA

NOVEMBER 19, 2021

On November 19, the Japanese government determined new economic measures amounting to a project with a scale of 78.9 trillion yen, accompanied by a fiscal expenditure of 55.7 trillion yen.

Japan's national economy, having suffered damage due to the COVID-19 epidemic, remains beset by numerous difficulties. The number of new infections is on the wane, however, and restrictions on the activities of Japanese people are gradually being eased.

The government will turn this situation into an opportunity and use the momentum of the new measures to restart socioeconomic activity at a near-normal level, as quickly and as early as possible, while still in the COVID-19 era. A "New Form of Capitalism" will be launched to achieve a virtuous cycle of growth and distribution, thereby setting the economy on a self-sustaining growth trajectory.

In order not to lose any of the momentum that Japan has gained so far, the government will adopt all feasible means of risk management to deal with a possible resurgence of COVID-19. In addition, the government will pay close attention to the downside risks that a new wave of infections or a disturbance in supply chains would pose, thus preventing the bottom from falling out of the economy.

The four pillars of the new economic strategy and their economic effects are as follows:

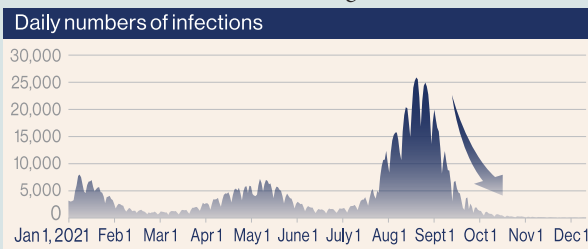
* * * * *

I Prevention of the spread of new coronavirus infections



22.1
trillion yen

In view of the suppressed infection rate due to the increase in vaccinations, the government will reinforce the medical care system, promote further vaccinations, and ensure the procurement of therapeutic drugs. In conjunction with these efforts, the government will disburse cash benefits, in proportion to the scale of operations, to business owners who have suffered a significant impact. Financial aid will also be offered to people in dire circumstances.



II Resumption of socioeconomic activities in a "Live with Coronavirus" environment and preparation for the next crisis



9.2
trillion yen

Vaccines and testing packages will be used to monitor and control the risk of infection spread. To stimulate the resumption of socioeconomic activity, the government will endeavor to boost demand in business sectors that have suffered significant losses due to COVID-19. The government will promote the domestic development of vaccines and therapeutic drugs in preparation for the possible appearance of new variants and/or new infectious diseases. Japan will also contribute to international efforts to end the worldwide spread of COVID-19.

III Launching a “New Form of Capitalism” to carve out a future society



19.8
trillion yen

By growing the economy and distributing the fruits of that growth, Japan will achieve a widespread increase in national income, leading to further economic growth. In order to realize this virtuous cycle of growth and distribution, the government will promote a growth strategy for a post-COVID society by making bold investments toward three primary pillars: the realization of a “science and technology nation,” the launch of a “Vision for a Digital Garden City Nation,” and the attainment of economic security. The government will also implement a distribution strategy that strongly supports the strengthening of distribution in the private sector, as well as bolstering the distributive functions in the public sector.

Regarding the growth strategy, the realization of a “science and technology nation” will include the establishment of a 10-trillion-yen university fund, investment in clean energy, and thorough support for startups. The “Vision for a Digital Garden City Nation” will involve the development of digital infrastructure, the promotion of online administrative procedures, the encouragement of local regions to become the originators of change, the revitalization of agriculture, forestry and fishery industries, along with that of the tourist industry, and assistance to small and medium-sized enterprises to enable them to refurbish themselves and improve productivity. Furthermore, a fundamental reinforcement of economic security will provide the nation with autonomy, competitiveness, and indispensability, and ensure that Japan achieves an autonomous economic structure.

The distribution strategy calls for a strong investment in people, thereby bringing security and growth. The measures that the government will undertake include support for pay increases, investment in human capital and work-style reform, increased distribution to non-regular employees, a review of the state of public prices, and support for children and their caregivers. These measures will build a society that leaves no one behind and will strengthen distribution to workers as well as to those who have not benefited from economic growth in the past.

IV Ensuring safety and peace of mind through measures to prevent and reduce disasters and to enhance national resilience



4.6
trillion yen

Measures to prevent and reduce disasters and to enhance national resilience will be taken against storm and flood damage, which has become increasingly catastrophic and frequent due to the effects of climate change, as well as against large-scale earthquakes and tsunamis.

Every effort will be poured into the restoration and reconstruction necessitated by the Great East Japan Earthquake of March 2011 and other natural disasters, including the torrential rains of summer 2021. Furthermore, as the security environment surrounding Japan is becoming increasingly severe, the country will resolutely defend its territory, territorial waters, and airspace, as well as the lives and assets of the Japanese people.

Economic effect of the new measures

The smooth and steady application of these measures will strengthen the economy, offset the downside risks, deal effectively with the threat posed by COVID-19, stimulate private-sector demand, and place the economy on a self-sustaining growth trajectory led by that demand.

New expenditures related to the above measures are estimated to support and boost real GDP by approximately 5.6%.



GDP

5.6%
boost

SPECIAL ADDRESS AT DAVOS AGENDA ON A NEW FORM OF CAPITALISM

JANUARY 18, 2022

Full Text: https://japan.kantei.go.jp/101_kishida/statement/202201/_00008.html

On January 18, Prime Minister Kishida attended the World Economic Forum (WEF)'s Davos Agenda meeting, which was held online. In his special address, he introduced his vision with an emphasis on the revival of the Japanese economy through a "New Form of Capitalism."

Pointing out global challenges ranging from climate change to social digital transformation, a widening of the income gap and rising poverty, he underscored his determination to lead the global trend with this "New Form of Capitalism," demonstrating concrete examples of how capitalism can evolve.

The prime minister also stated that in this "New Form of Capitalism," he would achieve a "virtuous cycle of growth and distribution," by launching new mechanisms to inspire investment and change the way of sharing added values. He also elaborated on his priority policies: establishing a green society; promoting digitalization; and investing in people, and pledged to boldly pursue the inclusive transformation of Japan's economy and society.



Professor Schwab,
Distinguished guests,

First of all, let me extend my heartfelt congratulations on the holding of the World Economic Forum's "Davos Agenda 2022" today.

1. Introduction

Last year, I went through some of the toughest challenges that risked my political career. First, I ran

for presidential election of the ruling party (Liberal Democratic Party: LDP) and won, taking the office as the Prime Minister. Then my party won the general elections by securing a stable majority. My political style is to take an aggressive approach and introduce policies swiftly, while placing the utmost importance to directly communicating with the people and workers at the frontline.

I will make the most of my approach to directly tackle three agendas during my administration. First,

overcoming the COVID-19. Second, reviving the Japanese economy through a “New Form of Capitalism.” Third, pursuing “realism diplomacy for a new era,” taking a realistic approach in Japan’s foreign policy while aspiring to the ideal.

Today, I would like to introduce my vision with an emphasis on the revival of the Japanese economy through a “New Form of Capitalism.”

2. What is a “New Form of Capitalism”?

We are facing a number of challenges ranging from climate change, social digital transformation, widening of income gap and rising poverty, chronic lack of medium-to-long-term investment, disparities between urban and rural areas, democracy in crisis due to shrinking middle classes, to unforeseen emerging tensions in geopolitics and geoeconomics.

If we look back on history, the world has gone through series of eras of paradigm changes, including, for example, endeavors to establish welfare states and big governments in the 1950s and 60s, as well as the rise of neoliberalism by President Reagan and Prime Minister Thatcher in the 1980s and 90s. Just as the same historic scale as these times, I believe that we are now in an era of another paradigm shift in policies.

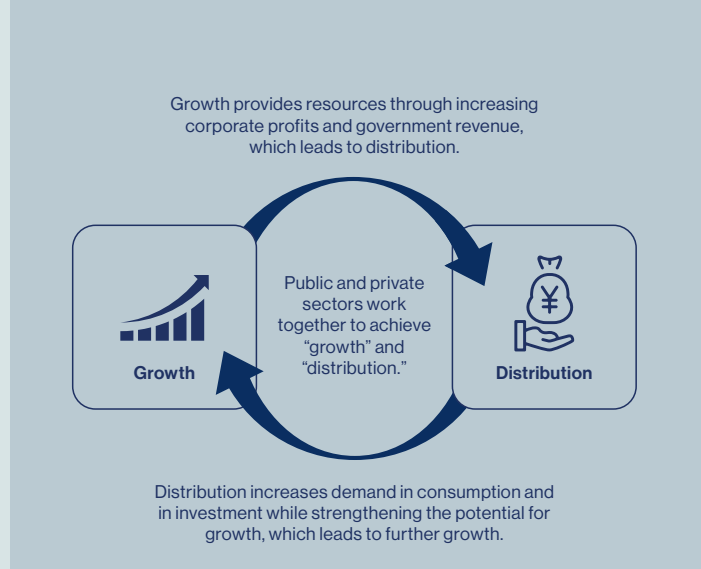
I would like to pay respect to the role this Davos Forum has played in leading vigorous and visionary discussions on various topics including the Great Reset and the Stakeholder Capitalism.

Some people point out that “state capitalism with unmonitored concentration of authority” is efficient in conducting social reforms. However, it is proven in history that state capitalism without a function of checks and balances carries a high risk of large side effects both at home and abroad.

That is why I will endeavor to transform the economy and society toward a new era, while protecting the universal value of democracy. In other words, my goal is to achieve the “Great Transformation of Liberal Democratic Society.”

The Biden administration’s “Build Back Better” as well as the European Union’s “NextGenerationEU” are, I believe, also initiatives to achieve the same goal of realizing historic social transformations.

I will steadily promote economic and social reforms, while being subject to critical judgement by our



citizens through elections. In order to do this, leaders of governments, industries and labor must work together to generate a massive momentum and create a tide of history for a global paradigm shift in policies.

Japan is determined to lead the global trend with this “New Form of Capitalism” and will demonstrate concrete examples of how capitalism can evolve, as Japan will assume the G7 Presidency next year.

3. Efforts to revive Japan’s economy

“If general perception changes from seeing the glass as ‘half-full’ to seeing it as ‘half empty,’ there are major innovative opportunities.”

This is the theory of the “glass half empty,” quoted by the famous scholar in management, Peter F. Drucker. Japan is a prosperous, peaceful country and comfortable to live in; this is one of the reasons why people in Japan tend to cuddle themselves in their own silos, satisfied, and see things as “half-full.” However, through our fight against COVID-19, things have dramatically changed in this time and age.

Nowadays, every day, we feel a sense of global crises in our lives. When each person and each business share this feeling of “half-empty,” I am convinced, Japan will be able to greatly transform itself with its bond of solidarity that is inherent in our spirits.

In this “New Form of Capitalism,” I will demonstrate to the people a clear and full picture of the historic challenges the Japanese economy and society are currently facing. Rather than leaving everything to the market and competition, we will focus on having both the public and private sectors work together towards reforms, sharing the full picture of social and economic transformation. Japan’s

Japan commits itself to achieving carbon neutrality by 2050. Fukushima Hydrogen Energy Research Field (FH2R) is one of the largest facilities producing hydrogen from renewable resources.



strong sense of solidarity becomes a foundation of a new public-private partnership.

I will also launch new mechanisms to inspire investment and change the way of sharing added values. I will integrate them into both growth and distribution strategies to achieve a full-scale “twin-engine of growth and distribution.”

4. Transformation of economy and society

(1) Green society

To fulfill the Paris Agreement, Japan has committed itself to the goals of achieving 46 per cent reduction in emissions by Fiscal Year 2030 and carbon neutrality by 2050. The journey to achieving these goals is extraordinarily challenging. Japan does not have international grid connections. There remains strong public distrust of nuclear power following the accident in Fukushima. The cost of renewable power generation is inevitably high because Japan is an insular state with steep mountains and surrounded by deep sea. These factors create vulnerability in the Japanese economy.

In order to overcome such vulnerability on the supply-side, the private and public sectors will intensively work together to transform and innovate toward a carbon neutral society on both demand and supply side.

Our efforts include institutional reforms and supporting policy in order to double investment as early as possible, as well as accelerating the development of next-generation grids. In addition, I will also work on carbon pricing and labor market reforms to transform industrial structure and individual consumption. Japan is determined to boldly adopt policies that have been politically difficult in the past, against the backdrop of the public’s sense of urgency to tackle climate change.

I am also aware that many Asian countries have energy structures that are similar to Japan. Just as the European Union started as the European Coal and Steel Community during the Cold War, Japan envisions an “Asia Zero

Emissions Community” in Asia where both geopolitical and geo-economic challenges are intensifying. This community would become a platform to advance efforts such as international joint investment on development of zero-emission technologies and hydrogen infrastructure, joint financing, standardization of related technologies, and establishment of an Asian emissions trading market.

(2) Digital

Another important pillar is digitalization. In Japan, progress in digitalization had been insufficient. People in Japan did not really feel a pressing need for transformation, and just wanted to keep the way of working they were used to.

The COVID-19 pandemic, however, sparked many people once again how far behind we are in digitalization while realizing the convenience of digital technologies. In addition, we realized that the power of digital technology is indispensable in solving Japan’s social problems amid rapid progress of depopulation of rural areas and an aging population.

Now is a “chance” for Japan. Taking this opportunity, I will push forward Japan’s digitalization at a stretch. The key to this is infrastructure.

Japan will build submarine cables around the country as well as optical fiber networks throughout the archipelago. In order to prepare for the surge in data processing with the advent of the full-scale digital age, Japan will disperse large-scale data centers throughout Japan. In addition, Japan will promote next-generation networks using optical communication technology that is 100 times faster in speed and reduces electricity consumption to one tenth.



Japan's public and private sectors will jointly set numerical targets and develop such infrastructure in a planned manner. Japan will make it possible for people to use ultrahigh-speed and large-capacity lines on a "one person, one line" basis.

As our existing systems do not meet the needs of new businesses and services, my government will review 40,000 regulations and systems under the new guiding principle of digitalization, which set up the principles of how Japanese society is to be digitalized. I consider it important to create a new market by setting new rules with an eye on frontier technologies like drones and automated driving as well as recent developments in such areas as healthcare and education.

In addition, I will take the "Data Free Flow with Trust (DFFT)" that Japan proposed three years ago in Davos another step forward. Based on trust as a foundation, we will realize a free flow of data which will bring about innovation and bridge the wealth gap.

(3) Investment in people

Investment in people is the key to achieve both a carbon neutral society and digitalization. In our time, creativity and ingenuity of human beings provide the clue to solving problems and the source of innovation.

For years, Japanese companies have tried vigorously to curb cost and supply cheaper products than their competitors. In this endeavor, "investment" in people has often been regarded as a cost. As a result, wage level remains stagnant, and investment in human resources development has also been limited.

As we move forward, we must build a virtuous cycle where investment in people leads to continuous increase in company value and attracts further investment in human capital. The government will introduce systems to support human capital that fits this age of digital transformation, such as creating new employability skills training program, promoting the appointment of female executives, and utilizing side businesses.

In doing so, it is important to create a common understanding not only among business people but also with market players that investment in people is a source of corporate value. This is essential in creating a system that attracts more funds to companies that promote medium-to-long-term corporate value enhancement. To this end, Japan will create a disclosure



Sitting down to talk with a group of auto mechanics, Prime Minister Kishida said that raising wages would be an investment in growth.

system for investments in non-financial assets such as human capital.

5. Toward a sustainable Japanese economy

Japan's "Abenomics" was based on the three pillars of monetary easing, fiscal expansion, and growth strategies, including global standard corporate governance. As a result, the Japanese economy is no longer in a deflationary situation, and has achieved the expansion of women's labor participation and employment.

"Abenomics" achieved great results, but it is clear that the efforts made thus far are not enough to transform the Japanese economy into a sustainable and inclusive one.

My cabinet will build on Abenomics's achievements regarding macroeconomics and market, and boldly pursue the transformation of Japan's economy and society, including green transformation and digital transformation.

Against the backdrop of the people's sense of crisis, I will design and implement a mechanism that will bring out the people's endeavor and promote investment, especially, in the areas of vulnerability in the Japanese economy.

6. Conclusion

The time to design a world beyond the Great Reset cannot wait.

To open up this new era, it is vitally important to have as many people as possible to connect amongst each other based on trust through continual conversations which transcend differences in values, circumstances and views.

The Davos Forum has embodied such spirit and attracted political and economic leaders from all over the world for a long time.

I am convinced that there is heightened importance for both political and economic sectors to discuss public affairs and act together beyond their differences. In this context, this Forum will become even more significant.

Finally, I would like to conclude my remarks by wishing the continued success of Professor Schwab and the members of the World Economic Forum as well as all the guests.

Thank you very much for your attention. ●

LESSONS FROM SHIBUSAWA EIICHI

THE MAN WHO FORMED THE FOUNDATION OF JAPANESE CAPITALISM

SHIBUSAWA Eiichi—the industrialist who helped build Japan’s new economic system in the late 19th to early 20th centuries and who was involved in the establishment and management of nearly 500 companies. What lessons are there to learn from this man, who made it his goal to build a fair and inclusive capitalist economy based on his unwavering stance of placing importance on not only profits, but public interests as well?

The global economy is now at a major turning point. Capitalism has long brought prosperity to the world, and since the 1980s, neoliberalism, with its focus on free-market competition, has been the wellspring for growth. Yet, it also has increased poverty and social disparities, and made the issue of climate change more serious by placing larger burdens on the natural environment. Amid such a situation, the world has begun seeking out a new model for capitalism. Prime Minister Kishida of Japan, who assumed office in October of 2021, announced his determination to realize a “new form of capitalism,” stating that the government will generate growth by solving such issues as climate change, and will distribute the fruits of this growth to human capital so as to achieve further growth. By creating such a virtuous cycle of growth and distribution, he aims to build a sustainable economy.

More than a century ago in Japan, there was a



A book compiling Shibusawa’s thoughts on various issues, *The Analects of Confucius and the Abacus*, is still widely read to this day. Due to his contribution to Japan’s modern economy, he has been selected to become the face of the new 10,000-yen bill in 2024.

FROM TOP: GETTY IMAGES, THE MAINICHI NEWSPAPERS



man who similarly pursued not only profits but also public interests, aiming to realize a fair and inclusive form of capitalism. This was SHIBUSAWA Eiichi, an industrialist active from the late 19th to early 20th centuries, and who is known as the “father of Japanese capitalism.” At that time, Japan was confronted with the daunting task of rebuilding its political, economic, and social foundations in order to modernize the country after the end of more than 200 years of national seclusion in 1854.

A key figure taking up this challenge was Shibusawa.

Recognized at a young age for his resourcefulness, he was mandated by the government to travel to Europe when he was 27 years old, where he witnessed advanced industrial and economic systems. Upon his return to Japan, he quickly climbed the bureaucratic ladder to become a high-ranking official in the Ministry of Finance, but resigned at the age of 33 to promote private-sector business. He then established



Left: June 1878, in the early days after the Tokyo Stock Exchange was opened as Japan's first official stock-exchange organization. THE MAINICHI NEWSPAPERS
 Right: Photo of Shibusawa (front row, third from the left) together with faculty members from Japan Women's University at the time of its founding. In addition to serving as president of this university, Shibusawa was the director of Tokyo Jogakkan Schools for Women, which he also helped to found.
 JAPAN WOMEN'S UNIVERSITY

Japan's first bank in 1873 and the stock exchange in 1878. He applied himself to directing funds to a broad range of new industries, from sectors concerned with infrastructure to textiles and insurance, and was involved in the establishment and management of nearly 500 companies.

"Many of the companies that Shibusawa helped establish in a diversity of fields remain today. This cannot be found in any other country in the world," says Christina Ahmadjian, professor at Hitotsubashi University Graduate School of Business Administration, and the director of the Shibusawa Scholar Program. Moreover, the world-renowned economist Peter Drucker mentioned in his book, *The Age of Discontinuity*, that "[Shibusawa's] achievements were a good deal more spectacular than those of Rothschild, Morgan, Krupp, or Rockefeller."

Ahmadjian notes, "Rather than on profiting for himself, his business ideas were always based on how to create a society in which people are happy. He believed in the power of business as the engine to solve social problems and create a better world." What Shibusawa advocated was *gapponsbugi*, which can be defined as the pursuit of profits and the raising of capital through stock—similar in concept to ordinary capitalism—while also calling for the pursuit of public interests and the distribution of profits to all stakeholders. "Shibusawa's goal was to create a fair and inclusive economy that would enrich the lives of a broad range of people and provide them with various opportunities," says Ahmadjian.

Believing that nurturing talent for new businesses would lead to the creation of a prosperous nation,

Shibusawa also focused on education. He established many schools specializing in business, including the Commercial Training School (now Hitotsubashi University), and gave lectures and guidance at various organizations and meetings. Additionally, so that women—who make up half of the population—could contribute more to society, he also advocated the necessity of their higher education and supported the establishment of such schools as Tokyo Jogakkan Schools for Women and Japan Women's University. According to Ahmadjian, "Looking now at the SDGs, you can see that Shibusawa had already put most of them into practice, including gender equality. The essence of the challenges facing human society is the same in any era. Shibusawa was able to grasp that essence."

How can we create a world that will bring happiness to people? As new ordeals shake the global economy, now may be the time for us to look to Shibusawa's doctrine for new hints on how to address this basic question. ●



Christina Ahmadjian, professor at Hitotsubashi University Graduate School of Business Administration, and the director of the Shibusawa Scholar Program, which has the goal of nurturing global leaders. "Now, more than ever, the world needs leaders like Shibusawa," she says. "Shibusawa is a really good role model, not just for his visions but for his ability to act on them. The world has a lot to learn from him."



SPRINKLED SUSHI

No flower-viewing party or spring banquet is complete without vividly colorful sprinkled sushi (*chirashi sushi*). Sushi rice, flavored with vinegar and sugar, is festooned with seafood, vegetables, and other treats, truly expressing the joy of welcoming a new season. With a different character for each region and household, even for Japanese people this is special. Schools, businesses, and other Japanese institutions start a new year in April. Everyone gathers around a table laid with festive foods and celebrates the season of new beginnings.



Registered by UNESCO as an Intangible Cultural Heritage, Japanese cuisine is also praised as an expression of natural beauty and the passage of the four seasons. A supreme example is *nerikiri*, dainty confections molded into the shape of flowers and other symbols of the season. Amazing morsels are created by traditional, detailed handicraft from bean-and-sugar paste and given a variety of colors. The advanced artisanal skills and high aesthetic consciousness bring the delights of spring to the hearts and eyes of the beholder.

JAPANESE SWEETS

AFLO

JAPANESE SPRING BLOOMS ON THE DINING TABLE

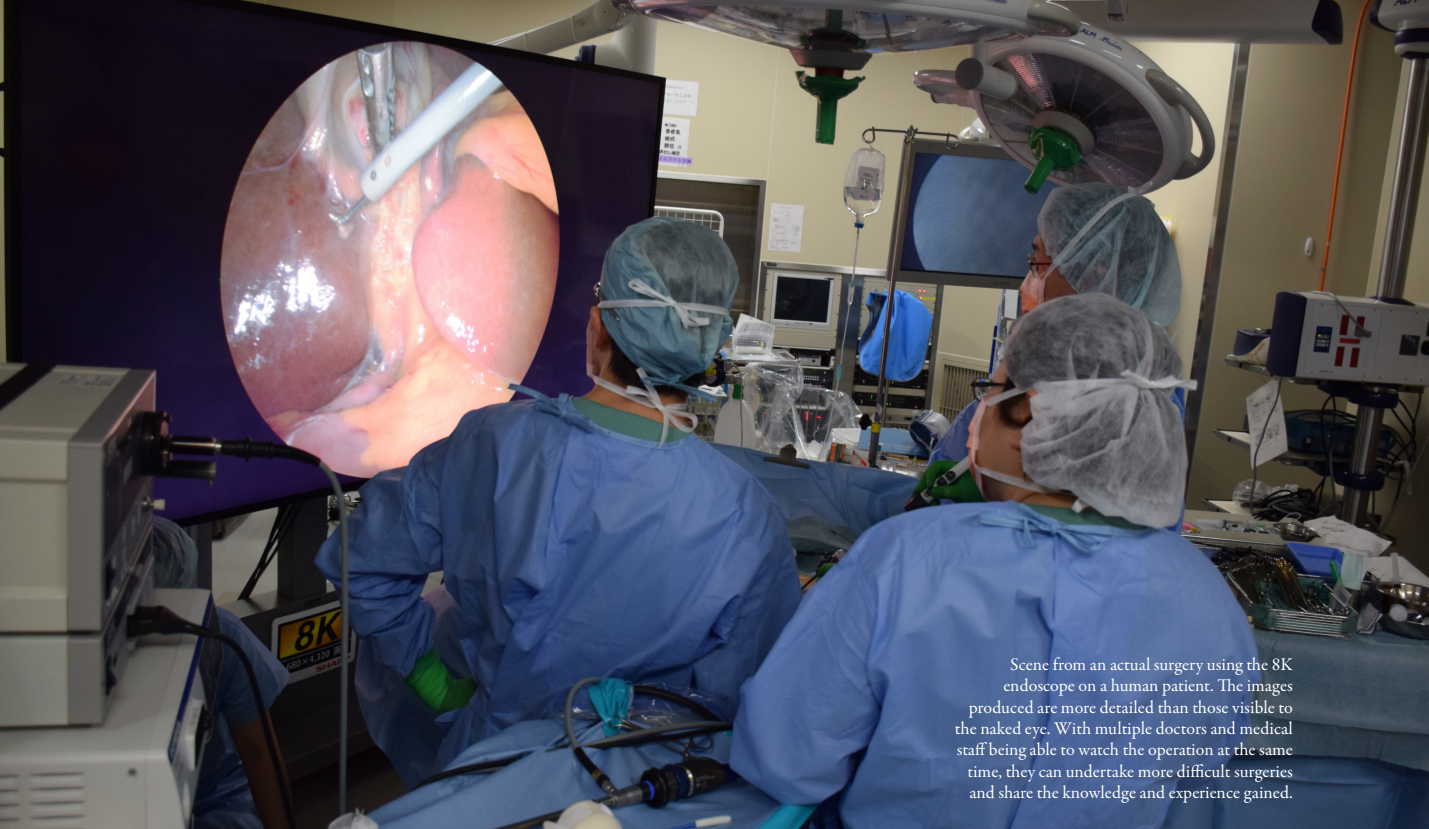
As sunshine warms the days, Japanese tables are laden with gorgeous dishes. Traditional flavors that sparkle with artisanal skills quicken the hearts of people impatient for spring.



AFLO

SAKE OF SPRING

Each regional Japanese sake has a unique taste. Determined to rise from the devastation of the Great East Japan Earthquake, the Tohoku region, including Fukushima, produces sake of high international renown, winning many prizes, such as the International Wine Challenge, the strictest in the world. Spring sake—perfect for pouring into each other's cups while appreciating cherry blossoms in full bloom—has a floral aroma, subtle sweetness, and glides gently down the throat. Brands with a pale pink color resembling cherry blossoms are also popular.



Scene from an actual surgery using the 8K endoscope on a human patient. The images produced are more detailed than those visible to the naked eye. With multiple doctors and medical staff being able to watch the operation at the same time, they can undertake more difficult surgeries and share the knowledge and experience gained.

AN 8K-IMAGE TECHNOLOGY:

A GAME-CHANGER FOR FUTURE SURGERY

The world's first 8K endoscope has been developed by a Japanese doctor by applying the technologies of NHK Science & Technology Research Laboratories. Bringing microscopic nerves and blood vessels into full view on a big screen, it makes advanced surgical procedures safer than before. How does such unprecedented resolution transform medical practice?

“It’s as if I were performing surgery inside the patient’s stomach!”

The surgeon was amazed at the high-resolution image being projected onto the monitor display when he operated to remove a gallbladder in the world’s first clinical surgery with the 8K rigid endoscope. 8K footage boasts 16 times as many pixels as the 2K footage of endoscopes widely used today. That is nearly equivalent to being able to read a newspaper from 10 meters away, and makes tiny blood vessels

and sutures—invisible to the naked eye—clearly visible.

Dr. CHIBA Toshio, a Japanese surgeon who has performed endoscopic surgeries on fetal patients, developed this world’s first 8K rigid endoscope. He felt there was room to improve conventional endoscopes of the time with their low image quality and light sensitivity.

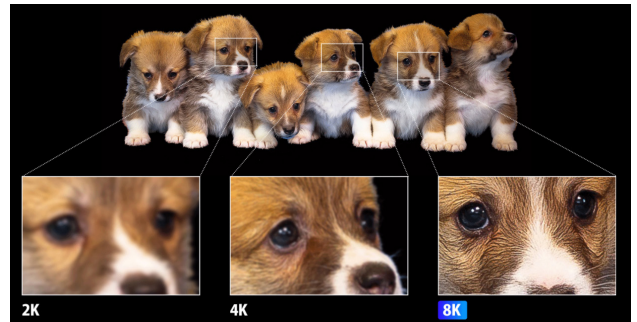
In 2006, while working as a doctor at the National Center for Child Health and Development, Dr.

Chiba was transfixed by a documentary broadcast on Nippon Hoso Kyokai (NHK, or Japan Broadcasting Corporation) about the arrest of an airplane hijacker. What captured his attention so firmly was the fact that the faces of those involved were clearly visible, even though the camera footage was taken in the middle of the night in pitch darkness.

He desperately wanted to make use of this video technology for endoscopic surgery. So, without wasting any time on making a prior appointment, he went immediately to talk to NHK Science & Technology Research Laboratories, which was conveniently located opposite his workplace. He was lucky enough to bump into the then director-general, TANIOKA Kenkichi. The pair hit it off and decided on the spot to start development to incorporate first the night-vision technology known as HARP and then the ultra-high-definition 8K technology in rigid endoscopes.

At the time the prototype 8K endoscope was introduced into clinical practices in 2014, it weighed 2.5 kg. Reducing it to be small and light enough for practical use in surgery was therefore a major challenge. However, after much repeated effort, Dr. Chiba succeeded in reducing the weight of the device to 450 g in just four months. In 2017, an 8K rigid endoscope was commercially launched, and the 8K Surgical Microscope was released later.

“It’s because Japan has a very high level of technical expertise in 8K-image sensors and endoscopic lenses that we were able to make the product so much more practical,” he remarks. “Compared to conventional endoscopes, 8K has a far greater sense of realism. Once you’ve experienced it, you can’t go back to the old image quality.” This technology, which enables observations of minute details in the inner structure of the body, not only allows for safer and more accurate surgical procedures, but also provides the means for types of surgery that have previously been extremely difficult. The possibilities for medical treatment are wide-ranging, as Dr. Chiba says: “Footage of surgery by skilled



Top: An 8K image features many more pixels than the commonly used 2K image, allowing even the smallest details of the subject to be seen clearly.

Left: The 8K endoscope was developed by Dr. Chiba and his team by applying the 8K-image sensor technology for broadcasting used by NHK Science & Technology Research Laboratories. AIR WATER BIODESIGN INC.

surgeons can be used for educational purposes, and online medical care and remote surgery by medical specialists can happen far more easily.”

To make the most of 8K-endoscope technology, it is vital to develop high-speed communication networks, such as 5G and fiber optics, to efficiently share the vast amounts of 8K data. And if there is progress in the development of robotic forceps for more precise operability than with the human hand, and evolution of AI capable of faster and more accurate diagnostic imaging, then 8K endoscopes will be able to demonstrate their true value.

Dr. Chiba goes on, “How quickly we can bring good products to the practical field is important. In order to do this, I believe we need to foster open innovation across borders and industries. Certainly, I would like to cooperate with people and companies overseas to build infrastructure and develop technologies that make use of our 8K technology.”

Japan’s video technology, first developed around television broadcasting, is having an impact that could change the future of medical care. No doubt Dr. Chiba will continue to take on the challenge of creating even better medical treatment. ●

CHIBA Toshio, M.D., Ph.D.
Specialist in fetal and pediatric surgery. Chairman of board of directors of the Medical Innovation Consortium and project professor at Juntendo University, Faculty of Medicine. He was awarded the Albert Schweitzer Award in 2020 for his achievements in the development of 8K endoscopes.



A WORLD WITHOUT BLINDNESS:

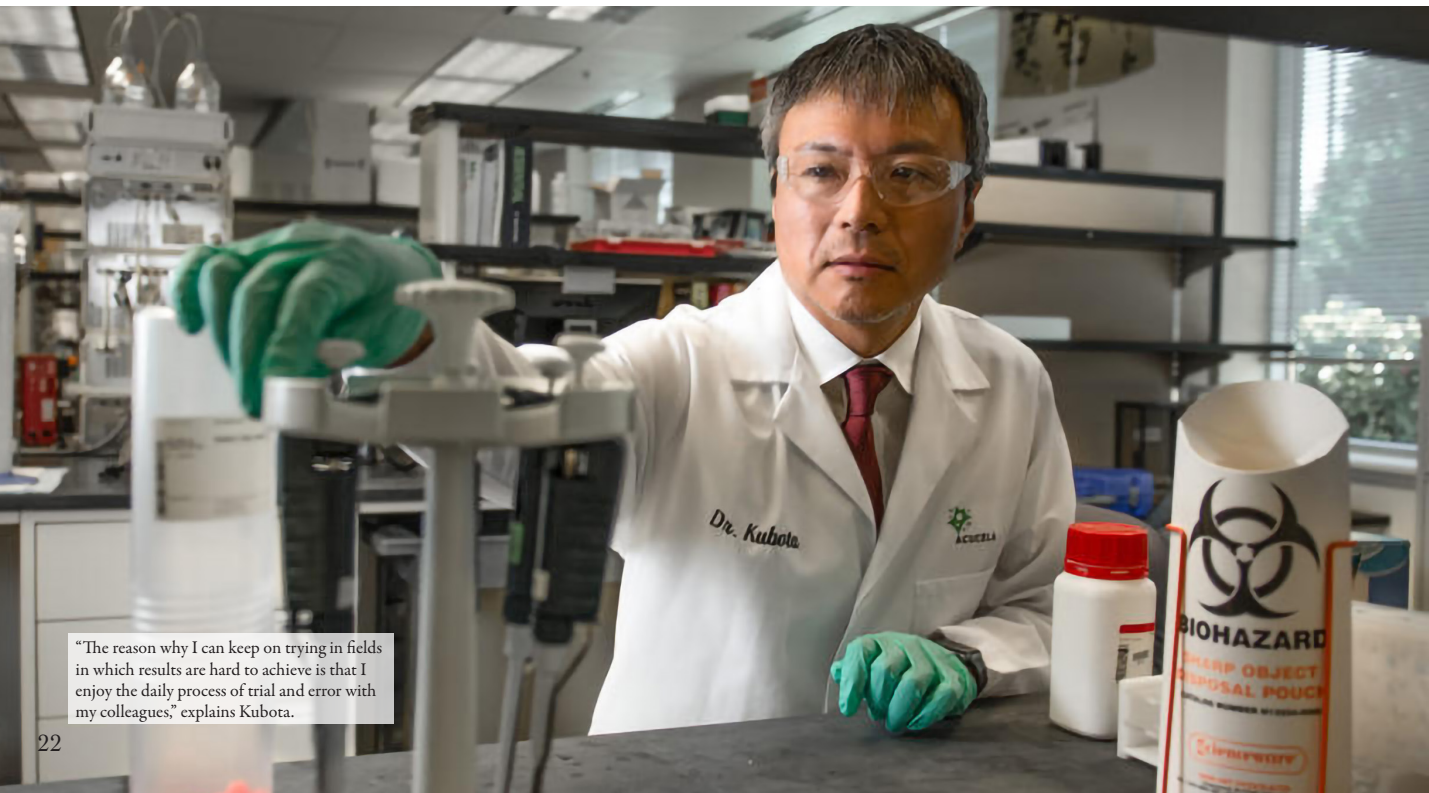
A BIO-VENTURE'S ENDURING PURSUIT

As people age, many experience eye diseases, which in the worst-case scenario can lead to blindness. Helping to reduce this risk is a former ophthalmologist who set his sights on launching a venture into unique and unparalleled research. His team is currently developing a glasses-type device that aims to treat and control the progression of myopia as well as a diagnostic device for eye diseases common among astronauts. So, why is it that this eye specialist continues to take on the challenge of curing eye diseases with his venture company?

The great inventor Thomas Edison once said, “I have not failed. I’ve just found 10,000 ways that won’t work.” Today there are people who, like Edison, continue to strive—unafraid of failure—toward their goals. One of them is KUBOTA Ryo, president and chief executive officer of Kubota Pharmaceutical Holdings Co., Ltd., who aims for a “World Without Blindness.”

Kubota first made a name for himself as an

ophthalmology researcher. In 1997, he discovered myocilin, one of the genes responsible for glaucoma, a major cause of acquired blindness. At that time, genome research was becoming increasingly popular, with a growing belief that all diseases could be understood and treated. Kubota, like everyone else, believed this; having discovered the causative gene for glaucoma, he anticipated its eradication. Yet, even though the cause of the disease could be identified,



“The reason why I can keep on trying in fields in which results are hard to achieve is that I enjoy the daily process of trial and error with my colleagues,” explains Kubota.

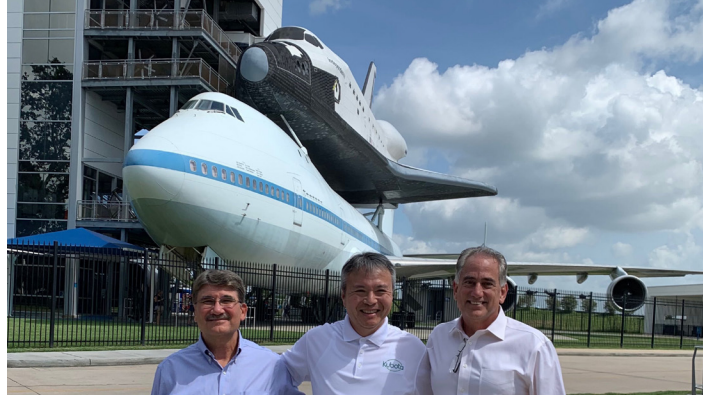
no cure could be found. After discovering myocilin, Kubota, wanting to treat patients himself, turned to the profession of health care. However, desiring to find a way to cure more patients from blindness, he journeyed to the United States in 2000 to embark on the path of research once again.

While at the University of Washington in 2002, he established the venture Kubota Vision Inc. (formerly known as Acucela Inc.) based on his own research on cell-based screening technology. The company worked on developing a new drug for age-related macular degeneration, a common cause of blindness in Europe and the United States, but in the end, they did not get the results they were hoping for. “The probability of success in developing a new drug is said to be one in 30,000. I had a succession of failures for more than six and a half years before I discovered the causative gene for glaucoma, so I’m not so afraid of failure. But with the company consequently moving into a new phase, it was just a shame that I had to part ways with my colleagues, many of whom I had been with since the company was first created,” recalls Kubota.

So it was that in 2016 Kubota moved his base to Japan and made a fresh start once again, this time with Kubota Pharmaceutical Holdings. Current pipeline projects include Kubota Glass, soon to be released in Taiwan. These special glasses aim to treat and control the progression of myopia by creating the illusion of looking at distant objects using augmented reality, projecting images directly onto the retina. Besides the fact that more people are suffering from nearsightedness in recent years due to widespread use of smartphones and computers, it has become clear that myopia is the cause of various eye diseases. Therefore, Kubota thought that correcting myopia would be effective in preventing eye diseases that cause blindness.



KUBOTA Ryo, M.D., Ph.D., an ophthalmologist as well as president and chief executive officer of Kubota Pharmaceutical Holdings. After many years of research and through his experience discovering the causative gene of glaucoma, Kubota learned the importance of persevering without ever giving up.



Top: A photo taken at a meeting at NASA on the development progress of the diagnostic device for eye diseases that Kubota Pharmaceutical is jointly developing with the space agency.

Bottom: Kubota Glass is a special pair of glasses that aims to treat and control the progression of myopia with their built-in mechanism to project an image onto the retina. The company received medical device registration approval in Taiwan. Global clinical trials are being planned from the latter half of 2022.

The company also has worked to develop a compact optical coherence tomography (OCT) device that can be carried on the US National Aeronautics and Space Administration (NASA)’s manned mission to Mars. The compact binocular-like diagnostic device helps to determine eye diseases that affect many crew members on long-duration spaceflights, enabling on-the-spot AI diagnoses while transmitting data on the condition of the eyes from space back to Earth. The device is also being looked at for use in telemedicine on the ground, including on remote islands and in areas with sparse populations.

“It is unusual for pharmaceutical companies to develop equipment, but innovation is impossible unless we do something out of the ordinary. Most unconventional businesses fail, but a few of them become game-changers. In other words, venture companies and startups are the means for diversity, just like the small species that survived the era when even dinosaurs went extinct,” says Kubota. His tirelessly pursued efforts may finally come to fruition in Japan, a country focused on carving out its future through the power of science, technology, and innovation. ●

MEDICAL INNOVATION

BLOOMS IN GLOBAL STARTUP CITIES



Under a new growth strategy aiming at realizing a science and technology nation, efforts are now underway across Japan to accelerate the practical application of innovative technologies. Kobe City in Hyogo Prefecture is one example of a municipality making full use of its local strengths to support the promising startups that can help resolve global challenges, in medicine and beyond.

Strain on medical institutions, healthcare providers at risk of infection, a shortage of intensive care specialists—such latent issues lurking at the frontlines of healthcare have been exposed to the world by the COVID-19 pandemic. A service provided by a Japanese startup, T-ICU, has the potential to solve many of these problems simultaneously. Through a unique remote monitoring system combining a high-performance camera capable of 360-degree photography in full HD resolution with a monitor screen displaying vital signs, a patient's condition

can be grasped in detail by a specialist for remote diagnostics and advice.

One core concept of the Japan's growth strategy is to generate such innovative startups in order to drive the development of technologies that can solve global problems. This year has been set as the first year for founding startups, with the goal to build ecosystems that link entrepreneurs, universities, and financial and public institutions so as to get them off the ground.

Some local governments have already formed such

With a population of approximately 1.5 million, Kobe City has flourished as a major Japanese trading port for many years, and is set to continue attracting promising human resources and businesses, both from within Japan and abroad, and to support 1,000 startups by fiscal year 2025.





T-ICU's remote ICU service uses high-performance cameras installed in each patient's room for detailed monitoring of the patient's condition, complexion, and breathing. That reduces the number of actual visits doctors and nurses must make. In addition, a specialist can offer 24-hour remote support to the on-site doctor by viewing, in real time, a vital sign monitor connected to other medical devices, such as respirators.

JINAIKAI URASOE GENERAL HOSPITAL

ecosystems that fully utilize the features of their communities. The city of Kobe in Hyogo Prefecture is a pioneer in this initiative, providing a wide range of support to promising startups, from financial assistance at the time of company establishment to the development of a business model. "We will continue aiming to attract business incubators that offer support from the idea stage to commercialization, as well as to expand the entrepreneur base, including students, and put a mechanism in place that will ensure the continuous generation of startups in Kobe," says TAKEDA Taku, the city's director of the New Business Promotion Division.

T-ICU opened its office in the Kobe Biomedical Innovation Cluster in 2019. "Thanks to the concentration of medical institutes and organizations, vast knowledge and profound intelligence have also come together here. Such a situation makes it easy to develop the horizontal connections that enable access to the necessary information and specialists," says NAKANISHI Tomoyuki, the company's CEO.

In 2020, T-ICU launched a COVID-19 response project in collaboration with a designated medical institution for infectious disease located in this biomedical hub, remotely connecting 9 hospitals citywide. Through its systems, installed in these hospitals, specialists provide advice on treatment plans and the need for hospital transfers. "The city's general medical institutions are now confidently able to provide patients with infectious disease-related care, enabling critical-care facilities to focus on severely ill patients, which in turn helps prevent a collapse of the healthcare system at times of peak infection rates," says Nakanishi. The company also plans to expand its business overseas by providing remote training for doctors and nurses engaged in intensive care in developing countries.

With its eyes on the global business development of startups, Kobe has been cultivating talent and businesses by bringing in global accelerator programs and international organizations. Projects have already turned out numerous, growing companies by working in partnership with the United Nations Office for Project Services' S3i Innovation Centre and 500 Global, a Silicon Valley venture capital firm. Many requests for participation in these projects are coming from outside Japan and, as befits a city that is one of the country's leading international ports, Kobe welcomes this trend. "By supporting open mindsets and global perspectives, we hope to create a future in which young people ready to take on new challenges will naturally gather here, with the expectation that 'in Kobe, you can create something new'," says Takeda.

Utilizing the world's cutting-edge ideas and talent pool, the country continues to move toward a future where both the startups of the world and its own can grow. ●

Right: The Kobe Biomedical Innovation Cluster is focusing its efforts on supporting the commercialization of R&D seeds. "Startup Creative Lab" (photo), for example, is an incubation facility for startups in the life science field.

Bottom: Participants in the 500 KOBE ACCELERATOR program the city implemented in collaboration with 500 Global, a Silicon Valley venture capital firm.



IKIGAI

THE JAPANESE SECRET TO A JOYFUL LIFE

The Japanese word ikigai, which has recently gained attention worldwide and enjoys widespread use, refers to a passion that gives value and joy to life. The author who prompted its craze speaks about the word's appeal and the effects it has on mental and physical health.

Numerous Japanese words have entered the global lexicon, such as *mottainai* and *kawaii*; one recent newcomer is *ikigai*. A broad concept, it refers to that which brings value and joy to life: from people, such as one's children or friends, to activities including work and hobbies.

"There is no word like it anywhere in the world," says

Héctor Garcia, co-author of the book *Ikigai: The Japanese Secret to a Long and Happy Life*, which helped push *ikigai* into the global spotlight. Explaining that having an *ikigai* is the key to leading a happy life with a healthy body and mind, this book—which has been translated into 63 languages—has sold more than 3 million copies since its release in 2016. "When

you feel down, just thinking about your *ikigai* will change something in you. I receive comments even now from readers who say their lives were transformed by this word," says Garcia.

For this book, Garcia interviewed more than 100 elderly residents of Ogimi Village, Okinawa Prefecture, renowned for being a "village of longevity." One thing

In Ogimi Village, Okinawa Prefecture, many elderly people have an *ikigai* and remain active, such as TEDOKON Keiki (bottom right, on the left), who is 91 years old and still actively grows crops. There are also many events the elderly can participate in, including a sports festival (top right). TAIRA Toshiko (left), a 101-year-old textile artisan, has been making Bashofu, a traditional fabric, for many years. She was designated a Living National Treasure of Japan in 2000 for preserving this Okinawan craft. OGIMI VILLAGE





Héctor Garcia (second from right) and Francesco Miralles (far left), authors of *Ikigai: The Japanese Secret to a Long and Happy Life*, say that they realized how important and powerful *ikigai* was while interacting with the senior citizens of Ogimi Village, Okinawa Prefecture.

that these healthy and active seniors have in common is that each has an *ikigai*, or something worth living for. “When we asked what their *ikigai* was, they gave us explicit answers, such as their friends, gardening, and art. Everyone knows what the source of their zest for life is, and is busily engaged in it every day,” says Garcia. Another distinguishing feature of this community is that the elders have strong social links with their peers and frequently get together to enjoy karaoke, birthday parties, and more. “Avoiding social isolation is linked to the motivation and confidence to lead active lives.”

Continuing to work or energetically enjoy hobbies is characteristic of many Japanese seniors. A national survey conducted in 2018 found that 47.5% of people aged 70 and older are active in ways such as working, enjoying hobbies, or participating in community activities. Another study conducted on people aged 65 and over revealed that those who work only for financial

reasons, compared with those who work in pursuit of their *ikigai*, have a 1.55 times greater risk of decline in functional capacity two years later. Considering such data, the Japanese government is actively supporting the employment and social engagement of senior citizens. Borrowing the words of renowned psychiatrist Viktor Frankl, “What man actually needs is not a tensionless state but rather the striving and struggling for some goal worthy of him.”

Garcia believes that this applies

not only to senior citizens, but to young people as well. In a UNICEF survey conducted in 21 countries in 2021, about 36% of young people (aged 15-24) responded that they often felt nervous, worried, or anxious, and 19% also said that they often felt depressed or had little interest in doing things. For such young people, Garcia published a new book, *Ikigai for Teens: Finding Your Reason for Being*, in 2021. “When we were children, we all thought about what we wanted to be in the future, but it is also important to think about your *ikigai* from a young age. If I had known about *ikigai* when I was young, my life would have been different.”

If the word and all its edifying qualities are expanded across generations, *ikigai* may evolve to further heights as a universal term expressing a rich and fulfilling life. ●

Garcia maintains that the Venn diagram provided in his book and created by American entrepreneur Marc Winn to illustrate the concept of *ikigai* (with the four categories of “what you love,” “what the world needs,” “what you can be paid for,” and “what you are good at”) can help you find your *ikigai* if used as a basis to sort out your thoughts. “For example, if you love to cook and are good at it, ‘cooking’ could fulfill the categories of ‘what the world needs’ and ‘what you can be paid for.’ Your aim could be a modest one, such as catering a friend’s party, or bringing smiles to the faces of those who have enjoyed your food. Though it may be difficult to fulfill all four categories, by keeping them in mind, you can make your *ikigai* even more fulfilling.”



Bountifully blessed by nature, Fukushima Prefecture is famous not only for its rice, but also for such fruits as peaches, and strawberries, as well as livestock farming. Last year, exports reached their highest level since official record-keeping began in 2005.

THE FLAVOR OF FUKUSHIMA LIGHTS UP RECONSTRUCTION



Nearly 11 years have passed since the Great East Japan Earthquake. Fukushima Prefecture suffered severe damage in the disaster, but today it is well on its way to recovery, with exports of agricultural products surpassing pre-earthquake levels. The world has come to love the “delicious tastes of Fukushima.”

Fukushima has been doubly blessed by nature with an abundant water system and plenty of fertile soil. Diverse weather patterns and landscapes within the prefecture nurture a varied and robust farming industry. Wide temperature differences between day and night improve the flavor of its rice, and the summer heat in the basin-shaped valleys intensifies the

sweetness of its peaches.

Fukushima has always been a cornucopia of food products, but an accident at the Fukushima Daiichi Nuclear Power Station following the Great East Japan Earthquake of 2011 led to a painful era, when demand waned for its vaunted agricultural and marine products. Shipping restrictions and reputational damage

dampened the consumption of Fukushima’s food products, and many foreign countries imposed import restrictions that resulted in a decline of exports from the prefecture.

Yet consumer confidence has gradually returned, thanks to stringent pre-shipping monitoring of contamination and additional scientific proof of the safety of



Tokyo 2020: Australia's Paralympic team enjoys a taste of Fukushima peaches. Jan Adams, the Australia's ambassador to Japan, says that good food is an excellent way for the two countries to strengthen their ties. AUSTRALIAN EMBASSY, TOKYO

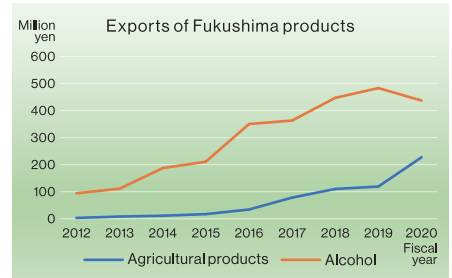
Fukushima's food products. At one point, 55 countries and regions worldwide imposed restrictions on food imports from Japan, but many have now abolished or eased them. For example, the United States lifted all restrictions last September, announcing that 10 years of sampling food products from Japan had led to the determination that imports from the country posed very low risk to consumers. The European Union likewise eased its restrictions in October, while Taiwan recently announced this February that it, too, would relax restrictions on imports from Japan. As restrictions have eased, exports have increased, with the prefecture exporting 332 tons of agricultural products from April to December in 2021—the highest figure since the prefecture began keeping records in 2005.

At the Tokyo 2020 Games held last year, athletes, coaches, and other participants enjoyed the

taste and succulence of Fukushima peaches. The prefecture presented the Dominican Republic baseball team with a large quantity of the fruit, which disappeared in no time at all. Ken Eriksen, head coach of the U.S. softball team, gave a nod to the peaches at a post-practice interview in Fukushima, confiding with a grin that he had devoured a half dozen at his hotel.

Not to be forgotten when speaking of Fukushima specialties is its sake. Daishichi Sake Brewery Co., Ltd. produces sake made by the orthodox *kimoto* method, a painstaking process that requires the fermenting yeast mash to be prepared entirely by hand. Daishichi has been actively exporting its brew—which is highly regarded abroad for its mellow flavor—since the late 1990s. “Although Japanese sake has the same high qualities of depth and *umami* as full-bodied Western wines, for a long time it was almost

REGIONAL STRENGTH



Exports of alcohol achieved their highest level in FY 2019 and those of agricultural products their highest level in FY 2020. *Exports of alcohol slightly decreased due to COVID-19 in FY 2020.

unknown to the rest of the world,” says OHTA Hideharu, the 10th generation owner of Daishichi.

The company undertook to open up foreign markets in collaboration with other breweries, initially by enforcing strict quality-control measures such as refrigerated transportation, to ensure that the sake reached foreign markets in optimal condition. They also promoted their products at restaurants and liquor shops to advertise the charms of Japanese sake. These efforts gradually bore fruit and led to an increase in exports. Daishichi was eventually asked to provide sake for a banquet hosted by the Dutch royal family. “Not too long after the earthquake, we were invited once again to take part in a banquet and serve sake to the guests. It heartened us that we could showcase the quality, safety, and reputation of a product from Fukushima,” Ohta recalls.

“It’s impossible to summarize the appeal of Fukushima products in a single word or phrase. The variety of the landscape produces so many delicious foods—fruit, vegetables, seafood, soba noodles. . . . All we can do is take their flavors to an even higher level and share them with the rest of the world.” ●



Xavier Thuizat, head sommelier at Hôtel de Crillon, a famed five-star hotel in Paris, compared Daishichi sake to the best of Burgundy wines, calling it the Romanée-Conti of Japanese sake.

“The yeast mash essential for the fermentation of *kimoto* sake is prepared entirely by hand, and that is the secret of its depth of flavor,” says OHTA Hideharu, the representative of Daishichi Sake Brewery.





ETHICAL LIFESTYLE MOVEMENT

ROOTED IN TRADITIONAL
JAPANESE VALUES



The term “ethical” comprises the concept of contributing to the world by being aware of our impacts on society and the environment, and is therefore inextricably linked with the SDGs. SHUTTERSTOCK

Gathering attention in Japan as a new concept encouraging actions that consider people and the environment, “ethical” initiatives are now developing in unique ways across different fields. At the basis of this movement is the distinctive culture of Japan.

New words that are well-attuned to the needs of the times strike a chord with people and rapidly penetrate society. One such word in Japan now is “ethical,” a loan word from English. The term has recently entered the limelight as a new concept asserting that awareness by both individuals and companies of the consequences of their actions and decisions will lead to solutions to major issues facing society and the environment. It is used in combination with other words to create such terms as “ethical consumption” and “ethical living.” It is the simplest and most approachable form of international contribution, through which anyone can engender change in regards to global issues by just slightly altering their perspective.

Driven by the growing interest in the SDGs and the movement to achieve carbon neutrality by 2050,

“ethical” has now become a key term appearing in a wide range of fields, from government and business to daily life. “It has spread very rapidly especially over the past year,” says SUEYOSHI Rika, founder and director general of the Ethical Association, which is spurring on the ethical movement in Japan. “One main reason is that many people have seriously rethought their lives during this pandemic.”

At the same time, the concept is not entirely new to the Japanese people. Many aspects of the Japanese way of thinking share something in common with ethical action, such as *mottainai*, the concept of using what is available so that it is not wasted, and *otagaisama*, the concept of helping each other in times of need. According to Sueyoshi, “The basis of ethical action is to give sufficient thought to how

our daily lives or the production of goods impact society and the environment. Many individuals and companies are putting this concept into practice by channeling the spirit that is deeply rooted in Japan.” She goes on to say, “Japan is leading the world in the transformation to sustainability through various technological innovations such as the development of new eco-friendly materials, but our country is also good at making the most of what we already have. This is prompting the birth of many ethical initiatives that are distinctive to Japan.”

Unique even among such initiatives is a non-profit organization, Otera Oyatsu Club (Temple Snack Club). Buddhist temples in Japan have a long-established practice of not letting the offerings of food made to Buddha go to waste. They are eaten with gratitude by the monks and their families, and shared with neighbors and visitors. Building upon that concept, the initiative aims to make good use of the collected offerings by sending them to single-parent households suffering for various reasons. Endorsing this idea of connecting the “haves” of



Top: NODA Yoshiki, one of the directors of Otera Oyatsu Club, says, “We send not only snacks, but also rice and daily essentials such as masks, along with carefully crafted messages addressed to each recipient.”
Bottom: Traditionally the offerings made at the temple are first presented to Buddha and then later shared among monks and local residents.
OTERA OYATSU CLUB



SUEYOSHI Rika, founder and director general of the Ethical Association, holding a special class at a junior high school. Ethical consumption is becoming a widely covered subject within educational establishments in Japan, from elementary schools to universities. ETHICAL ASSOCIATION

temples to the “have nots” of society in order to solve the issues they each face, more than 1,770 temples and some 580 civic organizations are now supporting a total of 22,000 children monthly. Individuals and companies have also joined in to provide support in the form of donations and gifts.

Because of the pandemic, the number of households seeking support has increased fivefold over the past year. “The number of offers to provide assistance has also grown, especially because such a harsh situation exists,” says NODA Yoshiki, a Buddhist monk and one of the directors of this organization. In fiscal 2020, donations increased 2.3 times compared with the previous year. The various supporters come from a broad range of society. They include an elementary school girl who donated rice purchased with her own allowance, as well as those who, having rebuilt their lives through the support they received, have now become support providers themselves.

Through this activity, Noda says that he was again made aware of the deeply rooted Japanese spirit of helping each other. “Somewhere, in the back of my mind, I had a sense of superiority about helping others. But I was able to renew my understanding that we’re all equals, and of the importance of being there for each other in times of need.” One of the most troubling aspects of poverty is the isolation of people in need. Otera Oyatsu Club thus works actively as a platform to connect people asking for “help” with those saying “I want to help” by awakening the spirit of mutual support.

Anyone can start their own ethical initiatives from something easily accessible, based on their traditional values and culture. If these actions continue to stimulate empathy and new ideas, we might see the birth of new forms of international contribution, not only in Japan but around the world as well. ●

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