

# Kamigata Declaration of Corporate Social Contributions

– In Pursuit of Ambitious Corporate Management –

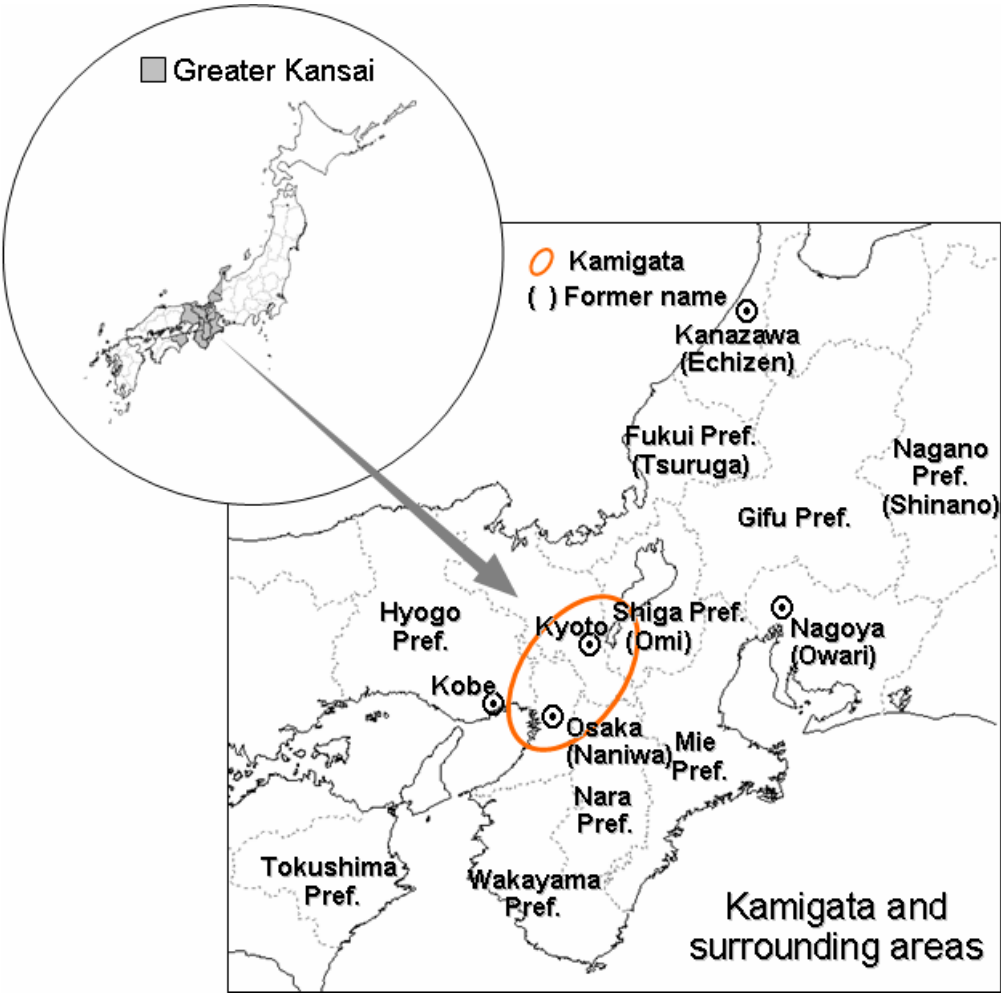
Committee on CSR and Corporate Ethics  
Kansai Association of Corporate Executives  
(Kansai Keizai Doyukai)

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**<Map of Japan>**



# I. Perception of the Current State of Affairs

## 1. Basic Understanding

Recently, it is rare for a single day to go by without the media covering a story on corporate social responsibility (CSR). The term CSR is not a new concept, but one that has been around for many years. In fact, not a few of Japan's entrepreneurs in the Edo (1600-1868) to Meiji (1868-1912), Taisho (1912-1926) and Showa (1926-1989) periods were well aware that the corporation existed for society.

Factors such as frequent corporate scandals, the increasing influence of economic globalization, stricter monitoring of corporate activities typified by the rise of consumer groups, NPOs and NGOs, and IT development that allows instantaneous communication of scandals throughout the world have contributed to CSR attracting much attention not only in Japan but also overseas.

Especially in Japan, companies were able to recover after the bursting of the economic bubble by painstaking efforts toward improving operational efficiency. During this process, however, there began to be an interspersing of companies playing M&A money games, overemphasizing stockholders or stressing the pursuit of short-term profits.

Inclinations toward compliance and CSR began to see more light as a critical reaction to these types of developments. Yet, we cannot but feel that these theories imported from the U.S. are merely being peddled here.

Some, if not many, of the practical efforts that have been expended, namely establishing a CSR division, having employees sign ethics charters and generating CSR reports, have only been for appearances. In some cases, companies see CSR simply as a PR exercise to promote a better corporate image, meanwhile those in the field perceive these types of activities as a nuisance.

However, for the sound and sustainable development of our society, the lack of morals and ethics cannot be tolerated by society or the values that exist within, and it even raises questions about the significance of the respective company's existence.

## 2. Fundamental Issues

CSR and corporate ethics, in essence, actually have nothing to do with economic bubbles or the relative state of the economy. It is imperative that companies go back to the basics and reexamine their *raison d'etre* within society.

To this end, it will be necessary to promote CSR-based management, thoroughly enforce corporate ethics and legal compliance and reconsider the meaning of corporate governance all in order to identify what issues require action.

And, corporate executives themselves must strive to practice ambitious management based on the respective company's management ideals and principles.

## II. Kamigata Philosophy on Corporate Social Contributions\*

Since 2000, as evident by the Japan Association of Corporate Executives' (Doyukai) corporate white paper on "'Market Evolution' and CSR Management" as well as the Japan Business Federation's (Nippon Keidanren) revision of its "Charter of Corporate Behavior" and accompanying "Outline of the Implementation Guidance," economic organizations have taken the initiative in an ever-intensifying genuine discussion of CSR. The year 2003 is referred to as the inaugural year of CSR management in Japan in which many companies began CSR activities and all the media started to rank companies in terms of CSR. In addition, the ISO has decided to standardize CSR by 2007 or 2008. As a result, a larger number of corporations are now doing their best not to miss the CSR bandwagon.

Terms like CSR, corporate governance, stakeholders and sustainability all have entered the Japanese vernacular from another language. If told that Western CSR represents the global standard, Japanese readily import it as is and adeptly copy it. The problem, however, is that the manner in which CSR originated in the West should naturally differ from that in Japan, as the traditional ethics and values of Japanese do not necessarily correspond with those of Westerners. While Japanese now flaunt this foreign acronym CSR as if it were a perfect fit, the truth is more likely that corporate executives and employees alike may not have really been able to adopt it as their own.

In order to get a true grasp on the principles of the matter, we at the Kansai Association of Corporate Executives sense the impending necessity to gain a fundamental understanding of the philosophy and ethics of the Kamigata merchants in the Edo period who toiled in Osaka (our own backyard) as well as in Kyoto, Omi and other locales that significantly influenced Osaka over the years. We also need to take a deeper look at the practices of Kansai's entrepreneurial pioneers who directly inherited the philosophy and ethics of these Kamigata merchants.

First, the business and operations carried out by a company should contribute to the betterment of society, focusing not only on inside the company but also society and the people within.

Second, employee morals and corporate responsibility in hiring are of critical importance. The corporate logic that only focuses on the good of its own company is no longer acceptable.

In order to enable corporations to fulfill their social responsibilities, we perceive now to be the time to gain an essential understanding of what 'corporate social contributions' are and implement them. Accordingly, our intention is to prepare the 'Kamigata Declaration of Corporate Social Contributions' that utilizes the valuable teachings of our forefathers and publish it as a guideline for business management.

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\*'Social Contribution' in this case does not merely refer to a narrow sense of voluntary service, as in charitable work or *mecenat* (corporate philanthropy), that can only be afforded by relatively successful companies. It instead represents a much broader concept that has been borne from a general idea of recognizing corporations as a social entity and includes social contributions as well as considerations for stakeholders and the environment made through the company's business activities.

## [Why learn from the ethics of the Kamigata merchants?]

How did the commercial philosophies in doing business, ways of the merchant, or a term called *kakun* (family precepts) in days of old come about?

It dates back to the time when merchants ruled. Merchants with a national distribution network first came on the scene somewhere around the time of Oda Nobunaga and Toyotomi Hideyoshi (1568-1600). Once into the period of the Tokugawa Shogunate (1600-1868), they enjoyed even more prominence. During this period, they were most active in the large economic center of Osaka, a place also referred to as the 'nation's kitchen.' While roughly half of all those in Edo in the mid 18th century belonged to a samurai household and many in Kyoto were tied to the Emperor or nobility, only some 8,000 of the 410,000 in Osaka were from a samurai dwelling. As 98% of the population consisted of simple townspeople, Osaka was truly a town of merchants. Although merchants were relegated to the lowest status in the *shi-no-ko-sho* class hierarchy of warriors (samurai), farmers, artisans and merchants in Edo society, they wielded great economic power. Their accumulations were, however, often levied off by samurai, the effective ruling class. Amidst such trying circumstances, the merchant class was forced to examine their self-worth as a people and establish the reasonability of their commercial endeavors. Fueling the fire was the large number of immoral merchants engaging in dubious transactions, bribery and the like during the economic prosperity in the Genroku era (1688-1704). It was a period that caused 'conscientious merchants to question the very nature of commerce' and saw the beginnings of Ishida Baigan's *Sekimon Shingaku*, learning of the mind and heart.

This time also gave way to a large number of *kakun* borne out of movements to encourage simplicity and frugality and limit the power of the merchant, which were products of the Kyoho Reforms (1716-1745). These reforms began to cause a noticeable number of bankruptcies and downfalls of many of the large Osaka merchant houses, regarding which it was once said that '70% of the country's wealth was concentrated in Naniwa (another name for Osaka).' The remaining merchant houses that were spared the misery of ruin took this opportunity to think seriously about the ideal form of commerce in hopes that doing so just might enable their households to continue in prosperity. They put their heads together to create *kakun* in order to pass on their own experiences, admonitions and teachings to future generations.

As most known by that of the Omi merchants (peddlers), the idea of *kakun* had its inception in their queries as to 'what doing business should be and what should be done to continue selling for the long-term' in an effort to earn the intangible asset of trust among the people to whom they peddled their goods. It was all in order to sell and open shops in an unknown and unfamiliar area in other *daimyo* (military lord) domains during the feudal era.

The *kakun* developed by Daimaru Department Stores' founder, Shimomura Hikoemon, to the effect that 'Those who put justice first and profit second will prosper (Profit will follow)' remains a fundamental philosophy in Daimaru's operations today. The moral values among ancestors, such as the symbiotic relationship with society, diligence, frugality, legitimate profits and honesty, all came from a vast number of experiences, admonitions and teachings in truly trying times and are fully applicable even in terms of ethics in today's business world. These ideas allow us to cope with the demanding issues we encounter on a daily basis and guide us in making various decisions.

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(Sources)

- "Osaka Machi Monogatari" edited by Naniwa Monogatari Kenkyukai
- "Osaka Brand Resources Report" by Osaka Brand Committee
- "Shoka no Kakun: Akinai no Chie to Okite" by Yamamoto Shinko
- "Edo Shoka no Kakun ni Manabu Akinai no Genten" by Arata Koji
- "Edo ni Manabu Kigyo Rinri: Nihon ni okeru CSR no Genryu" by Genma Akira and Kobayashi Shunji
- "Kigyo Rinri towa Nanika: Ishida Baigan ni Manabu CSR no Seishin" by Hirata Masahiko

### III. Kamigata *Kakun* (Family Precepts) and Ethics (1/4)

Ishida Baigan (See p20 \*1): "*Sekimon Shingaku*" (Literary work "*Tohi Mondo*" (City and Country Dialogues), 1738)

- **"Never disrespect the customer for he sustains us"**
  - Do not disrespect the customer because he is the one who will cultivate our business. → **Customer satisfaction**
- **"Obey the law and respect yourself"**
  - It is important to protect against what is forbidden by our world and show personal restraint. → **Compliance**
- **"If a merchant does not follow the way of the sage, he may make the same money but his lineage is destined to fall"**
  - Even if a merchant is able to earn money without following the way of the merchant or being ethical, this type of profiting will be frowned upon by society. It eventually will ruin the business, ultimately ending his lineage. → **Compliance**
- **"To regain the honesty you were born with"**
  - One is recommended to try to regain the pure, honest heart he was born with. → **Honest and sincere management**
- **"Any wrongdoing construed as correct should never be tolerated, even if it is a master who does so"**
  - Even if one is the master, any wrongdoings that have been pushed forward as being correct must be righted without hesitation. → **Corporate governance**
- **"Frugality is, for the good of the world, to make two sufficient when three is necessary"**
  - True frugality involves improvising to use two in consideration of the good of the world where three is commonly used. → **Sustainability**
- **"True merchants seek a way to respect others while respecting themselves"**
  - The genuine merchant mindset is to respect their partners in business as well as themselves. → **Cooperation with society**
- **"Kindness is not for a return"**
  - When providing kindness to others suffering from adversity, it is immaterial if you are not thanked with gratitude from those you have saved. Such a state of mind is in no way inferior to that of a saint. The willingness to help people is of great value. → **Spirit of volunteerism**

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(Source)

- "*Kigyo Rinri towa Nanika: Ishida Baigan ni Manabu CSR no Seishin*" by Hirata Masahiko

### III. Kamigata *Kakun* (Family Precepts) and Ethics (2/4)

<Kamigata Merchant House Teachings (17th–19th centuries)>

#### Sumitomo Family: Sumitomo Masatomo (See p20 \*2)

- "This goes without saying, but every act of work should be performed wholeheartedly"
  - It goes without saying that it is more important to focus on the heart and mind than profits in all matters related to business. → **Compliance**

#### Daimaru Dept. Stores: Shimomura Hikoemon (See p20 \*3)

- "Those who put justice first and profit second will prosper (Profit will follow)"
  - Those who put priority on being just with customers and society and put profits second will ultimately prosper. → **Customer satisfaction**
- "Wealth must be akin to virtue"
  - The backs of all price tags have a Japanese proverb to this effect imprinted upon them. Those of wealth are obligated to conduct virtuous activities. → **Charitable work**

#### Takashimaya Dept. Stores: Iida Shinshichi's Mission Statement (See p20 \*4)

- "The good and bad of a product are to be clearly stated to the customers without any falsities" → **Honest and sincere management**

#### Takashimaya Dept. Stores: Quotation from Iida Shinshichi II

- "Determine to sell robust and reliable products ... Accept small profits and provide the customers with benefits, which will ultimately benefit you"
  - If you try to sell sturdy and high-quality products ... you are satisfied with small profit margins and let the customers benefit, you too will profit along the way.  
→ **Social contributions through the main business**

#### Sumitomo Family: Hirose Saihei (See p20 \*5)

- "Never pursue frivolous profit"
  - Never frivolously pursue quick profits. → **Social contributions through the main business**
- "Do not engage in conduct that damages honor or trust"
  - One should never engage in activities that hurt or damage honor or trust.  
→ **Honest and sincere management**
- "Value honor and never engage in scandalous or pitiable deeds"
  - Never do anything that will bring shame. Never engage in anything that is disgraceful.  
→ **Honest and sincere management**
- "Benefiting the master even in defiance of order represents true loyalty"
  - Even if orders come from the boss, master or country, it is truly loyal to disobey them if doing so ultimately is not beneficial to the company, master or nation.  
→ **Corporate governance**

(Sources)

- "Shoka no Kakun: Akinai no Chie to Okite" by Yamamoto Shinko
- "Edo Shoka no Kakun ni Manabu Akinai no Genten" by Arata Koji
- "Edo ni Manabu Kigyo Rinri: Nihon ni okeru CSR no Genryu" by Genma Akira and Kobayashi Shunji
- Sumitomo Group Public Affairs Committee Website <<http://www.sumitomo.gr.jp/english/index.html>>

### III. Kamigata *Kakun* (Family Precepts) and Ethics (3/4)

<Omi Merchants (1) (Mid 18th–Mid 19th centuries)>

#### Omi merchant creed for living

○ **"Waste nothing and work hard"**

- Try your best to eliminate all wastefulness, be frugal and minimize outlays in order to increase economic efficiency. Also, work diligently, maximize your talents and be inventive in order to increase revenues. → **Sustainability and diligence**

#### Nishikawa Jingoro (See p21 \*6)

○ **"The laws of the Shogunate must be heeded and abided, and the laws must be strictly protected"**

- You should take heed of that prohibited by the laws of the Shogunate and feudal domain, and adhere to the laws. Efforts should always be made to stop anyone who may attempt to commit an act against that which is prohibited.  
→ **Compliance**

○ **"Do not take extra money even when there are no ships coming into the port. In principle, do not do anything adverse to society"**

- Even in times when the volume of goods is scarce, do not try to sell at high prices. Whatever it may be, never do anything that would harm those within society.  
→ **Cooperation with society**

#### Nakamura Jihei (See p21 \*7)

○ **"Do not think of yourself but what is best for everybody, do not expect high profits ... place great importance on those to whom you will sell"**

- You should think that business is not for the purpose of your own profit but for the satisfaction of all people, and do not demand high profits. When going to other feudal domains for business, sell with the best intentions of your patrons in the domains. → **The original text of 'Sanpo Yoshi' (Win-win-win situation for sellers, buyers and society)**

#### Yao Kihei (See p21 \*8)

○ **"When employing other people's children, merchant house masters must see it as their duty to teach them the way of business, make each a man and send them into society"**

- When using many children of others in employment, you must see yourself as a master who teaches the ways of business, raises them to be men and sends them off into society. → **HR development**

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(Source)

- "Shoka no Kakun: Akinai no Chie to Okite" by Yamamoto Shinko
- "Edo Shoka no Kakun ni Manabu Akinai no Genten" by Arata Koji
- "Edo ni Manabu Kigyo Rinri: Nihon ni okeru CSR no Genryu" by Genma Akira and Kobayashi Shunji



### III. Kamigata *Kakun* (Family Precepts) and Ethics (4/4)

<Omi Merchants (2) (Mid 18th–Mid 19th centuries)>

#### Nakai Genzaemon (See p21 \*9)

- "There is a difference between economical and stingy. Luster soon fades when stingy. Luster illuminates billions of paths when economical"
  - Economizing differs from being stingy. Wealth accumulated from stinginess readily wanes. However, wealth accumulated by eliminating waste and spending wisely may produce a light that illuminates the whole world. → **Sustainability**
- "One who wishes for two or three generations of good people must discretely engage in good deeds"
  - The only method of sending out two or three generations of upstanding individuals into society is to carry out good deeds without others knowing.  
→ **Secret acts of charity**

#### Kobayashi Ginuemon (See p21 \*10)

- "Masters must serve as parents and provide guidance on all matters"  
⇒ **Human assets**
  - When a master assumes the role of overseeing the younger individuals of the group, he must guide them in every way as if he were their parent.  
→ **HR development**
- "In the event of an incident of misconduct and illegality where ancestral laws are broken, even if a master, all properties and possessions must be taken away and retirement must be forced under the eye of family and guardian"
  - Those who have gone against the *kakun* bequeathed by the ancestors by reprehensible or illegal acts, even if they are masters, must have their properties and possessions all taken away and be forced into retirement under the watchful eye of family and guardian. → **Corporate governance**

#### Tonomura Yozaemon (See p21 \*11)

- "Even when distressed after selling, be content that it was the secret of a merchant"
  - Even if you regret after selling that you may have sold at too low a price, you actually will gain profit down the road. → **Customer satisfaction**

#### Ito Chubei I (See p22 \*12)

- "The nobility of the way of commerce is to benefit both seller and buyer, replenish society and be in accord with the teachings of Buddha"
  - The way of commerce is a noble one because it brings benefits to both seller and buyer and provides what is lacking in society, which follows the teachings of Buddha. → **Win-win-win situation**

(Sources)

- "Shoka no Kakun: Akinai no Chie to Okite" by Yamamoto Shinko
- "Edo Shoka no Kakun ni Manabu Akinai no Genten" by Arata Koji
- "Edo ni Manabu Kigyo Rinri: Nihon ni okeru CSR no Genryu" by Genma Akira and Kobayashi Shunji
- Itochu Corporation Website <[http://www.itochu.co.jp/main/index\\_e.html](http://www.itochu.co.jp/main/index_e.html)>

## IV. Pioneers of Kansai Economic Circles (1/2)

### Kubota Gonshiro (See p22 \*13)

- "Create goods with all your heart and embody them with the right value"
  - Products that serve the good of national development can only be created with all of one's wisdom and heart. However, it must not only be technologically superior, but be of benefit to all of those in society. → **Social contributions through the main business**

### Kobayashi Ichizo (See p22 \*14)

- "The secret to business prosperity is trust, gained by sincerely putting the customer first" → Customer satisfaction
- "Be careful not to forget the spirit of always reducing waste, be it on the job or out in society" → Sustainability
- "Business success depends on people ... The only way to run a business is to develop good, capable people" ⇒ Human assets  
→ HR development

### Torii Shinjiro (See p22 \*15)

- "Principle of Dividing Profits Three Ways"
  - Profits should be employed to enhance customer service and give back to society as well as for business expansion. → **Cooperation with society**
- "What is done by night appears by day"
  - Secret acts of charity are truly virtuous and many such acts ultimately bear fruition.  
→ **Secret acts of charity**

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(Sources)

- Kubota Corporation Website <<http://www.kubota.co.jp/english/index.html>>
- "Watakushi no Yukikata" by Kobayashi Ichizo
- Suntory Limited Website <<http://www.suntory.com/>>

## IV. Pioneers of Kansai Economic Circles (2/2)

### **Matsushita Konosuke (See p22 \*16)**

- **"Transparent management"**
  - Have no secrets and reveal one's self as is internally and externally.  
→ **Compliance**
- **"Conflict and harmony with (valued) customers"**  
→ **Customer satisfaction**
- **"Products we make are like our children. Customers are their new home"**
  - The products we make here every day are like children we raise with tender care. Selling the products we manufacture is like giving our daughters in marriage. Just as one is always anxious after giving one's daughter in marriage about whether things are going well or not, so too we worry about whether our products are performing as expected.  
→ **Social contributions through the main business**
- **"Being in the red in a company is a crime"**
  - Profit in a company is the reward from society for the contribution to society through business activities. Being in the red (or ending up with a deficit) is the same as the company not fulfilling its true mission.  
→ **Social contributions through the main business**
- **"When it rains, open your umbrella"**
  - As when you get caught in the rain you open an umbrella, you purchase at a fair price, sell at a fair price and make a fair profit. You do what common sense dictates. Do not let selfish motives override your common sense and wind up wandering around unprotected in the rain. → **Honest and sincere management**
- **"A company is a public entity of society"** → **Cooperation with society**
- **"Example by leadership"**
  - It is important that executives/managers and those in positions of responsibility must stand at the forefront and earnestly work wholeheartedly to be a model to all employees.  
→ **Corporate governance**
- **"Matsushita Electric develops people and we also manufacture electrical appliances" ⇒ Human assets**
  - The key to good management is people. First, they must be developed.  
→ **HR development**

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(Sources)

- "Matsushita Konosuke no Mikata, Kangaekata" by PHP Research Institute
- Handouts from a lecture by Nakao Naofumi (Ex-Assistant General Manager, Corporate Personnel Dept., Matsushita Electric Industrial Co., Ltd. and current Headmaster of Hibarigaoka Gakuen Junior and Senior High School)

## **V. Kamigata Declaration of Corporate Social Contributions (1/2)**

**– In Pursuit of Ambitious Corporate Management –**

We take pride in the fact that the tradition of Kamigata commerce since modern times has been in the 'act of striving toward realizing personal growth of all those involved in the business and happiness in the community through success of the business.' We pledge to conduct business in the full conviction that this traditional philosophy is recognized universally.

### **[Serving society]**

- We shall reaffirm that a corporation is a social entity and its primary duty is to contribute to society.
- We shall aim for our own growth through social contribution activities by promoting exchange with diverse people as well as coming into contact with and being inspired by different civilizations, cultures and knowledge.
- We shall strive to make social contributions not only through the independent efforts of each company, but also in the form of corrective action that effectively utilizes social links, such as economic organizations.

### **[Obey the law and respect yourself]**

- We shall take the initiative in our corporate activities carried out not only in accordance with the law and regulations but also based on moral code, while ensuring thorough understanding and implementation of these activities by all employees.
- We shall never be obsessed with mere short-term profit, but make management decisions based on the ethos since the inception of the company.

### **[Never pursue frivolous profit]**

- We shall never let sales and profits dictate corporate conduct, but understand that the most important principle in business is to contribute to society through the provision of products and services that are of a reliable quality, environmentally friendly and can be used by anyone.
- We shall take the initiative in providing information that customers need in a clear and simple way.

## V. Kamigata Declaration of Corporate Social Contributions (2/2)

– In Pursuit of Ambitious Corporate Management –

### [Waste nothing and work hard]

- We shall eliminate any wastefulness and control costs through technological and management innovations all in order to provide products and services at reasonable prices and obtain a fair return for the company.

### [Win-win-win situation]

- We shall be conscious of a broad range of implications that globalizing corporate activities may have and always make due considerations for different groups of people throughout the world.
- We shall reaffirm that every corporation is an entity rooted in the community and has a responsibility to actively make efforts to respond to the requests of the community.
- M&A shall never be for the purpose of short-term profits, but take place based on the premise of contributions to society and its betterment.

### [Human assets]

- Employees are precious assets entrusted to us by society. We shall never choose an easy way of laying off or employing under unstable labor conditions.
- We shall make every effort to train and educate our employees so that they will be able to make contributions to society.

### [What is done by night appears by day]

- We shall always be dedicated to charitable work and *mesenat* activities without ever expecting a return or being obsessed with temporary changes in profits. These activities shall not end with mere financial support, but include promotion of sharing expertise and voluntary participation by employees.

# VI. Relationship between Forerunners' Sense of Ethics and the "Kamigata Declaration of Corporate Social Contributions"

Unbroken line of Kamigata Management Philosophy and the History of Implementation

## III. Kamigata *Kakun* and Ethics –16th-19th centuries–

### Ishida Baigan (*Sekimon Shingaku*)

"Never disrespect the customer for he sustains us"

**"Obey the law and respect yourself"**

"If a merchant does not follow the way of the sage, he may make the same money but his lineage is destined to fall"

"Any wrongdoing construed as correct should never be tolerated, even if it is a master who does so"

"Frugality is, for the good of the world, to make two sufficient when three is necessary"

"True merchants seek a way to respect others while respecting themselves"

"Kindness is not for a return"

### Sumitomo Masatomo (Sumitomo)

"This goes without saying, but every act of work should be performed wholeheartedly"

### Shimomura Hikoemon (Daimaru Department Stores)

"Those who put justice first and profit second will prosper (Profit will follow)"

"Wealth must be akin to virtue"

### Omi merchant creed for living

**"Waste nothing and work hard"**

### Yao Kihei (Omi merchant)

"When employing other people's children, merchant house masters must see it as their duty to teach them the way of business, make each a man and send them into society" ⇒ **Human assets**

### Tonomura Yozaemon (Omi merchant)

"Even when distressed after selling, be content that it was the secret of a merchant"

### Nakamura Jihei (Omi merchant)

"Do not think of yourself but what is best for everybody, do not expect high profits ... place great importance on those to whom you will sell"

⇒ **"Win-win-win situation"**

### Hirose Saihei (Sumitomo)

**"Never pursue frivolous profit"**

**"Obey the law and respect yourself"**

= Compliance, Corporate Governance



**"Never pursue frivolous profit"**

= Customer satisfaction, Social contributions through the main business



**"Waste nothing and work hard"**

= Sustainability



**"Win-win-win situation"**

= Cooperation with society



**"Human assets"**

= HR development



**"What is done by night appears by day"**

= Spirit of volunteerism, Charitable work



**"Serving society"**

= Spirit of public service

## IV. Pioneers of Kansai Economic Circles –20th century–

### Kubota Gonshiro

"Create goods with all your heart and embody them with the right value"

### Kobayashi Ichizo

"The secret to business prosperity is trust, gained by sincerely putting the customer first"

"Be careful not to forget the spirit of always reducing waste, be it on the job or out in society"

"Business success depends on people"

### Torii Shinjiro

**"What is done by night appears by day"**

### Matsushita Konosuke

"Transparent management"

"Conflict and harmony with (valued) customers"

"When it rains, open your umbrella"

"A company is a public entity of society"

"Example by leadership"

"Matsushita Electric develops people and we also manufacture electrical appliances"

<Japanese Views of World and Life>

Seasons, nature  
→ Appreciation, gratitude

Influence of Buddhism, Confucianism and Zen  
→ Value of unity and harmony  
→ A climate of humility and modesty

Familism often seen among agricultural tribes

High morality of Bushido

Wisdom developed over a long history



## I. Perception of the Current State of Affairs (Understanding the problems)

**Current corporate activities are not always of a satisfactory level.**

Be it in Japan or overseas, corporate scandals are a common occurrence. In Japan, companies were able to recover after the bursting of the economic bubble by painstaking efforts toward improving operational efficiency. During this process, however, there began to be an interspersing of companies playing M&A money games, overemphasizing stockholders or stressing the pursuit of short-term profits. Inclinations toward compliance and CSR began to see more light as a critical reaction to these types of developments. Yet, we cannot but feel that these theories imported from the U.S. are merely being peddled here. Some, if not many, of the practical efforts that have been expended, namely establishing a CSR division, having employees sign ethics charters and generating CSR reports, have only been for appearances. In some cases, companies see CSR simply as a PR exercise to promote a better corporate image, meanwhile those in the field perceive these types of activities as a nuisance.

## II. Kamigata Philosophy on Corporate Social Contributions

**Designing of guidelines in line with Japanese history, culture and traditions**

## I. Perception of the Current State of Affairs (Characteristics today)

**Necessity of consistency with the characteristics of modern society**

The increasing influence of expanding corporations and economic globalization, the need to consider limited resources and the environment, stricter monitoring of corporate activities typified by the rise of consumer groups, NPOs and NGOs, public condemnation in the form of boycotts and fines, as well as advent of an information society in which word of scandals travels the world in an instant due to advanced IT. On the individual level, modern society features unconventional traits including loss of ambition, a dwindling sense of personal responsibility and a lack of common sense. It goes without saying that companies are operating amidst such an environment.

**CSR represents management and management philosophies in one**

## V. Kamigata Declaration of Corporate Social Contributions

«In Pursuit of Ambitious Corporate Management»

We take pride in the fact that the tradition of Kamigata commerce since modern times has been in the 'act of striving toward realizing personal growth of all those involved in the business and happiness in the community through success of the business.' We pledge to conduct business in the full conviction that this traditional philosophy is recognized universally.

### **[Serving society]**

- We shall reaffirm that a corporation is a social entity and its primary duty is to contribute to society.
- We shall aim for our own growth through social contribution activities by promoting exchange with diverse people as well as coming into contact with and being inspired by different civilizations, cultures and knowledge.
- We shall strive to make social contributions not only through the independent efforts of each company, but also in the form of corrective action that effectively utilizes social links, such as economic organizations.

### **[Obey the law and respect yourself]**

- We shall take the initiative in our corporate activities carried out not only in accordance with the law and regulations but also based on moral code, while ensuring thorough understanding and implementation of these activities by all employees.
- We shall never be obsessed with mere short-term profit, but make management decisions based on the ethos since the inception of the company.

### **[Never pursue frivolous profit]**

- We shall never let sales and profits dictate corporate conduct, but understand that the most important principle in business is to contribute to society through the provision of products and services that are of a reliable quality, environmentally friendly and can be used by anyone.
- We shall take the initiative in providing information that customers need in a clear and simple way.

### **[Waste nothing and work hard]**

- We shall eliminate any wastefulness and control costs through technological and management innovations all in order to provide products and services at reasonable prices and obtain a fair return for the company.

### **[Win-win-win situation]**

- We shall be conscious of a broad range of implications that globalizing corporate activities may have and always make due considerations for different groups of people throughout the world.
- We shall reaffirm that every corporation is an entity rooted in the community and has a responsibility to actively make efforts to respond to the requests of the community.
- M&A shall never be for the purpose of short-term profits, but take place based on the premise of contributions to society and its betterment.

### **[Human assets]**

- Employees are precious assets entrusted to us by society. We shall never choose an easy way of laying off or employing under unstable labor conditions.
- We shall make every effort to train and educate our employees so that they will be able to make contributions to society.

### **[What is done by night appears by day]**

- We shall always be dedicated to charitable work and *mesenat* activities without ever expecting a return or being obsessed with temporary changes in profits. These activities shall not end with mere financial support, but include promotion of sharing expertise and voluntary participation by employees.

## VII. Reference (1) – Efforts Made by Kansai Corporations Today – (1/6)

### **Efforts by the Kansai Association of Corporate Executives**

At the 44th Kansai Zaikai Seminar (cosponsored by the Kansai Association of Corporate Executives and other organizations) held on February 10, 2006, the following agreements were adopted.

#### 3. Companies should go back to the basics of business activities

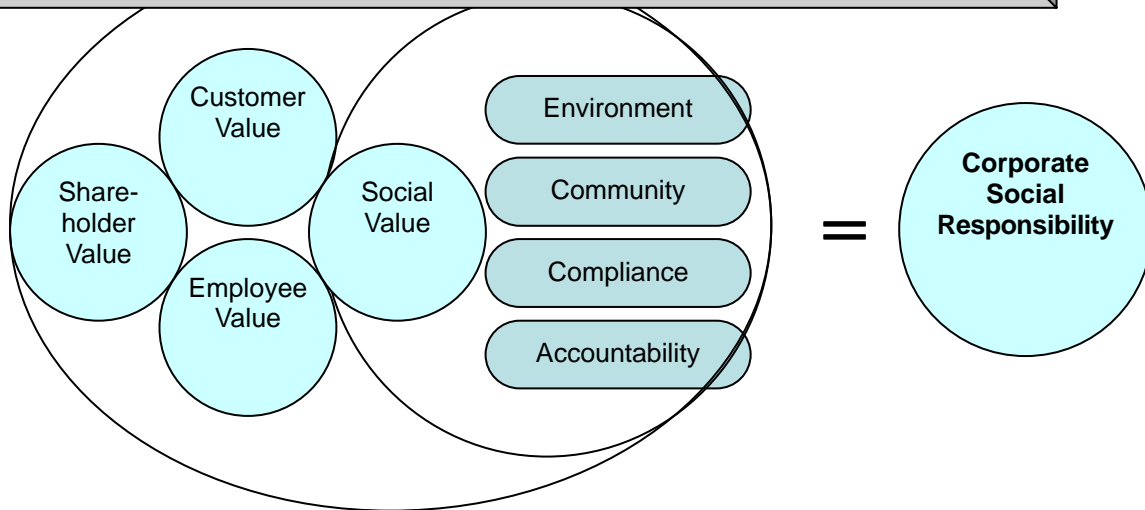
- (1) Based on healthy market competition, engage in business management that places importance on the relationships with various stakeholders and fulfills corporate social responsibilities (CSR) without falling into unprincipled shareholder-oriented or profit-driven management. Corporate executives must recognize the importance of corporate ethics and law-abiding ethos, share these mindsets with each and every employee through their own actions and leadership, and work toward increasing society's trust in the company.
- (2) In response to the dwindling population in society, develop an environment that enables various groups of people, including the elderly and females, to enjoy active roles in society. Furthermore, efforts must be made to improve the ability of those who work at the *genba* (actual site), which is considered to be a strength of Japanese style management, in order to ensure the conveyance of practical technologies and expertise as well as safety awareness to the next generations.
- (3) Continue to create new value based on innovations achieved via industry-academia collaborations or convergence of different industries and fields as well as 'healthy' M&As that broaden business options. In addition, develop human resources who are capable of accurately assessing market needs or creating new innovations.
- (4) Business circles must also strive for proactive contributions in order to create harmony with international society by effectively capitalizing on the bonds of trust and mutual understanding with foreign countries and their people that have been nurtured through global business activities.



## VII. Reference (1) – Efforts Made by Kansai Corporations Today – (2/6)

### Efforts by Osaka Gas Co., Ltd.

Group Management Philosophy  
– Value Creation Management (enhancing the four values) –



- Appointment of outside auditors, continuous auditing by internal auditing system  
→ **Corporate governance (Obey the law and respect yourself)**
- Establishment of corporate code of conduct, committees and internal notification system, implementation of internal questionnaires using random sampling  
→ **Compliance (Obey the law and respect yourself)**
- Establishment of department dedicated to interaction with customers, active dissemination of information to customers, improvement of system that ensures safe and stable supply, R&D of products that save energy and are efficient  
→ **Maximization of value for customers (Never pursue frivolous profit)**
- Hiring of the mentally and physically challenged, employment of the elderly, creation of equal employment opportunities, various staff training programs, assistance for self-learning, improved childcare/nursing care leave system  
→ **Creation of comfortable working environment, employee value (Human assets)**
- Promotion of natural gas, development of energy-saving equipment and systems, promotion of green purchasing and green delivery, environmental education for employees, forest preservation  
→ **Environmental protection (Win-win-win situation)**
- Invitations of children to musicals, cleanup activities together with people in the community, help for the elderly to go out  
→ **Contributions to local communities (Win-win-win situation)**

## VII. Reference (1) – Efforts Made by Kansai Corporations Today – (3/6)

### **Efforts by Ganko Food Service Co., Ltd.**

As it is a company that provides food, Ganko Foods is making the following specific CSR efforts that focus on food and contributions to the community:

#### **1. Be insistent on ingredients to be served to customers from a food safety standpoint (Never pursue frivolous profit)**

Use of vegetables grown with the minimum amount of chemicals on the contract farms established in and around Osaka. For pork, supply from farms in Australia with free-range pigs on special feed. Besides purchasing all fish directly from fishermen by establishing a cold chain system, efforts are being made to improve the quality of all farm-fresh products, such as going to Greece with trading company representatives to verify the quality of all fish grown in a natural environment. In addition, insisting on particular farms or areas not only ensures safety, but also promotes local industry in the area. Support for revitalization of mangrove ecosystems in Indonesia from where our shrimp is purchased.

#### **2. Restaurants housed in traditional mansions and large estates allow for the succession of cultural assets (Win-win-win situation)**

It is becoming very difficult to maintain old and large estates in verdant settings due to circumstances including the huge costs involved. Using such premises for our restaurants effectively preserves their history, culture and landscape.

- (1) "Takasegawa Nijoen" in Kyoto was built by the successful merchant, Suminokura Ryoji, in 1611. It has also been used as a second house by the elder statesman, Yamagata Aritomo, the 3rd Governor of the Bank of Japan, Kawada Koichiro and the 36th Prime Minister of Japan, Abe Nobuyuki.
- (2) "Hiranogo-Yashiki (estate)" in Osaka was built in the early Edo period as the residence of a successful merchant.
- (3) "Sanda-no-sato" in Hyogo has served as the home to the Ohara clan, a local ruling family, since the late 13th century.
- (4) "Rokusan-en" in Wakayama was the estate of Matsui Isuke, a successful speculator in Kitahama during the Taisho and early Showa periods.

#### **3. Contribution to the promotion of the local community by participating in the operation of the Naniwa Yodogawa Fireworks Display (Win-win-win situation)**

Contribution to the promotion of the local community by actively participating in the secretariat operation of the fireworks display held in this community of Yodogawa-ku where the company's head office is located. Held since 1989 on the banks of the Yodogawa river, it has become entrenched as a tradition of summer in Osaka and is now established as one of the big three events in Osaka along with the Tenjin Matsuri (festival) and Midosuji Parade. As such, the fireworks are supported by major organizations in the area. The local volunteer staff plans, operates and implements the event. In fact, the Kansai Zaikai Seminar Award for Special Achievement went to the Working Committee in 2007.

#### **4. Participation in shopping street associations, industry organizations and economic organizations (Win-win-win situation)**

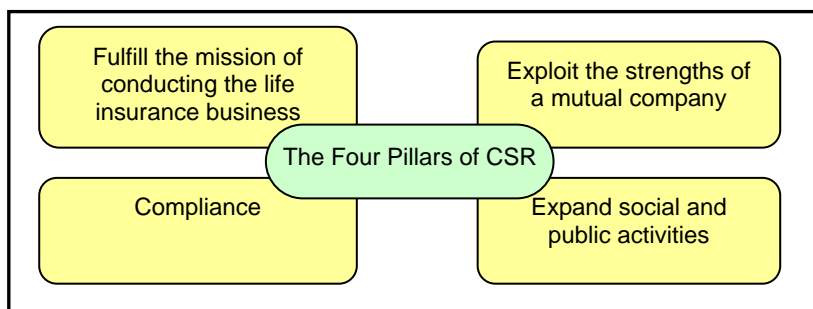
Contribution to the promotion of the industry and the local community by actively participating in the activities of various bodies and organizations including the local shopping street associations. Also involved in the Shokuhaku (Food Exhibition), a major heralded event held in Osaka every four years (next in 2009).

# VII. Reference (1) – Efforts Made by Kansai Corporations Today – (4/6)

## **Efforts by Nippon Life Insurance Company**

### **[Corporate Philosophy]**

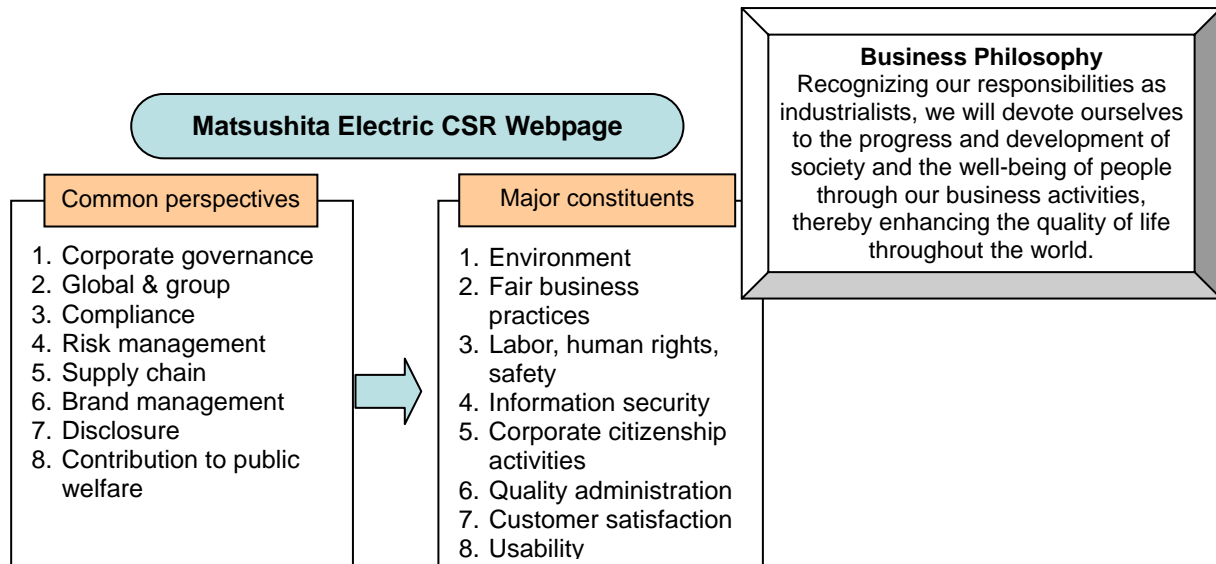
1. Offer insurance that the various layers of society truly want, provide a complete array of services and sincerely carry out our responsibility of providing financial protection for our insurance policyholders as our first principle task.
2. Recognize the responsibility of the life insurance business as a public institution, ensure fair and adequate management of assets and make the utmost efforts to enhance the well-being of those throughout society.
3. With creativity based on wisdom and executive ability full of confidence, increase the productivity of management in order to ensure the development of the company in all aspects of the business.
4. Ensure prosperity of the company and improve the lifestyles of all employees. In addition, strive toward development of quality employees that become valued members of society.
5. From the perspective of independent collaboration as a member of the life insurance industry, contribute to the spread of insurance philosophies and advancement of the industry as a whole.



- Fulfill the mission of conducting the life insurance business in order to provide all of our customers with peace of mind.  
→ **Fulfill the mission of conducting the life insurance business (Never pursue frivolous profit)**
- Increase the amount of gain returned to insurance policyholders in the form of dividends and reflect the opinions garnered at the meeting of representatives and *Nissay Konwakai* (gatherings for friendly discussion).  
→ **Exploit the strengths of a mutual company (Never pursue frivolous profit)**
- Strictly comply with the rules and regulations that are the premise behind all business operations.  
→ **Compliance (Obey the law and respect yourself)**
- Deepen the symbiotic relationship with the local community and the whole of society through activities in various areas including environment protection, culture (for young people), senior citizens, health care and medicine, and regional contributions. → **Social and public activities**  
[Specific social and public activities]
  - Green initiatives through tree-planting and -nurturing, efforts toward reducing environmental load, support for environment-related research  
→ **Symbiotic relationship with the environment, environmental protection (Win-win-win situation)**
  - Operation of the Nissay Theatre, invitations of children to the Nissay Masterpiece Theatre, opera lessons for youth  
→ **Healthy development of children and teenagers, social contributions in the area of culture (What is done by night appears by day)**
  - Operation of health and welfare facility for senior citizens and scholarships for those aspiring to become care workers  
→ **Social contributions for senior citizens (What is done by night appears by day)**
  - Implementation of free or low-cost medical examinations at Nissay Hospitals, retirement homes and children's homes  
→ **Social contributions in the health care and medical field (What is done by night appears by day)**
  - Local cleanup activities, ping-pong classes and exhibition matches by Nissay's ping-pong club, volunteer seminars for employees  
→ **Regional contributions, volunteer activities (What is done by night appears by day)**

## VII. Reference (1) – Efforts Made by Kansai Corporations Today – (5/6)

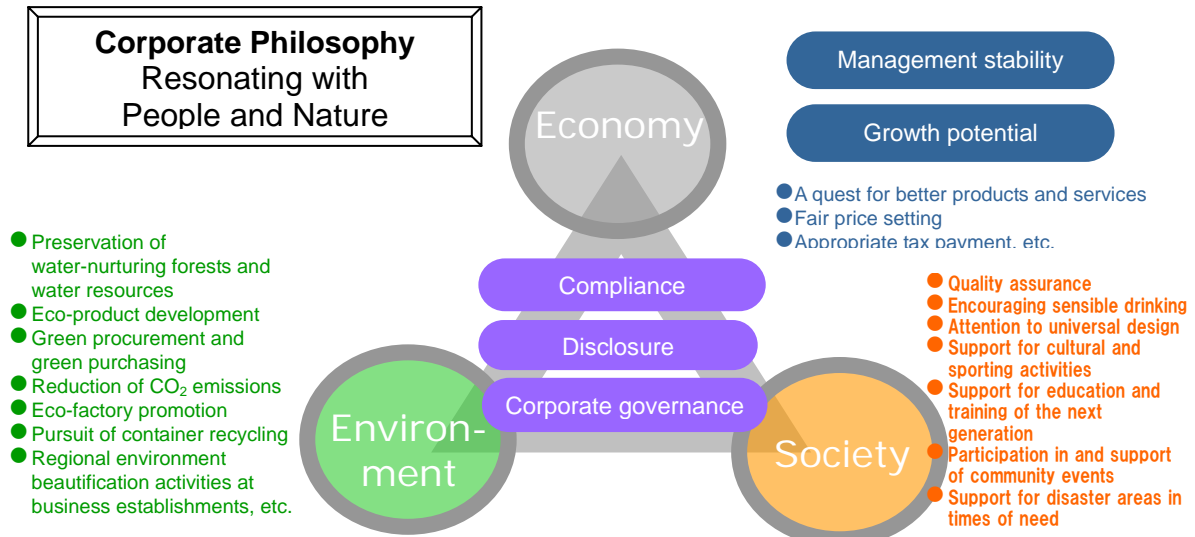
### Efforts by Matsushita Electric Industrial Co., Ltd.



- Business domain-based management structure, establishment of CSR Office and CSR Promotion Committee, appointment of outside directors and auditors, establishment of "Code of Conduct" applied to directors, executive officers and employees  
→ **Corporate governance (Obey the law and respect yourself)**
- Super honest management, appointment of fair trade chief officers and export control chief officers  
→ **Compliance (Obey the law and respect yourself)**
- Establishment of Quality Administration Division and CS Office, appointment of Chief Quality Officer in each business domain companies, incorporation of customer feedback into product development, establishment of Customer Call Center  
→ **Customer-comes-first principle (Never pursue frivolous profit)**
- Implementation of green procurement and environmental quality audits, promotion of CSR procurement  
→ **Relationships with business partners (Win-win-win situation)**
- Active efforts to promote female employees in management, promotion of flexible working patterns, technological and human resources development in China  
→ **Creating employee-friendly environment, employee value (Human assets)**
- Stricter green product criteria, promotion of Clean Factory Accreditation System, efforts to improve energy saving, recycling management  
→ **Environmental protection, environmental management (Win-win-win situation)**
- Matsushita Institute of Government and Management, Matsushita Education Foundation, Panasonic Scholarship  
→ **Development of human resources and leaders (Human assets)**
- Baseball, volleyball and basketball teams  
→ **Promotion of sports (What is done by night appears by day)**
- Art and culture workshops, charity concerts  
→ **Supporting the arts and culture (What is done by night appears by day)**

# VII. Reference (1) – Efforts Made by Kansai Corporations Today – (6/6)

## Efforts by Suntory Limited



- Operation of independent business by company system, system of auditing by internal and external auditors, establishment of departments and committees dedicated to specific issues  
→ **Corporate governance (Obey the law and respect yourself)**
- Establishment of Code of Business Ethics, introduction of internal notification system, constant dissemination of information throughout the company  
→ **Compliance (Obey the law and respect yourself)**
- Introduction of group quality policies, establishment of ad hoc committees, establishment of in-house analysis units, promotion of appropriate disclosure  
→ **Quality assurance (Never pursue frivolous profit)**
- Establishment of dedicated department for addressing customer concerns, ongoing sharing and utilization of customer opinions throughout the company, active information dissemination, product R&D, education on sensible drinking  
→ **Customer-oriented ideal (Never pursue frivolous profit)**
- Fair transactions with business partners based on clear standards, holding of safety promotion events with business partners, close and timely exchange of information and opinions with business partners  
→ **Responsibility to and dealing with the business partners (Win-win-win situation)**
- Realization of "Yatte minahare" (Go for it) climate, promotion of employment of the disabled, wage system linked to employee evaluations, support of career development, support for balancing work with motherhood, fostering of transparent workplace climate  
→ **Creation of employee-friendly working environment, responsibility to and fair treatment of employees (Human assets)**
- Operation of special elderly nursing homes and nursery schools, operational support for incorporated schools  
→ **Social contributions (What is done by night appears by day)**
- Suntory Hall, Suntory Museum of Art, Suntory Museum Tempozan, Suntory Music Foundation, Suntory Foundation, Suntory Foundation and Research Institute for Next Generation  
→ **Contributions to lifestyle enrichment (What is done by night appears by day)**
- Promotion of sports with own rugby and volleyball teams, support of next generation education and training through sporting activities  
→ **Social contributions that convey dreams and excitement (What is done by night appears by day)**
- Development of eco-products, promotion of eco-factories, recycling of containers, preservation of forests, eco-environment for children  
→ **Symbiotic relationship with the environment, environmental protection (Win-win-win situation)**

## VII. Reference (2) – Notes – (1/3)

### **\*1: Ishida Baigan (1685-1744)**

Born as the second son to a farmer in Kameoka (in Kyoto Prefecture). Started as an apprentice for a draper in Kyoto at the age of 11. Bankruptcy of the employer's house caused him to temporarily return to his home in Kameoka. Once again apprenticed at the age of 23. Upon being taught by Oguri Ryouin, began on his journey as a thinker. He argued that merchants gaining legitimate profit were the same as samurai receiving stipends within the *shi-no-ko-sho* class hierarchy of warriors (samurai), farmers, artisans, and merchants in feudal society. He spoke on frugality, honesty, customer satisfaction and corporate ethics, and his philosophy was referred to as *Sekimon Shingaku* (learning of the mind and heart). Along with the Omi merchants' *Sampo Yoshi* (win-win-win situation), he is being reassessed by history.

### **\*2: Sumitomo Masatomo (1585-1652)**

The founder of the Sumitomo Family. Born as the second son in a Samurai household. Moved to Kyoto with his mother at the age of 12, at which time he entered the Buddhist priesthood. Exiled due to religious oppression by the Tokugawa Shogunate. Was released from exile and returned to Kyoto to open 'Fujiya,' which handled books and pharmaceuticals. Was not a pure merchant, but preached the business spirit from the perspective of a person of religion.

### **\*3: Shimomura Hikoemon Shokei (1688-1748)**

Born in Settsu (in Osaka Prefecture). He peddled used clothing as the family business, actively carving out new sales channels for countryside peddling. After witnessing the Daimonji Bonfires on Higashiyama (Kyoto), he perceived it to be a symbol of prosperity and established a draper in Kyoto Fushimi by the name of 'Daimonjiya.' The logo featured a large circle and the character for 'Dai.' The circle signified everything under the sun. The 'Dai' character combines the character for 'person' and 'one.' This naming represented his intention to become a merchant second to none. The name was subsequently changed to the current Daimaru Department Stores.

### **\*4: Iida Shinshichi (1803-1874)**

The founder of Takashimaya Department Stores, as it is known today. Hailed from Echizen-Tsuruga (in Fukui Prefecture) and initially apprenticed at a draper in Kyoto. His apprenticeship was recognized and he entered the family by marrying the oldest daughter, Hide, of Takashimaya's master Iida Gihei. He subsequently opened 'Takashimaya,' a store of the same name as that used by the main branch of the family. It handled used clothing and cotton.

### **\*5: Hirose Saihei (1828-1914)**

Born as the second son of a physician in Shiga Prefecture. Began working at Sumitomo at the age of 11. Became the general manager of the Besshi Copper Mine at the age of 38. Modernized the mine by his active introduction of Western technology. Established the unassailable foundation of Sumitomo management and served as the company's first Director General.

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- "Osaka Brand Resources Report" by Osaka Brand Committee
- "Shoka no Kakun: Akinai no Chie to Okite" by Yamamoto Shinko
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## VII. Reference (2) – Notes – (2/3)

### **\*6: Nishikawa Jingoro (1582-1675)**

A merchant from Hachiman (in Shiga Prefecture), he was the second generation patriarch of the Nishikawa Family. Considered as the individual who developed the venerable franchise, Nishikawa Sangyo, commonly known as 'Futon no Nishikawa.' Inspired by verdure shone upon by the rays of the sun, he developed a mosquito net dyed light yellowish green with a crimson cloth edge, which became a very popular new product. He created the foundation for the prosperity of the Nishikawa Family. The family has a famous kakun known as 'Sadame no Koto' (code) that was documented at the end of their 1807 'Kanjō Mokurokucho' (ledger).

### **\*7 Nakamura Jihei (1685-1757)**

He was a merchant from Gokasho (in Shiga Prefecture). He purchased hemp thread from adjacent feudal domains, and then distributed it to farmers during the slack season so that they could weave hemp cloth. He draped the cloth over a shouldering pole and set out for Shinano (present Nagano Prefecture) to sell his wares. In time, not only was he purchasing the thread from adjacent feudal domains, but he also began to carry home the thread he had purchased while peddling his wares. He developed a style of business (*Nokogiri Akinai*) by which he would take his products to the customer and bring back the raw materials. His '*Kakioki*' (essay) penned at the age of 70 includes a famous *kakun* passage.

### **\*8: Yao Kihei (1711- ?)**

The founder of the current Yao Honten, a sake brewer. Was born as the second son of a farming family in Hino, Omi (present Shiga Prefecture), but strived to be a merchant in reverence of the activities of Musashi-no-kuni Chichibu near Edo (present Tokyo). His 25 years of apprenticeship was recognized and he started his own sake brewery by the name of 'Masuya Rihei.' He is an example of someone who succeeded by climbing the social ladder from a mere apprentice.

### **\*9: Nakai Genzaemon (1716-1805)**

Born as the oldest son of a wooden bowl wholesaler. Father died when he was an infant. He began peddling at the age of 19. Despite limited funds, he was a business genius, showing the special Omi merchant brand of tenacity and incorporating a commercial style of low-margin and high-turnover. His customers could be found throughout the Kanto region (Tokyo and surrounding areas) and as far as Kai (present Yamanashi Prefecture) and Shinano. He detailed how to succeed as a merchant in his '*Kanemochi Shonin Ichimai Kishomon*' (One Page Testament of a Wealthy Merchant).

### **\*10: Kobayashi Ginemon (1777-1854)**

Born in what is currently known as Kotakari Village in Higashi-Omi City (in Shiga Prefecture). He was a merchant from Koto (the east shore of Biwako Lake). Peddled rouge, kimono (drapery) and dyed goods. Shops in Edo (present Tokyo) and Kyoto both prospered. Appointed as the money changer to the Hikone feudal clan (in present Shiga Prefecture). His style of commerce, referred to as '*Chogin*,' has been passed on to this day to Chogin Co., Ltd. in Nihonbashi, Tokyo. Wrote his *kakun* '*Shiawase no Jomoku*,' based on which a form of forced retirement was justified.

### **\*11: Tonomura Yozaemon**

The founder family of Tonoyo Co. Ltd., a long-standing textile company. Originally was a Gokasho merchant. During his time, the 5th Tonomura Yozaemon felt that it would be difficult for the family to prosper in agriculture alone, so he purchased hemp cloth and started peddling it throughout a broad region stretching from Osaka, Sakai (near Osaka) to Himeji (near Kobe). It was the 10th Tonomura Yozaemon who established the *kakun* '*Kokoroesho* (1856)' (a book of directions), which has been handed down to the present day.

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(Sources)

- "*Shoka no Kakun: Akinai no Chie to Okite*" by Yamamoto Shinko
- "*Edo Shoka no Kakun ni Manabu Akinai no Genter*" by Arata Koji
- Shiga Prefecture Industrial Support Center's *Sampo Yoshi* Website  
<<http://www.shigaplaza.or.jp/sanpou/index.html>>

## VII. Reference (2) – Notes – (3/3)

### **\*12: Ito Chubei (1842-1903)**

Born in Toyosato-cho in Shiga Prefecture. Began to peddle hemp cloth at the age of 15 and headed for Kyushu. It was the time when the isolation policies of the Tokugawa Shogunate came to a close and overseas trade had just begun at Nagasaki. Word of the prosperity lured him to trade, leading to his subsequent establishment of the general trading firm, Itochu Corporation.

### **\*13: Kubota Gonshiro (1870-1959)**

The founder of Kubota Corporation. Born in Hiroshima. At the age of 15, he left for Osaka to serve in an apprenticeship in a foundry. Founded the company as a casting manufacturer in 1890. In an age when there was an impending demand for modern water works, he began manufacturing cast-iron pipes for water supply (large-sized water pipes without joints) in 1893. Subsequently succeeding at mass production, the products were used in water pipes in Osaka and Tokyo and served as the foundation of the company's growth.

### **\*14: Kobayashi Ichizo (1873-1957)**

Born in Yamanashi Prefecture. After graduating from Keio University, worked at Mitsui Bank (currently Sumitomo Mitsui Banking Corporation) and made a career switch to a securities company. However, he lost his job due to the great depression. After that, he opened up railway lines for the Minoh Arima Electric Railway Company (the current Hankyu Takarazuka Minoh Line). He built a large bathing facility in Takarazuka City, established the Takarazuka Revue Company, launched Hankyu Department Stores, developed Toho and initiated many other businesses, making the Hankyu-Toho Group (currently the Hankyu Hanshin Toho Group) a huge success.

### **\*15: Torii Shinjiro (1879-1962)**

Born as the second son to an Osaka money changer. At the age of 13, he entered into an apprenticeship in Konishi Gisuke Shoten, a drug wholesaler, in Dosho-machi, Osaka, where he developed the skills to become a pioneer in the whiskey distilling business. At the age of 20, he opened up Torii Shoten (the current Suntory). He sold port wine that suited the Japanese palate as well as the first domestic whiskey. He made Kotobukiya (the current Suntory) a popular household name with new pioneering products along with novel and very unique advertising methods.

### **\*16: Matsushita Konosuke (1894-1989)**

Built up Panasonic (Matsushita Electric Industrial) in his lifetime. Born as the youngest of eight children and the third son to a farming family in Wakayama Prefecture, he began work as an apprentice at the tender age of 9. At 15, he joined what is currently known as the Kansai Electric Power Company (then the Osaka Electric Light Company), working there for six years. At 23, he founded the Matsushita Electric Housewares Manufacturing Works. In 1932, he announced the true mission of the company. In 1935, he incorporated his company as Matsushita Electric Industrial Co., Ltd. and the divisions (system, instituted in 1933) were reorganized into an internal division company system. Besides busying himself with the company's business, he also devoted his energy to unprecedented contributions to society, such as establishment of the PHP Research Institute and the Matsushita Institute of Government and Management, which he privately funded.

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#### (Sources)

- "*Watakushi no Yukikata*" by Kobayashi Ichizo
- "*Matsushita Konosuke no Mikata, Kangaekata*" edited by PHP Research Institute
- Itochu Corporation Website <[http://www.itochu.co.jp/main/index\\_e.html](http://www.itochu.co.jp/main/index_e.html)>
- Kubota Corporation Website <<http://www.kubota.co.jp/english/index.html>>
- Suntory Limited Website <<http://www.suntory.com/>>



## VII. Reference (3) – Sources –

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"Edo ni Manabu Kigyo Rinri: Nihon ni okeru CSR no Genryu" by Genma Akira and Kobayashi Shunji (JPC-SED)  
"Kigyo Rinri towa Nanika: Ishida Baigan ni Manabu CSR no Seishin" by Hirata Masahiko (PHP Research Institute)  
"Nihonteki Keiei no Genryu wo Tazunete" by Horide Ichiro (Reitaku University Press)  
"Matsushita Konosuke no Mikata, Kangaekata" edited by PHP Research Institute (PHP Research Institute)  
"Watakushi no Yukikata" by Kobayashi Ichizo (PHP Research Institute)

### (2) URLs

Itochu Corporation	<a href="http://www.itochu.co.jp/main/index_e.html">http://www.itochu.co.jp/main/index_e.html</a>
Osaka Gas Co., Ltd. (*CSR)	<a href="http://www.osakagas.co.jp/kankyo_e/index.html">http://www.osakagas.co.jp/kankyo_e/index.html</a>
Ganko Food Service Co., Ltd.	<a href="http://www.gankofood.co.jp/syokai.html">http://www.gankofood.co.jp/syokai.html</a>
Kubota Corporation	<a href="http://www.kubota.co.jp/english/index.html">http://www.kubota.co.jp/english/index.html</a>
Suntory Limited (*CSR)	<a href="http://www.suntory.com/about/standards.html">http://www.suntory.com/about/standards.html</a>
Shiga Prefecture Industrial Support Center (Sampo Yoshi)	<a href="http://www.shigaplaza.or.jp/sanpou/index.html">http://www.shigaplaza.or.jp/sanpou/index.html</a>
Sumitomo Group Public Affairs Committee	<a href="http://www.sumitomo.gr.jp/english/index.html">http://www.sumitomo.gr.jp/english/index.html</a>
Nippon Life Insurance Company	<a href="http://www.nissay.co.jp/english/index.html">http://www.nissay.co.jp/english/index.html</a>
Matsushita Electric Industrial Co., Ltd. (*CSR)	<a href="http://panasonic.net/csr/">http://panasonic.net/csr/</a>

## VIII. Committee Activities

### 2006

- July 10: Chairperson and Vice-chairpersons' Committee  
"FA2006 Action Policy"
  
- August 28: Chairperson and Vice-chairpersons' Committee  
"Social and Public Activities by Nippon Life Insurance Company"  
Lecturer: Mikami Takuya,  
Chief Manager Public Affairs Dept.,  
Nippon Life Insurance Company  
  
"CSR at Suntory"  
Lecturer: Naiki Kenji,  
Executive General Manager, Corporate Social Responsibility  
(CSR) Department, Suntory Limited
  
- September 19: Lecture meeting/Chairperson and Vice-chairpersons' Committee  
"The Lights and Shadows of Corporate Management in the U.S."  
Lecturer: George Hara,  
Group Chairman and CE, DEFTA Partners
  
- November 7: Chairperson and Vice-chairpersons' Committee  
"Learning Corporate Management from Matsushita Konosuke"  
Lecturer: Nakao Naofumi,  
Ex-Assistant General Manager, Corporate Personnel Dept.,  
Matsushita Electric Industrial Co., Ltd. and current Headmaster of  
Hibarigaoka Gakuen Junior and Senior High School
  
- December 11: Lecture meeting/Chairperson and Vice-chairpersons' Committee  
"Expectations for the Corporation from the Perspective of  
Consumers"  
Lecturer: Hiwasa Nobuko,  
Director of Snow Brand Milk Products Co., Ltd.

### 2007

- January 13: Staff Meeting  
"Direction of How to Integrate the Recommendations"
  
- February 26: Chairperson and Vice-chairpersons' Committee  
"Direction of How to Integrate the Recommendations"
  
- March 30: Chairperson and Vice-chairpersons' Committee  
"Deliberations on the Recommendations (Draft)"

# IX. Member List

## **Committee chairperson**

Torii Shingo                      Senior Executive Vice President  
Representative Director of the Board, Suntory Limited

## **Committee vice-chairpersons**

Taki Tetsuro                      Senior Managing Director,  
Nippon Life Insurance Company

Saeki Go                              President, The Japanese Institute of Certified Public Accountants  
KINKI Chapter

Sakai Takashi                      Operating Officer, Osaka Gas Co., Ltd.

Toyota Takashi                      Chief Compliance Officer, Naito Securities Co., Ltd.

Igaki Takako                        President, Art Associates Japan Inc.

Konoike Tadahiko                    President, Konoike Transport Co., Ltd.

Kumagai Kyoko                      President, Kumalift Co., Ltd.

Ogura Hiroyuki                      President & CEO, Sushiman Co., Ltd.

Nomura Takuya                      President & CEO, Super Station, Inc.

Kojima Tatsunori                    Director, Ganko Food Service Co., Ltd.

Tanaka Takuya                      Region Manager West Japan Public Sales, Cisco Systems, K.K.

Morita Giichi                        Senior Executive Officer, Teijin Limited

Uchida Hiromichi                    Managing Officer, Obayashi Corporation

## **Committee staff**

Kanashima Taizo                    General Manager,  
Suntory Osaka Secretarial Department, Suntory Limited

Masuji Ayako                        Suntory Osaka Secretarial Department, Suntory Limited

Aoki Kazuyuki                        General Manager, Public Relations Dept.,  
Nippon Life Insurance Company

Seki Michiyasu                      Assistant Manager, Corporate Research Office,  
Secretariat, Osaka Gas Co., Ltd.

Tanaka Yoshimi                      Manager, Internal Auditing Dept., Naito Securities Co., Ltd.

Tanaka Ikuo                          Assistant Manager, Kumalift Co., Ltd.

Tasaki Yukiko                        Vice President Producer, Super Station, Inc.

Takesue Yasumichi                    General Manager Human Resources Department,  
Teijin Creative Staff Co., Ltd.

## **Kansai Keizai Doyukai co-chairpersons' staff**

Ohno Kei                              Manager, General Affairs Department,  
Nippon Telegraph and Telephone West Corporation

Sumita Kazuya                        Assistant Manager, General Affairs Department,  
Nippon Telegraph and Telephone West Corporation

Noda Michio                         General Manager Planning Department,  
Ganko Food Service Co., Ltd.

Hirose Shigeo                        General Manager Planning Department,  
Ganko Food Service Co., Ltd.

## **Secretary**

Hagio Senri                            Managing Director, Kansai Keizai Doyukai

Saito Michihiro                        Secretary General, Kansai Keizai Doyukai

Matsuo Yasuhiro                      Assitant Secretary General, General Manager of Planning and  
Research Department, Kansai Keizai Doyukai

Kaneko Shuichi                        Deputy General Manager, Planning and Research Department,  
Kansai Keizai Doyukai

## **Translation**

Interact Japan, Inc.                    <[www.interactjapan.jp/](http://www.interactjapan.jp/)>