

**"Report on Relief Efforts by the Business
Community for the People and Regions
Affected by the Great East Japan Earthquake
– Mutual-Assistance Efforts by the Business Community –"**

Overview

March 2012

KEIDANREN

(Japan Business Federation)

Committee on Corporate Philanthropy

1% (One-Percent) Club

I. Characteristics of the damage caused by the Great East Japan Earthquake

1. The earthquake caused very considerable damage over a vast area. Numerous towns and villages ceased to function as municipal entities, and in consequence it was difficult to undertake emergency relief and other activities quickly.
2. Many of the disaster-stricken areas are located far from urban centers, making it difficult to obtain information on matters such as the state of damage. Many areas also suffered food shortages owing to factors such as impassable roads and lack of fuel, and procurement of relief supplies immediately after the disaster was very problematic.
3. Large numbers of children were orphaned. Educational support for children, and the raising of next-generation children will remain very important issues.
4. There were many areas in which not only families but also entire communities were destroyed. Since it is expected that the psychological scarring of disaster victims will persist, measures to address mental-health care will also be important.
5. Disaster-prevention and disaster-reduction measures are also important, and there are many locations in which those measures must include steps such as the transfer of residential areas and communities to higher ground. It is expected that when formulating reconstruction plans in the future, consensus-building among residents will be difficult.
6. There are also many places in which not only residential areas have been destroyed, but also the industrial structure, and reconstruction will take a long time to achieve. Given that there is also an outflow of young people from such areas, employment creation is a major issue.
7. The accident at the nuclear power plant has given rise to economic damage caused by harmful rumors and to the long-term flight of inhabitants to other areas both inside and outside the prefecture in which it is located. This has had a considerable impact on people's lives and on business activity.

II. Record of philanthropic activities by the business community

1. KEIDANREN established the 1% (One-Percent) Club and the Committee on Corporate Philanthropy in 1990, for the purpose of engaging in philanthropic activities such as organizing contributions and volunteer activity by companies and individuals.

KEIDANREN and the 1% Club have been active since then, in particular at times of major natural disasters within Japan or overseas, in providing information relating to the making of donations and the solicitation of contributions. Numerous companies have engaged in assistance activities, including the making of financial contributions.

<Corporate spending on assistance to disaster-stricken areas in recent years>

	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005	FY2004
Amount disbursed	¥2.1 bn	¥3.5 bn	¥6.4 bn	¥5.0 bn	¥11.7 bn	¥2.4 bn	¥5.6 bn
No. of companies participating	226	194	313	273	274	310	387
Participating companies/Respondent companies	55.5%	55.7%	80.1%	70.9%	63.4%	70.1%	90.0%

2. At the time of the Great Hanshin-Awaji Earthquake of 1995, *KEIDANREN* and the 1% Club appealed to companies for cash donations, material supplies, volunteer activity by business persons, etc., and participated with civic organizations in relief operations.

As a result, the business community recognized the importance of voluntary organizations with differing values engaging in activities from their varied perspectives, and that collaboration and cooperation between companies and civic organizations can help build a better society.

II. Record of philanthropic activities by the business community

3. *KEIDANREN* has helped build the foundations of NPOs (non-profit organizations) / NGOs (non-governmental organizations), supported them, and enhanced inter-organization collaboration. Specifically, *KEIDANREN* approved moves such as the enactment of Act on Promotion of Specified Non-profit Activities in 1998 (Act No.7 of 1998) and the expansion of preferential tax treatment for donations in 2001, and lobbied in their favor.

In 2005 *KEIDANREN* participated in the establishment of the Joint Committee for Coordinating and Supporting Voluntary Disaster Relief Activities (Shien-P), collaborating with companies, NPOs, councils of social welfare, community chests, etc., to provide funds, materials, personnel, etc., for disasters occurring in Japan.

KEIDANREN also supports the Japan Platform (JPF), established in 2001, through which it appeals to companies for financial assistance at times of natural disasters overseas, and has been cooperating in the management of the organization.

Other than at times of disaster, *KEIDANREN* also has made steadfast efforts towards the building of networks of companies and NPOs/NGOs, for example by providing places for discussions between companies and NPOs/NGOs.

4. According to the 2010 *KEIDANREN* Survey on Corporate Philanthropic Activities, its system relating to corporate philanthropic activities is becoming increasingly well-entrenched. The survey showed, for example, that within the component of company CSR activities dedicated to corporate philanthropy, 68% of respondents stated that their policy on corporate philanthropic activity had been codified, 64% replied that they had established dedicated units and appointed responsible personnel, 50% stated they set aside a budget for corporate philanthropic activity, and 48% stated they had introduced schemes to permit employees to take leave to undertake volunteer activities.

In addition, the 2008 *KEIDANREN* Survey on Corporate Philanthropic Activities found that more than 70% of respondent companies had contact of some kind with NPOs/NGOs, while more than 40% were conducting joint activities with them. Findings such as these demonstrate that progress has been achieved in networking between individual companies and NPOs/NGOs.

<Support for and collaboration with NPOs/NGOs>

	FY2002	FY2005	FY2008
Contact of some kind	61.2%	67.6%	74.3%
Support (Contributions, goods, access to facilities, etc.)	44.1%	49.9%	60.5%
Collaborative activity	26.3%	32.7%	44.4%



The steady buildup of corporate philanthropic activity within the business community, and the record of collaboration and cooperation between the business community and other entities, culminated in the provision of relief to the Great East Japan Earthquake victims and disaster-stricken areas.

III. Assistance activity by the business community

1. Characteristics

(1) Considerable support by numerous companies and organizations

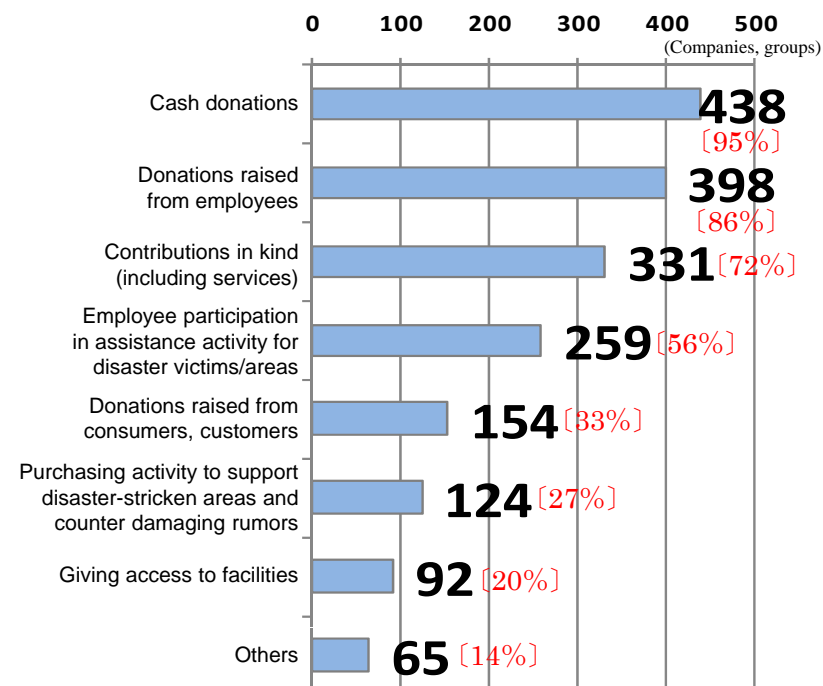
Support by companies and organizations totals approx. ¥100 billion. In addition to amounts of support collected from appeals by companies and organizations to employees, consumers, and customers, the support provided by the business community as a whole totaled approx. ¥120 billion.

<Assistance by entire business community>

(Unit: ¥100 million)

Category		Amount	
		Amount	Ratio
1.	Assistance by companies	904	74%
	(a) Cash donations	715	58%
	(b) Contributions in kind (incl. services)	148	12%
	(c) Contributions matching fund-raising from employees, stores	27	2%
	(d) Others	14	1%
2.	(1) Assistance raised by organizations	90	7%
	(2) Assistance from organizations themselves	16	1%
Subtotal (Assistance by companies, organizations)		1,011	83%
3.	Donations by employees, consumers, customers collected from appeals	213	17%
Total (Assistance by entire business community)		1,224	100%

<Number of companies by type of assistance>



(2) Diverse assistance activity by utilizing core business

In addition to straightforward donations and assistance funds* and contributions of relief supplies, companies have also combined their own funds, materials, personnel, services, know-how, etc., to engage in diverse assistance operations that take advantage of their own core business activities.

* "Donations" here means money given directly to disaster victims, and "assistance funds" means money given to support the rehabilitation and reconstruction work of NPOs, etc.

«Examples of assistance operations that take advantage of core business activities using combinations of resources»

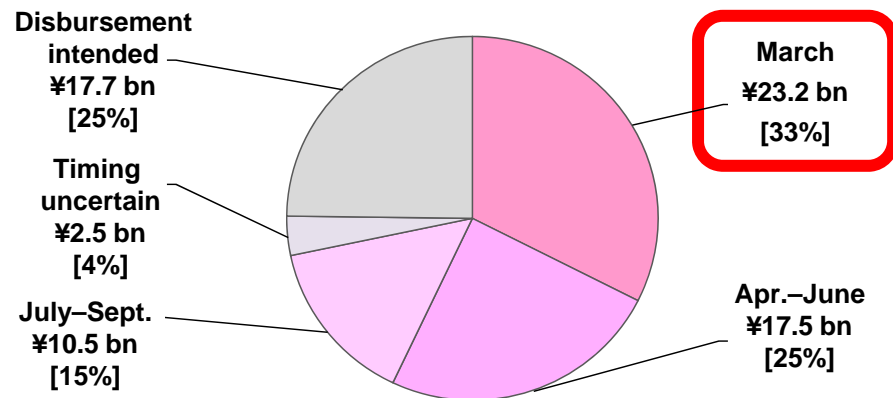
- Companies not only donate their products, but their employees sort and pack them and distribute them to evacuation centers and temporary dwellings.
- Companies provide free PCs, IT-related equipment, etc., and their employees also handle on-site installation, provision of databases, photocopying, and other services.
- Companies provide materials and technologies to clean disaster victims' photographs, and their employees also participate in the process of cleaning the photographs.
- Company employees serve as volunteers to conduct science and sports classes for children in disaster-stricken areas.

(3) Rapid relief, and commitment to long-term assistance

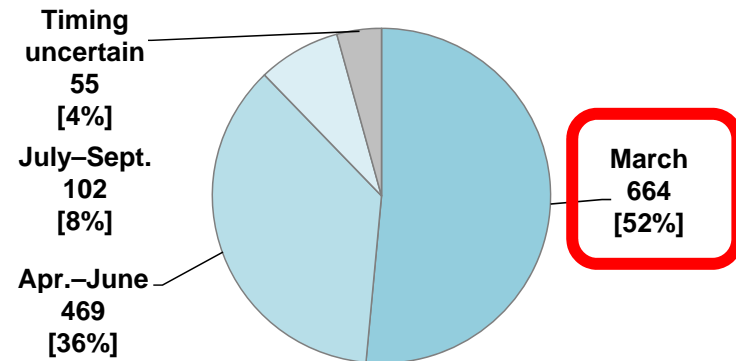
Companies provided relief extremely rapidly, demonstrated by the fact that 33% (¥23.2 billion) of cash donations and 52% (664 cases) of contributions in kind were made and provided by the end of March 2011. In addition, given that a long period will be required for reconstruction, some companies are providing aid continuously for periods of three to five years.

Also, companies were successful in addressing the needs of disaster-stricken areas as they changed over time and giving appropriate support.

<Timings of making cash donations (Amounts)>



<Timing of making contributions in kind (Cases)>



(4) Volunteer activity by business persons, and company support

Approximately 260 companies invited their employees to participate in volunteer activity, resulting in participation by a total of some 180,000 employees (largest number ever).

The companies responded by giving various types of support to their activities. They planned their own volunteer programs , provided the employees with space for those activities, and established or expanded schemes to grant leave to volunteers, etc.

<Employee participation, by organizer>

Category	No. of companies implementing activities or informing their employees of activities		No. of employee participants				Total no. of employee participants	
		Ratio		Ratio	Done	Pending		Ratio
(1) Employee participation in assistance activities for disaster victims/areas planned by own company/group	170	65.6%	52,017	80.4%	42,232	9,785	139,312	76.6%
(2) Employee participation in assistance activities for disaster victims/areas planned by other bodies (participation at the invitation/introduction of own company/group)	184	71.0%	12,685	19.6%	11,754	931	42,667	23.4%
Total (1+2)	259	-	64,702	100.0%	53,986	10,716	181,979	100.0%

(5) Collaboration and cooperation with national and local governments and NPOs/NGOs

There are many cases of collaboration between companies and the national and local governments, for example for provision of relief supplies and services resulting from requests by the national government or contacts with local governments. In addition, based on a history of collaboration and relationships of trust built up prior to this disaster, there have been many cases of collaboration and cooperation between companies and NPOs/NGOs.

Specifically, companies and NPOs/NGOs have collaborated and cooperated in the conduct of assistance activities that have included the provision of relief supplies, the payment of scholarship funds, the dispatch of volunteers, and the holding of various events.

«Examples of assistance activities through collaboration and cooperation with NPOs/NGOs and local governments»

- Information exchanges with the national government and local government bodies during the provision of relief supplies.
Distribution of company products to evacuation centers and temporary dwellings has been carried out with assistance from local government bodies and NPOs/NGOs.
- Activities carried out under company volunteer programs have been implemented in collaboration with NPOs/NGOs operating locally.
- Provision of funds, support, etc., have been implemented in cases in which corporate aid objectives coincide with the objectives of programs being implemented by NPOs/NGOs, including for scholarship and other education-related programs, mental-health programs, and various events.
- Aid programs have been developed in conjunction with NPOs with regard to themes to which companies are giving priority (e.g. the raising of next-generation children, life, the environment).

«Examples of assistance activities through collaboration within groups and with other companies in the business community»

- Volunteer programs have been conducted jointly with companies in groups in different industries.
- Various industries have endorsed agriculture and fisheries reconstruction projects and provided financial and material support.

2. Types of assistance

<Assistance as part of corporate philanthropic activities (Free assistance)>

Provision of funds

Donations and assistance funds to NGOs, etc.
Establishment by companies of scholarship programs managed by themselves
Contributions linked with sales, etc.
Funds raised from employees
Contributions raised from consumers through store collections
Holding of charity events
Matching contributions, etc.

Provision of personnel, services, know-how

Distribution of company products and provision of service relating to product use
Provision by companies of their own service and specialist skills
Dispatch of employee volunteers
Holding of events, seminars, etc.
(Holding of entertainments and sports classes for children)

Provision of supplies

Provision by companies of their own products
Procurement from the markets
Provision of in-house emergency stockpiles
Supply of goods by individual employees, etc.

Purchasing of produce from disaster-stricken areas

Holding of in-house markets for direct selling (Sale of farm and fishery products and processed foods produced in the Tohoku and Kanto regions to company employees, etc.)
Incorporating foods from the disaster areas into the menus in company cafeterias, etc.

Access to company facilities

Provision of company land, staff residences, etc.

<Assistance as part of core business activities (Profit-making business)>

Rapid restoration of infrastructure, rapid performance of contracts, continuation of production, early reopening of commercial facilities, holding of local-produce fairs, etc., by retailers, construction of new factories and offices and increase in employment in disaster-stricken areas, etc.

Note: There have been many cases of assistance activities encompassing multiple types of assistance by making use of companies' core-business resources.

3. Summary of a questionnaire survey

1. Purpose of the survey

With regard to the Great East Japan Earthquake on March 11, 2011, many companies and organizations implemented diverse assistance activities for disaster victims and disaster-stricken areas with their own funds, materials, personnel, etc.

Then, *KEIDANREN* investigated assistance activities by business community, for the purpose of recording the efforts by business community, asking to the people for understanding activities of business community, and using the other companies' "good practices" as a reference to ensure readiness for future large-scale natural disaster.

2. Contents of the survey

(1) Survey of corporate relief activities for the disaster victims and disaster-stricken areas:

- a. Disbursement for relief activities, Number of participant in volunteer activities, etc.
- b. Specific examples of corporate relief activities
- c. Mechanisms and arrangements to promote relief activities

(2) Survey of organizations' relief activities for the disaster victims and disaster-stricken areas:

- a. Disbursement for relief activities, Number of participant in volunteer activities, etc.
- b. Specific examples of organizations' relief activities

note: In this survey, as a principle, the activities performed by receiving a countervalue from recipients (including performances of contract with counterparty) are excepted from the object. But part of those activities are included in the object of this survey.

3. Targets of the survey

Member companies and organizations(e.g. industrial associations, employers' associations of the prefecture) of *KEIDANREN* and corporate members of the 1% Club. (1,485 companies and organizations in total.)

4. Bodies in charge of the survey

The Committee on Corporate Philanthropy of *KEIDANREN* and the 1% Club

5. Date of the survey

October to November, 2011

6. Number of respondents

461 companies and groups (Response ratio: 35.2%, Those include approximately 9,400 subsidiaries.)

53 organizations (Response ratio: 30.3%)

4. Steps taken by *KEIDANREN*

- Established Great East Japan Earthquake Headquarters (headed by Chairman Yonekura) on March 14, 2011
- Implemented assistance of various kinds, with the cooperation of member companies and organizations, to address changes in conditions in disaster-stricken areas

(1) Financial cooperation

- KEIDANREN* appealed, through the *KEIDANREN* website, 1% Club News, etc., to companies and organizations for cooperation in the forms of donations and assistance funds.

Note: Assistance funds requested through *KEIDANREN* and 1% Club

- Working funds for the Joint Committee for Coordinating and Supporting Voluntary Disaster Relief Activities (Shien-P)
 - The Disaster Relief Volunteer & NPO Support Fund
 - Japan Platform (Co-existence fund, etc.)
- KEIDANREN* participated in selection of Central Community Chest of Japan designated donations and Japan Platform (JPF) aid recipients.



The *Yamatai* transports Relief Supplies Hot-Line supplies
(Photograph: NYK Line)

(2) Cooperation in providing relief supplies

- KEIDANREN* established direct ties with prefectural governors in disaster-stricken areas, and in cooperation with companies and organizations conducted "Relief Supplies Hot-Line" to deliver relief supplies essential to those areas. (First activity of its kind by *KEIDANREN*)
Delivered approx. 300 tons of supplies to Iwate, Miyagi, and Aomori Prefectures by road, sea, air and self-defense-force routes.
- KEIDANREN* cooperated in activities such as provision of supplies to local disaster volunteer centers (prefab materials, vehicle leases, bicycles, IT equipment, etc.)
- KEIDANREN* cooperated in supply to disaster-stricken areas of relief goods in "Uru-Uru Pack" sets of items essential to daily life (school supplies, toiletries, etc.)



Delivery of an Uru-Uru Pack to elementary-school children

(3) Cooperation with volunteer activities

- a. *KEIDANREN* collaborated with the Joint Committee for Coordinating and Supporting Voluntary Disaster Relief Activities (Shien-P) to implement a "volunteer program for business persons" from late April to early August.

Some 2,100 business persons from 49 companies took part, being dispatched to disaster-stricken areas in Iwate, Miyagi, and Fukushima Prefectures. Their tasks including clearance of disaster waste and removal of sludge from the stricken areas.

- b. *KEIDANREN* recruited volunteers for such tasks as packing Uru-Uru Pack relief goods. More than 500 business persons in Tokyo and Nagoya participated.



An activity in the volunteer program for business persons

(4) Assisting stricken areas by reviving consumption

- a. *KEIDANREN* assisted the agriculture and fisheries sectors and food-related businesses in the Tohoku and Kanto regions, which have suffered severe economic damage as a result of the disaster and harmful rumors.

- *KEIDANREN* has formed a structure for liaison with affected relevant local governments, agricultural organizations, consumer organizations, and other bodies, and acts as an intermediary between companies and agricultural and other organizations.
- Companies have taken measures such as holding in-house markets for direct selling and incorporating foods from the disaster areas into the menus in their staff cafeterias.



An in-house market

IV. Revealed issues

1. Local governments also suffered from the disaster, with the result that it has taken a long time for donations to reach disaster victims.
⇒ In a large-scale disaster affecting numerous urban and rural prefectures it is vital for all parties concerned to give in-depth study to measures to ensure that donations reach disaster victims quickly but are distributed fairly.
2. With regard to the large amounts of assistance funds raised from companies, townpeople, and others, matching with NPOs/NGOs has been difficult.
⇒ In order to deepen collaboration between companies and NPOs/NGOs and to enhance matching capabilities, intermediary assistance organizations have a major role to play.
3. There have been issues with regard to the transportation of relief supplies and the securing of fuel, and to the efficiency of the apportionment and provision of the supplies.
⇒ It is essential for not only the national government and local government bodies, but also companies and NPOs/NGOs, to study a comprehensive mechanism for the rapid and efficient procurement, transportation, management, and provision of relief supplies.
4. When companies have planned their own volunteer programs they have faced serious difficulty with regard to the selection of program destinations and partners.
⇒ Study must be given to the creation of mechanisms for sharing information relating to human support between companies, local governments, and NPOs/NGOs.
5. There have been weaknesses with regard to dealing promptly with offers of donations or relief supplies sent by overseas companies.
⇒ It is essential to develop a structure for accepting assistance from overseas, including a mechanism for dispatching appropriate information overseas in a timely manner.

V. Issues to be addressed

1. Assistance activity as part of corporate philanthropy during the reconstruction period

(1) Importance of continued assistance

- a. Recovery from the disaster will take a long time, so it will be necessary to undertake prolonged assistance activity.
⇒ A key factor for sustaining ongoing assistance will be for companies and the business community to implement assistance in fields in which they can exploit their own special characteristics and strengths, and fields in which they can comply with the priority themes of corporate philanthropic activity.

(2) Addressing the differing changing needs of individual areas in collaboration with government bodies and NPOs/NGOs

- a. The stage in which relief activities entail simply the provision of supplies, etc., free of charge to disaster victims and disaster-stricken areas has ended. From now on, it is essential for the emphasis to switch to assistance activities that stimulate the self-reliant revival of local economies and the creation of a sustainable society in an environmentally conscious manner.
The state of damage and of reconstruction differs from area to area, and this will demand an approach that is not uniform, but fine-tuned to individual circumstances.
⇒ In order to transfer the role of principal actor in assistance activity to NPOs that have roots in each locality, it is necessary for NPOs/NGOs from outside the disaster region that have been active during the emergency-relief period to take the lead in nurturing local NPOs.
- b. If companies assist businesses damaged by the disaster for the purpose of fostering industrial recovery, it may be difficult for them to make cash donations directly to those businesses (since that may be deemed to constitute investment).
⇒ A possible means of doing this is to employ a mechanism in which businesses damaged by the disaster are assisted via contributions to NPOs/NGOs.



To revive the strength of companies it will be important to further enhance collaboration with the government and citizen sector, etc.

2. Steps to prepare for future large-scale natural disasters

At the Great East Japan Earthquake, the national and local governments, companies and organizations, NPOs/NGOs, and other entities have to some degree drawn upon experience gained since the Great Hanshin-Awaji Earthquake. Particular progress has been made in collaboration between companies and NPOs/NGOs. It will now be necessary to give further study to the following.

- With regard to the needs of disaster victims and disaster-stricken areas relating to emergency relief and medium to long-term assistance, the enhancement of capabilities for timely and appropriate procurement and provision, and the structuring of more effective matching mechanisms.
- The enhancement of the functions of NPO/NGO intermediary organizations, in order to deepen collaboration between companies and NPOs/NGOs, and to conduct activities linked very closely with disaster victims and disaster-stricken areas.
- The study of measures for promoting collaboration with regard to assistance activity between companies and organizations.
- The taking of steps to permit in times of emergency the flexible application of regulations that impede emergency relief and rehabilitation and reconstruction activities.
- The improvement of the system for accepting assistance from overseas governments and companies.
- The creation of mechanisms for third-party evaluation of assistance activities by the business community, in order to verify whether or not assistance activities by companies and organizations are helpful to disaster victims and disaster-stricken areas.
- The giving of consideration to ensuring that the focusing of attention on emergency relief in response to disasters does not lead to the slackening of corporate philanthropic activities in normal periods other than at times of disaster, including contributing to NPOs/NGOs' normal activities.