

Kenkokeiei To Build A Better Future

-Expanded version: Considerations on the future of Kenkokeiei-

July 19, 2021

**Kenkokeiei Nonprofit Organization
Health and Longevity Industry Association
Kenkokeiei Council's Executive Committee**

■ Introduction

The term “Kenkoikei” means investment for healthy employees and creative productivity. In 2006, Kenkoikei Nonprofit Organization advocated the need for "Kenkoikei" that would integrate within corporate management the two far-removed concepts of "health" and "management." Thanks to the support received, a great number of managers have since tackled Kenkoikei with assistance from central and local governments. However, in 2021, 16 years since the project was launched, the world is facing dramatic changes that no one could have predicted as a result of the Covid-19 emergency. As the saying goes, "everything is in a state of flux," and it's time to modify and evolve social mechanisms no longer in tune with the world in order to meet the changing times.

Ever since we introduced the concept of Kenkoikei, we never stopped working on the "creation of 'human capital' through health." From the standpoint of working conditions and occupational safety, improving the level of health care is still an important perspective in promoting Kenkoikei. However, when considering the future of Kenkoikei, it is necessary to keep in mind that investing in ESGs (environmental, social, and governance-conscious initiatives), SDGs (sustainable development goals) and other areas of the circular economy will become in the near future a globally integrative theme with a major impact on corporate management. This trend is expected to have a significant impact on Japanese small and medium enterprises too.

While traditional Kenkoikei had prioritized strategies for "protecting" the health of employees as part of corporate management, including government's requests to comply with legal requirements and safety considerations, in order to transform Kenkoikei into management strategies better suited to the times, we believe companies will have to proactively promote strategies to "create" investment in "human capital" external to the company. While a lot has been done in Kenkoikei over the past 16 years, we have no doubt that in 2021, as the social structure of the whole world is changing drastically, raising "human capital" as a strategic theme will be the key to revitalizing Japanese companies. Therefore, as a contribution to the advancement of Japan, we propose a broadening of the concept of Kenkoikei in anticipation of the social changes of the next 10 years.

-Social demands that justify expanding Kenkoikei-

1. The necessity for corporations to fulfill their responsibilities not only to shareholders but also to their employees and society at large, as exemplified by the transition from shareholder capitalism to stakeholder capitalism (public interest capitalism).
2. The necessity to further revitalize society by investing in the health and well-being of employees as part of corporate strategies to improve the sustainability of every stakeholder, as exemplified by the SDGs.
3. The necessity to create more inclusive forms of management such as by introducing diverse work styles to match the diversity of employees with regard to health problems that are not immediately apparent.
4. The necessity to incorporate in management new co-creative relationships in order to secure an adequate labor force in view of declining birthrates, including employment formats like side jobs and concurrent jobs in which workers are shared, as well as job sharing and co-creation between companies.
5. The growing importance of improving the physical and mental health of employees as a management strategy and the request that, managers too, in addition to corporations, fulfill safety obligations.
6. The ever-growing demand for an ethical perspective within corporate management, as a consequence of all the above social changes.

■ History of Kenkokeiei

Basic concept of "Kenkokeiei" at the time of its introduction

"Kenkokeiei" was first advocated by the Kenkokeiei Nonprofit Organization in 2006. Its basic concept is still unchanged. However, 16 years after its introduction, social conditions have changed dramatically, and what we had predicted at the time has become the norm.

The Basic Law on Measures for the Aged Society was enacted in 1995, its preamble expressing the concern that the aging of Japan's population would rapidly accelerate. Concurrently, the Industrial Safety and Health Act required employers to carry out medical checkups of workers by introducing penalties for those who did not, and the findings rate during medical examinations continued to rise steadily. At the time, medical examinations were said to be "haphazard and perfunctory," as companies stressed legal compliance and placed emphasis on having employees undergo health examination, but did not make sufficient efforts to take follow-up measures in case of abnormal findings. As a result, despite the high cost of medical examinations, they couldn't be said to be really cost-effective.

Furthermore, it was also predicted that, as a consequence of declining birthrates and the aging of the population, the number of elderly workers in the working population would increase and management issues related to health and physical fitness would emerge. In consideration of the social situation, given the concern that the impact of workers' health on corporate management would only increase, several industrial physicians, lawyers, marketing experts and managing directors of health insurance associations got together on a volunteer basis and, after about four years of research, established the Kenkokeiei Nonprofit Organization in 2006, coining the definition of Kenkokeiei shown below and proceeding to educate society about it.

Kenkokeiei means thinking about health care from a management perspective and implementing it strategically, based on the premise that "a company can reap great results in terms of management by paying attention to the health of its employees." Promoting health supervision and health care for employees, not only saves money in terms of medical expenses, but also contributes to improving employees' productivity, creativity as well as companies' corporate image, and it's also important as a risk management strategy. Managers are their employees' health supervisors, and we believe that developing Kenkokeiei in line with the organizational strategy will become more and more important for future corporate management.

Kenkokeiei Nonprofit Organization (2006)

Present and future of Kenkokeiei

As we enter 2021, many companies, in consideration of Japan's aging population, have introduced re-employment mechanisms in order to secure an adequate labor force and have even eliminated the barrier of retirement age, creating a working environment where people can continue working even in their old age. In order to preserve social security and revitalize the country, it has become crucial to achieve a "lifelong working society" where senior citizens, rather than being supported, have shifted to the supporting role.

Furthermore, we have entered an era in which, as the VUCA acronym (volatility, uncertainty, complexity, ambiguity) suggests, the future is highly uncertain, making it difficult to predict the issues that society will face next. When a new strain of influenza emerged, soon followed by SARS (Severe Acute Respiratory Syndrome) and MERS (Middle East Respiratory Syndrome), Japan was fortunate not to be significantly affected by these infectious diseases. However, the emergence of COVID-19 has had a great impact on our socio-economical structure and has led to the breakdown of the medical care system. Its impact has also led to economic and employment problems, causing an increase in the number of suicides due to economic woes and psychological insecurity.

As 2025 draws near, with the baby boomer generation approaching late-stage old age (75 years or older), both a labor force shortage and the breakdown of the medical system are feared. In the same year, the number of managers of small and medium-sized enterprises and small businesses over the age of 70 is estimated to reach approximately 2.45 million. If business succession doesn't take place, this will result in business owners' health

problems directly causing business closures, with the risk of a large number of unemployed workers. Moreover, by 2030, with one-third of the Japanese population aged 65 or older, the resulting labor shortage will be so dire as to make it impossible to pay our huge social security costs. Additionally, GDP is expected to decline, and so is Japan's competitiveness. For companies to remain in business and be able to secure an adequate labor force it will become necessary, besides creating mechanisms for older employees to continue working and achieving a life-long active society, to build a system for sharing workers by introducing new job formats like side jobs, concurrent jobs and multiple jobs.

Broadening Kenkoikei

Even in the middle of such social changes, the health level of workers determines the quality of work, and good quality work further improves the quality of products, which, along with helping companies grow, also brings great benefits to society and the global environment.

We believe that, when considering future Kenkoikei as a corporate strategy, "human capital" will be the most important theme. On this occasion, we would therefore like to share with you the idea of broadening Kenkoikei so that it may become the key to revitalizing Japanese companies.

Kenkoikei means thinking about health care from a management perspective and implementing it strategically, based on the premise that "a company can reap great results in terms of management by paying great attention to the health of its employees."

We believe that in the future, "contributing to the development of society by turning human resources into capital to spur corporate growth" will become more important than ever for future corporate management.

2006 Kenkoikei Nonprofit Organization (2021)

Kenkoikei means "contributing to the development of society by turning human resources into capital to spur corporate growth."



■ What are management strategies based on managers' moral sense?

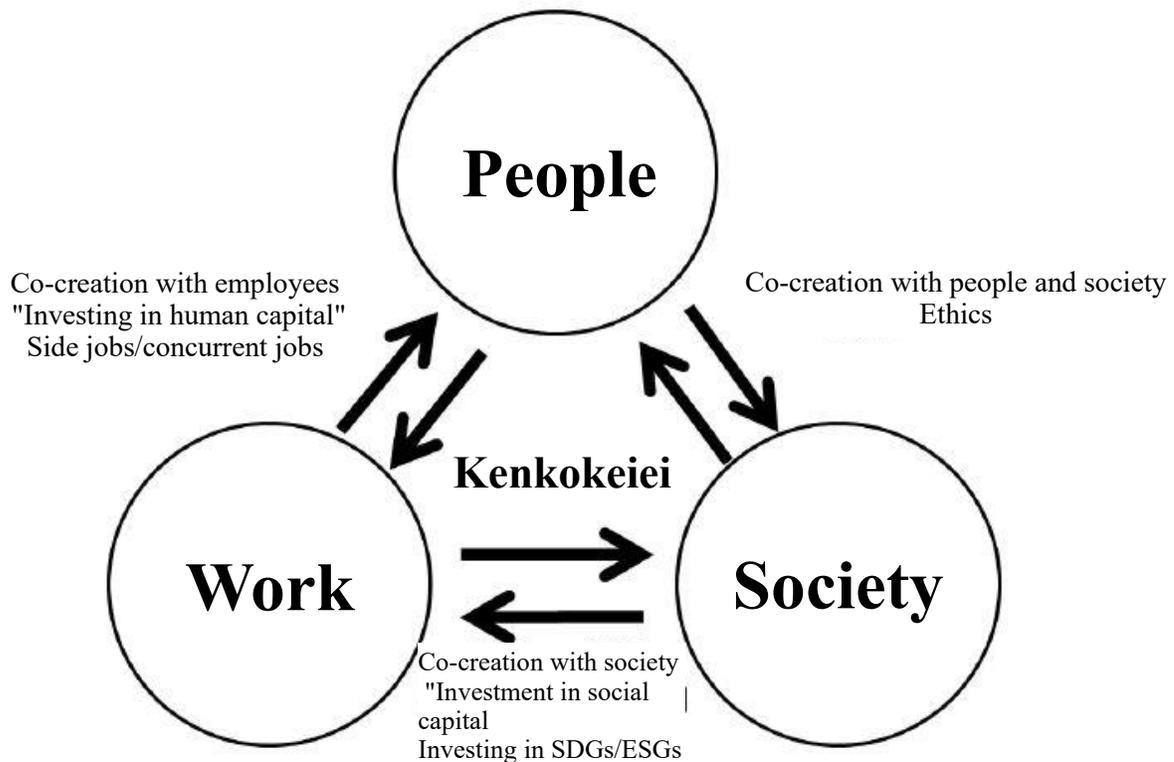
The two perspectives of "health" and "management"

In Kenkokeiei, you should first set a goal as the objective of corporate strategy; however, from the perspective of this goal, few are the companies that clearly set Kenkokeiei as a corporate strategy. Why are so many companies engaging in Kenkokeiei without a clear goal? We believe this is because the term "Kenkokeiei" contains the word "health." "Health" has been considered an important universal goal in all ages, and no one in management could object to the fact that employees are "healthy." However, as a result, that sometimes leads to the misunderstanding that in Kenkokeiei health promotion itself is the goal.

The term "Kenkokeiei" was first coined by adding "management" to "health." From a strategic perspective, the "management" perspective cannot be emphasized enough. Kenkokeiei requires managers to strategically combine three types of health: "human health," "corporate health" and "social health," by leveraging the company's characteristics.

"People" are not consumables, they are "invested in" as human resources and must never be disposed of. Management must not misjudge the value of "invisible assets" only because they are intangible. In order to build the future of a company, both tangible and intangible energies are necessary; however, at the present moment, managers are judged by their ability to nurture the important intangible energies, like creativity and productivity, that "people" possess. If the purpose of management is to secure profits from investments, it is crucial to transform the profits made from investing into intangible assets as "human capital" into future value for the company.

**In the future work will be the result
of co-creation with people and with society.**



■ What are management strategies based on managers' moral sense?

Moving from "human resources" to "human capital"

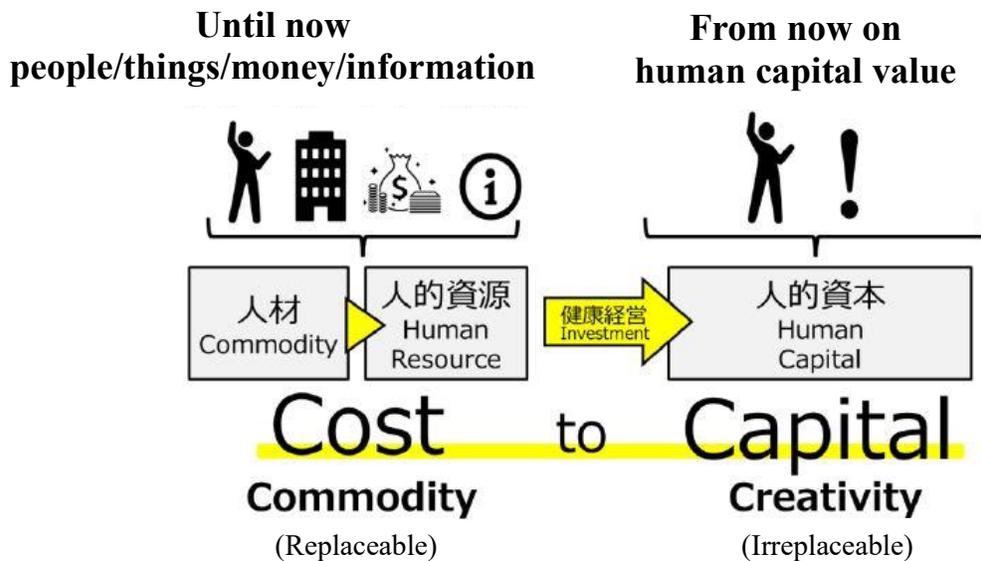
In Japan, where resources are scarce, developing people as resources and transforming human resources into capital will generate tremendous value for the society of the future. In the Warring States period, the workforce was referred to as "legs" and "arms," while in the Edo period the word "head" was introduced; finally, with the switch from "commodity" to "human assets," the change in the role played by people gave rise to a new society.

Kenkokeiei is the strategy of turning human resources into "capital" for the growth and development of a company." Traditionally, in many companies, people were regarded as "human resources." This was sometimes interpreted in the sense of "consuming the existing labor force," and in financial statements people were recorded as "labor expenses (costs)." In terms of labor productivity, people were also regarded as "quantity of labor input," and as a result, the goal of management was to efficiently "handle" people as a labor force (resource).

However, the way companies think about improving labor productivity has also changed. In the past, it was common to optimize operations and reduce the quantity of labor input by thoroughly maximizing "supervision." Today, however, increasing added value by regarding people as capital and by improving employee engagement (a happy relationship in which companies and employees mutually contribute to each other's growth and produce results) has become the purpose of work style reform.

If people's knowledge, creativity, experience and beliefs are to be the source of the new value and competitiveness required to transform a company, then people need to be reconsidered as capital, rather than resources. Kenkokeiei can be thought of as a strategy to use the power of management to draw out the untapped wisdom and diverse knowledge that each person possesses as "intangible asset," and turn them into added value for the company. Similarly, in order to create new value, the direction of new management strategies that regard people as capital, need to switch from the concept of "supervision," still within the conventional framework, to the concept of investing in creation, unrelated to the conventional framework of putting people to use.

In Kenkokeiei, "Cost to Capital" becomes the strategic theme of "management." "Cost to Capital" means converting "human resources" into "human capital." While the term "capital" has never been used in traditional Kenkokeiei, if we are to think of Kenkokeiei as corporate innovation, we need to formulate strategies that focus on "human capital."



In the practice of Kenkokeiei, companies regard employees as human assets and turn them into capital through strategic investment.

- What are management strategies based on managers' moral sense?

"Kenkoikei as future investment determined under managers' management strategy"

In modern society, where the future is uncertain and hard to predict, even when the correct answers are not in sight, managers must properly determine what to do at that moment and formulate a strategy.

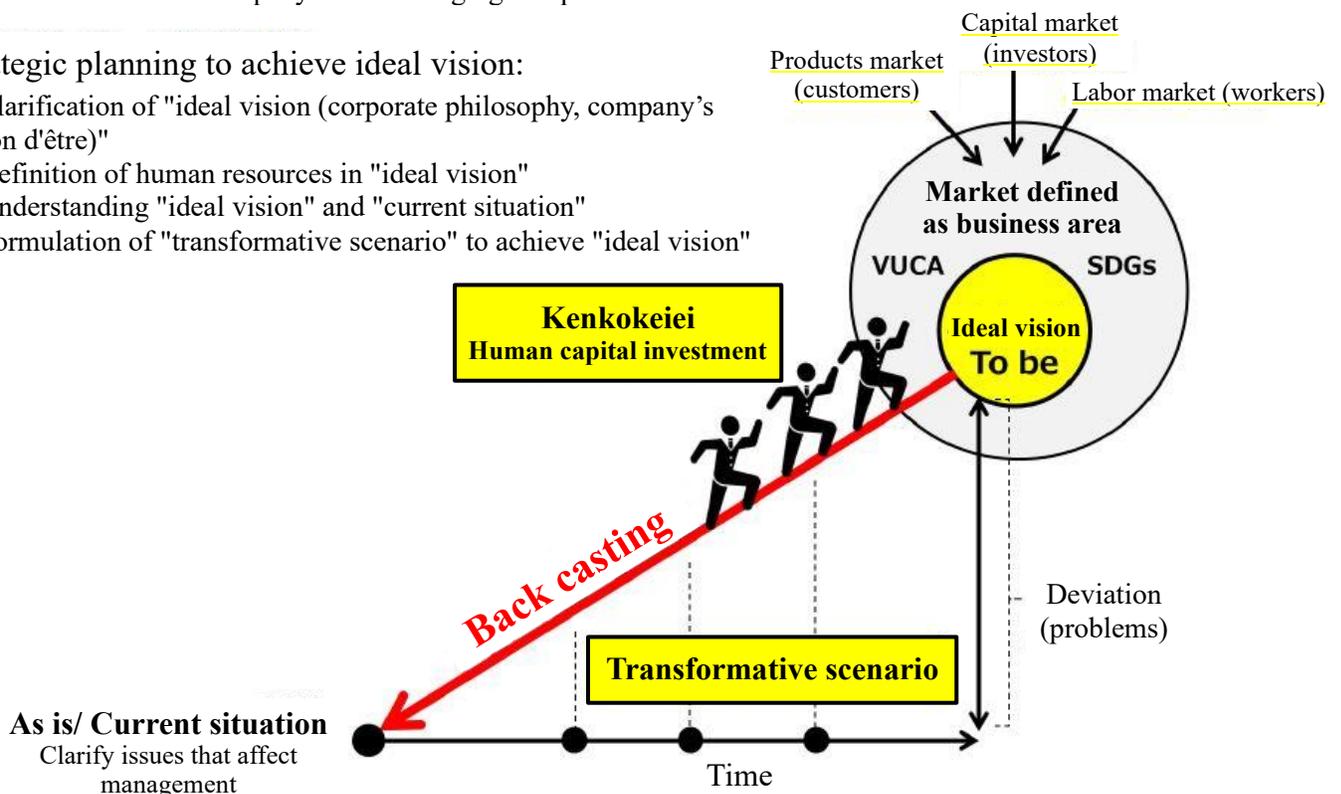
A management strategy can be thought of as general blueprint based on which a company positions its business activities in the market and the people within the organization work together in order to generate added value and profits. A strategy needs to describe the "ideal vision" a company wants to achieve in the future as well as the related "transformative scenario." Given the demand for sustainably increasing corporate value, what kind of player does a company want to be in a certain market? In order to gain a competitive advantage in that market, what kind of company do we want to become? Possessing what values? Also, managers need to "think by themselves" the related "transformative scenario," indicating the actions to be taken now in order for the company to achieve its "ideal vision" in the future. In other words, a strategy embodies the managers' original planning, their endeavors to "be in a certain way," and it could also be called a dream.

Managers must first take the initiative to return to the company's philosophy and *raison d'être*, working backwards (backcasting) from the future business model and desired management strategy, to ensure they are compatible with the managerial resources available. It's particularly necessary, from the perspective of human capital, to visualize the deviation from the "desired" business model and strive to reduce it. In such cases, besides matching personnel to the management strategy, it will also be necessary to tackle strategy planning from the perspective of whether the personnel's capital value expands the possibilities of the management strategy. In a Kenkoikei structure that similarly prizes human resources as capital, it is necessary for managers to formulate management strategies by leveraging their company's strengths.

Furthermore, these days companies have already started exchanging human resources in order to increase their corporate value. In order to utilize a limited number of human resources, it becomes necessary to consider the circulation of human resources between companies in corporate management as well as enhance the attractiveness of each company when managing companies.

Strategic planning to achieve ideal vision:

- 1) Clarification of "ideal vision (corporate philosophy, company's *raison d'être*)"
- 2) Definition of human resources in "ideal vision"
- 3) Understanding "ideal vision" and "current situation"
- 4) Formulation of "transformative scenario" to achieve "ideal vision"



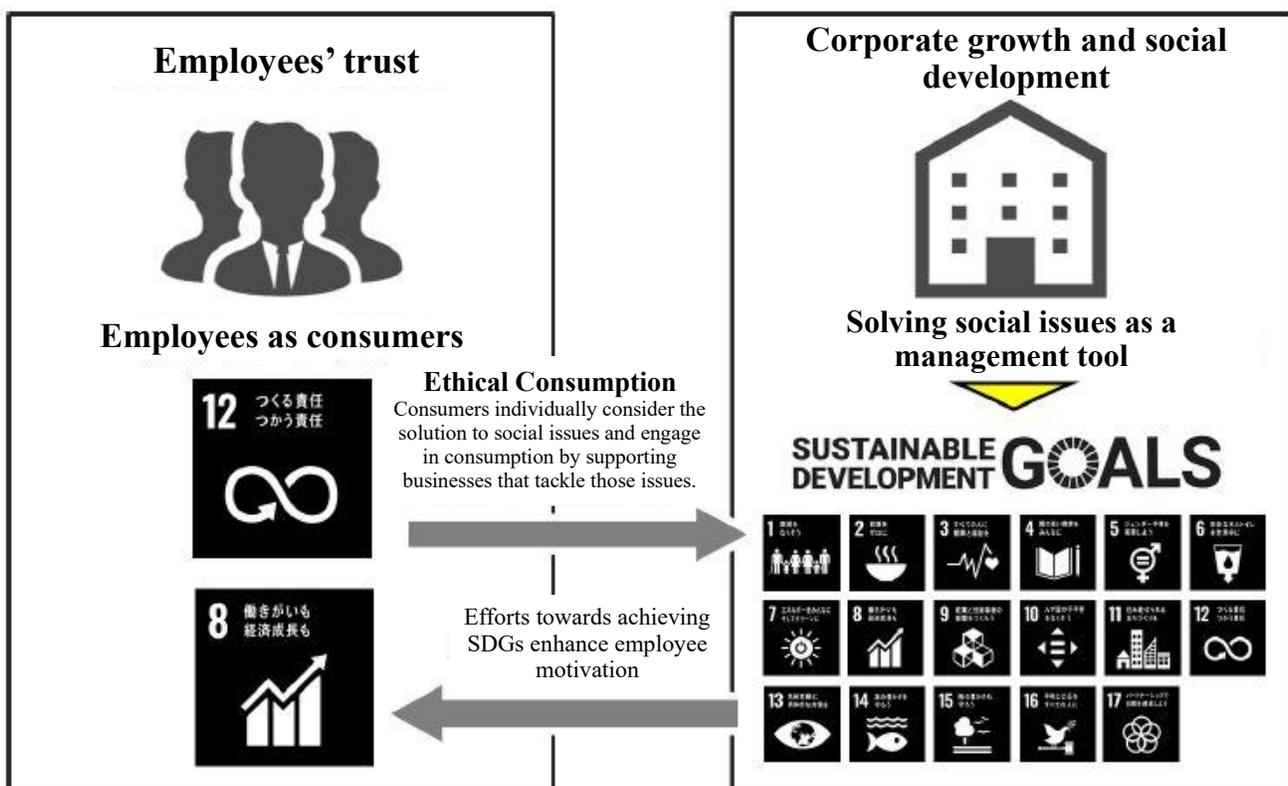
■ What are management strategies based on managers' moral sense?

"Considering social issues as a new market"

The spread of the new coronavirus epidemic in 2020 has further accelerated the "VUCA era." The VUCA acronym refers to a situation where the surrounding milieu, from the business environment to markets, organizations, individuals and so on, is in constant flux, making it difficult to predict the future. In such a social environment, at the corporate level, a new type of corporate management is required: from concentration to decentralization and from decentralization to collaboration. To avoid being left behind in these changing times, managers are required to determine by themselves what they think is right and formulate management strategies accordingly.

In particular, in modern business strategies, together with SDGs, the perspective of consumer behavior referred to as "ethical" is becoming more and more relevant. In this context, the word "ethical," rather than indicating compliance with the letter of the law, refers to thinking for oneself and taking actions that benefit society. SDGs are development goals proposed by the United Nations in 2015 as social goals for the year 2030. The reason why the SDGs are gaining so much traction these days is believed to be that all aspects of society are intricately intertwined, with an increasing number of issues that cannot be solved by conventional rules alone. The SDGs merely indicate themes and goals, but do not specify any rules. As perspectives change, the SDG development goals can be seen as a new market for companies and an opportunity for new business activities.

At Kenkokeiei level, it is particularly important to tackle Goal 8, "Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all." Also, when employees come to be regarded as consumers, achieving the SDG development goals, now defined by a company as its own market, and contributing to ethical consumption will help gain workers' trust. It is therefore important for managers to adopt the perspective of balancing corporate growth and social development, as well as corporate value and employees' health.



■ What is occupational safety (health care) in Kenkokeiei?

"Initiatives from the perspective of legal compliance"

In the past, a great number of female factory workers in Japan developed tuberculosis as a result of overwork and poor working conditions and were then forced to return to their hometowns, where even more lives were lost, as described in *The Tragic History of Female Factory Workers* reportage. As a result, the "Factory Act" was enacted in 1911. It was then that the principle that "working should not deprive workers of their health" became law.

The following passage, taken from "Job Construction Information" (1903), underscores how the health of employees and the health of business operators are two sides of the same coin, highlighting how in modern societies, where infectious diseases are widespread, it is particularly necessary to recognize the importance of health care and health promotion (disease prevention). "At a certain spinning factory, a female worker who fell sick with typhus was not given sufficient medical attention and, instead of being provided with a sickroom, was treated in a dormitory. As a consequence, she infected other female workers, and of 30 female workers all but 5 ended up with typhus, writhing in agony with their pillows lined up in the dormitory. Eventually, even the factory owner and his family came down with the disease, and the total death tally included one member of the factory owner's family and three female workers. This is the result of neglecting hygiene, and one is left speechless by such a horror. "

(Job Construction Information, Volume 1, edited by Giichi Inumaru, page 365, Iwanami Bunko 1998)

Following that incident, the Labor Standards Act was passed in 1947 which set the minimum standards for working conditions. The Labor Standards Law, enacted to guarantee the right to existence of workers, established the minimum standards for working conditions with regard to items like labor contracts, wages, working hours, holidays, annual paid leave, disaster compensation and work regulations. Additionally, the Industrial Safety and Health Act was established for the purpose of ensuring the safety and health of workers in the workplace and promoting the creation of a comfortable working environment. It was originally enacted in 1972, with the provisions on "safety and hygiene," stipulated in the Labor Standards Law, published separately. The Industrial Safety and Health Act, as a way to ensure an environment where workers can work with peace of mind, introduces measures to maintain and improve the health of workers based on a study of past occupational accidents, including measures to protect workers from danger and health problems, regulations on machinery, dangerous and harmful substances, safety and health education for workers, safety and Kenkokeiei systems, and it is still in effect today, periodically revised to keep up with the times.

In Kenkokeiei, industrial safety and health (healthcare) refers to the creation of a safe and secure workplace and the promotion of physical and mental health to guarantee the joy of "finishing one's daily work and returning safely home." Compliance with labor laws such as the Labor Standards Law and the Industrial Safety and Health Act is the criterion for judging basic efforts to protect the health of employees. These laws, however, are only the minimum standard set by public authorities, and compliance with the law alone cannot truly protect the health and safety of employees. The WHO states that "unemployment damages the health of workers," and it is also an unfortunate fact that in Japan, due to long working hours and various forms of harassment, "working impairs the health of workers and endangers their lives."

Starting a company is also regulated by law in Japan, where a company's rights are protected by law. The principle of labor-management equality stipulates that there must be a balance between corporate profits and workers's income. If profits and income are significantly unbalanced, a claim for damages can be filed against the party that caused the unbalance, and if issues of criminal nature arise, penalties will be administered accordingly. As a country under the rule of law, businesses activities too are regulated by law. The Labor Contract Law stipulates that it is the management's duty to take measures to prevent physical and mental accidents and mishaps on the work floor. Complying with laws and regulations is the basis of maintaining a healthy mutual relationship and ensuring the continuation of corporate activities.

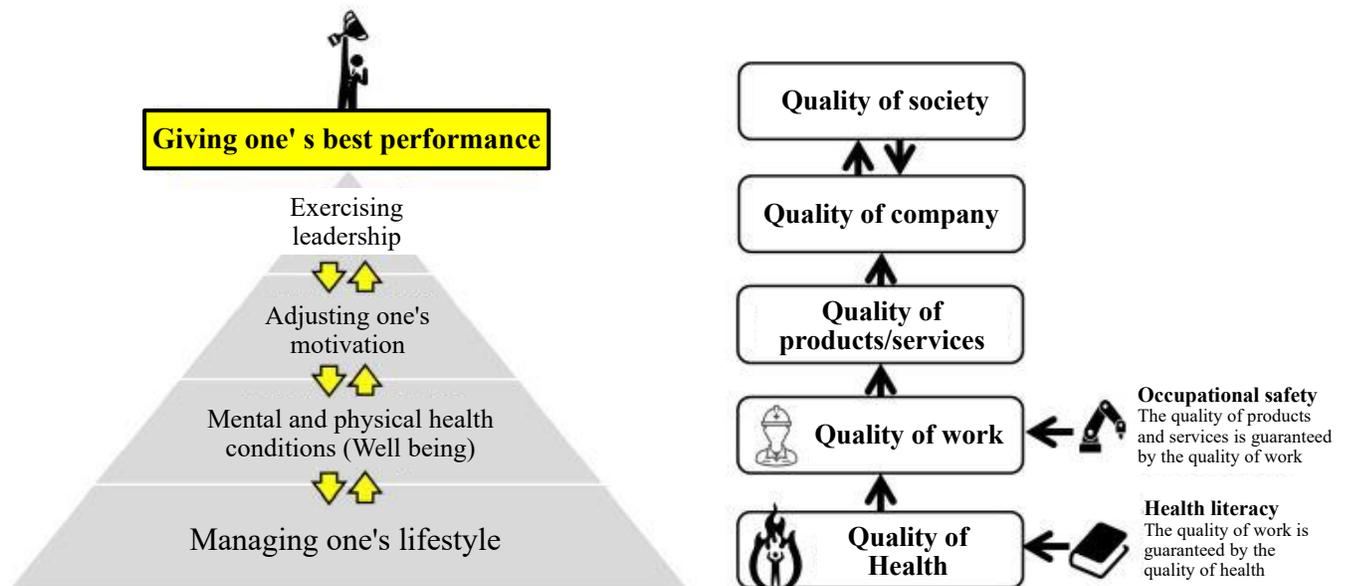
■ What is "health promotion" in Kenkokeiei?

"Investing in improving health literacy"

The physical and mental health of workers is the foundation of exercising leadership and improving motivation and engagement, and the existence of "employees who can fully demonstrate their abilities" is the premise of corporate management. When a company focuses on improving the health of its employees, "business performance improves." This is because employees' health is directly linked to productivity. If you are physically and mentally ill, you will not be able to concentrate on your job. If you are in poor health, your attendance and work performance will obviously be poor. Whether because of absenteeism (absence due to illness) caused by poor physical conditions, or because of presenteeism (working while indisposed, whereby employees cannot demonstrate their abilities and skills even though they engage in work), it will not be possible to achieve satisfying results and productivity will decline.

In order to improve the "quality of work" it is therefore first necessary to improve the "quality of health." The higher the quality of work, the higher the quality of products and services produced. When the three elements of "quality of health," "quality of work," and "quality of products and services" are mutually linked, a company's added value will increase. On the contrary, if you try to improve the "quality of products and services," you will not get results if the "quality of health" of employees is poor in the first place.

In recent years managers have invested in OA and IT in order to increase the value of products and services. In Kenkokeiei, investment in human capital is similarly indispensable in order to increase the value of people. From a health promotion perspective, investment in improving "health literacy" is crucial. Health literacy can be thought of as "the ability to determine one's health for oneself." In order for employees to stay healthy, whether they have just joined the company or are about to retire, it is necessary to develop the ability to detect changes in health conditions through regular checkups and stress checks, as well as to cope with those changes by improving lifestyles.



■ What is "working conditions" in Kenko-keiei?

"Converting people into capital through comfort and communication"

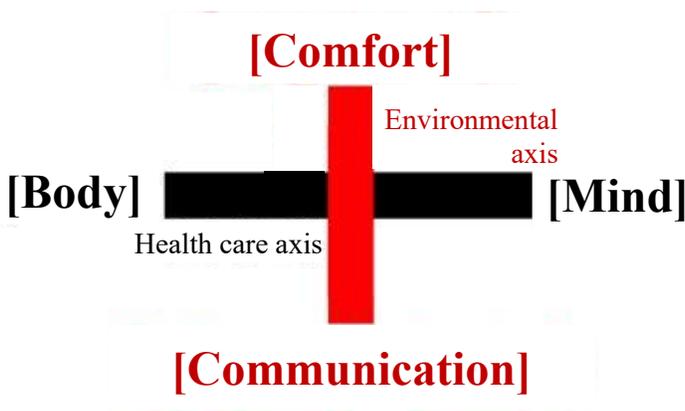
"Health," the subject of Kenko-keiei, is a very important theme for people. If you take care of your health, if you are sound in mind and body, you may be able to attain your goals. Kenko-keiei, however, does not stop at ensuring that bodies are healthy; it requires formulating corporate strategies with an eye to turning people into capital.

The two key elements of this strategic perspective are comfort (pleasant and comfortable working conditions) and communication. Recently management strategies have focused on increasing employees' engagement by increasing working conditions, such as by investing in diversity and inclusion. We believe these are important points when putting Kenko-keiei into practice.

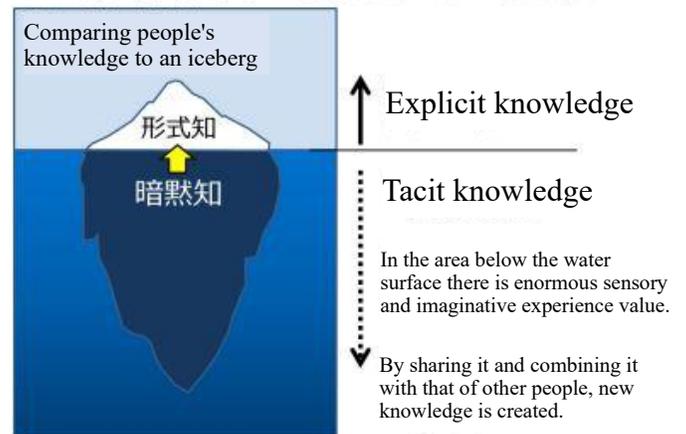
Strategy is successful only if combined with tactics. So what are the best tactics to get results? There are two things that each company can do in its own distinctive way: "creating a "space" where one can work comfortably" and "creating "space" for communication." Why is it important to invest in comfort and communication? Because the creation of these two "spaces" helps transform the intangible assets of untapped wisdom and knowledge that people possess as "tacit knowledge" into "explicit knowledge." Once made explicit, knowledge and wisdom are a source of new value for companies. Turning people into capital can be thought of as investing to ensure the physical and mental health of all employees so as to unlock their true potential.

The reasons of Kenko-keiei strategies differ from company to company is because companies have different goals that vary depending on which market they define as their own, and because they have to choose the forms of comfort and communication that are best suited to their corporate characteristics.

Strategic axes of Kenko-keiei



Investing in human capital = turning tacit knowledge into explicit knowledge



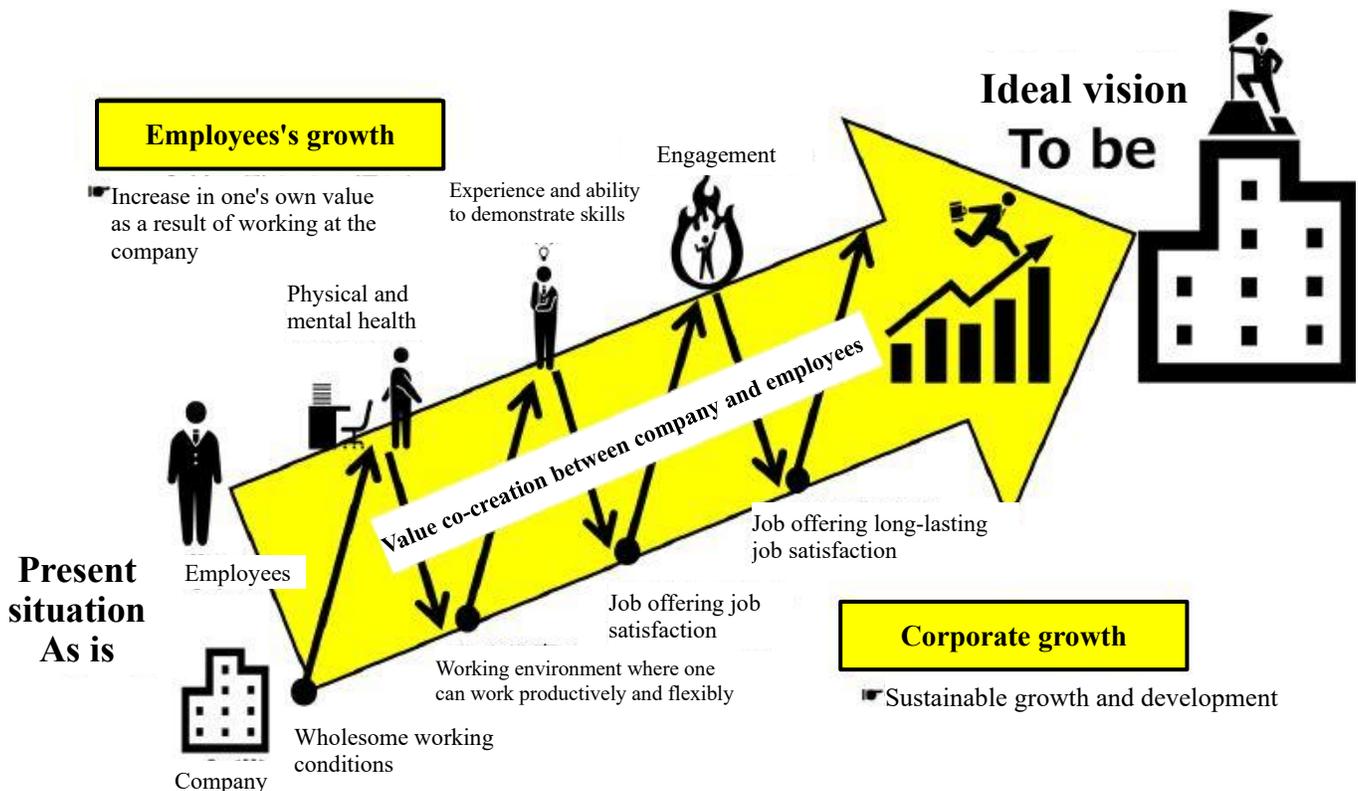
■ What is "job satisfaction" in Kenkokeiei?

"Job satisfaction creates corporate value"

"Job satisfaction" means being able to actively engage in job that suits you, so that you can increase your own value through your job. What starts as series of routine tasks, by virtue of iteration, leads one to understand the interconnectedness of different professional roles. When, by doing so, people get to understand the breadth and depth of the job itself, and realize that everything is tied up together with different threads, they develop a deep interest and appreciation in what had left them indifferent up to that point and, as a result, they are believed to experience enjoyment in their job. According to this line of thinking, what starts as LABOUR (pain, travail), by virtue of accumulation turns into what is best described by the German word "BERUF (duties bestowed by heaven)."

In order to increase one's "job satisfaction," a relationship of trust is required between the company and its employees. A relationship of trust is built on a foundation of psychological safety and it requires that the company's "ideal vision of itself" be aligned with the employees' "ideal vision of themselves." In order for this alignment to take place, it is fundamental for the management to clearly indicate the course of the company as a matter of management strategy. If employees realize that the experience and skills acquired by working at the company will lead to an increase in their own value, they will be able to fully demonstrate their abilities while experiencing long-lasting job satisfaction.

In order to achieve such "value co-creation between companies and employees," companies must actively invest in maintaining a wholesome working environment steeped in legal compliance and built on comfort and communication, where employees can work flexibly and productively, as well as in creating work themes that employees can relate to.



■ What is "job satisfaction" in Kenkokeiei?

"From supervision to a value creation perspective"

Supervisors are responsible for executing tactics based on the management strategy set forth by management. But their role is not limited to business execution. From the perspective of Kenkokeiei, they must balance maintaining and promoting their own health, as well as that of their colleagues and subordinates.

There are many possible causes of health problems while working, including lack of interest in one's job, excessive responsibility, lack of communication with superiors and colleagues, lack of work literacy (lack of knowledge, experience, and qualifications) and so on. Moreover, all these deficiencies exacerbate physical and mental disorders like anxiety, maladjustment and depression. Even coming to the office becomes unbearable because you can't do your job as desired. If people could come to work with the desire to do their best every day, corporate value would naturally increase.

Supervisors themselves have probably had to overcome these challenges too. Therefore, the supervisors' experience in turning latent tacit knowledge into explicit knowledge will be extremely important for their subordinates' growth. The role of the supervisor is to draw out of their subordinates the power they'll need to go beyond themselves, as well as to increase their motivation and engagement towards that goal through work.

Therefore, managers have the right to issue orders and commands, and in managing their subordinates they need to fully consider the impact of work on their physical and mental health from both a "qualitative" and a "quantitative" standpoint. Health care requires managing the workplace in compliance with labor laws like the Industrial Safety and Health Act, and when promoting health promotion, it's necessary to proactively foster a health-promoting workplace culture from the viewpoint of safety consideration obligations. The most important thing is the conversion of "human resources" into "human capital," that is, undertaking management with a view to improving "working conditions" and "job satisfaction," so that each subordinate becomes the capital for creating new corporate value from the strategic viewpoint of Kenkokeiei. It is worth noting that, while there are certain basic rules for Kenkokeiei and health promotion, there are no particular rules as regards "working conditions" or "job satisfaction." Therefore, in order for supervisors to create value, as mentioned above, managers must formulate management strategies based on their own ethical standards and ensure that specific initiatives tailored to the company's characteristics are well known within the company.

Furthermore, with the emergence of new work styles like "side jobs, concurrent jobs, and multiple jobs," it is expected that the relationship between employees and companies will change significantly in the future. From the traditional one-to-one relationship in which the working party selects one company and works for it, a shift is now underway towards a society where it is natural for one person to work in "multiple workplaces" at the same time. We believe that this tendency will be a factor in accelerating management styles centered on "people," like "holaclassic management," where a flat organization is managed without a hierarchy of superiors and subordinates, or "teal organizations," where almost all the authority and responsibility related to decision-making is transferred to individual employees, causing innovative changes in the organization and human resources. Under these circumstances, what is required, once again, in corporate management is a corporate strategy that puts to use human capital, and to that end, a management style that makes the best use of human capital is more important than ever.

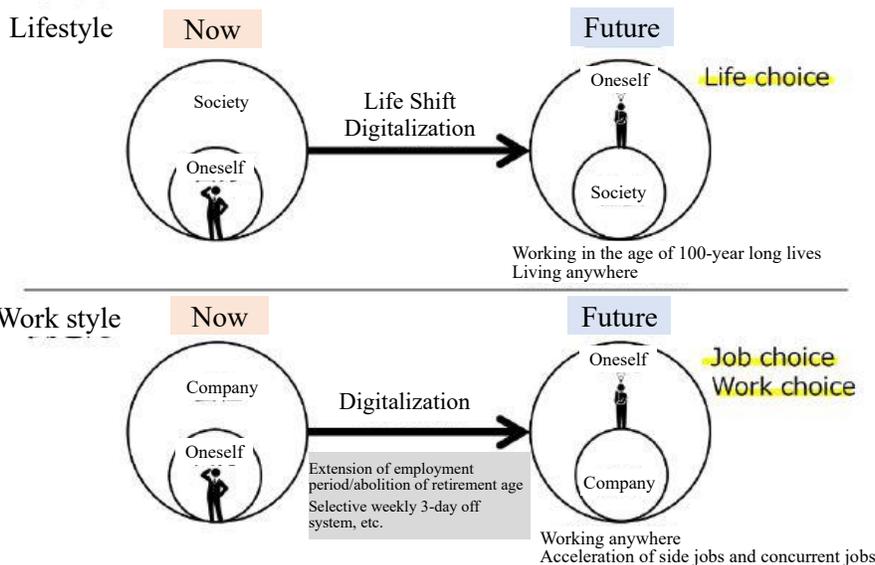
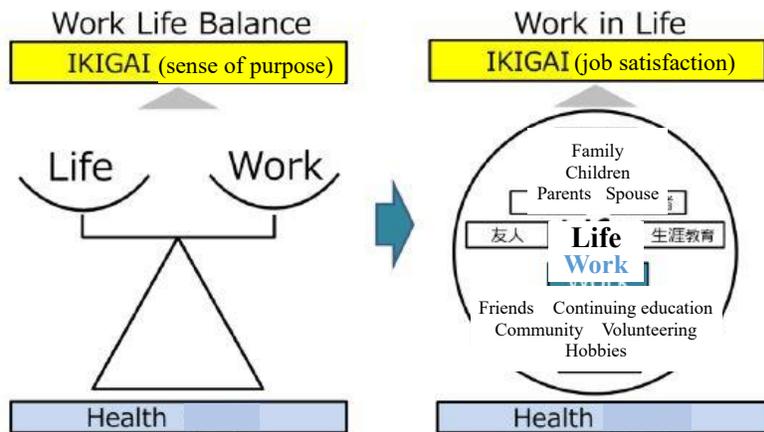
■ Perspective of "sense of purpose" in Kenkokeiei

"Creating job satisfaction and sense of purpose in the age of 100-year long lives"

The concept of "life shift," put forth by British organizational theorist Lynda Gratton, stands in stark contrast to the traditional concept of "life stages," and advocates a "multi-stage" way of life in an age where 100-year lives are the norm. This line of thinking focuses on "a person's sense of purpose." A shift is underway from the conventional positioning of oneself in society and in a company, to a society for oneself, a company for oneself, namely a style of selecting by oneself a place where to work. These changes in style are greatly boosted by digitalization. The strategic purpose of Kenkokeiei is to "maximize human capital," and in the future, in order to maximize human capital, perspectives like "job choice" or "work choice," where people choose a place of work, will become more and more relevant.

Accordingly, when considering the future growth of a company over the next 10 years, investing in creating an environment in which human capital can maximize its potential will become an ever more important issue for corporate management.

Life strategies in the age of 100-year long lives
"Lifestyle" and "working style"



Kenkokeiei to build a better future

-Expanded version: Considerations on the future of Kenkokeiei-

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