

JCM 2017–2018 Action Program

I. Basic Concepts in Developing the Movement

1. Introduction

Regarding world economic conditions, the International Monetary Fund (IMF) stated in its World Economic Outlook, released in April, that while the recovery is ongoing, the pace of recovery remains sluggish and has become more fragile, and downgraded its outlook from its January estimate. In the Asian region in particular, growth in developing countries is beginning to show signs of slowing. The economy of economic giant China is in the process of transforming and showing signs of weakness as a result, which is casting a shadow not only over Asia but over the entire world.

Many concerning factors that we cannot afford to ignore are directly and indirectly impacting Japan. These include the refugee and migrant crisis in the European region, the threat of ISIS (Islamic State of Iraq and Syria) active in the Middle East, brutal acts of terrorism, which have also claimed the lives of Japanese citizens, the UK's decision to leave the European Union (EU), and the U.S. presidential election, which will determine the policy of the new administration taking office in January 2017.

The Rio de Janeiro 2016 Olympic and Paralympic Games and the Tokyo 2020 Olympic and Paralympic Games are not only global celebrations of sports and athleticism, but opportunities to question the social responsibility in supply chains of companies with global operations, starting with the corporate sponsors of the Olympic and Paralympic Games.

Turning to the domestic situation in Japan, real GDP growth in fiscal 2015 (end March 2016) came to approximately 0.8% over the previous year. Looking only at the January–March quarter of 2016, growth fell to the low level of approximately 0.1% over the same period of the previous year. According to private research institutes, Japan's growth rate in fiscal 2016 is currently projected to fall below 1.0%.

Looking at corporate performance, the Japanese yen is once again gaining strength. The economic outlook is uncertain amid signs of slowing economic activity in neighboring China, and many Japanese companies are downwardly revising their financial forecasts. As the JCM, monetary policy including aggressive easing is included in our policy recommendations. While we do not doubt the importance of this policy, we must recognize that the government has not been able to implement effective measures to stimulate the real economy in manufacturing worksites or elsewhere. In addition, uncertainty over the Japanese government's ability to

maintain social security programs is growing with the postponement of the consumption tax rate hike and the effects of the prolonged low birthrate now being felt. These circumstances may result in international markets lowering their evaluation of Japan. As such, the scenario of achieving economic recovery based on higher levels of consumption is becoming less and less feasible.

Amid these circumstances, the JCM raised the issue of “fair returns of added value in the value chain” in the 2016 Spring Offensive. Companies at each level of the value chain secure fair added value and aim to ensure a strong domestic business foundation and corporate sustainability by using this added value to invest in people, facilities, and research and development. In terms of specific policy, we are working to develop this into an actual movement by engaging in discussions at the level of the JCM and industry-based unions, and promoting understanding among management. A more concrete movement needs to grow to develop the manufacturing industry as a whole and improve added value across the entire value chain. While recognizing the different approaches in each industry, we must evolve this issue into efforts taken up by the JCM as a whole.

Meanwhile, in terms of labor policy, we are proposing the Third Wage and Labor Policy at the 2016 National Convention. The policy takes a somewhat longer view than the Action Program and presents our future goals in areas such as work styles and conditions in the manufacturing industry based on wide-ranging research and intensive discussions. We intend for the Wage and Labor Policy to facilitate industry-based discussions. While we cannot yet specifically address the 2017 Spring Offensive, looking at such factors as inflation and corporate performance, the momentum for raising wage standards, which we have achieved for three consecutive years, should not stop despite the challenging environment. We also believe that we need to continue the basic course of working to reduce disparity, and raising and supporting the base level of wages.

The series of transformations occurring mainly in the manufacturing industry sometimes called the Fourth Industrial Revolution are certain to bring changes to our workplaces. Recognizing that we are still at the beginning of these changes, it is difficult to ascertain the real situation amid the tumult of concepts, technologies, and phenomena. We were able to learn about the progressive efforts taking place in Germany from the point of view of the labor union through our talks with IG Metall in April. While effectively using the information we gained in these talks, we intend to make policy proposals on such topics as what our response should be as a manufacturing industry labor union and support measures with a particular focus on people after holding wide-ranging discussions including on how to secure employment amid the transformation of the work.

It is unfortunate that the activities of some corporate groups in manufacturing both inside and

outside Japan have resulted in scandals that have betrayed society's trust. These scandals have severely impacted not only company performance but also union members and employees. Labor unions, from their position of monitoring company conduct, must accept this situation and use it as a lesson to ensure that similar incidents never happen again.

Based on the outcome of discussions in the Fiscal Policy Review Committee, we position fiscal 2016–2018 as the period to implement all types of measures to contribute to reducing expenditures. While signs do not point to dramatically better fiscal conditions, we continue to address this in small ways, such as reviewing our meeting locations and the number of copies and format of published materials, in the course of conducting daily activities. These efforts are producing some visible results in terms of expenditures. Meanwhile, we expect our global affiliation fees to IndustriALL, which are our largest expenditure, to be unified from the current 1.10 Swiss francs per person per year to 1.28 Swiss francs. A rise in this expenditure is a concern, even with factors such as fewer persons for which to base affiliation fees on mitigating the amount. We intend to once again review the necessity and specific development direction of activities that we have been conducting to streamline them and improve their efficiency. We will also review our response as the JCM to changes in the timing of elections at industry-based unions.

The JCM, IndustriALL–JAF, and UA ZENSEN plan to form the IndustriALL Japan Liaison Council (IA–JLC) and begin its activities in January 2017. At present, we are starting by organizing meeting attendance and materials translation that are shared among our organizations. In consideration of the expanded scope of future activities, we intend to fulfill our responsibilities as the JCM, the largest of the organizations in Japan.

Fiscal 2015 began with celebrations marking the 50th anniversary of our founding. RENGO was formed in November 1989, meaning that we have been working together for half of our 50-year history. The JCM and RENGO have held discussions on our roles many times over this period. We have long performed an important role for the Rengo Central Coordinating Council for Metalworkers' Unions and the Metalworkers' Unions Joint Struggle Meeting. While we have streamlined the roles of the JCM, the Rengo Central Coordinating Council for Metalworkers' Unions, and the Metalworkers' Unions Joint Struggle Meeting in the past, some aspects of these roles no longer align with the present situation, pointing to the need to investigate and discuss these roles. Looking at the larger picture of the JCM's entire scope of activities, we need to discuss our relationship not only with RENGO, but also with other bodies including JILAF and the Institute of Labor Education and Culture after again assessing the current situation.

2. Changes in surrounding conditions

(1) Recent economic trends

Japan's real GDP growth rate was 0.8% in fiscal 2015 (end March 2016), marking positive growth for the first time in two years. Nevertheless, year-on-year growth in the January–March quarter of 2016 stood at just 0.1%, accounting for almost none of the growth seen in fiscal 2015. Housing investment and capital investment showed solid performance, while personal consumption fell below the previous year and exports experienced a significant slowdown.

As of July, the government's forecast of real GDP growth in fiscal 2016 stood at 0.9%, but the average projection by private research institutes reaches only 0.62%.

Although industrial shipments in Japan showed a recovery trend at the beginning of 2015, shipments once again fell and remained at a low level, and have fluctuated through summer 2016. Machinery orders (private demand excluding shipping and electricity), a leading indicator of capital investment, posted positive year-on-year growth through the January–March 2016 quarter, but fell sharply in April and May.

The Economic Watchers Survey, published by the Cabinet Office, is a questionnaire given to people holding jobs that enable them to closely observe economic activity trends. Looking at the survey's Diffusion Index for current economic conditions, sentiment fell for three consecutive months in June 2016, dropping to 41.2, the lowest level marked since November 2012. Signs of improvement are not apparent.

The value of exports on a yen basis has continued to decline year on year since October 2015. The volume of exports has fallen, local prices have dropped, and the stronger yen has also caused prices to fall on a yen basis, resulting in a triple blow. In June 2016, however, export volume rose for the first time in four months.

In January 2016, the Bank of Japan adopted a negative interest rate of minus 0.1% on excess reserves deposited at the Bank of Japan. The move is intended to push financial institutions to reduce their excess reserves and to facilitate expanded capital investment, higher stock prices, and a weaker yen by prompting them to use the reserves for lending and investing in stocks and foreign bonds. Nonetheless, there are fears that the move will place pressure on the monetary base, the driver of quantitative easing, as well as the annual pace of growth and the purchase amount of the Bank of Japan's long-term Japanese government bond holdings.

The rate of increase in the consumer price index (all items) has been low, with a positive rise of 0.2% in fiscal 2015. This again fell into negative territory year on year after March 2016, recording minus 0.4% in May and June and minus 0.6% in July (estimated). While falling prices globally

for resources played a large role in the drops, when looking at the core consumer price index excluding fresh food and energy, the rate of increase was 1.3% year on year in December 2015, but fell to 0.8% in June.

The total unemployment rate was 3.4% in 2015, and fell to 3.1% in 2016. The number of employed persons is showing a rising trend, while the number of unemployed persons and the population not in the workforce are falling. Regular employees increased by 310,000 in June over the same period of the previous year. The ratio of job offers to job seekers has also improved sharply. The ratio was 1.20 in 2015, improving to 1.37 in June 2016, the highest level seen in about 25 years.

(2) Political conditions

In the Upper House election held in July 2016, the four opposition parties agreed to field only one candidate in all of the single-seat constituencies. Of the 121 seats up for election, the ruling Liberal Democratic Party (LDP) took 56 seats and its coalition partner Komeito took 14 seats for a total of 70 seats. Of the opposition parties, the Democratic Party took 32 seats, the Communist Party took 6 seats, and the Initiatives from Osaka Party took 7 seats. Candidates affiliated with no party but backed by the four opposition parties took four seats. Of the 32 single-seat constituencies, the Liberal Democratic Party took 21, and the candidates fielded in the coordinated opposition party strategy took 11. Of the total of 242 seats in the Upper House, including these results and seats not up for election, the Liberal Democratic Party holds 121 seats and Komeito holds 25 for a total of 146 seats for the ruling coalition. Of the opposition parties, the Democratic Party holds 49 seats, the Communist Party 14 seats, and the Initiatives from Osaka Party 12 seats (at the time ballot counting had finished).

A bill to keep the consumption tax rate on food and newspapers at 8% when the tax rate hike goes into effect passed the Diet in March 2016. In June, Prime Minister Shinzo Abe announced that he was postponing the planned hike in the consumption tax for two and a half years until October 2019 due to the risk of returning to the prolonged period of deflation from which Japan is trying to escape.

A broad agreement in the negotiations to conclude the Trans-Pacific Partnership (TPP) trade agreement was reached among the 12 countries of Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam in October 2015, and the finalized proposal was signed in February 2016. In March 2016, the Japanese government submitted a bill to the Diet to ratify the TPP. The TPP's labor chapter incorporates the 1997 ILO Declaration on Fundamental Principles and Rights at Work, which requires participating nations to enact legal measures to eliminate forced labor and employment discrimination.

In April 2016, powerful earthquakes struck Kumamoto in southern Japan. On April 14, a magnitude 6.5 earthquake struck, followed by the main earthquake of magnitude 7.3 on April 16. A total of 42 people were killed as well as 10 persons reported missing. Factories in the prefectures of Kumamoto, Fukuoka, Oita, and Nagasaki sustained direct damage in the earthquakes, resulting in production being suspended. In addition, factories in other areas that receive parts supplies from the affected region were also impacted, forcing many factories to temporarily suspend production.

(3) International political and economic conditions

USA

The U.S. presidential election will take place in November 2016. At the party conventions held in July, former Secretary of State Hillary Clinton officially became the Democratic Party nominee, while real estate developer Donald Trump became the Republican Party nominee. Clinton faced an unexpected uphill battle to win the nomination, while Trump garnered support with racially prejudiced and polarizing views. There is concern that both candidates will further strengthen their populist and protectionist leanings heading into November.

The number of employees on non-farm payrolls, one of the most important economic indicators analyzed in the United States, increased by a sharp 287,000 in June 2016 over the previous month. This quieted the global economic turmoil sparked by the UK's vote in a national referendum to leave the EU. Economic trends are expected to continue showing an upturn, owing to the negative effects of the low price of oil and strong dollar now weakening. Real GDP growth in 2015 came to 2.4%, while the IMF forecasts GDP growth of 2.2% in 2016 and 2.5% in 2017 (July 2016 estimates).

Europe and the Middle East

In June 2016, the UK held a national referendum on whether to leave the EU, with 52% voting to leave and 48% voting to remain. The difference between the two camps was a larger-than-expected 1.27 million votes. The referendum result sparked plunges in stock markets around the world as well as a plunge in the value of the British pound. The UK will now trigger Article 50 of the Treaty of Lisbon to formally begin its withdrawal from the EU. Negotiations between the UK and the EU over the withdrawal are expected to be complicated.

In the euro zone, the real GDP growth rate came to 1.7% in 2015. Employment improved and personal consumption picked up in the January–March quarter of 2016, contributing to year-on-year growth of 2.2%. There are signs, however, that the pace of growth is slowing, and real GDP growth in 2016 is estimated at 1.6% (IMF). The UK's real GDP growth rate was 2.2% in 2015, but corporate and household sentiment is deteriorating with the decision to leave the EU, and

an economic recession is assumed to be unavoidable.

The ongoing civil war in Syria and other unrest have sparked waves of refugees and migrants to pour into Greece, Italy, and Hungary. In September 2015, the EU agreed to accept an additional 120,000 people in addition to the 40,000 agreed upon in June. Asylum applications to the 28 member states of the EU accounted for 1.25 million people in 2015, more than 2.2 times higher than the previous year. Opposition to accepting refugees has come from Romania, the Czech Republic, Hungary, and Slovakia. In Poland, a right-wing party that opposes accepting refugees won a general election landslide victory.

A number of terrorist attacks linked to ISIS (Islamic State of Iraq and Syria) have taken place around the world. In July 2016, an armed group claiming ties to ISIS took hostages in an attack on a restaurant in Bangladesh's capital city of Dhaka, killing seven Japanese.

In Turkey, a faction of the military attempted a coup to overthrow the government of President Recep Erdogan in July 2016. The coup attempt was quickly crushed, but there is concern that it will prompt President Erdogan to further concentrate his power.

Asia

In March 2016, the National People's Congress was held in China. China's 13th Five Year Plan for years 2016–2020 adopts a target minimum average growth rate of 6.5%. It also targets "to build a well-off society in an all-round way," aiming to double 2010 GDP and personal income in 2020.

Myanmar held its general election in November 2015, in which the National League for Democracy (NLD) led by Aung San Suu Kyi won a landslide victory. In March 2016, new president Htin Kyaw, who is an ally of Suu Kyi's, took office. Suu Kyi was installed as foreign minister and is also in charge of the president's office, education, and energy and electric power as well as the newly created post of state counselor.

The Chinese economy has seen personal consumption slow with worsening employment and income conditions. Private companies, burdened with excessive debt and facilities, are scaling back their investments, with public works holding up the economy and employment. In Indonesia, the rupiah has been propped up by the United States' decision to postpone an interest rate hike, and its macro economy is showing stability. Its real GDP growth rate reached 4.8% in 2015, and posted solid 4.9% year-on-year growth in the January–March quarter of 2016. The Philippine economy posted a real GDP growth rate of 5.9% in 2015, while growth accelerated to 6.9% year on year for the January–March quarter of 2016.

International organizations, etc.

In November–December 2015, the 21st session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change, also known as the 2015 Paris Climate Change Conference, was held in Paris. All participating 196 nations and regions adopted the legally binding Paris Agreement as the new framework to combat climate change from 2020. The agreement seeks to keep the rise in the global average temperature to well below 2 degrees Celsius above pre-industrial levels, with efforts to limit the increase further to less than 1.5 degrees. Countries submit their greenhouse gas emissions reduction targets to the United Nations and revise their targets every five years. In July 2015, the Japanese government submitted targets to the United Nations to reduce its greenhouse gases by 26.0% by FY 2030 compared to FY 2013 levels, and by 25.4% of FY 2005 levels. The Cabinet adopted the Plan for Global Warming Countermeasures in May 2016 to achieve these targets.

The innovations being called Industrie 4.0 (Germany), Industrial Internet (USA), and the Fourth Industrial Revolution (Japan Revitalization Strategy 2016) are picking up steam. Equipment, facilities, and employees within and among business sites, suppliers, logistics divisions, sales divisions, after-sales service divisions, and products in the hands of consumers are all being connected to networks, with data being exchanged and this big data being analyzed by artificial intelligence (AI). This technological revolution is improving production efficiency, saving energy, improving products and services, and is being mobilized in basic research as well as technology and product development. The success or failure of these endeavors is expected to have a major impact on future industrial competitiveness and trends in worker livelihoods.

3. Development of the global metalworker movement founded on the Japanese labor movement

(1) Development of the employment environment, wage and working condition improvements based on the Third Wage and Labor Policy

In the Third Wage and Labor Policy to be affirmed at the 2016 National Convention, we are presenting our goals as the JCM for employment, wages, and labor conditions looking to the first half of the 2020s. To ensure competitiveness within the global economy in metal industry sectors that demand advanced performance and high quality and sectors where technology advances are rapidly occurring, and to quickly respond to the so-called Fourth Industrial Revolution utilizing the Internet of Things (IoT), artificial intelligence (AI), and big data, we must further enhance our “capabilities on the ground,” a strength of the metal industry. Amid these circumstances, we aim to realize wage and labor conditions that allow everyone to work with enthusiasm while enjoying stable employment and fair treatment, with the pillars of active participation by diverse human

resources based on a foundation of stable employment, fair and equal treatment based on equal pay for equal work, and realization of work–life balance.

Since the 2014 Spring Offensive, we have performed our role as the labor union and secured three consecutive years of continual wage raises, aiming to escape from deflation, create a virtuous economic cycle, and invest in people. In the 2016 Spring Offensive, we were able to limit disparity from widening, including substantially shrinking the gap in wage raises between large unions and small unions. With a foundation of ongoing efforts to achieve future wage raises from the perspective of escaping from deflation, creating a virtuous economic cycle, and investing in people, and from the perspective of fair distribution of the fruits of labor to workers, we will position raising the overall level of wages and rectifying disparity as our most important issues.

In the 2016 Spring Offensive, we proposed an appropriate cycle of added value in the value chain. Our approach aims to secure a strong domestic business foundation and corporate sustainability by appropriately securing added value at companies in each process and field in the value chain, and then using this added value for investments in people, capital, and R&D. From the perspective of labor policy, we will work to develop conditions to facilitate investments in people in particular, coordinated with policy and program demands and measures for industrial policy.

We will strive resolutely to raise the wage standards of intra-company minimum wage agreements and expand the number of unions concluding such agreements. In addition, we will study the roles and targets of intra-company minimum wage agreements and the ideal standards. Regarding specific (industry-based) minimum wages, we will make concentrated efforts to secure raises surpassing the raises for region-based minimum wages as the minimum wage of basic industry workers in order to secure a standard above region-based minimum wages. Along with this, we will deepen our examination of how to pass down and develop minimum wages from the standpoints of realizing equal pay for equal work, enhancing the healthy development of industry by ensuring fair competition, and expanding the appeal of the metal industry.

We will work to realize work–life balance to achieve contributions to communities and regions as well as allow everyone to continue working with peace of mind while meeting both work and family needs. We will also strive to improve program aspects and reform workplace awareness and culture related to measures to achieve total annual work hours on the level of 1,800 hours and support achieving a balance of work and family life.

(2) Policy and program demands and promotion of industrial policy with aggressive industrial policy as the foundation

In April 2016, the JCM formulated policy and program demands for the two years of 2016–2017.

Based on:

- The standpoint of workers in private industry
- The standpoint of workers in manufacturing, a basic industry of Japan and a global industry
- Of them, the standpoint of workers in the core metal industry

We have organized our approach around the four areas of:

- I. Macro economic policy supporting the manufacturing industry
- II. Aggressive industrial policy to further strengthen the manufacturing industry
- III. Establishment of quality employment in the manufacturing industry
- IV. Energy and environmental policy to promote innovative technological development

Aiming to achieve sustainable growth for Japan, the healthy development of industry, and improvements in worker livelihoods, we will vigorously make demands to government, coordinate with political advisers, and develop efforts to further promote understanding and rally public opinion in order to realize specific demands.

Regarding policy and program issues in regional areas, we will further enhance the content of our Direction of Measures to Realize Regional Policy, which we released for the first time in 2016, and our Unified Measures. We will aim to realize these efforts through such means as strengthening measures at regional metal organizations including JCM regional blocks and the Regional Rengo Coordinating Council for Metalworkers' Unions as well as incorporating these efforts into regional RENGO policy.

We are working to realize the manifestation of an appropriate cycle of added value in the value chain through policy and program demands, activities to promote understanding within organizations and among management, including groups such as the Japan Business Federation (*Keidanren*), and rallying public opinion for the efforts.

The manufacturing industry, a basic industry of Japan, has the following characteristics:

- Management is necessary from a long-term viewpoint.
- Human resources are of decisive importance, and results at work are achieved through teamwork.
- Originality is essential to survive in the global economy.
- The entire value chain and supply chain demonstrate the strengths of the industry.

The techniques, skills, know-how, judgment, and resourcefulness of worksite employees who have built up experience over time, and “capabilities on the ground,” namely the technological

and product development capabilities as well as production management capabilities that mobilize these assets, are strengths of the Japanese manufacturing industry.

The trends of Industrie 4.0, the Industrial Internet, and the Fourth Industrial Revolution are rapidly advancing. Even as new technologies, jobs, and systems are being born in quick succession, there is no doubt that capabilities on the ground will continue to be an asset.

The transformation being called the Fourth Industrial Revolution and so on is connecting equipment, facilities, and employees within and among business sites, suppliers, logistics divisions, sales divisions, after-sales service divisions, and products in the hands of consumers in networks, with data being exchanged and the big data obtained from this analyzed by artificial intelligence. This transformation is improving production efficiency, saving energy, improving products and services, and being mobilized in basic research as well as technology and product development. There is an image in Japan that information gathering with ICT, processing this information with AI, and then using robots in production is detrimental to the roles of people working in manufacturing settings. In Industrie 4.0 or the Industrial Internet, however, the scope of work employees undertake is expanding, as is the space they have to enhance their skills and use their discretion, and this facilitates high-level results and improved productivity. It has been pointed out that many tasks will continue to require the mental and physical abilities that only people have, and people will remain the decisive factor for success. Industrie 4.0 or the Industrial Internet is highly compatible with Japanese manufacturing, where capabilities on the ground are of decisive importance. It is clear that for workers, the content of work and working styles will change considerably. If the innovations underway in Japan result in the capabilities on the ground of workers being undervalued, it would directly result in weakened international competitiveness. It is imperative that the labor unions participate in building systems that contribute to the positive valuation of capabilities on the ground and quality employment. As the JCM, we will deepen our examination in this area and communicate our findings and demands.

There have been instances where management focus on short-term profits and corporate scandals have cost companies their sustainable development. In 2004, we released Recommendation of the Role of the Labor Union in Promoting Corporate Social Responsibility (CSR) as well as a revised version in 2005. We will deepen our examination in this area too so that we can enhance our ability to make recommendations on corporate CSR initiatives.

As the JCM, to date we have released our Policy and Program Demands in even-numbered years and Priority Measures in odd-numbered years. We will bring more focused views to these documents and revise them to elevate our ability to realize them.

(3) Development of the international labor movement and women's

participation corresponding to changes in global circumstances

It has been four years since the IndustriALL Global Union was formed, and the second Ordinary Congress is scheduled to take place in October 2016. The four years from the merger in June 2012 of the three former global union federations (GUFs) of the International Metalworkers' Federation (IMF), the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), and the International Textile, Garment and Leather Workers' Federation (ITGLWF) were deemed a transition period to integrate affiliate dues, create the executive committee, and organize the issues including women's participation. A certain level of consensus is targeted for the Ordinary Congress. After the Ordinary Congress, IndustriALL will enter the phase of undertaking full-scale activities. In this second phase, we must further advance integration and reforms under new leadership, and at the same time, augment regional activities that are closer to worksites.

As the JCM, we have conducted activities as the organization chairing IndustriALL in the Asia-Pacific region and chairing the ICT, Electrical and Electronics and Shipbuilding–Shipbreaking Action Groups. Our activities have received high evaluations from overseas labor unions, and great expectations are placed on them as well. We will continue to actively participate in IndustriALL meetings and activities so that we can fully play both our global and regional roles. As part of this, the IndustriALL Global Union Japan Liaison Council (IA–JLC) will be established in January 2017 as the country council endorsed by IndustriALL to strengthen coordination among the three affiliated organizations of IndustriALL–JAF, UA ZENSEN, and JCM.

At the ILO's International Labour Conference held in June 2016, "decent work in global supply chains" was a key agenda item. While development of global supply chains is expected to bring economic growth and employment opportunities, there are also concerns about the impact on workers from the standpoint of realizing decent work, such as deterioration of working conditions and environments. As the JCM, we will develop activities to establish global core labor standards and promote information sharing and greater solidarity among unions in various countries through strengthened company-based labor union networks. Especially in Southeast Asia where many Japanese companies have operations, we must continue making solid progress in coordinating with the labor unions in each country and protecting basic labor rights.

Accompanying globalization, multinational corporations are being called on to fulfill their corporate social responsibility. As the importance of building healthy labor–management relations at overseas business entities is increasing, both the number and complexity of labor disputes are growing. To also establish basic labor rights and realize appropriate distribution of rewards in countries where economic growth and democracy are advancing, we are strengthening activities inside and outside Japan to build healthy labor–management relations

that enable disputes to be resolved through dialogue. Regarding the strengthening of the international solidarity movement centered in Asia, we are actively organizing unions and providing educational support for labor union leaders as well as conducting information-sharing activities with an eye to coordination with groups such as RENGO and JILAF. In particular, labor union organization in the public and textile sectors is still in the early stage in Myanmar. As the future entry of the metal industry into Myanmar is also expected, we will make concentrated efforts to build constructive labor–management relations in the country.

Regarding women’s participation, we will promote women’s participation in JCM meetings and activities based on the second Women’s Participation Mid-term Targets and Action Plan as well as the IndustriALL Ordinary Congress. Aiming to elevate the level of activity, we will study and implement detailed plans after determining the actual circumstances and status of activities at JCM-affiliated industry-based unions and trends inside and outside Japan, primarily through the Women’s Liaison Conference.

In 2019, the ILO will mark its 100th anniversary, and in 2020, Tokyo will host the Olympic and Paralympic Games. Japanese labor and management must communicate a clear message for the next era and effectively fulfill their roles.

(4) Organizational strengthening and building efficient systems

Aiming to develop and strengthen the metalworker movement corresponding to the changing times, we have discussed and reported on our vision for the JCM organization and movement many times in the past. Following this, we have made efforts to focus and concentrate our activities and reduce expenses, including lowering dues in January 2012 and clarifying the division of roles with our constituent industry-based unions.

Four years have passed since the formation of IndustriALL, and we must conduct a more in-depth study of our vision for the JCM organization and activities in response to new circumstances including the planned formation of the IndustriALL Japan Liaison Council (IA–JLC). In particular, although we have repeatedly included strengthening coordination with the Rengo Central Coordinating Council for Metalworkers’ Unions in past reports, concrete progress has not been seen in this area. While maintaining the position that RENGO’s sector-based activities should be strengthened, we as the JCM will study in detail how to improve the activities, the division of roles, and what the activities should be, utilizing the venue of the Rengo Central Coordinating Council for Metalworkers’ Unions to address the immediate issues based on the recent changes in circumstances.

The regional blocks were established with the dissolution of the Regional Coordinating

Councils in the fall of 2002 in order to serve the role of coordination while working to establish the Regional Rengo Coordinating Council for Metalworkers' Unions, which is the parent body of the movement at the individual prefectural level. At present, Coordinating Councils for Metalworkers' Unions have been established in all 46 prefectures excluding Okinawa. Of these, 10 have not received official approval from the local RENGO, and they are conducting activities as metal groups while gaining the understanding of the local RENGO. The circumstances of their activities vary. We have held discussions on what form the block organizations and activities should take in venues such as organizational committee meetings and block meetings. We will deepen our discussions of what form the functions, roles, and specific activities should take while converging activities at the individual prefectural level with the Regional Rengo Coordinating Council for Metalworkers' Unions and aligned with the original intent of block organizations liaising and equalizing activities in each prefecture. The role to be played by metal and manufacturing labor unions in proposing policy to revitalize local industry and create employment is very important. In this sense as well, we will approach RENGO Headquarters and the local RENGOs as necessary to clarify the positioning of the Coordinating Councils in the local RENGOs and share our approach.

Regarding educational activities, the Labor Leadership Course has received highly positive evaluations both inside and outside the JCM for the quality of the content and its record of developing a large number of leaders to date. In recent years, however, the problem of a fixed pattern of participation by the same corporate union association and affiliates has emerged. While working to further enhance the content, we will aim to expand the participating unions. As the Labor Leadership Course will mark its 50th anniversary in 2018, we will review carrying out plans to celebrate this milestone.

Regarding our PR activities, we will hold discussions in specialized committees and meetings with PR staff to ensure that we effectively communicate information while taking advantage of each medium's characteristics, including institutional magazines and papers as well as our website. We will clarify the roles of each PR medium and conduct a fundamental review of our PR activities, including the frequency of publishing institutional magazines and papers.

Regarding finances, amid challenging financial conditions, we will continue efforts to reduce expenditures and increase the efficiency of our activities. Based on the agreement of the fiscal 2015 Organizational Financial Review Project Team, we will discuss our future financial direction in light of the integration of IndustriALL affiliate dues.

(5) The JCM's future

In addition to our basic approach for activities in the coming two years, we will raise issues to

advance discussions in various venues on what kind of future we envision for the JCM, covering several points that we will need to respond to in the near future based on changes in the environment around us.

While some aspects of the Fourth Industrial Revolution advances hold the potential for new development in the manufacturing industry and are welcomed, there is also concern about the great impact these advances will have on worksites. One such concern is the fragmentation of work, which would isolate workers and weaken the mindset of working together as a team at the same workplace. When circumstances emerge that make collective labor–management relations, the foundation of the workplace, impossible, the ability to protect workers’ rights and maintain and improve labor conditions becomes a major problem. Organizing workers whose employment or working style differs from traditional forms requires coordinated efforts between industry-based unions, whose scope of activities is within their industry, and the JCM, whose activities range across industries.

Regarding wage and labor conditions, our direction is clarified for several years into future in the Third Wage and Labor Policy. Against the backdrop of a falling birthrate, aging population, and falling working population, realizing a so-called “age-free society” that allows people to work with enthusiasm regardless of age and lead a rich life after retirement is cited as a topic that needs to be studied looking even further into the future. A future vision of the goals for wages, pension, retirement allowance, and other systems is needed. This vision may require a major reformulation of the present systems. Therefore, we need to reorganize the current state of issues while considering differences in industries. This is a problem that affects all working people, but we believe that we in the manufacturing industry, where the changes are dramatic, need to take the lead in these efforts. As manufacturing transforms into software and services, creating environments that expand work opportunities by shifting human resources and providing education and training corresponding to changes in the needed skills is essential. Efforts through social systems are expected to play the leading role in this, but we must also make proposals from the position of people who know the worksite-level conditions.

The manufacturing industry stands at the forefront of the changes that will be taking place in the future. The people who work here will undoubtedly feel the effects of these changes before other industries. We must be aware of and prepare for the changes now to ensure that our response as the JCM does not lag behind. In addition to further deepening and sharing our awareness of the issues, discussions that go deeper than in the past are necessary on the vision for coordination with our constituent industry-based unions and RENGO and division of roles, as well as the JCM organization looking to the future. We will advance these discussions through a wide range of opportunities.

II. Specific Programs and Activities

1. Improvement of the employment environment and wage and labor conditions based on the Third Wage and Labor Policy

(1) Measures to realize the Third Wage and Labor Policy

The Third Wage and Labor Policy has the following three pillars from the standpoint of further raising the level of capabilities on the ground, a strength of the Japanese manufacturing industry.

- Active participation of diverse human resources from a foundation of stable employment
- Realization of fair and equal treatment based on the principle of equal pay for equal work
- Realization of work–life balance

The policy presents our goals for employment, wages, and labor conditions in the metal industry with a view to the first half of the 2020s.

While essentially maintaining long-term, stable employment, the JCM has always advocated for the establishment of quality employment, which seeks to establish wage and labor conditions and working styles befitting the world-market-leading skills and technologies of the advanced country of Japan and Japan’s economic might built up over the more than 70 years since the end of World War II. This goes beyond the standards of long-term, stable employment with consideration for the humans who do it, meaning employment that does not disadvantage workers for changing jobs and does not restrict workers to a company, and decent work, meaning work that is rewarding and worthy of people. We have also worked to advance “labor CSR.” These issues will remain essential to the healthy development of the metal industry and to improving the livelihoods of the workers in the metal industry.

Three pillars of the Third Wage and Labor Policy:

1. While essentially maintaining long-term stable employment, we will pursue creating systems that do not disadvantage workers who change jobs or careers. We will actively promote the conversion of non-regular workers to regular workers. For fixed-contract and temporary employees as well, we will seek employment stability as well as wages and treatment that reflect improvements in their capacity to perform work duties. We will actively implement measures to develop workplace environments that respect diversity and allow everyone to work with enthusiasm.
2. We aim to establish fair and equal treatment based on the principle of equal pay for equal

work among all workers according to the knowledge, skills, workload, responsibilities, and working conditions, as cited in the ILO evaluation standard of “work of equal value.”

3. We will conduct measures to realize work–life balance, positioning working styles that balance both work and family needs by realizing rewarding and fulfilling life at work, and at the same time, that allow workers to lead their private lives, including performing their family roles, social contributions, community activities, and personal development. We will strive to further improve a variety of support programs to balance work and private life and create workplace conditions that facilitate workers taking advantage of these programs as well as fair treatment.

Seeking to realize these pillars, we will conduct a review that encompasses ascertaining the workplace circumstances, issues, and needs as well as wage and labor conditions, benefit programs, and the employment and contract status of non-regular workers. We will implement specific measures so as to begin realizing the necessary improvements through the Spring Offensive and year-round labor–management consultations.

(2) Wage and bonus measures

a. Measures to raise overall wages and rectify disparity, based on continual wage raises

Based on the social responsibility of labor unions, we will continue to base our efforts in the 2017 and 2018 Spring Offensives on the perspectives of escaping from deflation and creating a virtuous economic cycle as well as the perspectives of realizing investment in people and securing fair distribution of the rewards of labor for workers. We will place special focus on raising overall wages and rectifying disparity at small and medium-sized companies and with non-regular workers as our highest-priority issues. We will determine our specific Spring Offensive policy based on domestic and international economic conditions, the status of productivity, industry trends, employment circumstances, and the circumstances of workers’ livelihoods including consumer prices.

To advance measures to raise overall wages and rectify disparity at small and medium-sized companies and with non-regular workers, we will promote information sharing regarding Spring Offensive aggregation, namely on how to register and aggregate Spring Offensive information in designated unions for aggregating responses, small and medium-sized registered unions, and overall aggregation. We will also promote improvements in line with simplifying the process and rectifying disparity. Aiming to especially strengthen measures focused on individual wage levels, we will improve our data collection and analysis for overall aggregation of responses.

Along with this, regarding measures to build an appropriate cycle of added value in the value chain, which we advocated in the 2016 Spring Offensive, while coordinating these measures with our policy and program demands and industrial policy measures, we will develop activities

in the JCM and at each of our constituent organizations to promote understanding among executive groups, industry groups, and management. We will develop specific measures toward realizing an appropriate cycle of added value, starting with creating added value in regional small and medium-sized companies and establishing fair practices for sub-contracting, striving to develop conditions conducive to investment in people.

b. JC Minimum Wage Movement

The JCM will continue to position the following as the JC Minimum Wage Movement and work to advance the movement.

- Conclusion of intra-company minimum wage agreements at all labor unions and raising of wage standards
- Wage level raises for specific (industry-based) minimum wages
- Establishment of the JC minimum wage for workers age 35

By extending the results of efforts to conclude intra-company minimum wage agreements to specified (industry-based) minimum wages, we aim to raise overall wages and rectify disparity between regular and non-regular workers within the same company as well as between organized, regular workers and unorganized and non-regular workers in the metal industry. We will further review the ideal roles, eligible workers, and standards of intra-company minimum wage agreements.

Regarding specified (industry-based) minimum wages as well, to continue securing wage levels above region-based minimum wages as the minimum wages of basic industry workers, we will make concentrated efforts to secure raises above the raise amounts of region-based minimum wages. We will deepen our study of how to ensure that specified (industry-based) minimum wages are carried on and developed from the perspectives of the healthy development of industry and enhancing the appeal of the metal industry based on realizing equal pay for equal work and ensuring fair competition.

We will conduct measures to realize the JC minimum wage for workers age 35 as a movement to explicitly support minimum wage levels for metal industry workers who are 35 years old and eliminate wages below this minimum level.

c. Bonuses

We will strive to steadily secure bonuses based on the importance of our demand of bonuses equivalent to a five-month-portion of annual wages or higher to reward union members for their hard work and to receive appropriate distribution of the fruits of labor. Bonuses account for a high proportion of total annual wages and have a large impact on household budgets. Therefore, we will position a minimum standard of at least four months of annual wages equivalent to a

fixed cost-of-living expenditure and strive to steadily secure this standard regardless of company performance.

(3) Measures to improve the working environment and styles of work

a. Realization of work–life balance

We will make efforts to realize work–life balance to allow everyone to meet both work and family needs and continue working with peace of mind as well as contribute to society and their community.

We will strive to reduce the total annual hours of work to realize a level of 1,800 hours by shortening the hours worked through system means, including shortening the standard established work hours and increasing the number of annual paid vacation days, and through implementation means, including ensuring thorough management of work hours and promoting taking of annual paid vacation days. We will examine specific measures especially for annual paid vacation days to ensure that workers take their full number of days.

Along with efforts to expand support systems for realizing both work and family life, we will conduct efforts including reforming workplace attitudes and cultures and harassment prevention through labor–management consultations and other means to create conditions conducive to utilizing the systems.

b. Diversity measures, including promoting women’s participation and advancement in work and employment of persons with disabilities

Labor unions will actively participate to ascertain the workplace conditions and issues and reflect the opinions of union members to ensure that action plans on women’s participation and advancement are formulated based on the Act on Promotion of Women’s Participation and Advancement in the Workplace and that these action plans are steadily implemented.

We will prepare conditions to develop work that allows people with disabilities to demonstrate their individual capacities and establish such work at workplaces in order to achieve the legally mandated employment rate for disabled persons as well as further expand employment opportunities.

We will begin research and review on preparing workplace conditions to address LGBT needs.

c. Employment stability and improved treatment for workers age 60 and older

We will make efforts to gain an understanding of workplace conditions and issues and resolve issues on an ongoing basis for employed workers age 60 and older. These include the status of workers wishing to continue working after the 2013 employment system revision, the nature of the work, wage and labor conditions, and working styles. We will strive to improve employment

stability as well as wage and labor conditions so that employed workers age 60 and older can demonstrate their extensive experience, skills, and techniques and actively contribute to company development with a sense of reward and challenge.

d. Raising supplementary accident compensation benefits to eliminate industrial accidents and create healthy workplace environments

Aiming to eliminate industrial accidents, we will thoroughly conduct routine activities based on the approach of the Occupational Safety and Health Management System (OSHMS) to achieve zero industrial accidents in workplaces, including hazard detection activities, risk assessments, activities to review and prevent near misses, and three-layer (and four- and five-layer) safety activities, so as to enhance the sensitivity of all workers including non-regular workers to hazards in all workplaces. We will continuously conduct safety and health measures to prevent mental health disorders and occupational illnesses. We will strive to create workplace environments that allow people to continue working in good health and with peace of mind by implementing measures for mental health and harassment prevention among others.

When occupational accidents or illnesses do occur, we will work to ensure that compensation and systems give workers reassurance to concentrate on their treatment as well as compensation for surviving family members to sustain their livelihood.

e. Retirement allowance and company pension

As retirement allowances and company pension are increasingly important for the stability of senior citizens' livelihoods, we will address necessary measures based on the systems and standards of retirement allowances and company pension as well as other factors such as the circumstances of retirees' livelihoods.

(4) Improvements in wage and labor conditions through realization of fair and equal treatment

Along with promoting conversion of non-regular workers to regular workers, we will strive to improve wage and labor conditions for workers with diverse employment and contract forms, including fixed-term employment and indirect employment, by realizing fair and equal treatment based on the principle of equal pay for equal work.

We will begin conducting measures to improve specific wage and labor conditions through Spring Offensives and year-round labor-management consultations, using reviews to ascertain workplace conditions, issues, and needs, wage and labor conditions, benefit programs, the employment or contract status of non-regular workers, and other circumstances.

Corresponding to revisions in the training program for foreign workers, we will work to strengthen legal compliance, including ensuring the workability of the Ministry of Justice ordinance that foreign workers should be compensated at least equivalent to Japanese workers engaged in the same work.

2. Policy and program demands and promotion of industrial policy based on an aggressive industrial policy

(1) Measures to realize 2016–2017 policy and program demands

The 2016–2017 Policy and Program Demands we formulated in April 2016 includes the following demands.

- Steadily escaping from deflation, stability in exchange rates, development of domestic systems and legal measures accompanying TPP ratification
- Promotion of extensive education and instruction to prevent industrial accidents, strengthened education at industrial high schools, establishing fair practices in sub-contracting
- Mobilization of measures to prevent companies that engage in exploitative labor practices from existing, expanded support for on-site childcare facilities
- Reinforced structure of the Nuclear Regulation Authority, improvements to the renewable electric energy feed-in tariff scheme

To realize these and other demands, we will forcefully develop activities to make demands of government ministries including the Ministry of Health, Labour and Welfare, the Cabinet Secretariat, the Cabinet Office, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Economy, Trade and Industry, the Ministry of Land Infrastructure, Transport and Tourism, the Ministry of the Environment, and the Ministry of Defense as well as bodies including the Japan Fair Trade Commission, the Bank of Japan, and the Japan Vocational Ability Development Association. We will also further strengthen our coordination with political advisors to have our demands reflected in Democratic Party policy. In addition, we will strive to provide information to and promote understanding among members of the Diet, executive groups, mass media, and other relevant groups through the publication and distribution of policy reports. We will especially strengthen our approaches to political advisors in the Policy Advisor Discussion Meeting (formerly the Policy Study Meeting) and to policy secretaries in Policy Explanation Meetings for individual issues, and request response in the Diet to realize the JCM's Policy and Program Demands. Regarding the Japan Federation of Economic Organizations (*Keidanren*), we will continue to hold our regular meetings and deepen our mutual understanding of shared individual

themes.

Regarding the individual issues, we will hold Policy Issue Study Meetings as necessary for policy committee members and others to further deepen our examination.

Policy Advisor Discussion Meeting (formerly the Policy Study Meeting): Three top JCM officials and political advisors exchange information and opinions mainly on policy to advance JCM policy
Policy Explanation Meeting: The JCM explains JCM policy to policy secretaries of political advisors to advance JCM policy
Policy Issue Study Meeting: Study meetings for JCM policy committee members and others

(2) Future shape of Policy and Program Demands

In April 2017, we will formulate Priority Measures in 2017 Policy and Program Demands and work towards its realization, based on the status of realizing our 2016–2017 Policy and Program Demands and changes in circumstances.

Up to now, we have formulated Policy and Program Demands in even-numbered years and Priority Measures in odd-numbered years. We will spend one year until the 56th National Convention studying revisions to these documents from 2018 to sharpen their prioritization and our ability to realize our demands, mainly through the venue of the Policy Committee.

We will continue to formulate the Regional Policy and Program Issues every year, and seek its reflection through our regional blocks in policy and program measures at regional metal organizations including the Regional Rengo Coordinating Councils for Metalworkers' Unions. We will further enhance the content of the documents Plan for Measures to Realize Regional Policy and Unified Measures, which were first set forth in our 2016 Regional Policy and Program Issues, incorporate them into regional RENG0 policy, and seek their realization through approaches to local government leaders, relevant local government departments, and supporting local government legislators.

(3) Manifestation of an appropriate cycle of added value in the value chain

We will develop activities at the JCM and our constituent organizations to promote understanding regarding the manifestation of an appropriate cycle of added value for executive groups, industry groups, and management.

For national government and local governments as well, we will make proposals to create added

value at regional small and medium-sized companies, including expanding the use of the “manufacturing meister” and “kaizen instructor” programs, promoting the creation and release of CSR accounting reports, analyzing added value at suppliers, logistics divisions, sales divisions, and after-sales service divisions, conducting relative analysis of management indicators at Japanese companies and excellent Western companies, and strengthening systems to establish fair sub-contracting trade practices.

(4) Response to trends including the so-called Fourth Industrial Revolution

“Capabilities on the ground,” meaning working-level employees’ skills, techniques, knowledge, know-how, judgment, and resourcefulness, are a focus of trends such as the so-called Fourth Industrial Revolution. As the JCM, we will proactively deepen our examination and make specific proposals so that this revolution contributes to raising the level of the work and working styles, improving wage and labor conditions, and establishing work–life balance. We will also examine the “right to disconnect” on the Internet.

In laying the groundwork for the Fourth Industrial Revolution, we will send messages to prompt Japanese companies to perform their leadership role in integrating various trends around the world so that Japan does not fall behind global trends from an excessive focus on “made in Japan” and the “Japanese version” of products and services.

We will examine our response as the JCM to outsourcing and freelancing, the use of which may expand sharply in the future and includes crowdsourcing, in which large numbers of unspecified individuals engage in a task.

(5) Activities toward the sustainable development of the Japanese manufacturing and metal industries

For the sustainable development of the Japanese manufacturing and metal industries, we will develop measures for policy and program demands and to promote understanding and rally public opinion in order to promote management conducted from a long-term perspective and management targeting the expansion of gains by not just shareholders but all stakeholders starting with employees.

As corporate scandals and labor–management conflicts at business sites outside Japan can cost companies their sustainable development and global business development, we will work to strengthen our involvement in CSR as the labor union, including the aforementioned promotion of creating and releasing CSR accounting reports and expanding implementation of labor CSR.

3. Development of the international labor movement

(1) Active contributions to the international labor movement

a. Response to IndustriALL and global union activities

The statutes and action plan charting the direction of activities during the next four-year period are scheduled to be revised at the second Ordinary Congress to take place in October 2016. New leadership will also be elected to replace the President and General Secretary. In June 2012, the former three GUFs* merged to form IndustriALL. After a four-year transition period, we are entering a key period when IndustriALL becomes one GUF, with the fully operational phase beginning following the Ordinary Congress. As the JCM, we are taking the basic stance of “further integration and reform” in this second phase and will continue to actively perform our role as an Executive Committee member to reinforce IndustriALL activities on an ongoing basis, aiming for true integration. Specifically, we will participate in committee and working groups (sector action groups) including the IndustriALL Executive Committee and make efforts to reflect as much as possible the JCM’s position and opinions through meetings.

Of the 13 industry-based sectors

of IndustriALL, the metal industry sector extends to aerospace, automotive, base metals (including steel and non-ferrous metals), ICT/electrical/electronics, mechanical engineering, shipbuilding and shipbreaking, and white collar jobs. Of these, the Japanese Electric Electronic and Information Union (JEIU) serves as sector chair for ICT, electrical and electronics, and the Japan Federation of Basic Industry Workers' Unions (JBU) serves as sector chair of shipbuilding and shipbreaking. While the specific industry union handles the industry-based sector meetings in principle, the JCM will provide support as necessary.

We will develop global campaigns based on IndustriALL demands and activities in Japan such as the STOP Precarious Work campaign in cooperation with IndustriALL–JAF and UA ZENSEN, the other IndustriALL Global Union affiliates in Japan.

*Former 3 GUFs: GUF stands for Global Union Federation. In June 2012, the three GUFs of the International Metalworkers’ Federation (IMF), the International Federation of Chemical, Energy, Mine and General Workers’ Unions (ICEM), and the International Textile, Garment and Leather Workers’ Federation (ITGLWF) merged to form the IndustriALL Global Union. The founding congress was held in Copenhagen, Denmark.

b. Response to activities in the Asia-Pacific region

As the chairing organization of the Asia-Pacific region, we have conducted activities in coordination with regional IndustriALL Global Union affiliates and regional offices. In January 2016, the Asia-Pacific Regional Executive Committee meeting was held in Tokyo, Japan, with the cooperation of IndustriALL Global Union affiliates in Japan, where we deepened discussions among the Executive Committee members on future regional activities. In the discussions on revising IndustriALL statutes, we have called for strengthening cooperation between the headquarters and regions and enhancement of region-led activities based on discussions at the Asia-Pacific Regional Executive Committee meetings.

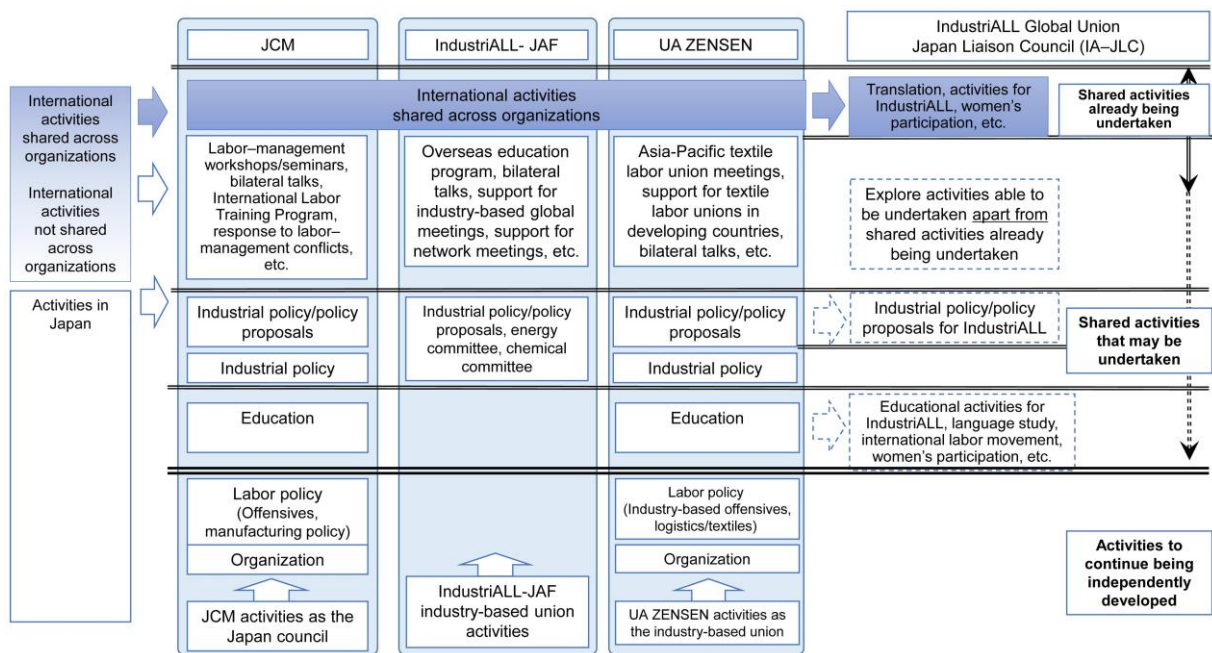
Going forward, we will continue to perform our role in order to further develop and enhance activities in the Asia-Pacific region. In conducting activities, we will formulate an activity plan together with the regional offices and regional executive committees, strengthen coordination with the headquarters in implementing the plan, and develop and carry out effective, efficient activities while conducting evaluations as appropriate.

The Asian Metalworkers' Liaison Conference organized by the JCM will conclude as of the conference held in Japan in September 2016. The Asian Metalworkers' Liaison Conference has a history going back approximately 40 years, including its forerunner of the IMF Southeast Asia Leadership Course. The conference has been held while changing its form to meet the changes of the times. By continuing to hold conferences for the metal sector even after the formation of IndustriALL, the Asian Metalworkers' Liaison Conference has served a role in complementing regional activities and strengthening labor unions in countries and regions. As part of strengthening activities and cooperation in the Asia-Pacific region in the era of IndustriALL, in the future we will cooperate with IndustriALL headquarters, regional offices, and IndustriALL Global Union affiliates in Japan to explore new meeting forms not restricted to the metal sector so as to demonstrate the synergies of the three GUFs.

c. Response to activities of the IndustriALL Global Union Japan Labor Council

The IndustriALL Global Union Japan Liaison Council (IA-JLC), for which we have made specific preparations so far together with IndustriALL-JAF and UA ZENSEN, the other IndustriALL Global Union affiliates in Japan, will be established in January 2017. In forming the IA-JLC, we have unified international activities that we were already doing jointly, including translation of meeting and website materials and activities for IndustriALL. We will jointly hold seminars, workshops, network meetings and the like, maintain firm awareness of coordinating as a Japanese affiliate in acting in solidarity as the three organizations and reflecting the shared opinions of the three organizations in IndustriALL activities, and operate the IA-JLC with higher levels of efficacy and efficiency.

[Image of IndustriALL Global Union Japan Liaison Council activities]



d. Promotion of coordination with RENGO, JILAF, and other GUFs

With the strengthening cooperative relations of global unions, including among the International Trade Union Confederation (ITUC) and GUFs, a unified response is expected as the Japanese labor unions. In Japan, RENGO, the Japan International Labour Federation (JILAF), and the GUFs handle the international labor movement. We will advance information exchanges with the councils and offices of these organizations in Japan and examine specific cooperative activities.

The Trade Union Solidarity Support Organization* (TUSSO) plays a role in the labor movement through labor unions in developing countries. As providing support to labor unions, through education and training including to raise their ability to organize and collectively bargain in Southeast Asian countries, is cited as producing significant outcomes, first we will gather information on TUSSO activities through our JCM network and share it with Japanese labor unions.

*TUSSO: Stands for Trade Union Solidarity Support Organization. Representative organizations include the Solidarity Center (United States), Friedrich Ebert Stiftung (FES, Germany), SASK (Finland), LO/TCO (Sweden), FNV (Netherlands), ABVV (Belgium), and APHEDA (Australia). TUSSO conducts various activities to support labor unions in the Southeast Asian region.

(2) Actions to comply with core labor standards and build constructive labor-management relations

As globalization advances, Japanese companies are accelerating and expanding their overseas

development, and company activities are exerting a greater influence on society. With this, multinational corporations are being called on to fulfill their social responsibility.

Amid this situation, labor–management conflicts at the overseas bases of Japanese multinational corporations (MNCs) are increasing irrespective of company scale or sector. In recent years, the number of labor–management conflicts at MNCs that make up the value chain and supply chains is growing.

To date, the JCM has conducted activities to build understanding for complying with core labor standards at Japanese MNCs and various activities inside and outside Japan to build constructive labor–management relations at the overseas business sites of Japanese MNCs. We need to conduct activities based on the circumstances of the most recent labor–management conflicts and the discussions on Decent Work in Global Supply Chains held at the ILO Congress in June 2016. Japanese parent company labor and management have a vital role to play in building constructive labor–management relations at overseas business sites.

In light of the ILO's 100th anniversary in 2019 and the 2020 Tokyo Olympic and Paralympic Games, the necessity for labor and management to cooperate on activities with global awareness will grow. The JCM will conduct a range of activities while monitoring RENGO and GUF activities.

a. Measures to build multinational corporation networks and GFA formation

While continuing to create individual connections between overseas labor unions and Japanese labor unions, we will continue the following measures to develop these connections into network meetings in which all parties meet together.

- Support for exchanges of individual labor unions and the European Works Councils (EWC)
- Creating connections with industry-based overseas labor unions and support for holding network meetings
- Encouraging JCM-affiliated labor unions to participate in foreign MNC labor union networks

We will share information with international committees and expand network creation with this series of measures.

In December 2014, the IndustriALL Executive Committee approved the GFA Guidelines for Global Framework Agreements (GFAs). The GFA Guidelines seek to ultimately facilitate GFA formation based on building MNC labor union networks and establishing compliance with core labor standards in the value chain and supply chains. We will examine specific measures in line with the activities of RENGO and the GUFs in light of the upcoming 2020 Tokyo Olympic and Paralympic Games.

b. Planning and holding of labor–management seminars and workshops for Japanese corporations inside Japan

We have so far held 18 labor–management seminars in Japan for Japanese companies. We will continue to hold them with a central focus on applicable cases in the value chain and supply chains as well as the importance of compliance with core labor standards. As many MNCs that make up the value chain and supply chains are regional companies in local industry in Japan, we will work to ensure effective information provision to them.

c. Planning and holding of labor–management seminars and workshops for Japanese corporations outside Japan

The JCM has sponsored Labor–Management Workshops toward Building Constructive Labor–Management Relations seven times in Indonesia and four times in Thailand for Japanese companies. These workshops are venues to share understanding on local labor–management relations, and are expected to serve the role of laying the groundwork to resolve labor–management issues through talks. We will continue to hold them from fiscal 2017 as well.

In their implementation, we will incorporate some changes such as sharing successful cases of constructive labor–management relations and issue resolution by labor and management and support for holding labor–management dialogue forums at industrial parks. We will also consider holding workshops in other countries.

d. Holding of international labor training programs

The International Labor Training Program is held in a different country each time and incorporates opinion exchanges with the Japanese embassy of the country, the Japanese Chamber of Commerce, local labor unions, government organizations, executive groups, and other parties as well as factory tours and visits to sites of labor union activities. The program is not only a venue to train people to lead international labor movements at individual industry-based unions and affiliates, it also contributes significantly to building relationships between the local labor unions of Japanese companies and the Japanese labor union of the parent company, and thus to building MNC networks. In fiscal 2017, we will conduct the International Labor Training Program in Myanmar, which has had economic sanctions lifted and is seeing sharply higher foreign direct investment after its transition to a democratically elected government, and where development of the labor movement is anticipated.

(3) Development of international solidarity activities

a. Bilateral exchanges in East Asia

Every year the JCM holds exchanges respectively with metalworkers' unions from South Korea

and two metal industry organizations from China (China Mechanical, Metallurgical, and Building Material Workers' Union and Chinese Defense Industry, Postal and Telecommunications Workers' Union) to mutually deepen understanding, exchange information, and strengthen cooperation. We are scheduled to send officers to South Korea and China in fiscal 2017. We plan to innovate the itinerary and how the meetings are run to further enhance the outcomes of the exchanges.

We will do all we possibly can to address requests from friendly organizations in Southeast Asia to hold exchanges, including accommodating their staff members in international labor training programs and sending instructors to local seminars.

b. Regular discussions with European and U.S. labor unions

Every three years, the JCM holds regular discussions with Germany-based IG Metall and Nordic IN, in which we exchange information and strengthen cooperation on shared issues. At the regular discussions held with IG Metall in April 2016, we were able to deepen understanding on the theme of Industrie 4.0. We will prepare for the next regular discussions to be held in Japan, and at the same time, examine strengthening working-level cooperation on urgent issues.

c. Response to overseas labor–management conflicts

We will promote compliance with core labor standards and develop measures aimed at building constructive labor–management relations at Japanese multinational corporations, and at the same time, continue providing support in the event of labor–management conflicts arising. We will work toward the rapid resolution of conflicts coordinated with IndustriALL headquarters and regional offices, the overseas labor union, the Japanese industry-based union, corporate union association, and affiliates.

The rising number of labor–management conflicts at multinational corporations that make up the value chain and supply chains are becoming more complex, with cases where there is no labor union at the parent Japanese head office; cases where even when there is a labor union, it is not affiliated with an umbrella organization; and cases where the organization is not affiliated with the JCM. Even in these cases, we will facilitate rapid and appropriate resolution through talks between the parties involved in the labor–management conflict.

We will strengthen our response when there are clearly unfair labor practices and violations of workers' rights, such as interference with labor union organizing, refusal to engage in collective bargaining, and dismissal of labor union members. We will promote understanding on the part of both labor and management of the international rules that companies should uphold, including core ILO labor standards, which summarize the most basic labor standards that should be upheld at a minimum, and the OECD Guidelines for Multinational Enterprises, which call for

responsible business conduct in employment, labor–management relations, and the environment among other areas.

(4) Further strengthening of the JCM's international functions

a. Overseas labor information provision by the JCM

We continually update information on each country's basic information, labor circumstances, labor union organizational structure and information, and cases of labor–management conflicts. In addition to providing information by giving reports at seminars and other venues and publishing information on our website, etc., we will also respond to inquiries from affiliated organizations. We will continue to ascertain industry-based needs through international committee meetings and provide information based on these needs.

b. Strengthening of routine coordination with overseas labor unions

We will strengthen routine coordination with overseas labor unions to effectively develop various international solidarity activities, including active involvement in all IndustriALL activities, enhancement of activities in the Asia-Pacific region, joint activities through holding seminars and workshops, response to labor–management disputes, and gathering information on overseas labor circumstances.

(5) Creation of a global cooperative framework to strengthen women's participation

In IndustriALL, discussions on women's participation are intensifying toward the upcoming second Ordinary Congress in October 2016. These discussions include raising the representation and participation rate of women in IndustriALL from 30% to 40%, and permanently establishing the Women's Executive Committee, currently positioned as one sector action group, as an advisory body to the Executive Committee.

Regarding women's participation, we have developed activities to date based on the Second Women's Participation Mid-term Targets and Action Plan approved at the Executive Committee Meeting of July 2014. We will promote women's participation in all JCM meetings and activities in light of the IndustriALL Ordinary Congress.

Through the Women's Liaison Conference set up as a contact point for women's activities in IndustriALL, we have made efforts to continuously develop human resources that can firmly assert Japan's position at IndustriALL meetings and to exchange information among industry-based organizations. We will continue to serve as a contact function for international activities. We will actively participate in various IndustriALL women's initiatives at the international level

and make efforts to develop women labor union leaders and build a network with women labor union leaders overseas.

In Japan, we have held the Women's Exchange Session once a year for the purposes of promoting women's participation in union activities through exchanges with women leaders in the metal industry and reflecting issues that emerge in meetings in JCM activities. To further raise our level of activity, we will examine and implement specific measures mainly through the Women's Liaison Conference after gaining an understanding of domestic and international trends and the circumstances and status of activities at JCM affiliated industry-based unions.

4. Response to organizational strengthening and establishment of a more efficient movement

(1) Exchanging information on industry-based unions' organizational activities and response to current issues

Through organizational committee venues, the JCM examines response measures for a range of information exchanges and shared issues to further contribute to organizational activities, educational and PR activities, and other activities at the five affiliated industry-based unions. Along with this, we conduct information exchanges to expand and strengthen each industry-based union. In addition, we will examine effective role-sharing between the JCM and the five affiliated industry-based unions to develop educational and PR activities as well as coordinated measures for current issues.

(2) Development of Rengo Central Coordinating Council for Metalworkers' Unions activities and a review of roles and functions

As the promotion office for the activities of the Rengo Central Coordinating Councils for Metalworkers' Unions, the JCM will conduct measures to enhance these activities.

Specifically, we will hold regular meetings of the Central Coordinating Council for Metalworkers' Unions comprising members including industrial unions' presidents and general secretaries. We will hold discussions from the perspective of the private sector, manufacturing and metal industries on policy specific to the metal industry and issues common to the metal industry, and strive to develop the RENGO movement. In addition, we will ascertain the status of activities of the Regional Rengo Coordinating Councils for Metalworkers' Unions and develop appropriate support through the regional organizations of affiliated industry-based unions and JCM regional blocks.

As a future issue, the roles and functions of the Rengo Central Coordinating Councils for Metalworkers' Unions need to be examined. We will focus discussions in particular on our relationship with the Rengo Central Coordinating Councils for Metalworkers' Unions and the Regional Rengo Coordinating Councils for Metalworkers' Unions, as well as how we are involved with them as the JCM, through the venues of the Rengo Central Coordinating Councils for Metalworkers' Unions and organizational committees.

(3) Measures for regional block activities

Through the nine regional blocks set up in Japan and with the cooperation of the five affiliated industry-based unions, the JCM will offer support to enhance the activities of the prefectural Coordinating Councils for Metalworkers' Unions set up in 46 prefectures except Okinawa.

Specifically, the JCM will hold Regional Block Representative Conferences (chaired by the General Secretary) approximately twice a year to provide explanations of JCM policy as well as exchange information on the state of activities in the metalworkers' sector in each region at the prefectural level and discuss response measures to strengthen the development of these activities.

In each regional block, we will hold regular meetings of the Regional Rengo Coordinating Councils for Metalworkers' Unions in each prefecture based on the Regional Block Representative Conferences and enhance our activities through development of JCM policy and exchanges of information and opinions in each prefecture.

In addition, as it has been pointed out that activities of the Regional Rengo Coordinating Councils for Metalworkers' Unions have had varying levels of intensity in the past, this year we will conduct a detailed review of the content of activities of the Regional Rengo Coordinating Councils for Metalworkers' Unions and work to equalize these activities. Specifically, we will examine the core activities to be undertaken in all prefectures through the venues of regional block meetings and organizational committee meetings. These include exchanging information, including on Spring Offensive and minimum wage measures; strengthening reflection of our opinions as the JCM in creating Regional RENGU policy and program demands for local governments; continued holding of "manufacturing classrooms" incorporating characteristics of the industry and region; and holding of study meetings and other meetings incorporating prefectural characteristics, including Policy and Program Study Meetings, Spring Offensive Study Meetings, Safety and Health Study Meetings, and factory tours. After reaching a consensus on the activities, we will carry them out from fiscal 2018.

(4) Cultivating the next generation of union officials and strengthening of PR

activities

a. Substantive enhancement of Labor Leadership Courses

As an educational activity, the JCM has continued to hold Labor Leadership Courses since the third year of our formation as a venue to effectively train union leaders while cooperating with universities. We will again hold the Labor Leadership Course in 2017 and 2018 in October in Kyoto. We will strive to develop leaders to lead the next generation of the metalworkers' labor movement, mainly through lectures to impart the specialized knowledge needed as labor union leaders, aiming to augment the research content and lectures with feedback and suggestions from both participants and lecturers. These lectures include seminars with extensive discussions on issues at workplaces and labor unions under the direction of Steering Committee members from the common foundation of the private sector, manufacturing and metal industries. In addition, we will hold an "open college," where officers in charge of education at non-participating unions can experience parts of the course, as well as other efforts to expand the number of participating unions. As October 2018 marks the 50th anniversary of the Labor Leadership Course, we will examine carrying out our plans to commemorate this milestone.

We will also hold intensive information exchanges with the officials in charge of education at industry-based unions so that the Labor Leadership Course can be more widely and effectively used in affiliated industry-based unions and affiliates.

b. Strengthening of PR activities

We will continue to improve and enhance our website as an effective PR tool, strengthen our system of timely updates, and develop web pages that are easier to read and utilize.

In addition, we will streamline the roles of our PR tools, including institutional magazines and our website. We will research the status of use and evaluations of the JCM's PR media at affiliated industry-based unions and affiliates and clarify their needs. Based on the findings of this research, we will examine the content of improvements in specialized committees and meetings with PR staff, and successively begin implementation of feasible measures.

(5) Examination of issues toward establishing a long-term financial foundation

Following the four-year transition period for affiliate dues after the formation of IndustriALL, affiliate dues will be unified from the past 1.1 Swiss francs (per person/year) to 1.28 Swiss francs (1.155 Swiss francs in 2017 as a measure to mitigate extreme fluctuations) at the Ordinary Congress, scheduled for October 2016. IndustriALL affiliation fees account for approximately 50% of our revenue from membership dues. Bearing in mind that exchange rate fluctuations may cause significant strain our finances, we will study specific ways to achieve long-term

stability of our financial foundation.

To date, we have advanced measures to reduce expenses and increase the efficiency of our activities based on the Organizational Administration Examination Committee's findings approved at the 51st National Convention in 2012. In addition, in fiscal 2015 we established the Organizational Financial Review Project Team comprising the industry-based unions' presidents and general secretaries and examined how to achieve balanced fiscal revenues and expenditures. As IndustriALL affiliate dues have been finalized, the project team will resume discussions in fiscal 2017 to reach some consensus on the approach to take.

In addition to streamlining efforts through sharing expenses and roles with the IndustriALL Global Union Japan Liaison Council (IA-JLC) to be formed in January 2017, we will strive to further reduce overall expenses including administrative expenses and make our activities more efficient to establish a sustainable financial foundation. Our fiscal 2017 budget provides for 9.00 million yen as our IA-JLC contribution.

Based on the direction of the Organizational Administration Examination Committee's findings approved at the 51st National Convention, the income shortfall will be supplemented by transferring a portion of our financial reserve fund.