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QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Cooperative, Corporation, Foundation, Limited Liability Company, Trust

Five main social issues addressed by these organizations: Basic Needs, Health and Medical Research, Housing and Economic Development, Youth and Family, Community Development

Average time established by law to register a philanthropic organization: Varies

Average cost for registering a philanthropic organization: Varies

Government levels primarily regulating the incorporation of philanthropic organizations: Central/Federal Government, State Government, Local Government

The government levels that primarily regulate the incorporation of a philanthropic organization vary, depending on the legal category of the organization and the location of the registration.

Philanthropic Environment Scores:

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
2022 GPEI	4.67	4.25	4.50	4.50	4.00	4.50	4.40
2018 GPEI	4.83	4.25	4.50	4.25	N.A.	4.00	4.37

Source: Indiana University Lilly Family School of Philanthropy, 2022 *Global Philanthropy Environment Index*

Key Findings

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

Question One: To what extent can individuals form and incorporate the organizations defined?

Score: 5.0

In Japan, freedom of assembly, association, and expression are guaranteed under the Constitution of Japan, and there are many laws under which individuals can incorporate nonprofit organizations. The primary law for private foundations and associations is the 2008 Act on General Nonprofit Incorporated Associations and General Incorporated Foundations (一般社団法人及び一般財団法人に関する法律). As guaranteed by this law, General Nonprofit Corporations (GNCs), which consist of General Nonprofit Incorporated Associations (*Ippan Shadan Hojin*) and Foundations (*Ippan Zaidan Hojin*), can be easily established without approval from the government and registered with a registry office. The cost is roughly JPY 120,000 (about USD 1,100). As of August 2021, the number of GNC Associations is about 65,000 and the number of GNC Foundations is approximately 7,500.

GNCs do not have the privilege of tax-deductible status for donations or tax-exempt status for income from public benefit activities. GNCs must apply for and receive authorization from the Commission for Public Interest Corporations so that these organizations can be recognized as Public Interest Corporations (PICs) according to the 2008 Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (公益社団法人及び公益財団法人の認定等に関する法律). PICs receive tax-exempt and tax-deductible status for contributions and are composed of Public Interest Incorporated Associations (*Koeki Shadan Hojin*) and Foundations (*Koeki Zaidan Hojin*). As of August 2021, the number of PIC Associations is roughly 4,200 and the number of PIC Foundations is about 5,500.

The 1998 Act on Promotion of Specified Non-profit Activities (特定非営利活動促進法) largely simplified the incorporation process for nonprofits that was troublesome under the previous public interest corporation laws originally introduced in 1896 and reformed in 2008. Under this law, Specified Nonprofit Corporations (SNCs) (*Tokutei Hieiri Katudo Hojin*) can be easily certified and authenticated by prefectural government or city designated by government ordinance, and registered at a registry office. Since SNCs do not have tax-deductible status for giving, SNCs must apply for and receive approval from prefectural governments so that they can be recognized as Approved SNCs and earn the tax-deductible status for donations. As of August 2021, there are approximately 51,000 SNCs and roughly 1,200 Approved SNCs.

Apart from GNCs, PICs, SNCs, and Approved SNCs, there are many types of nonprofit organizations in Japan, including Social Welfare Corporations, Religious Corporations, Private School Corporations, Medical Corporations, Vocational Training Corporations, and Public Charitable Trusts.

Question Two: To what extent are POs free to operate without excessive government interference?

Score: 4.0

GNCS freely operate without considerable government interference. GNCs do not have tax-exempt status for income from public benefit activities and are not required to submit their financial statements and activity reports to the government. However, GNCs are required to keep their financial statements and activity reports at their main offices to show these documents to their members, councilors, and other interested parties if asked to do so. Regarding corporate governance, GNC Associations must have directors and hold a general meeting composed of the membership, and GNC Foundations are required to have a board of directors, a board of councilors, and an accounting auditor.

PICS freely operate without excessive government interference. However, regulations with regard to PICs are stricter than those of GNCs due to having tax-deductible status for donations and tax-exempt status for income from public benefit activities. If PICs do not meet public interest criteria, their public interest status may be revoked by the government. In addition to required corporate governance for GNCs, PIC Associations must have at least three directors and an accounting auditor, and PIC Foundations must have at least three directors and councilors respectively. Also, PICs are required to submit their financial statements and activity reports to the government as well as to keep these documents at their main offices to show to interested parties if asked to do so. Furthermore, PICs undergo a rather time-consuming audit by the government every three years.

SNCs freely operate without unnecessary government interference. Only when an SNC clearly does not comply with a law, regulation, order issued by a government body, or article of incorporation, the government has authority to require the SNC to explain their incompliance or investigate the SNC on site. Also, SNCs are required to keep their financial statements and activity reports at their main offices and to submit these documents to the government due to public disclosure requirements. Regarding corporate governance, SNCs must have directors, an auditor, and hold a general meeting composed of the membership.

For other types of nonprofit organizations, the degree of government interference varies, ranging from strong regulations for Social Welfare Corporations to moderate regulations for Private School Corporations to limited regulations for Religious Corporations.

Question Three: To what extent is there government discretion in shutting down POs?

Score: 5.0

A court, rather than the government body, has the authority to issue a dissolution order to GNCS when a GNC is found to have been established for an unlawful purpose, does not operate for one or more years without a legitimate reason, or the GNC director repeatedly violates a law. Prefectural governments or the Cabinet Office are the regulators of PICs. They must revoke the authorization given to a PIC if the PIC director is imprisoned, the PIC flagrantly violates a relevant law, is found to have falsely earned the PIC authorization, or does not comply with orders that the government body issues under the law to ensure that the PIC will operate properly. Also, prefectural governments or

the Cabinet Office can revoke a PIC's if the PIC no longer meets some of the standards for authorization or does not comply with some of the provisions for the PIC authorization.

A prefectural government or city designated by government ordinance can terminate a SNC if the SNC no longer fulfills authentication requirements, does not comply with orders issued by the government body, or does not submit its activity report for at least three consecutive years.

A prefectural government or city designated by government ordinance must revoke the approval given to an Approved SNC if the Approved SNC is found to have falsely earned the approval or does not comply with orders that the government body issues under the law. Also, a prefectural government or city designated by government ordinance can revoke the approval given to an Approved SNC if the approved SNC no longer meets some of the approval standards or does not comply with some of the provisions for the approval.

For other types of nonprofit organizations, the degree of government discretion in shutting down these organizations varies, ranging from a reasonable level of discretion over Social Welfare Corporations to limited discretion over Private School Corporations. On the other hand, a court, rather than the government body, has the authority to issue a dissolution order to Religious Corporations.

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question Four: To what extent is the tax system favorable to making charitable donations?

Score: 4.5

When individuals make charitable contributions to Approved SNCs, or Designated Public Interest Promotion Corporations, which includes PICS, Social Welfare Corporations, and a certain number of Private School Corporations, donors can deduct their donations from their taxable income or from their income taxes within certain limits. In addition, when individuals make charitable contributions to organizations designated by a prefectural or municipal government, they can deduct the contributions from their prefectural or municipal residential taxes within certain limits.

More specifically, donors can choose from two different options for income tax deductions. When donors choose a deduction from their taxable income, they can subtract the donation amount from their taxable income up to 40 percent of their total income. On the other hand, when donors choose a tax credit, they can deduct 40 percent of their charitable contributions from their income taxes, up to 25 percent. For prefectural residential taxes, donors can deduct 4 percent (up to 30% of their total income) of their giving to designated organizations from their prefectural residential taxes. Similarly, for municipal residential taxes, donors can subtract 6 percent (up to 30% of their total income) of their charitable contributions to designated organizations from their municipal residential taxes. But for both income tax deduction and residential tax deduction, donors must subtract JPY 2000 (about USD 18) from the amount of their donations before calculating how much they can deduct from their taxable income or income taxes. To earn these tax benefits, donors must submit a tax return along

with a receipt of their donation issued by designated organizations in order to claim their tax deduction.

Corporations can also receive corporate income tax deductions. When corporations make charitable contributions to Approved SNCs or Designated Public Interest Promotion Corporations, they can write off the amount of their giving up to the special allowable limit of deductible expenses, which varies depending on the amounts of the corporation's capital and income. In addition, corporations can write off the amount of donations to any organization up to the general allowable limit of deductible expenses, which differs according to the amounts of their capital and corporate incomes. The general allowable limit of deductible expenses is less than the special allowable limit of deductible expense. If a corporation makes donations to Approved SNCs or Designated Public Interest Promotion Corporations in amounts larger than the special allowable limit of deductible expenses, the corporation can first write off the amount of its contributions up to the special allowable limit of deductible expenses and then can write off the remaining amount of the charitable contributions up to the general allowable limit of deductible expenses.

Question Five: To what extent is the tax system favorable to POs in receiving charitable donations?

Score: 4.0

As of August 2021, there were approximately 51,000 registered SNCs. However, only roughly 1,200 of them were successfully recognized as Approved SNCs and obtained the tax-deductible status for donations. Similarly, only about 9,700 Public Interest Corporation (PIC) Associations and Foundations had tax-deductible status for donations or tax-exempt status for income from public benefit activities, out of 72,500 GNC Associations and Foundations without preferential tax treatment. These figures demonstrate that a limited number of nonprofit organizations have the tax-deductible status for donations in Japan. On the other hand, as of April 2019, Designated Public Interest Promotion Corporations included about 20,900 Social Welfare Corporations and roughly 1,700 Private School Corporations.

In principle, tax-exempt nonprofits organizations are liable for taxes on profits from unrelated business income. Thus, taxes are imposed on unrelated business income generated by GNCs or SNCs even if they spend the money on their charitable activities. However, if PICs spend profits from unrelated business income on their charitable activities, they can write off up to 50 percent (or more, if their charitable activities report a loss) of the amount of their unrelated business income deemed as donations. Similarly, if Approved SNCs spend profits from unrelated business income on their charitable activities, they can write off either JPY 2 million (about USD 18,000) or up to 50 percent of the amount of unrelated business income deemed as donations.

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

Question Six: To what extent is the legal regulatory environment favorable to sending cross-border donations?

Score: 4.5

When individuals make charitable contributions to nonprofit organizations outside Japan, they cannot receive tax benefits from their cross-border donations, because the Japanese tax system qualifies only domestic entities for tax benefits. However, if individuals make donations to Approved SNCs or Designated Public Interest Promotion Corporations that spend the money on their charitable activities outside Japan, individuals can earn tax benefits for their donations. On the other hand, corporations can write off the amount of donations to non-affiliated organizations outside Japan up to the general allowable limit of deductible expenses.

When individuals or corporations remit more than JPY 30 million (about USD 275,000) to a country outside Japan, they must report the remittance to the Bank of Japan. On the other hand, if Approved SNCs remit money to a country outside Japan regardless of the amount, they have to report the remittance to the government in addition to their financial statements and activity reports every year.

Question Seven: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

Score: 4.5

When PICs, SNCs, and Approved SNCs receive donations from overseas, corporate income taxes are not imposed on the donations. Similarly, when GNCs meet criteria to ensure complete non-distribution constraints and effective governance, corporate income taxes are not imposed on either national or international donations received by such GNCs. In contrast, corporate income taxes are imposed on both cross-border and domestic donations received by GNCs that do not meet such criteria.

When corporations, including nonprofit corporations, receive more than JPY 30 million (about USD 275,000) from abroad, they must report the receipt to the Bank of Japan.

IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

Score: 4.5

Traditionally, the Japanese government has decided what the definition of public interest is, which some call a state monopoly of the public interest. The 1896 Civil Code, Article 34, allowed for the incorporation of public interest organizations, but required these organizations to pursue what the government defined as public interest so that they could receive government approval. After World War II, Japan's economy developed through the central government initiative, with close ties to the

business sector. In addition, the number of nonprofit organizations, including Social Welfare Corporations, Religious Corporations, and Private School Corporations, increased significantly right after World War II, and the Japanese government controlled these organizations strictly.

However, in the 1960s and 1970s, civic movements emerged to address environmental pollution problems or pollution-related diseases. These civil movements protested and sued companies that caused pollution as well as pushed the government for measures to reduce pollution and for relief for victims of pollution. In the 1980s, while civic movements appeared to be on the ebb, several local governments gradually began appreciating the roles of civic groups and collaborating with them.

Volunteerism flourished in Japan when an unexpectedly large number of volunteers showed up to help victims of the Great Hanshin Awaji Earthquake in 1995. The government and political parties agreed to largely simplify the incorporation process for nonprofits, which the Civil Code of 1896 made troublesome. The parliament passed the Act on Promotion of Specified Nonprofit Activities in 1998. In addition, the 1896 Civil Code Article 34 was reformed in 2008, and the Act on General Nonprofit Incorporated Associations and General Incorporated Foundations as well as the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations went into effect in 2008.

The Japanese government has gradually expanded the income tax deduction for giving. Donors were allowed to subtract their giving from their taxable income from up to 25 percent of their total income in 2004, up to 30 percent of their total income in 2005, and then up to 40 percent of their total income in 2007. In addition, the minimum amount of giving for income tax deduction or credits decreased from JPY 10,000 (about USD 90) in 2005 to JPY 5,000 (about USD 45) in 2006 to JPY 2,000 (about USD 18) in 2010. Furthermore, the Japanese government adopted income tax credits for donations in 2011.

Question Nine: To what extent are public policies and practices favorable for philanthropy?

Score: 4.5

An important public policy for Japanese philanthropy was the 2016 Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (民間公益活動を促進するための休眠預金等に係る資金の活用に関する法律), which went into effect in 2018 . This act allows dormant deposits that have been sitting untouched in bank accounts for 10 years or longer (typically because the owner is deceased) to be seized for spending on various social purposes, including support for children and youth, disadvantaged people, people with disabilities, and community development. Because roughly JPY 70 billion (about USD 640 million) in bank accounts become dormant each year , funds from dormant deposits are likely to have a significant impact on the nonprofit sector in Japan, even after some dormant deposits are later repaid.

After the Deposit Insurance Corporation of Japan (DICJ) receives dormant deposits from financial institutions, the DICJ provides the money as grants to the Designated Utilization Organization, which plays a similar role to Big Society Capital in the United Kingdom. Then, the Designated Utilization Organization delivers the money as grants or loans to fund distribution organizations, and those organizations allocate the money as grants, loans, or equities to organizations conducting public interest activities. The DICJ provided about JPY 2.1 billion (around USD 19 million) to the Designated

Utilization Organization in 2019, and the amount of the money significantly increased to roughly JPY 7.6 billion (approximately USD 69 million) in 2020 to support expanded relief efforts due to COVID-19.

V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

Score: 4.0

The Japanese economy is a developed free-market economy and was the third largest economy in the world in 2020. In addition, The Gross Domestic Product (GDP) per capita in Japan was around USD 40,730 in 2020. Japan is known as a high-tech manufacturing country and had the third largest assets in the world in 2019. Japanese economic prosperity can form the basis of individual and corporate philanthropy, as GDP per capita and a favorable philanthropy environment in a country are correlated.

However, since the economic bubble collapse in 1991, Japan has fallen into a long period of economic stagnation and low economic growth. In 2000, Japan's GDP decreased by 4.7 percent compared to the previous year, mainly due to COVID-19. As a result, Japan has the highest ratio of public debt to GDP among developed countries. This implies that Japanese philanthropy is expected to supplement public service provision such as social services, community development, and youth services under the austerity policy of the Japanese government.

Another issue in Japan is a rapidly aging society, with about 29 percent of the population being 65 and over in 2020. In addition, the Japanese population declined from about 128 million in 2008 to roughly 126 million in 2019. These demographic changes suggest that Japanese nonprofits are expected to take responsibility to meet the increasing demand for health care and human services for senior citizens.

VI. Socio-Cultural Environment

Question Eleven: To what extent are socio-cultural values and practices favorable for philanthropy?

Score: 5.0

Japan has a long history of philanthropic activities. Buddhism historically had a strong influence on Japanese philanthropy. In the eighth century, Japanese Buddhists conducted organized fundraising efforts called *Kanjin*. While Buddhism's influence on Japanese philanthropy declined in the Edo period (1603–1868), wealthy merchants created a community trust fund for social welfare and education in Akita and helped create public facilities in Osaka. In the Meiji period (1868-1912), successful industrialists, such as Eiichi Shibusawa, became prominent philanthropists and supported poverty relief, education, and other public interest activities. In addition, conglomerates of influential family businesses, called *Zaibatsu*, provided money for the relief of the poor. After World War II, corporate philanthropy focused on the advancement of science and technology according to the national priority of economic growth.

Because corporate giving has outpaced individual giving for a long time in Japan, corporate philanthropy has an important role in Japanese philanthropy. Japanese corporate philanthropy has been significantly influenced by the bilateral economic relationship between Japan and the United States. Responding to criticism from the American media and public in the 1970s and 1980s, Japanese corporations operating in the United States shifted their corporate philanthropy from massive giving to prestigious American universities and arts organizations to donations supporting community development programs in the United States as local corporate citizens.

Learning from American philanthropy, Japanese business leaders and philanthropic leaders made collective efforts to advance corporate philanthropy and corporate citizenship in Japan by exploring Japanese traditions and concepts of philanthropy. In 1989, the One Percent Club was established to encourage the corporate and individual members of the Japan Business Federation, called Keidanren, to donate 1 percent of their recurring profits or disposable income to social causes each year. In 1991, Keidanren established the Charter of Corporate Behavior so that businesses will behave ethically and responsibly to earn trust and create public rapport. In 2017, Keidanren significantly revised the Charter of Corporate Behavior to reflect the Sustainable Development Goals adopted by the United Nations.

Regarding individual philanthropy, it is estimated that about 17 percent of Japanese citizens volunteered in 2015 and 2018. Community development is the most popular issue for volunteers, following youth development and neighborhood safety. The leading motivation for volunteering is altruistic motivation, with more than 50 percent of volunteers stating that they want to contribute to society through volunteering. Also, it is estimated that more than 40 percent of Japanese citizens made donations in 2015 and 2018. Natural disaster relief is the most popular cause for charitable giving, following human services, health care, and community development. The most common motivation for giving is altruistic motivation, with about 60 percent of donors stating that they want to contribute to society through charitable contributions.

VII. Future of Philanthropy

These questions are used to provide a general picture of the future of philanthropy in this country as well as recommendations to improve the philanthropic environment.

Current state of the philanthropic sector

Although less than 50 percent of Japanese citizens wanted to contribute to society in the 1980s, more than 60 percent of them have been willing to contribute since the 1990s. In particular, about 70 percent of Japanese citizens ages 30 to 59 have motivation to help others in society. These people are interested in social welfare services, environmental protection, and community development. Although neighborhood relations may have weakened particularly among the younger generation, Japanese citizens' attitudes toward society continue to have positive impacts on the state of future philanthropy in Japan.

The vast majority of businesses have fulfilled corporate social responsibility (CSR) through monetary or in-kind donations, employee volunteering, and support philanthropic programs run by nonprofits. In addition, more businesses recognized CSR as part of their mission or vision in 2020 than in 2005. Consequently, businesses are likely to contribute to the further development of future philanthropy

in Japan. However, measuring the impact of CSR programs is important for businesses to expand their commitment to CSR.

Three major recent events affecting the philanthropic landscape between January 2018 and December 2020

1. The start of fund distribution from dormant bank deposits to philanthropic activities
2. Natural disasters, such as flooding, landslides, typhoons, and earthquakes across Japan, have prompted generous disaster giving
3. COVID-19 pandemic

Future development trends in the philanthropic landscape

In addition to traditional giving and fundraising, social financing has been growing in Japan and is expected to play a more important role in the future of Japanese philanthropy. For example, the size of the crowdfunding market in Japan rapidly grew from about JPY 22 billion (approximately USD 200 million) in 2014 to roughly JPY 170 billion (around USD 1.6 billion) in 2017. In addition, as the number of organizations that entered into the impact investment market increased, the size of the impact investment market significantly expanded from about JPY 34 billion (roughly USD 309 million) in 2016 to approximately JPY 317 billion (around USD 2.9 billion) in 2019. Furthermore, 12 social impact bond projects launched in Japan as of 2019.

On the other hand, lack of recognition and understanding, poor social infrastructure, and few organizations may limit the development of social financing. However, the growing interest in social financing in Japan is expected to continue due to proactive support from the Japanese government, growth in environmental, social, and governance investment, increasing numbers of organizations entering the impact investment market, and development of impact measurement.

Three key recommendations to improve the environment for philanthropy

- Aside from traditional giving and fundraising, supporting social financing is essential to improve the environment for philanthropy in Japan, since more organizations and money have been entering the market. Social financing is expected to play a more integral role in the future of Japanese philanthropy.
- Nonprofit and philanthropy education at the undergraduate and graduate levels is important to develop management and professional skill sets of nonprofit staff members and volunteers. At present, a limited variety of courses are offered at the university level in Japan. Offering systematic courses for nonprofit management and philanthropic studies can significantly improve the effectiveness and efficiency of nonprofit organizations in Japan.
- Professional career development at both individual and sector levels is critical to attract young professionals to the nonprofit sector in Japan. Because the nonprofit sector is not yet seen as a professional field in Japan and it is difficult for young professionals to work across sectors in the course of their careers, young professionals hesitate to enter the nonprofit sector in Japan. To expand the Japanese nonprofit sector, it is necessary to enable young professionals to successfully transition between sectors to advance their careers and to give them a more direct route to their long-term career goals.

VIII. Philanthropic Response to COVID-19

These questions are used to provide a general picture of the philanthropic response to the COVID-19 pandemic in this country and recommendations for improving cross-sectoral collaboration.

Areas where the nonprofit sector and philanthropy are playing a role in responding to COVID-19

A wide variety of areas have been affected by the COVID-19 pandemic. In particular, due to the infectious nature of COVID-19 and the necessity of physical distancing, people who need social support have been most affected and tend to be socially isolated, such as poor families, the unemployed, children and youth, disadvantaged people, people with disabilities, and foreigners. As an example of COVID-19 relief efforts, the Deposit Insurance Corporation of Japan received money from dormant accounts and distributed roughly JPY 7.6 billion in 2020 (approximately USD 69 million) to nonprofits that provide these affected people with support services and resources.

In addition, medical, health, and social care workers have been playing an integral role in treating COVID-19 patients and their family members. In response, many new fundraising activities have started to support medical, health, and social services related to COVID-19. Also, since many arts, culture, and sports organizations as well as a large number of small businesses have been affected by the COVID-19 pandemic, various fundraising platforms have emerged to support these affected organizations.

Innovation and new trends in the nonprofit sector and philanthropy related to COVID-19 responses

Since it is necessary to keep physical distance or comply with stay-at-home orders due to the infectious nature of COVID-19, many nonprofits have relied on telephone, email, social media, and online meeting platforms to implement daily operations remotely and continuously support their clients. In addition, many nonprofits have actively utilized their websites, social media, and video sharing sites for public relations or fundraising purposes. Consequently, many nonprofits have integrated digital technology into their organizations to advance their mission while under the COVID-19 pandemic.

Impact of COVID-19 on the philanthropic environment

The demand for various medical, health, and social services significantly increased in 2020 because many aspects of people's lives were affected by the COVID-19 pandemic. On the other hand, since people had to keep physical distance or comply with stay-at-home orders due to the infectious nature of COVID-19, many nonprofits were forced to restrict their activities. As a result, they suffered from decreased revenues derived from fee-for-services. To save people and nonprofits from the crisis caused by the COVID-19 pandemic, the Japanese government provided emergency financial support to affected people, businesses, and nonprofits in 2020.

Anticipated impact of COVID-19 on the philanthropic environment in 2021

The demand for various medical, health, and social services is expected to continuously increase in 2021 because of the prolonged COVID-19 pandemic. On the other hand, many nonprofits are still forced to restrict their activities, resulting in decreased revenues derived from fee-for-services. The imbalance between increased demand for essential services and decreased resources to provide

these services is likely to bring many nonprofits to a crisis in 2021. To continuously save people and nonprofits from the crisis caused by the COVID-19 pandemic, it is necessary for the Japanese government to extend emergency financial support into 2021 so that nonprofits can deliver essential services to people affected by the COVID-19 pandemic.

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