Annex 2: Numerical Basis — Structural Redesign and Redress (OECD)

A. Structural Redesign Fund

Purpose:
To rebuild the whistleblowing system in line with international standards, rectify the retaliatory structure, and restore institutional trust — designated as a mandatory structural expenditure for the company.

Item No.	Description	Evidence No.	Estimated Amount (billion JPY)
【1】	Suppression of whistleblowing system (refusal to investigate real-name reports)	No. 00–09	1.00
【2】	Ignoring administrative corrective notice (failure to comply with Consumer Affairs Agency directive)	No. 23	1.50
【3】	Retaliatory dismissal and defamation (disciplinary notice with false defamatory statement)	No. 12	1.50
【4】	Ignoring competent authorities (MHLW, METI, MLIT, FSA etc.)	No. 26–33	1.20
【5】	Media silence (NHK’s refusal to cover the report)	No. 34–47	1.50
【6】	Financial institution blockade (audit obstruction by MUFG)	No. 48–57	1.40
【7】	Non-performance by Japan NCP (complete silence for one month after international submission)	No. 58–60	0.90

Item No.	Description	Evidence No.	Estimated Amount (billion JPY)
【8】	Concealment of 52 industrial accidents (self-admission of false reporting and organized obstruction)	No. 04, No. 09	8.81
【9】	Domestic legal design failure (lower-standard framework and institutional evasion structure)	All evidence + comparative pages	3.00
【10】	Three consecutive years of accounting fraud (intentional omission of whistleblowing and accident costs)	No. 05, No. 09	4.00
【11】	Baseline adjustment (symbolic uplift as an international precedent case)	Comprehensive evaluation	5.00
Total	—	—	29.81

Category	Amount (billion JPY)
🟧 A. Structural Redesign Fund	29.81
🟦 B. Personal Redress (Structural Fund × 30 %)	8.94
Overall Total	**38.75 billion JPY**

📘 Note on Currency Conversion (for reference)

All monetary amounts are denominated in **Japanese yen (JPY)**.

For international reviewers, the approximate USD conversion (as of 2025) is:

1 billion JPY ≈ 6.6 million USD.

Thus, the **overall total of 38.75 billion JPY ≈ 256 million USD (≈ JPY 38,750,000,000)**.

These conversions are provided only for clarity; all calculations and claims remain denominated in **Japanese yen (JPY)**.

■ [1] Institutional Neglect of Whistleblowing System and Structural Non-Response (Evidence No.00–09)

Real-name whistleblowing reports were not investigated; a unilateral refusal notice was issued instead (Evidence No.09).

◆ Summary (Factual Structure):

- Evidence No.00–07: Real-name whistleblowing reports submitted with evidence (industrial accident concealment, accounting fraud, systemic violations).
- Evidence No.09: Infroneer Holdings issued a refusal notice declaring that “all whistleblowing cases are treated as acts outside the institutional scope,” thereby dismissing all reports.
- No investigation contact or hearing was conducted — constituting an official confirmation of system dysfunction.
- Maeda Road (Evidence No.08) also demonstrated structural incapacity to understand or process the whistleblowing content.

◆ Breached OECD Provisions:

- Chapter II-A10, A11 – Obligation to establish effective whistleblowing systems
- Chapter VIII-1 – Duty of remediation and redress
- 2023 OECD Council Recommendation II-16 – Requirement for effective institutional operation

◆ International Comparison (Similar Precedents):

Case	Similarity	Compensation	Remarks
US Wal-Mart (U.S.) – Real-name whistleblowing ignored	Real-name report → Investigation refusal / institutional abandonment	≈ JPY 6.0 billion	Accompanied by internal system reform order
FR Veolia (France) – Internal whistleblowing ignored	Organizational neglect → OECD report process	≈ JPY 4.5 billion	Whistleblower reinstated + compensated

Case	Similarity	Compensation	Remarks
KR Samsung (Korea)	Whistleblowing ignored + retaliatory action	≈ JPY 1.0 billion + institutional reform duty	Included symbolic settlement

🔶 Evaluation Model (This Case):

- **Real-name reporting:** High-risk disclosure type based on trust in the system.
- **Number of reports:** 8 cases + 1 (Maeda Road).
- **Unified refusal record:** Explicit institutional abandonment.
- **Structural expansion:** Applies to both parent company and subsidiaries within the group.

🔶 Estimated Amount (as part of Structural Redesign Fund):

Estimated Amount: JPY 1.0 billion (= Symbolic compensation for ignoring real-name reports + institutional non-existence recognition)

Breakdown:

- Approx. JPY 0.1 billion per case × 8 reports (No. 00–07) = JPY 0.8 billion
- Labeling as “outside system scope” (No. 09) = JPY 0.1 billion
- Misprocessing by Maeda Road (No. 08) = JPY 0.1 billion

🔶 Notes:

- This cost represents the “minimum unit of institutional redesign,” evaluated as an initial investment to rebuild a completely failed system.
- Due to its symbolic nature, any reduction in amount would risk undermining the seriousness of institutional accountability.
- The calculation serves as a transparency- and trust-based model for future whistleblowing system reconstruction aligned with international standards.

■ [2] Disregard of Corrective Notice from Consumer Affairs Agency (Evidence No.23)

Complete inaction in response to official institutional remediation directive from administrative authorities

◆ **Summary (Factual Structure):**

- The Whistleblower Protection Office of the Consumer Affairs Agency officially issued a corrective notice to the subject company, requesting "effective operation of internal whistleblowing systems."
- This notice explicitly requested institutional remediation and is confirmed to have been received by the company, based on documented records.
- Infroneer Holdings took no action in response to this administrative notice and failed to review or restructure its internal system.
- Following the dismissal of whistleblower reports (Evidence No.09), this "disregard of administrative guidance" has made the dysfunction of the internal system visible at an international level.
- This constitutes structural evidence that the company voluntarily abandoned its "final opportunity for correction under domestic procedures."

◆ **Breached OECD Provisions:**

- **OECD Guidelines for Multinational Enterprises – Chapter I-4 (Concepts and Principles)**
  → Breach of obligation to respect domestic laws and administrative systems
- **Chapter II-A2, A11 (General Policies)**
  → Breach of obligation to respond in good faith to administrative recommendations and institutional guidance
- **Chapter VIII-1 (Remediation and Redress)**
  → Breach of duty to cooperate with legitimate administrative measures and provide remediation/redress

- **2023 OECD Council Recommendation – Paragraph II-16**
  → Obligation to ensure effective system operation upon administrative recommendation
- **2023 OECD Council Recommendation – Paragraph II-20**
  → Obligation to undergo third-party evaluation and redesign when dysfunction is evident

🔶 **International Comparison (Similar Precedents):**

Case	Authority	Structural Similarity	Compensation	Remarks
FR Lafarge Group	Labor Authority	Ignored corrective order → OECD case	≈ JPY 2.2 billion	Remediation clause included in settlement terms
KR Lotte Chemical	Public Entity	Repeated retaliation + ignored recommendation	≈ JPY 1.5 billion	ESG rating downgraded; loss of investor confidence
US Boeing	Safety Agency	Ignored recommendation → repeated harm	≈ JPY 3.8 billion	Dual non-compliance; included symbolic remediation clause

🔶 **Evaluation Model (This Case):**

- Evaluation Axes:
  - Absolute silence in response to official administrative notice (compounding whistleblowing dismissal with administrative dismissal)
  - Formal nature of the notice (official corrective request by the Consumer Affairs Agency)
  - Voluntary abandonment of final domestic institutional layer (company cut off the state-mandated correction route)
  - Institutional confirmation of absence of internal preventive mechanisms

🔶 Estimated Amount (as part of Structural Redesign Fund):

Estimated Total: JPY **1.5 billion**

(Evaluated as the destructive impact on institutional trust + cost of prevention and symbolic remediation)

Breakdown:

- Direct compensation for ignoring administrative notice: JPY 0.5 billion
  (→ Trust erosion in administrative procedures)
- Institutional redesign cost due to abandonment: JPY 0.8 billion
  (→ Third-party audit, system overhaul, governance reforms)
- Symbolic cost (international trust restoration): JPY 0.2 billion
  (→ Additional valuation due to OECD-level remediation failure)

🔶 Notes:

- This case may be regarded as a **serious breach of OECD Guidelines**, demonstrating systemic failure at both the corporate and administrative levels.
- The cost reflects the **risk of international collapse in trust** due to complete abandonment of administrative oversight.
- Future system improvement will require **mandatory third-party evaluation, retraining**, and **internal independent oversight bodies**.

🟧 [3] Retaliatory Dismissal and Defamatory Statement (Evidence No.12)

Disciplinary notice issued labeling the whistleblower as a “false and defamatory actor”

🔶 Summary (Factual Structure):

- In the “Dismissal Reason Notice” dated April 25, 2025, Maeda Corporation (President: Mr. Soji Maeda) explicitly defined the whistleblowing act by Mr. Shunsuke Kimura as “damaging to the company’s reputation and credibility,” using it as the formal reason for disciplinary dismissal.
- The act of whistleblowing to public authorities and internal compliance hotlines—legal and protected under Japanese and international frameworks—was labeled as “false reporting” and a “threatening demand for 20 billion JPY,” and used as the basis for disciplinary action.
- The same notice also included personal criticisms such as work attitude, professional ability, and inconsistencies in medical documentation, thereby conflating the whistleblowing act with character flaws to justify dismissal.
- Mr. Kimura, a full-time employee with an annual salary of approx. JPY 5 million, became unemployable over the long term due to the retaliatory dismissal, suffering from compounded harms including psychological distress, reputational damage, and loss of social protection.

🔶 Breached OECD Provisions:

- **OECD Guidelines for Multinational Enterprises (2023 Revision)**
  - **Chapter II-A11**: Obligation to ensure that internal whistleblowers are not subjected to retaliation
  - **Chapter IV-2**: Obligation to identify, prevent, and mitigate adverse human rights impacts
  - **Chapter V-6**: Enterprises must not engage in unfair dismissal or discriminatory treatment of workers

- **2021 OECD Council Recommendations**
    - **Paragraph II-16**: Enterprises should establish institutional safeguards to prevent retaliation
    - **Paragraph II-20**: Enterprises must implement specific and effective protection against disadvantages to whistleblowers

🔶 **International Comparison (Similar Precedents):**

Case	Similarity	Compensation	Remarks
US SEC Whistleblower Retaliation (U.S.)	Retaliatory dismissal with defamatory statements → unemployability	≈ JPY 1.5 billion + reinstatement order	Settlement included emotional distress and loss of income
GB NHS Whistleblower Case (UK)	Labeled as “dishonest” → unfair dismissal	≈ JPY 0.7 billion	Included damages for defamation
FR French Energy Sector Case	Report labeled as “threat” → disciplinary action	≈ JPY 1.2 billion + institutional reform duty	Included symbolic compensation as a separate clause

🔶 **Evaluation Model (This Case):**

- **Retaliatory nature**: Legal whistleblowing to public agencies and internal hotlines was labeled as “defamation” or “threat” to justify punishment
- **Infringement of dignity**: Confusion between whistleblowing and personal defects led to destruction of social credibility and employability
- **Symbolic danger**: Treating a structural reform proposal as a threat constitutes an internationally damaging precedent against whistleblower systems
- **Structural impact**: Damages institutional trust across the company group and deters future whistleblowing efforts

◆ **Estimated Amount (as part of Structural Redesign Fund):**

Estimated Total: JPY **1.5 billion** (composite compensation for retaliatory dismissal and defamatory statements)

Breakdown:

- **Lost earnings**: JPY 0.05 billion
  (→ 10 years of unemployability × JPY 5 million annual income)
- **Mental distress**: JPY 0.5 billion
  (→ Depression, adjustment disorder, social isolation)
- **Defamation**: JPY 0.3 billion
  (→ Labeling as “threatening/false reporter” in official company notice)
- **Symbolic compensation**: JPY 0.2 billion
  (→ Danger of framing structural reform as a threat)
- **Institutional premium**: JPY 0.45 billion
  (→ Group-wide reputational damage and spillover risk)

◆ **Notes:**

- This case constitutes a **dual violation**: (1) retaliatory dismissal of a whistleblower, and (2) defamatory labeling with institutional collapse implications—qualifying as a **serious breach under both OECD Guidelines and UNCAC Article 33**.
- In particular, the act of labeling a structural reform proposal as “threatening” poses a dangerous precedent that undermines the **credibility of whistleblower systems** and **must be addressed with explicit symbolic compensation**.

■ [4] Non-Compliance with Government Oversight

Infroneer Holdings Group ignored institutional inquiries and corrective requests from five Japanese ministries (Evidence No.26–33)

◆ Summary of Facts

- In this case, the whistleblower, Mr. Shunsuke Kimura, submitted formal reports and inquiries to **five Japanese government ministries—Consumer Affairs Agency, Ministry of Health, Labour and Welfare (MHLW), Financial Services Agency (FSA), Ministry of Economy, Trade and Industry (METI), and Ministry of Land, Infrastructure, Transport and Tourism (MLIT)—** regarding structural misconduct by Infroneer Holdings Group (i.e., its parent company Infroneer Holdings and core subsidiary Maeda Corporation), including the concealment of industrial accidents, accounting fraud, and the collapse of internal whistleblowing mechanisms.
- Although each agency issued some form of formal response (e.g., receipt confirmation, referrals, internal notes), none of them conducted substantive investigations such as interviews, orders, or corrective recommendations.
- The **direct cause of this administrative failure** was Infroneer Holdings Group's **complete disregard** for all inquiries and requests across all ministries, consistently refusing cooperation and obstructing institutional investigations.
- Notably, the Group ignored:
  - MHLW's request for a corrective report,
  - FSA's inquiry to cross-reference findings with audit firms,
  - METI's governance structure clarification request—

    all of which concerned core institutional obligations.
- As a result, government agencies closed their cases by stating **"investigation was not feasible due to non-cooperation by the company,"** effectively collapsing the administrative enforcement process.

- This constitutes a **structural breach**, whereby **a private entity's refusal triggered the breakdown of state mechanisms**, undermining institutional remedies available through national frameworks.
- Thus, the failure of government enforcement in this case stems from the company's organized refusal to comply with **institutional accountability and cooperation obligations**, and should be evaluated as a **structural violation** by the corporate group.

🔶 Breached OECD Guidelines

- **Chapter I-4**: Violation of the duty to cooperate with public institutions as part of the national framework
- **Chapter II-A2**: Failure to respect the legal and institutional frameworks of host states
- **Chapter VIII-1**: Failure to engage in honest and responsive dialogue with stakeholders, including authorities
- **2023 OECD Council Recommendations II-16, II-20**: Failure to support institutional investigations and allow independent reassessment of systemic deficiencies

🔶 International Precedents (Comparative Cases)

Case	Similarity	Compensation	Notes
CA Canadian Mining Sector	Ignored state inquiry based on public report	JPY 0.6 billion	Found to have obstructed public institutions
DE German Environmental Oversight Case	Rejected formal inquiries, disabled enforcement	JPY 0.9 billion + audit order	Abuse of formalistic responses criticized
KR Korean Industrial Accident Case	Refused cooperation with labor investigation	JPY 1.0 billion	Assessed as institutional non-compliance + retaliation

◆ Estimated Amount (as part of Structural Redesign Fund)

Estimated Total: JPY 1.2 billion

(Symbolic compensation for structural obstruction of state-led investigations)

Breakdown:

- Institutional damage per agency (JPY 0.2 billion × 5 agencies) = **JPY 1.0 billion**
- Symbolic premium for collapse of state mechanisms = **JPY 0.2 billion**

◆ Notes

- All five administrative inquiries were officially documented (Evidence No.26–33), and the company's silence and non-responsiveness are consistently recorded.
- The fact that national ministries became **functionally unable to investigate** represents a direct collapse of public trust in Japan's whistleblower protection framework, and constitutes a serious breach of the OECD Guidelines.
- This structural non-compliance also potentially violates **UNCAC Article 33 (Protection of Whistleblowers)** and **Article 39 (Cooperation with the Private Sector)**, making it eligible for international remedy procedures.

■ [5] Suppression of Media Safeguards – NHK's Failure to Report

Failure of the final safeguard mechanism created a structural silence

(Evidence No.34–47)

◆ Summary of Facts

- Since March 2025, the whistleblower submitted multiple disclosures to **NHK (Japan's public broadcaster)** and its assigned journalists, concerning the concealment of industrial accidents, accounting fraud, retaliatory dismissal, and systemic non-compliance. These materials (Evidence No.34–47) were submitted multiple times.
- The disclosures were fully prepared in compliance with international standards, including structural analysis referencing the **OECD Guidelines**, **UNCAC**, and the **Japanese Whistleblower Protection Act**, with legal provisions explicitly attached.
- Despite this, **NHK did not report, inquire, or respond** in any way.
- Due to NHK's inaction:
  - Public visibility of the misconduct was obstructed, deepening the whistleblower's isolation
  - Structural silence emerged, shielding administrative and judicial non-compliance from societal scrutiny
  - The **"last safeguard mechanism"**—the role of the press in ensuring institutional accountability—was effectively dismantled
- As a result, a **closed system of institutional irresponsibility** was formed across **corporate** → **administrative** → **financial** → **media** layers.

◆ Breached OECD Guidelines

- **Chapter I-4**: Principle of social accountability and transparency
- **Chapter II-A2, A7, A11**: Duties to engage with stakeholders, prevent retaliation, and ensure adequate information dissemination

- **Chapter VIII-1**: Obligation to ensure public transparency of company-related information
- **2021 OECD Council Recommendations II-20**: Obligation to respect safeguard functions of media and civil society

🔶 International Precedents (Comparative Cases)

Case	Similarity	Compensation	Notes
US Boeing – Safety Whistleblower	Press and Congressional testimony suppressed; lack of transparency	JPY 2.0 billion	Inaction by media compounded by corporate pressure
GB Barclays Bank Case	Whistleblower reports ignored by media; prolonged isolation	JPY 1.2 billion	Included structural critique of media failure
FR Renault – Media Non-Coverage	Public broadcaster remained silent; escalated to OECD	JPY 1.5 billion	Included symbolic redress in settlement

🔶 Evaluation Model (for This Case)

- **Responsibility of public broadcasters**: NHK operates with taxpayer funding and viewer fees. It bears higher obligations for public interest and accountability than private media.
- **Loss of safeguard function**: For whistleblowers structurally isolated within institutions, media serves as the last protective shield. Silence by the press dismantles public trust in the entire oversight system.
- **Rarity of full structural silence**: It is exceptional in international precedent for even the public broadcaster to fail alongside regulators and financial institutions, making this case a model example of systemic failure.

◆ Estimated Amount (as part of Structural Redesign Fund)

Estimated Total: JPY 1.5 billion

(Symbolic compensation for failure of public broadcaster as a final institutional safeguard)

Breakdown:

- Number of independently sent disclosures to NHK (Evidence No.35, 37, 38, 40, 42, 43, 45, 46, 47 = 9 items)
  → JPY 0.05 billion × 9 = **JPY 0.45 billion**
- Symbolic compensation for failure of public broadcasting function (due to non-investigation and media silence)
  → **JPY 0.65 billion**
- International model case premium (loss of press-based alarm system for institutional monitoring)
  → **JPY 0.4 billion**

◆ Note:

Of the 14 total evidence items (No.34–47), only the 9 actions initiated by the whistleblower (direct transmissions to NHK) are counted. The remaining 5 (e.g., NHK's internal receipt or references) are excluded.

◆ Remarks

- This case goes beyond the notion of "freedom not to report." It represents **a structural abandonment of the safeguard function by a publicly funded broadcaster**.
- It constitutes a **rare and direct breach** of OECD Guidelines regarding **transparency and accountability**, and should be recognized internationally as a **model case** for press failure in whistleblower protection systems.
- The estimated compensation reflects not only media inaction but **the symbolic cost of losing the final layer of institutional accountability**.

🟧 [6] Audit Safeguard Failure by Financial Institution (MUFG)

Audit hotline acceptance followed by complete disengagement (Evidence No.48–57)

🔶 Summary of Facts

- **Evidence No.48**: A detailed report with evidence was submitted under the real name of the whistleblower to the **MUFG accounting audit hotline**, concerning the concealment of industrial accidents, accounting fraud, retaliatory dismissal, and systemic non-compliance.
- **Evidence No.49**: MUFG requested consent for identity disclosure.
- **Evidence No.50**: The whistleblower **explicitly consented** to identity disclosure, indicating full cooperation.
- **Evidence No.51**: MUFG acknowledged receipt but **refused to conduct an independent investigation**, merely suggesting internal forwarding without any follow-up or resolution.
- **Evidence No.52**: The whistleblower formally **requested escalation** to the appropriate department and **substantive review**.
- **Evidence No.53–55**: The **Consumer Affairs Agency issued an official corrective notice on May 29, 2025**, and reported case closure. Nevertheless, there was **no substantive coordination or confirmation of compliance** between MUFG and the enterprise.
- **Evidence No.56–57**: Following the corrective notice, the company proceeded with the whistleblower's dismissal. MUFG's involvement remained limited to **"receipt of information → subsequent disengagement"**, confirming a complete failure in ESG risk oversight and governance of its credit recipient.

🔶 Breached OECD Guidelines

(Primarily corporate obligations, but financial institution disengagement is a major aggravating factor)

- **Chapter II – A6, A7**: Duty to implement due diligence and effective grievance mechanisms
- **Chapter II – A10, A11**: Obligation to secure internal reporting channels and

prevent retaliation

- **Chapter VIII – 1**: Duty of constructive engagement with stakeholders, including financial institutions
- **OECD Council Recommendations (2021)**: Paragraphs II-16, II-20 – Effectiveness of remedies and safeguard functions

◆ International Precedents (Comparative Cases)

Case	Similarity	Compensation	Notes
US Wells Fargo Hotline Failure	Acceptance without protection or redress; internal blockages	JPY 1.5 billion	Mandated redesign of compliance structures
DK Danske Bank Grievance Handling Deficiency	Hotline present but lacking effectiveness	JPY 1.2 billion	ESG and AML-linked remediation required
DE Deutsche Bank Whistleblower Mechanism	Weak external whistleblower protections	JPY 1.0 billion	Costs for external review and audit enhancements

◆ Evaluation Model (for This Case)

- The **breakdown of process** (acceptance → identity disclosure consent → refusal to investigate) **compromised the whistleblower's safety** and **undermined trust in financial safeguard functions**.
- Even after a **public corrective notice**, MUFG showed **no engagement**, demonstrating systemic failure to assess governance and credit risk at the client level.
- Although **not a direct subject of the submission**, MUFG's failure represents a **cost-escalating factor** requiring more frequent **external audits, third-party oversight, and transparency mechanisms** within corporate compliance systems.

◆ Estimated Amount (as part of Structural Redesign Fund)

Estimated Total: JPY 1.4 billion

(Symbolic redress for audit disengagement and failure to integrate public corrective actions)

Breakdown:

- Hotline failure (acceptance → disengagement): **JPY 0.5 billion**
- Identity disclosure granted but no protection ensured (risk-enhancing factor): **JPY 0.3 billion**
- Post-corrective notice disengagement (serious procedural breach): **JPY 0.4 billion**
- Governance and ESG due diligence failure for credit recipient: **JPY 0.2 billion**

◆ Remarks

- This component is included in the overall **institutional redesign cost** assigned to the enterprise.
  Financial institution disengagement necessitates permanent increases in operational costs related to third-party operation, **outsourced whistleblower channels**, and **external audit frequency**.
- Any **downward adjustment of this amount** would signal a **devaluation of financial safeguards**, in contradiction to the effectiveness standards set by the **OECD Guidelines (II.16, II.20)**.

■ [7] Non-Compliance by the Japanese NCP Regarding International Submission

Specific Instance submitted on 15 September 2025 → No response by 15 October 2025 (Evidence No.58–60)

◆ Summary of Facts

- **Evidence No.58–60**: On **15 September 2025**, the whistleblower, Mr. Shunsuke Kimura, formally submitted a **Specific Instance** to the Japanese National Contact Point (NCP) under the **OECD Guidelines for Multinational Enterprises**. The submission requested remediation and mediation regarding serious institutional breaches committed by the enterprise in question (including concealed industrial accidents, retaliatory dismissal, accounting fraud, and structural failure of the whistleblower system).
- Following submission, the **Japanese NCP provided no acknowledgement of receipt**, no notification of initial assessment, no follow-up communication, and no hearing—**complete silence** was maintained through **15 October 2025**.
- As of that date, the NCP failed to meet even the **minimum obligations required under international standards**, including:
    - Acknowledging receipt
    - Initiating a preliminary assessment
    - Determining the possibility of mediation
    - Issuing administrative responses
- This constitutes a **documented structural failure** by the Japanese NCP to uphold its duty to process international whistleblower submissions, directly violating obligations under the **2021 OECD Council Recommendations** and exposing a critical institutional defect.

◆ Breached OECD Guidelines

- **Chapter II – A.10**: Obligation to ensure effective whistleblower mechanisms
- **Chapter II – A.11**: Obligation to provide protection and remediation to whistleblowers
- **Chapter VIII – 1**: Ensuring stakeholder trust and access to remedy

OECD Council Recommendations (2021):

- **II.16**: Obligation to operate the NCP in a manner that is functional, fair, and predictable
- **II.20**: Obligation to provide effective remedy to whistleblowers

◆ International Precedents (Comparative Cases)

Case	Similarity	Compensation	Notes
FR Alstom (France NCP)	No follow-up after submission; escalated to OECD HQ	JPY 0.8 billion	Accompanied by OECD institutional reform recommendation
NL Shell (Netherlands NCP)	Hollow initial assessment; mediation never initiated	JPY 1.0 billion	Subject to monitoring by international NGOs
KR POSCO (Korea NCP)	Submission ignored; became subject of international review	JPY 0.7 billion	Loss of international credibility and system overhaul costs

◆ Evaluation Model (for This Case)

- The **Japanese NCP**, known for its procedural rigidity, bears elevated responsibility to uphold global trust in the NCP framework.
- Its **complete silence for 30 days after receipt** not only abandoned protection for the whistleblower but also constituted an **official record of systemic collapse**.

- The **2021 OECD Council Recommendation** requires NCPs to act in a **functional, fair, and predictable** manner. In this case, **none of these standards were met**.
- The **loss of trust in the NCP mechanism** is considered a **compound violation**, where the enterprise's initial breaches (refusal to accept reports, retaliatory dismissal) were effectively ratified through institutional neglect.

🔶 Estimated Amount (as part of Structural Redesign Fund)

Estimated Total: JPY 0.9 billion (Symbolic redress for institutional failure of the international reporting system)
Breakdown:

- Failure to acknowledge receipt → **JPY 0.2 billion**
- Failure to conduct initial assessment → **JPY 0.3 billion**
- 30 days of complete silence → **JPY 0.2 billion**
- International reputational and systemic damage due to re-evaluation by OECD → **JPY 0.2 billion**

🔶 Remarks

- While this issue concerns **non-compliance by the Japanese NCP**, the **root cause lies with the enterprise** that refused to investigate the report and dismantled its internal mechanisms, thereby triggering the international submission.
- Furthermore, the **Japanese whistleblower protection regime is already subject to domestic criticism**, and the breakdown of its international interface (NCP) represents a **dual-layer failure**.
- Accordingly, the **financial responsibility** must be borne by the enterprise as part of its **structural accountability and symbolic redress obligations**.

■ [8] Structural Responsibility for Concealing 52 Industrial Accidents

Organizational non-reporting and falsification across all cases

(Evidence No.04 / No.09)

◆ Summary of Facts

- **Evidence No.04**: The whistleblower documented that between **2022 and 2024**, a total of **52 industrial accidents** occurred at the Kansai Branch of Maeda Corporation. Despite this, a pattern of **obstruction, non-reporting, and falsification of accident records** became institutionalized. Supporting materials include voice recordings, internal emails, medical certificates, and company notices—demonstrating a **structural pattern of organizational suppression**.
- **Evidence No.09**: These reports—including prior internal whistleblower submissions (Evidence No.00–07)—were **categorically dismissed** by the parent company, Infroneer Holdings, as "non-applicable to the system." No investigation, inquiry, or hearing was initiated—**amounting to an official refusal to investigate**.
- Such a blanket dismissal implies, under international standards, a **lack of rebuttal to verifiable allegations**, triggering the legal principle of **adverse inference**.
- Therefore, the company's refusal to engage with the reports establishes **a de facto admission of structural responsibility**, amounting to a **critical institutional breakdown**.

◆ Breached OECD Guidelines

- **Chapter V – 1(a)**: Obligation to protect worker safety and health
- **Chapter IV – 2**: Obligation to avoid and mitigate adverse human rights impacts
- **Chapter II – A2 / A5**: Obligation to identify risks and conduct appropriate due diligence
- **Chapter VIII – 1**: Obligation to ensure effective grievance mechanisms and access to remedy

◆ International Precedents (Comparative Cases)

Case	Similarity	Remedy & Response	Notes
BD Bangladesh Garment Factory Fire (Rana Plaza)	Mass casualties, concealment, audit failure	Global compensation fund + systemic redesign (ILO involvement)	Combined with third-party monitoring and remediation trust
GB UK Construction Safety Violations	Record falsification, mass underreporting	Institutional reform + mandated audits	Regular inspections required by labor authorities
US US OSHA Settlement (Chemical Plant)	Historical injuries + refusal to investigate	Mandatory training, external audits, financial penalties	Multi-year public reporting required

In all cases, the calculation of redress included individual compensation, systemic redesign, and external oversight.

◆ Evaluation Model (This Case)

- The **large volume (52 cases)** and **multi-year duration (2022–2024)** of concealed accidents point to a **structural failure**, not incidental oversight.
- The **categorical rejection** by the parent company (Evidence No.09) constitutes a **waiver of investigation** and thus a foundation for **adverse inference**.
- The failure to report deprived victims of legal redress, indicating **ongoing harm** under an unresolved institutional system.
- Consequently, a **comprehensive redress model** is required—combining victim re-investigation, organizational reform, and mandatory external monitoring.

🔶 Estimated Amount (as part of Structural Redesign Fund)

Estimated Total: JPY 8.81 billion

Breakdown:

- Individual reinvestigation & victim compensation
  (¥100 million × 52 cases) → **JPY 5.2 billion**
- Regulatory compliance reserves
  (¥20 million × 52 cases) → **JPY 1.04 billion**
- Redesign of Occupational Health & Safety programs
  (incl. HQ and branch-level reforms) → **JPY 0.8 billion**
- Independent third-party oversight
  (¥200 million/year × 3 years) → **JPY 0.6 billion**
- Transparency mechanisms for grievance handling
  (multilingual portals, outreach, etc.) → **JPY 0.17 billion**
- Contingency for additional sanctions or orders
  (15% reserve on total) → **JPY 1.0 billion**

🔶 Remarks

- This case requires a **tripartite calculation**: (1) **individual victim compensation**, (2) **structural redesign**, and (3) **independent external oversight**.
- The parent company's **wholesale refusal to investigate** (Evidence No.09) may be interpreted as **tacit approval of systemic misconduct**, bordering on **evidence suppression** or **obstruction**.
- Effective redress demands integration of **medical records**, **labor insurance documentation**, and **labor bureau reports** through a **triangulated verification system**.
- The compensation amount is not based on domestic standards but reflects the **restorative obligations under international frameworks**.

[9] Institutional Liability for Substandard Domestic Frameworks

Japan’s Whistleblower Protection Act limited to "existence-only confirmation" in breach of international obligations

Summary of Facts

- Japan’s **Whistleblower Protection Act (2025 revision)** only mandates a check for the **existence of an internal reporting system** (Article 11), **without requiring effectiveness or performance evaluation** of the mechanism.
- As a result, across **companies, government agencies, media, financial institutions, and the Japanese NCP**, the focus remained solely on confirming whether such a system “exists”—with no functional investigations, remedies, or retaliation prevention being implemented.
- In this case, the whistleblower (Mr. Shunsuke Kimura) submitted **real-name, evidence-based reports (Evidence No.00–09)**, yet all entities dismissed them as “outside the system” and **conducted no investigation or hearing**.
- **The Consumer Affairs Agency** (Evidence No.23), **Ministries (MHLW, FSA, METI, MLIT)** (Evidence No.26–33) only issued **confirmation responses**, with no corrective action taken.
- **NHK** (Evidence No.34–47) acknowledged the public importance of the report, but **refused to broadcast** it.
- **MUFG and related financial institutions** (Evidence No.48–57) blocked the audit-related reports as “out of scope.”
- **The Japanese NCP** (Evidence No.58–60) also **ignored the submission after acknowledgment**, failing to initiate any investigation or mediation.
- As a result, Japan’s domestic system as a whole has effectively become **a mechanism that legitimizes non-compliance**, thereby violating international protection obligations.

◆ **Breached OECD Guidelines**

- **Chapter I – 4**: Deviation from international obligations under the guise of formal compliance with domestic law
- **Chapter II – A10, A11**: Failure to ensure the effectiveness of whistleblower systems
- **Chapter IV – 2**: Failure to prevent adverse human rights impacts and to ensure access to remedy
- **Chapter VIII – 1**: Non-fulfillment of the obligation to ensure remedy mechanisms
- **OECD Council Recommendations (2021)**
  - **II.16**: Failure to operate effective, fair, and predictable NCP systems
  - **II.20**: Failure to provide access to effective remedies for whistleblowers

◆ **International Precedents (Comparative Cases)**

Case	Similarity	Compensation	Notes
GB Barclays – Whistleblowing Framework Failure	Mere existence confirmed, no investigative duty	~JPY 2.0 billion + redesign order	Limited individual compensation
FR Renault – Legal Framework Deficiency	National law failed to meet international standards; reports ignored	~JPY 3.5 billion	Legal reform + mandated redress
KR South Korea – National Framework Deficiency	OECD directly flagged system as defective	Institutional redesign + redress fund	National-level reform order

Commonality: Where the **framework itself is defective**, compensation is symbolic and equivalent to **reconstruction costs**.

◆ Evaluation Model (This Case)

- The **root cause** lies in Japan's **flawed legal framework**, which **triggered a chain reaction** of non-compliance across all responsible institutions—corporate, administrative, media, financial, and NCP.
- The full range of **Evidence No.00–60** constitutes a record of **systemic and cascading non-compliance**, originating from this foundational legal defect.
- Therefore, compensation should not be computed on an individual case basis, but rather as a **comprehensive cost of institutional redesign**.

◆ Estimated Amount (Structural Redesign Fund Component)

Estimated Total: JPY 3.0 billion

(Compensation for flawed legal design + initial reinvestment in international realignment)

Breakdown:

- Legal reform aligned with **UNCAC Article 33** and **OECD Guidelines**
  → Approx. **JPY 1.5 billion**
  (incl. re-introduction of "effectiveness" criteria, design of anonymous and independent channels)
- Rectification of chain-level institutional failures
  (administrative, corporate, media, financial, NCP)
  → Approx. **JPY 1.0 billion**
  (costs for retraining, new compliance audits, functional implementation of protection)
- Symbolic redress for **international credibility loss**
  → Approx. **JPY 0.5 billion**
  (incl. reputational harm in OECD/UNCAC reviews and diplomatic reevaluation)

◆ Remarks

- This is not a claim for an **individual case** of non-compliance, but for **structural redress rooted in design responsibility** of the national legal system.

- The proposed amount reflects the **minimum initial investment** required to reconstruct the system under **OECD and UNCAC standards**.
- Any **reduction in redress** may be interpreted internationally as **a dismissal of institutional responsibility** and further **erosion of credibility**.

■ [10] Structural Liability in Three Consecutive Years of Accounting Fraud

Misleading investors through concealed labor accidents and suppression of whistleblowing

◆ Summary of Facts

- From **FY2022 to FY2024**, **Maeda Corporation** engaged in persistent misrepresentation of financial information, including:
    - **52 industrial accident-related expenses were intentionally omitted** by treating them as "personal injury cases" instead of labor accidents (Evidence No.04).
    - **Costs related to whistleblower system operations, disciplinary deliberations, and internal audits** were excluded from financial statements (Evidence No.05).
    - **Reports of administrative and internal whistleblowing** were not reflected in the auditor's reports, resulting in a **loss of audit independence** (Evidence No.03).
- As a result, **investors, shareholders, auditors, and regulators** received financial disclosures that deviated materially from the company's actual status.
- The parent company, **Infroneer Holdings**, **received these whistleblower reports but dismissed them as "outside the system" and refused to investigate** (Evidence No.09).
- This refusal is internationally regarded as a **"structural admission of fraud"**, indicating a lack of both willingness and capability to correct false accounting.
- Ultimately, both the parent and subsidiary companies bear **institutional liability** for three consecutive years of false financial disclosures.

◆ Breached OECD Guidelines

- **Chapter II – A6, A10, A11**: Obligation to ensure accurate and transparent financial reporting and to appropriately address whistleblower disclosures

- **Chapter III – 1, 4, 5**: Obligation to ensure integrity in disclosure, prevent false reporting, and uphold reliable auditing frameworks
- **Chapter VIII – 1**: Obligation to ensure access to remedy and corrective measures
- **OECD Council Recommendations (2021)**
  - **II.16**: Duty to strengthen internal controls through whistleblower input
  - **II.20**: Obligation to provide effective remedy and improve governance

🔶 International Precedents (Comparative Cases)

Case	Similarity	Compensation	Notes
US Enron (2001)	Suppressed internal reporting, fraudulent accounting	Over JPY 8 trillion (including lawsuits)	Historic case of fraud, SEC intervention, delisting
DE Wirecard (2020)	False accounting, whistleblower suppression	~JPY 500 billion losses + criminal liability	Triggered EU-wide whistleblower reforms
FR Renault (2017)	Omission of expenses, structural silencing	~JPY 3.5 billion + institutional reform	Legal amendments followed OECD intervention

Common feature: Whistleblower suppression contributes to prolonged fraud and ultimately leads to enforced system redesign and mandated redress.

🔶 Evaluation Model (This Case)

- The **combined structure of "three years of accounting fraud + whistleblower suppression"** reflects a collapse of corporate governance and financial transparency.
- Failures occurred at every stage: whistleblowing, corrective measures, and audit—forming a clear pattern of **systemic suppression**.

- The parent company's refusal to investigate (Evidence No.09) **invalidates the credibility of the group's audit conclusions**.
- Therefore, this is not merely a case of "false accounting," but a case of **"structural responsibility for maintaining fraud through institutional refusal."**

◆ Estimated Amount (Structural Redesign Fund Component)

Estimated Total: JPY 4.0 billion

(Compensation for fraudulent structure + symbolic cost of re-audit and recovery of investor trust)

Breakdown:

- **Accounting transparency restoration** (system audit + financial re-reporting) **→ JPY 1.5 billion**
  (Includes re-auditing for 3 fiscal years, IR updates, engagement of external auditors)
- **Symbolic compensation for investors and shareholders → JPY 1.5 billion**
  (Costs for social damage and shareholder accountability due to false disclosures)
- **Structural compensation for whistleblower suppression and audit failure → JPY 1.0 billion**
  (Based on parent company's refusal to investigate: Evidence No.09)

◆ Remarks

- This case is not a matter of "accounting errors" but of **"fraud maintained through systemic suppression,"** thus warranting compensation for structural failure.
- The estimated amount is not just damages—it is calculated as **initial investment** required for **system redesign, re-audit, and governance recovery**.
- Restoration of audit functions and whistleblower mechanisms is the **minimum prerequisite for restoring international trust**.

■ [11] Baseline Adjustment – Institutional Valuation as a Symbolic International Case

This case exceeds the scope of a typical corporate misconduct report and qualifies as a **Symbolic Institutional Case**—a precedent for international system evaluation and redesign.
This section does not present a **monetary claim**, but rather a **policy-based valuation** indicating the level of investment required for structural reform.

◆ Reasoning for Symbolic Valuation

- **Clear divergence from international standards**
  There is an institutional misalignment with **UNCAC Article 33**, **OECD Guidelines (Chapters I, II, IV, VIII)**, and **UNGP Principles 29 and 31**.
- **Multi-layered structural non-compliance**
  Government agencies, corporations, media, financial institutions, and the NCP **all ignored or rejected the whistleblower**, revealing a systemic breakdown at the **national level**.
- **Quantitative severity**
  The case involves **52 concealed labor accidents**, **3 consecutive years of accounting fraud**, **neglect by 7 government ministries**, **inaction by media and financial sectors**, and **retaliation and defamation against the whistleblower**.
- **High evidentiary precision and international auditability**
  All evidence has been organized with **English translations and evidence numbers**, publicly available via a structured **Notion database** that is immediately reviewable by OECD/NCP reviewers.
- **Potential as an international institutional model**
  The documentation and structure meet the standard required for **policy benchmarking by the OECD, UN, and EU**, potentially serving as a **future reference model** for structural redesign.

◆ Evaluation Standard and Baseline Adjustment

This case warrants **symbolic recognition** as a model case for institutional redesign and global trust recovery.
The following is not an **individual compensation**, but a **ceiling benchmark** for rebuilding public trust in whistleblower protection systems.

Adjustment Item	Evaluation Basis	Estimated Amount (JPY)
Symbolic Valuation as an International Case (UNCAC, OECD, UNGP)	Based on comparative review with institutional cases such as **Wal-Mart**, **Lafarge**, and **Boeing**	**JPY 5.0 billion**

◆ Notes

- This adjustment amount represents the **upper boundary of estimated investment** necessary for system redesign; it is **not a direct monetary claim** against the enterprise.
- The **average compensation range for symbolic international cases** is **USD 50 million–100 million** (approx. **JPY 7.5–15.0 billion**).
- Even if negotiation results in a **reduction of estimated figures in sections 【1】–【10】**, the following conditions must be upheld to ensure systemic impact:

◆ Negotiation Safeguards (in case of monetary reduction)

1. **Institutional Fund Conversion**

   Any reduction in payout must be reallocated from individual compensation to a **"Structural Redesign Fund"**, to be administered under third-party oversight. This aligns with the **fund-based remedy model** recommended by the OECD.

2. **Transparency Commitment**

   Regardless of monetary adjustments, the **process, agreement, and corrective measures must be publicly disclosed**, and recorded in OECD annual reports as a **“Good Faith Resolution.”**

3. **Symbolic Integrity**

   Even with compensation adjustments, the case must retain its designation as an **international symbolic precedent**, requiring **systemic reform and fund establishment**.

4. **Re-evaluation Clause**

   The outcome must be open to future **OECD/UN review**, allowing for potential **re-assessment or additional measures**.

5. **Public Acknowledgment & Reporting Duty**

   The company must be required to **publicly acknowledge institutional non-compliance** and **publish corrective action reports**, ensuring transparency.

🔶 Final Note

This model aligns with the OECD’s concept of a **“forward-looking remedy,”** emphasizing not the magnitude of financial settlement, but the **guarantees of system improvement, transparency, and symbolic accountability** as the **core outcomes** of resolution.

■ B. Personal Redress

◆ Purpose:

To provide **non-taxable compensation** for the psychological distress, social exclusion, defamation, and career loss suffered as a result of whistleblowing, and to address the **structural harm** caused by the complete absence of institutional protection.

Additionally, the **public contribution** made by independently identifying, systematizing, and internationally reporting the collective non-compliance of corporations, financial institutions, government, and media—while exposing the flaws in Japan's domestic legal framework through comparative international analysis—is also recognized.

◆ Supporting Evidence

- **Evidence No.12: Work attendance record (79% → 45% → 29%)**
    - Absence from work, which should have been addressed through institutional medical support and reintegration programs, was distorted as "poor performance" in a retaliatory context.
    - Serves as quantitative counter-evidence of distress under institutional pressure.
- **Evidence No.13: Objection to separation record**
    - Public interest whistleblowing was officially labeled as defamation and used as the legal basis for dismissal.
    - Proves direct consequences such as job loss, loss of reemployment opportunity, social security disadvantages, and social exclusion.
- **Evaluation of Public Contribution**
    - The whistleblower singlehandedly exposed structural failures across all sectors—corporate, financial, governmental, and media—through international legal comparison.
    - This contribution extends beyond personal redress and constitutes a

- **public good** of international significance.
    - The case represents a **rare and highly structured international record**, illustrating not an isolated labor dispute but a **systemic failure of national-level enforcement mechanisms**.
    - The evidence corpus, compiled with precision and accessibility, serves as a **benchmark for evaluating OECD Guidelines compliance** (esp. Chapters II, IV, V) and **UNCAC Article 33**.
    - Moreover, the inclusion of cross-sectoral non-compliance (government, media, finance) provides unprecedented value for **international comparative research and policy reform**, warranting recognition as a **symbolic institutional model** with **international public value**.
    - This symbolic role should be independently reflected in the redress amount.

◆ **Relevant OECD Guidelines (2023 Revision)**

- **Chapter II – General Policies**
    - A.10: Obligation to establish internal whistleblowing procedures
    - A.11: Obligation to ensure whistleblowers are protected from retaliation
- **Chapter IV – Human Rights**
    - 4.2: Obligation to prevent and mitigate adverse human rights impacts
- **Chapter V – Employment and Industrial Relations**
    - 1(a): Protection of workers' safety and health
    - 6: Prohibition of unfair dismissal and discriminatory treatment

◆ Percentage-Based Evaluation Rationale

(Base = 100% Structural Redesign Fund)

Component	Evaluation Basis	Percentage
Psychological Distress (depression, isolation, health damage)	U.S. precedent: 20–25% average for mental harm in retaliation cases	+10%
Social Exclusion (dismissal, reemployment denial, social security loss)	EU precedent: 15–20% for unjust dismissal and reemployment denial	+8%
Defamation (false labeling and reputational damage)	Global precedent: 5–10% added for reputational harm	+6%
Career Loss (loss of professional credibility and future prospects)	U.S. SEC cases: ~10% for career destruction	+7%
Structural Harm (systemic failure, NCP/government non-compliance)	OECD Council Recommendations (2021, II.16 & 20) used as baseline	+7%
Public Contribution (international legal comparison, OECD reporting)	Global model cases recognized +10–15% symbolic redress	+10%

◆ Subtotal: 48%

This falls within the “average to moderately high” international standard, and cannot be considered excessive.

◆ Final Redress Claim

- **Final Claim: 30%**

  → To align with **international settlement practices**, the claimant has **voluntarily and in good faith reduced the claim** to 30%.

  → This figure represents a **good-faith minimum**; any further reduction would fall below international norms and violate the spirit of the OECD Guidelines.

- **Difference: 18% waived**

  → This 18% was **voluntarily and unilaterally waived** by the claimant in the interest of negotiation, and should be acknowledged as the **maximum possible concession**.

  → Further reductions would constitute **unfair treatment**, inconsistent with OECD principles and international standards.

🔷 **Supporting Statement**

This redress claim—**equivalent to 30% of the structural redesign cost**—is a **special settlement condition**, grounded in the **evidence-based calculation of approximately 48%**.
This figure already reflects a **substantial reduction** to meet international reconciliation expectations and leaves **no room for further concession**.
Any demand for additional reduction would fall below international standards and be recorded as an **unjust treatment** in breach of OECD Guidelines.
In future cases or re-evaluation rounds, the baseline calculation of **48%** will be applied as the **standard claim**.
