

Amazon Economic & Community Impact Report for Japan 2022

November, 2022





¥4.5 trillion+

direct investments
in our Japan operations
since 2010



¥1.0 trillion+

direct investments in 2021

Introduction

In the year 2000, we made the decision to launch Amazon in Japan. It was then, and remains to this day, our desire to create valuable solutions and provide services that delight customers in Japan, help Japanese businesses grow, and support local communities. Over the past 22 years, our customers have expanded to include consumers and business customers who shop at Amazon, sellers and start-ups who sell products on Amazon, creators and designers who use our services, and Amazon Web Services (AWS) developers. Amazon's approach of always thinking long-term and valuing our diverse customers, sellers, delivery partners, local communities, and employees has enabled us to grow our presence in Japan together, and Japan has become an important locale for our global business.

While we continue to strive toward our mission of becoming Earth's most customer-centric company, Earth's best employer, and Earth's safest place to work, we wanted to share a snapshot of our broader economic impact on Japan and our commitment to continuously invest in Japan, listen to our customers, and support the communities in which we operate.

The investments we've made in our business in Japan over the years reflect the ever-changing needs of our customers and how we have evolved to meet these needs. We've made direct investments in our Japan operations of more than ¥4.5 trillion*¹ since 2010, including investments of more than ¥1.0 trillion*² in 2021 alone. This includes both capital expenditures (such as the infrastructure we build, including our fulfillment centers, corporate offices, and data centers), and operating expenditures (such as the jobs we create in Japan).

We had a direct employment workforce of more than 11,000 employees in 2021, covering a variety of corporate, retail, and operations functions across Amazon and Amazon Web Services (AWS), including business planners, data engineers/data analysts, project managers, and solutions architects. This is in addition to the tens of thousands of job opportunities created in our fulfillment centers, delivery stations and through our last mile delivery programs that enable customers to receive packages across Japan – from Hokkaido in the north to Okinawa in the south. Our employees are known as 'Amazonians,' and we are committed to a working culture built on diversity, equity, and inclusion worldwide, including Japan. Diversity is the combination of unique skills, experiences, perspectives, and cultural backgrounds that make us who we are and ultimately benefits our global customers. Equity looks to identify and eliminate barriers that have prevented the full participation of some groups. It's also about ensuring that policies, practices, and systems provide all individuals access to the opportunities, resources, and recognition to be successful. Inclusion is providing an environment where our employees feel valued, trusted, connected, and informed. Amazon has 13 affinity groups which bring Amazon employees together across businesses and locations around the world.

The Amazon Economic & Community Impact Report for Japan outlines our long-term commitment and the contributions to Japan's economy and society we have made to date, and we are excited to continue investing and innovating on our services, technology, people, and local communities for a sustained, positive impact on Japan.

*1 \$31 billion (\$1 = ¥144), Sep. 30, 2022

*2 \$7 billion (\$1 = ¥144), Sep. 30, 2022

Operations at a Glance

Amazon's Logistics Operations

Amazon's operation facilities and delivery services are constantly evolving. We are expanding our operation facilities and fulfilment networks and using leading-edge technologies to safely deliver products as promised to customers. Our delivery network expansion also creates substantial job opportunities for local communities.

Over 20 Fulfilment Centers

Amazon operates more than 20 fulfilment centers across Japan. We opened two fulfilment centers in 2021 and another three in 2022, helping create jobs for thousands of people in local communities. Some fulfilment centers are fitted out with our latest robotics technology and our autonomous mobile robots help Amazon improve the associate and customer experience.

Over 45 Delivery Stations

At Amazon's delivery stations, packages shipped from fulfilment centers are gathered prior to delivery to local customers' doorsteps through our last-mile delivery network. Amazon opened five delivery stations in 2021, and 18 in 2022, bringing the total to over 45 locations in Japan. Moreover, delivery stations provide thousands of jobs, including opportunities to deliver customer orders with Amazon Flex where delivery partners do not have to follow a set shift schedule and can work hours that are convenient for them.



The Amazon Amagasaki Fulfilment Center is Amazon's largest fulfilment center in western Japan. Utilizing the latest robotics technology, it offers improved productivity and safety to its associates.



Amazon Robotics conveys shelves of products to the packaging stations, reducing the time it takes to pick such items from shelved inventories.

Amazon Hub Lockers in 3,000 Locations

Amazon Hub Lockers are installed in various convenient locations—such as supermarkets, train stations, and airports—for customers to pick up the products they ordered on Amazon when and where it is most convenient for them. Since November 2021, we have set up a smaller, easier-to-install version of Lockers, leading to approximately 3,000 locations in total across Japan. Stores that have installed Amazon Hub Lockers often see increases in customer traffic, opening the potential for business growth.

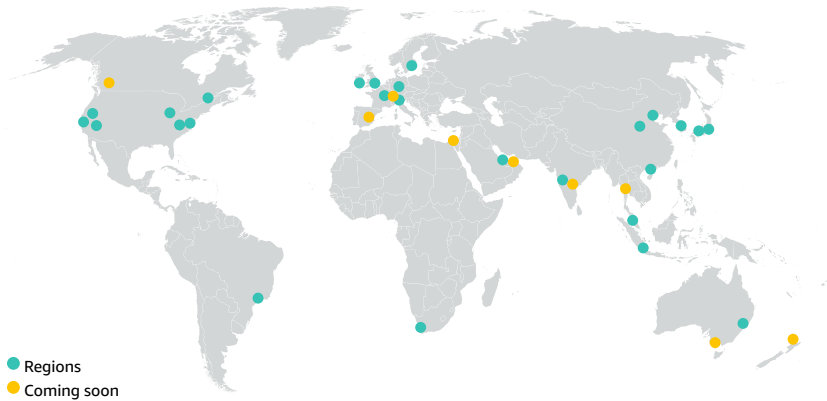
Over 2,500 Installations of Key for Business

Amazon Key for Business is a solution that provides Amazon delivery associates with temporary access to apartment buildings through a special app. With permission, it also allows our delivery associates to place packages in front of the doors of customers' homes, even when they are out. Since this service was launched in March 2021, it has already been installed in over 2,500 buildings.

Amazon Web Services at a Glance

Amazon Cloud Services

For more than 15 years, Amazon Web Services (AWS) has been the world's most comprehensive and broadly adopted cloud offering. AWS has 87 Availability Zones within 27 geographic regions around the world, while continuing to expand to meet diverse customers' needs.



Seven Availability Zones



AWS infrastructure consists of clusters of multiple data centers in each region, creating Availability Zones. Based on a design premise of high availability, separate Availability Zones have been established and are connected to each other, so that issues in one specific Availability Zone will not affect services in others. AWS was launched in Japan in 2011, and services are currently provided from seven Availability Zones in Tokyo and Osaka geographic regions.

Offering More than 200 Fully Featured Services



Wide-ranging AWS services include computing, databases, analytics, machine learning, artificial intelligence, virtual and augmented reality, and application development, deployment, and management. AWS supports almost every type of cloud application by offering more than 200 fully featured services around the world.

Investing

More than ¥180 billion

in AWS Data Centers



In 2021, AWS had a total of 2,190 full- and part-time employees in Japan. AWS has invested more than ¥180 billion in capital expenditures associated with developing our two AWS Regions in Tokyo and Osaka in 2021.

Supporting

Hundreds of Thousands

of Active Customers



Customers worldwide trust AWS to power their infrastructure, help them become more agile, and lower costs. In Japan, there are hundreds of thousands of active customers, including fast-growing start-up companies, major established listed companies, local governments, and other public institutions.



Open Digital Skills Trainings

Digital Skills Trainings for Business Professionals and Students

The COVID-19 pandemic has changed the lives of many working professionals and the need for digital skills training is greater than ever. Amazon is committed to investing hundreds of millions of dollars to provide free, publicly available cloud computing skills training to 29 million people around the world by 2025. According to a survey conducted by AWS in April 2022, 54% of workers in Japan said that they would require digital skills training by 2025, such as cloud computing, to progress in their careers. To meet this need, we offer a variety of digital skills training programs to business professionals, as well as individuals and students. We have trained over 400,000 people in cloud skills in Japan since 2017, providing them with in-demand cloud skills and best practices to help learners and organizations innovate in the cloud.

Over 400,000 people
trained in cloud skills in Japan
since 2017

Programs for Business Professionals

AWS Skills Guild

AWS in Japan launched its Skills Guild program in April 2022, which is a comprehensive skills enablement program that builds cloud fluency across customers' organizations. The program helps organizations accelerate cloud outcomes by building in-house skills and an innovative learning culture.

AWS Skill Builder

AWS Skill Builder offers free learning content via digital courses and role-playing games to enable people to learn about cloud technologies, with 250 courses in Japanese. AWS Skill Builder was launched as a subscription-based service in August 2022, allowing customers to learn how to use cloud computing skills through hands-on activities to solve business issues with cloud services.

Programs for Students

Amazon WoW

Amazon WoW is a networking platform for women, connecting Amazon and AWS technology leaders and recruiters with students majoring in engineering and information science at the undergraduate or graduate level. Students who are interested in long-term engineering careers can also join the program. Amazon WoW provides opportunities for students to learn interview techniques, and receive detailed information about jobs at Amazon, as well as training to improve their IT skills throughout the year. These efforts help form communities for students and support their job-seeking activities.



AWS Academy

AWS Academy provides higher education institutions with a free, ready-to-teach cloud computing curriculum that prepares students to pursue industry-recognized certifications and in-demand cloud jobs. In Japan, there are more than 150 AWS Academy member institutions.



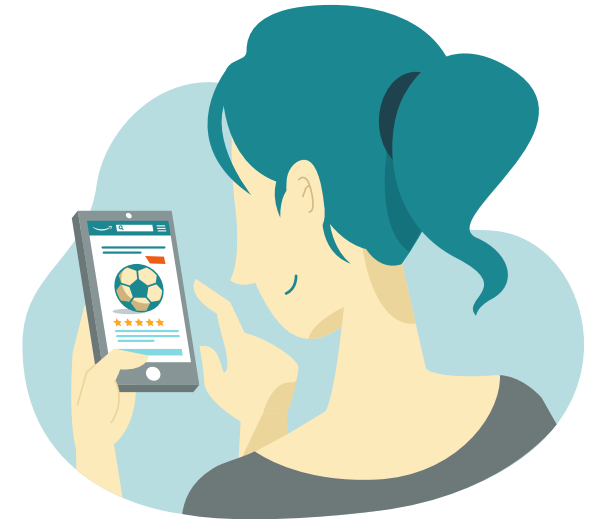
Seller Engagement through Selling on Amazon

Amazon Provides a Range of Tools and Services to Help Selling Partners Succeed

There are around 150,000 Japanese sellers on Amazon, many of which are small and medium-sized businesses, who use the tools and services we build to help them grow. In 2021, Japanese sellers sold hundreds of millions of products on Amazon, making more than ¥10 million, an increase of over 15% year on year, in average sales. Amazon's long-term commitment to selling partners has had a positive ripple effect across the Japanese economy, fueling job creation and economic opportunity for local businesses, communities, and individuals. Japanese businesses selling on Amazon have created more than 200,000 jobs in Japan to support their Amazon-related business activities. Amazon continues to offer various services to support sellers to more effectively sell online and further expand their businesses.

Support for Sellers' Marketing Activities with Leading-Edge Tools

Amazon continues to invest in making it easier for sellers to sell on the Amazon store. Through Seller Central, a portal where sellers can manage all of their selling activities on Amazon, we offer sellers leading-edge tools, including tools that help sellers manage inventory, process payments, and track shipments – and we are continuing to invent more every year. For example, in 2021, we launched a tool to manage Amazon Points more easily for better marketing, and a dashboard that automatically calculates the performance of each product and recommends solutions to increase sales.



150,000 Japanese sellers

There are around 150,000 Japanese sellers on Amazon, many of which are small and medium-sized businesses

Average sales grew by 15%+

Japanese sellers sold hundreds of millions of products on Amazon, making more than ¥10 million, an increase of over 15% year on year, in average sales

200,000+ jobs

Japanese businesses selling on Amazon have created more than 200,000 jobs in Japan to support their Amazon-related business activities

Seller Engagement through Selling on Amazon

Fulfilment by Amazon (FBA)

Fulfilment by Amazon (FBA) is a 24/7 service that allows sellers to outsource order fulfilment to Amazon. Sellers send products to Amazon fulfilment centers (FCs) [→ see page 2](#) and when a customer makes a purchase, Amazon picks, packs, and ships the product to them. Amazon also provides customer service and processes returns. We handle these fulfilment tasks on behalf of sellers so they can focus on what they are most good at, such as product development and marketing. The number of Japanese sellers that used FBA in 2021 remained flat at approximately 80,000, however their total sales increased by over 10% year on year.

Amazon Global Selling

Dedicated Japan Team to Support Overseas Sales Expansion

Sellers can list their products on Amazon marketplaces in Japan and other geographical areas, such as North America and Europe. Sellers can also use FBA service to sell their products in regions outside of their own country, regardless of the location of their base of operations. In Japan, a dedicated team offers global selling support in Japanese to Japanese sellers for creating seller accounts on Amazon.com and listing their products, while also providing advice on products suitable for overseas sales. Over 4,000 Japanese sellers sold more than 40 million units overseas in 2021, a double-digit increase compared to 2020.

Global Selling Support with JETRO

Amazon and the Japan External Trade Organization (JETRO) support Japanese companies, including small and medium-sized businesses, to sell their products overseas through Amazon.com. The JAPAN STORE is a special store on Amazon.com showcasing the products of Japanese companies, and is featured in a banner on the top page of Amazon.com and promoted through targeted customer emails. The program has been so well received that we are expanding the JAPAN STORE to Australia and the UK.

80,000 FBA users

The number of Japanese sellers that used FBA in 2021 was approximately 80,000

Units sold internationally saw by double-digit growth

Over 4,000 Japanese sellers sold more than 40 million units overseas in 2021, a double-digit increase compared to 2020

10%+ FBA users' sales

Total sales of Japanese sellers that used FBA increased by over 10% year on year



Seller Engagement through Brand Protection

In 2021, Amazon invested more than \$900 million globally and employed more than 12,000 people—including machine learning scientists, software developers, and expert investigators—who were dedicated to protecting customers, brands, selling partners, and our store from counterfeit, fraud, and other forms of abuse.

Four Brand Protection Tools Available in Japan

In addition to brand protection tools like Amazon Brand Registry, Project Zero, and Transparency, Amazon IP Accelerator became available to brand owners in Japan in 2021. Amazon, in partnership with rights owners and law enforcement agencies, continues to work hard to ensure its store is one where customers can shop with confidence. We believe in the importance of collaboration with brand owners, selling partners, industry associations, and law enforcement agencies to share insights and information that stop counterfeiters. Based on this philosophy, Amazon Japan signed a Memorandum of Understanding (MoU) with the International Intellectual Property Protection Forum (IIPPF) in 2021 and with Japan Customs in 2022 with the common objective of safeguarding the rights of intellectual property owners and to promote a safe and trusted shopping experience for customers.

✓ Amazon Brand Registry

Amazon Brand Registry is a free service for brand owners, giving them the ability to manage and protect their brand and intellectual property rights on Amazon. Through the Report a Violation tool, brand owners can search for, identify, and report infringements, and subsequently track their submissions within a dedicated dashboard. Brand Registry also allows Amazon to more effectively safeguard brands through automated protections that leverage machine learning and the data provided in Brand Registry.

✓ Project Zero

Project Zero combines Amazon's advanced technology with the sophisticated knowledge that brands have of their own intellectual property and how best to detect counterfeits of their brands. This happens through Amazon's brand protection tools, including the powerful ability Amazon gives brands to directly remove listings from its store.

✓ Transparency

Transparency is a product serialization service that prevents counterfeits from reaching customers around the world. Brands label every single unit of a selected product with a unique code, which can be scanned to verify the unit's authenticity throughout the supply chain. Items without a valid code are identified and stopped, so only genuine products reach customers.

✓ Amazon IP Accelerator

Amazon IP Accelerator helps small and medium-sized businesses more efficiently obtain intellectual property rights, which helps brands protect their IP in every store, everywhere, not just on Amazon. IP Accelerator connects small and medium-sized businesses with a curated network of trusted IP law firms, which provide high-quality trademark registration services at competitive rates. These businesses can also register for Brand Registry, even with a pending trademark, allowing them to utilize and benefit from some of Amazon's tools to protect their brand.



TOPIC

Publication of the Brand Protection Report

In June 2022, Amazon released the latest version of its Brand Protection Report, which highlights Amazon's commitment to the authenticity of goods sold in its store and to fighting bad actors so that customers can shop with confidence. Amazon and its millions of selling partners—the vast majority of which are small and medium-sized businesses—serve hundreds of millions of customers worldwide. Customers expect that when they purchase an item in Amazon's store, sold either by Amazon or by one of its third-party selling partners, they will receive an authentic product. The second Amazon Brand Protection Report details a wide range of progress in three key areas: powerful and highly effective proactive efforts to protect Amazon's store; best-in-class protection tools enabling rights owners to partner with us to better protect their brands; and holding bad actors accountable.

Small Business Spotlight

Voices of Small and Medium-Sized Businesses, Start-ups, Sole Proprietors, and Creators

We strive to achieve our mission of becoming Earth's most customer centric-company by offering customers a vast selection. We continue to support the business expansion of small and medium-sized businesses, start-ups, sole proprietors, and creators that sell their products on Amazon. Growth in such businesses means that customers who enjoy shopping will have a wide selection to choose from.



Naoko Takahara

Representative of NAO LLC

***Thanks to FBA,
I can now spend more time with my family.***

I design, produce, and sell designer jewelry under the naotjewelry brand name. Inspired by the idea of having more women shine brightly with my jewelry, I jumped into the world of e-commerce to expand my sales channels despite having no experience in the space. When listing my jewelry on Amazon, I take advantage of Fulfilment by Amazon (FBA). [→ see page 6](#) FBA is a service whereby Amazon handles all fulfilment services — picking, packing, and shipping the order as well as customer service — all day, every day. Before using FBA, I had to do everything by myself from creating the jewelry to selling it during my limited time between doing the housework and raising my children. Thanks to FBA, I can now spend more time with my family.



Kazuhide Sugimoto

Representative Director and President,
Sugimoto Co., Ltd.

***Since I listed my mushrooms on the JAPAN STORE,
I have already seen great results.***

I sell dried Shiitake mushrooms harvested from the logs of sawtooth oak trees in Takachiho Town in Miyazaki Prefecture. With domestic demand shrinking, I decided in 2017 to start selling my dried mushrooms in Europe and the United States through Amazon Global Selling, a service to sell overseas on Amazon. [→ see page 6](#) A joint program by Amazon and the Japan External Trade Organization, the JAPAN STORE helps Japanese companies sell their products overseas, and our company is currently on the store. This program comes with marketing support and training materials on how to increase sales on Amazon.com. Not much time has passed since I listed my mushrooms on the JAPAN STORE, but I have already seen great results.



Seiko Kawamura

Representative Director and President,
KAWACHO RICE Co., Ltd.

***AWS cloud services have enabled us
to improve workload efficiency.***

Rice is so important in Japanese society that it has been called the essence of the culture. Amazon is indispensable for realizing our desire to protect this food culture which, in my case, comes from my hometown in Aomori Prefecture. AWS cloud services have enabled us to improve workload efficiency, by developing an app that uses AI to identify the brand names of rice, something which previously relied on the human eye. In addition, thanks to Amazon Pay, a payment service by Amazon, many customers can use our online store with confidence to buy an assortment of branded rice gifts in bottles called PeboRa. Leveraging innovative technologies, we will continue to take on new challenges and show the traditional rice industry our new approach.

Small Business Spotlight



Ayaka Aoki

Amazon Flex Delivery Partner

What I like best about this job is being able to manage my own schedule.

I'm an Amazon Flex delivery partner, delivering products that customers ordered on Amazon. I can decide my own working hours, giving me more time to spend with my family. What I like best about this job is being able to manage my own schedule. I did not have any delivery experience before this, but I was able to learn the ropes quickly thanks to a supportive work environment. I feel rewarded being an Amazon Flex delivery partner when I hear kind words from customers.



Miho Koike

Representative, komdezajno

The templates available in the software are very easy to use, making design a snap.

I use Amazon Merch on Demand, an on-demand printing service, and sell T-shirts with designs featuring my cat Uzura, a rescue that I adopted. When using Amazon Merch on Demand, I was surprised at how fast the process moves from screening to ordering. Creators can get their merchandise soon after ordering, and they are able to check the texture of fabrics and other issues. The templates available in the software are very easy to use, making design a snap. Moreover, I can use translation tools to sell products around the world. Amazon Merch on Demand is a tool that lets me easily create and sell items that I like. I hope to show the world how cute Uzura is!



Tearontaron

Manga Artist

I was able to reach a broader audience with KDP.

With the idea of reaching more people interested in my manga, I started using Kindle Direct Publishing (KDP) four years ago. KDP is a service for self-publishing and selling e-books and paperbacks globally on the Amazon Kindle Store as a free service. I was able to reach a broader audience with KDP because of the large number of Amazon customers. I am happy to say that many people who read my manga on KDP have given me enthusiastic reviews. The system is designed so that I receive additional payments based on popularity, which is a great benefit. There are many manga artists who have not been able to publish their works of art for various reasons. KDP makes it easy to self-publish manga while it is still rough around the edges. This service has encouraged many manga artists to publish and acquire readers early on, which allows them to polish their manga based on feedback from readers.

Community Engagement

We aim to give back to the local communities where Amazonians live and work. We encourage our employees to participate in activities in their local communities, proactively engage with customers on an ongoing basis, and leverage our innovation to find and build solutions to challenging issues faced by local communities.

Amazon Cyber Robotics Challenge

At Amazon, we are committed to the well-being of the communities we serve. As part of our community efforts, we are constantly looking for ways to empower individuals, especially children, to develop their interest and build their skills in science and technology. Since 2019, Amazon has provided programming classes to children around Japan in collaboration with the Japan YMCA. As a continuation of our efforts, we launched the Amazon Cyber Robotics Challenge in Japan in 2021. The Amazon Cyber Robotics Challenge is a virtual learning

experience curated to develop children's creativity, problem-solving skills, and to spark interest in STEM at an early age through immersive robot activities and games. The first event was held with the cooperation of the Japan YMCA for elementary, middle and high school students at Misono Seien Children's Home in Fujisawa City, Kanagawa Prefecture. More than 2,000 children in children's homes and after-school care centers have taken classes so far. Amazon will continue to expand its support for STEM education in cooperation with the Japan YMCA.

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Some children are at a particular disadvantage when it comes to STEM education, as they have less access to computers, and therefore have fewer opportunities to develop computer science skills required to enter the workforce. By partnering with Amazon to launch the Amazon Cyber Robotics Challenge, we are providing children with an opportunity to gain an interest in computer science and programming”.

Tsutomu Taguchi

Representative Director and
Secretary-General of the National Council of YMCAs of Japan

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Amazon and the Japan YMCA have created this precious opportunity for children. Watching children overcome a problem they have been attempting to solve for only five minutes reminded me of their high level of adaptability and wonderful ability to learn. I was able to see a new side of the children, like some facial expressions that I usually do not see every day, and I think the children gained some confidence from the class”.

Ryosuke Nogiwa

Facility Manager, Misono Seien Children's Home



Amazon Goes Gold

Every year, in September, for Childhood Cancer Awareness Month, Amazon helps raise awareness around pediatric cancer with its global campaign, Amazon Goes Gold. Associates at Amazon fulfillment centers and delivery stations around the world come together to support children with cancer and their families through the campaign.

Amazon Japan held an online study session for junior high school students in Takeo City, Saga Prefecture to learn about social issues on the topic of childhood cancer in 2021. Amazon Japan also supported the 2nd World Health Organization's Global Initiative for Childhood Cancer in Tokyo 2022 under the theme of 'Save All Children with Cancer around the World', an international medical symposium that aims to increase the survival rate of children with cancer worldwide to at least 60% by 2030. Amazon continues to strongly support children with cancer, their families, medical practitioners, and people who support patients around the world.



Our Sustainability Initiatives

As part of our mission to become Earth's most customer-centric company, we are committed to building a sustainable business for our employees, customers, and communities, including the people that support our entire value chain.

Global Commitment

The Climate Pledge

In 2019, Amazon and Global Optimism co-founded The Climate Pledge, a commitment to net-zero carbon by 2040. Since then, a growing list of major companies and organizations have joined The Climate Pledge. Today, the Pledge has more than 375 signatories from 54 industries and 34 countries. These signatories play a critical role in sending an important signal that there will be rapid growth in demand for products and services that help reduce carbon emissions and driving corporate activities to address social issues.

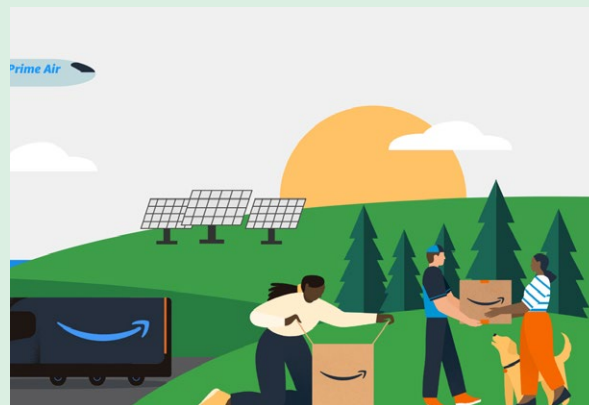
Our Initiatives for Achieving Net-Zero Carbon

Amazon is on the path to powering our operations with 100% renewable energy by 2025—five years ahead of our original target of 2030. Our projects supply renewable energy for a variety of Amazon facilities, including corporate offices, fulfillment centers, and data centers. We are committed to achieving net-zero carbon through various initiatives such as our investments in Rivian Automotive Inc. under the Climate Pledge Fund, with plans to deploy 100,000 electric vehicles by 2030.

Three Commitments of the Climate Pledge

All signatories are committed to the following actions:

- Measure and report greenhouse gas emissions on a regular basis
- Implement decarbonization strategies in line with the Paris Agreement through real business changes and innovations, including efficiency improvements, renewable energy, material reduction, and other carbon emission elimination strategies
- Neutralize any remaining emissions with additional, quantifiable, real, permanent, and socially-beneficial offsets to achieve net-zero annual carbon emissions by 2040.



Japan Initiatives

Large-Scale Purchases of Renewable Energy

In 2021, Amazon announced that it signed a power purchase agreement with Mitsubishi Corporation for a 22 megawatt (MW) solar project. This solar project comprises more than 450 sites across different locations in the Greater Tokyo and Tohoku areas, and each site includes several ground-mounted solar installations. Through this project, Amazon will help bring associated green jobs and investments to more parts of Japan.

Installations of Rooftop Solar-Power Generation Facilities at Fulfilment Centers and Other Energy-Saving Activities

Rooftop solar-power generation facilities are installed at certain Amazon fulfillment centers [→ see page 2](#) in Japan, which are powered by electricity generated by renewable energy. We have been actively promoting energy-saving activities at fulfillment centers and received the Special Award from the Judging Committee for the Energy Conservation Grand Prize 2021, sponsored by the Energy Conservation Center, Japan, with support from the Japanese Ministry of Economy, Trade and Industry.

Packaging Simplification

Amazon is expanding its simplified packaging deliveries for packaging reductions and a better shopping experience. More specifically, we will expand simplified-packaging deliveries by enabling a wider variety of items to be shipped in paper bags instead of corrugated boxes/mailers, or without any additional Amazon packaging at all.

