

**Statement by Yoshimitsu Kobayashi, Chairman of Keizai Doyukai
On UK Vote to Leave EU**

1. The United Kingdom voted to leave the European Union in the national referendum on June 23. The world economy is now facing a significant risk. The top priority in the foreseeable future is to minimize the negative impact on the economy through measures including a flexible response to the unexpected volatility in the stock/foreign exchange markets.
A major driver to the UK voters' decision to leave is deemed the employment uncertainty that their jobs are at risk due to the increase of the immigrants. We are concerned that not only the economic areas of the UK employment/labor and trade/investment but also Europe, Russia, and the world peace and stability may have a substantial influence following the UK's exit.
2. The globalization of the world economy has continued further with the "integration" across the national border accelerating. Meanwhile, the world politics now has a potential risk of moving toward the "segregation" due to the emergence of the introvert, nationalist thought. Against this backdrop, the UK's exit from the EU--the organizational "integration" of politics and economy--will vibrate similar issues inherent in other EU member countries, leading to the dissemination of the "segregation." This is what we regret to see.
3. We cannot rule out the possibility of the EU-exit related negotiations and processes pending for a long time resulting in delay and confusion. The first step for Japan's public/private sector should be making all-out effort for information gathering. We, corporate executives, should go on to clarify our management policies to the stakeholders such as the subsidiaries and investment destinations in the UK after the judgment on the risk we can take from the perspectives of profitability and social responsibility.

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