

**Statement by Kengo Sakurada, Chairman of Keizai Doyukai  
on Second Reshuffle of Fourth Abe Cabinet**

1. Prime Minister Shinzo Abe has today reshuffled his fourth Cabinet for the second time, looking to stability and taking on challenges with a new line-up of ministers. Taking advantage of the benefit of the long-term stable administration, we expect that the new regime will stand firm against medium- to long-term challenges relevant to globalization as well as declining birthrate and aging population, with a forward-looking perspective.
2. Above all, fiscal consolidation is a pressing issue of Japan, and social security reform is a top priority, as the current system lies at the root of concerns about the future and sluggish consumption. The government should initiate widely open discussions, using its proposal of the social security system for all generations, its vision, and direction, as well as practical reform alternatives. It is because these are the items where the relevant burdens are to be borne by everybody. Meanwhile, we believe it is necessary to establish an independent fiscal institution that studies and analyzes a long-term outlook of economy, fiscal status, and social security from a next-generation viewpoint. Such institution will lead to evidence-based policymaking.
3. The future of the world economy hangs in the balance with the United States and China struggling for supremacy even further. The current situation necessitates digital transformation for Japan's sustainable economic growth. We request the government to accelerate regulatory and institutional reform fit for the era of digitalization. We, corporate executives, are committed to taking on challenges to resolve social issues by taking a risk, pursuing a society for young people to be hopeful about

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