

**Statement by Kengo Sakurada, Chairman of Keizai Doyukai
on Launch of New Cabinet Led by Prime Minister Suga**

1. Prime Minister Suga has launched his new cabinet today. We expect the new prime minister to demonstrate strong leadership in addressing a pressing issue of striking a balance between prevention of coronavirus spread and reviving economic activities, while ensuring a smooth transition of power and avoiding a policy vacuum.
2. The lineup of the new cabinet members features a focus on a wealth of experience, professional knowledge, and high-level business capabilities, giving a solid stability to the government. It represents Prime Minister Suga's commitment to tangible achievements in the state of emergency of the coronavirus pandemic.
3. Japan is facing a heap of challenges awaiting a quick response, and the new coronavirus is just one of them. We request the new cabinet to prioritize policy measures that must be implemented during its period in power, and thereafter elaborate, for the public, on each of their numerical targets, due dates, and processes. The government's handling of the issues must always be accompanied by such elaboration.
4. We believe that the coronavirus crisis should be a trigger to crystallize the "new normal" we are targeting, from a sense of urgency shared by the public and the government. In this regard, we are counting on the government's focus in particular on the three points as follows:
 - To squarely address the overriding issue of digital transformation for the society as a whole.
 - To have a long-term outlook, for building a sustainable society, on (1) the future fiscal structure and (2) the benefit-and-contribution scheme that leads to the true "social security system for all generations," followed by a far-reaching reform of both.
 - To present a strategy for Japan's prosperity and its contribution to the world, by viewing changes of the international situation highly uncertain, due to the escalation and extension of the United States-China conflicts as well as the economic/industrial transformation led by the advanced technology.