

## **Retirement Message**

### **Fiscal 2023 Annual Meeting**

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As I come to the end of my four-year term as chairman, I would express my honest sentiment in one sentence: “The world has changed!” When I started my term of office, I said that the world had entered an age of VUCA (volatility, uncertainty, complexity, and ambiguity). Yet, who could have possibly predicted the COVID-19 pandemic, the war in Ukraine, and so forth.

For example, regarding the COVID-19 pandemic which started in late 2019, my statement at a regular press conference in March 2020 was: “Compared to the Lehman collapse, COVID-19 is less of a risk because its cause is known and modern science should be able to control this virus, so I don’t see this developing into a serious situation.” However, the reality way surpassed my prediction, and this pandemic could indeed be termed a once-in-a-century risk.

As to Russia’s invasion of Ukraine in February 2022, I expressed the view that unfortunately, due to the disparity in military power, the war would probably end quickly.

I truly feel that the world is at an historical turning point in the sense that it is impossible to predict events a few months ahead, not to say one year ahead. So, how should we survive this unpredictable historical turning point?

I have come to feel strongly the need to return to the mission statement of Keizai Doyukai, which was also founded during a historical turning point, on two counts.

First is the determination as captured in the statement that “Japan is striving to rise from the devastation of being practically reduced to ashes... The Japanese people must discard their old robes, and they must weather the current storm of economic, moral and ideological ruin and confusion to erect a completely new order.” The sense of crisis and the aspiration at the time Doyukai was founded 77 years ago are precisely what we need today.

Second is our pronouncement that “We take the position of economic professionals and management experts and are, therefore, politically neutral. We are free from all political

parties, but we are involved with policy as professionals.” As management experts, Keizai Doyukai not only makes policy-oriented proposals on various issues but also gives emphasis to active engagement and consistency of word and action. Our members strive to implement our proposals and provide value to society through their companies and business management. This means that through such efforts, we become *Seikatsusha* who are members of the “society co-created by its *Seikatsusha*” advocated by Keizai Doyukai.

Keizai Doyukai takes pride in these concepts, and I believe that we must continue to uphold them as our *raison d’etre*.

From another point of view, it is important to have the determination to make changes. I would like to cite two changes that need to be made to adapt to the times or in anticipation of the future.

First, I believe that Japan, which was reduced to scorched earth during World War II, was able to achieve the world’s number two GDP in only 22 years after the war because it had a well synchronized purpose for its companies and people with the national goal of “catching up with the West” as the starting point. However, there has been a diversification of individual values today, and society has become more complex, so a goal that starts with individuals and where the purpose of companies and the nation coincides is necessary. I think this should be a very simple goal: “make Japan the world's number one country in terms of *Seikatsusha*’s happiness and contentment.”

Second, over the “lost three decades,” it became clear that Japan’s economic growth—its growth potential and growth rate resulting from innovation, which is the driving force behind economic growth—as well as various social issues including government finances, elections and voting (which form the foundation of democracy), social security, and economic security are what the government or the business sector cannot tackle alone. Discussions and actions by diverse stakeholders are essential for resolving these issues.

Based on the above, we made a number of major reform efforts.

First, we launched the Future Selection Forum in September 2020 as a discussion forum for multiple stakeholders in order to transcend the limitations of discussions and proposals by business executives alone and to aim at the double-tracking of the policymaking process centered on government councils. It is gratifying to see that nearly 300 people have participated in each meeting. At the eighth open forum held last month, even ruling party and opposition Diet members took the floor, and ideas for collaboration between multiple regional associations of corporate executives or setting up “future selection forums” for individual companies were raised. We hope that this forum will continue to grow in scale and evolve and develop into a conference or movement for solving social issues.

Second, while Doyukai has asked the government to present its conception of the image of this country or a national vision, the government has stopped at debate on individual policies

and refining parts of specific policies, so we decided to present our own national vision. As a concrete step, we released our proposal, “Realize Sustained Creation of Diverse Values through a ‘Society Co-created by Its Seikatsusha’: Seikatsusha’s Choices and Actions,” last October. In addition to economic power, we advocated the multifaceted value of the “happiness and contentment” of all stakeholders in society, i.e., moving from one fixed price to multiple pricing and seeking to become a high-quality state that pursues qualitative growth. Based on this proposal, the book *Overcoming the Lost Three Decades, Time for Challenge: A Society of Seikatsusha* was published last month. I am gratified that we have received many inquiries and requests for exchange of views. I would like to ask for your continuous cooperation to work toward a society co-created by its *Seikatsusha*.

I would like to reiterate here that I am confident that the inspired business executives gathered at Keizai Doyukai are at their best when they point out a clear direction to be taken, work for this true to their words, and focus on achieving results. I will end my retirement message by expressing my hope that my successor, Mr. Takeshi Niinami, will bring further development to Keizai Doyukai with his inherent passion and vitality. My heartfelt thank you to all of you for the past four years.