

**Statement by Akio Yamaguchi, Chairperson of Keizai Doyukai  
on “Shunto” Spring Wage Negotiations 2026**

1. Most Japanese companies have settled the annual labor-management wage negotiations today for Shunto 2026. In response to high-level wage hike requests for the third consecutive year, management offered increases comparable to last year, despite an uncertain environment affected by factors such as the Trump tariffs. We understand this outcome reflects a growing recognition among management that remuneration returns to employees will help secure human resources amid deteriorating labor shortages. Going forward, it is vital for companies to continue their efforts to ensure that this wage-hike momentum steadily spreads among SMEs as well.
2. Sustainable wage hikes amid inflation are possible only through the creation of added value that finances larger labor costs. With a mindset that wage increases are an investment in corporate growth, rather than a near-term cost, companies must continue to address human capital investment, promotion of reskilling, and productivity enhancement through digital transformation (DX) and technological innovation. Meanwhile, it is essential for companies to shift from conventional cost-plus product pricing to value-based product pricing. They should also share their growth strategies behind wage hikes with all employees, regardless of their employee status, while establishing remuneration schemes aligned with their roles, performance, and skills. In this regard, companies are responsible for strengthening their earning power and providing each employee with opportunities to thrive.
3. Counter measures for rising prices and medium- to long-term policy measures for real wage growth should imperatively include boosting labor productivity growth rate and solidifying the trend of real wage increases. The development of a competitive and inclusive labor market is also necessary; this can be achieved through higher labor mobility, the expansion of reskilling support, the advancement of regional industrial structures, and the creation of new markets and demand driven by regulatory reforms. Ultimately, achieving a virtuous cycle of sustainable wage hikes and economic growth, accompanied by these efforts, is of paramount importance.