

May 29, 2017

Inauguration Address by Chairman Matsumoto
at the 55th Regular General Meeting

Thanks to your recommendation, I have just been appointed as Chairman of the Kansai Economic Federation (Kankeiren).

Succeeding the office of chairman at this time, with Japan continuing to suffer serious economic challenges, and with a number of factors that could cause a paradigm shift in global politics and economics, I feel that the responsibility ahead of me is huge. However, to return the favor that I have received so far from people in the Kansai region, if only a little, I have accepted the offer to assume this position. I am determined to do whatever I can for Kansai and all of Japan, and in this regard, I would like to ask for your generous support.

Mr. Mori, the former chairman of Kankeiren, took office six years ago, shortly after the occurrence of the Great East Japan Earthquake, and made utmost efforts to support the recovery of the affected areas. In addition, he presented the Medium-Term Goals to indicate a grand vision for the future of the Kansai region, and left behind great achievements that will add momentum to the region's future growth, as indicated by the concession of the Kansai International Airport; the launch of the Kansai Innovation Comprehensive Global Strategic Special Zone and designation of a National Strategic Special Zone; the growth of inbound tourism through sightseeing; the start of the Chuo Shinkansen maglev line ahead of schedule and extension of the Hokuriku Shinkansen line; and efforts to win the bid to host the 2025 World Exposition in Osaka. I will continue to take the path paved by former chairman Mori, and will work to extend it in the directions he has suggested.

At Kankeiren, we celebrated our 70th anniversary last year. Looking back over our history, Kankeiren was established in October 1946 as a “comprehensive economic organization to encourage free creative ideas and lively activity among industrialists,” amid the post-war turmoil that Japan was mired in. The purpose of our establishment was to help the Japanese economy rise again from the ashes. In subsequent decades, we contributed greatly to the remarkable growth of the Japanese economy, as well as that of the Kansai region.

Every company has the mission of contributing to the prosperity and development of local communities, society, and people in general. As you may know, Kansai is home to many long-established companies, which have traditionally played a leading role in the growth of local communities since the Edo period. Moreover, those who came before us in Kansai developed an enterprising spirit of always trying

new things. As an organization with these footings, Kankeiren will continue to play an active role as the leader of growth in the Kansai region, and indeed all of Japan.

The Kansai region is presently suffering the severe reality of its relative decrease in economic presence in Japan at large. At the same time, the region is also enjoying the positive trend of invigoration of related industries thanks to the increased number of inbound tourists. Furthermore, the big projects that we have launched so far, such as the Kansai International Airport and Keihanna Science City, are beginning to generate excellent results. Added to these is the creation of new technological ideas one after another in the region, especially in the field of medicine and health.

With this background, we will first further reinforce our efforts centering on the current Medium-Term Goals. In doing so, we will focus on the following four perspectives:

The first perspective is globalization. To prevent the attractive features distinctive of the Kansai region from becoming buried under the call for adoption of the “Mega Region” concept, I believe that it is essential to enhance the Kansai region’s strong points and make them known extensively from a global perspective. To accomplish this, what needs to be done is not to discuss the region’s vision based on comparisons between Kansai and Tokyo, but rather to consider how the Kansai region should forge even stronger ties with the Asia-Pacific region and the rest of the world, as well as how Kansai should enhance its presence in the world. In short, the perspectives of the “Look West” and “Look Global” are called for.

In light of regional revitalization, Kankeiren has long worked on the themes of decentralizing administrative powers into local governments and introducing a wide-area local government system. Today, when Japanese society is facing a rapid population decline, ideal visions for local communities are being discussed once again. In our efforts to establish a system that enables each region to demonstrate its own characteristics freely and that encourages each region’s revitalization, we would like to continue exchanging opinions and presenting proposals actively, so that the trend of decentralization becomes a part of Japanese culture, and even evolves.

From the perspective of innovation, despite its firm foundation of *monozukuri* (manufacturing), the Kansai region is now in a period of upheaval in terms of its business environment, partly due to new technology trends such as IoT and AI. I believe that it is necessary to develop new industries that will underpin the Kansai region's development for the next generation. It is also necessary to avoid becoming dependent on one specific industry, as well as to ensure that the region is home to

clusters of companies and industries with their own unique and distinguished features, and that such companies and industries constitute networks that are resilient to changes.

For sports, we have a spate of big international events ahead of us in Japan, such as 2019 Rugby World Cup, the Tokyo 2020 Olympic and Paralympic Games, and the World Masters Games 2021 Kansai. I'm convinced that these opportunities will surely serve as catalysts for everyone to gain better health through sports. In addition, I'm determined to commit myself to ensuring that these events lead to the establishment of a culture of enjoying sports as a booster not only for health but also for local communities and economics.

This April, Osaka Prefecture officially announced its bid to host the 2025 World Exposition, launching full-scale efforts to win the bid. To achieve this, it is necessary to generate understanding of the advantages and attractive features of holding the event in Osaka, and the Kansai region, among as many people around the world as possible. The first thing to do is to win the bid at next year's General Assembly of the International Exhibitions Bureau (BIE). To realize this, we will try our hardest through concerted efforts of the entire Kansai business community, in cooperation with Osaka Prefecture, the Japanese government, the Japan Business Federation, and other related organizations.

Regarding integrated resorts, for which the Japanese government is now working on institutional design, we will fully consider what to do in order to obtain maximum effects for development of the Kansai region, as well as how to proceed in order to minimize the expected negative effects and address anxieties that many people have.

To ensure that these efforts are as fruitful as possible, we definitely need to deepen our ties with the Japanese government, local governments, and a wide variety of economic organizations. We would like to extend our wings of partnership and cooperation, so that we can mobilize capabilities from a wide variety of sources and take action more dynamically toward implementing appropriate policies. Furthermore, to embody the general will of all companies in the Kansai region, we would like to enlarge our membership and ensure that a wide variety of companies, including small and medium-size companies, can join us too.

I believe that it is vital for us to work with sincerity and fairness without pursuing our own interests. In conclusion I would like to express my resolution to dedicate myself to everything that I can do to develop Kansai into a region full of dreams, hopes, and energy. Once again, I ask for your generous support and cooperation in these endeavors. Thank you all very much.