

**Greetings from the Organizers****September 14, 2009 (Monday) 9:30-10:00****“Why do we hold AIF?”****Nobuyuki Idei: Founder & CEO, Quantum Leaps Corporation**

Perhaps no year had as much change as 2009. In particular in Japan, government power shifted from the Liberal Democratic Party to the Democratic Party, reflecting people’s understanding that “Japan needs to change.” China, India and the countries of Asia are also changing, and I believe that 2009 will be considered the year where society truly transitioned into the 21<sup>st</sup> century.

At Quantum Leaps, for the past two years we have organized a forum called the Asia Innovation Initiative in Fukuoka, a city located close to both Korea and China. Personally, I had some misgivings about the concept of Asia and Japan working together to initiate innovation. While Asia is growing on one hand, we have a Japan that seems to have peaked and is in decline. To resolve these misgivings, I realized that Japan must change and with a desire to make policy recommendations, this year, we decided to move this forum to Tokyo under the new name, Asia Innovation Forum (AIF), co-organized by Nikkei Inc. and the Graduate School of International Corporate Strategy, Hitotsubashi University.

I think that Japan is now at a time when it must redefine itself. Currently, the flow of money in Japan has stopped with companies no longer issuing bonds and banks no longer lending. I hope that the Democratic Party will make its first priority to reestablish the flow of money. In addition, I hope the new administration will create a vision for the country. However, the impetus for this change must come from the private sector, too. To organize today’s AIF, a group called Group 20, comprised of about 20 leaders of various industries in their 40s and 50s, gathered once a month to talk and debate about the many challenges Japan is facing today. The result of their discussions is the theme for this year’s forum. The Earth’s limits are evident right

before our very own eyes. While Japan's population is shrinking, India and China's are exploding. While many countries in Asia are registering staggering rates of growth, what should Japan do? We have the responsibility to think about these issues. Earlier, I mentioned that I had misgivings about Asia and Japan working together to initiate change. Japan experienced rapid growth in the 1970s and 1980s, which was followed by a recession. Through this forum, I hope we can all think about how Japan can work together with and complement other Asian countries in the area of technology.

On our first day (September 14<sup>th</sup>), I would like to look at the world as a whole and consider in general what challenges we are currently facing. What is the current state of our financial system? What will happen to it in the future? What are the challenges being faced by Asia and Japan?

On our second day (September 15<sup>th</sup>), we will get into the specifics to consider what kind of new industries will be created with the change in infrastructure. We will get into the details by looking at concrete examples, such as the 21<sup>st</sup> century type cities as represented by the high rises in Dubai and China's Tianjin Eco City.

At the end of this month, I will release a book called "Japan's Transformation" (published by Gentosha in Japanese under the title, "Nihon Dai Tenkan"). A number of books with similar themes have been published before, such as "Infrastructural Transformation" by Hitoshi Ikuma, and "Kan Tokyo Wan Kosou," co-written by Shinichi Takemura and Yasuyo Yamazaki. These three books are all based on the common thinking of the need to change and rebuild Japan starting from its infrastructure.

Creating a national vision is a tremendously difficult task. While many people are worried that the Democratic Party is not up to the task, we are the ones who chose them and hence, we have the responsibility to give constructive advice. I strongly believe in the need for a clear vision during times of transformation. For a mature country, such

as Japan, there is all the more need for a sharp and clear strategy. Our generation is the generation that experienced Japan's growth, but people in their 30s have no idea or recollection of Japan's good days. Japan was already in a recession when they became old enough to work. Many of you may think that today's younger generation is full of quiet, somewhat neurotic people. But I recall the words of Hayao Kawai, who said in a speech at Sony Corporation, "Successful people all go through a period of depression. This is called 'creative depression.'" With so many creative people in Sony, I thought it would be serious if many of them were to become depressed.

Now is also the time for a transition of power between generations. For the future, the young generation must work hard. We need to forget our past successes (in particular, the successes of the 1980s). Along with government bureaucrats, we must place greater focus on determining our future direction. To do these things requires concrete action and creating places where this action can take place. With the hope that this forum will serve as the impetus for action, I urge all of you on the floor today to participate actively.

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