

## **Greetings from the Organizer (Overview of Day-2)**

**September 15, 2009 (Tuesday) 9:00 –9:20**

**Nobuyuki Idei, Founder and CEO, Quantum Leaps Corporation**

The first day of our forum was a great success with lots of active discussion. On the Internet, we had more than 560 followers on Twitter and many of them voiced a diverse range of opinions. In the old days, communication was closed within the conference, and now, I think it is wonderful that it can spread outside like this.

As some of you may not have been here on our first day yesterday, please allow me to explain briefly the background of this forum. This is our third annual forum, which until last year, was held in Fukuoka thanks to their great support. This year, with the hope to make policy recommendations and do things differently from past forums, we moved the forum from Fukuoka to Tokyo. In addition, instead of our usual timing in July, with the anticipation of a change in government, we decided to hold this forum in September. Today is also the first anniversary since the Lehman shock. With the support of Nikkei Inc. and the Graduate School of International Corporate Strategy, Hitotsubashi University as co-organizers, we hope this year's forum will be even better than the past two. A summary of today's events will be published in the Nihon Keizai Shimbun in mid-October.

The theme for this year's forum is "The Earth's Limits, Asia's Growth and Japan's Role." It is an ambitious theme that was decided upon by some 20 or so young leaders in their 40s and 50s from a variety of industries who have formed a membership group called "Group 20." They meet once a month to discuss a variety of issues facing Japan and this theme is their proposal. In the belief that it is important for Japan to determine what position it will take in Asia, we have called for cooperation with all people of Asia. But with each country's level of development being different, and with widely diverging perceptions of World War 2 history, there are deep-rooted issues that make cooperation difficult.

During the dinner session yesterday, Mr. Chol-Hwi Lee, CEO of Korea Asset Management

Corporation said, “While next year marks the 100<sup>th</sup> anniversary of a unhappy time in Japan-Korea relations (Japan’s annexation of the Korean Peninsula in 1910), both countries must put their heads together to create a better future for both sides.” In the Philippines during an Asia Business Council meeting with 70 CEOs of Asian companies, I sensed great caution everywhere towards Japan and felt that Japan’s post-war reconstruction era has yet to end. I then realized that it is Japan’s responsibility to change and work together with Asia, and with that thought, deliberately used the phrase, “Japan’s Role” in the title of our theme.

Yesterday, we discussed current world challenges in terms of the earth system and the human field. We also talked about the problems Asia is facing with the world financial crisis and Japan’s role. It seems that many people were struck by what Professor Takafumi Matsui had to say about how the Earth and human civilization are both systems. In particular, finance-related people seemed to express interest in the argument that while homo sapiens tend to think long-term, animals tend to think short-term, which makes finance people somewhat animalistic.

The world’s basic financial system cannot be changed easily, I fear. In a speech made by US President Obama yesterday, debate has stopped at the need for regulations, and fundamentally new measures have yet to be proposed. For the time being, it seems that we must rely on China, according to an implicit message by Mr. Daisuke Kotegawa (IMF Executive Director).

The argument that Japan’s system is destroyed spurred a lot of discussion. For example, a global company making money overseas has no relation to a Japanese person’s life. In the old days, if a person worked diligently for a company, he or she could contribute to the country, but nowadays, it is hard to think that the situation is the same.

Another point that was raised is that we should not work in a disjointed manner under a vertically separated bureaucracy, but for example, Tokyo Electric, Osaka Gas or Tokyo Water Bureau should work to create one cohesive system that can be exported abroad as a model. There was also much discussion about what we should do about the flow of money, which has stopped and no longer functions as a system in Japan. These talks seemed to reveal a great

deal of hope and expectation in the Democratic Party.

In Tianjin, the Chinese and Singaporean governments are working together on a massive eco city project. That made me think, is Japan capable of working with another country on this sort of cooperative project? Outside the country, 21<sup>st</sup> century changes are taking place everywhere, but Japan is still trying to succeed in the existing system. With such a way of thinking, Japan will not be able to keep up with the rest of the world. Many of the comments made yesterday seemed to say this.

Today, we will break up into separate sessions to discuss energy, new electrical distribution systems, next-generation IT/telecommunications, Asian infrastructure, Bottom-of-Pyramid (BOP) businesses, new urban traffic control systems and so on. In addition, Mr. Soichiro Fukutake, who is carrying out the “Think Global, Act Local” motto in his work, will talk about the relationship between Benesse Corporation and culture. Mr. Kiyoyuki Okuyama, who has designed cars for GM, Porsche, Ferrari, Masserati Quattroporte and others, is scheduled to speak during our luncheon session. He has also proposed a project for the Abu Dhabi Masdar Initiative. I am very curious to hear what kind of new ideas he has in mind.

While I have no intention to summarize everything into one neat package, I hope that at the end of these two days, we will be able to identify some fundamental issues and create a hypothesis that will be reflected in the new government. Yesterday, there were many questions from the audience, and today, I hope that there will continue to be active participation to make this forum the best it can be.

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