

# LEADING JAPAN'S ECONOMIC SECURITY IMPERATIVE

As geopolitical tensions rise, consulting firm **Kitamura Economic Security** is helping businesses fortify their defenses and seize opportunities.



KES PRESIDENT AND CEO SHIGERU KITAMURA'S KNOWLEDGE OF ECONOMIC SECURITY HELPS BUSINESSES FORTIFY THEIR FINANCIAL AND TECHNOLOGICAL DEFENSES IN A SHIFTING GLOBAL LANDSCAPE.

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**AT THE END OF 2022, JAPAN MADE A SEISMIC announcement:** The country would be adopting a more assertive national security posture. The move, aimed at countering rising threats from authoritarian adversaries, precipitated a significant increase in military expenditure and a shift away from its post-World War II pacifism. In December 2023, Japan's cabinet approved a record 7.95 trillion yen (about \$50.3 billion) defense budget—a 16.5% increase from the previous year. But the focus of the country's revamped defensive strategy goes beyond military applications. Economic security has an equally important role to play.

A multifaceted concept that involves safeguarding financial interests, protecting advanced technologies, and maintaining an open international business environment, economic security has surged to the top of Japan's national agenda.

For businesses at home and abroad, this development has substantial implications.

"The intensifying confrontation between democratic nations and hegemonic states has led to what some call the 'New Cold War,'" says Shigeru Kitamura, president and CEO of Kitamura Economic Security (KES). "In this challenging business environment, companies must build robust supply chains, maintain critical infrastructure, and confront the weaponization of economic measures."

KES is at the forefront of helping enterprises navigate this complex geopolitical landscape. Built on four pillars—economic security, cybersecurity, compliance, and research and analysis—the company offers a suite of services designed to strengthen its customers' resilience and competitiveness.

"KES is not just a consulting firm; it's also a vision," explains Kitamura. The company's capabilities span a wide range of areas, from advising customers on investments and takeovers by foreign companies to facilitating intellectual property transactions related to advanced technologies, such as artificial intelligence (AI) and quantum computing. The Tokyo-based firm provides guidance on complying with rapidly evolving domestic and international economic security regulations. And with global sustainability trends increasingly impacting businesses, Kitamura has made navigating energy and climate change-related policy [also known as green economic security] an essential KES offering. The company's network of advisers and consultants consists of varying specialists, including cybersecurity experts, industry regulators, and policy experts.

## Four Decades Championing Economic Security

Kitamura established KES in 2021, relying on his extensive national security experience and keen understanding of the shifting geopolitical scene. With a career spanning 41 years in the Japanese government, Kitamura has held high-level positions in the National Police Agency and the Prime Minister's Office, where he served as the director of cabinet intelligence and the national security adviser for 10 years.

In these positions, Kitamura played a pivotal role in shaping Japan's economic security approach. He established a specialized team, drafted the Economic Security Promotion Law, and laid the groundwork for the country's Security Clearance Law, which was designed to deter leaking sensitive economic information.

Kitamura's success stems from his deep understanding of how threats to national interests can change. "The era when foreign intelligence agencies sought only military and political secrets is over," he explains. "Now, they are targeting cutting-edge technology developed by companies, not just government secrets." This perception, coupled with his experience in counterintelligence, underpins Kitamura's mission to support economic security efforts from the private sector.

## Riding the Waves of Change

As the economic security landscape evolves, KES is expanding services and forging strategic global partnerships to better serve its customers. One key focus is helping companies measure and quantify their levels of economic security by prioritizing specific technology areas, screening personnel with relevant knowledge, and mapping supply chain relationships.

None of these changes would be effective without the company's additional focus on governance and compliance. "Governments do not disclose economic security intelligence tailored to individual companies," says Kitamura. "Therefore, each company must collect personal and supplier information through open-source intelligence. KES aims to support these areas by providing a fast and timely data collection system utilizing AI in combination with the expertise of analysts."

KES's strategic alliance with American Global Strategies, led by former U.S. national security adviser Robert O'Brien, enables the company to help U.S. businesses navigate Japan's intricate economic security ecosystem. Additionally, in line with the late

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Prime Minister Shinzo Abe's vision of a free and open Indo-Pacific, the firm is committed to strengthening ties with enterprises in South Korea, Australia, the Philippines, and Taiwan.

With data at the core of almost every tech-supported business, digital safety is an important area of focus for Kitamura's team. "Leaders must recognize that cybersecurity is a crucial issue in their risk management," he says. KES helps customers develop and implement effective cybersecurity measures across their entire supply chains, fostering communication with key stakeholders.

## Protecting the Road Ahead

As geopolitical tensions intensify, the importance of economic security will only continue to grow. Businesses that embrace the challenge will be well-positioned to thrive in an increasingly complex and competitive global arena.

For Kitamura, the path forward is clear. "In the coming years, we anticipate a rapid acceleration in the pace of change," he says. "By combining our deep expertise, innovative technologies, and global network, we aim to be the premier partner for businesses navigating the frontiers of economic security. The future belongs to those who are prepared—and we're ready to help lead the way." ■



AMERICAN GLOBAL STRATEGIES, LED BY FORMER U.S. NATIONAL SECURITY ADVISER ROBERT O'BRIEN (RIGHT), HAS PARTNERED WITH KES TO SUPPORT AMERICAN BUSINESSES NAVIGATING JAPAN'S COMPLEX ECONOMIC SECURITY ENVIRONMENT.

