

New Set of Economic Countermeasures
(and related supplementary budget)

1 December 2009
Cabinet Understanding
[Provisional Translation]

In addition to the deflationary situation with which Japan is faced, recent volatile movements in currency markets may exert a detrimental influence on trends towards economic recovery.

Therefore, a set of economic countermeasures which takes account of the following points shall be formulated by the end of this week, during which time movements in the currency markets shall be closely monitored.

1. A second supplementary budget (of fiscal 2009), which can respond appropriately to changes in the current economic situation, shall be formulated.
2. Active efforts shall be made to “change the rules” so as to create new demand, including making changes to government administrative systems and regulation.
3. The government anticipates that the Bank of Japan shall support the economy from the monetary side, in a manner consistent with the government’s efforts above.