The Japan’s Plan for Dynamic Engagement of All Citizens

1. The Doctrine of a Mechanism of a Virtuous Cycle of Growth and Distribution

(1) Present Economic Society of Japan

(Achievements of Abenomics)

Three years of Abenomics (aggressive monetary policy, flexible fiscal policy, growth strategy that promotes private investment) have brought huge achievements. Gross national income (GNI) has increased by almost 40 trillion yen and national tax income has also increased by 15 trillion yen.

Earnings of Japanese companies are at their highest levels and they are steadily turning into employments and wages. Number of employees has increased by more than 1.1 million and across-the-board pay increases, which were almost unachievable before the change of government, are expected to be conducted in a large number of companies for the third consecutive year. Number of unemployed people has decreased by approximately 0.6 million and the unemployment rate hovers around 3.3%, a figure not seen for 18 years. Jobs to applicant ratio has reached the highest level in 24 years. Price trends have reversed and there has been a trend towards rising prices the last two years. GDP deflator has been positive for the ninth consecutive quarter. GDP gap has continued to decrease in size although it is still negative.

(Challenges for the Global Economy)

On the other hand, a downward risk and fragility of the global economy are expected to become higher. Many experts expect that economic conditions will become even worse and demand will stagnate worldwide this year. In April, 2016, International Monetary Fund (IMF) revised its outlook for 2016 economic growth of the global economy from 3.4% (which was a figure projected in January, 2016) to 3.2%. In China, while the nation is promoting a shift toward a growth model which is domestic demand-led and more sustainable, there have been problems pointed out including excessive equipment and bad loans and its economy is gradually decelerating. Growth in equipment is becoming weaker and it is said that the nation will cut down its excessive capacity of crude steel and coal production over several years. In addition, the recent decline in oil prices causes heavy damage to emerging economies including resource-rich nations. How to deal with nefarious terrorism and the refugee issue is another challenge which has huge influence on the global economy. Further, both domestic and international financial markets have
occasionally showed unstable movements since the beginning of this year. In this situation, some intellectuals point out that the global economy is in the bust period with continuous high unemployment of youths, growing inequality and possible recession and stagnation.

Now, the world is searching for its way toward a sustainable growth. In the world of growing interdependence, the largest theme of the G7 Ise-Shima Summit is how G7 nations can cooperatively cope with risks as described above. G7 nations need to lead the world and show a road map for a sustainable and robust growth of the global economy. In order to avoid risks of crisis beyond business cycles and revitalize the global economy, it is important to promote cooperation on monetary policies, flexible fiscal policies and structural reforms with balance, reflecting the situation of each nation. We need to share and cooperatively cope with various issues and risks which the world is facing. We need to take “actions” before risks held by the global economy become obvious and the world falls into a crisis. In order to take a significant step of these actions, we announced G7 Ise-Shima Economic Initiative. Many more nations in the world are facing similar problems as Japan in various aspects like decline in the size of working-age population in Europe and decline in the growth rate of working-age population in the United States, as some intellectuals point out. Japan’s leadership as a chair of the G7 Ise-Shima Summit has become extremely crucial for the global economy as well as Japanese economy itself. Although Japanese economy is almost at the point of overcoming deflation, real wage increase remains slow and there is a lack of strength in private demands including personal consumption and business investment. This April, the 2016 Kumamoto Earthquake caused extremely severe damages. Also, across the world, there are some important notes that Japan with declining population has no more future. A sustainable growth under the current situation of the declining birthrate and aging population is a cutting-edge issue which can be shared by most of advanced nations as well as emerging nations. We will deliver a Japanese-style mechanism to overcome this issue as a new model of the challenge toward the future of the global economy.

(The Declining Birthrate and Aging Population at the Root of the Obstacles in Economic Growth)

The structural issue of the declining birthrate and aging population is at the root of the obstacles in economic growth. Over the last 30 years or so, the birthrate has significantly decreased (decreased from 1.81 in 1984 to 1.26 in 2005 and has hovered around 1.3-1.4 up to now) and population aging rate has steadily risen (from 9.9% in 1984 to 26.0% in 2014). After the peak in 2008, the total population entered a decreasing phase. It is
expected that once the population starts to decline, its decline rate will become higher at an accelerated pace. Some estimation predicts that the annual decline rate will be accelerated from approximately 0.6 million in early 2020s to approximately 1.0 million in 2040s. As a consequence, the total population is estimated to be less than 50 million about 100 years from now (in 2100). An awareness that this advance in the declining birthrate and aging population not only reduces the labor supply but also causes a reduction in the size of the economy and a lowered standard of living and therefore threatens the economic sustainability leads to anxieties and pessimism about the future. Without our serious struggle against the declining birthrate and aging population, continuous investments into Japan will be hopeless. This is a conclusion obtained on the first stage of Abenomics.

On the other hand, there are lots of women holding enormous potentialities and the elderly who are vigorous and energized, having abundant experiences and wisdoms. Now is the time to tackle the structural issue of the declining birthrate and aging population head on as the whole Cabinet, utilizing potentialities as described above and the fruits of Abenomics.

(2) Basic Stance for Future Measures
(Significance of a Society in Which All Citizens are Dynamically Engaged)

On the second stage of Abenomics, we will tackle the issue of the declining birthrate and aging population head on. In order to establish a virtuous cycle of Japanese economy even more, we will further reinforce the economic policies of the prior “three arrows” and at the same time, try to build a new system of our economic society where we enhance childcare supports and social security as a broader economic policy, which will lead to a more robust economy. We will put a brake on the current tendency of the declining birthrate and aging population and build a society where everyone can find their own motivations. Everyone has a different way life and a different sense of values. A society in which all citizens are dynamically engaged is a society participated by all citizens, whether they are women or men, the elderly or youths, people who have experienced a failure, people with disabilities and people fighting an illness, can play active roles in their respective homes, workplaces and local communities or any other places.

This is not just a kind of social policy but can be called as the ultimate growth strategy. If we can build a society where all citizens are included, people’s feelings of security will be fostered and future prospects will be consolidated, which will also lead to a boost in consumption and the expansion of investment. In addition, through our attempts to encourage all citizens to fully show their own various talents, which will lead to
improvement in the labor participation rate and creation of innovation, the economic growth is expected to accelerate further (a virtuous cycle of growth and distribution driven by inclusion and diversity).

Half a century ago, the population of Japan exceeded 100 million for the first time in its history. We were just in the middle of the period of spectacular economic growth. Efforts are rewarded. Tomorrow will be better than today. At that time, we could actually feel the meanings of these phrases. It was a period when the phrase, “Ichioku-Sou-Churyu”, which means “middle-class mentality of all citizens”, started to become a phrase on everybody’s lips. The world “Ichioku”, which means “100 million”, has been a figure representing abundance of Japan since then.

We will maintain the population at 100 million 50 years from now. However, just maintaining the population is never enough. We will seek to achieve a robust growth of our economy and by means of the growth, encourage all citizens to make their own lives more abundant. “Ichioku-Sou-Katsuyaku”, which means “Dynamic Engagement of All Citizens” is a concept which cherishes each life of every single citizen and is rather at the completely opposite end of an idea representing oppression by a nation which fits everything into a stereotypical value. As a generation living in the moment, it is our responsibility toward future generations to build a society in which all citizens are dynamically engaged and everyone can take one more step forward.

Who will build a future of Japan? It is nobody else but us. If we give up overcoming the declining birthrate and aging population, then we cannot turn over glorious Japan to the generations of our children and grandchildren, which means abdication of the responsibility. None of these are simple issues for which a blueprint exists right from the start. However, convincing we can surely overcome, we will use the full range of policy instruments freeing ourselves from the traditional mindsets. There is a “wall” of discrimination against former graduates when they try to find employment. There is a “wall” preventing people from making another try. There is a “wall” preventing people from balancing childcare or nursing with jobs. And there is a “wall” of retirement and age discrimination. There is also a “wall” of traditional gender roles. Even when people try to do something, there is a reality where various “walls” are standing their ways. We will get rid of every single “wall” and steadily advance the processes described in the roadmaps established in this Japan’s Plan for Dynamic Engagement of All Citizens.

(New Three Arrows)

In order to build a society in which all citizens are dynamically engaged, we have created a set of strong and large targets of “the largest nominal GDP in postwar history of 600
trillion yen”, “the desirable birthrate of 1.8” and “no one forced to leave their jobs for nursing care” and new three arrows will be released toward these three targets. The new first arrow is “a robust economy that gives rise to hope”. Through improvement in productivity and ensuring of labor allowed by innovation and working-style reform, we will enhance the supply side, make a virtuous cycle of economy keep on functioning and stimulate potential demands, which will lead to expansion of domestic demands. We will also let sleeping potentialities of local communities bloom even more. We will implement reforms of existent regulations and institutions. We will achieve “the largest nominal GDP in postwar history of 600 trillion yen” by utilizing the full range of policies. The second arrow is described as “dream-weaving childcare supports”. The most fundamental objective of “Dynamic Engagement of All Citizens” is to tackle the issue of the declining population. We will enable more youths to make their hopes of marriage and childbirth come true. This is what a goal of “the desirable birthrate of 1.8” means. It is an individual goal which belongs to every single citizen and it never means that a nation will recommend that people get married or give births even when they do not want to do so. We will build a society where people can give births and raise children, feeling secured. Children represent future of Japan. A society where every single child can weave an ambitious dream by making efforts. The new third arrow is described as “social security that provides reassurance”. Currently, the annual number of people leaving their jobs to provide their family members with nursing care exceeds 100 thousand. The situation is such that both the elderly and the working generation fall together after people leave their jobs. In the year of 2020, when the 2020 Tokyo Olympic and Paralympic Games are planned to be held, the postwar baby-boom generation will be older than the age of 70. If the majority of children of this generation, who are the mainstay of Japan, leave their jobs to provide their parents with nursing care, our economic society will not be able to exist anymore. Under a clear goal of “no one forced to leave their jobs for nursing care”, which means people can keep on working while providing nursing care at the same time, we will advance reforms to make our social security ensure “security” of the working generation.

(Establishment of a Virtuous Cycle of Growth and Distribution) Without a robust economy, without fruits of “growth”, we cannot afford to continue “distribution”. We will put an end to a long-lasting discussion of whether to emphasize growth or distribution and establish “a virtuous cycle of growth and distribution”. This is a new mechanism which Japan will deliver ahead of other advanced nations and therefore can be called as “a Japanese style model”.

5
With fruits of Abenomics, we will enhance the foundation of childcare and social security. We will boost the potential growth rate by expanding labor participation with the new second and third arrows enabling people to keep on working while providing childcare and nursing care. We will make our economy more robust by further expanding consumption through wage increase, expanding private investment also, evolving the growth strategy, which will lead to encouragement of improvement in productivity through innovation caused by diversity due to participation of various people. The new first arrow is not possible without the new second and third arrows. On the other hand, we do need a robust economy when we support childcare or enhance social security. We cannot release the new second and third arrows without fruits of growth caused by the new first arrow. The new three arrows will be meaningless unless all three of them are met. A set of the new three arrows combined altogether itself can be called as the ultimate growth strategy.

Furthermore, in order to establish the virtuous cycle, in addition to new three arrows themselves, we need to work on working style reforms and improvement in productivity, which are cross-sectional themes shared by the three arrows.

(3) A Mechanism of a Virtuous Cycle of Growth and Distribution

We estimated the policy effects derived from increase in labor supply and wages in order to quantitatively show a mechanism of “a virtuous cycle of growth and distribution” and its effect to a maximum extent. The result of estimation is as follows (see the diagram below).

We chose the following five policies for evaluation.

I. Enhancement of Supports for Childcare
   This includes ensuring of childcare arrangements and promotion of comprehensive measures including improvement in working conditions in order to ensure an adequate number of childcare providers.

II. Enhancement of Supports for Nursing Care for the Elderly
   This includes ensuring of nursing care arrangements and promotion of comprehensive measures including improvement in working conditions in order to ensure an adequate number of nursing care providers.

III. Promotion of Employment of the Elderly
   This includes promotion of employment of the elderly who wish to work.

IV. Improvement in Working Conditions of Non-regular Workers
   This includes promotion of involuntary non-regular workers to regular workers and improvement in wages of non-regular workers toward achievement of equal
pay for equal work.

V. Increase in the Minimum Wage

This includes boost of wages of the entire workers by increase in the minimum wage at an annual rate of 3%.

The policies described as I to III are expected to increase the number of workers by approximately 1.17 million by FY2020 and approximately 2.04 million by FY2025, compared with a case where those policies are not implemented. These increases in workers are expected to increase the total amount of wages by approximately 3.3 trillion yen by FY2020, approximately 5.8 trillion yen by FY2025.

The policies described as IV and V are expected to increase wages per time, which will increase the total amount of wages by approximately 17.2 trillion yen by FY2020, approximately 23.7 trillion yen by FY2025.

As the effects of the policies described above as I to V, the total amount of wages is expected to increase by approximately 20.5 trillion yen by FY2020, approximately 29.5 trillion yen by FY2025.

This expected increase in the total amount of wages will boost the disposable income by approximately 16.9 trillion yen by FY2020, approximately 24.3 trillion yen by FY2025, which will increase the consumption expenditure by approximately 13.7 trillion yen by FY2020, approximately 20.4 trillion yen by FY2025.

These are the estimated effects derived from direct actions on wages, incomes and consumption. These direct effects are expected to encourage further increases in labor supply and wages through increase in production and improvement in earnings. In addition, through participation of various human resources caused by increase in labor supply, diversity will be generated in a society, which will lead to further improvement in productivity through innovation. Furthermore, potential consumer needs in the areas including services of childcare, nursing care, healthcare and education are expected to become actualized. Proactive business investments through improvement in investment return are also expected.

Figure: A Mechanism of a Virtuous Cycle of Growth and Distribution toward a Society in Which All Citizens are Dynamically Engaged – Estimation Concentrated on a Cycle of Wages, Incomes and Consumption –
1. The above figure represents the result of the estimation of the direct policy effects derived from increases in labor supply and wages. This estimation is based on some assumptions and by no means indicates the whole picture of a roadmap toward GDP of 600 trillion yen.

2. The figures of the estimated benefits only indicate differences between a case where these policies are implemented and a case where not implemented. The declining effect of labor supply due to demographics and effects derived from increase in general prices are not considered. The effects derived from actualization of potential demands and improvement in investment return are not estimated. The effect derived from increase in business investment and the influence of labor movement across sectors, which are associated with the effects mentioned above are also exceptions of the estimation. Since the estimation is accompanied by some uncertainty, the result should be understood with adequate ranges.

3. In order to understand the scales, it should be referenced that the labor population (as of FY2014) is approximately 66 million, the total amount of wages is approximately 240 trillion yen, the disposable income and the consumption expenditure of workers who are covered by the estimation are approximately 200 trillion yen and 140 trillion yen respectively.

4. Implementation of the Plan
(Ensuring of Essential Policy Resources and Flexible Policy Management)
Toward a society in which all citizens are dynamically engaged, the long-term and continuous efforts should be made. Therefore, it is important to advance enhancement of related measures, enhancing stable and permanent revenue resources under the framework of the Plan for Economic and Fiscal Revitalization.

We will indicate the most crucial issues for Japan in these roadmaps and prioritize and promote truly effective measures. We are required to implement flexible policy management including prompt implementation of measures which are contained in this plan and needed to be carried out urgently.

In order to realize a society in which all citizens are dynamically engaged, there are some limitations to the efforts of environmental arrangement which are made by the government. It is expected that we will promote efforts of mutual assistance where local communities broadly face various issues of daily life under citizen’s participation. Furthermore, it is essential for each private body to undertake new actions as bearers of the economic society. Businesses, which have strong influences on an economic activity and a social life of each citizen, are expected to proactively work on issues including working-style reform toward various and flexible working styles.

(Follow-up and Revision)

As for the progress of the roadmaps established in this plan, we will continuously conduct a survey on implementation status and revise related measures. On this occasion, we will hold a follow-up meeting as necessary for an examination.

2. Directions of Working-style Reform, as Cross-sectional Themes in Realizing a Society in Which All Citizens are Dynamically Engaged

Our biggest challenge is working-style reform. In order to enable various working styles, we need to drastically change ideas and institutions of our society.

(Improvement in Working Conditions of Non-regular Workers Including Equal Pay for Equal Work)

In order to unfold options of various and flexible working styles for women and youths, improvement in working conditions of non-regular workers, which account for approximately 40% of the whole workers in Japan, is critical and should be conducted urgently.

As for the non-regular workers in Japan, for example, it can be confirmed that there are a number of women who choose non-regular employment by their own requests in their mid-30s or later due to marriage or childbirth. In European nations, in fact, the wage level
of part-time workers is 20% lower than that of regular workers. However, in Japan, this difference is 40%.

In order to build a society where people can another try, we will ensure equal treatment and balanced treatment which make no distinction between employment patterns of regular and non-regular. We will take another step further toward equal pay for equal work.

Toward equal pay for equal work, while giving due consideration to Japan’s employment customs, we will not hesitate to advance preparations for legal revisions at the same time. In order to establish appropriate application of Labor Contract Act, Act on Improvement, etc. of Employment Management for Part-Time Workers and Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers, we will also formulate guidelines regarding what kinds of treatment gaps are reasonable or unreasonable, providing case studies. Any number of reasons could be given as to why something cannot be done. What is important, however, is to consider how something actually can be realized, and that is what we would like to focus our attention on. We will make efforts with a determination to eliminate the word “non-regular”. As for the process, through formulation of guidelines, we will reveal treatment gaps which should be corrected. In order to correct them smoothly, referring to European institutions, we will consider collectively revising Labor Contract Act and Act on Improvement, etc. of Employment Management for Part-Time Workers and Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers and submitting the related bills, taking account of preparing stipulations which support judicial rulings regarding treatment gaps which are unreasonable and preparing obligations, which are imposed on businesses, to explain treatment gaps between non-regular workers and regular workers.

Through these efforts, we will improve wage gaps between regular and non-regular workers to the equivalent level compared to European nations.

As for the minimum wage, we will raise it at an annual rate of approximately 3%, considering the growth rate of nominal GDP. Through this increase in the minimum wage, we will aim for the national weighted average to reach 1,000 yen. To accomplish this goal, we will support improvement in productivity of small and medium-sized businesses and improve their business conditions.

In order to improve wages of the service industry, which accounts for 70% of our GDP, improvement in productivity is essential. We will establish trade practices where the service industry can impose appropriate prices by visualizing qualities of services, formulating guidelines in accordance with characteristics of businesses in areas such as
truck businesses, hotels, wholesalers and retailers and providing concentrative supports based on legislative frameworks, utilizing the taxation system and finance. We will improve the environment so that self-employed people and small and medium-sized business owners can start their works at ease.

(Improvement in Practices of Long Working Hours)
Practices of long working hours make it difficult to balance work and family life including childcare, which leads to the declining birthrate, prevention of career formation of women and prevention of men’s participation in family life. Ever since the period of rapid economic growth following World War II, there has been a value system which says that one should take pride in not getting very much sleep, and that being extremely busy is productive. Gradually, the atmosphere in Japan has started to broadly change over these past three years. Improvement in practices of long working hours will enable various lifestyles and lead to improvement in productivity through quality enhancement of labor. Now is the time to encourage people to improve practices of long working hours.
The ratio of workers working more than 49 hours a week in Japan remains as high as around 20%, compared with around 10% in European nations. Based on this fact, we will enhance enforcement of legal regulations. We will create a framework that can improve practices of long working hours through the transaction conditions set for subcontractors and others, creating an institution where one can report suspicion of violation of Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors or the Antimonopoly Act by parent enterprise, which is considered as a background of long working hours, to Small and Medium Enterprise Agency and Japan Fair Trade Commission. As for the Labor Standards Act, we will once again consider the state of regulations contained in Article 36 which currently allows open-ended overtime work and work on days off once employers and employees come to an agreement. We will improve practices of long working hours to the equivalent level compared to European nations. We will promote teleworks as well. In addition, toward improvement in practices of long working hours of youths especially, we will promote revision of the Act of Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children.

(Promotion of Employment of the Elderly)
There are a number of the elderly with vigor, energy, and abundant experiences and wisoms, as the word “active senior” indicates. However, although nearly 70% of the elderly wish to work beyond the age of 65, the proportion of the elderly who are beyond
the age of 65 and still working remains as low as 20%. In order to bring about “a society in which people can be active through their entire lives,” it is necessary to prepare the environment for raising the retirement age and extending employment beyond the age of retirement as well as to enhance job seeking support for the elderly who wish to work. Our population is declining and in order to ensure our growth potential, we must increase the employment of the elderly.

In order to promote raise of the retirement age and extension of employment beyond the age of retirement in the future, we need to prepare the appropriate environment. We will provide supports for businesses raising the retirement age to 65 and extending employment beyond the age of 65 while encouraging other businesses to do so. In addition, we will roll out best practices which are useful for those actions, enforce the Revised Employment Insurance Act which provides supports for employment of the elderly and enhance supports for acceptance of re-employment in businesses and employment matching of the elderly.

3. Directions of Measures toward the “Desirable Birthrate of 1.8”

(1) Improvement of the Environment Surrounding Childcare and Nursing Care
As an urgent measure for this issue, which was compiled at the end of last year, we have already approved the promotion of efforts to prepare childcare and nursing care arrangements. In order to build a society where people can provide childcare and nursing care while keeping on working, we will accelerate preparation even more. In addition, in order to ensure human resources capable of providing needed services of childcare and nursing care, we will offer a set of comprehensive measures in this plan which will promote improvement in working conditions of providers of childcare and nursing care, ensuring and development of various human resources, reduction of burdens on them through improvement in productivity and preparation of the environment where they can work comfortably, ensuring stable revenue resources. We will encourage people who have chosen the path of a nursing care or childcare provider feeling a strong sense of mission and great hopes. In addition, in order to enable them to develop their careers, we will promote improvement in the environment including enlargement in the size of businesses through integration and reorganization and enhancement of partnership.

(Comprehensive Measures toward Ensuring of Human Resources Capable of Providing Childcare)
The Abe Cabinet is working on the empowerment of women across the administration. We announced the “Plan to Accelerate the Elimination of Childcare Waiting Lists” in
April, 2013. We have prepared childcare arrangements for 300,000 people and provided supports for childcare of a number of families with multiple children over the past three years.

In addition, as an urgent measure which was compiled at the end of last year, we raised the target for additional childcare arrangements from for 400,000 children to 500,000 children, which is to be accomplished by the end of FY2017, toward the “desirable birthrate of 1.8”. In the budget for FY2016, childcare services were even more enhanced both qualitatively and quantitatively. This April, the new project of business-led childcare was launched. We will make efforts to newly prepare childcare provided on the premises of businesses. In addition, as an immediate action, we will utilize vacancies of existent business-led childcare centers. These measures will produce childcare arrangements for 50,000 children. We will promote preparation of childcare arrangements, improving small-scale childcare and utilizing local infrastructures including empty classrooms.

As for working conditions of childcare providers, in addition to a pay rise equivalent to 2% according to the recommendation by the National Personnel Agency in FY2015, we also implemented another pay rise equivalent to 3%, utilizing consumption-tax revenue, and one more pay rise equivalent to 1.9% within the supplementary budget for FY2015. Furthermore, we will newly implement a pay rise equivalent to 2% as part of further “improvement in quality” described in the “Basic Policy on Economic and Fiscal Management and Reform 2015”. We will additionally improve working conditions for childcare providers with skills and experiences in order to eliminate a wage gap between childcare providers and female workers across all industries, which is currently around 40,000 yen, making budgetary steps be reflected in actual wages appropriately in execution processes and building career development schemes. Also, we will correspondingly improve working conditions of workers in children’s nursing homes, considering their work contents. We will also reduce a wage gap between male workers and female workers across industries as a whole, promoting efforts based on the Act of Promotion of Women's Participation and Advancement in the Workplace and toward "equal pay for equal work". We will further improve working conditions of childcare providers as needed.

1 This includes working conditions of workers of certified child's gardens under the new child and childcare support system and kindergartens.

2 Monthly wages are those of June, 2015. Special salaries including bonuses and year-end benefits are those of the year 2014. Both of them are the results of basic survey on wage structure which was conducted in 2015. We will examine concrete actions in a budget-making process of a budget for FY2017, considering a wage trend of female workers across all industries and that of childcare providers (including reflections of related budget actions in FY2015 and FY2016).
In order to ensure and develop various childcare providers, we enhanced a scheme where a student seeking to become a childcare provider can borrow 50,000 yen per month as his or her school fee as a forgivable loan. Also, we enhanced a scheme where a former childcare provider who seeks to return to this occupation can borrow 200,000 yen as his or her reserve for re-enter employment. Furthermore, we created a project to lend approximately 2.95 million yen, as a forgivable loan, to a childcare center reducing burdens shouldered by their childcare providers by hiring childcare supporters. We will enhance these measures even more. We will encourage reduction in burdens shouldered by childcare providers and improvement in their wages according to their careers by giving costs of administration sufficiently to childcare centers promoting “team childcare”. In addition, we will work on reduction in labor burdens by improvement in productivity caused by utilization of ICT as well as improvement in working environments of childcare providers.

Considering there are still a number of children on childcare waiting lists especially in metropolitan areas, we compiled countermeasures to be implemented urgently, collaborating with related local governments holding much of the children on the waiting lists. We will promptly implement these measures.

We will work on elimination of the childcare waiting lists by comprehensive efforts toward ensuring of 90,000 human resources capable of providing childcare, focusing on measures including preparation of childcare arrangements, improvement in working conditions of childcare providers, ensuring and development of various human resources and reduction in labor burdens through improvement in productivity.

(Preparation and Comprehensive Operation of “After-school Kids’ Clubs” and “After-school Kids’ Classes”)

In order to break down so called the “first grade barrier”, which dual-income households often face, and develop human resources who will lead the next generation, we will prepare additional arrangements of “After-school Kids’ Clubs” for 300,000 children by the end of FY2019. We will jointly operate “After-school Kids’ Clubs” and “After-school Kids’ Classes” in all elementary school districts, which is approximately 20,000 districts across the nation and integrally operate clubs and classes in a half of them, which means approximately 10,000 districts. We will promote improvement in working conditions of staffs in “After-school Kids’ Clubs” according to their experiences and reduction in their operational burdens. We will discuss the way to bring forward preparation of additional arrangements and complete it by the end of FY2018. As for improvement in working conditions, we will make sure that related budget actions will be appropriately reflected
to wages in budget-implementing processes.

(2) Improvement in the Environment Where All the Children can Receive Desirable Education

We must build a society where all the children can try hard to make their dreams come true. We will expand our investment in children who will lead the future and build a society in which all citizens are dynamically engaged, society where inequalities are not descendent and everyone has an opportunity.

(Supports for Single-parent Families and Families with Multiple Children)

Expansion of the early-childhood education offered free of charge, which is included in the budget for FY2016, makes education for the second child half-priced and that for the third child and subsequent ones free of charge when they are in low-income families. As supports for single-parent families, we enhanced functions of childcare allowance, which resulted in the increase in the additional allowance. This increase, which makes the size of the additional allowance double at maximum, comes for the first time in 36 years in the case of the second child and for the first time in 22 years for subsequent children. Furthermore, we will help local governments prepare places where children can spend their time after attending “After-school Kids’ Clubs” and receive supports of acquiring favorable lifestyles and studying as well as meals. In order to enable children who grew up in children’s nursing homes or foster homes to proceed to higher education, we created a scheme where those children can borrow living expenses in addition to house rent equivalent per month and can be exempted from refund depending on some conditions including continuous employment. We will keep on discussing necessary measures. In addition, considering the demographic importance of the children generation of the postwar baby-boom generation, we will enhance supports for families with multiple children.

In order to cope with an issue of child abuse throughout the entire society and preferentially take children’s best benefits into account, we will promote comprehensive measures ranging from prevention to independence supports for children (including promotion of family-based care) in addition to prompt and proper measures in case of abuse including enhancement of specialty of children's consultation office. Based on these viewpoints, we will also discuss how a court should be engaged in a process of child protection as well as how to promote utilization of a special adoption system and implement necessary measures.
(Provision of Educational Opportunities to Children Facing Challenges)
We will ensure guidance systems for children who need special consideration in schools. Also, we will enhance consulting functions in education fields by placing school counselors and school social workers.
In order to enable children refusing to go to school due to various reasons including bullying and developmental disabilities to restore confidence and study more, we will support children studying at free schools or some other places outside schools and promote founding of night junior high schools.
In order to support children who tend to fail to keep up with studying due to economic reasons and family reasons, we will increase the number of “Chiiki-Mirai-Juku” where study supports are offered free of charge in principle, along with cooperation of local residents including university students and former teachers as well as utilization of ICT, to a half of all the junior high school districts, which is approximately 5,000 districts across the nation, by FY2019. We will also enhance these supports for high school students.

(Enhancement of Scholarships)
Although various supports are implemented depending on economic status of households and their own abilities within the present scholarship system, it is pointed out that there are still students who are not able to receive interest-free scholarships and some students hesitate to receive scholarships due to anxieties about burdens of refunding which they are going to shoulder after going into workforce. Considering these concerns, we will enhance the scholarship system in order to enable everyone, who hopes to enter a university or a specialized training college, to do so regardless of economic status, ensuring stable revenue resources.
As for interest-free scholarships, we will enable students who are qualified to receive interest-free scholarships but remain not awarded yet to receive without omission. Furthermore, by significantly relaxing scholastic requirements imposed on children from low-income families, we will enable all the children who need to receive interest-free scholarships to do so.
As for interest-bearing scholarships, we will spread the present benefits of low-interest rates to fixed interest rate method and variable interest method. Especially, we will build a scheme where interests of scholarships become almost zero based on the present interest-rate level if one chooses the variable interest rate method.
As for the scholarship system under which students are exempted from having to repay the scholarship amount, we will discuss founding the scholarship system based on
viewpoints including fairness within a generation and revenue resources, and enhance supports for children who are in truly severe situations. As for refunding of scholarships, if an applicant’s annual income after graduation is below 3 million yen, he or she is given a 10-year refund moratorium. Furthermore, if an annual income of a finance supporter of applicant’s family at the moment of application is below 3 million yen and an applicant’s annual income after graduation is below 3 million yen, he or she is given an indefinite refund moratorium. We will make sure that these benefits are widely known and promptly introduce a new type of scholarship with its amount of monthly payment linked to an applicant’s income after graduation for students newly entering higher education in FY2017 in order to significantly reduce their burdens.

(3) The Empowerment of Women
The empowerment of women is at the core of dynamic engagement of all citizens. There are lots of women with enormous potentialities in Japan and it is important for as to accelerate a process of building a society where every single woman can play an active role according to her own will.
We will encourage businesses so that a regular worker who has once quit one’s job for childcare can come back to work. Furthermore, we will offer practical opportunities of relearning at universities and specialized training colleges. As for the “Mother’s Hello Work” project, we will enhance the number of its hubs as well as its functions according to needs. Following the Act of Promotion of Women's Participation and Advancement in the Workplace, which became fully effective in April, 2016, we will encourage businesses to compile their action plans and disclose information related to the empowerment of women. We will set work-life-balance as an evaluation factor within a public purchase by the national government, which often adopts the comprehensive evaluation bid system, according to a content of a contract.
We will promote improvement in the working environment for women including popularization of various working styles of regular workers and teleworks as well as prevention of sexual harassments and maternity harassments. We will also encourage men to proactively participate in housekeeping, childcare and nursing care. In order to enable single parents to acquire qualifications, which give them advantage in finding their jobs, such as a qualification of a nurse for example, we will promote a project to lend or pay necessary funds to them. We will also enable them to express their original family names on their My-Number cards by revising the Order for Enforcement of the Basic Resident Registration Act.
We will popularize the Women’s Leadership Model Program nationwide and promote
advanced efforts including leadership training programs for women who are candidates for executive positions in order to enable them to keep on working and develop themselves as human resources to be promoted to executive positions. We will also enhance supports for female entrepreneurs.

(4) Enhancement of Supports of Marriage
While the population is rapidly aging and the birthrate is declining even more, we will improve the environment so that youths having hopes for marriage can get married at desirable ages. We will enhance supports in each stage of marriage. Also, in order to enable a young family or a family with small children to easily move into a housing with enough quality and size at a reasonable rent, we will build a new scheme where empty housings and privately rented housings are utilized.

(5) Supports for Youths and Families with Small Children
Approximately 40% of guardians with small children have worries and anxieties. Now, municipal governments are obliged to make efforts to establish comprehensive support centers for childcare generation which provide ceaseless support in each stage of from pregnancy to childcare. This time, we will revise the Child Welfare Act and enshrine these obligation imposed on municipal governments in law. We will make these centers operate nationwide by the end of FY2020.
Due to increase in age of marriage and progress in medical technologies, there are more people who suffer from infertility. We will enhance consulting functions by placing infertility counseling centers in all the prefectures, all the designated cities and core cities to keep on enhancing supports for infertility treatments. Also, we will conduct fact-finding surveys on people who keep on working while receiving infertility treatments and discuss necessary supportive measures.
We will promote enhancement of medical systems for pediatric care and perinatal care including ensuring of facilities capable of taking care of women during parturition. Also, based on the result of the study panel on a medical system for children, we will draw a conclusion of our discussion on reduction adjustment measures of National Health Insurance by the end of this year. We will discuss possible revision of these reduction adjustment measures also.

(6) Improvement in the Environment Enabling Three Generations of a Family to Live Under One Roof or Nearby Each Other for Mutual Assistance in Childcare
Increased feelings of isolation and burden of parents with small children often become
constraints on pregnancy, childbirth and childcare. We will improve the environment enabling three generations of a family to live under one roof or nearby each other in order to make a lifestyle of mutual assistance among generations within a large family available to those who want to. We will support construction of high-quality housings which are multigenerational as well as renovation. At the same time, we will help families with small children and families of their relatives who support them live nearby each other.

(7) Supports for Activities of Children and Youths Having Difficulties in Smoothly Leading Social Lives
We will provide accompanying supports for children and youths having difficulties in smoothly leading social lives (due to developmental disorders etc.) when they need to receive supports for medicine, welfare, education, career choices, making another try after dropout and employment, drawing their own ideal models for the future according to their own characteristics, with a collaboration of agencies concerned. As for young workless people, we will provide supports for their employment and independence, with a collaboration of agencies concerned including Hello Work, Regional Youth Support Stations, local governments and NPOs. Furthermore, we will promote improvement in the environment where the whole society can accept diversity, promoting appropriate understanding of sexual orientation and gender identity.

4. Directions of Measures toward “No One Forced to Leave Their Jobs for Nursing Care”

(1) Improvement in the Environment for Nursing Care
(Comprehensive Measures toward Ensuring of Human Resources Capable of Providing Nursing Care)
Toward “no one forced to leave their jobs or nursing care”, within a set of urgent measures, which was compiled at the end of last year, we raised the target for additional nursing care arrangements from for more than 380,000 people to for more than 500,000 people. As for working conditions of nursing care providers, in order to eliminate a wage gap between nursing care providers and workers in other industries, we will build a career development scheme from FY2017 and improve their wages by 10,000 yen per month on average. We will discuss these actions in a budget-making process, based on a fundamental principle to take these actions within the Nursing Care Insurance System. We will also discuss improvement in working conditions of human resources capable of providing welfare services for people with disabilities in a budget-making process, based on a similar idea as nursing care.
In order to ensure and develop various nursing care providers, we will enhance a scheme where a student seeking to become a nursing care provider can borrow 50,000 yen per month as his or her school fee as a forgivable loan. Also, we will enhance a scheme where a former nursing care provider who seeks to return to this occupation can borrow 200,000 yen as his or her reserve for re-enter employment. In addition, we will promote utilization of senior human resources. Furthermore, we will promote improvement in productivity through utilization of ICT and nursing care robots and reduction in amount of documentation including ledger sheets required by governments. We will also spread a working style to enable people to balance nursing care with working by steadily operating the revised family-care leave system and enhancing public awareness of care leaves. In addition to preparation of nursing care arrangements, we will comprehensively make efforts toward ensuring of additional 250,000 nursing care providers especially by making these jobs more attractive, improving working conditions of childcare providers, ensuring and developing various human resources and reducing labor burdens through improvement in productivity.

As for acceptance of foreign workers, following Economic Partnership Agreement (EPA), we will steadily promote utilization of nursing care workers with specialist capabilities. After the expected revision of the Immigration Control and Refugee Recognition Act, we will proactively promote acceptance of foreign workers, following the purposes of related institutions. And in order to ensure sustainability of economic and social infrastructure, focusing on sincerely needed sectors, we will comprehensively and concretely discuss how foreign talents should be accepted.

(2) Extension of Healthy Life Expectancy and Reduction in Burdens of Nursing Care
Extension of healthy life expectancy is important for our efforts to build a society in which all citizens are dynamically engaged because we can reduce burdens of nursing care and enable the elderly themselves to achieve healthy lives by extending healthy life expectancy. Local governments, medical insurers and employers are expected to improve the environment where individuals are able to make efforts, making them conscious about the importance of healthy life expectancy. Furthermore, we will encourage efforts of disease prevention and health promotion not only during post-retirement years but also during active careers.

(3) Supports for Activities of People with Disabilities, People Fighting an Intractable Disease and Cancer
In order to build a society in which all citizens are dynamically engaged, we should
improve the environment where people with disabilities, people fighting an intractable disease and cancer are able to fully play active roles according to their wishes and abilities as well as characteristics of disorders and diseases. We will provide supports for finding jobs and job retention, balancing medical treatments with occupational lives. We will also provide supports for employment including promotion of agriculture-welfare collaboration, which has positive effects on both physical and mental aspects, and utilization of ICT. We will work on countermeasures against chronic pain as well. In addition, we will promote group homes and other supports for employment as well. Furthermore, taking advantage of the 2020 Tokyo Olympic and Paralympic Games, we will promote establishment of a society of universal design (mental barrier-free, urban development). We will also promote sporting activities and cultural and artistic activities of people with disabilities.

We will improve the environment where children with disabilities can study together with children without disabilities, become independent and participate in a society. Especially, we will promote special support services in resource rooms for these children in elementary and junior high schools. We will institutionalize the service supports in high schools as well from FY2018. We will keep on improving the environment including contents and systems of these supports in all these types of schools.

(4) Realization of Regional Cohesive Societies
We will realize “regional cohesive societies” where all the people, including children, the elderly and people with disabilities, can generate their local communities, their way of lives and their motivations together, mutually enhancing each other. Toward this goal, we will develop local communities where all the local residents have their own roles and play active roles like themselves, mutually supporting each other and not being split into a supporter side and a recipient side. By doing so, we will build a scheme where people can lead their lives, collaborating with local public services including welfare and mutually helping each other. Also, we will foster a donation culture and promote collaboration with NPOs and utilization of private funds.

5. Direction of Measures toward the Largest Nominal GDP in Postwar History--600 Trillion Yen
We will not be able to give rise to hope for tomorrow without a robust economy. In the first stage of Abenomics, we radically transformed the business environment, boldly and swiftly reforming the bedrock of Japan’s regulatory regime, reforming corporate tax, strengthening corporate governance, and signing the TPP (Trans-Pacific Partnership
Agreement). These initiatives are in the process of eliminating the so-called “sextuple whammy” and companies are recording their highest earnings ever. Looking at the rest of the world, the Fourth Industrial Revolution is sweeping across the globe and countries must not lose a moment in responding to this. Japan’s ability to completely overcome deflation and return to a strong growth path will depend on whether it can capitalize on this timing to undertake future-oriented investment, achieve further increases in wages and disposable incomes, and expand consumption. Japan stands at an historic turning point that will determine whether it succeeds in creating new industries and services that enable it to resolve social issues and capture added value in global markets. Now, more than ever, Japan needs to draw up a fully-fledged growth-oriented strategy, while the public and private sectors need to work together to resolutely take on the challenge of achieving the target of nominal GDP of 600 trillion yen, the biggest economy in postwar history.

(1) Fourth Industrial Revolution
New value, products, and services that humans alone could not even have imagined will emerge as everything becomes connected via the Internet and artificial intelligence (AI) analyzes the big data gathered and accumulated as a result. To facilitate bold advances into unknown realms and achieve the Fourth Industrial Revolution ahead of the rest of the world, the public and private sectors will share a strategy that leverages Japan’s strengths in such areas as production sites, mobilizing the collective wisdom of industry, academia, and government.
Utilizing the latest trends in the business world – the IoT, big data, and AI – as well as robots and data terminals, we will promote their commercial application in such areas as self-driving vehicles and production sites. We will also promote the use of data across corporate and organizational boundaries, while giving full consideration to cybersecurity. Middle-ranking SMEs are the key to ensuring that the Fourth Industrial Revolution encompasses the whole of Japan. We will support the introduction of IT and robots from a real-world viewpoint, paying close attention to the needs of middle-ranking SMEs.

(2) Toward a World Leading Healthcare Country
Services for promoting health and preventing diseases are expected to see demand growth against the background of the progress in the aging of the population. Since, including young people, health-consciousness is growing among individuals and needs are diversifying, such services are considered have significant growth potential. Also, the quality of conventional healthcare and nursing care services can be enhanced remarkably
through use of the IoT (Internet of Things) and other technology.

We will promote the use of services that are not covered by public health insurance and create new markets so as to be able to provide various services for promoting health and preventing diseases. In addition, by consolidating, analyzing, and using health insurance claims data, health checkups data, and other health-related data held by companies and insurers and building infrastructure for using medical treatment and examination data held by medical institutions and the like, we will realize tailor-made healthcare and health promotion services while rectifying healthcare and nursing care costs, including the costs of publicly funded healthcare. We will also improve the quality and productivity of nursing care through the use of robots and sensors, thereby reducing the burden on nursing care workers.

(3) Overcoming Environmental and Energy Constraints and Expanding Investments

Since Japan is poor in natural resources, overcoming environmental and energy constraints will be a precondition for achieving a virtuous economic cycle. Conversion of Japan's energy supply-demand structure through measures including promotion of thorough energy efficiency and maximal introduction of renewable energy will not only strengthen Japan's competitiveness, but also promote changes in lifestyles. We will resolve environmental and energy constraints, which are global issues, by applying Japan's cutting-edge technology, and expand investments aimed at economic growth. Our efforts to promote investments in energy efficiency had focused mainly on the manufacturing industry, but we will expand such efforts to include distribution/services industries and SMEs. As for renewable energy, we will introduce renewable energy to the maximum extent while reducing the burden on citizens at the same time, and realize a hydrogen-based society with full-fledged dissemination of fuel cell vehicles as a trigger. We will newly create negawatt trading markets in order to further activate consumers’ energy management efforts through use of the IoT, etc. We will make stable investments in resource development even when natural resource prices are sluggish, so as to enable sustainable economic growth.

(4) Changing Sports to a Growth Industry

Sports have an attractiveness that produces excitement. Regardless of age and sex, many people not only enjoy moving their own bodies, but also become enthusiastic about athletic games. Sports have great potential to create new markets and generate economic values through integration with healthcare, tourism, fashion, culture and art, as well as IT.
We will aim at carrying out stadium/arena reform, developing urban areas with a focus on sports, and on establishing a self-sustaining virtuous cycle model whereby earnings will be expanded through revitalization of the sports industry and the earnings will be reinvested in sports so as to enhance the sports environment, including training of athletes.

(5) Visualization Projects for 2020 Tokyo Olympic and Paralympic Games
The Tokyo Olympic and Paralympic Games will be held in 2020. Japan will draw attention from all over the world, and be visited by many foreign nationals. Setting 2020 as the goal, we will showcase Japan's reform and innovation results to the world. At the same time, we will ensure that the results will be passed on to later generations as a legacy in and after 2020. Specifically, we will realize the use of automated driving, distributed energy, and advanced robots, and we will show Japan's technological capability to the world as its strong point.

(6) Revitalizing Markets for Transaction of Existing Houses and Reform
Although housing is often the most expensive article purchased throughout one's lifetime, its asset value tends to decline with the passage of time. In order to not only revitalize housing markets, but also to stimulate consumption by eliminating anxieties concerning old age, we will establish and revitalize existing housing transaction/reform markets in which housing will be evaluated as assets.

(7) Improving Productivity in the Service Industry
The service industry accounts for approximately 70% of Japan's GDP and it is the base of the local employment and economy. As the service industry includes many small and medium-sized companies, productivity improvement is indispensable for each citizen to feel the economic growth and vitality of their local communities. Accordingly, we will improve the productivity in seven sectors of the service industry, including road freight transport, hotels, retail, etc. by promoting the use of data and information technology and support from SME-supporting organizations.

(8) Facilitating Innovation of Leading Medium-sized Companies, SMEs, and Small Businesses
Local economies will never be vitalized without the vitalization and productivity enhancement of leading medium-sized companies, SMEs, and small businesses. We will support leading medium-sized companies, which play the central role in local economies, regarding their challenges in cultivating global markets, and will assist productivity
enhancement in SMEs and small businesses by facilitating their utilization of IT and cost-reducing investments: in light of their current status, in cooperation with SME support organizations, while strengthening the management power of these companies based on the guidelines by business sector under SMEs Business Enhancement Act. Furthermore, ministries in charge of related industries, the Small and Medium Enterprise Agency and the Japan Fair Trade Commission will endeavor to improve business terms for subcontractors, strengthen financial functions for ensuring the earning power of SMEs and small businesses, and facilitate business restructuring and business succession.

(9) Promoting Proactive Agriculture, Forestry and Fishery, as well as Reinforcing Export
We must be committed to increasing the income of hard-working farmers in local communities as well as realizing a robust and rich agriculture with which young generation can have dreams and hopes for the future. Global markets of 800 million people that will be open to us through the TPP await delicious and safe agricultural products of Japan. We will enhance the competitiveness of Japan’s agriculture by strengthening earning power and agricultural infrastructure in communities, including those in hilly and mountainous areas, through consolidating farm lands, reducing production material costs, and making use of information technology. We will also steadily implement the measures including those listed in the "Comprehensive TPP-related Policy Framework and support farmers who e challenging the global markets with market development and export promotion.

(10) Realizing Japan as a Tourism-oriented Advanced Country
Based on "A Tourism Vision to Support the Future of Japan" and others, and with the goals of increasing the annual number of foreign visitors to Japan to 40 million people by 2020 and 60 million people by 2030 and increasing the consumption by foreign visitors to Japan to 8 trillion yen by 2020 and 15 trillion yen by 2030, we will carry out comprehensive and strategic measures toward realization of Japan as a tourism-oriented advanced country through government-wide and government-public collaborative efforts. Through this, we will be able to develop an extensive industry of tourism as a field in which all citizens will be dynamically engaged. Specifically, in order to maximize the attractiveness of tourism resources and make them serve as a foundation for revitalizing regional economy, we will open appealing governmental facilities and promote the conservation and utilization of tourism and cultural resources such as national parks and farming and fishery villages with beautiful
In addition, with the aim of innovating the Japanese tourism industry, increasing its international competitiveness, and setting it as one of the key industries of Japan, we will take such measures as revising tourism-related regulations and systems, developing human resources in tourism management, establishing and developing world-class DMOs, enhancing promotion activities targeting people in Europe, the United States and Australia as well as wealthy people, and relaxing visa requirements for strategic purposes. Furthermore, we will promote the development of an environment where all tourists will be able to enjoy travelling in Japan comfortably without stress, by taking such measures as promoting the holiday reforms (e.g. encouraging more workers to take annual paid leaves and promoting staggered holidays) through the labor-management efforts, speeding up the immigration procedures through the use of advanced technology, improving the accessibility of communication and transportation services, and introducing universal designs in tourism areas and transportation facilities.

(11) Facilitating Regional Reinvigoration
Local areas most seriously suffer from depopulation and the problem of falling birth rate and the aging population. Measures need to be taken urgently to solve these problems for the purpose of achieving the dynamic engagement of all citizens. We need to promote our efforts utilizing our properties including tradition, cultures, ties between individuals and spiritual richness of Japanese people.

Based on the Overall Strategy on Vitalizing Local Economies (revised in 2015) and Basic Policies for Overcoming Population Decline and Vitalizing Local Economies in Japan 2016, we will make efforts to overcome the problems of population decline and shrinking local economies by further promoting Local Abenomics, facilitating urban people’s moves to and settlement in regional areas, changing working styles in accordance with circumstances of each area, and creating collaborative urban areas, thereby correcting the excess concentration of population in the Tokyo Metropolitan area, enabling young people to have jobs and families, and resolving problems unique to each local area.

(12) Building National Resilience and Developing Social Infrastructure with Large Stock Effects
Based on the Priority Plan for Social Infrastructure Development, we will prioritize the fields that will enhance Japan’s growth power and stably and sustainably take strategic measures for social infrastructure development, while making the most of existing facilities. These efforts should be based on the perspectives of promoting lifespan
extension of infrastructure and securing people engaged in construction work over the medium to long term so that stock effects are fully exercised. We will also steadily carry out initiatives to build national resilience as specified in the Action Plan for National Resilience 2016 based on the idea of PDCA. In particular, we will encourage local governments to establish and implement their regional plans respectively and facilitate voluntary efforts by the private sector. We will promote measures for disaster prevention and mitigation against large earthquakes and other various natural disasters.

From the viewpoint of achieving a sustainable urban structure, efforts for making cities more compact will be promoted, while clarifying diverse effects thereof, and integration and abolition of public facilities and effective use of unused assets will also be facilitated. We will promote concession projects in priority areas with the aim of achieving business sizes specified in the Action Plan for Promoting PPP/PFI and make efforts to promote effective operation of the framework to prioritize PPP/PFI and creation of regional platforms.

(13) Taking Measures to Vitalize Consumption and Investments
In order to surely achieve the target of GDP of 600 trillion yen, the biggest economy in postwar history, it is necessary to ensure steady consumption and promote private investments.

We will realize increases of wages and disposable income through urging continuous wage raises, improving business terms for subcontractors and other SMEs, and curbing increases in social insurance premiums. Under public-private collaboration, we will endeavor to raise the level of consumption to eliminate domestic supply-demand gaps instead of merely encouraging early consumption, make drastic changes in consumer behavior and stimulate consumer confidence that may lead to new consumption. We will also deliberate means regarding facilitation of necessary investments by taking advantage of the current super-low interest rates.

(14) Regulatory and Institutional Reforms to Achieve a Productivity Revolution
Radically improving productivity is the only way to overcome supply constraints amid population decline. Accordingly, we will review approaches to regulatory and institutional reforms aimed at achieving a revolution in productivity and embark on bold institutional reforms that encourage investment in the future, such as strengthening corporate governance.
(Introducing new regulatory and institutional reform mechanisms)
In the Fourth Industrial Revolution, technological innovation will be hard to predict, so speed will be of the essence. Precisely because the future is so hard to forecast, we will backcast from medium-term targets and draw up a roadmap so that both the public and private sectors share a vision for the future of industrial innovation, and will then implement the requisite regulatory and institutional reforms. In addition, we will undertake an integrated program encompassing regulatory reform, streamlining of administrative procedures, and greater use of IT, to radically reduce business costs and improve productivity from the perspective of business operators.

(Utilizing the National Strategic Special Zones)
Regarding the National Strategic Special Zones, we have designated the two-year period through the end of FY2017 as a period of intensive reform and will reform bedrock regulations, enhance our window functions to enable businesses to realize their projects and designate new zones as needed.

(Reform aimed at investment in the future)
Strengthening corporate governance is at top of reform agenda. We have worked to banish the conventional and inward-looking mindset of Japanese executives, as shown by the application of the Corporate Governance Code; increasing number of companies that have independent directors; and the adoption of the Stewardship Code by institutional investors. Unless companies achieve genuinely effective Corporate Governance—not just formalistic responses—it will be difficult for them to switch to “growth-oriented management.” We will embark on further reforms, such as ensuring highly effective and efficient corporate disclosure in line with international standards, and promote constructive dialogue between companies and investors. Opening up public services and assets to the private sector is a structural reform that will lead to the efficient provision of high-quality services that leverage the creativity of the private sector, and serve as a catalyst for new private sector investment. Accordingly, we will boldly promote PPP/PFI, the concession system of public facilities, etc.

(15) Creating Innovation and Human Resources Willing to Take on a Challenge
The two pillars that will support medium- to long-term economic growth are innovation and human resources. The Fourth Industrial Revolution, in which fierce competition over data is already raging, will be an Age of Innovation. Although the pace of obsolescence will be fast, because the source of added value will change in an instant with the
emergence of innovative business models, bold efforts powered by innovative ideas and technologies will be able to achieve rapid growth. One more key to victory in the Fourth Industrial Revolution is human resources, which will need to routinely utilize data to create new added value.

(Strengthening the ability to create innovation and startup companies) Japan’s ability to bring the Fourth Industrial Revolution to fruition ahead of the rest of the world will depend on whether it can put open innovation into practice to efficiently and flexibly leverage the internal and external resources of companies. We will strengthen frameworks for academic-industrial collaboration and aim to triple corporate investment in universities and research and development agencies over the next ten years. In addition, during the next fiscal year, we will create at least five centers for strategic research by industry, academia, and government that attract top-quality human resources and investment from both within Japan and overseas. AI holds the key to the success or failure of the Fourth Industrial Revolution, so in April this year, we established the Artificial Intelligence Technology Strategy Council, an organization free from vertical hierarchies that mobilizes the collective wisdom of industry, academia, and government. It will set research and development targets and draw up a roadmap for commercialization before the end of this fiscal year. Startup companies able to take on challenges swiftly and boldly, based on flexible decision-making hold a great deal of promise as partners in open innovation. To link startup companies in provincial cities in Japan with global markets, we will establish a private-sector-led core organization before the end of this fiscal year and undertake coordinated implementation of the measures of each ministry.

(Developing and securing human resources via a multifaceted approach) Leveraging AI, etc. is likely to bring about dramatic changes in both the nature of work and ways of working, but it is human resources that will use data to create added value. To secure and develop human resources to support the Fourth Industrial Revolution, we will embark on initiatives including the nationwide roll out of education that utilizes IT, including making programming a compulsory activity in elementary and secondary education; the enhancement of science and mathematics education in higher education, at universities and graduate schools; and the integrated promotion of research and human resource development that brings together world-class researchers at specified national research and development agencies, etc. In addition, to ensure that Japan appeals to highly skilled foreign professionals, who are the focus of intense competition among countries seeking to attract them, we will introduce the Japanese Green Card for Highly Skilled
Foreign Professionals, which will be the fastest such system in the world, and expedite the granting of permanent residency to highly skilled foreign professionals.

(16) Taking in Overseas Growing Markets
The TPP signed in February 2016 will bring about great opportunities for Japan to take in the growth of the huge Asia-Pacific market that accounts for about 40% of the world's GDP. Taking this opportunity, we will accelerate overseas business expansion of Japanese companies including small and medium-sized companies. We will also work to further increase inward foreign direct investment and promote negotiations for economic partnerships and conclusion and amendment of investment agreements and tax treaties. In addition, we will strengthen the institutional capacity and functions of Japan’s relevant organizations that will contribute to increasing the supply of financial resources, while taking measures to increase infrastructure exports and promote the Cool Japan initiatives.

6. Roadmap toward the Future of 10 Years from Now
Toward our three large goals of “the largest nominal GDP in postwar history of 600 trillion yen”, “the desirable birthrate of 1.8” and “no one forced to leave their jobs for nursing care”, it is important for us to promote related measures, deciding when to take what kind of specific measures with respect to each topic with concrete deadlines and consistently reviewing them.

(Presenting Measures Responding to Each Goal)
We drew a “tree diagram”, which consists of three elements of (1) Challenges in People’s Daily Lives, (2) Directions to be Examined, (3) Measures, for each of the three goals to sort and present our policies.
As for “the largest nominal GDP in postwar history of 600 trillion yen”, we sort our efforts into “acceleration of growth strategies and other measures” and “stimulating personal spending”. As for the former one, we need to work on “acceleration of measures for a productivity revolution” and “creation and expansion of new promising growth markets” toward “enhancing growth potential amid the phase of population decline”, “enhancement of links with overseas growth markets in response to TPP and other arrangements” toward “utilizing expanding overseas economies”, “regional reinvigoration and support to SMEs and microenterprises” and “disaster control, national resilience, and public investments prioritized to enhance growth potential” toward “overcoming the problems of population decline and diminishing local economies”. As for the latter one, we should work on “raising wages and disposable income”, “meeting
potential consumption demand” and “stimulating consumption and investment by making use of public capital stock”. We will accomplish the goal of “the largest nominal GDP of 600 trillion yen” by implementing these 22 kinds of measures.

As for “the desirable birthrate of 1.8”, we sort our efforts into “marriage”, “pregnancy, childbirth, childcare” and “families with single parents”. As for “marriage”, in order to realize hopes of marriage, which are held by about 90% of youths”, while the lifetime non-marriage rate is estimated to increase to about 20% in the future, we should take measures including “stabilization of employment of youths and improvement in their incomes” and “offering of meeting places”. As for “pregnancy, childbirth, childcare”, in order to enable people to have the number of children desired, which is about 2.0 on average, while the final number of children per couple is estimated to decline to 1.7 in the future, we should take measures including “improvement in anxieties about childcare”, “elimination of childcare waiting lists” and “improvement in the environment where people can balance childcare with working”. In addition, considering the education continuance rate of children from families with single parents after graduating from high schools is as low as about 40%, compared with the average rate of children across all types of families of about 70%, we should take measures including “improvement in the living environment and enhancement of motivation for learning”, “reduction in burdens of educational costs and enhancement of consulting systems” and “improvement in incomes of families with single parents”. We will accomplish the goal of “the desirable birthrate of 1.8” by implementing these 12 kinds of measures.

As for “no one forced to leave their jobs for nursing care”, we sort our efforts into “supply side of nursing care services”, “families providing nursing care” and “the elderly etc.”. As for “supply side of nursing care services”, considering 20% of people who left their jobs to provide nursing care state unavailability of nursing care arrangements as a reason for leaving their jobs, we should take measures including “supply of the foundation of nursing care” and “ensuring and development of human resources capable of providing nursing care” in order to enable people to used desirable services. As for “families providing nursing care”, considering about 50% of people who left their jobs to provide nursing care recognize that they had a lack of understanding toward nursing care systems before leaving their jobs and feel anxieties, we should take measures including “improvement in the environment where families are supported” in order to enable people to provide nursing care without anxieties. Furthermore, considering about 60% of people who left their jobs to provide nursing care have difficulties in balancing nursing care with working, we should take measures including “improvement in the utilization rate of care
leaves”, “improvement in practices of long working hours and utilization rate of flexible working styles” in order to enable people to balance nursing care with working. As for “the elderly etc.” in order to enable them to live comfortably maintaining good health for a long time, we should take measures including “prevention of frailty of the elderly and countermeasures”, “improvement in the environment where people with disabilities and people fighting an illness are able to be independent and participate in a society” and “enhancement of skills for solving local issues and utilization of human resources in the medical and welfare sectors”. We will accomplish the goal of “no one forced to leave their jobs for nursing care” by implementing these 9 kinds of measures.

(Measures with Timelines and Indexes)
As for the 43 measures in total, we indicate (1) challenges in people’s daily lives, (2) directions of upcoming measures and (3) concrete measures for each measure. As for the measures toward “the largest nominal GDP in postwar history of 600 trillion yen”, we set the time span of the roadmaps as from FY2016 to FY2021 (6 years). As for the measures toward “the desirable birthrate of 1.8” and “no one forced to leave their jobs for nursing care”, we set the time span of the roadmaps as from FY2016 to FY2025 (10 years). We indicate what kind of measures will be taken in each fiscal year with indexes as much as possible.

(Collaboration with Other Government Programs)
In order to effectively implement the roadmaps, under the framework of the Plan for Economic and Fiscal Revitalization, we will promote related measures collaborating with Japan Revitalization Strategy and other government programs.
Want to get married as desired
※ The percentage of unmarried people (aged from 35 to 39 years)
   Men : 35.6%, Women : 23.1%
※ The percentage of people willing to
   get married (aged from 18 to 34 years)
   Men : 86.3%, Women : 89.4%

Want to get married at desirable ages
※ Average age for first marriage
   Men : 31.1, Women : 29.4
※ Age of marriage desired by people
   (aged from 18 to 34 years)
   Men : 30.4, Women : 28.4

Want to give birth to and raise
the number of children desired
※ Facts
   • The average number of children
     intended by a couple 2.07
   • The number of children desired by a single 2.12
   • The percentage of people stating financial burden of childcare and education as a reason for not being able to have the number of children desired 60.4%

Want to improve the living environment of families with single parents and children’s motivation to study
※ Facts
   • The education continuation rate of children from families with single parents (after graduating from high schools) 41.6%
   (The average rate of children across all types of families 73.0%)
**Desirable Marriage (Stabilization of Employment of Youths and Improvement in Their Incomes)**

1. **Stabilization of Employment of Youths and Improvement in Their Working Conditions (Part 1)**

   **Directions of Upcoming Measures**

   We will work on promoting non-regular workers to regular position and improving their working conditions (※) to enhance the economic foundation of youths. Also, we will provide supports for children and youths having difficulties in smoothly leading social lives (Children refusing to go to schools, people who dropped out of high schools, young workless people, people staying at home and people with developmental disorders). We will enable youths to become employed and independent by offering ceaseless accompanying supports covering education and employment, enhancing a system where youths are able to ask for consultation or guidance when they are in schools.

   ※ As for improvement in working conditions of non-regular workers including “equal pay for equal work”, please refer to ⑧.

   **Concrete Measures**

   - In order to promote non-regular workers to regular positions, we will encourage efforts made by businesses by promoting utilization of the Career Development Subsidy and requesting industry groups to promote non-regular workers to regular positions.

   - Considering promotion of fixed-term employment, which is according to Labor Contract Act, to indefinite-term employment will be properly started from FY2018, we will intensively announce just before the promotion rule will be properly effective. We will also enhance supports for revision of personnel systems including introduction of various working styles of regular workers, which businesses are expected to implement taking this opportunity.

   - We will steadily execute the Act on Promotion of Youth Employment and discuss revision of the act which is expected to be implemented near FY2020 in order to enhance related measures even more including disclosure of corporate information. In addition, we will encourage offering of various opportunities of screening and employment, not sticking to Japan’s traditional employment system where new graduates are recruited simultaneously.

   - In order to promote skill development and career development of youths, we will promote utilization of job cards. Also, in order to provide supports for development of human resources who will lead manufacturing, we will discuss remitting examination fee of skill tests. Furthermore, by utilizing the Career Formation Subsidy, we will promote introduction of a leave system for education and training and skill development implemented by businesses.

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**Toward the “Desirable Birthrate of 1.8”**

**Challenges in People’s Daily Lives**

Youth employment is becoming unstable and income distribution of parenting generation is shifting toward lower side.

- The percentage of non-regular workers (aged from 15 to 34 years, except students) : 26.6% (2005) → 26.9% (2010) → 27.7% (2015)
- The percentage of people (their 20s, except students) whose annual incomes are less than 3 million yen : 65.3% (2002) → 67.1% (2007) → 68.9% (2012)
- The percentage of people (in their 30s, except students) whose annual incomes are less than 3 million yen : 39.4% (2002) → 44.3% (2007) → 49.2% (2012)
- The percentage of people who are forced to work as non-regular workers against their will (average data of 2014) : Among people of all ages 18.1%, Among people aged from 25 to 34 years 28.4% (at maximum)

In order to enable people to get married as they desire, it is essential enhance the economic foundation through stabilization of employment and improvement in working conditions.

- The percentages of people with spouses separated by their employment status (men aged from 30 to 34 years) : Regular workers 57.8%, Atypical employment 23.3%, Workless 10.2%
- The percentage of people stating “marriage fund” as an obstacle to marriage : Men 41%, Women 38% (at maximum)

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**Concrete Measures**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Fiscal Years</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of Non-regular Workers to Regular Positions</td>
<td>FY2015</td>
<td>Promotion of non-regular workers to regular positions based on the plan to promote non-regular workers to regular positions and improve their working conditions (which was compiled in January, 2016)</td>
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<td>FY2016</td>
<td>Promoting utilization of the Career Development Subsidy and requesting industry groups to promote non-regular workers to regular positions</td>
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<td>FY2017</td>
<td>Promotion of introduction of various working styles of regular workers by announcing the promotion rule and establishing model rules of employment</td>
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<td>FY2018</td>
<td>Proper implementation of promotion of fixed-term employment, which is according to Labor Contract Act, to indefinite-term employment</td>
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<td>FY2019</td>
<td>Further enhancement of related efforts based on the achievement status of the objectives set in the plan</td>
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<td>FY2020</td>
<td>Discussion based on complementary provisions of Labor Contract Act which was revised in 2012</td>
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<td></td>
<td>FY2021</td>
<td>The percentage of people (aged from 25 to 34 years) who are forced to work as non-regular workers against their will : 28.4% → decrease by half (2020)</td>
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<td></td>
<td>FY2022</td>
<td>The number of people who have repeatedly made fixed-term labor contracts for more than 5 years : 4 million people → Promote all the applicants to regular positions</td>
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<tr>
<td>Promotion of Youth Employment and Skill Development</td>
<td>FY2023</td>
<td>Steady execution of the Act on Promotion of Youth Employment, Encouragement of offering of various opportunities of screening and employment</td>
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<td>FY2024</td>
<td>Discussion of revising the act, Further enhancement of related efforts including disclosure of corporate information</td>
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<td></td>
<td>FY2025</td>
<td>Promotion of skill development and career development of youths</td>
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<td>From FY2026</td>
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</table>
Desirable Marriage (Stabilization of Employment of Youths and Improvement in Their Incomes)

① Stabilization of Employment of Youths and Improvement in Their Working Conditions (Part 2)

Concrete Measures

- In order to enable children and youths having difficulties in smoothly leading social lives to become employed and independent and offer ceaseless supports harmonized with situation of each individual in various regions, the Cabinet Office, the Ministry of Health, Labor and Welfare and the Ministry of Education, Culture, Sports, Science and Technology will jointly promote “snuggling supports” and “accompanying supports” nationwide, taking account of situation of each region. (promotion of support packages to provide accompanying supports for children and youths in regions)

1. We will improve systems to provide ceaseless accompanying supports for children and youths having difficulties in smoothly leading social lives when they need to receive supports for suitable medicine, welfare, education, career choices, making another try after dropout and employment, drawing their own ideal models for the future according to their own characteristics grasped in assessments, with a collaboration of agencies concerned including governments, specialized agencies an NPOs. (Utilization of “regional councils for youth support”, “designated support organizations “and “comprehensive consultation centers for children and young people” which are based on the Act on Promotion of Development and Support for Children and Young People)

2. In order to enhance collaboration among specialized occupations engaged in these supports for children and youths, we will offer training opportunities to enable them to organize and share related knowledge and know-how across sectors.

3. We will provide outreach supports for people who dropped out, young workless people and people staying at home by encouraging collaboration between a high school or a specialized training college and a regional youth support station. Educational supports of acquiring a qualification which is equivalent to a high school diploma will be also provided.

4. We will improve systems to enable them to ask for educational consultation and supports for home education by enhancing arrangements of school counselors and school social workers. We will also improve teachers’ abilities to give guidance about career choices and enhance related systems, utilize human resources outside schools, promote opportunities of career education and occupational education including workplace experiences and promote establishment of career development plans which are based on life designs of individuals.

5. We will offer opportunities of learning knowledge of labor-related laws within schools by preparing and offering learning programs for students and delivering lecturers from prefectural labor departments and Hello Works. We will also ensure working conditions of student part-time workers.

6. We will promote various internships with higher educational effects and provide employment supports for students having difficulty in autonomously finding jobs by encouraging collaboration between a university or a technical college and a Hello Work.

7. We will promptly grasp people who should be supported, including job-hoppers, implement further supports for promotion of non-regular workers to regular positions by enhancing mediation in job training, and intensively implement supports for unstable workers including the children generation of the postwar baby-boom generation.

- We will promote improvement in the environment where the whole society can accept diversity, promoting appropriate understanding of sexual orientation and gender identity.

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<tr>
<th>Measures</th>
<th>Fiscal Years</th>
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<tr>
<td>Ceaseless Supports for Children and Youths</td>
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</table>
Desirable Marriage (Stabilization of Employment of Youths and Improvement in Their Incomes)

② Improvement in Productivity of Service Industries (※shared by “Toward the Nominal GDP of 600 Trillion Yen”※)

Challenges to Economic Growth

Since service sectors account for approximately 70% of our GDP, it is essential to activate these industries as well as improve their productivity in order to achieve the economic growth.

Especially, low productivity, low wages and practices of long working hours of retail business, restaurant business, accommodation business, nursing care and freight-hauling business are pointed out as problems.

In addition, since huge productivity gaps can be seen among businesses even within same sector, we can improve productivity of the whole sector by focusing on boosting businesses with lower productivity.

Since service sectors are unique in that
① descriptions and structures are different among sectors,
② there are lots of SMEs developing businesses nationwide, being rooted in each local community.

It is important to make pinpoint efforts according to the type of business and according to the situation of each local community.

Directions of Upcoming Measures

In order to increase the growth rate of labor productivity of service sectors to 2% by 2020, we will encourage efforts of improving productivity made by each motivated business by supports provided by the national government, trade associations, organizations of SMEs and financial institutions in regions.

Concrete Measures

We will promote best practices by running Nihon Service Award, encourage IT investments of small and medium service businesses, establish and promote “Hospitality Standard” which is expected to a new certification system to visualize service qualities, promote development of human resources capable of management in professional graduate schools, etc.

Efforts to be made toward improvement in productivity in each type of business are as follows;

① Within the conference to discuss improvement in productivity of service sectors, which was founded jointly by the government and private sectors, the following efforts will be made.

- Creation of models, standardization of know-how: We will break businesses in retail business, restaurant business, accommodation business, nursing care and freight-hauling business into patterns according to the type and size of business, then implement consulting and create best model cases. We will also standardize know-how toward improvement in productivity.

- Horizontal expansion of know-how: We will horizontally expand know-how obtained from model cases and promote efforts of improving productivity in each sector.

② Based on the Bill on the Strengthening of the Management of SMEs, etc., we will formulate guidelines specific to each sector, with a collaboration with trade associations of seven sectors which are targets of the “Service Industries Challenge Program”, and instill best practices nationwide.

- Utilizing guidelines specific to each sector based on the act, best model cases and local benchmarks, we will encourage financial institutions and other supportive institutions to deepen their dialogues with businesses. Through these efforts, we will promote supply of growth capital to businesses trying to improve their productivity without relying on securities and personal securities.

Fiscal Years

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<tr>
<td>Creation of Growing Businesses</td>
<td>Foundation of Nihon Service Award (April, 2015)</td>
<td>Commendation</td>
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<td>• We will achieve the growth rate of productivity of 10% in 10,000 businesses nationwide by 2020.</td>
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<td>Encouragement of IT investments to SMEs working on creative services</td>
<td>Discussions on “Hospitality Standard”</td>
<td>Verification of a certification system</td>
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<td>• We will establish “Hospitality Standard” to visualize service qualities and make 300,000 businesses acquire this qualification.</td>
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<tr>
<td>Improvement in Productivity According to the Type of Business</td>
<td>Establishment of the centers regarding 5 sectors</td>
<td>Creation of models, Standardization of know-how</td>
<td>Horizontal expansion of know-how</td>
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<td>• We will increase the growth rate of labor productivity of service sectors to 2% by 2020 (from 0.8% in 2013).</td>
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<tr>
<td>Utilization of Organizations of SMEs and Financial Institutions in Regions</td>
<td>Enactment of the Bill on the Strengthening of the Management of SMEs, etc.</td>
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<tr>
<td>Service Industries Challenge Program</td>
<td>Steady implementation of efforts specific to each sector (accommodation business, freight-hauling business, restaurant business, medicine, nursing care, childcare, wholesale and retail business) following the “Service Industries Challenge Program” (April, 2015)</td>
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**Desirable Marriage (Offering of Meeting Places)**

### Directions of Upcoming Measures

While the population is rapidly aging and the birthrate is declining even more, we will improve the environment so that youths having hopes for marriage can get married at desirable ages. We will enhance supports in each stage of marriage. We will also realize the living environment desired by young families and families with small children.

#### Concrete Measures

- We will promote progressive efforts including supports for activities toward marriage and supports for marital lives. In order to enhance supports of marriage in regions, in addition to efforts made by local governments, we will create advanced models of comprehensive supports of marriage with a collaboration with economic organizations, NPOs and specialists. We will focus on regions with a higher percentage of unmarried people and then promote related efforts nationwide.

- In order to expand the range of our efforts, we will create model cases of supports of marriage implemented by businesses and organizations, which have been inadequate until now. We will promote collection, analysis and popularization of best practices, request businesses to make efforts through economic organizations, commend leading businesses and organizations and encourage a spirit of making efforts.

- In order to provide all the high school students with opportunities to practically think about their own occupations, households and future, we will organically align existing subjects with the cooperation of outsiders, conducting classes using practical materials including worksheets, enhancing experience and exchange activities including contacting experiences with infants, dialogues with various occupational human resources and experts. We will promote development and distribution of materials, establishment of a system to implement these measures in each prefecture, improvement, enhancement and enforcement of a curriculum and horizontal expansion toward education for university students and adults.

- We will promote reduction in the rent of UR housings for young families and families with small children and make families with small children preferentially settle in public housings.

- In order to enable a young family or a family with small children to easily move into a housing with enough quality and size at a reasonable rent, we will build a new scheme where empty housings and privately rented housings are utilized.

### Fiscal Years Measures

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<td>Supports for Efforts Made by Local Governments in Consideration of the Current Situation of Each Region</td>
<td>Creating advanced models of comprehensive supports of marriage in regions with higher percentage of unmarried people and promoting them as well as individual advanced supports nationwide.</td>
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<td>Supports for Efforts to Support Marriage Made by Businesses</td>
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<td>Enhancement of Education for Life Planning and Career Development</td>
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<td>Improving and Enhancing a Curriculum</td>
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<td>Housing Supports For Youths</td>
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### Index

- Index of Realization of Number of Marriages (R)
  - 80% (2020)
  - 86% (in 2023)
  - This indicator can be expressed as (B)/(A)
  - (B) The number of people (aged from 18 to 34 years), with spouses as of 5 years before the survey and the percentage of those wishing to get married within 5 years.
  - (A) The percentage of people (aged from 18 to 34 years) with spouses at the moment (2010)

- The Percentage of people who have knowledge about pregnancy and childbirth which is medically and scientifically appropriate
  - 70% (2012)
  - 74% (in 2009)

- The achievement rate of the standard of floor space needed to ensure various life styles essential for abundant housing life depending on the number of people in a household
  - 64% (2009)
  - 50% (2013)
**Giving Birth to and Raising the Number of Children Desired (Improvement in Anxieties about Childcare)**

**④ Elimination of Anxieties about Pregnancy, Childbirth and Childcare**

**Challenges in People’s Daily Lives**
There are people feeling they can not comfortably get married, get pregnant, give birth to and raise children.
- The percentage of people thinking a society where people can comfortably get married, get pregnant, give birth to and raise children has already been realized: 19.4% (FY2013)
- About 40% of guardians with small children have worries and anxieties. They can not find places to consult with experts.
- The percentage of guardians who think supports provided by local communities are important for childcare: 90% (2013)
- Comprehensive support centers for childcare generation: established in 138 municipalities (FY2015)
- The number of regional hubs of childcare support: 6,538 (FY2014)
- The number of places where supports for users are provided: 323 (FY2014)
- The number of places where supports for families are provided: 769 municipalities (FY2014)

Due to increase in age of marriage and progress in medical technologies, there are more people who suffer from infertility.
- Average age for first marriage:
- Average age for a first birth:
- The percentage of couples having worries about infertility despite their hopes of having children:
- The cumulative number of times in-vitro fertilization is performed: approximately 80,000 (2002) → 240,000 (2010)

**Directions of Upcoming Measures**
Considering the current situation of each region, we will enhance a system to provide ceaseless support in each stage of from pregnancy to childcare and promote necessary measures to support infertility treatments.

**Concrete Measures**
- Based on the urgent measures, we will revise the Child Welfare Act to impose the obligation to establish a comprehensive support center for childcare generation, which provides ceaseless supports in each stage of from pregnancy to childcare, on municipal governments. We will announce to the public in order to smoothly execute the revised act from April, 2017. We will also conduct liaison, coordinate and provide necessary supports, facing people’s mental anxieties and economic worries. We seek to take these measures nationwide by the end of FY2020.
- In order to respond to needs of infertility treatments, we will expand the amount of grant for the first treatment from 150,000 yen to 300,000 yen at maximum, which is equivalent to 100% of the treatment cost. In addition, as for an infertility treatment for the male side, we will continue providing an additional grant of 150,000 yen at maximum, which is equivalent to 50% of the treatment cost. We will enhance consulting functions by placing infertility counseling centers in all prefectures, all the designated cities and core cities by FY2019. From FY2020 onward, we will maintain and enhance related systems as necessary.
- We will promote enhancement of medical systems for pediatric care and perinatal care including ensuring of facilities capable of taking care of women during parturition.
- As for deduction adjustment measures of National Health Insurance, most opinions within the result of the study panel on a medical system for children argue that we should promptly revise the current measures from the viewpoint of supporting efforts made by local governments. There were also opinions arguing that we should take account of the viewpoints of maintenance of the discipline of a medical insurance system, fairness of burdens, suppression of excessive competition of expanding benefits. We will consider these opinions as well and obtain the conclusion by the end of this year.
- Under the new child and childcare support system, we will steadily improve and enhance the regional childcare support centers, where parents with small children in regions can exchange information and consult. We will prepare 8,000 centers by the end of FY2019.
- In addition we will steadily improve and enhance a user support project which provides consulting supports regarding using of childcare support services and builds regional networks. We will enable this project to be conducted in 1,800 places by the end of FY2019.
- We will encourage further utilization of family support centers in charge of liaison, coordination and mutual assistance activities of childcare in regions by enhancing ensuring of members taking care of children. We will enable this project to be conducted in 950 municipalities by the end of FY2019.
- We will conduct fact-finding surveys on people who keep on working while receiving infertility treatments and discuss necessary supportive measures.

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**Fiscal Years**

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<tr>
<td>Improvement in Comprehensive Childcare Centers</td>
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<td>Establishing centers in municipalities nationwide</td>
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<td>Enhancement of Infertility Treatments and Consulting Functions</td>
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<td>Improvement and enhancement of implementation systems in regions based</td>
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<td>on the 2nd-stage municipal plans under the new child and childcare</td>
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- The percentage of people thinking a society where people can comfortably get married, get pregnant, give birth to and raise children has already been realized: more than 40% (FY2020) (FY2013: 19.4%)
Toward the “Desirable Birthrate of 1.8”

Giving Birth to and Raising the Number of Children Desired (Improvement in Anxieties about Childcare)

5. Improvement in the Environment Enabling Three Generations of a Family to Live under One Roof or nearby Each Other for Mutual Assistance in Childcare

Challenges in People’s Daily Lives
- Increased feelings of isolation and burden of parents with small children often become constraints on pregnancy, childbirth and childcare.
  - The number of three-generation-families living together
    - 2003: 4.01 million houses (8.5% of all the families)
    - 2013: 4.74 million houses (7.1% of all the families)
  - 52.4% of people state the ideal style of a family life to live with grandparents or to live nearby each other.
  - (live nearby each other: 31.8%, live together: 20.6%) (2013)
  - 78.7% of people state it is desirable that grandparents provide supports for childcare and household tasks until children enter elementary schools. (2013)
  - There is a tendency that a couple has more children when living closer to parents.
    - 2003: 4.01 million houses (8.5% of all the families)
    - 2013: 2.74 million houses (5.2% of all the families)
  - 52.4% of people state the ideal style of family life is to live with grandparents or to live nearby each other.
    - (live near each other: 31.8%, live together: 20.6%) (2013)
  - 78.7% of people state it is desirable that grandparents provide supports for childcare and household tasks until children enter elementary schools. (2013)
  - There is a tendency that a couple has more children when living closer to parents.
    - Completed fertility (2010)
    - Living together with parents: 1.99
    - Living close to parents: 2.09
    - Living separately: 1.84

Directions of Upcoming Measures
We will encourage three generations of a family to live under one roof or nearby each other for mutual assistance in taking care of children or grandchildren.

Concrete Measures
- Following the urgent measures, we will enhance rent reduction in a case where a family wish small children entering an UR housing and a parent family supporting childcare live nearby each other. (Within 5 years: 5% → 20%)
- We will provide supports for construction of high-quality housings which are multigenerational as well as renovation. (if more than 2 of the following places (kitchen, bathroom, toilet, entrance) become multiple each, the amount of subsidy becomes as follows; New construction 300,000 yen/house at maximum, Renovation 500,000 yen/house at maximum)
- We will take a preferential income tax measure (tax deduction) to aid renovation. (if more than 2 of the following places (kitchen, bathroom, toilet, entrance) become multiple each, exclude 10% of the standard construction cost from the amount of income tax OR exclude 2% (at maximum) of the amount of loan’s balance for 5 years)
- We will attract childcare facilities and welfare facilities when public rented housing estates are rebuilt.

Index
- The achievement rate of the standard of floor space needed to ensure various life styles essential for abundant housing life depending on the number of people in a household
  - 50% (2025, nationwide)
  - (nationwide 42% in 2013)
  - (urban cities 37% in 2013)
Directions of Upcoming Measures

We will cope with various needs of childcare including parents’ employment after childbirth or while raising children as well as response to children’s sickness, prepare various childcare arrangements and “After-school Kids’ Clubs”. We will also enhance learning and experiencing activities after school.

Comprehensive measures, the efforts above as well as ensuring of human resources capable of providing childcare, will be taken to eliminate childcare waiting lists by the end of FY2017 and eliminate waiting lists of “After-school Kids’ Clubs”. We will keeping the number of children on waiting lists zero afterward.

From FY2018 onward, we will work on ensuring childcare arrangements considering further increase in women’s employment, progress in working style reforms and efforts of encouraging people to take childcare leaves.

※ If the employment rate of women (aged from 25 to 44 years) increases to about 80%, the utilization rate of childcare services (of children aged from 1 to 2 years) is expected to increase to about 60% if we systematically extend the latest trend of the rate.

Concrete Measures

- In order to eliminate childcare waiting lists by the end of FY2017, we will prepare additional childcare arrangements from for 400,000 children to for 500,000 children. As urgent policies to be conducted until elimination of childcare waiting lists, we will promote placement of childcare concierges, supports for unique services of childcare provided by local governments including providing part of the running cost of unilateral facilities owned by local governments, utilization of temporal day service for urgent use, encouragement of broad-utilization of childcare centers, expansion of financial supports for improvement in facilities and enhancement of financial supports for renovation. Based on implementation status and opinions of local governments, we will promptly and flexibly discuss the future measures.

- We will expand arrangements of various services provided by various operating bodies (including childcare for sick children, extended childcare, temporal daycare and supports for children with disabilities) and discuss flexible method of utilization based on needs.

- We will promote smooth migration of children who have finished small-scare childcare services.

- We will promote expansion of arrangements by further utilization of local infrastructures including empty classrooms and government-owned sites.

Especially, in order to cope with various needs for childcare according to the actual circumstances of employment and childcare, we will provide supports for improvement and operation of business-led childcare services from FY2016 and promote popularization of business-led supports for users of babysitters and business-led childcare for sick children. As a revenue resource for these efforts, we will raise the upper limit of the contribution rate of business operators (from 0.15% to 0.25%) and raise the rate in stages to 0.20% in FY2016 and 0.23% in FY2017. As for the rate from FY2018 onward, we will decide following the discussion based on implementation status.

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<tr>
<td>Preparation of Arrangements of Various Childcare Services</td>
<td>Increase in additional childcare arrangements from for 400,000 children to for 500,000 children</td>
<td>Implementation of urgent measures (placement of childcare concierges, supports for unique services provided by local governments including providing part of the running costs of unilateral facilities owned by local governments, utilization of temporal day service for urgent use, encouragement of broad-utilization of childcare centers, expansion of financial supports for improvement in facilities and enhancement of financial supports for renovation) (to be discussed based on implementation status)</td>
<td>Expansion of childcare arrangements for about 50,000 children by business-led childcare</td>
<td>Supports for users of babysitters and business-led childcare</td>
<td>The contribution rate 0.20%</td>
<td>The contribution rate 0.23%</td>
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<td>Promotion of Business-led Childcare (Enhancement of Contribution of Business Operators)</td>
<td>Submission of the bill</td>
<td>Exploitation and diffusion of the proposal to provide support by business operators</td>
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Ensuring of childcare arrangements considering further increase in women's employment and progress in working style reforms

Appropriate measures toward ensuring of revenue resources based on the Outline of Measures for Society with Decreasing Birthrate

Discussion based on Article 2, the Act on Child and Childcare Support

The contribution rate: to be decided following the discussion

The number of children on childcare waiting lists: Eliminatio by the end of FY2017 (April, 2015: for 219,000 children)

(April, 2015: 23,167 children)
**Challenges in People’s Daily Lives**

People are not able to find places providing childcare although they hope to be employed after childbirth or while raising children.

- The number of children on childcare waiting lists: 23,167 children (April, 2015)
- The percentage of married women, who are not employed, stating “Being not able to find places to leave children” as a reason for not being employed: 22.4% (November, 2011)

People have difficulties in balancing childcare with working because they have to take time off from work when they urgently need to take care of their sick children.

- The number of children attending “After-school Kids’ Clubs”: 1,025,000 children (May, 2015, +88,000 children (compared to the previous year))
- The number of children on waiting lists of “After-school Kids’ Clubs”: 16,941 children (May, 2015, +6,996 children (compared to the previous year))

**Concrete Measures**

- In order to break down so called the “first grade barrier”, which dual-income households often face, and develop human resources who will lead the next generation, we will prepare arrangements of “After-school Kids’ Clubs” for approximately 1,220,000 children by the end of FY2019. (we have been preparing additional arrangements for 300,000 children from FY2014.) We will jointly operate “After-school Kids’ Clubs” and “After-school Kids’ Classes” in all elementary school districts, which is approximately 20,000 districts across the nation and integrally operate clubs and classes in a half of them, which means approximately 10,000 districts Furthermore, in order to accelerate our efforts, we will continuously encourage utilization of school facilities and discuss the way to bring forward preparation of additional arrangements and complete it by the end of FY2018.

- We will promote improvement in working conditions of staffs at “After-school Kids’ Clubs” according to their experiences and reduction in their labor burdens. We will make sure that related budget actions will be appropriately reflected to wages in budget-implementing processes.
Giving Birth to and Raising the Number of Children Desired (Elimination of Childcare Waiting Lists)

Ensuring of Various Human Resources Capable of Providing Childcare Services and Improvement in Productivity (Part 1)

**Challenges in People’s Daily Lives**
There are few childcare providers capable of providing needed childcare services.
- Jobs-to-applicants ratio (of childcare providers) : 2.21 (5.45 in Tokyo alone)
- Jobs-to-applicants ratio (of all industries) : 1.23 (March, 2016, raw figure)

It is pointed out that low wages of childcare providers make it difficult to ensure human resources.
- The average annual income of childcare providers : 3,220,000 yen
- The average annual income of female workers of all industries : 3,730,000 yen
  (Since 95% of childcare providers are women, we use the average annual income of female workers only for comparison here)

It is pointed out that it is difficult for childcare providers to foresee their own career tracks, which leads to their short duration of service.
- The average duration of service (of childcare providers) : 7.7 years
- The average duration of service (of female workers of all industries) : 9.4 years
  (Since 95% of childcare providers are women, we use the average duration of service of female workers only for comparison here)

**Directions of Upcoming Measures**
In order to ensure childcare providers (+90,000 providers by the end of FY2017, compared to FY2013) needed to supply childcare services demanded, we will comprehensively promote improvement in their working conditions, ensuring and development of various human resources, reduction in labor burdens through improvement in productivity and improvement in the environment where they can work feeling comfortable while ensuring stable revenue resources.

**Concrete Measures**
Improvement in Working Conditions of Childcare Providers

- As for working conditions of childcare providers, in addition to a pay rise equivalent to 2% according to the recommendation by the National Personnel Agency in FY2015, we also implemented another pay rise equivalent to 3%, utilizing consumption-tax revenue, and one more pay rise equivalent to 1.9% within the supplementary budget for FY2015. Furthermore, we will newly implement a pay rise equivalent to 2% as part of further “improvement in quality” described in the “Basic Policy on Economic and Fiscal Management and Reform 2015”. We will additionally improve working conditions for childcare providers with skills and experiences in order to eliminate a wage gap between childcare providers and female workers across all industries, which is currently around 40,000yen, making budgetary steps be reflected in actual wages appropriately in execution processes and building career development schemes. Also, we will correspondingly improve working conditions of workers in children’s nursing homes, considering their work contents. We will also reduce a wage gap between male workers and female workers across industries as a whole, promoting efforts based on the Act of Promotion of Women’s Participation and Advancement in the Workplace and toward “equal pay for equal work”. We will further improve working conditions of childcare providers as needed.

- In order to contribute to appropriate setting of an official price, we will conduct fact-finding surveys on management of childcare centers.

1. This includes working conditions of workers of certified child’s gardens under the new child and childcare support system and kindergartens.
2. Monthly wages are those of June, 2015. Special salaries including bonuses and year-end benefits are those of the year 2014. Both of them are the results of basic survey on wage structure which was conducted in 2015. We will examine concrete actions in a budget-making process, considering a wage trend of female workers across all industries and that of childcare providers (including reflections of related budget actions in FY2015 and FY2016).
## Ensuring of Various Human Resources Capable of Providing Childcare Services and Improvement in Productivity (Part 2)

### Challenges in People’s Daily Lives
- There are few childcare providers capable of providing needed childcare services.
  - Jobs-to-applicants ratio (of childcare providers) : 2.21 (March, 2016, raw figure)
  - Jobs-to-applicants ratio (of all industries) : 1.23 (March, 2016, raw figure)

It is pointed out that low wages of childcare providers make it difficult to ensure human resources.
- The average annual income of childcare providers : 3,220,000 yen
- The average annual income of female workers of all industries : 3,730,000 yen
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It is pointed out that it is difficult for childcare providers to foresee their own career tracks, which leads to their short duration of service.
- The average duration of service (of childcare providers) : 7.7 years
- The average duration of service (of female workers of all industries) : 9.4 years
(Since 95% of childcare providers are women, we use the average duration of service of female workers only for comparison here)

### Concrete Measures

**Ensuring and Development of Various Human Resources**

- We will enhance a scheme where a student seeking to become a childcare provider can borrow his or her school fee as a forgivable loan as well as a scheme where a former childcare provider seeking to return to this occupation can borrow his or her reserve for re-enter employment.
- We will promote utilization of various human resources by conducting examinations of childcare providers twice a year (expansion of prefectures where this measure is adopted), training programs, revision of management of related systems including allowing more flexibility in the placement of childcare providers in childcare centers.
- We will promote matching supports provided by Childcare - Daycare Support Centers.
- In order to unfold options of various working styles for workers in childcare centers, we will fully enforce prioritized immigration of preschool children of childcare providers.
- We will promote employment of the elderly in childcare sector by focusing on financial supports for Silver Human Resources Centers positively working on offering employment opportunities in childcare sector.
- We will collect best practices of improvement in issues regarding employment management in childcare-related businesses, then convert them into tools useful for Hello Works to provide guidance about employment management and promote commoditization of them.
- We will enhance supports for businesses helping childcare providers develop their own careers by improving career tracks.

**Improvement in Productivity**

- We will promote utilization of various human resources by allowing more flexibility in the placement of childcare providers in childcare centers.
- We will promote matching supports provided by Childcare – Daycare Support Centers.
- We will promote establishment of flexible working systems where short-time working childcare providers are hired.
- We will promote looking-after supports for children of childcare providers and expand the range of human resources capable of providing childcare assistance.
- We will encourage labor departments, Hello Works and local governments to work together to implement intensive measures, which are harmonized with situation of each region, to ensure human resources capable of providing childcare.
- We will encourageHello Works to guide childcare providers to job training opportunities.
- We will promote employment of the elderly in childcare sector by providing them with job training opportunities.
- We will promote looking-after and supports for children of childcare providers and expand the range of human resources capable of providing childcare assistance.
- We will encourage Hello Works to promote establishment of flexible working systems where short-time working childcare providers are hired.
- We will encourageHello Works to guide childcare providers to job training opportunities.

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<tr>
<td>Ensuring and Development of Various Human Resources</td>
<td><strong>Enhancement of forgivable loan and a system of reserve for re-enter employment for formal childcare providers (Until elimination of childcare waiting lists)</strong></td>
<td><strong>Conducting examinations of childcare providers twice a year (expansion of prefectures where this measure is adopted), Promotion of training programs</strong></td>
<td><strong>Allowing more flexibility in the placement of childcare providers in childcare centers</strong></td>
<td><strong>Promotion of matching supports provided by Childcare – Daycare Support Centers, Enforcement of prioritized immigration of preschool children of childcare providers, Promotion of short-time working regular employee systems, Promotion of establishment of flexible working systems where short-time working childcare providers are hired</strong></td>
<td><strong>Promotion of looking-after supports for children of childcare providers, Expansion of the range of human resources capable of providing childcare assistance</strong></td>
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<td>Improvement in Productivity</td>
<td><strong>Supports for improvement in the working environment to reduce labor burdens shouldered by childcare providers by placing childcare assistance stages and utilizing ICT, Promotion of Reduction in amount of documentations including childcare records and applications for operational expenses and unification of their templates across local governments, Promotion of grouping of businesses</strong></td>
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**Index**

- The number of children on waiting lists of “After-school Kids’ Clubs”: elimination of the lists by the end of FY2019 (May, 2015: 16,941 children)
Giving Birth to and Raising the Number of Children Desired (Improvement in the Environment Where People can Balance Childcare with Working)

⑧ Promotion of Working-style Reforms (Part 1) (shared by “Toward No One Forced to Leave Their Jobs for Nursing Care”)

Directions of Upcoming Measures
Our biggest challenge in the coming 3 years is working-style reform. We will work on improvement in working conditions of non-regular workers including realization of “equal pay for equal work”, improvement in practices of long working hours including suppression of the total working hours and promotion of employment of the elderly including encouraging businesses to raise the retirement age to 65 and extend employment beyond the age of 65, which leads to options of various working styles.

Concrete Measures
(Improvement in Working Conditions of Non-regular Workers)

- In order to enable women and youths to choose various and flexible working styles, we should enforce improvement in working conditions of non-regular workers even more. Toward “equal pay for equal work”,

  ① In order to establish appropriate application of Labor Contract Act, Act on Improvement, etc. of Employment Management for Part-Time Workers and Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers, we will formulate and publicize guidelines regarding what kinds of treatment gaps are reasonable and unreasonable, providing case studies.

  ② Through formulation of guidelines, we will reveal treatment gaps which should be corrected. In order to correct them smoothly, referring to European institutions, we will consider collectively revising these acts and submitting the related bills, taking account of preparing stipulations which support judicial rulings regarding treatment gaps which are unreasonable and preparing obligations, which are imposed on businesses, to explain treatment gaps between non-regular workers and regular workers.

- As for the minimum wage, we will raise it at an annual rate of approximately 3%, considering the growth rate of nominal GDP. Through this increase in the minimum wage, we will aim for the national weighted average to reach 1,000 yen. To accomplish this goal, we will support improvement in productivity of small and medium-sized businesses and improve their business conditions.

Challenges in People’s Daily Lives
<Non-regular Workers>

There are a number of women who choose non-regular employment by their own requests in their mid-30s or later. There are many people wishing to choose various working styles while providing childcare and nursing care at the same time.

- The percentage of people who are forced to work as non-regular workers against their will (average in 2014)
  
  Both men and women
  
  aged 25-34 yrs 28.4%, aged 35-44 yrs 18.7%
  
  aged 45-54 yrs 18.3%, aged 55-64 yrs 16.9%
  
  Women among them
  
  aged 25-34 yrs 21.2%, aged 35-44 yrs 12.9%
  
  aged 45-54 yrs 13.2%, aged 55-64 yrs 11.4%

A wage gap between regular workers and non-regular workers in Japan is larger than that of European nations.

- The wage level of part-time workers in relation to full-time workers:
  
  Japan 56.6%, USA 30.3%, UK 71.4%, Germany 79.3%, France 89.1%, Italy 70.8%, Netherlands 78.8%, Denmark 70.0%, Sweden 83.1%

- The percentage of people who are forced to work as non-regular workers against their will (average in 2014)

  Both men and women
  
  aged 25-34 yrs 28.4%, aged 35-44 yrs 18.7%
  
  aged 45-54 yrs 18.3%, aged 55-64 yrs 16.9%
  
  Women among them
  
  aged 25-34 yrs 21.2%, aged 35-44 yrs 12.9%
  
  aged 45-54 yrs 13.2%, aged 55-64 yrs 11.4%

A wage gap between regular workers and non-regular workers in Japan is larger than that of European nations.

- The wage level of part-time workers in relation to full-time workers:
  
  Japan 56.6%, USA 30.3%, UK 71.4%, Germany 79.3%, France 89.1%, Italy 70.8%, Netherlands 78.8%, Denmark 70.0%, Sweden 83.1%
### Challenges in People’s Daily Lives

**<Practices of Long Working Hours>**

There are more people working long hours in Japan compared with other western nations, which makes people have difficulties in balancing family life with working.

- The ratio of workers working more than 49 hours a week:
  - Japan 21.3%, USA 16.6%, UK 12.5%, France 10.4%, Germany 10.1%

**<Employment of the Elderly>**

Although nearly 70% of the elderly wish to work beyond the age of 65, our employment system for the elderly is still inadequate.

- The percentage of the elderly wishing to work beyond the age of 65 : 65.9%
- The employment rate of people above the age of 65 : 21.7% (2015)
  - (2013 : USA 17.7%, UK 9.5%, France 2.2%, Germany 5.4%, Italy 3.4%)

### Concrete Measures

**<Improvement in Practices of Long Working Hours>**

- In order to suppress the total working time, we will promptly enhance enforcement of legal regulations.
  - We will strengthen guidance on Article 36 of the Labor Standards Act for employers who have agreements with their employees about overtime work and who have set long work hours that are undesirable from a health standpoint.
  - Relevant ministries and agencies will join forces to create a framework that can correct the practice of long working hours through the transaction conditions set for subcontractors and others. For example,
    - The Ministry of Health, Labor and Welfare, Small and Medium Enterprise Agency and Japan Fair Trade Commission will create an institution where the government can improve practices of long working hours by placing regulations on suspected violation of Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors or the Antimonopoly Act, when it is considered as a background of long working hours.
    - As for IT industries and trucking industries, we will promote improvement in the present scheme of transaction, which forces contractors to cope with sudden change in specifications and to stand by for a long time, and reduction in long working hours with a collaboration among a contractee, a cargo owner and a contractor. We will also improve working conditions in medical industries.
  - In order to encourage businesses to improve practices of long working hours and autonomously introduce a system of working intervals, we will provide new supports for businesses actively trying to give advice and guidance, which are based on specific knowledge and know-how, to their employees and to introduce related systems.
    - As for the Labor Standards Act, we will once again consider the state of regulations on extra working hours contained in Article 36.
    - We will promote teleworks and review of the Act of Promotion of Women’s Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children toward improvement in practices of long working hours of youths.

**<Promotion of Employment of the Elderly>**

- In order to raise the retirement age and extend employment beyond the age of retirement in the future, we will set 5 years of “Period of Concentrated Efforts” (FY2016-FY2020) and enhance supports for businesses raising the retirement age to 65 and extending employment beyond the age of 65, developing manuals for businesses and encouraging them to make efforts.
  - We will verify incentive effects and the actual situation of employment of the elderly in FY2020 and reconsider the state of related systems.

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<td><strong>Improvement in Practices of Long Working Hours Including Suppression of the Total Working Hours</strong></td>
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<td>Enhancement of guidance to a business where an extra work of more than 100 hours per month is grasped</td>
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<td>Joint efforts made by relevant ministries and agencies to create a framework that can correct the practice of long working hours through the transaction conditions set for subcontractors and others</td>
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<td>Review of the state of regulations on long working hours contained in Article 36 of the act</td>
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<td><strong>Promotion of Employment of the Elderly</strong> (shared by “Toward No One Forced to Leave Their Jobs for Nursing Care”)*6</td>
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<td>Supports for businesses raising the retirement age to 65 and extending employment beyond the age of 65, developing manuals for businesses and encouraging them to make efforts</td>
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The ratio of workers working more than 49 hours a week : 21.3% (2014) → The equivalent level compared to European nations.

The employment rate of people above the age of 65 : 21.7% → enable all the elderly wishing to work to be employed.

*6: Shared by “Toward No One Forced to Leave Their Jobs for Nursing Care”
Toward the “Desirable Birthrate of 1.8”

### Challenges in People’s Daily Lives

When we see changes in labor participation ratio of women, “M-shaped curve” caused by women who once leave their jobs due to marriage or childcare and then return to work after the main part of their childcare is settled can be seen.

- The number of non-labor force population of women hoping to be employed: 3.01 million people
- The number of people (aged from 25 to 44 years) among them: 1.52 million people (50.5%)

The percentage of women in leading position is low.

- The percentage of women at the director level in private companies: 9.8%
- The percentage of women at the director level in main offices of government ministries: 3.5%
- The percentage of women at the director level in main offices of local governments: 8.5% (prefectures), 14.5% (municipalities)

**Efforts to prevent sexual harassments and maternity harassments are inadequate.**

- The percentage of businesses working on preventing sexual harassments: 59.2%

### Directions of Upcoming Measures

In order to enable women to return to regular positions after quitting jobs to provide childcare and to develop their own careers even more, we will encourage businesses to make efforts and offer practical opportunities of relearning at universities and specialized training colleges. We will promote development of human resources to be promoted to leading positions. We will also encourage businesses to compile their action plans and disclose information related to the empowerment of women. Measures to prevent sexual and maternity harassments will be also provided.

### Concrete Measures

- In order to enable women to return to regular positions after quitting jobs to provide childcare even more, we will request businesses to make efforts, spread advanced cases and discuss adding contents of efforts of helping women return to work to disclosure items designated by the Act of Promotion of Women’s Participation and Advancement in the Workplace. Furthermore, we will offer practical opportunities of relearning at universities and specialized training colleges for women seeking to return to work or develop their careers. As for the “Mother’s Hello Work” project, we will enhance the number of its hubs as well as its functions according to needs.

- We will popularize the Women’s Leadership Model Program nationwide and promote advanced efforts including leadership training programs for women who are candidates for executive positions in order to enable them to keep on working and develop themselves as human resources to be promoted to executive positions.

- We will enhance supports for female entrepreneurs embodying the new career stages of women.

- In order to prevent sexual and maternity harassments, we will cultivate not only people in charge of personnel affairs but also general workers and on-site supervisors by steadily enforcing the revised Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment and improving the systems of the prefectural labor departments.

- We will enhance countermeasures against sexual crimes including promotion of establishment of one-stop support centers.

### Promotion of the Empowerment of Women (Part 1)

#### Fiscal Years Measures

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<td>Improvement in the Environment to Offer Re-entry Employment and Relearning Opportunities</td>
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<td>Development of Leading Women, Supports for Female Entrepreneurs</td>
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<td>Promotion of Countermeasures against Harassments and Violation</td>
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#### Promotion of measures based on the Basic Plan for Gender Equality

- Requesting businesses to make efforts to enable regular workers to return to their positions after quitting jobs to provide childcare, spreading advanced cases
- Offering practical opportunities of educational and occupational trainings and relearning for women who once quitted their jobs to provide childcare, supports for re-entry employment by a collaboration between universities and “Mother’s Hello Works”
- Popularizing the Women’s Leadership Model Program nationwide, Promotion of advanced efforts including leadership training programs for women who are candidates for executive positions, Supports for female entrepreneurs
- Steadily preventing maternity harassments based on the Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women, Cultivation of supervisors and colleagues of female workers
- Enhancement of related measures based on the state of implementation of measures after the revision of the act
- Enhancement of countermeasures against sexual crimes including promotion of establishment of one-stop support centers

The percentage of businesses which have formulated action plans based on the new act on the empowerment of women: Large enterprises (with more than 301 employees): 100% (as soon as possible)

SMEs (with less than 301 employees): 100% (2026)


The percentage of business offices introducing short-time working on employee systems: 20% (FY2020)

The percentage of businesses working on preventing harassments: 59.4% → 100%

The Index indicates the state of implementation of measures after the revision of the Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women. The index is calculated on the basis of the percentage of the number of businesses which have formulated action plans based on the new law on the empowerment of women against the total number of registered businesses.
Toward the “Desirable Birthrate of 1.8”

Giving Birth to and Raising the Number of Children Desired (Improvement in the Environment Where People can Balance Childcare with Working)

⑨ Promotion of the Empowerment of Women (Part 2)

### Challenges in People’s Daily Lives

When we see changes in labor participation ratio of women, “M-shaped curve” caused by women who once leave their jobs due to marriage or childcare and then return to work after the main part of their childcare is settled can be seen.

- The number of non-labor force population of women hoping to be employed : 3.01 million people
- The number of people (aged from 25 to 44 years) among them : 1.52 million people (50.5%)
- The percentage of women in leading position is low.
  - The percentage of women at the director level in private companies : 9.8%
  - The percentage of women at the director level in main offices of government ministries : 3.5%
  - The percentage of women at the director level in main offices of local governments : 8.5% (prefectures), 14.5% (municipalities)

Efforts to prevent sexual harassments and maternity harassments are inadequate.

- The percentage of businesses working on preventing sexual harassments : 59.2%

### Concrete Measures

Based on the Act of Promotion of Women’s Participation and Advancement in the Workplace, we will encourage businesses to formulate their action plans toward the empowerment of women and disclose information on women’s activities within each business. As for large enterprises, we will make all of them implement these measures. We will promote intensification of all the disclosed information as a database and make it easier to compare businesses.

At the same time, we will encourage SMEs to voluntarily formulate their action plans and help them acquire certifications as leading companies. We will also help local governments promote the empowerment of women considering the current situation of each region. The Act of Promotion of Women’s Participation and Advancement in the Workplace will be reviewed three years after its enforcement. On the occasion of revision, from the viewpoint of further promotion of the empowerment of women and based on the situation of efforts made by businesses, we will discuss how to enhance the existent efforts including making some disclosure items required and expanding the range of the obligation of formulating an action plan as well as the possible revision of the Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women.

- From FY2016, we will set work-life-balance as an evaluation factor within a public purchase by the national government, which often adopts the comprehensive evaluation bid system, according to a content of a contract. We will encourage incorporated administrative agencies, which are under the jurisdiction of central government ministries, local governments and private businesses to make similar efforts as well.
- In order to enable people to choose various working styles they desire to balance family lives with working, we will promote working style reforms including improvement in practices of long working hours as well as realization of “equal pay for equal work”, improve systems to enable businesses to introduce institutions including temporally limited regular workers and geographically limited regular workers, teleworks and flexible time systems.
- In order to improve the environment where people can balance childcare with working, considering the acquisition rate of childcare leave by non-regular workers is low, we will encourage them to take leaves. We will prevent unfair treatments to workers due to their pregnancy, childbirth and leaves.
- In order to encourage men to proactively participate in household works, childcare and nursing care, we will conduct comprehensive discussions on offering incentives to businesses promoting childcare leaves taken by male workers, fostering people’s momentum and measures for further promotion.
- We will also enable people to express their original family names on their My-Number cards by revising the Order for Enforcement of the Basic Resident Registration Act. We will conduct surveys on the present situation and challenges regarding use of people’s original family names in procedures of passports or bank accounts and implement necessary measures.

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<td><strong>Promotion of measures based on the Basic Plan for Gender Equality</strong></td>
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<td>Encouraging large enterprises to formulate action plans, steadily fulfill the obligation of disclosure of information and help them acquire certifications as leading companies</td>
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<td>Helping local governments promote the empowerment of women considering the current situation of each region</td>
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<td>Setting work-life-balance as an evaluation factor within a public purchase by the national government, which often adopts the comprehensive evaluation bid system according to a content of a contract, encouraging incorporated administrative agencies and other organizations to make similar efforts</td>
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<td>Enforcement of the revised Act on Childcare and Family Care Leave, encouraging non-regular workers to take childcare leaves</td>
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<td>Discussion on revising legal systems (including Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women)</td>
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<td>Enhancement of efforts following revision of legal systems based on the actual situation of efforts made by businesses</td>
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<td>Popularization of various working styles including various regular workers and improvement in a consulting system</td>
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<td>Offering incentives to businesses promoting childcare taken by male workers, comprehensive discussions on measures for further promotion</td>
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**The percentage of businesses which have formulated action plans based on the new act on the empowerment of women**

Large enterprises (with more than 301 employees) 100% (as soon as possible)

SMEs (with more than 101 employees) 100% (2016)

**The percentage of the male supervisors**

- Prefectural: 15%
- Municipalities: 20%
- Under the Jurisdiction of central government ministries, local governments and private businesses: 20% (2020)

**The percentage of business offices introducing short-time working or regular employee systems** 20% (FY2020)

**The percentage of businesses working on preventing harassments** 59.2%  → 100%
Toward the “Desirable Birthrate of 1.8”

Giving Birth to and Raising the Number of Children Desired (Improvement in the Environment Where People can Balance Childcare with Working)

10 Supports Harmonized with Actual Situations of Local Communities

### Challenges in People’s Daily Lives

There are differences in the birthrate among local communities.

- Tokyo 1.15 ↔ Okinawa 1.86 (2014)
  - Toyonocho, Osaka 0.82 ↔ Isehno, Kagoshima 2.81 (2008-2012)

There are people who think they are not able to comfortably get married, get pregnant, give birth to and raise children.

- The percentage of people thinking a society where people can comfortably get married, get pregnant, give birth to and raise children has already been realized : 19.4% (FY2013)

In addition to workers hired by businesses, we should improve welfare of self-employed people and small and medium-sized business owners.

### Directions of Upcoming Measures

We will promote countermeasures against the declining birthrate and aging population and working style reforms which are harmonized with actual situations of local communities.

#### Concrete Measures

- As for regional government-labor-management meetings, which consist of local stakeholders including local governments, labor and management organizations, we will encourage people who are at top positions of these governments and organizations to attend the meetings and promote measures to be taken. Also, we will make regional financial institutions participate in these meetings to deepen discussions toward improvement in productivity, therefore to establish a further virtuous cycle of a local economy. We will set this regional government-labor-management meetings as regional meetings for working style reforms. In order to enable local communities to analyze their own characteristics and challenges and promote measures in these meetings, all the related ministries will jointly support them through a support team for regional working style reforms.
- Through model projects, we will spread the advanced efforts of working style reforms including improvement in hubs which provide comprehensive and one-stop supports regarding working styles, on-demand consultation supports for employers and employees, supports for young workless people and single parents toward their retention in local communities and promotion of acquisition of vacation or childcare leaves, which is proceeded by a whole local community.
- We will enable students living in Tokyo area, who originally came from local regions, and students living in their hometowns to participate in internship opportunities in local businesses in order to promote a back-flow of human resources to local regions and retain students in their hometowns.
- We will positively transmit attractiveness of works and lives in local regions and enhance employment supports provided by “New Graduates Support Hello Works” to enable new graduates to be employed in local regions. Also, we will enhance employment supports for non-regular workers in urban areas so that they can be employed as regular workers in local regions. In addition, utilizing a “Youth-Yell” certification system and portal sites, we will promote matching between local SMEs and young people.
- With collaboration and coproduction between local communities and schools, we will promote efforts, which are made by the whole society and joined by local residents including the elderly, to support children’s learning and growth nationwide. We will spread a scheme where local coordinators work on enhancing individual activities including education, reading activities, cultural and artistic activities and natural experiences, supports for home education, which are implemented on Saturday and after school, and formulating networks with related agencies. By FY2017, we will start applying this scheme to all the elementary school districts and all the junior high school districts. We will enhance related measures while revising them at the same time.
- We will encourage related labors, managements and local governments to set up regional councils, request businesses and residents to systematically utilize annual paid leaves in line with schedules of local events and foster momentum of acquisition of leaves in each region.
- We will improve the environment so that self-employed people and small and medium-sized business owners can comfortably start working.

### Fiscal Years Measures

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<tr>
<td>Supports for Regional Meetings for Working Style Reforms</td>
<td>Setting up conferences in all prefectures</td>
<td>Analyzing reflecting in characteristics, regional and local strategies</td>
<td>Joint supports provided by all the related ministries</td>
<td>Promotion and sequential revision of working style reforms proceeded by a whole local community</td>
<td>Setting up support system</td>
<td>Setting up support systems enabling young people to be employed &quot;New Graduates Support Hello Works&quot;</td>
<td>Setting up support systems enabling young people to be employed &quot;New Graduates Support Hello Works&quot;</td>
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<tr>
<td>Spreading of the Advanced Efforts of Working Style Reforms and Promotion of a Backflow of Human Resources to Local Regions</td>
<td>Implementation of model projects targeting prefectures and municipalities</td>
<td>Implementation of measures to expand opportunities in local regions including utilization of internships</td>
<td>Sequential revision based on discussion in regional meetings for working style reforms</td>
<td>Sequential revision based on discussion in regional meetings for working style reforms</td>
<td>Implementation of measures to further enable students and non-regular workers to be employed as regular workers in local regions</td>
<td>Promotion of measures to further enable students and non-regular workers to be employed as regular workers in local regions</td>
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<tr>
<td>Promotion of Activities of Supporting Children’s Learning and Growth by the Whole Local Community</td>
<td>Substitution of staff to senior related acts including the Social Education Law, enhancement and collection of cases and measures to support the provision of “New Graduates Support Hello Works”</td>
<td>Follow up of situations after enforcement</td>
<td>Follow up of situations after enforcement</td>
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<td>Populization and establishment of guidelines and collection of cases</td>
<td>Guidelines : referential manuals for local governments setting up regional headquarters for reproduction with school</td>
<td>Dialogue and implementation of further supports in terms of organizational and financial aspects based on implementation status</td>
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- The percentage of people thinking a society where people can comfortably get married, get pregnant, give birth to and raise children has already been realized : more than 40% (2008-2012) : 19.4% (FY2013)
- The percentage of workers working more than 60 hours a week : 5% (2015 : 8.2%)
- The acquisition rate of annual paid leaves : 71% (2014 : 47.1%)
- The acquisition rate of childcare leaves (male workers) : 13% (2014 : 2.3%)
- Regional headquarterers for reproduction with school to be set up in all the elementary school districts and all the junior high school districts in 2022
Giving Birth to and Raising the Number of Children Desired, Improvement in the Living Environment of Families with Single Parents (Reduction in Burdens of Educational Costs and Enhancement of Consulting Systems)

**Overcoming of Various Constraints Preventing Access to Desirable Education (Part 1)**

**Challenges in People’s Daily Lives**

Want to give birth to and raise the number of children desired regardless of the economic situation in the household.

- The percentage of people stating financial burden of childcare and education as a reason for not being able to have the number of children desired (60.4%) (2010)
  - The percentage becomes higher in younger generation.
  - The percentage of people stating the same problem as a reason for not being able to have the third child: 71.1%
- The largest economic burdens regarding childcare (2012)
  1. School education costs (universities, junior colleges, professional schools) 55.6%
  2. Education costs including those for cram schools (except those for schools) 47.0%
  3. Costs childcare centers, kindergartens and certified child’s gardens 39.1%
- The percentage of high school students proceeded to four-year colleges (2012)
  - More than 10,500,000 yen: 62.9%
  - 4,000,000 yen: 27.8%

**Directions of Upcoming Events**

It is important for us to improve the educational environment where people can comfortably give birth to and raise children. We will work on improving the environment where inequalities are not descend and every single child can receive desirable education in order to make their dreams come true regardless of the economic situation in the household.

**Concrete Measures**

- In order to ensure opportunities of high-quality early-childhood education for all the children, we will expand the early-childhood education offered free of charge in stages, ensuring stable revenue resources.
- In order to enable children to choose schools, both public ones and private ones, according to their own motivations and capacities and regardless of the economic situation of the household, we will work on educational supports for children receiving compulsory education. Also, in order to enable all the children having motivations to comfortably receive education, we will provide high school students with scholarships and reduce burdens of educational costs except tuition fees for low-income families.
- In order to enable everyone, who hopes to enter a university or a specialized training college, to do so, regardless of the economic situation of the household, we will enhance measures for the exemption of tuition fees of universities as well as the scholarship systems as follows.

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<th>Fiscal Years</th>
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<td>Expansion of the Early-childhood Education Offered Free of Charge</td>
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<td>Increase in the number of students receiving interest-free scholarships</td>
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<td>Introduction and operation of a new type of scholarship with its amount of monthly payment linked to an applicant’s income after graduation</td>
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<td>Discussion and implementation of further measures to reduce burdens based on the situation</td>
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<td>Refunds by graduates of four-year colleges</td>
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**Table: Fiscal Years and Measures**

- **FY2015**: Reduction in burdens of childcare shouldered by low-income families with multiple children and families with single-parents
- **FY2016**: Enhancement of interest-free scholarships
- **FY2017**: A New type of scholarship with its amount of monthly payment linked to an applicant’s income after graduation
- **FY2018**: System development
- **FY2019**: Fundament plan planning and reservation
- **FY2020**: Reservation
- **FY2021**: Introduction and operation of a new type of scholarship with its amount of monthly payment linked to an applicant’s income after graduation
- **FY2022**: Discussion and implementation of improvement and expansion of institutions following verification of operation status and refund status
- **FY2023**: Discussion and implementation of improvement and expansion of institutions following verification of operation status and refund status
- **FY2024**: Discussion and implementation of improvement and expansion of institutions following verification of operation status and refund status
- **FY2025**: Discussion and implementation of improvement and expansion of institutions following verification of operation status and refund status
- **From FY2026**: Index

- **Index**: The percentage of people stating financial burden of childcare and education as a reason for not being able to have the number of children desired (60.4%) (2010)
  - To be declined in 2020
Challenges in People's Daily Lives
We need to prevent inequality caused by children's refusal to go to schools, dropout, abandoned dream of proceeding to higher education.

- Occupations of people who have dropped out (2012)
  41.6% of them are job-hoppers and 7.7% of them are regular workers
- People who have refused to go to schools tend to have difficulties in education and employment
  The high school enrollment rate of people who refused to go to schools when they were in the 9th grade is 85.1% (general 98.5%), the high school dropout rate is 14.0% (general 1.5%), the college enrollment rate is 22.8% (general 54.6%), the percentage of people not in education and employment is 18.1% (general 7.3%)
- The college enrollment rates (separated by types of the situation of households)
  All types of families 73.2%
  Families with single parents 41.6%
  Families receiving public assistance 31.7%
  Children in children's nursing homes 23.3%
- The lifetime earnings (of men, until their retirement, including retirement benefits)(2013)
  People completed undergraduate courses or graduate courses 312,700,000 yen
  People completed junior high schools as their terminal education 223,000,000 yen

Concrete Measures
- In order to provide detailed guidance on children who need special consideration including those facing educational inequalities caused by poverty, bullying and those refusing to go to schools, those with disabilities, those who are not able to understand Japanese language, we will work on ensuring a guidance system including enhancement of placement of specialized teachers.
- We will prevent children from refusing to go to schools and dropping out. In addition, in order to make them return to schools, we will enhance educational consulting functions of schools. In concrete, by FY2019, we will place school counselors (SC) in all the public elementary school districts and all the junior high school districts. As for school social workers (SSW), we will place them in all the junior high school districts. We will promote educational support centers, which approximately 60% of local governments have already founded, nationwide and enhance their educational consulting functions.
- In order to ensure educational opportunities for people who could not receive compulsory education, we will support children studying at free schools or some other places outside schools and promote founding of night junior high schools.
- We will promote improvement in school facilities where people can comfortably raise children, the elderly and people with disabilities can also gather as hubs of local communities. Especially, we will promote improvement in the secured and comfortable educational environment including countermeasures against damages to school facilities caused by earthquakes and aging.

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<td>School Counselors (SC)</td>
<td>Elementary and junior high 24,000 schools (FY2015) → 27,500 schools (FY2019)</td>
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<td>School Social Workers (SSW)</td>
<td>2,247 workers (FY2015) → 10,000 workers (FY2019)</td>
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<td>Model projects regarding placements of coordinators for promotion of educational support centers</td>
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<td>Model projects regarding supports for children refusing to go to school and studying at free school</td>
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<td>Promoting educational support centers nationwide and placement of social counselors in these centers</td>
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<td>Fulfilling appropriate placement requirements of specialist jobs in schools including enhancement of working time (School Counselors (SC) and School Social Workers (SSW))</td>
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<td>Discussion and implementation of supports for children studying at free schools or some other places outside schools</td>
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<td>To enable students (elementary and junior high) refusing to go to school and hoping to receive consultation to receive it inside or outside the school in 2020 (In FY2014, about 80.0% of students refusing to go to school hoping to receive consultation. The percentage of students who were actually able to receive it was 71.8%, about 8.2% lower than the above figure.)</td>
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**Directions of Upcoming Measures**

We will work on breaking a cycle of poverty over generations, introducing the system that will avoid fixed inequality and promote social mobility.

**Concrete Measures**

- **To support single-parent families**, we enhanced functions of childcare allowance for single parents – double the additional allowance to the second and more children – and reduced the financial burden utilizing childcare facilities to them in the FY 2016’s budget. We will continue considering necessary measures accordingly. Furthermore, we will support local governments prepare places where children can spend their time after attending "After-school Kids’ Clubs" and receive supports of acquiring favorable lifestyles and studying as well as meals.

- **We will strengthen the study-support projects** that provide comprehensive measures with learning support to children and their parents that includes prevention of drop-outs and implementation of home-visits toward children of financially-needed families. We will provide them for 30 thousand people (actual number base) by FY 2019.

- **To support children who tend to fail to keep up with studying due to economic reasons**, we will change the codes of welfare to disregard their child allowance as income: not subtract the amount from their welfare.

- **In order to support efforts of children under welfare trying to be financially independent in the future**, we will enhance supports for high school students during 1988-2011, single mother families had increased by 1.5 times from 849 to 1238 thousand, while single father families had increased by 1.3 times from 173 to 223 thousand.

- In 2013, the number of child-abuse reports from child-consultation centers reached 88,931, which is the 7.6 times increase from 1999 to 2014.

- **We enhanced supports for high school students**. In order to support efforts of children under welfare trying to be financially independent in the future, we will enhance supports for high school students during 1988-2011, single mother families had increased by 1.5 times from 849 to 1238 thousand, while single father families had increased by 1.3 times from 173 to 223 thousand.

- In 2013, the number of child-abuse reports from child-consultation centers reached 88,931, which is the 7.6 times increase from 1999 to 2014.

- **We will also enhance supports for high school students**. In order to enable children who grew up in children’s facilities or in foster families to proceed to higher education, we created a scheme where those children can borrow living expenses in addition to house rent equivalent per month and then be exempted from paying back on some conditions such as continuous employment. We will keep considering other necessary measures.

- **In order to support efforts of children under welfare trying to be financially independent in the future**, we will change the codes of welfare to disregard their child allowance as income: not subtract the amount from their welfare.

- **It will back up their preparation of fund for fees/tuition to study at universities. We will also consider the way of supporting independence of children under welfare further in the process of revising social welfare system and the code of livelihood assistance in the FY 2017.**

**Table: Fiscal Year Measures**

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<tbody>
<tr>
<td>Providing Places for Children</td>
<td>Implementing necessary measures after analyses based on the review of the former measures; reviewing the volume, eligibility, etc.</td>
<td>Reviewing the General Principles of Policy on Poverty among Children</td>
<td>Study-support project for children of financially difficult families: providing support for 30 thousand children (actual number base) by FY 2019</td>
<td>&quot;Chiiki-Mirai-Juku&quot;: study supports for children with cooperation of local residents and utilization of ICT * Increase annually planned up to 1,000 junior high school areas, and expand to 2,000 nationwide</td>
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<tr>
<td>Supporting Children's Study</td>
<td>Implementing necessary measures after analyses based on the review of the effectiveness of the former measures; reviewing the eligibility, methods etc.</td>
<td>&quot;Chiiki-Mirai-Juku&quot;: study supports for children with cooperation of local residents and utilization of ICT * Increase annually planned up to 1,000 junior high school areas, and expand to 2,000 nationwide</td>
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<tr>
<td>Supporting Children’s Independence from Welfare</td>
<td>Implementing necessary measures after considering the improvement based on reviewing the effectiveness of the former measures</td>
<td>Reviewing the treatment of income of families under welfare</td>
<td>Implementing measures after reviewing the way of supporting independence of children under welfare further</td>
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**Index**

- **University Enrollment Rate:** Approaching to the national average – 73.4% (2014) – for the children below:
  - In the single-parent families 41.6% (2011)
  - In the children’s facilities 23.3% (2014)

- **Rate of commission to foster families:** Moving up to 22% (Currently) 15.3% (FY 2014)
Having and Raising Children that People Desire – Improvement in Circumstance of Childcare

Enhancement of Consideration and Measures for Families and Children with Difficulties in Childcare (Part 1)

Challenges in People’s Daily Lives

There are families having difficulties in raising children due to some hard conditions.

- During 1988-2011, single mother families had increased by 1.5 times from 849 to 1238 thousand, while single father families had increased by 1.3 times from 173 to 223 thousand.
- Eighty six percent of single mother have jobs, although 47.4 percent of them are part-time or temporary employees in 2013.
- Single mothers earn 1.81 million yen a year on average by work while their total income 2.23 million yen a year on average in 2013.
- The number of child-abuse reports from child-consultation centers reached 88,931, which is the 7.6 times increase from 1999 to 2014.

Concrete Measures

- To support self-reliance of single parents by paid work, we will improving projects related to loans/benefits to single parents who have willingness to study and acquire licenses (e.g. nurse) thus increase the number of regular workers nationwide. In addition, we will strengthen the support of single parents’ employment through “Mother’s Hello Work” – job replacement offices for single parent –, and also enhance coalition with local governments. Furthermore, we will consider new measures that will promote work to financially needed people, including single parents.
- Since it is crucial for single parents to secure money to make up for raising their children, we will put more emphasis on keeping both parents informed about the proper form of documents pre-determined on costs of upbringing children and possible legal measures to be taken if not executed. Additionally, we will make lawyers more available to single parents in consulting the way of obtaining child-raising payment from their former partners.
- We will set up task force commission with related ministries, dealing with issues such as the more appropriate way of paying childcare allowance for single parents, the system of securing children’s expense from former partners.
- We will respond to the increase of inquiries from parents with children – 750 thousand in FY 2013 to estimated 1.5 million in FY2019 by creating the one-stop services in local governments, allowing for them to reach necessary supports. Moreover, we will tackle on the issue of poverty among children by supporting miscellaneous efforts of organizations in the private sector providing food for children and study support through publicizing and utilizing the Fund for Children’s Future, and promoting further the formation of networking of governing organizations, private enterprises, Non-Profit Organizations. In addition, we consider the way of reaching out financial supports to the children in poverty who need money for education through reforming related systems including charitable trust.
- In response to child-abuse issue in the whole society and to make children’s benefit prioritized, we will promote comprehensive measures including swift and appropriate treatments by strengthening expertise in children’s consultation facilities, and covering the support from preemptive measures to self-reliance of children. Base on those measures, we will consider the way of involvement of courts regarding procedures protecting children in an appropriate way, and promotion of child adaptation, thus resulting in the implementation of the necessary measures.
- In order to support people under welfare who enter the workforce, we will strengthen effective support to employers who hire them. We also support them to continue their work.

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<tr>
<th>Fiscal Year</th>
<th>Measures</th>
<th>Index</th>
</tr>
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<tbody>
<tr>
<td>FY2015</td>
<td>Strengthening loans (*1) and benefits (*2) to single parents schooling for higher skills (eff. way of dealing with clerical work, etc.)</td>
<td>University Enrollment Rate: Approaching to the national average – 73.4% (2014) – for the children below:</td>
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<td>FY2016</td>
<td>Strengthening support in consultation and public relations: raising the percentage of those who check “we have decided the share of expense for raising children” in the divorce form: 62%—70%</td>
<td>In the single-parent families 41.6% (2011)</td>
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<td>FY2017</td>
<td>One-stop service for consultation</td>
<td>In the children’s facilities 23.3% (2014)</td>
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<td>FY2018</td>
<td>Developing national movement, forming the local networking (efficient way of dealing with clerical work, etc.)</td>
<td>FY2019 Rate of commission to foster families: Moving up to 22% (Currently) 16.5% (FY 2014)</td>
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<td>FY2019</td>
<td>Expanding the Center for Child-Care nationally and nation-wide government of the Center for Child-Care at national level (FY2020)</td>
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<td>FY2020</td>
<td>Strengthening Children’s Consultation Facilities</td>
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<td>FY2021</td>
<td>Expanding the whole core local governments</td>
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<td>FY2022</td>
<td>Supporting the reform of local government in the Center of Child-Care</td>
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<td>FY2023</td>
<td>Reviewing the projects such as home visits to all families with little children etc.</td>
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<td>FY2024</td>
<td>Reviewing the way of support public relations, diversifying the methods, etc.</td>
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<tr>
<td>FY2025</td>
<td>Reviewing the projects such as home visits to all families with little children etc.</td>
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(*1) Five hundred thousand yen: if worked for 5 years, the payment be exempted
(*2) Duration from 2 years to 3 years
Utilization of Desirable Nursing Care Services (Supply of the Foundation of Nursing Care)

Ensuring of the Foundation of Nursing Care Services Responding to Utilization Needs of the Elderly

**Directions of Upcoming Measures**

We will prevent people from being forced to leave their jobs because of unavailability of nursing care services and enable the elderly who are forced to wait at their own risk for opportunities to enter intensive care homes for the elderly to enter soon. In order to accomplish these goals, we will improve the foundation of nursing care services responding to utilization needs of the elderly and promote regional comprehensive care.

**Concrete Measures**

1. **Horizontally Expanding Advanced Efforts Made by Local Governments Working on Independence Support and Care Prevention Nationwide**
   - We will horizontally expand best practices of independence support and care prevention for the elderly. In order to do so, we will utilize a system visualizing situations and certification rates (separately by nursing-care levels) of nursing care services and analyze regional situations and enhance PDCA cycle of each municipality. We will also discuss how to offer incentives to prefectures and municipalities according to their implementation status and implement necessary measures at the occasion of the next revision of the long-term care insurance system.

2. **Promotion of Independence Support and Prevention of Increase in Severity**
   - In order to promote independence support and prevention of increase in severity of nursing-care levels, we will implement analysis and standardization of workflows by converting nursing-care records into ICT-friendly formats. Through these efforts, we will popularize methods of appropriate care management and discuss how to evaluate appropriately including giving some kind of treatment regarding long-term care fees to business offices achieving maintenance or improvement of nursing-care levels.

3. **Steady Promotion of Improvement in the Foundation of Nursing Care**
   - Based on the urgent measures, we will accelerate preparation of nursing care arrangements for more than 380,000 people (the amount of increase from FY2015 to FY2020), which is included in present insured Long-Term Care Service Plans, and we will also bring forward and additionally increase preparation of in-home services, facility services and elderly housings with supportive services for approximately 120,000 people. In total, nursing care arrangements for approximately 500,000 people will be improved.

4. **As for government-owned sites leased to nursing care facilities under a fixed-term land lease agreement (those leased under a contract concluded within the period from January 2016 to the end of FY2020 in certain areas), we will reduce the amount of rent by 50% for 10 years from the start of leasing. In addition, as for public sites other than government-owned sites, we will encourage nursing care facilities to utilize them.**

5. **As for nursing care services effectively enabling families providing nursing care to keep on working, we will help local governments precisely conduct surveys considering the current situation of this problem in each region. Result of these surveys will be reflected in the 7th Long-Term Care Service Plans or afterward.**

6. **We will enhance mutual supports between local regions and urban areas by promoting further enhancement and utilization of related schemes including domicile exception for insured people of the long-term care insurance system, considering their own wills as well.**

7. **We will promote supply of privately rented housings where people can comfortably live at reasonable rents, including empty housings, by promoting introduction and mediation conducted by residency support councils.**

**Challenges in People’s Daily Lives**

The number of the elderly who need intensive nursing care is increasing.

- The number of people certified as nursing-care level 3 and above increased 2.2 times from 2000 to 2015. It is projected to increase from 2.13 million people (FY2015) to 4.21 million people (2060).

People want to utilize nursing care services according to nursing-care levels.

- Approximately 100 thousand people leave their jobs to provide nursing care annually. (Employment Status Survey in 2012) The percentage of people stating “unavailability of nursing care services” as a reason for leaving jobs to provide nursing care is estimated to be approximately 15%.

- The number of people certified as nursing-care level 3 and above has increased from 2 million to 2.13 million people in total.

People have difficulties in balancing nursing care with working.

- People who left or changed their jobs to provide family nursing care: 101 thousand people (from October, 2011 to September, 2012)
Challenges in People’s Daily Lives

There are insufficient workers who provide needed nursing care services.
- Jobs-to-applicants ratio in nursing care service: 2.73
- Jobs-to-applicants ratio in all sectors: 1.21 (raw numbers in Mar. 2016)

The reasons of difficulty to staffing workers is lower wage of the nursing care service than that of the other interpersonal services. The duration of nursing care service is also lower than that of the others.
- Nursing care service: Monthly wage = 262.3 thousand yen (incl. bonus), duration of service = 6.1 years
- Interpersonal services: Monthly wage = 273.6 thousand yen (incl. bonus), duration of service = 7.9 years

The nursing care service tends to be high ratio of job separation.
- Nursing care worker: job separation ratio 16.5% (FY2014)
- All sectors: job separation ratio 15.5% (FY2014)

Directions of Upcoming Measures

Towards ensuring the workers who provide needed nursing care services (+250 thousand people by early 2020’s, and the later also ensuring as needed), ensuring stable revenue resources, we will offer a set of comprehensive measures: improving the working treatment, ensuring and developing the various human resources, decreasing the labor burden through the productivity improvement, and preparing the environment where they can work comfortably in the nursing care sector.

Concrete Measures

(enhancing the working treatment)

- As for working conditions of nursing care providers, in order to eliminate a wage gap between nursing care providers and workers in other industries, we will build a career development scheme from FY2017 and improve their wages by 10,000 yen per month on average. We will discuss these actions in a budget-making process, based on a fundamental principle to take these actions within the Nursing Care Insurance System.
- We will also discuss improvement in working conditions of human resources capable of providing welfare services for people with disabilities in a budget-making process, based on a similar idea as nursing care.
- We will enhance a scheme where a student seeking to become a nursing care provider can borrow as his or her school fee as a forgivable loan. Also, We will enhance a scheme where a former nursing care provider who seeks to return to this occupation can borrow as his or her reserve for re-enter employment. In large cities and disaster areas where new nursing homes face difficulty to ensure workers, these scheme help new nursing homes opening without an obstacle to recruit workers.
- As for peripheral and light activities in nursing care, we will promote utilization of senior human resources through the silver-human-resource-center and municipalities’ volunteer point system, and utilization of human resources to work as an intermediate employment.
- In order to improve understanding an appeal and significance of nursing care job, as it is important for young people to know nursing care, we will promote; information delivery to students, parents and communities; encouragement of them; accreditation of internship as credit of schools.
- We will promote recruitment in nursing care sector by enhancing welfare human resources corner in Public Employment Security Office, which strengthens cooperation with related institutions.
Utilization of Desired Nursing Services (Ensuring and Developing Nursing Care Workers)

2 Ensuring and Developing Various Nursing Care Workers, and Improving Productivity in order to Provide Needed Nursing Care Services (part 2)

Concrete Measures

- From the point of view of enhancing business management system of nursing care offices, we will promote to introduce a wage table in an office, as well as to formulate a plan for human resource development, work responsibility schedule, and operational efficiency improvement.
- We will promote work responsibility schedule, where activities of nursing care services are categorized in accordance with needed specialties, and divided for between qualified care workers and others. In addition, as for qualified care workers in charge of the core role of nursing care workers, we will discuss how they improve capability by sophisticated specialty.
- So that nursing care workers keep their jobs at their ease, we will strengthen the promotion to improve workforce management.
- As for acceptance of foreign workers, following Economic Partnership Agreement (EPA), we will steadily promote utilization of foreign workers with special capabilities. After the expected revision of the Immigration Control and Refugee Recognition Act, we will proactively promote acceptance of foreign workers, following the purposes of related institutions. And in order to ensure sustainability of economic and social infrastructure, focusing on sincerely needed sectors, we will comprehensively and concretely discuss how foreign talents are accepted.

(Improving the productivity)
- As for nursing care services and paperwork for nursing insurance, we will enhance improvement in productivity of nursing care service by the next-generation nursing-care technologies(*), such as robots and ICT. Using them, we will enhance to de-regulate standards for efficient service delivery and to distribute staffs efficiently and effectively.
- The next-generation nursing-care technologies: robots, ICT, AI, sensors, in-com, IoT, no-lifting etc.
  - To promote introduction of nursing-care robots such as status monitoring systems, and to accelerate supports for development of nursing-care robots based on field needs.
  - To study a proof of concept that next-generation nursing-care technologies improve efficiency and workload, and based on the result, to discuss what the new standard matching nursing care with the next-generation nursing-care technologies is.
  - To enhance grouping of offices such as consolidation of general affairs/accountings/personnel divisions among multiple homes.

Challenges in People’s Daily Lives

There are insufficient workers who provide needed nursing care services.

- Jobs-to-applicants ratio in nursing care service: 2.73
- Jobs-to-applicants ratio in all sectors: 1.21 (raw numbers in Mar. 2016)

The reasons of difficulty to staffing workers is lower wage of the nursing care service than that of the other interpersonal services. The duration of nursing care service is also lower than that of the others.

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The nursing care service tends to be high ratio of job separation.

- Nursing care worker: job separation ratio 16.5% (FY2014)
- All sectors: job separation ratio 15.5% (FY2014)

* The next generation nursing care technologies (incl. bonus), to accelerate supports for development of next generation nursing care robots based on field needs,

To discuss how they improve capability by sophistication of specialty.

To study a proof of concept that next-generation nursing-care technologies improve efficiency and workload, and based on the result, to discuss what the new standard matching nursing care with the next-generation nursing-care technologies is.

To enhance grouping of offices such as consolidation of general affairs/accountings/personnel divisions among multiple homes.

To promote introduction of nursing-care robots such as status monitoring systems, and to accelerate supports for development of nursing-care robots based on field needs.

To study a proof of concept that next-generation nursing-care technologies improve efficiency and workload, and based on the result, to discuss what the new standard matching nursing care with the next-generation nursing-care technologies is.

To enhance grouping of offices such as consolidation of general affairs/accountings/personnel divisions among multiple homes.
### Challenges in People’s Daily Lives

- The number of people who need nursing care is increasing.
  - The number of people certified as being in need of nursing care (nursing support) increased by 2.8 times in the last 15 years.
  - The number of patients with dementia is estimated to increase from 4.62 million people (2012) to approximately 7 million people (equivalent to approximately 20% of the population aged over 65) (according to the research study conducted by MHLW in FY2014).

- Family members providing nursing care leave their jobs because of worsening health of their own.
  - The percentage of people stating “worsening physical and mental health of their own” as a reason for leaving their jobs: Men: 25.3%, Women: 32.8% (according to the research study conducted by MHLW in FY2012, multiple answers allowed)

- Information on related services and institutions is inadequate.
  - The percentage of people who consulted with someone concerning nursing help and nursing care (among those who left their jobs): Families and relatives: 54.7%, None: 17.1% (according to the research study conducted by MHLW in FY2012, multiple answers allowed)

### Directions of Upcoming Measures

We will build consulting systems in order to enable people to obtain information on nursing care and receive consultation in various places including workplaces and regional comprehensive support centers. We will provide supports for families providing patients of dementia with nursing care by realizing the Comprehensive Strategy for the Promotion of Dementia Measures (A New Orange Plan) (January, 2015).

#### Concrete Measures

- Regional comprehensive support centers were institutionalized in 2006, as organizations where people can receive comprehensive consultation on nursing care. There are 4,685 centers nationwide. We will announce that people can casually receive consultation when their families need nursing care and encourage these centers to operate on Saturday, Sunday and holidays. Also, we will enhance our efforts of preventing people from being forced to leave their jobs for nursing care with a collaboration with Hello Works.

- We will add supports for families to training curriculums of care managers from FY2016.

- Dementia supporter training lecture, where people can learn characteristics of dementia and how to cope with it, was started in 2005. Altogether 7.5 million people have participated in this lecture. We will promote further sessions in municipalities and businesses. In addition, we will also make efforts including grasping and utilizing people who finished this lecture, expanding advanced cases of certain regions and occupations, offering opportunities for supporters to mutually make presentation and discuss.

- We will popularize efforts of enabling patients of dementia and their families to get together in places including Dementia café in all the municipalities by FY2020. We will send out information on these efforts from municipalities and regional comprehensive support centers to local residents.

- We will promote efforts of preventing accidents of the elderly with dementia by FY2024.

- According to the Act on the Promotion of the Adult Guardianship System, we will promote utilization of the adult guardianship system where people having difficulties in managing properties and leading daily lives due to dementia, intellectual disabilities and other mental disabilities can be supported by a society while their rights of self-determination are also respected.

#### Providing Nursing Care without Anxieties (Improvement in the Environment Where Families are Supported)

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<tbody>
<tr>
<td>Enhancement of Regional Comprehensive Support Centers</td>
<td>Announcement about centers, Increase in opening days, Enhancement of collaboration with related agencies</td>
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<td>Revision and implementation of measures based on the utilization situation of these centers</td>
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<td>Development of Dementia Supporters</td>
<td>Development of Dementia supporters and enhancement of further efforts</td>
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<tr>
<td>Establishment of Teams Providing Intensive Supports for Patients with Early Stage Dementia</td>
<td>Utilization of these teams providing intensive support treatment and care to enable patients to be independent</td>
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<td></td>
<td>Revision and implementation of measures based on the activity situation of the teams</td>
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<td>Promotion of Supports for Families</td>
<td>Announcement about care leaves from the labor bureaus nationwide</td>
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<td>Revision based on the utilization situation, Implementation of additional measures</td>
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<td>Promotion of Utilization of the Adult Guardianship System</td>
<td>Enforcement, Announcement, Formulation of the basic plan</td>
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<td>Further promotion of utilization of the institution based on the basic plan</td>
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- The number of Dementia Supporters → 8 million people (at the end of FY2017)
- Teams Providing Intensive Supports for Patients with Early Stage Dementia → to be established in all the municipalities in FY2018
Challenges in People’s Daily Lives

The utilization rate of care leaves is low.

Only 15.7% of workers providing nursing care (2,399,000 people in total) have taken care leaves.

(according to Employment Status Survey conducted in 2012)

Rules on care leaves have not been improved well.

The percentage of offices (with more than 5 employees) having rules on care leaves (up to 93 days per year) 66.7%

The percentage of offices (with more than 5 employees) having rules on care leaves (up to 5 days per year) 62.2%

(according to Basic Survey of Gender Equality conducted in FY2014)

Directions of Upcoming Measures

We will implement institutional measures to enhance the care leave system. In order to realize a society where people do not need to hesitate to take care leaves, we will promote working styles enabling people to balance nursing care with working by making announcements about the system and encourage businesses to utilize it.

Concrete Measures

• Based on the urgent measures, we will steadily enforce the revised Employment Insurance Act, which raises the level of care leave benefits (from 40% of wages to 67% of wages) and enables people to take care leaves in installments. In addition, 5 years after the enforcement, we will discuss enforcement status and implement measures as needed.

• We will enhance supports for business owners working on improvement in the employment environment enabling people to balance nursing care with working including providing supports for their workers trying to return to work after taking care leaves. Also, we will offer consultation to these business owners.

• We will popularize the care leave system and the long-term care insurance system among workers becoming insured in the long-term care insurance (workers reach 40 years of age).

• In order to enable people to balance nursing care with working, we will establish model rules of employment and popularize working styles of various regular workers.

• We will improve the working environment so that public servants can balance nursing care with playing active roles.

Revising the Care Leave System

Steady enforcement (popularization etc.)

※ Increasing level of care leave benefits to be enforced on August 1, 2016
※ Enabling people to take care leaves in installments to be enforced on January 1, 2017

Judgment of necessity of revision based on enforcement status and implementation of measures as needed

Enhancement of Public Awareness of Care Leaves

Promotion of further utilization of subsidy regarding balancing nursing care with working

Popularization of the long-term care insurance system among workers becoming insured

Popularization of working styles of various regular workers

Improvement in the working environment where public servants are able to balance nursing care with playing active roles

No one forced to leave their jobs for nursing care (by the early 2020s)
Toward “No One Forced to Leave Their Jobs for Nursing Care”

Balancing Nursing Care with Working (Improvement in Practices of Long Working Hours, Improvement in Utilization Rate of Flexible Working Arrangements)

5 Promotion of Working-style Reforms (Part 1) (※ shared by “Toward the Desirable Birthrate of 1.8”※)

- **Challenges in People’s Daily Lives**
  - **Non-regular Workers**
    - There are a number of women who choose non-regular employment by their own requests in their mid-30s or later. There are many people wishing to choose various working styles while providing childcare and nursing care at the same time.
    - The percentage of people who are forced to work as non-regular workers against their will (average in 2014)
      - Both men and women: aged 25-34yrs 28.4%, aged 35-44yrs 18.7%
      - Women among them: aged 25-34yrs 21.2%, aged 35-44yrs 12.9%
      - A wage gap between regular workers and non-regular workers in Japan is larger than that of European nations.
      - The wage level of part-time workers in relation to full-time workers:
        - Japan 56.6%, USA 30.3%, UK 71.4%, Germany 79.3%, France 89.1%, Italy 70.8%, Netherlands 78.8%, Denmark 70.0%, Sweden 83.1%

- **Directions of Upcoming Measures**
  - **Our biggest challenge in the coming 3 years is working-style reform.** We will work on improvement in working conditions of non-regular workers including realization of “equal pay for equal work”, improvement in practices of long working hours including suppression of the total working hours and promotion of employment of the elderly including encouraging businesses to raise the retirement age to 65 and extend employment beyond the age of 65, which leads to options of various working styles.

- **Concrete Measures** (Improvement in Working Conditions of Non-regular Workers)
  - In order to enable women and youths to choose various and flexible working styles, we should enforce improvement in working conditions of non-regular workers even more. Toward “equal pay for equal work”,
    - 1. In order to establish appropriate application of Labor Contract Act, Act on Improvement, etc. of Employment Management for Part-Time Workers and Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers, we will formulate and publicize guidelines regarding what kinds of treatment gaps are reasonable and unreasonable, providing case studies.
    - 2. Through formulation of guidelines, we will reveal treatment gaps which should be corrected. In order to correct them smoothly, referring to European institutions, we will consider collectively revising these acts and submitting the related bills, taking account of preparing stipulations which support judicial rulings regarding treatment gaps which are unreasonable and preparing obligations, which are imposed on businesses, to explain treatment gaps between non-regular workers and regular workers.
  - As for the minimum wage, we will raise it at an annual rate of approximately 3%, considering the growth rate of nominal GDP. Through this increase in the minimum wage, we will aim for the national weighted average to reach 1,000 yen. To accomplish this goal, we will support improvement in productivity of small and medium-sized businesses and improve their business conditions.

- **Index**
  - The wage level of part-time workers in relation to full-time workers: 56.6% (2014)
    - The equivalent level compared to European nations
  - The percentage of people who are forced to work as non-regular workers against their will: 18.1% (2014) → less than 10% (2020)
**Challenges in People's Daily Lives**

*Practices of Long Working Hours*
There are more people working long hours in Japan compared with other western nations, which makes people have difficulties in balancing family life with working.
- The ratio of workers working more than 49 hours a week:
  - Japan 21.3%, USA 16.6%, UK 12.5%, France 10.4%, Germany 10.1%

*Employment of the Elderly*
Although nearly 70% of the elderly wish to work beyond the age of 65, our employment system for the elderly is still inadequate.
- The percentage of the elderly wishing to work beyond the age of 65: 21.7% (2015)
- The employment rate of people above the age of 65: 65.9%
  - (2013: USA 17.7%, UK 9.5%, France 2.2%, Germany 5.4%, Italy 3.4%)

**Concrete Measures**

(Improvement in Practices of Long Working Hours)
- In order to suppress the total working time, we will promptly enhance enforcement of legal regulations.
  1. We will strengthen guidance on Article 36 of the Labor Standards Act for employers who have agreements with their employees about overtime work and who have set long work hours that are undesirable from a health standpoint.
  2. Relevant ministries and agencies will join forces to create a framework that can correct the practice of long working hours through the transaction conditions set for subcontractors and others. For example,
    - The Ministry of Health, Labor and Welfare, Small and Medium Enterprise Agency and Japan Fair Trade Commission will create an institution where the government can improve practices of long working hours by placing regulations on suspected violation of Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors or the Antimonopoly Act, when it is considered as a background of long working hours.
    - As for IT industries and trucking industries, we will promote improvement in the present scheme of transaction, which forces contractors to cope with sudden change in specifications and to stand by for a long time, and reduction in long working hours with a collaboration among a contractee, a cargo owner and a contractor. We will also improve working conditions in medical industries.
  3. In order to encourage businesses to improve practices of long working hours and autonomously introduce a system of working intervals, we will provide new supports for businesses actively trying to give advice and guidance, which are based on specific knowledge and know-how, to their employees and to introduce related systems.
   - As for the Labor Standards Act, we will once again consider the state of regulations on extra working hours contained in Article 36.
   - We will promote teleworks and revision of the Act of Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children toward improvement in practices of long working hours of youths.

(Improvement of Employment of the Elderly)
- In order to encourage businesses to improve practices of long working hours and autonomously introduce a system of working intervals, we will provide new supports for businesses actively trying to give advice and guidance, which are based on specific knowledge and know-how, to their employees and to introduce related systems.
  - We will verify incentive effects and the actual situation of employment of the elderly in FY2020 and reconsider the state of related systems.

### Table: Measures to Improve Practices of Long Working Hours and Employment of the Elderly

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<tr>
<td>Improvement in Practices of Long Working Hours Including Suppression of the Total Working Hours</td>
<td>Enhancement of guidance to a business where an extra work of more than 100 hours per month is grasped</td>
<td>Enhancement of guidance on Article 36 of the Labor Standards Act for an employer who has set an extra work of more than 80 hours per month</td>
<td>Joint efforts made by relevant ministries and agencies to create a framework that can correct the practice of long working hours through the transaction conditions set for subcontractors and others</td>
<td>Review of the state of regulations on long working hours contained in Article 36 of the act</td>
<td>Verification of incentive effects and the actual situation of employment of the elderly and reconsideration of the state of related systems</td>
<td>Implementation of measures based on verification and reconsideration</td>
<td>The ratio of workers working more than 49 hours a week: 21.3% (2014) → The equivalent level compared to European nations. The employment rate of people above the age of 65: 21.7% → enable all the elderly wishing to work to be employed</td>
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**Promotion of Employment of the Elderly** (Shared by “Toward the Desirable Birthrate of 1.8”)

### Diagram:

- **Balancing Nursing Care with Working (Improvement in Practices of Long Working Hours, Improvement in Utilization Rate of Flexible Working Arrangements)**
- **Promotion of Working-style Reforms (Part 2)** (Shared by “Toward the Desirable Birthrate of 1.8”)

**Toward “No One Forced to Leave Their Jobs for Nursing Care”**

*Figures*
- Employment rate of people above the age of 65: 21.3% (2014) → The equivalent level compared to European nations.
- The employment rate of people above the age of 65: 21.7% → enable all the elderly wishing to work to be employed.
Comfortable Lives (Prevention of Frailty of the Elderly and Countermeasures)

6. Extension of Healthy Life Expectancy to Enable People to Lead Healthy and Abundant Golden Years (Part 1)

Directions of Upcoming Measures

Local governments, medical insurers and business owners will promote improvement in the environment where each individual can easily work on extending healthy life expectancy including enhancing people’s awareness while basically expecting efforts made by each individual. We will encourage efforts of disease prevention and health promotion not only during post-retirement years but also during active careers.

Concrete Measures

- In order to horizontally expand advanced efforts made by local governments, businesses and insurers, we will cooperate with them to accomplish “Initiative for Healthy Cities and Healthy Workplaces 2020” (compiled by Japan Health Conference on July 10, 2015) by the end of FY2020.

- As for prevention of advancement in severity of diabetic nephropathy with a collaboration with regular doctors, we will promote it utilizing a program compiled by Japan Medical Association and MHLW etc. on April 20, 2016.

- We will horizontally expand best practices of Data Health. From FY2016, every fiscal year, we will grasp the situation of efforts made by insurers including prevention of lifestyle-related diseases and advancement in severity, provision of health-related information to insured people. We will launch an exclusive website to show related information regularly.

- Within FY2016, we will disclose evaluation items within incentives for prevention and promotion of health, which are provided to insurers and will be enhanced from FY2018, in order to let insurers work on measures ahead of schedule.

- We will horizontally expand efforts of providing health points, which are made by insurers and local governments to encourage each individual to conduct activities of prevention and promotion of health, referring to advanced cases including collaboration with shopping districts and businesses, utilization of ICT. We will implement model projects to encourage each individual to start and work on building healthy cities and to develop human resources who mutually support and make efforts of promoting health. We will make these projects promoted nationwide after FY2018.

- We will spread the idea of healthy management by selecting Health & Productivity Stock Selection. We will build a scheme, as a model, where medical insurers, businesses and other medical people jointly make efforts of providing health-related advice to individuals with their consent, utilizing receipt data, checkup data and other health-related data. We will promote this scheme, checking its effects.

- We will promote researches on living practices which may extend healthy life expectancy and regional differences in diseases.

Fiscal Years

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<tr>
<td>Horizontal Expansion of Advanced Efforts Made by Local Governments, Businesses and Insurers</td>
<td>Efforts to accomplish “Initiative for Healthy Cities and Healthy Workplaces 2020”</td>
<td>Additional efforts responding to accomplishment status of numerical goals</td>
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<tr>
<td>Selection of Health &amp; Productivity Stock Selection, Promotion of healthy management of SMEs</td>
<td>Formulation and publication of Data Health Plans by municipality controlled National Health Insurance</td>
<td>Further promotion of Data Health Plans</td>
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<tr>
<td>Nationwide promotion of best practices</td>
<td>We will energetically promote best practices of health promotion with a collaboration with regular doctors, prevention of diseases including prevention of advancement in severity, countermeasures against patients who redundantly or frequently visit hospitals and promotion of generics.</td>
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- We will accelerate extension of healthy life expectancy at a pace higher than the extension of average life expectancy by promoting prevention throughout people’s lives. We will extend healthy life expectancy by more than 2 years by 2025.

- Men 70.42, Women 73.62 (2010)

- Men 71.19, Women 74.21 (2013)

We will decrease the population of patients with metabolic syndrome (people receiving specific health guidance) by 20% compared with FY2008 (FY2008 14 million people).

We will increase the percentage of people (aged from 40 to 74 years) undergoing checkups exceeding 66.2% (2013).

- Men 71.19, Women 74.21 (2013)
**Comfortable Lives (Prevention of Frailty of the Elderly and Countermeasures)**

### 6 Extension of Healthy Life Expectancy to Enable People to Lead Healthy and Abundant Golden Years (Part 2)

#### Challenges in People's Daily Lives

Efforts to prevent diseases and promote health made by people during their active careers as well as caring for the elderly being in a state of frailty have been inadequate. As a result, there is a huge difference between healthy life expectancy and average life expectancy.

- **Healthy life expectancy**

- The population of patients with metabolic syndrome 14 million people (FY2008)

- The percentage of people aged from 40 to 74 years undergoing checkups 66.2% (2013)

- The percentage of people certified as being in need of care 17.8% (FY2013)

#### Concrete Measures

- **As countermeasures against frailty of the elderly, from FY2016, we will promote regional efforts of preventing becoming incontinent of the elderly.**

- **As countermeasures against frailty of the elderly, from FY2016, we will promote regional efforts of preventing becoming incontinent of the elderly.**

- We will promote exercise activities which are easily conducted by encouraging new types of exercises, development and popularization of sports and exercises in familiar places like occupational fields. We will work on enhancement of nursing-care prevention programs for the scenes including exercises and sports which can increase motivations of the elderly to be independent. Furthermore, we will promote figure out the aging mechanism.

- We will further promote activities of nursing-care prevention for the elderly including building a scheme to provide incentives to the elderly proactively working on these activities.

- Toward the 2020 Tokyo Olympic and Paralympic Games and Rugby World Cup 2019, we will enhance countermeasures against passive smoking in competition venues and other public places. Also, we will promote formulation of a society of universal design where the elderly can easily go out and play active roles.

- In order to enable the elderly who utilize food delivery services to appropriately manage their own nutrition conditions, we will formulate guidelines for related businesses.

- As for “Continuing Care Retirement Community”, we will provide supports for local governments including developing manuals to embody each project and promote projects showing uniqueness of each region.

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<tr>
<td>Countermeasures against Frailty</td>
<td>- Implementation of model projects</td>
<td>- Verification and discussion of effective measures</td>
<td>- Implementation of guidelines</td>
<td>- Promotion of these measures nationwide (following verification of effects and revision of guidelines as needed)</td>
<td>- Promotion of these measures nationwide by sorting out best practices and revising guidelines and training curriculums as needed</td>
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<tr>
<td>Horizontal Expansion of Municipal Efforts of Effective Nursing-Care Prevention</td>
<td>Steady promotion of nursing-care prevention</td>
<td>Development and distribution of guidelines, workshops</td>
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<tr>
<td>Promotion of CCRC</td>
<td>Institutionalization by the revised Local Revitalization Act</td>
<td>Horizontal expansion of efforts related to CCRC</td>
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<td>Verifying accomplishment status of basic goals and other KPIs in FY2019, Formulating a policy package to be implemented after FY2020 as a comprehensive strategy, Implementing measures based on the strategy</td>
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## Challenges in People’s Daily Lives

Although nearly 70% of the elderly wish to work beyond the age of 65, our employment system for the elderly is still inadequate.

- The percentage of the elderly wishing to work beyond the age of 65: 65.9% (2013)
- The percentage of businesses where people aged over 65 can work if they wish to do so: 72.5% (2015)
- SMEs 74.8% (The number of employees: 31-300 people)
- Large enterprises 52.7% (The number of employees: more than 301 people)
- The percentage of businesses which have no retirement age or set retirement age over 65: 18.1% (2015)
- SMEs 19.4%
- Large enterprises 7.9%
- The employment rate of people above the age of 65: 21.7% (2015) (2013: USA 17.7%, UK 9.5%, France 2.2%, Germany 5.4%, Italy 3.4%)

## Directions of Upcoming Measures

In order to promote raise of the retirement age and extension of employment beyond the age of retirement age in the future, we will encourage businesses to implement these measures, improve related legal systems including covering the elderly by employment insurance, enhance supports for acceptance of re-employment in businesses and employment matching of the elderly, which leads to various employment opportunities responding to hopes of the elderly.

### Concrete Measures

- **We will enhance supports for businesses raising the retirement age to 65 and extending employment beyond the age of 65.**
- **We will set 5 years of “Period of Concentrated Efforts” (FY2016-FY2020) and enhance supports for businesses raising the retirement age to 65 and extending employment beyond the age of 65.** We will discuss how we should build employment management systems including wage systems and ability assessment systems and develop manuals for businesses within FY2016 and encourage them to raise the retirement age and extend employment from FY2017.
- **We will enforce the revised Employment Insurance Act to cover the newly employed elderly aged over 65.**
- **We will enforce the revised Act on Stabilization of Employment of Elderly Persons to enlarge scopes of works of silver human resources centers and establish councils to ensure various employment opportunities of the elderly responding to the actual situation of each region. In addition, we will enhance opportunities of skill training to enable the elderly to acquire necessary skills, re-employment supports at contact points, matching functions of industry employment stabilization centers, efforts jointly made by local governments, local actors and groups of retirees from businesses toward “a society where people can be active through their entire lives”. In addition, we will utilize ICT including telesworks to increase employment opportunities of the elderly.
- **We will verify incentive effects and the actual situation of employment of the elderly in FY2020 and reconsider the state of related systems.**
- **In order to elastically cope with various employment styles and transition to retirement of the elderly, we will discuss how to improve the payment system of pensions including old age pension for those still working, considering its impact on pension financing.**
- **It is important to enable elder public servants to further fulfill their capabilities and experiences.** We will discuss necessary measures based on the operation status of public affairs and the situation of private sectors.

### Fiscal Years

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<tr>
<td>Supports for Businesses Raising the Retirement Age and Extending Employment</td>
<td>&lt;&lt;Period of Concentrated Efforts (FY2016-FY2020)&gt;&gt;</td>
<td>Development of manuals for businesses</td>
<td>Enhancement of supports</td>
<td>Request to businesses utilizing subsidies and manuals</td>
<td>Verification of incentive effects and the actual situation of employment of the elderly in FY2020</td>
<td>Review of the state of related systems</td>
<td>Implementation of related measures following the review</td>
<td>The employment rate of people above the age of 65: 21.7% → enable all the elderly wishing to work to be employed</td>
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<tr>
<td>Improvement in Related Legal Systems</td>
<td>Discussion on the revised Employment Insurance Act</td>
<td>Development of manuals for businesses</td>
<td>Covering the newly employed elderly aged over 65 by employment insurance</td>
<td>Enhancement of various employment opportunities of the elderly responding to the actual situation of each region</td>
<td>Establishment of council to ensure various employment opportunities</td>
<td>Development of groups providing retirees from businesses with employment opportunities</td>
<td>Enhancement of re-employment supports at contact points</td>
<td>Establishment of a system to support elder entrepreneurs</td>
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<td>Supports for Employment of the Elderly</td>
<td>Discussion on the revised Act on Stabilization of Employment of Elderly Persons</td>
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(Ref.) Measures to ensure employment of the elderly and the pension age of Employees’ Pension

| Up to the age of 61 | Raising the retirement age up to 65 or extending employment | Raising the retirement age up to 62 or extending employment | Raising the retirement age up to 63 or extending employment | Raising the retirement age up to 64 or extending employment | Raising the retirement age up to 65 or extending employment |

※ We will raise the pension age of old-age employment pension for men (as for a proportional element to their rewarding) on a June schedule (the pension age for women will be continued 5 years behind).
**Challenges in People’s Daily Lives**

It is necessary to arrange an environment where all handicapped people, patients incurable diseases, cancer patients and the others engage most in accordance with their wills, capability, handicaps and characteristics of diseases respectively.

- The number of handicapped employment in companies: 417 thousand people (in companies with more than 50 employees, as of June 2015.)
- Actual employment ratio in private companies: 1.88% (1st June 2015)
- The ratio of handicapped people who transit to general employment through transition support for employment and supported employment: 4.7%  
  * Transition ratio through transition support is 25.8% (in 2014)

**Directions of Upcoming Measures**

Towards a society where all handicapped people, patients incurable diseases, cancer patients and the others engage most in accordance with their wills, capability, handicaps and characteristics of diseases respectively, we will promote employment supports, retention supports, supports for compatibility between work and treatment, and social participation and self-reliance. In addition, we will promote to develop specialists for these supports.

**Concrete Measures**

- We will review legal employment quota for the handicapped in FY2018 and FY2023. In order to support retention of mentally handicapped people, we will enhance supports by Employment and Livelihood Support Centers for Persons with Disabilities, and strengthen cooperation between mental health institutions and Public Employment Security Office, promote developing and training job-coach, and improve the environment to support mental handicapped and developmental disorder in workplace. In addition, we will enhance supports for small and medium enterprises to review employees’ management and employment types, and to try flexible work style, as well as we will promote employment supports by ICT including homeworking through telework.

- On Services and Supports for Persons with Disabilities Act, we will enhance handicapper’s retention by launching a service to support communication with working office and family in order to deal with issues in life related to work.

- As for transition support for employment and supported employment, we will promote wage-up and transition to general employment of handicapped people and patients incurable diseases by revision of payment evaluating a support for and wage of general employment.

- In order to support vocational training for mentally handicapped people, we will enhance a system to accept mentally handicapped people at vocational training schools by allocating psychiatric social workers whom handicapped people can attend vocational training with a support by.

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**Fiscal Years Measures**

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<tr>
<td><strong>Promoting Employment Support for Handicapped People</strong></td>
<td>Review of Welfare Plan</td>
<td>Review of Welfare Plan</td>
<td>New legal employment quota (Transitional measures period)</td>
<td>New legal employment quota</td>
<td>Through revision of Services and Supports for Persons with Disabilities Act and revision of payment (per 3 years), to promote transition to general employment and retention as well as to promote supports for local life</td>
<td>Revision of payment</td>
<td>Review of Welfare Plan, and to promote further measures</td>
<td>Review of Welfare Plan, and to promote further measures</td>
<td>Review of Welfare Plan, and to promote further measures</td>
<td>Have a Marche as well as Olympic/Paralympic</td>
<td>Promote further agri-welfare coordination in every prefecture</td>
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**Promotions for Handicapped People**

- Promote measures based on Welfare Plan
- Promote agri-welfare coordination in every prefecture

**Actual employment ratio of people with disabilities in private companies:** 2.0% by 2020

The number of people with disabilities who utilize welfare services and transit to general employment: more than double of 2012 performance by the end of FY2017

We will enable all the people who are expected to be taught in special classes to fulfill their needs by FY2020.
Concrete Measures

We will promote employment of people with disabilities in agricultural sector to increase professional area and wages for those people. We will promote efforts, including promotion of agriculture-welfare collaboration roles as bearers of regions, to improve the environment of bearers of regions where people with disabilities work and live.

Concrete Measures

We will promote employment of people with disabilities in agricultural sector to increase professional area and wages for those people. We will promote efforts, including promotion of agriculture-welfare collaboration roles as bearers of regions, to improve the environment of bearers of regions where people with disabilities work and live.

Concrete Measures

We will promote employment of people with disabilities in agricultural sector to increase professional area and wages for those people. We will promote efforts, including promotion of agriculture-welfare collaboration roles as bearers of regions, to improve the environment of bearers of regions where people with disabilities work and live.
**Challenges in People’s Daily Lives**

It is needed to create environment where physically-challenged people, people with difficult-to-treat diseases, cancer, etc. can do whatever they want to do in accordance with their ability, nature of their diseases etc.

It is desirable that children with disability can study at school with those without as close as possible, and pursue independence and participation in social activities.

- The number of children with special support service in resource rooms at school increased to 90,000 in May 2015, 2.3 times in the past 10 years. There is no equivalent service in high school.
- More than 90 percent of principals, coordinators, people who work for the special support in elementary and junior high schools, answer positively about that special support system.

**Concrete Measures**

- We promote further society with universal design—barrier free in people’s minds as well as in our towns—in the opportunity of the 2020 Tokyo Olympic and Paralympic Games. We also promote understanding of people with disabilities and support them for their independence and participation in social activities through promoting the aid to art and cultural activities as one of culture programs (“Beyond 2020 Program”)
- We promote creating environment where ICT is used to provide necessary education for children who need special assistance to nurture independence and ability to do what they want to do in the society.
- We promote special support service in resource rooms at elementary and junior high schools and institutionalize it at high schools from FY 2018, creating the environment where the support services for teaching contents and arrangements are consistent from elementary to high schools.
- We raise the rate of holding licenses among teachers in special-need schools for teaching at special-need schools to 100 percent by FY 2020 as the rate is now around 70 percent.
- We promote creating core areas such as special-need schools where people with disabilities can play sports with safe and sound in their neighborhoods and promote education for Paralympics as one of the works creating society with allowing diversity in the opportunity of the 2020 Tokyo Paralympic Games.
- We promote founding local councils for assisting dissolution of discrimination against people with disabilities, based on the “Act for Dissolving Discrimination Against People with Disabilities.”

**Fiscal Year Measures**

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<tr>
<td>Promoting society with universal design—barrier free in people’s minds and in towns</td>
<td>Compiling “Universal Design 2020” in the “Meeting For Universal Design With Related Ministries”</td>
<td>Executing policy items described in the “Universal Design 2020” once it was compiled</td>
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<tr>
<td>Art and Cultural Activities by People with Disabilities</td>
<td>Promoting art and cultural in collaboration with the 2020 Tokyo Olympic and Paralympic Games</td>
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<td>&quot;Beyond 2020 Program&quot; of the Paralympic Games</td>
<td>Developing further the art and cultural activities done by people with disabilities as the legacy of 2020 Tokyo Olympic and Paralympic Games</td>
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<td>Education for students in special-needs</td>
<td>Revising Ministerial Ordinance In FY 2016 and Study Guideline, and disseminating Contents for Teaching</td>
<td>Starting special support service at high schools</td>
<td>Promoting the environment for teaching contents and their arrangements</td>
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<tr>
<td>Dissolving Discrimination Against People with Disabilities</td>
<td>Enforcing the Act for Dissolving Discrimination Against People with Disabilities</td>
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- Actual employment ratio of people with disabilities in private companies: 2.0% by 2020
- The number of people with disabilities who utilize welfare services and transit to general employment: more than double of 2012 performance by the end of FY2017
- We will enable all the people who are expected to be taught in special classes to fulfill their needs by FY2020.
**Challenges in People’s Daily Lives**

Although welfare services are enhanced separately for each category of the elderly, people with disabilities and children, from now on, we need to cope with more combined needs.

In order to ensure human resources in the medical and welfare sectors, we need not only to develop newly qualified people but also to utilize people who have already been qualified but have not been employed in specific areas related to their qualifications. At the same time, we need to ensure human resources in other high value-added industries.

- The percentage of people who have already been qualified but have not been employed in specific areas related to their qualifications
  - Childcare providers: approximately 60% (FY2015, estimation)
  - Nursing care providers: approximately 40% (FY2013, estimation)

**Concrete Measures**

- We will help organizations including regional comprehensive support centers, social welfare councils and NPOs conducting activities rooted in regions build systems where local residents voluntarily grasp local issues and try to solve them within their immediate surroundings like elementary school or junior high school districts. We will make these efforts promoted nationwide in 2020-2025. We will also make these efforts collaborate with public activities conducted by social welfare corporations in regions.
- In order to create places where various styles of activities and employment opportunities are realized, we will improve the environment for public activities conducted in regions and social businesses.
- In order to enable various people to participate in activities of mutual assistance more lively, we will promote efforts to foster a donation culture.
- As for welfare services for the elderly, people with disabilities and children, we will enable people to utilize these services mutually or integrally by revising standards of establishment and of personnel staffing as well as compensation structures.
- We will build municipal systems to provide comprehensive consultation and supports to accept more complex and complicated challenges of families including those facing childcare, nursing care, disabilities and poverty and those simultaneously facing childcare and nursing care.
- We will enable each human resource to acquire multiple professional qualifications at the same time by establishing common courses shared by multiple qualifications including those related to medicine, nursing care and welfare.
- We will review scopes of businesses monopolized by certain qualifications related to medicine and welfare in order to let on-site people offer services efficiently and effectively.

**Directions of Upcoming Measures**

We will realize “regional cohesive societies” where all the local residents have their own roles and play active roles like themselves, mutually supporting each other and not being split into a supporter side and a recipient side. Also, we will foster a donation culture and promote collaboration with NPOs and utilization of private funds. In addition, we will promote mutual utilization of welfare services which are currently offered separately to each category of people who receive services. In addition, we will enable each human resource to acquire multiple professional qualifications at the same time.

**Fiscal Years**

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<tr>
<td><strong>Establishment of Common Courses Shared by Multiple Qualifications Related to Medicine, Nursing Care and Welfare. Revision of Scopes of Businesses Monopolized by Certain Qualifications</strong></td>
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<td><strong>Revised Standards of Equipment and Personnel Staffing As well as Compensation Structures</strong></td>
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<td><strong>Discussion on Institutionalization of Systems to Provide Comprehensive Consultation and Supports and Enhancement of Skills for Solving Local Issues While Implementing Several-Year Model Projects</strong></td>
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<td><strong>Implementation of New Common Fundamental Courses Shared by Multiple Qualifications</strong></td>
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<td><strong>Shortening the Learning Period Sequentially</strong></td>
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<tr>
<td><strong>Continuous Discussion and Implementation of Revision of Scopes of Businesses Monopolized by Certain Qualifications</strong></td>
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We will make systems to enhance skills for solving local issues and systems to provide comprehensive consultation and supports promoted nationwide in 2020-2025. We will implement new common fundamental courses shared by multiple qualifications in FY2021.
Challenges to economic growth

1. Enhancing growth potential amid the phase of population decline

2. Utilizing expanding overseas economies

3. Overcoming the problems of population decline and diminishing local economies

4. Stimulating consumption

5. Building an economic & fiscal system that links growth & distribution

Directions to be Examined

1. Acceleration of measures for a productivity revolution

2. Creation and expansion of new promising growth markets

3. Enhancement of links with overseas growth markets in response to TPP and other arrangements

4. Regional reinvigoration and support to SMEs and microenterprises

5. Disaster control, national resilience, and public investments prioritized to enhance growth potential

6. Raising wages and disposable income

7. Meeting potential consumption demand

8. Stimulating consumption and investment by making use of public capital stock

9. Simplified, streamlined and online administrative procedures

10. Establishment of a system to return the benefits of more efficient spending to the working generation and local communities

11. More efficient resource allocation

Measures

1-1. Enabling a diverse array of people to make full use of their abilities (eliminating social loss, supporting employment, education, etc.)

1-2. Productivity revolution (promoting the Fourth Industrial Revolution)

1-3. Productivity revolution (ensuring security & thorough use of IT)

1-4. Productivity revolution (regulatory & institutional reforms and promoting “aggressive management”)

1-5. Strengthening ability to create innovation & startup companies (building a national innovation system)

1-6. Strengthening ability to create innovation & startup companies (building a startup ecosystem)

1-7. Creating workers able to drive growth (human resource development / educational reform)

1-8. Creating workers able to drive growth (utilizing foreign human resources)

1-9. Creating new promising growth markets (toward a world leading healthcare)

1-10. Creating new promising growth markets (overcoming environmental and energy constraints and expanding investments)

1-11. Creating new promising growth markets (changing sports and culture to growth industries)

1-12. Creating new promising growth markets (revitalizing markets for transaction of existing houses and reform)

1-13. Creating new promising growth markets (realizing a robot revolution)

1-14. Taking in overseas growing markets

1-15. Improving productivity in the service industries

1-16. Promoting proactive agriculture, forestry and fishery as well as reinforcing export

1-17. Realizing Japan as a tourism-oriented advanced country (make Japan a country that people around the world wish to visit)

1-18. Opening up of public services and assets to the private sector

1-19. Facilitating innovation of leading medium-sized companies, SMEs, and small businesses

1-20. Facilitating regional reinvigoration

1-21. Building national resilience and developing social infrastructure with large stock effects

1-22. Increasing disposable income (increasing wages and the minimum wage)
**Toward “the Nominal GDP of 600 Trillion Yen”**

Enhancing growth potential amid the phase of population decline (acceleration of measures for a productivity revolution)

1. Enabling a diverse array of people to make full use of their abilities (eliminating social loss, supporting employment, education, etc.) (1)

**[Challenges to economic growth]**

Structural decline in the total labor force due to the aging population & declining birthrate

- Birthrate: Remains around 1.3 (since 2005)
- Aging rate: 26.0% (2014)

Tax & social security systems that potentially encourage the adjustment of employment to remain under thresholds

- The so-called ¥1.03 million barrier & ¥1.3 million barrier, etc.
- 9.2 million people wish to work

Corporations spending on education & training and the proportion of workers engaged in personal development are falling. Quality of human capital among the human resources of the future is declining

- 560,000 NEETs, 1.67 million part-time job-hoppers (2015)
- A high proportion of young people are involuntary non-regular employees (2014 average)
- 18.1% overall, 28.4% in the 25-34 age bracket (highest)
- Education & training expenditure by companies (as a share of employmentcosts) 0.36% (1991) → 0.25% (2011)
- Proportion of workers engaged in personal development
  - Regular employees: 43.3% ,
  - Non-regular employees: 16.4% (FY2014)

**[Direction of future measures]**

To enable a diverse array of workers to play an active role in society, including young people, seniors, women, men, and people with disabilities, we will enhance the employment environment by such means as revising the tax system and social security systems to encourage women to work, and will also implement educational reforms aimed at producing workers capable of generating growth.

**[Specific measures]**

- We will promote initiatives to achieve a society in which all women shine, based on the Basic Plan for Gender Equality, the Intensive Policy to Accelerate the Empowerment of Women, and the Act of Promotion of Women’s Participation & Advancement in the Workplace.
- In order to improve the environment for women who wish to work, we will proceed to revise the tax system, social security systems and spouse allowance following the schedules. First, we will engage in wide-ranging and thorough national debate to reform the tax system, based on the summary of issues compiled by the Government Tax Commission in November 2015. Second, we will revise the social security systems to implement institutional measures to expand the application of employees’ insurance in SMEs as well as large corporations wherein its application was extended from October 2016 under the Pension Function Strengthening Act, and we will steadily move forward to extend its application further with deliberations while taking into account the status of its implementation, the employment situation, and the impact on companies. At the time, we will also thoroughly inform the Career Formation Subsidy program, which supports employers seeking to secure human resources by raising the wages of part-time workers and extending their working hours if requested by them, to promote utilization of the program for the purpose of deterring the adjustment of working hours and facilitating the expanded application of employees’ insurance. In addition, we will keep a close watch on the labor shortage situation and enhance the program (if required). Finally, we have asked the National Personnel Authority (NPA) to consider the revision of the allowance for dependent spouses of national public servants and we will take action for the revision without delay, based on the result of the NPA’s deliberations. Regarding the spouse allowances paid by private sector companies, we will strive to widely inform the document “Matters for Consideration in Examining Approaches to Spouse Allowances” published by the Ministry of Health, Labour and Welfare, and we will encourage both labor and management to consider their approaches to this matter.
- We will promote smoother access to employment support and the development & improvement of vocational skills among young people, based on the Act on Promotion of Youth Employment. To secure diverse employment opportunities in accordance with the wishes of seniors, enhance the working environment, and enable people with disabilities to play an active role in society, we will promote employment, etc. in accordance with the Act on Employment Promotion etc. of Persons with Disabilities.

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<td>Fourth Basic Plan for Gender Equality</td>
<td>Steadily implementing the Intensive Policy to Accelerate the Empowerment of Women &amp; Act of Promotion of Women’s Participation &amp; Advancement in the Workplace</td>
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<td>Fifth Basic Plan for Gender Equality</td>
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<td>Summary of issues for the tax system (as a reflection on the Social Economic Change compiled by the Government Tax Commission (Rev-2015))</td>
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<td>Report on the revision of dependent spouse allowances of national public servants without delay, based on the result of the NPA’s deliberations.</td>
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<td>Preparation rate of action plans based on the Basic Plan for Gender Equality, the Intensive Policy to Accelerate the Empowerment of Women, and the Act of Promotion of Women’s Participation &amp; Advancement in the Workplace: Prefectures &amp; Cities: 100%: Towns &amp; Villages: 70% (FY2020)</td>
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<td>Female employment rate (age 25-44): 70.8% in 2014 ⇒ 77% in 2020</td>
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<td>Smooth implementation of Act on Promotion of Youth Employment &amp; other related laws/regulations</td>
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<td>Extending application of employment insurance</td>
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Enhancing growth potential amid the phase of population decline (acceleration of measures for a productivity revolution)

1. Enabling a diverse array of people to make full use of their abilities (eliminating social loss, supporting employment, education, etc.) (2)

[Specific measures]

- We will establish the Council for Promoting Human Resource Development to respond to the Fourth Industrial Revolution, in which relevant ministries & agencies and representatives of relevant industrial sectors, etc. will work together to map out the human resource categories & specs, and so on, required by industry, and will reflect this in policy as needed. Furthermore, we will promote corporate investment in human resource development to enhance career development support and improve productivity.

- To produce workers capable of generating growth, we will implement educational reforms, including education that draws on diverse personalities to foster creativity & further extend those with particularly outstanding abilities; greater use of IT in education; considering the development of a new system of higher education institutions offering practical vocational education & providing opportunities for working members of society to return to education for further study; and internationalizing universities by promoting overseas study & the acceptance of international students.

[Challenges to economic growth]

Structural decline in the total labor force due to the aging population & declining birthrate

- Birthrate: Remains around 1.3
- Aging rate: 26.0% (2014)

Tax & social security systems that potentially encourage the adjustment of employment to remain under thresholds

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- Education & training expenditure by companies (as a share of employment costs)
- 0.36% (1991) → 0.25% (2011)

- Proportion of workers engaged in personal development

Regular employees: 43.3%  Non-regular employees: 16.4% (FY2014)
Enhancing growth potential amid the phase of population decline (acceleration of measures for a productivity revolution)

2. Productivity revolution (promoting the Fourth Industrial Revolution)

[Challenges to economic growth]

Amid the Fourth Industrial Revolution driven by the IoT/Big Data/Al, business models are changing dramatically. To be the victor in global competition, Japan needs to break down the vertical hierarchies of industry, academia, and government; formulate technology strategies; create new business; and promote business/industrial regeneration & human resource development.

[Direction of future measures]

Under strong control tower functions that mobilize industry, academia, and government, we will formulate strategies for research & development and commercialization, and create business models, as well as losing no time in enhancing the environment for regeneration & human resource development.

[Specific measures]

- The Artificial Intelligence Technology Strategy Council was established to serve as a control tower bringing together industry, academia, and government to formulate an Al technology strategy, which is crucial to the Fourth Industrial Revolution. Before the end of this fiscal year, the Council will set research & development targets for industry, academia, and government and draw up a roadmap for commercialization, and then implement these.
- Via the activities of the IoT Acceleration Consortium & the Robot Revolution Initiative, we will promote the creation of new business & efforts to enhance the requisite environment.
- We will consider measures to accelerate speedy business restructuring, including the need for institutional responses.
- We will establish the Council for Promoting Human Resource Development to respond to the Fourth Industrial Revolution, in which relevant ministries & agencies and industry representatives, etc. will work together to map out the human resource categories & specs, and so on, required by industry, and will reflect this in policy as needed.

| Indicator(s) | Total added value created by the Fourth Industrial Revolution: ¥30 trillion (2020) |

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<tr>
<td>Implementing R&amp;D &amp; commercialization strategy guided by strong control tower functions</td>
<td>Establishing Artificial Intelligence Tech Strategy Council (April 2016)</td>
<td>Setting R&amp;D targets &amp; drawing up a roadmap for commercialization</td>
<td>Implementing AI tech development &amp; commercialization based on a roadmap encompassing partnerships with overseas research institutes</td>
<td>Promoting development of R&amp;D centers for competitive tech × AI, improving research environment, etc.</td>
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<td>Promoting corporate regeneration</td>
<td>Considering response measures regarding investment in innovation, business restructuring, etc. (in 2016)</td>
<td>Implementing requisite measures (including institutional responses)</td>
<td>Considering ideal human resources &amp; qualities needed for Fourth Industrial Revolution, reflecting this in policies</td>
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<td>Council for Promoting HR Development to respond to the 4th Industrial Revolution</td>
<td>Preparing for launch</td>
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To increase its international competitiveness, Japan needs to bring the Fourth Industrial Revolution to fruition ahead of the rest of the world; to achieve this, the Government needs to develop the infrastructure that will permit the safe circulation of data.

[Direction of future measures]

We must, without delay, move forward with initiatives to address the Fourth Industrial Revolution, measures to help ensure cybersecurity, the development of rules that will facilitate data gathering & analysis, and the enhancement of basic infrastructure in the form of the mobile environment.

[Specific measures]

- Along with the strengthening of measures by governmental organizations, etc. through the enhancement of NISC’s functions resulting from last year’s publication of the Cybersecurity Strategy & the revised Cybersecurity Basic Act recently enacted in the Diet, we will step up initiatives & human resource development focused on the protection of critical infrastructure & move forward with programs that bring the public & private sectors together.

- As the My Number personal ID number system became operational in January this year, we will begin to investigate expanding the use of My Number ID numbers & cards. We will also begin to consider the sound development of a sharing economy, which is a new form of economic activity based on the use of idle assets.

- We will further promote competition in the mobile field. In addition, with the aim of introducing 5G (fifth generation mobile communications systems) by 2020 to address growing data traffic, we will move forward with research & development aimed at achieving higher capacities & ultra-high-speeds, as well as seeking to secure frequencies, promote international standardization, and undertake comprehensive verification with a view to social implementation.

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<tr>
<td>Cybersecurity</td>
<td>Strategy approved</td>
<td>Basic Act revised</td>
<td>NISC functions (expanding unauthorized communications monitoring to include independent administrative agencies &amp; special public corporations)</td>
<td>Initiatives based on Next Human Resources Development Program</td>
<td>• Increasing the number of certified Information Processing Security Assistance Officers to at least 30,000 by 2020</td>
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<td>Thorough use of data &amp; IT</td>
<td>Use of My Number in family register admin considered by study group, discussed by Legislative Council</td>
<td>Use of My Number in passport admin discussed on the basis of the status of deliberations on family register admin</td>
<td>Progressive deliberations</td>
<td>Sound development of the sharing economy</td>
<td>• Total added value created by the Fourth Industrial Revolution: ¥30 trillion (2020)</td>
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<td>Improved mobile environment</td>
<td>• R&amp;D on achieving higher capacity, ultra-high-speeds, low delay, etc.</td>
<td>• Standardization activities</td>
<td>Comprehensive verification</td>
<td>Achieving a 5G service ahead of the rest of the world</td>
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With the aim of making Japan the world’s best country for companies to do business, we will reduce the cost of regulatory & administrative procedures from the perspective of business operators by means of an integrated program of regulatory reform, streamlining of administrative procedures, and greater use of IT.

We will develop systems & infrastructure so that mobile services can be provided by self-driving vehicles & automated driving on expressways is possible during the Tokyo 2020 Olympic & Paralympic Games, including carrying out the verification needed by 2017.

We will develop systems & infrastructure so that mobile services can be provided by self-driving vehicles & automated driving on expressways is possible during the Tokyo 2020 Olympic & Paralympic Games, including carrying out the verification needed by 2017.

Aiming to make parcel delivery by drone a reality within three years at the earliest, we will work on achieving this by considering systems to ensure further security & a roadmap for usage & technology development. We will also promote verification of new usage, utilizing National Strategic Special Zones & robot testing fields, to make Japan a global pioneer in drone-based business.

We will establish a legal framework to facilitate flexible partnerships between financial institutions & finance-related IT companies (revising the Banking Act, etc.) In partnership with the industry, primarily the financial sector, we will also seek to bring to fruition financial EDI that will help to improve productivity. We will also create a “FinTech ecosystem” in order to promote emergence of FinTech start-ups.

We will make corporate governance more effective & promote dialogue between companies & investors by encouraging greater use of IT in processes for annual meetings of shareholders, including improvements to the effectiveness & efficiency of corporate disclosure.

As well as introducing new regulatory reforms adapted to the Age of the Fourth Industrial Revolution, we will work on reducing the cost of regulatory & administrative procedures from the perspective of business operators by means of an integrated program of regulatory reform, streamlining of administrative procedures, and greater use of IT.

We will develop systems & infrastructure so that mobile services can be provided by self-driving vehicles & automated driving on expressways is possible during the Tokyo 2020 Olympic & Paralympic Games, including carrying out the verification needed by 2017.

We will develop systems & infrastructure so that mobile services can be provided by self-driving vehicles & automated driving on expressways is possible during the Tokyo 2020 Olympic & Paralympic Games, including carrying out the verification needed by 2017.

Aiming for Japan to be center for self-driving technology innovation via widespread use of self-driving vehicles & services by 2025.

We will work on reducing the cost of regulatory & administrative procedures from the perspective of business operators by means of an integrated program of regulatory reform, streamlining of administrative procedures, and greater use of IT.

We will develop systems & infrastructure so that mobile services can be provided by self-driving vehicles & automated driving on expressways is possible during the Tokyo 2020 Olympic & Paralympic Games, including carrying out the verification needed by 2017.

Aiming to make parcel delivery by drone a reality within three years at the earliest, we will work on achieving this by considering systems to ensure further security & a roadmap for usage & technology development. We will also promote verification of new usage, utilizing National Strategic Special Zones & robot testing fields, to make Japan a global pioneer in drone-based business.

We will establish a legal framework to facilitate flexible partnerships between financial institutions & finance-related IT companies (revising the Banking Act, etc.) In partnership with the industry, primarily the financial sector, we will also seek to bring to fruition financial EDI that will help to improve productivity. We will also create a “FinTech ecosystem” in order to promote emergence of FinTech start-ups.

We will make corporate governance more effective & promote dialogue between companies & investors by encouraging greater use of IT in processes for annual meetings of shareholders, including improvements to the effectiveness & efficiency of corporate disclosure.

### Measures

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<tr>
<td>Introducing new regulatory &amp; institutional reform mechanisms</td>
<td>Promoting regulatory &amp; institutional reforms by introducing roadmap policies</td>
<td>Reducing cost of regulatory &amp; administrative procedures from business operators’ perspective by integrated regulatory reform, streamlined administrative procedures, and greater use of IT</td>
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<tr>
<td>Accelerated promotion of National Strategic Special Zones</td>
<td>Period of intensive initiatives</td>
<td>Reforming remaining bedrock regulatory areas during 2-year intensive reform period for National Strategic Special Zones through the end of FY2017 &amp; enhancing functions of points of contact for those doing business</td>
<td>Implementing specific individual projects &amp; designating new zones if needed for these</td>
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<tr>
<td>Advanced self-driving vehicles</td>
<td>Enabling requisite verification by 2017</td>
<td>Developing systems &amp; infrastructure for mobile services provided by self-driving vehicles &amp; automated driving on expressways during 2020</td>
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<td>Added value created by Fourth Industrial Revolution: ¥30 trillion (2020)</td>
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<tr>
<td>Expanding industrial use of small unmanned aerial vehicle</td>
<td>Public-private sector council established</td>
<td>Making parcel delivery by drone a reality</td>
<td>Considering direction of system design &amp; roadmap for usage &amp; tech development (by summer)</td>
<td>Considering in detail systems for security, etc., implementing requisite measures, and promoting usage &amp; tech development</td>
<td>Field trials in National Strategic Special Zones &amp; robot testing fields</td>
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<tr>
<td>More advanced financial services using IT</td>
<td>Boosting flexible partnerships between financial institutions &amp; finance-related IT companies, and other institutional enhancements (revising Banking Act, etc.)</td>
<td>Realizing financial EDI that improves productivity &amp; building FinTech ecosystem</td>
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<tr>
<td>Promoting growth-oriented management</td>
<td>Enhancing efforts for genuinely effective corporate governance reform</td>
<td>Deliberations aimed at integrated disclosure</td>
<td>Considering content of measures regarding electronic notices of convocation</td>
<td>Aiming for laying foundation for world’s most effective &amp; efficient disclosure &amp; rational setting of shareholder meeting schedules &amp; record dates by 1st half of 2019</td>
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Enabling growth potential amid the phase of population decline (acceleration of measures for a productivity revolution)

5. Strengthening ability to create innovation & startup companies (building a national system of innovation)

[Direction of future measures]
Aiming to become the world’s most innovative country, we will promote university reforms & enhance the functions of research & development agencies. We will also promote world-class academic-industrial collaboration.

[Specific measures]
- We will steadily implementing university reforms (designated national universities, distinguished graduate schools (tentative), rejuvenation of competition between universities strengthening their management capabilities, etc.), National R&D Institute reforms (designated National R&D Institute, etc.), and competitive research expenditure reforms.
- We will enhance basic & academic research, and build World Premier International Research Center attracting outstanding, diverse global talent.
- We will nurture world-class research fields at around 20 centers, mainly provincial universities with high-potential research ability.
- We will enhance “bridging” functions of National R&D Institute, etc. We will develop & enhance forums for co-creation accumulating tech & personnel.
- We will investigate & analyze science & industrial technology trends in Japan & overseas, draft a strategy & roadmap. We will upgrade R&D infrastructure to expedite innovation. We will build mechanisms to ensure that output from national projects leads to social implementation.
- We will promote open innovation mainly at the uncompetitive fields through collaboration between industry, academia, and government in such hubs as designated National R&D Institutes & designated national universities.
- We will establish international research centers and build personnel & research networks to facilitate strategic sharing & use of big data, etc. in the fields such as nano-tech & materials & the global environment where Japan’s strength can be leveraged.
- We will enhance multilayered intellectual property (IP) strategies based on open & closed strategies and build new IP systems. We will promote international standardization.
- We will support research by high-caliber young researchers via the Distinguished Researchers (TAKUETSU) system, fostering entrepreneurship and reforms of Grant-in-Aid for Scientific Research (KAKENHI).
- We will enhance the environment to provide maximum backing for attitude & behavioral changes to achieve active investment in medium- to long-term & innovative R&D & innovation management that will drive innovation in companies.
- We will promote academic-industrial collaboration between organizations (from collaboration between a professor and a research section).
- We will found a forum that facilitates dialogue between industry, academia, and government to implement specific actions to deepen industry-academia-gov’t collaboration.

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### Challenges to economic growth

Strengthening innovation & the ability to create startups companies are essential to achieving a productivity revolution.

### FY 2015 - FY 2022 Measures

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<tr>
<td>Designating &amp; managing designated national universities, etc.</td>
<td>Considering systems, etc.</td>
<td>3rd Mid-Term Objectives Period</td>
<td>Designating &amp; managing designated national universities, Creating &amp; managing distinguished graduate schools (tentative)</td>
<td>4th Mid-Term Objectives Period</td>
<td>Nurturing world-class research fields at around 20 centers, mainly provincial universities with high-potential research ability</td>
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<td>- Increasing public &amp; private sector R&amp;D investment as a share of GDP to at least 4%</td>
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<td>Building research centers</td>
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<td>- Aiming for at least 10 Japanese universities to be in the top 100 of the World University Rankings.</td>
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<tr>
<td>R&amp;D institute reforms, etc.</td>
<td>Considering designated R&amp;D institute system</td>
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<td>Managing designated national R&amp;D institute system</td>
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<td>- Aiming for the No. 1 of the world innovation rankings within 5 years (by end FY2017).</td>
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<tr>
<td>Competitive research expenditure reforms</td>
<td>Enhancing basic &amp; academic research, and building World Premier International Research Center attracting outstanding, diverse global talent</td>
<td></td>
<td>Investigating &amp; analyzing S&amp;T trends in Japan &amp; overseas Drafting a strategy &amp; roadmap.</td>
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<td>- Aiming to triple corporate investment in univerisities &amp; R&amp;D agencies by 2025</td>
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<tr>
<td>Promoting open innovation, etc.</td>
<td>Upgrading R&amp;D infrastructure to expedite innovation. Building mechanisms to ensure that output from national projects leads to social implementation.</td>
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<td>Implementing the appropriate measures for indirect costs, improving usability, etc.</td>
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<td>- Enhancing the environment to provide maximum backing to achieve active investment in medium- to long-term &amp; innovative R&amp;D driving innovation in companies.</td>
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<tr>
<td>Distinguished researchers, KAKENHI reforms, etc.</td>
<td>Promoting open innovation mainly at the uncompetitive fields through industry-univ.-gov. collaboration in such hubs as designated National R&amp;D Institutes &amp; designated national universities Establishing international research centers and building personnel &amp; research networks to facilitate strategic sharing &amp; use of big data, etc. Enhancing multilayered intellectual property (IP) strategies based on open &amp; closed strategies; building new IP systems; promoting int'l standardization of advanced tech</td>
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<tr>
<td>Promoting full-scale industry-academia-gov’t collaboration</td>
<td>Considering systems, etc.</td>
<td>Appointing &amp; managing distinguished researchers (150/year)</td>
<td>Implementing projects, considering new systems, etc.</td>
<td>Supporting independence for young researchers &amp; introducing new review methods</td>
<td>Promoting academic-industrial collaboration between organizations (from collaboration between a professor and a research section)</td>
<td>Creating forums for dialogue</td>
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Enhancing growth potential amid the phase of population decline (acceleration of measures for a productivity revolution)

6. Strengthening ability to create innovation & startup companies (building a startup ecosystem)

[Challenges to economic growth]
Examples of successful startup companies are emerging in Japan, but there have been few global startups making a major impact on global markets. Universities & large corporations are also failing to fulfill their potential & no private sector mechanisms have been created for independent, ongoing efforts to create startup companies & expand into global markets.

[Direction of future measures]
As well as identifying startup companies, including in provincial regions, we will build a comprehensive system enabling relevant governmental organizations to provide integrated support & connect startups to global markets.

[Specific measures]
- We will switch from a passive to an active approach to identifying potential projects, including dispatching a Project Finder Caravan to provincial regions.
- As well as establishing a joint startup support consortium of governmental organizations, we will establish an advisory board concerning government-wide support for startup companies, with membership drawn from the network of startup support personnel (VC, accelerators, lawyers, accountants, etc.) created to date by ministries & independent administrative agencies. This board will provide advice on support for startup companies attempting to break into global markets & governmental measures to support startup companies.
- We will enhance the quality of the Silicon Valley-Japan Bridge Project & extend it to Asia, Israel, and Europe, etc.
- We will hold a Global Startup Summit in 2020.

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<tr>
<th>FY</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022 &amp; beyond</th>
<th>Indicator(s)</th>
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<tr>
<td>Developing comprehensive systems directly linking Japanese regions &amp; the world</td>
<td>Building a platform as a bridge between Japanese regions &amp; the world</td>
<td>Dispatching a Project Finder Caravan to provincial regions</td>
<td>Establishing advisory board on govt-wide startup support</td>
<td>Supporting startup companies trying to break into global markets &amp; providing advice on govt startup support measures</td>
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<td>• Dispatching around 500 Japanese SMEs, mid-ranking companies &amp; startup companies to Silicon Valley over 5 years from FY2016</td>
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<tr>
<td>Silicon Valley-Japan Bridge Project</td>
<td>Dispatching SMEs, mid-ranking companies &amp; startup companies to advanced innovation regions in U.S. to visit innovation centers &amp; interact with local companies</td>
<td>Dispatching entrepreneurs, staff, launching new ventures within large corporations, &amp; startup support personnel to Silicon Valley; backing for upskilling &amp; finding partners for startup business</td>
<td>Promoting business tie-ups, joint research, &amp; M&amp;A via matching events &amp; symposiums involving startups &amp; large corporations &amp; investors from Japan &amp; U.S.</td>
<td>Enhancing quality of Silicon Valley-Japan Bridge Project; considering &amp; implementing expansion to Asia, Israel, &amp; Europe</td>
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<td>• Doubling the value of VC investment in startup companies as a proportion of nominal GDP by 2022 (Current: 0.028% (3-year average for 2012-14))</td>
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<tr>
<td>Synchronizing with global startup ecosystems</td>
<td>Building partnerships with multiple int’l business matching programs, while developing various dispatch programs</td>
<td>Holding a Global Startup Summit in 2020.</td>
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Enhancing growth potential amid the phase of population decline (acceleration of measures for a productivity revolution)

7. Creating workers able to drive growth (human resource development / educational reform)

**[Challenges to economic growth]**

Initiatives focused on everything from elementary & secondary education to higher education & research institutes are required to cultivate the qualities & skills needed to adapt to the Age of the Fourth Industrial Revolution.

In an era of intense change, new higher education institutions are needed to provide practical vocational knowledge & skills tailored to the demand for human resources.

To develop human resources who can adapt to the Age of the Fourth Industrial Revolution, we will promote educational reforms & human resource development with a view to the society of the future, including the nationwide deployment of IT-based education in elementary & secondary education; the enhancement of science, mathematics, and IT education in higher education, at universities & graduate schools; and the development of top-class IT personnel.

We will strategically develop human resources capable of playing an active role in growth industries, taking into account the transformation of the industrial structure in the medium- to long-term as the Fourth Industrial Revolution progresses. In addition, we will put in place systems enabling people to gain practical vocational knowledge & skills tailored to demand for human resources.

**[Specific measures]**

- **In elementary & secondary education**, we will promote IT education including education that fosters the ability to utilize IT, such as improving learning through individually tailored education & interactive/autonomous approaches promoting deeper learning, as well as making programming education tailored to the relevant development stage a compulsory subject, while also seeking to achieve the best mix between enhancing the teaching skills of teachers & utilizing IT. To provide this kind of education nationwide, we will revise the Course of Study (curriculum guidelines), etc. As well as considering building educational consortia to promote IT education, such as the development & dissemination of IT teaching materials & content, we will draft the Plan for Accelerating IT in Education by this summer & make thorough efforts for nurturing & training teachers and enhance school IT environments.

- **In higher education, as well as encouraging the development of faculties & graduate schools that cultivate high**, their opening by Wi

- **Measures to respond to the Fourth Industrial Revolution**

- **Reforming elementary & secondary education**

  - **Revising Course of Study, etc.:** Notifying teachers of revisions; preparing, verifying, and adopting textbooks, etc.
  - **Considering building education consortiums:** Building & managing education consortium

  - **Improving IT environments in school education:**

  - **Enforcing high-level personnel to drive IoT/Big Data/Al, etc.:**

  - **Instituting new higher education institutions providing practical vocational education:**

  - **Enhancing graduate schools’ functions:**

  - **Council for Promoting HR Development to respond to the 4th Industrial Revolution:**

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<tr>
<td>Reforming elementary &amp; secondary education for the Fourth Industrial Revolution</td>
<td>Revising Course of Study, etc.</td>
<td>Considering building education consortiums</td>
<td>Implementing academic programs based on new Course of Study</td>
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<td></td>
<td>Improving IT environments in school education</td>
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<td></td>
<td>Fostering high-level personnel to drive IoT/Big Data/Al, etc.</td>
<td>Developing &amp; implementing system for integrated research &amp; HR development in IoT, big data, and AI, etc.</td>
<td>Implementing more advanced research &amp; HR development</td>
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<td>Aiming for Wi-Fi availability in 100% of ordinary classrooms by FY2020</td>
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<td></td>
<td>Enhancing science &amp; math education in higher education</td>
<td>Encouraging development of faculties &amp; graduate schools; formulating standard curriculum, etc.</td>
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<td></td>
<td>Initiating system of new higher education institutions providing practical vocational education</td>
<td>Preparations to facilitate opening</td>
<td>Opening new higher education institutions</td>
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<td></td>
<td>Enhancements of Professional Graduate Schools’ functions</td>
<td>Considering implementing institutional measures once Central Council for Education has decided on new higher education institutions providing practical vocational education</td>
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<td></td>
<td>Council for Promoting HR Development to respond to the 4th Industrial Revolution</td>
<td>Preparing for launch</td>
<td>Considering ideal human resources &amp; qualities needed for Fourth Industrial Revolution, reflecting this in policies</td>
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Toward “the Nominal GDP of 600 Trillion Yen”
Enhancing growth potential amid the phase of population decline acceleration of measures for a productivity revolution

5. Creating workers able to drive growth (utilizing foreign human resources)

It is vital to encourage the participation of a diverse workforce in order to conquer the constraints resulting from population decline and enhance socioeconomic innovation capacity by increasing the diversity of Japan's pool of human resources.

- As well as improving the living environment for foreign human resources, it is necessary to train the foreign human resources to absorb foreign human resources, Mr. Foreign, and retain long-term knowledge and skills to contribute to Japan's economic growth. While 70% of international students who graduate in Japan can only find jobs in Japan, only 30% of them are actually managing to find jobs abroad. This is resulting in an outflow of human resources. We will proceed with the increase of expanding opportunities for foreign human resources to find jobs in Japan from 30,000 to 60,000 by 2020.

6. Strengthening residence control infrastructure

Toward “the Nominal Yen”

We will provide support for foreign human resources emerging from ODA

As FY2020, substantially reducing the period of

Financial measures for facilitating & expediting acceptance for highly skilled foreign professionals by foreign human resources funded from ODA.

We will introduce the Japanese Green Card for Highly Skilled Foreign Professionals, which will be the fastest system in the world, to make Japan a global hub. In addition, with appropriate involvement by ministries, agencies, and other public bodies, we will promote the establishment of a system for expanding opportunities for foreign human resources to work in Japan. By the end of next year, we will improve the mechanism for ascertaining the work & residence status of foreign nationals by systematically improving the work & residence status certification system, expanding the implementation of effective foreign human resources businesses. Moreover, by promoting English language education to foreign nationals and improving the mechanization of the work & residence status certification system, we will develop appealing acceptance mechanisms & environments, to serve as a message from the Government that Japan is open to the world.

7. Enhancing employment support for highly skilled foreign professionals

Measures to improve living environment for foreign nationals

Expediting acceptance of highly skilled foreign professionals

We will improve the living environment for foreign nationals, including Japanese language education, internships, and careers education. In addition, with appropriate involvement by ministries, agencies, and other public bodies, we will promote the establishment of a system for expanding opportunities for foreign human resources to work in Japan. By the end of next year, we will improve the mechanism for ascertaining the work & residence status of foreign nationals by systematically improving the work & residence status certification system, expanding the implementation of effective foreign human resources businesses. Moreover, by promoting English language education to foreign nationals and improving the mechanization of the work & residence status certification system, we will develop appealing acceptance mechanisms & environments, to serve as a message from the Government that Japan is open to the world.

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**Toward “the Nominal GDP of 600 Trillion Yen”**

Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

9. Creating new promising growth markets (toward a world leading healthcare)

**[Challenges to economic growth]**

It is necessary to expand the markets of services not covered by public health insurance and promote health and improve the quality of life of citizens while keeping social security costs at an appropriate level.

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<tr>
<td>Using services not covered by public health insurance and robots, etc.</td>
<td>Establishing systems for coordination between private providers of services that are not covered by public health insurance and persons involved in healthcare and nursing care. Considering and drawing a conclusion on institutional measures for reducing the burden on and improving the productivity of nursing care workers by using robots and sensors.</td>
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<td>FY2018</td>
<td>Concurrently revising medical fees and nursing care fees, and concurrently formulating medical care plans and long-term care service plans.</td>
<td>Creating a society that engages in activities to promote health and prevent diseases while using diverse services not covered by health insurance.</td>
<td>Accelerating extension of the healthy lifespan at a speed faster than the extension of the average life expectancy through prevention of diseases throughout people’s lifetimes, and extending the healthy lifespan by at least two years by 2025.</td>
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<tr>
<td>Using ICT</td>
<td>Considering the desirable form of Healthcare ID, Preparing for system construction, Developing the system.</td>
<td>Preparing for system construction, Developing the system.</td>
<td>Preparing for system construction, Developing the system.</td>
<td>Preparing for system construction, Developing the system.</td>
<td>Preparing for system construction, Developing the system.</td>
<td>Preparing for system construction, Developing the system.</td>
<td>Preparing for system construction, Developing the system.</td>
<td>Preparing for system construction, Developing the system.</td>
<td>Starting phased operation, Starting full-fledged operation.</td>
</tr>
<tr>
<td>Pharmaceuticals and medical devices</td>
<td>Supporting establishment of regional medical information cooperation networks. Developing systems concerning ICT infrastructure for healthcare and health promotion.</td>
<td>Developing R&amp;D foundations, establishing networks of persons concerned, supporting ventures, promoting the global reach of Japan-style healthcare, and contributing to global health.</td>
<td>Developing R&amp;D foundations, establishing networks of persons concerned, supporting ventures, promoting the global reach of Japan-style healthcare, and contributing to global health.</td>
<td>Developing R&amp;D foundations, establishing networks of persons concerned, supporting ventures, promoting the global reach of Japan-style healthcare, and contributing to global health.</td>
<td>Developing R&amp;D foundations, establishing networks of persons concerned, supporting ventures, promoting the global reach of Japan-style healthcare, and contributing to global health.</td>
<td>Developing R&amp;D foundations, establishing networks of persons concerned, supporting ventures, promoting the global reach of Japan-style healthcare, and contributing to global health.</td>
<td>Developing R&amp;D foundations, establishing networks of persons concerned, supporting ventures, promoting the global reach of Japan-style healthcare, and contributing to global health.</td>
<td>Reaching high-quality medical and healthcare services through infrastructure for using big data and infrastructure for making integrated use of various personal information, and also contributing to market expansion.</td>
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<td>Community healthcare coordination corporations</td>
<td>Preparing for entry into force of the amended Medical Care Act, and making university hospitals separate corporations from universities.</td>
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Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

10. Creating new promising growth markets (overcoming environmental and energy constraints and expanding investments)

[Direction of future measures]

By reinforcing efforts in the energy and environmental fields such as energy saving, renewable energy and natural resources, we will realize economic growth and greenhouse gas emission reduction control at the same time. We will also strengthen resource security.

[Specific measures]

- We will expand the Energy Efficiency Benchmark Program to the distribution/services industries, promote energy-efficiency in newly constructed houses and buildings, disseminate net zero energy houses (ZEH) and net zero energy buildings (ZEB), double the number of energy renovations of houses, disseminate next-generation vehicles, set up hydrogen stations, and encourage launches of national campaigns.

- We will also promote integrated reform of the feed-in-tariff scheme and related systems, overcoming of the challenges of grid integration of power system and R&D and regulation/system reform for expanding renewable energy.

- We will promote initiatives for supply-and-demand adjustment using energy resources on the consumers’ side, such as creating negawatt trading markets, while facilitating businesses’ efforts to improve power generation efficiency and the shift to low carbon from the policy aspect, and evaluate the progress status. We will also reinforce R&D of innovative technology.

- We will actively implement support measures such as supplying financial resources for encouraging investments in resource development, promote surveys and development of marine resources, promote effective use of secondary natural resources including non-ferrous metals, develop an environment for trading liquefied natural gas (LNG) and natural gas that links the domestic and foreign markets, and promote resumption of operations of safety-confirmed nuclear power plants.

- We will support developing countries in constructing and concretizing energy policy frameworks, constructing training systems for energy management, and introducing high-efficiency thermal power generation, and will further expand Joint Crediting Mechanism. We will also support Asia-Pacific nations in introducing waste collection systems and treatment facilities.

- We will steadily implement the energy system reform.

---

### Toward “the Nominal GDP of 600 Trillion Yen”

**[Challenges to economic growth]**

It is necessary to have environmental and energy constraints serve as triggers for expansion of new investments and to concurrently achieve economic growth and the FY2030 goal for greenhouse gas emissions reduction.

Since the energy system reform has eliminated barriers between business categories in the energy market and collective energy management became possible due to the progress of information technology, further energy efficiency saving and new energy businesses such as negawatt trading can be carried out.

It is expected that innovative technology will be developed and new systems will be constructed toward achieving an ambitious energy mix and a drastic reduction of greenhouse gases in the long term, and substantial new economic value will be created in the future.

Amidst global stagnation of investment in natural resource development against the backdrop of a long-term resource price slump, it is necessary to support the sustainable growth of the world economy by taking the lead in reversing the globally shrinking investment in resource development and to take measures for avoiding the risk of a future resource price hike.

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### Measures

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<tbody>
<tr>
<td>Expanding the Energy Efficiency Benchmark Program</td>
<td>Including convenience stores in the system</td>
<td>Aiming to expand the coverage of the Energy Efficiency Benchmark Program to 70% of the total energy consumption of all industries</td>
<td>Supporting insulation/retrofit using windows and insulating materials, and doubling the number of energy-efficiency renovations by 2020</td>
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<td>Promoting energy-saving of housing and buildings</td>
<td>Adding insulting materials and windows to the top-system system</td>
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<tr>
<td>Promoting dissemination of next-generation vehicles</td>
<td>Providing subsidies for introduction of fuel cell vehicles and electric vehicles</td>
<td>Setting up charging facilities and hydrogen stations</td>
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<td>Expanding introduction of renewable energy</td>
<td>Reforming the feed-in-tariff system</td>
<td>Promoting regulation/system reform and R&amp;D</td>
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<tr>
<td>Creating and developing negawatt trading markets</td>
<td>Formulating trading rules and establishing communications standards</td>
<td>Creating negawatt trading market by the end of 2017</td>
<td>Carrying out demonstration tests for building a 50 MW-class virtual power plant</td>
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<tr>
<td>Strengthening R&amp;D of innovative technology</td>
<td>Formulating the energy and environment strategy for technological innovation</td>
<td>Prioritizing R&amp;D of innovative technology such as next-generation devices, next-generation solar power generation, next-generation geothermal power generation, next-generation storage battery, and hydrogen (manufacture, storage, transportation, and use), and reinforcing the Government’s integrated R&amp;D framework</td>
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<td>Reinforcing the risk money supply framework</td>
<td>Setting an intensive investment period for actively implementing policy measures and supporting continuous investments in upstream development in and outside Japan by Japanese companies in order to secure stable resource supply</td>
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<tr>
<td>Developing an environment for trading LNG and natural gas that links the domestic and foreign markets</td>
<td>Increasing LNG trading mainly in Japan by the first half of the 2020s and aiming to make Japan a global hub in LNG trading</td>
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<tr>
<td>Steadily implementing the energy system reform</td>
<td>Establishing the Organization for Energy Efficiency and Renewable Energy in FY2015</td>
<td>Fully liberalizing the electricity retail market (April)</td>
<td>Abolishing the regulated retail gas tariffs (abating the regulated retail gas tariffs (lifting regulations) determining the competitive balance throughout the section)</td>
<td>Legally unburdening the electricity transmission and distribution system (April)</td>
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**Indicator(s)**

- Aiming to achieve average zero emission in newly-constructed houses and buildings by 2030
- Aiming to increase the share of next-generation vehicles in all new passenger cars sold to 50-70% by 2030
- EV/PHV: aiming to increase the number of such vehicles in use to a maximum of 1 million-plus by 2020
- PCC: aiming to reduce the number of such vehicles in use to around 40,000 plus by 2020 and around 900,000 plus by 2030
- Setting up about 160 commercial hydrogen stations by FY2020 and about 320 stations by FY2025
- Creating a negawatt trading market where the amount of electricity saved can be traded by the end of 2017
- Aiming to increase the voluntary development rate of domestic and imported oil and natural gas to over 40% by 2030
### Toward “the Nominal GDP of 600 Trillion Yen”

**Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)**

**11. Creating new promising growth markets (changing sports and culture to growth industries)**

#### Challenges to economic growth

In Western countries, while the market size of the sports industry has significantly grown in the last decade; the market size in Japan has shrunk. It is required to strengthen the “earning power” of sports in Japan and expand the market.

While the cultural GDP generally accounts for 3–4% of the national GDP in developed countries, the percentage is smaller in Japan. It is necessary to make further use of culture, art, and other cultural resources and to strengthen the “earning power” of a wide range of culture-related industries.

(Note) There is no clear universal definition of the “market size of the sports industry” and the “cultural GDP.”

#### Direction of future measures

- **We will develop the sports industry in Japan by (1) establishing a self-sustaining virtuous cycle model whereby earnings will be reinvested in sports (a shift from burden ["cost center"] to earnings ["profit center"] with an eye beyond 2020, and (2) creating new sports markets (integrating the sports industry with peripheral industries with a focus on sports and increasing the sports population).**
- **We will stress the necessity of not only “preservation and succession”, but also “utilization” and “business factor” in the concept of cultural administration.**
- **We will aim at expanding the cultural GDP of Japan as a national strategy by strengthening functions that will be required for meeting new policy needs and aggressively incorporating private-sector initiatives and technology in the respective fields, regions and in and outside Japan.**

#### Specific measures

**<Sports>**

- We will formulate new guidelines for sports facilities development and management that focus on the attractiveness and profitability with location, access, scale, additional facilities, and services.
- We will enhance the managerial capacity of sports contents holders such as sports associations and promote creation of new businesses. We will also promote training and securing of human resources in sports business management.
- We will aim at expanding sport-related industries that are not limited to the facilities, supplies, services, and information (e.g. IT, food, healthcare, fashion, tourism, culture and art, contents, amusement, etc.).
- We will consider measures for developing and disseminating new sports that are easy to take part in, recommending easily accessible exercises at workplaces, enhancing exercise and sports programs in line with the life stages and improving the environment for para-sports.

**<Culture>**

- We will formulate a roadmap for developing a culture industry comparable to those of other countries (expanding the cultural GDP).
- We will establish and develop a culture and art promotion model led by private demand through cultural programs prompted by the 2020 Tokyo Olympic and Paralympic Games (“beyond 2020” programs), etc.
- We will create new services, products, and jobs by matching or fusing culture with new contents and designs that are closely related with culture.
- We will promote assistance for and human resources development of artists, managers, and producers supporting and promoting culture.

#### Measures

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<td>• Size of the sports market: 15 trillion yen by 2025</td>
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<td>• Percentage of adults engaging in sports at least once a week: 65% by 2021</td>
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<td>• Cultural GDP: Approx. 18 trillion yen by 2025 (about 3% of national GDP)</td>
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<td>Changing sports to a growth industry</td>
<td>Establishing the Sport Basic Plan</td>
<td>Discussions at the Meeting for Exploring the Future of Sports</td>
<td>With an eye beyond 2020, • Promoting use of facility guidelines and reflecting them in construction and renovation plans • Enhancing the managerial capacity and governance of contents holders such as sports associations • Training and securing human resources related to the sports industry • Creating new industries based on sports</td>
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<td>Strengthening the “earning power” of cultural properties and their active utilization</td>
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<td>Strengthening the “earning power” of culture and art and their active utilization</td>
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(Note) There is no clear universal definition of the “market size of the sports industry” and the “cultural GDP.”

- **Japan Sports Agency**
- **Tokyo Olympics and Paralympics**

- **Cultural GDP**

- **Heritage**

- **Sports**

- **Technology**
Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

12. Creating new promising growth markets (revitalizing markets for transaction of existing houses and reform)

**[Challenges to economic growth]**

- The fact that the asset value of housing is not evaluated in the market and housing cannot be sold at an appropriate price is raising people’s propensity to save for their old age (inhibiting a rise in the propensity to consume).
- It is effective to create and develop new industries by promoting the use of IoT housing, healthy housing, security housing, etc. with an aim to achieve economic growth.
- Housing-related financial burden on young/child-raising generations is large.

**[Direction of future measures]**

- We will establish an existing housing transaction market where housing will be evaluated as assets. We will also promote dissemination of next-generation housing (IoT housing, healthy housing, security housing, etc.). Furthermore, we will reduce the housing-related financial burden on young/child-raising generations through the use of existing housing.

**[Specific measures]**

- We will stimulate transaction of existing housing by establishing an appropriate transaction and financial system for evaluating the asset values of housing, promoting dissemination of inspections and home owner’s warranties, creating a system for registering premium existing housing (tentative name) having high quality and product appeal, and encouraging renovation for energy-saving and long-term high-quality housing. We will also accelerate the elimination of nonperforming assets and new investments by streamlining consensus-building rules for promoting reconstruction of apartment buildings with many vacant apartment units, encouraging demolition or reconstruction of vacant houses or housing built under the old quake-resistance standards, and considering a system for encouraging an inheritance registration so as to be able to easily identify the owner of a vacant house and proceed with its demotion or reconstruction.
- We will promote dissemination of housing using new technology and next-generation technology, such as IoT technology.
- Reducing the housing-related financial burden on young/child-raising generations through the use of existing housing: We will establish a new framework using vacant houses and private rental housing to make it easier for young/child-raising generations to move into housing that has the necessary qualities and space at a low rent. We will encourage young/child-raising generations to buy existing housing, etc. and invite child-raising support facilities, etc. with reconstruction of public rental apartment complexes or promote establishment of such facilities at private apartment complexes.

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<tr>
<td>Establishing an existing housing transaction market where housing will be evaluated as assets</td>
<td>Establishing and promoting dissemination of an appropriate transaction and financial system for evaluating the asset values of housing</td>
<td>Amending the Building Lots and Buildings Transaction Business Act and putting it into effect</td>
<td>Promoting dissemination of inspections and home owner’s warranties</td>
<td>Creating a system for registering premium existing housing (tentative name)</td>
<td>Promoting dissemination of the system for registering premium existing housing (tentative name)</td>
<td>Encouraging renovation for energy-saving and long-term high-quality housing</td>
<td>Streamlining consensus-building rules for promoting reconstruction of apartment buildings with many vacant apartment units</td>
<td>Encouraging demolition or reconstruction of vacant houses, or housing built under the old quake-resistance standards</td>
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<td>Promoting dissemination of next-generation housing</td>
<td>Promoting dissemination of housing using new technology and next-generation technology such as IoT technology</td>
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<td>Size of the reform market: 7 trillion yen (2013) → 12 trillion yen (2025)</td>
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<td>Reducing the housing-related financial burden on young/child-raising generations through the use of existing housing</td>
<td>Establishing a new framework using vacant houses and private rental housing</td>
<td>Promoting dissemination of the new framework</td>
<td>Implementing necessary measures based on policy evaluation and changes in the social and economic situations</td>
<td>Encourage young/child-raising generations to buy existing housing, etc.</td>
<td>Inviting child-raising support facilities, etc. with reconstruction of public rental apartment complexes</td>
<td>Promoting establishment of child-raising support facilities, etc. at private apartment complexes</td>
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Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

13. Creating new promising growth markets (realizing a robot revolution)

**[Challenges to economic growth]**

Japan ranks at the top of the world in terms of the annual shipment value of industrial robots and the domestic number of industrial robots in operation, but other countries are in close pursuit.

The challenges are to encourage the service industry as well as mid-sized enterprises and SMEs to use robots and make the Fourth Industrial Revolution spread nationwide, while also promoting the use of next-generation robots combining artificial intelligence and robots, etc.

**[Direction of future measures]**

We will realize, execute, and evolve the New Robot Strategy (adopted by the Headquarters for Japan’s Economic Revitalization in February 2015) centering on the Robot Revolution Initiative Council, while also accelerating introduction of robots in mid-sized enterprises and SMEs and improving the environment for R&D and demonstration tests.

**[Specific measures]**

- **We will promote the proposal of the international standardization concerning the business revolution and smart transformation of the manufacturing industry in cooperation with Germany, etc., R&D and commercialization of next-generation robots equipped with high-accuracy sensors and camera systems and artificial intelligence, increased use of robots in infrastructure inspections, improvement of quality and productivity of nursing care through use of robots, and automated driving of farm machines.**
- **We will reduce the cost for introducing small general-purpose robots by more than 20% by 2020 to accelerate introduction of such robots in mid-sized enterprises and SMEs. To this end, we will push forward development of platform robots that can be used for general-purpose work and processes that have common functions that serve as a foundation, while clarifying the procedure for introducing robots, and double the number of personnel for supporting introduction of robots (system integrators) (15,000 people ⇒ 30,000 people by 2020). We will also establish a consultation framework in each region (for seeking advice from the Smart Manufacturing Support Team, etc.) to support introduction of IT and robots in more than 10,000 companies over the next two years.**
- **In order to promote demonstration tests for accelerating R&D and social implementation, we will establish robot testing fields of approximately 50 ha and R&D facilities in the Hamadori region of Fukushima Prefecture and launch R&D and evaluation standards and verification methodologies with an eye on international standards. In addition, we will advance discussions for holding an International Robot Competition in 2020 to carry out competitions and demonstrations aimed at resolving various social issues.**

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<tr>
<td>Executing and evolving the New Robot Strategy</td>
<td>Establishing the Robot Revolution Initiative</td>
<td>Steadily implementing measures under the New Robot Strategy (manufacturing sector; service fields; nursing and medical fields; infrastructure, disaster response, and construction fields; and agriculture, forestry, fishery, and food industry)</td>
<td>Promoting the initiatives of the Robot Revolution Initiative (promoting the proposal of international standardization concerning the business revolution and smart transformation of the manufacturing industry in cooperation with Germany, etc.)</td>
<td>• Promoting R&amp;D and commercialization of next-generation robots equipped with high-accuracy sensors and camera systems and artificial intelligence (Initiatives in individual fields)</td>
<td>- Promoting increased use of robots in infrastructure inspections - Improving quality and productivity of nursing care through use of robots - Promoting automated driving of farm machines, etc.</td>
<td>Expanding the size of the domestic robot production market to 1.2 trillion yen in the manufacturing sector and to 1.2 trillion yen in the non-manufacturing sectors such as the service sector by 2020</td>
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<tr>
<td>Encouraging mid-sized enterprises and SMEs to use robots</td>
<td>Conducting studies for concretizing a platform robot</td>
<td>Conducting studies for clarifying the procedure for introducing robots</td>
<td>Doubling the number of personnel for supporting introduction of robots (system integrators) (by 2020)</td>
<td>Supporting introduction of IT and robots in more than 10,000 companies (over the next two years)</td>
<td>Establishing consultation centers for seeking advice from the Smart Manufacturing Support Team</td>
<td>(Reference) 2014: manufacturing sector approx. 590.1 billion yen, non-manufacturing sector approx. 61 billion yen</td>
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<td>Promoting demonstration tests for accelerating R&amp;D and social implementation</td>
<td>Fukushima Innovation Coast Scheme (establishing robot testing fields and R&amp;D facilities)</td>
<td>Formulating evaluation standards with an eye on international standards</td>
<td>Deciding the style of the competition and competition items</td>
<td>Holding a preparatory competition (by the end of 2018)</td>
<td>Holding the main competition (by the end of 2020)</td>
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It is important to take in global economic growth by actively expanding into growing markets and attracting people, goods, and capital from around the world into Japan.

In the midst of changing international economic order, it is necessary to contribute to the global economic activities as a key role player, by taking the lead in establishing global trade and investment rules.

## [Challenges to economic growth]

Utilizing expanding overseas economies (Enhancement of links with overseas growth markets in response to TPP and other arrangements)

### 14. Taking in overseas growing markets

#### [Direction of future measures]

The TPP is expected to put the Japanese economy on a new growth track. We will push forward to achieve entry into force and promote negotiations on economic partnerships and conclusion/amendment of investment agreements, thereby establishing a platform for global economic activities. In addition, in order to encourage Japanese companies to take part in the huge markets of emerging countries and others, we will further enhance initiatives to support overseas business expansion of small and medium-sized companies, increase infrastructure exports, and promote the Cool Japan initiatives. In addition, by improving environments for invest in Japan, we will send out the message that “Japan is open to the world,” thereby attracting the interests of foreign companies, and we will also support the efforts of local governments to attract such investment.

#### [Specific measures]

- We will push forward to achieve early entry into force and implementation of the TPP and strategically and expeditiously promote negotiations on other economic partnerships including the Japan-EU EPA, RCEP, and the Japan-China-Republic of Korea FTA, thereby taking the lead in establishing comprehensive, balanced, and high-level global rules. We will also promote negotiations on concluding new investment agreements and amending existing agreements.

- Within the framework of the “Consortium for New Export Nation”, we will provide assistance to small and medium-sized companies seeking to expand overseas business by detailed and comprehensive support measures, ranging from product development to market development (e.g. obtaining foreign certification and setting up stores overseas), through the cooperation with supporting organizations and the help of experts, while organizing closer relationships among these organizations by promoting the sharing of their action plans.

- We will promote activities to attract foreign investment by strengthening collaboration and functions of diplomatic missions, JETRO and local governments. We will also promote investment and business alliance between Japanese small and medium-sized companies and foreign companies. Furthermore, we will aim to achieve fundamental improvements for business and living environments by eliminating obstacles to investment faced by foreign companies.

- With the aim of increasing infrastructure exports, we will increase the supply of financial resources, further improve relevant measures, and strengthen the institutional capacity and financial grounds of Japan’s relevant organizations, under the “Expanded Partnership for Quality Infrastructure”. In addition, we will carry out initiatives to implement strategic human resources development, conduct strategic public relations activities, promote the importance of quality infrastructure investment in the process of developing relevant international standards, and strengthen collaboration with multilateral development banks.

- Within the framework of the Cool Japan Public-private Partnership Platform, we will promote business matching to create collaboration projects utilizing contents and others. We will also promote government-wide initiatives to increase Japanese alcoholic beverage exports, while identifying challenges to overcome.

### Table: Measures and Indicators

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<tr>
<td>Promoting the conclusion of economic partnership agreements and investment agreements</td>
<td>Pushing forward to achieve entry into force and implementation of the TPP and strategically and expeditiously promoting negotiations on economic partnerships, taking the lead in establishing comprehensive, balanced and high-level global rules.</td>
<td>Promoting negotiations on concluding/amending investment agreements strategically and actively under the “Action Plan for Improvement of Investment Climate through Promoting the Conclusion of Investment-related Agreements” (May 2018)</td>
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<td>Aiming to raise the FTA ratio to 70% by 2018</td>
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<td>Supporting overseas business expansion of small and medium-sized companies</td>
<td>Setting up the “Consortium for New Export Nation”</td>
<td>Developing systems for providing small and medium-sized companies with information and consultation services regarding their overseas business expansion, and enhancing comprehensive support through collaboration of related supporting organizations (e.g. utilizing the “Consortium for New Export Nation”)</td>
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<td>Aiming to sign and/or achieve entry into force of investment-related agreements covering 100 countries/regions by 2020</td>
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<td>Enhancing the initiative to promote inward foreign direct investment</td>
<td>Compiling a policy package (the Council for Promotion of FDI in Japan)</td>
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<td>Achieving the increase in the ratio of “export value and overseas subsidiaries sales” over the 2011 level: double for China and ASEAN, etc.; double for Southeast Asia, Middle East, Russia/CIS, and Central and South America; triple for Africa by 2020</td>
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<td>Increasing infrastructure exports</td>
<td>Increasing infrastructure exports by implementing strategic human resources development, conduct strategic public relations activities, promote the importance of quality infrastructure investment in the process of developing relevant international standards, and strengthening collaboration with multilateral development banks</td>
<td>Revising the infrastructure export strategy, implementing and utilizing measures steadily and effectively</td>
<td>Formulating guidelines for quality infrastructure</td>
<td>Training 40,000 people as industrial human resources in Asia (by FY2017)</td>
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<td>Aiming to ensure that the rate of increase in export of Japanese alcoholic beverages exceeds the one in export of agricultural, forestry and fishery products and food products by 2020</td>
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<td>Promoting the Cool Japan initiatives</td>
<td>Holding seminars in collaboration with content-related events organized by the private sector as well as matching forums inviting a variety of related businesses and supporting organizations, within the framework of the Cool Japan Public-private Partnership Platform</td>
<td>Promoting government-wide initiatives to increase Japanese alcoholic beverage exports, and identifying challenges to overcome</td>
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<td>Doubling inward foreign direct investment stocks to ¥5 trillion by 2020</td>
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**Toward “the Nominal GDP of 600 Trillion Yen”**

### Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

#### Direction of Upcoming Measures

In order to increase the growth rate of labor productivity of service sectors to 2% by 2020, we will encourage efforts of improving productivity made by each motivated business by supports provided by the national government, trade associations, organizations of SMEs and financial institutions in regions.

#### Concrete Measures

We will promote best practices by running Nihon Service Award, encourage IT investments of small and medium service businesses, establish and promote “Hospitality Standard” which is expected to a new certification system to visualize service qualities, promote development of human resources capable of management in professional graduate schools.

Efforts to be made toward improvement in productivity in each type of business are as follows;

1. **Within the conference to discuss improvement in productivity of service sectors, which was founded jointly by the government and private sectors, the following efforts will be made.**
   - Creation of models, standardization of know-how: We will break businesses in retail business, restaurant business, accommodation business, nursing care and freight-hauling business into patterns according to the type and size of business, then implement consulting and create best model cases. We will also standardize know-how toward improvement in productivity.
   - Horizontal expansion of know-how: We will horizontally expand know-how obtained from model cases and promote efforts of improving productivity in each sector.

2. Based on the Bill on the Strengthening of the Management of SMEs, etc., we will formulate guidelines specific to each sector, with a collaboration with trade associations of seven sectors which are targets of the "Service Industries Challenge Program", and instill best practices nationwide.
   - Utilizing guidelines specific to each sector based on the act, best model cases and local benchmarks, we will encourage financial institutions and other supportive institutions to deepen their dialogues with businesses. Through these efforts, we will promote supply of growth capital to businesses trying to improve their productivity without relying on securities and personal securities.

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<td>Creation of Growing Businesses</td>
<td>Foundation of Nihon Service Award (April, 2015)</td>
<td>Commendation</td>
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<td>Improvement in Productivity According to the Type of Business</td>
<td>Encouragement of IT investments to SMEs working on creative services</td>
<td>Discussions on “Hospitality Standard”</td>
<td>Verification of a certification system</td>
<td>Operation of a certification system</td>
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<tr>
<td>Utilization of Organizations of SMEs and Financial Institutions in Regions</td>
<td>Establishment of the committee regarding S sectors</td>
<td>Creation of models, Standardization of know-how</td>
<td>Horizontal expansion of know-how</td>
<td>National campaign toward service productivity revolution</td>
<td>Preparation of execution, Steady execution</td>
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<tr>
<td>Service Industries Challenge Program</td>
<td>Enactment of the Bill on the Strengthening of the Management of SMEs, etc.</td>
<td>Promotion of supply of growth capital to businesses by utilizing guidelines specific to each sector and local benchmarks</td>
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- We will achieve the growth rate of productivity of 10% in 10,000 businesses nationwide by 2020.
- We will establish “Hospitality Standard” to visualize service qualities and make 300,000 businesses acquire this qualification.
- We will increase the growth rate of labor productivity of service sectors to 2% by 2020 (from 0.8% in 2013).
Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

16. Promoting proactive agriculture, forestry and fishery, as well as reinforcing export (1)

[Challenges to economic growth]
It is necessary to shift agriculture, forestry, and fisheries towards growth industries, aiming to maintain and develop them as Japan's key industries, as well as increase the income of those engaged in these industries. Since the TPP will create a mega market of 800 million people, bringing about great opportunities for Japanese agriculture, forestry, and fisheries, it is necessary to take further steps, such as strengthening export capacities, to shift towards “progressive” agriculture, forestry and fisheries.

[Direction of future measures]
We will steadily implement the reform measures indicated in the Japan Revitalization Strategy and the measures based on the Comprehensive TPP-related Policy Framework, as well as collect and utilize excellent skills and knowledge obtained from related sectors, aiming to improve productivity and the export capacities of agriculture, forestry and fishery, strengthening earning power and in communities including those in hilly and mountainous areas.

[Specific measures]
- We will develop a scheme to give consideration to prefectures where farmland management organizations have made successful results, and will raise awareness of measures to increase taxes to eliminate idle farmlands as well as implement measures to reduce taxes towards the concentration and aggregation of farmlands.
- We will implement the initiatives for the reform of rice production adjustment program, aimed at rice to be produced in 2018. In this process, we will review the past policy and examine a potential future policy that will encourage farmers to make further efforts and achieve self-sustaining management.
- We will provide aspiring farmers with opportunities to learn necessary management know-how while engaging in farming operations.
- We will enhance practical vocational education in agriculture, forestry and fisheries high schools and promote efforts to encourage junior high school students' understandings and interests in such schools.
- In order to facilitate funds supply in accordance with the growth stages of management entities, we will promote the use of business feasibility-based loans.
- By strengthening the cooperation between the agricultural industry and the manufacturing industry, we will promote the development of advanced model technologies and high-value added products as well as the recruitment in the agricultural industry of people who have know-how and experience in other industries.
- In order to achieve smart farming, we will promote the introduction of innovative technologies such as the commercial use of the unmanned tractor operation system and the advancement of IT systems for farming.
- We will improve systems and operations of the Agriculture, forestry and Fisheries Fund corporation for Innovation, Value-added and Expansion Japan (A-FIVE) so that it will be able to play an appropriate role as an incubator to support the growth of people engaged in agriculture, forestry and fisheries.
- We will review the pricing mechanism for production materials, and study establishing a distribution and processing structure that is advantageous to producers, that cannot be addressed by producers' efforts.

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<tr>
<td>Ensuring that 80% of all farmland will be used by farmers in 2023</td>
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<td>Reducing business farmers' rice production costs by 40% by 2023</td>
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<td>Expanding the size of markets in the sixth industry to 10 trillion yen by 2020</td>
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**Challenges to economic growth**

- Study specific measures
- Implementing necessary measures based on the study results
- Study specific measures
- Implementing necessary measures based on the study results
Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

16. Promoting proactive agriculture, forestry and fishery, as well as reinforcing export (2)

[Challenges to economic growth]
It is necessary to shift agriculture, forestry, and fisheries towards growth industries, aiming to maintain and develop them as Japan's key industries, as well as increase the income of those engaged in these industries.

Since the TPP will create a mega market of 800 million people, bringing about great opportunities for Japanese agriculture, forestry, and fisheries, it is necessary to take further steps, such as strengthening export capacities, to shift towards “progressive” agriculture, forestry and fisheries.

[Specific measures]
• With the aim of strategically promoting exports of agricultural, forestry and fishery products as well as food products, we will support ambitious initiatives carried out by people engaged in these industries and take measures to address regulations in foreign countries, which is difficult for the private sector to cope with, based on the Strategy for Strengthening the Export Capabilities of Agriculture, Forestry and Fisheries (compiled by the Headquarters on Creating Dynamism through Agriculture, Forestry and Fishery Industries and Local communities on May 19th, 2016). We will set new targets in terms of the export value by this fall.

• In order to transform the forestry into a growth industry, we will work to create new wood demand by promoting construction of wooden public buildings, commercial buildings and mid-to-high-rise buildings, and build a stable roundwood supply system.

• With a view to developing the fishery industry into a growth industry, we will encourage fishing communities to make independent efforts for structural reforms and introduce advanced resource management.

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<tr>
<td>Strategically promoting the export of agricultural, forestry and fishery products as well as food products</td>
<td>Study at the Working Group for Strengthening the Export Capabilities of Agriculture, Forestry and Fisheries</td>
<td>Implementing necessary measures based on the study results</td>
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<td>Achieving the goal of 1 trillion yen in the export value of agricultural, forestry and fishery products as well as food products, ahead of schedule (initially set for 2020).</td>
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<td>Developing the forestry and fishery industries into growth industries</td>
<td>Studying specific measures</td>
<td>Implementing necessary measures based on the study results</td>
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### Toward “the Nominal GDP of 600 Trillion Yen”

#### Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

17. Realizing Japan as a tourism-oriented advanced country (make Japan a country that people around the world wish to visit)

#### [Challenges to economic growth]

It is necessary to take pride in developing our rich and diverse tourism resources and communicate their value to both Japanese and foreign people in an easy-to-understand manner.

It is also necessary to create jobs in local areas and foster people through the power of tourism, thereby making tourism industries more internationally competitive and productive.

We should therefore take measures as soon as possible to improve the tourism environments to accept foreign visitors such as CIQ systems and accommodation, as well as those for communication, transportation and payment, and build a society where all tourists, including the elderly and the disabled, will be able to feel the joy of travel.

#### [Direction of future measures]

Based on the recognition that tourism is one of the key pillars for Japan’s growth strategy and regional revitalization, we will carry out comprehensive and strategic measures toward realization of Japan as a tourism-oriented advanced country through government-wide and government-public collaborative efforts, aiming to develop an extensive industry of tourism as a field in which all citizens will be dynamically engaged.

#### [Specific measures]

We will carry out the following measures based on “A Tourism Vision to Support the Future of Japan” and others.

- **In order to maximize the attractiveness of tourism resources and make them serve as a foundation for regional revitalization, we will take such measures as boldly opening appealing governmental facilities and infrastructure, promoting the use of cultural assets as tourism resources, branding national parks, and increasing the attractiveness of tourism areas through the conservation and utilization of tourism resources with beautiful landscapes.**

- **In addition, with the aim of innovating the Japanese tourism industry, increasing its international competitiveness, and setting it as one of the key industries of Japan, we will take such measures as revising tourism-related regulations and systems, developing human resources in tourism management, establishing and developing world-class DMOs, operating the tourism area revitalization funds on an ongoing basis, enhancing strategic promotion activities and publicity activities to attract more visitors to Japan, relaxing visa requirements for strategic purposes, and attracting MICE.**

Further in order to develop an environment where all tourists will be able to enjoy their travels in Japan comfortably without stress, we will take such measures as introducing innovative immigration procedures through the use of advanced technology, improving the cashless environment, improving the accessibility of communication and transportation services, enhancing an environment to accept foreign patients, creating a “corridor for vitalizing local regions,” strengthening the gateway function of local airports and increasing LCC services, expanding the acceptance of cruise ships, carrying out the holiday reforms, and introducing universal designs.

#### Measures

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<td>Maximizing the attractiveness of tourism resources and making them serve as a foundation for regional revitalization</td>
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<td>Formulating the Strategic Program for Promoting the Use and Understanding of Cultural Assets (2020)</td>
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<td>Formulating the National Park Stayup Program 2020 (targeting five national parks)</td>
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<td>Formulating landscape plans for major tourism areas (all prefectures and half of municipalities in principle)</td>
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<td>Innovating the tourism industry, increasing its international competitiveness, and setting it as one of the key industries of Japan</td>
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<td>Revising tourism-related regulations and systems</td>
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<td>Developing and enhancing human resources in tourism management</td>
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<td>Promoting regional tourism management (establishing and developing world-class DMOs (to establish 100 entities by 2020))</td>
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<td>Operating the tourism area revitalization funds on an ongoing basis</td>
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<td>Enhancing strategic promotion activities and publicity activities to attract more visitors from Europe, the United States and Australia and also wealthy people</td>
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<td>Establishing a government-level support system for attracting MICE</td>
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<td>Providing support for the activities to MICE through the AI-Japan approach, led by a public-private joint organization</td>
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<td>Developing an environment where all tourists will be able to enjoy their travels in Japan comfortably without stress</td>
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<td>Assuring credit card payment and IC card settlement at all major facilities that foreigners visit</td>
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<td>Enhancing the access to free Wi-Fi services at priority spots in major tourism area and facilities for disaster preparedness</td>
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<td>Developing medical institutions which can accept foreign patients available nationwide</td>
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<td>Creating a “corridor for vitalizing local regions” (creating a flow of people to local areas in tandem with the start of the operation of Shinkansen lines and of airports built by the concession scheme, as well as the advancement of the transport industry)</td>
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<td>Strengthening the gateway function of local airports and increasing LCC services (e.g., promoting the integrated management of multiple airports and increasing the capacity of the airports in metropolitan areas (renewing the flight routes) to and from the Haneda Airport)</td>
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<td>Expanding the acceptance of cruise ships</td>
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<td>Increasing the rate of workers taking annual paid leave to 70% and promoting staggered holidays</td>
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<td>Introducing barrier-free designs nationwide according to the “Tokyo 2020 Accessibility Guidelines”</td>
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#### Indicators

- Increasing the number of foreign visitors to Japan to:
  - 40 million people by 2020
  - 60 million people by 2030
  - (2015: 19.74 million people)

- Increasing the consumption by foreign visitors to Japan to:
  - 8 trillion yen by 2020
  - 15 trillion yen by 2030
  - (2015: 3.4771 trillion yen)
Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

18. Opening up of public services and assets to the private sector

[Challenges to economic growth]
It is indispensable to develop and operate infrastructure effectively and efficiently under severe financial circumstances.
It is important to give private companies opportunities to acquire large markets and strengthen their international competitiveness.

[Direction of future measures]
We will strengthen efforts for achieving numerical goals including those for educational facilities (sports facilities, social education facilities, cultural facilities) and public housing newly listed in the Action Plan for Promoting PPP/PFI (decision by the Council for the Promotion of Private Finance Initiatives on May 18, 2016).
Based on this goal, it is necessary to make efforts to expand utilization of the concession system of public facilities, which is one of the major pillars of PPP/PFI, and we will steadily promote efforts to overcome problems revealed in preceding cases. We will also follow up on the implementation progress of the revised Action Plan every year and update the plan in accordance with the results thereof.

[Specific measures]
- Fields requiring measures for growth (airports, educational facilities, cruise passenger terminals, MICE facilities, etc.): We will expand utilization of the concession system of public facilities by disseminating prior examples, easing regulations and broadening priority areas.
- Fields requiring measures for mature systems (toll roads, water supply and sewerage systems, public housing, etc.): We will eliminate disincentives and develop a mechanism to create prior examples of utilizing the concession system of public facilities (for public housing, including PPP projects for facilitating effective use of public real estate, etc.).
- Implementation of cross-sectoral measures: We will carry out measures to resolve cross-sectoral problems, such as promoting efforts to develop regional platforms for PPP/PFI.

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<td>Opening up of Public Services and Assets to the Private Sector</td>
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<td>Accelerating efforts to specify numerical goals for projects utilizing the concession system of public facilities during the intensive period</td>
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<td>Reviewing goals of business sizes in PPP/PFI projects as a whole</td>
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<td>Setting priority areas of public buildings, etc. charging fees</td>
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[Challenges to economic growth]

In order to expand a virtuous cycle of economy to the whole nation, it is indispensable to strengthen the growth capacity of local leading medium-sized companies that are the engines of local economies and vitalize SMEs and small businesses that offer employment opportunities in local areas.

Considering possible labor shortages due to population decline and aging, productivity enhancement of leading medium-sized companies, SMEs, and small businesses is required.

We will deliberate on how to promote business restructuring and business succession of local SMEs and small businesses, aiming to improve business terms for subcontractors and other SMEs based on the survey results.

[Specific measures]

- We will promote collaboration between local leading medium-sized companies and partner companies and universities, etc., and support them in establishing business strategies targeting global markets and cultivating sales channels in foreign countries. Under the Consortium for New Large-scale Exporters established in February 2016, we will promote support for local SMEs’ overseas business expansion, and will also develop local consultation systems centered on Overall Support Bases.
- We will promote joint development and IP-related collaboration between leading medium-sized companies and/or SMEs and local universities and/or intermediary research organizations, and strengthen a support system for utilizing standardization, thereby assisting SME’s strategic utilization of IP and standardization.
- We will encourage local SMEs and small businesses to introduce IT and robots in cooperation with SME support organizations, thereby facilitating the supply of growth funds to companies endeavoring to enhance productivity, not dependent on the offer of collateral or personal guarantees. Additionally, we will proceed with the designing of a detailed system reviewing the credit-guarantee system so that financial institutions and SME support organizations will make further efforts for management improvement and productivity enhancement under an appropriate mechanism of risk sharing between financial institutions and credit guarantee associations, while ensuring proper cash management.
- We will deliberate on how to promote business restructuring and business succession of local SMEs and small businesses, aiming to draw a conclusion on institutional measures within this year.

Enhancing growth potential amid the phase of population decline (creation and expansion of new promising growth markets)

19. Facilitating innovation of leading medium-sized companies, SMEs, and small businesses

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<tr>
<td>Development of business support system</td>
<td>Developing a system for creating and supporting local leading medium-sized companies</td>
<td>Developing a system for assisting overseas business expansion (Consortium for New Large-scale Exporters)</td>
<td>Strengthening support levels (increase of personnel and enhancement of consultation functions)</td>
<td>Promoting networking and quality improvement for SME support organizations centered on Overall Support Bases</td>
<td>Promoting joint development and IP-related collaboration between leading medium-sized companies and/or SMEs and local universities and/or intermediary research organizations</td>
<td>Expanding personnel supporting utilization of standardization in local specialties</td>
<td>Expanding personnel supporting utilization of standardization in local specialties</td>
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<td>Promotion of regional innovation</td>
<td>Enhancing productivity by mobilizing all possible measures, including the utilization of the Act on Support for Strengthening Management Functions for SMEs</td>
<td>Enhancing productivity by mobilizing all possible measures, including the utilization of the Act on Support for Strengthening Management Functions for SMEs</td>
<td>Conducting surveys of large companies, etc.</td>
<td>Conducting surveys of large companies, etc.</td>
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<td>Productivity enhancement and improvement of business terms for subcontractors</td>
<td>Establishing local benchmarks</td>
<td>Deliberating means to promote utilization of benchmarks by local SME associations and financial institutions (linking to deliberations for the establishment of various indicators for facilitating dialogues with local financial institutions)</td>
<td>Deliberating means to promote utilization of benchmarks by local SME associations and financial institutions (linking to deliberations for the establishment of various indicators for facilitating dialogues with local financial institutions)</td>
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<td>Business support and consultations offered by local SME associations and financial institutions</td>
<td>Making an interim report for reviewing the credit-guarantee system</td>
<td>Proceeding with deliberations on institutional design and taking necessary measures</td>
<td>Proceeding with deliberations on institutional design and taking necessary measures</td>
<td>Proceeding with deliberations on institutional design and taking necessary measures</td>
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<td>Strengthening of financial functions for ensuring the earning power of SMEs</td>
<td>Reaching a conclusion on institutional measures within 2016</td>
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Indicator(s)

- Creating approximately 200 leading projects of local leading medium-sized companies every year to create 1,000 such projects in five years (from FY2016)
- Increasing the number of SMEs and small businesses in the black from 0.7 million to 1.4 million by 2020 (698,689 companies in FY2011)
### Overcoming the problems of population decline and diminishing local economies (regional reinvigoration and support to SMEs and microenterprises)

#### 20. Facilitating regional reinvigoration

**[Challenges to economic growth]**

When considering the facilitation of urban people's relocation to and settlement in regional areas, the lack of attractive and stable jobs is a problem.

- Excessive movement into the Tokyo Metropolitan area: 119,357 people (2015)

There are people who worry about getting married, having families and rearing children.

- Percentage of people who consider that they are living in a society where they can get married, have families and rear children without anxiety: 19.4% (FY2013)

Many regional cities, middle-sized cities and cities in mountainous areas face population decline and aging.

- Percentage of people living in local cities with convenient public transportation systems: 38.6% (FY2014)

**[Direction of future measures]**

Based on the Overall Strategy on Vitalizing Local Economies (revised in 2015) and Basic Policies for Overcoming Population Decline and Vitalizing Local Economies in Japan 2016, we will earnestly promote measures for regional reinvigoration and correct the excessive concentration of population in the Tokyo Metropolitan area, enable young people to have jobs and families and resolve problems unique to each local area, thereby overcoming the problems of population decline and diminishing local economies.

**[Specific measures]**

- We will promote Local Abenomics by establishing local brands through Japanese versions of Destination Marketing/Management Organizations (DMOs) and local trading firms, promoting regional innovation through the formulation of the Japanese-style innovation ecosystem, enhancing productivity of local services industry by the use of the IoT, fostering personnel who will lead regional reinvigoration while taking into consideration the utilization of young people, and creating public venture firms engaging in common benefit businesses. Through these initiatives, we will facilitate urban people's relocation to and settlement in regional areas to balance the number of people moving in and out of the Tokyo Metropolitan area. Furthermore, we will offer support for efforts to create communities where people can play active roles throughout their lives, under the revised Local Revitalization Act, to help middle-aged and old people have exchange with people of various generations and participate actively in activities in their respective communities.

- Regarding working styles: factors that are considered to significantly affect the birth rates and average ages of first marriage for respective regions, we will promote the introduction of regional approaches and encourage changes depending on the circumstances of each region, aiming to increase the percentage of women continuing to work after giving birth to their first child to 55% and to decrease the percentage of employees working 60 hours or longer per week to 5%.

- We will newly create regional collaboration among cities and suburban areas centered on cities with a population over 0.2 million people that will lead economic growth, accumulate and strengthen higher urban functions, and improve daily living-related services for respective areas as a whole. We will also encourage area management activities and compile best practices of highly profitable communities as 100 Challenges by Local Communities to disseminate them nationwide. In middle-sized cities and cities in mountainous areas, we will form 3,000 resident organizations (locally operated organizations) and 1,000 small bases to promote creation of sustainable communities.

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<tr>
<td>Creation of stable jobs in local areas</td>
<td>Strengthening competitiveness of local industries that create stable jobs for younger generations</td>
<td>Average sales of 1,000 would be leading local companies: 2 billion yen (FY2011) ⇒ 6 billion yen (FY2019)</td>
<td>Number of Japanese-style DMOs: 100 (FY2019)</td>
<td>Number of local trading firms that serve as a model: 100 (FY2019)</td>
<td>Verifying the achievement of basic goals and other KPIs as of FY2019, compiling a policy package for FY2020 onward as a new Overall Strategy, and carrying out measures based thereon</td>
<td>2020</td>
<td>• Accumulated total number of jobs created for younger generations in local areas: 300,000 jobs (59,000 jobs in 2015)</td>
<td>• Excessive movement into the Tokyo Metropolitan area: 0 (119,357 people in 2015)</td>
<td>• Percentage of people who consider that they can get married, have families and rear children without anxiety: 40% or more (19.4% in FY2013)</td>
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<td>Creation of new flow of people to regional areas</td>
<td>Facilitating urban people's relocation to and settlement in local areas</td>
<td>Annual cases of mediation by the JuGarden (offices for providing information on moving to regional areas): Approx. 4,000 (November 2015) ⇒ 11,000 (2020)</td>
<td>Percentage of students' enrollment to universities in the prefectures where they are from: 32.3% (FY2015) ⇒ 38% (FY2019)</td>
<td>Communities where people can play active roles throughout their lives: Disseminating and developing relevant efforts</td>
<td>Verifying the achievement of basic goals and other KPIs as of FY2019, compiling a policy package for FY2020 onward as a new Overall Strategy, and carrying out measures based thereon</td>
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<td>Realization of young people's wishes to get married and have families</td>
<td>Promoting the introduction of regional approaches to countermeasures to the falling birth rate</td>
<td>Percentage of women continuing to work after giving birth to their first child: 38% (2010) ⇒ 55% (2020)</td>
<td>Percentage of employees working 60 hours or longer per week: 8.5% (2014) ⇒ 5% (2020)</td>
<td>Verifying the achievement of basic goals and other KPIs as of FY2019, compiling a policy package for FY2020 onward as a new Overall Strategy, and carrying out measures based thereon</td>
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<td>Creation of communities suited to the time and promotion of regional collaboration</td>
<td>Creating communities that sustainably provide daily living-related services and higher urban functions</td>
<td>Number of regional collaboration among cities and suburban areas: 4 (October 2015) ⇒ 30 (2020)</td>
<td>Number of small bases: 1,000 (2020)</td>
<td>Number of locally operated organizations: 3,000 (2020)</td>
<td>Verifying the achievement of basic goals and other KPIs as of FY2019, compiling a policy package for FY2020 onward as a new Overall Strategy, and carrying out measures based thereon</td>
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21. Building national resilience and developing social infrastructure with large stock effects

[Direction of future measures]
In order to achieve a stable growth amid population decline, we need to clarify and steadily carry out measures for soundly facilitating the development of social infrastructure, build a nation resilient to disasters, change the urban structure to a sustainable one and promote PPP/PFI for the development and operation of public facilities.

[Specific measures]
- Based on the Priority Plan for Social Infrastructure Development, we will prioritize the fields that will enhance Japan’s growth power, while making the most of existing facilities. We will also make efforts toward a productivity revolution by enhancing productivity of the social base and of each industry field and facilitating future-oriented investments and utilization of new technologies for that purpose.
- We will steadily carry out measures for building national resilience based on the Fundamental Plan for National Resilience, etc. In particular, we will encourage local governments to establish and implement their regional plans respectively and facilitate voluntary efforts by the private sector. We will promote measures for disaster prevention and mitigation against large earthquakes and various other natural disasters.
- From the viewpoint of achieving a sustainable urban structure, efforts for making cities more compact will be promoted, while clarifying diverse effects thereof, and integration and abolition of public facilities and effective use of unused assets will also be facilitated.
- We will promote concession projects in priority areas with the aim of achieving business sizes specified in the Action Plan for Promoting PPP/PFI and make efforts to establish rules to prioritize PPP/PFI projects and create regional platforms.

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<td>Promotion of social infrastructure development</td>
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<td>Promoting measures based on the Fourth Priority Plan for Social Infrastructure Development</td>
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<td>Priority Plan for Social Infrastructure Development for the next term</td>
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<td>Promotion of efforts for building national resilience</td>
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<td>Promoting measures based on the Fundamental Plan for National Resilience</td>
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<td>Fundamental Plan for National Resilience for the next term</td>
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<td>Establishing a plan every fiscal year</td>
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<td>Offering support by holding outreach lectures and granting subsidies from concerned ministries and agencies</td>
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<td>Establishing the Comprehensive Management Plan for Public Facilities</td>
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<td>Achievement of compact cities and creation of networks</td>
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<td>Establishing the establishment of a Plan for Proper Site Locations</td>
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<td>A Plan for Proper Site Locations will be established respectively for 150 municipalities by 2020.</td>
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<td>Facilitating activities of the Team Supporting Creation of Compact Cities to enhance support measures according to the problems and needs of municipalities and collect and disseminate best practices as model cases</td>
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<td>Establishing plans for individual facilities</td>
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<td>Promotion of PPP/PFI</td>
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<td>Establishing rules to prioritize in PPP/PFI projects</td>
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<td>Following up on whether the rules to prioritize in PPP/PFI projects are properly implemented</td>
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Stimulating consumption (raising wages and disposable income)

22. Increasing disposable income (increasing wages and the minimum wage)

[Challenges to economic growth]
Personal consumption, which accounts for 60% of Japan’s GDP, must be increased to achieve GDP growth.

Consumption largely depends on trends of real wages. Therefore, it is necessary to increase real wages and stop the decline in labor’s share.

[Reference]
- Wage hike in the spring labor offensive (compiled by the RENGO)
  2014: 2.07%; 2015: 2.20%
- Increase in the minimum wage (nationwide)
  2013: 15 yen
  2014: 16 yen
  2015: 18 yen
  An increase of approx. 50 yen in three years
- Decline in labor’s share
  4th quarter of 2012: 69.3%
  4th quarter of 2014: 65.7%

[Direction of future measures]
We will encourage the transfer of current record high corporate earnings to workers as wages to ensure a virtuous cycle of economy wherein wage hikes expand consumption and eventually increase corporate earnings.

[Specific measures]
- While corporate earnings hit a record high, wage hikes, which had rarely been made before the inauguration of the second Abe Administration, are expected for many companies for the third consecutive year. Wage hikes have thus become a stable trend. It is necessary to expand such move to employees of SMEs and small businesses as well as to non-regular employees.
- We will make efforts to raise the minimum wage by around 3% annually, while paying attention to the growth of nominal GDP for achieving the goal of increasing the national weighted average to 1,000 yen.
- In order to achieve wage hikes and increase the minimum wage in this manner, we will develop the necessary environment by such means as offering support for productivity enhancement of SMEs and small businesses and improving business terms for subcontractors and other SMEs.

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<td>Increasing wages and disposable income</td>
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<td>Wages and the minimum wage are increased in order to help the achievement of the target of nominal GDP of 600 trillion yen (nominal annual growth of approx. 3% on average) in around five years.</td>
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- Raising the minimum wage by around 3% annually, while paying attention to growth of nominal GDP, to achieve the goal of increasing the national weighted average to 1,000 yen
- Developing an environment that enables wage hikes
- Offering support for productivity enhancement of SMEs and small businesses
- Conducting surveys
- Conducting hearings with large companies and improving and disseminating the Guidelines on Improvement of Subcontracting Transactions
- Continuing efforts for improving business terms for subcontractors and other SMEs