

Achievements of the "third arrow" reforms and new measures to be taken (June 2015)

Vitalization of Private Investment

- Tax measures for promoting investment in facilities amounting to approximately 1 trillion yen was implemented, and the level of capital investment has been recovered. (69 trillion yen (FY2014, preliminary result) *goal: 70 trillion yen in FY2015)
- Pro-growth corporate tax reform has been initiated, which will reduce the percentage level of effective corporate tax rate down to the twenties in several years. The rate is lowered by 2.51% from Apr. 2015.

Enhancement of Corporate Governance

- Revision of Companies Act, which promotes appointments of external directors, has been passed, while listed companies which appoint independent external directors have dramatically increased (from 47% in 2013 to 61% in 2014).
- Furthermore, Corporate Governance Code was formulated and took effect in Jun. 2015.

Labor Market Reform

- Shift of labor force from the matured industry to the burgeoning one without causing unemployment has been achieved (fundamental change of policy direction from excessive focus on maintenance of jobs to the assistance for mobilization of labor force).
- The jobs-to-applicants ratio 1.17 (Apr. 2015) maintains a high level. The wage growth rate reached the highest in the past 15 years. Summer bonus has increased by 3.1%, which is the highest in the past 23 years.
- ⇒ Furthermore, along with review of the flex-time and discretionary working-hour system, and also with reinforcement of measures against overwork, a new working-hour system under which payments will be made based on the outcomes rather than the hours worked will be established. This will allow workers to choose more flexible working styles.

Promotion of Women's Participation

- "Zero Childcare Waiting-list Project" is being implemented, which secures childcare services for another 0.4 million children (number of childcare arrangements will have increased for another 0.19 million children by the end of FY2014).
- Number of female employees has been increased by 0.78 million, since the inauguration of the administration. (from 26.53 million in Dec. 2012 to 27.31 million in Apr. 2015)
- ⇒ Furthermore, a new initiative has been initiated to secure after-school care services for another 0.3 million elementary-school kids by the end of FY2019 and to secure childcare workers for another 69 thousand by the end of FY2017.

Finance

- NISA, a Japanese version of Individual Savings Account, was introduced. About 8.8 million accounts have been opened (the total of approx. 4 trillion yen) by the end of Mar. 2015.
- The Government Pension Investment Fund (GPIF) has reviewed its portfolio (Oct. 2014).

Business Globalization and Tourism

- Top-level government sales pitches were enhanced (74 cases in 2014) and the amount of infrastructure projects taken on by Japanese enterprises was about 16 trillion yen in 2013 (about 10 trillion yen in 2010).
- Visa requirements were relaxed for 12 countries, primarily for visitors from ASEAN countries. The number of foreign visitors to Japan in 2014 exceeded 13 million, reaching the record high (29.4% increase from the previous year). Increase of annual landing slots for international flights using Haneda Airport by 30,000 (from 60,000 to 90,000).
- The scope of tax exempt items for foreign visitors was expanded to all items (from Oct. 2014). The number of tax-free shops has been doubled to about 10 thousands.
- ⇒ Furthermore, the program to grant wealthy foreign visitors the permission to stay up to one year for sightseeing purposes (current: for 90 days) will be created.

Energy

- The first fundamental electricity system and gas system reform in 60 years was launched.
- ⇒ Furthermore, the reform will be conducted successively, including legal separation between electricity generation and distribution, and will be completed by 2020 at the latest. Also, unbundle of gas infrastructure in metropolitan areas will be completed by 2022.

Agriculture

- An agricultural reform package including review of the rice production regulation, which lasted for more than 40 years, was decided.
- The amount of food export recorded the highest-ever. (612 billion yen in 2014, +11.1% increase compared to 2013)
- ⇒ Furthermore, another holistic reform package, including the first-ever fundamental reform of agricultural cooperatives in 60 years, will be implemented to reinforce the competitiveness of agriculture industry.

Healthcare

- A new headquarter institution that strategically manages R&D in the field of medicine was established.
- A new legal framework to accelerate commercialization of regenerative medicine was established.
- ⇒ Furthermore, a new health insurance scheme will be introduced, under which patients will gain more expeditious access to the latest advanced treatments which are yet to be covered by the public health insurance. (The investigation period will be shortened from 6 months to about 6 weeks.)

Enhancement of the Headquarter Function for Technology and Innovation Policies

- "Bridging" function from seeds to commercialization was enforced and new infrastructure which allows researchers to hold concurrent posts at universities, research institutes, and other organization has been introduced in some institutes (e.g. AIST).
- ⇒ Furthermore, an "Innovation National System" that fundamentally enhances "bridging" function will be established.