



Japan Revitalization Strategy (Growth Strategy) Revised in 2015

***Main achievements to date and
Further reforms***

Cabinet secretariat
April, 2016

1. General outline of “Growth strategy 2015”

Japan Revitalization Strategy (Growth Strategy) 2015

Basic concept

Priority of Abenomics
in the first two and a half years

- ◆ Overcome the deflation
- ◆ Tackle the lack of demand, with 'three arrows'

Current situation

- ◆ ***A virtuous economic cycle in motion***
 - Corporate profits at its highest level
 - wage hikes for the two consecutive years
 - A sign of recovering consumption
 - labor market (supply and demand) tightened
 - rapid decrease in GDP gaps
- ◆ Economy expected to overcome the deflation
- ◆ Investment on upward trend but not sufficient

Real challenge facing this country

- ◆ Mid-long term constraint of workforce
- ◆ Necessary to overcome the supply constraints in order to realize a sustainable growth
- ◆ Key to overcome this challenge: ***improvement of productivity***
- ◆ Now is the time for action: ***investment of the private sector for the future***

Abenomics in its second stage

- ◆ ***Realize a productivity revolution*** by investment in the future
- ◆ Promote ***"Local Abenomics"***

Principal measures

Revolution in productivity by investment in the future

Encouraging corporate behavior to improve "earning power"

- **Further enhancement of growth-oriented corporate governance**
 - Promote constructive dialogue between companies and investors
 - Growth-oriented reform of corporate tax
 - Policy dialogue between public/private sectors to expand investment
- **Promotion of innovation and venture business**
 - Reinforce incubation function of designated universities (same level as West Coast of U.S.)
 - Bridging projects between Silicon Valley and Japan
 - Fundamental reforms of universities
- **International expansion to growing markets including Asia**
 - Promote high quality infrastructure partnership

Accelerating proactive actions to challenge a new era

- **"4th Industrial Revolution" caused by the development of IoT, Big data, A.I.**
 - Examine its impacts on industrial structure and labor market structure
 - Formulate a vision on the future shared both by public and private sector
- **Full utilization of ITC, with reinforcement of cyber security measures**
 - Fundamentally reinforce cyber security measures
 - Extend utilization of "Social security and tax Number system" to other fields

Developing personal capabilities and knowledge

- **Improvement of labor quality through addressing long-working hours practices, further promotion of women, elderly persons etc.**
- **Development of capabilities of human resources in the era of great transformation of the society**
 - knowledge development of individuals. higher vocational education systems

Promotion of Local Abenomics

Enhance "earning power" of mid-ranking companies, SMEs and micro enterprises

Vitalize services industry and enhance its productivity

Transform primary industry/ health care industry/ tourism into key industries

Implementation of leading projects for 2020

Automatic travelling vehicles, hydrogen society, advanced robots, tourism, FDI etc.

2. New measures complied in “Growth strategy 2015”

Further enforcement of “growth-oriented” corporate governance

In the continuation of the formulation of Japan’s Stewardship Code and of Japan’s Corporate Governance Code applied from Jun. 2015, further enhance the corporate governance to encourage growth-oriented management and investment of the companies

Enhance corporate governance

- In order to facilitate the dialogue between companies and shareholders in accordance with the Corporate Governance Code, investigate the overall situation of carrying out the dialogue, and make it public in collaboration with a stock exchange
- Formulate an interpretation of Companies Act about the issues to be presented to board of directors, the actions allowed to outside directors etc.

Enhance financial institutions’ corporate governance, soundness and risk management

- Continue to monitor the developments of their initiatives such as of their selection of independent directors and their scaling down-of their cross-shareholdings
- Ask for the Global Systemically Important Financial Institutions (G-SIFIs) to reduce the procyclical factors such as risks of their shareholdings so that they could provide sufficient support to business enterprises even under difficult economic situations

Promote dialogue between companies and investors toward a sustainable growth

- In order to provide investors with necessary information in an efficient way,
 - examine a possible way of integrating the corporate disclosure rules set out individually by different acts and rules (conclusion during this FY) *Companies Act, Finance Instruments and Exchange Act, listing rules of stock exchanges
 - review the procedure for General Shareholder’s Meetings (flexible setting of the record date and the date of GSM, the digitization of documents that accompany shareholder meeting notices)

Create a new forum of dialogue between the Government and business leaders (October 2015)

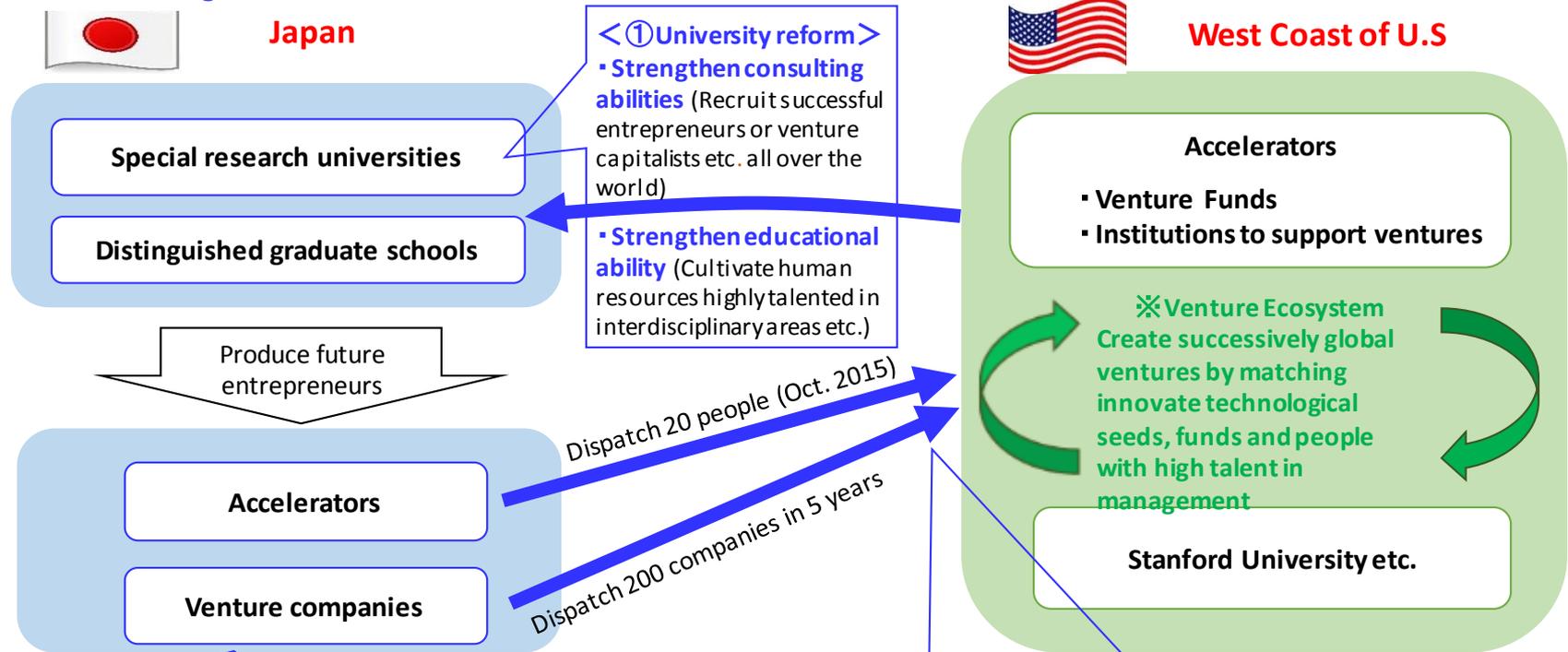
- Share the same vision on the direction of investment to be conducted and the issues to be tackled by the government to facilitate corporate investment

Realization of a virtuous cycle of Innovation and Venture Ecosystem

① Promotion of "Venture Challenge 2020"

- ① Utilize new systems of '**Special research universities**' and '**Distinguished graduate schools**'*, as well, as international hubs for creation of innovation and ventures
 *Special research universities are, in order to be internationally competitive, allowed more flexibility for management, under the condition of strict governance. Distinguished graduate schools are created, in collaboration with the other universities, institutions and companies, for example, in interdisciplinary areas such as robotics-processing Big Data- A.I..
- ② Build a **liking bridge between Silicon valley and Japan (Silicon Valley-Japan Bridge Project)**, to directly benefit from the U.S. venture ecosystem and to create its own venture ecosystem in connection with the U.S.
- ③ Strengthen measures to support creating global ventures (start-ups)

< Venture Challenge 2020 > Project to show the capacity of creating innovation by 2020 (Tokyo Olympic and Paralympic games)



<③ Strengthen measures to support creating global ventures>

- Support venture companies in the field of IT or research by IPA (Information Technology Promotion Agency) or NEDO (New Energy and Industrial Technology Development Organization)

<② Silicon Valley-Japan Bridge Project (the Kakehashi Project)>

- Support market development and business alliances in the U.S.
- Organize as well a matching event both in U.S. and in Japan
 → Hold a "Global Venture Summit (tentative name)" in 2020

Realization of a virtuous cycle of Innovation and Venture Ecosystem

② University Reform to launch a full-fledged national system of innovation

- ◆ With companies' R&D being placed on the short-term R&D, not sufficient on disruptive R&D, the role of universities has become more important but international competitiveness of Japanese universities is on a downward trend. Fundamental reform of universities is necessary.
- ◆ Main pillars of the reform
 - **Vitalization of competition among universities** (more support to the initiatives of bolder reform of univ.)
 - **Reinforcement of universities competing internationally**

Reinforcement of functions of national univ. (3 frameworks for support)

Under the leadership of the President, each national university will choose one of the following frameworks, and take initiatives to strengthen its advantages

Framework for **regional contribution**

Framework for **specific field(s) with advantages**

Framework for **globally competitive education and research**

Change of allocation method of Operation cost subsidies

Setting of KPIs, with measurable objectives

Transparent and objective evaluation of performance of the univ.

Evaluation result reflected to allocation of operation cost subsidies

Reinforcement of financial underpinnings

- ◆ Reform of call for bids type grants (properly allocate a part of grants as overhead costs)
- ◆ More flexibility on financial management (clarify profit-making business, diversify donation system)

Promotion of the development of scientific and technological frontiers

~Systems to create internationally competitive univ.~

① Establish **Special Research Universities System**

- ◆ Designation of globally competitive national univ.
- ◆ Globally-accepted evaluation method
- ◆ Incentives to reinforce financial underpinnings

② Establish **Distinguished Graduate Schools System** (tentative name)

- ◆ System to be designed
 - at interdisciplinary fields (from humanities and social sciences to natural sciences), fields where Japan has advantages etc.
 - from the standpoint of creating new industries and ventures

③ Establish **Distinguished Researchers System** (tentative name)

- ◆ Allow young excellent researchers independently to engage in research at a stable post

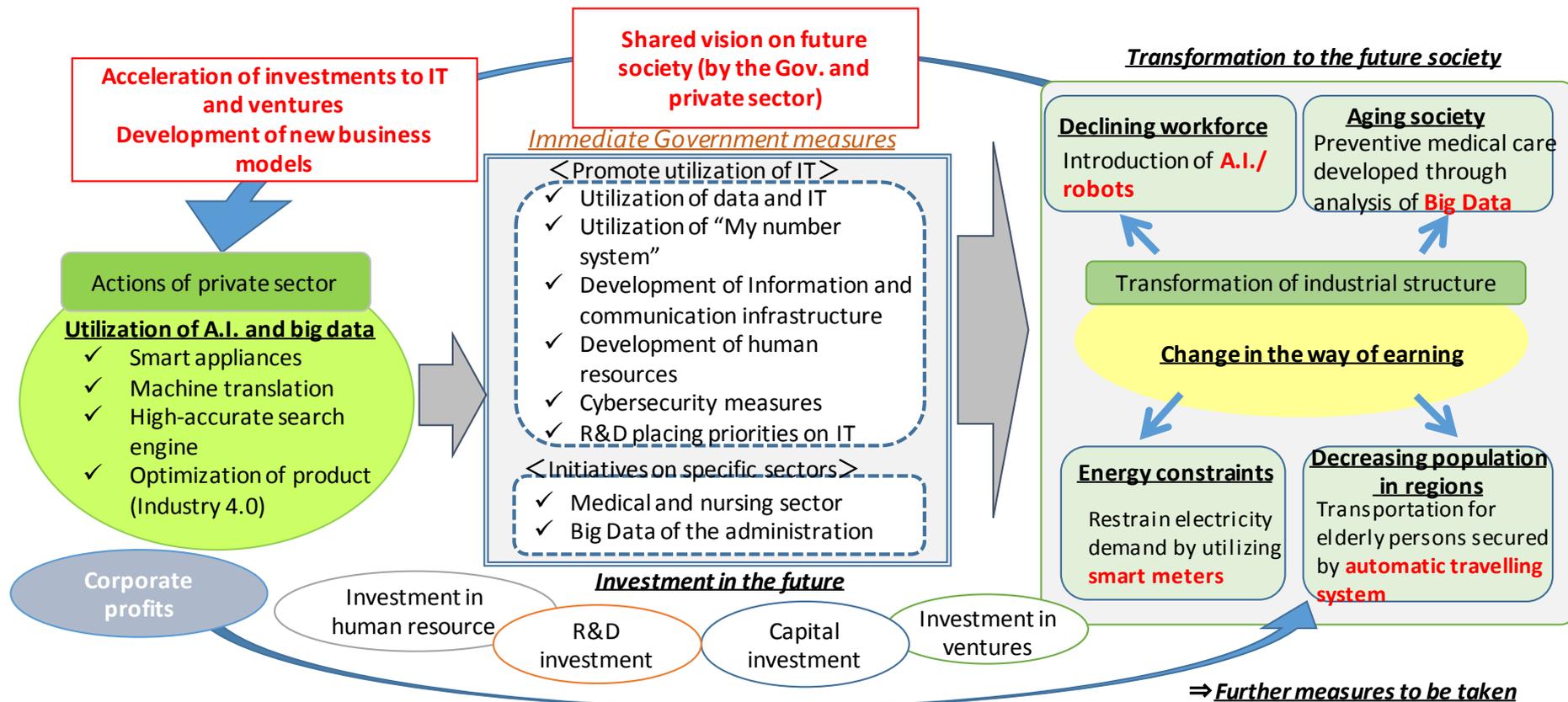
Acceleration of the challenges for a new era (「The 4th Industrial Revolution」)

① Reform of industrial and employment structure, in preparation for coming IoT, Big Data and artificial intelligence era

- With the rapid development of cyber world in the Internet of Things era, is **arriving a new age when the social and economic structure as well as business models of companies would be dramatically transformed.**
- Those who fail to keep up the waves of change would lose their competitiveness, but it will provide **a golden opportunity** for those who take courage to tackle new businesses

Prepare for coming transformation of industrial and employment structure without delay

The government and private sectors will formulate **a shared vision ("compass")** on the direction of corporate investment and on measures to be taken by the government, in order to survive and lead this Internet of Things era (examples of measures: cybersecurity measures, human resource development/education, reform of way of working, R&D, competition policy, deregulation)



Acceleration of the preparation to the new era (“4th Industrial revolution”)

② Utilization of ICT to the maximum extent, reinforcing the measures against cyber threats

Reinforce **cybersecurity initiatives**, indispensable for stable activities of the government and companies
Promote industries and enhance QOL of the population **by enlarging the utilization of ICT and the introduction of “My number system” (Social security and Tax number system)**

Reinforce the measures against cyber threats to protect the population and society

- Enhance abilities to respond cyber threats (government and public institutions etc.)/ Protect “My number system”
- Encourage the actions of companies, creation of new industries, human resource capable to respond to cyber threats

Utilization of “My number system”

- **Enlarge the application scope**
 - Census registration, residence report, transaction of stocks, in addition to deposit/saving accounts, and medical examination (after 2019)
- **Promote utilization of “My number card”**
 - able to receive certificates such as resident card, seal impression, or family register, at convenience stores from FY2016
 - use as health insurance card, and integrate with credit card
- **Introduction of online monitoring system**
 - provide one-stop service on the procedures such as change of residential information, notice of death etc. through electronic post office box system, after Jan. 2017



Image character
“Maina-chan”

New legal framework to be prepared

- **Creation of an institution** in charge of safe and security-ensured distribution of personal information
- **Shift from the principle of documents /face-to-face interaction to that of ICT utilization**
- **Promotion of sharing economy, drones, automatic travelling vehicles etc.**

Promotion of ICT utilization in medical and nursing sectors

- **Introduction of different number system** in medical and nursing sector, Online confirmation of qualification for medical insurance early but not before Jul. 2017
- Diffuse **electronic clinical record** in 90% of large hospitals by 2020, Form nationwide Regional Medical Information Cooperation Networks by 2018 FY
- Examine methods to **evaluate effects of information exchanges at the next revision of medical treatment fees by ICT**
- Utilize to the maximum extent medical care related data-base of the government etc., to enhance the quality of treatment/service, R&D, reduction of medical expenses

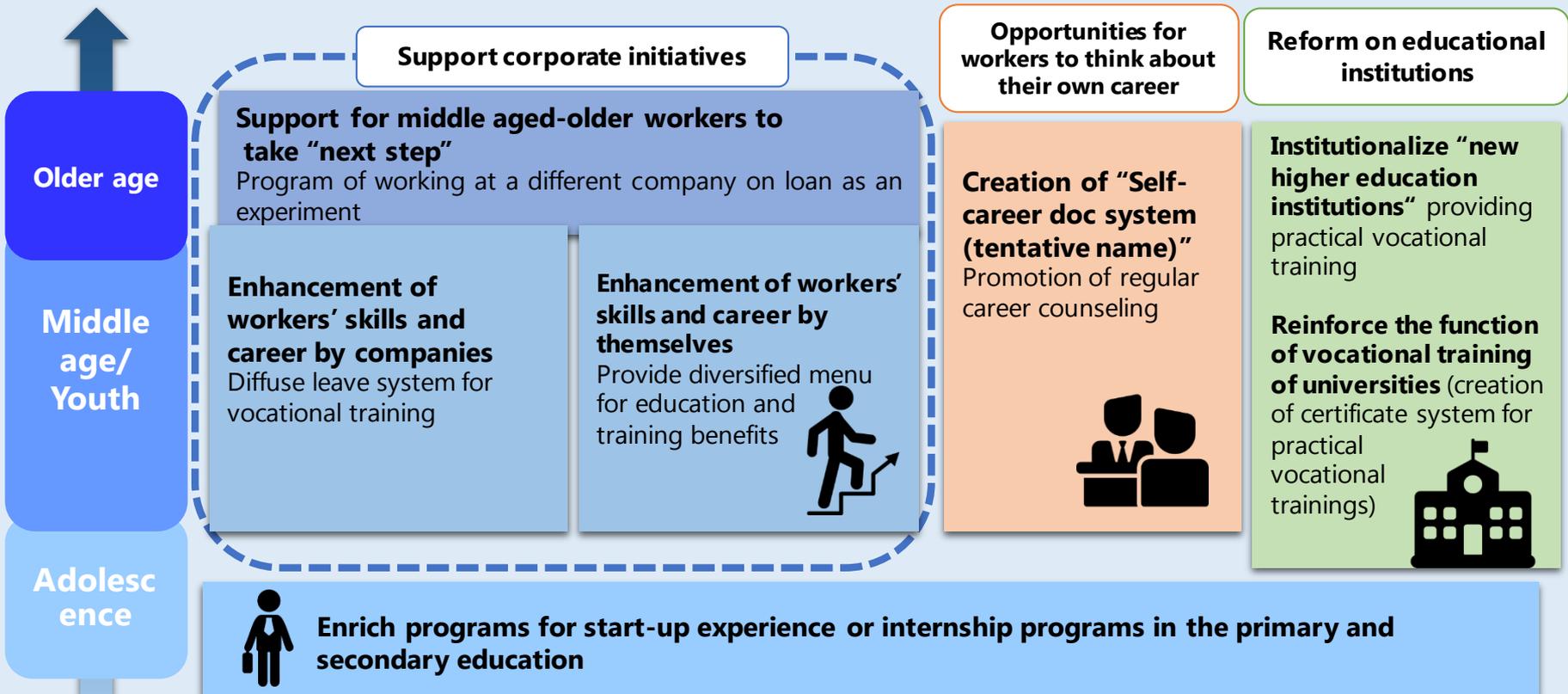
Diffusion of ICT to the whole society

- Promotion **of education on programming** at the primary/secondary/higher education
- Vitalization of **competition in mobile phone sector**, extension of **the frequency band for Iot or drones**

Enhance human resource capabilities of individuals in preparation for the coming era of change (Coordinated implementation of employment and education policies)

- Progress of ICT and emergence of growing companies from emerging countries ⇒ International competition getting severe ⇒ Acceleration of reorganization of companies' activities ⇒ In the era of change, workers have to develop their skills and abilities to forestall coming changes
- Provide for workers opportunities to think about their own career, their skills to be developed
- Implement the reform on education institutions in order that these institutions can provide the place for re-education and for skill development

Implementation of employment and education policies in coordination



Promotion of Local Abenomics through the regional revitalization efforts and growth strategy initiatives

- Declining population/birthrate and the aging population are worse in rural areas.
- However, to develop new markets with local capacities and potential is definitely possible.
- Improve industrial productivity as the growth strategy initiative as well as support “striving communities” through the following measures.
 - “Information support” through the “Regional Economy Society Analyzing System (RESAS)”
 - “Human support” for the formulation of Regional Comprehensive Strategy and its implementation
 - “The New type grant for regional revitalization” etc

Principal measures of growth strategy

Strengthen of earning power of mid-ranking companies, SMEs

Support R&D, overseas expansion of motivated enterprises

- **Visualization of growth strategy**
Analyze key to success of developing new products and markets and provide it to SMEs
- **Strengthen business support system**
Consider the credit guarantee system for exercising business support functions of financial institutes

Revitalization and productivity improvement of service industry

Promote productivity improvement of service industry
(account for about 70% of GDP)

- **Development of activities to improve productivity of each service industry**
Apply on-site process improvement activities of manufacturing industry to service industry
- **Strengthen regional business support**
Strengthen business support for service industry by SME organizations and regional financial institutes

Establishment of "Proactive Management" in primary industry

Make a leap to growth industry

- **Acceleration of Farmland Consolidation**
Publish the farmland consolidation achieved by the Public Corporation for Farmland Consolidation to Core Farmers, and consider increase or reduction of taxation regarding the idle farmlands and the like
- **Development of farmers with high management sense and promotion of incorporation**
Support by tax accountants, registered management consultants, and local financial institutes
- **Further promotion of export**

Revitalization of medical care/ nursing care/ healthcare industry

Stimulate healthcare industry and provide services of high quality

- **Utilization of ICT to the maximum extent in medical and nursing care sector**
- **Promotion of international development of medical sector**
- **Support for creation of health care industries**
Promote creation of regional councils on healthcare industry of next generation

Key-industrialization of tourism industry

Develop tourism industry as the driver of regional economies

- **Creation of tourist destination**
Establish a private-public-run tourism management organization (Japanese version of DMO*), which is responsible for the creation/marketing of world-class sightseeing areas and support
- **Establish proactive environment to receive foreign tourists**
Accelerate to secure flight, bus supply and accommodation facilities toward "age of 20 million" foreign tourists

*Destination Management/Marketing Organization

Implementation of public-private sectors joint leading projects for 2020

- It is important to accelerate reform and innovation, using the year 2020 as momentum, when Japan attracts global attention and see a large number of foreign visitors with 2020 Olympic and Paralympic
- Japan implements **six projects** which contribute to showcase Japan's strength, to appeal to foreign countries and lead to future economic growth.

List of leading projects for 2020

Providing solutions to social issues by technologies / exporting solution integrated systems

Project N°1 :

Next generation urban transport system with automatic travelling technologies

Project N°2 :

Distributed energy supply system (utilizing hydrogen etc.)

Project N°3 :

Realization of future society with advanced robot technologies

Project N°4 :

International development of high quality Japanese medical services and technologies (medical inbound)

Developing an environment to increase the number of inbound tourists

Project N°5 :

Showcasing Japan as a country of tourism

Expanding FDI and improving business environments

Project N°6 :

A series of measures to attract more foreign direct investment

(Appendix)

Progress of

the “Growth Strategy” to date

and

measures for accelerating reforms



Government initiatives to date

Encourage proactive management of companies through constructive engagements with investors and market

Formulation of Japan's Stewardship Code (in Feb. 2014)

- "Comply or explain" principle : require institutional investors to promote sustainable growth of companies through investment and dialogue

Implementation of Japan's Corporate Governance Code (in Jun. 2015)

- "Comply or explain" principle
 - Explain the objective and rationale of cross-shareholdings
 - Appoint no less than 2 independent directors

Measures to be implemented

Further encourage proactive management through pressures from investors and market

- In order to facilitate the dialogue between companies and stockholders, investigate the overall situation of carrying out the dialogue, and make it public in collaboration with a stock exchange
- Formulate an interpretation of Companies Act about the issues to be presented to board of directors, the actions allowed to outside directors etc.
- In order to provide investors with necessary information in an efficient way,
 - examine a possible way of integrating the corporate disclosure rules set out individually by different acts and rules (conclusion during this FY) *Companies Act, Finance Instruments and Exchange Act, listing rules of stock exchanges
 - review the procedure for General Shareholder's Meetings (flexible setting of the record date and the date of GSM, the digitization of documents that accompany shareholder meeting notices)

Encourage proactive management through support to business enterprises provided by the financial institutions

- Further enhancement of financial institutions' governance, soundness, and reduction of the risks of their shareholdings

Create a new forum of dialogue between the gov. and business leaders with an objective to encourage corporate investment (Started discussion since Oct. 2015)

Actions and Achievements

Listed companies' ROE improvement

- 4Q 2012 : **5.7%** → 4Q 2015 : **8.2%**

Significant increase in companies appointing outside directors

- Proportion of listed companies* with *outside directors* 2013 : **62%** → 2015 : **94%**
- Proportion of listed companies* with *independent directors* 2013 : **47%** → 2015 : **87%**
- Proportion of listed companies* with *more than 2 independent directors* 2013 : **18%** → 2015 : **48%**

*Companies listed in first section of the Tokyo Stock Exchange

Increase of institutional investors signing up to Japan's Stewardship Code

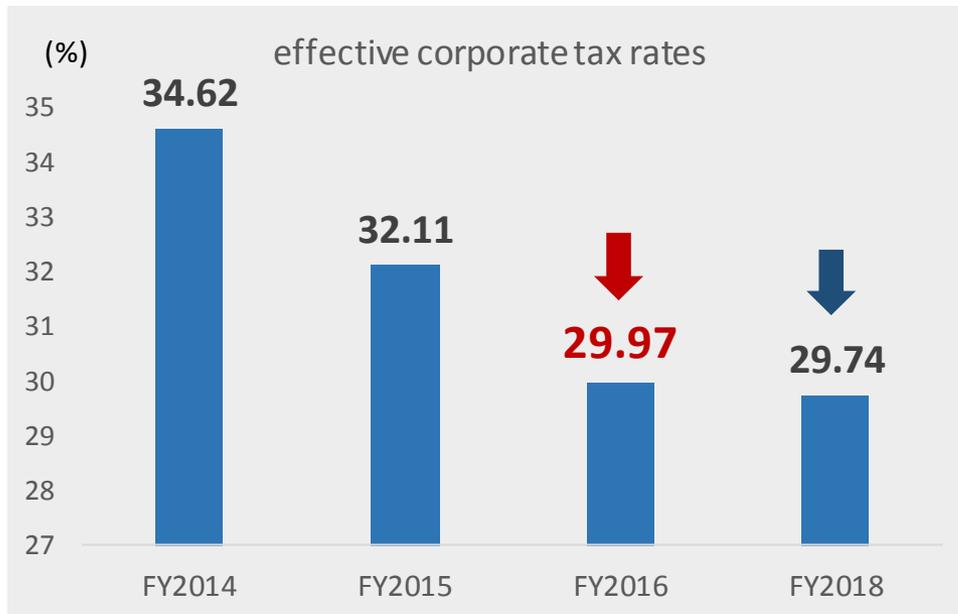
Jun. 2014 : **127** → Mar. 2016 : **206**



Government initiatives to date/ Measures to be implemented

Reduction of the effective corporate tax rate

- As part of Growth-oriented reform of corporate tax, the tax rate is to be reduced to the twenties FY2016

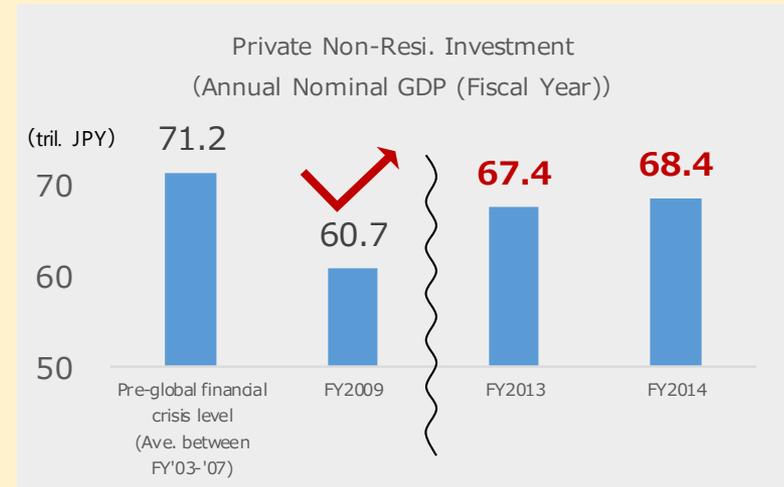


Enhance capital investment of SMEs

- Property tax is to be reduced to the half-price when SMEs invest in equipment in order to improve productivity (FY2016-FY2018)

Actions and Achievements

Recovery in private capital investment



Investment completed or planned by private companies

- Panasonic**
9.5 billion yen additional investment in two domestic solar cell plants (in operation from Mar. 2016)
- Urano**
1.3 billion yen additional investment in its aircraft parts plants (in operation from Feb.2016)
- Nissan, Fanuc** (machining tool : 100 billion yen) , **Murata** (mobile phone parts : in total 30 billion yen) announced investments in Japan

Promote innovation and venture business



Government initiatives to date

Established the "Venture Business Creation Council" (Sep. 2014)

- Held matching events for start-ups and large firms
-> 1,480 business talks / 807 effective negotiations

The Public Agency Order Act revised (Jul. 2015)

- Encourage venture companies to participate in government procurement (setting quantitative objective etc.)

Measures to be implemented

- In order to enhance the earning power of Japan, it is important that dynamic innovation ventures, which give large impacts on the whole economies and societies and industrial structures, are successively produced
- It is therefore necessary to **establish Venture Ecosystem** : with universities acting as the focal points, connecting new technological seeds to professional managers and investors, then generating one after another venture companies, which in turn attracts excellent human resources, technologies and funds, thereby creating new growing companies in the end

Establish new undergraduate and graduate school systems for formulation of international hubs for innovation/venture creation

- System of "Special research universities" : Allowed more flexibility for management, under the condition of strict governance. Expected to recruit successful entrepreneurs or venture capitalists, to cultivate HRs highly talented
- System of "Distinguished graduate schools" : created, in collaboration with the other universities, institutions or companies, for example, in interdisciplinary areas such as technology-management

Promote Silicon Valley-Japan Bridge Project(the Kakehashi Project)

- Dispatch ventures or venture capitalists etc. to Silicon valley, to form a network with the venture ecosystem in Silicon valley

Form networks with different Venture Ecosystems in the world

- Hold a large-scale "Global Venture Summit(tentative name)" in Japan in 2020

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Actions and Achievements

"The Second Nippon Venture Award" (Feb.2016)

- Prime Minister Prize was created for the first time for ventures
- Made public the laureates for the **2nd Venture award**

Nippon Venture award (the PM Prize)



【特殊ペプチドのモデル】

Peptidream Corp.

PeptiDream is a privately-held Tokyo-based biopharmaceutical company founded on July 3rd, 2006 based on novel peptide expression and platform selection technologies developed by Professor and company cofounder Hiroaki Suga at the University of Tokyo

Reconstruct National system of innovation

With an objective to accelerate technology transfer from universities to private companies

Two main pillars : reform of public research institutions expected to play a major role in technology transfer
reform of universities expected to produce successively innovative technology seeds



Government initiatives to date

Implementing **"National universities reform plan"**

- Strengthened the role of advisor to the president, to help establish leadership of president, as well as clarified the role of Faculty Councils. (enacted the School Education Act in Apr. 2015)

Strengthening **"bridging" function of public research institutions**

- AIST* : Set the target for amount of funds coming from companies (at least triple the current amount (4.6 billion yen a year))

*AIST The National Institute of Advanced Industrial Science and Technology

Clarified the rule to secure mobility of human resource and technologies to accelerate technology transfer

- The rule for **"Cross-appointment *"** clarified. (Dec.2014) * System allowing a researcher to work both for an university and for a research institution (or a company)

Measures to be implemented

Under the deflation, 90% of companies' R&D placed on the short-term R&D, not sufficient on disruptive R&D, thus role of universities becoming more important but international competitiveness of Japanese universities on a downward trend : fundamental reform of universities is necessary

Fundamental reform of universities (**"Strategy for enhancing managerial ability of National Universities"**)

- Vitalize competition between universities (allocate more subsidies to those engaging themselves in bold self-reform with tangible results)
- More freedom and flexibility on management (for example, clarify the scope of profit-making business allowed to national univ.)
- Introduce three new mechanisms to survive severe global competition among universities
 - "Special Research Universities" Designate internationally competitive universities " as SRU, given more freedom on management to be used to attract technologies, human resources, funds from Japan and overseas developing ventures
 - "Distinguished Undergraduate Schools" to be formed by different univ., research institutes and companies in the field in which Japan has advantages
 - "Excellent Researcher system" to provide an independent research environment to young and competent researchers
- Reform of call for bids type subsidies (allocate a part of subsidies as overhead costs)

Actions and Achievements

Utilization of **cross-appointment system**

- Applied to 92 researchers in universities (27 out of 92 appointed by research institutions (as of Apr. 2015)

Realization of **Industry-academy joint research** • **Kyoto University and Takeda Pharmaceutical Company Limited**

Concluded joint research contract using iPS cells. Takeda provides 20 billion yen for R&D in 10 years. (Apr.2015)

Push forward “Japan’s Robot Strategy”



Current situation

- Japan : ***the most advanced country in terms of robot technologies and robot utilization***
Annual shipment value of industrial robot (about 340 billion yen) , the number of industrial robots in operation (about 300 thousands)
- As Facing the challenge of the declining birthrate and the aging population, it is important to extend the utilization of robots to the maximum extent and lead the world in robot technologies and utilization.

Government initiatives to date

Formulated “Japan’s Robot Strategy” (Feb. 2015)

- **5-year Action Plan, including R&D of the next-generation technologies and a series of deregulation, in order to realize “Robot revolution”.**

<Examples of deregulation>

- Prepare frequencies to allow the development of various robot technologies (the Radio Act)
- Expedite approval examination of new medical devices (Pharmaceutical and Medical Device Act)

Measures to be implemented

Push forward and implement “Japan’s Robot Strategy”

- In order to realize that robots can be seen everywhere in Japan, accelerate the utilization of robots in manufacturing sector, service sector, nursing and medical sector, infrastructure/construction sector (including disaster coping) , agriculture, forestry and fisheries / food industries sector, tackling in parallel deregulations
- Promote development of the next-generation technologies including artificial intelligence, in preparation for the coming IoT era
- Utilizing the Robot Revolution Initiative as a platform to cooperate with “Industry 4.0 platform”(Germany) and “Industrial Internet Consortium” (USA), in such fields as acquisition of international standards corresponding to the IoT era

Actions and Achievements

Establishment of the Robot Revolution Initiative (May. 2015)

- Established with the participation of enterprises, business associations and research institutions as a platform where broad stakeholders can cooperate each other to push forward Japan’s Robot Strategy.

<The number of members : 226 (as of 15th May.)>

Becoming the world's leading IT Society



Government initiatives to date

Revised Act on the Protection of Personal Information and The Number Use Act (Sep. 2015)

- Promote appropriate utilization of personal data

Revised Telecommunications Business Act (May. 2015)

- Secure fair and proper competition in information and communications business market

Measures to be implemented

To prepare the coming IoT era, it is indispensable to realize ICT based society to the maximum extent

Reinforce cybersecurity to protect the population and society

- Drastic enforcement of response capabilities of the governmental bodies and government-related entities
- Ensure security of the "My Number system", Promote initiatives towards the development of cybersecurity industry

Utilization of "My Number system" while ensuring safety and security

- Expand the scope of the utilization of "My Number"
- Promote the utilization of My Number card, Providing one-stop services for various procedures

Establish rules to secure smooth distribution of processed personal information (to keep anonymity), and to promote change of business models

- Creation of an Institution that collect and manage personal information to create new services
- Vitalizing the "Sharing Economy" and other new markets

Promoting utilization of ICT in the whole society

- Promote education on programming at the primary/secondary/higher education
- Vitalize competition in mobile communications, Promote the optimum allocations of frequency band for IoT or drone

Actions and Achievements

ICT world ranking

- 2014; 16th 2015; **10th**
(The Global Information Technology Report 2015(World Economic Forum))

Expansion of services offered by MVNO*

- Number of contracts : **10 million** (2nd quarter FY2015)
(+**6.7%** quarter-on-quarter, +**26.4%** compared to the same period of the previous year)
- *mobile virtual network operator



Image character
"Maina-chan"

Promote the social participation of women ①

In order to encourage 3 million of women hoping to work to begin working, secure additional childcare capacities, enabling women (and men) to balance work and child-rearing
Encourage women to be promoted to managerial positions (target :30% by 2020)



Government initiatives to date

Support to balance work and child-rearing

Secured additional childcare capacities

- 291 thousands additional capacities likely to be attained for 2013-2014 FY (target : 500 thousands from 2013-2017 FY)

Expanded childcare leave benefits (from 1/2 of base salary prior to leave , to 2/3)

Created a new certificate system for companies taking innovative measures to realize work-life balance

Encourage the promotion of women

Act to require companies to adopt action plan for participation and promotion of women, passed in Aug. 2015

- Oblige the central and local governments, companies to adopt an action plan for promotion of the women (with quantitative objectives (not compulsory))

Women at managerial positions * in the Gov. increased

- 16 (2013, summer) → 23 (2014, summer) → 30 (2015, summer)
- *Vice-D.G. level or higher

Promoted visualization of the promotion of women

- obligation to make public the ratio of female board members in the annual securities report
- Made public the situation of female promotion on the website of the gov.

Actions and achievements

The number of female workers increased :

more than 1 million since the start of the Abe administration (from 4Q 2012 26.68 million to 4Q 2015 27.73 million)

Increase of women at managerial positions in companies

6.9% 2012 → **8.3%** 2014

【Examples】



Promoted to Woman Executive officer while joined as general clerk!

Meiji Yasuda Life Insurance Co.
Satomi Matsumura
Executive officer
(2015.4~)



Fulfilled complete acquisition of childcare leave for men !

Nippon Life Insurance Co.
Chizuru Yamauchi
Executive officer
(2015.3~)



The company's second Woman Executive officer !

Panasonic Co.
Michiko Ogawa
Executive officer
(2015.4~)



The company's first Woman Managing Executive officer !

Tokio Marine & Nichido Fire Insurance Co.
Hiroko Shibasaki
Managing executive officer
(2015.4~)

Number of companies making a plan to increase female executives and at managerial positions, and make it public :

About **440 companies** (30% of 1,300 Keidanren member companies)

Promote the social participation of women ②



Measures to be implemented

Support to balance work and child-rearing

While securing additional childcare capacities, has emerged the problem of lack of nursery teachers

- Encourage utilization of **potential nursery teachers as a part time nursery teacher** if they wish (Number of potential nursery teachers (qualified persons): 600 thousands)
- Encourage **new graduates (qualified nursery teachers) to work for childcare facilities** (only half of 38 thousands new graduates become nursery teachers)
- Diffuse **best practices of childcare facilities where nursery teachers seldom quit** (because of the long working hours, many nursery teachers quit their job in a few years)
- Execute **qualification exam twice a year**, and build **childcare facilities in urban parks** in the Special National Strategic Zones
- Encourage the development of **house-keeping services** through introduction of certificate system of companies)
- Examine measures to support balance work and nursing

Review tax and social security systems to enhance female workers

Current systems have a disincentive for women to work in excess of 1.03 million yen for tax system, and a wall of 1.3 million yen for social security system

- Review of marital deduction, the social security system, and spouse allowance

Promote corporate initiatives to reduce working hours (prevent working long hours)

Reducing working hours not only helps balance work and child-rearing, but change the way of working of men as well as women, and realize a society where getting back home early will never be a handicap for its promotion in a company. This contributes to the promotion of women.

In addition, reducing working hours leads to the enhancement of company's earning power through improvement of labor quality.

- **Visualize average working hours of companies** (Create a social environment where women-friendly companies (taking initiatives on reducing working hours) will receive more job applications)
- Modify **criteria for selection for various Minister award systems** *, in order that companies taking initiatives on reducing working hours will be selected
*Award systems of Ministry of health, labor and welfare, Ministry of Economy, Trade and Industry, Cabinet Office etc.)

Enhance QOL of women

- Improve the quality of toilets (comfort, cleanliness, safety)
- Promote international development of Japanese toilets with hot water washing function, sound effect generative device, or water-saving device(international standards, promotion to inbound tourists)

Invite talented human resources from overseas



Government initiatives to date

Promotion of the acceptance of highly knowledgeable foreign professionals

- Created a new status of residence with an indefinite period of stay. (in Apr. 2015)

Review Current Technical Intern Training Program (bill submitted to the ordinary Diet session in 2015)

- Strengthen the management and supervisory systems (newly establish an authorized corporation specialized in the program)
- Extension of training period (from maximum 3 years to 5 years)

Provide a new status of residence to foreign housekeeping support workers in the National Strategic Special Zones (act passed in Jul. 2015)

Measures to be implemented

Acceleration of acceptance of foreign students and support for their job placement

- Develop job offer-application matching function at the employment service center for foreigners and at the foreign students section in the public employment security office for new graduates, by collecting information on job offers for foreign students and their job applications

Acceptance of foreign human resources in IT field

- Promote consultations with the Government of India and Vietnam etc. for the designation of foreign IT-related universities in order to accelerate the acceptance of talented IT human resources
- Support foreign students to study and find a job in Japan in cooperation with Japanese language schools (start in 2015)

Acceptance of foreign human resources in tourism industry

- With regards to the activities at hotels or inns in Japan requiring professional skills, clarify and announce the requirements needed for the work permitted residence in Japan (start in 2015)
- Consider requirements which can substitute for the current working experience requirements to work in Japan as ski instructors (conclusion in 2015FY)

Consideration of mid-long term systems for utilizing foreign human resources

Actions and Achievements

Recognition of highly skilled foreign professionals

3,962 foreign nationals were recognized between May 2012 (establishment of the system) and Sep. 2015

Acceptance of foreign workers in the field of nursing care (bill submitted to the ordinary Diet session in 2015)

- Create a new status of residence to enable foreign nationals acquiring the national nursing qualification to work in Japan.



Government initiatives to date

Enhance measures to prevent overwork and promote reforming working styles through performed based evaluation (A bill submitted to the ordinary Diet session in 2015)

- Enhance measures to reduce long working hours and to promote the use of annual paid leave
- **Revise the flextime system and the discretionary work system**
- Create a new working system "**High level professional working system**", which evaluates workers based on performance rather than working hours
- Reinforced guidance and supervision by the Labor Standards Inspection Office

Developing human resources in response to the accelerating globalization

- Promoting **the study abroad program in collaboration with the private sector**
- Supporting establishing Top Global Universities

Measures to be implemented

Implementation of reforming working styles ("Start early and Leave office early" campaign)

Measures to enhance human resources for future

- Encourage introduction of "**Self-career dock system (tentative name)**" by companies (promote regular career counseling)
- Promote introduction of **leave** or reducing working hours system **for vocational training**
- Promote **disclosure of companies' initiatives on education trainings**
- Create **certificate system for practical vocational development programs** at universities, and review **promoting these programs through education and training benefits**
- Institutionalize "new higher education institutions" providing practical vocational training

Creating a highly foreseeable labor dispute resolution system

Actions and Achievements

Improving Labor market

- Ratio of job-offers-to-applicants (Active opening rate) ; **1.28x** (Feb. 2016)
- Unemployment rate ; **3.3%** (Feb. 2016)
- Average wage increase ; **2.20%** in 2015 (2.07% in 2014)

Enhance “earning power” of regional mid-ranking companies, SMEs and micro enterprises



Government initiatives to date

Added design technologies to the support target by the Small and Medium Sized Enterprise Manufacturing Enhancement Act (in Feb.2015)

Support “Hometown Specialties”

- encourage vitalization of regions by supports to developing hometown specialties and to its market development (Bill to revise the Small and Medium Sized Enterprise Local Resource Utilization Act submitted to the Diet in Mar. 2015)

Measures to be implemented

It is necessary to support initiatives of motivated SMEs to strengthen its sales abilities and to enhance its productivity, no longer satisfied only with the conventional group business relationship, i.e. large company and its subcontractor

Visualize the Growth Strategy for business operators

- Compile key to success to serve as a guide for businesses endeavoring to develop new products and markets. Provide it to businesses and SME organizations

Strengthen business support system

- Strengthen detailed business support system tailored to the needs of mid-ranking companies, SMEs and micro enterprises who aim to make a leap forward
- Consider the credit guarantee system in order to spur financial institution’s further efforts toward support of management improvements and productivity improvement

Actions and Achievements

Example of using design development technology into new products

Using technology used to B to B products, develop new products for B to C under the direction of designer with sales experiences.



Develop a card case, open slowly with beautiful appearance, using the technology for producing cosmetic compacts

Example of regional revitalization with hometown specialties

Sales of the processed citrus products, which was developed by the President of Agricultural Cooperative, in small village of less than 1000 people, was 3 billion yen



Revitalization and productivity improvement of service industry



Current issue

- Service industry, accounting for 70% of Japan's GDP, mostly relies on the demand in the region. Therefore, the population decline, falling birthrate and aging population have the direct impact on their survival.
- Some service business operators have achieved high productivity through introduction of on-site process improvement activities (Kaizen) of manufacturing industry or IT utilization. It is necessary to spread such advanced efforts throughout Japan.

Measures to be implemented

Implementation of measures listed in "Service Industry Challenge Program" (Apr. 2015)

- Cross-service industry measures;
 - disseminate best practices (including launching "Nihon Service Award"),
 - Establish evaluation index for enhancing the quality evaluation of service,
 - Developing human resources, supporting overseas expansion, etc.
- Measures for individual service sector ;
 - Promote IT utilization, overseas expansion, improvement of activities ("kaizen"), etc. for accommodation industry, transportation industry, food service industry/home-meal replacement industry, medical and nursing care industry, childcare industry, wholesaling and retailing industries.
- Formulate evaluation indicators and methods (local benchmark) to serve as a reference for SME organizations and local financial institutions that provide business support to local enterprises
- Create a list of human resources that offer support for IT utilization and on-site process improvements and share it in each region
- Promote cross-industry initiatives between the service industry and manufacturing industry, etc. At committees established by the retail, food service, accommodation, nursing care, and cargo road transportation industries, implement initiatives to improve productivity in the service industry



Logo of "Nihon Service Award"

Proactively develop agriculture



Government initiatives to date

Integrated reform of the Agricultural Cooperative System, Agricultural Committees and Agricultural Production Corporations (Act passed in Aug. 2015)

- The Central Union of Agricultural Cooperatives will be stripped of its exclusive authority to audit and supervise local cooperatives. Local cooperatives will be encouraged to be more independent.
- Instead of election by regional farmers, members of committees will be selected by the mayor
- Relax the requirements for Agricultural Production Corporations

Decided to review rice production adjustment, which has lasted for more than 40 years

Promotion of export

- Establish category-specific export organizations for 7 items such as rice and beef to promote exports.

Reinforced support to collaboration between primary/secondary/tertiary industries by the "Agriculture, forestry and fisheries Fund Corporation for Innovation, Value Chain and Expansion Japan (A-FIVE)"

- Raised investment-ratio to sub-funds

Measures to be implemented

Reinforce the function of farmland consolidation bank

- Make public results on farmland consolidated, increase of staffs, coordinators etc., increase or reduction of tax to unused farmland etc.

Promote business farmers with high sense of management / Encourage farmers to be a incorporation

- Mobilize experts on management such as advisors on agriculture management, tax accountants, SME management consultants, regional financial institutions, in order support farmers

Further promote export (Promotion of "Japan Brand", improvement of environment for export)

- Establish one-stop service for export procedures such as export certification and quarantine at wholesale markets near international airports

Actions and Achievements

Record high exports of agriculture/ forestry/ fishery products and foods

- 2014; **611.7 billion yen** (+11.1% Y/Y)
- 2015; **745.2 billion yen** (+21.8% Y/Y)

<Examples of logos for protection of brands and for export promotion>



Progress on collaboration between primary/secondary/tertiary industries through A-FIVE

- Increase of A-FIVE investment
 - from 8 entities (as of Mar. 2013) to 77 entities (as of Nov. 2015)

Companies from different sectors successively entering the agricultural sector

- The agricultural production corporation, subsidiary of AEON, started the rice production with the support of the institution of farmland consolidation bank (start production in May 2015)

Stimulate healthcare industry and provide services of high quality



Government initiatives to date

Accelerate commercialization of regenerative medicine¹

- Allow outsourcing of culturing and processing of cells
- Enact an adaptive licensing approval system, making Japan the fastest country for commercialization of regenerative medicine

Create a new system for combining insured and uninsured medical services²

- Allow patients, upon request, to receive prompt advanced medical care at medical institutions of their preference

Promote business alliances through a new healthcare corporation system³

- Allow for consolidated and integrated management of multiple medical corporations

¹ Acts took effect in Nov. 2014 ² Act passed in May 2015 ³ Act passed in Sep. 2015

Measures to be implemented

Utilize to the maximum extent ICT in medical and nursing care sector

- In order to eliminate the duplication of the medical check, prescription, diffuse electronic clinical record in 90% of large hospitals (more than 400 beds) by 2020 FY
- Form nationwide Regional Medical Information Cooperation Networks by 2018 FY
- Utilize "My Number card" as health insurance card early but not before Jul. 2017, diffuse Electronic Medicine Notebook around 2018

Promote international development of medical sector

- Provide information on hospital which accept foreign patients ("Japan International Hospitals" (tentative name))
- Certify agents which support foreign patients

Support creation of healthcare industries (promote creation of regional councils on healthcare industry of next generation)

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Actions and Achievements

Active investments in the field of regenerative medicine

- **SanBio (US)**
(developing and marketing regenerative therapies) transferred its headquarters function from California to Tokyo
- **Pluristem Therapeutics (Israel)**
(culturing cells) is considering an alliance with Japanese companies
- **ReNeuron (UK)**
(stem cell regenerative therapies) is considering an investment in Japan
- **Terumo Corporation (JP)**
entered the regenerative medicine market
- **Nikon (JP)**
Entered the regenerative medicine market, forming an alliance with Lonza (Switzerland)

Setting tourism as a key industry



Government initiatives to date

Strategic relaxation of visa requirements (14 countries from Jul. 2013 to Aug. 2015)

- **Indonesia**; Exemption of visas for visitors based on preregistration system of e-passports
- **Philippines, Vietnam and China**; Relaxation of multiple-entry visas for visitors
- **India, Brazil and Mongolia**; Issuance of multiple-entry visas for visitors

Creation of a new program for longer stay of foreign visitors in Japan (Jun. 2015)

- permitting wealthy foreign visitors to stay for a maximum of one year for sightseeing purposes

Expansion of the tax-free program

- Expansion of range of tax-free items for foreign visitors to all, including consumables such as foods, beverages, drugs and cosmetics since Oct. 2014.
- Enabling shopping malls and shopping districts to establish Tax-free Counters, where tax-free procedure is completed at once instead of stores in shopping malls and shopping districts, since Apr. 2015.

Measures to be implemented

Implementation of measures based on "The Action program toward the Realization of Japan as a Tourism-Oriented Country 2015" (Jun. 2015)

- Aim for **4 trillion yen consumption by foreign visitors** and **the creation of 400 thousands new jobs**, in the year when foreign visitors exceed 20 million
- Increase the number of tax-free shops in regions, from current 6.6 thousand in Apr. 2015 to **12 thousands in 2017 and 20 thousands in 2020**
- Establish Japanese version of DMOs (Destination Management/Marketing Organizations) and support its initiatives to promote tourism
- Improve the tourism environment to accept foreign visitors, including through securing capacities of transportation and accommodation facilities and providing multilingual services

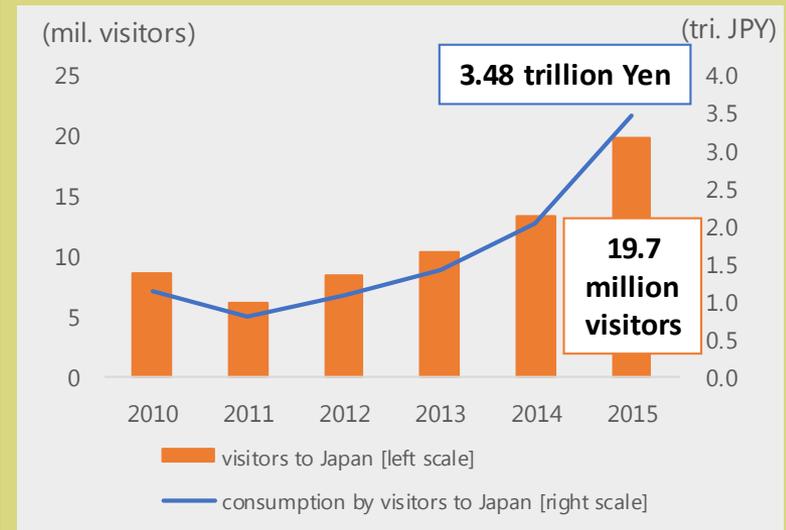
Actions and Achievements

Foreign visitors to Japan : record high

- 2013 ; 10.4 million people (first time to exceed 10 million)
- 2014 ; 13.4 million people
- 2015 ; **19.7 million people (increased by 47.1%)**

Consumption by foreign visitors : record high

- 2013 ; 1,417 billion yen
- 2014 ; **2,028 billion yen**
- 2015 ; **3,477 billion yen (increased by 71.5%)**





Government initiatives to date

Implementation of fundamental electricity system and gas system reforms

- Law for 3rd Step of the electricity system reforms enacted (Jun. 2015)
- Implemented the reforms on gas system and heat supplying system
- Established coordination institution for expand use of national-wide grid to allow more flexibility in balancing power needs between regions. (Apr. 2015)

Long-term energy supply-demand forecast in 2030 was issued (Jul. 2015)

- Aiming lower electricity price and improvement of the rate of self-sufficiency
- Promoting initiatives on energy efficiency

Measures to be implemented

Implementation of electricity system and gas system reform

<Schedule of electricity reform>

Full liberalization of electricity retail market (to be implemented in Apr. 2016)

Legal separation of electricity generators and distributors, Elimination of retail price regulation (to be implemented in Apr. 2020)

<Schedule of gas reform>

Full liberalization of electricity retail business (to be implemented in 2017)

Legal separation of gas infrastructures in 3 metropolitan areas (to be implemented in Apr. 2022)

Further promotion of initiatives on energy efficiency and introduction of renewable energies

- Promote energy efficiency through energy management using IoT such as FEMS, BEMS or HEMS, Diffuse “demand response initiatives” by establishing rules for negawatt trading.
- Realize hydrogen society which emits less carbon dioxide and geographically distributed energy systems which consist of energy efficiency initiatives combined with utilization of renewable energies
- Introduce in a balanced way, more renewable energies by increasing capacity of grids or enlarging operation areas of grids

Actions and Achievements

New companies established prior to the completion of the electricity reforms

- TEPCO and Chubu electric power

Established new company “JERA” to implement comprehensive alliance of procurement of fuel and generation in Apr. 2015.

- Hitachi and Switzerland ABB

Announced in Jun. 2015 agreement to create a joint-venture, aiming to tap into the market for electricity transmission equipment.

- Tohoku electric power and Tokyo gas

Established a new electric power retailer in Oct. 2015

Actions in the field of energy efficiency

- ENNET corporation

Started a new service by which end-use customers reduce electricity consumption in response to an economic signal (lower price or other incentives) (Jul. 2013)

- A fuel-cell vehicle called “Mirai” put into the market (Dec. 2014)

Promote public private partnerships (PPP) and private finance initiatives (PFI)



Government initiatives to date

Set priority areas and numerical targets for concession PFI projects during the intensive implementation period by the end of Mar. 2017

- Implementation of JPY2-3 trillion worth of projects by the end of 2016FY, instead of by the end of 2022FY
- Priority areas and numerical targets of projects in each filed :
Airports (6), Water supply systems (6), Sewage (6), and Roads (1)

Act to promote smooth and efficient operation of concession PFI projects passed in Sep. 2015

- Allows central and local government employees having know-how of public facility operation, to be dispatched to the private operators

Measures to be implemented

Review the target (value of whole projects) of PPP/PFI

- Review the target set in "Action Plan" (10-12 trillion yen by 2022) and examine concrete measures to achieve newly established target. (conclusion by the end of Mar. 2016)

Decide priority areas and set the numerical targets for public buildings

- Regarding public buildings which charge utilization fee, such as facility of education, science, sports, culture and technology and public housings, decide priority areas and set numerical targets in the whole framework of PPP/PFI (conclusion by the end of March 2016)

Actions and Achievements

Sendai Airport

- Tokyu Maeda Toyotsu group gained the first refusal right to operate the airport
- Operation is scheduled to be started from Feb. 2016

Kansai International Airport and Osaka International Airport (Itami Airport)

- Orix-Vanci Airport Consortium gained the first refusal right to operate the airport
- Operation is scheduled to be started from Mar. 2016



Government initiatives to date

Approved National Strategic Zones Plans (135 concrete initiatives on business actions were approved so far since the designation of zones in May 2014)

- Aiming to support ventures, “One-Stop Business Establishment Center” was established in Tokyo, providing advices on start-up and one-stop services on procedures for incorporation, for the first time in Japan, and the special provision on Notary Act was utilized to enable a notary to certify the article of incorporation outside of the public office of the notary.
- “Employment Consultation Centers”, where lawyers give advices for free, to let know the employment rules in Japan or to prevent conflicts related to employment ,were established in Tokyo ,Osaka and Fukuoka city.
- Agricultural reforms were implemented in Nigata city and Yabu city, utilizing the special provision of deregulation on the roles of agricultural committees and local municipalities (transfer of farmland not permitted by agricultural committee but by mayor).
- The special provision on Child Welfare Act was utilized in Tokyo area, Kansai area, and Okinawa with regard to “nursery teachers allowed to work in restricted region”.
- To increase employment of elderly retirees, the special provision on Law concerning stabilization of employment of older person was utilized in Yabu city.
- To develop human resources to meet the demand of production site, the operation of advanced course in public school will be outsourced to private sector in Aichi.
- The special provision of the Hotel Business Act on accommodation facilities was utilized in Tokyo area and Kansai area to meet the needs of foreign and domestic visitors.
- To develop global medical human resources, a faculty of medicine will be established in Tokyo area.
- To promote active social participation by woman and to meet the needs of housekeeping support, the Project to accept Foreigners Conducting Housekeeping Services started in Tokyo area.

Enacted the Revised Act on National Strategic Special Zones (Sep. 2015)

- Further regulatory reforms will be implemented, such as utilization of foreign house keeping workers, establishment of “nursery teachers allowed to work in restricted region” to solve the shortage of nursery teachers, utilization of “public schools operated by private sector” to develop global human resources.



Designated Three “Regional Vitalization Special Zones” (Aug. 2015) Set up Zone Conferences, approved Zone plans for 3 Regional Vitalization Special Zones (Sep. 2015)

- Senboku city (Akita pref.): utilizing the special provision on Act concerning utilization of national forest land for more availability to private sectors, etc.
- Sendai city (Miyagi pref.): utilizing the special provision on Act to promote specified non-profit activities shortening the term of incorporation procedures, and the special provision on Child Welfare Act with regard to “nursery teachers allowed to work in restricted region”.
- Aichi pref. : utilizing the special provision of deregulation on the roles of agricultural committees and local municipalities, and the special provision on business concerning road management by public corporation, etc.

Expand designated zones of Tokyo from 9 wards to whole Tokyo prefecture in “Tokyo area” (Aug. 2015)

Three Zones (Chiba city (expand designated zones of Tokyo area), Hiroshima pref./ Imabari city, and Kitakyusyu city (added to designated zone of Fukuoka city)) were decided as third designated zones (Dec. 2015)

Measures to be implemented

Realize further regulatory reforms (as soon as possible including this Diet session)

- Medicine instructions by pharmacist allowed in case of video telephone/ Proper utilization of drones/ Enhancement of the environment such as regulations or rules necessary for the technological development of automatic-traveling vehicle/ Prompt development of for innovative medical devices through creating “medical strategic consultation system”/ etc.

National Strategic Special Zones①

Latest situation on organization of zone conferences and approval of zone plans



16 projects approved

Yabu city

Center for agricultural reform
in hilly and mountainous areas

Z.C. on 23/07/2014, 27/01,03/09 and 14/10/2015

Approval of Z.P. | 09/09/2014, 27/01,09/09 and 20/10/2015

- SP on roles of agricultural committee and local municipality
- SP on agricultural production corporation
- Application of credit guarantee system to farming
- SP on Hotel business law about utilization of historic buildings
- SP on Law concerning stabilization of employment of older persons
- SP on Act to promote specified non-profit activities

17 projects approved

Fukuoka city and Kitakyushu city

Center for Employment system reform for business start-ups

Z.C. on 28/06 and 25/09/2014, 25/03 and 14/10/2015, 04/02/2016

Approval of Z.P. | 09/09 and 30/09/2014, 29/06 and 20/10/2015, 05/02/2016

- SP on Road law about area management
- SP on regulations on number of hospital beds
- Creation of Employment Consultation Center (ECC)
- SP on Immigration Control and Refugee Recognition Act regarding acceptance of entrepreneurial human resource
- SP on Act to promote specified non-profit activities
- SP on medical treatment combining insured and uninsured services
- SP on Act on National Public Officers' Retirement Allowance to support securing human resources by entrepreneurs
- Creation of Human Resources Mobilization Support Center

42 projects approved

Tokyo area

International business and innovation hub
(Tokyo, Kanagawa pref.)

Narita city and Ciba City of Chiba pref.)

Z.C. on 01/10 and 09/12/2014,
04/03, 15/06,03/09,14/10,26/11 and 11/12/2015,
04/02/2016

Approval of Z.P. | 19/12/2014,
19/03,29/06,09/09,10/20,27/11 and 15/12/2015
05/02/2016

- SP on the Act on Special measures concerning urban renaissance
- SP on the City planning Act
- SP on Road law about area management
- SP on medical treatment combining insured and uninsured services
- SP on regulations on number of hospital beds
- Medical activities allowed for foreign doctors through bilateral agreement
- SP on Notary Act
- SP on Child Welfare Act concerning nursery teacher qualifications
- Creation of ECC
- Creation of One-stop Business Establishment Center
- SP on Immigration Control and Refugee Recognition Act regarding acceptance of entrepreneurial human resource
- SP on Inns and Hotel Act
- SP on Urban Park Act regarding permission for occupancy of urban park.
- SP on approval criteria of new establishment of faculty of medicine
- SP on Immigration Control and Refugee Recognition Act regarding acceptance of foreigners conducting housekeeping services

National Strategic Special Zones②

Latest situation on organization of zone conferences and approval of zone plans



Niigata city

19 projects approved

Center for agricultural reform in large-scale farming

Zone conferences organized on 18/07/2014, 03/12/2014, 09/06 and 26/11/2015

Approval of Zone plan | 19/12/2014, 29/06 and 27/11/2015

- Special provision (SP) on agricultural production corporation
- SP on roles of agricultural committee and local municipality
- SP on restaurants in farmland
- Application of credit guarantee system to farming
- Creation of Employment Consultation Center (ECC)
- SP on Immigration Control and Refugee Recognition Act regarding acceptance of entrepreneurial human resource
- SP on Act to promote specified non-profit activities
- SP on taxation for capital investment

Okinawa pref.

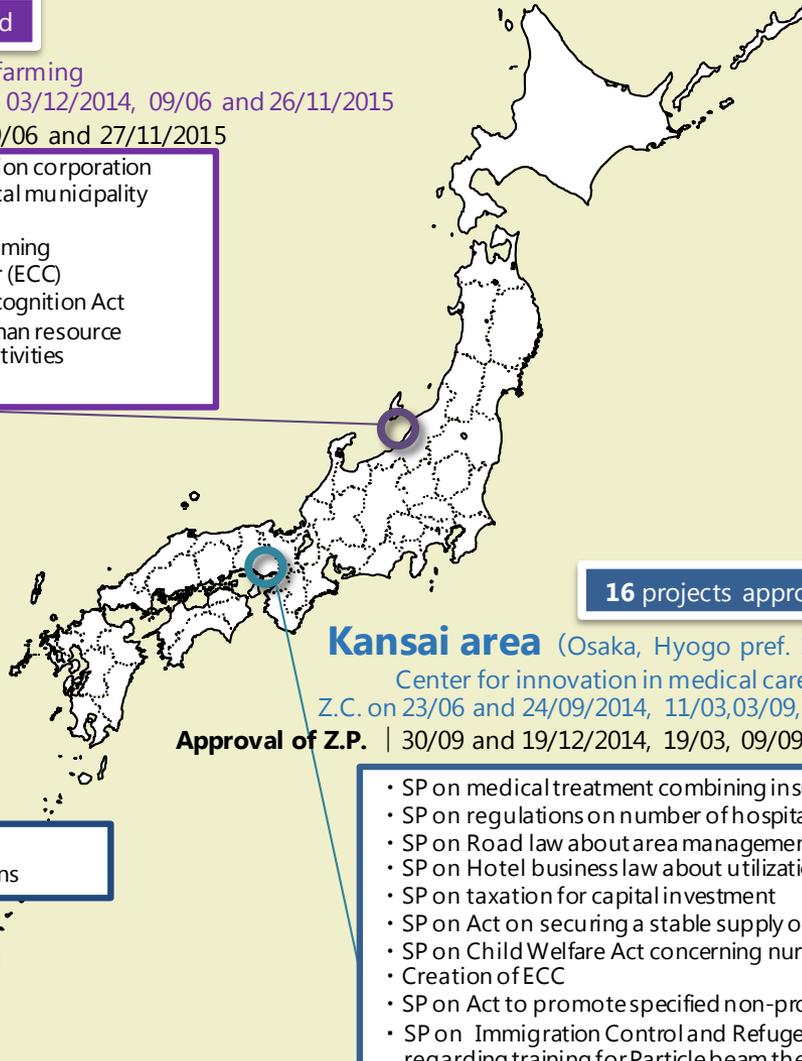
3 projects approved

Center of international tourism

Z.C. on 26/10/2014, 10/06 and 03/09/2015

Approval of Z.P. | 29/06 and 09/09/2015

- SP on Road law about area management
- SP on Child Welfare Act concerning nursery teacher qualifications



16 projects approved

Kansai area (Osaka, Hyogo pref. Kyoto)

Center for innovation in medical care and entrepreneurial support
Z.C. on 23/06 and 24/09/2014, 11/03, 03/09, 14/10, 26/11 and 11/12/2015

Approval of Z.P. | 30/09 and 19/12/2014, 19/03, 09/09, 20/10, 27/11 and 15/12/2015

- SP on medical treatment combining insured and uninsured services
- SP on regulations on number of hospital beds
- SP on Road law about area management
- SP on Hotel business law about utilization of historic buildings
- SP on taxation for capital investment
- SP on Act on securing a stable supply of safe blood products
- SP on Child Welfare Act concerning nursery teacher qualifications
- Creation of ECC
- SP on Act to promote specified non-profit activities
- SP on Immigration Control and Refugee Recognition Act regarding training for Particle beam therapy
- Pharmaceutical Affairs Consultation on R&D Strategy of Medical Device in National Strategic Special Zone
- SP on Inns and Hotel Act

National Strategic Special Zones③

Latest situation on organization of zone conferences and approval of zone plans



Senboku city

5 projects approved

Center for reform of agriculture and forestry/medical care
Z.C. 07/09 and 14/10/2015, 04/02/2016

Approval of Z.P. | 09/09 and 20/10/2015, 05/02/2016

- SP on Act concerning utilization of national forest land
- SP on agricultural production corporation
- SP on Law concerning stabilization of employment of older persons
- SP on system of specified experimental test station

5 projects approved

Sendai city

Center for reform on
women's active social participation and start-ups
Z.C. 07/09/2015, 04/02/2016

Approval of Z.P. | 09/09/2015, 05/02/2016

- SP on Act to promote specified non-profit activities
- SP on Child Welfare Act concerning nursery teacher qualifications
- SP on medical treatment combining insured and uninsured services
- Creation of ECC
- Pharmaceutical Affairs Consultation on R&D Strategy of Medical Device in National Strategic Special Zone

Aichi Pref.

Center for general reform for education, employment,
Agriculture, etc. for fostering industry leaders
Z.C. 08/09 and 26/11/2015

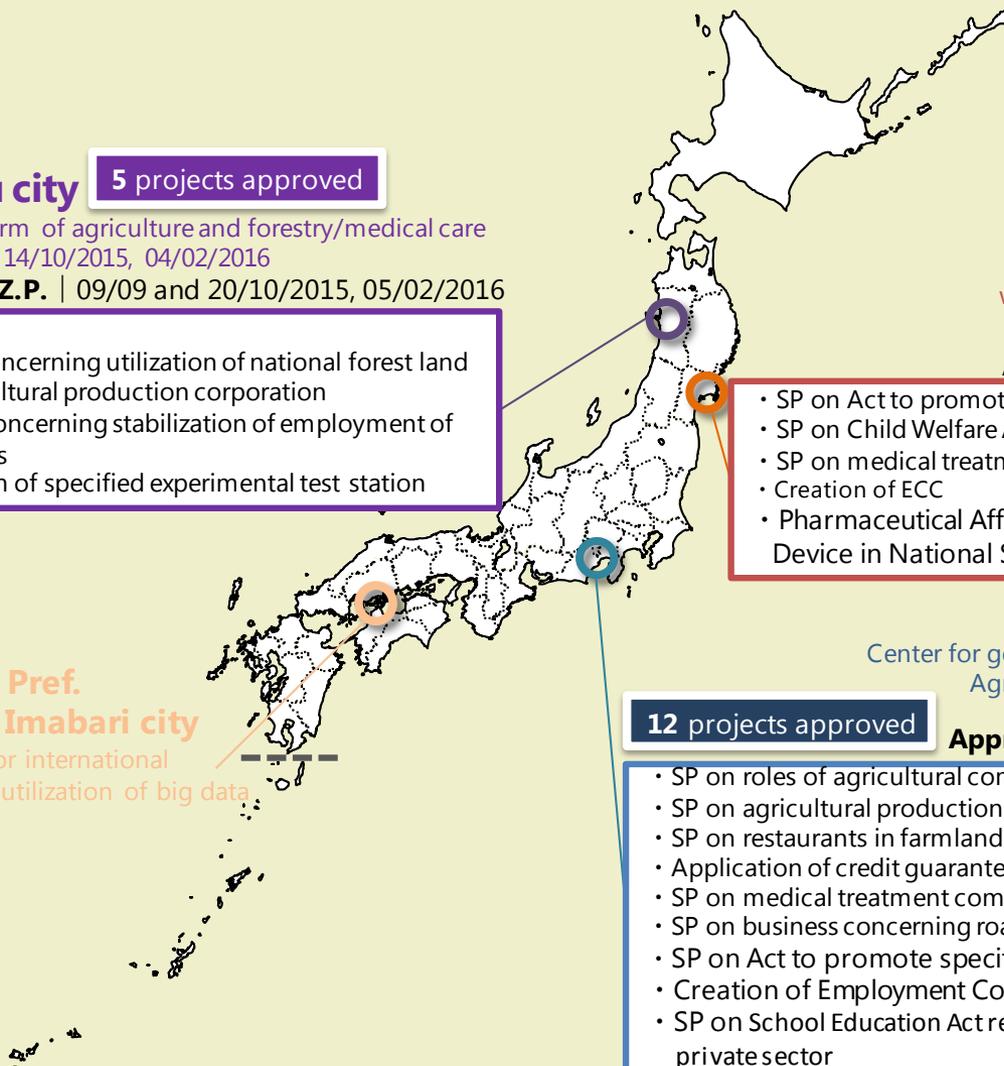
Approval of Z.P. | 09/09 and 27/11/2015

12 projects approved

- SP on roles of agricultural committee and local municipality
- SP on agricultural production corporation
- SP on restaurants in farmland
- Application of credit guarantee system to farming
- SP on medical treatment combining insured and uninsured services
- SP on business concerning road management by public corporation
- SP on Act to promote specified non-profit activities
- Creation of Employment Consultation Center (ECC)
- SP on School Education Act regarding operation of public school to private sector

Hiroshima Pref. and Imabari city

Special zone for international
exchange and utilization of big data





Government initiatives to date

Promotion of economic partnerships

- Entry into force of **the Japan-Australia EPA** (in Jan. 2015)
- Signature of **the Japan-Mongolia EPA** (in Feb. 2015)
- Agreement in principle on **the TPP negotiations** (in Oct. 2015)

Promotion of Infrastructure system exports

- Sales pitches by Prime Minister and other Cabinet Ministers
74 sales pitches in 2014
- Fund Corporation for the Overseas Development of Japan's ICT and Postal Services (Japan ICT Fund) was established in Nov. 2015
- Law to convert NEXI (Nippon Export and Investment Insurance) into special company for more flexible, efficient and swift management was enacted in Jul. 2015

Measures to be implemented

Promotion of inward foreign direct investment in Japan

- Implement "Five Promises for Attracting Foreign Businesses to Japan" (in March 2015) including the establishment of "Investment Advisor Assignment System" in which State Ministers etc. act as advisors for foreign businesses having made important investments in Japan
- Conduct sales pitches by Prime Minister and other Cabinet Ministers. Implement intensive promotions especially by JETRO (Japan External Trade organization) promotion teams set up in major foreign cities, in the fields which will contribute to the further economic growth and the vitalization of the Japanese market

Further expansion of infrastructure system exports

- Promote "Partnership for Quality Infrastructure" – strengthen collaboration with ADB (Asian Development Bank), double financing of risk money through reinforcement of the functions of JBIC (Japan bank for International cooperation), etc
- Promote comprehensive regional development including urban development – reinforce activities to find out new projects, strengthen the planning and coordination function, etc

Promotion of Cool Japan through collaboration with Japanese contents

- Establish public-private partnership platform which promotes integral overseas expansion of Japanese contents and their peripheral businesses (aimed to start in this autumn)

Actions and Achievements

Expansion of the infrastructure system exports

- Amount of infrastructure project orders received: **about 16 trillion yen** in 2013 (about 10 trillion yen in 2010)
- 1st investment project was decided by Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) (Oct. 2015)

Support by Cool Japan Fund

- **Investments in 15 projects (maximum 39 billion yen)** were decided as of Mar. 2016 since the Fund was established in 2013

Inward foreign direct investment in Japan

- Net amount of inward FDI in 2013 increased by **more than 10 times** compared to that in 2012