

Comprehensive Economic Measures to Build a “Strong Japanese Economy”

November 21, 2025
Cabinet Decision

The Attachment sets forth the Comprehensive Economic Measures to Build a “Strong Japanese Economy”.

(Attachment)

Comprehensive Economic Measures to Build a “Strong Japanese Economy”

—The Latent Power and Vigor of Japan and the Japanese
People: Transforming Anxiety into Confidence—

November 21, 2025

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Chapter 1. Current Assessment of the Economy and Key Challenges, and the Basic Framework for the Economic Measures

1. Current assessment of the economy and key challenges, and desired direction of progress

Our country has suffered from deflation and low growth for a long time, since the 1990s, triggered by the problem of non-performing loans after the economic bubble burst. We have also faced numerous challenges, including the global financial crisis, repeated natural disasters, and the spread of COVID-19. Under these circumstances, owing to the tireless efforts of various segments of the population and the successive policy responses by the Government, the Japanese economy has now reached the stage of shifting from a deflation and cost-cutting economy to a new growth-oriented economy. We now stand at a decisive juncture that will determine whether we can successfully shift to a growth-oriented economy that will not slip back into deflation.

Although the economy is currently in a moderate recovery phase, potential growth capacity is sluggish, wage growth cannot keep pace with rising prices, and the high prices of food and other commodities have shaken the confidence of households, leaving private consumption and private demand weak. Although the GDP gap has approached 0%, the economy is not strong enough, and the sense of economic recovery has not yet spread to local regions and small and medium-sized enterprises (SMEs). In addition, while Japan and the U.S. reached an agreement through the Japan-U.S. Consultation on U.S. tariff measures, the outlook for the global economy remains uncertain, and structural issues that need to be quickly overcome, such as the declining birthrate and the decline of rural areas, remain severely challenging in Japan. In addition, the Japanese economy has not yet got out from a deflation and cost-cutting economy. We are still in the middle of a transition to a growth-oriented economy that will be accompanied by more investment for growth and higher productivity.

Under these circumstances, the path Japan should take is clear. Japan has latent power and vitality. Our task is to awaken it and build a stronger, more prosperous nation. To this end, what is required now is responsible and proactive public finances that fulfill our duty to future generations. We need to promote bold and strategic investments that enhance resilience against potential crises and growth-oriented investment to ensure safety and security of livelihoods, increase employment and income, raise the potential growth rate, and build a strong Japanese economy. The Government will take the lead, and the public and private sectors will join forces to expand investment to solve social issues, minimize various risks, and develop cutting-edge technologies. Economic policy trends in major countries have significantly shifted from neoliberal ideas that excessively rely on market forces to policies of a new era aimed at increasing national power through strategic domestic investment expansion and strengthening public-private partnerships aimed at solving economic and social problems.

Our country will also accurately understand this shifting trend and strongly promote economic management that responds to the needs of the times through strategic investments that enhance resilience against potential crises and growth-oriented investment under responsible and proactive public finances.

The purpose of Japan's economic policy is not fiscal discipline in itself, but to enrich the livelihoods of each citizen. Without mistaking the means and purpose of economic and fiscal management, we will reassess past approaches without reserve, ensuring that the fruits of economic growth are delivered broadly to the public and that people can tangibly feel an improvement in economic conditions. Our aim is to build an economy in which the benefits are not confined to a handful of large corporations or specific industries, but extend to SMEs, micro-businesses, local communities, and people of all generations.

The Government will formulate comprehensive economic measures based on these recognitions of the current situation and the desired direction. Based on the concept that the economy is the foundation of public finance, and while sufficient consideration given to fiscal sustainability, we will implement strategic fiscal spending under responsible and proactive public finances, thereby ensuring the safety and security of people's livelihoods, boosting income and consumption, increasing tax revenues through economic growth, restraining the growth of government debts within the range of nominal economic growth, and consequently reducing the debt ratio. We will strengthen the spending power of corporations and the Government and boost the power to distribute income to households.

This virtuous cycle is the way to achieve both sustainable growth and fiscal consolidation and to build a Japanese economy that is trusted by the world. Believing in the latent power and vigor of Japan and the Japanese people and aiming for Japan's comeback, the Government will surely restore a strong economy in which each and every citizen can have hope.

It is important to promote economic and fiscal policies with fiscal discipline in mind, but people's livelihoods are also important. We will not hesitate to spend money to decisively implement policies required at this stage, as well as to finance investments that will generate future economic growth. Both the economy and public finances are for the people, and we will continue to reassess past practices and precedents without reserve and promote policies that are in line with the times.

2. Basic framework for the economic measures

These Comprehensive Economic Measures consist of the following three pillars, and the Government will fully mobilize any and all policy instruments, including the budget, fiscal investment and loans, tax system, as well as institutional/regulatory reforms. We will enhance the predictability of investment in order to attract investment from private-sector companies by means such as using multi-year budget appropriations as needed, and indicating the direction of tax measures leading to investment promotion.

(Pillar 1: Ensuring Security in People's Daily Lives: Measures to Address Rising Prices)

Firstly, the Government will place top priority on countermeasures against the current surge in prices to secure everyday life and protect households and workplaces from rising prices. We urgently need to realize a situation in which wage increases exceed price increases and secure real income for households. For this reason, based on the belief that it is the role of the Government to create an environment in which companies can raise wages continuously and stably, we will use policy tools such as the tax system and

subsidies in a comprehensive manner to encourage investment in people and spread the trend of wage increases nationwide.

It takes a certain amount of time for the continuous increase in real wages to take hold, and the impact of rising prices varies from region to region. In the meantime, the Government will take measures to carefully mitigate the impact of rising prices in accordance with local circumstances to protect people's livelihoods. At the same time, we will implement measures to reduce the energy cost burden on households and businesses, thereby supporting people's livelihoods and corporate activities. Moreover, we will ensure price pass through in public-sector procurement, aiming to raise wages and increase incomes in local communities in light of rising prices. The Government will start to consider refundable tax credits in order to reduce the tax and social security burden borne by middle- and low-income earners and build a framework to increase take-home pay according to their income.

In addition, the Government aims to improve the stability and vitality of local people's livelihoods by utilizing regional growth potential. We will support the creation of world-leading technologies and businesses originating in local areas through measures to support and revitalize key industries that support local living environments. Moreover, we will also work on establishing foundations for safe local communities, such as building inclusive communities, promoting security measures, strengthening measures to address issues related to foreign nationals, and restoring public education and making education free.

In addition, for SMEs and micro-businesses that cannot take advantage of the tax system to promote wage increases owing to their loss-making businesses, the Government will create an environment in which even they can raise wages. In addition to implementing measures to pass on prices, strengthening the earning power of SMEs, and supporting labor-saving investment, we will also expand the Priority Support Local Allocation Grant to create an environment in which SMEs and micro-businesses can take steps to raise wages and make capital investment.

(Pillar 2: Strategic Investments that Enhance Resilience Against Potential Crises: Building a Robust Economy Through Growth-Oriented Investment)

Secondly, the Government will build a robust economy through strategic investments that enhance resilience against potential crises and growth-oriented investment. The core of the growth strategy strategic investments that enhance resilience against potential crises, in which the public and private sectors work hand in hand to tackle various risks and social issues in a proactive manner. This will create products, services, and infrastructure that contribute to solving common global problems, and enhance Japan's sustainable growth capacity and international presence.

We will promote investment support measures under responsible and proactive public finances in a way that strongly encourages private-sector companies to invest. We will enhance the predictability of investment and build true public-private partnerships in an unprecedented manner. Specifically:

- 1) If private investment beyond a fiscal year is required to be implemented in light of investment targets set by the public and private sectors, budget measures for multiple fiscal years will be taken, such as the establishment of an appropriate

amount of funds derived from such targets.

- 2) In addition to GX, AI and semiconductors, the Government will begin studying a new framework for securing financial resources for strategic investments that enhance resilience against potential crises in areas critical to economic security, such as shipbuilding, quantum science, and critical minerals.
- 3) With companies considering bold investments in growth fields or those facing funding challenges in mind, we will consider introducing a tax system to encourage companies to bold capital investment, such as immediate amortization, from the viewpoint of enhancing the predictability of the timing of tax burdens.
- 4) In 17 strategic sectors, the Government will introduce new specific demand-generating measures to reduce risks and resolve social issues, including procurement by government agencies such as defense procurement, and regulatory reforms.

Through these measures, large-scale strategic investments that enhance resilience against potential crises / growth-oriented investment will be realized in the 17 strategic sectors. In addition, from the viewpoint of responsible and proactive public finances, we will introduce an analysis (dynamic scoring) that takes into account the effect of future increases and decreases in revenues due to the impact of fiscal expenditures, including taxation measures, on the macroeconomy.

At the same time, we will boldly expand investment for the future by strengthening public education, promoting university reforms, and providing strategic support for the development of science and technology and human resources in order to build a new technology-oriented nation that creates human resources capable of developing outstanding science and technology capabilities and innovation, and builds a strong economic foundation.

To realize a robust economy, the Government will intensify proactive and focused efforts in the following five sectors. Firstly, we will strengthen economic security through public-private partnership investment in strategic sectors, strengthening supply chains for critical goods, and other efforts. Secondly, we will establish food security by improving production capacity through structural transformation of agriculture, forestry and fisheries and expanding exports of agricultural, forestry and fishery products and food. Thirdly, we will strengthen energy and resource security by actively investing in building an economy and society that is resilient to rising energy costs. Fourthly, we will promote a resilient nation for the Reiwa era which protects present and future lives, accelerate the continuing recovery and reconstruction from natural disasters, and promote investment in disaster prevention, mitigation, and national resilience. Fifthly, we will expand investment that opens the way to the future by supporting cutting-edge science and technology, strengthening start-up support and promoting content industry and other sectors, building health and medical security, including “proactive preventive healthcare”, and providing strategic support for human resource development.

(Pillar 3: Strengthening Defense Capability and Diplomatic Power)

Thirdly, the Government will build a strong Japan that safeguards the safety and prosperity of its people by reinforcing its defense capabilities and diplomatic power.

In light of the increasingly severe international situation, Japan will fundamentally

reinforce its defense capability so that it can respond appropriately to changes in the diplomatic and security environment. We will strengthen the human resource base and create an environment in which those who protect our country can perform their duties with pride.

On the diplomatic front, the Government will promote a “Free and Open Indo-Pacific (FOIP)” while maintaining the Japan-U.S. Alliance as a cornerstone and expand multilateral economic and security cooperation with like-minded countries and countries of the Global South. Japan's technological and industrial strengths to address global challenges the resolution of global issues. The government aims to enhance the trust and respect of the international community.

In response to the U.S. tariff measures, we will take the necessary measures for the Japan-U.S. Strategic Investment Initiative and make every effort to mitigate the impact on the domestic economy and industry by providing financing support for SMEs and improving the business environment.

(Formulation of supplementary budget)

The Government will promptly formulate the supplementary budget for FY 2025 that endorses these Comprehensive Economic Measures and make every effort toward early passage of the budget.

(Early execution of economic measures)

The Government will promptly execute economic measures and provide assistance to people as soon as possible. For this purpose, in cooperation with all government ministries and agencies, the Government will thoroughly announce these measures to local governments, etc., and the national government and local governments will work together to execute these measures as soon as possible and strengthen public relations related to the relevant measures so that the people will be informed in an easy-to-understand manner. Execution of each measure will be based on simple and prompt implementation premised on DX, and efforts toward appropriate progress management will be made thereafter. The Government as a whole will balance the effectiveness and speed of its policies and maximize their effects on the people's livelihoods.

(Expectations of the Bank of Japan)

It is very important that appropriate monetary policy management be implemented to achieve both strong economic growth and price stability in the future. The Government will continue to cooperate closely and work together as follows with the Bank of Japan in order to achieve sustainable economic growth with price stability that will not slip back into deflation. At the same time, we expect the Bank of Japan to achieve the price stability target of two percent in a sustainable and stable manner, while confirming the virtuous cycle between wages and prices, by conducting appropriate monetary policy management in light of economic activities, prices and financial conditions.

Through these series of initiatives, the Government aims to realize a society where the fruits of economic growth can be spread widely to people, where everyone can feel affluence, where anxiety about the future can be turned into confidence, and where

people can feel secure.

Chapter 2. Proposed Concrete Measures for Building a “Strong Japanese Economy”

Section 1: Ensuring Security in People’s Daily Lives: Measures to Address Rising Prices

1. Responding to the current surge in prices

(1) Fine-tuned measures to address rising prices in line with local needs

The Priority Support Local Allocation Grant states the following in its recommended project agenda: in order to support countermeasures against the current surge in prices by local governments

- For consumers, the agenda suggests support for school lunch expenses at elementary and junior high schools, etc., efforts to support consumption through the issuance of premium gift certificates and Myna points that can be used in local communities, and support for benefits packages, etc., to households using LP gas and kerosene.
- For businesses, support will be provided to SMEs that use extra-high pressure and LP gas, agriculture, forestry and fisheries businesses that use feed, etc., regional tourism, as well as medical, long-term care and childcare facilities, school facilities, shopping districts, community associations, etc., for higher energy prices, food prices, etc.

From the viewpoint of solidly supporting low-income households, elderly households, and others in difficult situations in accordance with the actual conditions of local communities, while continuing the above measures, support for surging food prices, including so-called rice coupons and electronic coupons, will be provided separately from the existing support for consumers and businesses. Moreover, with regard to support for businesses, the Priority Support Local Allocation Grant will be additionally and fully reinforced, such as by adding a schedule for improving the wage increase environment for SMEs and micro-businesses. In this case, the Government will also assist local governments to reduce or exempt water charges.

In its execution, in order to ensure that the Priority Support Local Allocation Grant is promptly and effectively utilized in areas where it is needed to ease the effects of price increases, government ministries and agencies overseeing various administrative fields, such as medical/long-term care, childcare, SMEs, and foodstuffs, will proactively provide local governments with necessary information, including examples of good utilization, with regard to the projects that are particularly necessary and effective as measures against price increases and are expected to be widely implemented. The Government will recommend intensive utilization in those areas, and make sufficient efforts by following up on their utilization status in detail and on a regular basis.

In response to rising housing prices, the Government will accelerate the provision of affordable housing by promoting the distribution of vacant houses, etc., in existing residential districts in urban areas, facilitate the use of fixed-rate housing loans, such as raising the credit limit of Flat 35 loans, and raise awareness of interest rate risks.

Examples of measures

- Priority Support Local Allocation Grant to support households and businesses, etc., that are greatly affected by price increases (Cabinet Office)
 - Facilitating the use of fixed-rate housing loans, and raising awareness of interest rate risks (Ministry of Land, Infrastructure, Transport and Tourism)
 - Support for expenses required for housing construction and renovation costs due to surging prices (Ministry of Land, Infrastructure, Transport and Tourism)
 - Promoting the utilization of vacant houses in existing residential districts (Ministry of Land, Infrastructure, Transport and Tourism)
- and so on

(2) Reducing the burden of energy costs and related expenses

In order to support those living in difficult conditions due to rising prices, the Government will support electricity and gas bills during harsh winter months¹.

The Government will implement a special local allocation tax to support measures for crude oil prices taken by local governments, including subsidies for the purchase of heating oil by people in need.

As for gasoline, the Government will raise subsidies to the same level as the abolition of the temporary tax rates by December 11, 2025 for the time being, based on the agreement between political parties². Likewise, subsidies for diesel oil will also be raised to the same levels as the abolition of the temporary tax rates by November 27 of the same year for the time being. Then, based on the agreement between political parties, the Government will take appropriate measures to avoid confusion in distribution while securing stable financial resources for the national and local governments to be required for the abolition of the provisional tax rates on gasoline effective on December 31, 2025 and the delivery of diesel oil on April 1, 2026. We will also support SMEs and micro-businesses that are to be affected. Regarding support for those who will be affected for the time being by the termination of subsidies for measures to mitigate drastic changes in fuel oil price upheaval associated with the abolition of the temporary tax rates, the Government will provide support by utilizing the Priority Support Local Allocation Grant and other measures for individual industries.

Support will be provided according to the actual situation of each industry for countermeasures against the current surge in prices such as energy costs.

As the impact of rising prices continues to affect a wide range of people, the Government will especially provide child-rearing households, which are strongly affected by the impact, with a 20,000 yen child-rearing support allowance (tentative name) per child from the age of 0 to the third year of high school³ from the viewpoint of assisting the healthy growth of children in our country. Specifically, the respective child-rearing support-related systems of local governments will be used to provide “push-type” support as early as possible.

1 Special emphasis will be placed on reducing the burden of electricity consumption in January and February, when electricity consumption is at its peak. Specifically, electricity during the period will be subsidized by multiplying the amount used by 4.5 yen/kWh for low pressure and 2.3 yen/kWh for high pressure, and gas will be subsidized by multiplying the amount used by 18 yen/m³. Electricity consumption in March will be subsidized by multiplying the amount used by 1.5 yen/kWh for low pressure and 0.8 yen/kWh for high pressure, and gas will be subsidized by multiplying the amount used by 6 yen/m³.

2 Abolition of the Provisional Tax Rates on Gasoline and Delivery of Diesel Oil (November 5, 2025)

3 Children born between April 2, 2007 and March 31, 2026.

For ensuring smooth food access, support will be provided by supporting regional cooperation systems and strengthening the functions of food provision through food banks and children's cafeterias.

Examples of measures

- Support project for the reduction of the burden of electricity and gas bills (Ministry of Economy, Trade and Industry)
- Issuance of Special Tax Grants on Crude Oil Price Countermeasures Implemented by Local Governments (Ministry of Internal Affairs and Communications)
- Measures to mitigate drastic change in fuel oil prices (Ministry of Economy, Trade and Industry)
- Project to alleviate drastic change in fuel prices for taxi operators to reduce their burden (Ministry of Land, Infrastructure, Transport and Tourism)
- Measures against hikes in horticulture fuel prices (Ministry of Agriculture, Forestry and Fisheries)
- Fund for environmental, safety, and related measures (Ministry of Economy, Trade and Industry)
- Project to construct a fishery management safety net (Ministry of Agriculture, Forestry and Fisheries)
- Measures to ease the burden of rising sake rice prices on sake breweries (Ministry of Finance)
- Payment of the child-rearing support allowance responding to rising prices (tentative name) (Children and Families Agency)
- Emergency support project for ensuring food access (Ministry of Agriculture, Forestry and Fisheries)
- Meal support project for children from single-parent families (Children and Families Agency)
- Promotion of allowances and other support for single-parent families using the recommended project agenda of the Priority Support Local Allocation Grant (Children and Families Agency)

(3) Ensuring thorough price pass-through in public-sector procurement in light of rising prices

We will review unit prices in public-sector procurement such as contract work from the national or local government to the private sector in light of price increases, etc. The national or local governments will secure the necessary budget so that unit prices, estimated prices for placing orders, and other factors can respond to increases in minimum wages and energy prices, while also utilizing the Priority Support Local Allocation Grant to facilitate the price pass-through, including labor costs, in public-sector procurement by the local government. With regard to public projects, we will encourage appropriate price pass-through, taking into account the need to secure labor costs and the impact of the recent surge in material prices, while securing the necessary volume of projects, and steadily promoting the social infrastructure development.

The Government will promote thorough implementation of measures such as implementation of price-indexed adjustments and mid-year revisions⁴, which are specified in the Basic Policy for National Government's and Other Public Organizations' Contracts with Small and Medium-Sized Enterprises approved by the Cabinet based on the Act on Ensuring the Receipt of Orders from the Government and Other Public Agencies by Small and Medium-Sized Enterprise⁵. In addition, in order to further promote price pass-through in public-sector procurement, which has a large impact on regional economies, and to take the initiative among government officials, including the national and local governments, we will examine new ways of evaluating price negotiation and

4 The term "mid-year revisions" refers to, for example, including a provision in advance to cope with cases where there are changes in the actual prices such as labor costs, raw material costs, and energy costs in the middle of the contract for goods or services, or promptly and appropriately consulting with the contractor if requested by the contractor.

5 Act No. 97 of 1966.

price pass-through in each organization from the viewpoint of SMEs within FY 2025.

Appropriate implementation of the bidding system is necessary to ensure that increased costs, such as labor costs and raw material costs, are passed on to the recipient companies, thereby securing funds for wage increases. The minimum price limit system and the low bidding price survey system should be fully implemented in accordance with the purpose of each system, including reviewing their respective standards.

The national government will revise the low bidding price survey system so that it can be appropriately operated, and expand its introduction to non-construction contracts. If the current situation does not improve after reviewing the system, the Government will consider drastic reform, including the introduction of the minimum price limit system.

In addition, a survey by the Ministry of Internal Affairs and Communications published in September 2025⁶ revealed that some local governments have not yet adopted the minimum price limit system and the low bidding price survey systems for contracts other than construction contracts. Government ministries and agencies overseeing projects will establish price standards for major industries within FY 2025, while also ensuring prompt introduction in the construction sector through the horizontal deployment of precedented cases, and expanding such introduction to non-construction contracts.

Examples of measures

- Implementation of public projects, etc., in consideration of the need to secure labor costs and the impact of rising material prices in recent years, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Dissemination and thorough implementation of the Basic Policy for National Government's and Other Public Organizations' Contracts with Small and Medium-Sized Enterprises, and fact-finding on public-sector procurement at the relevant consultation counter (Ministry of Economy, Trade and Industry) [System]

(4) Support for low- and middle-income households affected by rising prices

(Initiating the design of a refundable tax credit system)

Recognizing the challenge posed by the rapid increase in social security-related expenditures and concern about the excessive increase in the burden on the working generation, the Government will begin designing a refundable tax credit system. This system aims to reduce the burden borne by middle- and low-income earners as they struggle to pay taxes and social insurance premiums and to ensure that the take-home pay of the working generation increases in line with their earnings. To encourage a national discussion on the balance between benefits and burdens within the social security system, we will launch a National Council that brings together participants from various parties and experts to discuss the comprehensive reform of social security and taxation system including the design of a refundable tax credit.

(Raising the basic deduction in line with price levels)

As for the so-called 1.03 million yen wall, the year-end adjustment for this year is set to cover up to 1.6 million yen, based on discussions between political parties so far. The

⁶ Ministry of Internal Affairs and Communications "Fact-finding Survey on the Low Bidding Price Survey System and the Minimum Price Limit System."

Government will consider a tax measure to further increase the basic deduction in a price-linked manner in FY 2026 tax reforms and reach a conclusion.

Examples of measures

- Discussions on the design of a system for refundable tax credits (Cabinet Secretariat) [Other]
- The indexation of the basic deduction to inflation (Ministry of Finance) [Taxation]

2. Harnessing regional growth potential and stabilizing everyday life

The Government will continue to utilize existing regional revitalization measures, and reinforce support for maintaining basic services that support local living environments as key industries. In addition, as the Strategy for the Future of Regions, we will promote the creation of local economies that can "earn" independently and sustainably by unleashing the potential of regional resources across the country, creating industrial clusters across the country, and creating world-leading technologies and businesses that originate from local regions, and companies that work across regions.

Facing the head-on situation where the total and working-age populations will decline for the time being, even if the pace of population decline may slow down owing to measures such as those against the declining birthrate, the Government will take adaptation measures to enable economic growth and the functioning of society even if the population size shrinks.

(1) Supporting and revitalizing key industries that sustain local living environments

(Medical and long-term care support package)

It is necessary to put into a place a system that protects the lives and livelihoods of the people and enables them to receive medical, long-term care, and welfare services with peace of mind. Although a series of support measures have been taken, the impact of price and wage increases still remains. The effects of remuneration revisions for FY 2026 need to be accelerated so as to improve the management and conditions for employees in medical institutions, pharmacies, and long-term care facilities, etc. It is also necessary to take into account wage increases and price increases in other industries. Based on the above understanding, the Government will urgently implement a medical and long-term care support package.

In the medical sector, in order to respond to changes in economic conditions, etc., while taking into account the characteristics of medical functions such as the role of emergency medical care⁷, the Government will properly respond to the price increases related to expenses necessary for medical care and will provide support for the realization of wage increases that surpass inflation. In addition, the Welfare And Medical Service Agency (WAM) will steadily provide preferential loans to medical institutions, welfare and other facilities that have been affected by rising prices in order to support

⁷ Including pediatric, perinatal, and mental emergencies.

them financially. Moreover, subordinated capital loans⁸ will be provided to key private-sector hospitals in local communities where business continuity is difficult, in order to improve their management in cooperation with private financial institutions.

Furthermore, in order to support wage increases and respond to labor shortages, the Government will support medical institutions that take the lead in improving their workplace environment and improving their productivity by introducing and utilizing ICT equipment and accelerating the training of nurses who have completed specific practice training. From the viewpoint of accelerating efforts for cooperation, restructuring and consolidation of medical institutions, necessary support based on the regional medical needs will be provided to medical institutions that are promoting the optimization of the number of beds. The Government will support medical institutions that face difficulties in developing facilities to promote their Community Health Care Visions, etc. due to changes in economic conditions, including the current rising prices.

In order to ensure perinatal care that enables giving birth to and raising children in local communities, as well as establishing a pediatric care system, the Government will also support obstetrics facilities that are affected by the decrease in the number of births as well as facilities that serve as bases for pediatric care.

With regard to the improvement of the working conditions for employees in the long-term care sector, although the wages of long-term care employees have improved as a result of successive measures taken, there are still differences from other industries and the shortage of human resources is severe. Therefore, the Government will take necessary measures in the revision of long-term care remuneration for FY 2026 to achieve improvements in treatment that are on a par with other occupations. Ahead of the remuneration revision, we will provide support to raise their wages and improve their working environment as an emergency measure to prevent the outflow of human resources. In addition, support will be provided to long-term care offices/facilities so that they can smoothly and continuously provide necessary long-term care services, despite the impact of rising prices. Moreover, we will support initiatives to ensure the introduction of technologies such as ICT, collaborative management, and a system to provide home-visit care and care management.

With regard to the disability welfare sector, which similarly faces a severe shortage of human resources, support will be provided through measures such as wage increases based on their management conditions, etc., while also taking into account measures taken in the long-term care sector.

(Correction, etc., of the uneven distribution of physicians)

From the viewpoint of developing an environment that supports the living environment of local communities, the Government will support initiatives for correcting the uneven distribution of physicians. In addition to supporting measures through the physician training process, we will carry out measures to correct the uneven distribution of physicians, such as fostering physicians with comprehensive medical care capabilities,

⁸ The loan will be redeemed in a lump sum at the expiration of the repayment period, with payments before the expiration confined to interest payments. Subordinated capital loans can be regarded as equity capital for the purposes of asset assessment of financial institutions, thus strengthening their financial standing.

and supporting efforts to match physicians with medical institutions in local communities with fewer physicians. In addition, measures will be taken to ensure the maintenance of the emergency medical system in local communities, such as procuring and maintaining physician-staffed emergency medical helicopters and other aircraft, and securing human resources.

In order to secure human resources in sectors such as medical care, long-term care, and childcare, the Government will increase the number of specialized service desks at Public Employment Security Offices (Hello Work) nationwide from 119 at present, and strengthen outreach support to business establishments. In addition, we will strengthen efforts by Nurse Centers that cooperate with Hello Work offices, such as by digging up potential nurses.

Examples of measures

- Support for coping with rising prices, and wage increases, etc., in the fields of medical care, long-term care, and disability welfare (Children and Families Agency, Ministry of Health, Labour and Welfare)
- Support for preferential loans by the Welfare And Medical Service Agency (Ministry of Health, Labour and Welfare)
- Establishment of subordinated capital loans by the Welfare And Medical Service Agency (Ministry of Health, Labour and Welfare)
- Support for enhancing productivity and improving the workplace environment in the fields of medical care, long-term care, and disability welfare (Ministry of Health, Labour and Welfare)
- Support for the optimization of the number of hospital beds (Ministry of Health, Labour and Welfare)
- Support for medical institutions for obstetrics and pediatrics, etc. (Ministry of Health, Labour and Welfare)
- Support project for securing a system to provide home-visit long-term care services (Ministry of Health, Labour and Welfare)
- Support project for securing a system to provide regional care management (Ministry of Health, Labour and Welfare)
- Support for physicians and medical institutions based on a comprehensive package of measures to correct the uneven distribution of physicians (Ministry of Health, Labour and Welfare)
- Emergency support project to operate physician-staffed emergency medical helicopters (Ministry of Health, Labour and Welfare)
- Strengthening of the matching support at Hello Work offices in sectors facing labor shortages such as medical care and long-term care (Ministry of Health, Labour and Welfare)
- Central Nurse Center Project (Expenses for promoting matching to accommodate diverse and flexible working styles, and expenses to enhance the free employment placement project through the renovation of the Nurse Center Computer System (NCCS)) (Ministry of Health, Labour and Welfare), and so on

(Support for maintaining regional transport and logistics systems)

With regard to the regional transport that supports local living and industries, the Government will continue to fully develop the redesign of local transportation systems to enhance their convenience, productivity and sustainability. In accordance with the “Policy for eliminating the ‘transit desert’ 2025”,⁹ local governments and public transport operators, etc., will advance efforts to secure and maintain means of transportation in accordance with the actual conditions of the respective local communities in order to eliminate about 2,500 “transit desert” across the country during the period of intensive measures. Specifically, we will comprehensively promote DX for regional transportation such as the maximum utilization of regional transportation resources and system

⁹ Decided by the Headquarters to Eliminate the transit desert at the Ministry of Land, Infrastructure, Transport and Tourism on May 30, 2025.

standardization through the introduction of transportation means such as demand transportation and public ride-sharing, as well as cooperation and collaboration among business entities. In addition, we will promote efforts toward the early social implementation and commercialization of autonomous driving, developing the accident investigation system of the Japan Transport Safety Board. In addition to improving road networks that contribute to regional revitalization and productivity improvement and taking measures against traffic congestion, the current expansion measures for the large and frequent use discount system on expressway tolls will be extended for one year.

With regard to logistics, in view of the formulation of the next Comprehensive Logistics Policy Outline within FY 2025, the Government will advance comprehensive measures to promote cooperation among regional operators for modal shift and relay transportation, etc., maintain and ensure last-mile delivery, improve logistics efficiency by strengthening the functions of logistics bases, review business practices through the amended Logistics Act¹⁰ and the two acts on truck optimization¹¹, and change the behavior of shippers and consumers. In addition, based on the Comprehensive Nationwide Development Plan for Digital Lifelines¹², etc., and taking into account the results of early implemented projects, the Government will accelerate efforts to introduce autonomous trucks on expressways and implement support roads for autonomous driving services, improve routes above rivers for the use of drones, and accelerate the nationwide deployment of digital lifelines such as infrastructure management DX, which promotes the digitization of infrastructure information such as electricity and gas.

Examples of measures

- Full development of re-design of local transportation systems to eliminate "transit desert" (Ministry of Land, Infrastructure, Transport and Tourism)
 - Strengthening the accidents, etc., investigation system of public transportation and other modes (Ministry of Land, Infrastructure, Transport and Tourism)
 - Extension of measures for large and frequent use discount system for expressway tolls (Ministry of Land, Infrastructure, Transport and Tourism)
 - Improvement of road networks that contribute to regional revitalization and productivity improvement (Ministry of Land, Infrastructure, Transport and Tourism)
 - Study on the future of domestic aviation (Ministry of Land, Infrastructure, Transport and Tourism)
 - Promotion of concentrated reform of logistics innovation with a view to formulating the next "Comprehensive Logistics Policy Outline" (Ministry of Land, Infrastructure, Transport and Tourism)
 - Project to accelerate development of digital lifelines to solve regional social issues (Ministry of Economy, Trade and Industry)
 - Project to develop digital infrastructure for social implementation of autonomous driving (Ministry of Internal Affairs and Communications)
 - Survey for the realization of cargo transportation by small pilotless aircraft (Ministry of Land, Infrastructure, Transport and Tourism)
 - Digitization of roads (Ministry of Land, Infrastructure, Transport and Tourism)
 - Enhancement of UAS detection systems (Ministry of Land, Infrastructure, Transport and Tourism)
 - Emergency measure project for streamlining food logistics (Ministry of Agriculture, Forestry and Fisheries)
 - Development of environment, etc., to improve and enhance the quality of seafarers' education (Ministry of Land, Infrastructure, Transport and Tourism)
- and so on

10 The Act Partially Amending the Act on Advancement of Integration and Streamlining of Distribution Business and the Motor Truck Transportation Business Act (Act No. 23 of 2024).

11 The Act Partially Amending the Motor Truck Transportation Business Act (Act No. 60 of 2025), the Act on Promotion of Establishment, etc., of a System for Optimization of Motor Truck Transportation Business (Act No. 61 of 2025).

12 Decided by the Meeting for Digital Administrative and Fiscal Reform on June 18, 2024.

(Support for retail and service sectors coping with the population decline)

Amid the declining population, in order to maintain and strengthen private-sector services that are indispensable to the lives of residents, such as retailing of daily necessities, the Government will consider legislative measures necessary to ensure the sustainability of service supply, such as making various entities such as companies and cooperatives take initiatives, including labor saving, digitalization, and diversification and expansion of business.

Examples of measures

- Securing the sustainability of service supply necessary for maintaining the lives of residents (Ministry of Economy, Trade and Industry) [System] and so on

(Promoting sustainable tourism that ensures the safety and security of local communities)

The Government will advance efforts to build a sustainable, high-value-added tourism-oriented country that protects the safety and security of local residents and enables coexistence with local communities. For this reason, we will continue to support the promotion of attracting foreign visitors to local regions, the creation of experiential content utilizing the respective regions' diverse tourism resources, and the development and strengthening of the DMO¹³ system/function. We will work on restoring and strengthening regional cultural properties as tourism resources.

At the same time, in order to strengthen measures against over-tourism, the Government will discuss the expansion of the international tourist tax so as to reach a conclusion in the FY 2026 tax reform, taking into account the appropriate benefits and burdens, the impact on inbound travel demand and Japanese travelers leaving the country. At the same time, we will take measures to secure secondary transportation in tourist spots, improve reception environments for local regions and public transportation, etc., and measures to diffuse demand for revitalizing local communities. In addition, appropriate use of various types of private lodging will be ensured.

In order to cope with the increase in the number of foreign visitors to Japan, the Government will gradually develop immigration inspection equipment at airports, including regional airports, and promote system development for the introduction of JESTA within FY 2028.

Examples of measures

- Regional Future Grant (Cabinet Office)
- Promotion of attracting visitors to the National Ainu Museum and Park (Upopoy) (Ministry of Land, Infrastructure, Transport and Tourism)
- Demand diffusion to resolve over-tourism (Ministry of Land, Infrastructure, Transport and Tourism)
- Measures to address issues related to foreign nationals, such as measures against over-tourism (Ministry of Land, Infrastructure, Transport and Tourism)
- Hands-on, ongoing support by utilizing regional growth potential (Cabinet Office)
- Strengthening the immigration inspection system (Ministry of Justice) and so on

(Revitalizing disadvantaged areas)

¹³ Abbreviation of Destination Management and Marketing Organization. This term refers to a corporation that serves as a control tower for the development of sightseeing areas.

In light of the impact of high fuel prices and commodity prices, the Government will support efforts to promote disadvantaged areas such as remote islands, the Amami Islands and the Ogasawara Islands, peninsulas, and heavy snowfall areas, as well as efforts to conserve remote, inhabited islands establishing territorial seas.

Examples of measures

- Regional revitalization by revitalizing disadvantaged areas (Ministry of Land, Infrastructure, Transport and Tourism)
- Subsidy for promoting the maintenance of local societies in areas of specified remote, inhabited islands establishing territorial seas (Cabinet Office)
- Promotion project to develop digital infrastructure (Ministry of Internal Affairs and Communications)

(Promoting DX related to livelihoods, etc.)

The Government will steadily advance the development of Government Cloud, and Government Solution Services, etc. We will advance the standardization and harmonization of information systems of local governments, and the transition to Government Cloud, while also taking necessary measures for stable operation, including measures to cope with the increase in operating expenses after the transition. We will promote the development of base registries and the registration and use of public money receiving accounts.

We will promote digital transformation (DX), including efforts for the digitization, cashless payments, and automation in the fields of infrastructure, transportation, and logistics.

Examples of measures

- Development project for Government Solution Services (Digital Agency)
- Promotion project for the integration and standardization of information systems of local governments and the use of the Government Cloud (Digital Agency)
- Support for environmental improvement of local government information systems (Ministry of Internal Affairs and Communications)
- Promotion of development and operation of a national and local governments' digital common infrastructure (Cabinet Secretariat)
- Promotion project for the development and use of base registries (Digital Agency)
- Project to develop and renovate Digital Agency systems (Digital Agency)
- Promotion of DX in legal administration, tax administration, and judicial affairs, etc. (Ministry of Justice, Ministry of Finance)
- Improvement of convenience of My Number Card and improvement, etc., of acquisition environment (Ministry of Internal Affairs and Communications)
- Development and popularization of railway technology and promotion of railway decarbonization, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of open innovation and operational efficiency through the use of DX and public-private data (Ministry of Land, Infrastructure, Transport and Tourism)
- Digitization of roads (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited> and so on

(2) Fostering the creation of world-leading technologies and businesses originating in the regions

(Support for mid-sized companies and others; formation of new industrial clusters)

In order to create world-leading technologies and businesses originating in the regions,

the Government will support mid-size companies and start-ups, etc., that seek to develop business across regions, and implement bold investment promotion measures and infrastructure development in an integrated manner. In addition, we will study measures to promote the utilization and planned development of industrial land, including the revision of relevant laws and regulations, so as to attract investment to local regions, and accelerate the formation of industrial clusters in growth fields. By the end of this year, we will formulate and promote the Regional Financial Power Enhancement Plan, which will contribute to resolving regional issues, including support for management improvement, business revitalization and business succession at regional companies.

Based on the Act on Regional Universities and Industrial Revitalization¹⁴, the Government will focus on supporting local governments that use digital technology and other means and integrally work on, under the respective heads of these local governments, regional revitalization centering on industrial revitalization and youth employment creation, as well as systematic university reforms so that such universities can play an active role in the said revitalization,

In order to accelerate bold regulatory and institutional reforms originating from regional issues, we will conduct surveys and demonstrations necessary for the realization of new regulatory and institutional reform proposals and the rapid adoption of special measures nationwide, utilizing the special zone system¹⁵, such as Super City¹⁶ and “Kizuna” Special Zone¹⁷. Together with these regulatory reforms, the GX Strategic Zone will promote the revitalization of industrial complexes, the accumulation of data centers, and investment using decarbonized power sources to create new industrial clusters.

Examples of measures

- Support for mid-sized companies, SMEs and start-ups that form the core of regional industrial clusters (subsidies for large-scale growth investment for mid-sized companies, etc.) (Ministry of Economy, Trade and Industry)
 - Required measures for strategic formation of industrial clusters (Ministry of Economy, Trade and Industry) [System]
 - Formulation of a Regional Financial Power Enhancement Plan (Financial Service Agency)
 - Grant for regional universities and industrial revitalization (Cabinet Office)
 - Promotion of regulatory and institutional reforms originating from regions that utilize the special zone system, such as Super City and “Kizuna” Special Zone, and such promotion of the development and construction of cutting-edge services (Cabinet Office)
 - Interest subsidies to support private-sector projects based on plans contributing to regional revitalization (Cabinet Office)
- and so on

14 Act for the Promotion of Studying and Employment of Youth Through the Promotion of Regional Universities and Creation of Employment Opportunities for the Youth (Act No. 37 of 2018),

15 National Strategic Special Zones (Super City, Digital Garden Healthcare Special Zone, “Kizuna” Special Zone, Special Zones for Financial and Asset Management Businesses, and other strategic special zones, each of which works on resolving regional issues by implementing cutting-edge services, as a model region), Structural Reform Special Zones and Comprehensive Special Zones.

16 Under the Super City Initiative, with the aim of promoting regulatory and institutional reforms and data linkage in an integrated manner and implementing advanced services in various fields of life, leading initiatives are being made, such as implementing new mobility services, creating services by utilizing data linkage infrastructure, and sharing services among prefectures.

17 Under the “Kizuna” Special Zone, efforts are being made to resolve common regional issues, such as promoting regulatory and institutional reforms through cooperation among multiple geographically separated local governments, implementing new technologies such as highly convenient drone delivery services in remote islands and hilly and mountainous areas, etc., and developing environments for accepting foreign personnel necessary to form bases for semiconductor-related industries.

(Securing key actors and resources for regional economies)

In order to create local economies that can "earn" independently and sustainably, the Government will promote measures for regional revitalization, such as redressing the negative effects of overconcentration of population and functions in Tokyo, and creating associated populations, including dual residents. We will also work to increase the added value of local industries and develop sales channels especially for overseas markets.

We will support regional unique initiatives based on the autonomy and ingenuity of their respective local governments through the Regional Future Grant and the dispatch of national staff.

In line with the increase in national tax revenues, the Government will increase the amount of local allocation tax for FY 2025 so that local governments can smoothly promote measures related to the Strategy for the Future of Regions, projects under these Economic Measures, and measures to cope with the rising prices, such as commission fees.

Examples of measures

- Regional Future Grant (Cabinet Office) <Afore-cited>
- Substantive research project to promote higher value-added regional products and their overseas expansion (Cabinet Office)
- Regional revitalization by promoting National Spatial Planning (Ministry of Land, Infrastructure, Transport and Tourism)
- Hometown resident registration system (Ministry of Internal Affairs and Communications)
- Measures to stably secure sake rice for sake breweries (Ministry of Finance)
- Hands-on, ongoing support by utilizing regional growth potential (Cabinet Office) <Afore-cited>
- Promoting Local Vitalization Cooperator (Ministry of Internal Affairs and Communications)
- Promoting the use of entrepreneurs for regional revitalization (Ministry of Internal Affairs and Communications)
- Increase in local allocation tax (Ministry of Internal Affairs and Communications), and so on

(Infrastructure Development and Community Development to enhance the regional sustainability and attractiveness)

In order to maximize the attractiveness of regional resources, the Government will continue to promote initiatives such as enhancing the sustainability of infrastructure such as roads, ports and harbors, railways, as well as parks, creating urban spaces attractive to both consumers and businesses and creating regional life zones¹⁸. We will accelerate efforts to develop Architectural and Urban DX that will contribute to the advancement of community development and disaster prevention as well as the creation of innovation.

With regard to PPP/PFI, in order to realize sustainable infrastructure management in the face of aging infrastructure and labor shortage, the Government will support appropriate measures to cope with the risk of price fluctuations, as well as the formation of projects that contribute to countermeasures for aging infrastructure.

Examples of measures

¹⁸ Zones that meet the actual conditions of daily life and the economy, where the services necessary for daily life are continuously provided.

- Improvement of road networks that contribute to regional revitalization and productivity improvement (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited>
 - Strengthening port functions that contribute to productivity improvement and inducement of private investment (Ministry of Land, Infrastructure, Transport and Tourism)
 - Securing the safety of regional railways and enhancing the freight rail transport capacity (Ministry of Land, Infrastructure, Transport and Tourism)
 - Creating a favorable river environment in cooperation with private-sector businesses, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
 - Promoting the improvement of the road traffic environment and the elimination of electric poles (Ministry of Land, Infrastructure, Transport and Tourism)
 - Urban revitalization by utilizing regional resources, etc., that constitute regional growth potential, and strengthening of international competitiveness (Ministry of Land, Infrastructure, Transport and Tourism)
 - Promoting the leading Initiatives of Urban Renovation for the Reiwa Era (Ministry of Land, Infrastructure, Transport and Tourism)
 - Promotion of the improvement of urban railways, and promotion of barrier-free railway stations and the construction of platform doors, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
 - Development of urban parks, etc., serving as bases for regional tourism (Ministry of Land, Infrastructure, Transport and Tourism)
 - Development of market environments for sustainable growth of the construction industry and the real estate industry (Ministry of Land, Infrastructure, Transport and Tourism)
 - Strengthening the Compact Plus Network (Ministry of Land, Infrastructure, Transport and Tourism)
 - Regional revitalization by promoting National Spatial Planning (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited>
 - Acceleration of Architectural and Urban DX (Ministry of Land, Infrastructure, Transport and Tourism)
 - Countermeasures for aging Infrastructure by promoting the formation of PPP/PFI projects coping with rising prices (Cabinet Office)
 - Promoting the formation of PPP/PFI projects that contribute to solving regional issues (Ministry of Land, Infrastructure, Transport and Tourism)
 - Promotion of smart city initiatives including digitalization of community development (Ministry of Land, Infrastructure, Transport and Tourism)
 - Further clarification of targets for the project to eliminate long-term unregistered inherited land (Cabinet Office, Ministry of Justice) [System]
 - Initiatives toward the standardization and digitization of application procedures for qualification for participation in tenders by local governments (Cabinet Office, Ministry of Internal Affairs and Communications) [System]
 - Centralized information disclosure of development status of containing space, etc., to facilitate the development of optical fibers, and one-stop disclosure (Cabinet Office, Ministry of Land, Infrastructure, Transport and Tourism) [System]
- and so on

(3) Building a community-based, inclusive society

(Strengthening regional support systems for needy persons, etc.)

In order to promote the development of a comprehensive support system for municipalities for building community-based inclusive society, the Government will construct a model for cooperation and collaboration among local residents, etc., with the cooperation of private-sector organizations, etc.

We will strengthen the support structure for the Self-reliance Support System for Needy Persons and implement necessary training and model projects to ensure that the public assistance system continues to play a role. The Government will appropriately implement the response measure to the Supreme Court judgment on the revision of the livelihood assistance standards implemented since 2013, taking into account the results of deliberations by the Expert Committee.

We will continue efforts to eliminate discrimination against persons with disabilities, and support the introduction of nursing robots and ICT in order to improve the efficiency and reduce the burden of the work of employees at welfare sites for persons with disabilities, and conduct training for employment choice support staff.

With regard to the prevention of loneliness and isolation, and support for recluses, etc., the Government will support local governments and NPOs, will collect and adopt advanced cases laterally, strengthen linkage with other support measures, and reinforce consultation systems for suicide prevention, etc.

The Government will compile a new support program for the employment ice age generation by around the end of FY 2025, and support local governments' initiatives for the social participation and reskilling of the employment ice age generation, etc., that are tailored to the actual situation of each individual, so that they can enter the work-force and flourish.

In order to further ensure the continuous and stable implementation of victim protection and promotion projects under the special account for motor vehicles safety and to enhance support, etc., for victims of automobile accidents, the entire amount once transferred from the special account to the general account will be transferred back.

Examples of measures

- Model project for cooperation and collaboration with local communities to strengthen mutual assistance functions in local communities (Ministry of Health, Labour and Welfare)
 - Project to enhance the support function for needy persons' self-reliance (Ministry of Health, Labour and Welfare)
 - Introduction support projects for local governments that have yet to implement the work preparation support project, the household improvement support project, and the children's learning and livelihood support project (Ministry of Health, Labour and Welfare)
 - Support project for the public assistance services by prefectures, etc. (Ministry of Health, Labour and Welfare)
 - Model project for promoting diverse work styles among recipients of public assistance (Ministry of Health, Labour and Welfare)
 - Response measures to the Supreme Court Judgment on the revision of the Livelihood Assistance Standards implemented since 2013 (Ministry of Health, Labour and Welfare)
 - Project to support the introduction of nursing care technology in the field of welfare services for persons with disabilities (Ministry of Health, Labour and Welfare)
 - Project for the training program for employment choice support staff, etc. (Ministry of Health, Labour and Welfare)
 - Creation of an environment in which people with loneliness and isolation can continue to be connected to support (Cabinet Office)
 - Grants for Loneliness and Isolation Measure Promotion (tentative name) (Cabinet Office)
 - Model survey of NPOs' efforts to combat loneliness and isolation in the community (Cabinet Office)
 - Model project for promoting social participation through support for community-based living self-reliance (Ministry of Health, Labour and Welfare)
 - Project to strengthen cooperation between the adult guardianship system and support measures for the protection of rights (Ministry of Health, Labour and Welfare)
 - Strengthening countermeasures against suicide in the region (Ministry of Health, Labour and Welfare)
 - Grant to promote regional support for the employment ice age generations (Cabinet Office)
 - Project for the protection and promotion of victims (Ministry of Land, Infrastructure, Transport and Tourism)
- and so on

(Creating environments that promote the active participation of women and the Elderly)

In order to build a society in which people can play an active role regardless of gender and age, the Government will further promote the empowerment of women. We will continue to support women with difficulties and anxiety, and promote social participation of the Elderly according to their motivation and ability.

In order to improve the usage environment for women's restrooms, necessary measures will be taken, such as ascertaining domestic and international trends and disseminating collected good practices. In order to develop a system that enables women with difficulties, such as victims of spousal violence, sexual crimes and sexual violence, to receive support in accordance with their circumstances, the Government will implement comprehensive support through public-private partnerships, secure temporary shelters, and carry out model and other projects.

We will support Silver Human Resources Centers in developing a system to establish and operate their independent projects based on the employment needs of their members. In order to provide employment opportunities for the Elderly in the Noto Region, coordinators will be assigned at the Silver Human Resources Centers there to coordinate with the Noto recovery promotion work, and matching support will be provided through work experience and skill training courses, etc.

The Government will support local governments in enlightening the public on the Basic Act on Dementia¹⁹, etc., and formulating plans to promote measures for dementia based on new perspective on dementia, as well as in creating places for people with dementia and their families, etc., in their communities. We will also promote initiatives by voluntary organizations of the Elderly as actors to support their local communities.

Examples of measures

- Promotion/information dissemination project for community building to promote gender mainstreaming, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Development of universally user-friendly road rest facilities (Ministry of Land, Infrastructure, Transport and Tourism)
- Project to accelerate support for women through public-private collaborative efforts, etc. (Ministry of Health, Labour and Welfare)
- Model project to promote the acceptance of temporary shelters and women's self-support facilities (Ministry of Health, Labour and Welfare)
- Model project to promote regional cooperation such as women's counseling and support centers (Ministry of Health, Labour and Welfare)
- Project to promote the activation of Silver Human Resources Centers (Ministry of Health, Labour and Welfare)
- Project for securing and developing the Elderly who serve as active human resources (Special Provision for the Noto Reconstruction Promotion) (Ministry of Health, Labour and Welfare)
- Project to promote measures for dementia based on the Basic Act on Dementia (Ministry of Health, Labour and Welfare)
- Model project for a variety of actors working on livelihood support for the Elderly (Ministry of Health, Labour and Welfare)
and so on

(Advancing high-quality policies for children, young people and families)

Toward the realization of a Children-Centered Society, including existing measures against the declining birthrate, the public and private sectors will work together to

19 The Basic Act on Dementia to Promote an Inclusive Society (Act No. 65 of 2023)

implement high-quality policies for children, young people and families, taking into account current rising prices, and steadily implement EBPM and effectiveness verification while accurately understanding the actual situation.

The Government will support private-sector organizations and local governments in working to diversify child care functions and create “ibasho (place where one feels comfortable, safe and accepted)” for children in local communities in order to create a family-friendly environment that makes use of the vitality of companies, etc. The Government will develop a system to link child-rearing support provided by private-sector companies to their corporate value enhancement, and promote hands-on, ongoing support for companies to launch such initiatives.

We will work to promote the use of housework support services and babysitters in order to reduce the number of people who have to leave their jobs owing to child rearing, truant children, etc. Relevant ministries and agencies will work together to publicize the services and investigate their actual conditions and needs in cooperation with business operators and organizations, and comprehensively study ways of improving the quality and reliability of services and re-skilling to develop and secure human resources, and the related official qualifications, as well as support measures, including tax measures, aimed at increasing the use of such services, by around summer 2026. We will continue to promote the development of a work environment that allows employees to balance their work and long-term care according to their wishes by preventing carers from being forced to leave their job.

In order to ensure a diverse and high-quality upbringing environment, the Government will work to improve the working conditions for nursery staff, kindergarten teachers, etc., and secure human resources. We will also work to reduce the burden on nursery schools and to implement the Connecting All Children to Early Childhood Education and Care (ECEC) System in April 2026. The Government will support childcare centers, etc., in promoting DX for children and improving their facilities and safety measures through the use of ICT. In order to enforce the Prevention of Sexual Violence against Children Act²⁰, we will develop systems necessary for the administrative procedures.

In order to develop appropriate and effective youth policies that capture the diversification of life designs, the Government will conduct a comprehensive survey on the awareness of the younger generation and support young people with difficulties. We will strengthen preconception care²¹ initiatives in cooperation with local governments, enterprises, and educational institutions, etc.

The Government will promote the construction of a support system for children and youths in cooperation with various local entities. We will establish an early detection and consultation support system for problems and risks of pregnancy, childbirth, and infancy, promote postpartum care, and deepen the understanding of actual conditions of young carers. In order to eliminate child poverty, we will support children with meals and other items in response to rising prices. In addition, we will support single-parent families by

20 Act on Measures to Prevent Sexual Violence against Children by School Establishers and Private Education and Daycare Providers (Act No. 69 of 2024). It is scheduled to be enforced within 2026.

21 A concept that encourages individuals of all genders to acquire accurate knowledge about sexual and reproductive health at an appropriate time and to manage their health while considering pregnancy, childbirth, and their future life plans.

strengthening the consultation system as well as providing hands-on, ongoing support for employment and retention. The Government will work to strengthen measures to prevent child abuse by securing human resources at child guidance centers, strengthen support for foster parents of dual-income families and for children with special developmental characteristics, and promote the inclusion of children with disabilities and their families in their communities. In order to prevent child suicide, the Government will support the establishment and operation of local government councils and consider new child suicide countermeasures with a view to using ICT and AI.

Examples of measures

- Improving the working conditions for nursery staff (Children and Families Agency)
 - Business continuity support for nursery schools and foster homes, etc. (Children and Families Agency)
 - Model project for establishing elementary school children's care services by leveraging resources of companies, etc. (Children and Families Agency)
 - Promotion of corporate initiatives to grow with children (Children and Families Agency)
 - Promoting the use of safe and high-quality babysitters (Children and Families Agency)
 - Measures for the full-scale implementation of the Connecting All Children to Early Childhood Education and Care (ECEC) System from FY 2026 (Grants for the development of preschool education and childcare facilities, projects to improve childcare environments, and projects to promote the use of ICT in childcare centers, etc., for all children (Special provision for the Connecting All Children to Early Childhood Education and Care (ECEC) System)) (Children and Families Agency)
 - Project to promote ICT in nursery schools, etc. (Children and Families Agency)
 - Project to develop systems related to the enforcement of the Prevention of Sexual Violence against Children Act (Children and Families Agency)
 - Comprehensive survey of the younger generation (Children and Families Agency)
 - Model project for examining challenges related to fertility preservation through oocyte cryopreservation (Children and Families Agency)
 - Project to support children by establishing regional networks (Children and Families Agency)
 - Project to support the implementation of health checkups for infants and children (Children and Families Agency)
 - Food support project for young carers by private-sector companies, etc., in cooperation with local governments (Children and Families Agency)
 - Meal support project for children from single-parent families (Children and Families Agency) <Afore-cited>
 - Project to strengthen the single-parent family counseling support system (Intensive counseling project for measures to cope with rising prices in cooperation with emergency support in local communities) (Children and Families Agency)
 - Project to strengthen integrated support from employment to retention in collaboration with private-sector companies (Children and Families Agency)
 - Project to support the recruitment and retention of human resources in child guidance centers, etc. (Model project for human resources banks to support children and young people) (Children and Families Agency)
 - Comprehensive support project for foster parents' nurturing (fostering) (Project to strengthen support for dual-income families, foster parents, etc.) (Children and Families Agency)
 - Project for strengthening assessment and promoting hands-on, ongoing support for children with special developmental characteristics (Children and Families Agency)
 - Comprehensive support project to promote inclusion in local communities (Children and Families Agency)
 - Effective operation model project for a council on child suicide countermeasures (Children and Families Agency)
- and so on

(4) Promoting public safety measures and related initiatives

(Strengthening measures against crime and fraudulent activity)

In addition to steadily implementing the measures listed in "Comprehensive Measures to Protect People from Frauds 2.0,"²² the Government will encourage the police department to develop systems that contribute to the elucidation and crackdown of anonymous and fluid criminal groups, aiming at eliminating them. In order to contribute to countering CBRNE terrorism²³, terrorists using new technologies such as drones, and lone offenders²⁴ as well as responding to emergencies, countering stalking, and ensuring safe traffic, the Government will have the police department develop equipment, materials, information and communication systems, secure and develop human resources, and develop police facilities and traffic safety facilities.

The Government will deploy inspection equipment and improve facilities at customs across the country in order to strengthen customs enforcement capabilities against the increasing risk of smuggling illicit drugs, gold, and goods infringing intellectual property or the illicit export of products that threaten Japan's economic security, as well as against the illegal use of the tax exemption system for foreign tourists. In order to crack down on anonymous and fluid criminal groups related to illicit drugs, the investigation function of the Narcotics Control Department of Regional Bureaus of Health and Welfare of the Ministry of Health, Labour and Welfare will be strengthened through the development of a control function that centrally consolidates analysis information such as SNS. We will conduct a fact-finding survey on the sales and purchases of religious corporations to prevent them from being illegally acquired and used for illegal activities such as tax evasion and money laundering.

(Strengthening measures to protect the people and ensure the safety and security of consumers, etc.)

In order to promptly respond to the occurrence of a civil protection incident, etc., the Government will establish a secretariat to manage members of rescue teams, prepare necessary materials, etc., and coordinate the dispatch of a rescue team or teams to civil protection training in peacetime, as well as to coordinate the wide-area dispatch of rescue teams at the time of a civil protection incident. In addition, in order to train such rescue teams, education and training will be provided for physicians, etc., who have knowledge of disaster medical treatment and agree to the activities.

In order to continue to ensure the safety and security of consumers amid social changes such as the super-aging population and digitalization, the Government will strengthen local consumer administration by enhancing the functions of consumer affairs centers and their monitoring activities, and conduct a fact-finding survey that will contribute to the examination of the ideal food labeling system and the consumer law system. We will also reduce food loss and waste and promote food donation. Taking into account the fact that PFASs²⁵ have been found to exceed the target values in various parts of Japan, the Government will promote measures to prevent the spread of such contamination, etc.

In light of the serious human harm caused by bears this year, relevant ministries and agencies will work together to promptly and steadily strengthen bear population

²² Decision at the Ministerial Meeting Concerning Measures against Crime on April 22, 2025.

²³ CBRNE refers to terrorist acts involving chemical, biological, radiological, nuclear, or explosive materials.

²⁴ Lone offenders are individuals who have become radicalized without any affiliation to specific terrorist organizations.

²⁵ A generic term for perfluoroalkyl compounds and polyfluoroalkyl compounds.

management, provide emergency response in the event of the appearance of bears, prevent them from appearing, train and retain hunting personnel, and develop equipment and materials necessary for the control of bears, based on the Bear Damage Countermeasures Package.²⁶

Examples of measures

- Promotion of countermeasures against anonymous and fluid criminal groups (National Police Agency)
- Emergency measure project to prevent the expansion of special fraud damages through international telephone calls, etc. (Ministry of Internal Affairs and Communications)
- Promoting public safety measures for securing daily life (National Police Agency)
- Strengthening the disaster response capability of the police department by improving police facilities, traffic safety facilities, equipment and materials, etc. (National Police Agency)
- Emergency measures to strengthen border control at customs (Ministry of Finance)
- Project to strengthen investigation functions of the Narcotics Control Department (Ministry of Health, Labour and Welfare)
- Project to understand the actual situation of religious corporations (Ministry of Education, Culture, Sports, Science and Technology)
- Development of rescue systems at the time of a civil protection incident, etc. (Ministry of Health, Labour and Welfare)
- Strengthening local consumer administration (Consumer Affairs Agency)
- Project to verify and support food loss and waste reduction and food donation promotion (Consumer Affairs Agency)
- Expenses to promote PFAS measures (Ministry of the Environment)
- Promoting bear damage countermeasures (National Police Agency, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment) and so on

(5) Strengthening measures to address issues related to foreign nationals

The Government will strengthen the commanding function for government regarding policies on foreign nationals and take a whole-of-government approach in order to harness global dynamism, while ensuring the safety and security of our citizens.

The Government will raise residency-related fees and the visa fees after reviewing the concept of these fees, taking into account the levels in major countries and the beneficial aspects, etc., within FY 2026, and thereby will strengthen its initiatives to realize Society of Well-Ordered and Harmonious Coexistence with Foreign Nationals. The initiatives include the appropriate and smooth acceptance of an increasing number of foreign nationals, the development of environments for accepting foreign nationals toward the realization of a harmonious society, and the development of systems for conducting consular and diplomatic activities.

In order to properly accept foreign nationals, we will conduct surveys and studies on basic approach of accepting foreign nationals, while steadily preparing for the start of operating the Employment-for-Skill-Development Program. Moreover, the Government will promote digital transformation (DX) of immigration control and residency management, including the implementation of JESTA within FY 2028. We will also strengthen measures against illegal foreign residents, including the promotion of residency management and government-funded deportation with escort officers, and counter-measures against misuse/abuse of application for refugee recognition status, thereby achieving proper immigration control and residency management. In addition,

²⁶ Decision at a meeting of related Cabinet Ministers on bear damage countermeasures on November 14, 2025.

we will reinforce our efforts to construct a process for foreign nationals to become members of our society more smoothly.

In order to achieve both the acceptance of international tourists and the assurance of the quality of life of local residents, the Government will strengthen efforts to improve the environment for accepting foreign nationals in response to problems faced by each local community, such as over-tourism.

In order to deepen the understanding of trends in real estate transactions involving foreign nationals, etc., the Government will conduct surveys and analyses of land and real estate transactions nationwide by utilizing data such as registration information and filed information on land transactions.

Examples of measures

- Promoting the fair residency management and initiatives toward realizing a harmonious society (Ministry of Justice)
 - Strengthening the immigration inspection system (Ministry of Justice) <Afore-cited>
 - Strengthening the initiatives and systems for developing the environment for accepting foreign nationals (Ministry of Justice)
 - Research and study on the creation of environment in local communities to accept foreign nationals for the realization of a society of well-ordered and harmonious coexistence (Ministry of Internal Affairs and Communications)
 - Measures to address issues related to foreign nationals, such as measures against over-tourism (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited>
 - Surveys and analyses of real estate transactions involving foreign nationals, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- and so on

(6) Revitalizing public education and advancing towards free education

(Advancing towards free education)

In order to expand support for public and vocational high schools along with the so-called “tuition-free upper secondary education”, the Government will proactively support urgent initiatives implemented through funds created by prefectures, in line with the Grand Design 2040 for High School Education Reform (tentative name) to be proposed by the national government by the end of FY 2025, on the premise that new financial support mechanisms such as grants should be established after securing stable financial resources based on an agreement between political parties.

In order to smoothly implement the so-called “free school lunches” at elementary schools from FY 2026, the Government will proactively support efforts such as the development of lunch facilities at schools that do not have lunch programs and the public account processing of lunch expenses at local governments.

(Revitalization of high-quality public education)

The Government will continue to promote the GIGA (Global and Innovation Gateway for All) School Program as a national policy. In other words, in order to realize personalized and self-regulated learning, we will work on the creation of utilization cases for the use of generative AI in schools and education boards, experimental studies, as

well as the development of educational materials for learners related to information education. As a basis for the above, the relevant terminals will be steadily updated. In order to reform the working style of faculty and staff, we will support the development of the next-generation school work DX environment and the horizontal development of good practices. In order to strengthen the development of digital human resources from high school onwards, the Government will promote DX High School, which uses digital technology for exploratory, interdisciplinary, and practical learning. In addition to the above, we will promote the utilization of educational data and accelerate the Education DX. The Government will accelerate the nationwide implementation of regional expansion in club activities through the development of a framework for promoting regional club activities and the continuous support for solving various issues. We will also improve the quality of early childhood education and support the development of an ICT environment that reduces the administrative burden of kindergarten teachers, etc., as well as anti-crime and anti-earthquake measures in the relevant facilities.

The Government will construct a desirable educational environment and guidance systems in schools through cooperation among various human resources. We will promote the hands-on, ongoing support in dealing with bullying at school as well as the support for consultation with parental guardians with chronic absentees. With a view to increasing the complexity of students' issues, including health issues, and securing educational opportunities for diverse students, we will study appropriate and efficient ways of health management, including school health examinations, and a proper support system for foreign students.

Examples of measures

- Project to promote high school education reforms that contribute to the development of human resources for industrial innovation, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Project to promote the public account processing of school lunch expenses (Ministry of Education, Culture, Sports, Science and Technology)
- Solving educational challenges and accelerating the Education DX through the use of generative AI (Ministry of Education, Culture, Sports, Science and Technology)
- Practices and research to develop information utilization capabilities (Ministry of Education, Culture, Sports, Science and Technology)
- Project to develop support systems for the GIGA School Program (Ministry of Education, Culture, Sports, Science and Technology)
- Project to accelerate the school work DX, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Project to support acceleration of high school DX (Ministry of Education, Culture, Sports, Science and Technology)
- Experimental studies and hands-on, ongoing support, etc., to accelerate the utilization of educational data (Ministry of Education, Culture, Sports, Science and Technology)
- Acceleration of nationwide implementation of regional expansion in club activities (Ministry of Education, Culture, Sports, Science and Technology)
- Improvement of environments to enhance the quality of early childhood education (Ministry of Education, Culture, Sports, Science and Technology)
- Improvement of facilities for private kindergartens (Ministry of Education, Culture, Sports, Science and Technology)
- Project to create a new employment model for teachers (Ministry of Education, Culture, Sports, Science and Technology)
- Project to sophisticate responses to parental guardians at school (Ministry of Education, Culture, Sports, Science and Technology)
- Project to construct a model for hands-on, ongoing support teams to deal with bullying (Ministry of Education, Culture, Sports, Science and Technology)
- Project to strengthen the consultation support system for parental guardians with chronic absentees

(Ministry of Education, Culture, Sports, Science and Technology)

- Research and study project concerning health examination and health observation (Ministry of Education, Culture, Sports, Science and Technology)
 - Project to support the designing and quality improvement of education curricula in light of diversifying needs for Japanese language education (Ministry of Education, Culture, Sports, Science and Technology)
- and so on

3. Creating an environment that enables wage increases, particularly for small- and medium-sized enterprises and micro-businesses

(1) Creating an environment that enables wage increases

With the revision in FY 2025, the national weighted average minimum wage increased by 66 yen to 1,121 yen, the highest ever.

The Government will promote the creation of an environment in which the minimum wage can be raised through appropriate price pass-through and support for productivity improvement. We will expand the Priority Support Local Allocation Grant and encourage local governments to provide locally-tailored support for SMEs and micro-businesses that raise wages. Such support includes a special measure to improve productivity when the minimum wage is raised beyond the target set by the Central Minimum Wages Council.

The Government will strengthen support for business improvement and capital investment by SMEs and micro-businesses, and will maintain and raise the momentum of wage increases by utilizing the wage increase promotion tax system that supports continuous corporate wage increases.

The Government will expand the Priority Support Local Allocation Grant and set up recommended project agendas to support SMEs and micro-businesses that cannot take advantage of the wage increase promotion tax system, as well as to support agriculture, forestry and fisheries, etc., and thereby provide on-target support in accordance with the actual conditions of the respective local communities

From the viewpoint of broadening the scope of wage increases beyond regular employees, the Government will promote the use of Career Enhancement Subsidy for career advancement to support businesses that improve the working conditions of non-regular workers.

Going forward, the Government will correct regional disparities by, for example, increasing the ratio of the lowest minimum wage to the highest minimum wage by region. In preparation for the spring labor-management negotiations in 2026, the two sides will exchange opinions.

Regarding salaries and conditions for public servants, the Government will appropriately respond in line with the 2025 NPA Remuneration Recommendations²⁷, and

²⁷ August 7, 2025

will consider how to set conditions according to their duties and responsibilities, in order to gain public understanding.

Examples of measures

- The Priority Support Local Grant
- Subsidy for business operation improvement to support the creation of an environment for raising the minimum wage (Ministry of Health, Labour and Welfare) and so on

(2) Ensuring thorough price pass-through, enhancement of earning power of SMEs and promoting labor-saving investment

In order to realize a virtuous cycle of enhancement of earning power and wage increases, the Government will start to study the Strategy to the Enhancement of Earning Power of Mid-Sized Companies and SMEs in a Labor Supply-Constrained Society (tentative name) to change their behavior to strong SMEs, including strengthening support for business succession and M&As.

(Ensuring price pass-through measures and ensuring proper transactions)

The Government will work to ensure price pass-through and proper transactions in order to ensure that SMEs and micro-businesses have sufficient resources to continue to raise wages in excess of inflation. We will ensure to publicize and strictly enforce the Act on Proper Transactions with Small and Medium-Sized Entrusted Business Operators²⁸ and the Act on Promotion of Entrusted Small and Medium-sized Enterprises²⁹ both of which came into force in January 2026. We will revise the Guidelines on Price Negotiations for Appropriately Passing On Labor Costs³⁰. We will conduct a follow-up survey after the Price Negotiation Promotion Month initiative, publicize the status of price negotiations, price pass-through, and payment terms, and ensure to provide necessary guidance to the ordering party. In addition to further expanding the scope of the Declaration of Partnership Building and improving its effectiveness, the Government will strengthen efforts to ensure proper transactions and correct business practices throughout supply chains.

(Support for productivity improvements to enable sustained, structural wage growth)

Strengthening the earning power of mid-sized companies and SMEs requires meticulous support according to the size and growth stage of their businesses. In conjunction with the study on the Strategy for the Future of Region, the Government will develop a business environment to create "scale-up companies"³¹ that drive regional economies. To this end, we will drastically expand and strengthen support for the "Ten Billion Yen Declaration Companies," which have set a target of increasing sales growth to 10 billion yen, to realize their ambitious investment. For "power-up companies"³² that

28 Abbreviation for the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields (Act No. 120 of 1956).

29 Act No. 145 of 1970

30 Formulated and published by the Cabinet Secretariat and the Japan Fair Trade Commission on November 29, 2023.³¹ SMEs that are linked to the global economy and aspire to grow into 10-billion-yen companies or leading mid-sized companies.

31 SMEs that are linked to the global economy and aspire to grow into 10-billion-yen companies or leading mid-sized companies.

32 SMEs and micro-businesses that aim for sustainable development and support local communities.

aim at strengthening their management capabilities, we will reinforce and expand our support for their capital investment, sales channel development, and digitalization that contribute to their productivity improvement, M&A, and other relevant activities. In order to promote labor-saving investments, particularly in 12 industries with a strong sense of labor shortage³³, the Government will promote initiatives such as publicizing plans and measures, laterally deploying good practices, and improving support systems, while enhancing support measures based on the Labor Saving Investment Promotion Plan³⁴.

In light of the New Package of Measures related to Business Succession and M&A, the Government will resolve transferors' concerns and promote M&A deals to good transferees. In addition, we will advance reforms of the small and medium-sized M&A markets by establishing a qualification system for small and medium-sized M&A deals and strengthening the support system centered on the Business Succession and Succession Support Center in cooperation with regional financial institutions, etc. Moreover, we will examine a desirable way to formulate policies for future business successions as well as the direction for fostering new successors. Based on these initiatives, we will promote business succession and M&A deals as a response to cope with the absence of successors and as a strategic means to achieve growth.

To enable SMEs to rebuild and invest in businesses for growth, the Government will support management improvement, business revitalization and business re-challenging, while facilitating financing and strengthening financial discipline. In addition to promoting the use of the Cooperative Support Credit Guarantee System designed to encourage non-guaranteed (proper) lending by private financial institutions, a new credit guarantee system will be established to strengthen predictive management in cooperation with regional financial institutions, credit guarantee cooperation, and certified experts, etc. We will strengthen the structure Small and Medium Enterprise Vitalization Support Centers and their support measures, as well as promote the use of the Management Improvement Support Guarantee System, etc. As part of these measures, management resources of companies requiring revitalization support will be consolidated, and the revitalization support discipline will be strengthened.

In light of the recent U.S. tariff measures and changes in the business environment, the Government will strengthen its push-type hands-on, ongoing support system. In addition to establishing Productivity Improvement Support Centers (tentative name) at Yorozu Support Centers, we will strengthen the systems of support institutions such as the Chamber of Commerce and Industry, and create a hands-on, ongoing support model based on cooperation among related organizations. Through these measures, we will promote awareness of corporate growth and productivity improvement, and develop a support system to realize wage increases for SMEs and micro-businesses throughout Japan.

With regard to the construction industry, the Government will steadily implement the

33 The 12 industries consist of food/beverage, accommodation, retail, life-related services (hair and beauty businesses, cleaning businesses, ceremonial occasions), other services (automobile maintenance, building maintenance), manufacturing, transportation, construction, medical care, long-term care/welfare, childcare, and agriculture/forestry/fisheries. Security service will be newly added to the above list.

34 Formulated in the Basic Policy on Economic and Fiscal Management and Reform 2025 (decided by the Cabinet on June 13, 2025).

Third Amendment to the Three Laws for Construction Workers³⁵, which came into effect in December 2025, and will work to utilize ICT technologies that contribute to ensuring the effectiveness of labor cost transfers, communicating the appeal of work toward expanding employment, and strengthening disaster response capabilities. As for the real estate industry, we will work to enhance the earning power of local businesses through measures such as labor-saving to improve productivity.

Examples of measures

- Project on Transaction Measures for SMEs, which support SME price pass-through and proper transactions (Ministry Economy, Trade and Industry)
- Improving the trading environment for port and harbor transportation (Ministry of Land, Infrastructure, Transport and Tourism)
- Efforts to ensure fair transactions throughout supply chains (Japan Fair Trade Commission)
- Promoting efforts to improve business practices (Japan Fair Trade Commission) [Other]
- Awareness-raising for the realization of a virtuous cycle between wages and prices (Consumer Affairs Agency)
- Project to cope with surging prices, etc., and support business management for environmental health industries (Ministry of Health, Labour and Welfare)
- Support for mid-sized companies, SMEs and start-ups that form the core of regional industrial clusters (subsidies for large-scale growth investment for mid-sized companies, etc.) (Ministry of Economy, Trade and Industry) <Afore-cited>
- Implementation of the Labor Saving Investment Promotion Plan to enhance labor saving investment and productivity (Cabinet Secretariat) [Other]
- Comprehensive support for revitalization of small and medium-sized enterprises and business succession (Ministry of Economy, Trade and Industry)
- Financing support by the Japan Finance Corporation, etc. (Cabinet Office, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Economy, Trade and Industry)
- Subsidized project related to the SME credit enhancement system (Ministry of Economy, Trade and Industry)
- Project to provide support by Support Agencies for business innovation for the development of management improvement plans (Ministry of Economy, Trade and Industry)
- Project to support response to changes in the business environment (Ministry of Economy, Trade and Industry)
- Strong support for growth investment, productivity improvement investment, labor-saving investment, etc., by SMEs according to their growth stages to respond to various changes in the business environment (tentative name) (Ministry of Economy, Trade and Industry)
- Project to promote small business support by local governments (Ministry of Economy, Trade and Industry)
- Development of market environments for sustainable growth of the construction industry and the real estate industry (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited> and so on

³⁵ Act for Partial Revision of the Construction Business Act and the Act on Promoting Proper Tendering and Contracting for Public Works (Act No. 49 of 2024), and the Act for Partial Revision of the Act on Promoting Quality Assurance in Public Works (Act No. 54 of 2024).

Section 2: Strategic Investments that Enhance Resilience Against Potential Crises; Building a Robust Economy Through Growth-Oriented Investment

1. Strengthening economic security

(1) Enhancing public-private partnership investment in strategic sectors and strengthening supply chains for critical goods (AI/semiconductor, shipbuilding, quantum, fusion, biotechnology, aerospace, etc.)

The Government will ensure the safety and security of people's livelihoods and build a robust economy through strategic growth investments that enhance resilience against potential crises. To this end, the public and private sectors will work together to swiftly invest in strategic sectors that also contribute to strengthening economic security, and thereby solve Japan's issues, enable cutting-edge industries to flourish, and help the Japanese economy grow strongly.

The Government will take necessary measures such as considering the revision of the Economic Security Promotion Act³⁶ in order to strengthen supply chains by adding critical goods, strengthen Essential Infrastructure Services (including the addition of the medical sector), build a comprehensive think tank function, promote overseas businesses critical for enhancing economic security, and conduct international joint research on critical technologies and strategic sectors.

The Government will support research and development of critical technologies for economic security, including promotion of joint research among national research institutions based on international agreements with allies and like-minded countries.

With regard to strategic sectors for public-private partnership investment and critical goods linked to enhancing supply chains, the Government will take comprehensive support measures from multiple dimensions, including bold investment promotion, international business expansion support, human resource development, start-up promotion, research and development, industry-academia collaboration, and creation of international standards, and thereby attracting active public and private investment. In addition to AI and semiconductors, the Government will begin studying a new framework for mobilizing financial resources for strategic investments that enhance resilience against potential crises in areas critical to economic security, such as shipbuilding, quantum, and critical minerals.

(Support for AI development and deployment, along with assistance for relevant semiconductors and data centers)

To achieve economic and social development based on AI, the Government will pursue both innovation promotion and risk mitigation in accordance with the Act on Promotion of Research and Development, and Utilization of Artificial Intelligence-related

³⁶ Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022).

Technology (AI Act)³⁷ and the Artificial Intelligence Basic Plan based on the said Act, as well as the Guideline for Ensuring the Appropriateness of Research & Development and Utilization of Artificial Intelligence-Related Technology. We will promote measures, including bold regulatory reforms at home and abroad, to strengthen domestic R&D and promote social implementation, based on the policies of accelerating AI use, strategically strengthening AI research and development capabilities, leading AI governance, and continuous transformation toward an AI-driven society. Strategic policies for AI for Science will be formulated within FY 2025, and among these, efforts such as the development of foundation models for scientific research will be accelerated ahead of the formulation of policies. At the same time, we will promote the expansion of domestic human resources essential for AI research and development, utilization of high-quality data, the establishment of AI evaluation bases, and strengthening and leveraging AI research and development capabilities. In addition to supporting the development and deployment of generative AI in an integrated manner, we will create a variety of services by integrating AI with industries in which Japan has competitive strengths, upgrade infrastructure related to computing resources and information and communications infrastructure, and aggressively pursue overseas expansion. We will also fundamentally strengthen the AI Safety Institute (AISI) to improve the safety of AI and promote innovation based on the use of trustworthy AI. Furthermore, in order to eliminate labor shortages, improve productivity, and realize DX through Japan's world-leading AI robotics technologies, we will formulate strategies to develop the enabling environment for AI competitiveness in order to expand AI deployment.

To kickstart the social adoption of AI through government use, we will carry out trials to implement AI solutions within public administrative agencies.

The competitiveness of AI is supported by hard infrastructure, such as semiconductors and data centers. Semiconductor manufacturing, which is seeing surging global demand, is a sector with great growth prospects. In regions such as Kumamoto Prefecture and Hokkaido, the semiconductor industry has already become a key pillar supporting the region's economies. The Government will focus on support for technological development and capital investment for mass production of cutting-edge and next-generation semiconductors based on the "AI and Semiconductor Industry Infrastructure Enhancement Framework". We will promote the development of related infrastructure, such as roads and industrial water necessary for the development of semiconductors and other industrial hubs, as well as essential surrounding infrastructure such as electricity and communications needed for datacenter locations.

(Revitalization and strengthening of the shipbuilding industry)

The Government will formulate the Roadmap for Revitalizing the Shipbuilding Industry by the end of this year, taking into account the Memorandum of understanding between the Government of Japan and the Government of the United States of America with respect to strategic investments, in order to ensure the strategic autonomy of Japan and the United States in international maritime transport and to revitalize Japan's shipbuilding industry, which sustains Japanese national security. First, to drastically improve shipbuilding capacity, the Government will establish a 10-year fund and allocate the necessary budget for an approx. 3-year project. The Government intends to allocate in

³⁷ Act No. 53 of 2025.

total 350 billion yen to the fund subject to interim review of the achievement of performance targets. The Roadmap for Revitalizing the Shipbuilding Industry will formulate a framework for achieving investments of 1 trillion yen under a public-private partnership. The framework includes support of finance for private companies through various official financial assistance and support for promoting the construction of zero-emission ships through GX Economy Transition Bonds.

(Acceleration of quantum technology innovation)

The Government will accelerate research and development of quantum computers, quantum cryptography communications, and quantum sensing in line with the Promotion Measures for the Development of a Quantum Ecosystem³⁸.

The Government will accelerate the development of quantum computers in Japan, aiming to make them an internationally competitive industry. We will accelerate the hubs' functions, develop domestic quantum computers, create quantum technology use cases, and accelerate the social implementation and human resources by implementing joint projects among the Quantum Technology Innovation Hubs (QIH), developing facilities and testbeds at the Global Research and Development Center for Business by Quantum-AI technology (G-QuAT) of the National Institute of Advanced Industrial Science and Technology, National Institutes for Quantum Science and Technology (QST), National Institute of Information and Communications Technology (NICT), and RIKEN.

In light of the risk of decryption of existing encryption due to the scale-up of quantum computers, the Government will establish technologies that enable the expansion and sophistication of quantum cryptography communications for early social implementation. We will ensure a smooth transition to Post-Quantum Cryptography for financial transactions as well as information systems of government agencies.

(Early realization of fusion energy)

Toward the early realization of fusion energy, we will promote the ITER Project³⁹ and prepare for plasma heating operation of the world's largest superconducting tokamak (JT-60SA)⁴⁰ in FY 2026. Based on the Fusion Energy Innovation Strategy, we will support research and development on various fusion systems by start-ups and other entities, and promote research and development through the improvement of facilities and equipment that can also be made available to start-ups with the goal of demonstrating fusion energy power generation in the 2030s.

(Promotion of drug discovery and advanced medical care, development of domestic production bases)

The Government will position the pharmaceutical industry as a growth and key industry and work in unison on building health and medical security. We will accelerate

38 Announced by the Quantum Technology Innovation Council on May 30, 2025.

39 An international project aimed at establishing the scientific and technological feasibility of fusion energy through the construction and operation of the fusion experimental reactor, ITER, based on international cooperation among seven members around the world (Japan/Europe/the United States/Russia/China/South Korea/India).

40 The world's largest superconducting tokamak-type fusion experiment facility that was constructed in Naka City, Ibaraki Prefecture to complement and support the ITER Project for prototype reactors and to train human resources, among BA (Broader Approach) activities through Japan-Europe cooperation.

research and development by supporting the strengthening of the drug discovery infrastructure and infrastructure to continuously produce innovative new drugs from drug discovery start-ups, and by supporting the Japan Agency for Medical Research and Development (AMED), which is responsible for promoting research and development and improving the environment in the medical sector. At the same time, by promoting the implementation of international-level clinical trials, we will help achievements of excellent basic research lead to early social implementation as innovative pharmaceuticals. We will promote research and development in regenerative medicine; cell and gene therapy, and support CDMO⁴¹ capital investment as production bases for these. In addition to supporting research and development of innovative cancer control, we will promote whole genome analysis and establish a project implementation organization for the whole genome analysis of cancer or rare/intractable diseases within FY 2025, and thereby will develop the genome data base and promote the utilization of the analysis results. We will promote the use of AI for medical research and development, including the construction of drug discovery platforms. The Government will support capital investment and development of domestic manufacturing facilities for follow-on biologics by companies working to enhance their productivity toward the integration of generic drug products, business restructuring, etc. We will also provide strong support to maintain and reinforce a stable supply of pharmaceuticals through wholesales. In addition, we will support the strengthening of industrial promotion centers for the creation of innovative medical devices, including software devices (Software as a Medical Device: SaMD).

(Strengthening of synthetic biology and biotechnology)

Based on the Bioeconomy Strategy, the Government will continue to promote research and development to expand the bioeconomy market, including biomanufacturing, bio-derived products, agriculture, forestry and fisheries, bio-pharmaceuticals, and regenerative medicine. We will promote the introduction of facilities such as automatic culture equipment and human resource development necessary for manufacturing regenerative medicine products using biotechnology. In addition, we will utilize advanced technologies such as synthetic biology and data science to develop innovative technologies for the effective use of fertilizer components widely distributed in soil, for enabling crop production with reduced fertilizer inputs, and the production of fertilizers using unused resources.

(Strengthening the manufacturing base of the aircraft industry)

The Government will make steady efforts to develop manufacturing technologies and strengthen the supply chain for the development of next-generation aircraft and fuel-efficient engines, as well as build a production base for unmanned aircraft systems by utilizing support measures based on the Economic Security Promotion Act.

(Promotion of space and ocean development)

The Government will support advanced technology development, technology demonstrations and commercialization in the fields of transportation, satellites and exploration in outer space through prompt financial assistance 1 trillion yen in total from

41 Abbreviation for Contract Development and Manufacturing Organization

the Space Strategy Fund. Based on the Basic Plan on Space Policy⁴², we will promote the development of 11 Quasi-Zenith Satellites Systems, which are indispensable for security and crisis management, in order to promote their use in civilian fields such as autonomous driving, agriculture, forestry and fisheries, transportation and logistics, as well as construction. In order to ensure communication autonomy, we will support the construction of a Low-Earth Orbit Satellite Constellation to be operated and managed in Japan, as well as the manufacturing of the next-generation geostationary meteorological satellite. We will develop and launch Information-Gathering Satellites (IGS) whose purpose is to gather necessary information for security and crisis management, in order to expeditiously achieve the enhancement of the information gathering capabilities envisaged under the ten-satellites IGS structure. In addition to promoting research and development of various satellites, the Government will support the development of rockets by the public and private sectors as well as mainstay launch vehicles, increase the frequency of their launches, and improve their launch sites, aiming for the multi-frequency launches of satellites. Furthermore, to ensure the autonomy of such space activities, we will build production bases for spacecrafts and rocket parts. In addition, we will promote the Artemis program, including the landing of Japanese astronauts on the lunar surface, develop a Crewed Pressurized Rover and promote initiatives to strengthen the technological infrastructure of the Japan Aerospace Exploration Agency (JAXA).

The Government will promote projects using satellite data (satellite remote sensing and positioning) in a wide range of domestic and overseas fields, such as responses to natural disasters and environmental problems, industrial and economic revitalization, and the realization of affluent livelihoods.

Based on the Ocean Development Strategy⁴³ in order to strategically lead the achievements of ocean-related technological development to industrial and social implementation, the Government will work on the development and validation of Autonomous Underwater Vehicles (AUVs), the building of Arctic Research Vessel Mirai II, the maintenance and development of Support Vessel Yokosuka and Deep-sea Submergence Research Vehicle Shinkai 6500, upgrading of maritime domain awareness systems using satellite data and AI analysis technology, and research for overseas expansion of the system, the enhancement of observation data, and the reinforcement of data infrastructure systems.

(Encouragement of investment in food-tech)

The Government will promote investment in fully closed and controlled plant factories and land-based aquaculture facilities that utilize technologies to enable stable production amid changes in environments such as natural disasters and higher temperatures. In addition, we will promote the creation of new products and services, their business development and the scale expansion of such business using food-tech.

(Ensuring a stable supply of critical minerals, and advancing materials innovation)

In order to secure a stable supply of critical minerals, the Government will add nine types of minerals, such as antimony, magnesium, and zirconium, of which there are

42 Decided by the Cabinet on June 13, 2023.

43 Decided at a meeting of the Headquarters for Ocean Policy on April 26, 2024.

difficulties in securing a stable supply to domestic industries due to trade control measures taken by exporting countries, as eligible critical minerals to receive support. As for critical minerals, including rare earths, we will promote mine development, investment in smelting projects, diversification of supply sources through subsidized support, and strengthening of national stockpiles. In addition, we will expand the production capacity of permanent magnets, which are indispensable for automobile manufacturing, etc., and strengthen support for research and development of reduced rare-earth magnets.

The Government will pursue AI for Materials, and promote research and development as well as social implementation of innovative materials based on the Strategy for Strengthening Material Innovation Capabilities.

(Strengthening next-generation information and communications infrastructure)

With regard to next-generation information and communications infrastructure, Japan will lead the development of advanced technologies, including photonics-electronics integration technology and all-photonics network technology, with the aim of implementing them in society and expanding them overseas.

In light of submarine cables cutting incidents in the Baltic Sea and other areas, the Government will consider revising the Economic Security Promotion Act to add support for submarine cables laying services and other services that are essential for the supply of critical goods, and will provide support for the manufacturing of submarine cables and laying vessels in the future.

We will take decentralization and other protective measures for submarine cables and data centers, including landing stations.

(Enhancing port logistics)

The Government will promote the computerization of procedures related to ports and harbors using Cyber Port, and the initiative for AI terminals to support people.

(Strengthening supply chains through risk assessments and related measures, and enhancing support for Specified Critical Goods)

From the viewpoint of ensuring economic security, the Government will constantly conduct risk assessments on supply chains and decisively take necessary measures based on the results. With regard to antibiotics and other symptomatic drugs/therapeutic agents for infectious diseases as well as stable supply essential drugs, we will promptly conduct risk assessments concerning the supply chain, and construct a stable domestic supply system.

Based on risk assessments, etc., the Government will designate hulls (shipbuilding), unmanned aircraft systems, spacecrafts, rocket parts, ventilator, and magnetic sensors, all of which are deemed to be at risk of external dependence and supply disruption, as "specified critical goods" stipulated in the Economic Security Promotion Act, and will also expand the scope of critical minerals already designated, in order to support the strengthening of production bases as well as research and development.

In order to financially support public-private investment in strategic sectors and the strengthening of supply chains of critical materials, the Government will promote strategic investments that enhance resilience against potential crises and growth-oriented investment in Japan and developing countries/regions by utilizing investment and financing from multilateral development banks as well as government-affiliated financial institutions.

Examples of measures

- Strengthening supply chain resilience contributing to ensuring economic security (Cabinet Office, Ministry of Economy, Trade and Industry)
- Strengthening screening skills for Essential Infrastructure Services (Cabinet Office)
- Research project on the addition of the medical sector to Essential Infrastructure Services for ensuring economic security in anticipation of emergency situations (Ministry of Health, Labour and Welfare)
- Research and analysis to build a comprehensive think tank function on economic security (Cabinet Office)
- Project to establish and manage a think tank for safety and security (Cabinet Office)
- Efforts to strengthen economic intelligence (Ministry of Economy, Trade and Industry)
- Promoting international joint research on critical technologies for economic security (Cabinet Office)
- Strengthening diplomatic initiatives to promote economic security and business (Ministry of Foreign Affairs)
- Adopting Sustainable Partnerships for Innovative Research Ecosystem (ASPIRE) (Ministry of Education, Culture, Sports, Science and Technology)
- Promoting measures to prevent the leakage of critical technologies for economic security (Cabinet Office)
- Promoting the strategic use of international standards for innovation acceleration (Cabinet Office)
- Promoting research, development and use based on the AI Act (Cabinet Office)
- Scientific research innovation through AI for Science (Ministry of Education, Culture, Sports, Science and Technology)
- Government AI and project to establish a system for information developed within the Digital Agency (Digital Agency)
- Research and development on data preparation and expansion that support the development and utilization of trustworthy AI (Ministry of Internal Affairs and Communications)
- Formulating strategies concerning AI robotics (Ministry of Economy, Trade and Industry) [Other]
- Project to develop local data centers (Ministry of Economy, Trade and Industry)
- Project for designing semiconductors and developing the relevant manufacturing infrastructure (Ministry of Economy, Trade and Industry)
- Regional Future Grant (Grant for promoting infrastructure development for structural conversion of regional industries) (Cabinet Office)
- Support measures for the revitalization of the shipbuilding industry (Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of quantum technology innovation (Cabinet Office)
- Acceleration of development and improvement of the environment for the industrialization of quantum computers (Ministry of Economy, Trade and Industry)
- Research and development for early social implementation of the quantum cryptography communication networks, etc. (Ministry of Internal Affairs and Communications)
- Maintaining and promoting safe and reliable financial systems and services (Financial Services Agency)
- Promotion of research and development for the realization of fusion energy (Ministry of Education, Culture, Sports, Science and Technology), etc.
- Acceleration of the research and development on fusion energy and the infrastructure development for the realization of power generation demonstrations in the 2030s (Cabinet Office, Ministry of Economy, Trade and Industry)
- Endowment project to support the practical application of innovative pharmaceuticals, etc. (Ministry of Health, Labour and Welfare)
- Endowment project to develop generic drug manufacturing infrastructure (Ministry of Health, Labour and Welfare)
- Project to support a continuous, stable supply support for pharmaceutical wholesalers (Ministry of Health, Labour and Welfare)

- Global research and development support project for the treatment of intractable/rare diseases (Cabinet Office)
- Project for the development of a system for first-in-human studies for new modalities (Ministry of Health, Labour and Welfare)
- Project to support the pediatric drug development network (Ministry of Health, Labour and Welfare)
- Project to ensure the access to unapproved therapeutics for the introduction of specific medical technologies (Ministry of Health, Labour and Welfare)
- One Stop Service Platform (OSSP) for global biotechs (Ministry of Health, Labour and Welfare)
- Project to promote the foundation for practical application of regenerative medicine (Ministry of Health, Labour and Welfare)
- Comprehensive program for improving infrastructure to promote clinical application of innovative medical seeds (Ministry of Health, Labour and Welfare)
- Comprehensive renovation project for the Japan Registry of Clinical Trials (jRCT) (Ministry of Health, Labour and Welfare)
- Project to promote the prompt resolution of unapproved drugs (Ministry of Health, Labour and Welfare)
- Support project to develop domestic manufacturing facilities for Biosimilars (Ministry of Health, Labour and Welfare)
- Support project for capital investment in manufacturing facilities for regenerative medicine, cell and gene therapy (Ministry of Economy, Trade and Industry)
- Development of AI platform for drug discovery target prediction and seed search through industry-academia collaboration (Project promoting support for drug discovery) [AMED Research] (Ministry of Health, Labour and Welfare)
- Promotion of clinical research and investigator-initiated clinical trials to create innovative drugs (Project promoting clinical trials for development of new drugs) [AMED research] (Ministry of Health, Labour and Welfare)
- Promotion of whole genome analysis of cancer or rare/intractable diseases (Ministry of Health, Labour and Welfare)
- Enhancement of biobanks' information infrastructure to realize next-generation medicine (Ministry of Education, Culture, Sports, Science and Technology)
- Comprehensive emergency measures to promote conversion to low-pollen forests (Ministry of Agriculture, Forestry and Fisheries)
- Comprehensive measures for increasing the international competitiveness of the forestry and the wood industry (Ministry of Agriculture, Forestry and Fisheries)
- Development of fuel-efficient engines for next-generation aircraft and related areas (Ministry of Economy, Trade and Industry)
- Space Strategy Fund (Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Economy, Trade and Industry)
- Accelerating the development, improvement and operation of Quasi-Zenith Satellite Systems (Cabinet Office)
- Project to develop a low earth orbit satellite infrastructure to ensure autonomy (Ministry of Internal Affairs and Communications)
- Promoting space development/utilization such as satellite development, utilization and demonstrations (Budget for promoting space development) (Cabinet Office)
- Development of Information-Gathering Satellites for the enhancement of crisis management capabilities (Cabinet Secretariat)
- Development of core rockets, enhancement of rocket launch capacity, and research and development of artificial satellites, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Project for urgent acceleration of ocean policy based on the Ocean Development Strategy (Cabinet Office)
- Cross-ministerial Strategic Innovation Promotion Program (SIP) Phase3 "The National Platform for Innovative Ocean Developments" (Cabinet Office)
- Promotion of study, observation and research, etc. on oceans and polar regions (Ministry of Education, Culture, Sports, Science and Technology)
- Development of smart agriculture technologies and novel crop cultivars (Ministry of Agriculture, Forestry and Fisheries)
- Foodtech support measures (Ministry of Agriculture, Forestry and Fisheries)
- Emergency project to strengthen the competitiveness of the fisheries industry (Ministry of Agriculture, Forestry and Fisheries)
- Project to diversify and stabilize Japan's supply chains for minerals (Ministry of Economy, Trade and Industry)

- Research and Development Project of the Enhanced Infrastructures for Post-5G Information and Communication Systems (Ministry of Economy, Trade and Industry)
 - Innovative ICT Fund Projects for Beyond 5G/6G
 - Promotion, popularization and expansion of all-photonics network technology development (Ministry of Internal Affairs and Communications)
 - Project to strengthen digital infrastructure through decentralization of submarine cables, etc. (Ministry of Internal Affairs and Communications)
 - Project for strengthening protective measures for international submarine cables (Ministry of Internal Affairs and Communications)
 - Strengthening port functions that contribute to productivity improvement and inducement of private investment (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited>
 - Promotion of DX at ports and harbors (Ministry of Land, Infrastructure, Transport and Tourism)
 - Project to strengthen the domestic production system for ventilators (Ministry of Health, Labour and Welfare)
 - Project to improve the medicine stockpiling system for antibacterial drugs, etc. (Ministry of Health, Labour and Welfare)
 - Promotion of securing critical minerals through domestic and international resource circulation (Ministry of the Environment)
 - Fund provision for Development Bank of Japan to support strategic sectors and revitalize key industries in local regions (Ministry of Finance)
 - Support for companies through the Japan Strategic Investment Facility of Japan Bank for International Cooperation (JBIC) (Ministry of Finance)
 - Strengthening partnerships with developing countries, etc., to strengthen supply chains and promote investment (Ministry of Finance)
- and so on

(2) Strengthening cybersecurity measures

In order to appropriately respond to cyber threats, the Government will strengthen the Government Security Operation Coordination team (GSOC), which mainly performs cross-government monitoring of suspicious communications such as cyber attacks against government agencies, etc. In addition, the systems and equipment of relevant organizations, such as the police, the Public Security Intelligence Agency, the Ministry of Defense, and the Self-Defense Forces, will be improved, and the systems against cyber threats, such as detection and analysis, will be strengthened.

In light of the Cyber Response Capability Strengthening Act⁴⁴, the Government will develop a system for a collaborative platform for information sharing between the public and private sectors to ensure the stable provision of core infrastructure services. In other words, in response to increasingly sophisticated and advanced cyber-attacks, we will take public-private joint measures and strengthen the cooperation so as to reinforce the human and technical infrastructure that supports cybersecurity. We will enhance cybersecurity measures, including capacity-building, not only for government agencies but also for local governments, financial institutions, medical institutions, and critical infrastructure operators such as port and harbor transportation business operators.

The Government will enhance supply chain security measures, including for small and medium-sized enterprises, and expand research and development projects on next-generation cybersecurity technologies (including post-quantum cryptography) using programs such as Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program).

44 Act on Prevention of Damage from Unauthorized Acts Against Critical Computers (Act No. 42 of 2025).

To address the risks associated with the distribution or spread of disinformation and misinformation on the Internet, the Government will promote the development, demonstration and social implementation of countermeasure technologies.

Examples of measures

- Strengthening cybersecurity measures (Cabinet Secretariat)
- Strengthening response capacities for cybersecurity measures in the police force (National Police Agency)
- Strengthening the Public Security Intelligence Agency's information gathering / analytical capacity (Ministry of Justice)
- Promotion of human resource development to enhance Japan's cyber response capacities (Ministry of Internal Affairs and Communications)
- Strengthening cybersecurity measures in local governments (Ministry of Internal Affairs and Communications)
- Maintaining and promoting a safe and reliable financial systems and services (Financial Services Agency) <Afore-cited>
- Cybersecurity enhancement project for healthcare institutions (Ministry of Health, Labour and Welfare)
- Strengthening cybersecurity measures in ports and harbors (Ministry of Land, Infrastructure, Transport and Tourism)
- Project for developing an enabling environment to strengthen industrial cybersecurity (Ministry of Economy, Trade and Industry)
- Promotion of comprehensive measures addressing disinformation and misinformation on the Internet (Ministry of Internal Affairs and Communications)

2. Establishing food security

(1) Structural transformation of agriculture, forestry and fisheries

(Five-year intensive measures for agricultural structural transformation)

From the viewpoint of ensuring food security, the Government will intensively promote structural transformation in order to steadily strengthen the production base of the agriculture and livestock industry based on the revised Basic Act on Food, Agriculture and Rural Areas⁴⁵.

The Government will promote the development of larger farmland parcels and take careful measures in hilly and mountainous areas in order to improve productivity by accumulating and consolidating farmland and accelerating the development and introduction of smart agricultural technologies using drones, AI, robots, etc. In addition, we will advance the restructuring, consolidation and rationalization of aging shared use facilities. We will reduce the burden on the farmers and production areas involved in these initiatives and implement generous local fiscal measures. The Government will develop agricultural technologies as set out in the priority development goals based on the Act on the Promotion of Smart Agricultural Technology Utilization⁴⁶, develop and introduce new cultivars with high yield and high temperature tolerance, develop the base facilities of the National Agriculture and Food Research Organization necessary for these, and support the introduction of agricultural machinery by business-farmers and service

⁴⁵ Act for Partial Revision of the Basic Act on Food, Agriculture and Rural Areas (Act No. 44 of 2024).

⁴⁶ Act on the Promotion of Smart Agricultural Technology Utilization to Improve Agricultural Productivity (Act No. 63 of 2024).

providers. We will promote the development of HACCP⁴⁷-compliant facilities and the expansion of sales channels in order to establish large-scale export production areas.

During the five-year period (2025 to 2029) of intensive measures for agricultural structural transformation, the Government will secure a separate budget by agile and flexible responses, enhance and revise measures, secure necessary systems to promote measures, including those in local areas, and increase incomes through improved profitability.

(Expanding production of items with high import dependency, and switching production materials to domestic alternatives)

In order to break away from excessive dependence on imports, the Government will support productivity improvement for wheat and soybeans, which are highly dependent on foreign countries, the demand creation and use expansion of rice flour through product development, the establishment of a system to increase production of high-temperature resistant varieties of cereal seeds, the establishment and strengthening of a system for producing sweetener resource crops and potatoes, and the switching to domestic raw materials by strengthening cooperation between food business operators and producing areas.

With regard to production materials and feed, in order to promote the reduction of the use of overseas products and the conversion to domestic products while ensuring a stable supply, the Government will support the spread of compost and sewage sludge and the promotion of wide-area distribution, the promotion of securing stability by increasing the production and use of feed in Japan, and the expansion of efforts to reduce the environmental burden based on the MIDORI Strategy for Sustainable Food Systems .

The Government will work to maintain and strengthen domestic production infrastructure by promoting TPP measures.

(Developing human resources and supporting hilly and mountainous areas)

The Government will progressively review the Regional Plan⁴⁸ and promote measures to develop and secure the next-generation of business farmers, as well as improve facilities for agricultural high schools and colleges. The Government will support measures against wildlife damage inflicted by bears, deer, and wild boars. In order to promote hilly and mountainous areas, we will support the enhancement of profitability and the expansion of the populations related to rural communities.

(Rationalization of distribution structure, strengthening of its transparency, ensuring a stable supply, etc.)

The Government will work on securing stable supply chains for food and production materials through the realization of rational price formation, including the rationalization

47 Abbreviation for Hazard Analysis and Critical Control Point. These two are progressively introduced as food sanitation management techniques in each country and region.

48 A plan formulated by municipalities based on Article 19 of the Act on Reinforcement of the Agricultural Management Foundation (Act No. 65 of 1980). The purpose is to clarify the ideal future state of farmland use in accordance with regional discussions.

and transparency of the rice distribution structure, and building a food supply system for emergencies.

For ensuring smooth food access, support will be provided by supporting regional cooperation systems and strengthening the functions of food provision through food banks and children's cafeterias.

The Government will address domestic animal infectious diseases such as avian influenza, promote a stable supply of eggs, and prevent the introduction and spread of pests.

(Achieving a robust forestry sector)

In order to realize a strong forestry sector, the Government will support initiatives to promote the conversion to domestic wood and the use of wood in various regions, the integration and consolidation of forests, the strengthening of production systems for raw wood and wood products, the promotion of smart forestry, and the cost reduction in middle and high-rise buildings using JAS structural materials and CLT (cross laminated timber). We will also support efforts to foster and secure the workforce. Moreover, we will steadily carry out measures against pollen allergy.

(Strengthening the resilience of the fisheries industry)

In order to strengthen the resilience of the fisheries industry, the Government will promote resource surveys and assessments in response to the rapidly changing marine environment, support the establishment of new operational systems, the promotion of the smart fisheries industry, the conversion and integration of fishing methods and target species, the introduction of highly functional fishing vessels, the effort to make the aquaculture industry a growing industry, and the securing and nurturing new fishery workers.

Examples of measures

- Measures related to agricultural and rural area development (Ministry of Agriculture, Forestry and Fisheries)
- Support project for implementation of the New Basic Plan and structural transformation of agriculture (Ministry of Agriculture, Forestry and Fisheries)
- Project to power up infrastructure for domestic production (Ministry of Agriculture, Forestry and Fisheries)
- Project to sophisticate meat distribution structures and expand exports (Ministry of Agriculture, Forestry and Fisheries)
- Special measures for strengthening and improving the profitability of livestock and dairy farming (Livestock cluster project) (Ministry of Agriculture, Forestry and Fisheries)
- Emergency measures to expand demand for wagyu beef (Ministry of Agriculture, Forestry and Fisheries)
- Measures for hilly and mountainous areas, etc. (Ministry of Agriculture, Forestry and Fisheries)
- Emergency measures to comprehensively support the introduction of smart agriculture and agricultural support service business (Ministry of Agriculture, Forestry and Fisheries)
- Emergency project for wholesale market development (Ministry of Agriculture, Forestry and Fisheries)
- Development of smart agriculture technologies and novel crop cultivars (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
- Emergency measures to strengthen distribution infrastructure for global production areas (Ministry of Agriculture, Forestry and Fisheries)
- Project for comprehensive measures to enhance the supply of Japanese-produced wheat and

- soybeans (Ministry of Agriculture, Forestry and Fisheries)
 - Project to promote rice flour demand creation and utilization (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency measure project to establish and reinforce field products production systems (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency measure project to establish a sustainable food system (Ministry of Agriculture, Forestry and Fisheries)
 - Measure to increase the use of domestic fertilizer resources (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency measure project for the expansion and use of domestic feed production (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency measure project for the MIDORI Strategy for Sustainable Food Systems (Ministry of Agriculture, Forestry and Fisheries)
 - Project to consolidate rice paddies (Ministry of Agriculture, Forestry and Fisheries)
 - Measures to support the transformation of regional agricultural structures (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency facilitation measures for securing new farmers (Ministry of Agriculture, Forestry and Fisheries)
 - Subsidy for comprehensive measures aimed at preventing wildlife damage (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency support project for ensuring food access (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
 - Project to facilitate emergency liquid egg processing and distribution (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency measure project to prevent the outbreak and spread of domestic animal infectious diseases (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency measure project to prevent the introduction and spread of pests (Ministry of Agriculture, Forestry and Fisheries)
 - Comprehensive measures for increasing the international competitiveness of the forestry and the wood industry (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
 - Comprehensive emergency measures to promote conversion to low-pollen forests (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
 - New operation system trial demonstration project for fishing boats (Ministry of Agriculture, Forestry and Fisheries)
 - Emergency support project to secure new fishery workers (Ministry of Agriculture, Forestry and Fisheries)
 - Project to take comprehensive emergency measures aimed at strengthening the aquaculture sector (Ministry of Agriculture, Forestry and Fisheries)
 - Project to construct a fishery management safety net (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
 - Emergency project to strengthen the competitiveness of the fisheries industry (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
- and so on

(2) Expanding exports of agricultural, forestry and fishery products, as well as food

The Government will provide a range of support measures aimed at achieving the target of 5 trillion yen in exports of agricultural, forestry, and fishery products, and food by 2030. These measures include the conversion of production and distribution systems in response to regulations and needs of export destination countries, the establishment of processing and manufacturing facilities, the construction of strategic supply chains, the development of new markets, the establishment of export support systems overseas, and the prevention of the outflow of varieties overseas, in order to develop export production areas and acquire local distribution.

In order to further expand Japan-produced liquor exports and further promote the

liquor business, the Government will support efforts by liquor business operators to pursue international business deployment and cultivate new markets, as well as provide support for cultivating overseas sales channels, international promotion, and technical support, etc.

Examples of measures

- Emergency measures to establish export and overseas expansion support systems in target countries (Ministry of Agriculture, Forestry and Fisheries)
- Emergency measures to strengthen distribution infrastructure for global production areas (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
- Emergency measures to strengthen supply chain connections (Ministry of Agriculture, Forestry and Fisheries)
- Project to sophisticate meat distribution structures and expand exports (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
- Emergency measures to strengthen export capability of agricultural, forestry and fishery products and food export promotion organizations, etc. (Ministry of Agriculture, Forestry and Fisheries)
- Emergency measures for new market development project (Ministry of Agriculture, Forestry and Fisheries)
- Emergency support project to promote Japan-produced liquor exports (Ministry of Finance)
- Enhancement of functions of National Research Institute of Brewing to address issues related to raw materials of alcoholic beverages (Ministry of Finance)
- Measures to stably secure sake rice for sake breweries (Ministry of Finance) <Afore-cited>

3. Strengthening energy and resource security

In order to support a Strong Japanese Economy in terms of securing energy and resources, the Government will strongly promote strategic investments that enhance resilience against potential crises and growth-oriented investment in large-scale power sources and systems, taking into account the international situation and with security and industrial competitiveness in mind. In addition, by creating demand for domestically produced GX products, Japan will increase its energy self-sufficiency and improve the people's livelihoods, while reducing energy costs. At the same time, based on the Strategic Energy Plan⁴⁹ and the GX2040 Vision⁵⁰, we aim to achieve a stable energy supply, economic growth, and decarbonization simultaneously under the principles of S+3E (Safety, Energy Security, Economic Efficiency, and Environment). In particular, we will promote the use of nuclear power and domestic energy sources such as geothermal energy, perovskite solar cells, and offshore wind power.

(1) Building an economic and social structure resilient to rising energy costs

(Utilization of nuclear power and safety assurance (the restart of nuclear power plants and the nuclear disaster prevention measures, etc.))

With regard to nuclear power generation, the Government will advance the restart of nuclear reactors based on the reviews and inspections conducted by the Nuclear Regulation Authority. The restart will proceed with the understanding and cooperation of local municipalities and other concerned parties, with safety as a major prerequisite. In particular, based on the recognition that restarting the Kashiwazaki-Kariwa Nuclear Power Station is important from the viewpoints of the vulnerability of the electricity supply

49 Decided by the Cabinet on February 18, 2025.

50 Decided by the Cabinet on February 18, 2025.

structure in Eastern Japan, eliminating the vulnerability of the power supply in eastern Japan, curbing electricity rates, and securing decarbonized power sources, we will take concrete measures based on the policy presented at the Ministerial Meeting on Nuclear Energy.

The Government will promote technology development and upgrading supply chains for the realization of next-generation advanced reactors with built-in newly safety mechanism such as small modular reactors (SMR).

We will work to enhance the nuclear disaster prevention system, including securing evacuation routes through road improvements, responding to complex disasters, and strengthening environmental radiation monitoring systems. We will promote advanced research and development on decommissioning of Tokyo Electric Power Company's Fukushima Daiichi Nuclear Power Station.

Examples of measures

- Measures for the restart of the Kashiwazaki-Kariwa Nuclear Power Station based on the Ministerial Meeting on Nuclear Energy (Ministry of Economy, Trade and Industry) [Others]
- Project to support technology development and supply chain construction for development and construction of next-generation advanced reactors (Ministry of Economy, Trade and Industry)
- Enhancing/strengthening disaster prevention measures in areas around nuclear power station (Cabinet Office)
- Strengthening the environmental radiation monitoring system in preparation for a nuclear disaster (Nuclear Regulation Authority)
- Project for decommissioning / contaminated water / treated water measures (Ministry of Economy, Trade and Industry)
- Upgrading, etc., of research facilities of the Japan Atomic Energy Agency (Ministry of Education, Culture, Sports, Science and Technology)
and so on

(Promotion of the rationalization and efficiency of energy use)

The Government will proceed with energy efficiency at factories, workplaces, and households, etc., improving building insulation, supporting non-fossil fuel conversion, promoting energy efficiency diagnosis, strengthening support systems, including financial institutions, and securing specialist human resources.

(Promotion of resource development both domestically and internationally)

With regard to domestic marine resources development, based on the Ocean Development Strategy, the Government will accelerate research and development, etc., for the utilization and demonstration of Autonomous Underwater Vehicles (AUV) and related technologies, and for rare-earths production in the waters around Minamitorishima Island.

With regard to international resource development, we will work to secure upstream interests and diversify sources of supply through the provision of risk capital by the Japan Organization for Metals and Energy Security (JOGMEC).

Examples of measures

- Subsidy for support projects to promote investment in energy efficiency and transform demand structure (Ministry of Economy, Trade and Industry)

- Support project for energy-efficient houses (Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of Community Development GX (Ministry of Land, Infrastructure, Transport and Tourism)
- Measures to promote housing acquisition, etc., such as the special tax credit for housing loan, toward achieving carbon neutrality by 2050⁵¹ (Ministry of Land, Infrastructure, Transport and Tourism) [Taxation]
- Subsidy for the project to promote household energy saving through the introduction of high-efficiency water heaters (Ministry of Economy, Trade and Industry)
- Subsidy for the project to promote optimization of energy use by SMEs, etc. (Ministry of Economy, Trade and Industry)
- Support for energy efficiency, etc. at factories, workplaces, and households (Ministry of the Environment)
- Project for urgent acceleration of ocean policy based on the Ocean Development Strategy (Cabinet Office) <Afore-cited>
- Cross-ministerial Strategic Innovation Promotion Program (SIP) Phase3 “The National Platform for Innovative Ocean Developments” (Cabinet Office) <Afore-cited>
- Investment in projects such as exploration of oil and natural gas fields and related asset acquisition (Ministry of Economy, Trade and Industry)
- Project to diversify and stabilize Japan’s supply chains for minerals (Ministry of Economy, Trade and Industry) <Afore-cited> and so on

(2) Promotion of GX (Green Transformation)

The Government will strengthen financial support to stimulate GX-related investment, create GX markets on the demand side by promoting the purchase of electrified vehicles, promote securing sustainable aviation fuel (SAF) at internationally competitive prices, and support the commercialization of CCS (Carbon dioxide Capture and Storage) projects.

In light of the regional uneven distribution of clean energy, the Government will revitalize industrial complexes, etc., and create new industrial bases as the GX Strategic Zone, promote investment using decarbonized power sources that also contribute to the improvement of self-sufficiency, and aim to create new industrial clusters.

With regard to renewable energy, the Government will pursue the development of domestic technologies for perovskite solar cells and floating offshore wind power, and the establishment of manufacturing infrastructure, while also promoting full-scale expansion into domestic and overseas markets. We will promote the introduction of renewable energy such as wind power and geothermal energy while strengthening measures to coexist with local communities and reducing the burden on the public. We will strengthen support for decarbonization efforts such as the introduction of renewable energy by local governments and private-sector companies. With regard to geothermal power generation, for which Japan has high potential, the Government will accelerate development by strengthening support for drilling surveys and other activities, and promote initiatives to start domestic demonstration of next-generation geothermal. As for hydrogen and its derivatives, we will steadily build domestic and overseas supply chains toward the formation of industrial clusters mainly through the Hydrogen Society Promotion Act⁵², as well as support for capital investment. To secure a stable supply of electricity, the Government will consider necessary legislative measures to promote the development of large-scale power sources, interregional interconnection lines, and local

⁵¹ To be discussed and concluded in the FY 2026 tax reform.

⁵² Act on Promoting of Supply and Utilization of Low-Carbon Hydrogen and its Derivatives for Smooth Transition to a Decarbonized, Growth-Oriented Economic Structure (Act No. 37 of 2024)

backbone grids. In order to secure the flexibility of variable power sources and enhance resilience, we will support the introduction of secure battery storage and promote demand-response through demonstrations using next-generation smart meters. We will promote the formation of global markets for such Japanese technologies by utilizing the Asia Zero Emission Community (AZEC) and other platforms.

To promote the recycling of domestic and international resources (including rare metals and plastics, etc.) toward the realization of a circular economy, as a national strategy, the Government will support the initiative to strengthen the supply chain resilience for recycled materials for the automobile industry, the construction of manufacturing bases, the introduction of recycling facilities, and the reuse of recycled materials as a regional resource recycling business and as a measure against rising prices. At the same time, we will strengthen international cooperation with like-minded countries toward the establishment of an international circular economy, and will take the lead in the formation of international rules, such as the Global Circularity Protocol (GCP), which is a corporate assessment / information disclosure scheme in the field of resource circulation. In addition, we will study systems and improve the environment for measures against improper yards and recycling to reduce the final disposal volume of used solar panels.

Examples of measures

- Support project for building GX supply chains (Ministry of Economy, Trade and Industry)
- Government contribution to the GX Acceleration Agency (Ministry of Economy, Trade and Industry)
- Clean energy vehicle (CEV) subsidy program (Ministry of Economy, Trade and Industry)
- Project to promote the introduction of charging and filling equipment to promote the spread of clean energy vehicles (Ministry of Economy, Trade and Industry)
- Electrification promotion project for commercial vehicles, etc. (Ministry of the Environment)
- Survey for facilitating the introduction of SAF (Ministry of Land, Infrastructure, Transport and Tourism)
- Support for advanced CCS projects (Ministry of Economy, Trade and Industry)
- Required measures for strategic formation of industrial clusters (Ministry of Economy, Trade and Industry) [System] <Afore-cited>
- Promotion of Carbon Neutral Port initiative and promotion of the introduction of offshore wind power generation through port development, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Regional Decarbonization Promotion Grants (Ministry of the Environment)
- Project to promote the introduction of renewable energy equipment in public facilities as disaster prevention bases or evacuation facilities (Ministry of the Environment)
- Promotion of model cases such as a model to locally produce and locally consume renewable energy (Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment)
- Project to develop geothermal resources (Ministry of Economy, Trade and Industry) [Others]
- Subsidy for the introduction of power storage systems such as utility-scale battery storage to expand the introduction of renewable energy (Ministry of Economy, Trade and Industry)
- Subsidy for the introduction of distributed energy resources to ensure flexibility toward expanding the introduction of renewable energy (Ministry of Economy, Trade and Industry)
- Global South Future-Oriented Co-Creation Project (Ministry of Economy, Trade and Industry)
- Promotion of the introduction of advanced facilities for value chain decarbonization of plastic and metal resources, etc. (Ministry of the Environment)
- Project for the plastic resource circulation measure for the food industry (Ministry of Agriculture, Forestry and Fisheries)
- Required measures to strengthen supply chains of rare metals (Ministry of Economy, Trade and Industry) [System]
- Development of municipal waste management facilities (Ministry of the Environment)
- Research and demonstration project on the formation of resource recycling networks and the strategic construction of manufacturing bases for recycled materials (Ministry of the Environment)
- Project to promote industry-government-academia collaboration to establish recycled materials markets for automobiles (Ministry of the Environment)
- Project for measures to ensure safety and prevent economic loss by preventing lithium-ion batteries,

- etc., from causing fire accidents and ensuring separate collection (Ministry of the Environment)
 - Support projects by local governments and private-sector companies to realize a regional resource recycling-based society (Ministry of the Environment)
 - Survey projects on metal resources recovery from end-of-life vehicles and EV batteries in the ASEAN region (Ministry of the Environment)
 - Strengthening, etc., of measures against improper yards (Ministry of the Environment)
 - Institutional response to the recycling of used solar panels (Ministry of Economy, Trade and Industry, Ministry of the Environment) [System]
- and so on

4. Promoting disaster prevention, mitigation, and national resilience

(1) Recovery and reconstruction from natural disasters (including Noto)

The Government will make every effort to recover and reconstruct from natural disasters such as the 2024 Noto Peninsula Earthquake, in addition to recovery and reconstruction from the Great East Japan Earthquake.

Toward the recovery and reconstruction of the Noto Peninsula, the Government will promote the improvement of living environments. For example, we will re-establish the daily lives of disaster victims, secure housing such as developing disaster public housing, re-establish the livelihoods of the affected business operators, dispose of disaster waste, and accelerate cadastral surveys for the redetermination of land boundaries. We will also promote the restoration of infrastructure and public facilities such as hospitals and schools damaged by recent natural disasters, including the 2024 Noto Peninsula Earthquake.

Examples of measures

- Project for decommissioning / contaminated water / treated water measures (Ministry of Economy, Trade and Industry) <Afore-cited>
 - Support to re-establish the daily lives of disaster victims after disasters (Cabinet Office, Children and Families Agency, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Land, Infrastructure, Transport and Tourism)
 - Support for the reconstruction of disaster-stricken businesses (Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry)
 - Acceleration of disaster waste disposal, and restoration of waste management facilities, etc., after disasters (Ministry of the Environment)
 - Cadastral surveys to ensure smooth recovery / reconstruction after disasters (Ministry of Land, Infrastructure, Transport and Tourism)
 - Restoration of rivers, coasts, sabo works, roads, ports and harbors, airports, water supply system and sewers, and other facilities such as public housing after disasters (Ministry of Land, Infrastructure, Transport and Tourism)
 - Restoration of communications and broadcasting networks after disasters (Ministry of Internal Affairs and Communications)
 - Restoration of medical facilities and social welfare facilities, etc., after disasters (Children and Families Agency, Ministry of Health, Labour and Welfare)
 - Restoration of school facilities and cultural properties, etc., after disasters (Ministry of Education, Culture, Sports, Science and Technology)
 - Restoration of agricultural, forestry and fishery facilities after disasters (Ministry of Agriculture, Forestry and Fisheries)
- and so on

(2) Creating a Reiwa-era approach to national resilience

The Government will promote Reiwa-era national resilience measures, based on the Fundamental Plan for National Resilience⁵³, in order to protect the lives and property of the people today and in the future from intensifying and frequent natural disasters as well as crises due to aging infrastructure such as road collapse accidents.

The Government will steadily promote initiatives based on the 1st Mid-Term Plan for the Implementation of National Resilience⁵⁴ and consider concrete measures to secure stable financial resources. In the first fiscal year, necessary and sufficient amounts will be allocated from the FY 2025 supplementary budget, taking into account the impact of rising labor and material costs. We will accelerate countermeasures against aging infrastructure, such as upgrading and improving the efficiency of infrastructure development and management through the use of digital technology and satellite information, shifting to preventive maintenance, and making the relevant working status of local governments visible. We will work to promote watershed flood control in response to climate change, strengthen transportation networks and lifelines, strengthen the foundation of water supply system and sewerage infrastructure, improve forecasting accuracy for stationary linear mesoscale convective systems and typhoons, and upgrade disaster risk reduction information, such as ensuring earthquake and volcano monitoring systems. We will promote efforts that integrate hardware and software by appropriately combining self-help, mutual assistance, and public assistance.

In preparation for the establishment of the Disaster Prevention Agency within FY 2026, the Government will enhance and strengthen the disaster prevention system and accelerate preparations, such as ensuring advance disaster-prevention and strengthening the disaster response capability, in light of the lessons learned from the 2024 Noto Peninsula Earthquake and other events. We will promote distributed stockpiling to speed up push-type support to drastically improve the living environment for evacuees, cross-sectoral disaster risk assessment in each region, and advance disaster-prevention measures by developing crisis management housing that is not bound by existing frameworks.

In addition to these efforts, the Government will also flexibly take new measures that need to be taken in light of the natural disasters that occurred in 2025.

Examples of measures

- Upgrading of earthquake, tsunami, and volcano observation monitoring networks, such as developing a center for analysis of volcanic products (Ministry of Education, Culture, Sports, Science and Technology)
- Strengthening of the support for victims such as forecast/gathering/transmitting means of information at the time of a disaster, and for those requiring special attention (Digital Agency, Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare, Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion, etc., of disaster prevention and mitigation and national resilience enhancement utilizing Okinawa Promotion Public Investment Grant (Cabinet Office)
- Cadastral surveys to ensure smooth recovery/reconstruction after disasters (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited>
- Measures related to marine debris through collection/disposal/reduction of generation (Ministry of the

53 Decided by the Cabinet on July 28, 2023.

54 Decided by the Cabinet on June 6, 2025.

Environment)

- Measures to develop/enhance the functions of road networks that contribute to national resilience (Ministry of Land, Infrastructure, Transport and Tourism)
- Local measures for road infrastructure such as slope and embankment measures in response to severe disasters in recent years, measures for non-utility poles, and measures against inundation and flooding of underground road structures in urban areas (Ministry of Land, Infrastructure, Transport and Tourism)
- Regional Future Grant (Cabinet Office) <Afore-cited>
- Promotion of disaster prevention/mitigation community development contributing to improvement of urban safety, etc. (Ministry of Internal Affairs and Communications, Ministry of Land, Infrastructure, Transport and Tourism)
- Enhancement and reinforcement of support systems/functions for disaster responses, such as TEC-FORCE (Digital Agency, Ministry of Internal Affairs and Communications, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of the development of materials, equipment, DX and other items that are necessary for strengthening fire fighting and disaster prevention capabilities, such as the enhancement of emergency fire response teams and volunteer fire corps in light of the Ofunato forest fire, etc. (Ministry of Internal Affairs and Communications)
- Nationwide promotion of streamlining ambulance services with the use of My Number Card (Ministry of Internal Affairs and Communications)
- Strengthening the foundation of the Self-Defense Forces and their disaster response capabilities, etc. (Ministry of Defense)
- Strengthening the disaster response capability of the police department by improving police facilities, traffic safety facilities, equipment and materials, etc. (National Police Agency) <Afore-cited>
- Promotion of utilizing the new integrated disaster management information system (SOBO-WEB) and strengthening the data-linkage (Cabinet Office, Digital Agency)
- Promotion of enhancing the effectiveness of disaster medical activities using ships and medical containers (Cabinet Office, Ministry of Health, Labour and Welfare)
- Strengthening disaster resilience of buildings, school facilities, medical facilities, social welfare facilities, correctional facilities, cultural facilities, natural parks, and public facilities, etc. (Cabinet Secretariat, Financial Services Agency, Children and Families Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment, Board of Audit of Japan, Supreme Court)
- Project for accelerating analysis of chemical substances based on the Japan Environment and Children's Survey (JECS) (Ministry of the Environment)
- Measures against large-scale disasters, such as the Nankai Trough earthquake (Ministry of Internal Affairs and Communications, Ministry of Land, Infrastructure, Transport and Tourism)
- Repair/disaster prevention measures to protect valuable regional cultural properties (Ministry of Education, Culture, Sports, Science and Technology)
- Development of disaster response headquarters reserve facilities and wide-area disaster prevention bases to back up the Government's crisis management function, and enhancement of functions of "Michi-no-Eki" (Japan's roadside stations) as disaster prevention bases (Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of disaster prevention education and training related to the strengthening of advance disaster prevention, including dissemination and awareness raising of disaster case management initiatives (Cabinet Office)
- Promotion of sophistication of infrastructure development and management using digital and new technologies, including the development of location data, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Measures against aging critical infrastructure such as rivers/dams, roads, urban parks, railways, ports/fishing ports, reservoirs, agricultural water facilities, and school facilities, etc. (Cabinet Office, Ministry of Justice, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment, National Personnel Authority)
- Promotion of watershed flood control in response to climate change (Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of forest management and conservation (Ministry of Agriculture, Forestry and Fisheries)
- Strengthening disaster resistance of transportation networks (roads/railways/airports/ports, etc.)

(Ministry of Land, Infrastructure, Transport and Tourism)

- Strengthening disaster resilience of information and communications facilities, water supply system and sewerage facilities, large-scale embankments, industrial water, Johkasou, waste management facilities, and service stations, etc. (Cabinet Secretariat, Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment)
- Measures for upgrading disaster risk reduction information, including improving the accuracy of predictions of heavy rain caused by stationary linear mesoscale convective systems and typhoons, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Implementation of complete and even-toned support for disaster victims, and development of distributed stockpiles to accelerate push-type support (Cabinet Office)
- Promotion of large-scale disaster countermeasures through disaster risk assessment, etc. (Cabinet Office)
- Ensuring crisis management systems, including the development of crisis management housing that is not bound by the existing framework (Ministry of Finance)
- Strengthening the disaster response capability of Regional Economy Vitalization Corporation of Japan (REVIC) (Cabinet Office)
- On-line application for emergency vehicles (Cabinet Office, National Police Agency) [System]
- Measures for forest fire prevention / forest pest control (Ministry of Internal Affairs and Communications, Ministry of Agriculture, Forestry and Fisheries)
and so on

(3) Development of secondary capital functions

The Government will examine the responsibilities and functions of the capital and the secondary capital from the viewpoint of establishing a backup system for the capital's crisis management function, decentralizing the capital function, and forming multipolar economic zones.

5. Expanding investment for the future

(1) Support for cutting-edge science and technology

Science, technology and innovation are a source of national power as well as a driving force for accelerating economic growth and solving social issues. Meanwhile, patents and other intellectual property are key drivers of earnings and productivity improvement. The Government will pursue a society in which the creation of future industries, economic growth, and the resolution of social issues are simultaneously achieved by implementing diverse and excellent research achievements in society and linking them to innovation. To this end, we will steadily carry out social implementation, research and development through public-private partnerships.

Grants-in-Aid for Scientific Research will be substantially expanded through efforts such as strengthening support for international research and promoting the full implementation of the Multi-year Fund to secure research time for young researchers. We will strengthen support for young researchers' emergent research, and promote the development, sharing and upgrading of advanced research facilities/equipment and cutting-edge large-scale research facilities. In addition, the international talent mobility and circulation will be activated through international cooperation and joint research, as well as by attracting excellent researchers from overseas research institutions.

Based on the increased educational burden on physicians due to the extension of

clinical training, the declined research hours due to the increase in medical care efforts, and the business management environment of university hospitals, and in order to secure research environments and improve research capabilities of universities and university hospitals, the Government will support efforts to enhance their educational and research functions.

In order to strengthen industry-academic-government international competitiveness, the Government will steadily promote the upgrading of SPring-8, the expansion of the NanoTerasu beamline, and the development of the next-generation supercomputer following “Fugaku”, and accelerate the strategic development and upgrading of large-scale research facilities. We will also support the development of cutting-edge research facilities for research projects that lead the world's academic research.

The Government will examine necessary legislative measures to promote corporate research and development investment in important technological areas as a national strategy and to provide comprehensive supports. In the FY 2026 tax reform, we will examine and reach a conclusion on strengthening incentives of tax incentives for research and development in order to encourage companies to increase their research and development investment in the medium to long term as well as in order to secure a competitive environment for innovation locations that is comparable internationally. Toward the realization of the development of universities, the industry and academia will be encouraged to form bases for joint research/human resource development in important technological areas as a national strategy as well as in research fields where regional universities have strengths, in order for the industrial community to invest their funds and human resources in the research and human resource development of universities and further promote their efforts to improve competitiveness in the said fields. We will support basic research by securing basic expenses for national university corporations, etc., in light of rising prices, etc., strengthen the functions of facilities and equipment of national research and development agencies, etc., and advance the development of facilities for certification in strategically important technology fields. While considering the possibility of utilizing policy finance, the Government will strengthen domestic certification bodies through closer collaboration with foreign certification bodies, and reinforce the incorporation of JIS into public procurement based on the comprehensive review of JIS, with the aim of leveraging standards to develop and secure both domestic and overseas markets. At the same time, we will promote the creation of an environment in which patents obtained in Japan can be obtained quickly even outside Japan.

In order to embody the legacy of the Expo 2025 Osaka, Kansai, Japan, the Government will work to realize the early implementation of advanced technologies such as AAM (Advanced Air Mobility), autonomous driving, and hydrogen energy, which were demonstrated at the Expo, so as not to let them pass by. In addition, the Expo site will be developed as an international tourism base, and synergistic effects will be achieved with integrated resorts (IR). Aiming to contribute to resolving issues such as climate change and biodiversity loss, we will accelerate the development of venues and government exhibition facilities for the success of GREEN × EXPO 2027.

The Government will strive to solve social issues and improve productivity in various fields using digital technology by thoroughly utilizing digital technology and strongly promoting the development and social implementation of innovative technology.

Examples of measures

- Grants-in-Aid for Scientific Research (Ministry of Education, Culture, Sports, Science and Technology)
- Fusion Oriented REsearch for disruptive Science and Technology program (Ministry of Education, Culture, Sports, Science and Technology)
- Renewal of the foundation for scientific research - Reform of research facilities/equipment, research funds, etc. - (Ministry of Education, Culture, Sports, Science and Technology)
- Formation of large-scale automation / cloud labs (Ministry of Education, Culture, Sports, Science and Technology)
- Project to strengthen functions of university hospitals (Enhancement of educational research infrastructure contributing to improvement of the business management environment) (Ministry of Education, Culture, Sports, Science and Technology)
- Upgrading the large synchrotron radiation facility SPring-8 (SPring-8 II) (Ministry of Education, Culture, Sports, Science and Technology)
- Strengthening 3GeV high luminance synchrotron radiation facility (NanoTerasu) (Ministry of Education, Culture, Sports, Science and Technology)
- Development of a new flagship system that will be the next generation supercomputer following "Fugaku" (Ministry of Education, Culture, Sports, Science and Technology)
- Development of the necessary environment for maximizing the functions of QST as a base for quantum technology innovation (Ministry of Education, Culture, Sports, Science and Technology)
- Promoting the development of cutting-edge research facilities at universities, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Strengthening industrial human resource development functions at private schools (Ministry of Education, Culture, Sports, Science and Technology)
- Institutional measures to promote high value-added growth investment in Japan (Ministry of Economy, Trade and Industry) [System]
- Tax incentives for research and development (Ministry of Economy, Trade and Industry) [Taxation]
- Project to form large-scale industry-academia collaboration bases in the Era of "Science and Business, getting ever closer" (Ministry of Economy, Trade and Industry)
- Maintenance of the education/research facilities of national universities, etc., in light of rising prices, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Strengthening the science and technology communication function and the STEAM education function of Miraikan - The National Museum of Emerging Science and Innovation and the website ScienceTEAM (Ministry of Education, Culture, Sports, Science and Technology)
- Initiative for Science, Technology and Industry-related Growth of Human Capital toward Transformation to promote human resource exchanges and human resource flow between the industry and academia (Ministry of Education, Culture, Sports, Science and Technology)
- Project to strengthen functions of facilities/equipment, etc., of national research and development agencies etc. (Ministry of Economy, Trade and Industry)
- Revitalizing the certification business through the development of facilities for certification and strengthening of domestic certification bodies (Ministry of Economy, Trade and Industry)
- world exposition project (Ministry of Economy, Trade and Industry)
- Promoting efforts to hold GREEN×EXPO 2027 (Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment)
- Promotion project for the standardization of local government information systems and the use of the Government Cloud (Digital Agency) <Afore-cited>
- Promotion of open innovation and operational efficiency through the use of DX and public-private data (Ministry of Land, Infrastructure, Transport and Tourism) <Afore-cited>
and so on

(2) Strengthening support for start-ups; promoting the content industry; and advancing culture, the arts, and sport

(Strengthening support for start-ups)

With the aim of creating a globally competitive startup ecosystem and achieving both sustainable economic growth and solving social issues, the Government will strengthen

support for the activation of M&A deals, foreign direct investment in Japan, promotion of investment from Japan and abroad, research and development/commercialization and financing, as well as the establishment of networks with overseas entrepreneurs and investors, etc., in order to expand the scale of start-ups, including deep tech start-ups.

Government entities and major companies will be encouraged to expand their procurement of innovative products and services from start-ups, from the viewpoint of generating initial demand. We will work to foster start-ups originating from universities/technical colleges, and will nurture young local top talent in the fields of entrepreneurship, management, and digital, so as to create regional innovation. In order to promote the Global Startup Campus Initiative, the Government will aim to create a hub for the innovation ecosystem by developing base facilities and embodying necessary legislative measures for the establishment of operating corporations.

(Promoting the content industry)

The Japanese content industry, encompassing animation, music, broadcast programs, movies, games, and manga, has a large domestic market size of about 15 trillion yen. In line with the market's growth prospects, the Government plans to promote large-scale, long-term, and strategic public-private investments, including multi-year support programs, expand growth investments, and thereby promote overseas business expansion, with an aim to drive overseas sales of Japanese-origin content to about 20 trillion yen by 2033. We will strengthen global distribution networks and help create large-scale, high-quality content that can compete worldwide. At the same time, we will reform the industry's business structure to support these efforts. We will provide coordinated support for Japanese content going abroad and expand overseas support centers to promote Japanese-origin content.

Recognizing the global acclaim of Japanese content such as manga, the Government will work to create an environment that further promotes its overseas distribution. This includes facilitating consortia to develop next-generation digital platforms, nurturing translation talent, and ensuring appropriate compensation and profit-sharing for creators.

To achieve world-class production capabilities, the Government will support the creation of development platforms and efforts to attract outdoor shooting. We will work to build a startup ecosystem, improve the work environment for creators, and develop financing conditions allowing attractive works to be produced sustainably. Additionally, we will invest in international efforts to enforce anti-piracy measures and promote legitimate copy distribution.

(Advancing culture and the arts)

In order to ensure that cultural properties, local traditional events, folk performing and the like, all of which are assets shared by the people along with regional pride, will be passed on to the next generation, the Government will make efforts to promote a virtuous cycle between culture and the economy and revitalize local communities through disaster recovery, repair, and disaster prevention measures for cultural properties, as well as the repair of equipment and the training of successors for traditional events. The Takamatsuzuka Tomb Mural Painting Preservation and Management Publicity Utilization Facility (tentative name) will be progressively developed.

With the aim of re-opening the National Theater in FY 2033, the Government will take responsibility for the immediate reconstruction of the theater and make it easier for private-sector companies to participate in the bidding by implementing additional financial measures at the necessary time according to trends in the construction market where construction costs continue to rise.

(Advancing sports)

In order to promote investment for the future through sports, the Government will support the hosting of the 20th Asian Games Aichi-Nagoya 2026 and Aichi-Nagoya 2026 Asian Para Games toward the success of both games by promoting exchanges with athletes and creating momentum through sports experience events. We will promote the overseas expansion of sports leagues/clubs and the formation of partnerships with companies, aiming to foster the growth of the sports industry. In addition, we will provide continuous support to accelerate the nationwide implementation of regional expansion in club activities.

Examples of measures

- Support project to create global startups (Ministry of Economy, Trade and Industry)
- Expansion of the debt guarantee program for deep tech start-ups (Ministry of Economy, Trade and Industry)
- Support project for global business development (Ministry of Economy, Trade and Industry)
- Support project to foster local young talent (AKATSUKI Project) (Ministry of Economy, Trade and Industry)
- Investment by Japan Science and Technology Agency (JST) in university-initiated start-ups (Ministry of Education, Culture, Sports, Science and Technology)
- Project to promote overseas development of infrastructure systems and support project formation, including overseas development of smart cities etc., and diversification and strengthening of resilience of international logistics (Ministry of Land, Infrastructure, Transport and Tourism)
- Start-up and Budding Researchers Support Program (Ministry of Internal Affairs and Communications)
- Promotion of innovation procurement (Ministry of Economy, Trade and Industry)
- Grant for the regional economic cycle creation (Local 10,000 Projects) (Ministry of Internal Affairs and Communications)
- Project to support environmental startup R&D for innovation creation (Ministry of the Environment)
- Project to support growth investment in the content industry (Ministry of Economy, Trade and Industry)
- Project to support the nurturing of creators for enhancing the international transmission of content (Ministry of Education, Culture, Sports, Science and Technology)
- Substantive survey concerning rewards, etc., to creators for content creation using advanced technology (Cabinet Office)
- Strengthening of production capabilities for broadcast/distribution content and promotion of overseas development (Ministry of Internal Affairs and Communications)
- Research to realize a virtuous cycle of content and regional revitalization plan (Cabinet Office)
- Restoration of cultural properties after disasters (Ministry of Education, Culture, Sports, Science and Technology)
- Repair/disaster prevention measures to protect valuable regional cultural properties (Ministry of Education, Culture, Sports, Science and Technology) <Afore-cited>
- Support project for local traditional events to maintain local communities (Ministry of Education, Culture, Sports, Science and Technology)
- Development of the Takamatsuzuka Tomb Mural Painting Preservation and Management Publicity Utilization Facility (tentative name) (Ministry of Education, Culture, Sports, Science and Technology)
- Reinforcement of the functions of national cultural facilities (Ministry of Education, Culture, Sports, Science and Technology)
- Promotion of Ainu-related facilities (Ministry of Education, Culture, Sports, Science and Technology)
- Reconstruction of the National Theater (Ministry of Education, Culture, Sports, Science and Technology)

- Promotion of sports in the wake of international competitions (Ministry of Education, Culture, Sports, Science and Technology)
- Acceleration of nationwide implementation of regional expansion in club activities (Ministry of Education, Culture, Sports, Science and Technology) <Afore-cited> and so on

(3) Building health and medical security

(Promoting DX in healthcare and long-term care services)

Based on the Healthcare DX Promotion Roadmap⁵⁵, the Government will promote the establishment of a system or systems to provide high-quality and efficient healthcare and long-term care services nationwide through the rapid implementation of technological innovations of DX for healthcare and long-term care.

The Government will promote the use of My Number Card as the Health Insurance Certificate as the basis of healthcare DX. In December 2025, when the transitional period expires, the relevant mechanism will be smoothly shifted to the one that is based on My Number Card as the Health Insurance Certificate. We will support medical institutions and other organizations that introduce card readers with the new standard-based facial recognition function. We will continue to publicize this issue in order to promote the further shift to My Number Card as the Health Insurance Certificate and resolve concerns.

The Government will establish the Nationwide Healthcare Information Platform and develop an environment in which people only have to show their My Number Cards to receive services under the public funded medical care system and the maternal and child health care program. We will also advance the spread of the Clinical Information Sharing Service and promote the development and spread of inexpensive cloud-based electronic medical records while promoting standardization of electronic medical records. We will strongly promote Healthcare DX initiatives in model regions, etc. The Long-Term Care Information System will be developed.

In order to further promote the nationwide dissemination of electronic prescriptions, the Government will support the expansion of functions and improve such functions. We will also thoroughly publicize this issue to medical institutions, pharmacies, and the general public in an effective manner.

(Promoting “proactive preventive healthcare” and related initiatives)

Since oral health plays an important role in leading a healthy and high quality life, the Government will promote lifelong dental checkups by supporting local governments and private business operators in implementing simple dental screening, etc., either in conjunction with medical checkups or by selecting eligible recipients based on the results of Specific Health Checkups or dental history.

The Government will promote efforts to enhance the cancer screening rates in scientific evidence-based cancer screening. Specifically, we will further promote individual recommendations to those who have not undergone follow-up examinations,

⁵⁵ Roadmap for the Promotion of Healthcare DX (Decision at the Healthcare DX Promotion Headquarters on June 2, 2023)

and promote public awareness of colorectal cancer and cervical cancer, which have the potential to increase the diagnostic follow-up rates compared to other cancer types.

The Government will support Data Health initiatives, as well as efforts for disease prevention and health promotion using medical claims data and other relevant data. It will assist health insurers engaged in preventive and health promotion activities. In addition, the Government will also promote the development of evidence-based healthcare services, primarily through research and development at AMED.

In order to promote measures to address health issues specific to women⁵⁶, the Government will work to establish a health consultation support system for women by supporting the training of consultation support staff in local governments, etc., toward the development of medical centers centered on the Integrated Center for Women's Health, research, and human resource development. In addition, with a view to disseminating responses to gender-related health issues⁵⁷, the Government will conduct research, gather and analyze data and disseminate information on women's health and diseases.

The Government will promote medical treatment for transplantation in Japan by strengthening the systems of medical institutions that perform organ transplantation and hematopoietic stem cell transplantation as well as the systems of coordinating institutions for such transplantation.

The Government will reach a conclusion by the end of FY 2025 about the establishment of a system to periodically review the necessity of changing the marketing classification of Class 1 Drugs and, if necessary, revise the marketing classification.

(Strengthening systems to prepare for next infectious disease crisis)

In order to prepare for the next infectious disease crisis, the Government will fundamentally strengthen the infectious disease crisis management system by consistently promoting studies on infectious diseases that are critical for public health crisis management from basic research to development and development research for the practical application of vaccines, diagnostics, and therapeutics, etc., in cooperation and coordination with the Japan Institute for Health Security, which was established in April 2025. Research will be promoted to secure medical countermeasures, strengthen the functions of infectious disease crisis management, build a foundation for effective and efficient vaccine evaluation based on scientific evidence, and provide information to the public, etc. We will promote the formation of world top level research and development bases for therapeutic and diagnostic agents to respond quickly and flexibly to infectious disease emergencies. In addition, we will further strengthen the stockpiling of essential medicines and other resources as part of our counterterrorism measures against CBRNE threats.

(Reforms to the social security system)

The Government will steadily implement social security system reforms, which are included in the Basic Policy on Economic and Fiscal Management and Reform 2025, in

⁵⁶ Includes gynecological cancers, osteoporosis, disorders related to pregnancy, childbirth, and postpartum recovery, and menstruation-related anemia.

⁵⁷ Includes male menopause.

order to reduce the public's burdens, including the social insurance premium burden on the working generation. In particular, with regard to the co-payment of drugs, including OTC-like drugs, we will carry out a specific system design in FY 2025 that will lead to a reduction of the insurance premium burden on the working generation to a certain extent, and then implement the newly designed system in FY 2026. In addition, with regard to out-of-pocket medical expenses, we will take concrete legislative measures by the end of FY 2025 in order to reflect elderly persons' financial income in their out-of-pocket medical expense ratio as a first step toward achieving a fair burden on an ability-to-pay basis, regardless of age. In addition, the revision of medical fees in FY 2026 will be implemented while ensuring consistency between the way medical care benefits are provided under inflation and the reduction of the insurance premium burden on the working generation. Particular attention will be paid to stabilizing the management of hospitals responsible for advanced medical care and improving the working conditions of their staff (fundamental review of the medical fee system), future differentiation and cooperation focusing on the functions of medical institutions (hospitals and clinics) around 2040 and ensuring regional medical care, the promotion of the community-based integrated care system, and countermeasures against multiple/duplicated drug administration.

In addition, the Government will agree on the concrete reform framework, including other social security reforms⁵⁸ included in the coalition government agreement (October 20, 2025), by the end of FY 2025, and design concrete systems within FY 2026 and implement them in stages.

Examples of measures

- Initiatives to promote the use of My Number Card as the Health Insurance Certificate (Ministry of Health, Labour and Welfare)
- Project to develop the information collaboration system Public Medical Hub (PMH) involving medical expense subsidy/vaccination/maternal and child health, etc. (Cabinet Office, Digital Agency, Children

58 The content is as described below.

- (1) Promotion of insurance fiscal consolidation measures (Institutional response measures to ensure consistency between medical benefit costs under inflation and the reduction of the insurance premium burden on the working generation)
- (2) Strengthening the authority and functions of insurers and strengthening the role of prefectures in the field of medical care ((i) Restructuring and integration of insurers; (ii) Establishment of a national integrated platform for the medical care insurance system; and (iii) Prefectures shall be responsible for the infrastructure development related to long-term care insurance services)
- (3) Reform of the Central Social Insurance Medical Council to carry out the strengthening of drug discovery functions, the reflection of patients' voices, and system designing based on data
- (4) Concerning out-of-pocket medical expenses, realization of a truly fair burden on an ability-to-pay basis regardless of age
- (5) Reviewing the definition of "elderly" in order to realize a society in which people can continue to work regardless of age
- (6) System design for sustainable provision of local medical care services even under a declining population
- (7) Examination of the way of public insurance and utilization of private-sector insurance to protect the core of the universal health insurance system
- (8) Strengthening university hospital functions (Establishment of an appropriate salary system for healthcare professionals engaged in education, research and clinical practice)
- (9) Stabilization of management of hospitals in charge of advanced medical care and improvement of working conditions of their staff (Fundamental review of the medical fee system)
- (10) Review of the Category III insured person system, etc., in light of the rising social insurance enrollment ratio of spouses and the increasing lifetime non-marriage ratio, etc.
- (11) Establishing indicators for the cost-effectiveness analysis of medical care
- (12) Review of the modalities of the profit-making business of medical institutions in order to enhance their revenue structure and stabilize their management
- (13) Review of the modalities of the current consumption tax burden imposed on advanced medical equipment and renewal of facilities at medical institutions

- and Families Agency, Ministry of Health, Labour and Welfare)
 - Publicizing the Clinical Information Sharing Service to the public and healthcare professionals (Ministry of Health, Labour and Welfare)
 - System development for utilizing long-term care data (Ministry of Health, Labour and Welfare)
 - Enhancing the functions of electronic prescriptions and promoting the use/dissemination thereof (Ministry of Health, Labour and Welfare)
 - Cybersecurity Enhancement Project for Healthcare Institutions (Ministry of Health, Labour and Welfare) <Afore-cited>
 - Pilot project for lifelong dental checkups (so-called universal oral health checks) (Ministry of Health, Labour and Welfare)
 - Effective recommendations cancer screening evidence-based cancer screening and increase the cancer screening and diagnostic follow-up rates (Ministry of Health, Labour and Welfare)
 - Promotion of Data Health using medical claims / medical checkup information (Ministry of Health, Labour and Welfare)
 - Promotion of measures addressing women-specific health issues (Ministry of Health, Labour and Welfare)
 - Development for further utilization of the National Cancer Registry (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
 - Strengthening the systems of medical institutions that are involved in organ transplantation and hematopoietic stem cell transplantation as well as the systems of coordinating institutions for such transplantation (Ministry of Health, Labour and Welfare)
 - Strengthening the research and development functions of the Japan Institute for Health Security (Ministry of Health, Labour and Welfare)
 - Promotion of research on emerging/re-emerging infectious diseases (Ministry of Health, Labour and Welfare)
 - Periodically reviewing the sales classification of Class I Drugs (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
 - Support project to develop medical countermeasures (MCM) for priority infectious diseases (Ministry of Health, Labour and Welfare)
 - Vaccine development targeting priority infectious diseases system improvement project (Ministry of Health, Labour and Welfare)
 - Japan Initiative for World-Leading Therapeutics and Diagnostics R&D Centers for Pandemic Preparedness (Ministry of Education, Culture, Sports, Science and Technology)
 - Stockpiling of drugs for chemical disasters and terrorism (Ministry of Education, Culture, Sports, Science and Technology)
- and so on

(4) Promoting investment in people

(Reskilling support, etc.)

Labor demand for some clerical works may decrease in the future as generative AI automates and replaces human tasks. In light of such a change in the environment as well as technological trends, the Government will work to provide effective reskilling support to a wide range of workers, including those working in non-regular employment.

In order to improve working conditions, move labor to growth sectors, and secure human resources in sectors facing labor shortages, the Government will examine the current and future demand for skills as well as the achievements of support measures such as educational training benefits, and consider the review of such support measures and the prioritization. With regard to effective support measures to improve working conditions, etc., we will consider periodically reviewing such measures after setting KPIs and conducting ex post verifications.

With regard to educational training benefits, the Government will examine the process

of publicizing the system as well as the process of designating eligible courses in order to expand designated courses for official examinations conducted by private-sector organizations, etc. We will consider improving the efficiency of the human resource development support subsidy by reducing the number of application items and accompanying documents in order to make it easier for employers to use.

The Government will advance the collaboration and integration of information from relevant ministries and agencies on various re-skilling support measures, and consider building a comprehensive and highly convenient portal site. In doing so, we will also consider the development of AI functions that will recommend appropriate support menus to such portal site visitors in accordance with their respective situations and needs, as well as the digitization of application procedures.

The Government will provide online vocational training nationwide so that non-regular workers can learn while also working and look for career advancement such as regular employment.

Education programs for reskilling will be developed in collaboration with industry and academia, etc., in order to promote regional revitalization and industrial growth.

As an overhaul for five years after the implementation of the Act Related to Work Style Reform⁵⁹, the Government will ascertain the actual situations in terms of the status of each industry/scale and the needs of labor and management, etc. Based on the findings, we will examine the modalities of our policy responses for the working hours legislation from multiple perspectives on the premise of maintaining employees' mental and physical health and respecting their choices.

(Developing talent capable of driving development in future growth fields)

The Government will establish venues throughout Japan to discuss forms of human resource development. (The participants will mainly consist of local governments, universities, and the business community.)

The Government will reform universities to cultivate talent capable of driving development in future growth fields, and enhance vocational education at colleges of technology (KOSEN), etc. In particular, in light of future societal and industrial structural changes, we will expand and utilize the Growth Fields Transition Fund in order to strengthen the development of science, engineering, and digital talent and to eliminate the divide between the humanities and sciences at universities and colleges of technology (KOSEN). Based on the achievement of the performance targets, necessary budgetary measures will be examined.

The Government will work toward the steady implementation of the tuition fee deferred payment system at the undergraduate level, taking into account the implementation status at graduate schools.

System reforms will be integrally promoted to foster industrial innovation talent from high schools to universities.

59 An abbreviation for the Act on the Arrangement of Related Acts to Promote Work Style Reform (Act No. 71 of 2018).

In order to eliminate the stereotyped perception of gender roles and unconscious beliefs that hinder women's career choices in science and engineering, the Government will promote and enlighten teachers by updating and enhancing existing teacher training programs and developing new content that can be used in training.

Examples of measures

- Project to develop infrastructure for skill visualization/reskilling for future changes in the industrial structure (Ministry of Economy, Trade and Industry)
- Project for vocational training that makes it easier for non-regular employees to learn while working (Ministry of Health, Labour and Welfare)
- Grant to promote regional support for the employment ice age generations (Cabinet Office) <Afore-cited>
- University–Industry Collaboration Re-skilling Ecosystem Project, which supports reskilling education program development at universities, etc., in the industry-academia collaboration (Ministry of Education, Culture, Sports, Science and Technology)
- Acceleration program for reorganization of universities and KOSEN (Fund for strengthening functions of universities and colleges of technology (KOSEN) leading growing fields) (Ministry of Education, Culture, Sports, Science and Technology)
- System renovation at the Japan Student Services Organization for smooth scholarship administration (Ministry of Education, Culture, Sports, Science and Technology)
- Project to promote high school education reforms that contribute to the development of human resources for industrial innovation, etc. (Ministry of Education, Culture, Sports, Science and Technology) <Afore-cited>
- Strengthening industrial human resource development functions at private schools (Ministry of Education, Culture, Sports, Science and Technology) <Afore-cited>
- Learning and Social Participation Support Project Accompanying Women's Diverse Challenges, which aims at eliminating stereotyped perceptions of gender roles and unconscious assumptions (unconsciousness bias) that hinder their career choices in science and engineering (Ministry of Education, Culture, Sports, Science and Technology) and so on

(5) Further promoting Japan as a leading asset management center and developing the environment needed to expand growth investment

The public and private sectors will accelerate domestic investment in unison in order to achieve the targets of 135 trillion yen by FY 2030 and 200 trillion yen by FY 2040⁶⁰.

With a view to creating new businesses and expanding the provision of funds, the Government will consider raising the threshold for exemption from filing securities registration statements, reviewing the small-amount offering system, and enhancing the disclosure system by expanding the scope of solicitation for private placement systems for professional investors. Upon reaching a conclusion within FY 2025, we will reassess the above issues. In addition, building on the achievements of our initiatives to channel household savings into productive investments, we will further advance the initiatives to promote Japan as a leading asset management center. By leveraging the power of finance, we will mobilize financial capital, human capital, and expertise for the benefit of companies and local communities. To this end, we will formulate a comprehensive financial strategy, including the “Regional Financial Power Enhancement Plan,” by the summer of 2026. In addition, we will strive to further enhance financial and economic

⁶⁰ At the Public-Private Partnership Forum for Expanding Domestic Investment held on January 27, 2025, the Chairperson of Keidanren expressed these targets, and the Prime Minister stated that the public and private sectors would work together to achieve them.

education for households to build stable assets, and will examine enhancement of the NISA program in the FY 2026 tax reform and reach a conclusion.

The Government will formulate the "Guidance for Promoting Growth Investment (tentative name)" to support medium- to long-term enhancement of corporate value. We will promote the diversification of financing to support capital investment and research and development, by reviewing legislative measures and developing rules as necessary. Moreover, in the FY 2026 tax reform, we will examine and reach a conclusion on the establishment of tax incentives to drive bold investment, and promote domestic value-enhancing capital investment. Furthermore, we will revise the Corporate Governance Code around the summer of 2026 to promote corporate governance reforms in substance. In addition, from the Annual Securities Report for the fiscal year ending March 2026, we will enhance the disclosure of information on human capital, which is indispensable for improving corporate value in the medium term.

In order to overcome challenging issues such as a declining population, a declining birthrate, and an aging population, and to revitalize local communities, we will continue to work on necessary regulatory and institutional reforms with a sense of speed, through discussions at the Council for Promotion of Regulatory Reform, etc.

In addition, the Government will enhance policy effectiveness through expenditure reforms such as optimizing subsidies and special measures concerning taxation, and will strengthen corporate competitiveness and Japan's growth potential through structural reforms.

Examples of measures

- Activation of issuance and circulation of unlisted shares (Cabinet Office, the Financial Services Agency) [System]
- Projects for asset formation and regional development of financial and economic education (Financial Services Agency)
- Enhancement of the NISA program, including expansion of NISA products (Financial Services Agency) [Taxation]
- Formulation of the "Guidance for Promoting Growth Investment (tentative name)" (Ministry of Economy, Trade and Industry)
- Examination of the establishment of tax incentives to drive bold investment (Ministry of Economy, Trade and Industry) [Tax System]
- System development for enhancing human capital disclosure (Financial Services Agency)

Section 3: Strengthening Defense Capability and Diplomatic Power

1. Diplomacy and responding to changes in the security environment

With the historic shift in the power balance and the intensification of geopolitical competition, a free, open and stable international order has been undergoing major upheavals. At the same time, military movements around Japan have become a serious concern. In this context, Japan will promote strong foreign and security policies. For example, the Government will make the Japan-U.S. alliance the cornerstone of our foreign and security policies, and expand multifaceted cooperation with like-minded countries and countries of the Global South that share fundamental values. In addition, in order for Japan to take the initiative in fundamentally reinforcing its defense capabilities and to protect national interests, the Government will move up the timeline in FY2025 for making the level of its security-related budget reach 2% of the GDP, as stipulated in the National Security Strategy⁶¹, together with the supplementary budget.

(1) Promoting defense buildup by improving the treatment and working conditions of Self-Defense Forces personnel

Facing the most severe and complex security environment since the end of World War II, the Government will promote fundamental reinforcement of defense capabilities. The Government will steadily implement the realignment of the U.S. forces in Japan that strengthen the deterrence and response capabilities of the Japan-U.S. alliance while mitigating the impact on local communities.

The Government will consider necessary measures to further strengthen the defense industry and embody them, such as improving the business environment that contributes to strengthening the development and production related to dual use in cooperation with relevant regional organizations, and promoting cooperation in the defense industry's supply chain with allies and like-minded countries including the U.S., the U.K., NATO, member countries of the EU and other organizations.

The Government will strengthen the foundation of the Self-Defense Forces (SDF) in order to continue securing highly qualified SDF personnel by improving the treatment and working conditions of SDF personnel, including the development of their facilities.

Examples of measures

- Accurate response to the changes in the security environment of Self-Defense Forces (Ministry of Defense)
- Strengthening the resilience of the defense industry through the reinforcement of the dual-use development and production capabilities (Ministry of Economy, Trade and Industry, Ministry of Defense) [Other]
- Promoting the cooperation in the defense industry's supply chain with allies and like-minded countries (Ministry of Economy, Trade and Industry, Ministry of Defense) [Other]
- Strengthening the foundation of the Self-Defense Forces and their disaster response capabilities, etc. (Ministry of Defense) <Afore-cited>

61 Decided by the Cabinet on December 16, 2022.

(2) Development of multifaceted economic diplomacy and response to changes in the security environment

The Government will strengthen the foundation of its relations with allies and like-minded countries by utilizing the Official Security Assistance (OSA) in order to promote and upgrade the Free and Open Indo-Pacific (FOIP) and to firmly establish an international order based on the rule of law. In addition to contributing to the strengthening of the functions of the United Nations and other international organizations, Japan will work together with countries of the Global South to address global challenges and various social issues through the strategic use of ODA, including Japan Overseas Cooperation Volunteers, incorporate the growth of these countries and strengthen supply chains. In doing so, we will also utilize the Asia Zero Emission Community (AZEC) platform.

In order to maintain and strengthen rules-based free and fair economic order, which Japan upholds, the Government will promote the reform of the World Trade Organization (WTO) and work swiftly to promote Economic Partnership Agreements (EPAs), including through maintaining and enhancing the high standards of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and expanding its membership, taking into account the perspectives of supply chain resilience and diversification of trade and investment.

The Government will provide humanitarian assistance, financial assistance, and recovery/reconstruction assistance to Ukraine, Palestine, and neighboring countries through contributions to international organizations and bilateral aid such as grants, and technical cooperation. We will enhance resilience of the overseas establishments and take all possible measures to protect Japanese nationals abroad.

The Government will further strengthen its efforts to raise awareness of the abductions issue and will work to realize the immediate return of all abductees to Japan.

To enhance maritime security capabilities, the Government will reinforce and maintain Japan Coast Guard's patrol vessels and aircraft and implement related measures, and strengthen the human resource base by improving the working environment and enhancing the treatment of Japan Coast Guard personnel.

Examples of measures

- Maintenance and development of the Free and Open Indo-Pacific (FOIP) (Ministry of Foreign Affairs)
- Support to contribute to strengthening of the functions of the United Nations and other international organizations (Ministry of Foreign Affairs)
- Strengthening cooperation with countries of the Global South (Ministry of Foreign Affairs)
- Decarbonization and strengthening of the resilience to climate change in developing countries and other countries (Ministry of Foreign Affairs, Ministry of the Environment)
- Strengthening cooperation with countries of the Global South through Multilateral Development Banks (MDBs), etc. (Ministry of Finance)
- Global South Future-Oriented Co-Creation Project (Ministry of Economy, Trade and Industry) [Afore-cited]
- Measures to promote international cooperation for countries of the Global South (Ministry of Agriculture, Forestry and Fisheries)
- Promoting universal health coverage (UHC) through contributions to Global Health Initiatives, etc. (Ministry of Foreign Affairs, Ministry of Health, Labour and Welfare)

- Development of the foundation on which Japan stands, i.e., free trade and the rule of law (Ministry of Economy, Trade and Industry) [Other]
 - Response to the emergency assistance needs of Ukraine and neighboring countries, as well as addressing the recovery/reconstruction of Ukraine through public-private partnerships (Ministry of Foreign Affairs)
 - Response to the emergency assistance needs of Palestine and neighboring countries (Ministry of Foreign Affairs)
 - Support for Ukraine through Multilateral Development Banks (MDBs), etc. (Ministry of Finance)
 - Emergency measures for strengthening resilience of diplomatic missions and domestic facilities, etc. (Ministry of Foreign Affairs)
 - Efforts to secure evacuation facilities (shelters) in case of armed attack (Cabinet Secretariat, Ministry of Internal Affairs and Communications)
 - Further strengthening efforts to resolve the abductions issue (Cabinet Secretariat)
 - Strengthening maritime security capabilities, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
 - Emergency project to strengthen information gathering functions (Cabinet Secretariat)
 - Strengthening the capacity of the Ministry of Foreign Affairs to respond to information warfare (Ministry of Foreign Affairs)
- and so on

2. Responding to U.S. tariffs

(1) Steady implementation of the Japan-U.S. Strategic Investment Initiative and related efforts

In order to steadily implement the Japan-U.S. Strategic Investment Initiative (550 billion U.S. dollars (about 80 trillion yen)) based on the agreement on tariffs between Japan and the U.S., the Government will take necessary fiscal measures for the Japan Bank for International Cooperation (JBIC), which invests and provides loans to companies operating overseas, and Nippon Export and Investment Insurance (NEXI), which covers the risk of loans from private-sector financial institutions.

The Government will take necessary measures to accept U.S. manufactured passenger vehicles into the Japanese market without additional testing in light of the Joint Statement on the Framework Agreement between Japan and the United States.

(2) Support measures, such as financing assistance, for companies affected by tariffs

In order to fully support the financing for SMEs and micro-businesses affected by the U.S. tariffs, the Government will not only ease the requirements for the use of safety-net loans provided by financial institutions such as the Japan Finance Corporation but will also implement other measures such as lowering interest rates for businesses whose sales or profit margins have decreased by 5% or more owing to the impact of the U.S. tariffs.

In order to ensure that the burden of the U.S. tariff measures does not spread to SMEs and micro-businesses, the Government will publicize and thoroughly enforce the Act on Proper Transactions with Small and Medium-Sized Entrusted Business Operators and the Act on Promotion of Entrusted Small and Medium-sized Enterprises, both of which came into effect in January 2026. We will also monitor the actual status of transactions

through the 330 subcontracting G-men nationwide. Support measures, such as financing assistance, for companies affected by tariffs.

Given the impact of additional U.S. tariff measures, the Government will adopt preferential subsidies and increase the subsidy rate in order to encourage capital investment that contributes to the productivity improvement of SMEs and micro-businesses.

The Government will support Japanese companies' business development in countries of the Global South in order for them to develop new markets and strengthen their supply chains. We will promote JETRO's initiatives to diversify exports, such as hands-on support from experts, ongoing support provided by JETRO, and strengthening its domestic and overseas offices.

In light of changes in the international environment, the Government will consider a review of vehicle taxes under the neutrality of national and local tax revenues in order to actively contribute to decarbonization while giving consideration to the revitalization of the automobile industry market and the maintenance and development of the industrial base, and will reach a conclusion in the FY 2026 tax reform. We will subsidize part of the purchase cost for electric vehicles and fuel cell vehicles, etc., aiming to promote clean energy vehicles with excellent environmental performance. We will subsidize part of the purchase cost and construction cost of charging facilities, etc., for electric vehicles, etc., as well as the maintenance cost and operation cost of filling facilities for fuel cell vehicles, etc. With regard to filling facilities, intensive support will be provided in priority areas in which the introduction of commercial motor vehicles will be promoted.

In order to enable agricultural, forestry, fisheries, and food businesses to maintain and expand exports even under the additional U.S. tariff measures, the Government will support efforts to enhance competitiveness by expanding demand, increasing added-value, and reducing costs, as well as efforts to diversify export destinations. In addition, we will support efforts such as the conversion of importing countries for the purpose of domestic stable supply.

Examples of measures

- Support for companies through the Japan Strategic Investment Facility of the Japan Bank for International Cooperation (JBIC) (Ministry of Finance) <Afore-cited>
- Strengthening the financial base of Nippon Export and Investment Insurance (NEXI) (Ministry of Economy, Trade and Industry)
- Safety measures for imported vehicles in accordance with the agreement between Japan and the United States on the U.S. tariff measures (Ministry of Land, Infrastructure, Transport and Tourism)
- Expenses to promote the environmental development for Japanese companies' overseas business (Cabinet Secretariat)
- Financing support by the Japan Finance Corporation, etc. (Cabinet Office, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Economy, Trade and Industry) <Afore-cited>
- Promoting financial institutions' support for businesses in light of the U.S. tariff measures (Financial Services Agency)
- Strong support for growth investment, productivity improvement investment, labor-saving investment, etc., by SMEs according to their growth stages to respond to various changes in the business environment (tentative name) (Ministry of Economy, Trade and Industry) <Afore-cited>
- Project to support response to changes in the business environment (Ministry of Economy, Trade and Industry) <Afore-cited>
- Subsidized project related to SME credit enhancement system (Ministry of Economy, Trade and Industry <Afore-cited>

- Support project for overseas business development (Ministry of Economy, Trade and Industry) <Afore-cited>
- Global South Future-Oriented Co-Creation Project (Ministry of Economy, Trade and Industry) [Afore-cited]
- Review of vehicle taxes (Ministry of Economy, Trade and Industry) <Taxation>
- Clean energy vehicle (CEV) subsidy program (Ministry of Economy, Trade and Industry) <Afore-cited>
- Project to promote the introduction of charging and filling equipment to promote the spread of clean energy vehicles (Ministry of Economy, Trade and Industry) <Afore-cited>
- Emergency measures to strengthen the export capability of agricultural, forestry and fishery products and food export promotion organizations, etc. (Ministry of Agriculture, Forestry and Fisheries) <Afore-cited>
- Emergency support project to promote Japan-produced liquor exports (Ministry of Finance) <Afore-cited>
- Emergency measures to establish a stable import system for food and agricultural inputs (Ministry of Agriculture, Forestry and Fisheries)

Section 4: Preparing for the Future (Reserving contingency funds)

Additional reserve funds will be secured in order to respond swiftly to unforeseen fiscal needs in the event of a natural disaster, further rising prices, or the increase in bear attacks, etc., and ensure the safety and security of people's daily lives.

Scale of these Measures

	National expenses, etc.	(Including general account)	(Including tax reduction)	(Including special account)	Project scale
I. Ensuring Security in People's Daily Lives: Measures to Address Rising Prices	Approx. 11.7 trillion yen	Approx. 8.9 trillion yen	Approx. 2.7 trillion yen	Approx. 0.1 trillion yen	Approx. 16.2 trillion yen
II. Strategic Investments that Enhance Resilience Against Potential Crises: Building a Robust Economy through Growth-Oriented Investment	Approx. 7.2 trillion yen	Approx. 6.4 trillion yen		Approx. 0.8 trillion yen	Approx. 17.5 trillion yen
III. Strengthening Defense Capability and Diplomatic Power	Approx. 1.7 trillion yen	Approx. 1.7 trillion yen			Approx. 8.4 trillion yen
IV. Preparing for the Future (Reserving contingency funds)	Approx. 0.7 trillion yen	Approx. 0.7 trillion yen			Approx. 0.7 trillion yen
Total	Approx. 21.3 trillion yen	Approx. 17.7 trillion yen	Approx. 2.7 trillion yen	Approx. 0.9 trillion yen	Approx. 42.8 trillion yen
(FY 2024)	14.8 trillion yen	13.9 trillion yen	–	0.9 trillion yen	

(Note 1) “National fiscal measures, etc.,” which is calculated by adding fiscal investment and loans (approx. 4.2 trillion yen) to “National expenses, etc.,” amounts to approx. 25.5 trillion yen.

(Note 2) “Tax reduction” comprises approx. 1.5 trillion yen for the abolition of the provisional tax rates, and approx. 1.2 trillion yen for income tax reduction (the 2025 Tax Reform Act).

(Note 3) “Project scale” refers to the total amount of national fiscal measures, etc., local expenditures, and private expenditures, etc.