

Comprehensive Economic Measures
to Foster the Safety and Security of Citizens and Sustained Growth
—Increasing Current and Future Wages and Incomes for All Generations—

November 22, 2024

Table of Contents

Chapter 1 Current Economic Conditions and Issues and Basic Approach to Economic Measures

1. Current state of the economy, challenges, and direction of response 1
2. Basic Approach to Economic Measures 2

Chapter 2 Specific Measures to Foster the Safety and Security of Citizens and Sustained Growth

Section 1 Growth of National and Regional Economies

~ Increasing Current and Future Wages and Incomes for All Generations ~

1. Improvement of the environment for wage increases ~Toward the current wage increase~ 6
 - (1) Raising the minimum wage
 - (2) Promotion of appropriate transactions, such as price pass-through to achieve sustainable and structural wage increases
 - (3) Promotion of labor-saving and digitalization investment
 - (4) Promotion of investment in human resources and creation of an environment in which diverse human resources can work with peace of mind
 - (5) Strengthening the management base of mid-tier enterprises and SMEs and supporting their growth
2. Development of New Local Community Revitalization Measures (“Local Community Revitalization 2.0”) ~ Toward an Increase in Wages and Incomes in Every Corner of the Country ~ 16
 - (1) Launch of new local community revitalization through “The Headquarter for the Creation of New Regional Economies and Living Environments”
 - (2) Strengthening sustainable growth of agriculture, forestry and fisheries and food security
 - (3) Revitalization of key industries that support the living environment of local communities
 - (4) Promotion of culture, arts, sports, and content industries
 - (5) Promotion of Expo 2025 Osaka, Kansai, Japan
3. “Stimulating Japan’s Investment Power” and “Promoting Japan as a Leading Asset Management Center” ~ Toward Future Wage and Income Growth ~ 32
 - (1) Expansion of domestic investment to raise the potential growth rate
 - (2) Support for startups that drive innovation
 - (3) Acceleration of Efforts for “Promoting Japan as a Leading Asset Management Center”

Section 2 Overcoming High Prices

~ Paving the Way for a Transition to a Growth-Oriented Economy in which No One Is Left Behind ~

1. Detailed response to the current price hike 55
 - (1) Support for low-income households affected by high prices
 - (2) Promotion of measures against high prices in accordance with the actual situation in the region
 - (3) Support for industries affected by high prices
2. Realization of an economy and society that is resilient to rising energy costs

Section 3 Ensuring the Safety and Security of the People

~ Laying the Foundation for the Transition to a Growth-Oriented Economy ~

1. Recovery and Reconstruction from Natural Disasters 60
2. Promotion of Disaster Prevention and Mitigation and National Resilience 61
3. Responding to Changes in the Diplomatic and Security Environment 64
 - (1) Diplomacy and Security
 - (2) Strengthening Defense Capabilities
4. Realization of a society in which no one is left behind 67
 - (1) Strengthening crime prevention measures
 - (2) Promotion of support for children and child-rearing
 - (3) Support for learning, including the revitalization of public education
 - (4) Promotion of active participation and participation of women and the elderly
 - (5) Ensuring safety and security by providing support to persons and households facing difficulties

Chapter 1 Current Economic Conditions and Issues and Basic Approach to Economic Measures

1. Current state and challenges of Japanese economy and direction of the response

Over the past 30 years or so, Japan has faced numerous challenges, including the turmoil and deflation that followed the collapse of the bubble economy, the global financial crisis, repeated natural disasters, and the COVID19, but has overcome these challenges through the untiring efforts of all people in Japan. As a result, nominal GDP and capital investment exceeded 600 trillion yen and 100 trillion yen, respectively. Wages also rose at the highest rate in 33 years. The virtuous cycle of growth and distribution has begun to move. The Japanese economy is now at the crossroads of whether or not it can break free from its long history of a cost-cutting economy and shift to a “growth-oriented economy driven by wage increases and investment”, rather than falling back into deflation.

We must further advance our policies so that each and every citizen can experience these positive trends in the form of actual increases in wages and incomes with increasing actual income and feeling the affluence in own live. The goal is to create an economy where wage growth constantly outpaces price growth, and to ensure a transition to a “growth-oriented economy driven by wage increases and investment”.

Furthermore, it is also necessary to consider a wide range of measures to support household budgets and help consumers feel more affluent until a situation in which wages and incomes increase significantly takes hold.

The most important issue is to strengthen the growth potential of both the national and local economies in order to increase current and future wages and incomes for all generations, including women, youth, and the elderly, now and in the future. At the same time, to ensure no one is left behind in the transition to a growth-oriented economy, immediate support measures will be provided to those facing difficult circumstances, including individuals unable to work due to various reasons, amid continued high prices. Furthermore, as a precondition for the transition to a growth-oriented economy, we will take all possible measures to ensure safety and security, including measures to cope with natural disasters. Based on the achievements of the Abe administration’s economic and fiscal policy (Abenomics), we will build on the Kishida administration’s “New Form of Capitalism” and other economic and fiscal policy initiatives. Then, we accelerate and develop more and more.

First, we focus on “the growth of the national and local economies” to increase current and future wages and incomes for all generations. This includes promoting investment in people, as well as domestic investment that unlocks the earning potential of small and medium-sized enterprises (SMEs) and the potential of local economies. We also encourage public-private partnership investments in

areas such as innovation, digital transformation (DX), green transformation (GX), economic security, and start-ups. Even with a declining population, we aim to grow both the national and local economies, leading to the realization of a society with a high level of wellbeing, where many citizens can feel that their lives have become more affluent.

Second, we focus on “overcoming high prices” to pave the way for a transition to a growth-oriented economy that leaves no one behind. This includes providing finely tuned support to reduce the burden on households and businesses, which are particularly affected by current high prices, and working to realize an economic society resilient to rising energy costs.

Third, we focus on “ensuring the safety and security of the people” to lay the foundation for a transition to a growth-oriented economy. This includes all our efforts on recovery and reconstruction from natural disasters, such as the Great East Japan Earthquake and The 2024 Noto Peninsula Earthquake, as well as disaster prevention and mitigation, strengthening national infrastructure, responding to changes in the diplomatic and security environment, and enhancing crime prevention measures.

In promoting economic and fiscal management, including this economic policy package, we aim to overcome deflation and move to a new stage of the economy, based on the principle that “a sound economy is the foundation of fiscal health”, realize “a growth-oriented economy driven by wage increases and investment”, improve the fiscal conditions and build a crisis-resistant economy that can develop vigorously.

Through these efforts, we aim to protect Japan, the people, and rural areas and secure opportunities for young people and women, and to create a future in which all citizens can feel safe and secure.

2. Basic Approach to Economic Measures

Economic measures consist of the following three pillars and mobilize all policy instruments, including the budget, fiscal investment and loans, the tax system, and institutional and regulatory reforms.

(Pillar 1: Growth of Japan and regional economies

~ Increase current and future wages and incomes for all generations ~)

To increase current and future wages and incomes for all generations, we will enhance the growth potential of the Japanese economy by strengthening efforts to increase productivity and medium-and long-term growth potential in small and medium-sized enterprises. We will set in motion nationwide mechanisms to increase wages and incomes by raising each person's productivity and added value.

Local communities are the main drivers of growth. Increases in wages and incomes should be spread throughout the nation and permeate in all regions. We will develop new regional revitalization measures (“Local Community Revitalization 2.0”) while also utilizing ICT technology.

As local economies face challenges such as declining population, depopulation, and the decline of local industries, the public and private sectors must work together to transform them into engines of growth. Digitizing the analog value of local resources and linking it to the creation of new demand and improved productivity can drive the growth of Japan as a whole. “The Headquarter for the Creation of New Regional Economies and Living Environments” (established on October 11, 2024) will formulate a basic concept to be implemented intensively over the next 10 years. The local industry, government, academia, financial institutions, labor organizations, and public discourse¹ will work together to encourage the local communities to draw out their potential by leveraging their respective wisdom and passion. Through the united efforts of the people, the national and local governments to build momentum for local community revitalization, as well as adopting good examples of local community revitalization, our goal is to realize a society in which people can experience hope and happiness.

(Pillar 2: Overcoming High Prices

~ Paving the way for a transition to a growth-oriented economy where no one is left behind ~)

In order to protect people's lives and business activities, the immediate response is to reduce the burden on households and businesses caused by high prices. Comprehensive measures will be taken, including benefits for low-income households, which are particularly affected by high prices, and “Special Regional Revitalization Grant for Focused Support in Response to Price rises” to encourage measures against high prices according to local conditions.

We will work to strengthen the resilience of the economy and society to rising energy costs, promote the transition to a decarbonized growth-oriented economic structure, and protect Japan's economy from energy constraints. As a structural response, we will promote efforts to make the economy and society more resilient to rising energy costs, including energy conservation and renewable energy for households and homes.

(Pillar 3: Ensuring the safety and security of citizens

~ Laying the Foundations for a Transition to a Growth-Oriented Economy ~)

In order to ensure full preparedness for possible future disasters, as well as to work on recovery and reconstruction from natural disasters, the functions of the Cabinet Office in charge of disaster management should be drastically strengthened in terms of both budget and human resources, and efforts for disaster risk reduction and national resiliency, such as the improvement of evacuation

¹ Industry refers to the business organizations, government refers to national and local governments and government agencies, academia refers to educational institutions such as universities, others are as they are.

shelters' environments, should be promoted in parallel with the study for the establishment of the Disaster Management Agency.

In light of the increasingly tense international community and the security environment, which has become the most severe and complex in the postwar era, we will respond appropriately to changes in the diplomatic and security environment in order to protect the nation and its people.

Toward a future full of hope, as the foundation of a society in which all citizens can feel a sense of fulfillment in life, we work to realize a “society in which no one is left behind” while ensuring safety and security by strengthening crime prevention measures, steadily promoting support for children and child rearing, and promoting the active participation of women and elderly people.

(Compilation of supplementary budget)

We promptly prepare a supplementary budget for FY2024 that will serve as the basis for the economic measures and work toward its swift approval.

(Early implementation of the economic measures)

We promptly execute economic measures and deliver support as soon as possible. To this end, under the coordination of all government ministries and agencies, the national and local governments will work together to ensure that the measures are implemented as quickly as possible by thoroughly informing local governments, etc., and will also strengthen publicity and PR for related measures. In executing each measure, the basic policy is to implement it simply and promptly on the premise of DX, and to strive for appropriate ex post progress management.

(Expectations of the Bank of Japan)

The Government will continue to cooperate closely and work together as follows with the Bank of Japan in order to overcome deflation early and achieve sustainable economic growth with price stability. The Government expects 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 activity, prices and financial conditions.

(Future Initiatives)

Regarding the so-called “1.03 million yen threshold”, discussions will be held within the framework of FY 2025 tax reform, and then we will raise this threshold. Additionally, with regard to the “gasoline tax reduction” (including the abolition of the provisional tax rate), a comprehensive review of automobile-related taxes will be carried out, and conclusions will be drawn. As for the

various issues arising from these matters, further examination will take place, and solutions will be determined accordingly.

Chapter 2 Specific Measures to Foster the Safety and Security of Citizens and Sustained Growth

Section 1 Growth of National and Regional Economies

~ Increasing Current and Future Wages and Incomes for All Generations ~

1. Improvement of the environment for wage increases

~ Toward the current wage increase ~

In the 2024 spring labor-management wage negotiations, the rate of wage increases reached the highest level in 33 years. In order to continue and expand this trend and to widely disseminate and establish wage increases that exceed inflation nationwide, we will promote the development of an environment that facilitates the pass-through of price increases, especially for SMEs, which account for more than 99% of the number of firms and nearly 70% of the number of employees, and enhance support for strengthening and growing the management base.

(1) Raising the minimum wage

The revised minimum wage for FY2024 is 1,055 yen on a nationwide weighted average, and the increase of 51 yen is the highest amount since 2021. We will support the increase in the minimum wage by appropriately price pass-through and support for improving productivity, and will continue to work tirelessly to achieve the high target of a national average of 1,500 yen in the 2020s. To this end, we will promptly hold an exchange of views among the government, labor, and management on the future medium-term policy for raising the minimum wage and start discussions. They will also exchange views toward the 2025 spring labor-management wage negotiations.

Going forward, we will continue to work to correct regional disparities, such as by raising the ratio of the minimum wage to the highest minimum wage by region.

We will enhance support for SMEs to improve their operations and make capital investments. Expand the consultation system so that SMEs can smoothly respond to changes in the business environment, such as raising the minimum wage. We will thoroughly communicate the details of the tax measure to promote wage-increase, as revised in 2024 tax reform.

In addition to these efforts, we will mobilize all measures such as promoting the optimization of transactions such as price pass-through to achieve sustainable and structural wage increases, promoting labor-saving and digitalization investment, promoting investment in human resources and creating an environment in which diverse human resources can work with peace of mind, and

strengthening the management base of LMEs and SMEs and supporting their growth.

Examples of Measures

- Business improvement subsidy to support the improvement of the environment for raising the minimum wage (Ministry of Health, Labour and Welfare)
- Support project for responding to changes in the business environment (Ministry of Economy, Trade and Industry)
- Promotion of the use of the wage increase promotion tax system expanded by the tax reform of the 6th year of the Reiwa era (2024) (Ministry of Economy, Trade and Industry) [Other] ,etc.

(2) Promotion of appropriate transactions, such as price pass-through to achieve sustainable and structural wage increases

In order for small and medium-sized enterprises to secure funds for wage increases, the key is for the government to support the pass-through of prices. Price pass-through contributes to strengthening the management base of the contractor, who is an indispensable business partner for the client, and ensuring the sustainability of the entire supply chain. So far, the government has conducted surveys of the actual status of transactions through 330 subcontracting G-Men nationwide², and has requested negotiations and pass-on during the Price Negotiation Promotion Month (March and September every year). In November 2023, we published the “Guidelines for Price Negotiations for Proper Pass Through of Labor Costs”³ and have been working to ensure that all employees are aware of them. As a result, although there has been a certain level of achievement, such as an increase in the number of cases in which price negotiations have been conducted, these efforts will be further strengthened in order to support wage increases for SMEs in the face of continued high prices.

In addition to the subcontracting G-men, we will strengthen the system for collecting information on the actual state of transactions of SMEs by collaborating with the investigators of the “Subcontractor Kakekomidera”⁴ and collect additional information on problematic contractors. In addition to utilizing this information in efforts to ensure proper transactions, we will establish a system at Japan Fair Trade Commission to strengthen the enforcement of the Subcontract Act⁵ in cooperation with the ministries and agencies in charge of business establishments. Based on the fact that large companies on the ordering side and small and medium-sized enterprises on the receiving side have a relationship of coexistence and co-prosperity, we will work to further expand and improve the effectiveness of the Declaration of Partnership Building.

By the end of 2024, the relevant ministries and agencies will complete a fact-finding survey on the

2 Since 2017, the Small and Medium Enterprise Agency has assigned transaction investigators (subcontracted G-men) nationwide to conduct interviews with subcontracted SMEs in order to grasp the actual status of transactions. The collected information is used for various policies to optimize subcontracting transactions.

3 The announcement was made on November 29, 2023 by the Cabinet Secretariat and the Japan Fair Trade Commission.

4 Organizations established by the Small and Medium Enterprise Agency at 48 locations nationwide (the National Association of Small and Medium Enterprise Promotion Organizations, which is the headquarters, and the Small and Medium Enterprise Promotion Organizations established in each prefecture). Lawyers and consultants respond to subcontractors' transactional concerns.

5 Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Act No. 120 of June 1, 1956).

status of compliance with the guidelines and improvement measures based on the results of the surveys in order to thoroughly implement measures based on the “Guidelines for Price Negotiations for Proper Pass-Through of Labor Costs” in cooperation with industry groups. We will create short videos with a message about Japan Fair Trade Commission's efforts to ensure proper transactions, and disseminate them through distribution on social media advertising media.

In order to establish appropriate price pass-through throughout the supply chain as a new business practice, we will consider revisions to the Subcontract Act regarding how to respond to price deferrals in the face of rising costs, how to respond to transactions between shippers and logistics operators, and the addition of guidance authority by the ministries and agencies in charge of business establishments to strengthen enforcement in cooperation with the ministries and agencies in charge of business sites. The aim is to submit it to the Diet as soon as possible.

We will promote efforts to shorten the payment site for promissory notes and electronically recorded receivables⁶, make them cash payments, and abolish the use of promissory notes by 2026. In November 2024, we have reviewed the guidance standards for shortening the bill of exchange site, and together with the abolition of cash payment and use of promissory notes, we will ensure that a wide range of industry groups are fully aware of them. Payment by promissory notes, etc., which impose a cash flow burden on the contractor, will be examined under the Subcontract Act and a conclusion will be reached.

In the case of public demand by the national government or local governments, it is necessary to ensure that the increase in labor costs, raw material costs, and other costs of the contracting company can be passed on to the price through the appropriate operation of the bidding system, which will lead to the securing of funds for wage increases. By the end of 2024, we will thoroughly respond to the minimum limit price system⁷ and the low bid price survey system⁸ in accordance with the purpose of each system, investigate the actual operation of these systems, and consider operational improvements. With regard to the small-amount discretionary contract system⁹, in light of the fact that the maximum price has not been revised for a long time, we will investigate the actual operation of the system and consider how it should be implemented by the end of the same year.

In order to achieve sustainable growth in the construction and logistics industries, facilitate the pass-through of price increases in the industry, and secure funds for wage increases, we will steadily

6 Includes all other payment instruments for which the payment site is generated, such as bills of exchange and lump sum settlement methods.

7 In construction, manufacturing, or other contracts, a minimum limit price is set in advance, and the successful bidder is the one who applies for the lowest price among those who apply for a price higher than the relevant price.

8 In the case of construction, manufacturing, or other contracts, if a person who has applied for the lowest price is likely not to be fulfilled in accordance with the contract at that price, the system investigates whether the person is suitable as a counterparty to the contract, and if it is found to be inappropriate, the person may not be the successful bidder.

9 As a general rule, contracts between the national and local governments are concluded through general competitive bidding, but if the planned price is within a certain amount (currently 1 million yen in the case of a national consignment contract, etc.), it can be a voluntary contract.

implement the trinity labor market reforms¹⁰ and the Revised Logistics Act¹¹ and thoroughly disseminate the contents of the policy. We will promote the optimization of transactions and the improvement of the treatment of workers in these industries by conducting fact-finding surveys to optimize the multi-layered subcontracting structure, disseminating appropriate estimates, and strengthening research and improvement guidance on transactions between businesses using construction G-men and truck and logistics G-men. We will conduct a fact-finding survey on the wage situation in the automobile maintenance industry. With regard to the security industry, based on the industry's voluntary action plan revised in August 2024, we will promote appropriate price pass-through, including labor costs, in private-private transactions and public demand.

In order to correct trade practices so that creators can work sustainably with peace of mind, Japan Fair Trade Commission's fact-finding survey on the music and broadcasting fields will be completed by the end of 2024, and based on the results, guidelines will be prepared from the perspective of optimizing contracts between performers and agencies. In the film and anime fields, we will conduct a fact-finding survey on the trading environment of creators in 2025. With regard to support for businesses related to domestic video production, etc., we will promote the improvement of the environment in the field by giving priority to businesses that comply with the guidelines that stipulate compliance with the Labor Standards Act¹². In order to ensure that the works of creators are used legally and smoothly and that appropriate compensation is promoted, we will construct a search system for different types of copyright information and a registration system of copyright information for individual creators, etc., that enable the aggregation and retrieval of the copyright and neighboring rights information online.

Examples of Measures

- Small and Medium-sized Enterprise Transaction Measures (Ministry of Economy, Trade and Industry)
- Investigation into initiatives to facilitate price pass-through (Japan Fair Trade Commission)
- Strengthen public relations for measures to pass on price increases (Japan Fair Trade Commission)
- Consideration of revision of the Subcontract Act (Japan Fair Trade Commission) [System]
- Implementation of public works in consideration of the impact of soaring material prices in recent years (Ministry of Land, Infrastructure, Transport and Tourism)
- Improvement of the market environment to improve productivity in the construction and real estate industries (Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of initiatives based on the medium- to long-term plan for logistics innovation and sustainable growth (Ministry of Land, Infrastructure, Transport and Tourism)
- Survey project on wage increases necessary to secure human resources in the automobile maintenance industry (Ministry of Land, Infrastructure, Transport and Tourism)
- Fact-finding survey for proper transactions to support creators (Japan Fair Trade Commission)
- Creator Business Support Project (Promotion of Commercialization and Overseas Expansion) (Ministry of Economy,

10 An Act to Partially Amend the Construction Business Act and the Act on Promotion of Proper Bidding and Contracting for Public Works (Act No. 49 of the 6th year of the Reiwa era (2024)), Act to Partially Amend the Act on Promotion of Quality Assurance of Public Works (Act No. 54 of the 6th year of the Reiwa era (2024)).

11 Act on Promotion of Consolidation and Efficiency of Distribution Operations and Act to Partially Amend the Freight Vehicle Transportation Business Act (Act No. 23 of the 6th year of the Reiwa era (2024)). It will come into effect from the date specified by Cabinet Order within a period not exceeding one year from the date of promulgation (May 15, 2024).

12 Act No. 22 of 49.

Trade and Industry)

- Construction of a Search System for different types of Copyright Information and a Registration System of Copyright Information for individual creators, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Research on the promotion of online distribution of broadcast content, etc. (Ministry of Internal Affairs and Communications) , etc.

(3) Promotion of labor-saving and digitalization investment

We will further enhance Project to promote SMEs to upgrade their productivity¹³.

As the labor shortage becomes more serious, in addition to introducing general-purpose products that can be selected from catalogs, we will support the simple selection and introduction of software according to the business with regard to labor-saving investment. At that time, we will support the use of IT to improve the efficiency of accounting work as well as production sites, etc., and provide support after introduction.

We support custom-made labor-saving investments tailored to each business.

For industries where there is a strong sense of labor shortage, the ministries and agencies in charge of each business site should promptly formulate a concrete plan to promote labor-saving investment by businesses belonging to those industries.

In order to enable wage increases nationwide, the government will also provide support to Leading Medium Enterprises(LMEs) and SMEs when they build new bases such as factories or make large-scale growth investments.

In order to promote the location of industries in the region, we will promote capital investment and securing industrial land by utilizing the Regional Future Investment Promotion Act¹⁴.

Examples of Measures

- Integrated support for SMEs for growth investment, productivity improvement investment, labor-saving investment, etc. (Ministry of Economy, Trade and Industry)
- LMEs and SMEs Subsidies for Large Scale Growth Investment with the target of raising wages (Ministry of Economy, Trade and Industry)
- Establishment of a robot development environment that contributes to solving labor shortages in the manufacturing and service industries (Ministry of Economy, Trade and Industry)
- Speeding up land use conversion procedures using the Act on Promotion of Investment in Regional Futures, etc. (Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism) [Other]

13 This is a project that continuously supports the improvement of productivity of SMEs and micro-enterprises over multiple years by providing support for capital investment, IT introduction, sales channel development, smooth business succession and handover, etc., in an integrated and flexible manner in response to changes in the system of SMEs and micro-enterprises and the status of efforts to improve productivity.

14 Act on Strengthening the Foundation for Regional Growth and Development by Promoting Regional Economic Driving Projects (Act No. 40 of 19).

- Acceleration of the use of tax measure to promote investment in regional futures (Ministry of Economy, Trade and Industry) [Others] , etc.

(4) Promotion of investment in human resources and creation of an environment in which diverse human resources can work with peace of mind

We will promote the three-pronged set of labor market reforms¹⁵ aimed at sustaining and structural wage increases.

We will publicize the re-skilling support measures under the revised Employment Insurance Act¹⁶ and support the re-skilling of all generations, including the employment ice age generation, including in the digital field. In addition to courses for passing group examinations¹⁷ that are eligible for educational training benefits, we will lead to appropriate evaluation and improvement of the treatment of those who have passed the certification in the industry, focusing on areas where there is a shortage of manpower. We will promote efforts to train and pass on skills to skilled workers. We will support the implementation of recurrent education programs through industry-government-academia collaboration.

In order to promote the introduction of job-based personnel management, we will work to disseminate and popularize the “Job-based Personnel Management Guidelines”¹⁸, which contain detailed examples of various companies that have introduced it.

In addition to encouraging Hello Work employees to acquire qualifications as career consultants, we will enhance consultation support for career change and career advancement with the cooperation of private-sector career consultants. As a reference for career consultants to provide guidance and advice to workers, we will begin providing information on job openings in the private sector and wage levels for jobs with high demand by the end of FY2024. From FY2025 onward, we will expand the number of occupations and regions and consolidate the information held by Hello Work. Utilizing ReviCareer¹⁹, we will promote the matching of human resources from large companies as management personnel with small and medium-sized enterprises in regional areas.

As there is an urgent need to address labor shortages, we will support the creation of an environment in which working hours can be extended without being aware of the so-called “annual income

15 Support for skill improvement through re-skilling, introduction of salary according to the actual conditions of individual companies, and facilitation of labor movement to growth areas.

16 An Act to Partially Amend the Employment Insurance Act, etc. (Act No. 26 of the 6th year of the Reiwa era (2024)).

17 The Minister of Health, Labour and Welfare certifies that the vocational ability test conducted by employers' organizations and companies for the purpose of contributing to the improvement of the skills and status of workers includes persons other than the workers they employ and that conforms to certain standards and should be encouraged for the promotion of skills.

18 It was announced on August 28, 2024 by the Cabinet Secretariat, the Ministry of Economy, Trade and Industry, and the Ministry of Health, Labour and Welfare.

19 A human resources platform operated by the Regional Economy Vitalization Corporation of Japan (REVIC) with the aim of matching human resources from large companies with local mid-tier enterprises and SMEs in the region.

barrier”²⁰. With regard to the “Annual Income Barrier and Support Enhancement Package”²¹, we will work to review the system in addition to providing detailed support to short-time workers who are newly eligible for social insurance by simplifying application documents, speeding up examinations, breaking through the annual income barrier, and establishing a one-stop consultation system at the general consultation desk.

In order to establish a pension system that is neutral to work styles and realize pension benefits suitable for employees, we will reach a conclusion by the end of 2024 on the elimination of the requirement for the size of a company with more than 50 employees, and the expansion of the application of employees’ insurance by eliminating non-applicable industries for private establishments that employ five or more employees at any given time.

For non-regular employees, in order to support the conversion of those who wish to become full-time employees and improve their treatment, we will promote the use of career advancement subsidies and ensure compliance with equal pay for equal work through cooperation between prefectural labor bureaus and labor standards inspection offices.

We will work to ensure that measures to realize flexible work styles according to the age of children, as well as individual dissemination of the work-life balance support system for workers facing childcare and long-term care, and confirmation of their intentions in accordance with the revised The Act on Childcare Leave/Caregiver Leave²². Expand support for SMEs that are working to create an environment in which workers can take childcare leave according to their wishes. We will work to expand the number of companies that have introduced a work interval system to ensure living time and sleep time, telework, a three-day workweek, and a “diverse full-time employee” system²³.

By the end of fiscal 2024, we will clearly indicate the patterns of typical practice and behavior related to self-destructive sales practices²⁴ that can fall under illegal acts and power harassment. With regard to side jobs and multiple jobs, in addition to the efforts that have been made so far, we will clarify the details of non-compete obligations related to side jobs and multiple jobs by the end of fiscal 2024, and facilitate side jobs and multiple jobs in a manner that is compatible with the protection of trade secrets by the end of fiscal 2024. We will conduct a survey by the end of FY2024 on the actual situation of refraining from placing orders due to the cost burden of general medical examinations for

20 If a person who did not pay social insurance premiums as a Category 3 insured person (dependent) earns more than a certain amount, he or she will be burdened with social insurance premiums, or if he or she will not be able to receive spousal allowance from a company that has income requirements, resulting in a decrease in take-home income. If you have an annual income of 1.06 million yen, you will be enrolled in the Employees' Pension Insurance and Health Insurance, and if you have an annual income of 1.3 million yen, you will be enrolled in the National Pension and National Health Insurance, which are called the "1.06 million yen wall" and the "1.3 million yen wall", respectively.

21 On September 27, 2023, the Headquarters for the Establishment of Social Security for All Generations was decided.

22 An Act to Partially Amend the Act on the Welfare of Workers Engaged in Childcare or Family Care Leave, such as Childcare Leave and Family Care, and the Act on Advancement of Measures to Support Raising Next-Generation Children (Act No. 42 of the 6th year of the Reiwa era (2024)).

23 Systems that limit working hours, work location, job type, and duties, such as the short-time regular employee system, the location-limited regular employee system, and the job-limited full-time employee system.

24 An employer causes an employee to purchase the employer's goods or services against the free will of the worker.

freelance and gig workers. In the event that the contents of the Article 36 agreement differ at each business site, it will be possible to submit a batch notification to the head office online by the end of FY2024. Notice from the company to workers and labor unions at the time of the company split, as well as objections from workers, will be considered for digitization by the end of FY2024.

From the perspective of responding to the current issue of securing human resources, we will ensure that the measures taken in the FY2024 Fee Revisions to improve the wages of staff in the medical, long-term care, and disability welfare fields are delivered²⁵ to realize wage increases, and support further wage increases by improving productivity and the workplace environment, etc., as well as efforts to reduce the burden on staff, improve operational efficiency, utilize technology and ICT equipment and foster collaboration on management between the enterprises. We will also support efforts to secure a system for providing home-visit long-term care and improve the management of employment facilities for people with disabilities.

The salaries and treatment of civil servants will be dealt with appropriately based on the recommendations of the National Personnel Agency²⁶.

Examples of Measures

- Dissemination of re-skilling support measures based on the Employment Insurance Act through Hello Work, Hello Work Internet service, etc. (Ministry of Health, Labour and Welfare) [Other]
- Expansion of designated courses for educational training benefits in light of changes in training needs (Ministry of Health, Labour and Welfare) [System]
- Recurrent Education Ecosystem Construction Support Project (Ministry of Education, Culture, Sports, Science and Technology)
- Advanced Support Project for Regional Financial Institutions and Business Partners (Financial Services Agency)
- Steady implementation of the “Annual Income Barrier and Support Enhancement Package” and review of the pension system (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- Efforts to improve the treatment of non-regular employees (Ministry of Health, Labour and Welfare) [Other]
- Promotion of the use of support systems for balancing work and long-term care to prevent employees from leaving their jobs for long-term care (Ministry of Health, Labour and Welfare) [Other]
- Expansion of “Subsidies for Work-Life Balance Support” to support the development of an environment for taking childcare leave (Ministry of Health, Labour and Welfare)
- Promotion of the introduction of a work interval system (Ministry of Health, Labour and Welfare) [Other]
- Measures to promote the spread of telework (Ministry of Health, Labour and Welfare) [Other]
- Support for the introduction of the “Diverse Regular Employees” system (Ministry of Health, Labour and Welfare) [Other]
- Eradication of self-destructive sales practices (Cabinet Office, Ministry of Health, Labour and Welfare) [System]

²⁵ For example, in the medical field, the base rate evaluation fee was established in the revision of medical fees in the 6th year of the Reiwa era (2024), and in order to further promote the calculation of the fee, the notification form has been simplified and information on the base evaluation fee has been disseminated on the Ministry of Health, Labour and Welfare website. In addition, in the long-term care field, etc., the addition rate has been increased after unifying the existing treatment improvement surcharge to make it easier to use the existing treatment improvement surcharge in the 6th year of the Reiwa era (2024) long-term care remuneration revision, etc., and in addition to simplifying the application documents and sending them directly for establishments that have not yet acquired the certification, easy-to-understand information on the treatment improvement surcharge is widely disseminated on the Ministry of Health, Labour and Welfare website. In addition, it is expected that by meeting the requirements of the workplace environment and other conditions through this initiative, it will be possible to obtain an additional fee in a higher category, which will lead to further wage increases.

²⁶ August 8, 2024.

- Facilitation of side jobs and multiple jobs (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- Steady enforcement of the Act on Proper Transactions between Freelancers and Businesses (Japan Fair Trade Commission, Ministry of Health, Labour and Welfare, Ministry of Economy, Trade and Industry) [System]
- Worker nature and protection of freelance and gig workers (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- Expansion of the scope of batch notification of the head office under the Article 36 Agreement (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- Elimination of labor-related documents, seals, and face-to-face restrictions (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- Emergency support package to respond to the declining population and sudden changes in the management situation of medical institutions (Ministry of Health, Labour and Welfare)
- Comprehensive measures to secure long-term care personnel and improve the workplace environment (Ministry of Health, Labour and Welfare)
- Comprehensive measures to secure human resources for people with disabilities and improve the workplace environment (Ministry of Health, Labour and Welfare, Children and Family Agency) ,etc.

(5) Strengthening the management base of mid-tier enterprises SMEs and supporting their growth

While the number of SMEs raising wages is increasing, there are also cases where “defensive wage increases” are being carried out in the absence of an improvement in business performance. In order to further popularize and expand wage increases, it is necessary to support SMEs to strengthen their earning power and secure financial resources.

We will work to improve the environment for M&A and business succession. In order to ensure that SMEs can engage in M&A with peace of mind, we will thoroughly disseminate the “Small and Medium-sized Enterprises M&A Guidelines”²⁷ revised in August 2024 and alert them to M&A troubles. In order to establish smooth PMI²⁸ initiatives for growth after the conclusion of the M&A, we will disseminate the “PMI Guidelines for Small and Medium-sized Enterprises”²⁹ and the “PMI Practical Tools”³⁰. In order to achieve growth after the conclusion of the M&A, we will support the capital investment and PMI of the M&A implementing company. In order to support grouping through multiple rounds of M&A, we will accelerate the use of the tax measure to promote M&A among SMEs³¹. With regard to special measures for the business succession tax system, we will consider reviewing the requirements for appointment of directors³² by the end of 2024³³. We will strengthen

27 On August 30, 2024, the Ministry of Economy, Trade and Industry (METI) announced the "Guidelines for Small and Medium-sized M&A (3rd Edition)". In addition to showing SMEs the basic matters of M&A and guidelines for fees, it also provides M&A companies with action guidelines for appropriate M&A.

28 Abbreviation for Post Merger Integration. Organizational and operational integration work that takes place after an M&A.

29 Announced by the Ministry of Economy, Trade and Industry on March 17, 2022. A guideline that summarizes the PMI initiatives that the transferee should undertake.

30 The announcement was made by the Ministry of Economy, Trade and Industry on March 29, 2024. A tool to encourage concrete initiatives in line with the standard steps of the Small and Medium PMI Guidelines.

31 A tax measure that allows up to 100% of the share acquisition price to be deductible when a small or medium-sized enterprise conducts M&A after receiving approval of a special business restructuring plan based on the Industrial Competitiveness Enhancement Act (Act No. 98 of 25).

32 Currently, in order to take advantage of the special measures under the business succession tax system, the successor must be appointed as an officer by the end of December 2024.

33 Examined and concluded in the tax reform of the 7th year of the Reiwa era (2025).

business succession support for SMEs and micro-businesses through the Business Succession and Succession Support Center.

While facilitating financing and further strengthening financial discipline for small and medium-sized enterprises, we will support them in improving their management, revitalizing their businesses, and taking on new challenges. In order to promote proper lending³⁴ by private financial institutions to SMEs, a cooperatively supportive credit guarantee system will be established to reduce guarantee fees for loans with credit guarantees provided by private financial institutions to SMEs. We will establish a new credit guarantee system to support the financing of businesses working on management improvement and business revitalization. Promote the use of subordinated loans for growing SMEs. By supporting the formulation of revitalization plans by Small and Medium Enterprise Vitalization Support Centers, we will support management improvement, business revitalization, and re-challenge.

In order to facilitate prompt business restructuring according to the judgment of management, we aim to swiftly submit to the Diet a bill that permits the reduction of financial debts through a majority vote.

In order to create SMEs with sales of more than 10 billion yen and to encourage them to improve their productivity, we will support their business transformation, development of innovative new products and services, development of sales channels, overseas expansion, M&A, and human resource development. For SMEs aiming for sales of more than 10 billion yen, we will provide risk money and hands-on support from public-private funds, and consider support measures for their capital investment. Through the Japan Bank for International Cooperation (JBIC), Japan will support the overseas expansion of domestic LMEs mid-tier enterprises and SMEs that contribute to economic growth together with regional financial institutions.

In order to improve the productivity and accelerate the growth of small and medium-sized enterprises, we will further enhance support for the introduction and utilization of IT in collaboration with support organizations such as local financial institutions, IT vendors, and consultants, and expand the DX support base nationwide by strengthening cooperation between 43 DX Acceleration Local Labs³⁵ and Yorozu support bases.

In order to achieve the sustainable development of small businesses, we will review the Basic Plan for the Promotion of Small Enterprises³⁶, including the promotion of wide-area cooperation among multiple societies of commerce and industry or among multiple chambers of commerce and industry,

34 Loans that are not guaranteed by Credit Guarantee Corporations and are carried out by a private financial institution.

35 The Ministry of Economy, Trade and Industry (METI) and the Information-technology Promotion Agency, Japan (IPA) select local governments to accelerate DX through data utilization of local industries, companies, and governments, human resource development, and development of data linkage infrastructure. Since November 2022, 43 local governments (prefectures and municipalities) nationwide have been selected.

36 Based on the Basic Law for the Promotion of Small Enterprises (Act No. 94 of 26).

by the end of fiscal 2024.

Examples of Measures

- Consideration of revision of requirements for appointment of directors under special measures for business succession tax (Ministry of Economy, Trade and Industry) [Tax system]
- Comprehensive support for revitalization of small and medium-sized enterprises and business succession (Ministry of Economy, Trade and Industry)
- Promotion of support for business improvement by private financial institutions using “Support for the Formulation of Early Management Improvement Plans” (Ministry of Economy, Trade and Industry)
- New guarantee system to extract proper loans from private financial institutions (Ministry of Economy, Trade and Industry)
- Management Improvement Support Guarantee System (Enhanced Management Improvement and Revitalization Support) (Ministry of Economy, Trade and Industry)
- Financing support from the Japan Finance Corporation, etc. (Cabinet Office, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Economy, Trade and Industry)
- Establishment of business restructuring legislation (Ministry of Economy, Trade and Industry) [System]
- Fund investment in small and medium-sized enterprises aiming to grow to sales of over 10 billion yen (Ministry of Economy, Trade and Industry)
- Capital investment support for small and medium-sized enterprises aiming to grow to sales of over 10 billion yen (Ministry of Economy, Trade and Industry)
- The Japan Bank for International Cooperation (JBIC) provides financial assistance to mid-tier enterprises and SMEs that contribute to local community revitalization (Ministry of Finance)
- Support in response to price hikes, etc., and business improvement support for environmental health-related businesses (Ministry of Health, Labour and Welfare)
- The Business Environment Response Support Project (Ministry of Economy, Trade and Industry) <reposted>
- Changes to the Basic Plan for the Promotion of Small Enterprises (Ministry of Economy, Trade and Industry) [Others]
, etc.

2. Development of New Local Community Revitalization Measures (“Local Community Revitalization 2.0”)

~ Toward an Increase in Wages and Incomes in Every Corner of the Country ~

Since the full-scale start of local community revitalization efforts in fiscal 2014, it has been a great achievement to see local residents working hard in various parts of the country with one mind through the use of subsidies and other means. On the other hand, the trend of concentration in Tokyo has not stopped, and there is considerable room for improvement in terms of whether the wisdom of various stakeholders in the local industry, government, academia, financial institutions, labor organizations, and public discourse has been sufficiently drawn out in the regional areas, and whether the national government has sufficiently supported it.

Based on this basic recognition, we will take advantage of the achievements and reflections we have made to date and return to the starting point of local community revitalization, and develop new local community revitalization measures (“Local Community Revitalization 2.0”) in a way that restores the hope, enthusiasm, and sense of unity of the region, such as local stakeholders consisting

of industry, government, academia, financial institutions, labor organizations, and public discourse in local governments across the country sharing their wisdom and striving to build consensus.

Looking at the current state of local economies, labor productivity in each prefecture differs due to differences in the industrial structure of each prefecture. Under these circumstances, for example, if we can increase the added value of regional resources by utilizing ICT technology and digitizing the analog value of local resources, and if we can increase growth potential by capturing domestic and foreign demand in the region, it will lead to raising the growth potential of Japan as a whole. If such efforts are spread nationwide, regional growth will be able to fully drive Japan's growth. Rural areas are the main drivers of growth.

Looking at population estimates, there are also differences in the outlook for the working-age population and the elderly population by prefecture. In urban areas, where the working-age population is declining and the elderly population is increasing significantly, it is a challenge to secure a supply system for familiar life-related services. On the other hand, in rural areas where both the working-age population and the elderly population are declining, maintaining the functioning of communities becomes an issue, but if policy resources can be allocated to children and young people, it can be expected that administrative services for the working generation will be enhanced. If we can broadly support a wide range of initiatives to address these issues and spread the results of these efforts to other regions facing similar issues, it will lead to ensuring the sustainability of the economy and society of Japan as a whole.

(1) Launch of new local community revitalization through “The Headquarter for the Creation of New Regional Economies and Living Environments”

“The Headquarter for the Creation of New Regional Economies and Living Environments” will formulate a basic concept that will be intensively addressed over the next 10 years. Toward the end of 2024, we will summarize our basic approach. We aim to realize a society in which people can feel hope and happiness through fostering momentum for local community revitalization in which the people, the national government, and local governments work together and adopting good examples of local community revitalization.

We will work to revitalize the local economy and improve the living environment in rural areas. Specifically, from the perspective of preventing the outflow of people who already live in rural areas and expanding migration from urban areas to rural areas, we will create “regions chosen by young people and women”. To this end, we will promote initiatives to create attractive jobs, correct gender pay gaps and regions, improve the treatment of non-regular employees, reform work styles, and eliminate unconscious bias³⁷. We will work to create a living environment in rural areas where people can work and live with peace of mind, such as maintaining and improving services that are essential

³⁷ It is described as "unconscious assumption" and is said to be something that everyone has.

to daily life, such as shopping, medical care, and transportation. With a view to taking advantage of the major trends of digitalization and the increase in foreign tourists, we will work to create a new value-added regional economies by promoting agriculture, forestry and fisheries, tourism, culture and the arts by utilizing local resources that are expected to grow in the future. We will promote the development of regional telecommunications infrastructure, such as the creation of added value using new technologies such as blockchain³⁸, NFT³⁹, and Web 3.0⁴⁰, the creation of online medical care, on-demand transportation, drone delivery, and regional areas with “zero digital divide”, and the reform of systems and regulations to support them. We will work on the thorough use of new digital technologies. In order to further support these efforts, we aim to double the subsidies for local community revitalization based on the initial budget.

In terms of economic measures, we will promote the following measures as a precursor to these measures.

We will establish the “New Regional Economies and Living Environments Creation Grant” to create high added value in agriculture, forestry, fisheries and tourism industries that make maximum use of local resources⁴¹, maintain and improve services that are indispensable for daily life such as shopping, medical care, and transportation⁴², and create added value through digital public goods using new technologies such as blockchain, NFT, and Web 3.0⁴³. We will support such efforts. In order to promote DX and GX at once, the grant will provide comprehensive support for local initiatives, including initial investment.

We will accelerate institutional and regulatory reforms in a wide range of fields, including the use of special zones, based on the actual conditions of the region. Regarding Super Cities⁴⁴, Digital Garden Health Special Zones⁴⁵, Kizuna Special Zones for Cooperation⁴⁶, and the Special Zones for Financial and Asset Management Businesses⁴⁷ as a model region for solving regional issues through cutting-edge services, we will conduct surveys and demonstrations related to necessary institutional

38 Abbreviation for Non Fungible Token. It is "digital data that cannot be counterfeited or tampered with", and has a function to guarantee authenticity by assigning uniqueness to digital data on the blockchain, and a function to track transaction history.

39 A type of database that directly connects terminals on an information and communication network to process and record transaction records in a decentralized manner using cryptographic technology.

40 A concept that is attracting attention as the next-generation Internet. A world that has escaped the dominance of huge platformers and is decentralized, where individuals are directly connected to each other. Web 1.0 centered on email and websites, followed by Web 2.0 characterized by smartphones and social media.

41 Specifically, efforts to develop special products in Kaminokuni Town, Hokkaido.

42 Specifically, efforts to support shopping such as the Toyooka Marche in Toyooka Village, Nagano Prefecture.

43 Specifically, Nagaoka City, Niigata Prefecture (formerly Yamakoshi Village) is working on an "electronic resident card".

44 With the aim of implementing cutting-edge services in various fields of daily life by promoting institutional and regulatory reforms and data linkage in an integrated manner, leading efforts are being made such as the implementation of new mobility services, the creation of services through the use of data linkage platform, and the sharing of data linkage platform among prefectures.

45 Priority efforts are being made to solve issues in the health and medical fields, such as expanding the role of paramedics, sharing and collaborating on health and medical information, and utilizing data through information banks through the use of digital technology and institutional and regulatory reforms in the form of wide-ranging cooperation among multiple local governments.

46 Efforts are being made to solve common regional issues, such as promoting institutional and regulatory reforms through collaboration among multiple geographically distant local governments, implementing new technologies such as the realization of highly convenient drone delivery services in remote islands and mountainous areas, and improving the environment for accepting foreign human resources necessary to form bases for semiconductor-related industries.

47 The government is implementing initiatives in the selected regions, in cooperation with local governments, to cluster financial and asset management companies, help them expand their business operations, and then facilitate financing for growth sectors.

and regulatory reforms and data linkage. The knowledge gained in this process will be shared with other regions. We will support local ambitious efforts to make use of special zones and institutional and regulatory reforms through new local economic and living environment creation grants.

The requirements for the interest subsidy system, which allows businesses certified in the National Strategic Special Zones to obtain low-interest loans from financial institutions, will be relaxed⁴⁸.

We will continue to solicit proposals for institutional and regulatory reforms to be undertaken in the Special Zones, and aim to materialize the matters currently under consideration at an early stage.

- Nationwide expansion of the project for Facilitation of Acceptance of Foreign Entrepreneurs in National Strategic Special Zones⁴⁹ [Necessary measures will be taken by the end of 2024]
- Nationwide expansion of special provisions for partial outsourcing of dispensing services that contribute to strengthening the patient-focused work of pharmacists [Prompt revision of laws and regulations]
- Relaxation of upper limit regulations on compressed hydrogen storage (Hokkaido and Sapporo city, Fukushima Prefecture and Namie Town) [Study to be started by the end of FY2024]
- Measures to realize flight permits for level 4 drone flights on an area-by-area basis (Fukushima and Nagasaki prefectures) [Necessary measures will be taken by the end of FY2024]
- Deregulation on banks' investment in GX-related businesses (Hokkaido) [Necessary measures will be taken by the end of 2024]
- Deregulation on investors' investment in venture funds (Fukuoka City) [Necessary measures will be taken by the end of FY2024]
- English support for application procedures for an application for Certificate of Eligibility for residence status (Sapporo City, Osaka Prefecture and City, Fukuoka Prefecture and City) [Necessary measures will be taken by the end of FY2024]
- English support for application procedures related to commercial registration and certification of articles of incorporation (Sapporo City, Tokyo Metropolitan Government, Osaka Prefecture and City, Fukuoka Prefecture and City) [Necessary measures will be taken by the end of FY2024]

In line with the increase in national tax revenues, the local allocation tax for FY2024 will be increased so that local governments can smoothly implement the projects of this economic package, including new local community revitalization measures.

⁴⁸ Expand the target business fields (from only the medical, international, agriculture, forestry, and fisheries fields to other fields that contribute to local community revitalization) and do not impose a requirement for the size of the business operator (not limited to venture companies, small and medium-sized enterprises, etc.). At the same time, we will examine a mechanism that enables flexible implementation of other interest subsidy systems that contribute to local community revitalization (the Local Community Revitalization Support Interest Subsidy System and the Comprehensive Special Zone Support Interest Subsidy System) according to their respective financial needs.

⁴⁹ In order to promote entrepreneurial activities by foreigners, if a local government confirms certain requirements, a special provision is applied to foreign nationals to enter Japan if they are expected to meet the requirements for securing and scaling a business establishment, which is the standard for the status of residence "business management", by six months later.

Examples of Measures

- Grant for the Creation of New Regional Economies and Living Environments (Cabinet Office)
- Promotion of institutional and regulatory reform utilizing the special zone system (Cabinet Office) [System]
- Promotion of the development and construction of cutting-edge services in Super Cities, Digital Rural Health Special Zones, Cooperative Kizuna Special Zones, and the Special Zones for Financial and Asset Management Businesses (Cabinet Office) [System]
- Promote the use of the “Interest Subsidy System” as a financial support measure for National Strategic Special Zones (Cabinet Office) [System]
- Increase in local allocation tax (Ministry of Internal Affairs and Communications) , etc.

(2) Strengthening sustainable growth of agriculture, forestry and fisheries and food security

In order to ensure food security as set forth in the revised Basic Act on Food, Agriculture and Rural Areas⁵⁰, the Basic Plan will be revised by the end of fiscal 2024 so that the structural transformation of agriculture can be intensively promoted in the first five years. Even in the face of a declining population, we will enhance and strengthen measures to ensure that the entire food system can develop sustainably and that vibrant rural areas can be passed on to future generations by strengthening the production base of the agriculture, forestry, fisheries, and food industries, and ensuring stable imports and stockpiles.

For wheat, soybeans and animal feed crops, which are highly dependent on overseas, we will support efforts to increase yields and to turn rice paddies into fields. We will support the development of rice flour products that can be used as an alternative to imported grains. In terms of production materials, we will support demonstrations of the production and use of forage maize and other crops as domestic feed, as well as support for the development of manufacturing facilities for domestic production of fertilizers.

In order to promote the export of agricultural, forestry and fishery products and food products, including rice and processed rice products, from the perspective of maintaining the domestic production base, we will support model initiatives by a consortium consisting of domestic producers, overseas distributors, trading companies, etc., and efforts to expand the production of high-value-added organic agricultural products to expand exports, etc., with a view to building new commercial channels including local supermarkets and restaurants.

Support the creation of cost indicators to realize fair price formation of food. In order to improve the productivity of the food industry, we will support the introduction of equipment by food business operators who work with production areas.

In order to facilitate the provision of food to the economically needy and people who have difficulty

⁵⁰ The Act Partially Amending the Basic Act on Food, Agriculture and Rural Areas (Act No. 44 of the 6th year of the Reiwa era (2024)).

accessing grocery stores, we will support food banks in setting up storage warehouses and food industries in transporting and delivering food, and will provide the government's stockpiled rice to food banks free of charge.

In order to improve the profitability of agriculture, we will promote the development of large-scale farmland parcels, the improvement of the communication environment, the development of smart agriculture technologies⁵¹, and the development of high-yielding varieties that will also contribute to the promotion of exports. In order to promote the introduction of new technologies, we will support the establishment and expansion of agricultural support service⁵² entities. In addition to supporting the re-editing and rationalization of aging shared-use facilities⁵³, we will support efforts to accumulate and consolidate farmland, develop and secure agricultural human resources, and take over management in order to realize the "Promotion Plan for Improvement of Agricultural Management Foundation in Area (PAA)"⁵⁴. We will work to strengthen the production base of livestock farming.

In order to promote mountainous areas, we will support the development and conservation of agricultural production infrastructure, and promote measures to prevent damage by wildlife, including expanding the use of game.

In the forestry industry, Japan will support efforts to ensure a stable supply of domestic timber by strengthening the production base, create demand by expanding the use of construction timber such as JAS structural materials⁵⁵ and CLT⁵⁶, and develop and secure leaders in order to realize a strong forestry industry, such as recycling-oriented forestry.

With regard to the fisheries industry, we will support efforts to steadily manage resources, combine fish species and fishing methods in light of changes in the marine environment, convert fishing vessels to aquaculture, restore the fishing ground environment, UMIGYO⁵⁷ nationwide, and train and secure human resources.

By promoting TPP-related policy measures, we will work to maintain and strengthen our domestic production base.

51 It includes those aimed at solving problems in mountainous areas.

52 Services that support farmers, such as outsourced work such as data analysis and drone spraying, sharing of agricultural machinery, and supply of human resources to agricultural sites.

53 Country elevators (grain drying, preparation, and storage facilities), agricultural product processing facilities, collection, shipping, and storage facilities, etc.

54 A plan formulated by municipalities based on the provisions of Article 19 of the Agricultural Management Framework Reinforcement Act (Act No. 65 of 1980), which clarifies the future use of farmland that should be aimed at through discussions with regional agricultural stakeholders.

55 Wooden products that have been labeled with a rating (JAS mark) by the Japan Agricultural Standards (JAS) as a reliable member of quality and performance such as strength, etc., for structural use.

56 Abbreviation for Cross Laminated Timber. Orthogonal laminated board. Lamina plates processed to certain dimensions are laminated and glued so that the fiber direction is perpendicular to them.

57 This is a project that utilizes the value and attractiveness of local resources in the sea and fishing communities, and is expected to create liveliness, income, and employment in the region by responding to diverse needs from Japan and overseas.

Examples of Measures

- Comprehensive Measures to Strengthen Domestic Wheat and Soybean Supply Capacity (Ministry of Agriculture, Forestry and Fisheries)
- Project to turn rice paddies into fields (Ministry of Agriculture, Forestry and Fisheries)
- Measures to create demand for rice flour and promote its use (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures to Expand Production and Use of Domestic Feed (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures to Strengthen Supply Chain Connectivity (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures to achieve MIDORI Strategy for Sustainable Food Systems (Ministry of Agriculture, Forestry and Fisheries)
- Promotion of appropriate transactions and measures to foster consumer understanding for smooth price pass-through (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures to Establish a Sustainable Food System (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures to Address Food Service Industry Issues (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Support Project for Securing Food Access (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures for Sustainable Food Distribution (Ministry of Agriculture, Forestry and Fisheries)
- Advanced Wireless Environment Development Promotion Project (Ministry of Internal Affairs and Communications)
- Free provision of government stockpiled rice to food banks (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Comprehensive Measures to Accelerate the Development and Supply of Smart Agriculture Technology (Ministry of Agriculture, Forestry and Fisheries)
- Smart agriculture and agricultural support service introduction comprehensive support emergency measures project (Ministry of Agriculture, Forestry and Fisheries)
- Implementation of the new basic plan and support project for agricultural structural transformation (Ministry of Agriculture, Forestry and Fisheries)
- Power up production base in production areas (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures for Granting Cooperation Funds (Ministry of Agriculture, Forestry and Fisheries)
- Emergency facilitation measures to secure new farmers (Ministry of Agriculture, Forestry and Fisheries)
- Food Security Measures for Agriculture and Rural Development (Ministry of Agriculture, Forestry and Fisheries)
- Measures for mountainous areas (Ministry of Agriculture, Forestry and Fisheries)
- Grant for Comprehensive Measures to Prevent Damage to Birds and Beasts (Ministry of Agriculture, Forestry and Fisheries)
- Support for the capture of designated managed wildlife to prevent damage by wildlife (Ministry of the Environment)
- Comprehensive measures to strengthen the international competitiveness of the forestry and timber industries (Ministry of Agriculture, Forestry and Fisheries)
- Emergency construction demonstration project for the establishment of an operation system in response to poor fishing (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Project to Strengthen Fisheries Competitiveness (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Support Project for the Promotion of the UMIGYO (Ministry of Agriculture, Forestry and Fisheries)
- Measures to expand demand for domestic milk and dairy products and strengthen competitiveness (Ministry of Agriculture, Forestry and Fisheries)
- Enhancement of the distribution structure of meat and export expansion (Ministry of Agriculture, Forestry and Fisheries)
- Emergency Measures to Prevent the Invasion and Spread of Important Pests (Ministry of Agriculture, Forestry and Fisheries)
- Strengthening the prevention of infectious diseases in livestock and emergency epidemic prevention measures (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)
- Fishery income stabilization measures (Ministry of Agriculture, Forestry and Fisheries) , etc.

(3) Revitalization of key industries that support the living environment of local communities

(Medical, long-term care, etc.)

Among medical institutions that are facing sudden changes in their current business conditions due to the aging of the population and changes in the image of patients such as changes in consultation behavior after the COVID 19, necessary support will be provided from the perspective of accelerating efforts to collaborate, reorganize, and consolidate medical institutions. Due to changes in economic conditions, including the current price hikes, it is difficult to promote regional medical care concepts and develop facilities to secure emergency medical care and perinatal medical care systems.

In order to ensure a perinatal medical care system and a local pediatric medical care system that enable residents to give birth and raise children with peace of mind in the community, we will support efforts to maintain the delivery handling function, especially in areas where there are few childbirth facilities. We will provide support for facilities that serve as bases for pediatric medical care in the region, taking into account the rapid decline in the number of patients.

In order to correct the maldistribution of physicians, we will support the improvement of the facilities of clinics in areas where it is difficult to maintain medical institutions in the future due to demographic trends and other factors, when clinics are succeeded or opened. We support recurrent education for mid-career and senior physicians, as well as matching with medical institutions in areas where there are few physicians. We will support the establishment of regional framework centers (tentative names) at universities that accept regional students.

In order to secure medical care for residents in remote areas, we will support the efforts of remote medical base hospitals to provide mobile medical services, dispatch of substitute physicians, and online medical examinations raining in specific⁵⁸⁵⁹ who Have Completed Training in Specific.

Based on the recognition that it is a principle to build a drug provision system in accordance with the actual situation in the region where there are no pharmacies that can provide 24-hour support, in addition to measures to realize this goal, as a special response, for example, including expanding the scope of drugs that can be placed at home-visit nursing stations in the region, we will consider the necessary measures to develop a system for smoothly providing drugs to patients at home in cooperation with physicians, etc., and reach a conclusion by the end of FY2024 at the latest.

In the long-term care field, we will conduct a demonstration to promote the introduction of

58 Pre-indicated physicians (including dentists) Nurses who have completed training in specific actions (assisting in medical treatment that requires practical judgment and specialized knowledge and skills) based on the procedure manual. Nurses who have completed this training can provide certain medical assistance according to the procedure manual without waiting for the judgment of a doctor or dentist.

59 Schools, hospitals, etc. that provide training for specific actions for nurses designated by the Minister of Health, Labour and Welfare.

advanced technology to long-term care sites and verify the effect of improving productivity (reducing the burden on staff, improving operational efficiency). We will support efforts to secure, train, and retain long-term care personnel, including foreign nationals, who will be responsible for services.

In the field of welfare for persons with disabilities, in order to secure manpower and stabilize the management of small-scale businesses, we will support the small-scale establishments' efforts to collaborate with other businesses, including those in different industries, as a model. In order to reduce the burden on staff, we will support the introduction of ICT equipment and robots.

The central government, local governments, and private companies will work together to support young people so that they can realize their desired life designs, such as marriage, pregnancy, and childbirth, so that local governments can flexibly take measures against the declining birthrate in accordance with local conditions⁶⁰, and support efforts by private companies to support the life design of the younger generation. In order to promote preconception care⁶¹, we will support the development of a consultation system at medical institutions by local governments.

Examples of Measures

- Emergency support package to respond to the declining population and sudden changes in the management situation of medical institutions (Ministry of Health, Labour and Welfare) <reposted >
- Promotion of measures against the uneven distribution of physicians (Ministry of Health, Labour and Welfare)
- Remote Medical Base Hospital Management Project (Ministry of Health, Labour and Welfare)
- Organizational Establishment Support Project for Specific Action Training (Ministry of Health, Labour and Welfare)
- Task shift promotion project by area to improve medical efficiency (Ministry of Health, Labour and Welfare)
- Realization of smooth drug treatment in home medical care (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- Long-term care technology development acceleration project (Ministry of Health, Labour and Welfare)
- Comprehensive measures to secure long-term care personnel and improve the workplace environment (Ministry of Health, Labour and Welfare) <reposted>
- Project to strengthen the acquisition of foreign nationals in care work field (Ministry of Health, Labour and Welfare)
- Project to promote the retention of foreign nationals in care work field (Ministry of Health, Labour and Welfare)
- Comprehensive measures to secure welfare personnel for persons with disabilities and improve the workplace environment (Ministry of Health, Labour and Welfare, Children and Family Agency) <reposted>
- Grants for Priority Promotion of Measures for Declining Birthrate in the Regions (Children and Families Agency)
- Dissemination of information on life design by the younger generation (Children and Families Agency)
- Life design support in collaboration with private companies (Children and Families Agency)
- Promotion of public-private partnership marriage support that fulfills the wishes of the younger generation (Children and Family Agency)
- Promotion of preconception care (Children and Families Agency)
- Securing staff for after-school children's clubs and supporting the entry of private businesses (Children and Families Agency)
- DX promotion demonstration project related to procedures for using after-school children's clubs (Children and Families Agency)
- Creation of an environment where pregnancy and childbirth can be done with peace of mind in the community (Children

⁶⁰ The requirements for the Regional Priority Promotion Grant for Measures to Combat the Declining Birthrate will be simplified in order to make use of the ingenuity and ingenuity of the region.

⁶¹ Encourage both men and women to acquire correct knowledge about sex, pregnancy, and childbirth, and to take care of their health.

and Families Agency) , etc.

(Logistics and Transportation)

Based on the government's medium- to long-term plan for FY2030⁶², we will take measures in an integrated manner based on the pillars of improving logistics efficiency, reviewing business practices, and changing the behavior of shippers and consumers, and innovate logistics, which is the infrastructure that supports local community revitalization.

In terms of improving the efficiency of logistics, we will support the development of logistics bases, which are necessary for a new modal shift through using railways, ships, aircraft, double-articulated trucks, etc, and a joint transportation and delivery the introduction of large containers and chassis, and the feasibility project by using them. We will support the development and expansion of data linkage systems and the social implementation of automation of trunk line transportation services using autonomous driving trucks. In order to improve labor productivity through the use of expressways by road haulage operators, measures to raise discount rate of expressway tolls for major and frequent users will be extended for one year. We will support the utilization of digital technology, logistics standardization and data linkage, the introduction of automated equipment, and the development of drone delivery bases. We will support the introduction of hydrogen and renewable energy charging facilities.

With regard to the review of business practices, in preparation for the enforcement of the revised Logistics Act, we will investigate and publicize the status of efforts by shippers and logistics operators to improve logistics efficiency, lead to the improvement of logistics and the spread of standard freight rates, and support efforts that contribute to the efficiency of logistics by shippers. With regard to changes in the behavior of shippers and consumers, we will support the demonstration of efforts to reduce redelivery by disseminating various pick-up methods such as delivery lockers.

In order to enhance the convenience, productivity, and sustainability of regional transportation, we will fully implement initiatives related to the redesign of regional transportation.

In order to eliminate the “transportation blank”⁶³, we will comprehensively support the introduction of “public ride-sharing”, a paid passenger transportation provided by municipalities or NPOs using private cars, and “Japanese ride-sharing”, a transportation service that utilizes local private cars and general drivers under the management of taxi operators. At the same time, we will work to secure “regional transportation“ and “tourism transportation” by developing pilot projects to solve common issues related to “transportation blank” through public-private partnerships.

62 On February 16, 2024, the Ministerial Meeting on Innovation in Logistics in Japan was decided.

63 This includes not only measures to deal with the abolition or reduction of routes in rural areas, but also measures to address the shortage of drivers in urban areas.

We will support efforts to maintain and revitalize regional transportation, such as the sophistication of transportation services such as MaaS⁶⁴ and the utilization of mobility data. We will support the social implementation of autonomous driving large buses and taxis to support the commercialization of autonomous driving mobility services in all prefectures, transportation DX such as cashless transportation, securing human resources for passenger transportation companies, and efforts to restructure local railroads⁶⁵.

In order to improve the speed and efficiency of logistics and the movement of people, and to reduce travel costs, we will advance the strategic and planned development of the road network, as well as implement measures to alleviate traffic congestion. Additionally, from the perspectives of addressing highway congestion, revitalizing regions, and promoting tourism, we take measures to transition the highway toll system to a flexible pricing mechanism that adjusts fees based on congestion levels.

Examples of Measures

- Promotion of initiatives based on the medium- to long-term plan for innovation and sustainable growth in logistics (Ministry of Land, Infrastructure, Transport and Tourism) <reposted>
- Logistics efficiency demonstration project to support sustainable logistics (Ministry of Economy, Trade and Industry)
- Emergency Measures for Sustainable Food Distribution (Ministry of Agriculture, Forestry and Fisheries) <reposted>
- Project to accelerate the development of Digital Lifeline to solve regional societal issues (Ministry of Economy, Trade and Industry)
- Autonomous driving service development and demonstration support project to solve regional mobility issues (Ministry of Economy, Trade and Industry)
- Extension of measures to raise discount rate of expressway tolls for major and frequent users (Ministry of Land, Infrastructure, Transport and Tourism)
- Full development of regional transportation redesign to eliminate the “transportation blank” (Ministry of Land, Infrastructure, Transport and Tourism)
- Development of road networks that contribute to productivity improvement and local community revitalization (Ministry of Land, Infrastructure, Transport and Tourism)
- Improvement of the environment to improve and enhance the quality of seafarer education (Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening port functions that contribute to improving productivity and inducing private investment (Ministry of Land, Infrastructure, Transport and Tourism) , etc.

(Retail & Services)

In order to maintain the shopping environment, which is a core service that supports people's lives, we will support the proactive efforts of local governments, including the development of shopping base facilities according to the actual conditions of the region and the implementation of logistics delivery services using drones and robots, and disseminate and adopt good practices in the local communities.

64 Abbreviation for Mobility as a Service.

65 We will support regional efforts to improve the convenience and sustainability of local railways, including the development of railway facilities and the introduction of advanced trains.

In order to secure shopping services in areas with declining populations, we will conduct research and dissemination of advanced cases in cooperation with local residents, private businesses, and local governments.

Examples of Measures

- Grant for the Creation of New Regional Economies and Living Environments (Cabinet Office) <reposted>
- Survey and research project on cooperation between local communities and private businesses to secure shopping services (Ministry of Internal Affairs and Communications) , etc.

(Tourism)

With the aim of becoming a Tourism-Oriented Nation, we will promote efforts to achieve the goals of 60 million foreign tourists visiting Japan and 15 trillion yen in foreign tourism consumption by 2030.

In order to promote revitalizing and adding high-value to tourist destinations, we will support the renovation of tourist and accommodation facilities. In order to promote the attraction of tourists visiting Japan to regional areas, we will support the creation of experiential content that makes use of the diverse tourism resources of the region and the creation of luxury inbound tourist destinations. We will support the improvement of the environment for accepting foreign tourists visiting Japan, such as decentralizing and leveling tourism demand that contributes to the prevention and curb of overtourism using digital technology, developing barrier-free facilities, and securing secondary transportation⁶⁶ at tourist destinations.

In order to maintain and revitalize the airline network, we will promote the development of an aviation fuel supply system and the resilience of the supply chain⁶⁷, as well as work on DX in airport operations.

In order to respond to the increase in the number of foreign tourists visiting Japan, we will work on immigration DX. In order to realize smooth and strict immigration and residence control at an early stage, we will conduct a survey for the introduction of an electronic travel authorization system. Due to the increase in the number of foreign tourists visiting Japan, we will improve the entry and departure examination environment at air and sea ports, including regional areas.

Examples of Measures

- Revitalizing and adding high-value to tourist destinations and tourism industry that are integrated into the region (Ministry of Land, Infrastructure, Transport and Tourism)
- Expansion of inbound tourism by promoting regional tourism (Ministry of Land, Infrastructure, Transport and Tourism)
- Emergency measures to improve the environment for accepting foreign tourists visiting Japan (Ministry of Land,

⁶⁶ Transportation access that connects transportation hubs such as major railway stations and airports with destination tourist spots.

⁶⁷ In addition, in order to promote the adoption of sustainable aviation fuel (SAF), the government will continue to focus on supporting the establishment of manufacturing and supply systems.

Infrastructure, Transport and Tourism)

- Improvement of airport acceptance environment for the maintenance and revitalization of the airline network (Ministry of Land, Infrastructure, Transport and Tourism)
- Supply chain development support project that contributes to the stable supply of aviation fuel (Ministry of Economy, Trade and Industry)
- Promotion of preparations for surveys and other preparations for the introduction of the Electronic Travel Authorization System (Ministry of Justice)
- Improvement of the screening environment at regional airports (Ministry of Justice)
- Promotion of attracting visitors to the National Ainu Museum and Park (Upopoy) (Ministry of Land, Infrastructure, Transport and Tourism) , etc.

(Urban Development)

A variety of stakeholders in the region, including private businesses, collaborate with local governments to develop regional management entities and create a “regional living areas”⁶⁸ by providing by providing comprehensive support for the establishment of an implementation system, the examination of mechanisms, and the implementation of projects for leading efforts to sustainably provide services necessary for daily life beyond the boundaries of business fields and regardless of administrative areas. Leading to the formation of Promote the establishment of community-based companies through industry, government, academia, financial institutions, labor organizations and public discourse collaboration by securing local community revitalization cooperation volunteers. We will support model initiatives to promote multi-residency that creates a flow of people to rural areas.

We will support a demonstration of the implementation of advanced urban services using digital technology conducted by a consortium consisting of private businesses and local governments, which will lead to the realization of a “smart city”. We will support efforts by private businesses and local governments to guide and develop public utilities that contribute to the improvement of urban functions and the residential environment, and to secure a public transportation network that will serve as the backbone of cities, which will lead to the realization of a “compact plus network”. We will support efforts to revitalize and utilize local resources such as old folk houses that contribute to the formation of good landscapes.

With regard to PPP/PFI, we support the formation of projects that expand profit-generating opportunities for private businesses and solve local social issues through public-private partnerships, such as small concessions⁶⁹ that utilize vacant public facilities such as vacant houses owned by local governments, and initiatives for the efficient and sustainable provision of public services in the water sector. This will lead to the achievement of the goals set forth in PPP/PFI Promotion Action Plan⁷⁰.

68 One of the priority themes for the renewal of the national land in the Third National Spatial Strategy (approved by the Cabinet on July 28, 2023). The concept of a region in which services necessary for daily life are provided sustainably through regional management through public-private partnerships and the improvement of the quality of real space through the use of digital technology.

69 This is an initiative to solve local issues and improve the value of the area through small-scale public-private partnership projects that make the most of the innovation of private businesses for vacant facilities such as abandoned schools and vacant houses such as old houses owned by local governments.

70 Decision at the Council for the Promotion of Private Finance Initiatives on June 3, 2024.

Examples of Measures

- Local community revitalization through the promotion of the National Spatial Strategy (Ministry of Land, Infrastructure, Transport and Tourism) (Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening the Local Community Revitalization Cooperation Corps (Ministry of Internal Affairs and)
- Matching support for entrepreneurs for local community revitalization (Ministry of Internal Affairs and Communications)
- Regional issue solving projects in collaboration with universities and local communities (Ministry of Internal Affairs and Communications)
- Promotion of local 10,000 projects (Ministry of Internal Affairs and Communications)
- Promotion of smart cities, including digitalization of urban development (Ministry of Land, Infrastructure, Transport and Tourism)
- Urban development of a compact plus network with earning power (Ministry of Land, Infrastructure, Transport and Tourism)
- Revitalization of local cities utilizing local resources, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of water PPPs and small concessions (Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry)
- Aid for expenditures in surveys for the Public Private Partnership/Private Finance Initiative project (Promotion of PPP/PFI business model formulation) (Cabinet Office) , etc.

Japan will support efforts to promote disadvantaged areas such as the Amami Archipelago, the Ogasawara Islands, remote islands, peninsulas, and heavy snowfall areas, as well as to preserve inhabited border remote islands. In particular, in light of The 2024 Noto Peninsula Earthquake, we will promote the development of the peninsula, including initiatives that contribute to disaster prevention.

Examples of Measures

- Local community revitalization through the promotion of disadvantaged areas (Ministry of Land, Infrastructure, Transport and Tourism)
- Subsidy for promoting the local communities of specified populated remote territorial island areas (Cabinet Office) , etc.

(4) Promotion of culture, arts, sports, and content industries

Aiming to become a nation founded on culture and the arts, we support the digital archiving of performing arts works and museum collections.

With regard to the redevelopment of the National Theater, which is the “face” of Japan's culture and art, in light of the impact of the two unsuccessful bids and soaring construction costs, the details of the development of the theater will be reviewed and necessary financial measures will be taken for bidding in order to realize an early reopening while appropriately responding to trends in the construction market.

We provide integrated support for content such as anime, music, broadcast programs, movies, games, and manga over multiple years, from creator development to video production and overseas

expansion. The measures of the Ministry of Economy, Trade and Industry (METI), which provides support for businesses, and the Ministry of Education, Culture, Sports, Science and Technology, which supports individual creators, will be integrated into the Creator Support Fund to build a consistent support system for the creator and content industries, and measures will be drastically strengthened. In order to promote the preservation and utilization of excellent media arts content, we will develop a storage facility that functions as the National Center for Media Arts (tentative name) and promote research for preservation and utilization in cooperation with industry.

In order to pass on cultural properties, local traditional events, folk performing arts, etc. to the next generation, we will support efforts to repair cultural properties, take disaster prevention measures, repair equipment, train successors, disseminate and raise awareness. Promote the development of the National Cultural Property Repair Center.

By the spring of 2025, we will compile a bookstore revitalization plan (tentative name). Prior to this, in order to improve the profit structure of bookstores, we will support the reform of the book distribution structure using digital technology⁷¹. Promote collaboration with various related organizations such as libraries and bookstores, and support the development of a community-based reading environment that connects people and people with information.

In order to ensure that children have the opportunity to continue to become familiar with sports, culture and the arts, we will promote demonstrations for the gradual transition of holiday club activities to local club activities. For the Tokyo 2025 Deaflympics⁷² and the Tokyo 2025 World Athletics Championships, we will support exchanges with athletes and the holding of sports experience events to build momentum.

Examples of Measures

- Support for the promotion of digital archiving of the performing arts for human resource development and monetization (Ministry of Education, Culture, Sports, Science and Technology)
- Digital Archive Promotion Project for Museum Collections (Ministry of Education, Culture, Sports, Science and Technology)
- Redevelopment of the National Theater (Ministry of Education, Culture, Sports, Science and Technology)
- Demonstration project on a distribution platform to promote overseas expansion of broadcast content (Ministry of Internal Affairs and Communications)
- Promotion of producing high-quality broadcast programs that contributes to overseas expansion (Ministry of Internal Affairs and Communications)
- Research on the promotion of online distribution of broadcast content (Ministry of Internal Affairs and Communications)
<reposted>
- AI-based Detection and Analysis Demonstration Project for Pirate Sites (Ministry of Education, Culture, Sports, Science and Technology)
- Creator Support Project (Development and Implementation of Training Programs) (Ministry of Education, Culture, Sports, Science and Technology)

71 For example, by using RFID tags to manage inventory and distribute books appropriately based on what is selling well, we can reduce the return rate and raise the gross profit margin at bookstores.

72 An international sports competition for people with hearing impairments held once every four years.

- Creator Business Support Project (Promotion of Commercialization and Overseas Expansion) (Ministry of Economy, Trade and Industry) <reposted>
- Establishment of a base that functions as the National Center for Media Arts (tentative name) (Ministry of Education, Culture, Sports, Science and Technology)
- Support project for local traditional events and folk performing arts (Ministry of Education, Culture, Sports, Science and Technology)
- Support project for the use of local cultural heritage (Ministry of Education, Culture, Sports, Science and Technology)
- Repair and disaster prevention measures to protect valuable cultural properties of the region (Ministry of Education, Culture, Sports, Science and Technology)
- Promotion of the development of the National Center for Repairing Cultural Properties (Ministry of Education, Culture, Sports, Science and Technology)
- Project to promote community development of reading through collaboration between libraries, school libraries and local communities (Ministry of Education, Culture, Sports, Science and Technology)
- Transition of club activities to regional cooperation and regional club activities (Ministry of Education, Culture, Sports, Science and Technology)
- Promotion of para-sports triggered by international competitions (Ministry of Education, Culture, Sports, Science and Technology)
- Food culture promotion project utilizing Expo 2025 Osaka, Kansai, Japan (Ministry of Education, Culture, Sports, Science and Technology)
- Promotion of Ainu-related measures (Ministry of Education, Culture, Sports, Science and Technology)
- Project to strengthen and promote the use of digital infrastructure for culture and the arts (Ministry of Education, Culture, Sports, Science and Technology) , etc.

(5) Promotion of Expo 2025 Osaka, Kansai, Japan

Taking the opportunity of Expo 2025 Osaka, Kansai, Japan, we will disseminate the attractiveness of Japan as a whole and each region to the world, leading to the expansion of the leading to the expansion of the population experiencing international exchanges and the revitalization of the region.

In addition to steadily advancing preparations for the development of the venue and pavilions, and exhibitions, and ensuring the safety of the venue, we will foster momentum both in Japan and abroad by promoting exchanges between the countries participating in the Expo and local governments in Japan, and by promoting the participation of children and young people.

In order to ensure the success of the International Horticultural Expo 2027, Yokohama, Japan, we will prepare the venue for the expo and the Japanese government exhibition facilities.

Examples of Measures

- Efforts to build momentum for international expositions (Cabinet Secretariat)
- International Exposition Project (Ministry of Economy, Trade and Industry)
- Measures for the International Horticultural Expo 2027, Yokohama, Japan (Ministry of Agriculture, Forestry and Fisheries)
- Promotion of initiatives for the International Horticultural Expo 2027, Yokohama, Japan (Ministry of Land, Infrastructure, Transport and Tourism) , etc.

3. “Stimulating Japan’s Investment Power” and “Promoting Japan as a Leading Asset Management Center” ~ Toward Future Wage and Income Growth ~

The source of wage increases is the earning power of firms. In order to continuously increase this, it is necessary to invest in tangible assets such as advanced equipment, as well as in intangible assets such as human resources and research and development, to increase the added value of the business and improve productivity.

In areas where future growth is expected, we will implement initiatives for “Stimulating Japan’s Investment Power” in which bold investment is made in industry to promote strategic and focused public-private partnership investments while enhancing the predictability of companies, and to draw out domestic and foreign investments, including investment in local areas. At the same time, we will implement initiatives for “Promoting Japan as a Leading Asset Management Center” that will steadily shift from savings to investment, and support the asset formation of the people. By steadily implementing these initiatives, we will transform Japan's economy into a growth-oriented economy that creates high added value.

In order to increase the added value of the economy, the profits earned by companies will be distributed to workers through wage increases. As a result, we aim to realize a virtuous cycle of growth and distribution, in which consumption and corporate investment will grow further, leading to the next stage of economic growth.

(1) Expansion of domestic investment to raise the potential growth rate

(1) Promotion of science and technology and promotion of innovation

In order to strengthen the international competitiveness of industry, academia, and government, we will accelerate the strategic development and upgrading of large research facilities by upgrading SPring-8⁷³, constructing the additional beamlines of NanoTerasu⁷⁴, and developing a new flagship system that will be the next flagship system of Fugaku⁷⁵.

In order to put quantum computers to practical use, we will accelerate research and development, and improve the environment and strengthen the functions of our global development bases. We will

⁷³ A research facility that can analyze the structure and function of materials at the atomic and molecular levels using synchrotron radiation, which is generated when the direction of electron travel is bent. Located in Sayo Town, Sayo District, Hyogo Prefecture. It has been in public use since 1997, based on "Act on the Promotion of Public Utilization of the Specific Advanced Large Research Facilities (Act No. 78 of 1997)", hereinafter referred to as the "Law for Promotion of Public Utilization".

⁷⁴ A research facility that uses synchrotron radiation to analyze materials, as stipulated by the Law for Promotion of Public Utilization. Located in Sendai City, Miyagi Prefecture. It is scheduled to be in public use from 2025.

⁷⁵ A supercomputer that combines high performance computing and versatility as the basis for simulation, which is the third method of science and technology, as stipulated by the Sharing Promotion Law. Located in Chuo-ku, Kobe City, Hyogo Prefecture. The shared use of Fugaku has begun in 2021.

support research and development for the early social implementation of quantum cryptography.

With the aim of early realization and industrialization of fusion energy, in addition to implementing the ITER project⁷⁶ and preparing equipment for the start of heating operation of the world's largest superconducting tokamak (JT-60SA)⁷⁷ in FY2025, we will develop demonstration test facilities and equipment to make the National Institutes for Quantum Science and Technology as an innovation base to strengthen the R&D capabilities of the public and private sectors.

We will support the establishment of the “Grants-in-Aid for International and Young Scientists” in the Grants-in-Aid for Scientific Research and the introduction of state-of-the-art research and educational facilities at universities, including affiliated hospitals, for the development of infrastructure that contributes to research and education.

(Support for drug discovery and stable supply of generic drugs)

Positioning the pharmaceutical industry as a key industry for growth, the government will work together to promote support to make Japan a “land of drug discovery”.

In order to promote the creation of startups based on excellent drug discovery seeds, we will build bridges between universities and other institutions and strengthen the system to attract private investment. By strengthening support for the development of drug discovery clusters and start-ups in the deep tech field, including drug discovery, we will create an environment that accelerates research and development of innovative drug discovery and promote the development of an international-level clinical trial system⁷⁸.

In the process of formulating the fiscal year 2025 budget (7th year of the Reiwa era), under public-private partnerships, we will consider medium-to-long-term support schemes to ensure that businesses, universities, and other entities can engage in stable and continuous drug development efforts, leading to practical applications. In this regard, the government will deepen discussions on how to provide stable support, encouraging the participation of diverse players both domestically and internationally. Regarding the 2025 drug price revision, in line with the “Basic Policy on Economic and Fiscal Management and Reform 2024”⁷⁹, we will respond accordingly to the following statement: “in light of the promotion of innovation, the need to ensure stable supply, and the changes in the surrounding

76 This is an international project that aims to establish the scientific and technological feasibility of fusion energy through the construction and operation of the International Thermonuclear Experimental Reactor (ITER), based on international cooperation among the seven regions of the world (Japan, Europe, the United States, South Korea, China, Russia, and India).

77 The world's largest superconducting tokamak fusion experimental device was built in Naka City, Ibaraki Prefecture, for the purpose of complementing and supporting the ITER project for a prototype reactor and fostering human resources as part of BA (Broader Approach) activities through Japan-Europe cooperation.

78 Establishment of a system for conducting first-in-human (FIH) studies, etc.

79 With regard to the FY2025 drug price revision, the “Basic Policy on Economic and Fiscal Management and Reform 2024” (approved by the Cabinet on June 21, 2024) states that “the government will consider how to revise drug prices in FY2025, taking into account changes in the surrounding environment, such as the promotion of innovation, the need to secure a stable supply, and rising prices, while taking into account the sustainability of universal health insurance”.

environment such as inflation, we will examine the approach to drug pricing, while considering the sustainability of universal health coverage.”

In addition to providing integrated support for the research activities of medical researchers and efforts to improve the research environment at university hospitals and medical schools, we will enhance support for genomic data and next-generation iPS cell research infrastructure. With regard to R&D support for AMED⁸⁰, we will ensure coordination among projects such as ministry subsidies by flexibly utilizing coordination costs and provide seamless support, and accelerate the handover of promising drug discovery seeds held by universities and other institutions to companies by conducting exit-oriented R&D management from the project review stage. In order to build a system to produce regenerative medicine, cell therapy, and gene therapy drugs, we will strongly support the development of contract manufacturing bases in Japan. We will support the strengthening of industrial promotion bases for the development of innovative medical devices, including.

Towards the ensure a stable supply of generic drugs, we will support to the companies that strategically plan to improve productivity in order to resolve inefficient production systems for small-volume, multi-item production. In order to strongly support collaboration, cooperation, and reorganization among generic drug companies, the government will establish a framework to certify the initiatives of companies, and we will also consider measures in terms of regulatory affairs and drug prices. Based on these initiatives, we will further consider how the government should provide stable and continuous support. We will support the development of domestic manufacturing facilities for biosimilars.

Regarding the current supply concerns, we will provide urgent support to the companies that plan to establish a system to increase the production of required pharmaceuticals.

By the end of fiscal 2024, we will reach a conclusion on the revision of the “General Principles for the Introduction of OTC In Vitro Diagnostics”⁸¹, which is necessary to promote the introduction of OTC In Vitro Diagnostics⁸² that meet certain requirements, such as being minimally invasive, including those that measure blood glucose levels.

Examples of Measures

- SPring-8-II (Ministry of Education, Culture, Sports, Science and Technology)
- Construction of the additional public sector beamlines (Ministry of Education, Culture, Sports, Science and Technology)
- Development of a new flagship system that will be the next flagship system of Fugaku (Ministry of Education, Culture, Sports, Science and Technology)
- Fundamental Quantum Science Program (Ministry of Education, Culture, Sports, Science and Technology)
- 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 quantum cryptography communication networks (Ministry of Internal Affairs and Communications)

⁸⁰ Japan Agency for Medical Research and Development.

⁸¹ Notified by the Ministry of Health, Labour and Welfare on December 25, 2014.

⁸² Abbreviation for Over The Counter. Even if you don't have a doctor's prescription, you can buy it at pharmacies and drug stores.

- Promotion of research and development for the realization of fusion energy (Ministry of Education, Culture, Sports, Science and Technology)
- Establishment of a promotion system aimed at the early realization and industrialization of fusion energy (Cabinet Office)
- Strengthening support for internationality and young researchers in the Grants-in-Aid for Scientific Research (Grants-in-Aid for Scientific Research) (Ministry of Education, Culture, Sports, Science and Technology)
- Strengthening the science communication function at Miraikan - The National Museum of Emerging Science and Innovation (Ministry of Education, Culture, Sports, Science and Technology)
- Drug Discovery Ecosystem Development Support Project (Ministry of Health, Labour and Welfare)
- Drug Discovery Cluster Campus Development Project (Ministry of Health, Labour and Welfare)
- Further strengthening of the supply of risk money (expansion of Special Investment Operations) to promote domestic investment that contributes to growth potential by the Development Bank of Japan (Ministry of Finance)
- Project for the development of a system for first-in-human studies for new modalities (Ministry of Health, Labour and Welfare)
- Medical Research Support Program (Ministry of Education, Culture, Sports, Science and Technology)
- Promotion of whole-genome analysis of cancer and intractable diseases (Ministry of Health, Labour and Welfare)
- Establishment of research infrastructure in the health and medical fields to improve drug discovery capabilities (Ministry of Education, Culture, Sports, Science and Technology)
- Review of AMED's R&D support (Cabinet Office) [System]
- Subsidy for Capital Investment in Regenerative Medicine, Cell Therapy, and Gene Therapy Manufacturing (Ministry of Economy, Trade and Industry)
- Project to strengthen industrial promotion bases for the creation of excellent medical devices (Ministry of Health, Labour and Welfare)
- Support project for the structural reform in generic drug industry (Ministry of Health, Labour and Welfare)
- Support project for the development of domestic manufacturing facilities for biosimilars (Ministry of Health, Labour and Welfare)
- Project for the urgent development of a stable supply system for pharmaceuticals (Ministry of Health, Labour and Welfare)
- Promotion of diversion to over-the-counter test reagents (Cabinet Office, Ministry of Health, Labour and Welfare) [System] , etc.

(2) Pioneering frontiers

In the field of space, in order to accelerate and strengthen support for technology development, demonstration, and commercialization conducted over multiple years by startups, private companies, universities, and other organizations, Japan aims to promptly provide a total of one trillion yen for the Space Strategy Fund. In doing so, the government will provide appropriate support as a whole, in cooperation with the efforts of the Ministry of Defense and other organizations. In order to achieve the goal for a Japanese astronaut to be the first non-American astronaut to land on the Moon as stated in the Japan-U.S. Joint Leaders' Statement⁸³, the development of a pressurized lunar rover⁸⁴ for the Artemis program⁸⁵ will begin in earnest. We will develop a system of seven Quasi-Zenith Satellite

83 "Global Partners for the Future" (April 10, 2024). Japan plans to provide and sustain operation of a pressurized lunar rover to maintain operations, while the United States plans to allocate two astronaut flight opportunities to the lunar surface for Japan on future Artemis missions. The leaders announced a shared goal for a Japanese national to be the first non-American astronaut to land on the Moon on a future Artemis mission, assuming important benchmarks are achieved.

84 A rover that enables astronauts to travel over a wide area on the lunar surface for a long time while living in the rover.

85 With a view to Mars, the U.S.-led international space exploration that aims for sustainable activities on the Moon. Japan decided to participate in the program in October 2019.

System, and proceed with development towards an 11-satellite system. We will promote efforts to make the space sector a growth industry, such as the development of rockets by the public and private sectors, the increased frequency of rocket launches, the construction of satellite constellations, and the development of next-generation meteorological satellites.

In the field of oceans, based on the Basic Plan on Ocean Policy⁸⁶ and the Ocean Development Strategy⁸⁷, Japan will promote experimental studies of the use of Autonomous Underwater Vehicles (AUVs), promote the utilization of maritime information in the industrial field, and implement rare earth production in the waters around Minami-Torishima Island. We will promote the development and use of the oceans, including the development of terrain matching system system to grasp the status of remote border islands for the conservation of the sea area under our jurisdiction, and the construction of Mirai II, the Arctic Research Vessel (ARV), which will enable more accurate oceanographic surveys, resource development, and maritime domain awareness.

Examples of Measures

- 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)
- Development of quasi-zenith satellite system, etc. (Cabinet Office)
- Development of core rockets, enhancement of rocket launch capabilities, research and development of artificial satellites, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Promotion of space development and utilization such as satellite development and utilization demonstration (Space Development and Utilization Promotion Fund) (Cabinet Office)
- Urgent Acceleration of Ocean Policy Based on the Ocean Development Strategy (Cabinet Office)
- Promotion of research and observation of the ocean (Ministry of Education, Culture, Sports, Science and Technology), etc.

(3) Promotion of DX

From the perspective of strengthening the growth potential of Japan's economy, DX and investment in this field are indispensable initiatives. We will support innovation in the DX field, promote the social implementation of new technologies, build a “data-driven society” by utilizing data accumulated through digitalization, utilize new technologies and services developed and provided by startups, and reform related systems and regulations.

In the process of promoting DX in procedures at the national and local governments, we will realize one-stop, once-only services, improve convenience for users, and lead to more efficient and labor-saving administrative services.

86 Cabinet decision on April 28, 2023. Based on Article 16 of the Basic Act on Ocean Policy (Act No. 33 of 19), it stipulates basic policies for ocean-related policies and measures to be taken by the government in a comprehensive and systematic manner regarding ocean-related policies.

87 Decided by the Headquarters for Ocean Policy on April 26, 2024. In order to realize a maritime nation through harmony between the development and use of the ocean and the conservation of the marine environment, it is a document that specifies priority and specific measures that are particularly important from the perspective of national interests and should be tackled across ministries and ministries.

In anticipation of the era of 100-year lifespans, we will support the acquisition and renewal of digital skills through regular and continuous reskilling as “compulsory education for adults” and raise the level of digital literacy of all generations. The government will systematically promote these initiatives to ensure the quality and quantity of digital human resources and to improve the labor productivity of workers, including the older generation.

(Education)

In order to promote the second phase of the GIGA School Initiative⁸⁸, we will support local governments that are working to update one-to-one terminals under the joint procurement scheme⁸⁹, improve school communication networks, and develop a next-generation school DX environment.

In order to strengthen the development of digital human resources from the high school level, we will expand DX High School Project that utilize digital for exploratory, interdisciplinary, and practical learning, and develop cutting-edge vocational human resources in collaboration with industry. We will drastically strengthen English education through the use of AI, demonstrate the use of advanced technologies such as generative AI, and promote the utilization of educational data to accelerate educational DX.

(Medical and Long-term care)

In addition to securing medical and long-term care personnel and building a system to provide higher quality and efficient medical and long-term care, we will promote medical and long-term care DX in order to promote medical innovation using medical data.

In order to promote and establish the use of My Number Card as the Health Insurance Certificate, we will expand online verification of insurance information for home-visit medical care and other services, and support promoting the online verification for home-visit nursing stations and Judo-therapy/massage/acupuncture/moxibustion centers⁹⁰, where the online verification will be mandatorily introduced in principle from December 2, 2024. Based on the fact that the transitional period for the current health insurance certificate will last until December 1, 2025, we will continue to disseminate the information in order to proceed with further transition to the use of My Number Card as the health insurance certificate and alleviation of relative concerns.

In order to build a “Nationwide Healthcare Information Platform”⁹¹ that can share information on

88 This concept aims to improve the quality of education by improving the school ICT environment, such as one-to-one terminals and communication networks, and promoting the use of these devices in an integrated manner to enhance individually optimal learning and collaborative learning. The second phase will run from FY2024 to FY2028.

89 It is intended for national and public schools at the compulsory education level, including Japanese schools.

90 From December 2, 2024, the introduction of online verification of insurance information will be mandatory at home-visit nursing stations and Judo-therapy/massage/acupuncture/moxibustion centers requiring reimbursement from public insurance.

91 A nationwide platform that expands its network of online eligibility verification systems and other services to share and exchange

health, medical care, and long-term care based on the “Timetable for the promotion of medical DX”⁹², we will expand the system for online verification of insurance information, etc., and create an environment in which people can make use of the publicly funded medical care system and medical examinations provided by local governments using My Number Card. We will support the development of an environment for the smooth operation of electronic medical chart information sharing service and the design and development of a common calculation module for medical fee revision DX.

In preparation for the next infectious disease crisis, we will promote the digitalization of vaccination operations while fostering public understanding of vaccinations, and develop a vaccination database that will enable linkage analysis with other databases and third-party provision to external research institutes. Establish an environment for the secondary use of information shared on the “Nationwide Healthcare Information Platform” for the development of new medical technologies, drug discovery, etc. Additionally, promote the active use of data from public databases related to medical and long-term care.

In order to further promote the nationwide spread of electronic prescriptions, we will provide support and improve the environment for medical institutions and pharmacies that will introduce electronic prescriptions by the end of FY2024.

Promote cybersecurity measures in healthcare organizations.

(Smart Agriculture, Forestry and Fisheries)

In the area of agriculture, we will work on the development and supply of smart agriculture technology in accordance with the Act on the Promotion of Smart Agricultural Technology Utilization to Improve Agricultural Productivity⁹³. In the forestry industry, we will promote innovation by supporting the development of automated and remote-controlled forestry machinery, as well as digitizing forest resource information, in order to strengthen the supply capacity of domestic timber. In the fisheries industry, we will support the introduction of smart machines such as automatic feeding machines to improve the productivity of the fishing and aquaculture industries. At the same time, we will provide accompaniment support to those in the agriculture, forestry and fisheries industries who have introduced smart technologies and machinery.

(Construction and Architecture)

information on medical and long-term care in general, such as vaccinations, electronic prescription information, local government medical examination information, electronic medical records, and long-term care information, in addition to information on medical claims and specific health checkups.

⁹² Decided by the Medical DX Promotion Headquarters on June 2, 2023.

⁹³ Act on the Promotion of Smart Agricultural Technology Utilization to Improve Agricultural Productivity (Act No. 63 of the 6th year of the Reiwa era (2024)).

In addition to promoting “DX in architecture and cities” that also utilizes geospatial information, we will promote the creation of open data of administrative information across sectors such as infrastructure and transportation, and the creation of examples of use in the public and private sectors, which will lead to the creation of innovation. For DX in the infrastructure field, we will develop infrastructure such as high-speed communication networks, and promote the social implementation of new technologies and efficient infrastructure development and management.

(Logistics and Transportation)

In addition to promoting the development of technologies to save labor and improve productivity in railways, ports, shipping, and shipbuilding, we will promote DX in the logistics and transportation fields by supporting the introduction of automation and mechanized equipment in the logistics industry and demonstrating support from the road side for the spread and promotion of autonomous driving.

Based on the “Digital Lifeline Development Plan”⁹⁴, the government and private sector will expand the implementation area of UAS(Urban Aircraft System) corridors, CAV(Connected Autonomous Vehicles) corridors and digital transformation of infrastructure management, and accelerate nationwide deployment. In response to The 2024 Noto Peninsula Earthquake, as the Okunoto Digital Lifeline, we will support the construction of a system for grasping information on people, hubs, relief supplies, etc. necessary for support in the event of a disaster.

(Disaster Management)

In order to grasp disaster information as a whole and enhance support for disaster victims, we will build and utilize a disaster management digital platform and data linkage infrastructure centered on the new comprehensive disaster management information system⁹⁵, collect and share disaster management IoT data such as drones, and visualize and share the status of stockpiles by developing support systems such as next-generation supply procurement and transportation coordination. Promote mutual cooperation between various systems in the public and private sectors.

(Digitalization of national and local governments)

With regard to the unification and commonalization of national and local digital infrastructures, we will develop an environment that allows the national and non-national organizations to jointly use Government Cloud in earnest from FY2025, and support the standardization of information systems

94 On June 18, 2024, decided at the Council for Digital Administration and Fiscal Reform. Digital lifeline is a general term for social infrastructure in the digital age, such as hardware, software, and rules, that conforms to the common specifications, standards, etc. necessary for the social implementation of services that utilize digital technologies such as autonomous driving and drones.

95 A system for sharing disaster information as geospatial information among disaster response organizations. The system will be put into operation in April 2024 with the aim of providing a bird's-eye view of disaster information and helping to grasp the overall picture of damage.

and the transition to Government Cloud of local of local governments based on the actual situation of local governments. In order to realize a standard business implementation environment common to the government, we will accelerate the development of government solution services, improve convenience and productivity, take the initiative in work style reforms, improve security levels, ensure scalability and resilience to change, and achieve cost optimization at an early stage.

Based on the “Basic Policy on the Development and Operation of Common Digital Infrastructure for National and Local Governments”⁹⁶, we will promote the digitalization of regional public services⁹⁷ through the cooperation of the national and local governments.

With regard to the My Number Card, in addition to the electronic certificate function, we will promote the installation of the four basic information (name, date of birth, address, and gender), My Number, and face photo held by the My Number Card on smartphones so that the application procedure can be completed quickly and digitally without having to go to a government agency. We will continue to renovate the Mynportal to make it easier for the public to understand by adding functions and strengthening the infrastructure of the Mynportal, which has various application acceptance functions. In our efforts to promote the use of My Number Card, we will dispel the public's concerns by publicizing and raising awareness. Promote the digitalization of public administration by assigning names to family registers and establishing pseudonyms.

We will reduce duplicate procedures and documents by establishing a “base registry” at an early stage and promoting its use, which is the foundation of society. By abolishing visual inspections, we will improve the productivity of small and medium-sized enterprises through DX and reduce the burden on local governments. We will promote the development of certification platforms such as G-Biz ID⁹⁸ and J-Grants⁹⁹, as well as a subsidy application system, and reduce the administrative burden on businesses by linking G-Biz ID with Base Registry.

Promote the introduction and utilization of generative AI by organizing how to use generative AI that is expected to be more cost-effective in each ministry and agency. Japanese government will formulate guidelines for the procurement and utilization of AI in the governmental organizations approximately by the spring of 2025, in order to improve the convenience of administrative services to the public and enhance the efficiency of administrative operations.

(Utilization of Data)

As the resolution of social issues through data utilization becomes an important issue, in light of

96 Cabinet decision on June 21, 2024.

97 Online procedures, paperless procedures, etc to reduce the administrative burden on business operators.

98 A service that allows corporations and sole proprietors to log in to various administrative procedure systems for businesses with a single account.

99 A system that allows you to apply for subsidies electronically. It can be used for subsidized projects carried out by national and local governments.

the rapid progress in the development of systems related to data utilization in the fields of healthcare, finance, industry, etc., in the EU and other countries in a manner consistent with the legislation for the protection of personal information, we will establish a study group by the end of 2024 under the digital administrative and fiscal reform¹⁰⁰, and aim to formulate a basic policy on the Japanese data utilization system around the summer of 2025.

In order to contribute to drug discovery, etc., we will consider measures to ensure that researchers, pharmaceutical companies, etc. have smooth access to certain pseudonymized public medical data¹⁰¹¹⁰², including the submission of a bill to the Diet, and reach a conclusion by the end of FY2024.

(Improvement of digital skills and development of digital human resources)

In order to encourage individuals to improve their digital skills, we will build a foundation for managing skill information and support continuous learning. We will accelerate our efforts to develop digital human resources, such as fostering and securing young and female human resources in rural areas and supporting matching with diverse jobs.

(AI & Semiconductors)

Generative AI is a technology that creates innovative products and services, realizes economic growth, and solves social issues such as structural labor shortages due to population decline and GX. Countries are racing to acquire this technology.

The competitiveness of generative AI depends on the speed of computational processing and the low power consumption, which is essential for curbing the power demand that increases with computational demand. In order to realize the social implementation of generative AI that does not depend on other countries, there is an urgent need to build an ecosystem in Japan where hardware (semiconductors and data centers) and software (generative AI) can function smoothly with each other.

In addition, the semiconductor industry is a growth industry in which global demand will triple from 50 trillion yen to 150 trillion yen over the next 10 years. The economic effect is also extremely large, and it has already become a major driver of the local economy through investment, employment, and wage increases.

While countries around the world are implementing bold support measures to make the semiconductor industry a key industry while securing the necessary financial resources, Japan also needs to capture the growing demand for generative AI and semiconductors to strengthen the

100 We will work with the Regulatory Reform Promotion Council to consider a system for data utilization in the medical field.

101 Data stored in public medical and long-term care databases, including electronic medical record information.

102 Based on trends in the EU and other countries, it is premised on appropriate privacy protection that does not depend on the consent of the person.

international competitiveness of each industry.

From these perspectives, we will focus on supporting the technological development and capital investment plans in the fields of AI and semiconductors that will be required in the seven years to FY2030, and will induce public-private investment of more than 50 trillion yen over the next 10 years, and realize an economic ripple effect of approximately 160 trillion yen associated with semiconductor production. For this reason, it is necessary to increase the predictability of private operators, so we will formulate a “AI and Semiconductor Industry Foundation Strengthening Framework” that will provide more than 10 trillion yen in public support through subsidies, commissions, financial support, and legislative measures over multiple years, while securing the necessary financial resources. As part of this support framework, Japan will develop domestic production bases for advanced and next-generation semiconductors and support their research and development, consider the legislative measures necessary for mass production of next-generation semiconductors etc., and submit a bill to the next ordinary session of the Diet.

In order to solve labor shortages, improve productivity, and realize DX, we will accelerate the implementation of AI and robot development in the manufacturing and service industries through the development and sophistication of the infrastructure for development of AI and robot. In particular, we will promote the social implementation of AI in order to solve social issues such as the progress of aging in rural areas and educational disparities with urban areas.

Promote R&D, technological, verification, and demonstration to improve the safety of AI. In order to ensure the safety and security of the use of AI, we will accelerate the study of how the governance framework should be, taking into account international trends.

In order to increase resilience to natural disasters and respond to the increase in electricity demand, we will promote the location of data centers in regional areas and the development of related telecommunications and power infrastructure.

(Cybersecurity)

In order to strengthen cybersecurity measures throughout the supply chain, we will develop a scheme to promote the distribution of secure IoT products and a scheme to visualize the level of security measures that companies should meet according to sector and size, while also promoting cybersecurity efforts of small and medium-sized enterprises.

In order to prevent the distribution and spread of dis-/mis-information on the Internet, we will promote the development and demonstration of countermeasure technologies, dissemination awareness, and improvement of literacy.

(Information and Communications Infrastructure)

In areas with disadvantaged conditions, we will support the development and sophistication of optical fibers. In order to achieve the early social implementation of HAPS¹⁰³, which enables wide-area communication in areas and situations where mobile phone signals do not reach, we will proceed with technical studies to enable the sharing of frequencies with existing wireless systems¹⁰⁴.

Verify the compatibility of telecommunications equipment and promote standardization so that telecommunications carriers can procure each equipment of mobile phone base stations from multiple carriers.

We will support the development of technologies that will be the core of information and communication systems, including semiconductors, in response to 5G functional enhancements¹⁰⁵ (post-5G). In order to realize an AI society, we will support research and development, international standardization, and intellectual property activities of next-generation information and communication infrastructure (Beyond5G¹⁰⁶).

Based on the “Infrastructure Systems Overseas Expansion Strategy 2025”¹⁰⁷, we will support the overseas deployment of digital infrastructure.

Examples of Measures

- Steady update of one terminal per person (Ministry of Education, Culture, Sports, Science and Technology)
- GIGA School Concept Support System Development Project (Ministry of Education, Culture, Sports, Science and Technology)
- DX High School Project (Ministry of Education, Culture, Sports, Science and Technology)
- Project to strengthen English education through the use of AI (Ministry of Education, Culture, Sports, Science and Technology)
- Development and utilization of basic tools to support educational DX (Ministry of Education, Culture, Sports, Science and Technology)
- Project to promote the utilization of private services that contribute to the development of future human resources in the region (Ministry of Economy, Trade and Industry)
- Development of infrastructure for science and technology information services (Ministry of Education, Culture, Sports, Science and Technology)
- Efforts to promote the use of My Number Card as the Health Insurance Certificate (Ministry of Health, Labour and Welfare)
- Nationwide Medical Information Platform Development Project (Ministry of Health, Labour and Welfare)
- Project for the development of information linkage systems (PMH) related to medical expense subsidies, vaccinations, maternal and child health, etc. (Cabinet Office, Digital Agency, Children and Family Agency, Ministry of Health, Labour and Welfare) [System]
- Business to build services related to the analysis of electronic medical record information (Ministry of Health, Labour and Welfare)

103 Abbreviation for High Altitude Platform Station. An unmanned aerial vehicle flying in the stratosphere at an altitude of about 20 km is equipped with the function of a mobile phone base station to build a wide communication area.

104 Studies that contribute to the formulation of technical standards for practical use.

105 5G enhancements such as ultra-low latency and support for multiple simultaneous connections.

106 A next-generation information and communication infrastructure with low latency, high reliability, and low power consumption. The company will construct all-photonics networks, non-terrestrial networks, and wireless access networks (6G).

107 Approved by the Keikyo Infrastructure Strategy Council on June 1, 2023.

- Medical fee revision DX (development of common calculation module, etc.) (Ministry of Health, Labour and Welfare)
- Digitalization of vaccination affairs (Ministry of Health, Labour and Welfare)
- Promoting the use of medical insurance information for the creation of new businesses (Cabinet Office, Digital Agency, Ministry of Health, Labour and Welfare) [System]
- Infrastructure construction project for the utilization of long-term care-related data (Ministry of Health, Labour and Welfare)
- Project to promote the use and dissemination of electronic prescriptions (Ministry of Health, Labour and Welfare)
- Cyber security assurance project at medical institutions (Ministry of Health, Labour and Welfare)
- Emergency Comprehensive Measures to Accelerate the Development and Supply of Smart Agriculture Technology (Ministry of Agriculture, Forestry and Fisheries) <reposted>
- Comprehensive Measures to Strengthen the International Competitiveness of the Forestry and Timber Industries (Ministry of Agriculture, Forestry and Fisheries) <reposted>
- Smart Fisheries Promotion Emergency Project (Ministry of Agriculture, Forestry and Fisheries)
- Acceleration of DX in buildings and cities that contribute to disaster prevention, EBPM, and industrial creation (Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of DX in the infrastructure sector by improving the DX environment (Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of initiatives based on the medium- to long-term plan for innovation and sustainable growth in logistics (Ministry of Land, Infrastructure, Transport and Tourism) <reposted>
- DX of road systems (Ministry of Land, Infrastructure, Transport and Tourism)
- Project to accelerate the development of Digital Lifeline to solve regional societal issues (Ministry of Economy, Trade and Industry) <reposted>
- Online application for drone level 3.5 flight (Cabinet Office, Ministry of Land, Infrastructure, Transport and Tourism) [System]
- Expansion of functions of the new comprehensive disaster prevention information system (Cabinet Office)
- Expansion of functions of disaster prevention IoT system (Cabinet Office)
- Expansion of support system functions such as next-generation procurement and transportation coordination (Cabinet Office)
- Government Cloud Utilization Promotion Project (Digital Agency)
- Improvement of the environment for standardization and commonalization of local government information systems (Ministry of Internal Affairs and Communications)
- Acceleration of development of government solution services (Digital Agency)
- Digitalization of public administration by assigning names to family registers and preparing pseudonyms (Ministry of Justice)
- Promotion of the development and operation of a common national and local digital infrastructure (Cabinet Secretariat)
- Technical verification of business use of generative AI and improvement of usage environment (Digital Agency)
- Digitalization of legal administration and criminal and civil court procedures (Cabinet Office, Ministry of Justice) [System]
- Digitalization of procedures related to the creation of notarized instruments (Cabinet Office, Ministry of Justice) [System]
- Digitalization of payment of public funds to local governments (Cabinet Office, Digital Agency, Ministry of Internal Affairs and Communications) [System]
- Improvement of rules for operations involving the handling of public funds at convenience stores, etc. (Cabinet Office, Ministry of Internal Affairs and Communications) [System]
- Improvement of the environment for the sound development of financial services using digital technology (Financial Services Agency)
- Consideration of data utilization system (Cabinet Secretariat) [System]
- Facilitating the use of medical data for drug discovery, etc. (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- Digital Human Resource Development Ecosystem Promotion Project (Ministry of Economy, Trade and Industry)

- Project to support the discovery and development of young human resources in unexplored regions (AKATSUKI Project) (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)
- Securing domestic production sites for advanced semiconductors (Ministry of Economy, Trade and Industry)
- Support for supply chain resilience for the stable supply of critical goods (Ministry of Economy, Trade and Industry)
- Project to promote the development of services to solve social issues using cutting-edge technologies in the fields of prevention and health promotion (Ministry of Economy, Trade and Industry)
- Drastic on-site improvement project using long-term care DX (Ministry of Economy, Trade and Industry)
- Digital Healthcare Adoption Acceleration Project (Ministry of Economy, Trade and Industry)
- Promotion of R&D and verification to ensure the safety of generative AI (Cabinet Office)
- Digital infrastructure resilience project through regional decentralization of data centers, etc. (Ministry of Internal Affairs and Communications)
- Strengthening of Supply Chain Cyber Security Measures (tentative name) (Ministry of Economy, Trade and Industry) [System]
- Promotion of comprehensive countermeasures against dis-/mis-information on the Internet (Ministry of Internal Affairs and Communications)
- Advanced Wireless Environment Development Promotion Project (Ministry of Internal Affairs and Communications) <reposted>
- Open data on the development status of accommodation spaces, etc. to facilitate the development of optical fiber (Cabinet Office, Ministry of Land, Infrastructure, Transport and Tourism) [System]
- Promote early social implementation of next-generation mobile communication systems using non-terrestrial networks (Ministry of Internal Affairs and Communications)
- Promotion of enhancement of functions such as interoperability between multiple operators related to Open RAN base stations (Ministry of Internal Affairs and Communications)
- Innovative Information and Communication Technology (Beyond 5G (6G)) Fund Project (Ministry of Internal Affairs and Communications)
- Support for the overseas deployment of secure and reliable digital infrastructure (Ministry of Internal Affairs and Communications)
- Promotion of the of the 5G infrastructure sharing market (Cabinet Office, Ministry of Internal Affairs and Communications) [System] , etc.

(4) Promotion of GX

As GX, we aim to further conserve energy and maximize the use of highly decarbonized power sources such as renewable energy and nuclear power. While considering the GX2040 Vision¹⁰⁸, which also enhances industrial competitiveness, the Strategic Energy Plan¹⁰⁹ and the Plan for Global Warming Countermeasures¹¹⁰ will be revised by the end of fiscal 2024. In order to implement Pro-Growth Carbon Pricing¹¹¹, we will promote the development of institutional measures, including laws

108 A vision for 2040 that will be formulated by the GX Implementation Council based on discussions at the Working Group of Experts for the Realization of GX and so on.

109 Cabinet decision on October 22, 2021. Based on the Basic Act on Energy Policy (Act No. 71 of 14), a plan formulated by the government to indicate the basic direction of energy policy.

110 Cabinet decision on October 22, 2021. Based on the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 10), the government plans to present targets for reducing and absorbing greenhouse gas emissions and measures to be taken by national and local governments to achieve those targets.

111 In addition to upfront investment support through the use of GX Economy Transition Bonds, etc., the concept is to promote GX investment in an integrated manner with regulation and support by attaching a price to carbon dioxide through systems such as emissions trading and levies.

and regulations for the full-scale operation of the emissions trading system.

With regard to energy conservation, we will accelerate our efforts by supporting efforts to improve the thermal insulation of buildings and to improve energy efficiency in facilities at factories, offices, houses, and buildings.

Among renewable energies, we will submit a bill to the Diet at an early stage that will enable the development of offshore wind power generation in the exclusive economic zone, and promote the development of the system. We will support the introduction of storage batteries to ensure the flexibility of variable power sources such as wind power generation and solar power generation. Japan will support the early commercialization of geothermal power generation and small and medium-sized hydroelectric power generation, which Japan has high potential of. We will support surface surveys and well drilling surveys in promising geothermal power generation development areas, and work on the commercialization of next-generation geothermal technology¹¹². We will support surveys of undeveloped sites of small and medium-sized hydropower plants and surveys for the formation of projects by local governments.

With regard to nuclear power generation, based on the GX Promotion Strategy¹¹³ and the Strategic Energy Plan, we will promote the restart of nuclear power, efforts to develop and construct next-generation advanced reactors, and accelerate back-end, including reprocessing and final disposal, under regarding safety as the top priority.

With regard to CCUS¹¹⁴, we will make the most of the accumulation of existing technologies to promote exploratory drilling of advanced CCS¹¹⁵ projects that can be adopted in the local communities and the social implementation of CCU¹¹⁶, such as artificial photosynthesis.

In order to realize a circular economy, we will promote cooperation between the manufacturing and retail industries and the waste management and recycling industries, and develop a system to promote circulation-friendly designs and the use of recycled materials. We will support the introduction of equipment for the collection, sorting, and recycling of circulative resources¹¹⁷, as well as analytical equipment for assessing the quality of recycled materials. In order to ensure proper reuse, recycling, and disposal of solar power generation facilities, which will increase significantly in the latter half of the 2030s onwards, we will proceed with studies toward the establishment of a new system, including a mandatory recycling system for solar panels, and reach a conclusion by the end of FY2024.

112 Technologies such as supercritical geothermal power generation, which pumps high-temperature and high-pressure groundwater, and closed-loop power generation in places where there is no groundwater.

113 Cabinet decision on July 28, 2023. "The Strategy for Promoting Structural Transition based on Decarbonization" was decided based on the GX Promotion Act (Act No. 32 of the 5th year of the Reiwa era (2023)).

114 Abbreviation for Carbon dioxide Capture, Utilization and Storage. Separation and capture, utilization and storage of carbon dioxide.

115 Abbreviation for Carbon dioxide Capture Storage. Separation and capture of carbon dioxide and storage underground.

116 Abbreviation for Carbon dioxide Capture Utilization. To separate and capture carbon dioxide and use it in some way.

117 Waste that is useful as a resource, such as metals.

We will promote “Decokatsu”¹¹⁸ to change the lifestyles of the people, including the reduction of food loss and waste and the promotion of sustainable fashion. With regard to regional decarbonization, we will support the efforts of the Decarbonization Leading Areas¹¹⁹. While promoting a self-reliant and decentralized energy system, it will contribute to solving regional issues such as industrial promotion and infrastructure maintenance through decarbonization.

In line with the Action Plan for the Next Decade¹²⁰ adopted by the leaders of the Asia Zero Emission Community (AZEC)¹²¹, we will promote policy coordination, including rule-making in collaboration with international organizations. We will also promote transition finance and bilateral cooperation.

In order to ensure a stable energy supply, we will promote active resource diplomacy, the supply of risk money, the maximum utilization of domestic resources, securing of strategic buffer LNG, and the decarbonization of the entire value chain, including measures to reduce methane emissions.

Examples of Measures

- Establishment of laws and regulations for the realization of Pro-Growth Carbon Pricing (Cabinet Secretariat, Ministry of Economy, Trade and Industry) [System]
- Project to support the acceleration of energy conservation and CO2 reduction in houses by promoting renovation of insulated windows (Ministry of the Environment)
- Support project for houses with high energy-saving performance (Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment)
- Subsidy for Energy Conservation Promotion Projects in the Household Sector by Promoting the Introduction of High-Efficiency Water Heaters (Ministry of Economy, Trade and Industry)
- Energy-saving investment promotion and demand structure transformation support project (Ministry of Economy, Trade and Industry)
- Energy Conservation Investment Promotion Support Project (Ministry of Economy, Trade and Industry)
- Promotion of the development of a scheme for the development of an EEZ for offshore wind power generation (Cabinet Office, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, Ministry of the Environment) [System]
- Project to support the installation of Distributed Energy Resources to ensure the flexibility toward the expanding the introduction of renewable energy (Ministry of Economy, Trade and Industry)
- Geothermal resource development project (Ministry of Economy, Trade and Industry)
- Support for the creation of municipal-led projects related to small and medium-sized hydroelectric power generation (Ministry of Economy, Trade and Industry)
- Promotion of Carbon Neutral Port (CNP) initiative and promotion of the introduction of offshore wind power generation through port development (Ministry of Land, Infrastructure, Transport and Tourism)
- Green Innovation Fund Project (Ministry of Economy, Trade and Industry)

118 A new national movement to support changes in people's behavior and lifestyles toward the realization of net-zero by 2050. It is a combination of "deco", which includes "decarbonization" and "eco", and "activity", which means activity and life.

119 Selected based on the Plan for Global Warming Countermeasures, etc., these regions will serve as models for simultaneous realization of decarbonization and resolution of regional issues (82 locations as of October 2024).

120 The action plan agreed on October 11, 2024 consists of three pillars: the promotion of the "AZEC Solutions" including the formulation of rules to promote activities that contribute to the decarbonization of Asia, the launch of initiatives to promote the decarbonization and emission reduction of sectors with high greenhouse gas emissions, and the promotion of tangible projects.

121 Abbreviation for Asia Zero Emission Community. A framework that aims to realize decarbonization in line with different national circumstances in Asia while utilizing Japan's technologies, systems, and know-how related to decarbonization and collaborating with Asian countries.

- Advanced CCS Support Project (Ministry of Economy, Trade and Industry)
- Project to accelerate the social implementation of CO2 utilization and fixation technologies such as artificial photosynthesis (Ministry of the Environment)
- Project for Promoting Collaboration with Related Entities for the Acceleration of a Resource Autonomous Economy (Ministry of Economy, Trade and Industry)
- Local Production for Local Consumption Resource Recycling Acceleration Project (Ministry of the Environment)
- Industry-Government-Academia Collaboration Promotion Project to Expand the Supply of Recycled Materials in Automobiles (Ministry of the Environment)
- Institutional measures to promote the recycling of used solar panels (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of the Environment) [System]
- Institutional Review for the Realization of a Growth-Oriented Resource Autonomous Economic Strategy (Ministry of Economy, Trade and Industry) [System]
- Clearance Metal Resource Recycling Promotion Project (Ministry of Economy, Trade and Industry)
- Survey project on the formation of resource recycling networks and the strategic construction of bases (Ministry of the Environment)
- Lifestyle reform promotion project triggered by the reduction of food loss and waste and the promotion of sustainable fashion, etc. (Ministry of the Environment)
- “Dcokatsu” (National Movement for New and Prosperous Lifestyles toward Decarbonization) promotion project (Ministry of the Environment)
- Regional Decarbonization Promotion Grant (Ministry of the Environment)
- Project to promote the introduction of reliant and decentralized energy facilities in public facilities that simultaneously realize regional resilience and decarbonization (Ministry of the Environment)
- Expansion of demand for cutting-edge environmental goods through procurement based on the Green Purchasing Act (Cabinet Office, Ministry of the Environment) [System]
- “Asia's Fair Energy Transition Acceleration Project” (Ministry of Economy, Trade and Industry) for the realization of the Asian Zero Emission Community Initiative
- Asia GX Consortium Project Management (Financial Services Agency)
- Promotion of the Joint Crediting Mechanism (JCM), the development of waste management infrastructure ,etc. for the transition to decarbonization (Ministry of the Environment)
- Project to realize a stable supply of oil and natural gas (Ministry of Economy, Trade and Industry)
- Provision of funds by the Development Bank of Japan for promotion of domestic investment contributing to growth potential and support for local community revitalization initiatives (Ministry of Finance)
- Geological Survey of Domestic Oil and Natural Gas (Ministry of Economy, Trade and Industry)
- International Cooperation Project on Energy Transition (Ministry of Economy, Trade and Industry)
- Consideration of how to regulate dangerous goods related to new GX technologies such as hydrogen (Ministry of Internal Affairs and Communications) , etc.

(5) Establishment of economic security

In order to ensure stable supply of critical products, we will inspect and evaluate the issues related to the supply of “specified critical products”¹²² that have been designated so far, and support further initiatives to improve production infrastructures, diversify supply sources, and develop alternative materials as necessary. We will supports the diversification of supply sources of gallium and other minor metals and copper.

¹²² Based on Article 7 of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of May 18, 2022), among important products which are vital for the survival of citizens or for which their daily lives or the economic activities depend widely on, it is recognized that it is particularly necessary to secure a stable supply, and it is designated.

Japan will support the development of related infrastructure necessary for production bases of national projects in strategic fields such as semiconductors.

With an aim of establishing the think tank for policy recommendations on science and technology strategies related to economic security and critical technologies to be intensively developed in FY2026, accelerate its preparation process.

In order to steadily implement the Act on the Protection and Utilization of Important Economic and Security Information¹²³, we will conduct risk analysis and develop network facilities. We will support the establishment of an information protection system for private businesses and independent administrative agencies, including the development of facilities. For research institutes including national research and development agencies, in order to strengthen research security and integrity initiatives, we will support the establishment of a system for collecting and analyzing public information for researchers and the sophistication of facilities and equipment for research and development, which are required when conducting international joint research. On top of that, we will promote international joint research on key technologies for economic security.

Conduct surveys on the use of land and buildings in accordance with the Important Land Survey Act¹²⁴.

Examples of Measures

- “Strengthening Supply Chain Resilience Contributing to Ensuring Economic Security” to ensure stable supply of specified critical products (Cabinet Office)
- Strengthening diplomatic efforts to promote economic security and business (Ministry of Foreign Affairs, Ministry of Finance)
- Diversification and stabilization of mineral supply chains (Ministry of Economy, Trade and Industry)
- Supply chain resilience support for the stable supply of critical goods (Ministry of Economy, Trade and Industry)
<reposted>
- Supply chain resilience project for ship-related equipment (Ministry of Land, Infrastructure, Transport and Tourism)
- Grant for the Creation of New Regional Economies and Living Environments (Regional Industrial Structural Transformation Infrastructure Development Promotion Subsidy) (Cabinet Office)
- Project to establish a think tank function related to safety and security (Cabinet Office)
- Implementation of research and measures to prevent leakage of important technologies for economic security (Cabinet Office)
- Establishment of an investigative system for the security assessment (Cabinet Office)
- Strengthening measures against technology outflow (Ministry of Economy, Trade and Industry) [System]
- Establishment of a system for private companies, etc., to implement the Act on the Protection and Utilization of Important Economic Security Information (Ministry of Economy, Trade and Industry)
- Project to strengthen the functions of facilities and equipment of the National Institute of Advanced Industrial Science and Technology (AIST) to secure security clearance (Ministry of Economy, Trade and Industry)
- International Joint Research on Key Technologies for Economic Security (Cabinet Office)

123 Act on the Protection and Utilization of Important Economic Security Information (Act No. 27 of the 6th year of the Reiwa era (2024)).

124 Act on the Review and Regulation of the Use of Real Estate Surrounding Important Facilities and on Remote Territorial Islands (Act No. 84 of the the 3rd year of the Reiwa era (2021)).

- Steady implementation of surveys on land use based on the Important Land Survey Act (Cabinet Office) , etc.

(6) Capture of overseas vitality

We will provide export support to achieve the target of 5 trillion yen in exports of agricultural, forestry and fishery products and food products by 2030, and support the development of sales channels for mid-tier enterprises and small and medium-sized enterprises through a program to support 10,000 new exporters. With regard to the overseas expansion of infrastructure systems, we will aim at the target of 34 trillion yen sales orders by 2025 and consider setting new targets and policies for 2030.

With regard to foreign direct investment in Japan, in line with “Priority Program for Attracting Foreign Direct Investment”¹²⁵, in addition to supporting local governments that are working to attract foreign companies and supporting companies, we will promote initiatives to strategically attract promising regions and sectors. We will continue studying the disclosure and assurance of sustainability-related information in annual securities reports, and reach a conclusion by 2025. Then, we will work on revising acts and ordinances accordingly.

Examples of Measures

- Emergency measures to establish an export support system in export target countries (Ministry of Agriculture, Forestry and Fisheries)
- Project for Facility Development to Expand Export of Agricultural Products (Ministry of Agriculture, Forestry and Fisheries)
- Promotion of overseas infrastructure development including smart cities, etc., and project formation support project (Ministry of Land, Infrastructure, Transport and Tourism)
- Emergency Measures to Strengthen Supply Chain Consolidation (Ministry of Agriculture, Forestry and Fisheries) <reposted>
- Global South Future-Oriented Co-Creation Project (Ministry of Economy, Trade and Industry)
- Promotion of Foreign Direct Investment and support for overseas expansion that leads to the growth of regional economies (Ministry of Economy, Trade and Industry)
- Establishment of a system related to the disclosure and assurance of sustainability-related information, participation in international discussions and expression of opinions with the aim of contributing to the development of human capital standards (Financial Services Agency) [system] , etc.

(2) Support for startups that drive innovation

We will support startups, which are important players in creating innovation and increasing the potential growth rate of the Japanese economy, to address challenges in terms of funding and human resources.

Regarding the tax exemption for angel investors and entrepreneurs to reinvest in startups that have

¹²⁵ Decided by the Council for the Promotion of Foreign Direct Investment in Japan on May 13, 2024. "The Action Plan for Attracting Human and Financial Resources from Overseas" (approved by the Council on April 26, 2023) sets a target of 100 trillion yen of inward foreign direct investment stock by 2030 at an earliest date.

just been founded with proceeds from gains on stock transfers, we will consider extending the period of reinvestment after the accrual of stock transfer gains¹²⁶.

In order to reduce the procedural cost of raising funds through equity, we will take measures to make the inclusion of sustainability-related information in securities registration statements at the time of small-amount offerings voluntary by the end of FY2024, and to reduce the required financial statement audits from two fiscal years to one.

In preparation for the enforcement of the revised Financial Instruments and Exchange Act¹²⁷ for activating the secondary trading¹²⁸ of unlisted stocks, from the perspective of promoting investment by professional investors¹²⁹, we will review the regulations at the time of solicitation in the private placement system for professional investors¹³⁰ and clarify the requirements for becoming a professional investor by the end of FY2024, as the improvement labelled “Japan's Rule 506”¹³¹.

In order to promote the overseas expansion of domestic startups and investment from overseas venture capitalists, we will enhance the acceleration program¹³² by inviting top-level accelerators from overseas.

In order to promote the concept of a global startup campus, we will take concrete measures, including necessary legislative measures, to establish an operating corporation that will support cutting-edge research in the field of deep tech, support the commercialization of startups, and human resource development.

We will work to discover and develop young human resources with unexplored ideas and skills in rural areas, globalization through overseas dispatches, and inviting foreign officials to Japan.

In order to start and commercialize excellent research seeds at universities, we will support R&D, base development, and human resource development in the fields of construction, transportation, environment, and ICT, as well as support from research and development of promising deep tech startups to capital investment during mass production. Leveraging the technological strengths of local universities, we will support the development of open innovation hubs, such as facilities for joint research between universities and companies and incubation facilities for startups.

126 Examined and concluded in FY 2025 tax reform.

127 An Act to Partially Amend the Financial Instruments and Exchange Act and the Act on Investment Trusts and Investment Corporations (Act No. 32 of the 6th year of the Reiwa era (2024)). It will come into effect by May 21, 2025.

128 Trading of securities that have already been issued.

129 Categories of investors who are considered to have a high level of investment decision-making ability and risk tolerance under the Financial Instruments and Exchange Act.

130 Solicitation of securities to be acquired only by professional investors, which is conducted by a financial instruments business operator on behalf of a customer, etc., and is unlikely to be transferred from the acquirer to a person other than a professional investor, etc.

131 Rule 506 is a framework for the private placement of securities for professional investors in the United States.

132 A program for startups to accelerate business growth by receiving support from accelerators such as large corporations and local governments.

In order to promote impact investment, the Impact Consortium¹³³, with industry-government-academia-financial organization collaboration, will further promote the spread and penetration of impact investment, including by compiling case studies of local initiatives and investment methods by June 2025.

Examples of Measures

- Expansion of the angel tax system (Ministry of Economy, Trade and Industry) [Tax system]
- Activation of the issuance of unlisted shares by simplifying the disclosure of small offerings (Cabinet Office, Financial Services Agency) [System]
- Activation of the issuance and distribution of unlisted shares by providing funds from professional investors (Cabinet Office, Financial Services Agency) [System]
- Global Startup Acceleration Program (Cabinet Office)
- Promotion of the Global Startup Campus Concept (Cabinet Office) [System]
- Project to strengthen the globalization of startups (Ministry of Economy, Trade and Industry)
- Strengthen support for startups in the construction and transportation fields (Ministry of Land, Infrastructure, Transport and Tourism)
- Environmental Startup R&D Support Project for Innovation Creation (Ministry of the Environment)
- Start-up and Budding Researchers Support Program (Ministry of Internal Affairs and Communications)
- Business development support project for deep tech startups (Ministry of Economy, Trade and Industry)
- Incubation and industry-academia fusion center of regional universities (Ministry of Economy, Trade and Industry)
- New Regional Economic and Living Environment Creation Grant (Cabinet Office) <reposted>
- Further strengthening of the supply of risk money (expansion of Special Investment Operations) to promote domestic investment that contributes to growth potential by the Development Bank of Japan (Ministry of Finance) <reposted>
- Japan Bank for International Cooperation (JBIC) to promote start-up investment (Ministry of Finance)
- Expansion of the supply of risk money to local startups by the Industrial Innovation Investment Corporation (Ministry of Economy, Trade and Industry)
- Startup collaboration and procurement acceleration project for large companies (Ministry of Economy, Trade and Industry)
- Promotion of impact investment to enhance the growth and sustainability of businesses and the economy through the realization of social and environmental impact (Financial Services Agency) , etc.

(3) Acceleration of Efforts for “Promoting Japan as a Leading Asset Management Center”

Households' cash and deposits will be diverted to investment, and the results of the improvement in corporate value will be returned to households, strengthening the investment chain, which will lead to further investment and consumption. In this context, by the summer of 2025, we will deregulate new entrants into the asset management industry and promote the sophistication and diversification of asset management by promoting competition. By promoting the attractiveness of the Japanese market and reducing the time and cost required for new entrants, we will encourage foreign financial companies to enter the Special Zones for Financial and Asset Management Businesses.

The relevant ministries and agencies shall promote dissemination of the Asset Owner Principles¹³⁴,

133 It was launched in November 2023 as an interactive-communication platform on impact investment investors, financial institutions, corporations, NPOs, local governments, and others could participate.

134 Formulated by the Cabinet Secretariat on August 28, 2024.

which have been formulated as common principles for asset owners to fulfill their responsibilities (fiduciary duty) in managing their assets in consideration of the best interests of beneficiaries, and shall regularly compile and announce the status of their acceptance of the Principles. The government will also regularly follow up on the progress of major public asset owners' initiatives.

Based on the “Action Program for Corporate Governance Reform 2024: Principles into Practice”¹³⁵, the Japan's Stewardship Code will be revised by mid-2025 to promote collective/collaborative engagements and ensure the transparency of beneficial shareholders.

In order to consolidate and disclose information on corporate pension plans in a form that can be compared with other companies, we will make necessary adjustments for the next pension reform, and develop its systems from FY2025, so that employers and others can make necessary revisions to their members.

In order to improve financial literacy in Japan as a whole, we will enhance financial and economic education in cooperation with the Japan Financial Literacy and Education Corporation (J-FLEC), local governments, regional financial institutions, economic organizations, and other organizations. Advisors certified by the J-FLEC provide advice in a manner that is not biased toward specific financial companies or financial products, and that is tailored to an individual's economic situation and life stage.

We will work to promote the use of NISA and raise awareness of asset formation according to each individual's life plan. In order to make NISA even more convenient, we will consider taking measures to enable same-day purchases when changing financial institutions, and expanding the scope of NISA¹³⁶.

We will raise the age at which you can join the iDeCo (Individual Defined Contribution Pension Plan) to 70 and reach a conclusion by the end of 2024 on issues including an increase in the contribution limit¹³⁷. We will work to further reduce the burden on subscribers and beneficiaries by abolishing the employer certificate at the time of enrollment and the annual status check and simplifying the procedure.

Examples of Measures

- Improvement and promotion of the environment for the realization of “Promoting Japan as a Leading Asset Management Center” (Financial Services Agency)
- Promotion of corporate governance reform (Financial Services Agency)
- Visualization of investment for members of corporate pension plans (Ministry of Health, Labour and Welfare)
- Project to support asset formation and promote financial and economic education to local areas (Financial Services Agency)

135 June 7, 2024: The Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code Published "The Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code" Opinion Statement No.7

136 Examined and concluded in FY2025 tax reform.

137 Examined and concluded in FY2025 tax reform.

Agency) , etc.

Section 2 Overcoming High Prices **~ Paving the Way for a Transition to a Growth-Oriented Economy in which No One Is Left Behind ~**

1. Detailed response to the current high prices

In order to respond to the continued rise in prices, it is most effective to strengthen the growth potential of Japanese economy and local economies so that wage increases exceed price rises for all generations. However, it will take some time for wage increases to spread widely throughout the country and for all generations to be relieved of their great uncertainty about their future. Until real wages reach a stable positive level, we will intensively examine how measures should be taken to support the livelihoods of a wide range of people.

In addition, it should be noted that there are people who are unable to work and are not eligible for wage increases due to various circumstances. Then, in this comprehensive economic measures, we will take immediate support measures to overcome high prices, mainly focusing on those who are in such a difficult situation.

(1) Support for low-income households affected by high prices

In particular, we will promptly deliver assistance to low-income earners affected by high prices. With regard to the “Low-Income Household Support Framework” among the “Special Regional Revitalization Grant for Focused Support in Response to Price rises” to support measures against high prices that have been implemented by local governments since FY2023, we will provide a household exclusion from inhabitant tax with 30,000 yen as a level that can roughly cover the part of the impact of high prices on consumption expenditures such as food and energy-related expenses of low-income households that cannot be covered by wage increases and pension price slides. In addition, by taking into account the large number of households, we will add 20,000 yen per child to the child-rearing households among households exclusion from inhabitant tax.

We will endeavor to carefully explain and disseminate the purpose and content of this policy to the public.

Examples of Measures

- “Special Regional Revitalization Grant for Focused Support in Response to Price rises” to support low-income households significantly affected by high prices (Cabinet Office)

(2) Promotion of measures against high prices in accordance with the actual situation in each local

Among the temporary grants for local community revitalization, we have showed the “Special Regional Revitalization Grant for Focused Support in Response to Price Rises” as a menu of recommended projects to support measures against high prices by local governments.

- For consumers, support for school lunch expenses at elementary and junior high schools, efforts to support consumption by issuing premium gift certificates and Myna Points that can be used in local community, and support for households that use LP gas¹³⁸.
- For business operators, support will be provided to SMEs that use special high pressure and LP gas, to agricultural, forestry and fisheries businesses that use animal feed, etc., and to regional tourism industries, as well as to medical, long-term and childcare facilities, school facilities, shopping districts, residents' associations, etc., in response to price rises such as energy prices and food prices.

From the viewpoint of firmly supporting those who are in a difficult situation in accordance with the actual situation in each region, we will continue the above efforts and expand the scope of the recommendation by adding a new menu, such as heating oil support in light of severe winter season coming, and further add the “Special Regional Revitalization Grant for Focused Support in Response to Price Rises”. At that time, we will also facilitate the pass-through of prices, including labor costs, in public procurement ordered by local governments. We will also support the reduction and exemption of water charges by local governments.

In enforcing the “Special Regional Revitalization Grant for Focused Support in Response to Price Rises”, the ministries and agencies in charge of each administrative field, such as medical and long-term care and small and medium-sized enterprises, should actively provide local governments with the necessary information, including excellent use cases, on projects that are particularly necessary and effective as a countermeasure against high prices and that are expected to be widely implemented, so that the “Special Regional Revitalization Grant for Focused Support in Response to Price Rises” can be used promptly and effectively in areas needed to mitigate the impact of high prices. In addition to recommending priority utilization in these fields, we will make sufficient efforts such as regularly and closely monitoring the status of utilization.

In order to support consumers who are in a difficult situation due to high prices, we will support electricity and gas bills during the winter period from January to March, which is season that households use the most electricity¹³⁹.

A special tax allocations to local government will be implemented to local governments’ measure for soaring crude oil prices, such as subsidies for the purchase of heating oil by people in need and an

138 Clarify that it is possible to provide benefits to low-income single-parent households as part of the recommended project menu to support child-rearing households.

139 Particular emphasis will be placed on reducing the burden of electricity usage in January and February. For the electricity used in January and February, a subsidy will be provided based on the consumption amount, with 2.5 yen/kWh for low pressure and 1.3 yen/kWh for high pressure. For gas, a subsidy will be provided based on the consumption amount at 10 yen/m³. For the electricity used in March, a subsidy will be provided based on the consumption amount, with 1.3 yen/kWh for low pressure and 0.7 yen/kWh for high pressure, and for gas, a subsidy will be provided at 5 yen/m³ based on the consumption amount.

increase cost of fuel oil for firefighting and ambulance vehicles.

With the declaration of achieving net-zero by 2050, the project to mitigate drastic changes in fuel oil prices, which was launched as an emergency measure in January 2022 and is still ongoing, will be dealt with in stages toward an exit from this December after the formulation of this measure¹⁴⁰.

Examples of Measures

- “Special Regional Revitalization Grant for Focused Support in Response to Price Rises” to support businesses that are significantly affected by high prices (Cabinet Office) <reposted>
- Electricity and Gas Bill Support Program (Ministry of Economy, Trade and Industry)
- Special tax allocations to local government for local governments’ measures for soaring crude oil prices (Ministry of Internal Affairs and Communications)
- Measures to mitigate drastic changes in fuel oil prices (Ministry of Economy, Trade and Industry)
- “Project to alleviate drastic changes in fuel prices for taxi operators” (Ministry of Land, Infrastructure, Transport and Tourism) to reduce the burden on taxi operators
- Specified Inhabited Border Islands Community Maintenance Promotion Grant (Cabinet Office) <reposted> . etc.

(3) Support for industries affected by high prices

With regard to fuel oil used by fishermen, fish farmers, horticultural operators, and tea businesses, we will continue to take measures to provide supplementary subsidies from contributions made by fishermen, businesses, and the government when the prices of fuel oil and compound feed rise above a certain standard.

With regard to public works, we will encourage appropriate pass-through of prices, including labor costs, while taking into account the impact of the recent surge in material prices, and secure the necessary amount of projects, steadily advance the development of social infrastructure, secure appropriate profits for construction companies, and raise wages for construction workers. In order to strengthen measures that contribute to securing funds for wage payments, rules on the procedure for negotiating price pass-through will be prepared by the end of 2024 in advance of appropriate labor cost standards in accordance with the revised Construction Business Act¹⁴¹.

Examples of Measures

- Fishery Management Safety Net Construction Project to Reduce the Burden on Fishermen and Aquaculture Operators (Ministry of Agriculture, Forestry and Fisheries)
- Reducing the burden on businesses in the facility horticulture and tea industry “Measures against soaring fuel prices for facility horticulture” (Ministry of Agriculture, Forestry and Fisheries)
- Emergency measures to expand demand for Wagyu beef (Ministry of Agriculture, Forestry and Fisheries)
- Implementation of public works projects in consideration of the impact of soaring material prices in recent years

140 Specifically, from December, the subsidy rate between the base price (168 yen) and the high subsidy rate activation price (185 yen) will be reviewed by three-tenths per month, and then, while carefully assessing the situation, the subsidy rate for prices above 185 yen will be reviewed in stages (in principle, one-third per month so that the monthly price fluctuation is about 5 yen). On this basis, in preparation for a sharp rise in fuel prices, the government will continue to consider how to respond to mitigate the sudden impact on people's lives.

141 An Act to Partially Amend the Construction Business Law and the Act on Promotion of Proper Bidding and Contracting for Public Works (Act No. 49 of the 6th year of the Reiwa era (2024)).

(Ministry of Land, Infrastructure, Transport and Tourism) <reposted> , etc.

2. Realization of an economy and society that is resilient to rising energy costs

In order to realize an economy and society that can withstand rising energy prices, we will promote energy conservation and maximize the use of highly decarbonized power sources such as renewable energy and nuclear power, and accelerate efforts to achieve net-zero and GX by 2050.

In the household sector, in order to promote the spread of houses with excellent energy-saving performance, Japan will support the construction of new high-level energy-saving houses and energy-saving retrofitting of existing houses for households with children and young couples. We will support the replacement of windows with thermal insulated models and the introduction of high-efficiency water heaters.

In the corporate field, we will support the introduction of energy-saving equipment at factories and offices over multiple years, and enhance energy-saving diagnostics for small and medium-sized enterprises.

In the transportation sector, we will support the introduction of clean energy vehicles and commercial electrified vehicles, as well as the development of charging infrastructure and hydrogen fueling infrastructure for commercial vehicles.

Regarding the conditions for the use of highly insulated window sashes that contribute to energy conservation in buildings, we will study the safety of window frames of natural smoke exhaust vents, which are required to be non-combustible from the viewpoint of evacuation safety in the event of a fire. The issues will be sorted out by the end of fiscal 2024, and necessary legislative measures will be taken as soon as a conclusion is reached.

We will promote the maximum use of renewable energy that coexists with local communities, such as solar power generation, wind power generation, geothermal power generation, hydroelectric power generation, and biomass power generation, as well as nuclear power generation that ensures safety.

Examples of Measures

- Supporting project for houses with high energy-saving performance (Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment) <reposted>
- Project to support the acceleration of energy conservation and CO2 reduction in houses by promoting renovation of insulated windows (Ministry of the Environment) <reposted>
- “Subsidy for Energy Conservation Promotion Projects in the Household Sector” by promoting the introduction of high-efficiency water heaters (Ministry of Economy, Trade and Industry) <reposted>
- Energy Conservation Investment Promotion and Demand Structure Transformation Support Project (Ministry of Economy, Trade and Industry) <reposted>

- Energy Conservation Investment Promotion Support Project (Ministry of Economy, Trade and Industry) <reposted>
- Energy Utilization Optimization Promotion Project for SMEs (Ministry of Economy, Trade and Industry) <reposted>
- Subsidy for promoting the introduction of clean energy vehicles (Ministry of Economy, Trade and Industry)
- Electrification promotion project for commercial vehicles (Ministry of the Environment)
- Project to promote the introduction of charging and refueling infrastructure to promote the spread of clean energy vehicles (Ministry of Economy, Trade and Industry)
- Rationalization of non-combustible requirements for natural smoke exhaust vents that contribute to energy conservation in buildings (Cabinet Office, Ministry of Land, Infrastructure, Transport and Tourism) [System] ,etc.

Section 3 Ensuring the Safety and Security of the People ~ Laying the Foundation for the Transition to a Growth-Oriented Economy ~

1. Recovery and Reconstruction from Natural Disasters

We will further accelerate the restoration and creative reconstruction of the Noto Peninsula, which was repeatedly damaged by The 2024 Noto Peninsula Earthquake and the torrential rains that followed. In addition to promoting the early restoration of roads, securing housing through the construction of disaster public housing¹⁴², improving the living environment by accelerating disaster waste treatment, and rebuilding the lives of disaster victims, including the enhancement of psychological care, we will also support the reconstruction of industries and employment measures, etc., to rebuild the livelihoods of disaster-stricken businesses and restore quasi-national park facilities¹⁴³. We will promote the restoration of infrastructure, hospitals, schools, and other public facilities damaged by natural disasters in recent years, including The 2024 Noto Peninsula Earthquake. In the event of significant damage from heavy rainfall or earthquakes in the future, we will respond quickly and flexibly to the recovery and reconstruction efforts, taking into account the support packages¹⁴⁴ that have already been developed.

We will also do our utmost to recover and rebuild from natural disasters such as the Great East Japan Earthquake. We will promote advanced research and development related to the decommissioning of TEPCO's Fukushima Daiichi Nuclear Power Station. Regarding the discharge of ALPS treated water into the sea, we call for the immediate repeal of import restrictions on Japanese aquatic products by some countries and regions at every opportunity, while expanding domestic demand, developing new export destinations, and taking measures to sustain domestic production in the fishery industry.

Examples of Measures

- Support for rebuilding the lives of disaster victims (Financial Services Agency, Children and Family 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, Ministry of Health, Labour and Welfare, Ministry of Land, Infrastructure, Transport and Tourism)
- Disaster recovery of facilities such as rivers, coasts, sabo works, roads, ports, water supply and sewage, railways, and public housing (Ministry of Land, Infrastructure, Transport and Tourism)

142 The cost of acquiring land for disaster public housing will be covered by extending the subsidy period for lowering rents, and the cost of land development will be subsidized as part of the construction cost. In addition, the subsidy limit will be reviewed in accordance with the soaring construction costs on the Noto Peninsula.

143 For disaster recovery of quasi-national park facilities damaged by The 2024 Noto Peninsula Earthquake, the subsidy rate will be increased as a special case..

144 These include the "Package of Measures for the Reconstruction of the Lives and Livelihoods of the Victims" during the torrential rains of July 2nd year of Reiwa era (2020) and the "Package for Supporting the Lives and Livelihoods of Disaster Victims" during The 2024 Noto Peninsula Earthquake.

- Disaster recovery of telecommunications and broadcasting networks (Ministry of Internal Affairs and Communications)
- Disaster recovery for medical facilities, social welfare facilities, etc. (Children and Family Agency, Ministry of Health, Labour and Welfare)
- Disaster recovery of school facilities, cultural properties, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- Disaster recovery of agricultural, forestry and fisheries facilities (Ministry of Agriculture, Forestry and Fisheries)
- Acceleration of disaster waste treatment and disaster disposal and disaster recovery of waste treatment facilities (Ministry of the Environment)
- Support for the recovery of fishery resources from red tide (Ministry of Agriculture, Forestry and Fisheries)
- “Decommissioning, Contaminated Water, and Treated Water Countermeasures Project” for the decommissioning of the Fukushima Daiichi Nuclear Power Station (Ministry of Economy, Trade and Industry)
- Support for the fishery industry to overcome the impact of the discharge of ALPS treated water (Ministry of Economy, Trade and Industry) , etc.

2. Promotion of Disaster risk reduction and National Resilience

While the effectiveness of curbing natural damage in various parts of the country has been increasing due to the efforts for disaster risk reduction efforts and national resilience, the risk of the effects of climate change and the urgency of large-scale earthquakes are increasing. In order to realize a “disaster-resistant nation” that prioritizes human life and can deal with crises such as natural disasters that are becoming more severe and frequent, as well as aging infrastructure, we will secure the necessary and sufficient budget, appropriately combine self-help, mutual assistance, and public assistance, based on the Fundamental Plan for National Resilience¹⁴⁵, and promote initiatives that integrate hardware and software measures, taking into account the impact of soaring material prices in recent years.

In order to take all possible measures to prepare for natural disasters, we will promote the stockpiling of necessary materials and equipment so that comfortable toilets, privacy partitions, cots, and hot meals can be provided promptly in the event of a disaster, and we will establish a registration system for food trunks, mobile homes, toilet cars, etc. We will work to drastically improve the environment of evacuation centers. We will work on shelter management with utilising women's perspectives. We will systematically proceed with the installation of air conditioning in school gymnasiums nationwide, which will serve as evacuation centers, with the aim of doubling the pace¹⁴⁶. We will consider revisions to the law to review the system necessary to strengthen the government's disaster response system and the support for disaster-stricken municipalities and disaster victims, and aim to submit it to the Diet as soon as possible. We will prepare for the establishment of the Disaster Management Agency.

We will work to develop volunteer human resources in the community. In addition to supporting the voluntary activities of NPOs and other organizations in the event of a disaster, we will promote

¹⁴⁵ Cabinet decision on July 28, 2023.

¹⁴⁶ With regard to utility costs for air conditioning equipment in school gymnasiums, local allocation tax measures will be considered based on the progress of equipment installation.

consideration for improving the activity environment. We will promote the enhancement and strengthening of firefighting and disaster response capabilities.

We will continue to steadily promote initiatives based on the “Five-Year Acceleration Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience”¹⁴⁷. In light of The 2024 Noto Peninsula Earthquake, we will promote efforts to prevent and minimize damage to human life and property, River Basin Disaster Resilience and Sustainability by All, in which all stakeholders work together, and initiatives to support the economy and people's lives, such as the construction of transportation networks and lifelines that are resilient to disasters. We will promote measures against aging infrastructure to shift to preventive maintenance-type infrastructure maintenance. In addition to utilizing digital technology in the fields of infrastructure and disaster risk reduction, we will strongly promote the enhancement of the functions of the Japan Meteorological Agency, which has the world's highest level of observation and forecasting capabilities and further improve the accuracy of forecasting stationary linear mesoscale convective systems and typhoons, by developing the next generation of geostationary meteorological satellites, etc., and work to improve the forecasting, collection, accumulation, and transmission of disaster-related information, and to cooperate with the new comprehensive disaster prevention information system.

Even after the “Five-Year Acceleration Plan”, we will accelerate the study of the formulation of the “Medium-term Plan for the implementation of National Resilience“ to the maximum extent, taking into account the experience of The 2024 Noto Peninsula Earthquake, and formulate it as soon as possible so that necessary projects can be steadily advanced continuously and stably based on a clear medium- to long-term outlook.

With regard to the Regional Economy Vitalization Corporation of Japan, we will strengthen its financial foundation in preparation for the next large-scale disaster, consider the amendment bill to extend the deadline for its operations, and aim to submit it to the Diet as soon as possible.

In addition to these efforts, we will also promote measures that need to be taken in light of the natural disasters that will occur in 2024.

Examples of Measures

- Large-scale disaster countermeasures such as the Nankai Trough earthquake (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism)
- Development, renovation, and enhancement of functions of “Disaster Response Headquarters Reserve Facilities”, “Wide-Area Disaster Prevention Bases” and “Roadside Stations” that serve as disaster prevention bases (Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Land, Infrastructure, Transport and Tourism)
- Based on the lessons learned The 2024 Noto Peninsula Earthquake, emergency project to improve the evacuation shelter environment for drastic improvement of the evacuation living environment, and development of distributed stockpiles to speed up push-type support (Cabinet Office)
- Strengthen and enhance support for disaster victims through public-private partnerships with various entities, including

147 Cabinet decision on December 11, 2020.

volunteers, such as considering a system for registering kitchen cars, mobile homes, etc. that can be used in the event of a disaster (Cabinet Office)

- New Regional Economic and Living Environment Creation Grant (Cabinet Office) <reposted>
- Promotion of disaster prevention education and training related to strengthening disaster prevention in advance, including dissemination and enlightenment of disaster case management initiatives (Cabinet Office)
- Promotion of River Basin Disaster Resilience and Sustainability by All in response to climate change (Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening the disaster resilience of buildings, school facilities, medical facilities, social welfare facilities, correctional facilities, cultural facilities, natural parks, public facilities, etc. (Cabinet Secretariat, Cabinet Office, Financial Services Agency, Children and Family Agency, 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, Supreme Court)
- Strengthening disaster resilience in telecommunications, energy, water supply and sewage systems, large-scale embankments, industrial water, mining areas, Johkasou, waste treatment facilities, service stations (SS), etc. (Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of the Environment)
- Acceleration of measures to address the deterioration of water supply facilities in Okinawa using public investment grants for the promotion of Okinawa (Cabinet Office)
- Repair and disaster prevention measures to protect valuable cultural properties of the region (Ministry of Education, Culture, Sports, Science and Technology) <reposted>
- Promotion of disaster prevention and mitigation urban development that contributes to improving the safety of urban areas (Ministry of Land, Infrastructure, Transport and Tourism)
- The Project for Accelerating Chemical Substance Analysis under the Japan Environment and Children's Study (JECS) (Ministry of the Environment)
- Adaptation to climate change through collaborative protection (Ministry of Land, Infrastructure, Transport and Tourism) [System]
- Local measures for road infrastructure such as slope and embankment countermeasures and the removal of power poles in response to disasters that have become more severe in recent years (Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening the disaster resilience of transportation networks (roads, railways, airports, ports, etc.) (Ministry of Land, Infrastructure, Transport and Tourism)
- Measures to strengthen the functions of road networks that contribute to national resilience (Ministry of Land, Infrastructure, Transport and Tourism)
- Measures against deterioration of critical infrastructure such as rivers, dams, roads, urban parks, railways, ports and fishing ports, reservoirs, agricultural irrigation facilities, and school facilities (Children and Family Agency, Ministry of Internal Affairs and Communications, Ministry of Justice, 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, National Personnel Agency)
- Measures to improve the accuracy of forecasts of heavy rains caused by stationary linear mesoscale convective systems and typhoons, etc., and other measures to improve disaster risk reduction information (Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening means of predicting, collecting, and transmitting information in the event of a disaster, and support for disaster victims such as persons requiring special care (Digital Agency, Children and Family Agency, Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare, Ministry of Land, Infrastructure, Transport and Tourism)
- Promotion of the development and management of infrastructure using digital technologies and new technologies, including the maintenance of data such as location information (Ministry of Land, Infrastructure, Transport and Tourism)
- Promote the use of the new comprehensive disaster prevention information system through practical tabletop exercises, establish rules for linkage with data linkage infrastructure, and strengthen cooperation between the public and private

disaster victim support systems (Cabinet Office)

- Measures related to volcanic disaster prevention based on the revised Act on Special Measures against Active Volcanoes¹⁴⁸, etc., and renewal of the earthquake, tsunami, and volcano observation network (Cabinet Office, Ministry of Education, Culture, Sports, Science and Technology)
- Strengthening the police's ability to respond to disasters by improving equipment and materials (National Police Agency)
- Promotion of DX and Strengthening of Equipment, necessary for strengthening firefighting and disaster prevention capabilities, such as the enhancement of emergency fire rescue teams and fire brigades in light of The Noto Peninsula Earthquake and other disasters (Ministry of Internal Affairs and Communications)
- Nationwide promotion of expediting and streamlining ambulance services with the use of My Number Card (Ministry of Internal Affairs and Communications)
- Priority measures for cadastral surveys that form the basis of disaster prevention and mitigation (Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening the SDF's operational base and ability to respond to disasters (Ministry of Defense)
- Enhancement and strengthening of support systems and functions related to disaster response such as TEC-FORCE in light of The Noto Peninsula Earthquake (Cabinet Office, 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)
- Promote the improvement of the feasibility of disaster medical activities using ships and medical containers (Cabinet Office, Ministry of Health, Labour and Welfare)
- Measures concerning marine debris, including collection, treatment and control of its generation (Ministry of the Environment)
- Strengthening the disaster response capabilities of the Regional Economic Revitalization Support Organization (Cabinet Office)
- Measures against vacant houses based on the revised Vacant House Law¹⁴⁹, etc. (Ministry of Land, Infrastructure, Transport and Tourism) [Other]
- Support for the capture of designated managed wildlife to prevent damage by wildlife (Ministry of the Environment)
<reposted>
- Enhancement and strengthening of disaster prevention measures in areas around nuclear power plants (Cabinet Office)
- Maintenance and enhancement of the radiation monitoring system and the functions of nuclear emergency medical institutions facilities (Nuclear Regulation Authority) , etc.

3. Responding to Changes in the Diplomatic and Security Environment

We will protect Japan from the drastically changing security environment. In light of the current situation in which the international community is increasingly divided and confrontational, through diplomacy based on realistic national interests, we aim to increase the number of friendly and like-minded countries based on the Japan-U.S. alliance at its core, strengthen our diplomatic and defense capabilities in a well-balanced manner, and realize peace of our country and stability in the region.

(1) Diplomacy and Security

Under the vision of a “Free and Open Indo-Pacific”, Japan will deepen cooperation with countries

148 An Act to Partially Amend the Act on Special Measures against Active Volcanoes (Act No. 60 of the 5th year of the Reiwa era (2023)).

149 An Act to Partially Amend the Act on Special Measures Concerning the Promotion of Measures against Vacant Houses, etc. (Act No. 50 of the 5th year of the Reiwa era (2023)).

and regions in order to ensure that the international order based on the rule of law is unwavering. At the same time, we will promote a free trade system by maintaining and strengthening the rules-based international economic order.

As a responsible country that serves as a member of the Security Council, Japan will contribute to strengthening the functions of the United Nations and will solve global issues by strengthening support for the Global South to address climate change, food, health and in areas such as Women, Peace and Security (WPS), including through the strategic use of ODA, including the Co-creation for common agenda initiative, to address climate change, food, health, in areas such as women, peace, and security, Japan will work to solve global issues, including strengthening support for the Global South. In the fields of DX/GX and economic security, we will support demonstrations of business development in the Global South that utilize Japanese technology, and contribute to the economic growth of those countries and the resolution of social issues.

Japan will provide emergency humanitarian assistance, financial assistance, and recovery and reconstruction assistance to Ukraine and neighboring countries through grant aid, yen loans, technical cooperation, and contributions to international organizations.

We will work to enhance resilience and consular functions of overseas establishments for the protection of Japanese nationals overseas in the event of an emergency. We will support safety measures taken by Japanese Schools in China when commuting to school.

In order to strengthen the Coast Guard Capability, we will strengthen the personnel base by strengthening and maintaining patrol vessels and aircraft, as well as improving the working environment and treatment of Japan Coast Guard personnel.

Referring to the National Security Strategy¹⁵⁰ stating that the response capabilities in the field of cybersecurity should be strengthened equal to or surpassing the level of leading Western countries, we will strengthen cybersecurity measures in the public and private sectors. In order to improve Japan's cybersecurity, we will further accelerate the consideration of implementing active cyber defense¹⁵¹ and aim to submit related bills to the Diet as early as possible.

We will strengthen our ability to collect and analyze information on disinformation using AI and other technologies, and build a robust information security infrastructure that is equal to or better than that of major countries in Europe and the United States.

Examples of Measures

- Maintaining and Developing a Free and Open Indo-Pacific (FOIP) (Ministry of Foreign Affairs)

¹⁵⁰ "National Security Strategy of Japan" (National Security Council decision and Cabinet decision on December 16, 2022).

¹⁵¹ It will be introduced as measures for eliminating in advance the possibility of serious cyberattacks that may cause national security concerns to the Government and critical infrastructures and for preventing the spread of damage in case of such attacks, even if they do not amount to an armed attack.

- Assistance to contribute to the strengthening of the functions of international organizations such as the United Nations (Ministry of Foreign Affairs)
- Promotion of the Joint Crediting Mechanism (JCM) the development of waste management infrastructure, etc. for the transition to decarbonization (Ministry of the Environment <reposted>)
- Promoting universal health coverage (UHC) through contributions to Global Health Initiatives, etc. (Ministry of Finance, Ministry of Foreign Affairs, Ministry of Health, Labour and Welfare)
- Strengthening cooperation with countries in the Global South (Ministry of Foreign Affairs, Ministry of Finance)
- Global South Future-Oriented Co-Creation Project (Ministry of Economy, Trade and Industry) <reposted>
- Japan Bank for International Cooperation (JBIC) Strengthening Financial Assistance to the Global South (Ministry of Finance)
- Responding to the emergency needs of Ukraine and neighboring countries (Ministry of Foreign Affairs, Ministry of Finance)
- Strengthening the resilience of diplomatic missions abroad and the protection of Japanese nationals (Ministry of Foreign Affairs)
- Efforts to secure evacuation facilities (shelters) in case of an armed attack (Cabinet Secretariat)
- Strengthening of Coast Guard Capabilities, etc. (Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening measures against coastal poaching and cross-border fishing (Ministry of Agriculture, Forestry and Fisheries)
- Strengthening cyber security measures in the public and private sectors (Cabinet Secretariat)
- Strengthening cyber security measures in the field of land, infrastructure, transport and tourism (Ministry of Land, Infrastructure, Transport and Tourism)
- Strengthening the Ministry of Foreign Affairs' ability to respond to information warfare (Ministry of Foreign Affairs), etc.

(2) Strengthening Defense Capabilities

In light of the security environment, which has become the most severe and complex situation since the end of World War II, Japan will promptly secure the operational posture of the Self-Defense Forces, strengthen the human resource base that supports the activities of the Self-Defense Forces, and improve facilities to fundamentally strengthen defense capabilities.

In order to improve the treatment and working environment of SDF personnel and to establish a new life plan, the newly established “Ministerial Meeting on Improvement of the Treatment and Working Environment of Self-Defense Forces and the Establishment of a New Life Plan” (established on October 9, 2024) stated that: Decide the direction of measures that should be taken by related ministries and agencies in cooperation and the items to be included in the budget for the seventh fiscal year of the Reiwa era (2025) by the end of 2024.

In order to strengthen the deterrence and response capabilities of the Japan-U.S. alliance, and to mitigate the impact on local communities at the same time, we will steadily implement the realignment of U.S. forces.

Examples of Measures

- Strengthening the SDF's operational base and ability to respond to disasters (Ministry of Defense) <reposted>
- Responding appropriately to changes in the security environment of the Self-Defense Forces (Ministry of Defense)

4. Realization of a society in which no one is left behind

As a premise for economic and social activities, it is important to deliver safety and security to all citizens, regardless of gender, generation, disability, etc. While utilizing the power of digital, we will work on crime prevention measures and support for children and child-rearing, and aim to realize a “society in which no one is left behind” where all citizens can demonstrate their individuality and abilities wherever they are, and feel happiness and a sense of purpose in life.

(1) Strengthening crime prevention measures

The security situation in Japan is severe, with incidents ranging from online and telephone fraud to heinous crimes including robbery in a wide area becoming a serious threat to society, where perpetrators are recruited on social media. Ensuring the safety and security of urban areas, including downtown areas and entertainment districts, has become an important issue. Under these circumstances, we will, so that all citizens can live with peace of mind, ensure the policing system to be robust, strengthen crime prevention measures throughout society by combining self-help, mutual help, and public assistance, and promote safe and secure urban development in a form in which the public and private sectors work together.

Strengthen measures against robbery and fraud by so-called “Yami Baito”(shady part time job). While efforts will be made to ensure that many citizens do not fall victim to such crimes or unintentionally perpetrate them, we will take strict measures against criminals so that their tools are taken away and they will not go unpunished. Specifically, we will promote public relations and consultation by the police, the security of the system necessary for the crackdown on criminal groups, and the sophistication of equipment and materials. We will promote cyber patrols to detect and nullify criminal perpetrator recruitment information, and continue requesting recruiting media companies, and SNS businesses to prevent the posting of criminal perpetrator recruitment information and delete it once found. In addition to providing support for strengthening local crime prevention capabilities using digital technology, such as the installation of security cameras, the maintenance of vehicles equipped with blue rotating lights (so-called “Ao Pato”), and the establishment of bases for crime prevention volunteer activities, we will continue to support efforts to strengthen crime prevention measures, such as the installation of building parts with high crime prevention performance.

Examples of Measures

- Promotion of various measures for the safety and security of people's lives (National Police Agency)
- New Regional Economic and Living Environment Creation Grant (Cabinet Office) <reposted>

(2) Promotion of support for children and child-rearing

We will promote children's policies from the perspective of children, young people, and the child-rearing generation, and aim to realize a “Children-Centered society”.

In order to strengthen the on-the-ground approach from the perspective of children and young people, we will work to appoint at least a certain percentage of children and young people to the committees of various councils and the members of meetings for administrative operation of each ministry and agency. In order to further improve the quality of child and child-rearing policies, including the Acceleration Plan¹⁵², we will strengthen the EBPM.

Provide a high-quality growth environment for children. We will improve the treatment of childcare workers and kindergarten teachers, secure human resources by promoting the acquisition of new childcare qualifications, improve the ICT environment of childcare centers, and reduce the burden on the field by promoting childcare DX, including the realization of once-only childcare operations. Sustainably ensure high-quality childcare in depopulated areas, including by supporting local governments that are working to maintain and secure childcare functions through multifunctionalization. We will work to expand the quality and quantity of after-school children's clubs and improve the environment for family members of hospitalized children. By the end of fiscal 2024, we will re-inform the public of the definitions of full-time childcare workers and short-time childcare workers who are required to be assigned to childcare centers, as well as the operational policy that enables the application of corporate accounting standards to accounting documents submitted to local governments by corporations that operate childcare centers, and establish a national consultation desk.

In November 2024, the attachment of a copy of the family register for a special application for the standard monthly remuneration for the period of childcare under the Employees' Pension Insurance was made optional by linking information using My Number system, and in addition to this, from January 2025, the attachment can be omitted even if the employer confirms the relationship. In addition to making preparations for the smooth implementation of the amended Child and Child Care Support Act¹⁵³ and the Child Sexual Violence Prevention Act¹⁵⁴, we will ensure the safety and security of children by supporting local governments that are working on measures to prevent sexual harm and disaster prevention and mitigation at childcare centers and other facilities.

Grasp the actual situation of a place that accepts a wide range of children's concerns and publicize it. Support local governments that establish and expand the functions of Child and Family Centers¹⁵⁵, strengthen support for young carers, make pioneering efforts to promote dual-income foster parents, and promote support for children's hospices¹⁵⁶. In addition to supporting NPOs and other organizations that provide meals for children in single-parent families, etc., we will support local

152 A plan to accelerate support for children and child-rearing based on the "Children's Future Strategy" (approved by the Cabinet on December 22, 2023).

153 An Act to Partially Amend the Child and Child-Rearing Support Act, etc. (Act No. 47 of the 6th year of the Reiwa era (2024)).

154 Act on Measures for the Prevention of Sexual Violence against Children by School Establishments, etc. and Private Education and Childcare Providers (Act No. 69 of the 6th year of the Reiwa era (2024)).

155 Facilities that aim to provide comprehensive support for the welfare of children and pregnant women and the maintenance and promotion of motherhood and the health of infants and young children.

156 A form of care provided to family members, including children and siblings who are eligible for pediatric palliative care. In Japan, it is practiced in various places and methods by various private facilities and organizations according to the conditions and needs of the target children and their families.

governments that are building a one-stop consultation system, expanding the scope of work for single-parent families to find employment and retention, and supporting their retention after employment.

Examples of Measures

- Reflection of opinions on children and young people and promotion of children's policies (Children and Families Agency)
- Improvement of the treatment of childcare workers, etc. (Children and Family Agency)
- Loan Project for Candidates for Childcare Teachers (Children and Family Agency)
- Reducing the burden on the field through childcare DX, etc. (Children and Families Agency)
- Model project to secure and strengthen childcare functions in depopulated areas (Children and Families Agency)
- Securing a system for providing childcare, etc. (Children and Family Agency)
- Securing staff for after-school children's clubs and supporting the entry of private businesses (Children and Family Agency) <reposted>
- DX Promotion Demonstration Project (Children and Family Agency) related to procedures for using after-school children's clubs <reposted>
- Environmental Improvement Project for Family Attendants of Hospitalized Children (Children and Families Agency)
- Improvement of an environment where pregnancy and childbirth can be carried out with peace of mind in the community (Children and Family Agency) <reposted>
- Securing childcare personnel by expanding the scope of “full-time childcare workers” (Cabinet Office, Children and Family Agency) [System]
- Reducing the administrative burden of joint-stock companies that operate daycare centers (Cabinet Office, Children and Families Agency) [System]
- Reducing the burden of various application tasks related to childcare (Cabinet Office, Ministry of Health, Labour and Welfare) [System]
- The system update for the smooth implementation of the System of Child and Child-rearing Support Contribution (Children and Families Agency)
- Projects related to the enforcement of the Child Sexual Violence Prevention Act (Children and Family Agency)
- Disaster prevention and mitigation measures for nursery schools, etc. (Children and Families Agency)
- Understanding the actual situation of places where children's difficulties are received and publicity project (Children and Families Agency)
- Project to Establish and Promote the Enhancement of Functions of the Center for Children and Families (Children and Families Agency)
- Project to strengthen the support system for young carers (Children and Families Agency)
- Project to Strengthen Support for Dual-Income Foster Parents, etc. (Children and Family Agency)
- Children's Hospice Support Model Project (Children and Families Agency)
- Support for children's meals for single-parent families, etc. (Children and Families Agency)
- Project to strengthen the one-stop consultation system for single-parent families, etc. (Children and Families Agency)
- Project to strengthen integrated support for employment and retention in collaboration with private companies (Children and Families Agency) , etc.

(3) Support for learning, including the revitalization of public education

Based on the idea that “human resource development is nation-building”, we aim to realize a society in which all people can receive optimal education.

In addition to promoting the second phase of the GIGA School Concept, we will accelerate

educational DX by drastically strengthening digital human resource development and utilizing AI and educational data.

With regard to the provision of free tuition for students from multi-child households, we will make every effort to ensure that financial support is delivered to those who need it.

In order to prevent and respond to chronic absenteeism at an early stage, we will support local governments that are working to create a specialized consultation and support system for eligible students and their parents. With regard to children who are chronically absent, we will support local governments that cooperate with related organizations such as medical care and welfare, and respond to children's concerns and the needs of their parents, such as providing consultation and matching with support organizations. In order to prevent bullying, we will provide guidance and support to perpetrators and support the development of organizational structures in schools after serious incidents, and support local governments that are working to eliminate bullying by approaching them from outside the school. In order to create a school where everyone can learn safely and securely without chronic absenteeism or bullying, and to secure a place for learning outside of school, we will conduct research to discover good practices.

Examples of Measures

- Development and utilization of basic tools that support educational DX (Ministry of Education, Culture, Sports, Science and Technology) <reposted>
- Transition of club activities to regional cooperation and regional club activities (Ministry of Education, Culture, Sports, Science and Technology) <reposted>
- Renovation of the system for smooth scholarship administration (Ministry of Education, Culture, Sports, Science and Technology)
- Project to build a consultation support system for parents and others for the prevention and early response of chronic absenteeism (Ministry of Education, Culture, Sports, Science and Technology)
- Seamless support for children who do not go to school in the community (Children and Families Agency)
- Project to build and promote the construction of a model for bullying prevention education (Ministry of Education, Culture, Sports, Science and Technology)
- Project to promote the construction of a model for the anti-bullying meister system (Ministry of Education, Culture, Sports, Science and Technology)
- Development and demonstration of methods for creating a system for eliminating bullying through an approach from outside the school (Children and Families Agency)
- Research to promote the effective use of measures against chronic absenteeism and bullying (Ministry of Education, Culture, Sports, Science and Technology)
- Promotion of safety measures in the case of commuting to school, including the use of school buses (Ministry of Education, Culture, Sports, Science and Technology)
- Improvement of facilities to solve the shortage of classrooms in special needs schools (Ministry of Education, Culture, Sports, Science and Technology)
- Enhancing of the environment to improve the quality of early childhood education (Ministry of Education, Culture, Sports, Science and Technology) , etc.

(4) Promotion of active participation and participation of women and the elderly

(Female)

From the perspective of improving women's wages, incomes, and economic independence, we will proceed with consideration and reach a conclusion on expanding the scope of the obligation for companies to disclose the gender pay difference¹⁵⁷ by the end of FY2024.

In all fields, including the digital field, we will promote efforts to close the gender gap.

We will support local governments that are fostering female digital human resources, entrepreneurs, and female leaders in DRR (Disaster Risk Reduction) activities, and providing support that is close to women who are facing difficulties and anxieties. Expand support for SMEs that are working to create an environment in which workers can take childcare leave according to their wishes. In light of the large number of women among non-regular employees, we will support the conversion of those who wish to become full-time employees and improve their treatment through the use of career advancement subsidies.

Reduce the gender gap in STEM fields¹⁵⁸ and create an environment where women are fairly valued and thrived in innovation fields. While supporting universities that are converting their faculties to the fields of science, engineering, and agriculture and increasing the number of students in the field of information technology, including in rural areas, we will support to universities' initiatives collaborated with private companies to secure opportunities for female students to study in the fields of science, engineering, and agriculture and to play an active role after graduation. In order to contribute to the development of girls aiming for the sciences, we will promote the appeal of the sciences through role models.

We will work to protect women's opportunities and realize a society in which human rights are protected. We will work to ensure that women have opportunities to participate in policy and decision-making processes in all fields.

In order to promote the formation of a gender-equal society in every corner of the country, we will strengthen the functions of the National Women's Education Center and the Gender Equality Centers in each region, and aim to submit the necessary bills to the Diet as soon as possible. We will encourage the constant verification of the effectiveness of the measures taken by these institutions to promote the formation of a gender-equal society.

In addition to securing a pregnancy and childbirth environment by supporting obstetric facilities in areas where there are few birthing facilities, and building a women's health consultation support system, we will conduct surveys to identify issues and good practices for creating regions that are

¹⁵⁷ Currently, it is mandatory for companies with 301 or more full-time employees to make such a statement.

¹⁵⁸ It is an acronym for Science, Technology, Engineering and Mathematics, and refers to the field of education and research in science and engineering.

chosen by women.

In order to eradicate all forms of violence, we will expand the support system for diverse victims of sexual crimes and sexual violence, including in the event of a disaster, develop a consultation and support system for victims of spousal violence, and strengthen the support system of the Women's Counseling and Support Center.

(Elderly)

As the physical rejuvenation and longevity of the elderly progresses, we will promote the development of an environment in which the elderly can participate in employment and social activities according to their motivation and abilities, and demonstrate their abilities. In addition to raising the wages and incomes of the elderly, this will lead to the realization of a society with a high level of well-being.

We will support efforts by local governments and NPOs to identify employment and social activities opportunities in the community and build a system for matching people who wish to participate in these opportunities, and by adopting these good examples in the local communities, we will lead to the expansion of social participation of a wide range of generations, including the elderly.

We will encourage the active use of subsidies to promote employment of people aged 65 and over, and support employers to extend the retirement age to 65 years of age or older and introduce a continuous system for employment of people aged 66 and over. For job seekers who need detailed support, including the elderly, we will promote employment counseling and employment support in a companion manner. In order to promote the employment of motivated seniors, the Silver Human Resources Center will implement a model project to lend employment support equipment for the elderly, and will assign specialists to explain the contents of the new law regarding freelance transactions¹⁵⁹ to create an environment where members can work with peace of mind.

In order to alleviate the anxiety of the elderly, including the elderly, about the use of digital technology, we will hold seminars on the use of smartphones and provide advice and consultation on improving digital literacy, including how to respond to online administrative procedures.

In order to enhance support for people with dementia and their families, we will support the introduction of ICT at community general support centers and create an environment that is easy to access. We will conduct empirical research to build a consistent support model from early detection to early intervention for dementia. In order to promote dementia measures in which the national and local governments work together, we will support the dementia plans enacted by local governments.

Examples of Measures

159 Act on Optimization of Transactions Related to Specified Contractors (Act No. 25 of the 5th year of the Reiwa era (2023)).

- Disclosure of differences in wages between men and women based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Ministry of Health, Labour and Welfare) [System]
 - Regional Women's Empowerment Promotion Grant (Cabinet Office)
 - Expansion of “Subsidy for Work-life Balance Support” to support the improvement of the environment for taking childcare leave (Ministry of Health, Labour and Welfare) <reposted>
 - Efforts to improve the treatment of non-regular employees (Ministry of Health, Labour and Welfare) [Other] <reposted>
 - Enhancement of the functions of the National Women's Education Center (Ministry of Education, Culture, Sports, Science and Technology)
 - Emergency support package to respond to the declining population and sudden changes in the management situation of medical institutions (Ministry of Health, Labour and Welfare) <reposted>
 - Project to establish a women's health consultation support system (Ministry of Health, Labour and Welfare)
 - Survey and research project on precedents for “creating attractive regions” (Cabinet Secretariat)
 - Strengthening support for victims of sexual crimes and sexual violence (Cabinet Office)
 - Enhancement of support systems for victims of domestic violence (Cabinet Office)
 - Public-Private Partnership to Accelerate Support for Women (Ministry of Health, Labour and Welfare)
 - Survey project to build a regional vitality platform through multigenerational participation (Cabinet Office)
 - Silver Member Employment Support Project (Ministry of Health, Labour and Welfare)
 - Explanation and response project related to the review of the contract of the Silver Human Resources Center (Ministry of Health, Labour and Welfare)
 - Project on Digital Utilization Support (Ministry of Internal Affairs and Communications)
 - Support for the introduction of ICT at regional comprehensive support centers, etc. (Ministry of Health, Labour and Welfare)
 - Early Detection and Early Intervention Demonstration Project for Dementia (Ministry of Health, Labour and Welfare)
 - Support for the formulation of dementia policy promotion plans for prefectural and municipal governments based on the Basic Act on Dementia to promote the realization of an inclusive society (Ministry of Health, Labour and Welfare)
- , etc.

(5) Ensuring safety and security by providing support to persons and households facing difficulties

In order to promote measures to address loneliness and isolation, we will work to support the coordination among the public, private and NPO sectors in local areas, the efforts of pioneering NPOs, and the nurturing of “Tsunagari Supporters”. Based on the results of support such as re-skilling to date, we will provide support for middle-aged and elderly people, including the employment ice age generation, to participate in society and to work and play an active role, including re-skilling, in cooperation with local governments. In doing so, we will expand the options for those eligible for assistance¹⁶⁰ and further enhance policy effects by supporting the employment ice age generation together with a wide range of generations that share common issues.

In order to achieve the early independence of those in need, we will promote the elimination of blank areas by supporting prefectural governments that conduct wide-area projects, and work to build an employment support scheme that meets the individual needs of those in need. We will support local governments that are working to develop a consultation system to support housing for people in need.

¹⁶⁰ Enhancement and diversification of re-skilling menus, expansion of matching companies, etc.

We will carry out activities to raise awareness and eliminate prejudice and discrimination against persons with disabilities, as well as to promote a deeper understanding. In order to promote the social participation of persons with disabilities and the transition to the local community, we will support the development of day care facilities by private businesses based on the development plans of local governments.

In order to reduce the procedural burden on welfare service providers for persons with disabilities, etc., necessary legal measures will be taken to ensure that standard forms and standard attached documents will be used for procedures¹⁶¹ to be carried out by local governments based on the provisions of the Act on Comprehensive Support for Persons with Disabilities¹⁶² and the Child Welfare Act¹⁶³ within FY2024.

In accordance with the Act on the Payment of Compensation, etc. to Persons Who Underwent Eugenic Surgery, etc. Under the Now-defunct Eugenic Protection Law¹⁶⁴, in addition to compensation for persons who underwent eugenic surgery, etc. under the now-defunct eugenic protection law and their spouses, a lump-sum induced abortion payment will be paid to those who underwent induced abortion, etc. under the now-defunct eugenic protection law. At that time, we will publicize the law and build a support system for smooth application.

Support local governments working to expand their consultation systems to strengthen suicide prevention measures.

Examples of Measures

- Creation of an environment in which people with loneliness and isolation can continue to be connected to support (Cabinet Office)
- Model survey of NPOs' efforts to combat loneliness and isolation in the community (Cabinet Office)
- Subsidies for the Promotion of Measures against Loneliness and Isolation (tentative name) (Cabinet Office)
- Employment Preparation Support Project and Household Budget Improvement Support Project for Local Governments (Ministry of Health, Labour and Welfare)
- Project to strengthen functions to support the independence of people in need (Ministry of Health, Labour and Welfare)
- Project to support the realization of an inclusive society without prejudice or discrimination against persons with disabilities (Cabinet Office)
- Establishment of a platform to promote the social participation of persons with disabilities and their transition to the community (Ministry of Health, Labour and Welfare)
- Establishment of a principle for the use of standard forms and standard attached documents in the field of welfare for persons with disabilities (Cabinet Office, Children and Family Agency, Ministry of Health, Labour and Welfare) [System]
- Payment of compensation, etc. to persons who underwent eugenic surgery, etc. under the now-defunct eugenic protection law (Children and Family Agency)
- Strengthening of suicide countermeasures in the community (Ministry of Health, Labour and Welfare)
- Ainu Policy Promotion Grant (Cabinet Office)

161 Designation application and remuneration claim.

162 Act to comprehensively support the daily life and social life of persons with disabilities (Act No. 123 of 17).

163 Act No. 164 of 22.

164 Law No. 70 of the 6th year of the Reiwa era (2024).

- Subsidies for strengthening local consumer administrations (Consumer Affairs Agency)
- Establishment of a system for implementing comprehensive legal support through the Japan Legal Support Center (Ministry of Justice)
- Strengthening the Public Security Intelligence Agency's capability to collect and analyze information (Ministry of Justice)
- Strengthening the system for food safety administration (Ministry of Health, Labour and Welfare)
- Emergency Comprehensive Measures to Promote the Conversion of Forests to Less Pollen (Ministry of Agriculture, Forestry and Fisheries)
- Promotion of barrier-free railway stations, development of platform doors, etc., and promotion of development of urban railways (Ministry of Land, Infrastructure, Transport and Tourism etc) ,etc.

AI and Semiconductor Industry Foundation Strengthening Framework

1. Scale of the Project

From the perspectives of strengthening industrial competitiveness, economic security, and energy policy, the government aims to achieve domestic investment exceeding 50 trillion yen in AI and semiconductor-related industries over the next decade through public-private collaboration. By fiscal year 2030, the government will allocate more than the following amounts:

- (1) Approximately 6 trillion yen for subsidies and commissions to support next-generation semiconductor research and development, mass production investment in power semiconductors, and other related initiatives (subsidies and commissions).
- (2) More than 4 trillion yen for capital contributions and debt guarantees for mass production investment of next-generation semiconductor, as well as for building computational infrastructure to promote AI utilization (financial support).

In total, over 10 trillion yen of public support will be provided for the AI¹ and semiconductor sectors, ensuring the necessary financial resources. In this process, considering that the advancement of information processing through the use of AI and semiconductors will contribute to energy consumption reduction, it will be accounted for separately within the Special Account for Energy Measures².

With regard to the government's support for the AI and semiconductor sectors, from the perspective of effectively promoting investment in the AI and semiconductor fields, (1) having a strategy to compete on the global stage, which will lead to the strengthening of the competitiveness of a wide range of Japanese industries, economic growth, and local community revitalization, and (2) the goods and technologies that are important for economic security as chokepoints in the supply chain. (3) Unless there is a medium- to long-term fiscal commitment by the government, support will be provided on the condition that private companies alone will not be able to make necessary and sufficient investments³.

Additionally, under the evaluation of third-party external experts, the government will assess the achievement of the policy objectives of the support framework and the supported projects as a whole. For large-scale supported projects, appropriate milestones will be set, and the progress of these

1 Development and commercialization of an AI technology platform that is integrated with the sophistication of semiconductors.

2 Excludes those that are directly funded from the Investment Account of the Special Account for Fiscal Investment and Loan Program Special Account (the FILP Special Account), and those that do not contribute to energy efficiency among the "Supply Chain Resilience Support for the Stable Supply of Critical Goods".

3 Specifically, it is assumed that the company will invest in the development of cutting-edge AI and semiconductor-related technologies and mass production ahead of other companies, which are not expected to be realized in Japan.

milestones will be monitored. This will allow for discussions regarding the certification, review, and continuation of support for the project plans.

2. Funding and Other Resources

(Subsidies and Commissions)

From the viewpoint of securing fiscal investment and profits from the investment account of the Investment Account of the Fiscal Investment and Loan Program Special Account (the FILP Special Account) in the future, approximately 2.2 trillion yen will be secured by transferring funds from the FILP Special Account to the Special Account for Energy Measures over multiple years⁴. At that time, since it is assumed that a large amount of funds will be required at once to support the AI and semiconductor fields until FY2030, special session bonds will be issued as bridging finance as necessary at the expense of the Special Account for Energy Measures⁵.

In addition, approximately 1.6 trillion yen will be secured through the return of government funds previously budgeted to strengthen industrial competitiveness and maintain its economic foundation, the use of remaining balances from funds for semiconductor support, and proceeds from the sale of shares in The Shoko Chukin Bank.

Furthermore, in addition to the use of GX Economy Transition Bonds and other bonds^{6,7} based on the acceleration of DX through the use of AI and semiconductors, and the response to the increasing demand for electricity at data centers in the future, the government will secure about 2.2 trillion yen through the inspection and review of government funds⁸ that have been budgeted to strengthen industrial competitiveness and maintain its economic base.

(Financial support)

To realize financial support, including debt guarantees for private sector loans and capital contributions, expected to exceed 4 trillion yen, necessary financial resources will be secured through fiscal investments from the Investment Account of the FILP Special Account and the use

4 1. The amount of financial resources from the Investment Account of the FILP Special Account for (1) and (2) shall be approximately 3 trillion yen.

5 Special session bonds to be issued as a bridge shall be issued within the scope of the financial resources secured by the provision from the FILP Special Account to the Special Account for Energy, taking into account the prospects for redemption and interest payments. The redemption period will end in FY2050, taking into account the redemption period of the GX Economy Transition Bonds issued to realize GX investment through public-private cooperation.

6 It refers to technology development projects related to energy-saving AI semiconductors and systems implemented in the Special Account for Energy Measures.

7 The use of GX Economy Transition Bonds is limited to cases in which it is judged in the annual budget to meet the basic principles of the government's investment promotion measures in the Strategy for Promoting the Transition to a Decarbonized Growth-Oriented Economic Structure (Cabinet Decision on July 28, 2023). The same applies to the use of GX Economy Transition Bonds in financial support, which will be discussed later.

8 It is limited to the return of the remaining amount of the fund under the jurisdiction of the Ministry of Economy, Trade and Industry (METI) that was transferred to strengthen industrial competitiveness and maintain the economic base for it.

of GX Economy Transition Bonds.

Based on the above policies, the necessary legislation for financial support for mass production of next-generation semiconductors and other related initiatives will be submitted to the next ordinary session of the Diet.

Size of the Economic Measures

	Fiscal Expenditure	Project Scale
I. Growth of National and Regional Economies	Approx.	Approx.
- Increasing Current and Future Wages and Incomes for All Generations -	10.4 trillion yen	19.1 trillion yen
II. Overcoming High Prices	Approx.	Approx.
- Paving the Way for a Transition to a Growth-Oriented Economy in which No One Is Left Behind -	4.6 trillion yen	12.7 trillion yen
III. Ensuring the Safety and Security of the People	Approx.	Approx.
- Laying the Foundation for the Transition to a Growth-Oriented Economy -	6.9 trillion yen	7.2 trillion yen
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TOTAL	Approx. 21.9 trillion yen	Approx. 39.0 trillion yen

(NOTE)

Out of 21.9 trillion yen in fiscal expenditure mentioned above, 13.9 trillion yen is from the central government's General Account (I: 4.8 trillion yen, II: 3.4 trillion yen, III: 4.8 trillion yen), 0.9 trillion yen is from the Special Account, and 1.1 trillion yen is from the Fiscal Investment and Loan Program.