

**Gist of Comprehensive Emergency Economic Measures
In Response to the Yen's Appreciation and Deflation**

I. BASIC IDEA

Growing Concerns about Worsening Economic Conditions

Further deterioration in the economic environment since the implementation of Step 1 economic measures (on September 10)

- Decelerating exports, declining production in three consecutive months, downturn in corporate sentiment regarding short-term prospects
- Persistent deflation, continuation of high unemployment
- Continued appreciation of the yen

- Factors such as the prolonged appreciation of the yen and slowdown of overseas economies at a time when the recovery in Japan is still weak pose significant downside risks that could further dampen economic growth
- Should such risks materialize, the exit from deflation and achievement of a self-sustaining recovery could be delayed

Current Measures (Step 2): Speedy Results in Generating Demand and Seamless Creation of Job Opportunities (Three Perspectives)

- (1) Countering fears of declining demand, working toward the stabilization of business sentiment
- (2) Bridging the period until the implementation of next fiscal year's budget
- (3) Front-loading the implementation of the New Growth Strategy

- Through seamless measures, take strong strides toward exiting deflation and creating a virtuous economic cycle

(Five Pillars Based on the Prime Minister's September 27 Announcement)

- (1) Employment and human resource development
- (2) Promotion and acceleration of the New Growth Strategy
- (3) Ensuring a sense of security through support for such issues as child-rearing,

healthcare, nursing care and welfare

(4) Revitalization of Japan's regions, construction of new social infrastructure and measures to support small and medium-sized enterprises

(5) Regulatory and institutional reforms

II. CONCRETE MEASURES

1. Employment and Human Resource Development

(1) Greater Support for New Graduates and Other Young People

- Implementation, etc., of the Assistance Program for the Employment of New Graduates (tentative name)

Expanded subsidies, etc., for companies that employ on a full-time basis those who graduated within the last three years (extension until the end of fiscal 2011); promotion of one-stop services and job-matching support through job placement offices for new graduates

- Expansion of special subsidies for companies hiring young people, etc., on a full-time basis

Expanding the qualifying age group for trial employment subsidies (to those younger than 25)

- Resolving the mismatch between businesses, primarily small and medium-sized enterprises, and students (upgrading services provided by "job café" support centers)

(2) Helping to Provide Jobs and Supporting People's Livelihoods by such measures as Employment Adjustment Subsidies

- Relaxation of eligibility requirements for employment adjustment subsidies (loss-making companies whose production levels have declined by 15% or more compared to levels three years ago)
- Expansion of subsidies to promote the direct employment of dispatched workers
- Extension of "housing measures" (allowances for people out of work until the end of fiscal 2011)
- Program to restore bonds with society among the poor and needy (job and housing support for people threatened with homelessness)
- Consideration of institutionalizing Personal Support Services (implementation of pilot programs)

(3) Jobs Creation and Human Resource Development

- Expansion of job creation program in priority areas (nursing care, healthcare, the environment and energy, etc.)
Extension of the implementation period (until the end of fiscal 2011; parts of the program until the end of fiscal 2012); addition of education and research as priority areas; possibility of adding other priorities in accordance with regional needs
- Extension, etc., of emergency human resource development program (provision of ¥100,000 in monthly livelihood stipends)
Extension of the system (until September 2011); personalized support for people completing training
- Implementation of support for human resource development in growth areas (health, the environment, manufacturing)
- Promotion of practical career-enhancement system (phase one: nursing care workers, energy conservation, etc., diversification of primary industries)
- Environmental improvement to encourage the self-sustained development of “New Public Commons”

2. Promotion and Acceleration of the New Growth Strategy

(1) Promotion of Green Innovation: Strategy for Becoming an Environmental and Energy Power

- Efforts to secure rare earth metals and other natural resources
Development of new mines, securing of mining rights, etc., through financing by the Japan Bank for International Cooperation, and development of alternative technologies, etc.
- Encouraging the spread of energy-saving homes and electrical appliances
Expansion of the eco-point system for housing to include solar systems and water-saving toilets
- Enhancing the environmental-friendliness of public transportation (subsidies for introduction of natural gas and hybrid vehicles)
- Promoting green investments (subsidies for energy-saving renovations of office buildings, etc.)
- Promoting the overseas transfer of Japan’s environmental and energy-related technologies (overseas transfer of Japan’s outstanding technologies through ODA, etc.)

(2) Promotion of Life Innovation: Strategy for Becoming a Health Power

- Additional support for life innovation R&D (service robots, very early diagnosis of cancer, etc.)
- Promotion of informatization and internationalization in healthcare services (electronic self-management of personal health information)

(3) Promotion of the Asian Economic Strategy

- Becoming an Asian hub, promoting the smooth forging of EPAs
- Support for the export of infrastructure and systems (reinforcing JBIC's investment-financing functions, exporting digital terrestrial broadcasting technology, etc.)

(4) Promotion of a Nation Built on Science, Technology and Telecommunications

- Promotion of new technologies (leading-edge optical communication technologies, center for coordination among industry, academia, and government in the nanotech field, etc.)
- Support for the upgrading of corporate facilities for experimental research and assessment (subsidies for large-scale capital investment in facilities for experimental research and assessment of leading-edge technologies)

(5) Maximizing the Merits of the Yen's Appreciation

Fuller utilization of such institutions as JBIC and JOGMEC, further efficient utilization of the special account for foreign exchange funds

3. Ensuring a Sense of Security Through Support for Child-Rearing, Healthcare, Nursing Care and Welfare

(1) Child-Rearing

- Improving the foundations of childcare services, etc., and preventing child abuse
Expansion of the Anshin Kodomo Kikin Fund (fund for children and childrearing), to be extended until the end of fiscal 2011
- Sustained public aid for prenatal checkups
Public aid for approximately 14 checkups, addition of antibody tests for the HTLV-1 virus, which can cause adult T-cell leukemia and other ailments, during prenatal checkups

(2) Healthcare

- Reviving community healthcare and reinforcing the functions of medical

institutions

Improving and expanding the system of providing broad-based healthcare services at the prefectural level

- Advancing disease control
Fighting novel influenza, promoting vaccination to prevent cervical cancer
- Smooth issuance of benefits based on the relief measures law for hepatitis C sufferers
- Sustaining the current measures of reduced financial burden for elderly patients

(3) Nursing Care, etc.

- Expanding nursing-care services
Implementation of 24-hour community patrols and home visitation services on an as-needed basis
Institutional improvements to enable nursing personnel to provide medical care (phlegm removal, etc.)
- Creation of systems for daily mutual support activities in the community
Assistance for the formation of networks that draw on NPOs and other community resources

(4) Welfare, Etc.

- Support for transition to a new system of providing welfare services for the handicapped, etc.
Advancing the upgrading of facilities offering employment support, etc.
- Advancing measures to prevent suicide and depression and to support victims of domestic violence
Provision of training for mental health professionals, offering telephone consultation services for domestic violence victims
- Livelihood support through welfare benefits and healthcare coverage

4. Revitalization of Japan's Regions, Construction of New Social Infrastructure and Measures to Support Small and Medium-Sized Enterprises

(1) Regional Revitalization

- Enhancing earthquake resistance for safer homes and residential environments
Advancing the earthquake resistance of homes, schools, water supply and sewerage systems, etc.
- Advancing digital terrestrial broadcasting and the utilization of digital content

Creating digital archives for materials held by the National Diet Library

- Urgent support for agriculture, forestry and fisheries to protect the nation's food resources (advancing measures to deal with foot-and-mouth disease, etc.)
- Support for the development of agriculture and forestry as growth areas (advancing the revitalization of forests and the forestry industry, etc.)
- Advancing efforts to create attractive tourist destinations and revitalize domestic travel (promotion of taking staggered holidays, etc.)
- Expanding support that stands the perspectives of regions

Creation of a "community revitalization subsidy" (tentative name; consists of "fine-tuned subsidy" and "sunshine for local residents subsidy")

(2) Construction of New Social Infrastructure

- Infrastructure improvements that contribute to restoring vitality to local economies

Eradication of "missing links" in the nation's road network, strengthening of hub functions at Hanshin- and Keihin-area international container ports, enhancement of Haneda Airport, etc.

(3) Measures to Support Small and Medium-Sized Enterprises

Support for cash management, technology development and overseas operations, entry into new markets, human resource development, etc.

5. Regulatory and Institutional Reform

- Enhancement and strengthening of the "Regulatory Reform 100 to Revitalize Japan," etc.
- Promotion of further reforms at the meetings of working group on regulatory and institutional reforms
- Consideration of regulatory and institutional reform in preparation for introduction of a comprehensive special zone system

PROJECTED IMPACT OF THESE MEASURES

Approximately 0.6 percentage point increase in real GDP (from current level)

Approximately 450,000 to 500,000 jobs created or maintained