

Economic policy packages by the Aso cabinet

- Comprehensive Immediate Policy Package – Easing Public Anxiety –
(August 29, 2008)
- Economic Policy Package: Measures to Support People’s Daily Lives
(October 30, 2008)
- Immediate Policy Package to Safeguard People’s Daily Lives
(December 19, 2008)

Measures to support employment

Measures implemented in Fiscal 2008

- Measures for housing and daily lives (Provision of counseling services at major "Hello Work" employment security offices nationwide) (Total scale: Approx. 30 billion yen)
 - Provision of accommodation and financial assistance for unemployment
 - Provide subsidies to business owners who continue to provide accommodations free of charge to workers whose (fixed-term) contracts were not renewed and those who were laid off
 - Provision of housing and daily lives support loans
 - Provision of loans to meet initial costs to enter new housing
 - Maximum utilization of employment-promotion housing facilities
- Measures to maintain employment (Total scale: Approx. 54.5 billion yen)
 - Support employment in small and medium-sized enterprises
 - Reduction of output rates required to receive subsidies for employment adjustments
 - Easing of eligibility for subsidies for employment adjustments; expansion of workers eligible for the subsidies
- Appropriate response to issues related to working conditions, such as lay offs and non renewal of fixed-term contracts
 - Enlightenment and instruction activities by Labor Bureaus to prevent inappropriate lay offs and non renewal of fixed-term contracts
- Improvement of counseling services
- Policies for non-regular workers (10 billion yen)
 - Review legislation on the worker dispatching system, and expose illegal practices
 - Promote employment measures for non-regular workers
 - Support employment of older "freeters" (irregular and part-time or casual employees) aged 25 to 39 through the utilization of a system to employ them on a trial basis
 - Establish a system to provide social safety benefits to those receiving vocational training, as part of efforts to develop and expand the job-card system
 - Support employment of the elderly
 - Establish a system to support business owners who begin employing those older than 65 years old
- Request business communities to raise employees' wages
- Fiscal assistance to local governments' emergency measures
 - Support local governments through the provision of special local allocation tax when they temporarily employ those unemployed

Measures by the second fiscal 2008 supplementary budget and fiscal 2009 budget

- Measures to maintain employment (Total scale:Approx.50 billion yen)
 - Establishment of incentives for business owners who renew contracts with temporary agency workers
- Measures to support re-employment (Total scale:Approx.480 billion yen)
 - Provision of grants for local governments to create employment opportunities
 - Swift implementation of special grants to revitalize employment in home towns (250 billion yen)
 - Local governments will support efforts to create job opportunities at companies.
 - Establishment of emergency job creation programs (150 billion yen)
 - Local governments and human resource centers for the elderly will create job opportunities temporarily for unemployed non-regular workers and people of middle to old age
 - Support efforts to actively employ older "freeters" (irregular and part-time or casual employees) aged 25 to 39
 - Implementation of long-term trainings for stable employment, including expansion of the scale of training for the unemployed
 - Promotion of efforts by small and medium-sized enterprises for human resource development, and of activities by one-stop job placement service centers (the so-called job cafe)
- Measures to deal with cancellation of tentative employment offers (Total scale:Approx.300 million yen)
 - Prevention of cancellation of tentative employment offers
 - Establishment of incentives for business owners who employ, as regular employees, those whose tentative employment offers have been cancelled
- Reduction of unemployment insurance premiums (Approx.640 billion yen)
- Review of provision of employment insurance (Approx.170 billion yen)
 - Expansion of the coverage of employment insurance benefits to non-regular workers
 - Strengthening of support to those facing difficulties in finding job

Social Security

Measures implemented in Fiscal 2008

- Remove anxiety in health care (Approx.320 billion yen)
 - Expand measures to run the elderly health care system smoothly
 - Reducing insurance premiums for the elderly health care system paid by those with low income
 - Increasing the number of medical doctor trainees
 - Strengthen efforts to reinforce medical care services, including ensuring medical care in the regions and responding to the shortage of medical doctors and to the needs of hospital doctors, so as to dispel the people's anxieties over medical care
 - Strengthen countermeasures against pandemic influenza
 - Build up a stock of anti pandemic influenza virus drugs and vaccines; prepare materials and equipments for people engaging in frontline measures, so as to protect them from infection
- Addressing pension record problems (Approx.20 billion yen)
 - Check the records by mailing the “Pension Coverage Special Notice” to all insured persons and pensioners
 - Transform paper-based old records into electronic images and establish a check-up system
- Support childbirth and child care (Approx.10 billion yen)
 - Urgently enhance child-care centers
 - Urgently enhance authorized centers for pre-school children

Measures by the second fiscal 2008 supplementary budget and fiscal 2009 budget

- Improve working conditions of nursing care workers; secure a sufficient number of these workers (Total scale:Approx.170 billion yen)
 - Improve working conditions of nursing care workers by revising their remunerations
 - Implement urgent measures to secure nursing care workers
- Expand childbirth and childcare supports (Total scale:Approx.250 billion yen)
 - Urgently enhance childcare support services by establishing a fund for parents to engage in childcare with peace of mind
 - Provide special aid to support childcare
 - Ensure secure and safe childbirth
 - Provide maternity checkups without charge as many times as necessary (approximately 14 times)

- Promote efforts by small and medium-sized enterprises to support childcare
- Expand disabilities supports (Approx.90 billion yen)
 - Smoothly enforcement Services and Supports for Pensions with Disabilities Act
- Promote medical care and pension measures (Approx.70 billion yen)
 - Smoothly implement medical services for the elderly
 - Reduce medical insurance premiums for those aged 75 and over with low income
 - Promote medical care measures
 - Construction of heliports to facilitate the use of helicopters for medical emergencies; support for nurses and maternity nurses to acquire advanced skills
 - Enhance production capacity of pandemic vaccines for pandemic influenza
 - Provide subsidies to meet vaccine manufacturers' costs to acquire manufacturing equipments so that they can enhance manufacturing capacity
 - Respond to the pension records problem
 - With regard to cases requiring retrospective correction of records of standard remuneration, thoroughly investigate pension records that could have been processed incorrectly, and provide counseling services

Measures to support small and medium-sized enterprises

Measures implemented in Fiscal 2008

- Measures against cash-flow problems faced by small and medium-sized enterprises (9 trillion yen)
 - Expand a maximum level of emergency credit guarantees by credit guarantee corporations to the scale of 6 trillion yen
 - Expand a maximum level of safety-net loans by government affiliated financial institutions to the scale of 3 trillion yen
- Exercise Japan Finance Corporation's risk management duties in response to financial crises
 - Exercise Japan Finance Corporation's risk management duties to support cash-flow measures implemented through the Development Bank of Japan and the Shoko Chukin Bank
- Measures to stabilize financial and capital markets
 - Ease regulations on corporate stock buy-backs
 - Freeze temporarily selling of government-held shares to markets
 - Manage flexibly limits on share holdings by banks
 - Partially ease regulations on bank's capital adequacy ratio
 - Strengthen regulations on short sales by enhancing disclosure of information
 - Extend the period of government support for life insurance companies' safety nets
- Utilization and improvement of the "Law on Special Measures for Strengthening Financial Functions"
 - Utilization and improvement of the Financial Function Strengthening Law, and possible increase in the government's capital participation
- Support for Japanese companies' capital procurements for overseas businesses through the Japan Bank for International Cooperation (JBIC)
 - Add an export credit system, through which credits are directly given to exporting companies in Japan
 - Establish a loan system for Japanese companies' businesses in developing countries; make it possible to provide loans directly to locally-incorporated companies abroad, and for headquarters in Japan to provide loans
- Facilitating cash-flow of construction businesses
 - Establish a loan system to strengthen management of construction companies in the regions, in order to facilitate their capital procurements by promoting liquidation of debts for contractors of public construction projects
- Measures for housing and real estate markets

- Support business finances of housing and real estate companies by expanding the eligibility of the Japan Housing Finance Agency's loan system for town building
- Protect sub-contractors
 - Lawyers' free advisory services are being provided for transactions by small and medium-sized enterprises at 48 “sub-contractor Support Offices” nationwide
 - Establish an information-sharing network to protect sub-contractors (notification system) among the Ministry of Health, Labour and Welfare, the Ministry of Economy, Trade and Industry, and the Japan Fair Trade Commission
- Provision of liquidity by the Bank of Japan
 - The Bank of Japan is expected to provide sufficient liquidity to domestic and foreign financial institutions.

Measures by the second fiscal 2008 supplementary budget and fiscal 2009 budget

- Further expansion of countermeasures against cash-flow problems faced by small and medium-sized enterprises (30 trillion yen)
- Expansion of the maximum level of the government's total equity participation in financial institutions, provided for by the amended Act on Special Measures for Strengthening Financial Functions, from the present level of 2 trillion yen, to 12 trillion yen (10 trillion yen)
- Utilization and strengthening of the Banks' Shareholdings Purchase Corporation (20 trillion yen)
- Measures against cash-flow problems faced by steady business enterprises and large enterprises (3 trillion yen)
- Expansion of loans to Japanese companies' overseas businesses through the Japan Bank for International Cooperation (JBIC)
- Facilitating cash-flow of construction businesses (1.3 billion yen)
 - Utilization of the “Loan program to reinforce management of regional construction industry”
- Measures for housing and real estate markets (Approx.200 billion yen)
- Tax system for small and medium-sized enterprises (National tax:Approx.220 billion yen / Local tax:Approx.20 billion yen)
- Inheritance tax system; financial and securities tax system (National tax:Approx.60 billion yen / Local tax:Approx.20 billion yen)

Supporting daily life (Fixed-sum stipend, consumer policies, etc.)

Measures implemented in Fiscal 2008

- Measures to strengthen consumer policy (Approx.2 billion yen)
 - Strengthen consumption-related counseling services
 - Efforts to strengthen information-sharing structures such as consumption-related counseling services
 - Strengthen measures to ensure safety of imported foods
 - Strengthen measures to ensure food safety

Measures by the second fiscal 2008 supplementary budget and fiscal 2009 budget

- Provision of a “Fixed-sum stipend” (Approx.2 trillion yen)
 - For providing immediate support to households, a “Fixed-sum stipend” will be provided by the end of this year, by spending a maximum of two trillion yen, on a single fiscal year basis.
- Drastic enhancement of consumer policy including the establishment of the “Consumer Agency” (Approx.26.8 billion yen)
 - Reinforcement and improvement of local consumer consultation services
 - Enhancement of food safety measures
 - Promotion of measures to prevent illegal business practices and remittance-soliciting (Furikome) fraud

Measures to enhance growth potential and creating a low carbon society

Measures implemented in Fiscal 2008

- Promote substantial introduction of energy-saving and new energy technologies
 - Accelerate the introduction of energy-saving and new energy equipments
 - Introducing solar power systems in households, enterprises and public facilities
 - Introducing large-scale regional power stations (“mega-solar”)
 - Increasing the number of small and medium-sized enterprises introducing new energies, and the number of companies and households introducing highly efficient facilities and equipments, and energy-saving home appliances
- Enhance energy efficiency in transportation systems and promote modal shift
 - Promoting the introduction of “eco-cars”
 - Promoting modal shift and efficient distributions
- Accelerate R&D of innovative technologies in environment and energy
 - CCS (Carbon Dioxide Capture and Storage) technology
- Accelerate the development of energy-saving means of transportation
- Promote the development of technology directly contributing to the enhancement of Japan's international competitiveness
 - Promote the development of innovative technologies which directly enhance international competitiveness such as iPS cell technology (e.g. Innovative Technology Super Zone)
- Build beautiful and vibrant home towns
 - Promote and support the Earth and Forestry Action Plan, the Great Clean up Operation to Save Beautiful Japan, and environment-conservation oriented town building initiatives
- Measures for sewage in the regions
 - Support the development of advanced, energy-saving sewage treatment tanks and large-scale sewage treatment tanks

Measures by the second fiscal 2008 supplementary budget and fiscal 2009 budget

- Tax system to promote investment in energy-saving and new energy facilities (National tax: Approx. 130 billion yen / Local tax: Approx. 60 billion yen)
- Bring overseas subsidiary's profits to Japan
- Tax reduction and exemption for purchase of eco-friendly cars (National tax: Approx. 100 billion yen / Local tax: Approx. 110 billion yen)
- Measures for sewage in the regions

**Regional revitalization measures, agriculture, forestry and fishery sectors
measures**

Measures implemented in Fiscal 2008

- Reduce express tolls (Approx.100 billion yen)

- Expand production capacity and strengthen agriculture, forestry and fishery sectors
 - Securing and effectively using agricultural land, full use of rice fields
- Boost demand for domestic agricultural, forestry and fishery products
 - Encourage to serve rice at school lunches more frequently, promoting “local production for local consumption” initiative
- Management and restoration of resources (Fisheries industry)
 - Strengthen measures to manage and restore fisheries resources
- Create new markets
 - Cooperation among agriculture, commerce and industry, promotion of exports

- Provide grants to local governments to implement the Comprehensive Immediate Policy Package to Ease Public Anxiety (26 billion yen)
- Compensate the shortfall in local tax revenues during the period when the provisional tariff for fiscal revenues earmarked for road-related spending is losing effect (Approx.65.6 billion yen)

Measures by the second fiscal 2008 supplementary budget and fiscal 2009 budget

- Significant reduction in expressway tolls (500 billion yen)
 - (1) Introduce reduced tolls during periods of time on weekdays, in which regular fees are now being applied, for improving efficiency of physical distribution, and (2) introduce reduced tolls to users of Shuto and Hanshin Expressways and to long-distance users on holidays in non-metropolitan areas
- Revitalization of regional corporations and shopping areas, utilization of ICT and PFI to vitalize regional economies
- Promotion of a Tourism Nation (Approx.50 million yen)
 - Support for the development of tourism regions, upgrading of tourist accommodation services and facilities, revision of visa procedures with consideration given to immigration control and procedures for issuing visas
- Support for regional construction corporations to start new businesses and to collaborate with other industries (Approx.3.5 billion yen)

- Transportation network development which leads to safe and reliable traffic zones and reduced physical distribution costs (Approx.79.4 billion yen)
 - Measures for road safety along school routes and at traffic intersections, barrier-free railway stations, more convenient local bus services, LRT projects
 - Improvement of road networks that contributes to regional revitalization and international competitiveness, upgrading of urban railway networks
 - Support for small and medium sized enterprises, engaged in cargo transport
 - Enhancement of functions of Haneda Airport and other airports, key port facilities, development of safe sea lanes
- Enhancement of regional communities
 - Creation of beautiful and vibrant hometowns, etc.
 - Promotion of settlement in under-populated areas
 - Prevention of oil spills from certain facilities established by the national government and sound insulation measures around such facilities etc.
- Establishment of Grants to Create the Foundations for Vibrant Local Areas (940 billion yen)
- Fostering management for the future of agriculture and related job creation
 - Support for farmers willing to make the fullest use of rice paddies
 - Facilitation of the provision of loans to core farmers, support to improve facilities, support for practical training programs for those planning to become farmers, etc.
- Accelerated technical development and cooperation among agriculture, commerce and industry, active use of domestic agricultural products
 - Promotion of utilization of IT technology, energy-efficiency enhancement in agricultural facilities
 - Support for cooperation among agriculture, commerce and industry to steadily utilize indigenous materials; exploration of new sales channels for local agricultural products; immediate implementation of measures to stabilize livestock businesses, etc.
- Revitalization of forests and the forestry sector
 - Increased use of domestic timber for homebuilding, utilization of woody biomass, development of forest road network
- Revitalization of the fishery sector
 - More marketing efforts for marine products, support to enhance profitability through more efficient and rationalized use of materials, for fishing and fish feeding stuff, and development of fishery infrastructures
- Establishment of consumer confidence in food safety
 - Support for the businesses who unknowingly sold or processed tainted rice
- User-friendly and easy-to-understand administration in charge of agriculture, forestry and fishing industries

- Increasing the amount of the Local Allocation Tax to promote policies aimed at creating employment and others (1 trillion yen)
- Joint establishment by the regions of a financial institution for it to provide long-term low-interest loans to general budget accounts of local governments
- Provision of emergency grants to revitalize the regions / for countermeasures to assist people's daily lives, so as to promote the development of infrastructures precisely meeting the needs of the regions (600 billion yen)

Housing investment and disaster prevention measures

Measures implemented in Fiscal 2008

- Promote eco-friendly long-lasting houses
 - Extending and expanding housing loan tax cuts
- Secure accommodation which supports safe and comfortable life of elderly people
 - Promoting measures to prevent health damages caused by substances used in building constructions
- School renovation to protect pupils and students from earthquakes (Approx.206.5 billion yen)
 - Accelerating the quakeproof renovation of 10,000 school buildings, which could collapse in large-scale earthquakes
- Disaster recovery after earthquakes and localized torrential rain and other disaster management measures (Approx.440 billion yen)
- Create a safe society
 - Measures against crimes, including ones related to food safety; dispatch of disaster relief team; measures to protect and manage wildlife; enhancing investigation on causes of fire from products

Measures by the second fiscal 2008 supplementary budget and fiscal 2009 budget

- Ensure safe and reassuring living space for the elderly
 - Enhancement of housing safety net through the provision of public rental housing, so that the elderly can continue living in the region they are accustomed to
 - Development of housing that meets welfare needs; promotion of reverse mortgages
- Promote housing investment through the tax cut for housing and easing of voluminal regulations (Budget:14.5 billion yen / National tax:Approx.180 billion yen / Local tax:Approx.170 billion yen)
 - Raising the maximum deductible amount to the highest level ever
 - Examining tax reductions for housing investment in energy-efficient or barrier-free upgrades for addressing issues such as environment conservation and ageing
 - Promotion of securitization and liquidation of real estate for regional revitalization
 - Extension and expansion of various land taxation systems
 - Support for households engaging in childcare to acquire housing through the expansion of excellent systems to support acquisition of housing; provide subsidies to people modifying their homes and buildings so as to conserve energy; promotion of wooden houses and a dual residence lifestyle

- Relaxation of the floor area ratio (Buildings with advanced environmental measures, excellent urban development projects, etc.)
- Support for superior urban and regional development projects
- Disaster prevention measures including reinforcement of public facilities against earthquakes (School buildings and houses against earthquakes:78.7 billion yen / Countermeasures against torrential rains, earthquakes, etc.:123.6 billion yen)
 - Accelerated reinforcement of school buildings and houses against earthquakes, earthquake countermeasures for public facilities [including airports, water supply and sewage systems, waste treatment facilities, correctional institutions, and public office buildings], promotion of environmentally-friendly renovation
 - Life extension of aging infrastructures including road bridges
 - Implementation of countermeasures against torrential rains, tsunamis and storm surges, reinforcement of observing facilities
 - Improved disaster prevention functions in urban areas by upgrading urban parks and other public facilities, upgrading of fire-fighting equipments for improving rescue techniques, thorough implementation of emergency fire prevention measures including support for self-inspection of firefighting equipment in commercial facilities that have many small individual rooms