

Achievements of the "third arrow" reforms and new measures to be taken

Vitalization of Private Investment

- **Tax measures for promoting investment in facilities amounting to approximately 1 trillion yen** was implemented, and the level of capital investment has been recovered. (**67 trillion yen (FY2013)** * goal: 70 trillion yen in FY2015)
 - Special corporate tax for reconstruction was abolished 1 year ahead of schedule, reducing the effective corporate tax rate by 2.4%.
- ⇒ Furthermore, **pro-growth corporate tax reform** will be initiated, which will reduce **the percentage level of effective corporate tax rate down to the twenties in several years**. The first phase rate reduction is going to be undertaken in the next fiscal year.

Enhancement of Corporate Governance

- Revision of Companies Act, which promotes appointments of external directors, has been passed, while **listed companies which appoint independent external directors have dramatically increased** (from 47% in 2013 to 61% in 2014).
- ⇒ Furthermore, **Corporate Governance Code** will be drafted.

Labor Market Reform

- Shift of labor force from the matured industry to the burgeoning one without causing unemployment has been achieved (**fundamental change of policy direction from excessive focus on maintenance of jobs to the assistance for mobilization of labor force**).
 - The jobs-to-applicants ratio hit **the highest level in 8 years** and the wage growth rate reached **the highest in the past decade**. Summer bonus has increased by 8.8%, which is **the highest in the past three decades**.
- ⇒ Furthermore, along with **review of the flex-time and discretionary working-hour system**, and also with **reinforcement of measures against overwork, a new working-hour system under which payments will be made based on the outcomes rather than the hours worked will be established**. This will allow workers to choose more flexible working styles.

Promotion of Women's Participation

- "Zero Childcare Waiting-list Project" is being implemented, which secures **childcare services for another 0.4 million children**.
 - **The number of women on the job has been increased by 0.5 million**, since the inauguration of the administration.
- ⇒ Furthermore, a new initiative has been initiated to **secure after-school care services for another 0.3 million elementary-school kids** by the end of FY2019.

Enhancement of the Headquarter Function for Technology and Innovation Policies

- Council for Science and Technology has been provided with **a function to manage science and technology budget** that had previously been managed by several different ministries (launch of Cross-ministerial Strategic Innovation Promotion (SIP) Program and Impulsing Paradigm Change through Disruptive Technologies (ImPACT) Program).
- ⇒ Furthermore, **an "Innovation National System" that fundamentally enhances "bridging" function from seeds to commercialization** will be established.

Agriculture

- An agricultural reform package including **review of the rice production regulation, which lasted for more than 40 years**, was decided.
 - **The amount of food export recorded the highest-ever**. (**550 billion yen** in 2013, **+22.4% increase** compared to the previous year)
- ⇒ Furthermore, another holistic reform package, including **the first-ever fundamental reform of agricultural cooperatives in 60 years**, will be implemented to reinforce the competitiveness of agriculture industry.

Healthcare

- **A new headquarter institution that strategically manages R&D** in the field of medicine was established.
 - **A new legal framework to accelerate commercialization of regenerative medicine** was established.
- ⇒ Furthermore, **a new health insurance scheme** will be introduced, under which patients will gain more expeditious access to the latest advanced treatments which are yet to be covered by the public health insurance. (The investigation period will be **shortened from 6 months to about 6 weeks**.)

Finance

- **NISA**, a Japanese version of Individual Savings Account, was introduced. **About 6.5 million accounts have been opened** by the end of March.
- ⇒ Furthermore, the Government Pension Investment Fund (GPIF) is going to **review its portfolio and reinforce its governance structure**.

Energy

- **The first fundamental electricity system reform in 60 years** was launched.
- ⇒ Furthermore, the reform will be conducted successively, including legal separation between electricity generation and distribution, and **will be completed by 2020 at the latest**.

Business Globalization and Tourism

- Top-level government involvement in sales was enhanced (**67 cases in 2013**) and the amount of infrastructure projects taken on by Japanese enterprises was **tripled to about 9 trillion yen**.
 - **Visa requirements were relaxed** particularly for the ASEAN countries and the number of foreign visitors to Japan in 2013 exceeded **10 million for the first time (24% increase from the previous year)**. Also, the number of international flights at Haneda Airport has been **increased from 60 thousands to 90 thousands**.
- ⇒ Furthermore, the duration of tourist visa will be **extended from 90 days to 1 year at the most** and the number of duty-free shops will be **doubled to about ten thousands**. Further relaxation of visa requirement for ASEAN countries (e.g. exemption of visa requirement for Indonesia) will also be implemented.