

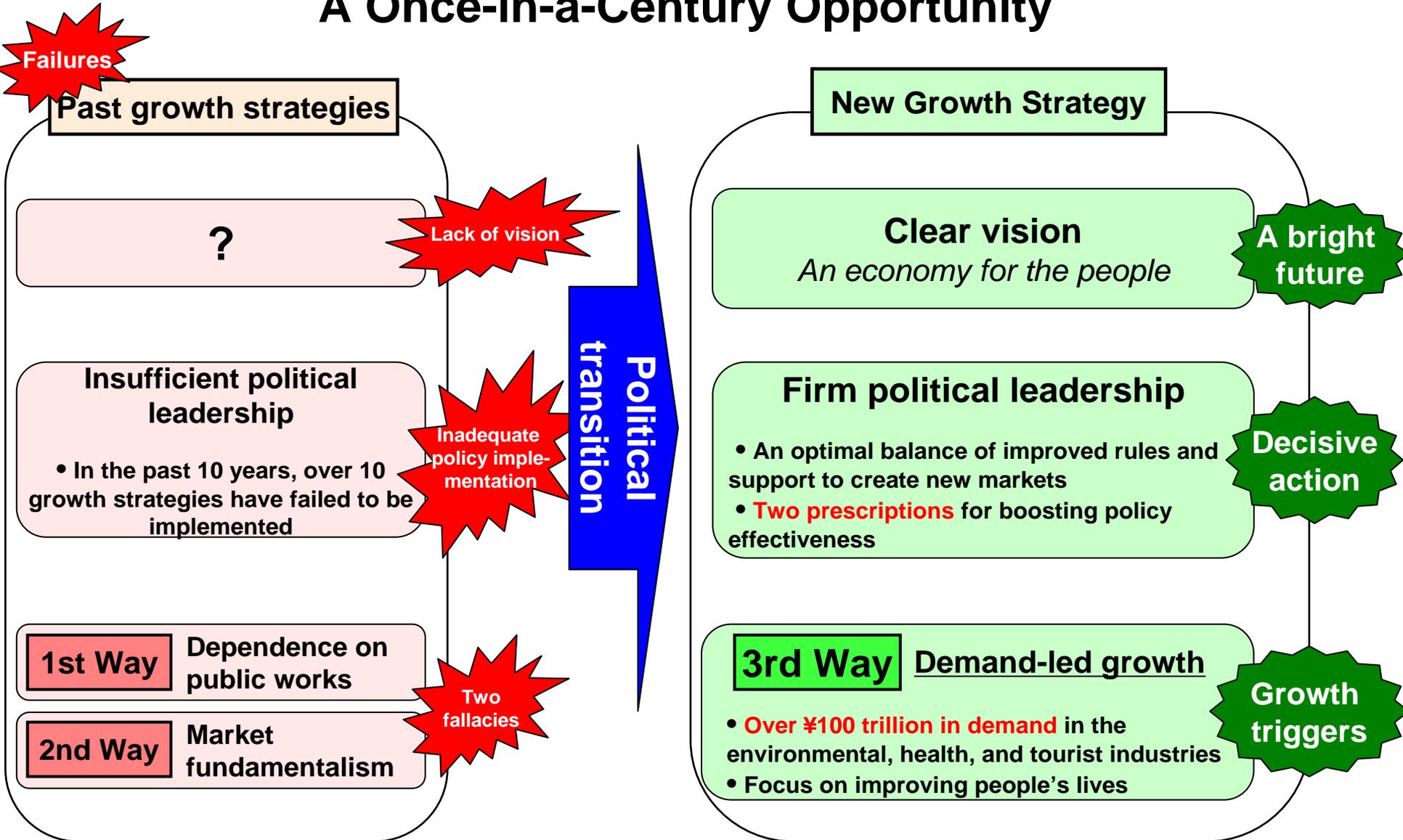


**New Growth Strategy
(Basic Policies)
Toward a Radiant Japan**

December 2009

Declaration of Leadership for New Demand Creation

A Once-in-a-Century Opportunity



Political Leadership

Two prescriptions for boosting effectiveness of the growth strategy

1. Thoroughly analyze goals and policies, adding new measures as needed

- Basic Policies are being introduced in this strategy.
- After gauging public opinion, **thoroughly analyzing goals and policies, and adding new measures** (future-oriented selection and focus) from the standpoint of (1) demand effect, (2) employment effect, and (3) leveraging know-how,

the final New Growth Strategy will be compiled by around June 2010.

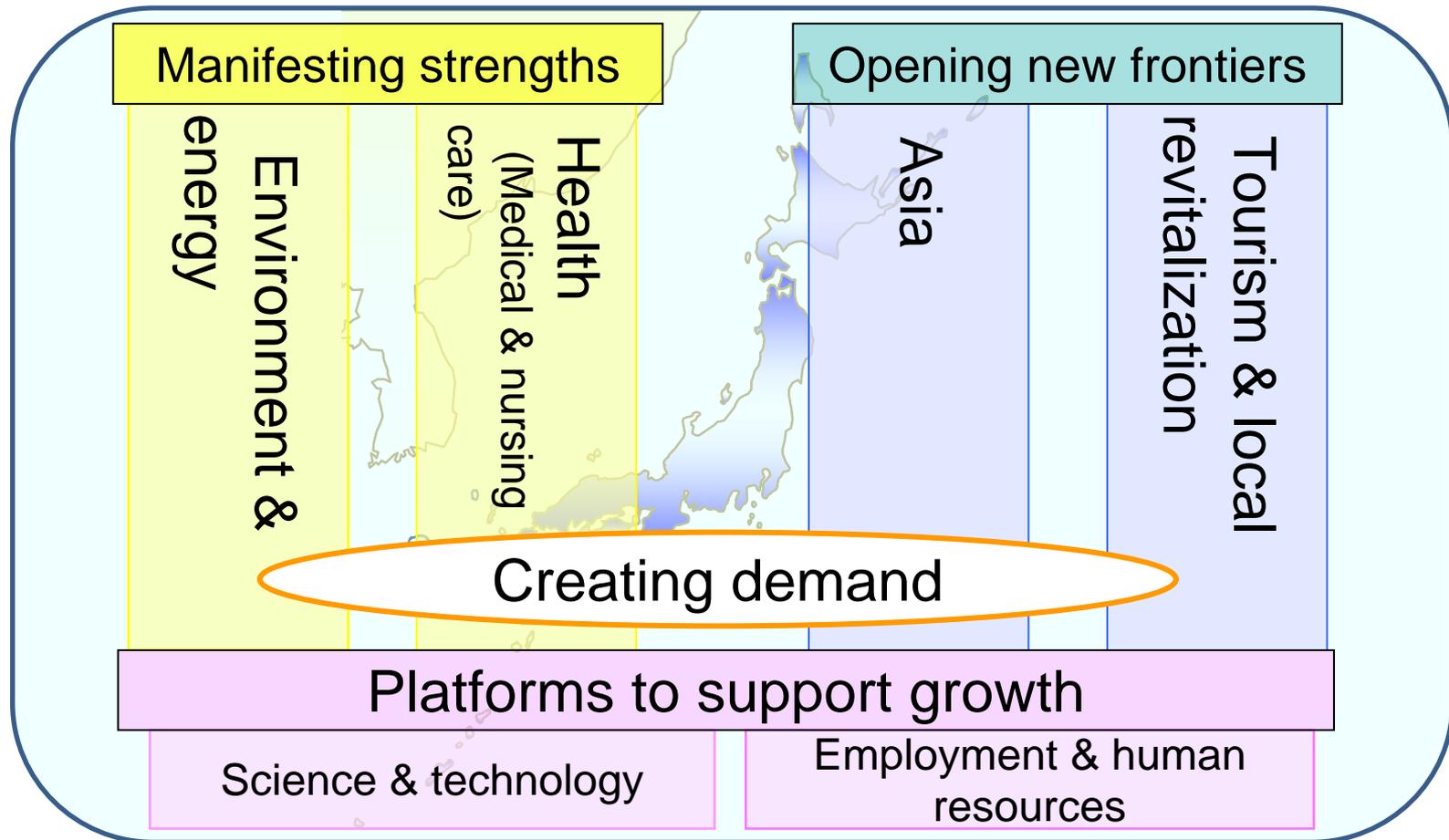
2. Craft and ensure the roll-out of the “Growth Strategy Implementation Plan”

- Determine **a timetable for the “Growth Strategy Implementation Plan”**
(upon compilation of the final New Growth Strategy)
 - “Early action items” for implementation in 2010
 - Outcomes and items for implementation over a roughly four-year period
 - Outcomes to realize by 2020
- Institute **a system for examining and evaluating the progress of each measure**

Demand-led Growth: Improving the Quality of People's Lives

Aims:

- GDP growth rate: **Increase nominal growth to over 3% and real growth to over 2%** (average by FY2020)
- Nominal GDP: Increase from an anticipated ¥473 trillion for FY2009 to approximately **¥650 trillion by FY2020**
- Unemployment: Reduce **the unemployment rate to the 3.0% - 4.0% range** (medium term)



Growth driven by Japan's strengths

Environment & energy



Targets to reach by 2020

- Create over ¥50 trillion in new markets and 1.4 million new jobs
- Reduce worldwide greenhouse gas emissions by 1.3 billion tCO₂e using Japanese technology

Principal measures

- Support for increasing renewable energy by expanding feed-in tariffs, etc.
- Turn homes, offices, etc. into zero-emission structures
- Speed development of innovative technology
- Concentrate investment for creating an eco-friendly society

Health (medical & nursing care)



Targets to reach by 2020

- Foster industries that meet demand and create jobs:
- Roughly ¥45 trillion in new markets and 2.8 million new jobs

Principal measures

- Turn medical and nursing care and other health-related industries into growth industries (promoting private sector involvement, etc.)
- Promote R&D and application of innovative health technology, pharmaceuticals, and devices
- Promote expansion to Asian and other overseas markets
- Promote the availability of barrier-free housing

Achieving Growth by Opening New Frontiers

Asia



Targets to reach by 2020

- Create an APEC FTAAP (Free Trade Area of the Asia-Pacific)
- Double the flow of people, goods, and money
- Double incomes in Asia

Principal measures

- Establish international safety standards together with other Asian countries
- Build infrastructure in Asia in areas like rail transport, water supply, and energy
- Make Haneda Airport a 24-hour international hub facility, carry out strategic development of ports, etc.

Tourism & local revitalization



Targets to reach by 2020

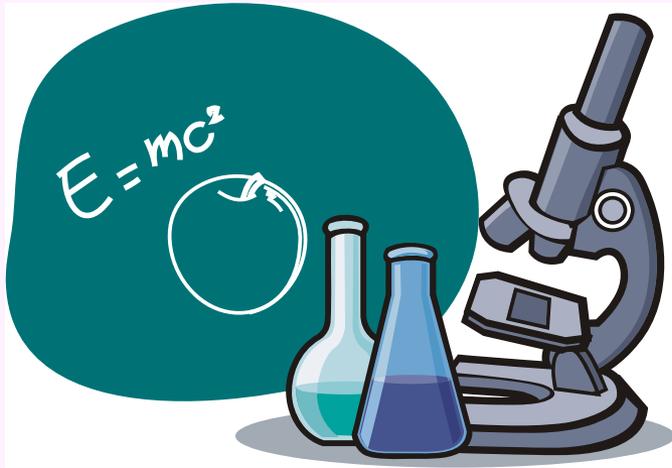
- Increase annual number of foreign visitors to 25 million and create 560,000 new jobs
- Increase food self-sufficiency rate to 50% and agricultural and other exports to ¥1 trillion
- Increase timber self-sufficiency rate to over 50%

Principal measures

- Ease tourist visa requirements for Asian citizens
- Study “local holiday systems” and other ways of staggering vacation times
- Revitalize forests and the forestry industry through road network improvement, etc.

Platforms to Support Growth

Science & Technology



Targets to reach by 2020

- Boost public and private sector R&D investment to over 4% of GDP
- Full employment for all those who completed doctoral courses in science & technology
- Improve convenience of daily life through information and communications technology

Principal measures

- Speed reform of universities & research institutes
- Reform systems & rules to foster innovation
- Provide “one-stop” services through information and communications technology

Employment & Human Resources



Targets to reach by 2020

- Halve the number of “freeters” and rectify M-shaped female employment
- Eliminate classroom waiting lists for preschool and school-aged children
- Full employment for all women who choose to work after childbirth
- Attain the world’s top level of academic achievement

Principal measures

- Prepare a “trampoline-style” safety net
- Integrate kindergartens & nursery schools; encourage the involvement of various businesses
- Make length and manner of childcare leave more flexible (shorter working hours for parents with small children, etc.)