

Industry Revitalization Plan 1 (major policies)

① Speed up the restructuring of industries (accelerating structural reform program)

Target: 10% increase in capital investment over the next three years and a return of private investment to pre-Global Financial Crisis levels
(approx. 70 trillion yen annually [FY 2012: approx. 63 trillion yen])
Raise current 5% business startup and closure ratio 10% range on par with the US and UK

■ Stimulate business investment

- Develop support measures, such as bold tax breaks and measures to speed up the replacement of old equipment/facilities, and new systems that utilize lease arrangements in order to stimulate investment in leading-edge facilities.

■ Accelerate business restructuring and reorganization

- Strengthen corporate governance.
(e.g. amendment of Companies Act [promoting the installation of external directors])
- Develop support measures, such as tax breaks and financial support, for companies that restructure their business.
- Formulate guidelines and encourage restructuring in fields with excessive supply.

■ Promote investment in business ventures

- Measures to promote investment in business ventures.
- Consider fund raising framework such as crowd funding.
- Improve the personal guarantee institution, which currently inhibits business startups.

■ Build an environment that encourages entrepreneurialism

- Create a system that assures legality of businesses in "gray zones".
- Create a special arrangement measure for Corporate Field Tests to allow testing of new products and technology.

■ Enact the Industry Competitiveness Enhancement Bill (provisional name)

② Reinforce human resource capabilities and reform the employment system

Target: Decrease long-term unemployment (unemployed for more than 6 months) by 20% over the next five years and raise employment turnover to 9% (2011: 7.4%)
Boost the employment rate of women aged 25 – 44 to 73% by 2020 (currently 68%)
Get at least 10 universities to rank in the world's top 100 (currently 2) within the next five years

■ Shift from a policy of employment stability to labor fluidity

- Boldly shift budgetary resources from Employment Adjustment Fund, which are designed to sustain employment, to labor movement facilitation fund to support the job transfer and are designed for skill development.

■ University reforms (the next three years are designated as period for accelerated reform)

- Human resource and payment reform including the introduction of annual salaries and combined earnings with external revenue. University governance reform.
- Expand the strategic and priority allocation of "operating support funds."

■ Strengthen development of human resource cultivating capabilities for global operation activities

- Provide English education at an earlier stage of elementary school.
- Create a Super Global High School (provisional name)
- Provide opportunities to study abroad for all students who have the desire and talent.
- Utilize TOEFL or other relevant tests in the National Public Service exam and university entrance exams.

■ Utilize highly skilled overseas personnel

- Revise the current accreditation criteria and preference of the points-based preferential immigration treatment for highly skilled foreign professionals in order to provide permission for stay to the professionals.

■ Strengthen the social function of private employment and recruitment agencies

- Provide private employment and recruitment agencies with employment offers information from the Public Employment Security Office "Hello Work" and status to handle job creation grant.

■ Support the success of women in the workplace

- Support companies that provide opportunities to improve the skills of staff on maternity leave and employees who have recently returned to work.
- Support re-employment, i.e. re-education programs and internships for homemakers.

■ Accelerate the zero childcare waiting list project

- Arrange childcare for additional about 200,000 children in over the next two years and aim for the elimination of "childcare waiting lists" by securing childcare arrangements for another about 400,000 children by 2017.
- Provide funding to small-scale childcare services, non-registered childcare facilities and employer-provided childcare services.

■ Support the success of youth in the workplace

- Support voluntary efforts to undertake education and training program that will lead to the acquisition of qualifications or licences and encourages re-training and re-education after graduation.

Industry Revitalization Plan 2 (major policies)

③ Scientific and Technological Innovations

Target: Number one global innovator on the Global Competitiveness Report within the next five years

■ Strengthen the Council for Science and Technology Policy's functions as headquarter

- Complete legal reform, and strengthen the Council for Science and Technology Policy's functions as **headquarter** in order to eliminate **silos** within the Government and deploy policy resources with priority into strategic fields.

■ Launch a new innovative R&D Program

- Create a program that boldly drives research projects that will reform the economy, society and industry.

■ Establish the Strategic Innovation Program (provisional name)

- Establish the Strategic Innovation Program, under which resources are provided for a number of years with priority to cross-ministry R&D projects, based on the Strategic Market Creation Plan roadmap.

④ Become the world's leading IT society

Target: World's highest level of public data disclosure, (with a dataset totaling over 10,000) by the end of FY 2015

■ Regulatory and institutional reform to expand utilization of IT

- For promoting the utilization of big-data and open-data, establish the rules for utilizing big-data which include personal information, while taking into consideration the balance between data usage and privacy protection, and formulate the institutional reform policy, which will outlook new legal measures.
- Formulate the "Intensive Action Plan for Regulatory and Institutional Reform to Expand Utilization of IT" (provisional name)"

■ Promote private sector access to public data and develop innovative electronic administrative services

- Actively and promptly disclose public data in a machine-readable way- which include geospatial information and statistics in spurring the creation of new businesses. Develop "My Portal (provisional name)" which is to be introduced following the introduction of an identification numbering system and commence the provision of services.

⑤ Strengthen Japan's international competitiveness as a business hub

Target: Japan to rank in the top 3 among OECD member countries in the Ease of Doing Business ranking (currently 15)

Tokyo to rank in the top 3 on the Global Power City Index (currently 4)

■ Expanded utilization of PPP and PFI

- Swiftly expand concession agreements with private sector to public facilities managed by the national Government such as airports.
- Make the most of the Agency for the Promotion of the Private Finance Initiative and encourage the infusion of private investment with the national fund.
- Promote methods that allow investment in maintaining infrastructure by utilizing private funds through the utilization of profitable facilities and updating together with private urban development.

■ Develop National Strategic Special Zones

- Develop, from a national strategy perspective, National Strategic Special Zones under the leadership of the Prime Minister in order to implement bold regulatory reforms. Establish a Special Zone Advisory Council led by the Prime Minister and a Special Zone Promotion Headquarters led by the Minister responsible for special zones, with governors or mayors and private business operators in order to advance the project from the top down.

■ Overcome environmental and energy restrictions

- Introduce low cost and highly efficient thermal power (coal and LNG) while taking into account environmental considerations, based on the specification of criteria and acceleration of environmental assessments.
- Carry out the Electricity System Reform.
- When nuclear power plants meet the new requirements formulated by Nuclear Regulation Authority, respect the assessment and proceed with their restart.
- Reduce procurement costs for LNG, e.g., through importing lower priced LNG from shale gas.

Strategic Market Creation Plan (major policies)

① Increase the nation's healthy life expectancy

Target: Expand the market scale of the health promotion, preventive care, living assistance industries to 10 trillion yen by 2020 (currently 4 trillion yen)

Expand the market scale of the pharmaceutical, medical device and regenerative medicine-related industries to 16 trillion yen (currently 12 trillion yen)

■ Establish a Japanese version of the National Institutes of Health (NIH) that would have a "control tower" function for research and development in the medical sector.

- Establish a Japanese version of the National Institutes of Health (NIH), which will be responsible for the integrated research management of the medical field, connecting research and clinical applications, and developing a structure where high quality clinical research and trials can be conducted.

■ Online distribution of non-prescription drugs

- Approve the internet sales of non-prescription drugs under the appropriate rules while securing the safety of consumers.
- However, items designated as powerful drugs and items that have newly become available as non-prescription one will be examined from a medical and pharmaceutical perspective, and after reaching a conclusion by autumn 2013, the necessary measures will be taken.

■ Develop an industry to increase healthy life expectancy

- Take legal measures to eliminate regulatory gray zones concerning medical and nursing care, and develop a quality assurance system for new services.

■ Accelerate assessment procedures for advanced medical treatment

- Implement the Advanced Medical Highway Initiative, which is designed to accelerate and streamline the specialized assessment of advanced medical treatment by external institutions and significantly broaden the coverage of advanced medical one in public health insurance system.

■ Encourage the acceleration of ICT use in medical and care service information

- Ask all health insurance societies to create, implement and evaluate the Data Health Plan (tentative title), which is designed to promote the health of their members.

② Realize clean and economical energy demand and supply

Target: Capture domestic and international energy technology sales of approximately 26 trillion yen by 2020 (currently 8 trillion yen)

■ Carry out the Electricity System Reform

- Drive the full retail choice, full liberalization of power generation and legal unbundling, and encourage entry of diverse groups and the integration and cooperation of various business sectors (electricity, gas, telecommunication, etc.) through the Electricity System Reform in order to create new businesses.
- Change service area divisions currently serviced by the nine power companies, establish the Organization for Nationwide Coordination of Transmission Operators, and develop dispersed power systems that center on renewable energy and storage cells.

③ Building safe, convenient and economical next-generation infrastructures

Target: Implement maintenances and repairs on all important and aging infrastructures, by using advanced and efficient technologies such as sensors by 2030.

Have all new cars that are sold domestically include driving safety support devices and systems as standard equipment and almost all the cars include such devices and systems by 2030.

■ Formulating basic plan for longer life of infrastructures and developing new technologies

- Formulate action plan including introduction of new technologies to all kinds of facilities.
- Partially initiate operation of platform for maintenance, management and updating data from the coming fiscal year.
- Introduce new technologies such as sensors, robots, non-destructive testing techniques and new materials to the maintenances and repairs.

■ Developing driving safety support and self-driving systems as well as the environment for them

- Formulate and Implement demonstration project plan.
- Form an alliance among domestic and foreign companies.
- Implement public road demonstration experiment from this autumn.

④ Build regional communities that use their unique local resources to appeal to the world

Target: 30 million foreign visitors to Japan by 2030 (8.37 million in 2012)

Formulate a strategy to double the income of farmers and of farming communities as a whole over the next ten years within the context of advancing a transition to "the sixth industry"(collaboration of primary, secondary and tertiary industries).

■ Relax visa requirements

- Relax visa requirements for tourists from ASEAN countries to Japan members, which are expected to increase greatly in the future.

■ Develop "the sixth industry"

- Develop "the sixth industry" through the full-fledged utilization of the the Agriculture, Forestry and Fisheries Fund for Innovation, Value-chain and Expansion Japan (A-FIVE).

■ Encourage the export of Japanese agricultural, forestry, and fishery products, and food produce

- Formulate export strategies on specific countries as well as products.

■ Increase the competitiveness of skilled and diverse responsible entities through initiatives such as the conservation of farmland

- Establish a farmland re-distribution scheme where prefectural intermediary institutions that manage farmland borrow the majority of land within the region and lease it in consideration of consolidation for skilled and diverse responsible entities such as corporate farmers, agricultural companies, and so on. Proactively encourage corporate entrance into agriculture while utilizing intermediary institutions that manage farmland.
- After verifying the circumstances of corporate entry into agriculture, explore the further liberalization of corporate entry through farmland acquisition by easing requirements for the establishment of an agricultural production corporation.

Strategy of Global Outreach (major policies)

① Promote economic partnership

Target: Trading FTA ratio of 70% by 2018 (currently 19%)

- Advance economic partnership negotiations including TPP, RCEP, Japan-China-ROK FTA and Japan-EU EPA. Accelerate initiatives designed to conclude investment agreements and expand tax treaty networks.

② Infrastructure export

Target: Infrastructure exports of approximately 30 trillion yen by 2020 (currently 10 trillion yen in orders have been received)

- Prime Minister and ministers to make at least ten sales visits each year to foreign nations.
- Utilize the JBIC Loan Facility Enhancing Global Business Development, strengthen local currency-denominated financing support through JBIC and NEXI, and enhance trade and investment insurance.

③ Support for small and medium-sized enterprises

Target: By 2020, double the export amount of SMEs compared to 2010 levels.

- Provide one-stop support by strengthening cooperation with public support providers such as JETRO, and establish one-stop overseas consultation offices that can provide consultation services for legal, labor, intellectual property and other issues that are encountered overseas.

④ Promote “Cool Japan”

Target: Three-fold increase by 2018 of overseas sales of Japanese broadcasting content (currently 6.3 billion)

- Under the leadership of the Japan Brand Fund (tentative) and the secretariat of the Project for Localization & Promotion of Japanese Visual Media (J-LOP), secure a distribution network in overseas local markets.
- Establish an agency that will serve as a one stop contact point for administering procedures for managing rights in a unified way (strengthening the functions of the audiovisual Rights management association [aRma]) and promote agreements on rights contracting management that includes broadcasting overseas in order to facilitate swift marketing of Japanese content overseas.