

June 24, 2014

**Statement by Yasuchika Hasegawa, Chairman of Keizai Doyukai  
On the Approval of :  
“The Basic Policies for Economic and Fiscal Management and Structural Reform”  
Revised Growth Strategy, and Regulatory Reform Implementation Plan**

Today, the cabinet approved “The Basic Policies for Economic and Fiscal Management and Structural Reform”, Revised Growth Strategy “The Japan Revitalization Strategy”, and Regulatory Reform Implementation Plan

Our appreciation goes to the policy decision to clearly incorporate into the strategies the initiatives to reduce the effective corporate tax rate to below 30 percent while carving into the entrenched regulations in the areas of agriculture, medicine / nursing care, and employment, as such a policy can lead Japanese economy to re-embark on a stable growth trajectory.

Japanese economy is finally exiting the long-lasting deflation thanks to a series of economic policies steadily implemented after the launch of the second Abe Cabinet. For this positive trend to continue, the government is urged to complete initiatives such as legislation and budgeting required for all policies contained in the strategies this time so that the stable economic growth will follow through.

In the meantime, the interim target for the fiscal consolidation, that aims to reduce FY2015 primary balance deficit to half of FY2010 in terms of its ratio to GDP, should be achieved without delay. This is a must to realize the primary balance in surplus in FY2020.

Now would be our last chance.

Private sectors must pursue their initiatives whatever possible while the government acts on its decision. Now is the time to ensure that no one should stand by the issue. Japan’s revitalization is up to each one of us sharing a common direction toward objectives.

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