

**Statement by Kengo Sakurada, Chairman of Keizai Doyukai
on FY2023 Tax Reform Outline**

1. The fiscal 2023 tax reform outline (the “Outline”) announced today aims to double incomes from asset investment toward the realization of the New Form of Capitalism, promote investment into startups, and ensure financial resources to bolster Japan’s defense capabilities.
2. In the sphere of the doubling of incomes from asset investment, **we hope to see progress in a shift from savings to investment, accompanied by the transfer of assets to the younger generations.** The shift is to be facilitated by the full-fledged expansion and perpetuation of the NISA scheme,¹ as well as by making “the taxation system for settlement at the time of inheritance” easier to apply to.
3. Businesses must pursue **enhancement of a variety of investments**, such as for startups to grow by M&As and to recruit doctorate degree holders, **thereby contributing to innovations**. In doing so, businesses should make the most of the open innovation promoting tax system and R&D tax system, which have been both expanded.
4. In the area of financial resources to drastically bolster Japan’s defense capabilities, **all nationals should bear the relevant costs as they are the beneficiaries thereof. Thus, the measures proposed in the Outline are not considered appropriate.** All the details of the budget spending do not have to be disclosed as it features national security. However, **the government must make utmost efforts, without delay, to elaborate on,** and gain a public mandate for, the budget, **in terms of its size** of 43 trillion yen for five years as well as **its efficacy and validity when implemented.**

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¹ Translator’s Note: The Nippon Individual Savings Account tax-free small-lot investment scheme