

**Statement by Kengo Sakurada, Chairman of Keizai Doyukai
on FY2022 Tax Reform Outline**

1. The fiscal 2022 tax reform outline (the “Outline”) announced today aims for an economic recovery from the COVID-19 pandemic and a virtuous cycle of growth and distribution.
2. The Outline focuses on economic growth through innovation that leads to a society of higher wages. For achieving this goal, the role of business leaders is crucial. By utilizing the tax incentives enhanced in the Outline for bigger wage hikes, business leaders, including those of SMEs, must increase human resource investment and pursue inclusion and diversity. The open innovation tax incentives enhanced and extended herein will also allow them to fully commit to transform their businesses to corporations of higher productivity, which continue to produce new added value.
3. Meanwhile, affluent living and sustainable economic growth, supported by vigorous consumption, require overhaul of tax system and the level of social insurance premiums that restrict growth of disposable income. We hope that the “formulation meeting for the social security system for all generations” will hold public discussions over full-fledged institutional reform for rebalancing benefits and contributions. Its purpose is to optimize contributions of working-age generations and to mitigate their future concerns.
4. Keizai Doyukai will spare no time in studying these issues before publicly announcing its opinions in an active manner.

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