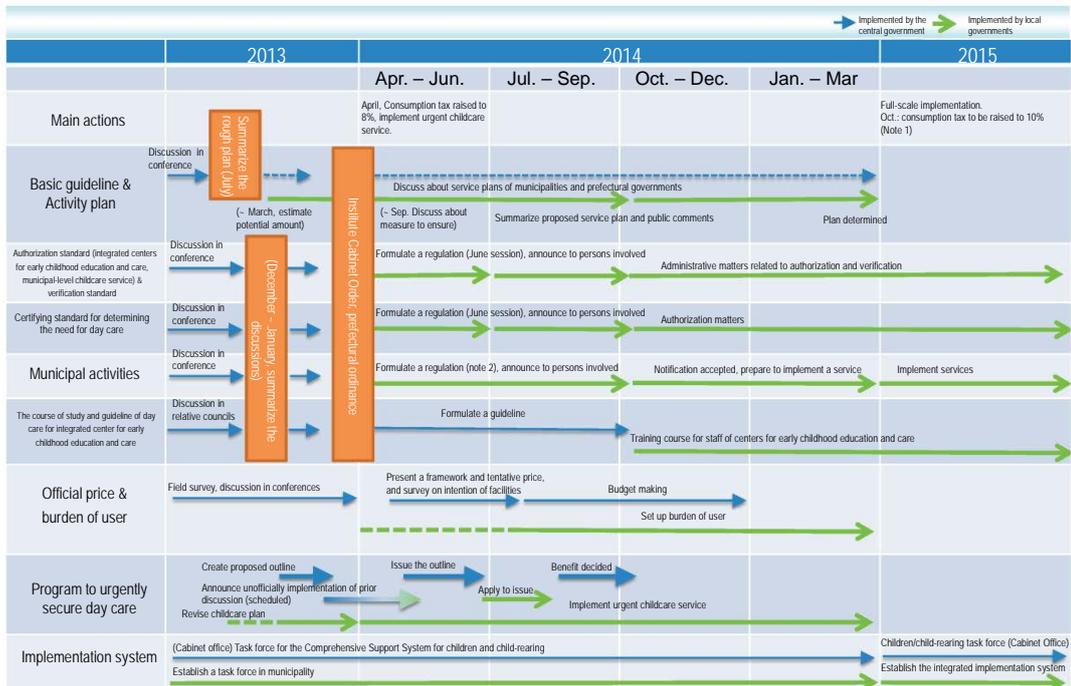


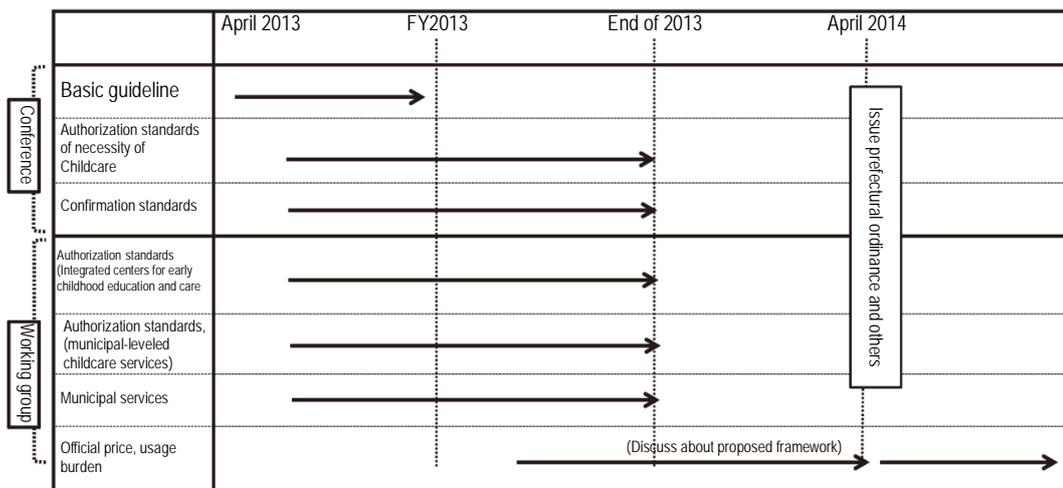
Fig. 1-2-4 Flow chart as currently envisaged before its official enforcement



(Note 1) An increase in the consumption tax is to be determined according to economic situation.
 (Note 2) In relation to the community child and childcare support project, it will be necessary to establish the standards for the afternoon children's healthy development program by ordinance.

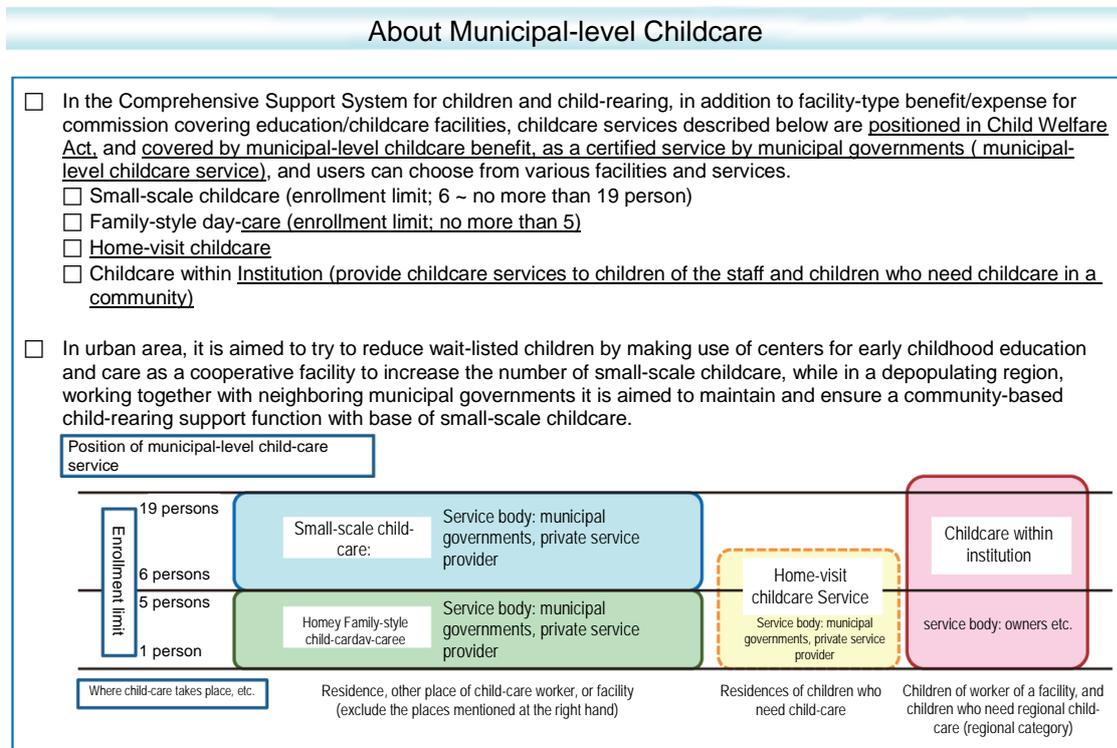
Source: Cabinet Office

Fig. 1-2-5 Main Topics to Discuss in Child-rearing Council and its Schedule



Source: Cabinet Office

Fig. 1-2-6 Municipal-level Childcare



Source: Cabinet Office

Section 3 Recent countermeasures to the falling birthrate (Special edition)

1. Urgent countermeasures to break through the fertility crisis

(Formulation of “Urgent countermeasures to break through the fertility crisis)

Under the leadership of the Minister of State for Special missions of the Cabinet Office (in charge of countermeasures to the falling birth rate), a “Task force for breaking through the fertility crisis” (hereinafter referred to as “Task force”) was held in March 2013. The Task force discussed measures to remove the disincentives that force people to give up their hopes of making a family, and how to support the improvement of child-rearing both in the community and at home. On May 28th of the same year, a “Proposition for ‘Breaking through the fertility crisis’” was summarized.

Based on this proposition, on June 7th, in a conference on countermeasures to the falling birth rate, which was presided over by the Prime Minister, and which consisted of all the Cabinet members, “Urgent countermeasures to break through fertility crisis” (hereinafter referred to as “Urgent countermeasures”) was decided.

In the Urgent countermeasures, besides the further improvements to “support child-rearing” and “working style reform” that have been addressed as Countermeasures to the falling birth rate, “Support on marriage, pregnancy and child birth” became new pillars for these measures, and these three pillars shall be promoted as “Three arrows.” With the “Three arrows” of Countermeasures to the falling birth rate, it was decided to aim for the enhancement and improvement of a comprehensive policy for the “seamless support” of marriage, pregnancy and child birth.

The content of Urgent countermeasures was incorporated into the “Basic Policy of Economic and fiscal operation and reform - pulling out of deflation, economic recovery” (the Cabinet decision on June 14th, 2013) and the “Japan Reconstruction Strategy---JAPAN is BACK” (the Cabinet decision on June 14th, 2013), and the entire government shall address Countermeasures to the falling birth rate.

(Discussion in the (2nd term) Task force for breaking through the fertility crisis)

In order to ensure the implementation of the Urgent countermeasures, under the leadership of the Minister of State for Special Missions of the Cabinet Office (in charge of countermeasures to the falling birth rate), the “Task force for breaking through fertility crisis (2nd term)” (hereinafter referred to as “Task force (2nd term)”) was held in August 2013. Two teams were built in the Task force (2nd term): the “Policy promotion team” was built to discuss promotions of specific measures listed in the Urgent countermeasures, and the “Information-providing team” was built to discuss how to provide information and education about pregnancy, child birth and others, so as to investigate content and the methods by which to provide such information. Each team had discussions in a concrete manner.

On November 26th of the same year, the “Policy promotion team” summarized an “Urgent proposal for breaking through the fertility crisis” (hereinafter referred to as “Urgent proposal”), and it was delivered to the Minister of State for Special Missions (in charge of countermeasures to the falling birth rate) in person on November 26th, 2013. The Urgent proposal included the establishment of the fund for breaking through the fertility crisis in local governments, and the extension and enhancement of the “the Act for measures to Support the Development of the Next Generation,” the restriction of long-working hours and other measures.

In addition, at the conclusion of the all discussions, the Task force (2nd term) summarized seven future challenges to address and three proposals for the future.

The future challenges to address

1. Countermeasures to the falling birth rate based on the distinct characteristics of both urban areas and rural areas
2. Securement of financial resources for countermeasures to the falling birth rate
3. Extension and enhancement of a grant for strengthening countermeasures to the falling birth rate, and for “seamless support” on marriage, pregnancy, child birth and child-rearing.
4. Providing accurate information about pregnancy, child birth and other concerns.
5. Activities to create a shared understanding about breaking through the fertility crisis
6. Implementation of summarizing and reviewing the measures (“CAPD” (check—act—plan—do cycle))
7. Discussion about what the goals for countermeasures to the falling birth rate should be.

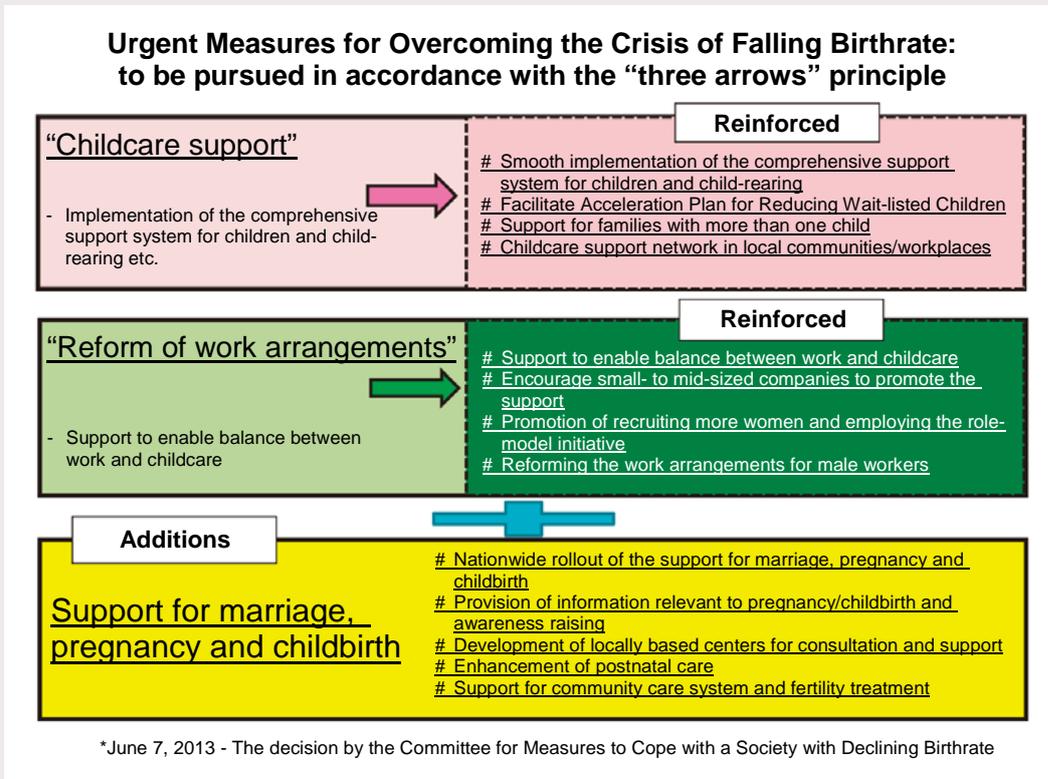
Proposals for the future

Proposal 1: Discuss the establishment of a new outline

Proposal 2: Determine the period for intensively working on countermeasures to the falling birth rate, thrash out every potential measure and secure all human and financial resources to fulfill each measure

Proposal 3: Discuss remaining issues in detail

Fig. 1-2-7 Pillars of “Urgent Measures for Overcoming the Crisis of Falling Birthrate”



Source: Data of the Cabinet Office