

**Remarks by Prime Minister Shinzo Abe
at the Closing Session of the Asia-Europe Business Forum
Thursday, October 16, 2014**

[Provisional Translation]

Introduction

When I visited Europe in May this year, I came to the conviction that achieving economic revival and fiscal soundness in a compatible way would be the answer to the expectations of corporations expanding their businesses globally.

The three arrows of Abenomics have driven away the bleak and heavy mood that used to blanket Japan. The rate of wage increases is now at its highest level in 15 years, and the ROE of listed companies also grew by 50% in the year after the Abe administration was inaugurated. Capital investment, which got a late start, is also now swinging into motion. For my reshuffled Cabinet as well, our highest priority continues to be economic revival.

“Actively taking on challenges, being open to other countries and innovating” will continue to be the basic principle throughout my Growth Strategy. We will be promoting domestic structural reform, thereby enhancing economic competitiveness. At the same time, we will be proactive in greater economic zones thanks to economic partnerships. I am more than certain that undertaking economic reforms domestically and within our relations with overseas economic partners in an integrated manner is the only path forward for realizing sustainable economic growth for Japan, which faces a serious population decline.

Examples of Abenomics in action

1. Bringing into a more open and attractive market

This is why I am making all-out efforts towards the conclusion of the Japan-EU Economic Partnership Agreement (EPA) that will tie Asia and

Europe, as well as the conclusion of the Trans-Pacific Partnership (TPP) Agreement, which will create a single major economic sphere in Asia and the Pacific, and the realization of a Free Trade Area of the Asia-Pacific (FTAAP) which lies ahead.

We will moreover push forward with a proactive agricultural policy. We will revise rice production adjustment programs that have been in place for 40 years and reform agricultural cooperatives for the first time in 60 years, an area which has been regarded as taboo until now even to touch. Last spring in the Netherlands, I visited an advanced farm that has introduced IT and energy system technologies. Japan will work on a totally novel agribusiness model that, for example, introduces these high-level cultivation technologies of the Netherlands to the farmlands that were devastated by the Great East Japan Earthquake.

The theme of next year's Expo Milano 2015 is food. Taking this opportunity, I want to bring to your dining tables "washoku"—traditional Japanese cuisine, which has been registered on the list of Intangible Cultural Heritage—along with Japan's safe and high-quality ingredients and "Cool Japan" items such as Japanese tableware and other traditional crafts.

Energy will also be a key for growth. We will put an end to the regional monopolies in electricity that have been in place for 60 years and create a free and dynamic energy market where innovation blooms. As a front-runner in the energy revolution, Japan will also make active contributions through leading-edge technologies, including the world's first commercialization of the hydrogen refueling stations and fuel-cell vehicles, as well as smart communities. I believe that promoting collaboration with overseas entities will be a key for further innovation, as seen in the joint undertakings of Japanese companies such as Toshiba working together with Italian cities and companies.

At the same time, we will offer you an enabling environment to invest in Japan. The effective corporate tax rate was reduced by 2.4% in April 2014. We aim to reduce the effective corporate tax rate down to the twenties over several years, starting from fiscal year 2015. I would like to

invite all of you to make investment in Japan and really feel the new Japan, together with us.

2. Changing into a society in which all people, notably women, shine

Next, the realization of a society in which women shine is also an important pillar of my Growth Strategy.

Unleashing “the power of women,” Japan’s greatest area of latent potential, to the fullest extent will be important within a super-aging society with a declining population. However, beyond that, I am firmly convinced that companies and organizations characterized by diversity through women’s participation and advancement will impart new types of added value to society. For this reason, the preparation of an environment in which women find it easy to work by, for example, addressing a Japanese culture of working long hours, will be conducive to enhancing labor productivity. The number of working women has increased by roughly 820 thousand people since my administration was inaugurated. This is an outcome we can be proud of.

Japan will oblige all major companies to stipulate their own action plans to promote the active role of women. Moreover, in order to empower women all over the world, Japan is determined to continuously support various projects in education, health, and other areas through its ODA.

Through Asia and Europe cooperating to bring about such changes, together we will create a society in which all people shine.

Conclusion

“Actively taking on challenges, openness to other countries, and innovation.” In line with these keywords both Asia and Europe hold in common, Japan will continue to impart great inspiration and impact so that these regions become a tremendous growth engine that benefits the world.

Thank you very much for listening.