

Overview of the Second Supplementary Budget for FY2022

(billion yen)

Expenditures		Revenues	
1. Countermeasures against price hikes and efforts for wage increases	7,817.0	1. Tax revenues	3,124.0
2. Recovery and Reinforcement of Local "Profitability" Utilizing the Depreciation of Yen	3,486.3		
3. Acceleration of a "New Form of Capitalism"	5,495.6		
4. Ensuring People's Safety and Security	7,547.2	2. Non-tax revenues	673.1
5. Preparation for Future Shocks	4,740.0		
(1) Contingency fund for COVID-19 and measures to address soaring crude oil and commodity prices	3,740.0		
(2) Contingency fund for Economic Emergency (including the impact from the Ukraine Crisis)	1,000.0	3. Surplus from the previous fiscal year	2,273.2
Subtotal (expenses related to the economic stimulus measures) (*Note 2)	29,086.1		
6. Other expenses	222.9		
7. Transfer to the Special Account for the National Debt Consolidation Fund	690.6		
8. Reduction in previously approved expenses	-1,077.4	4. Government bond issuance	22,852.0
		(1) Construction bonds	2,476.0
		(2) Special deficit-financing bonds	20,376.0
Total	28,922.2	Total	28,922.2

(Note 1) Figures may not add to the totals due to rounding.

(Note 2) Among central government expenditure for economic measures (cabinet decision on Oct.28, 2022), the total amount is 29,633.2 billion yen including the Supplementary Budget of Special Accounts.

Overview of the Second Supplementary Budget for FY2022

I. Countermeasures against price hikes and efforts for wage increases 7,817bn

1. Support for households and businesses in the difficulties caused by energy and food price hikes 6,316.8bn

- Measures against electricity charge hikes (2,487bn) ○Measures against city gas charge hikes (620.3bn)
- Mitigation measures against sudden fluctuations of fuel oil prices (3,027.2bn)
- Fishery Management Safety Net Construction Project (33bn) etc.

2. Transition to a resilient economy against energy and food crises 425.7bn

- Measures to strengthen a stable LNG supply system (23.6bn)
- Promotion of energy efficiency and renewable energies (384.9bn*)
- Subsidies for streamlining the delivery of oil and gas sales operations, etc. (15.3bn)
- Expanding domestic production of fertilizers (11bn)
- Promoting feed crops to be produced domestically (10bn*) etc.

3. Promotion of continuous wage increases and support for SMEs 1,074.5bn

- SME Business Reconstruction Promotion & SME Productivity Revolution Promotion Project (780bn)
- Financial support (260.9bn) etc.

II. Recovery and Reinforcement of Local “Profitability” Utilizing the Depreciation of Yen 3,486.3bn

1. Recovery of demand from COVID-19 and local revitalization 2,405.5bn

- Restoration of inbound tourism, revitalizing and creating high added value to tourist sites and the tourism industry, etc. (150bn)
- Securing quarantine systems (59.2bn) etc.

2. Reinforcement of economic resilience by utilizing the depreciation of Yen 1,080.9bn

- Fund for the development of foundation for advanced semiconductor production systems (450bn)
- Expanding export of agricultural, forestry and fisheries products (44bn*)
- Provision for supply chain (important mineral (215.8bn), machine tools (41.6bn), aircraft materials (41.7bn) etc.) etc.

III. Acceleration of a “New Form of Capitalism”

5,495.6bn

1. Drastic reinforcement of “investment in human capital” and labor reallocation to growing sectors: Integrated reform for structural wage increases 1,131.3bn

- Expanding investment in human capital “1tn yen in five years” [83.2bn] (300bn incl. budgets for FY2022&2023)
- Stabilization of employment insurance finances [727.6bn]
- Strengthening the functions of universities (support for establishing scientific faculties) [300.2bn] etc.

2. Promotion of large investment in growing sectors 4,055.2bn

*Approx. 6tn yen including the projects organized under other pillars

(1) Science, technology and innovation

- Promotion project for advanced international joint research [50.1bn]
- Project for the promotion of a revolution of the manufacture utilizing biotechnology [300bn] ○Space [63.9bn]
- Project for the promotion of strengthening regionally central universities with distinctive research [200bn]
- Program for Developing Important Economic Security Technologies [250bn] etc.

(2) Acceleration of Startup enterprise

*Approx. 1tn yen including the projects organized under other pillars

- Promotion of the construction of a startup ecosystem (centered on universities) [150bn*]
- Expansion of the SBIR system [206bn] ○Project to support Deep-tech startups [100bn] etc.

(3) GX

- Green Innovation Fund [300bn] ○Promoting the introduction of clean energy vehicles [70bn]
- Project to enhance resilience of the manufacturing supply chain for storage batteries (essential for a green society) [331.6bn] etc.

(4) DX

- Post-5G ICT System Infrastructure Reinforcement R&D Project [485bn*]
- Beyond 5G (6G) (Creation of a permanent fund to promote R&D of innovative information and communication technologies) [66.2bn]
- Vision for a Digital Garden City Nation Grant [80bn]
- Promotion of the use of Individual Number Cards (“My Number Card”) [63bn] etc.

3. Realization of an inclusive society 309.1bn

- Subsidies to support childbirth and child-rearing [126.7bn]
- Developing childcare facilities based on the “New Child Care Security Plan” [34.9bn] etc.

IV. Ensuring People's Safety and Security **7,547.2bn**

- The urgent comprehensive grants to cope with COVID-19 (Securing hospital beds etc.) [1,518.9bn]
- Vaccination (securing a supply, ensuring system and conducting) [1,207.2bn]
- Special Allocation for Regional Revitalization to cope with COVID-19 (financial resources of local governments for state-subsidized projects, and inspection promotion) [750bn]
- Five-Year Acceleration Plan for disaster risk deduction and national resilience (public work) [1,250.2bn]
- Recovery from disasters [514.4bn] ○Self-Defense Force's response to a changing security environment [324.8bn]
- Support for Ukraine and countries around Ukraine [114bn]
- Aid for developing countries including Asia (ASEAN & Southeast Asia), island countries, Middle East and Africa (Global South) [102.2bn]
- Package for supporting security and safety of children (support for improving safety devices of school buses, etc.) [23.4bn] etc.

V. Preparation for Future Shocks **4,740bn**

- Contingency fund for COVID-19 and measures to address soaring crude oil and commodity prices [3,740bn]
- Contingency fund for Economic Emergency (including the impact from the Ukraine Crisis) [1,000bn]

■ Total additional spending of the Supplementary Budget (General Account) **29,086.1bn**

■ Total additional spending of the Supplementary Budget (incl. Supplementary Budget of Special Accounts for national expenditure on countermeasures) **29,633.2bn**

*The Amount is including the projects organized under other pillars

(Reference 1) In the Second Supplementary Budget (General Budget) for FY2022, in addition to the national expenses related to the implementation of the above "economic measures", additional financial demand for utility costs (¥222.9bn) is recorded.

(Reference 2) Total additional spending of the Supplementary Budget (incl. Supplementary Budget of Special Accounts for national expenditure on countermeasures) (¥29,633.2bn) includes additional expenditures of ¥286.3bn in the Local Allocation Tax and Local Transfer Tax Special Account and ¥172.1bn in the Labor Insurance Special Account in addition to Total additional spending of the Supplementary Budget (General Account) (¥29,086.1bn).