Highlights of the FY2026 Draft Budget

Overview of the FY2026 Budget Framework

(unit : billion yen)

Expenditure	FY2025 budget (initial)	FY2026 budget	Amount of change
General Expenditure	68,107.1	70,155.7	+2,048.5
Social Security Expenditure	38,293.8	39,055.9	+762.1
Non-Social Security Expenditure	29,813.3	31,099.8	+1,286.5
of which Defense Buildup Program Expenditure	8,474.8	8,809.3	+334.5
of which General Contingency Reserves	739.5	1,000.0	+260.5
Local Allocation Tax Grants, etc.	18,872.8	20,877.8	+2,005.0
National Debt Service	28,217.9	31,275.8	+3,057.9
Total	**115,197.8**	**122,309.2**	**+7,111.4**

Revenue	FY2025 budget (initial)	FY2026 budget	Amount of change
Tax Revenue	77,819.0	83,735.0	+5,916.0
Other Revenue	8,731.8	8,990.2	+258.5
of which the Revenue for Defense Build-up	2,665.9	2,132.6	-533.4
Government Bonds Issuance	28,647.1	29,584.0	+936.9
Construction Bonds	6,791.0	6,716.0	-75.0
Special Deficit-Financing Bonds	21,856.1	22,868.0	+1,011.9
Total	**115,197.8**	**122,309.2**	**+7,111.4**

(Note1) Figures may not add up to the totals due to rounding.
(Note2) The current Special Deficit-Financing Bond Law, which will expire at the end of FY2025, stipulates a five-year basis for issuing special deficit-financing bonds. Therefore, the government is considering submitting a bill to establish a basis for issuing special deficit-financing bonds for another five years.

Highlights of the FY2026 Budget

Budget to seamlessly realize a "Robust Economy", continuing from the measures in the FY2025 Supplementary Budget
Promoting multi-year initiatives and normalization of the expenditure structure, increasing initial budget for key policies

Reflecting economic and price trends

○**Social security expenditure** : **Adding** +0.52 tn yen on top of the "increase due to aging."
Medical fee revision +3.09%(two-year average), Pension slide +2.0% etc.

○**Non-social security expenditure** : **Reflecting price increases and higher personnel costs for civil servants**(+0.51 tn yen)

○Promote **review and revision of public procurement and public systems** in line with price increases.

Promoting important policy issues tackled strategically within multiple fiscal years while securing the necessary financial resources

○**Strengthening defense capability** : Measures based on the **Defense Buildup Program**
(FY2027 initial 8.9 tn yen)
eligible expenditure 8.8 tn yen (+0.3 tn yen compared to FY2025 initial budget)

○**Children and child-rearing** : Promoting the **acceleration plan of 3.6 tn yen** by FY2028
Central and local governments 3.2 tn yen (+0.2 tn yen compared to FY2025 initial)

○**GX** : **20 tn yen in upfront investments** toward realizing over 150 tn yen in public–private investment over 10 years
Special account 0.7 tn yen (+0.1 tn yen compared to FY2025 initial)＊base excluding semiconductors

○**Semiconductors** : **More than 10 tn yen in public support** by FY2030**(Foundation Strengthening Framework)**
Special account 1.2 tn yen (+0.9 tn yen compared to FY2025 initial)

Enhancing key policies through securing new financial resources and prioritizing across the entire budget

○Realization of so-called **tuition-free education(high school tuition and elementary school lunches)**
Central and local governments 0.7 tn yen (+0.6 tn yen compared to FY2025 initial budget)

○**Measures concerning foreign nationals, etc.** (Increase in fees and budget(+132.0 bn yen compared to FY2025 initial))
−Overtourism measures, proper immigration and residency control, strengthening consular services, etc.
−Shift to initial-budget those relevant measures that had become routinely funded through supplementary budgets

○**Intensive measures for agricultural structural transformation** 49.4 bn yen (+25.0 bn yen compared to FY2025 initial)
−For measures of 2.5 tn yen over 5 years (national expense: 1.3 tn yen), increasing the initial budget in addition to the supplementary budget

○**Securing critical products, etc.** +28.0 bn yen compared to FY2025 initial budget
(Going forward, considering a new framework for strategic investments that enhance resilience against potential crises (key sectors critical to economic security), following semiconductors)

○**Operating expense grants to national university corporations**
+18.8 bn yen compared to FY2025 initial

○**Grants-in-Aid for Scientific Research** +10.1 bn yen compared to FY2025 initial

Other efforts toward normalizing the expenditure structure

○**Handling of the FY2027 portion within the medical fee revision**
−Adding on the revision rate and budgetary measures from the FY2026 portion; if prices, etc. deviate from the outlook and business operations are adversely affected, make further adjustments.

○**Issuance of subsidy bonds to strengthen NEXI's financial base**
＊Response to Japan-U.S. Strategic Investment Initiative

Efforts to curb expenditures for well-balanced overall budget

○**Social security reform**
−Review the scope of individual payment for pharmaceuticals including over-the-counter-equivalent medicine
−Review of the High-Cost Medical Expense Benefit
−Efficiency and optimization within the medical fee revision, etc.

○**Review of subsidies based on execution status, etc.**
−Regional Future Grant -40.0 bn yen compared to FY2025 initial budget
−Regional Decarbonization Promotion Grant -11.5 bn yen ＊including special account etc.
＊Measures such as the return of funds to the national treasury were taken in the FY2025 supplementary budget, continue efforts going forward

Considering fiscal discipline

○**Newly issued government bond less than 30 tn yen**(29.6 tn yen)
−Continuing for two consecutive years from the FY2025 initial budget (first time in 17 years)
＊Bond dependency ratio 24.2%, lower than that in the FY2025 initial (first time in 27 years to be below 30%: 24.9%)

○**PB surplus in the general account initial budget** (+1.3 tn yen)
−First time in 28 years since FY1998 initial
＊For the central and local government PB (SNA basis), carried-over expenditures after the FY2025 supplementary budget, etc., are taken into account

○**Securing financial resources in local public finance**
−In implementing special allocation grants accompanying the abolition of the provisional tax rate and the environmental performance levy, reduce the Local Allocation Tax by the equivalent amount (-0.7 tn yen), thereby avoiding easy reliance on special deficit-financing bond issuance
−With due consideration for local public finance, 0.7 tn yen of the outstanding debt of the Special Account for Local Allocation Tax is transferred to the general account

Characteristics of Each Expenditure (1) (Social Security)

○ **Social security-related expenditures** amount to 39.1 tn yen (+0.76 tn yen). By **continuing reform efforts**, while adding amounts **for "appropriate responses to economic and price trends"** in addition to the "**increase due to aging**", **efforts will be made to ensure that the social security contribution rate for the working-age generation does not rise through FY2026-FY2027**.

○ **FY2026 revision of medical service fees**: Implement **fine-tuned price responses** based on data-driven cost structures by facility type, and **wage measures that realize base pay increase of 3.2%** across FY2026–2027, **thereby responding appropriately to economic and price trends**. In implementing measures for prices and wages, ensure **clearly differentiated allocations** by facility type, and set separate revision rates for FY2026 and FY2027 to **respond in stages with precision**. Revision rate: 3.09% (FY2026: 2.41%, FY2027: 3.77%)

○ **FY2026 revisions of long-term care service fees and disability welfare service fees**: To improve the treatment of a wide range of on-site occupations, implement measures to realize a **monthly wage increase of 10,000 yen** in FY2026. In addition, **implement top-up measures for providers engaging in collaboration**, etc. Revision rates: [Long-term care] 2.03%, [Disability] 1.84%

○ To ensure the sustainability of the systems and restrain the contribution burden on the working-age generation, **implement reforms of the medical and long-term care insurance systems**. For pharmaceuticals with **low necessity as insurance benefits, such as over-the-counter-equivalent medicine**, introduce a scheme to require separate individual payment with consideration to patients' circumstances and ability to pay (from March 2027). With full consideration for long-term care recipients and low-income persons, **revise the High-Cost Medical Expense Benefit** (phased implementation from August 2026).

○ Steadily implement the Acceleration Plan under the "Children's Future Strategy" (3.6 tn yen): convert the **Connecting All Children to Early Childhood Education and Care System** into benefit provision, and implement **exemption of pension insurance contributions during child-rearing for freelancers and others**. Introduce a system of support contribution within the effect of reducing social security contribution burdens through expenditure reforms, etc.

Responses to Economic and Price trends

Medical Care

・FY2026 revision of medical service fees is the first revision conducted as Japan clearly shifts to a new economic stage. While striving to curb contribution burdens, implement wage measures and price responses as appropriate responses to economic and price developments.

・**Wage measures**: To ensure wage increases across a wide range of medical occupations while **restoring and securing wage-increase capacity** at medical institutions, adopt special measures at the time of expansion of wage measures and take measures leading to steady wage increases going forward, thereby implementing measures to realize a **3.2% base pay increase for medical personnel** (**5.7% for nursing assistants and clerical staff**).

・**Price responses**: As special measures at the time of full-scale introduction of price responses, implement measures for hospitals providing highly advanced medical care, and, **based on facility-type cost structures, implement data-driven fine-tuned responses**. Also implement measures to address rising food and utility costs (food: +40 yen/meal; utilities: +60 yen/day).

Long-Term Care and Disability Welfare

・The FY2026 revisions of long-term care service fees and disability welfare service fees are implemented as **in-year revisions** without waiting for the triennial FY2027 revisions.

・Long-term care: **Expand the target** from **care workers** (1.39 million) to **care personnel** (2.44 million) and implement measures to realize a broad **monthly wage increase of 10,000 yen**. In addition, implement a **+7,000 yen/month top-up for care workers** employed by providers working on productivity improvement and collaboration. ＊Total: measures to realize up to +19,000 yen/month for care workers (including +2,000 yen from regular step increases)

・Additionally, **raise the standard cost for meals** at long-term care insurance facilities (+100 yen/day).

・Disability welfare: **Expand the target** from **welfare/care workers** (0.68 million) to **disability welfare personnel** (1.03 million) and implement measures to realize a broad **monthly wage increase of 10,000 yen**. In addition, implement a **+3,000 yen/month top-up for welfare/care workers** employed by providers working on productivity improvement and collaboration. ＊Total: measures to realize up to +19,000 yen/month for welfare/care workers (including +6,000 yen from regular step increases)

Childcare

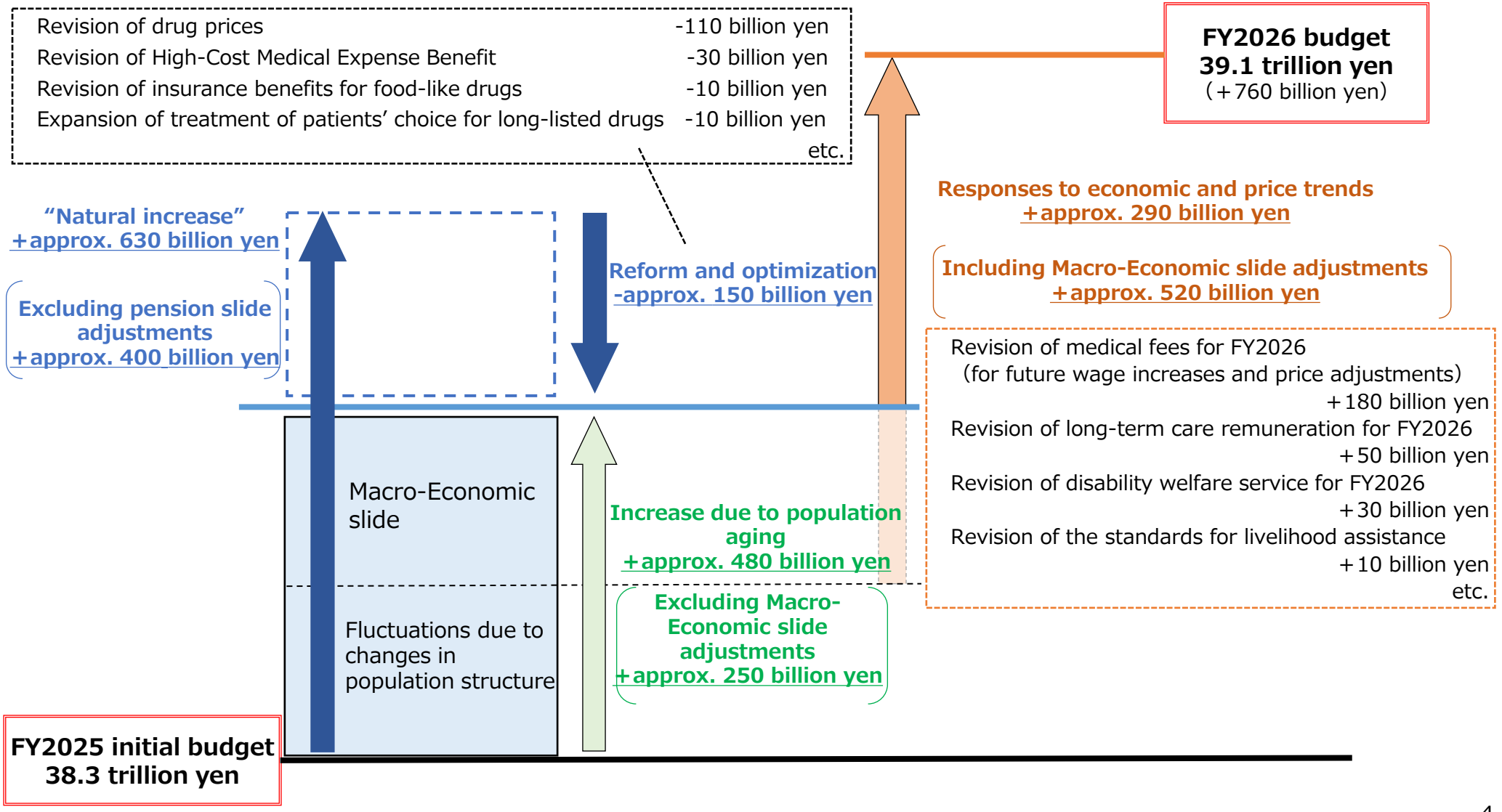
・**Raise the upper limit of the facility-use benefits for unlicensed childcare facilities**, etc. ,which had remained unchanged since the realization of free education for ages 3-5 in FY2019 (for 0–2-year-olds in unlicensed childcare: 45,700 yen/month (+3,700 yen)), thereby **reducing burdens on a total of about 600,000 parents**.

Public Assistance

・Regarding the **special additional amount** that has been added to the standard for livelihood assistance on the temporary and special basis since FY2023 (currently 1,500 yen per person per month), **raise the amount by 1,000 yen (from October 2026: 2,500 yen)**, comprehensively taking into account the consumption patterns of low-income households and the socio-economic situation, etc.

Overview of the budget in FY2026 related to social security

○ The budget in FY2026 related to social security is 39.1 trillion yen, an increase of approx. 760 billion yen from the previous year (38.3 trillion yen). Based on the "Basic Policy on Economic and Fiscal Management and Reform 2025", the government continues its efforts to reform expenditure, constraints the real growth of social security-related expenditures within the increase attributable to population aging, and at the same time, adds an additional amount to respond to economic and price trends.



Overview of Social Security Reforms to Contain Contribution Burdens

Reviewing the scope of insurance coverage for over-the-counter-equivalent medicines

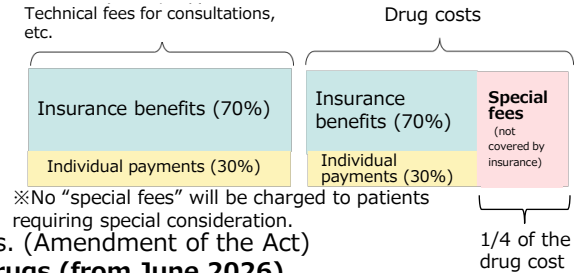
Burden of contribution
approx. -100.0 bn yen
(FY2026～FY2027)

A four-pillar package to review how drug benefits should be provided:

（1）Review the scope of individual payment for pharmaceuticals including over-the-counter-equivalent medicine (from March 2027)

Purpose:
① **Ensure fairness** for patients using OTC medicines
② **Contain insurance contribution burdens** mainly on the working-age population

Measure:
For medicines such as OTC-equivalent medicines whose necessity as insurance benefits is relatively low (77 ingredients), a "special fee" equivalent to one-quarter of the drug cost to be charged to patients. (Amendment of the Act)



（2）Review of insurance coverage for food-like drugs (from June 2026)
Target: 6 ingredients (6 products) used for nutritional maintenance and categorized as food-like drugs
Measure: Exclude from insurance benefits except for cases such as enteral nutrition, etc.

（3）Expansion of treatment of patients' choice for long-listed drugs (from June 2026)
Target: long-listed drugs
Measure: raise the special fee to one-half of the price difference

（4）Promotion of long-term prescriptions and refill prescriptions (to be addressed in the medical fees revision)
Measure: Expand the scope of medical institutions required to post in-house notices on long-term prescriptions and refill prescriptions

Review of High-Cost Medical Expense Benefit

Burden of contribution
approx. -160.0 bn yen
(FY2026～FY2028)

（1）Considerations for long-term patients
1. **Maintain the ceiling amount in the case of multiple occurrences**※
※A system that further reduces the individual payment ceiling for frequent users (four or more times per year)
2. **Introduce an annual ceiling** to mitigate the financial burden on those not qualifying for the case of multiple occurrences (Multiple-occurrence limit amount × 12 months)

（2）Considerations for low-income individuals
・**Lower the ceiling amount applied in the case of multiple occurrences** for **individuals with annual income under 2 mn yen**, a bracket slightly above the residence-tax-exempt threshold

（3）Raising monthly individual payment ceilings
・**Raise ceilings to some extent in line with the growth in per-capita medical costs**; for **low-income individuals**, **limit the increase to within the pension revision rate over the past two years**

（4）Subdivision of income categories
・**Sub-divide broadly-grouped income categories** to make the scheme more granular in line with income, while also **implementing item (2) above**

（5）Review of special treatment for outpatients
・For the **special treatment applicable only to outpatient care** for individuals aged 70 and over, **raise the monthly individual payment ceiling to some extent**, and also set an annual ceiling at 12 times the monthly ceiling.

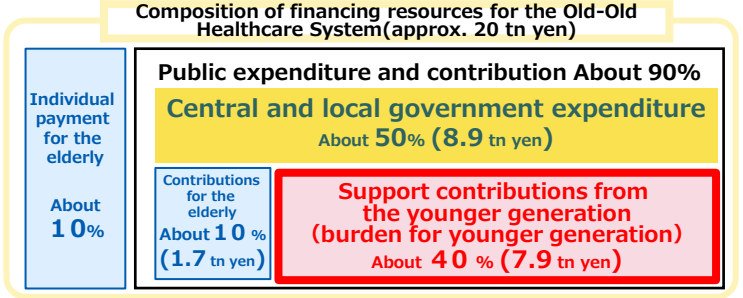
Strengthening ability-based contributions, including reflecting financial investment income

・As a first step toward fair, ability-based contributions regardless of age, **reflect financial income** (e.g., dividends from listed shares) **in the individual payment ratio at the counter and contribution under the Old-Old Healthcare System**, thereby addressing the structural bias that burdens the working-age generation; **submit a bill to the ordinary Diet session in 2026**

・Continue to examine how to **ensure fairness among the elderly** using the additional contribution revenue from such reflection, and how to **reduce the support contribution from the working-age generation to the elderly**

※Current issues in assessing contribution, etc.
・Dividends from listed shares, etc. may be omitted from the tax return at the taxpayer's option
・If not declared, such income is **excluded from income** and therefore not reflected in individual payment at the counter or in contributions, **resulting in unfairness**

Composition of financing resources for the Old-Old Healthcare System(approx. 20 tn yen)



Revision of drug prices

Burden of contribution
approx. -200.0 bn yen
(FY2026)

・ While fully taking into account the promotion of pharmaceutical innovation and the stable supply of medicines, implement **price optimization in line with actual market transaction prices**. The **FY2027 drug price revision will be steadily implemented**.
(Scope and application rules to be further considered.)

・ Drug price revision rate: -0.87%.

Introduction of user individual payments for residents of fee-based homes for the elderly

・ From the perspective of ensuring balance with fee-based homes for the elderly that require user payments, including for care plan formulation—such as **fee-based homes with care services** (Specified Facility Services for Residents)—**introduce user payments for residents of housing-type fee-based homes** for **the elderly** in FY2028.

Characteristics of Each Expenditure (2) (Non-Social Security)

< Education >

○ Based on a series of inter-party agreements, the **so-called tuition-free education measures will be implemented** (**additional required amount: public expenditure + over 0.7 tn yen, national expenditure + 0.37 tn yen**)

- ✓ **So-called tuition-free high school education** (expansion of the High School Tuition Support Fund program): **Abolish the income requirement**, and **raise the maximum annual grant for private full-time schools** from 396,000 yen **to 457,000 yen**. Introduce a one-fourth prefectural cost share (fully covered by local allocation tax measures). Additional national expenditure: 187.6 bn yen. Additionally, expand the **High School Student Scholarship Benefits** for lower- and middle-income households (annual income equivalent to under 4.9 mn yen) with national expenditure (+ 17.0 bn yen compared to FY2025 initial budget)
- ✓ **Drastic reduction of the burden of school lunch fees (so-called "free school lunches")**: For public elementary schools that provide lunches, **support 5,200 yen per child per month**. Introduce a one-half prefectural cost share (fully covered by local allocation tax measures). National expenditure: 164.9 bn yen
- ✓ **Stable financial resources** for the above measures will be secured through **expenditure reforms and tax measures (e.g., revision of special measures concerning taxation)** (Local government share to be covered by local allocation tax measures until stable financial resources are secured)

○ Substantial improvement in **salaries for teachers and staff** at public elementary and junior high schools reflecting the **National Personnel Authority's recommendation (+3.4%)**, etc.; **35-student classes for junior high schools to be** realized over three years from FY2026

○ **Significant increase in the Operating expense grants to national university corporations** within prioritization across the overall budget (+18.8 bn yen compared to FY2025 initial) to strengthen basic research at universities

< Science and Technology >

○ Within prioritization across the overall budget, **significantly increase Grants-in-Aid for Scientific Research** (+10.1 bn yen compared to FY2025 initial (+4.2%), 277.9 bn yen including the FY2025 supplementary budget), thereby **enhancing basic research**, and strategically promote R&D in key technological domains such as **AI, quantum, bio, and space**

< GX・Semiconductor >

○ **Based on a multi-year funding frame, increase the budget by +1.0 tn yen compared to FY2025 initial (Special Account for Energy)**

- ✓ Under the "**GX 2040 Vision**" and sectoral investment strategies, support supply-chain build-out (e.g., perovskite solar cells) through the **issuance of GX Economy Transition Bonds**—661.1 bn excluding AI/semiconductors (+115.0 bn yen compared to FY2025 initial; 1.2 tn yen including the FY2025 supplementary budget)
- ✓ Under the "**AI and Semiconductor Industry Foundation Strengthening Framework**", support next-generation semiconductor R&D and AI foundation models through the issuance of **GX Economy Transition Bonds and Semiconductor/AI Bonds**—1,239.0 bn yen (+906.2 bn yen compared to FY2025 initial; 1.5 tn yen including the FY2025 supplementary budget)

< Strategic investments that enhance resilience against potential crises >

○ Continuing from the FY2025 supplementary budget, and within overall prioritization, increase related budgets for **diversifying supply sources of critical minerals, domestic development, and recycling** (+28.0 bn yen compared to FY2025 initial)

< Measures concerning foreign nationals, etc. >

○ **Review of the International Tourist Tax** (from 1,000 yen to 3,000 yen): strengthen measures for **overtourism, alleviate congestion at airports and secondary transport**, etc. **Lower passport fees** for Japanese nationals (16,000 yen to 9,000 yen)

○ Along with raising **residence-related and visa fees**, promote **further streamlining of immigration control**, including integration of the My Number Card and Residence Card, and **strengthen consular activities at overseas missions** (e.g., special arrangements in visa examination)

○ Overall, in FY2026 (first year) secure around 225.0 bn yen in additional revenue, and **increase related budgets (about +132.0 bn yen), including incorporating measures routinely funded through supplementary budgets into the initial budget**; **contribute to securing resources for other policies within the overall budget framework**

Characteristics of Each Expenditure (3) (Non-Social Security)

< Agriculture, Forestry and Fisheries >

○ Separate allocation for the **intensive measures for agricultural structural transformation** (large-scale farmland consolidation, consolidation of shared-use facilities, smart agriculture, and export-oriented production areas). Following 241.0 bn yen in the FY2025 supplementary budget, **increase the initial budget by +25.0 bn yen** (49.4 bn yen) compared to FY2025 initial budget, **subject to securing resources** from the JRA Special Reserve

< Public Works Project >

○ **Public works-related expenditures**: **Increase to 6,107.8 bn yen** (**+22.0 bn yen**, compared to FY2025 initial), taking into account productivity/efficiency gains via ICT as well as rising labor/material costs. Continuing from the FY2025 supplementary budget (2.6 tn yen including special account), promote **national resilience through integrated hard/soft measures**

○ Reflecting **lessons from the road cave-in accident in Yashio City, Saitama**, newly create individual subsidy programs to provide focused support for the **renewal of critical pipelines** beneath emergency transport roads and the **double-lining of critical pipelines** whose functions are difficult to promptly restore after a disaster

< Recovery and Reconstruction, Disaster Prevention >

○ For reconstruction from the **Great East Japan Earthquake**, continue meticulous support (assistance for return/relocation, countermeasures against harmful rumors, etc.). For recovery and reconstruction from the **Noto Peninsula Earthquake and heavy rain damage**, continue to support the rebuilding of livelihoods and businesses and restore infrastructure

○ Towards establishing the Disaster Management Agency during FY2026, **increase disaster-related budgets** (+5.5 bn yen, compared to FY2025 initial), including the creation of a comprehensive grant for enhancing disaster resilience

< Diplomacy >

○ Responding to a severe **security environment**, expand **OSA** (Official Security Assistance) (+10.1 bn yen, compared to FY2025 initial); as **countermeasures for information warfare**, strengthen cybersecurity and public communications on history issues. While pursuing greater efficiency, enhance **ODA**, such as grant aid; +3.3 bn yen, compared to FY2025 initial

○ Japan–U.S. Strategic Investment Initiative: Continuing from the FY2025 supplementary budget, **issue subsidy bonds to strengthen NEXI's financial base (cap: 3 tn yen)**, and appropriate **1.78 tn yen in FY2026** to address approx. 60 tn yen in initially issued projects. JBIC will utilize Fiscal Investment and Loan Program, etc.

< Strengthening Defense Capabilities >

○ Fourth year of the current Defense Buildup Program: **To fundamentally strengthen defense capabilities**, including **establishing a defense posture with unmanned assets**, increase target expenditures to 8,809.3 bn yen (+334.5 bn yen, compared to FY2025 initial)

○ Improve treatment of Self-Defense Forces personnel, including **raising benefit levels for young personnel retiring at the mandatory retirement age** and **expanding allowances** for personnel who work long hours in training under harsh conditions and in the command and control joint exercises, thereby **strengthening the human resource base of the Self-Defense Forces**

< Local public finance >

○ Local allocation tax grants, etc.: 20.9 tn yen (+2.0 tn yen). While **securing the total amount of general revenue of resources**, **appropriately addressing adjustments for wage revisions and price-reflective components** such as entrusting, subsidies, and maintenance/ repairs, and create a 0.4 tn yen **Regional Future Fund** to help local governments **build strong local economies**

○ **To promote fiscal consolidation in local public finance**: for the second consecutive year, **no issuance of special financial measures bonds; front-load the redemption of borrowings by the Special Account for Local Allocation Tax** (additional 2.2 tn yen), and add 0.8 tn yen to the redemption fund for special financial measures bonds

○ Provide **local tax allocation measures** for the entire local share of **so-called tuition-free education**, securing 0.3 tn yen in funding through increased local tax allocations resulting from revisions of special measures concerning taxation

○ Upon **abolishing the provisional tax rate (diesel transaction tax, etc.) and the Environmental Performance Levy (automobile tax, etc.)**, until stable financial resources are secured, provide **Local Special Allocation Grants** to offset local revenue shortfalls. At the same time, **reduce Local Allocation Tax Grants by the equivalent amount (0.7 tn yen)** so as not to rely easily on special deficit-financing bonds.
(Taking into account local public finance, **0.7 tn yen of the outstanding debt of the Special Account for Local Allocation Tax is transferred to the general account**)

Overview of the budget in FY2026 related to non-social security

FY2026 budget
31.1 tn yen
(+1. 3 tn yen)

FY2025 initial budget
29.8 tn yen

Reflecting economic and price trends, etc.
+0.51 tn yen

Strengthening defense capabilities
+0.33 tn yen

Securing financial resources through expenditure reform
(0.21 tn yen)

Contingency reserves
+0.26 tn yen

Others
+0.03 tn yen etc.

Intensive measures for agricultural structural transformation
～FY2022 ＋ 33.0 bn yen
(3 years, 100.0 bn yen)
FY2023 initial ＋150.0 bn yen
FY2024 initial ＋160.0 bn yen
FY2025 initial ＋300.0 bn yen

Measures concerning foreign nationals, etc.
+0.13 tn yen

Tuition-free education
+0.37 tn yen
Preliminary measures
0.11 tn yen

Expenditure Reform
(0.10 tn yen)

FY2026 initial budget
+510.0 bn yen
← Reflecting the inflation rate
+ Reflecting increased labor costs

Prioritization of Policy Expenditures

(＋)
- Securing critical products, etc.
- Grants-in-Aid for Scientific Research
- Operating expense grants to national university corporations

(－) Review of Subsidies
- Regional Future Grant
- Regional Decarbonization Promotion Grant etc.

Financial resources secured through tax measures, non-tax revenues, etc.

Defense : Non-tax revenue, settlement surplus, tax measures
Education : Addressed with the financial resources for the abolition of the provisional tax rate (Revisions of special measures concerning taxation, etc.)
Measures concerning foreign nationals, etc. : Increase in fees, etc. ＊
＊In addition to utilizing the increased revenue to expand related budgets, it will also contribute to securing resources for other initiatives within the overall budget. (FY2026 (first year) : 0.09 tn yen)
Intensive measures for agricultural structural transformation : Non-tax revenue etc.

Securing financial resources through expenditure reform

Realizing so-called “tuition-free education”

so-called “tuition-free high school education”

< Main measures >

- **Income requirement**: Abolished
- **Maximum annual grant**:

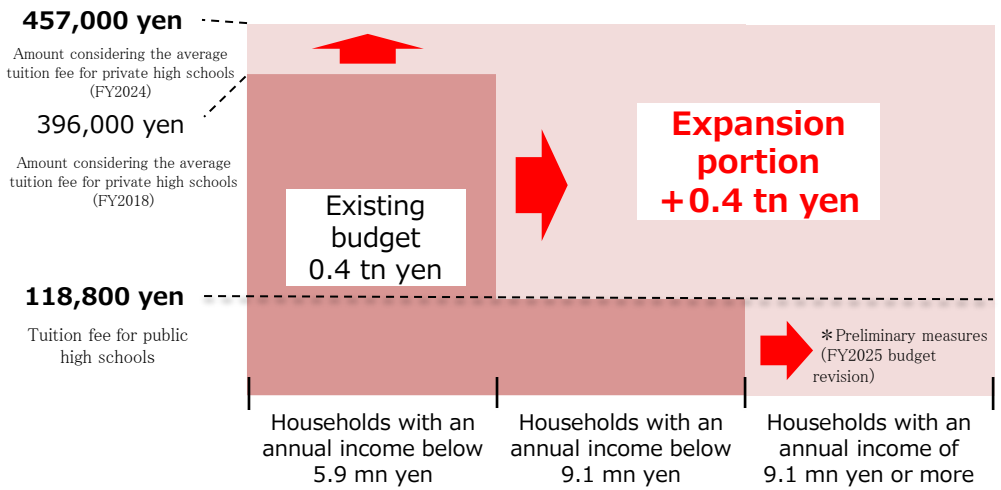
  For private full-time schools, 396,000 yen → 457,000 yen, etc.

＊ Students with foreign nationality and foreign schools are outside the scheme. (However, budgetary support will continue until the review in three years)

Of which, 0.1 tn yen is for preliminary measures in FY2025 (budget revision)

Required amount (Public expenditure-based) about+380.0 bn yen
<100% Central government ⇒3/4 Central, 1/4 Prefectures>
➡ **FY2026 initial budget (Central) : +187.6 bn yen (expansion portion)**

＊For the expansion portion, roughly Central 1/2, Prefectures 1/2

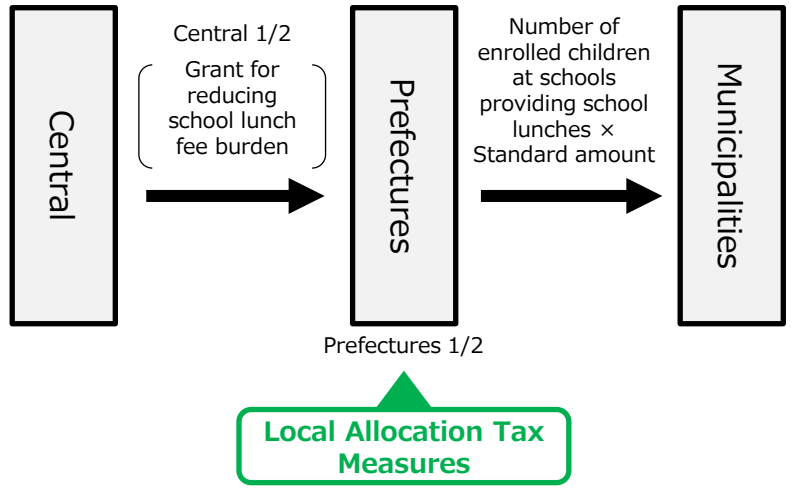


Drastic reduction of the burden of school lunch fees (so-called “free school lunches”)

< Main measures >

- **Scope**: Public elementary schools that provide school lunches
- **Standard amount**: **5,200 yen** per child **per month**
  - ＊ Based on the FY2023 fact-finding survey average of about 4,700 yen, adjusted for recent price trends
  - ＊ Amounts exceeding the standard may be collected from guardians

Required amount (Public expenditure-based) about +330.0 bn yen
<1/2 Central government, 1/2 Prefectures>
➡ **FY2026 initial (Central) : +164.9 bn yen**



- ✓ **Support for public high schools**: In the FY2025 supplementary budget, 295.0 bn yen was appropriated for the High School Education Reform Promotion Fund to support prefectures that create pilot cases leading high school education reform
- ✓ **High School Student Scholarship Benefits**: Expanded for lower- and middle-income households (annual income under the equivalent of 4.9 mn yen) and the subsidy rate raised to 1/2 (+17.0 bn yen compared to FY2025 initial budget; for the expansion portion, roughly 100% central government)

Securing stable financial resources for the abolition of provisional tax rate and the so-called tuition-free education

Required amount

So-called tuition-free education

High school 0.4 +α

School lunches 0.3

Abolition of provisional tax rate

Gasoline

1.0

Diesel fuel

0.5

＊"+α" ①Support for public high schools: the High School Education Reform Promotion Fund (FY2025 supplementary budget) , ②High School Student Scholarship Benefits: Expansion for low- and middle-income households (equivalent to annual income below 4.9 mn yen)(+0.02)

Financial resource

Expenditure Reform

0.24

Revisions of special measures concerning taxation, etc.

1.20

Review of the tax credit for promoting wage increases
Review of the burden on extremely high income earners, etc.

Ongoing consideration (FY2027 Tax Reforms)

<Central government>

Required amount

Education

0.37

Gasoline

1.0

Financial resource (FY2026 budget)

Expenditure Reform

0.10

Revisions of special measures concerning taxation, etc.

Excluding the statutory rate portion

0.74

Expenditure Reform

0.14

Ongoing consideration

Consideration with due regard to the importance of maintaining road-related infrastructure, price trends, and consistency with CO_2 reduction targets

0.10

First-year portion

0.30

First-year portion

0.09

Additional non-tax revenue

(Surplus of Banks' Shareholdings Purchase Corporation, etc.)

<Local government>

Required amount

Education

For those receiving local allocation tax grants

0.30

Diesel fuel

0.5

Financial resource (FY2026 budget)

Revisions of special measures concerning taxation, etc.

The statutory rate portion, etc.

0.46

Ongoing consideration

(Stable financial resources for local governments)

First-year portion

0.18

Local fiscal measures

Raising fees related to foreign nationals and enhancement of related measures

Raising related fees, with reference to levels in other countries; securing financial resources for measures concerning foreign nationals, etc.

International Tourist Tax (Japan Tourism Agency, etc.)

FY2026 initial budget (first year): +81.0 bn yen, compared to FY2025 initial

Tax rate per departure
1,000 yen → 3,000 yen

◎ **Shift to the initial budget** those relevant measures of the JTA, etc., that had become routinely funded through supplementary budgets

● **Enhancement of related measures**
- Overtourism countermeasures
- Congestion measures at airports and secondary transport
- Development of a safe and secure travel environment

(Expenses for protection of Japanese nationals) etc.

Visa Fees (Ministry of Foreign Affairs)

FY2026 initial budget (first year): +116.1 bn yen, compared to FY2025 initial

Single-Entry Visa
3,000yen → 15,000 yen

◎ **Shift to the initial budget** those relevant measures of the MOFA that had become routinely funded through supplementary budgets

● **Enhancement of related measures**
- Consular activities at overseas missions, Strengthening of the diplomatic implementation structure etc.

Residence-Related Fees (Ministry of Justice)

FY2026 initial budget (first year): +44.4 bn yen, compared to FY2025 initial

Change/Renewal
6,000 yen → about 40,000 yen
(Amount varying by period of residence)

◎ **Shift to initial budget** those relevant measures of the MOJ that had become routinely funded through supplementary budgets

● **Enhancement of related measures**
- Development of the environment toward realizing appropriate immigration control
- Strengthening measures against illegal residents
- Promotion of an orderly coexisting society

etc.

＊ In conjunction with allocating International Tourist Tax revenue to expenses for protection of Japanese nationals, **reduce passport fees**

FY2026 initial (first year): −16.4 bn yen, compared to FY2025 initial

10-year passport: 16,000 yen → 9,000 yen

Alongside enhancing the above relevant measures, it also contributes to securing financial resources for other initiatives within the overall budget

(＊1) FY2026 initial (first year): Increase in revenue: about +225.0 bn yen, increase in related budgets: about +132.0 bn yen; contribution to other policies: about +93.0 bn yen (about 40% of the increase in revenue), compared to FY2025 initial budget

(＊2) The projected annual revenue increase based on the increase for the FY2026 budget (first year) is about +350 bn yen.
(Regarding securing financial resources for other initiatives, if the contribution is comparable to that of the FY2026 budget (first year) (about 40%), it amounts to about 140 bn yen)

Review and revision of subsidies

○ Regarding the review and revision of subsidies, **in preparation for the FY2027 budget formulation,** we will adopt a policy of ensuring **consistent handling from the request stage through the assessment stage**, with the cooperation of requesting ministries and agencies.

○ In the **FY2026 budget** as well, from the perspectives of thorough expenditure reform and prioritization across the entire budget, we will undertake **necessary reviews of existing subsidies** and immediately reflect items that can be promptly revised.

○ In addition, in the **FY2025 supplementary budget**, certain measures have already been implemented, particularly those related to the **review of the fund.**

【Measures in the FY2026 budget (examples)】

Regional Future Grant (Cabinet Office)

FY2025 initial budget: 200 bn yen (doubled from FY2024 initial)

⇒ **FY2026 budget: −40 bn yen**

- Based on the current execution status and careful examination of required amounts, the budget includes the necessary funding for local governments to advance new and existing projects.
- Going forward, **we will consider the appropriate design of the grant, taking into account discussions on the Regional Future Strategy**, to enhance its effectiveness.

Regional Decarbonization Promotion Grant (Ministry of the Environment)

FY2025 initial budget: 30 bn yen (+ GX resources 8.5 bn yen)

⇒ **FY2026 budget: −10 bn yen (+ GX resources −1.5 bn yen)**

- Established in FY2022 initial. Since projects are implemented on a multi-year basis, the large number of selections had increased out-year burdens.
- Restrain budgetary amounts by suspending **all new selections from FY2026 onward.**

Digital Infrastructure Development Promotion Project (Ministry of Internal Affairs and Communications)

FY2025 initial budget: 4 bn yen

⇒ **FY2026 budget: −1 bn yen**

- Restrain the budget in light of the occurrence of unused budget and carryovers

Project for Enhancing the Stay Environment at Visitor Hubs in National Parks (Ministry of Land, Infrastructure, Transport and Tourism)

FY2025 initial budget: 2.1 bn yen

⇒ **FY2026 budget: −0.7 bn yen**

- Restrain the budget in light of the occurrence of unused budget and carryovers

【Measures in the FY2025 supplementary budget (examples)】

Restrain budgetary amounts through effective use of fund balances by examining the utilization status of existing funds (Subsidy Program for Labor-Saving Investments for SMEs, Support Fund for Universities and Colleges to Transition to Growth Sectors)

Return unnecessary fund balances to the national treasury (363.1 bn yen, Emergency Fund for the Establishment of Vaccine Production Systems 224.8 bn yen, etc.)

Review and revision of public procurement and public systems in line with price increases

○ Regarding unit prices and budgets for facility development and contracted/outsourced projects under public procurement: **upward adjustment in light of increases in labor costs and material prices**

○ Based on inter-ministerial arrangements, promoting **expansion of the application of the comprehensive evaluation bidding method for building-maintenance contracts** etc., and **reviewing and revising of low-bid price investigation standards**

○ Regarding standards amounts and thresholds in public systems: **upward adjustment reflecting price trends**

Measures for public procurement (examples)

- Raising the design labor unit price for public works (February revision for FY2026) (MLIT)
- **Raising** the subsidy unit price for development of public school facilities; e.g., RC-structure public school facilities: **+7.7%** compared to FY2025 initial budget (MEXT)
- **Raising** the construction unit price for Self-Defense Forces facility development; e.g., RC-structure garage: **+9%** compared to FY2025 initial (MOD)
- PFI project cost for maintenance/operation of the Cabinet Office Main Building and Building No. 8: **+40 mn yen (+4%)** compared to FY2025 initial, following revision of base individual indices (CAO)
- Building-maintenance outsourcing for ministry/agency office buildings: budget increase of **150 mn yen (+12%)** compared to FY2025 initial (METI)
- **Raising** the labor unit price for outsourced data entry/ aggregation-analysis of labor-related filings: **+6%** compared to FY2025 initial (MHLW)
- **Raising** the wage-change rate applied to basic costs in estimation for outsourced services for issuance of certificates of registered information: **+6.8%** compared to FY2025 initial (MOJ)
- **Raising** the investigator unit price for execution of statistical survey operations: **+6%** (national average) compared to FY2025 initial (MIC)
- **Raising** textbook list prices, regarding purchase cost for compulsory-education textbooks: **+1.5%** compared to FY2025 initial (MEXT)
- Regarding FY2026 Fiscal Plan of Local Governments: appropriate provision for price pass-through for outsourcing, subsidies, and maintenance/repairs (MIC)

Measures for standards amounts and thresholds of public systems (examples)

- Regarding the grant program for traffic orphans: higher monthly benefit per child by age (e.g., 0–6 years: **32,000 yen → 54,700 yen** per month)
  Budget increase to **0.14 bn yen** (**+0.11 bn yen** compared to FY2025 initial budget). (MLIT)
- For user-burden mitigation for non-registered childcare facilities and subsidized private kindergartens: higher benefit ceilings (e.g., Non-registered, ages 0–2): **42,000 yen → 45,700 yen** per month; Subsidized private kindergarten: **25,700 yen → 28,000 yen** per month) (CFA)
- Regarding subsidies for employment-preparation support for individuals in economic hardship (children's learning and living support programs): higher standard subsidy amount to local governments (e.g., municipality with population of 100,000**: 118 mn yen → 126 mn yen**). Budget increase to **3.35 bn yen** (**+0.28 bn yen** compared to FY2025 initial) (MHLW)
- Regarding subsidies for equipment development for the emergency fire assistance team: higher standard subsidy amount to local governments (e.g., fire pump vehicle: **approx. 30 mn yen → approx. 31 mn yen**)
  Budget increase to **5.5 bn yen** (**+0.5 bn yen** compared to FY2025 initial) (MIC)
- Regarding the compensation price system for producers of milk for manufacturing use: higher subsidy unit prices for producers, reflecting changes in production costs (subsidy unit price: **11.82 yen/kg → 11.94 yen/kg**) (MAFF)
- Regarding subsidies for assistance to pupils and students requiring aid: higher unit subsidies for school-supply expenses for newly enrolled students, etc.
  (e.g., **elementary school: 29,000 yen → 32,000 yen**) (MEXT)
- Regarding operating grants to incorporated administrative agencies: necessary reviews conducted, and **wage increases reflecting the National Personnel Authority recommendations** to be implemented across **all 86 incorporated administrative agencies**

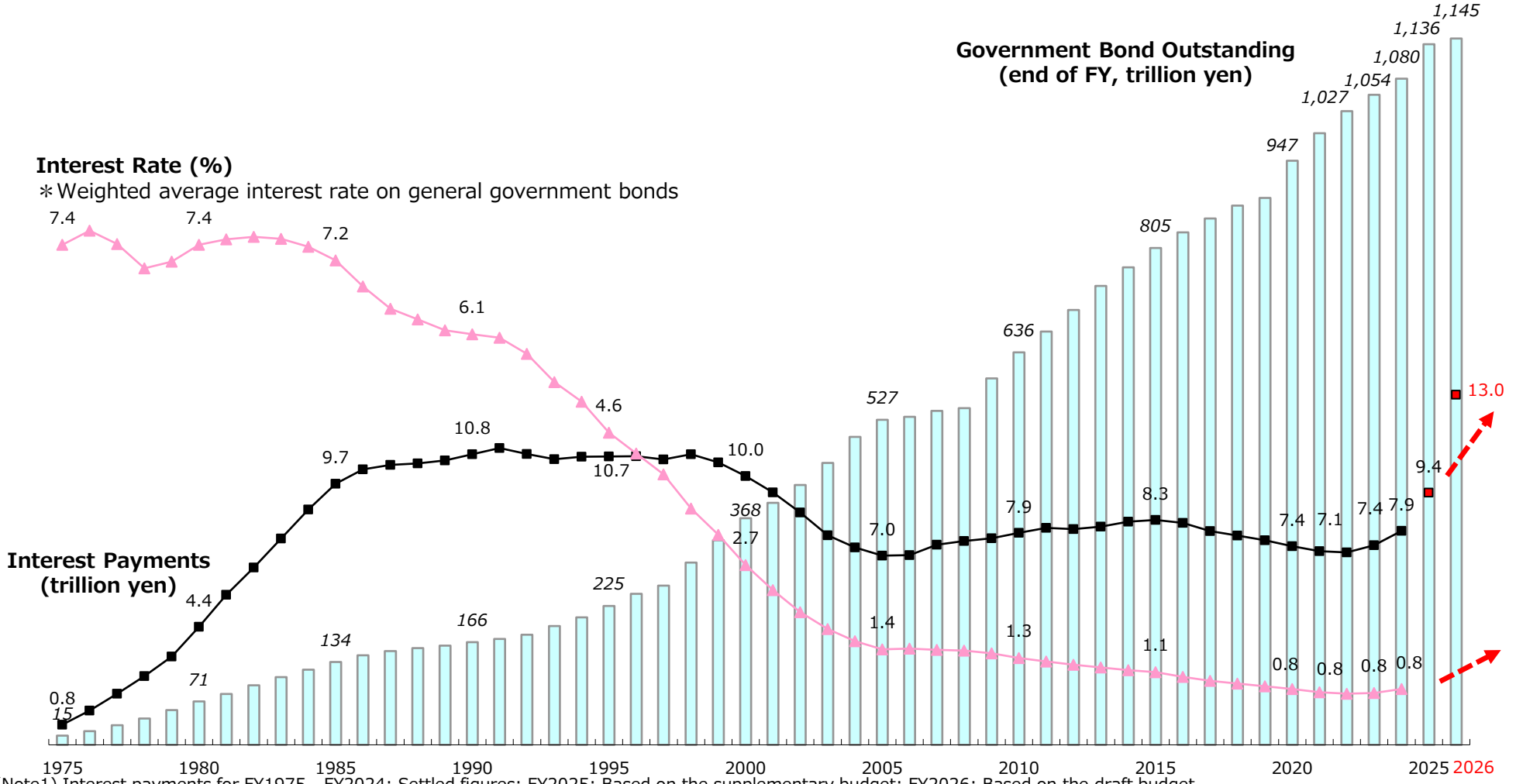
Breakdown of National Debt Service

○ **Interest Payments ¥13.0tn (+¥2.5tn compared to FY2025 initial budget)** ＊FY2025 initial ¥10.5tn ← FY2024 initial ¥9.7tn ← FY2023 initial ¥8.5tn

- ✓Increase in the estimated interest payment on the scheduled issuance due to the rise in the interest rate applied in the budget calculation (2.0% ⇒3.0%). (+¥1.0tn compared to FY2025 initial) ＊The FY2026 budget interest rate (3.0%) is set by referring to the recent one-month average of long-term interest rates (1.9%) and taking into account past cases of sharp interest rate hikes.
- ✓Increase in interest payments on outstanding bonds, resulting from the replacement with higher-interest-rate issues amid a rising government bond balance. (+¥1.5tn compared to FY2025 initial)

○ **Redemption of the National Debt ¥18.2tn (+¥0.5tn compared to FY2025 initial)**

- ✓ Increase due to rising outstanding bonds



(Note1) Interest payments for FY1975 - FY2024: Settled figures; FY2025: Based on the supplementary budget; FY2026: Based on the draft budget.
(Note2) Government bond outstanding for FY2025: Based on the supplementary budget, FY2026: Based on the draft budget.

（ Reference ）

The FY2026 Budget Framework

【Expenditure and Revenue】

(unit: billion yen)

	FY2025 budget (initial)	FY2026 budget	FY2025 → FY2026	Notes
(Expenditure)				
General Expenditure	68,107.1	70,155.7	+ 2,048.5	
Social Security Expenditure	38,293.8	39,055.9	+ 762.1	
Non-Social Security Expenditure	29,813.3	31,099.8	+ 1,286.5	
Local Allocation Tax Grants, etc.	18,872.8	20,877.8	+ 2,005.0	
National Debt Service	28,217.9	31,275.8	+ 3,057.9	
of which Redemption of the National Debt (Excluding Subsidy Bonds)	17,342.5	17,889.8	+ 547.2	
of which Interest Payments	10,523.0	13,037.1	+ 2,514.2	
Total	115,197.8	122,309.2	+ 7,111.4	
(Revenue)				
Tax Revenue	77,819.0	83,735.0	+ 5,916.0	
Other Revenue	8,731.8	8,990.2	+ 258.5	
Government Bonds Issuance (Difference between Expenditure and Tax Revenues, etc.)	28,647.1	29,584.0	+ 936.9	- Bond Dependency Ratio: 24.2%
Amount Equivalent to Redemption of the National Debt (Excluding Subsidy Bonds)	17,342.5	17,889.8	+ 547.2	- Construction Bonds Issuance FY2025 : 6,791.0bn yen → FY2026 : 6,716.0bn yen
Amount equivalent to Interest Payments	10,523.0	13,037.1	+ 2,514.2	- Special Deficit-Financing Bonds Issuance FY2025 : 21,856.1bn yen → FY2026 : 22,868.0bn yen
Primary Balance	- 781.6	1,342.9	+ 2,124.5	- Fiscal Balance Deficit (Difference between equivalent to interest payments and primary balance) is 11.7tn yen.
Total	115,197.8	122,309.2	+ 7,111.4	

(Note1) Figures may not add up to the totals due to rounding.
(Note2) "Tax Revenue" includes stamp revenue.
(Note3) The classification of "Government Bonds Issuance" is made from the perspective of the primary balance and fiscal balance, and the term "Amount Equivalent to" is used because the revenue of government bonds issuance will not be immediately appropriated to the redemption of the national debt and interest payments.
(Note4) The current Special Deficit-Financing Bond Law, which will expire at the end of FY2025, stipulates a five-year basis for issuing special deficit-financing bonds. Therefore, the government is considering submitting a bill to establish a basis for issuing special deficit-financing bonds for another five years.

【Government Bonds Outstanding, etc.】

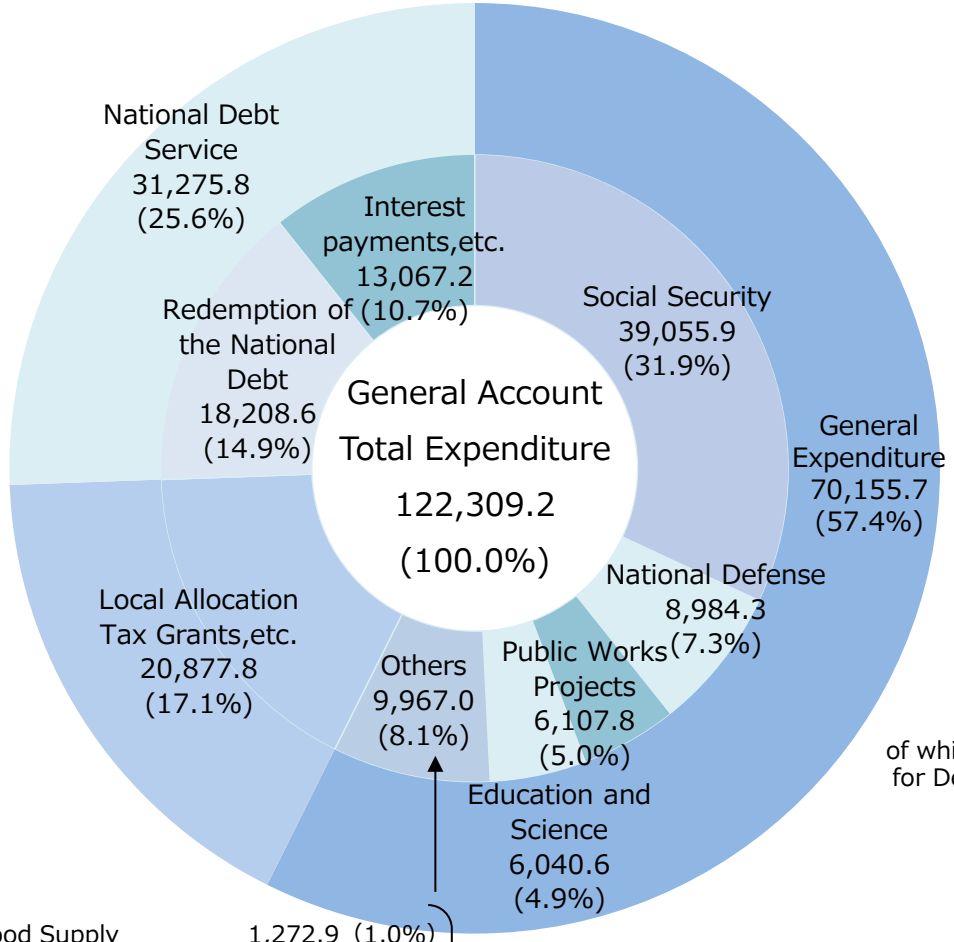
(unit: trillion yen)

	Estimation at the end of FY2025 (as of FY2025 initial budget)	Estimation at the end of FY2026 (as of FY2026 initial budget)	FY2025 → FY2026	Notes
Government Bonds Outstanding	1,128.5	1,145.4	+ 16.9	- Fiscal Balance Deficit: about + 11.7 tn yen Additional Debt in the FY2025 Supplementary Budget: about + 11.7 tn yen Redemption through Transfer of Surplus in the FY2025 Supplementary Budget: about - 1.1 tn yen Increase in Advanced Refunding Bonds: about - 5.0 tn yen Reflecting of acutual issuance results, etc.: about - 0.4 tn yen Total about + 16.9 tn yen
Nominal GDP	669.2	691.9	+ 22.7	
Government Bonds Outstanding / GDP ratio	168.6%	165.5%	- 3.1%	
cf) Planned Government Bonds Issuance	166.9	167.7	+ 0.8	
of which Amount in General Account	28.6	29.6	+ 0.9	
of which Amount in Special Account for the Government Debt Consolidation Fund	136.2	135.8	- 0.5	

(Note) National GDP is the annual figure based on the government's economic outlook for the relevant fiscal year.

The FY2026 Budget: Expenditure and Revenue

General Account Expenditure

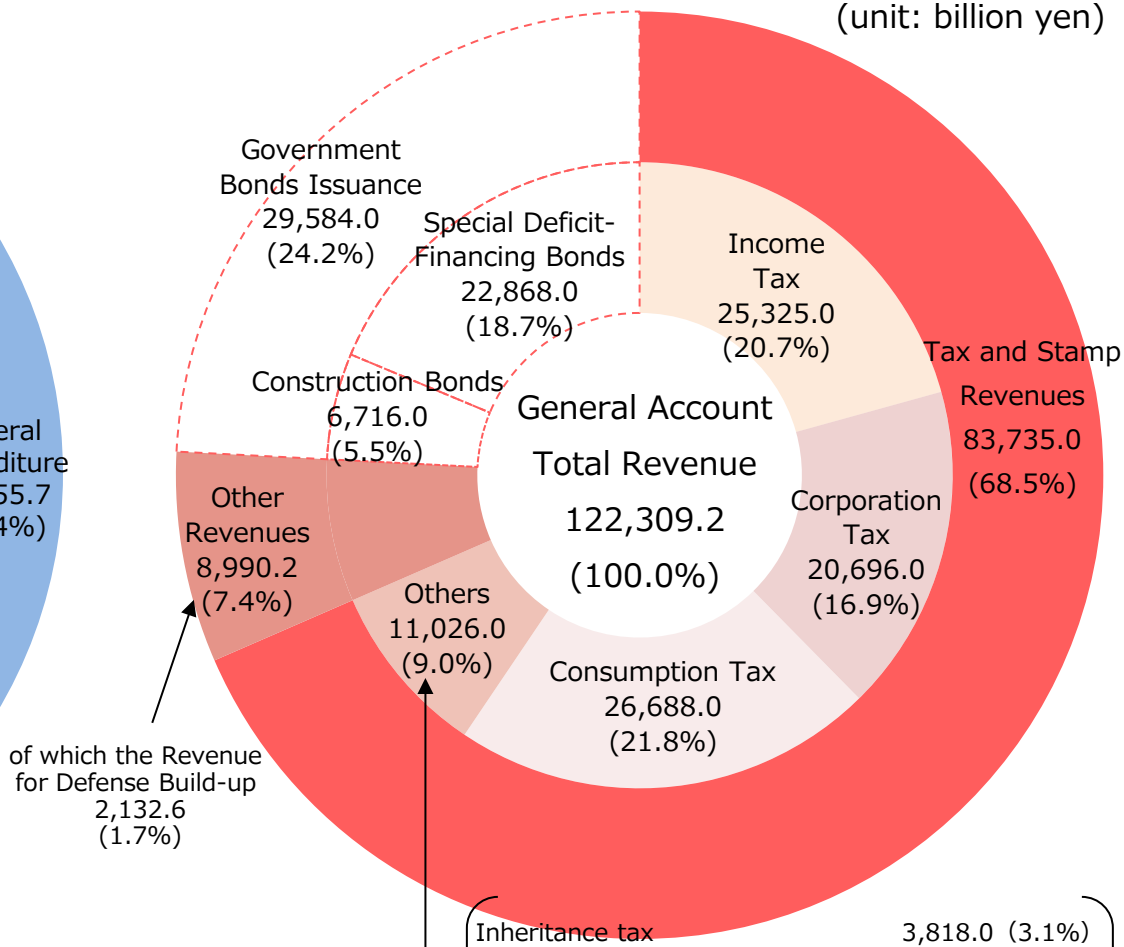


Food Supply	1,272.9	(1.0%)
Energy	800.1	(0.7%)
Economic Assistance	510.8	(0.4%)
Measures for SMEs	170.0	(0.1%)
Former Public Officers Pension	49.3	(0.0%)
Miscellaneous	6,164.0	(5.0%)
Contingency Reserves	1,000.0	(0.8%)

(Note) Figures may not add up to the total due to rounding.

General Account Revenue

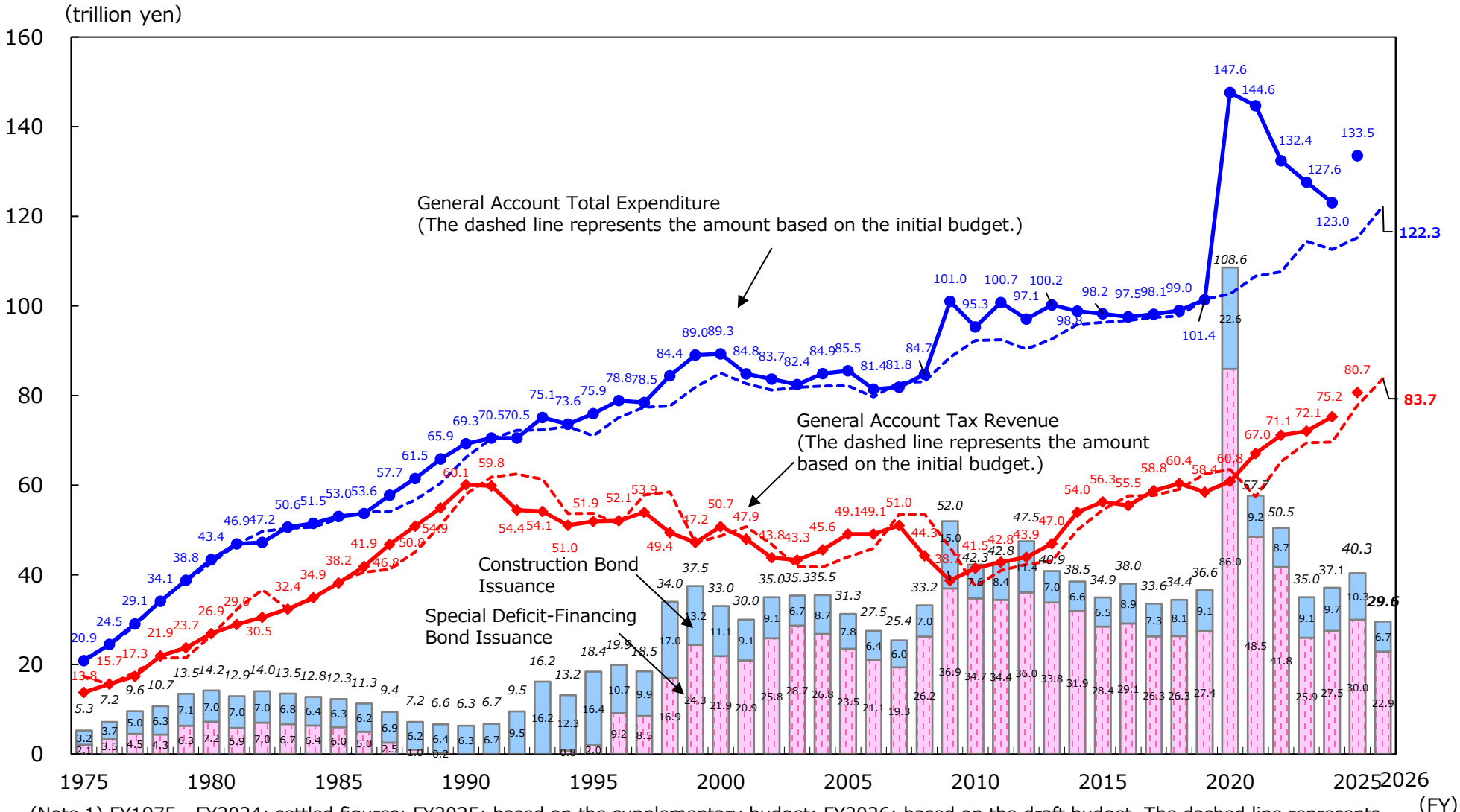
(unit: billion yen)



of which the Revenue for Defense Build-up 2,132.6 (1.7%)

Inheritance tax	3,818.0	(3.1%)
Liquor tax	1,147.0	(0.9%)
Tobacco tax	976.0	(0.8%)
Gasoline tax	972.0	(0.8%)
Tariffs	903.0	(0.7%)
Petroleum and Coal tax	598.0	(0.5%)
Special Corporation Tax for Defense	576.0	(0.5%)
Motor vehicle tonnage tax	421.0	(0.3%)
Other tax revenue	535.0	(0.4%)
Stamp revenue	1,080.0	(0.9%)

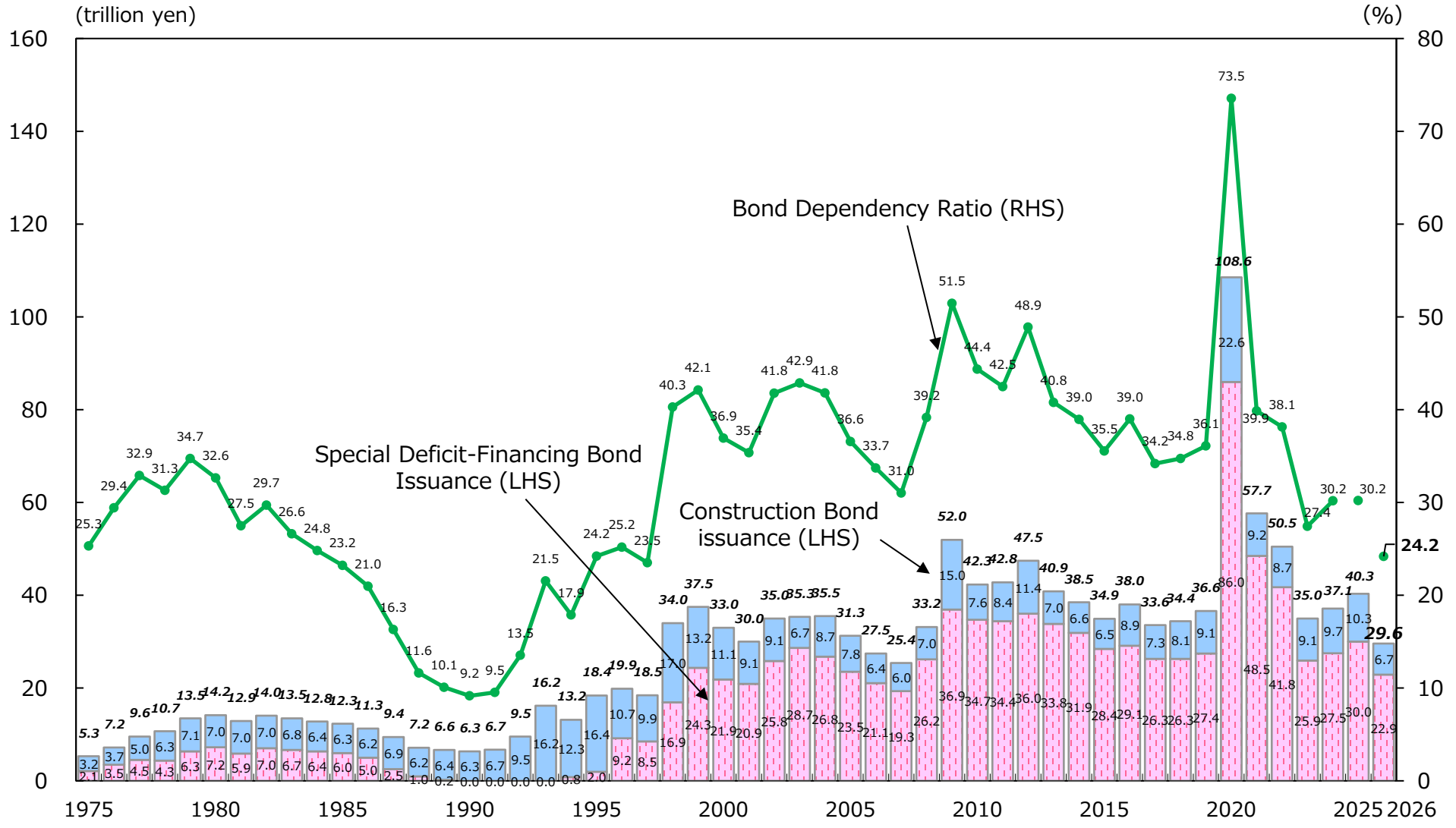
Trends in General Account Expenditure, Tax Revenue and Bond Issuance



(Note 1) FY1975 - FY2024: settled figures; FY2025: based on the supplementary budget; FY2026: based on the draft budget. The dashed line represents the amount based on the initial budget.

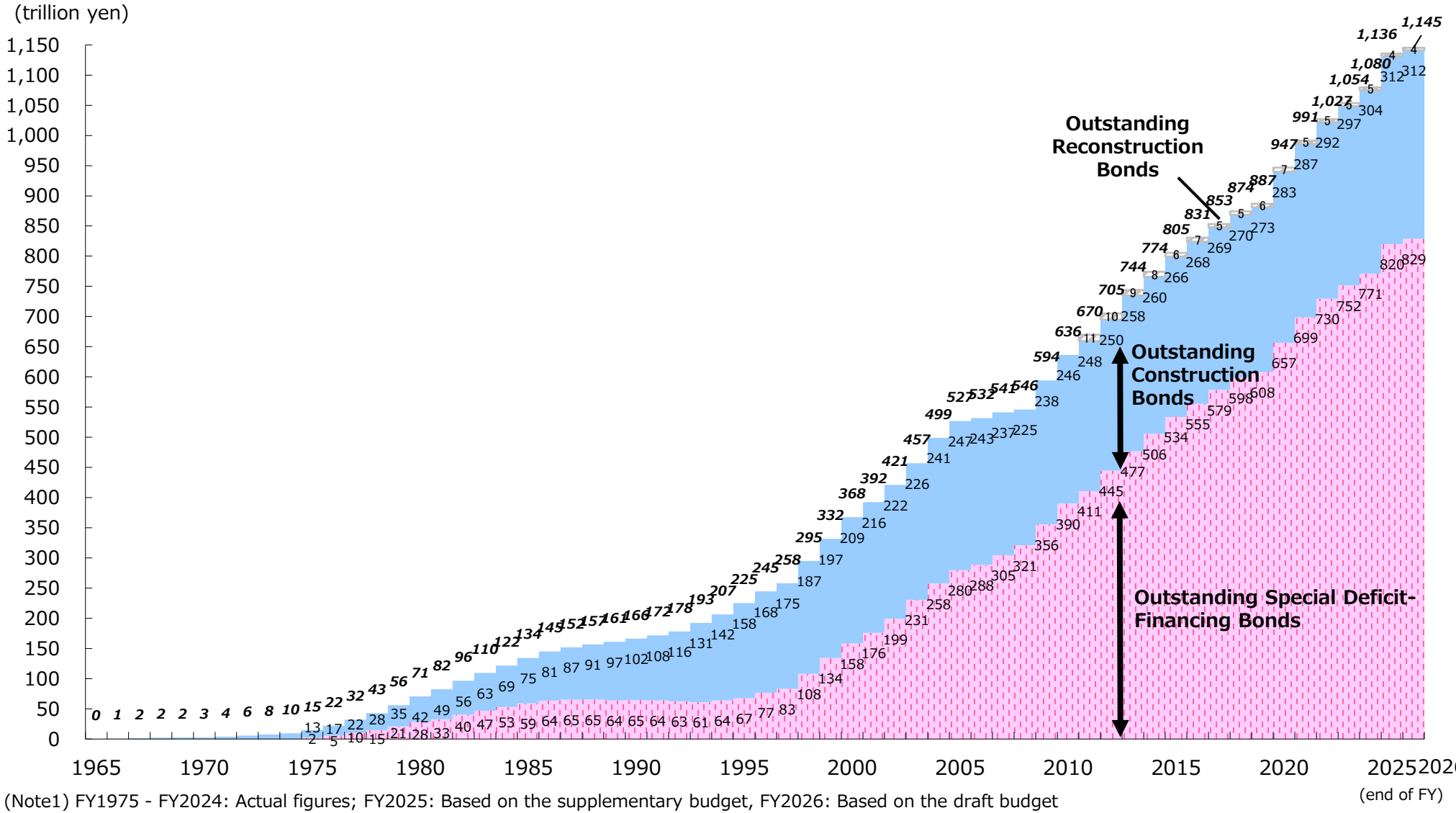
(Note 2) The following bonds are excluded: Ad-hoc special deficit-financing bonds issued in FY1990 as a source of funds to support peace and reconstruction activities in the Persian Gulf region, Tax reduction-related special deficit-financing bonds issued in FY1994 - FY1996 to make up for decline in tax revenue due to a series of tax cuts preceding consumption tax hike from 3% to 5%, Reconstruction bonds issued in FY2011 as a source of funds to implement measures for the reconstruction from the Great East Japan Earthquake and Pension-related special deficit-financing bonds issued in FY2012 and FY2013 as a source of funds to achieve the targeted national contribution to one-half of basic pension.

Bond Issuance and Bond Dependency Ratio



(Note1) FY1975 - FY2024: Settled figures; FY2025: Based on the supplementary budget; FY2026: Based on the draft budget
(Note2) Following bonds are excluded: Ad-hoc special deficit-financing bonds issued in FY1990 as a source of funds to support peace and reconstruction activities in the Persian Gulf Region; Tax reduction-related special deficit-financing bonds issued in FY1994-96 to make up for a decline in tax revenue due to a series of income tax cuts preceding consumption tax rate hike from 3% to 5%; Reconstruction bonds issued in FY2011 as a source of funds to implement measures for the reconstruction from the Great East Japan Earthquake, and; Pension-related special deficit-financing bonds issued in FY2012 and FY2013 as a source of funds to achieve the targeted national contribution to one-half of basic pension.
(Note3) Bond dependency ratio is calculated as the ratio of bond issuance to general account expenditures.

Accumulated Government General Bonds Outstanding



(Note1) FY1975 - FY2024: Actual figures; FY2025: Based on the supplementary budget, FY2026: Based on the draft budget

(Note2) Government general bond outstanding includes construction bonds, special deficit-financing bonds and reconstruction bonds. Special deficit-financing bond outstanding includes deficit-financing bonds issued in FY1965, refunding bonds for long-term debts transferred from JNR Settlement Corporation and the National Forest Service, etc., ad-hoc special deficit-financing bonds, tax reduction-related special deficit-financing bonds, pension-related special deficit-financing bonds, GX Economy Transition Bonds, Child Special Bonds and Semiconductor･AI Bonds.

(Note3) The estimated amount at the end of FY2026, excluding the issuance limit of advance refunding bonds for refinancing in the following fiscal year, is approximately 1,095 trillion yen.

Long-term debt outstanding of central and local governments

(unit : trillion yen)

	FY1998 < actual >	FY2003 < actual >	FY2008 < actual >	FY2013 < actual >	FY2018 < actual >	FY2019 < actual >	FY2020 < actual >	FY2021 < actual >	FY2022 < actual >	FY2023 < actual >	FY2024 < actual >	FY2025 < estimated >	FY2026 <draft budget>
Central Government	390 (387)	493 (484)	573 (568)	770 (747)	901 (850)	914 (870)	973 (964)	1,017 (1,002)	1,053 (1,037)	1,080 (1,055)	1,106 (1,081)	1,162 (1,107)	1,178 (1,128)
General Bond	295 (293)	457 (448)	546 (541)	744 (721)	874 (823)	887 (843)	947 (937)	991 (976)	1,027 (1,012)	1,054 (1,029)	1,080 (1,055)	1,136 (1,081)	1,145 (1,095)
% of GDP	55% (54%)	86% (84%)	104% (103%)	143% (139%)	153% (144%)	155% (148%)	171% (169%)	172% (169%)	174% (171%)	170% (166%)	168% (164%)	170% (161%)	166% (158%)
Local Government	163	198	197	201	194	192	192	191	187	183	180	173	166
% of GDP	30%	37%	38%	39%	34%	34%	35%	33%	32%	29%	28%	26%	24%
Total	553 (550)	692 (683)	770 (765)	972 (949)	1,095 (1,044)	1,106 (1,062)	1,165 (1,156)	1,208 (1,193)	1,239 (1,224)	1,262 (1,238)	1,286 (1,260)	1,335 (1,280)	1,344 (1,294)
% of GDP	102% (102%)	130% (128%)	147% (146%)	187% (183%)	192% (183%)	194% (186%)	210% (209%)	210% (207%)	209% (207%)	204% (200%)	200% (196%)	199% (191%)	194% (187%)

(Note1) GDP for FY1998 - FY2024: Actual figures, FY2025 and FY2026: Based on “Economic Outlook and Basic Stance for Economic and Fiscal Management”. These GDP figures are based on the revised System of National Accounts (Benchmark year revision of 2020).

(Note2) Central government debt for FY1998 - FY2024: Actual figures, FY2025: Based on the supplementary budget, FY2026: Based on the draft budget.
Local government debt for FY1998 - FY2024: Actual figures, FY2025 and FY2026: Based on local government debt plan, etc.

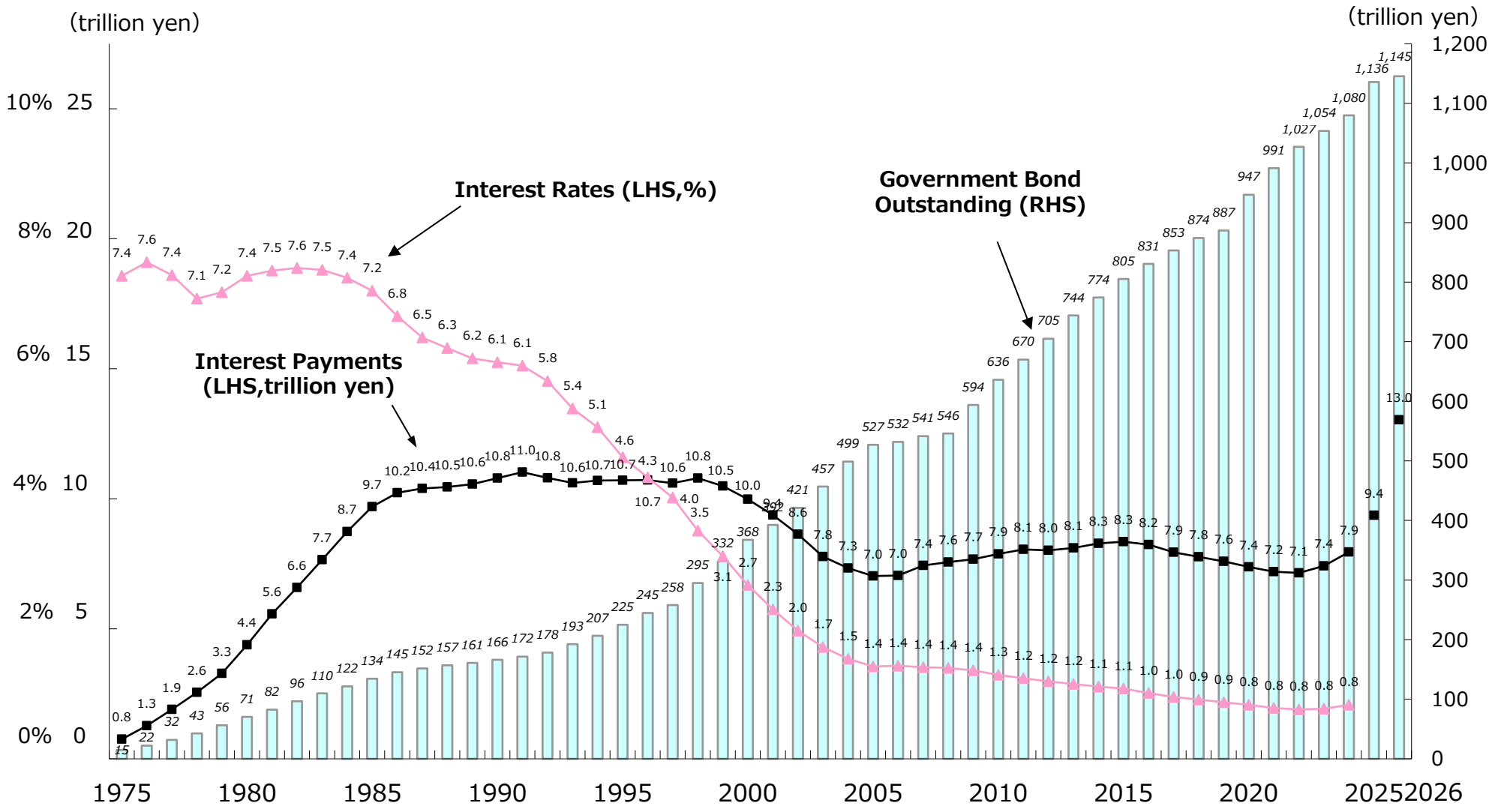
(Note3) Government bond outstanding includes reconstruction bonds as a source of funds to implement the measures for the reconstruction from the Great East Japan Earthquake and pension-related special deficit-financing bonds as a source of funds to achieve the targeted national contribution to one-half basic pension, GX Economy Transition Bonds, Child Special Bonds and Semiconductor･AI Bonds.

(Note4) FY1998 – FY2024: Figures in parentheses do not include the issuance amount of advance refunding bonds for refinancing in the following fiscal year.
FY2025 – FY2026: Figures in parentheses do not include the issuance limit of advance refunding bonds for refinancing in the following fiscal year.

(Note5) The borrowings in the special account for local allocation and local transfer tax are divided into each figure of the central government and local governments in accordance with their shares of redemption. The amount of the borrowing outstanding incurred by the central government was transferred to the general account at the beginning of FY2007, so that the borrowing outstanding in the special account since the end of FY2007 is equal to the debt of the local governments (approx. 23 trillion yen in FY2026).

(Note6) Government bond outstanding in the special account for fiscal investment and loan program in FY2026 is approximately 94 trillion yen.

Accumulated Government General Bonds Outstanding



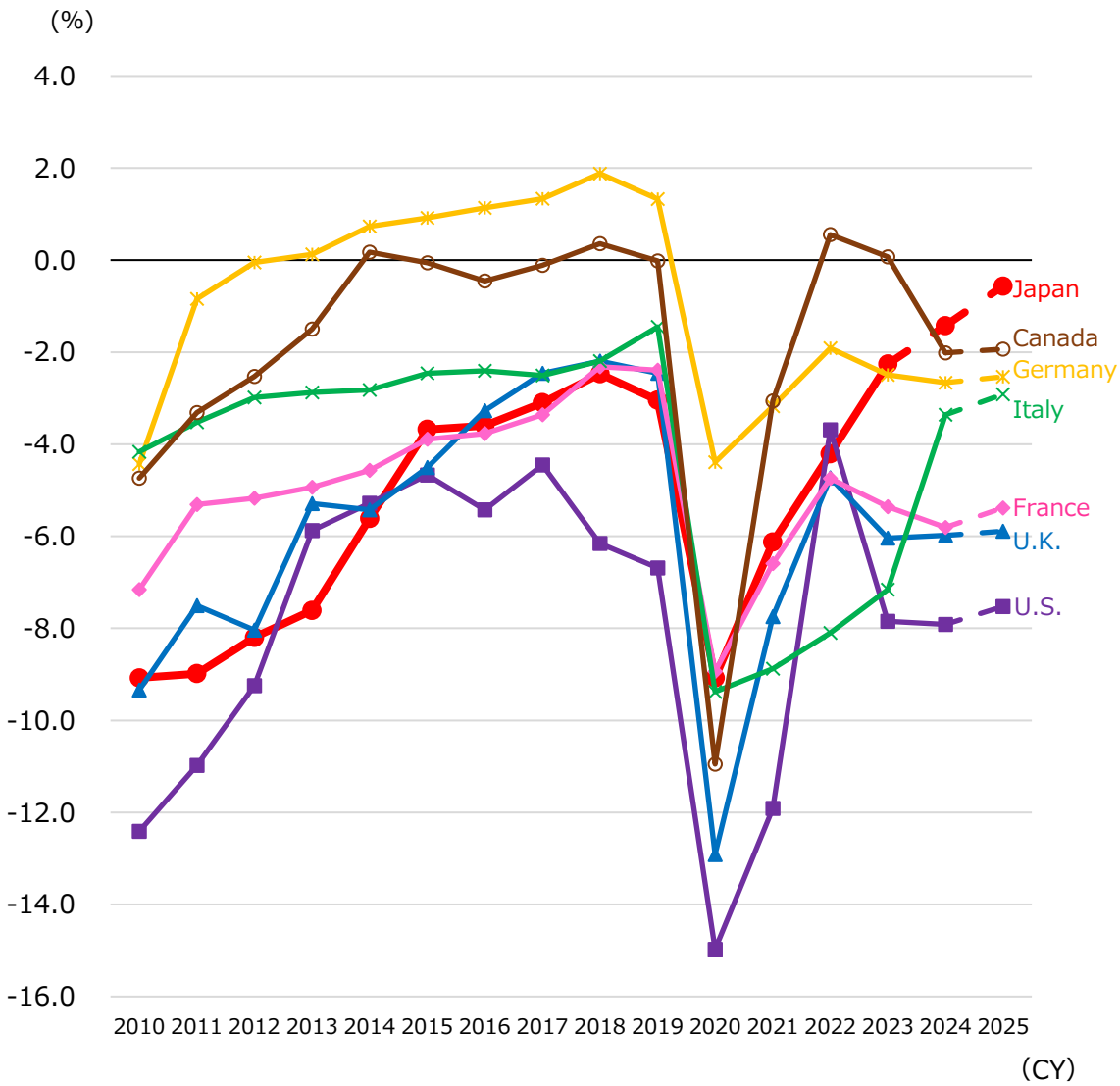
(Note1) Interest payments for FY1975 - FY2024: Settled figures; FY2025: Based on the supplementary budget; FY2026: Based on the draft budget.
(Note2) Interest rates are a weighted average of JGBs' interest rates.
(Note3) Government bond outstanding for FY1975 - FY2024: Figures at the end of each fiscal year, FY2025: Based on the supplementary budget, FY2026: Based on the draft budget.

International Comparison of General Government Fiscal Balance (% of GDP)

(%)

CY	2010	2011	2012	2013	2014	2015	2016	2017
Japan	− 9.1	− 9.0	− 8.2	− 7.6	− 5.6	− 3.7	− 3.6	− 3.1
U.S.	− 12.4	− 11.0	− 9.2	− 5.9	− 5.3	− 4.7	− 5.4	− 4.4
U.K.	− 9.3	− 7.5	− 8.0	− 5.3	− 5.4	− 4.5	− 3.3	− 2.5
Germany	− 4.4	− 0.8	− 0.1	0.1	0.7	0.9	1.1	1.3
France	− 7.2	− 5.3	− 5.2	− 4.9	− 4.6	− 3.9	− 3.8	− 3.4
Italy	− 4.2	− 3.5	− 3.0	− 2.9	− 2.8	− 2.5	− 2.4	− 2.5
Canada	− 4.7	− 3.3	− 2.5	− 1.5	0.2	− 0.1	− 0.5	− 0.1

CY	2018	2019	2020	2021	2022	2023	2024	2025
Japan	− 2.5	− 3.0	− 9.1	− 6.1	− 4.2	− 2.3	*− 1.4*	*− 0.6*
U.S.	− 6.2	− 6.7	− 15.0	− 11.9	− 3.7	− 7.8	− 7.9	*− 7.5*
U.K.	− 2.2	− 2.5	− 12.9	− 7.7	− 4.7	− 6.0	− 6.0	*− 5.9*
Germany	1.9	1.3	− 4.4	− 3.2	− 1.9	− 2.5	− 2.7	*− 2.5*
France	− 2.3	− 2.4	− 8.9	− 6.6	− 4.7	− 5.4	− 5.8	*− 5.4*
Italy	− 2.2	− 1.5	− 9.4	− 8.9	− 8.1	− 7.2	− 3.4	*− 2.9*
Canada	0.4	− 0.0	− 10.9	− 3.1	0.6	0.1	− 2.0	*− 1.9*



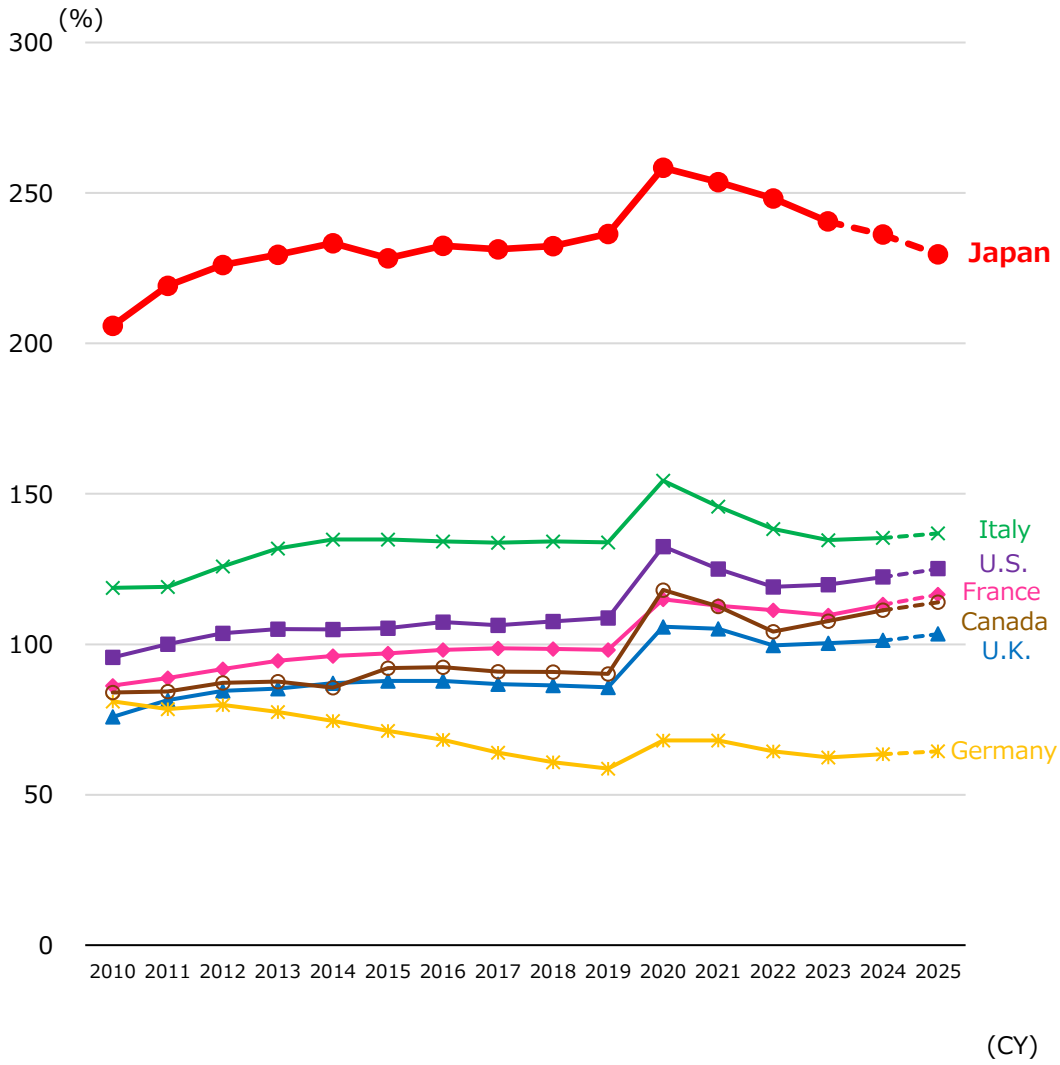
(Source) OECD “Economic Outlook 118” (December 2, 2025)
(Note 1) The figures represent the general-government-based data (the central/local governments and social security funds combined).
(Note 2) The 2024-2025 figures for Japan and the 2025 figures for other countries are estimated figures.

International Comparison of General Government Gross Debt (% of GDP)

(%)

CY	2010	2011	2012	2013	2014	2015	2016	2017
Japan	205.9	219.2	226.1	229.5	233.3	228.3	232.4	231.3
U.S.	95.6	100.0	103.7	105.0	104.9	105.4	107.4	106.4
U.K.	75.9	81.4	84.5	85.3	87.1	87.9	87.8	86.7
Germany	81.0	78.5	79.8	77.5	74.5	71.2	68.3	64.0
France	86.3	88.7	91.7	94.5	96.1	96.9	98.1	98.7
Italy	118.8	119.1	125.9	131.9	134.8	134.8	134.2	133.7
Canada	84.0	84.3	87.2	87.6	85.5	92.0	92.4	90.9

CY	2018	2019	2020	2021	2022	2023	2024	2025
Japan	232.4	236.4	258.4	253.7	248.2	240.5	*236.1*	*229.6*
U.S.	107.6	108.8	132.5	125.0	119.1	119.8	122.3	*125.1*
U.K.	86.3	85.7	105.8	105.1	99.6	100.4	101.2	*103.4*
Germany	60.8	58.7	68.0	68.0	64.4	62.4	63.5	*64.4*
France	98.5	98.1	114.9	112.8	111.4	109.6	113.1	*116.5*
Italy	134.2	133.9	154.4	145.8	138.3	134.6	135.3	*136.8*
Canada	90.8	90.2	118.1	112.6	104.2	107.7	111.3	*113.9*



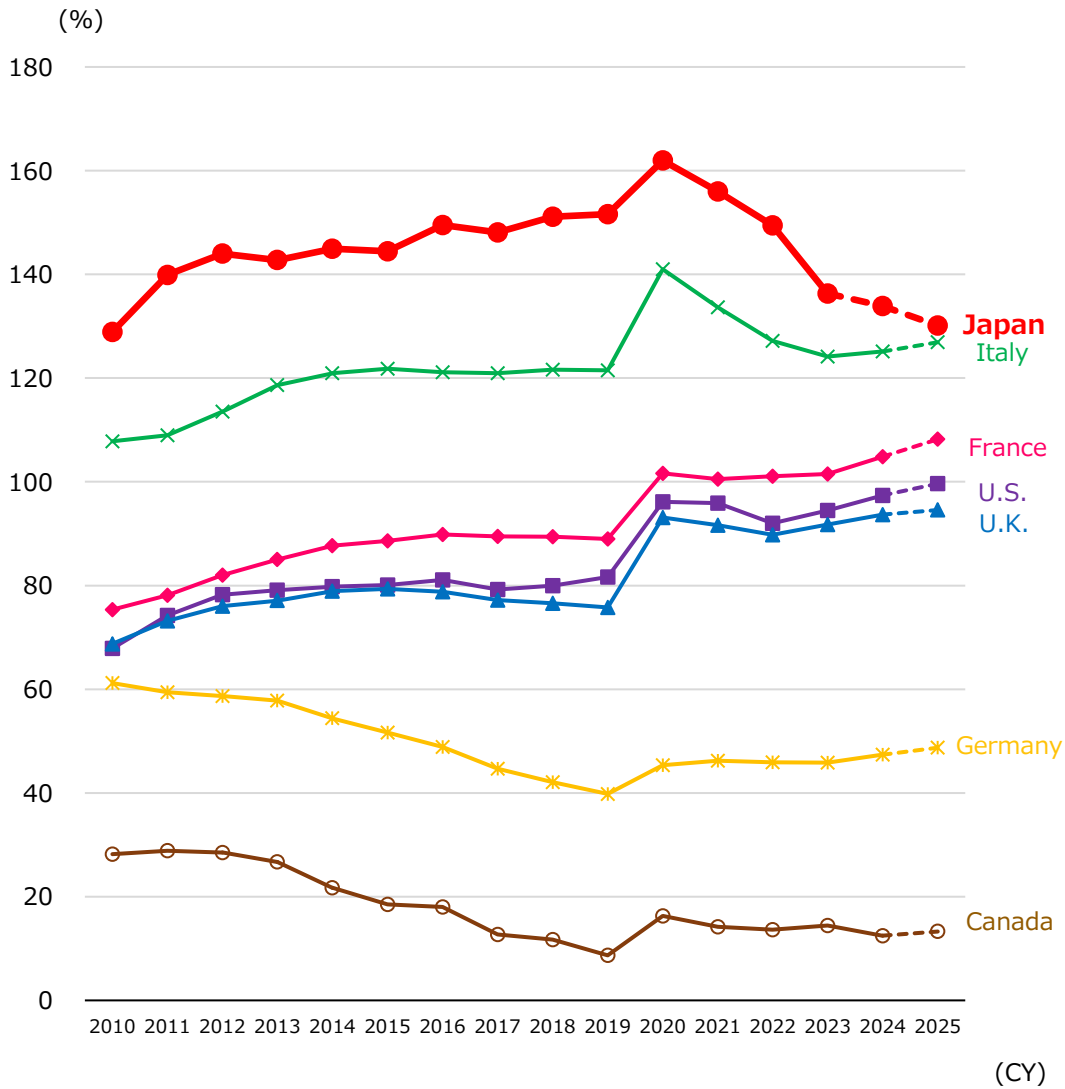
(Source) IMF "World Economic Outlook" (October 2025).
(Note 1) The figures represent the general-government-based data (the central/local governments and social security funds combined).
(Note 2) The 2024-2025 figures for Japan, and the 2025 figures for the other countries are estimated figures.

International Comparison of General Government Net Debt (% of GDP)

(%)

CY	2010	2011	2012	2013	2014	2015	2016	2017
Japan	128.9	139.9	144.0	142.8	144.9	144.4	149.5	148.1
U.S.	67.9	74.2	78.2	79.1	79.8	80.1	81.1	79.2
U.K.	68.8	73.2	76.0	77.1	78.9	79.3	78.8	77.2
Germany	61.2	59.4	58.7	57.8	54.4	51.6	48.9	44.7
France	75.4	78.1	82.0	85.0	87.7	88.6	89.9	89.5
Italy	107.8	108.9	113.5	118.6	120.9	121.8	121.1	120.9
Canada	28.2	28.9	28.5	26.7	21.7	18.5	18.0	12.7

CY	2018	2019	2020	2021	2022	2023	2024	2025
Japan	151.1	151.6	162.0	156.0	149.5	136.3	*133.9*	*130.1*
U.S.	80.0	81.7	96.1	95.9	92.0	94.5	97.4	*99.6*
U.K.	76.6	75.8	93.1	91.7	89.8	91.8	93.7	*94.6*
Germany	42.1	39.8	45.3	46.2	45.9	45.9	47.4	*48.7*
France	89.4	89.0	101.6	100.5	101.1	101.5	104.9	*108.2*
Italy	121.6	121.5	141.0	133.7	127.2	124.2	125.1	*126.9*
Canada	11.7	8.7	16.3	14.2	13.6	14.4	12.5	*13.3*



(Source) IMF "World Economic Outlook" (October 2025).
(Note 1) The figures represent the general-government-based data (the central/local governments and social security funds combined).
(Note 2) The 2024-2025 figures for Japan, and the 2025 figures for the other countries are estimated figures.
(Note 3) General government net debt is calculated as gross debt minus financial assets corresponding to debt instruments such as currency and deposits, and debt securities.