

# Future City Model Projects Progress Report

KEIDANREN

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Projects that have received approval as a Comprehensive Special Zone or Environmental Future City

(International) Comprehensive Global Strategic Special Zones: Kitakyushu Asia Strategic Environmental City

(Regional) Comprehensive Special Zone for Regional Revitalization: Kashiwanoha Campus City, Toyota Next-generation Energy Mobility City, Saijo Agricultural Innovation City

(Environmental) Environmental Future City: Southern Iwate Recycling Biomass City, Kashiwanoha Campus City, Kitakyushu Asia Strategic Environmental City



Today, as Japan faces numerous national crises, what should we do in order to realize a bright future? In the past, the business community has overcome a multitude of national crises by utilizing their own excellent skills, human resources, and ideas as well as generating innovation. It is absolutely possible for Japan to be reborn into a new nation through the efforts of businesses to fully utilize their knowledge and take action in the spirit of driving economic growth, in addition to enhancing corporate vitality and dispelling the sense of stagnation among the public. In accordance with these beliefs, Keidanren established “Future City Model Projects” in March of last year and has been implementing these in 11 cities and regions throughout Japan.

Each project aims to resolve a certain social issue ahead of the rest of the world. If these projects take on an issue such as energy constraints or the declining birthrate/aging population and are able to share solution models for that issue with the world, it will be possible for them to contribute broadly not only to Japanese society but to the international community as well. Moreover, this will also lead to the creation of urban spaces in which anybody would be happy to live and the improvement of people’s quality of life, as well as the generation of new businesses and industries through the exercising of enterprises’ comprehensive power. In addition, it will be possible, as one of Japan’s strengths, to expand packages of urban development activities—the fruits of these projects—and link these to economic growth.

Among these efforts, five projects have received approval as either a governmental Comprehensive Special Zone or Environmental Future City, or are otherwise making great progress towards the realization of project objectives. Furthermore, in the fields of health care, agriculture, and energy and the environment, project content has been expanded in order to contribute to the Great East Japan Earthquake reconstruction, with some projects already achieving results that exceed the original objectives set.

- Health care: In the **Fukushima Medical Care Service City** project, remote health consultation and medical care services using videophones have begun. In the **Hitachi Smart Industrial City** project, health care and resident care efforts were added following the earthquake disaster.
- Agriculture: In the **Saijo Agricultural Innovation City** project, reclamation of salt-damaged agricultural fields was added for application in the earthquake/tsunami disaster zone.
- Energy and the environment: In the **Kashiwanoha Campus City** project, concrete plans for local energy management systems were formulated. In the **Toyota Next-generation Energy Mobility City** project, smart house subdivision sales have been completed and verification of demand-response begun. In the **Kitakyushu Asia Strategic Environmental City** project, water business has already been developed into Asia, specifically through the acceptance of orders.

A table showing the progress status for each project is given below. In undertaking specific development in future, cases remain in which the easing of regulations and policy support are imperative, but as an organization that takes decisive action, Keidanren intends to continue to play a central role in the revitalization of Japan. By generating results through the cooperation of citizens, the central government and local government authorities, we intend to broadly share successful models domestically and internationally, while realizing economic growth and international contribution.

Name of Project: (1) Southern Iwate Recycling Biomass City

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>A: Utilization of woody biomass</p> <p>1. Multistage utilization of woody biomass (expansion of use of forest thinnings and other forest thinning residue materials as well as their thermal use)</p> <p>(1) Utilization of unused biomass</p> <p>(i) Forest thinning residues/coal co-firing activities</p> <p>Wooden chips produced by shredding and drying forest thinning residues are mixed with coal and pulverized, then burned in coal-fired thermal power facility boilers within the Nippon Steel Corporation's Kamaishi Works to generate electricity.</p> <p>The residual incineration ash produced in the generation of electricity through biomass/coal co-firing is also used effectively as a raw material for cement, etc.</p> <p>(ii) Biomass gasification activities</p> <p>A mixture of wooden chips and waste tires, etc., is burned in a high-tech gasifier and gas generated. The gas is mixed with LPG and in addition to being used within Nippon Steel Corporation's Kamaishi Works, this mixture is supplied to nearby plants.</p> <p>The residual carbides, etc. produced in this gasification process are also injected into existing coal co-firing power generation facilities and used effectively.</p> <p>2. Enhancement of woody biomass utilization through new technology development (nanocarbon production system)</p> <p>Wooden chips are cut off from the air in thermal cracking furnaces and heated to produce gas. This gas is reacted with a metal catalyst in a carbon synthesis tube furnace and carbon is precipitated using a technique called the "chemical vapor deposition method" (CVD method) to produce nanocarbon.</p> <p>For the verification target, the project is aiming for a nanocarbon yield of 1kg/20kg of raw materials and for carbon quality, a purity of 90% or higher. By kneading the nanocarbon with resin materials it can be applied to electro-conductive materials and otherwise be used as a function material.</p> <p>B: Utilization of waste biomass</p> <p>(i) Utilization of waste cooking oil (BDF (bio diesel fuel))</p> <p>Through cooperation with the community,</p>	<p><b>Current Progress</b></p> <p>1. Kamaishi City sustained damage in last year's Great East Japan Earthquake, and thus slight changes to project content are being considered while using the original plan as a base.</p> <p>2. Initially an application was to be submitted for approval as a Comprehensive Special Zone, but currently the project is aiming for implementation as a Special Zone for Reconstruction (approval was granted as an Environmental Future City).</p> <p>3. Status of Current Progress</p> <p>(1) Utilization of unused biomass,</p> <p>(i) coal co-firing is already being implemented; and</p> <p>(ii) with regard to the introduction of gasifiers, positioning and operability are being discussed again as part of urban development plans and Environmental Future City plans.</p> <p>(iii) Nanocarbon</p> <p>The development of nanocarbon production technology is being continued as a "Project for the Creation of New Business Utilizing Forest Resources" commissioned by the Forestry Agency.</p> <p>(2) Utilization of waste biomass</p> <p>These activities were affected by the Great East Japan Earthquake. However, they have been restarted and are proceeding smoothly. In particular, BDF has been used in the official cars of Kamaishi city and as concrete evidence of the project in practice, citizens who suffered from the effects of the earthquake and tsunami are greatly encouraged.</p>

Name of Project: (1) Southern Iwate Recycling Biomass City

<p>waste cooking oil generated by households as well as community life support centers and school lunch centers, etc., is collected and converted into BDF (bio diesel fuel), which is supplied as a fuel for the public vehicles used by Kamaishi City and the Iwate Prefecture Coastal Regional Development Bureau, as well as the vehicles used by Omatsu-gakuen.</p> <p>(ii) Utilization of treated night-soil sludge (organic fertilizer) Night-soil collected from the Kamaishi city undergoes thermal decomposition at the Otsuchi Sludge Recycling Center to produce organic fertilizer, which is provided free-of-charge to community residents.</p> <p>(iii) Utilization of fishery waste Fishery waste generated by fishermen's and general households as well as hospitals, restaurant, and supermarkets is collected and biogas produced using a non-dilution methane fermentation system. This gas is used in electric power generation at waste disposal facilities. In addition, excess biogas, gas, heat, and electricity are used as energy sources as city gas or electric power sources.</p>	
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b> Comprehensive Special Zone System (Comprehensive Special Zone for Regional Revitalization) ➤ Special measures required for project implementation</p> <p>(1) Special regulatory measures (i) Easing of procedures for approval, etc., under Waste Disposal Law regulations for biomass used as resources.</p> <p>(2) Tax-related support measures (i) Corporate tax benefits for businesses involved with the project</p> <p>(3) Public finance-related support measures (i) Establishment of a subsidy system for hardware maintenance (ii) Easing of eligibility conditions for subsidies for forest maintenance</p>	<p><b>Current Progress</b></p>
<b>3. Future Schedule</b>	
<p><b>Project Overview</b> A: Utilization of woody biomass 1. Multistage utilization of woody biomass (expansion of use of forest thinnings and other forest thinning residue materials as well as their thermal use)</p> <p>(1) Utilization of unused biomass (i) Forest thinning residues/coal co-firing activities</p>	<p><b>Current Progress (Forecast)</b></p>

Name of Project: (1) Southern Iwate Recycling Biomass City

<p>From 2009</p> <p>(ii) Biomass gasification activities</p> <p>2. Enhancement of woody biomass utilization through new technology development (nanocarbon production system) August 2008 to March 2013 (planned period)</p> <p>B: Utilization of waste biomass</p> <p>(i) Utilization of waste cooking oil (BDF (bio diesel fuel))</p> <p>(ii) Utilization of treated night-soil sludge (organic fertilizer)</p> <p>(iii) Utilization of fishery waste From April 2008</p>	
<b>4. Other Special Items</b>	
<p><b>Project Overview</b> Nothing to report</p>	<p><b>Current Progress</b> Nothing to report</p>

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>(1) Monitoring/remote health consultation (Linking local government authorities and residents through interactive IP communication)</p> <p>In addition to enabling households to receive notifications from local government authorities such as disaster information and emergency messages and communicate interactively, the project is considering systems to enable residents to regularly record their vital data (blood pressure, weight, body fat) and the results of pedometers from home and upload the data to a server. Based on the data, public health nurses provide residents with health consultations and guidance remotely via videophone.</p> <p>Health management information, including anamnesis and medication history information, etc., is used as basic village EHR (Electronic Health Record)/PHR(Personal Healthcare Record) and is used as information in an emergency if necessary, and remote hospital and clinic cooperation.</p> <p>(2) Telemedicine and remote hospital and clinic cooperation</p> <p>(i) Patients with chronic conditions or for whom traveling to a hospital is difficult, receive home consultations via videophone, thus lightening the burden on both physicians and patients.</p> <p>(ii) Furthermore, the project aims to realize remote hospital and clinic cooperation through which specialist physicians assist local physicians using information devices, such as videophone, linking hospitals and clinics, thus improving healthcare services.</p>	<p><b>Current Progress</b></p> <p>(1) Monitoring/remote health consultation</p> <p>Since July 2011, each village resident has been recording the result of their pedometer each day as well as their blood pressure and weight on the network server, and remote health consultations via videophone using these data have commenced. In February 2012, fiber-optic lines and videophones were installed in all village households as well as government offices, schools, day service centers, and JA (Japan Agricultural Co-operatives) stores. This has not only increased the convenience for recording data on the results of the pedometers /blood pressure/weight and remote health consultations, but also provided systems enabling the timely delivery of information related to nursing, welfare, and health by “Hikari Minna-no Kairanban” (“Everyone’s notice board”) via videophone.</p> <p>In February 2012, the local government office began delivering disaster information, emergency notifications, and other messages via videophone. This system is not one-way but enables interactive communication using a touch panel. For example, it has been possible for residents to reply about attendance or absence on parents’ day at school in a single operation, and message senders automatically tally in real time the number of replies. This interactive system is also to be expanded to monitoring activities in the future.</p> <p>(2) Telemedicine and remote hospital and clinic cooperation</p> <p>(i) Home consultations via videophone, etc., for patients with chronic conditions or for whom traveling to a hospital is difficult</p> <p>Using the videophones installed in all households, reexaminations of patients with chronic conditions by clinic physicians was begun in February 2012, lightening the burden on patients for whom visiting the hospital in winter is difficult.</p> <p>(ii) Fiber-optic lines and videophones were installed at the Hinoemata Clinic, Fukushima Prefectural Minami-Aizu Hospital and Fukushima Medical University Hospital, and medical care cooperation in which specialist physicians outside the village provide support for physicians at village clinics as well as remote hospital and clinic cooperation, were begun in December 2011.</p>

Name of Project: (2) Fukushima Medical Care Service City

<p>(3) Local medical care cooperation network Efforts are being promoted to share patient information with the aim of medical care and hospital and clinic cooperation. While ensuring the necessary information security, medical care information is collected from collaborating health care institutions, and a unified local medical care system is realized by sharing medical care information, including patients' progress, obtaining online diagnoses, and making appointments for medical examinations.</p> <p>(4) Transportation on demand As a means of visiting the hospital and going shopping centered on the sphere of elderly citizens' activities, safe and low-cost transportation services are provided to local residents.</p> <p>(5) Collaboration on transporting patients by ambulance The sharing of patient information and vital data and cooperation between the hospital and ambulance, doctor vehicle and paramedics at the scene during transportation of a patient to hospital, support not only accurate assessment of the severity of the patient's condition and swift and appropriate implementation of pre-hospital care, but also the preparation of appropriate patient acceptance.</p> <p>(6) Child-rearing and shopping support using ICT Using notification services by videophone, notices are sent to all or some households in the village, and households send replies to these messages as necessary. Senders can use tally functions to identify whether replies have or have not been received.</p>	<p>(3) Local medical care cooperation network Since implementation of the efforts outlined in (2) was achieved, in future the project plans to promote efforts to share patient information for the purpose of hospital and hospital cooperation and hospital and clinic cooperation.</p> <p>(4) Transportation on demand With regard to support for visiting hospitals for outpatient care and shopping, efforts are being promoted as part of remote medical care and shopping support.</p> <p>(5) Collaboration on transporting patients by ambulance As a part of upgrading remote medical services, efforts are also planned for responses in times of emergency.</p> <p>(6) Child-rearing and shopping support using ICT The JA store sends "Today's Shopping Bargain Information" and items ordered via videophone are home delivered. Through this system, efforts to provide shopping support for residents are being promoted. In June 2012, the JA store installed a receiver billing service, Free Access Next,* enabling residents to shop while visually checking their purchase items via videophone without caring about user charges.</p> <p>*Free Access Next: a receiver billing service in which the receiver of a call pays the user charge.</p>
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**2. Status of Utilization of Central/Local Government Systems**

<p><b>Project Overview</b> Comprehensive Special Zone System (Comprehensive Special Zone for Regional Revitalization) *Application to be submitted for FY2011</p>	<p><b>Current Progress</b> Application submitted for FY2011 Comprehensive Special Zone System (Comprehensive Special Zone for Regional Revitalization) [Deregulation] - Medicine delivery</p>
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Name of Project: (2) Fukushima Medical Care Service City

<b>3. Future Schedule</b>	
<p><b>Project Overview</b>                      FY2011: Monitoring/remote health consultations; remote hospital and clinic cooperation</p> <p>FY2012 onwards: Local medical care cooperation network, telemedicine, transportation on demand, collaboration on transporting by ambulances, child-rearing and shopping support using ICT, etc.</p> <p>Selections will be made as needed in accordance with order of priority of local government authorities.</p>	<p><b>Current Progress (Forecast)</b>                      FY2011: Monitoring/remote health consultations and remote hospital and clinic cooperation are generally proceeding according to plan. With regard to telemedicine, the project is ahead of schedule and remote reexaminations of patients in the village with chronic conditions (Doctor to Patient) have begun.</p> <p>FY2012: With regard to the remote health consultations begun in 2011, correlation analysis of the status of efforts and medical check-up results will be carried out, and in addition to the evaluation of the implemented measures, Doctor to Doctor to Patient telemedicine will be implemented through cooperation between health care facilities outside the village and village clinics. Currently, multiple usage cases are envisioned, and coordination with the relevant health care facilities is being undertaken.</p> <p>FY2013: Expansion of health, medical and nursing care support                      To expand the know-how of appealing local development through remote health consultations, education, and monitoring using ICT to other villages, packaging of this know-how is being considered.</p>
<b>4. Other Special Items</b>	
<p><b>Project Overview</b>                      In the field of nursing care, by promoting residents' health and increasing the number of healthy elderly people, the project aims not only to reduce health care costs but also promote the creation of systems enabling the provision of health care of standard equal to that provided in cities and appealing local development by utilizing ICT. Accumulated know-how is to be packaged to expand it to other villages.</p>	<p><b>Current Progress</b>                      In the fields of remote health consultation and monitoring, efforts utilizing ICT have been implemented and know-how and evidence regarding return on investment are being accumulated. In 2013, packaging of overall efforts will be considered.</p>

<b>1. Project Content</b>	
<p><b>Project Overview</b> <b><u>As of March 2011</u></b></p> <p>The project plan was made concrete. The initial plan is as follows.</p> <p>(1) Energy</p> <ul style="list-style-type: none"> <li>- Achieve energy savings through energy optimization in factories</li> </ul> <p>(2) Skills training</p> <ul style="list-style-type: none"> <li>- Provide a program of skills training for foreigners through skills training organization within Hitachi City.</li> <li>- Expand acceptance arrangements for training which is required as a condition per packaged type infrastructure project orders</li> <li>- Create an environment which is comfortable for foreigners to live in</li> <li>- Establish new programs of skills training for local businesses (including management fields) and expand/enhance existing programs.</li> <li>- Provide opportunities for exchange with foreigners who have come to Japan</li> </ul> <p><b><u>As of February 2012</u></b></p> <p>Based on the initial plan, in FY2011 discussions were held with Hitachi City and in February 2012, the following concrete plan was formulated.</p> <p>(1) Energy</p> <p>(i) Creation and utilization of renewable energy Use renewable energy to cover part of the energy consumption at companies and public facilities, and increase the amount and number of locations for energy that can be used at times of disasters and for emergencies.</p> <p>(ii) Accommodation of energy within the community Accommodating energy generated locally not only promotes the use of renewable energy but also establishes mechanisms for accommodating energy that enable community residents to maintain their life style at a minimum level at times of disaster.</p> <p>(iii) Promotion of energy-saving/ low-emission vehicles Many vehicles driven in Hitachi City will be switched to energy-saving/low-emissions vehicles. In particular, promote EV which offers flexibility of accommodating/sharing energy at times of disaster.</p>	<p><b>Current Progress</b></p> <p>(1) Energy</p> <p>(i) Creation and utilization of renewable energy</p> <ul style="list-style-type: none"> <li>- A plan was formulated to introduce and verify operation of PV and rechargeable batteries as well as visualization of electric power in approximately half the number of community exchange centers in the city.</li> <li>- With regard to businesses, verification of “smart factories” equipped with PV, rechargeable batteries, and electronic monitoring mechanisms has been started at three Hitachi group companies. This will be linked to situation assessment within factories and operation verification of individual operation.</li> </ul> <p>(ii) Accommodation of energy within the community</p> <ul style="list-style-type: none"> <li>- Based on the results of (i), deliberations are to be continued in 2012 and beyond.</li> </ul> <p>(iii) Promotion of energy-saving/ low-emission vehicles</p> <ul style="list-style-type: none"> <li>- With regard to energy utilization by EV buses, next-generation energy technology demonstration activities for FY2011 (New Energy Promotion Council) were adopted. In FY2011-FY2012, verification of operational models for battery condition management, estimation of power consumption, and recharging/operation plan formulation, etc., is to be carried out.</li> <li>- With regard to switching to energy-saving/ low-emission company and government owned vehicles, in addition to promoting the introduction of EV at Hitachi group plants and offices, three EVs and one EV recharger were obtained by the Hitachi City Office as an advance measure for the promotion of EV diffusion in the future.</li> </ul> <p>(2) Skills training</p> <p>In FY2011, as part of the “(i) Expansion and enhancement of skills training for local businesses”, the following two measures were implemented.</p> <ul style="list-style-type: none"> <li>- It was proposed that in FY2012 the “Local Business Open Lectures” provided by Hitachi, Ltd.’s skills training organization which has already been partially made public to certain local companies, will be expanded.</li> <li>- As part of efforts to promote mutual utilization between skills training organizations within Hitachi City, information was gathered</li> </ul>

Name of Project: (3) Hitachi Smart Industrial City

<p>(2) Skills training</p> <p>(i) Expansion and enhancement of skills training for local businesses In order to support local businesses aiming to maintain or expand their activities, the content of skills training will be enhanced. Furthermore, mutual utilization of lectures, instructors, and facilities, etc., between skills training organizations within Hitachi City will be promoted so as to improve convenience for trainees.</p> <p>(ii) Enhancement of skills training for foreigners A living environment that is comfortable for foreigners coming to Hitachi City to acquire manufacturing skills will be prepared, and exchange between foreigners and local residents will be promoted, thereby increasing the number of people interacting as well as promoting industries.</p> <p>(iii) Promotion of science and technology education/lifelong learning In addition to the existing activities to support science and mathematics education aimed at elementary and junior high school students, business tour programs and opportunities for lifelong learning will be expanded and enhanced.</p> <p>(3) Health care/resident care</p> <p>(i) Visualization of health and fitness activities Mechanisms for measuring (visualizing) the results of health and fitness activities at health exercise facilities in Hitachi City will be implemented and the data collected will be accumulated and used in health checkups for individual participants as well as for providing feedback for government measures.</p> <p>(ii) Utilization of national health insurance receipt data From national health insurance receipt data, local disease trends and status of pharmaceutical consumption will be analyzed and utilized in the formulation of Hitachi City health and health care policies and measures.</p> <p>(iii) Elderly protection service Services that enable elderly people to live at home safely and securely will be considered.</p> <p>(iv) Promotion of community general care and introduction of IT Data will be shared between businesses and organization related to the elderly and services aiming for high quality will be provided.</p> <p>(v) Promotion of remote health care Support will be provided for remote health</p>	<p>regarding the facilities used for the lectures and training programs provided. In FY2012, promotion of mutual utilization of lectures, instructors, and facilities, etc., between skills training organizations began to take concrete form.</p> <p>(3) Health care/residents care In FY2011, the following measures were implemented as part of “(i) Visualization of health and fitness activities”</p> <ul style="list-style-type: none"> <li>- With regard to local government health programs and evaluation indicators, research on national government model projects and public information on local government authorities and industrial groups, as well as interviews with experts were conducted. The results are currently being summarized.</li> <li>- With regard to (ii)-(v), deliberations are to continue on FY2012 and beyond.</li> <li>- As a measure under item (vi), preparations are underway to establish the first Emergency Unit in the northern region of Ibaraki Prefecture (facilities are currently under construction). This project aims to provide the highest level of emergency medical care, tertiary emergency care, under a system that enables the admission of emergency patients in critical condition or who require treatment by multiple diagnosis and treatment departments around-the-clock.</li> </ul>
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Name of Project: (3) Hitachi Smart Industrial City

<p>care for home-bound patients.</p> <p>(vi) Strengthening of Hitachi Sogo Hospital functions Strengthening of the emergency and critical care center function of Hitachi Sogo Hospital, which is a community hospital, will be continued.</p>	
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b></p> <ul style="list-style-type: none"> <li>- Following discussions with Hitachi City, in September 2011 it was decided to catch-up on government systems, such as by attending seminars conducted by the Kanto Bureau of Economy, Trade and Industry, as well as broadly considering ways to utilize these systems.</li> <li>- Special reconstruction zone (reconstruction subsidies)</li> </ul>	<p><b>Current Progress</b></p> <ul style="list-style-type: none"> <li>- The special reconstruction zone project was abandoned as eligibility for infrastructure projects and effect-promoting activities would have been narrowly limited to areas severely damaged by the Great Eastern Japan earthquake and tsunami.</li> <li>- Individual subsidies from the Ministry of the Environment and the Ministry of Economy, Trade and Industry will be obtained and added to local government authorities' support funding for the introduction of Ministry of the Environment renewable energy measures, etc., in Hitachi City.</li> </ul>
<b>3. Future Schedule</b>	
<p><b>Project Overview</b></p> <p>(1) Energy The project period was set as "FY2011 to FY2015".</p> <p>(2) Skills training The content of training as decided under the current plan is as follows.</p> <ul style="list-style-type: none"> <li>- Skills training is to be implemented between FY2011 and FY2015 through First Stage and Second Stage steps.</li> </ul> <p>First Stage:</p> <ul style="list-style-type: none"> <li>- Coordination with related organizations; program planning and testing</li> <li>- Preparation of living environment for foreign workers</li> <li>- Preparation of training programs for small and medium businesses</li> </ul> <p>Second Stage:</p> <ul style="list-style-type: none"> <li>- Provision of programs</li> <li>- Preparation of IT facilities corresponding to multilingual needs.</li> </ul> <p>(3) Health care/residents care First Stage:</p> <ul style="list-style-type: none"> <li>- Organization, analysis, and review of fitness activities as well as consideration of its evaluation method and operation</li> <li>- Trend research aimed towards implementation of services.</li> </ul>	<p><b>Current Progress (Forecast)</b></p> <p>A project plan and roadmap (proposal) for FY2012 was formulated. Activities for FY2012 are as follows.</p> <p>(1) Energy</p> <ul style="list-style-type: none"> <li>(i) Creation and utilization of renewable energy <ul style="list-style-type: none"> <li>- The status of electricity usage at exchange centers will be monitored and energy-saving operation and operation at times of disaster will be considered.</li> <li>- Development of renewable energy for public and private sector facilities will be continued.</li> </ul> </li> <li>(ii) Accommodation of energy within the community <ul style="list-style-type: none"> <li>- Accommodating activities began with the consideration of methods for displaying energy-related information such as the amount and location of renewable energy in various places in the region as well as mechanisms for usage within the region.</li> </ul> </li> <li>(iii) Promotion of energy-saving/ low-emission vehicles <ul style="list-style-type: none"> <li>- Introduction of EVs and EV rechargers will continue to be promoted as efforts to shift government owned vehicles towards energy-saving/ low-emission vehicles.</li> </ul> </li> </ul> <p>(2) Skills training</p> <ul style="list-style-type: none"> <li>(i) Expansion and enhancement of skills</li> </ul>

Name of Project: (3) Hitachi Smart Industrial City

<p>- Establishment of an Emergency Unit at Hitachi Sogo Hospital</p> <p>Second Stage:</p> <ul style="list-style-type: none"> <li>- Verification/implementation of health and fitness activities</li> <li>- Realization of related services</li> <li>- Reconsideration of utilization of receipt data</li> </ul>	<p>training for local businesses</p> <ul style="list-style-type: none"> <li>- From FY2012, in addition to the sharing of lecture information between skills training organizations, the promotion of mutual usage of lectures, instructors, and facilities, etc., between organizations will be partially realized.</li> </ul> <p>(ii) Expansion and enhancement of skills training for foreigners and promotion of multicultural exchange</p> <ul style="list-style-type: none"> <li>- In FY2012, in conjunction with the enhancement of skills training for foreigners provided by private-sector businesses, exchange with local residents will be promoted. In addition to continuing to hold exchange events between international students studying at local universities and local residents, interviews with foreign residents of Hitachi City will be held to ascertain their needs for facility upgrading, etc., in order to make the city a comfortable place for them to live in.</li> </ul> <p>(iii) Promotion of science and technology education/lifelong learning</p> <ul style="list-style-type: none"> <li>- The expansion and enhancement of business tour programs (for elementary, junior high, and senior high school students) will be realized.</li> </ul> <p>(3) Health care/residents care</p> <ul style="list-style-type: none"> <li>- As part of “visualization of health and fitness activities”, information will be gathered on the operational status of health and fitness organizations and nursing care-prevention services in Hitachi City. Moreover, the health-promotion know-how of the Hitachi Group will be reviewed and measures that can be utilized for Hitachi City residents will be selected.</li> </ul>
<p><b>4. Other Special Items</b></p>	
<p><b>Project Overview</b> Nothing to report</p>	<p><b>Current Progress</b></p> <ul style="list-style-type: none"> <li>- Initial activities were restricted to energy, skills training, and health care/resident care, but the vision for Hitachi City as a future city will be reconsidered and measures/plans expanded.</li> <li>- In order to proceed with this project, opportunities are being promoted for discussion between local businesses that are contributing to the transformation of Hitachi City into a future city.</li> </ul>

Name of Project: (4) Kashiwanoha Campus City  
[1] Safe and Healthy Residential System

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>(1) Creation of a safe and healthy residential system</p> <p>In Japan, where the advent of the super-aging society is certain, there is concern that in the near future issues such as increasing national social welfare costs and insufficient nursing care facilities will become serious. For this reason, the project aims to realize urban development that enables people to live out their lives in their own homes.</p> <p>(i) Improving visualization of health care Through the accumulation and visualization of data, centered on elderly people, not only will health management such as appropriate exercise and dietary habits be encouraged, but also patient interviews for medical examinations will be made more effective and thorough.</p> <p>(ii) Seamless collaboration between home medical and nursing care Increased efficiency of 24-hour fixed-cost nursing care services that seamlessly coordinate with home medical care will be promoted and the entry of businesses into this field encouraged.</p> <p>(iii) Social businesses provided by healthy elderly people In order to achieve “town building for mutual support”, the establishment of senior businesses providing services to local residents that utilize the knowledge and skills of elderly people will be supported through personnel registration and matching services, thereby creating motivation for living for elderly people through increased social participation and improved health, while at the same time raising the QOL (quality of life) of the frail elderly.</p>	<p><b>Current Progress</b></p> <p>(i) Improving visualization of health care Utilizing data accumulation and visualization, a “total healthcare station” comprehensively providing health management services through dietary management and nutritional guidance aimed at the promotion of local residents’ health is to be opened in the spring of 2014, and a draft of concrete operational plans is being formulated with the intended operators of collaborating medical and dental services.</p> <p>(ii) Seamless collaboration between home medical and nursing care Discussions are being held with businesses providing fixed-cost community nursing services and considerations are being given to conditions and environmental improvements for promoting entry into the nursing care field.</p> <p>(iii) Social businesses provided by healthy elderly people In residential complexes where the aging of residents is progressing, social test demonstrations of social businesses provided by healthy elderly people are being conducted in collaboration with the University of Tokyo. The number of participants has exceeded initial expectations, and the possibility of broad-ranging social cooperation that further expands the community is being considered.</p>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b></p> <p>Application for Comprehensive Special Zone System approval will be submitted at an early stage</p> <ul style="list-style-type: none"> <li>- Assistance for the cost of managing personal health records</li> <li>- Assistance for comprehensive home health service providers</li> <li>- Support for social businesses provided by</li> </ul>	<p><b>Current Progress</b></p> <p>With the project’s selection as a Comprehensive Special Zone for Regional Revitalization and Environmental Future City, applications are being submitted and discussions held regarding the easing of regulations and receipt of financial support with respect to the following two points.</p> <p>(i) Establishment of a total healthcare station</p>

Name of Project: (4) Kashiwanoha Campus City  
 [1] Safe and Healthy Residential System

healthy elderly people	(ii) Community building that enables healthy elderly people to be active within the community.
<b>3. Future Schedule</b>	
<b>Project Overview</b> Project schedule: 2010 to 2015	<b>Current Progress (Forecast)</b> Preparations are progressing on schedule with the aim of commencing operations and services to coincide with the conclusion of construction of the District148 in front of the station in spring of 2014.
<b>4. Other Special Items</b>	
<b>Project Overview</b> Nothing to report	<b>Current Progress</b> Nothing to report

Name of Project: (4) Kashiwanoha Campus City  
[2] Low-carbon Community

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>(2)Creation of a low-carbon community</p> <p>Through the introduction and optimization of various technologies and systems related to the environment field, low-carbon urban development that intricately combines increased energy efficiency, thorough implementation of resource reduction and recycling, and lifestyle changes will be realized.</p> <p>(i) Accelerate and concentrate introduction of low-carbon technologies</p> <p>In order to accelerate the introduction of low-carbon technologies into housing, buildings, and cities, visualization will be promoted and the diffusion of HEMS (Home Energy Management System) and BEMS (Building Energy Management System) will be targeted while undertaking intensive application of economic incentives. In addition, environment-responsive water usage, such as utilization of thermal water, gray water, and dry mist, will be promoted.</p> <p>(ii) Experimental introduction of low-carbon infrastructure/ transport system</p> <p>In addition to intensively conducting test demonstrations aimed at the introduction of infrastructure that will contribute to the realization of a low-carbon society, such as renewable energy and next-generation transport systems as well as information systems, etc., for optimally controlling these, self-sustaining management systems will be established. Through an urban structure centered on “people”, intellectualization of urban infrastructure and mutual collaboration, and smart-and-smooth systems integrating information and control, this project aims to realize a next-generation environmental city where people’s lifestyles and activities are</p>	<p><b>Current Progress</b></p> <p>(2)Creation of a low-carbon community</p> <p>(i) Accelerate and concentrate introduction of low-carbon technologies</p> <p>Plans are being earnestly promoted for managing energy in the entire area through the installation of an “Area Energy Management System” (AEMS) in the station-front complex facility in District 148, construction of which is due to be completed in March 2014.</p> <p>By connecting the relevant facilities through an information network, not only are “visualization” of energy information within the area and “control” of energy use such as electricity conservation and peak cuts, but also “electric power interchange” between city blocks through electrical power lines between blocks are to be realized.</p> <p>Furthermore, buildings on these city blocks have been approved as “Leading Housing and Building Low-CO2 Projects” (as prescribed by the Ministry of Land, Infrastructure, Transport and Tourism in July 2010). Plans are being formulated for the realization of a 40% reduction in CO2 for District 148 overall (compared with average emissions for Tokyo for 2005) through the implementation of various CO2 measures.</p> <p>(ii) Experimental introduction of low-carbon infrastructure/ transport system</p> <p>In June 2011, social experiments were begun of systems of sharing bicycles, motorcycles, and electric cars, and various other modes of mobility through the use of sharing ports in the city for borrowing and returning. Through these measures, the project aims to achieve urban revitalization by enabling people to move flexibly and swiftly between scattered facilities as well as the construction of environmentally friendly new transport systems through mobility-sharing. These activities have been approved for implementation as “Wide-ranging collaborative activities using regional ICT” (prescribed by the Ministry of</p>

Name of Project: (4) Kashiwanoha Campus City  
[2] Low-carbon Community

<p>even safer, more secure and comfortable, as well as low-carbon.</p> <p>(iii) Management of flexible infrastructure development With regard to land readjustment, in addition to realizing infrastructure development that makes use of the desires of right holders and local characteristics, the project aims to promote roadway landscape planting through the flexible application of the road structure ordinance, etc.</p>	<p>Internal Affairs and Communications). In addition, deliberations were begun regarding the establishment of an “ITS Center” for promoting transport demand management (TDM) through the integrated analysis of huge and diffuse amounts of transport information gathered by mainly Kashiwa City and the University of Tokyo.</p> <p>(iii) Management of flexible infrastructure development In order to invigorate such creative activities as exchange activities and test demonstrations at the road space in front of the Kashiwanoha Campus Station, local operational organizations have begun deliberations with road managers, transport managers, universities, and NPOs, etc., regarding schemes for flexible and comprehensive maintenance and utilization of public spaces based on local rules.</p>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b> Application for Comprehensive Special Zone System, etc. approval will be submitted at an early stage</p> <ul style="list-style-type: none"> <li>- Establishment of a planning system for a low-carbon area</li> <li>- Simplification of notifications regarding rechargeable batteries and permission for occupation of road space for heat conduits construction</li> <li>- Upgrading of infrastructure development within rezoning areas, the cost of which is to be borne by right holders.</li> <li>- Clarification and disclosure or procedures for transfer of control/restoration of public facilities in development actions prior to allocation of replotted land.</li> <li>- Special provisions regarding construction limitation under the road structure ordinance with regard to roadside greenery.</li> <li>- Exemption from the Mining Law regarding usage of thermal spring methane gas for environment-responsive usage.</li> <li>- Easing of procedures for strengthening the functions of public facilities upgraded using subsidies.</li> <li>- Exclusion of bio-ethanol production raw materials from designation as waste.</li> <li>- Reduction of real-estate tax in low-carbon areas</li> <li>- Concentrated support for the verification and introduction of low-carbon infrastructure.</li> <li>- Support for biomass and other unused energy projects</li> </ul>	<p><b>Current Progress</b> In December 2011, the project was selected by the Cabinet Office as a “Comprehensive Special Zone for Regional Revitalization” and “Environmental Future City” and discussions have begun with relevant government ministries regarding the following.</p> <ul style="list-style-type: none"> <li>➢ Proposal of special regulatory measures, etc. based on “Comprehensive Special Zone for Regional Revitalization” <ul style="list-style-type: none"> <li>- Authorization for inter-block electric power interchange</li> <li>- Flexible community maintenance/management of roads</li> </ul> </li> <li>➢ Applications submitted for related grants based on “Environmental Future City” approval <ul style="list-style-type: none"> <li>- Cabinet Office approval as an “Environmental Future City Leading Model Project”</li> <li>- Ministry of Economy, Trade and Industry approval as a “Next-generation energy technology demonstration”</li> <li>- Ministry of the Environment approval as a “Model project for independent and decentralized community development utilizing local renewable energy”</li> </ul> </li> </ul>

Name of Project: (4) Kashiwanoha Campus City  
[2] Low-carbon Community

- Support for the introduction of rechargeable batteries	
<b>3. Future Schedule</b>	
<b>Project Overview</b> Project schedule: 2010 to 2030	<b>Current Progress (Forecast)</b> 2014: Completion of construction of station-front District 148 (AEMS in operation) 2020: Completion of block readjustment in the area surrounding the station 2023: Completion of land readjustment 2030: Completion of construction of Kashiwanoha Campus City overall
<b>4. Other Special Items</b>	
<b>Project Overview</b> Nothing to report	<b>Current Progress</b> Nothing to report

Name of Project: (4) Kashiwanoha Campus City  
[3] High-added-value Agricultural Resources

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>(3) Giving high-added value to agriculture resources</p> <p>In order to respond to the changing environment surrounding agriculture—such as increasing interest in food safety and reliability, decreasing area of agricultural land and increasing abandoned agricultural land, and the aging of agriculture workers and lack of successors—the project aims to realize the creation of new agriculture culture and lifestyles that enable city residents to participate in agriculture, as well as invigorate and give high-added value to urban agriculture and promote local production and consumption of agricultural products.</p> <p>(i) Encouraging urban agriculture</p> <p>In order to present a new style of living close to work, efforts will be promoted to enable city residents to more easily participate in agricultural production on urban farmland and to experience agriculture.</p> <p>(ii) Use of fallow farmland</p> <p>For city residents who aspire to LOHAS (Lifestyles Of Health And Sustainability), efforts to utilize fallow farmland in Kashiwa city for agriculture and gardening on weekends will be promoted.</p> <p>(iii) Creation of a new agriculture- and food-related culture and lifestyle</p> <p>Under the themes of “Learning from the soil”, ”Enjoy having one’s hands in the soil”, and “Taste the blessings of the soil”, hands-on agriculture gardens as well as hands-on agricultural events and garden restaurants will be established under the concept of “agritainment” fusing agriculture and entertainment. In addition, zero-emissions will</p>	<p><b>Current Progress</b></p> <p>(i) Encouraging urban agriculture</p> <p>Two hands-on agriculture gardens established in 2010 in the area around Kashiwa-Tanaka Station were continued in 2011 and 2012. Activities are being continued as a stable number of participants is maintained.</p> <p>(ii) Use of fallow farmland</p> <p>With the aim of utilizing abandoned agricultural land, first of all, a “restore to agricultural land” project is being implemented with subsidies obtained under the Ministry of Agriculture, Forestry and Fisheries “Abandoned Agricultural Land Elimination Project”.</p> <ul style="list-style-type: none"> <li>- Under this project, abandoned agricultural land is plowed using tractors, etc., and restored to a condition in which agriculture is possible. This is being earnestly promoted as we can move onto the next step where gardening and other LOHAS (Lifestyles Of Health And Sustainability) activities are possible once the land has been restored to agricultural land.</li> <li>- Through this project, Kashiwa City has eliminated the greatest amount of abandoned agricultural land of all cities in Chiba Prefecture.</li> </ul> <p>(iii) Creation of a new agriculture- and food-related culture and lifestyle</p> <p>In September 2011 a hands-on rental garden, “Oak Farm”, was opened and began operations within “Oak Village Kashiwanoha” in front of the Kashiwanoha-campus Station. Usage of plots for both individual and corporate use has increased steadily, with a broad range of social groups beginning to enjoy a new</p>

Name of Project: (4) Kashiwanoha Campus City  
[3] High-added-value Agricultural Resources

<p>be realized within agricultural facilities, spreading the message of a sound material-cycle society from Japan to the world. Along with attracting a wide range of target groups within society, such as retirees, families, and couples, agri-tourism will be implemented, appealing widely to tourists from throughout Japan and overseas.</p> <p>Through such efforts, the project aims to promote urban agriculture (local revitalization /promotion of local production and consumption of agricultural products) as well as create a new agriculture and food culture and lifestyle in the form of “agritainment”, which is to eventually be expanded throughout Japan and overseas.</p>	<p>urban-style agricultural experience.</p> <p>In April 2012 a garden restaurant was opened within the “Oak Village Kashiwanoha” facilities. Under the concept of invigorating the local community through “local production and consumption”, the restaurant provides a menu supervised by a top chef and using fresh locally produced vegetables. The facilities are also used as a venue for agricultural garden weddings and include a café providing sweets made using vegetables, and various services have begun to be provided with the aim of realizing the concept of “agritainment”.</p> <p>(iv) Other</p> <ul style="list-style-type: none"> <li>- As part of the Ministry of Agriculture, Forestry and Fisheries “Plant Factory” consortium based at Chiba University, an Urban Plant Factory Verification Task Force was formed with members comprising industry and university representatives and Chiba University playing a central role.</li> <li>- Small-sized plant factory devices have been developed and deliberations are being held regarding their broad expansion within the city in residential areas, public facilities and commercial facilities. Around the summer of 2012, device test demonstrations in households by resident monitors are to begin.</li> </ul>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<b>Project Overview</b> Nothing to report	<b>Current Progress</b> Nothing to report
<b>3. Future Schedule</b>	
<b>Project Overview</b> Project schedule: 2010 to 2020	<b>Current Progress (Forecast)</b> No change
<b>4. Other Special Items</b>	
<b>Project Overview</b> Nothing to report	<b>Current Progress</b> Nothing to report

Name of Project: (4) Kashiwanoha Campus City  
 [4] Creation of New Business and Employment

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>(4) Creation of new business and employment            Taking advantage of the entrepreneurial spirit that is deeply rooted in this region, the environment for supporting the creation of new local businesses—such as the establishment of organization supporting the formation of teams with angel mentors, etc., and tax incentives—will be improved and enhanced.</p> <p>(i) Preparation of an environment fostering regional ventures            In order to promote the fostering of venture businesses while using to the maximum intellectual assets such as universities, in addition to enhancing tax systems to support venture businesses at the time of their establishment, the project will form local angel mentor organizations and encourage local residents to act as “angels” and “mentors”.</p> <p>(ii) Accumulating R&amp;D functions            The establishment and building up of numbers of universities, research/educational institutions, and R&amp;D companies will be promoted.</p> <p>(iii) Attracting researchers and highly skilled personnel from within and outside Japan            The activity environment for researchers and highly skilled personnel from both within Japan and overseas will be improved and efforts made and promoted to attract and build up numbers of researchers and highly skilled personnel.</p>	<p><b>Current Progress</b></p> <p>(4) Creation of new business and employment</p> <p>(i) Preparation of an environment fostering regional ventures            In November 2011 the “TEP (TX Entrepreneur Partners) EXPO2011” was held as an opportunity for venture businesses created by local universities and research institutions, etc. to report and disseminate the results of activities supported by TEP.</p> <p>(ii) Accumulating R&amp;D functions            The project is currently searching for businesses that are conducting joint research with universities or operate overseas incubation facilities. The infrastructure for an eco system for creating and fostering businesses on the TX (Tsukuba Express) railway line is to be constructed by 2014.</p> <p>(iii) In May 2012, the Asian Entrepreneurship Award (hereinafter referred to as “AEA”) was held. In order for the Kashiwanoha area to become a large base for the creation of innovation, university-launched venture businesses from various Asian countries were brought together and a business contest conducted. Some 18 teams from 12 countries and regions participated in the 2012 AEA, which was the first year the event was held, launching the only international business contest to be held regularly in Japan. The AEA will continue to be held in 2013 onwards.</p>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b></p> <p>Application for Comprehensive Special Zone System, etc. approval will be submitted at an early stage</p> <ul style="list-style-type: none"> <li>- Attraction of overseas highly skilled personnel involved in starting up businesses that utilize regional potential</li> <li>- Expansion and enhancement of the angel tax credit program</li> <li>- Fixed property tax exemptions for land/building</li> </ul>	<p><b>Current Progress</b></p> <ul style="list-style-type: none"> <li>- In December 2011 the project received regional designation as a “Comprehensive Special Zone for Regional Revitalization.</li> <li>- Discussions are currently being held with the Ministry of Economy, Trade and Industry with regard to the expansion and enhancement of the angel tax credit program.</li> <li>- An application has been submitted for recognition of the TEP program for fostering</li> </ul>

Name of Project: (4) Kashiwanoha Campus City  
 [4] Creation of New Business and Employment

<p>lease to incorporated educational institutions</p> <ul style="list-style-type: none"> <li>- Angel tax credit program for private sector businesses limited to university-launched ventures</li> <li>- Accumulation and acceleration of business creation that utilizes regional potential</li> <li>- Extension of the period and exemption from taxation for losses carried forward with regard to venture businesses</li> <li>- Support for the securing of human resources for advancing the commercialization of university-launched ventures</li> <li>- Support for model cases for assisting business creation by individuals</li> <li>- Application of credit guarantees to R&amp;D subsidies</li> <li>- - Securement of financial aid from public organizations for local ventures</li> </ul>	<p>venture businesses as an Environmental Future City Leading Model Project due to its potential as a project demonstrating Japan's leadership in Asia and creating innovation that leads Japan forward based on cutting-edge technology and research.</p>
<b>3. Future Schedule</b>	
<p><b>Project Overview</b>          Project schedule: 2010 to 2020</p>	<p><b>Current Progress (Forecast)</b>          Incubation facilities are to be established within the station area multipurpose development project due for completion in the spring of 2014.</p>
<b>4. Other Special Items</b>	
<p><b>Project Overview</b>          Nothing to report</p>	<p><b>Current Progress</b>          Nothing to report</p>

Name of Project: (5) Fujisawa Sustainable Smart Town

1. Project Content	
<p><b>Project Overview</b></p> <ul style="list-style-type: none"> <li>➤ Using the former site of Panasonic factory (approx. 19ha) located at Fujisawa City in Kanagawa Prefecture, Panasonic, Fujisawa City and partner companies aim to jointly “create a safe, secure and sustainable town which promotes local production and consumption, incorporating the blessings of nature to the maximum”, and “create a smart town where electric power and information networks are linked from the beginning and optimally controlled with no burden placed on residents”, as well as providing services that enhance the attractiveness of the smart town. Through these efforts, the project will achieve a 70% reduction in overall town CO2 emissions (compared with 1990).</li> <li>➤ Service activities (content under consideration)               <ul style="list-style-type: none"> <li>(1) Energy services                   <p>Provide each household with the minimum capacity storage batteries required for emergencies and provide diagnostic /maintenance and renewal services to enable storage battery capacity to be increased in accordance with future changes in household composition and solar photovoltaic feed-in tariff system.</p> </li> <li>(2) Mobility services                   <p>Sharing service of eco cars and electrical vehicles for suburban houses which contributes to lowering town CO2 emissions.</p> </li> <li>(3) Security services                   <p>Lights, sensors, and monitoring cameras will be optimally controlled for overall city protection.</p> </li> <li>(4) Health care services                   <p>Support for residents to live every day in reasonably good health and comfort.</p> </li> <li>(5) Community platform supporting the above services                   <p>One-stop portals/terminals providing applications for using various services.</p> </li> </ul> </li> </ul> <p>In addition to the above, finance, asset management, and club services will also be considered.</p>	<p><b>Current Progress</b></p> <ul style="list-style-type: none"> <li>➤ In May last year (May 26, 2011), Panasonic announced the “Fujisawa Sustainable Smart Town Initiative” together with Fujisawa City and eight companies* that have been making progressive efforts in the smart city projects and in environment-conscious activities. Aiming to unveil the smart town in 2013, the project is currently undertaking new town block development that could only be achieved in a smart town by the introduction of services and energy devices utilizing eco ideas for living, as well as promoting new urban development on a 1,000-household scale, from the master plan stage to post-development operations, through the collaboration of developers, manufacturers, and service providers.</li> <li>➤ Panasonic is implementing “For the entire house' 'For the entire facility' 'For the entire town solutions” that add “safety and reliability” to “energy” and promoting leading models for energy use through new proposals for the diffusion of energy-saving devices, energy generation, energy storage and energy management. Specifically, the project plans to lead the world in standardizing solar photovoltaic electricity generation systems and household storage batteries equipment on a large-scale, for all town blocks—housing, facilities, public zones, etc.</li> </ul> <p>*Eight partner companies            Accenture Japan Ltd            ORIX Corporation            NIHON SEKKEI, Inc.            Tokyo Gas Co., Ltd.            PanaHome Corporation            Sumitomo Mitsui Trust Bank, Limited            Mitsui Fudosan Co., Ltd.            MITSUI &amp; CO., LTD.</p>
2. Status of Utilization of Central/Local Government Systems	
<p><b>Project Overview</b></p> <p>Undecided</p>	<p><b>Current Progress</b></p> <p>A broad range of options are being considered.</p>

Name of Project: (5) Fujisawa Sustainable Smart Town

<b>3. Future Schedule</b>	
<p><b>Project Overview</b>            FY2011: Agreement on basic plan (land development); detailed deliberations regarding town services            FY2012: Development consultations/infrastructure development (land development); consideration of town service schemes            FY2013: Start of house sub-division sales; opening of smart town; start of town services</p>	<p><b>Current Progress (Forecast)</b>            Town planning policies have been formulated with Fujisawa city and district plans have been decided.            Autumn 2012: Approval for land readjustment project to be obtained; project to be announced.            March 2014: Opening of smart town</p>
<b>4. Other Special Items</b>	
<p><b>Project Overview</b>            Transmission of the “Fujisawa Model” through city cooperation to various other cities in Japan and sister cities overseas.</p>	<p><b>Current Progress</b>            Compact smart town models are being developed with group company PanaHome taking a central role.            - PanaHome Smart City Shioashiya            - PanaHome Smart City Sakai-Hatsushiba</p>

Name of Project: (6) Toyota Next-generation Energy Mobility City

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>(1) Energy (up until 2014)</p> <ul style="list-style-type: none"> <li>- Optimization of energy use in household/community units.</li> <li>- Sixty-seven smart houses (equipped with solar panels, HEMS, storage batteries, and EV/PHV (Plug-in Hybrid Vehicles)) will be newly constructed and sold.</li> <li>- Using an EDMS (Energy Data Management System), eco points (electronic money) will be awarded in accordance with the status of electricity demand-supply and the status of household electricity usage, realizing demand-response.</li> </ul> <p>(2)Transportation (up until 2014)</p> <ul style="list-style-type: none"> <li>- More than 4,000 next-generation vehicles (EV/PHV, FCV (fuel cell vehicles)) will be introduced with the aim of lowering carbon emission in the transportation sector.</li> <li>- The project will promote visualization of transportation demand using TDMS (Transportation Data Management System) as well as develop a small EV sharing system covering the “last mile” from stations or bus stops (“One-mile Mobility”) and promote the utilization of public transportation.</li> <li>- The project will introduce FC (fuel cell) buses and verify their usage as emergency power sources (V to X).</li> </ul> <p>(3) Medical care/Health</p> <ul style="list-style-type: none"> <li>- Vehicles will be equipped with steering wheel sensors that obtain and create a record of information about the driver’s health, such as blood pressure, body temperature, and heart rate. This information will be used in cooperation with health care facilities to enhance health check ups.</li> </ul> <p>(4) Agriculture</p> <ul style="list-style-type: none"> <li>- While regenerating abandoned agricultural land, the project will develop cultivation techniques that make possible the stable provision of agricultural products at reasonable prices.</li> <li>- Diffusion and promotional activities that contribute to increasing the value of locally produced agricultural products will be undertaken.</li> </ul>	<p><b>Current Progress</b></p> <p>(1) Energy</p> <ul style="list-style-type: none"> <li>- Sale of 67 smart houses has been completed. Collection of data regarding electricity usage, etc., has begun. At the end of 2011, demand-response verification also started in certain houses and the number of houses for verification is to be gradually expanded.</li> </ul> <p>(2)Transportation</p> <ul style="list-style-type: none"> <li>- Centered on PHV, which went on the market in 2012, next-generation vehicles are gradually being introduced.</li> <li>- Development has begun on TDMS/one-mile mobility.</li> </ul> <p>(3) Medical care/Health</p> <ul style="list-style-type: none"> <li>- Development of steering wheel sensors has begun.</li> </ul> <p>(4) Agriculture</p> <ul style="list-style-type: none"> <li>- Candidate agricultural land introduced by the Toyota City Office is being screened.</li> <li>- Formulation of project plans and preparation of establishing operating companies are underway.</li> </ul>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b></p> <p>➤ Demonstration of Next-Generation Energy and Social Systems Project (Ministry of</p>	<p><b>Current Progress</b></p> <ul style="list-style-type: none"> <li>- Implementation of the project is currently progressing utilizing the systems mentioned at</li> </ul>

Name of Project: (6) Toyota Next-generation Energy Mobility City

<p>Economy, Trade and Industry)</p> <ul style="list-style-type: none"> <li>- Budgetary support will be received for (1) and (2) above from 2010 onwards (until 2014).</li> </ul> <p>➤ Comprehensive Special Zone System (Cabinet Secretariat)</p> <ul style="list-style-type: none"> <li>- The project has received approval as a Comprehensive Special Zone for Regional Revitalization. Easing of regulations and tax/financial aid measures are to be received.</li> </ul> <p>➤ Subsidy for Measures to Promote the Use of Clean-Energy Vehicles (Ministry of Economy, Trade and Industry)</p> <ul style="list-style-type: none"> <li>- Auxiliary support for purchasing will be received with regard to EV/PHV. (Half the difference in price with base vehicles; 450,000 yen for PHV.)</li> </ul> <p>➤ Eco family subsidies (Toyota City)</p> <ul style="list-style-type: none"> <li>- Support for purchasing of up to 100,000 yen for EV/PHV/HV (150,000 yen for PHV) will be received.</li> </ul>	<p>left.</p>
<b>3. Future Schedule</b>	
<p><b>Project Overview</b></p> <p>(1) Energy  2012: Demand-response will begin in earnest.  2013: The number of houses for verification will be expanded (up to 230).  2014: Systems will be optimized using collected data.</p> <p>(2)Transportation  2012: TDMS system operations will begin.  2013: Test demonstrations of FC busses and one-mile mobility will begin.  2014: Systems will be optimized using collected data.</p> <p>(3) Medical care/Health  2012: Development of automotive sensors  2013-2014: data collection and analysis</p> <p>(4) Agriculture  2012: Test demonstration fields will be established and plans formulated; an operating company will be established.  2013: Cultivation and produce sale will begin.</p>	<p><b>Current Progress (Forecast)</b></p> <p>(1) Energy  (2)Transportation  (3) Medical care/Health  (4) Agriculture</p> <p>- Project is generally progressing as outlined at left</p>
<b>4. Other Special Items</b>	
<p><b>Project Overview</b>  [Expansion to other regions]  The project aims to expand this system</p>	<p><b>Current Progress</b>  Horizontal expansion and coordination of smart houses and EDMS to include the “F Grid”</p>

Name of Project: (6) Toyota Next-generation Energy Mobility City

<p>horizontally both within Japan and overseas.</p>	<p>project* in Miyagi Prefecture has been under consideration since 2011.</p> <p>*F Grid: At the Central Motor Co., Ltd., plant in Miyagi Prefecture, interchange of off-grid power generation with neighboring plants and energy management incorporating mega solar power are being carried out. Project activities are to begin in the latter half of 2012.</p>
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Name of Project: (7) Kyoto e-BUS Network City

<b>1. Project Content</b>	
<p><b>Project Overview (FY2010 Report)</b>                      With regard to the following three items, project activities are to be implemented in the central area of Kyoto City.</p> <ul style="list-style-type: none"> <li>(i) In order to improve low-carbon transportation systems, “e-BUS (electric bus)/e-BRT (Electric Bus Rapid Transit” will be introduced.</li> <li>(ii) In order to resolve the parking problem in the central city area, a “Park &amp; Ride” system with e-BUS/e-BRT and large-scale car parks will be introduced.</li> <li>(iii) In order to improve the transport hub, a “Transit mall” will be introduced.</li> </ul>	<p><b>Current Progress</b>                      In Kyoto City, in August 2011, the “Kyoto Environmental Plan towards Smart Use of Automobiles (2011-2020)” was formulated. Comprising the following 12 measures, the plan positions the realization of “Kyoto, a town for walking”—which gives priority to people and public transportation—as the most important local government policy and promotes leading measures regarding new relationships of walking lifestyles and automobiles. The “Technical development of e-BUS towards practical realization” is included in</p> <ul style="list-style-type: none"> <li>(x).                             <ul style="list-style-type: none"> <li>(i) Efficient use of automobiles (priority measure)</li> <li>(ii) Promotion of joint use (sharing) of vehicles (priority measure)</li> <li>(iii) Increased efficiency of logistics</li> <li>(iv) Promotion of eco driving (priority measure)</li> <li>(v) Practical use of expressway traffic systems</li> <li>(vi) Promotion of measures against automobile exhaust emissions (priority measure)</li> <li>(vii) Promotion of the use of eco cars (priority measure)</li> <li>(viii) Promotion of the use of EV/PHV, etc. (priority measure)</li> <li>(ix) Improvement of battery-charging infrastructure for EV/PHV (priority measure)</li> <li>(x) Promotion of the Next Generation EV Kyoto Project (priority measure)</li> <li>(xi) Consideration of measures to spread the use of environmentally friendly automobile fuels.</li> <li>(xii) Measures against noise and vibrations</li> </ul> </li> </ul>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview (FY2010 Report)</b>                      Undecided</p>	<p><b>Current Progress</b>                      Nothing to report</p>
<b>3. Future Schedule</b>	
<p><b>Project Overview (FY2010 Report)</b>                      Undecided; however, the following actions are envisaged.                      FY2011: Planning                      First half of FY2012: Planning                      Second half of FY2012: Implementation and pilot operation                      FY2013: Operations</p>	<p><b>Current Progress (Forecast)</b>                      Following on from the pilot operation of the e-BUS in Kyoto and Aomori cities in FY2010, pilot operation was carried out in Fukuoka City in FY2011.</p>
<b>4. Other Special Items</b>	
<p><b>Project Overview (FY2010 Report)</b>                      (1) Potential for project expansion during the project period and activities following the completion of the project (utilization of results, expansion within Japan and overseas, etc.)</p>	<p><b>Current Progress</b>                      In the earthquake reconstruction efforts too, expectations are held for the upgrading of public transportation systems through e-BUS and e-BRT, etc.</p>

Name of Project: (7) Kyoto e-BUS Network City

<p>(i) The aim of this project is to address issues currently faced by not only the city where the project is being carried out but also many cities throughout Japan, so that the project results may be expanded horizontally within Japan.</p> <p>(ii) In developed countries aspiring to environmental friendliness and emerging countries where urbanization is progressing, the needs for e-BUS and e-BRT are high, and the export of vehicles and/or systems is possible.</p> <p>(2) Other Special Items (Issues to be Addressed in Order to Realize the Projects, Etc.)</p> <p>- Financial support and deregulation are important in order for the project to be realized.</p>	
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Name of Project: (8) Yamaguchi Active Aging City

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>This project aims to create an “Active Aging City” where people can laugh, learn, and interact; create an advanced medical treatment center; achieve a slow lifestyle that enable people to experience the bounty of mountainous regions; create strong links and bonds with the region; create safe and secure homes; and achieve globalization of education and tourism. As of March 2011, the Yamaguchi Chamber of Commerce and Industry is conducting detailed deliberations regarding the project within the Yamaguchi Future City Initiative Committee. In the future, this committee is to be expanded into a consultative body comprising public and private-sector representatives, following which implementation of the project is to proceed.</p> <p>—Project Content—</p> <ul style="list-style-type: none"> <li>(1) Creation of advanced medical treatment centers</li> <li>(2) Experiencing the bounty of mountainous regions, and achieving a slow life</li> <li>(3) Project for strong links and bonds with the region</li> <li>(4) Safe and secure “my home” and “my town”</li> <li>(5) Realization of a global communication city</li> <li>(6) Establishment of the Yamaguchi Public Design Center (YPDC)</li> </ul>	<p><b>Current Progress</b></p> <p>(1) Participated in the project theme plan meeting held by the Yamaguchi Chamber of Commerce and Industry and the Yamaguchi City.. Discussions are being held regarding the feasibility, etc. of projects and new industries to improve the QOL (Quality of Life) of Yamaguchi City residents. Items that are being considered include the establishment of a life science research center and creation of a new health city, as well as the improvement of QOL for Yamaguchi City residents (improvement of infrastructure as a primary healthcare city).</p> <p>(2) On December 16, 2011, the “Yamaguchi City New Growth Strategy Planning Council”—a taskforce comprising industry-government-academia representatives and with the purpose of deliberating the implementation of specific projects aimed at promoting new growth strategies, while at the same time coordinating with Active Aging City activities—was established on the initiative of Yamaguchi City. The Council Chairman is Yamaguchi City Mayor Sumitada Watanabe, and the Vice-Chairman is Yamaguchi Chamber of Commerce and Industry Chairman Munefusa Saito. In addition to Yamaguchi City and the Yamaguchi Chamber of Commerce and Industry, members include Yamaguchi University, Yamaguchi Prefectural University, Yamaguchi Cable Vision Co., Ltd., the KEIDANREN (Japan Business Federation), Mitsui Fudosan Co., Ltd., and Hitachi, Ltd. The following three sub-committees have been established.</p> <ul style="list-style-type: none"> <li>➤ <u>Life Science Center Sub-committee</u> The sub-committee is considering the feasibility of industry-government-academia joint projects that utilize cutting-edge life science research and technology.</li> <li>➤ <u>Health Tourism City Creation Sub-committee</u> The sub-committee considers projects related to the creation of a health city that combines the Yuda Onsen hot springs—a local natural resource unique to Yamaguchi City—and efforts in the health care field—which is expected to grow in the future.</li> <li>➤ <u>City Residents’ QOL Improvement Sub-Committee</u> The sub-committee considers projects related to infrastructure improvement as well as the computerization and sharing of healthcare information using ICT, which are all</li> </ul>

Name of Project: (8) Yamaguchi Active Aging City

	necessary for the creation of a primary healthcare city.
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<b>Project Overview</b> - Comprehensive Special Zone System (Comprehensive Special Zone for Regional Revitalization) - Media art information center consortium initiative	<b>Current Progress</b> Use of a Comprehensive Special Zone System, etc., is to be considered as necessary in accordance with the outcome of future deliberations concerning the project.
<b>3. Future Schedule</b>	
<b>Project Overview</b> Within FY2011, the Yamaguchi Chamber of Commerce and Industry is to expand the Yamaguchi Future City Initiative Committee into a consultative body comprising public and private-sector representatives, following which implementation of the project is to proceed.	<b>Current Progress (Forecast)</b> In December 2011 the “Yamaguchi City New Growth Strategy Planning Council” was established. Various activity plans are to be completed by August 2012 and the necessary surveys and verifications are to be carried out in the latter half of that fiscal year.
<b>4. Other Special Items</b>	
<b>Project Overview</b> Nothing to report	<b>Current Progress</b> Nothing to report

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>(1) Advanced agriculture</p> <p>(i) Innovation in production</p> <p>For outdoor cultivation, field tests are to be conducted aiming to establish advanced agricultural operations using new technologies such as: farming and targeted spraying with unmanned vehicles and helicopters aided by GPS technology; and low-environmental-impact agriculture that builds in waste recycling.</p> <p>For greenhouse cultivation, the project seeks to improve production efficiency by the effective use of fertilizers, agricultural chemicals, and farming materials and supplies. It also aims to develop a low-environmental- impact agricultural production system by using LED and other energy-saving lights as well as biomass fuel and other renewable energy, while also reusing rainwater in an irrigation system and a water-film cooling system.</p> <p>(ii) Innovation in distribution</p> <p>By combining advanced constant-temperature storage and transportation technology and packing materials and other distribution related materials, with a high-efficiency delivery system that performs search for optimal routes and delivery methods by using ICT, the project seeks to increase the added value of agricultural produce, such as long lasting freshness.</p> <p>Moreover, the project aims to systemize the management of the process from production to distribution and collect, accumulate and analyze data related to producers, cultivation, harvest and shipment. The process management information will be used to enhance traceability and improve food safety and security.</p> <p>(2) School New Deal Initiative</p> <p>(i) Clean energy schools</p> <p>The project aims to make energy consumption at schools cleaner by installing energy-efficient lights and photovoltaic panels in school buildings, gymnasiums and other related facilities.</p> <p>(ii) Enhancing student security on the way to and from school</p> <p>The project aims to develop a system for tracking the location of students using electronic tags to enhance their safety and</p>	<p><b>Current Progress</b></p> <p>(1) Advanced agriculture</p> <p>(i) Innovation in production</p> <p>In accordance with the original plan, in FY2011 efforts were put into preparations for field-tests. A new company (agricultural corporation) was established to take on the role of implementing this project in August 2011 and began outdoor cultivation of leafy vegetables in a 5ha field. The first harvest was successfully completed in March 2012.</p> <p>Initiatives to adopt advanced technologies will be implemented in stages beginning in FY2012. As of June 2012, some of the efforts have already been launched, such as installation of remote monitor cameras that will help to save labor and increase the efficiency of pest control.</p> <p>(ii) Innovation in distribution</p> <p>As in the area of production, in FY2011 efforts were made in the preparation for field-tests, including initiatives for securing marketing outlets for harvested agricultural produce and forming alliance with research institutions that possess key technologies.</p> <p>With regard to the systemization of the process management, the newly established agricultural corporation has already begun efforts to collect, accumulate and analyze data related to cultivation at its field and is currently preparing for the initiative to “utilize process management information across the agriculture chain,” which is to be implemented in FY2012 or later.</p> <p>(2) School New Deal Initiative</p> <p>Considering the size of the resources currently available to those involved in this project, priority is given to the field test of “advanced agriculture” for the foreseeable future.</p>

Name of Project: (9) Saijo Agricultural Innovation City

<p>security on their way to and from school.</p> <p>(iii) Use of digital devices Tablet PCs and other ICT terminals are to be distributed to students, and under the project the digitalization of teaching materials will be promoted with the aim of providing higher quality educational contents, accumulating examples of ICT-aided education and making teaching in schools more efficient.</p>	
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b></p> <ul style="list-style-type: none"> <li>- Comprehensive Special Zone System (Comprehensive Special Zone for Regional Revitalization) [Easing of regulations]</li> <li>- Revision of the requirements for agricultural production corporations</li> <li>- Revision of the roles and functions of the agricultural committee</li> </ul> <p>[Financial assistance measures]</p> <ul style="list-style-type: none"> <li>- Grants for investment in the construction of advanced facilities for collection, shipment and storage of agricultural produce for shared use by local communities.</li> </ul>	<p><b>Current Progress</b></p> <ul style="list-style-type: none"> <li>- In December 2011, the project was approved as a “Comprehensive Special Zone for Regional Revitalization”.</li> <li>- As of May 2012, three requests have been filed with the national government to seek deregulation and financial assistance under the Comprehensive Special Zone Act, including a request for easing regulations on the lease of nationally-owned agricultural land. Consultation with the government is now underway.</li> <li>- Deliberations will continue on the two items regarding the easing of regulations and the one item regarding financial assistance described in the Project Overview on the left column while exchanging views with local people involved in agriculture.</li> </ul>
<b>3. Future Schedule</b>	
<p><b>Project Overview</b></p> <p>(1) Advanced agriculture FY2011: Select fields, establish an agricultural corporation to implement the project and start field tests for outdoor cultivation. FY2012: Continue field tests for outdoor cultivation and start field tests for increasing the efficiency of distribution. FY2013: Launch tests for advanced agricultural operations by adopting GPS and other technologies. FY2014: Expand fields and roll out this initiative in other regions.</p> <p>(2) School New Deal Initiative FY2011-2012: Select model schools for field tests; develop digital teaching materials; prepare lesson programs; provide training for teachers; install energy-efficient devices such as next-generation lighting devices and conduct tests to determine their optimal operating procedures, including those</p>	<p><b>Current Progress (Forecast)</b></p> <p>(1) Advanced agriculture FY2011: Overall, the project progressed in accordance with the schedule outlined on the left column. FY2012: Start field tests for advanced cultivation technologies (e.g., use of remote monitor cameras and GPS-assisted operation of agricultural vehicles) FY2013: Start field tests for increasing the efficiency of distribution. FY2014: Expand fields and roll out this initiative in other regions.</p> <p>(2) School New Deal Initiative</p>

Name of Project: (9) Saijo Agricultural Innovation City

<p>for controlling brightness.</p> <p>FY2013: Implement field tests of a teaching method using digital materials and a student security system to enhance students' safety and security on their way to and from school.</p> <p>FY2014: Feed back the results of the field tests for use in the development of new software, equipment, devices and materials; adopt next-generation equipment; roll out this initiative within and outside the city.</p>	<p>From FY2013 onwards: Select model schools for field tests; develop digital teaching materials; prepare lesson programs; provide training for teachers; install energy-efficient devices such as next-generation lighting devices and conduct tests to determine their optimal operating procedures, including those for controlling brightness.</p>
<p><b>4. Other Special Items</b></p>	
<p><b>Project Overview</b> [Roll-out in other regions]</p> <ul style="list-style-type: none"> <li>- Package the know-how regarding cultivation, distribution and farm business management accumulated through this project and roll it out in and outside Japan.</li> </ul>	<p><b>Current Progress</b> [Roll-out in other regions]</p> <ul style="list-style-type: none"> <li>- Test plans are being prepared for analyzing and repairing salt damage on soil in reclaimed land, and efforts are being made to accumulate know-how that can be applied to restore tsunami stricken agricultural fields in the Tohoku region.</li> <li>- Discussion has started on possible collaboration with Chinese universities in the areas of "advanced agriculture" and "food safety" with the aim of gaining a foothold for rolling out this initiative outside Japan.</li> </ul>

<b>1. Project Content</b>	
<p><b>Project Overview</b> [Projects undertaken through government-private sector cooperation]</p> <p>(1) Kitakyushu Smart Community Creation Project In addition to constructing a smart grid that introduces cutting-edge environmental technology through government-private sector collaboration led by the “Kitakyushu Smart Community Creation Project Committee”, the project aims to promote urban development through next-generation technology based on a smart grid, such as through the provision of next-generation transportation systems and people-friendly systems that meet the needs of an aging society, as well as the construction of information and energy networks, and to create a so-called “smart city” that realizes highly efficient, low-environmental-load, abundant lifestyles for city residents</p> <p>(2) Overseas water business [Expansion and enhancement of Water Plaza Kitakyushu] In addition to securing income for businesses and leading to the broad expansion of environmental industries, water business endeavors can be expected to provide a new source of income for local government. The “Kitakyushu Overseas Water Business Association” was consequently established through government-private sector collaboration, and based on experimental research under new systems created through partnerships between the local government and private sector, the “Water Plaza Kitakyushu”, a demonstration base for cutting-edge water desalination technologies, will be expanded and enhanced in order to meet diverse water-related needs.</p>	<p><b>Current Progress</b></p> <p>(1) Kitakyushu Smart Community Creation Project The introduction of new forms of energy such as fuel cells using solar photovoltaic/by-product hydrogen and wind power generation, the introduction of energy-saving systems for various buildings that utilize IT, etc., and the improvement of energy management systems for the entire region that utilize cutting-edge energy controls, etc., are proceeding in accordance with the original plan. Specifically, local energy-saving facilities have been opened and smart meters installed, and test demonstrations of dynamic pricing have begun.</p> <p>(2) Overseas water business With regard to the “Water Plaza Kitakyushu”, test beds have been loaned out to companies and experimental research on water desalination technologies is being actively undertaken. In addition to these research activities, a project in Hai Phong City in Vietnam is being undertaken as an overseas water business, and in Cambodia activities, such as the acceptance of orders for basic research for water project plans, are proceeding.</p>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b> Comprehensive Special Zone System (Comprehensive Special Zones for International Strategy)</p> <p>(1) Special regulatory measures (i) Special provision for Segway and other personal transportation vehicles to run on public roads</p> <p>(2) Financial assistance measures (i) Improvement of financing mechanisms for the establishment and activities of project operators (overseas water business companies, etc.) (ii) Improvement of insurance systems for</p>	<p><b>Current Progress</b> Designated as the Comprehensive Special Zones for Green Asia International Strategy</p> <p>(1) Special regulatory measures (i) Application has been postponed due to adjustments with those implementing the project.</p> <p>(2) Financial assistance measures Discussions are to be held in accordance with future expansion of the project.</p>

Name of Project: (10) Kitakyushu Asia Strategic Environmental City

<p>risk-hedging related to overseas water business.</p> <p>(iii) Assistance for necessary business funds in the case that water business entities undertake overseas expansion.</p>	
<p><b>3. Future Schedule</b></p>	
<p><b>Project Overview</b></p> <p>(1) “Kitakyushu Smart Community Creation Project” From FY2010 to FY2014</p> <p>(2) Overseas water business [Expansion and enhancement of Water Plaza Kitakyushu] From FY2009 onwards</p>	<p><b>Current Progress (Forecast)</b></p> <p>(1) “Kitakyushu Smart Community Creation Project” The project is progressing smoothly in accordance with the original plan as new elements are added.</p> <p>(2) Overseas water business [Expansion and enhancement of Water Plaza Kitakyushu]</p> <p>(i) With the reconstruction of the adjacent administration building, in the future the Water Plaza is to have additional showroom functions installed, completing its expansion and enhancement.</p> <p>(ii) An organization to specialize in overseas water business is currently being set up and the business is being promoted earnestly.</p>
<p><b>4. Other Special Items</b></p>	
<p><b>Project Overview</b></p> <p>Projects being undertaken mainly by local government (Kitakyushu City)</p> <p>(3) Asia Eco Mother Factory Complex</p> <p>(4) Asia Next-generation Environment-friendly Cars Development/Production Center Project</p> <p>(5) Zero Carbon Emission Town Development</p> <p>(6) Kitakyushu Asian Center for Low Carbon Society</p> <p>(7) Low-carbon technology base formation project (Environmental Future Innovation Consortium)</p> <p>(8) Pan Yellow Sea Active Cooperation for Trade, Investment and Other Needs (ACTION) (regional/local EPA (economic partnership agreement))</p>	<p><b>Current Progress</b></p> <p>Overall the project depends on capital investment trends amongst companies, and thus time is required for implementation. Concrete progress has been achieved regarding the following items.</p> <p>(5) Zero Carbon Emission Town Development Permission for land readjustment projects was received in May and the first steps taken to implement this project.</p> <p>(8) Pan Yellow Sea ACTION A one-stop contact office for the 10 member cities has been established and the project is being carried out.</p>

Name of Project: (11) Okinawa Logistics Hub City

<b>1. Project Content</b>	
<p><b>Project Overview</b></p> <p>The project will create an international logistics hub covering Asia, including Japan, in the Naha Airport and Naha Port areas targeting mainly B-to-B and B-to-C products requiring expedited shipping, such as services and parts (repairs/replacement parts) as well as medicines and agricultural and fishery products.</p> <p>The project will realize a logistics model that facilitates the “reduction of environmental load” in addition to providing Japanese-quality precision logistics at Asia-level costs by utilizing the plentiful air route networks linking Naha with East Asia and cities throughout Japan as well as simplifying and unifying import/export related procedures; coordinating maritime shipping and airport networks; and saving human labor and lowering carbon emissions through the use of automated transport systems for loading and unloading air cargo and transportation between airports and warehouses. The project aims to create a next-generation “international logistics base” that surpasses Singapore, a leading logistics hub country, and generate new industries and employment.</p>	<p><b>【Current Progress】</b></p> <p>Okinawa Prefecture is upgrading Naha Airport’s air cargo area and temporary cargo storage facilities, and the ANA Group is creating an air route network for flying cargo planes to Hong Kong, Shanghai, Incheon (South Korea), Taipei (Taiwan), Bangkok, Haneda (Japan), Narita (Japan), and various other airports in Japan’s Kansai region.</p> <p>Furthermore, Yamato Transport Co., Ltd. has indicated that it will utilize the same areas.</p> <p>However, the area has not yet reached the level of an “international logistics hub” targeting products requiring expedited shipping, such as services and parts (repairs/replacement parts) as well as medicines and agricultural and fishery products, and not yet fully constructed cutting-edge logistics models for saving human labor and lowering carbon emissions, either.</p>
<b>2. Status of Utilization of Central/Local Government Systems</b>	
<p><b>Project Overview</b></p> <p>The project aims to invigorate industry through international logistics hub functions in accordance with the new Act on Special Measures for the Promotion and Development of Okinawa.</p>	<p><b>Current Progress</b></p> <p>In order to promote industries that utilize international logistic hub functions, it was decided to establish an “International Logistics Industrial District” (provisional title) including Naha Airport and Naha Port. This will enable the lowering of corporate tax deduction rates as a means of promoting logistics. (Effective corporate tax rate: 19.5%; investment tax credits, special depreciation, etc.)</p> <p>In addition, with regard to the expandability of future international logistics infrastructure, improvements—such as increasing the number of airport runways, consolidating airport/port/FTZ (Free Trade Zones), and establishing a logistics center—are to be made.</p>
<b>3. Future Schedule</b>	
<p><b>Project Overview</b></p> <p>With regard to the advantages of a logistics base in Okinawa, promotional activities are being carried out within Japan and overseas in cooperation with Okinawa Prefecture.</p>	<p><b>Current Progress (Forecast)</b></p> <p>In cooperation with Okinawa Prefecture (Department of Commerce, Industry and Labor/ Department of Planning) seminars to entice businesses to Okinawa are being held both in Japan and overseas and joint exhibits were presented at LOGIS-TECH (Material Handling and Logistics Exhibition) and are to be presented at future exhibitions.</p>

Name of Project: (11) Okinawa Logistics Hub City

<b>4. Other Special Items</b>	
<b>Future Expansion</b> In addition to the preparations currently underway for the creation of an “international logistics hub”, through promotional activities in the Greater Tokyo area and neighboring Asian countries of Okinawa’s environmental conservation efforts to preserve its beautiful nature and of its foods well-known for their safety and sense of security (agricultural and fisheries products and livestock products), the project will further develop the “Future City Model” where the flow of people into Okinawa is promoted and will further invigorate commodity distribution from Okinawa (creation of a local economy that is not a transit point for people or goods but is an indispensable part of the flow).	<b>Current Progress</b>