How to Restart Affected Businesses

“Four-Year Experience by a Public-Private Joint Team”

February 19, 2020

YASUHITO NII
Senior Executive Director
Fukushima Soso Revitalization Org.
1-1. What is the public-private joint team?

- **Public-Private Fukushima Soso Revitalization Joint Team**
  - was established in August 2015
  - It currently has more than 280 members*

* As of Feb.1, 2020
1-2. Background to establishment

- Established by a Cabinet decision in June 2015

The government’s bill for Accelerating the Reconstruction of Fukushima from the Nuclear Disaster (revision)

- Established a new organization to drive government measures for helping sufferers support themselves

  - Established a new organization (a public-private team) to lead support; it started by visiting and providing consultations to individual business owners (approx. 8,000) who still haven’t been able to return home in 12 cities, towns, and villages

- Enhanced support measures

  - Enhanced support measures to enable businesses in 12 municipalities to be rebuilt
1-3. Establishment timeline

- The Joint team was established as evacuation orders were being lifted

- **3.11**
  - **Aug.** New evacuation zones designated
  - **Apr.** Tamura
  - **Sept.** Naraha
  - **Jun. – Jul** Katsurao, Kawauchi, Minami Soma
  - **Mar. – Apr.** Namie, Tomioka, Kawamata, Iitate

Restricted Residence Zone and Evacuation Order Cancellation Preparation Zone designations lifted (except Futaba & Okuma)

- **Aug.** Public-private joint team established
1-4. Organization Structure*

* As of Feb. 1, 2020
Ref. Current evacuation designated zones

Aug. 2013
(evacuation zones designated)

- Evacuation Order Area: 1,150 km²
- Evacuation Order People: 81K

Apr. 2019

- Evacuation Order Area: 340 km²
- Evacuation Order People: 23K

▲ 70%

Evacuation Order Area (Aug. 2013)

- Restricted Residence Zone
- Specified Reconstruction Base
2-1. Features of our support

① We are not passive; we individually visited and consulted with all businesses in the 12 municipalities.

② We did not merely inform businesses of support measures; we closely supported business owners by thoroughly listening to their concerns and building trust.

③ In response to what we heard, we worked with the Japanese government to set up various measures to help businesses become self-reliant.
Ref. The Joint Team’s 5 principles

I. Put ourselves in sufferers’ shoes
    Take the tragic events business owners and farmers have suffered to heart. Put ourselves in sufferers’ standpoints as we do our work.

II. Provide dedicated support
    Do not cut corners, spare no trouble, and provide thorough support until affected business owners and farmers actually rebuild their business/livelihood. Never walk away from a task before it is finished.

III. Focus on being a listener
    When visiting individual business owners, listen to them fully and attentively to understand in detail each person’s difficult situation and desires.

IV. Value teamwork
    Mobilize the knowledge, experience, human network, and tools of all team members to provide tireless support. Share information, and leverage the strengths of team of people from different backgrounds to the greatest extent possible.

V. Have a genuine and strong will in achieving the region recover
    The region will not be revitalized unless businesses, livelihoods, and lives are rebuilt. Always approach support with a big picture view of the region that incorporates broad outlook. If existing programs are insufficient, be flexible in proposing new programs.

Fukushima cannot recover unless Soso recovers.
Japan cannot be revitalized unless Fukushima recovers.
2-2. The visit & support process

**Individual visits**
- Build trust
- Investigate issues & needs
- Support with making decisions

**Consulting support**
- Identifying issues
- Practical assistance
  - Develop business plans
  - Recover revenues, expand channels
  - Develop new products
  - Acquire financing and talent
  - Transfer the business
  - Lifeplanning

**Identifying issues**
- Restarting in hometown
- Restarting in a new location
- Growing the business

**Practical assistance**
- Return to work or find a new job
- Maintain livelihood

**Support with making decisions**
- Investigate issues & needs
- Business revitalization
- Return to work or find a new job
- Maintain livelihood

**Build trust**
- Investigate issues & needs
Ref. Early days of the Joint Team

Comments from business owners

● 4 ½ years since the accident…
  “Why are you here now?”

● You’ve been thoroughly interrogating me…
  “What will you do for me?”

● Local business have disappeared…
  “Difficult to go back and restart our business.”

Internal operations

● Impossible to manage operation
  (even email or servers were not unified)

● Difficult to give instructions
  (same words were often interpreted differently)

● Repeatedly visit and listen carefully to their concerns

● Provide dedicated support

● Unify the organization
2-3. Support structure

Assemble experts with diverse knowledge & experience

1. Identify issues

2. Practical support (e.g. developing business plan)

Public-Private Joint Team of 82 consultants

- 22 members (local finance institutions)
- 23 professionals (SME consultants)
- 30 business consultants
- 7 members (private companies)

Experts with 143 contracts

- 78 consultants
- 23 tax accountants
- 18 Labor & social security attorneys
- 7 Financial planners
2-4. Enhancing support measures

- Supplemented the measures to help affected business
- Distributed around 37B yen from FY2015 to FY2019

I. Individual visits and consultations

II. Assistance aimed at restarting business
  - Equipment investment, acquiring talent, uncovering sales channels, spreading the area’s tradition and attractiveness

III. Creating connections between people and assisting with recovery

IV. Encouraging businesses to return
  - Support for encourage for purchasing in the region, transportation assistance

V. Assistance with starting a business in the affected areas after the disaster
3. Support provided

- Around 30% of affected businesses restarted in hometown
- More than 50% including that in another locations

Visits to business owners & consulting-based assistance

- Contacted with approx. 7,000 of 8,000 affected business owners
- Visited approx. 5,300 individuals and provided consulting services to approx. 1,300

Support based on existing government support measures

- Acquiring talent: assisted approx. 840 employers, leading to the employment of approx. 1,400 job seekers
- Uncovering sales channels: assisted approx. 190 businesses and successfully uncovered approx. 870 deals
4-1. Issue: Disparities in recovery

Lifting of “Restricted Residence Zone” and “Evacuation Order Cancellation Preparation Zone”

- **Apr.** Tamura (Miyakoji)
- **Sept.** Naraha
- **Oct.** Kawauchi (some parts)
- **Jun. - Jul.** Minami Soma (Odaka), Kawauchi, Katsurao

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (Rate of documented residents)</th>
<th>Rate of businesses returned &amp; restarted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>225 (81%)</td>
<td>91%</td>
</tr>
<tr>
<td>2015</td>
<td>2,088 (81%)</td>
<td>53%</td>
</tr>
<tr>
<td>2016</td>
<td>3,761 (55%)</td>
<td>31%</td>
</tr>
<tr>
<td>2017</td>
<td>3,599 (47%)</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Figures from each municipality (as of 2019)
4-2. Issue: employment & industry

**Manufactured goods shipments**
(Fukushima Pref.)

(yen, hundred millions)

<table>
<thead>
<tr>
<th>Year (FY)</th>
<th>2010</th>
<th>'11</th>
<th>'12</th>
<th>'13</th>
<th>'14</th>
<th>'15</th>
<th>'16</th>
<th>'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>50,957</td>
<td>45,613</td>
<td>43,269</td>
<td>45,443</td>
<td>47,607</td>
<td>49,775</td>
<td>51,204</td>
<td></td>
</tr>
</tbody>
</table>

**Ratio of job applicants**
(Fukushima Pref.)

(as of Dec. 2019)

- 1.61

**Manufactured goods shipments**

- More than before the disaster

**12 municipalities**

(yen, hundred millions)

<table>
<thead>
<tr>
<th>Year (FY)</th>
<th>2010</th>
<th>'11</th>
<th>'12</th>
<th>'13</th>
<th>'14</th>
<th>'15</th>
<th>'16</th>
<th>'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3,043</td>
<td>2,562</td>
<td>2,151</td>
<td>2,475</td>
<td>2,758</td>
<td>3,043</td>
<td>2,375</td>
<td></td>
</tr>
</tbody>
</table>

**Futaba County**

(yen, hundred millions)

<table>
<thead>
<tr>
<th>Year (FY)</th>
<th>2010</th>
<th>'11</th>
<th>'12</th>
<th>'13</th>
<th>'14</th>
<th>'15</th>
<th>'16</th>
<th>'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,077</td>
<td>948</td>
<td>819</td>
<td>1,077</td>
<td>1,235</td>
<td>1,393</td>
<td>196</td>
<td></td>
</tr>
</tbody>
</table>

1. Source: METI Industrial statistics survey data
2. Source: Fukushima Labour Bureau data
4-3. Issue: Attracting companies

◆ New Business Established and Job Creation by providing strong incentives

Factory established in Soso region

FY2014-FY2018: 75

Approx. 1,480 New jobs created

◆ Factory established in Soso region

Source: Fukushima Labour Bureau data
4-4. Issue: Reputational damage

◆ Comparing Product Prices (Fukushima to nationwide)

- Beef (wagyu)
- Rice
- Peaches

<table>
<thead>
<tr>
<th>Category</th>
<th>Country/region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports restricted, import ban</td>
<td>South Korea, Taiwan, China, Hong Kong, Macau</td>
</tr>
<tr>
<td></td>
<td>5 countries &amp; regions</td>
</tr>
<tr>
<td>Some restrictions (under certain conditions)¹</td>
<td>Singapore, USA, EU, Russia, Egypt, others</td>
</tr>
<tr>
<td></td>
<td>15 countries &amp; regions</td>
</tr>
<tr>
<td>Restrictions abolished</td>
<td>Myanmar, New Zealand, Malaysia, Vietnam, Australia, India, Nepal, Philippines, Canada, Mexico, Chile, Peru, Brazil, Iraq, Kuwait, Iran, Qatar, Saudi Arabia, Turkey, others</td>
</tr>
<tr>
<td></td>
<td>34 countries &amp; regions</td>
</tr>
</tbody>
</table>

Source: Fukushima prefecture’s “The Path toward Fukushima’s Recovery” (Japanese only) and other materials

As of January 16, 2020
4-5. Issue: Reputational damage (tourism)

◆ Number of overnight stays by tourists

- Nationwide: 129.8% (280.7M stays)
- Fukushima Pref.: 83.1% (5.3M stays)

✓ Figures for accommodation facilities who said at least 50% of their bookings are for tourism

Source: Japan Tourism Agency’s statistics on tourism involving overnight stays
5-1. Expanding our work

- In addition to individual visits and restart support, Joint Team has been expanding initiatives from the “point” of businesses to the “area” of the region itself to include support for preparing living and business environments.
- Currently, we are stepping up our efforts to rebuild industry accumulation through attracting companies from outside the region and matching local businesses.

Phase 1
- Individual visits
- Hands-on support towards business restart & lives

Phase 2
- Community-building support
- Initiatives toward restarting farming

Phase 3
- Help with developing region’s industries
  - Soliciting companies from outside
  - Increasing nonresident population
- Community-building across a broad area

August 2015
- Individual visits
- Hands-on support towards business restart & lives

December 2016
- Community-building support
- Initiatives toward restarting farming
5-2. Community-building support

- We dispatch experts to all 12 affected areas to provide on-site, hands-on support.

**Example initiatives**

- Helping with preparations to reopen public facilities and guidance on how to manage and run them (Okuma & others)
- Helping to improve the management and operations of commercial facilities (Iitate & others)
- Assistance with developing regional revitalization strategies that attempt to build new tourism sources (Minami Soma & others)
5-3. Initiatives to restart farming

- To date, visited approx. 1,800 farming business owners
- Approx. 40% of farmers have already restarted their business or intend to do so

Farmers’ desire to restart business (as of Dec. 31, 2019)

- Provide assistance with consolidating farmland by matching land lenders with players
- Increase the scale of these farmers’ businesses
- Implement “smart agriculture”
In June 2014, a framework was developed with aim of creating new industries, and we are engaging to attract industry and increase non-resident population.
5-5. Reactor decommissioning work

- We identified issues through interviews with TEPCO and local business owners, then we selected which tasks the businesses would most likely be able to do.
- Introduced local businesses’ products & services to TEPCO.

<table>
<thead>
<tr>
<th>TEPCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime contractor for decommissioning work</td>
</tr>
<tr>
<td>✓ Does not understand the technologies and actual capabilities of local companies</td>
</tr>
<tr>
<td>✓ Already using some local companies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local business owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Don’t understand what the work entails simply by reading an order schedule</td>
</tr>
<tr>
<td>✓ Sometimes they have no idea if they’ll actually get the job, other times they get urgent requests they haven’t planned for</td>
</tr>
</tbody>
</table>

Propose how to solve issues with them joining the project

Public-private joint team

Select tasks they are likely to get
5-6. Fukushima Robot Test Field (RTF)

- RTF is an unprecedented R&D hub (fully opened by March, 2020)
- 16 promising start-ups advance into RTF

- Minamisoma Industrial Complex
- Runway & Heliport for unmanned aircraft
- R&D base facilities
- Testing ground for infrastructure inspection & disaster countermeasures
- Testing facilities for underwater & maritime robots
- Approx. 500m
- Approx. 1,000m

Minamisoma Industrial Complex
5-7. Business exchange meeting

“Fukushima future business exchange meeting” is being held by Public-private joint team and Fukushima Innovation Coast Framework Promotion Organization for creating business opportunities between local businesses and companies from outside the region.

November 2019 at Iwaki

**<Presenter>**
- KANEKO Mfg. Co., Ltd. (Iwaki)
- Yanokuchi motor & manufacture (Naraha)
- Nicchu (Expansion into Iwaki)
- Robotcom & FA.Com (Expansion into Minami Soma)

**<Participants>**
- 58 companies & organizations and 109 people (Business talk 21)

January 28 2020 at Minami Soma (Robot test field)

**<Exhibition>**
- Futaba Inc. (Tomioka), Owada Survey Planning (Hirono), Takawa Seimitu Co., Ltd. (Minami Soma), Winding Fukushima (Minami Soma) etc. 23 companies

**<Participants>**
- 120 companies & organizations and 261 people (Business talk 53)
5-8. Big events of 2020

- Starting point for the torch relay for 2020 Tokyo Olympics
  - March 26, 2020
  - J Village (Naraha, Hirono)

- World Robot Summit
  - August 20-22, 2020
  - Robot Test Field (Minamisoma)

- Softball & baseball games for 2020 Tokyo Olympics
  - July 22, 23, 29, 2020
  - (Fukushima City)

To increase non-resident population, we develop and will execute plans that leverage events in Fukushima in 2020.
6. What’s next

Continue support initiatives for local businesses & farmers

Support for businesses
- After restarts, provide follow-up & support so it can continue to operate
- Support particularly for areas whose evacuation orders lifted recently
- Provide support that pushes businesses to enhance their management & technological capabilities

Initiatives for restarting farming
- Accelerate support for consolidating farmland with the aim of restarting the business on a larger scale
- Pioneer initiatives to increase farm scale and turn them into “smart agriculture”

Attract companies to increase non-resident population
- Enhance to attract companies, talent & research/testing organizations from outside the region
- Foster the formation of industry clusters through collaboration between local & outside companies
- Support for initiatives to foster collaboration across a larger region
7. In closing : Our Challenge & Goal

What is Fukushima Soso region in future?

- A state in which the businesses owners sustainably running their business without outside help
- A state in which communities have been revitalized to be sustainable and self-sufficient

Goal : Become “a symbol of hope”

- If revitalization achieved in Fukushima Soso, it will serve as model case for other regions
- The Knowledge & experience of the Joint Team can be applied to support initiatives for SMEs all over Japan
- Fukushima Soso can also aim to be a pioneer in using innovation to solve social issues
NBF Unix Building
6-6 Sakaemachi, Fukushima
Fukushima, 960-8031
Japan
Tel: +81-24-502-1117
(9:00am – 5:00pm, excluding Saturdays,
Sundays, holidays, and New Year period)
Website: https://www.fsrt.jp/
Facebook: @kanmingoudouteam