
Nagasaki IR Basic Concept plan

Nagasaki Prefecture and Sasebo City
Joint Council for the Promotion of IR



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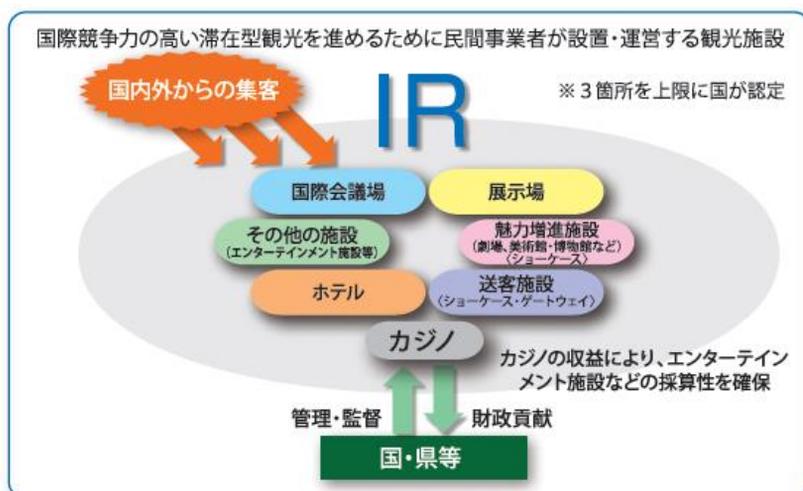
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1 Purpose of preparation of the basic concept plan

- ✓ With regard to IR (Integrated Resort), a “draft of the Act on Promotion of Maintenance of Specific Complex Tourist Facility Areas (a draft of the IR Promotion Act)” was submitted to the Diet in December 2013. Since then, the government has proceeded with detailed review.
- ✓ Nagasaki Prefecture and Sasebo City have also collaboratively established the Nagasaki Prefecture and Sasebo City Joint Council for the Promotion of IR in 2014 and advanced deliberations in a proactive manner.
- ✓ Specifically, to reveal the basic direction it should be of the IR, we have stipulated the “Framework of Nagasaki IR Plan” in 2015. In 2018, we have received a report of the “Nagasaki Basic IR Concept Plan, Overview of Summary by the Advisory Committee” based on the result of RFI (Request for ideas / information related to IR introduction in Sasebo City, Nagasaki Prefecture) by the Advisory Committee of the Joint Council.
- ✓ Under such circumstances, after the announcement of the Overview in April 2018, the Nagasaki IR Basic Plan has been developed in order to preparing an “implementation policy” more specifically based on the “Act on Development of Specified Complex Tourist Facility Areas (hereinafter, the “IR Development Act”),” in line with the details of government’s review and the progress of the studies conducted in Kyushu and Nagasaki.
- ✓ We will use the Plan for deepening an understanding of prefectural citizens and having dialogues with business operators. We also expect it to be used as a basic information for detailed business and development plans by stakeholders in the future.

(Reference) What is the Integrated Resort Facilities (IR)

- The IR is a group of facilities that consist of “various facilities contributing to tourism promotion” and “casino facilities” established and operated by private companies in an integrated manner.
- Specifically, it must be the facilities integrated with the main facilities to serve the public interest, including not only casino facilities, but also the facilities for international conference, exhibition, attractions enhancement, and customer transfer. Also, in the case of establishing and operating the facilities for promoting tourists’ visit and stay in an integrated manner, such facilities may be included.



1-2 Purpose of introduction of Kyushu-Nagasaki IR

Nagasaki Prefecture and Sasebo city are promoting policies to resolve regional issues, based on “Nagasaki Prefecture Comprehensive Plan Challenge 2020” and “7th Sasebo City Comprehensive Plan”.

We believe that Kyushu-Nagasaki IR is positioned as one of the major projects for national growth and regional revitalization, through creating new flows of people and goods trade between Kyushu / Nagasaki and the world / the other regions in Japan.

Regional issues and ideal direction

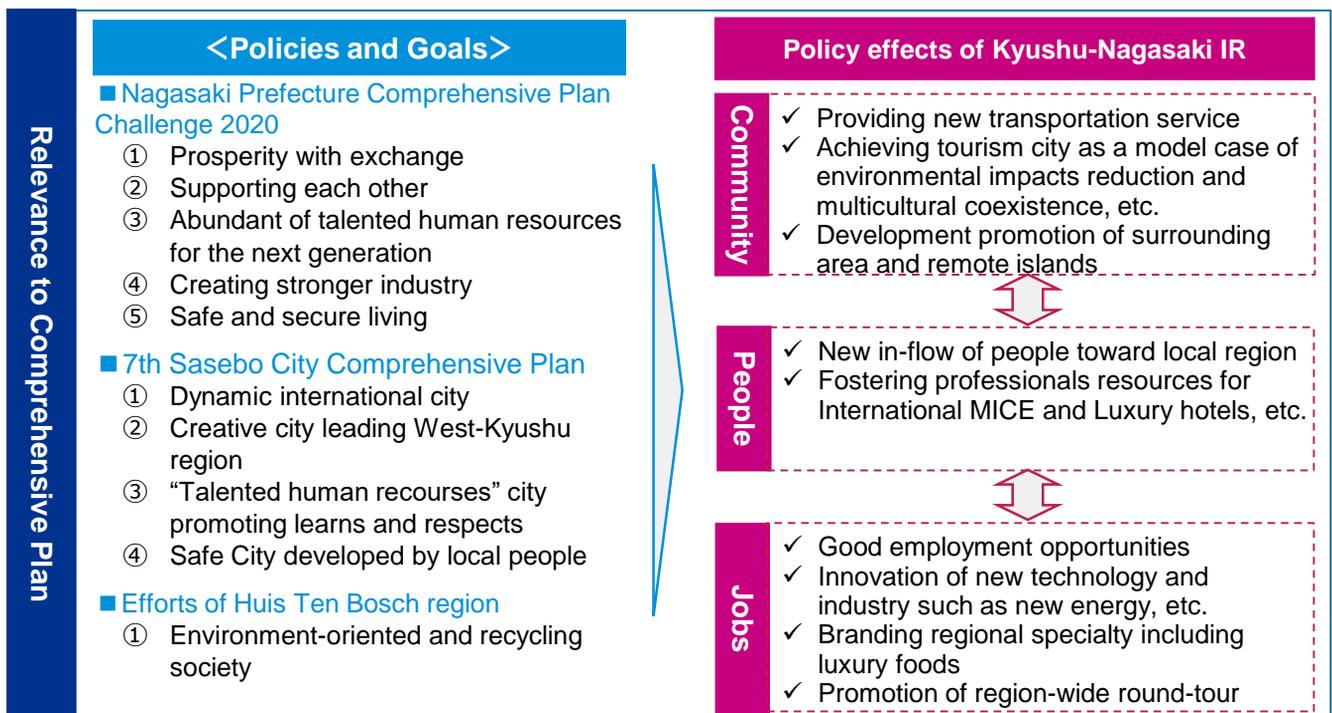
【Regional issues】

- ✓ population decrease, aging population
- ✓ Regional economic contract, reduction in income
- ✓ Decline of regional vitality etc.



【Ideal direction】

- ✓ Achieving sustainable regional management, with originality and pioneering, which break negative spiral such as population decrease, etc.



Purposes of Kyushu-Nagasaki IR

- ✓ Cross-sector among “job”, “People” and “community” and comprehensive project
- ✓ Project which brings wide-range ripple effects, such as promotion of region-wide round-tour and coordination with surrounding areas, etc.
- ✓ Project which contributes Japan revitalization by making new in-flow of people toward local region, etc.

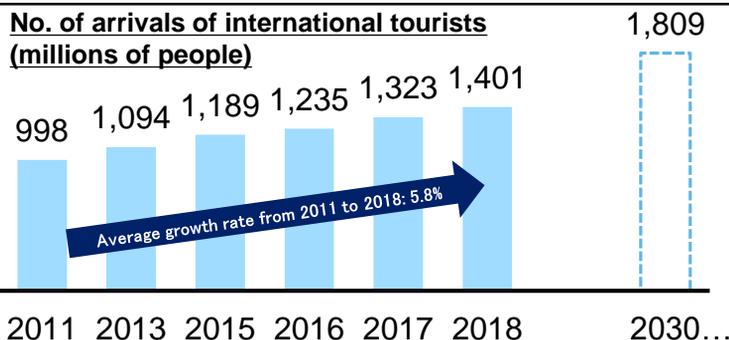
Kyushu’s leading project which plays an important role in Kyushu-Nagasaki revitalization, as well as contributes national growth strategy



2-1 Background and efforts of IR introduction in Japan

Inbound Tourism as Pillar of Growth Strategy

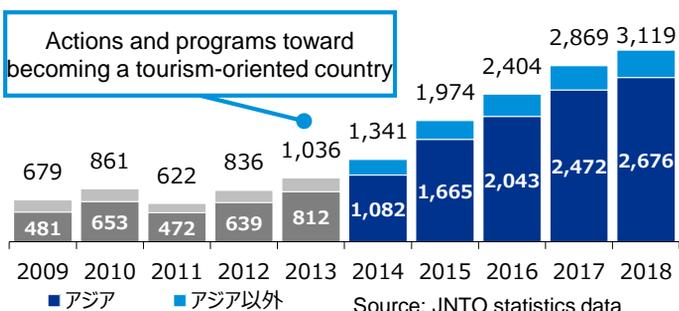
No. of arrivals of international tourists (millions of people)



- ✓ Number of global tourists reached 1.4 billion in 2018, rose by 1.4 times over the last seven years.
- ✓ And it is expected to be up to 1.8 billion in 2030.
- ✓ On a regional bases, the visitors from Asia Pacific area is expected increase to about 30% of total foreign visitors in 2030 from 25% in 2018.

Source: UNWTO (Tourism Highlights)

No. of international tourists visiting Japan (in 10K)



- ✓ Amid an increase trend of outbound worldwide, inbound tourism has been positioned as a key solution for regional revitalization and a pillar of our national government's growth strategy. Due to the achievement of dynamic efforts, such as loosening visa issuance and improving an accommodating environment, the number of international visitors increases steadily.

KPI set forth by the national government

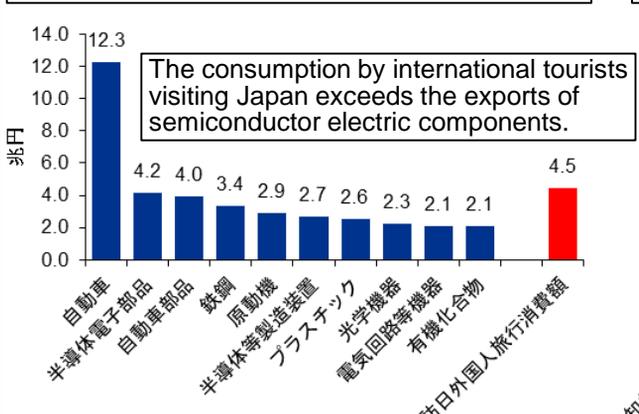
	2018 actual	2030 target
No. of tourists visiting Japan from abroad	31.19 million	60 million
Consumption by these tourists	4.5 trillion yen	15 trillion yen
No. of overnight guests from abroad in rural areas	36.36 million	130 million

Source: "Tourism vision supporting tomorrow's Japan," Japan Tourism Agency (March 2016)

- ✓ The government pursues various measures toward steadily achieving the goal set forth by the "Committee for designing a tourism vision that supports Japan of tomorrow," based on an understanding that "tourism is truly a main pillar for our country's growth strategy and regional revitalization."
- ✓ Especially, IR introduction is expected to be a driver for upgrading our country to a tourism-oriented country.

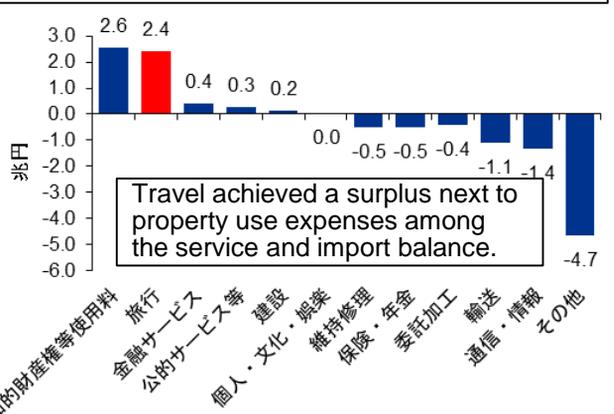
Potential in the tourist business

Comparison with major export items



Source: "White Paper on Tourism," Japan Tourism Agency

Comparison of the balance on services



2-1 Background and efforts of IR introduction in Japan

Economic Effects from Tourism and MICE

■ Economic effects from MICE*1 - by ICCA*2 (2016)

Total consumption for the entire international MICE
234.7 billion yen

Overall economic impact 457 billion yen	Employment effect 40,917 ppl.	Induced tax 35.7 billion yen
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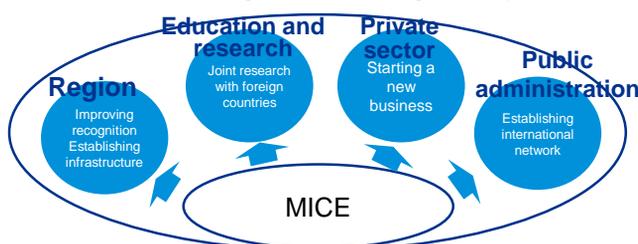
<Total consumption per person from abroad at international MICE>

(in 10,000 yen)

Business meeting	Incentive/training travel	Convention	Exhibition
32.5	32.0	37.3	27.5

Source: "Business report on MICE's economic impact calculation, etc.," Japan Tourism Agency

■ How MICE brings effects regionally



■ Economic effects on the tourism industry (2017)

Travel consumption (of which, the consumption by international tourists visiting Japan)
27.1 trillion yen (4.4 trillion yen)

Production ripple effect 55.2 trillion yen	Job-creating effect 4.72 million people
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<Travel expense per international visitor> (in 10,000 yen)

Total	Accommodation	Dining and wining	Transportation	Entertainment	Shopping
15.4	4.3	3.1	1.7	0.5	5.7

Source: "Impact on the overall economy," Japan Tourism Agency

✓ MICE brings not only the consumption for accommodation, transportation, and drinking and dining spent by participants, but also the planning and operating expenses used by organizers. Therefore, MICE has a large economic effects on event venues and respective areas in Japan.

✓ In particular, MICE has a much larger impact on the overall economy, since a total consumption per international MICE participant is approximately twice as much as the travel expense per general international visitor. (See the lower-left table.)

✓ In addition to the overall economic impact, MICE generates an effect of creating business opportunities and innovation. Thus, it is deemed to have a positive impact on regions in medium to long-term.

✓ Since the government promotes the tourism policy, the number of international visitors and their travel consumption increase favorably (ranked eleventh for the 2017 international tourism revenue ranking).

✓ On the other hand, the travel consumption per international visitor grows at a sluggish pace.

✓ Also, effects of inbound tourism are not sufficiently prevailed in regional areas, as approximately 60% of the inbounds are visiting only three major metropolitan areas*3.

✓ Going forward, it is required to extend the number of nights to stay and increase an average consumption per visitor by enhancing the more customer transfer to regional areas, implementing measures for a wealthy class acceptance, and promoting the experience-based consumption. (Japanese culture experience, etc.)

* 1: MICE is the abbreviation of the Meeting (for enterprises, etc.), Incentive Travel (incentive or training travel held by enterprises, etc.), Convention (international conference held by international institutions and groups, academic conferences), and Exhibition and Event (exhibition, trade shows, and events), which represents a generic term for business events, etc. that are expected to collect and communicate with many customers.

* 2: International Congress and Convention Association (ICCA)

* 3: The major three metropolitan areas include eight prefectures, such as Tokyo, Kanagawa, Chiba, Saitama, Aichi, Osaka, Kyoto, and Hyogo." The rural areas mean the prefectures other than the major three metropolitan areas.

2-1 Background and efforts of IR introduction in Japan

Purposes and Goal of IR Development Set Forth by Government

Japanese IR as Public Policy

- ✓ December 2016: “The Act on Promotion of Maintenance of Specific Complex Tourist Facility Areas (the “IR Promotion Act”)” was promulgated and enforced.
- ✓ July 2017: “The Summary of Council for Promoting Development of Areas for Specified Integrated Resort Facilities” was officially announced.
- ✓ July 2018: “The Act on Development of Specified Complex Tourist Facility Areas (the “IR Development Act”)” was promulgated and enforced.
- ✓ March 2019: “The Enforcement Order for IR Development Act” was promulgated and enforced.

Fundamental Principle of IR Introduction in Japan

The IR introduction in Japan is not simply to lift the ban on casinos. In stead of approving IR business, it should contribute to improve the appeal of Japan that will attract people around the world and create new tourism resources for entertaining both adults and children.

Core Facilities and Functions that should be held by Japanese IR

As an integrated resort with unprecedented scale and quality, utilizing the originality of the region and the vitality of the private sector, the customer-attraction facilities suitable for a “tourist advanced country” and casino facility as a profit driver should be integrally developed.

(1) MICE function

Facilities with a function of improving Japan’s competitiveness, in international MICE market

(2) Attractions enhancement facilities

Facilities that contribute to enhancing the appeal of the tourism in Japan

(3) Function of transferring customers

Facilities that inform IR visitors of the appeal of local tourism and contribute to promoting the travel across Japan

(4) Accommodations

Accommodations that fulfill advanced and diversified needs of visitors

Policy objectives for Japanese IR as a Public Policy

Become an **“advanced tourism country”**
by establishing **“Japanese IR” as a public policy**

Establish a stay type tourism model

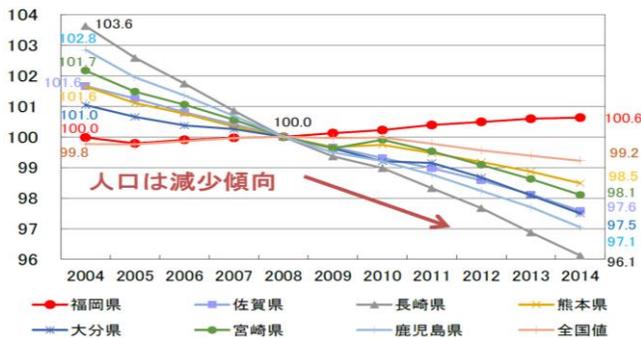
Establish MICE business to rival international competitors

Promote the attractiveness of Japan across the world

2-2 Current status and challenges of Kyushu and Nagasaki Prefecture (1/2)

Five Policy Challenges in Kyushu and Nagasaki

■ Changes in the population of Kyushu

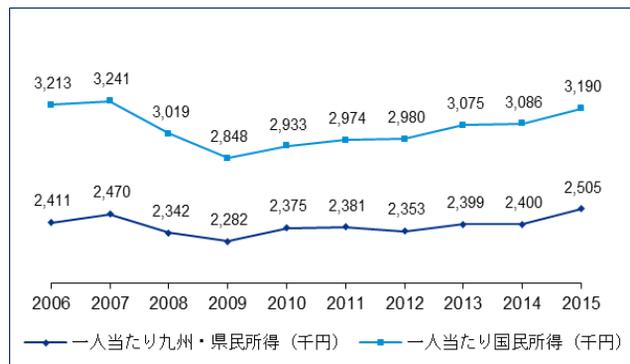


Source: The Statistic Bureau, Ministry of Internal Affairs and Communications

① Control a population decrease

- ✓ In Kyushu and Nagasaki Prefecture, a population decrease is a serious issue. Especially in Nagasaki, a population decrease began in the 1960s and it is more serious since its decreasing pace is faster than the average pace of the nation-wide and Kyushu.
- ✓ This is mainly caused by a social reduction (the number of move-outs surpasses that of move-ins). In particular, a productive-age population decreases in a considerable way.

■ Changes in the income of the residents of prefectures in Kyushu



Source: "Prefectural Accounts," Cabinet Office

② Creating various jobs and improving residents' income

- ✓ The income per capita (in Kyushu) is largely out of line with the national average, and therefore it is a challenge to develop highly-productive businesses in Kyushu.

■ Changes in the international tourists in Kyushu



Source: "Immigrations in Kyushu," Kyushu Transport Bureau

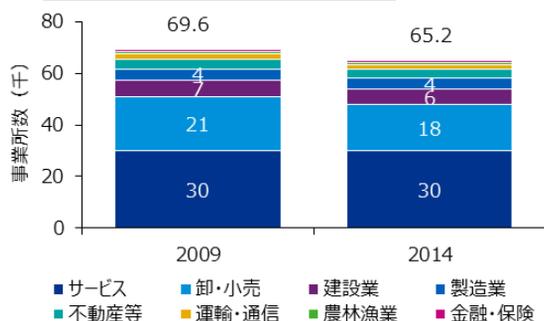
③ New in-flow of people

- ✓ Under the Kyushu tourism strategy (Second phase) planned by the Kyushu Tourism Promotion Organization, the numerical goals are 7.86 million international visitors and 4 trillion-yen tourism consumption in 2023.
- ✓ In the past, cruise visitors boosted the number of the international tourists visiting Kyushu. However in 2018, since the number of cruise passengers declined for the first time in the past five years, the increasing pace of number was slowed-down,

2-2 Current status and challenges of Kyushu and Nagasaki Prefecture(2/2)

Five Policy Challenges in Kyushu and Nagasaki

■ Changes in the number of private-sector business offices



Source: The Statistic Bureau, Ministry of Internal Affairs and Communications

■ Changes in the number of international conferences (by ICCA)



Source: ICCA statistICs

■ Ranking for the number of international conferences (by ICCA)

2018年	件数	世界	アジア
日本	492	7位	1位
福岡	26	103位	23位
沖縄	8	302位	71位

Source: ICCA statistICs

■ Financial index for Nagasaki Prefecture

区分	2013	2014	2015	2016	2017	
経常収支比率	長崎	95.9	96.9	97.4	97.9	97.8
	全国	93.1	93.5	94.1	95.4	95.2
自主財源比率	長崎	33.4	33.9	34.0	34.5	34.7
	全国	43.3	45.4	47.4	46.8	47.2

④-1 Revitalizing regional economy – Pillar of industries

- ✓ The number of private-sector business offices decreased by 44,000 from 2009 to 2014. A lack of good employment opportunities might cause a population decrease in the prefecture.

④-2 Revitalizing regional economy – Expectations for the effects from MICE

- ✓ In 2018, the number of the international conferences held in Kyushu (by ICCA) is only 26 in Fukuoka Prefecture (103rd in the world) and 8 in Okinawa Prefecture (302nd in the world). Therefore, the overall economic impact from increasing international conferences could not be realized in the area.
- ✓ Through the development of globally-competitive MICE facilities, international conferences that take advantage of the characteristics of Kyushu/Nagasaki, as well as company meetings and incentive tours that leverage the attractiveness of Kyushu as a tour destination, will be attracted. In doing so, in addition to the positive economic impact of MICEs, effects of creating business opportunities also should be realized for local economy revitalization.

⑤ Enhancing a financial base

- ✓ The independent revenue source ratio for Nagasaki Prefecture was 34.7%. It is necessary to increase and strengthen the local tax revenues in order to aim at sustainable financials.

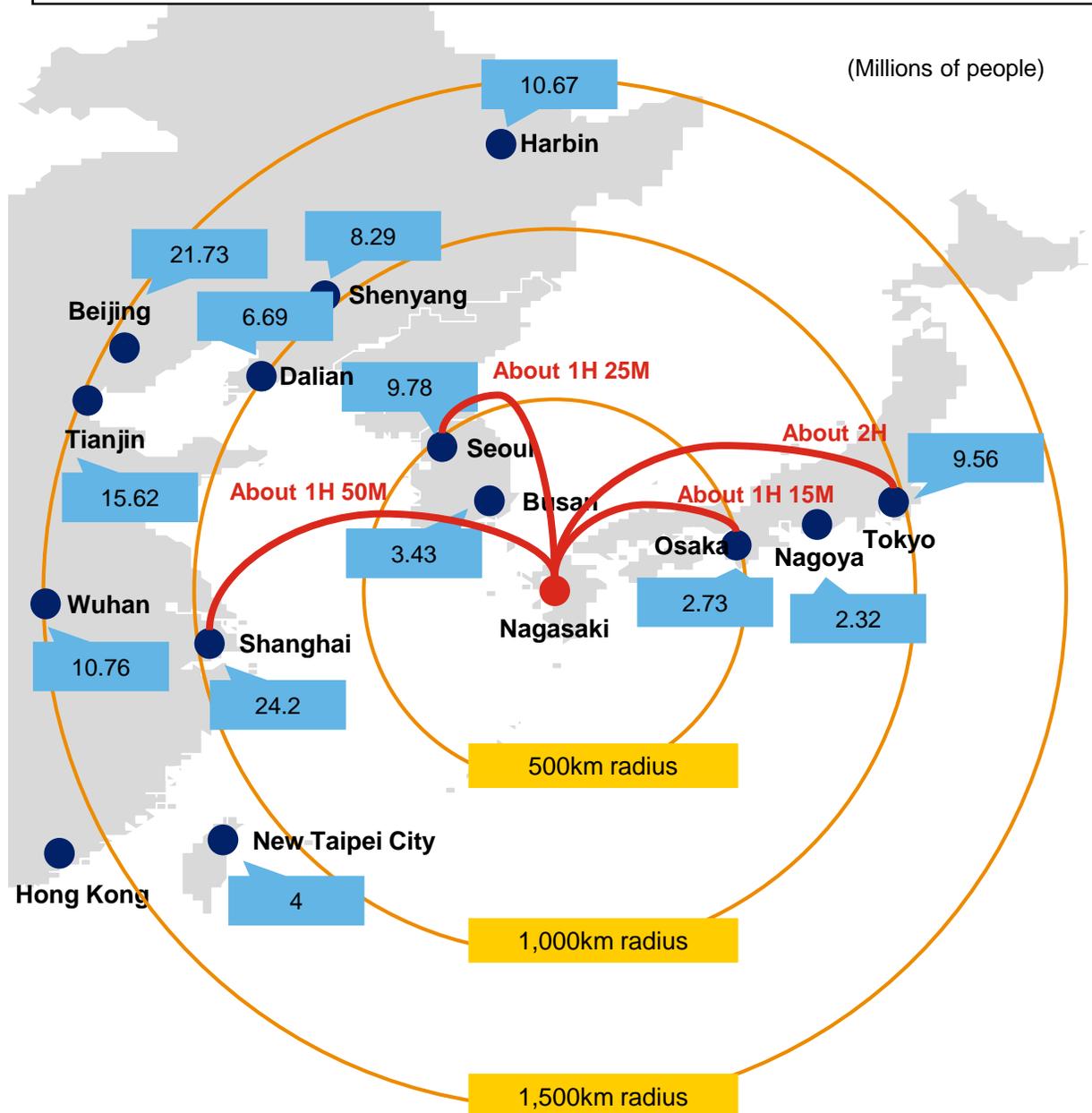
By introducing the IR in Kyushu and Nagasaki, Nagasaki will contribute to achieving the national goals, which is to raise “**the number of international visitors up to 60 million and the tourism consumption up to 15 trillion yen in 2030.**” Besides, we regard growing inbound tourism as **one of the key measures to resolve the challenges faced by Kyushu and Nagasaki Prefecture**, and aim at revitalizing local areas through tourism promotion.

3 Potential of Kyushu and Nagasaki Prefecture

① Proximity to Asia

Total of 1 Billion Population within a 1,500-kilometer Radius

- ✓ Kyushu is located at the western end of Japan. Cities located within a 1,500-kilometer radius from Nagasaki include Tokyo, as well as the centers of East Asia such as Beijing, Tianjin, Shanghai, and Seoul.
- ✓ Including these urban populations, the population within a 1,500-kilometer radius totals 1 billion. Therefore, we can expect to take the inbound visitors by leveraging the closeness with the countries in East Asia.



3 Potential of Kyushu and Nagasaki Prefecture

② Good Tourism Market



No. 1 port of call for cruise ships

- ✓ Number of cruise arrivals at the ports in Nagasaki Prefecture in 2018 is 335 (220 for Nagasaki, 108 for Sasebo, and 7 for other ports), which is the largest number in Japan.
- ✓ Further, the number of cruise arrival at the ports in Kyushu (including Okinawa) is 1,409, accounting for about a half the number in Japan.
- ✓ An international port is being established in Urugashira area near the IR area (15 minutes by car). In 2024, 300 times of cruise ship arrivals are planned.



Airports around the IR area and in Kyushu

- ✓ Across Kyushu, the international airlines mainly for Asia are in service, and flights are expected to increase in the future.
- ✓ Five international airports are located within 2.5 hours drive from the IR area.
- ✓ Direct flights to and from three domestic major cities and overseas cities such as Shanghai, are in service at Nagasaki airport.
- ✓ Reviews of enhancement measures are in progress on the airports joint operation within Kyushu and 24-hour service at Nagasaki airport.



Tourism achievements

- ✓ Number of the overnight visitors in Kyushu (including Okinawa) totals about 82.98 million, comprising 15.4% of the total in Japan. Of which, people from abroad totaled 14.43 million, comprising 15.3% of them.
- ✓ The tourism consumption in Kyushu is 2.7 trillion yen, comprising 11% of the total in Japan.



Over five-million population

- ✓ Population in Kyushu is about 13 million, comprising about 10% of the population in Japan.
- ✓ The population living within 2 hours' drive from the IR area is about 5 million, providing proper population as a market.

Potential of Kyushu and Nagasaki Prefecture as Venue for Meeting (M) and Incentives (I)

High technologies cluster

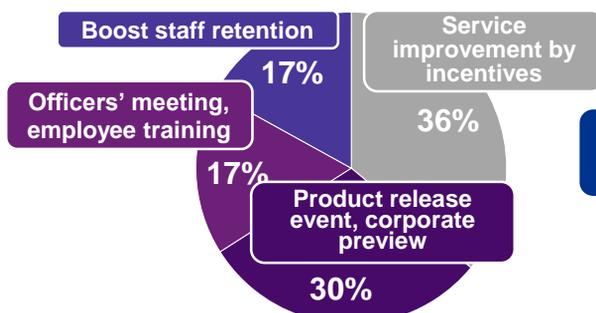
(i.e.) Cluster of automotive and high-tech industries (robots, chemical, etc.), and renewable energy

Rich tourism resources

(i.e.) The world heritage and Japan heritage, dynamic nature, hot springs, and traditional festivals and crafts

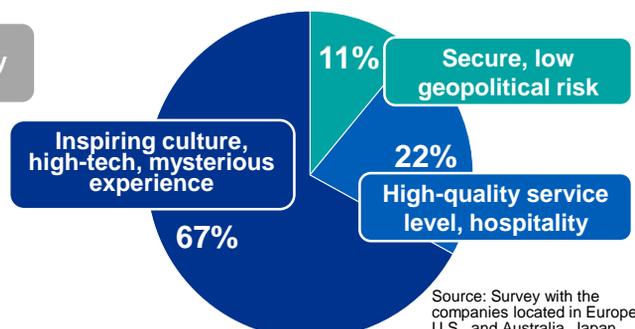
Objectives of Holding Meeting・Incentive

- ✓ In addition to sales improvement through the existing incentives, **product release events targeting at the emerging markets in Asia** is now focused



Factors of which Japan is expected as venue for M・I

- ✓ Many people **expect** Japan to provide **high technologies and mysterious experiences**.



Source: Survey with the companies located in Europe, U.S., and Australia, Japan Tourism Agency, March 2018

3 Potential of Kyushu and Nagasaki Prefecture

③ Internationally appealing tourism resources in Kyushu

Kyushu, the World-class Tourism Islands

Kyushu is located closest to rapidly-growing Asia. Kyushu is the tourism island that shows enriched diverse attractiveness of Japan, including hot springs, nature, and city culture, with lots of tourism resources based on a long history of cultural exchange.

- ✓ Kyushu is located closest to rapidly-growing Asia. As a gateway in Japan since ancient times, it has a history of relationships with foreign cultures including Eastern and Western cultures. Most of today's Japanese foods and traditions have been nurtured through Kyushu, and various histories are found throughout the Kyushu island.
- ✓ Kyushu is a unique island, where volcanos and people's life are adjacent, and blessed with mild weather and gorgeous scenery of nature. It is also a "food island" that offers agricultural and marine products provided by a vast extent of sea and varied landscapes. The island richly providing the diverse beauty of Japan – it is the world-class "Kyushu, the tourism island."

Energy [Living with active volcanos]	Fertility [Rich land surrounded by the ocean]	Gateway [Japan's gateway where people and cultures grow together]
		
<p>Kyushu is a unique island worldwide, where people are living so close to active volcanos. We can feel energy of these volcanos through natural scenery and hot springs.</p> <p>Source: Kyushu Tourism Promotion Organization</p>	<p>With mild weather due to the two warm currents, a unique landform, Kyushu is the "food island" that offers us gifts from rich ocean and the land. Traditional folklores, such as mythological stories and Shinto are still inherited.</p>	<p>Kyushu has a history of relationships with foreign culture as a gateway in Japan since ancient times. Kyushu has introduced innovation technique to the modern craft world, such as the Arita ware, which is the origin of Japanese pottery.</p>

Kyushu, the First-class Spa Island in Japan

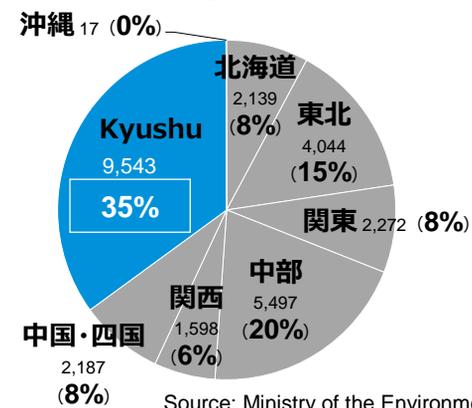
- ✓ Including Beppu with the largest amount of water volume and number of hot springs in Japan, there are about 30% of whole Japanese hot springs and amount of hot water in Kyushu. Kyushu is a hot spring island of Japan.



Umi Jigoku, Beppu

Source: Kyushu Tourism Promotion Organization

No. of hot springs (as of the end of March 2018)



3 Potential of Kyushu and Nagasaki Prefecture

③ Internationally appealing tourism resources in Kyushu

World-class Tourism Resources and Japanese Heritages throughout Kyushu

✓ World heritages ranging from culture to nature are dotted in Kyushu, and there is an increasing international attention as a tourism destination. Also, there are Japan heritages in all prefectures in Kyushu, including Yamaguchi and Okinawa.

World Heritage and Japan Heritage in Kyushu (Excerpt)

World's cultural heritage	Heritage of Hidden Christian Sites in Nagasaki region 1	Registered in 2018	Nagasaki Prefecture and Kumamoto Prefecture (12 properties)
	Sacred Island of Okinoshima and Associated Sites in the Munakata Region 2	Registered in 2017	Fukuoka Prefecture (8 properties)
	Sites of Japan's Meiji Industrial Revolution: Iron and Steel, Shipbuilding and Coal Mining 3	Registered in 2015	Fukuoka Prefecture・Saga Prefecture・Nagasaki Prefecture・Kumamoto Prefecture・Kagoshima Prefecture・Yamaguchi Prefecture (21 properties out of a total of 23)
	Gusuku Sites and Related Properties of the Kingdom of Ryukyu 4	Registered in 2000	Okinawa Prefecture (9 properties)
World's natural heritage	Yakushima Island 5	Registered in 1993	Kagoshima Prefecture (registered for 10,747ha)
Intangible cultural heritages on UNESCO's list	Raiho-shin: ritual visits of deities in masks and costumes (Mishima's Kasedori Festival/Mendon in Iwo island, Satsuma, Boze in Akusekijima) 6 7	Registered extensively in 2018	Saga Prefecture・Kagoshima Prefecture・Okinawa Prefecture (4 of 10 events are held in Kyushu)
	Yama, Hoko, Yatai, float festivals (Hakata Gion Yamagata festival, Tobata Gion Yamagata festival, Karatsu kunchi parade, Hashiro Myoken Shinko festival, Hita Gion parade) 6 7	Registered in 2016	Fukuoka Prefecture・Saga Prefecture・Kumamoto Prefecture・Oita Prefecture (5 of 33 events are held in Kyushu)
UNESCO World Geoparks	Aso Geopark 8	Certified in 2014	Kumamoto Prefecture
	Unzen Volcanic Area Global Geopark	Certified in 2009	Nagasaki Prefecture
Japan Heritage	Ancient people's monument - Tomb landscape in Miyazaki-	Certified in 2018	Miyazaki Prefecture
	Bizen, the home of Japanese pottery - Walk for a gathering of many beautiful potteries -	Certified in 2016	Saga Prefecture, Nagasaki Prefecture
Other	Other than the above, there are globally-appealing tourism resources, including the national parks (in Miyazaki and Kagoshima Prefecture: Kirishima-Yaku National Park) and peace-related facilities (in Nagasaki Prefecture: Peace Park, etc.). 9		

Peace Statue in Nagasaki



Oura Cathedral (Nagasaki)



Munakata Taisha Okinomiya (Hukuoka)



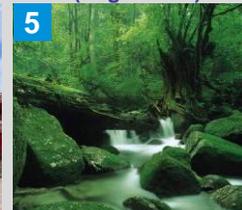
Shoukasonjuku (Yamaguchi)



Shuri-jo Caste (Okinawa)



Yakushima Island (Kagoshima)



Karatsu Kunchi (Saga)



Hita Gion festival (Oita)



Mt. Aso (Kumamoto)



Takachiho Peak (Miyazaki)



3 Potential of Kyushu and Nagasaki Prefecture

④ Consensus-building Toward IR introduction

Consensus-building is in progress among private sector, assembly, and public administration on IR Introduction

Kyushu Area

The Kyushu-Nagasaki IR promotion is supported by the public administration, assembly, and private-sector in Kyushu.

[Public administration] Kyushu Local Governor's Council (June 2019)

The Council passed a resolution on “Supporting Kyushu-Nagasaki IR as the first IR in Kyushu.”

[Assembly] Kyushu Association of Chairpersons of Prefectural Assemblies (June and August 2019)

The Assembly passed a resolution on “Nagasaki Prefecture as the first IR area in Kyushu for Initial IR Area Certification.”

[Private sector] Kyushu Regional Strategy Council (June 2019)

The Council passed a resolution on “Supporting Kyushu-Nagasaki IR as the first IR in Kyushu.”

It also passed a resolution on “Establishing a Kyushu IR Promotion Project Team within the Council.”

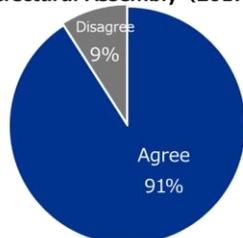
Kyushu Chamber of Commerce and Industry (June 2019)

The Chamber passed a resolution on “Considering IR development in Sasebo City, Nagasaki Prefecture.”

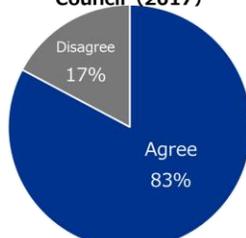
Nagasaki Prefecture

The Nagasaki Prefectural Assembly and Sasebo City Council have passed an affirmative resolution on the IR promotion. In addition, the result of the survey with qualified voters and prefectural economic communities shows that the number of pros surpasses that of cons. Therefore, consensus-building is on track.

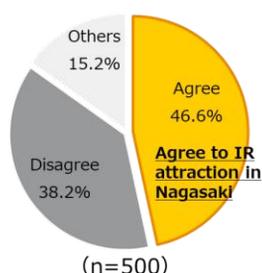
① Resolution of Nagasaki Prefectural Assembly (2017)



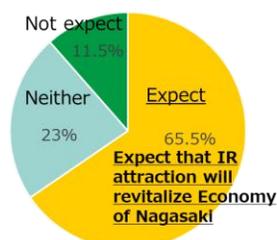
② Resolution of Sasebo City Council (2017)



③ Questionnaire survey (Voters)



④ Questionnaire survey (Economic World in Nagasaki)



Source: Nagasaki Keizai (issued in January 2019)



(Reference)

The Kyushu-Nagasaki IR Promotion rally held in Sasebo City in October 2018 (participated by concerned parties, such as surrounding city and town assemblies, public administration, and private enterprises in Kyushu)

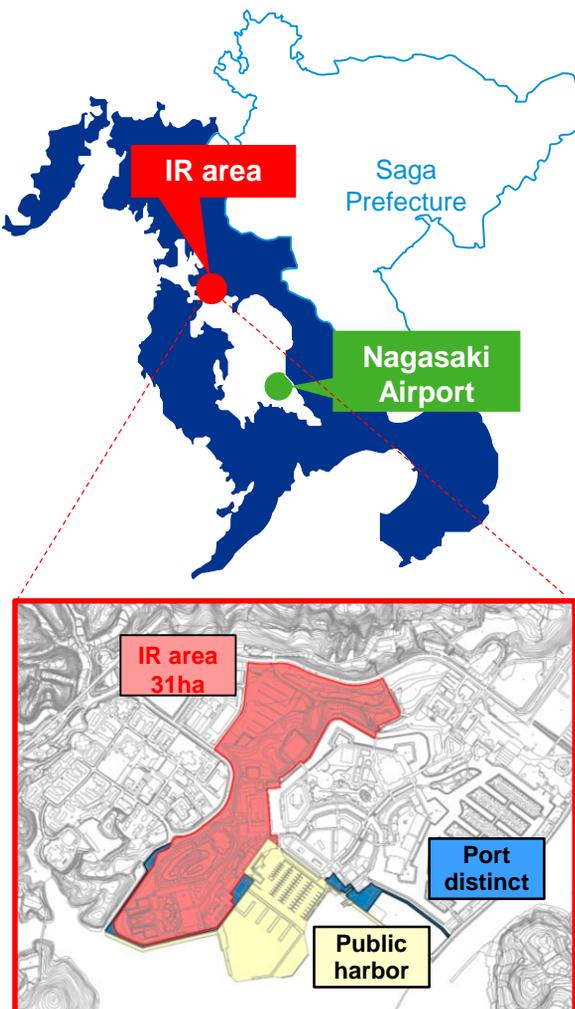
3 Potential of Kyushu and Nagasaki Prefecture

⑤ Development condition of IR Area

Characteristic of the IR Area in Sasebo City's Huis Ten Bosch District

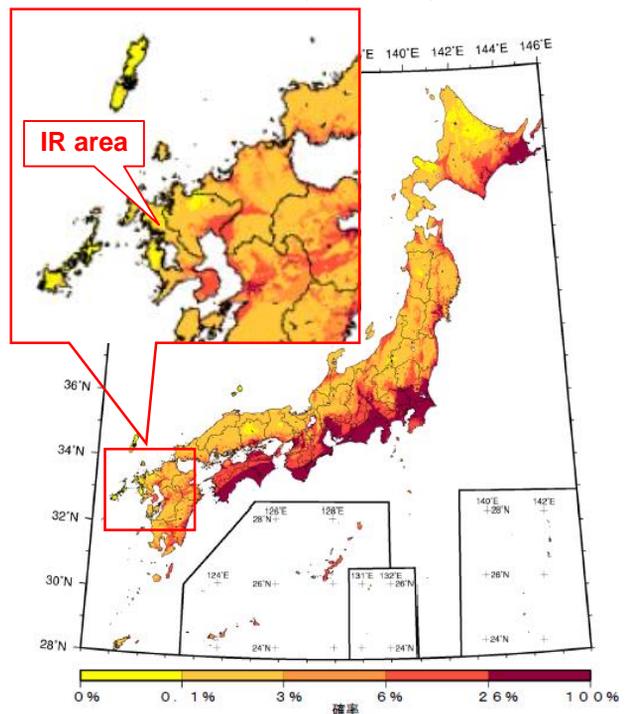
- ✓ **Synergistic effects of attracting visitors** are expected, as there is the theme-park visited by nearly 3 million people annually.
- ✓ The site has been already developed, and the infrastructure has been established to receive over 3 million tourists annually. Therefore, redevelopment is possible immediately after development approval.
- ✓ With the ability to take leading-edge efforts, it has long been an early adopter of **eco-friendly urban development** and working on realizing a sustainable society.
- ✓ A **know-how and understanding of a large-scale theme-park establishment** are established among the public administration and private sector.
- ✓ This district is the most suitable site to project a **marine resort** that faces scenic Ohmura Bay. Furthermore, due to a location close to a harbor providing transport by sea, people are able to directly access the IR area by travelling over the sea from the Nagasaki Airport.

Map around the IR area



Earthquake rate

Source: The Secretariat of the Headquarters for Earthquake Research Promotion



- ✓ Sasebo is in comfortable and secure environment, due to a year-round mild weather and the low earthquake rate.
- ✓ In particular, the probability of a lower-six or larger level earthquake in Sasebo City (near the city office) over the next 30 years is 0.7%, which is the lowest throughout Japan.

4 Contribution to National Government measures

Conservation and Promotion of Remote Island Areas (Manned Border Remote Island Law)

<<Direction and concept of national government measures>>

I 有人国境離島地域の保全及び特定有人国境離島地域に係る地域社会の維持の意義

我が国の領海等の保全を図る上で、
有人国境離島地域の保全と地域社会の維持が極めて重要

◆**有人国境離島地域**は、日本国民が居住していることにより、漁業、海洋における各種調査、領海警備、低潮線保全区域の監視等の領海等の保全等に関する活動の拠点として重要な機能を有している。

◆本土から遠隔の地に位置し、かつ人口が著しく減少している**特定有人国境離島地域**は、将来無人化のおそれがあり、一度無人化すると、活動の拠点としての機能を維持することは著しく困難となる。

III 特定有人国境離島地域に係る地域社会の維持

地域社会の維持の方向

2027年に向け、「**特定有人国境離島地域における人口の社会増**」を基本目標として、これを実現するため、**ヒトが交流し、それによってモノ・カネが対流し、島内経済が拡大する地域社会**を目指す。

○「交流・対流・循環」を生み出すための施策の方向性

- ①人の往来・物の移動に係る条件不利性の緩和
- ②交流促進のためのきっかけづくり
- ③島の魅力の再発見と島での人づくりの推進

○国、地方公共団体の役割

市町村 官民一体で取り組みを実施、**都道府県** 市町村を支援、地域商社等の実践、**国** 財政的支援、地域間連携の促進

○離島振興関連施策との整合性の確保、地方創生関連施策との一体的推進



<<Contributing to the national government measures through the Kyushu-Nagasaki IR>>

○ The manned border remote island areas have economic values, as well as the roles in terms of land conservation. (80% of the remote island areas are located in Kyushu.) In the light of the foregoing, the development of the remote island areas will be further accelerated through introduction of measures at Kyushu-Nagasaki IR, including enhancing interaction of people in these areas and promoting the flow of goods and capital.

<Proposed measures>

- ✓ Promote a round-trip to the remote island areas in Kyushu and Nagasaki by way of the customer transport facilities in the IR (i.e. island hopping and cruising to remote islands)
- ✓ In the IR, proactively use and promote specialty products of Kyushu and Nagasaki, including those of the remote island areas
- ✓ Develop infrastructure facilities that support a round-trip to the remote island areas, such as an airport and harbor

4 Contribution to National Government measures

Conservation and Use of Culture, including History, Arts, and Traditions, etc. (Cultural Economic Strategy)

<<Direction and concept of national government measures>>



<<Contributing to the national government measures through the Kyushu-Nagasaki IR>>

○As represented by three world's cultural heritages and two intangible cultural heritages on UNESCO's list, through the following Kyushu-Nagasaki IR measures, the national cultural policy (for building a positive cycle in line with sustainable growth based on new value creation, investments, etc.) will be further strengthened regarding such culture as Kyushu's history, arts and traditions fostered through the relationships with other countries.

<Proposed measures>

- ✓ In the attractions enhancement facilities in the IR, introduce the contents that will leverage Kyushu and Nagasaki's traditions and arts, as well as convey said attractiveness by using leading-edge technologies in customer transfer facilities
- ✓ To promote MICE, use traditional buildings, parks, etc. in Kyushu/Nagasaki as unique venue
- ✓ Use tax payment to conserve and maintain culture (including training successors) and to promote conservation of surrounding landscapes

4 Contribution to National Government measures

Conservation and Use of Culture, including History, Arts, Traditions, etc. (National Spatial Planning (Kyushu Wide-area Regional Plan))

<<Direction and concept of national government measures>>

○日本の成長センター「ゲートウェイ九州」の形成。

・九州圏がアジアの玄関口（ゲートウェイ）として、アジア地域の成長力を引き込む日本の成長センター「ゲートウェイ九州」となり、九州圏の新たな発展の機会を創出し、日本の経済成長に貢献することを目指す。

・グローバル人材の育成、ハード・ソフトが一体となった来訪環境の整備や国際交流・物流の拠点となる交流基盤や都市機能の充実。

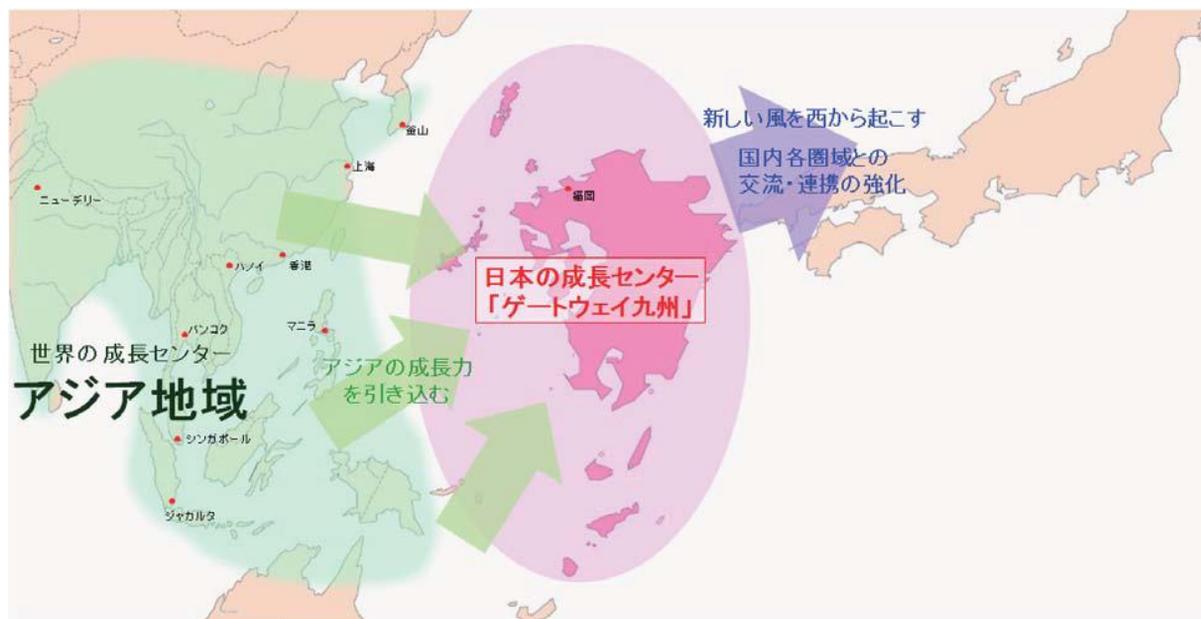
・域内の基幹産業や成長産業、地域産業の育成、アジア向けの市場拡大、産業振興による地域活性化を推進。

・農林水産物等の九州ブランド化による高付加価値化やインバウンドの拡大や旅行ニーズの多様化によるフード&観光アイランドの形成を促進。

○九州圏と国内各圏域との交流・連携を促進し、新しい成長の風を西から起こす。

・ゲートウェイ効果を国内に波及するため、西瀬戸内海、豊後水道や関門海峡を介した中国圏、四国圏をはじめ、各圏域との交流・連携を強化。

・九州圏の豊かな歴史・風土、海域、離島、山脈、水系等様々な自然環境や水、温泉、景観等による多様な観光交流や地域づくりを促進。



<<Contributing to the national government measures through the Kyushu-Nagasaki IR>>

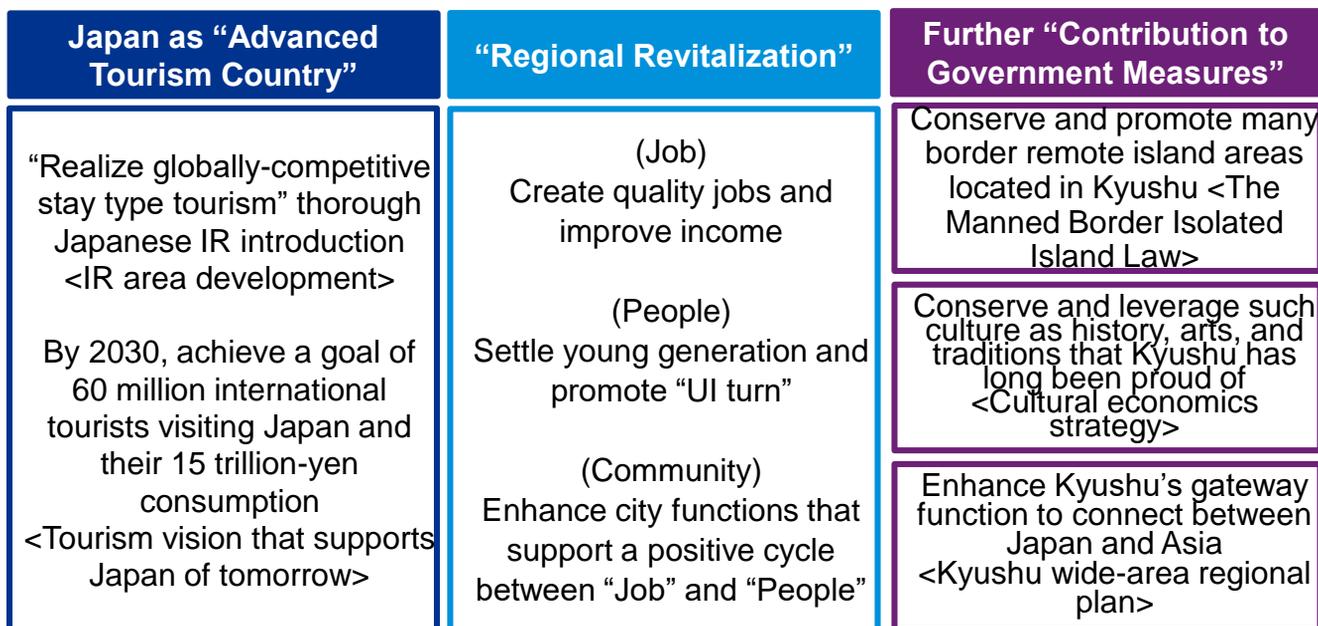
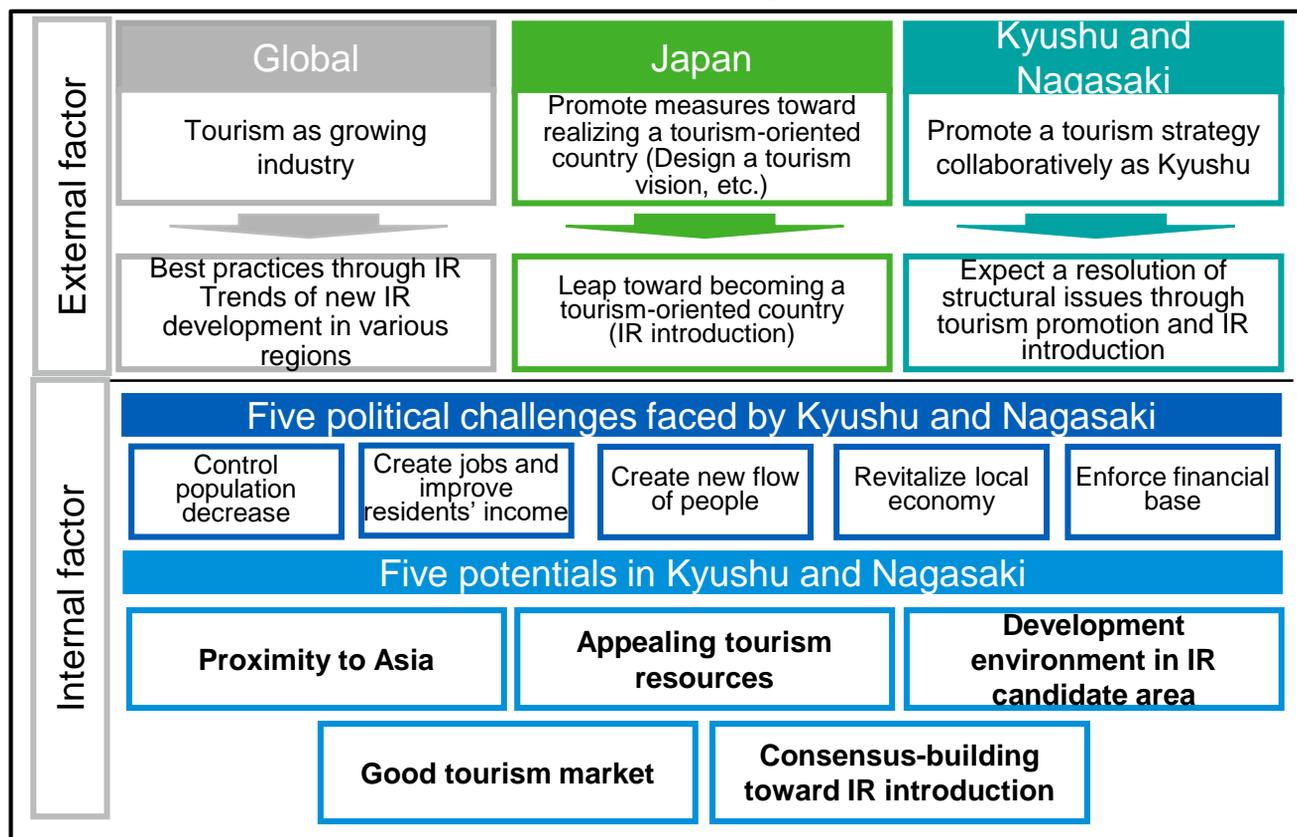
○Through the following Kyushu-Nagasaki IR measures, we will contribute to the realization of the ideal state specified under the Kyushu wide-area regional plan, including the “development of ‘Gateway Kyushu,’ the growth center that draws a growth of Asian areas” and “promotion of interaction and collaboration between Kyushu and other areas in Japan.”

<Proposed measures>

- ✓ In the attractions enhancement facilities in the IR, introduce the contents that will leverage the traditions and arts of Japan
- ✓ Promote tours and round-trips to various areas in Japan by way of the customer transfer facilities in the IR (such as showcase and concierge systems), establish a transport infrastructure that supports customer transfer to each area, and implement a new transportation systems.
- ✓ Proactively use and promote specialty products of Kyushu and Nagasaki in the IR, and enhance a collaboration with local industries

5 Purposes and Goals of Kyushu-Nagasaki IR Introduction

Contribution to National Government Measures Through World-class IR Introduction, Not Limited to Regional Revitalization



6 Effects of IR introduction

Effects on Kyushu and Nagasaki	Effects across Japan
<ul style="list-style-type: none"> ■ Making contributions toward achieving the Kyushu tourism strategy <ul style="list-style-type: none"> ✓ A brand image on Kyushu will be built. ✓ Tourism infrastructure will be developed. ✓ Visits in Kyushu will be increased. ✓ Stay and consumption will be expanded. ■ Realizing “Nagasaki, the tourism-centered prefecture” ■ Contributing to the integrated strategy for Community, people, and job <ul style="list-style-type: none"> ✓ A positive cycle between “Job” and “People” will be created. ✓ There will be a strong impact on local economy. ✓ Region-wide round-tour will be promoted, and local attractiveness will be conveyed powerfully. ■ Improving financial state <ul style="list-style-type: none"> ➢ Tax being collected will increase through contributing to regional revitalization (by stopping population decrease, raising prefectural residents’ income, etc.). ➢ Tax payment and admission fees by casino facilities will be generated. 	<ul style="list-style-type: none"> ■ Contributing to tourism and Japan’s regional economic promotion <ul style="list-style-type: none"> ✓ New region-wide round-tour routes departing from Kyushu and Nagasaki, the Asia’s gateway, will be established. ✓ There will be an increase in the number and consumption of international tourists visiting Japan, as well as the number of nights stayed by internationals in Japan.

Estimated Effects on Overall Economy in Kyushu Area

Total customers to be attracted	6.9 – 9.3 million people / year	Construction investments	350 – 460 billion yen
Economic ripple effects (Operation)	320 – 420 billion yen / year	Economic ripple effects (Construction investments)	610 – 810 billion yen
Job creation effects (Operation)	280 – 360 thousands people / year	Job creation effects (Construction investments)	630 – 840 thousands people / year

- ※1 Number of visitors are calculated based on domestic and international visitor demand, without considering limitations related to transportation infrastructure and the visitors to Huis Ten Bosch.
- ※2 Construction investments includes building construction only, and excludes costs and consumption taxes of land reclamation, external construction, design management, etc. Costs of public facility development are also excluded.
- ※3 Job creation effects include sole proprietorships and family employees.
- ※4 Economic ripple effects and job creation effects are calculated for the Kyushu region.

Use of Tax Payment and Admission Fees

[Government policy on use of tax payment]

- Tourism promotion measures
- Measures for fulfilling the purpose of the IR law and the local governments’ responsibilities
- Measures for revitalize local economies
- Measures for promoting social welfare as well as art and culture

[View on use of tax payment and admission fees]

- In line with the government policy, we will consider measures to address issues which Kyushu and Nagasaki are facing with today, including remote island promotion as mentioned

6 Effects of IR introduction

Policy challenges	Effects	Detail
Job creation and income improvement	Employee opportunities will be expanded.	<ul style="list-style-type: none"> ✓ Through constructing and operating (including re-investing) IR that has a broad base in related industries, an increase of employment opportunities is expected in a wide variety of business, ranging from the tourism and service industries to the agriculture, forestry and fisheries industries and construction industry.
	Employment quality will improve.	<ul style="list-style-type: none"> ✓ In operating phase of the IR, the needs for globally-capable tourism specialists with the ability to provide high-quality service will increase. The foregoing may lead to creating quality jobs, which offer good hiring conditions and environment such as salary and benefit package.
Creation of new flow of people	Number of visitors will increase.	<ul style="list-style-type: none"> ✓ New visitors of domestic and international, such as from Asia, Europe, U.S., and Australia, including a wealthy class are expected to increase. ✓ As a gateway of international visitors, IR will be a customer transfer origination for foreigners, who are currently visiting only areas between Tokyo and Osaka, and will contribute to realize the inbound positive effects in the wider-area of Japan.
	Round-tours will be provided in Kyushu and Nagasaki Prefecture.	<ul style="list-style-type: none"> ✓ Through tourism resources development in the IR area, the surrounding area stretched over Ohmura bay, remote islands, and throughout Kyushu, round-tour and stay-type tourism of IR visitors will be promoted in Kyushu, as well as in Nagasaki. ✓ Contributing to increasing visitors to the remote islands, as well as conserving and sustaining the manned border remote islands.
	Customer will be transferred across Kyushu and Japan.	<ul style="list-style-type: none"> ✓ With the effects of the customer transfer facilities in the IR area and the promotion of collaborative wide-area tourism, IR visitors will be transferred across Kyushu, and then across Japan, to expand the effects of IR introduction to other areas in Japan. ✓ Also, leveraging a show-case function in the customer transport facilities, the intention to visit other areas will be stimulated. In doing so, an increase in the number of repeat visitors is expected.

6 Effects of IR introduction

Policy challenges	Effects	Detail
Vitalization of local economy	Realization of MICE effect	<ul style="list-style-type: none"> ✓ By attracting MICE, wide-ranged economic effect along with mid-long term favorable effect, such as increase of opportunities for business and/or collaborative study are expected. ✓ By attracting MICE and increase the opportunities for business interactions, contribute to the realization of innovation in Kyushu
	Making tourism a key industry	<ul style="list-style-type: none"> ✓ Increase of visitors is expected to render wide range of ripple effects on economy especially for tourism related business operators such as travel agents, hotels, restaurants, transportation and entertainment. ✓ As investments by private investors are activated, continuous development of local resources is expected.
	Expansion of local procurement	<ul style="list-style-type: none"> ✓ IR operator will conduct regular and consistent purchasing in local market.
	Expansion of private investment	<ul style="list-style-type: none"> ✓ Through the construction and operation of IR (including reinvestment), which have many related businesses, private investments in wide range of areas increase entailing increase of income / moving-in population.
Enhancement of financial base	Utilization of admission fee/ levy	<ul style="list-style-type: none"> ✓ Due to tax income, etc., financial base of local government is expected to be improved. ✓ Preservation of cultural assets and upgrading the social services and infrastructure level by utilizing levies.
	Increase of local tax	<ul style="list-style-type: none"> ✓ Effect on local tax from vitalization of business activities.
Control population decline	Promotion of settlement and moving-in by young people	<ul style="list-style-type: none"> ✓ Increase in moving-in population, etc. virtuous cycle of “people” and “job “ is created promoting settlement of young residents and incoming flow of resources from both inside and outside Japan.

7 Vision of Kyushu-Nagasaki IR

“Kyushu revitalize IR”, connecting Japan and the world

Through realization of the Kyushu-Nagasaki IR,
Kyushu can contribute to the growth / revitalization of Japan

As a gateway of
Japan, bring in
regional growth
potential of Asia

“Gateway
Kyushu”

Create and spread the
Kyushu and Japanese
culture

“Showcase
Kyushu”

Experience of rich
nature, history, foods
and hot spring that are
unique to ‘Island
country’

“Kyushu, tourist’s
island”

Growth / Revitalization Strategy by Kyushu-Nagasaki IR

[Characteristics of Kyushu-Nagasaki IR]

- ✓ Considering the proximity to fast-growing Asian nations, induce “growth potential” including tourists and enable the region to contribute to further growth of tourism industry in Japan.
- ✓ From the era of myth to the modern era, Kyushu has grown as an interface between Japan and the world. Consequently, it has a various historical and cultural background.
- ✓ Rich nature such as expansive ocean, many islands and mountains, in addition to rich food products and pleasant climate provide the region with high potential as a resort area.
- ✓ By realizing coexistence between nature and environment and creation of safe and sustainable “smart” city, aim for becoming a model for revitalization of Japan from local region.
- ✓ From the viewpoints of SDGs, such as universal design and coexistence of various cultures / fair trade, Kyushu-Nagasaki IR aims for realization of world leading global tourists’ facilities being best model for the world.

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

Core Facilities

To-be-status

Japan's basic view on the core facility of IR

Basic view 1 : Higher than ever quality in Japanese history

Basic view 2 : To be the facilities of Japan with the scale which is the largest-in-the-country's history

Basic view 3 : Vitalization of the private sector and creativity of the local region community

Facilities and functions thereof that should be held by Kyushu-Nagasaki IR

“① MICE facility”

One of the best resort MICE destination in Asia

- ◆ **Luxury and segregated** meeting facilities for high class
- ◆ Explore the new demand for **incentive tours in collaboration with large-scale cruises**
- ◆ The largest convention facility in Japan that can accommodate the largest incentive tours (**Maximum conference room capacity 6,000 or more attendees, and Total facility capacity 12,000 or more attendees**)
- ◆ Exhibit facilities having **20,000 square meter or larger rentable space**, which encourage people's various interaction and can be used for multipurpose event space.

“② Facilities for enhance attraction of Japan”

A base for the revitalization and demonstration of the attractions of Kyushu/ Japan

- ◆ Facilities to demonstrate Kyushu/ Japan's **tradition/ culture/ entertainment** contents in a form of **show business** and motivate tourists to go to various parts of Kyushu and Japan.

“③ Facilities for customer transfer”

Creation of a value of customer experience of the trip to Kyushu/Japan

- ◆ Facilities which create a value of customer experience by introducing showcase function with a **cutting edge technology, etc.** and a concierge function.
- ◆ **Enhancement of transportation function** which includes introduction of fun-activity transportation

“⑤ Accommodation facilities”

Producing resort space

- ◆ Facilities that can meet increasing demands for stay in terms of scale and **wide range of customer needs, including high-grade.**
- ◆ Facilities that create extraordinary / impressive space of resort facility by utilizing the features of candidate sites

“⑤ Facility to contribute to visit and stay”

Promotion of experience sight seeing

- ◆ **Propose stay type tourism contents** unique to Kyushu (Seasonality, nature-based activities, creation of opportunity for presentation of craftsmanship and new demand with hot spring, gastronomy tour, etc.)

“⑥ Other”

Ideal direction for Kyushu-Nagasaki IR

- ◆ Development of marine related facilities, having a space with marine resort atmosphere
- ◆ By introduction of ICT, development of advanced and sustainable tourist resort

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

1 MICE Facility (Global convention center and exhibition facility)

Scale of MICE Facility/MICE Attraction Support Structure

National policy

- In order to attract MICE events, the facility must have a function which improve Japanese competitiveness in the MICE market worldwide (international convention and exhibition facilities)

Scale of MICE facilities assumed to be developed in Kyushu-Nagasaki IR

The largest ever convention center , exhibition facility, etc.

Convention facility

The largest room accommodates over **6,000** people and the total capacity is **12,000** people.



Exhibition facility

Rentable floor space of exhibition is over **20,000m²**



Source : Marina Bay Sands HP

Source : RFI

<Approach of MICE strategy in Kyushu-Nagasaki IR becoming the top of the world (ex)>

- The scale of the facility should be enough in order for significant enhancement of global competitiveness of Japanese MICE business, which is enough to accommodate the largest scale MICE events
- Globally competitive functions and quality to meet requirement of important international conference such as summit meeting
- Providing high-quality services such as luxury and diversified foods

<Preparation / operation of the facilities (ex)>

M:Meeting	<ul style="list-style-type: none"> ✓ A facility that is distinctive in terms of luxury and isolation, especially to meet the needs of high-class meeting.
I:Incentive (Incentive tour) & C:Convention /Conference (Convention/academic conference/international meetings)	<ul style="list-style-type: none"> ✓ Developing convention facility with a scale which is one of the largest in Japan so as to meet the demands for corporate parties which is closely related with Incentive. ✓ Taking advantage of the geographic proximity with Asian nations, explore the new MICE businesses of cruise based incentives through collaborating with cruise related business operators ✓ Target fields of conferences are, in addition to the existing industries in Kyushu, ocean, environment, renewable energy, and tourism, as well as ICT/ transportation technology, etc. that are in line with the growth strategy of new industry development.
E:exhibition/Event	<ul style="list-style-type: none"> ✓ Develop a facility which can be used for the exhibitions featuring local products, such as special agricultural and fishery products and industrial products in Kyushu. The facility is also used for concerts, athletic events, e-sports, etc. that can enjoy wide range of visitors from children to adults.

Establish of MICE attraction support structure for Kyushu/ Nagasaki IR

- ✓ In addition to the events organized by IR operators, public and private collaborative organization will be set-up to attract and to support MICE events in the IR. And through the collaboration among the related local governments and tourism related organization throughout Japan, we aim to attract large scale MICE events to Kyushu.
- ✓ We will establish the area supporter system in order to build up the network with MICE related stakeholders, in line with the tighten collaborations with the related local governments as well as tourism related organization and MICE tourism organization throughout Kyushu and Japan.

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

2 Facilities to Increase Attraction

Base for Creating and Demonstrating Attractions of Kyushu/Japan

National policy

➤ Theater, entertainment hall, music hall, stadium, movie theater, museum, gallery, restaurant and other facilities that contribute to the growth of Japanese tourism

Approach of attraction enhancement facilities in Kyushu-Nagasaki IR

Tradition / culture / art	Entertainment	Cutting edge technology
Introduction of contents utilizing Japanese tradition, culture and art	✗ Entertainment which visitors can enjoy for multiple days	✗ In addition showpieces, movie and live performance, real sense experience with the use cutting edge technology such as VR

Demonstrate a show business features Kyushu/Japan specific tradition/ culture/ entertainment contents, present the attraction of Kyushu/ Japan around the world and trigger to stipulate the tourism of every part of Japan and Kyushu as tourist destination.

<facilities development and operation (ex.)>

Five sense experience entertainment with show contents of traditional performance art



Traditional art that has been succeeded through generations in Kyushu/ Japan



[Ex.] "SHINWA" (Happoen) is a content that, under the theme of "productiveness of gain", let audience experience the background of myth with their 5 senses through image, music, foods, etc.

✓ Not only show performance art but create new show contents, which convey Japanese culture and minds of Japanese people" based on traditional myths in various parts of Kyushu.

Showcase of Cool Japan



Image of Animation Event

Showcase of Cool Japan, through events of animation drawn by popular comic writer from Kyushu or animation about Kyushu contents

Festival island Kyushu



In various parts of Kyushu, there are unique festivals including many traditional festivals that has continued through centuries and elegant and brave festivals. "Festival island Kyushu" is an event to bring all festivals in Kyushu together.

Discovery of food culture in Kyushu/Japan



"Dining out", an outdoor food events to invite the best Japanese chefs

Other than famous Kyushu culture of ramen, kitchen stadium type restaurant, which present the food culture of Kyushu / Japan and lets visitors enjoy foods and energetic performance by chefs,

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

3

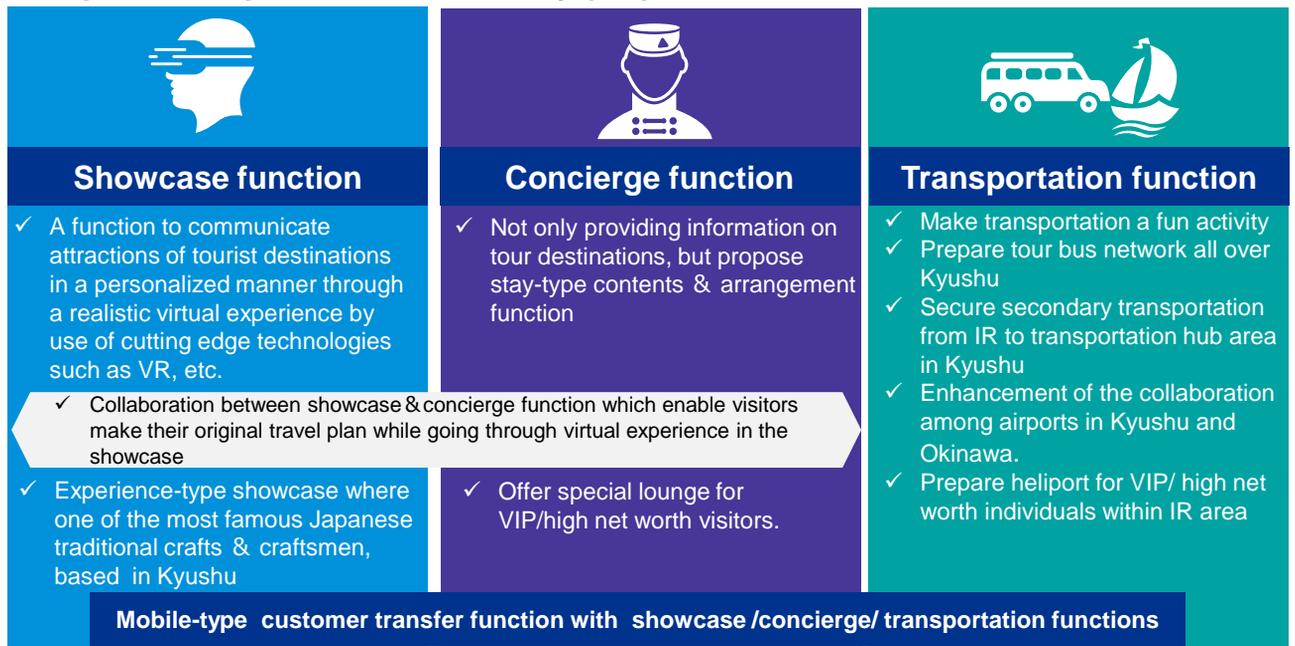
Facilities for Customer Transfer

Functions of Customer Transfer Facilities

National policy

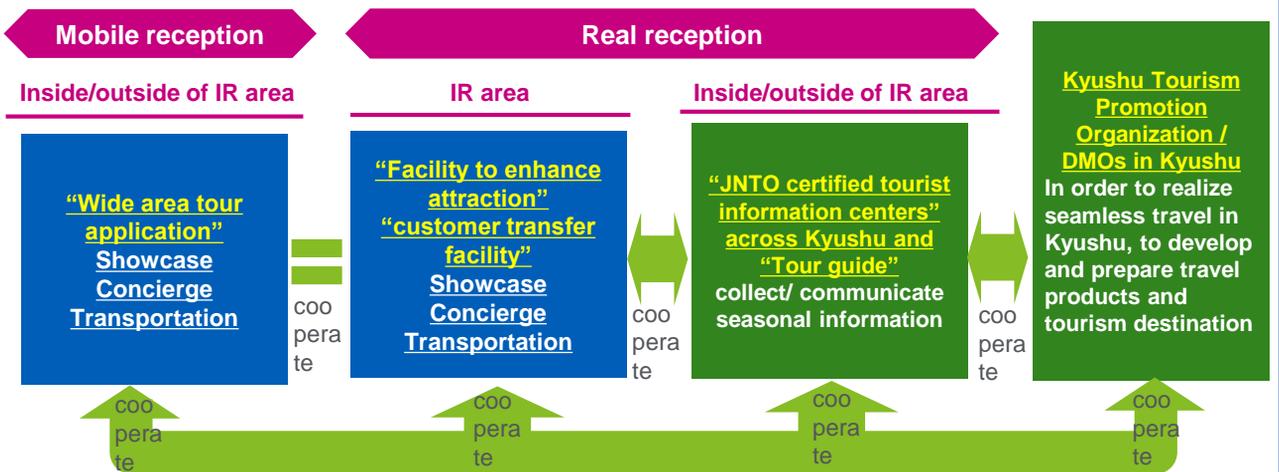
- ① **Showcase function** : By utilizing VR and other cutting edge technologies, effectively and correctly present attractions of various tourism destination throughout Japan and information necessary for tourists.
- ② **Concierge function** : Based on the individual interests of visitors, proposing travel plan and make required arrangements at one-stop.
- ③ **Multiple languages services** : Provide services written under the above ① and ② in English and multiple languages.
- ④ **Sufficient scale of the facility** : Provide information to and secure the meeting / waiting spaces for multiple customers

<Preparation/ operation of the facility (Ex.)>



Establish the collaboration framework to accelerate wide area stay-type tour in Kyushu

- ✓ Development of a collaboration framework among tourism related organizations in Kyushu to present seasonal information and wide variety of attractions of Kyushu and promote wide area stay-type tour and repeat tour, as well as consideration of comp point* use for tourism out side IR area



*Gaming implementation status linked points that can be used in casino and other entertainment facilities, etc. (It can be used in a form of discount, special service, etc.)

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

3

Facilities for Customer Transfer

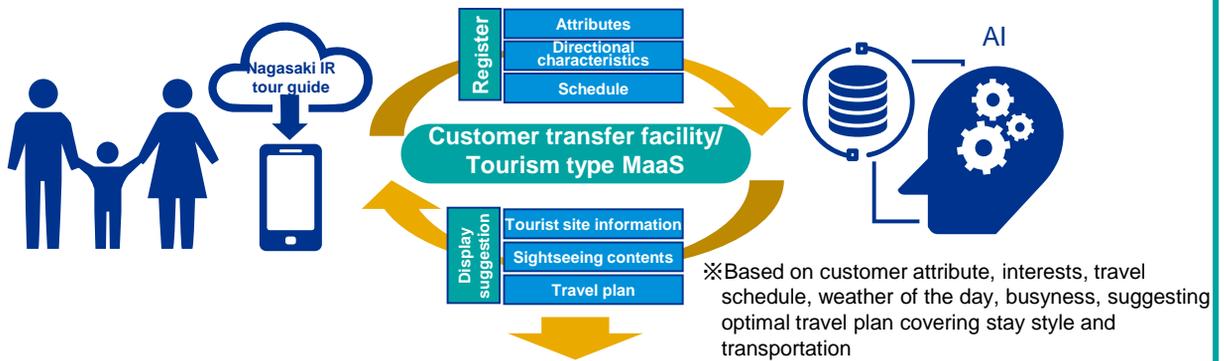
Transportation Function Utilizing Cutting-edge Technology-based Showcase and Concierge Function / VIP Transportation

Approach of customer transfer facilities - showcase and concierge function in Kyushu-Nagasaki IR

- ✓ Showcase function of customer transfer facility doesn't provide the same information as existing information desks do, but provide information tailored to customer attributes and interests but by utilizing AI. It is aimed to be able to provide experience-typed information by introducing VR, etc.
- ✓ As a transportation function, developing of infrastructures for mass customers and VIP customers respectively so as to transfer customers from IR to Kyushu/Japan.

Cutting edge technology based showcase & concierge function (Ex.)

- Through showcase function and tourism type MaaS in customer transfer facility, utilizing AI (Artificial Intelligence) to propose information and excursions tailored to visitor attributes and his/ her likes and tastes and allowing customer to design their travel plan by customization themselves



Suggest optimal customer experience & rediscover yet-to-be-known attractions of Kyushu/Japan

Experience-type information by using VR, etc.



Linkage of virtual experience showcase and concierge function



Concierge function that allows customers to make an original travel plan while going through virtual experience with showcase and make reservations on the spot.

Transportation function (Ex.)



Example of infrastructure for customer transfer for other prefectures in Kyushu : Bus terminal (The photo shows a case example in Nagasaki Prefecture)



Example of transfer infrastructure for VIP customers : Heliport

Source : Nagasaki Prefecture

Source : Nagasaki Prefecture

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

4 Accommodation Facilities

Accommodation Facility Meets Various Customer Needs

Government's Idea

- Considering the specs of accommodation facilities in foreign IRs, (1) the minimum floor space of guest room, (2) the minimum floor space of suites, and the rate of the number of suites in total number of guest rooms, and (3) the total floor area of all guest rooms must be 100,000 square meter or larger.

Background

Situation of accommodation facilities in Kyushu, Japan

- Average floor space of the smallest guest room of world brand hotel and hotels in foreign IRs are larger than that of hotels in Japan.
- The scale of Japanese hotel facilities doesn't satisfy the needs of various tourists coming from all over the world.
- Japanese hotel facilities don't have enough services and amenities that meet the demands of wealthy guests and VIPs from inside and outside of Japan.

〈Ref.〉		World brand hotel	Hotels in IRs of foreign countries	Japanese Major hotels	Large-scale Japanese hotels
Floor area of the smallest room (㎡)	Average floor area of the smallest sweet rooms	67.0	65.6	58.7	64.1
	Average floor area of the smallest rooms	39.7	40.0	29.0	17.7
No. of rooms	Average number of rooms	273	2,495	930	1,554
	Average number of sweet rooms	35	617	47	28
	Average rate of sweet rooms in all rooms	14.8	19.2	5.3	2.3

Policy of Kyushu-Nagasaki IR

Quality	<ul style="list-style-type: none"> ✓ High-grade offering of rooms, dining and other services to the wealthy guests ✓ Various type of guest rooms for family, business person and long term stay guests.
Scale	<ul style="list-style-type: none"> ✓ Appropriate hotel scale for accommodating tourists from across the world (total guest room floor space must be about 100,000 square meters or larger). ✓ Meeting the peak accommodation demands at MICE events, etc.
Design	<ul style="list-style-type: none"> ✓ Pleasant space suitable for resort facility where features of the area, facing the scenic Omura inland sea, are fully utilized. ✓ Accommodation facility itself is a symbolic building which can be tourists' destination with an extraordinary / impressive space.



Image of hotel where people can be served high-grade experience

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

5

Facilities to Contribute to Increase Visitors and Their Stay

Promote Experience-type Tourism

Government's idea

- By utilizing originality and ingenuity of the region and vigor of private sector, facilities can be installed to boost a power of attracting people to the IR facility. Non-attraction promotion facilities including theater, museum, etc. as well as attractive facilities such as amusement park, aquarium, commercial facilities, etc.

Facilities which promote experience-type tourism for demands of foreign visitors to Japan whose interests are changing from "goods" to "experience" consumption

<Kyushu-specific tourism contents to be pursued by Kyushu-Nagasaki are as follows>



Change and Kyushu-specific pleasant of four seasons

Japanese seasonality is the largest attraction. By letting visitors virtually experience Kyushu-specific attractions / pleasures of four seasons through a VR-based showcase content, promote their visit to Kyushu every season.



Experience food culture through harvesting ingredients to cooking (Ex.: Gastronomy tourism in a snowy country (Snow country))

Gastronomy tourism

With warm climate and ocean current, Kyushu has rich food resources and it can be called "Island of food resources". By developing "gastronomy tourism", where tourists can experience history and culture of the places they visit, for wealthy tourists, aim for increase in the amount of food-based tourism consumption



Create new demand utilizing hot spring Promotion of health tourism

Kyushu, a land of hot spring, has 345 hot springs and 9,543 spring sources which accounts for 35% of all spring sources in Japan. While creating new hot spring-related demands, by utilizing hot spring, promote health tour aiming for long stay.



Activity adventure in Kyushu nature

By utilizing its special natural environments such as magnificent landscape made by volcanic activities, enhance development of experience-type tour and create world class activity adventure field.



Mobile knocked-down tea room made by a craftsman in Okawa-city, Fukuoka. To be demonstrated and experienced the skills of craftsmen gathered together from all over Kyushu. (Case : "WAZA DEPARTMENT" (Happoen))

Create presentation opportunity where techniques of craftsmen in Kyushu gathered

Create opportunities for presentation of traditional crafts across Kyushu. It is made as a tourism content where you can see, touch and experience the skills of craftsmen so as to increase visitors as well as increase corporate demands for traditional crafts as a novelty to be used at the time of MICE.

8 Facilities and Functions should be held in Kyushu-Nagasaki IR

6 Other

Direction to be taken by Kyushu-Nagasaki IR

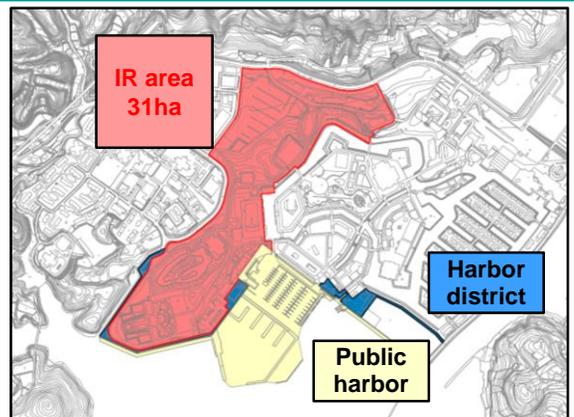
Government's Idea on the Area as a Whole

- Architecture design should be innovative and a new symbol as a destination of the world and is in harmony with the landscape of the surroundings.
- From the perspectives of universal design, reduction of environmental burden, coexistence of multiple cultures, etc. the facility should be the leading and model case of the world.

Utilizing Haiki Port

Haiki Port (public harbor and harbor district), adjacent to IR area, will be redeveloped as harbor entrance of IR area, so that we will aim improving the visitors' convenience and taking advantage of integrated marine resort with scenic Omura-Bay (Ex.)

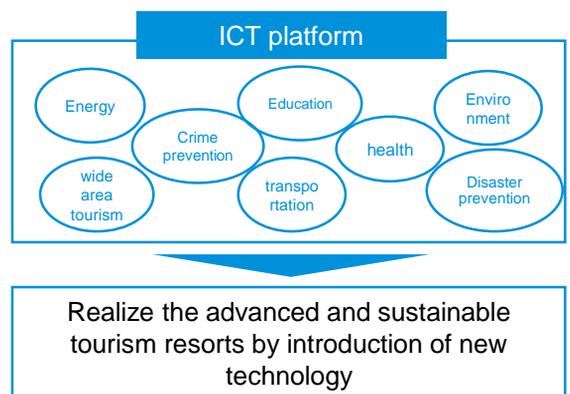
- ✓ Marine transportation base (enhancing convenience of transportation to IR area)
- ✓ Developing marine leisure and activity facilities, etc.



Realize innovation

In line with that IR area is historically developed as environmentally friendly facilities, we aim for advanced and sustainable tourism resort (smart city, introduction of cutting edge technologies, etc.)

- ✓ Manage the data on IR and surrounding areas in collective/integrated way in order to provide new services and promote the region (Ex.)
 - Expanding the use of renewable energy
 - Improvement of transportation issue in the neighboring areas
 - Measure against concerns (face recognition technology, etc.)
 - Wide area tourism MaaS
 - Promotion of evacuation operation and universal design
 - Utilization of IT in entertainment space and facilities to increase attraction, etc.



Disaster prevention / reduction base

Large facilities such as MICE facilities are assumed to be used as an evacuation center for residents in neighboring areas at the time of disaster

- (Ex.)
- ✓ Protect people from earthquake, rain storm, tsunami, etc.
- ✓ Functions as evacuation site / shelter for residents in Sasebo city and neighboring areas
- ✓ Conduct safety confirmation management by using technologies such as face recognition
- ✓ Install a clinic in IR area, etc.

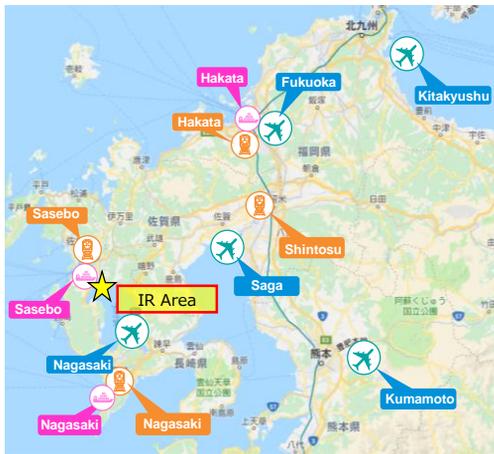
9 Challenges and Measures for IR Development

Transportation infrastructure

- ✓ Regarding the existing transportation infrastructure around the IR area, it is currently serving approximately 3 million visitors annually from both throughout Japan and overseas to Huis Ten Bosch, one of the country's leading theme parks, and up to 40,000 visitors a day.
- ✓ In addition, five international airports are located within two and a half hours from the IR area, the Kyushu Shinkansen West Kyushu route is scheduled to operate in 2022 and high-standard highways are under development. The wide-area network is expected to improve further.
- ✓ In developing IR, various traffic infrastructure measures will be taken in order to deal with drastically increasing visitors and to pursue the synergies with nearby tourist facilities.

Outline of primary transportation (Current status)

Major primary transportation



Source : google map with additional information

(Major transportation and travel time)

Transportation hub	Travel time	Main transportation
Fukuoka Airport	105 min.	Domestic (nation wide) International (East Asia, South-East Asia)
Hakata station	90 min.	Sanyo-Shinkansen Express (Kyushu major stations)
Hakata port	100 min.	Busan (high-speed ferry) Cruise
Kitakyushu Airport	150 min.	Domestic (Tokyo, Okinawa) International (Korea, Taiwan)
Saga Airport	80 min.	Domestic (Tokyo, Narita) International (Soul, Taiwan, Shanghai)
Kumamoto Airport	140 min.	Domestic (Tokyo, Osaka, Chubu, Okinawa) International (Soul, Thailand, Hong Kong)
Nagasaki Airport	50 min.	Domestic (Tokyo, Osaka, Chubu, Okinawa) International (Shanghai, Hong Kong)
Nagasaki Station	70 min.	Express Kamome (Hakata sta.)
Nagasaki Port	70 min.	Cruise High-speed ferry (Kamigoto)
Sasebo Station	20 min.	Express Midori (Hakata sta.)
Sasebo port	25 min.	Cruise High-speed ferry (Goto, Kamigoto,)

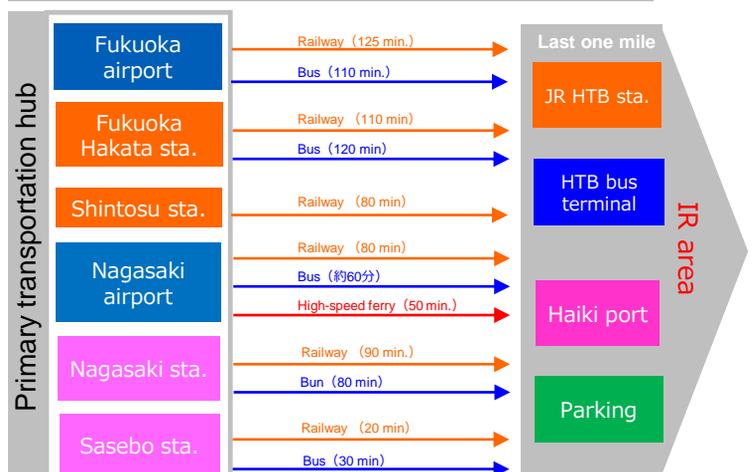
Outline of primary transportation (Current status)

Major secondary transportation



Source : google map with additional information

Secondary transportation (Hub to IR area)



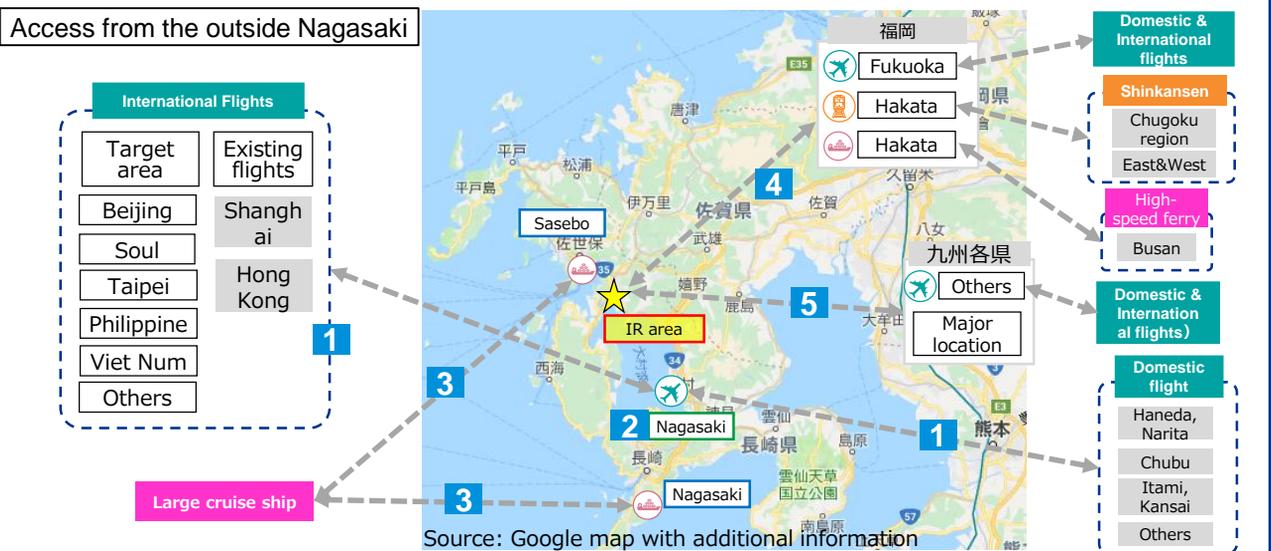
9 Challenges and Measures for IR Development

Improvement of Accessibility ①

Basic policy for the development of transportation infrastructure accompanying the introduction of IR

- ✓ Promote the development of wide area traffic networks such as airports, bullet trains, and wide area road networks to accommodate increasing visitors to IR area.
- ✓ We will expand the transport functions of various public transportations and strengthen cooperation to establish a comfortable transport for visitors.
- ✓ Implement vehicle traffic measures around the IR area in order to minimize the negative impact on the daily life of the surrounding residents.
- ✓ We will consider the infrastructure development necessary for dealing with VIP customers from home and abroad.

Improvement of the primary transportation - Access from outside of Nagasaki to IR



Current status of transportation infrastructure

By air

Nagasaki Airport has potentials to expand international airlines with overseas hub airports and to extend the operating hours that take advantage of the characteristics of maritime airport and its proximity to Asia. Five international airports are located within two and a half hours from the IR area.

By sea

The increasing demand of large cruises from overseas, especially East Asia, and many of them are visiting the port of Nagasaki, Sasebo and Hakata.

By land

The Kyushu Shinkansen West Kyushu route is under development. Regarding public transportation such as railways and buses from Fukuoka and other Kyushu prefectures, they have potentials to enhance the transportation capacity and function by improving existing infrastructure operations.

Approach of the access improvements

✓ **Strengthen the function of Nagasaki airport 1 2**
 ⇒Expand the domestic and international flight network, redevelopment of terminal facilities and extension of operation hours (24hours)

✓ **Cooperation and visitor-sharing with airports in Kyushu 4 5**
 ⇒To promote tours in Kyushu, cooperation with airports in Kyushu (in-out sharing of visitors) and strengthening access to each airport

✓ **Promote invitation of large cruise liners as destination port bases, and developing the function to send customers to the IR area 3**
 ⇒In order to further attraction of cruise visitors, developing the port facilities, promoting port base and securing of customer sending function to IR area

✓ **Development of high-speed railway network 4**
 ⇒Promoting development of the Kyushu Shinkansen West Kyushu route

✓ **Increase transportation capacity by increasing public transportation and attracting new routes 4 5**
 ⇒Increase train operation and inviting new routes for high-speed buses using the Kyushu bus network

9 Challenges and Measures for IR Development

Improvement of Accessibility ②

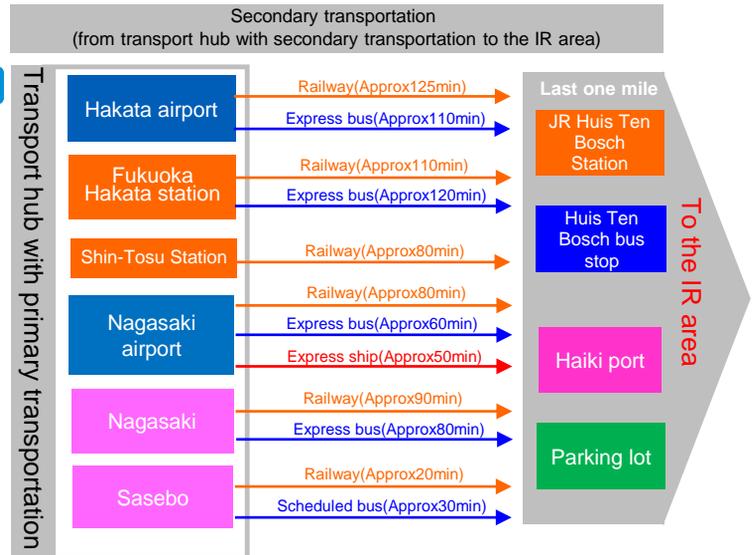
Improvement of the secondary transportation (Access to the IR area)

Overview of secondary transportation methods



Source : google map with additional information

(Current access) ※Planned to be improved



Current status of transportation infrastructure

By sea

Even with favorable geographic features such as scenic Omura inland sea and offshore airport, there are only 5 services of over-the-sea public transportations per day from Nagasaki airport to the IR area. Mooring facilities re-development can enhance transportation function.

By land

As for road transportation network around the IR area, traffic congestion is serious problem when large scale events are held at Huis Ten Bosch. Increase in traffic volume in line with the introduction of IR is being concerned. To minimize the adverse effect on daily lives of residents in the neighborhood, enhancement of public transportations and many other measures need to be implemented

Approach of the access improvements

- ✓ **Bolstering marine transport function, enhancement of marine route network 6**
 ⇒ Consider marine transportation improvement between Nagasaki airport and the IR area to handle increased visitors (size of ship, frequency of service, travel time, etc.)
 ⇒ Realize Omura inland sea area-specific marine transportation that visitors can enjoy as one of fun activities
- ✓ **Redevelopment of Omura port (Nagasaki airport) and Haiki port 6**
 ⇒ Construct facilities (landing pier, etc) at the port to handle increased visitors
- ✓ **Strengthen the public transportations 7**
 ⇒ Increase the number of services of public transportations such as bus and railway from various places in Nagasaki
- ✓ **Improvement of infrastructure for public transportations 7**
 ⇒ Discuss improvement of infrastructure such as Huis Ten Bosch JR station / bus stop to handle increased visitors
- ✓ **Higher usability of public transportation 7**
 ⇒ Tighten collaboration among airport, express bus, train, bus, etc. (for connection) . Introduction of wide-range-tourism MaaS
- ✓ **Increase the services of public transportations from prefectures in Kyushu and boost transport function by introducing new routes (the same can be found in the earlier page) 4 5**

9 Challenges and Measures for IR Development

Improvement of Accessibility ③

Road construction-related measures

(Wide area road network)



(Major road network in the surrounding area)



..... In operation ○○○ to be developed

Current status / background of transportation infrastructure

West Kyushu automobile road and Nagasaki automobile road, both wide area road network, are under construction. In order to secure smooth traffic, early completion of the construction needs to be promoted. For improvement of the accessibility to the IR area from the neighboring Nagasaki prefecture, early start of the construction of regional high standard road is required. Traffic congestion is the serious problem in the neighboring national route 205 at the time of large scale events at Huis Ten Bosch. Additional road improvement construction is necessary to secure smooth flow of traffic.

Direction of the improvement of accessibility

- ✓ **Promote construction of wide range road network 8**
⇒ Promote additional construction to make West Kyushu expressway (Takeo JC - Sasebo Daito IC - Saza IC) to 4 lane road and realizing construction of (Matsuura IC - Saza IC) to establish a wide area road network
- ✓ **Improve the crossroad at Sasebo Daito IC-Egami-entrance of Huis Ten Bosch on route 205 9**
⇒ For the increase of traffic capacity, widen the number of lanes to make it 4-lane-road.
⇒ Additional studies on traffic measure for an areas surrounding Sasebo Daito IC and a cross road at the entrance of Huis Ten Bosch, areas with heavy car traffic
- ✓ **Promote early start of Higashisonogi road (Higashisonogi IC-Huis Ten Bosch) development and additional construction of Nishisonogi road 10**
⇒ For higher accessibility from Nagasaki airport, Nagasaki city, promote efforts of wide range regional high standard road construction

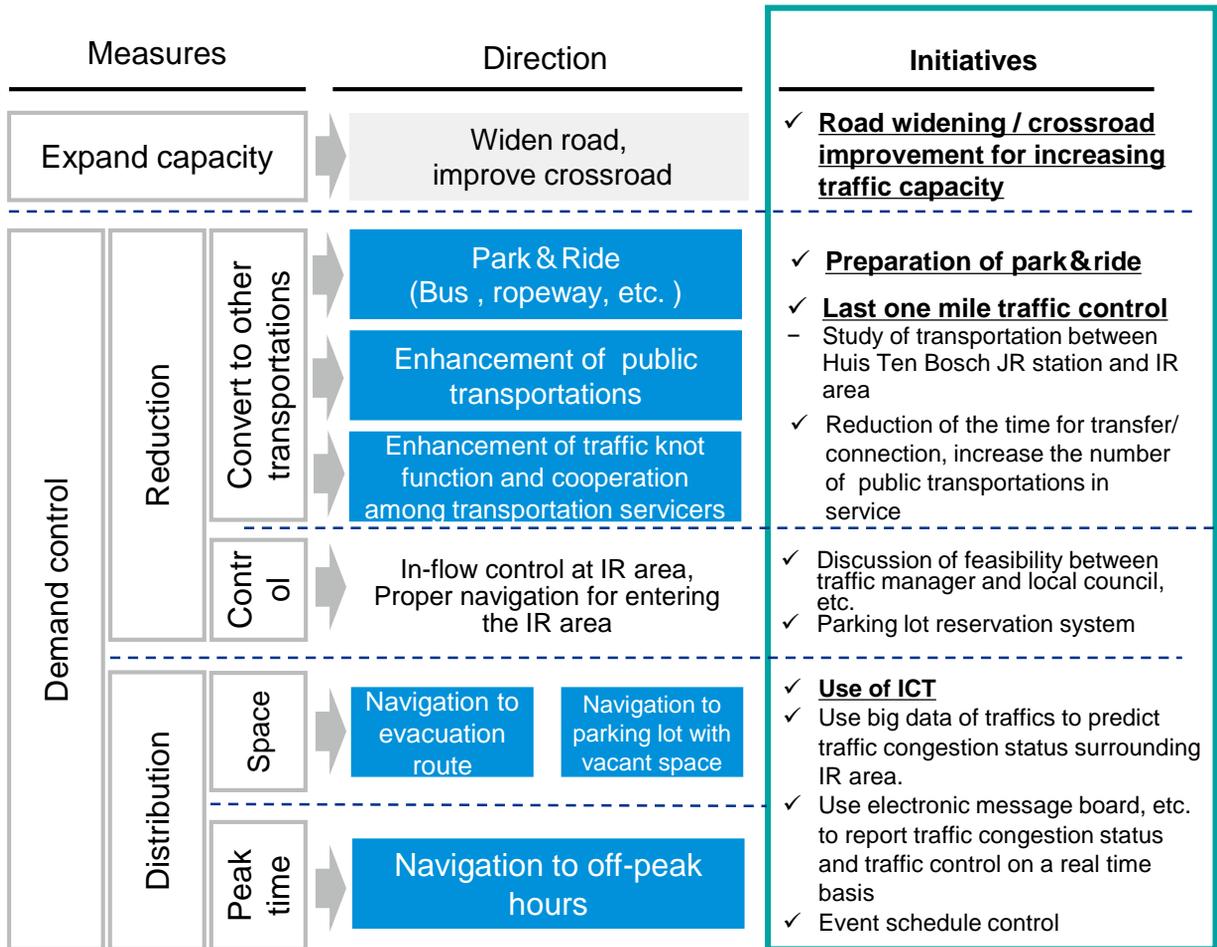
Vehicle

9 Challenges and Measures for IR Development

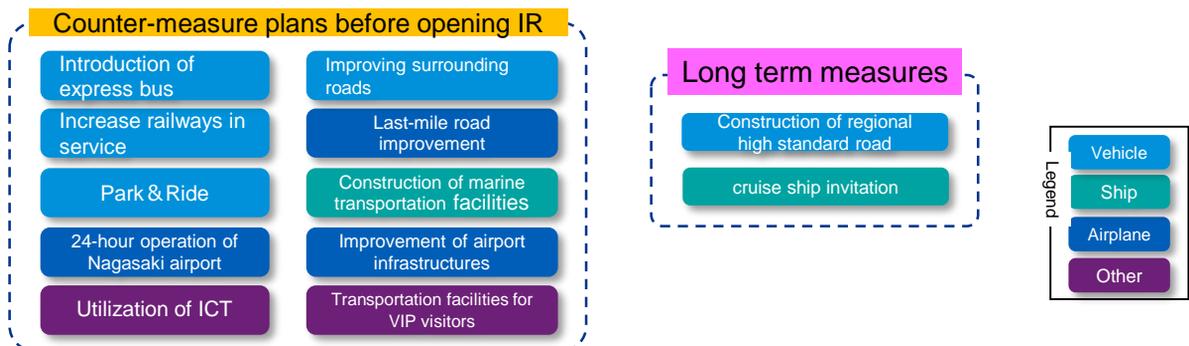
Improvement of Accessibility ④

Policy on the introduction of local traffic congestion measures

(Direction of the traffic congestion prevention measures)



(Idea on the introduction of transportation measure)



✂ Toward the opening IR, considering priorities such as adverse effects on the daily lives of residents in the neighborhood, those measures are implemented in phased approach.

9 Challenges and Measures for IR Development

Improvement of Accessibility ⑤

Traffic measures around IR area (including VIP exclusive transportation)

(Policy on the implementation of traffic measures around the area)

As traffic measures around the IR area and VIP targeting measures to be implemented, it is considered that the introduction of a transportation facilities utilizing regional features such as sea and nature (new transportation such as monorail, marine transportation and small-sized airplane as one of the additional transportation methods to remote islands). Transportation facilities to be implemented are considered to reduce travel time as well as to entertain visitors during the transportation.



✓ Increase ease of getting around within IR area and let visitors enjoy transportation



✓ Plays a role of high volume transportation system between Nagasaki airport and IR and offers visitors an opportunity to feel and experience nature of Omura inland sea



✓ Provides a luxury transportation to meet the needs of VIP visitors

(Cases of transportation around IR and transportation for VIP visitors)

Ropeway



Singapore
(Mainland- Resort World Sentosa)

Source : sentosa HP

Monorail



Singapore
(Mainland- Resort World Sentosa)

Source : SGTrains HP

Express ship



Macao
(Hong Kong-Macao)

Source : TURBOJET HP

Private jet (for VIP)



U.S.A.
(Charter flight tailored to traveler's needs)

Source : PRIVATE JET SERVICES HP

9 Challenges and Measures for IR Development

Access—Cooperation with mass customer transfer

Functional enhancement of mass customer transfer

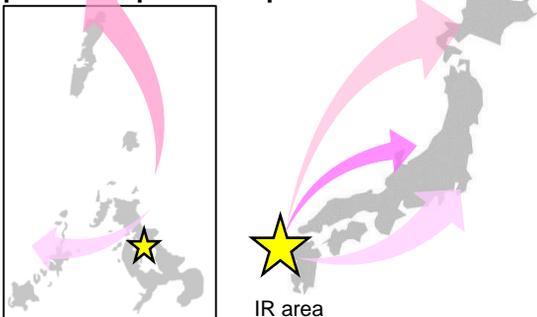
- ✓ As a mass customer (general visitors) transfer measures to let more people travel around Japan, increase the number of flights to and from Nagasaki airport, to use larger size of air-craft and improve an accessibility to JR Shin-Tosu station so as to promote the use of express railways such as Kyushu Shinkansen and Sanyo Shinkansen
- ✓ As a customer transfer function to various areas in Kyushu, to improve the usability of Kyushu express bus network which has hub station at Kiyama parking area.

Customer transfer to various parts of Japan via flights

Functional enhancement of Nagasaki airport

As for the customer transfer to various parts of Japan, the functional enhancement of Nagasaki airport is considered, which is 50min (to be improved) distance to IR area by boat traffic. Also travel to remote island to see specific features in Nagasaki such as world heritage, is also promoted by use of flight network (including cooperation between airports in Nagasaki/Kyushu)

Image of customer transfer to various parts of Japan via airplane



Customer transfer to areas mostly in the west Japan via Shinkansen

Functional enhancement of railway and early development of Kyushu Shinkansen

Improve the accessibility to nation-wide Shinkansen network including West Kyushu route of Kyushu Shinkansen, which is currently under construction, to promote a round tour focused on West Japan. For that purpose, we will pursue to increase the frequency of the train services between IR area and Shin-Tosu station which is the hub function of Shinkansen network and to realize early operation of full-scale Shinkansen to West Kyushu route.

JR Shin-Tosu station which functions as a railway hub.



Visitor-transfer to Kyushu-Yamaguchi via Bus

Promotion of the use of express bus network “Kiyama PA”, which has the function of express bus transit hub and sending visitors to throughout Kyushu

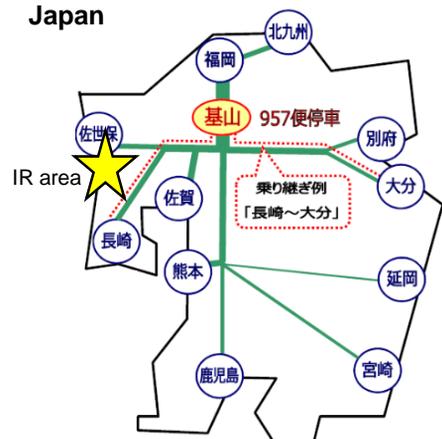
Based on the fact that many of express bus operators are using Kiyama PA as their hub terminal to transfer the customers throughout Kyushu, we are considering to improve the function of Kiyama PA.

As a customer transfer function from Nagasaki IR to various parts of Kyushu via buses, it is planned to introduce new express buses routes between IR area and prefectures in Kyushu and to consider the use of express buses stops at Kiyama PA as a hub terminal and the improvement of convenience of it, including barrier-free.

Examples of measures to improve usability of express bus at Kiyama PA

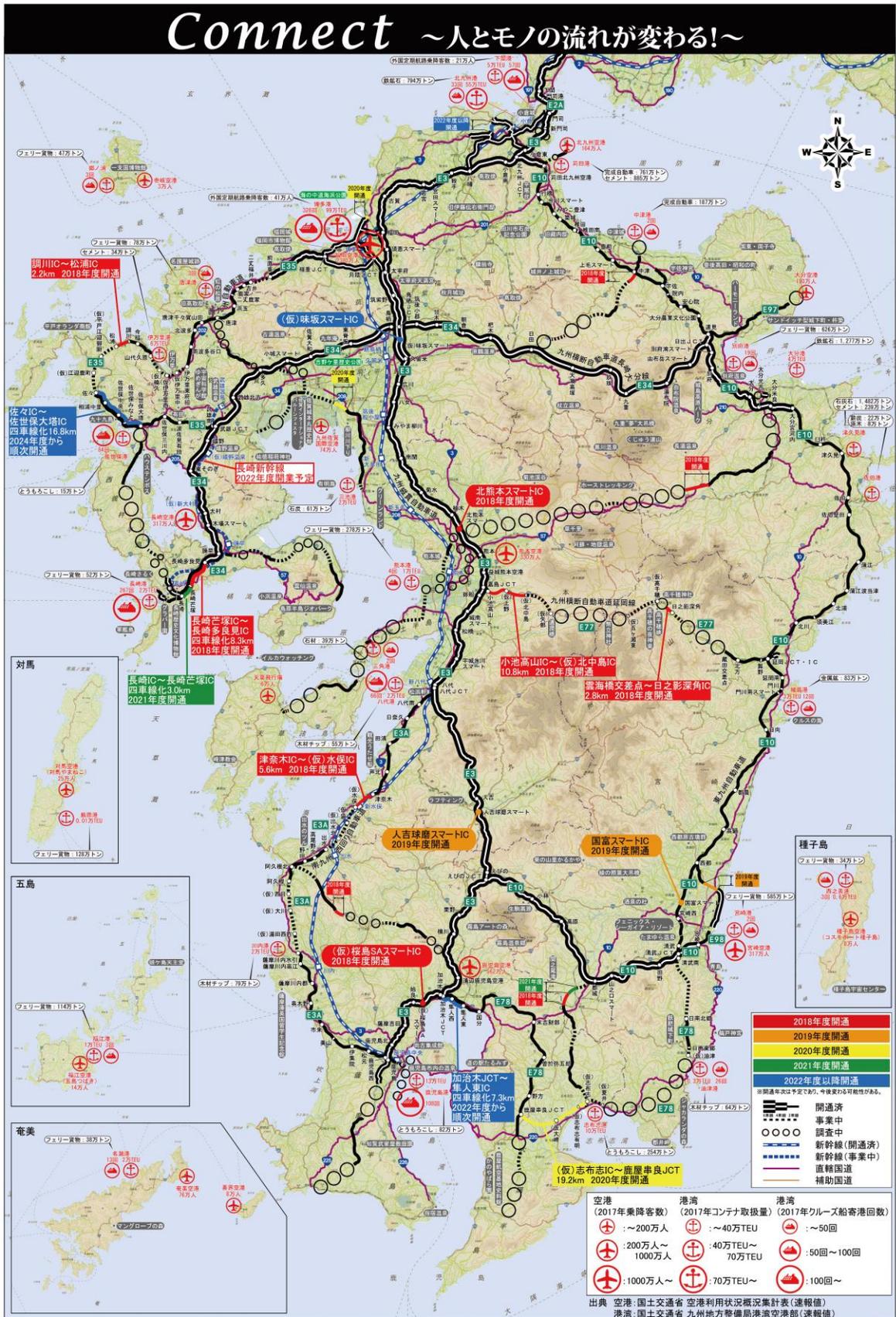
- ✓ Prepare a one-stop tourism office (provide tourism information in Kyushu, reservation service, etc.)
- ✓ Introduction of barrier-free facilities for improvement of bus transfer convenience

Kiyama parking area has express bus transit which is unique in Japan



9 Challenges and Measures for IR Development

Reference : Status of road development plan in Kyusyu



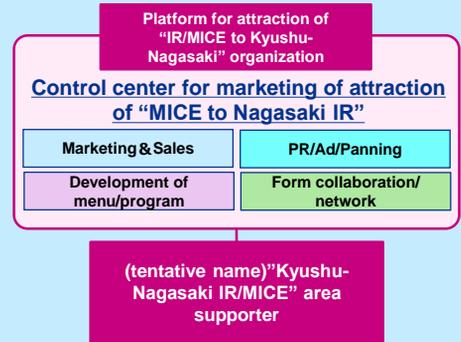
9 Challenges and Measures for IR Development

MICE events attraction support structure

Establishment of a platform for supporting MICE events attraction in Nagasaki/Kyushu

- ✓ Public and private collaborative organization “Platform organization for attraction of MICE to Kyushu-Nagasaki IR (tentative name)” is planned to be established where local government and IR operator cooperate to attract MICE events to Kyushu-Nagasaki IR. After the establishment, with support from the local government, it has functioned as a control tower in marketing of MICE event attraction to Kyushu-Nagasaki IR.
- ✓ While tighten collaboration with the related local governments as well as tourism related organizations in Nagasaki prefecture, national and Kyushu, etc., form an area supporter organization to establish a network with MICE related stakeholders.

MICE attraction support organization (image)



Enhance MICE Promotion by Entire Kyushu

- ✓ In various cities in Kyushu, there are multiple MICE facilities. By seeking to enhance information sharing/collaboration with convention promotion groups, aim for expansion of MICE attraction efforts and MICE consumption in entire Kyushu.
- ✓ MICE attraction all-Kyushu platform will be strengthen, specifically through marketing information sharing, collaborative promotion for foreign event organizers, product development of unique venue by utilizing Kyushu’s rich tourism resources, holding after convention events, etc.

Transfer MICE participants to other prefectures through collaboration efforts, such as after-convention events

Examples of globally competitive after convention events



Nagasaki shipyard/ Ikeshima coal mine/ warship cruise and landing (Nagasaki pref.)



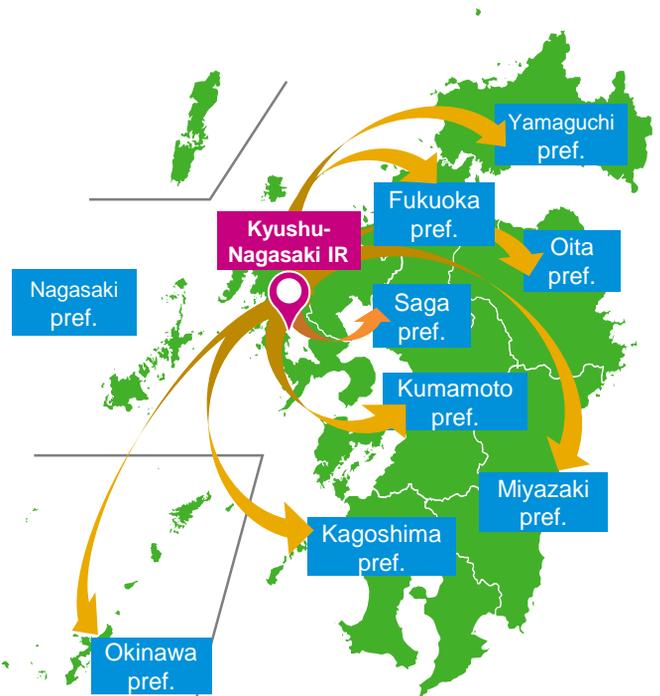
Sightseeing in Yakushima (Kagoshima pre)



Armor/ court lady costume wearing experience (Yamaguchi pref.)



Sight seeing Mt. Aso (Kumamoto pref.)



Source : Nagasaki net, Yakushima tourism association, Yamaguchi travel guide, Kumamoto MICE incentive promotion organization

9 Challenges and Measures for IR Development

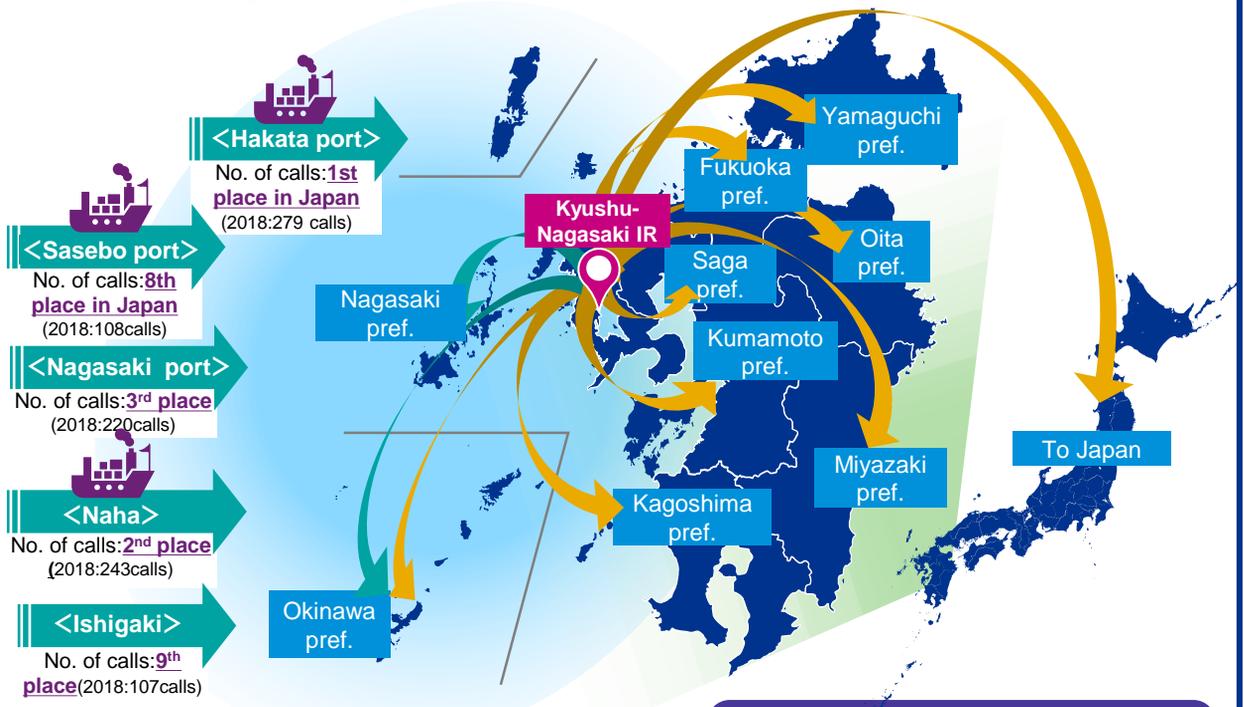
Promotion of Wide-range / Round-tour

(Make transportation as a fun activity and utilization of cruises)

In order to promote wide area / round tourism including winning repeater tourists, transportation function in visitor transfer facilities need to be improved. That could include entertainment type transportation and collaboration among cruise ships utilizing Kyushu's features.

By Making Transportation a Fun Activity and Utilization of Cruise, Provide an Experience of Luxury Round-tour

- ✓ Transportation functions for customer transfer includes collaboration among airports, tour bus terminal development and fully utilize Omura bay to make transport itself as a fun activity, which will provide luxury round tour experience in Kyushu covering remote islands.
- ✓ Considering Nagasaki is the Japanese 3rd cruise destination in Japan, cruise-based round tour should be promoted aiming at becoming the No.1 cruise destination in East Asia.



Transportation as a fun activity

Cruise as a travel destination
Tourist train& cruise, fly&cruise

1-3 night stay short cruise **Cruise MICE**

Image **Image**

As Fukuoka/Nagasaki/Okinawa are the top 3 most called ports, Kyushu is the leading cruise base in Japan. As a cruise destination, promote round tour via cruiser ship

Small-size luxury passenger train
 (Luxury hotel in the sea)

Amphibian plane

Flying automobile

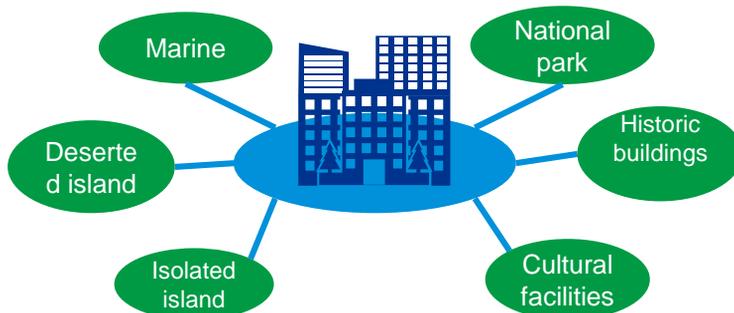
9 Challenges and Measures for IR Development

Vitalization of the Region outside of the IR area

Promotion of development of neighboring Areas/growth of local economy by private investments

(Ex.) Promoting the Development of Neighboring Areas of the IR area including Omura Bay and Remote Island Area

- ✓ Development of tourism infrastructure (stay/accommodation facilities, cultural facilities, transportation) by utilizing geographical features of Omura bay, remote islands, and Kyushu (including relevant administration response, such as city planning deregulation by local government)
- ✓ Development of new tourist products and enhancing convenience of round tour by utilizing ICT
- ✓ Promotion of preservation activities of traditional cultures including local festival and historic buildings, etc.



(Ex.) Promotion of Purchasing Foods, etc. from Kyushu (including Yamaguchi/Okinawa)

- ✓ Promotion of supply fresh, safe and various foods of Kyushu (including Yamaguchi/ Okinawa) to IR (The initiative looks forward to the opportunity to export such products to foreign countries)
- ✓ Promotion of provision of luxury foods not only for mass visitors but also exclusively for wealthy visitors, etc.



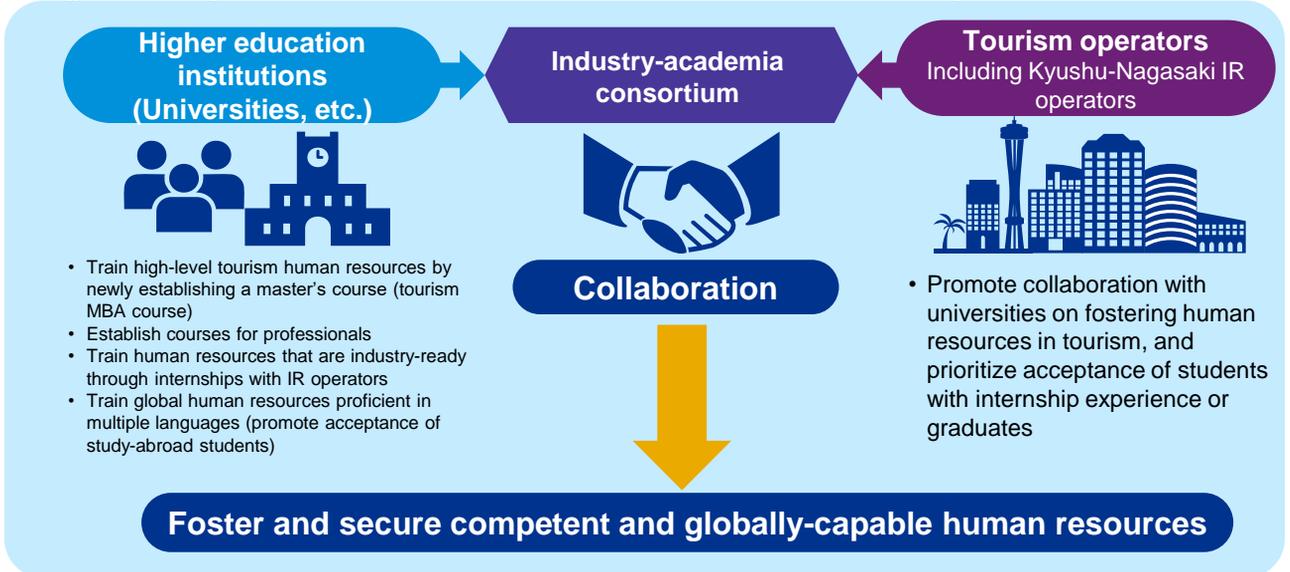
Source : Kyushu regional development bureau

9 Challenges and Measures for IR Development

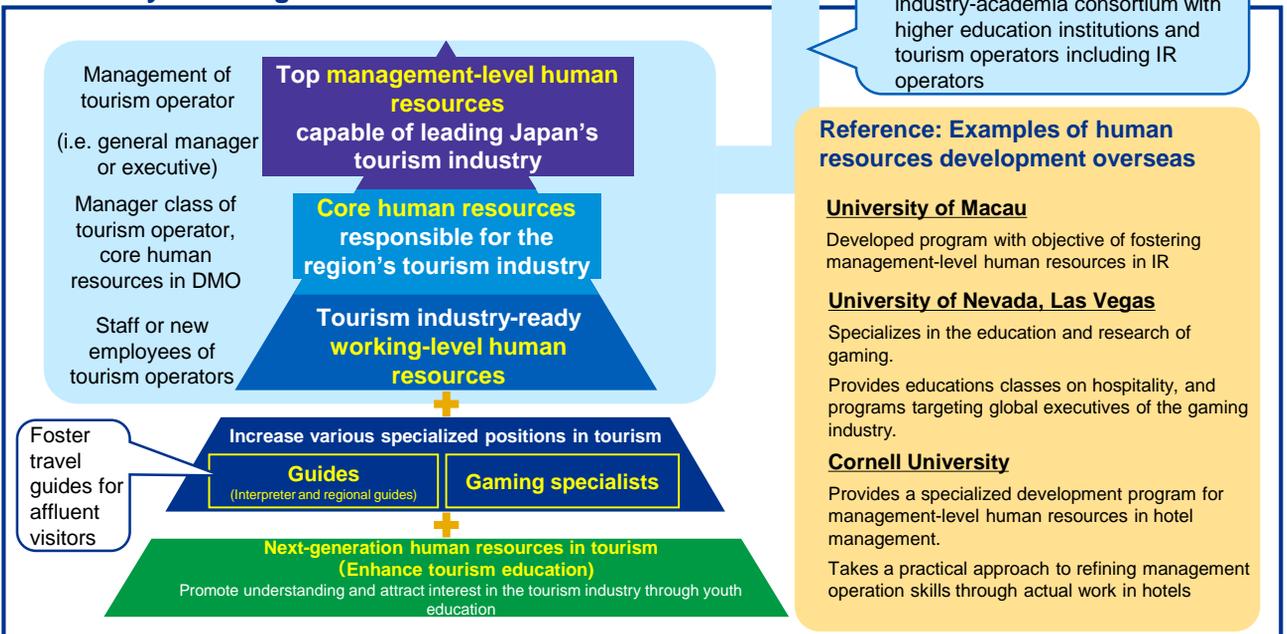
Human Resources development for International Tourism

- ✓ Based on efforts to develop human resources in the tourism field led by the national government, aim for systematic development of human resources in tourism based in Kyushu-Nagasaki IR, as a collaborative industry-government-academia effort.
- ✓ In particular, to foster human resources in tourism from management to field-level positions, develop a consortium with higher education institutions and tourism operators such as IR operators, and build a mechanism for systematic development of human resources according to the needs of the industry.
- ✓ In addition, developing the above mechanism will lead to an expansion in admissions in higher education institutions, and employment of younger generations in IR, etc., and a significant impact on regional stimulation such as an increase in local residents can be expected.

Image of industry-academia collaborative consortium for human resources development in tourism



Overview of development of human resources in tourism based in Kyushu-Nagasaki IR



9 Challenges and Measures for IR Development

Consensus building in Kyushu

Collaborative Promotion of IR by the Private Sector, Assemblies and Government

- ✓ The private sector, assemblies and local governments passed the following resolutions not only in IR candidate regions and the Nagasaki and Omura Bay areas, but also in the Greater Kyushu region, and will work together on the promotion of an IR in Nagasaki.

Private sector

Resolution :

Kyushu Regional Strategy Council (June 2019)

- Support Kyushu-Nagasaki IR as first IR in Kyushu
 - Establish Kyushu IR promotion project team within the Council
- *Kyushu Regional Strategy Council: Kyushu, Okinawa and Yamaguchi prefectures, Kyushu Chamber of Commerce and Industry, Kyushu Association of Corporate Executives, Kyushu Employers' Association

Assembly

Kyushu Chamber of Commerce and Industry (June 2019)

- Consider IR development in Sasebo city, Nagasaki pref.
- *Kyushu Chamber of Commerce and Industry: Kyushu and Okinawa prefectures

Kyushu Association of Chairpersons of Prefectural Assemblies (June 2019, August 2019)

- Certify Nagasaki as first IR area in Kyushu for initial IR area approval
- * Kyushu Association of Chairpersons of Prefectural Assemblies: Kyushu and Okinawa prefectures

Local Government

Kyushu Local Governor's Council (June 2019)

- Support Kyushu-Nagasaki IR as first Kyushu IR
- * Kyushu Local Governor's Council: Kyushu, Okinawa and Yamaguchi prefectures



Source: Nagasaki prefecture

Future approaches

Kyushu Regional Strategy Council Kyushu IR Promotion Project Team

- ✓ Each prefecture and economic organization to establish a working-level Kyushu IR promotion project team within the Kyushu Regional Strategy Council, and start detailed discussions on wide-range cooperation with Kyushu/Nagasaki as the IR site

Plans of region-wide cooperation (proposal):

- Joint promotions to attract global MICE
- Develop collaboration system to promote round tourist attractions
- Develop supply system for food, etc.

Foster Awareness among Kyushu's Economic Sector for IR Development

- ✓ Hold seminars/forums to make the effects of IR introduction such as local procurement and employment widely known, and proactively provide opportunities for explanations and an exchange of opinions to promote better business developments.

9 Challenges and Measures for IR Development

Consensus building in Nagasaki

Understanding promotion / Requirement of consensus

- ✓ The IR development act stipulates adequate consensus building (consent from local governments, holding public hearings, council resolution, etc.) before applying for approval of IR area development plans.
 - ✓ In addition, it is stipulated that after the approval of the area development plans, the same consensus building procedures are required upon applying the renewal plan application in 10 years for the first time and every 5 years thereafter, in order for sustainable operation by IR operator based on the local consensus and support.
- ↓
- ✓ Since the understanding of the citizens of the prefecture and local residents is essential to develop and to operate the IR, it is necessary to promote further understanding of people through explanations of IR related concerns and exchanges of opinions regarding IR at the early stage of IR planning in order to deepen the cooperation of local stakeholders.
 - ✓ Furthermore, in order to maximize the effects of the introduction of IR, it is necessary to make proper preparations of the readiness efforts such as the local supply system development.
 - ✓ In addition, it is important to promote regional revitalization within stakeholders, by encouraging IR operator to make local contribution proactively.

“Promotion of understanding” to “Regional co-creation”

Effect of IR introduction

National government policy of IR introduction

Visions of Nagasaki prefecture by IR introduction

Promotion of understanding of IR

Citizens of prefecture / local residents

Regional revitalization with IR operators

Enterprise / business association

Maximize the effects of IR introduction
(Increase local procurement opportunities, etc.)

Regional co-creation triggered by IR

Expected regional contribution by IR operators

- Good employment opportunities
- Local procurement
- Secure traditional culture
- HR development
- Collaboration of tourism promotion
- Collaboration in the time of disasters
- Measures for concerns
- Environment conservation
- Other CSR activities

9 Challenges and Measures for IR Development

Consensus Reached in Nagasaki Prefecture

All Prefecture Residents

✓ Seminars for Nagasaki residents

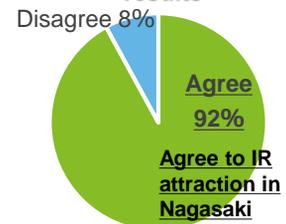
Hold continuous seminars with the aim to promote understanding among as many residents as possible

- Seminars held in Nagasaki, Sasebo and Omura cities in 2017, and in Nagasaki, Shinkamigoto, Isahaya, Saikai, Sasebo, Higashisonogi and Shimabara in 2018.
- Seminars held in Iki, Tsushima, Goto, Saza, Matsuura, Hirado, Sasebo and Nagasaki in 2019.
- Between 2017 and 2019, explanatory meetings are held in all Nagasaki municipalities including remote islands such as Goto city.

Seminars held in February 2018



Post-seminar questionnaire results



Aggregate of questionnaires in 7 cities/towns in 2018

✓ Explanations to nearby residents

- Effects of IR introduction and measures for matters of concern explained at the municipal government meeting (a meeting for the mayor to directly exchange opinions with city residents on local issues) held in all areas of Sasebo city.
- Opinions exchanged with residents living in areas adjacent to the IR area

✓ Explanations to women and student

- Visits to universities, etc. in the prefecture to hold seminars and meetings to exchange opinions, hold seminars in collaboration with women's organizations, etc.
- Promoting voluntary research opportunities by university students regarding an IR theme

✓ Utilization of various PR tools

- Utilization of brochures, posters, PR magazines delivered to all households, homepages, prefectural programs and radio, etc.
- Utilization of publicity and PR, etc.

Companies and Economic Organizations

- ✓ Visiting meetings and workshops of economic organizations, and providing explanations (2018: explanations provided to approximately 800 people in 13 organizations)
- ✓ Contributing to PR articles, etc.
- ✓ Setting up booths at events with various organizations as attendance
- ✓ Holding an event to connect IR operators with local companies
- ✓ The governor attending various events and delivering a message on IR introduction effects in speeches

9 Challenges and Measures for IR Development

The Hopes and Expectations of Parties Involved in IR introduction

The Hopes and Continuous Efforts Involved in the Realization of the IR Law and IR Attraction Span over a Decade

Economic sector

- The Western Kyushu Integrated Resort Study Group, a promotional organization with a focus on the economic sector in Western Kyushu, launched activities to promote IR attraction in 2017. They held events with the aim to promote understanding almost yearly, and vigorously implemented promotional activities, including advocating their unique IR concept.
- Promotion by the Sasebo Chamber of Commerce
 - ✓ Continuous activities to increase awareness among members, such as holding seminars, etc. Presented recommendations to Nagasaki pref. and Sasebo city.
 - ✓ In January 2019, established the Nagasaki Marine IR Promotion Council to support collaborations between IR operators and local companies, and held a business-connect seminar to increase awareness in relevant companies and connect IR businesses.
- Promotion by the Nagasaki Chamber of Commerce and Industry
 - ✓ From 2010, request for IR promotion to Nagasaki pref. based on the consensus of all Chambers of Commerce and Industry in the prefecture.
- Promotion by the Kyushu Economic Federation and Kyushu Chamber of Commerce and Industry
 - ✓ Continuous requests for IR development in Kyushu to the national government
- Promotion by the Kyushu Governor's Council and Kyushu Regional Strategy Council
 - ✓ Talks held on Kyushu IR introduction in the 2013 Kyushu tourism strategy (second phase). Passed a special resolution including IR introduction in Kyushu in the FY2017 Kyushu Governor's Council.

City/Prefectural assembly

Sasebo city assembly

- Established Federation of Municipal Assembly Members for Promoting IR Attraction (2013)
- Adopted several opinion letters (early passage of IR Promotion Law)
- Established Headquarters for Promoting Development of Specified Complex Tourist Facilities Areas

Nagasaki prefectural assembly

- Several resolutions on opinion letters for IR introduction
 - ✓ October 2012 Favor : 41 Against: 4
 - ✓ February 2015 Favor : 39 Against: 4
 - ✓ December 2017 Favor : 37 Against : 4
 - ✓ March 2018 Favor : 42 Against : 3
 - ✓ February 2019 Favor : 40 Reject: 3
- Established Federation of Municipal Assembly Members for Promoting IR Attraction (2019)
- Established special committee to discuss agenda of IR in 2016

Government (Nagasaki prefecture, Sasebo city, etc.)

- Sasebo city proposed to the government a special zone for a casino establishment with the introduction of an integrated resort as a target
- Joint considerations made by Nagasaki pref. and Sasebo city in 2013 onward
- Approval in Nagasaki mayor's meeting
- Talks on IR attraction as a specific effort in the greater Sasebo area in Western Kyushu (Coordinated Core Metropolitan Area)

- Nagasaki pref., Sasebo city, and economic organizations in the prefecture jointly requested early passage of the IR related law in 2018 and onward.
- Nagasaki pref., Sasebo city, the Sasebo Chamber of Commerce, Kyushu Economic Federation and Kyushu Tourism Promotion Organization jointly carried out activities to request early passage of the IR related law in 2017.
- In October 2018, Nagasaki pref., Sasebo city, and economic organizations in the prefecture and Kyushu collaborated to hold the "Kyushu-Nagasaki IR Promotion Rally," which was attended by relevant parties in Kyushu, including neighboring mayors and presidents of municipal assemblies (see photo on right)



10 Measures for Concerns

1 Basic Concept

Minimize concerns by incorporating regulations of a world-class standard and implementing Kyushu-Nagasaki IR's unique efforts, which are based on the most updated knowledge and led within a flexible organization structure

- ✓ In order to minimize the concerns over IR development, the national government plans to develop regulations of a world-class standard.
- ✓ As countermeasures against gambling addiction, we will promote appropriate seamless countermeasures on a stage by stage basis through multi-institutional cooperation and multi-layered efforts.
- ✓ For the Kyushu-Nagasaki IR, we aim to realize a "safe, secure and comfortable" IR facility by complying with the national government's regulations, while implementing unique efforts led by Nagasaki prefecture. In order to develop a collaboration system that enables the continuous verification and improvement of measures (i.e. security maintenance, countermeasures against organized crime and sound upbringing of Youth), a wide range of related organizations will work in cooperation with the project.

General Measures

- ✓ The national government's policy (P48 - P50)
- ✓ Role-sharing between the national government, local government, and operators (P51)
- ✓ Measures for concerns relating to Kyushu-Nagasaki IR (P52)

Countermeasures against Problem gambling

- ✓ Trends of the national government (P53-P55)
- ✓ Overview of current efforts by Nagasaki Pref. and approach looking toward IR opening (P56)
- ✓ Efforts by Nagasaki Pref. (P57-P58)
- ✓ Issues and expected efforts (P59-P62)

Security Maintenance and Others (security maintenance, countermeasure against organized crime and sound upbringing of Youth)

- ✓ Trends in the national government (P63-P64)
- ✓ Overview of approach looking toward IR development (P65-P66)
- ✓ Issues and expected efforts (P67-P71)

Realization of Kyusyu/Nagasaki IR
with a "Safe, Secure and Comfortable"

10 Measures for Concerns

2 General Measures

The National Government's Policy

In order to eliminate any adverse effects of IR development, the national government has incorporated the world's top standard regulations for casinos in the IR Development Act. In addition, the Basic Act on Countermeasures for Gambling Addiction was enacted to promote comprehensive and systematic countermeasures for problem gambling.

Supplementary Resolutions for the IR Promotion Act

- **Setting the upper limit of the number of areas for IR**
 - ✓ Definition of the upper limit of number of areas allowed, to ensure very restricted number of facilities from the perspective of preventing gambling addiction
- **Clarifying the role of local governments**
 - ✓ Clarification of the role of local governments in promoting development of IR areas
- **Establishing the regulations of operators**
 - ✓ Implementation of strict requirements to select truly qualified operators
 - ✓ Conduct thorough examinations regarding suitability
 - ✓ Secure integrity as the enterprising body and eligibility of business activities to ensure sound management, etc.
- **Establishing the Casino Administration Committee**
 - ✓ Establishment of a Casino Administration Committee, an independent government committee with a strong mandate in accordance with Article 3
 - ✓ Development of a system to strictly enforce regulations on casino operation, etc. by the Casino Administration Committee
 - ✓ Preparation of sufficient organizations and staffs, and allocation of appropriate personnel to enforce strict regulations following a casino opening
 - ✓ Training of personnel in charge of supervision such as administrative sanctions and strict regulations on casino operation for related operators
 - ✓ Secure necessary systems of the prefectural police and other related organizations, and a collaboration system by involving these parties
- **Establishing strict regulations of a world-class standard on casino operation**
 - ✓ Based on thorough considerations of current casino operation regulations in various countries, the development of casino operation regulations to ensure there are no issues in terms of crime prevention, security maintenance, the sound upbringing of Youth, and prevention of problem gambling.

World's highest standard Regulations

IR Development Act

- ✓ Security maintenance
- ✓ Countermeasures against organized crime
- ✓ Sound upbringing of youth

Basic Act on Countermeasures for Gambling Addiction

- ✓ Countermeasures for gambling addiction

10 Measures for Concerns

2 General Measures

The National Government's Policy

IR Development Act

In the first meeting of the Secretariat in the Headquarters for promoting the development of areas for specified integrated resort facilities, the importance of implementing casino regulations of a world-class standard in order to realize a clean casino business and establishing a system that ensures strict enforcement of these regulations, while taking various measures to thoroughly address IR concerns, such as gambling addiction and money laundering, and the potential influence on youth, was clarified. The implementation of casino regulations of a world-class standard is expected for Japan IRs, as outlined below.

Global regulations

■ IR regulations

Regulations enforced by both the Casino Administration Committee and Minister of Land, Infrastructure and Transportation

■ Countermeasures for gambling addiction

Apply restrictions on number of admissions allowed for all Japanese citizens

■ Money laundering (*1) measures

Prohibit leaving the casino with chips and the transfer of chips

Japan-specific regulations

■ Regulations relating to anti-social forces

Apply laws to exclude anti-social forces

■ Restriction of admissions and protection of youth

Manage entries and exits based on Individual Number Cards, etc.

■ Fraud measures

Apply quarterly reports and J-SOX (*2) to non-listed companies

In addition, apply an admission fee of

“6,000 yen per 24 hours”

for Japanese citizens,

&

Establish an

“Exclusion program”

to restrict admission of individuals registered either by their own or a family member's application, etc.

Take various measures to thoroughly address IR concerns, such as gambling addiction and money laundering, and the influence on youth

*1: Money laundering generally refers to the concealment of the origins of illegally obtained money from investigative agencies to avoid arrest.

*2: J-SOX refers to the internal control reporting policy for financial statements in Japan, which under the Financial Instruments and Exchange Act requires the management of companies submitting a securities report to assess the effectiveness of internal control in the financial statements and create an internal control report, in addition to receiving an audit by the auditor of the company's financial statements on the appropriateness of its content.

10 Measures for Concerns

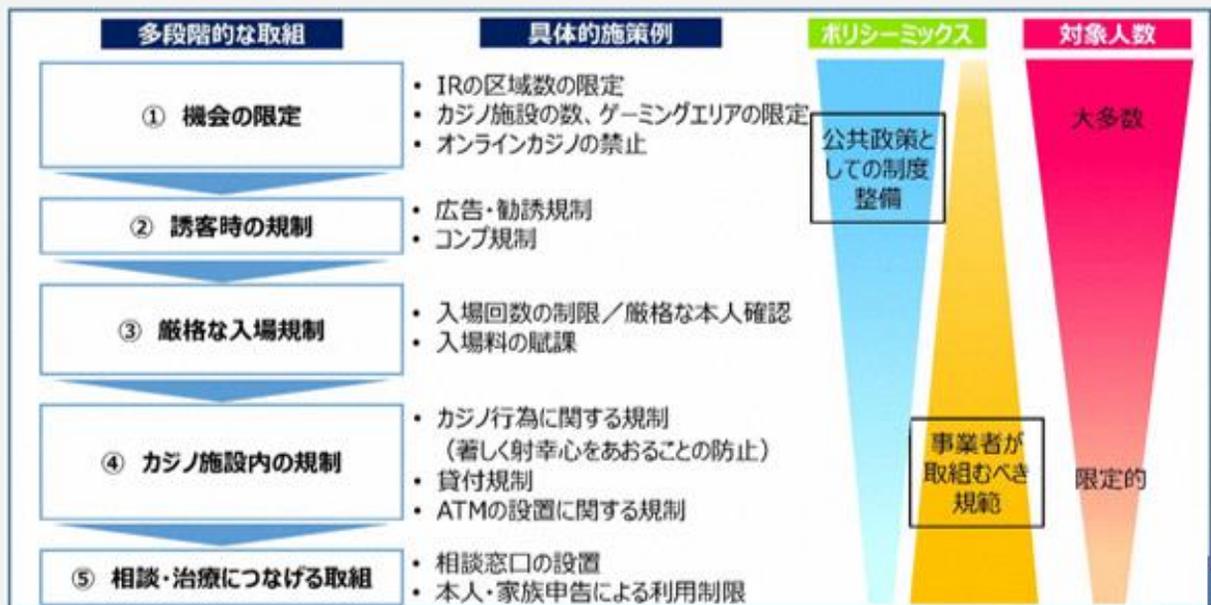
2 General Measures

The National Government's Policy

IR Development Act

Approach to measures for preventing addiction

- Necessity of multi-layered efforts according to multiple stages:** need to systematically develop the following multi-layered efforts according to multiple stages in order to prevent gambling addiction: (1) Restrict access to gaming, (2) apply restrictions when accepting guests, (3) apply strict admission restrictions, (4) apply restrictions within the casino facility, and (5) provide counseling and treatments
- Best combination of establishing policies as public policies and as operator responsibilities:** (A) Policies established as public policies, (B) policies that should be established as a responsibility of the casino operator, and (C) consider the appropriate combination for policies requiring efforts of both (A) and (B)



Source: The Secretariat in the Headquarters for promoting the development of areas for specified integrated resort facilities

"Explanation documents on the Act on Promotion of Development of Specified Complex Tourist Facilities Areas" (12/12/2018)

10 Measures for Concerns

2 General Measures

Role-sharing between the National Government, Local Government, and Operators

As part of establishing regulations of a world-class standard, the national government has required local governments and operators to eliminate harmful influences in the IR Development Act. In particular, the Basic Act on Countermeasures for Gambling Addiction was established as a countermeasure against addiction, and sets forth detailed requirements.

Nagasaki prefecture and Sasebo city have identified expected concerns arising from IR introduction (including legal requirements), and current efforts as well as countermeasures and mitigation measures expected in the future in considering regional characteristics, in order to address these concerns. In addition, countermeasures and mitigation measures responsible for operators have also been organized, and a mechanism will be developed to ensure the appropriate measures are taken to address relevant Kyushu-Nagasaki IR concerns based on a collective management of measures.

Operators shall fully understand the regional characteristics summarized by Nagasaki prefecture and Sasebo city, and after thoroughly exchanging opinions with Nagasaki prefecture and Sasebo city, develop and execute countermeasures and mitigation measures to address expected concerns. The main expected role allocations between the national government, Nagasaki prefecture, Sasebo city and operators are as outlined below.

Expected Role-sharing between the National Government, Local Government, and Operators



National government

- Establishing requirements of local governments and operators to eliminate harmful influences as a regulation
- For measures regarding addiction, the Basic Act on Countermeasures for Gambling Addiction established as requirements of local governments, etc.
- Approving resort areas according to the IR Area Development Plan. After areas are approved, conducting updates monitoring, confirming compliance with regulations, carrying out supervision and yearly assessments.



Local governments

- Identifying concerns, and consider and implement measures in accounting for regional characteristics
- Summarizing requests to be made of operators, and exchange of opinions
- Selection, supervision, congressional resolutions, monitoring, and conformity with role agreements



Operators

- Understanding the concerns relating to IR, and exchanging opinions on concerns with local governments
- Developing and implementing efforts unique to the operator
- Creating operating procedures, conducting an internal audit

10 Measures for Concerns

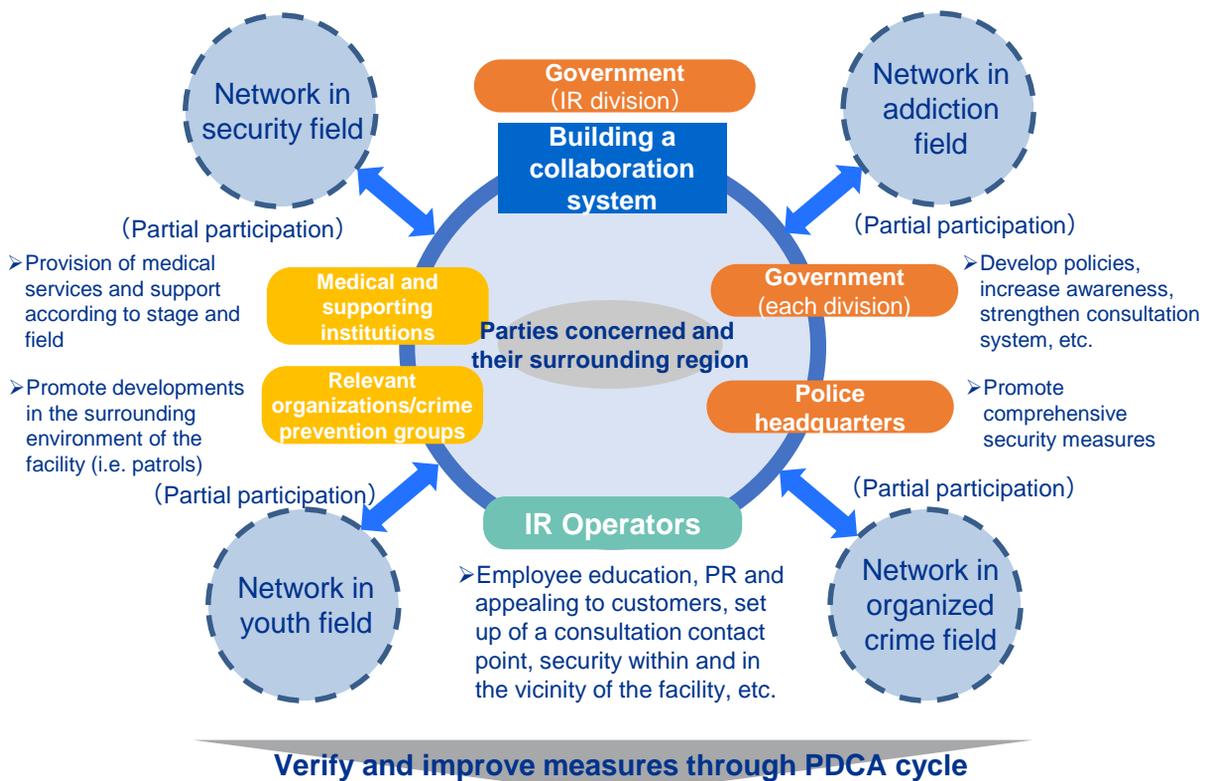
2 General Measures

Measures for Concerns Relating to Kyushu-Nagasaki IR

In addition to countermeasures against gambling addiction, develop a cooperative structure with a wide range of organizations for measures on security maintenance (measures for security maintenance, organized crime and the sound upbringing of Youth), and continuously implement verification and improvement of such measures.

Also implement preventive measures before issues arise rather than post facto measures, and implement efforts based on the thinking of the public health project which promotes healthier lifestyle habits.

Image of a Collaboration System



Action – continuously review

Plan – develop measures

Do – practice in the field

Goals to be achieved through the development of a collaboration system

- ① Securing an environment in which IR (casino) facility visitors can use the facility with a sense of security and responsibility
- ② Developing a foundation whereby residents in the vicinity of the IR facility can also enjoy a safe, secure and comfortable environment
- ③ Developing a society in which IR operators can build good relationships with facility users and regional residents and harmoniously co-exist

Measures unique to the operator

Measures of the local government and relevant organizations

Efforts and requirements of the region

Regulations as a minimum requirement for the foundation: IR Development Act and the Basic Act on Countermeasures for Gambling Addiction

Check - monitoring

10 Measures for Concerns

3

Countermeasures against Gambling Addiction

Trends in the National Government

Overview of the Basic Act on Countermeasures for Gambling Addiction

<p>1 Objective</p>	<ul style="list-style-type: none"> • A gambling addiction (1) interferes with the daily and social lives of the addicted individual and their family, and (2) leads to critical social issues such as multiple debts, poverty, abuse, suicide, and crime • Promotion of comprehensive and systematic countermeasures for gambling addiction, and while (1) securing the wholesome life of citizens, contribution to the (2) realization of a society in which citizen can live with a sense of security
<p>2 Definition of “addiction such as gambling”</p>	<p>A condition in which there are negative consequences in individuals’ daily and social lives as a result of an inability to stop gambling, etc. (gambling in government-run competitive sports allowed by laws and regulations, participating in pachinko games and other acts of gambling)</p>
<p>3 Basic concept</p>	<ol style="list-style-type: none"> ① Making appropriate proposals for measures to prevent or recover from gambling addiction according to the stages of onset, progression and relapse, while supporting individuals and their families to return to functioning daily and social lives. ② Making necessary considerations for an organic linkage with measures regarding issues such as multiple debts, poverty, abuse, suicide, and crime
<p>4 Consideration on organic linkage to measures for alcohol and drug addictions</p>	<p>Making necessary considerations for an organic linkage to measures regarding alcohol, drug and other addictions</p>
<p>5 Responsibility</p>	<p>Stipulating the responsibilities of the national government, local governments, relevant operators, citizens, and individuals with roles in operations relating to countermeasures for addiction such as gambling</p>
<p>6 Addiction awareness week</p>	<p>The Awareness Weeks for Gambling Addiction established (May 14 – 20) in order to promote widespread awareness and understanding among citizens regarding addiction issues^{*1}</p>

*1: Issues such as multiple debts, poverty, abuse, suicide, and crime as a result of an addiction such as gambling or a relevant cause.
Source: First Headquarters for Promotion of Countermeasures for Gambling Addiction meeting, Reference document 2

10 Measures for Concerns

3

Countermeasures against Gambling Addiction

Trends in the National Government

Overview of the Basic Act on Countermeasures for Gambling Addiction ②

7	Legal measures Obligation of the government to promote legal and financial measures necessary to implement countermeasures for gambling addiction
8	Basic Plan for Countermeasures for Gambling Addiction ① Basic Plan for Countermeasures for Gambling Addiction: Government obligated to develop a plan (consider review of plan at least every three years) ② Plan for Countermeasures for Gambling Addiction by prefectural governments: Prefectural governments obligated to make efforts to develop a plan (consider review of plan at least every three years, plan needs to be aligned with medical plans, prefectural health promotion plans and measures for alcohol-related health disorders, etc.)
9	Basic measures ① Promotion of education ② Implementing initiatives that contribute to the prevention of gambling addiction ③ Developing a system for providing medical care ④ Providing counseling and support ⑤ Supporting social rehabilitation ⑥ Supporting activities by private organizations ⑦ Developing a collaboration system ⑧ Securing human resources ⑨ Promoting investigative research ⑩ Survey of current conditions (every three years)
10	Headquarters for Countermeasures for Gambling Addiction established within the Cabinet, with the chief cabinet secretary serving as the chief of headquarters Duties: ① Promoting the development and implementation of the basic plan draft, ② assessment of comprehensive coordination and implementation status according to the basic plan, etc.
11	Meeting of relevant parties for Promotion of Countermeasures for Gambling Addiction Meeting of relevant parties for the promotion of countermeasures for gambling addiction established in the headquarters. Members: Members appointed by the chief cabinet secretary from candidates who have a gambling or other addiction, a representative of a family with a gambling addiction, relevant operators and experts (within 20 members) Duties: Providing opinions ①for the creation of the basic plan draft and ②when summarizing the assessment results of the implementation status of measures

10 Measures for Concerns

3 Countermeasures against Gambling Addiction

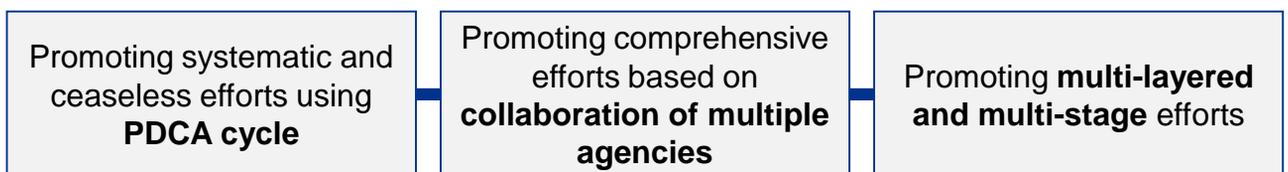
Trends in the National Government

Basic Plan for Countermeasures for Gambling Addiction

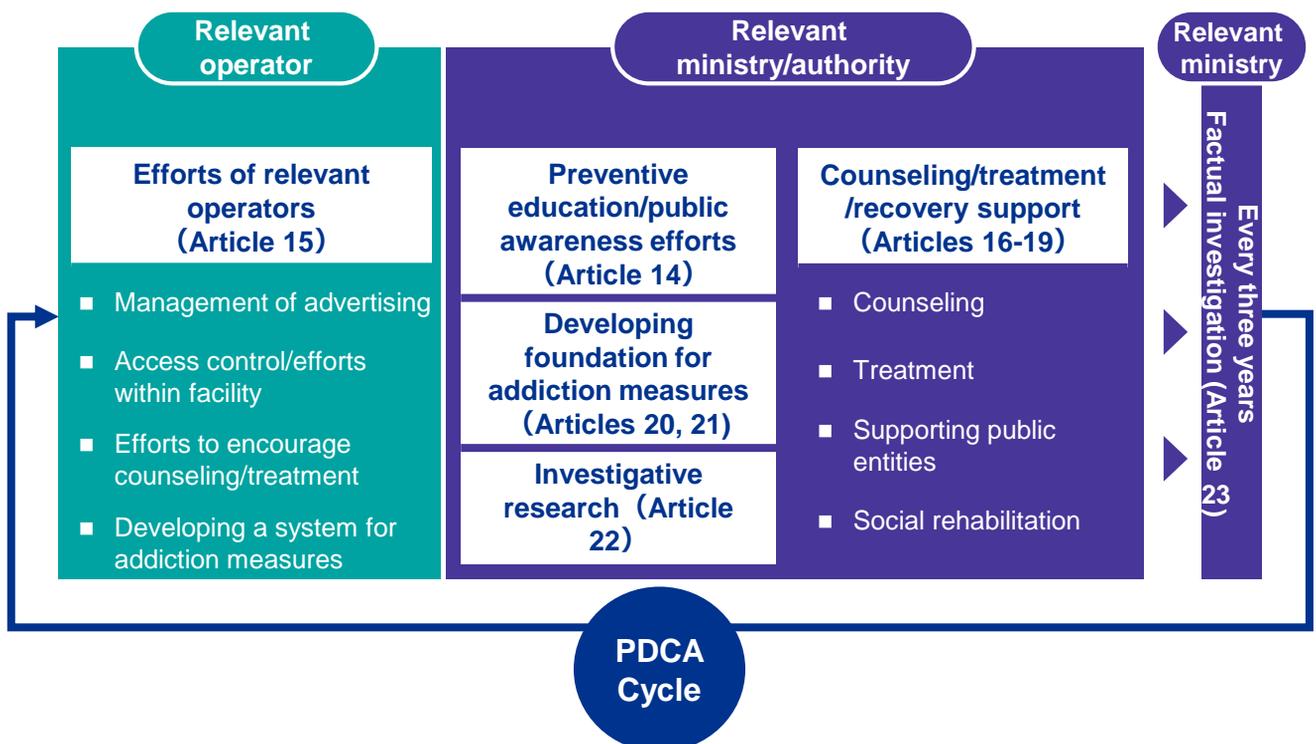
The Basic Plan for Countermeasures for Gambling Addiction was released in April 2019, and specific measures are provided regarding the 10 articles of basic measures set forth in the Basic Act on Countermeasures for Gambling Addiction.

Ahead of other regions, in accordance with the Basic Plan, Nagasaki Prefecture released “The Promote Plan for Countermeasures for Gambling Addiction” in January 2020. Based on it, we aim for realization of safe and secure society by collaborating related organizations.

Basic concept of the basic plan



Specific measures requiring efforts



10 Measures for Concerns

3 Countermeasures against Gambling Addiction

Overview of Current Efforts by Nagasaki Pref. and Approach Looking toward IR Opening

Current Efforts by Nagasaki Prefecture

- **Promotion of education**
 - ✓ Hold visiting seminars for youth, and public awareness activities during addiction awareness week
- **Counseling support**
 - ✓ Make the Nagasaki support center for children, women and persons with disabilities as the hub for specialized addiction counseling, and assign addiction-specialist counselors
- **Social rehabilitation support**
 - ✓ Support recovery of individuals concerned (DEJIMA-P*1, SAT-G*2, etc.)
- **Supporting activities by public entities**
 - ✓ Join meetings of public entities, hold consultations and seminars in collaboration with public entities, provide grants
- **Developing a collaboration system**
 - ✓ Exchange information within the network for countermeasures against gambling in Nagasaki prefecture, and build a system for collaboration
- **Securing human resources**
 - ✓ Carry out training regarding addiction consultation points

Approach Looking toward IR Opening

- **Promotion of education**
 - ✓ Expansion of audiences for visiting lectures (e.g. specialized training schools and companies)
- **Requesting business operators to conduct business by giving due consideration to the prevention of gambling and other addiction**
 - ✓ Strict admissions management utilizing advanced ICT technology
 - ✓ Promote collaborative efforts with business operators such as distributing brochures regarding addiction
- **Maintenance of system for providing medical care**
 - ✓ Build medical care provision system centered on institutions with addiction treatments
- **Counseling and support**
 - ✓ Develop system in which counseling is available 24 hours a day, 365 days a year
 - ✓ Liaison between counseling contact point of operator and various other counseling contacts
- **Supporting social rehabilitation**
 - ✓ Develop collaboration system with relevant institutions providing employment support
- **Supporting activities of private organizations**
 - ✓ Support voluntary activities of private organizations such as providing counseling, spreading awareness and supporting addiction recovery
- **Developing a collaboration system**
 - ✓ Develop a cooperative support system for addiction and security measures (measures for security, organized crime and youth)
- **Recruitment of human resources**
 - ✓ Secure human resources with knowledge, and invest in training programs to foster and improve the quality of human resources
- **Promoting investigative research**
 - ✓ Conduct collaborative investigative research with universities, etc.
- **Survey of actual conditions (every three years)**
 - ✓ Implement surveys based on the national government's policy

*1 The addiction recovery program implemented by Nagasaki prefecture.

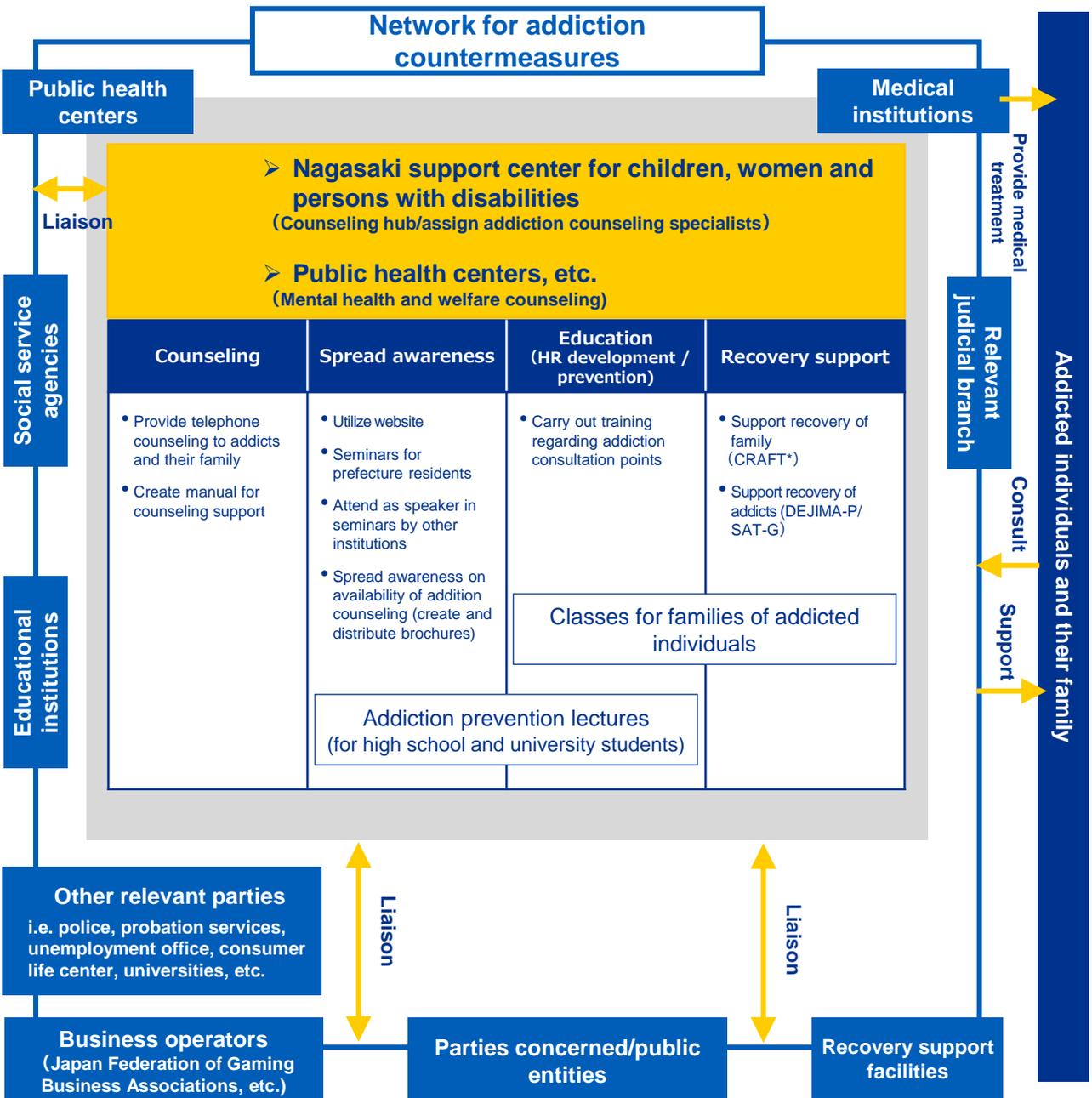
*2 The Shimane Addiction recovery training program for gambling disorder, an addiction recovery program developed by Shimane prefecture and implemented nation-wide.

10 Measures for Concerns

3 Countermeasures against Gambling Addiction

Efforts by Nagasaki Pref. ①

In Nagasaki prefecture, countermeasures are comprehensively led by the Nagasaki support center for children, women and persons with disabilities which is the counseling hub for addiction measures, as well as the public health center which serves as a familiar contact point for requesting support, in liaising with relevant institutions.



*Stands for Community Reinforcement and Family Training, a program developed in the US to support families of addicts.

10 Measures for Concerns

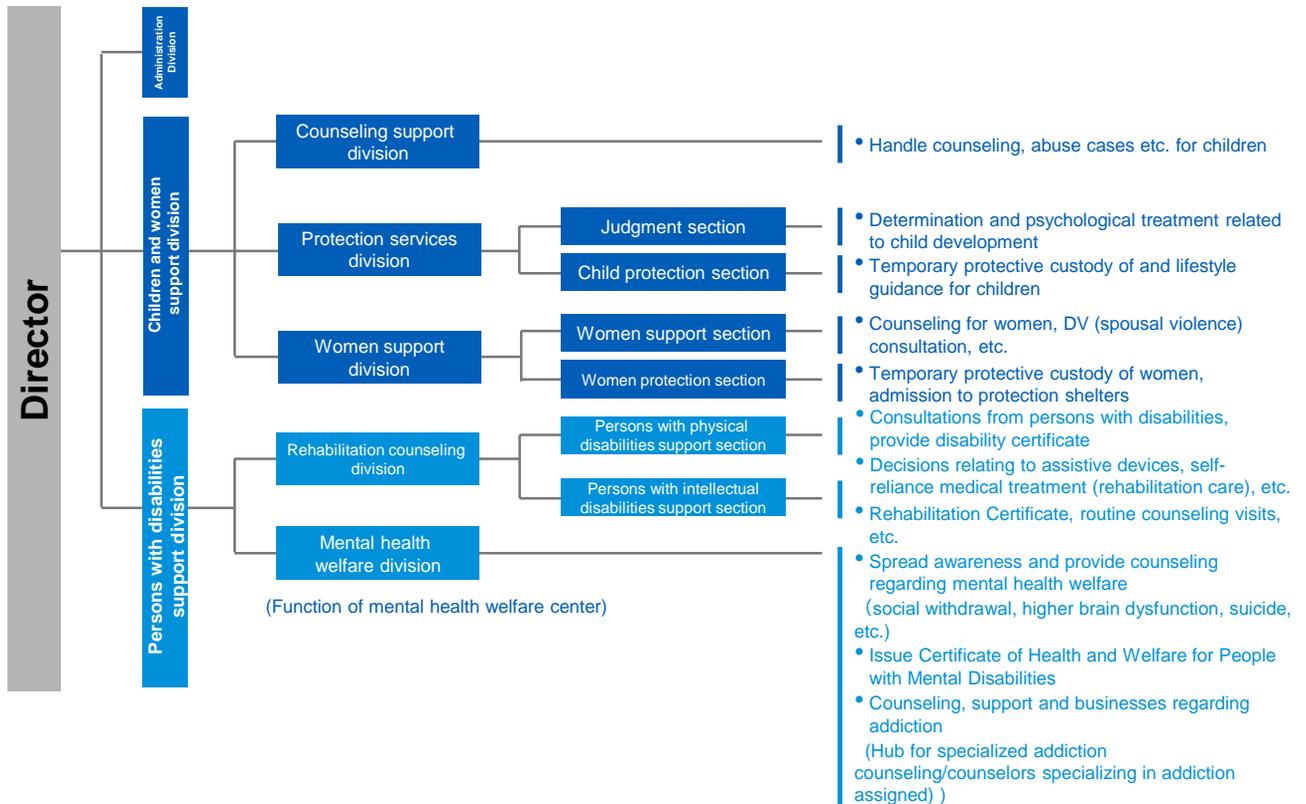
3 Countermeasures against Gambling Addiction

Efforts by Nagasaki Pref. ②

The Nagasaki support center for children, women and persons with disabilities has played the role of the public administration for social welfare and health in the prefecture since its establishment in April 2007, as a counseling and support facility providing one-stop comprehensive services to children, women and those with disabilities requiring special support. The center has intensively assigned doctors, social workers, clinical psychologists, health nurses, etc. in multiple specialized fields, and has taken a lead in Japan in the integrated and effective provision of psychological, medial and welfare support.

The Nagasaki Support Center for Children, Women and Persons with Disabilities Organization Chart

*Integration of the child consultation center, Nagasaki consultation center for persons with intellectual disabilities, consultation center for women, Nagasaki consultation center for persons with physical disabilities and mental health and welfare center.



For example...



The Nagasaki support center for children, women and persons

Doctor	Health nurse	Physical therapist
Social worker	Clinical psychotherapist	Occupational therapist
Child Psychologist	Child Guidance Worker	Speech therapist
Female consultation case worker	Child welfare officer	Woman counselor
	nursery school teacher	

Comprehensive support

10 Measures for Concerns

3

Countermeasures against Gambling Addiction

Issues and Expected Efforts

Nagasaki prefecture has taken the lead in implementing addiction measures to date. With respect to concerns expected as a result of IR development, roles of each player will be clarified, while cooperating to strengthen countermeasures against addiction.

Item	Current status (Nagasaki pref./Sasebo city/Relevant institutions)	Issues expected to arise as a result of IR development
<p>1. Promotion of education Promote education on gambling addiction at homes, schools, workplaces and communities, and PR activities (Article 14 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ Provide visiting lectures for youth Target: Universities, high school, etc. ✓ Public awareness activities during addiction awareness week ✓ Lectures for prefecture residents 	<ul style="list-style-type: none"> ✓ Spreading further awareness of addiction
<p>2. Requirement for the Gambling-Related Business Operators to conduct business by giving due consideration With regard to operations such as advertising and admission management of relevant operators, prevent gambling addiction while respecting the voluntary efforts of relevant operators (Article 15 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ Advertising to control a desire for gambling and to prevent heavy involvement in gambling 	<ul style="list-style-type: none"> ✓ Access restrictions ✓ Heavy involvement due to gaming that fuels a strong desire for gambling
<p>3. Maintenance of system for providing medical care Maintain a system of specialized medical institutions for providing appropriate medical care for gambling addiction according to the situation (Article 16 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ Planning the selection of specialized medical institutions to treat addiction, and a hub institution of addiction treatment 	<ul style="list-style-type: none"> ✓ Develop a collaboration system for mental hospitals in the prefecture
<p>4. Counseling and support Develop a system for providing counseling support in mental health centers, public health centers, consumer life center and Japan's judicial branches (Article 17 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ The mental health welfare division of the Nagasaki support center for children, women and persons with disabilities designated as the hub for specialized counseling for addiction, and addiction-specialist counselors assigned. ✓ Provide counseling support in public health centers ✓ Provide recovery support for parties involved (DEJIMA-P, SAT-G, etc.) ✓ Support recovery of families 	<ul style="list-style-type: none"> ✓ Further strengthening of counseling system (including early detection and treatment) ✓ Making the counseling services available thoroughly known
<p>5. Supporting social rehabilitation Support employment to contribute to the smooth social rehabilitation of gambling addicts (Article 18 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ Provide recovery support to parties concerned (as above) 	<ul style="list-style-type: none"> ✓ Further strengthening of collaboration with relevant institutions to provide employment support

10 Measures for Concerns

3

Countermeasures against Gambling Addiction

Issues and Expected Efforts

Countermeasures/Mitigating measures		
Nagasaki Prefectural government (Promotion plan)	Nagasaki pref./Sasebo city/Relevant institutions	IR operators (IR Development Act/Effort examples*)
<ul style="list-style-type: none"> ✓ Promoting education at High-school and University, etc. ✓ Promoting enlightenment toward family ✓ Promoting education at work place 	<ul style="list-style-type: none"> ✓ Expand the target of visiting lectures (special training schools, companies, etc.) 	<ul style="list-style-type: none"> ✓ Announcements on available counseling services ✓ <u>Distribution of documents to spread awareness, awareness activities in and outside the IR area</u>
<ul style="list-style-type: none"> ✓ Promoting proper advertisement which doesn't arouse the passion for gambling, Spreading awareness for preventing indentation ✓ Entrance management, Countermeasures which prevent becoming problem-gambler and Pathological gambler 	<ul style="list-style-type: none"> ✓ Promote efforts in collaboration with operators such as the distribution of brochures regarding addiction 	<ul style="list-style-type: none"> ✓ Admission control/restrictions ✓ Advertising and solicitation restrictions ✓ Admission fee collection ✓ <u>Admission control utilizing ICT, give warnings or alerts based on behavioral tracking</u> ✓ <u>Set limits to amount of money that can be used for betting and duration of stay according to requests of the individual</u>
<ul style="list-style-type: none"> ✓ Selection of specialized medical institutions to treat addiction, and a hub institution of addiction treatment ✓ Developing clinical network 	<ul style="list-style-type: none"> ✓ Develop a system for providing medical care centered on addiction treatment institutions 	<ul style="list-style-type: none"> ✓ <u>Develop collaboration system for information sharing with medical institutions providing treatment</u> ✓ <u>Spread awareness of specialized medical institutions</u>
<ul style="list-style-type: none"> ✓ Dissemination of counseling service ✓ Expansion of support system ✓ Fostering support staff sensitive to addiction 	<ul style="list-style-type: none"> ✓ Liaison with the counseling office of operators and various counseling offices 	<ul style="list-style-type: none"> ✓ Develop counseling system ✓ <u>Counseling system with availability 24 hours a day, 365 days a year</u> ✓ <u>Spread awareness of counseling and support centers, etc.</u>
<ul style="list-style-type: none"> ✓ Providing recovery support program by collaborating with medical institution, self-help group and private recovery support organization, etc. 	<ul style="list-style-type: none"> ✓ Develop collaboration system with relevant institutions 	<ul style="list-style-type: none"> ✓ <u>Collaboration and information sharing with relevant institutions through the participation in deliberation bodies comprising members of the government and relevant institutions</u> ✓ <u>Spread awareness of public organizations such as self-help groups</u>

*Example of efforts expected as measures taken by IR operators underlined (efforts not underlined are legal items of the IR Development Act.)

10 Measures for Concerns

3

Countermeasures against Gambling Addiction

Issues and Expected Efforts

Item	Current status (Nagasaki pref./Sasebo city/Relevant institutions)	Issues expected to arise as a result of IR development
<p>6. Support of private organizations Support voluntary activities of private organizations regarding countermeasures against addiction, such as measures for prevention and awareness and recovery (Article 19 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ Attending meetings of public organizations and host counseling meetings and lectures in collaboration with public organizations ✓ Providing financial aid to public organizations 	<ul style="list-style-type: none"> ✓ Further collaboration with public organizations
<p>7. Development of collaboration system Develop collaboration system in specialized and other medical institutions, mental health welfare centers, the Japan legal support center and other relevant organizations (Article 20 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ Information sharing from the Nagasaki network for addiction countermeasures and building a collaboration system 	<ul style="list-style-type: none"> ✓ Establish a collaboration support system relating to public security (public security maintenance, organized crime and youth measures)
<p>8. Recruitment of human resources Recruit human resources with sufficient knowledge of gambling addiction issues, implement measures to improve training and quality of human resources (Article 21 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ Carrying out trainings on addiction counseling supports ✓ Preparation and dissemination of guidance for counseling 	<ul style="list-style-type: none"> ✓ Further expansion of human resources including who are capable of providing counseling and support at early stage of problem gambling
<p>9. Promoting investigative research Investigative research on methods of gambling addiction prevention, diagnosis and treatment, and other gambling addiction issues (Article 22 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ In discussion with the institutions on implementation of the research 	<ul style="list-style-type: none"> ✓ Investigation and research contributing to countermeasures against gambling addiction
<p>10. Survey of actual conditions (every three years) Investigation required every three years in order to make evident the actual conditions of gambling addiction issues (Article 23 of the Basic Act)</p>	<ul style="list-style-type: none"> ✓ National policy expected to be released 	<ul style="list-style-type: none"> ✓ Considering the research approach to grasp actual conditions of addiction

10 Measures for Concerns

3

Countermeasures against Gambling Addiction

Issues and Expected Efforts

Countermeasures/Mitigating measures		
National government (Basic plan)	Nagasaki pref./Sasebo city/Relevant institutions	IR operators (IR Development Act/ <u>Effort examples*</u>)
<ul style="list-style-type: none"> ✓ Support of self-help group activities ✓ Promoting awareness by collaborating with private organization 	<ul style="list-style-type: none"> ✓ Supporting voluntary activities of private organizations such as counseling, awareness, recovery support 	<ul style="list-style-type: none"> ✓ <u>Information sharing on details of activities through the participation in trainings, etc. of relevant institutions, and liaison with relevant institutions</u> ✓ <u>Provide economic support to public organizations</u>
<ul style="list-style-type: none"> ✓ Developing seamless support system coring Nagasaki Prefecture Addiction Network Council 	<ul style="list-style-type: none"> ✓ Establishing a deliberation body participated by local government and relevant organization members 	<ul style="list-style-type: none"> ✓ <u>Collaboration and information sharing through participation in deliberation bodies comprising government and relevant institution members</u> ✓ <u>Liaison with special academic institutions and public support organizations</u>
<ul style="list-style-type: none"> ✓ Training of employees ✓ Fostering staff specialized in counseling and recovery support 	<ul style="list-style-type: none"> ✓ Recruitment of human resources with knowledge on addiction issues and capability to provide counseling. Expanding training to improve cultivation and quality of human resources 	<ul style="list-style-type: none"> ✓ Providing education and training to employees of IR operators ✓ <u>Provide grants to research institutions such as universities for the development of human resources</u>
<ul style="list-style-type: none"> ✓ Implementing investigative research through collaboration with related organization such as Nagasaki University, etc. 	<ul style="list-style-type: none"> ✓ Investigative research in collaboration with universities 	<ul style="list-style-type: none"> ✓ <u>Collaboration and information sharing through participation in deliberation bodies comprising government and relevant institution members</u> ✓ <u>Cooperation with special academic institutions conducting investigative research</u>
<ul style="list-style-type: none"> ✓ Investigation concerning for gambling addiction and other related issues 	<ul style="list-style-type: none"> ✓ Research based on the direction taken by the national government 	<ul style="list-style-type: none"> ✓ <u>Information sharing and collaboration with special academic institutions to grasp actual conditions</u>

* Example of efforts expected as measures taken by IR operators underlined (efforts not underlined are legal items of the IR Development Act.)

10 Measures for Concerns

4 Security Maintenance and Others

Trends of the National Government

➤ Security Maintenance Measures

IR Development Act

■ Measures for maintenance of order

- ✓ Prohibiting and restricting the usage of casino facilities by inappropriate persons
- ✓ Monitoring and security in casino facilities and their surrounding areas by operators
- ✓ Conducting educational training for casino facility employees to implement the above measures

■ Processing complaints

- ✓ Provision by operators of measures necessary for processing complaints
- ✓ Conducting educational training for casino facility employees to implement the above measures

■ Restrictions on casino game-related prizes for casino games

- ✓ Prohibiting the provision of casino game-related prizes of which the economic value or provision method impairs good morals
- ✓ Conducting educational training for casino facility employees to implement the above measures

■ Restrictions on advertising and solicitation

- ✓ Prohibiting displays and explanations that impair acceptable standards for the public moral and healthy environment
- ✓ Ordering the discontinuance of any advertising or solicitation that violates the above

➤ Measures for the sound upbringing of youth

IR Development Act, Basic Act on Countermeasures for Gambling Addiction and Basic Plan for Countermeasures for Gambling Addiction

■ Education in homes and schools, etc.

- ✓ Promotion to spread the addiction issues by the national government and local governments through education at homes, schools, workplaces and communities
- ✓ Increasing awareness of gambling addiction among parental guardians, etc. (Ministry of Education, Culture, Sports, Science and Technology)
- ✓ Increasing awareness of gambling addiction countermeasures in financial and economic education using guidebooks, etc. (Financial Services Agency)

■ Restrictions on admission to casino facilities

- ✓ Restricting admission of persons under the age of 20 into casino facilities

■ Prohibition of advertising and solicitation

- ✓ Prohibiting distribution of flyers regarding casino operations to persons under the age of 20
- ✓ Prohibiting solicitations regarding casino operations to persons under the age of 20

10 Measures for Concerns

4 Security Maintenance and Others

Trends of the National Government

➤ Countermeasures against Organized Crime

IR Development Act

■ Screening of IR operators

- ✓ License issued by the Casino Administration Committee is required to conduct casino operation
- ✓ Screening of social credibility of license applicant (including directors)
- ✓ Screening of whether applicant includes directors belonging to an antisocial organization

■ Screening of certain contracts

- ✓ Approval of the Casino Administration Committee required in the case of concluding a contract relating to relevant operations that fall within the casino gaming section, outsourcing of operations, funding procurement, etc.
- ✓ Screening of social credibility of the contracting party (including directors)
- ✓ Screening of whether contracting party includes directors belong to an antisocial organization

■ Confirmation of employees involved in certain casino operations

- ✓ Confirmation with the Casino Administration Committee required when assigning employees to the role of dealer, aggregating gross casino gaming revenue, and specific financial services, etc.
- ✓ Confirmation of social credibility of employees
- ✓ Confirmation of whether employees belong to an antisocial organization

■ Ensuring fairness in gaming

- ✓ Ensuring fairness in casino gaming in accordance with the Casino Administration Committee regulations
- ✓ Approval of relevant casino equipment by the Casino Administration Committee
- ✓ Reporting frauds and legal violations relating to casino gambling to the Casino Administration Committee

■ Countermeasures against money laundering

- ✓ Establishment of regulations on prevention of transfer of criminal proceeds by IR operators
- ✓ Use of chips rather than cash for gaming
- ✓ Prohibiting the transfer of chips and leaving the facility with chips
- ✓ Reporting chip exchange transactions of high value to the Casino Administration Committee
- ✓ Implementing measures of confirming guest name, etc. at time of transaction, saving transaction records, and reporting suspicious transactions (confirmation at time of transaction)

10 Measures for Concerns

4 Security Maintenance and Others

Overview of Approach Looking toward IR Opening

➤ Public security maintenance and others

Approach Looking toward IR Opening

■ Maintenance of residential environment

- ✓ Regulations for maintenance of the environment, and monitoring/supervision (facilities set-up, equipment, operating hours, noise, vibration, illumination, advertising, etc.)

■ Strengthening security system

- ✓ Establishing and strengthening functions of an equipment and organization system for the monitoring and security of IR facilities and their surrounding areas
- ✓ Strengthening police forces through increasing number of officers assigned and establishing facilities

■ Collaboration with relevant organizations

- ✓ Collaboration of local governments, prefectural police and IR operators in implementing public relationship activities
- ✓ Collaboration of local governments, operators and prefectural police in implementing security measures within IR facilities

■ Antiterrorism measures

- ✓ Implement measures participated by both public and private sectors
- ✓ Establishing a system for reporting suspicious objects or persons
- ✓ Securing an area for evacuation

➤ Security management using advanced ICT technology (example)



Source: RFI response

10 Measures for Concerns

4 Security Maintenance and Others

Overview of Approach Looking toward IR Opening

➤ Measures for Sound upbringing of Youth

Approach Looking toward IR developing

■ Strict enforcement of admission regulations for casinos

- ✓ Confirming Individual Number cards
- ✓ Conducting patrols by private security guards, etc.

■ Collaboration with educational institutions

- ✓ Collaborating with universities, etc. to raise awareness of gambling addiction
- ✓ Sharing information via leaflets and websites
- ✓ Conducting lectures in response to requests from schools

■ Collaboration with regions, etc.

- ✓ Collaborating with communities to implement education and awareness activities
- ✓ Having addiction support organizations raise awareness
- ✓ Promoting measures to protect youth such as providing correctional guidance and prosecuting offenders of youth welfare



➤ Countermeasures against Organized Crime

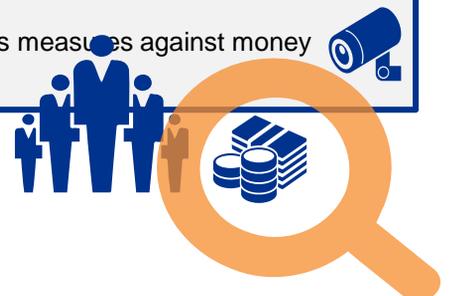
Approach Looking toward IR Opening

■ Elimination of antisocial forces

- ✓ Requesting signed statement from admission guests that they have no association with antisocial forces
- ✓ Including an antisocial elimination article in contracts with construction companies and tenants, etc.
- ✓ Gathering information relating to antisocial forces by operators themselves

■ Money laundering measures

- ✓ Promoting the prevention of transfer of criminal proceeds, such as measures against money laundering and to encourage the operator's intervention



10 Measures for Concerns

4 Security Maintenance and Others

Issues and Expected Efforts

Category	Issues expected as a result of IR opening	Current status (Nagasaki pref./Sasebo city/Public Safety Commission)
Security maintenance measures	(1) Crime prevention measures	<ul style="list-style-type: none"> ✓ Promotion of '3 steps to prevent crime'^{*1} ✓ Setting security cameras in streets ✓ Working with crime prevention volunteers
	(2) Measures against adult-entertainment environment in region	<ul style="list-style-type: none"> ✓ Working with organizations such as adult-entertainment operators and providing guidance ✓ Regular walk-in investigations of places involved in adult-entertainment business ✓ Prohibition of shop-based sex-related amusement special businesses in all regions of the prefecture
	(3) Antiterrorism measures	<ul style="list-style-type: none"> ✓ Strengthen border measures in cooperation with related organizations ✓ Countermeasures participated by both public and private sectors (cooperation and information sharing with prefectures, related organizations, major infrastructure providers, etc.)
Measures for sound upbringing of Youth	(4) Youth measures	<ul style="list-style-type: none"> ✓ Distribution of leaflets to schools and information-sharing on websites ✓ Conducting lectures in response to requests from schools

^{*1} An effort developed by the prefectural group for promoting a safe and secure community without crime led by the prefecture and police, specifically promoting the following 3 crime prevention measures: "Lock the door," "Say hello," and "Watch out."

10 Measures for Concerns

4 Security Maintenance and Others

Issues and Expected Efforts

Countermeasures/Mitigating measures		
National government (Basic plan)	Nagasaki pref./Sasebo city/Public Safety Commission	IR operators
<ul style="list-style-type: none"> ✓ Screening of certified operator, issuing license (Article 39 onward of the Development Act) 	<ul style="list-style-type: none"> ✓ Maintenance of security environment 	<ul style="list-style-type: none"> ✓ Securing system for voluntary security ✓ Securing police facilities ✓ Security equipment utilizing advanced technology ✓ Setting up high performance cameras with automatic detection system implemented ✓ Promotion of cyber security measures ✓ Developing a collaboration system with police and public safety commission ✓ Establishing interpreting center supporting multiple languages, and assignment of security guards
<ul style="list-style-type: none"> ✓ Role of the national government (Article 3 of the Development Act) ✓ Maintenance of acceptable standards for the public moral and healthy environment 	<ul style="list-style-type: none"> ✓ Maintenance of public moral ✓ Regulations for healthy environment maintenance, and monitoring/supervision 	<ul style="list-style-type: none"> ✓ Implementing patrol by private security guards ✓ Establishing contact point for complaints
<ul style="list-style-type: none"> ✓ Security maintenance of casino facilities by the Casino Administration Committee (Article 214 of the Development Act) ✓ Established the national police headquarters for measures against international terrorism in 2015, and developed the 'framework for strengthening the national police's measures against international terrorism' in the same year ✓ Exchange of information with overseas security institutions 	<ul style="list-style-type: none"> ✓ Strengthen border measures in cooperation with related organizations ✓ Countermeasures participated by both public and private sectors (cooperation and information sharing with prefectures, related organizations, major infrastructure providers, etc.) 	<ul style="list-style-type: none"> ✓ Preparation of a response manual upon terrorist attack ✓ Environment maintenance (Installation of security equipment such as security cameras and intrusion detection system) ✓ Information sharing and building collaboration framework with police
<ul style="list-style-type: none"> ✓ Role of the national government (Article 3 of the Development Act) ✓ Sound upbringing of youth ✓ Restriction of admission and casino gaming of persons under the age of 20 (Article 69 of the development Act) ✓ Restriction of advertising to and soliciting persons under the age of 20 (Article 106 of the Development Act) 	<ul style="list-style-type: none"> ✓ Promotion of measures to protect youth from behavior that will interfere their sound upbringing ✓ Promotion of measures to protect youth such such as providing correctional guidance and controlling offenders of youth welfare 	<ul style="list-style-type: none"> ✓ Strict individual identification checks to restrict admission of persons under the age of 20 at time of admission and leaving the facility ✓ Implement patrol by security guards

10 Measures for Concerns

4 Security Maintenance and Others

Issues and Expected Efforts

Category	Issues expected as a result of IR opening	Current status (Nagasaki pref./Sasebo city/Public Safety Commission)
Countermeasures against organized crime	(5) Countermeasures against organized crime (Measures against criminal proceeds)	<ul style="list-style-type: none"> ✓ Elimination of construction companies with involvement of organized crime from bids and contracts
	(6) Countermeasures against antisocial forces such as organized crime	<ul style="list-style-type: none"> ✓ Set up a hotline for measures against organized crime ✓ Established a contact point for reports of organized crime ✓ Collaboration with the public foundation of 'Nagasaki prefectural anti-organized crime group movement promotion center'

10 Measures for Concerns

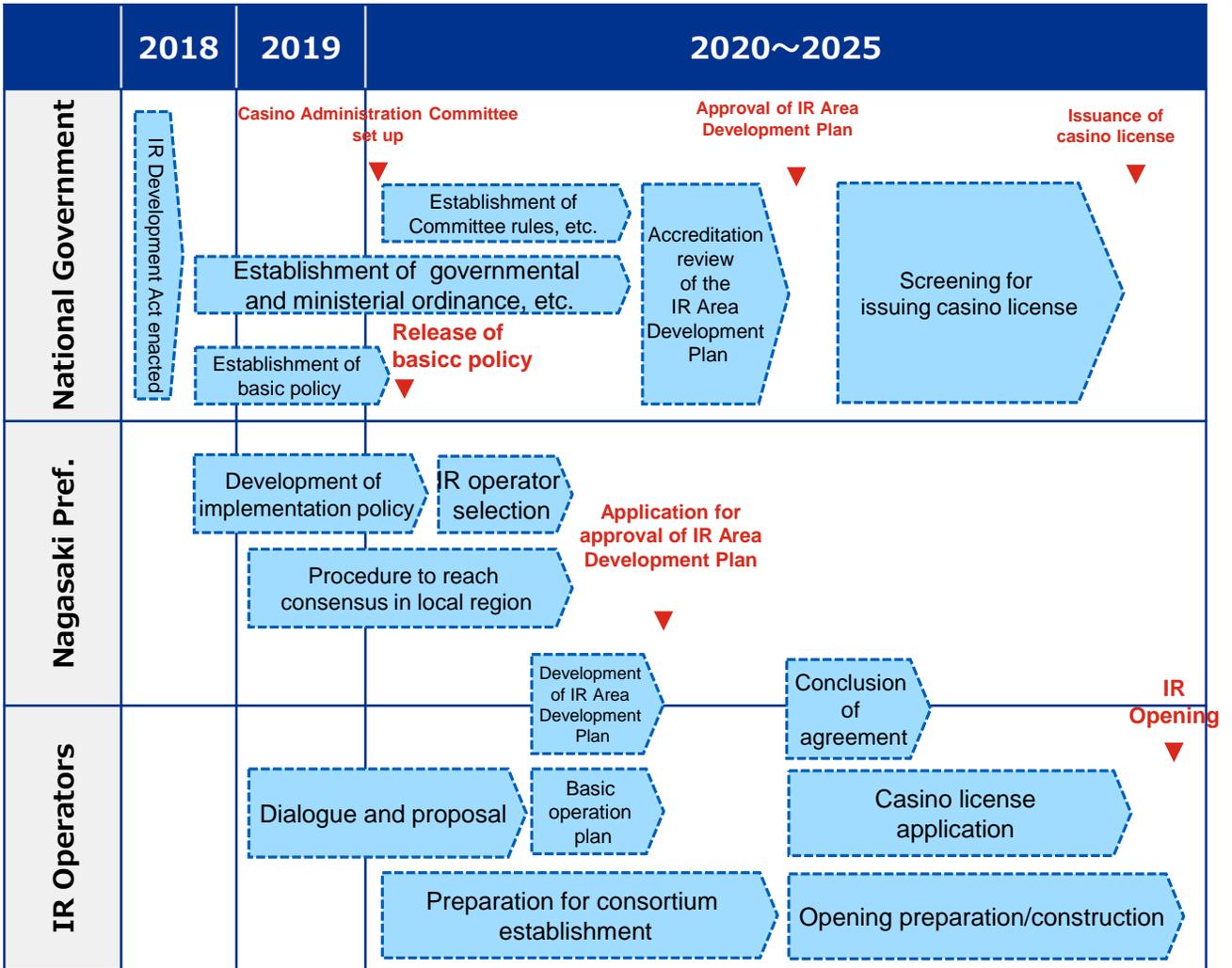
4 Security Maintenance and Others

Issues and Expected Efforts

Countermeasures/Mitigating measures		
National government	Nagasaki pref./Sasebo city/Public Safety Commission	IR operators
<ul style="list-style-type: none"> ✓ Report on risk of transfer of criminal proceeds (Article 3 of Chapter 3 of Act on Prevention of Transfer of Criminal Proceeds) 	<ul style="list-style-type: none"> ✓ Thorough information sharing with IR operators ✓ Promoting the prevention of transfer of criminal proceeds, such as measures against money laundering and operator intervention 	<ul style="list-style-type: none"> ✓ Implement money laundering measures in line with the law, such as confirmation at time of transaction, creation/storage of transaction records, reporting suspicious transactions, etc. ✓ Development of regulation for prevention of transfer of criminal proceeds ✓ Gathering information on antisocial forces
<ul style="list-style-type: none"> ✓ Screening of certified operator, issuing license (Article 39 onward of the Development Act) 	<ul style="list-style-type: none"> ✓ Elimination activities of antisocial forces such as organized crime ✓ Promotion of controlling and eliminating antisocial forces such as organized crime ✓ Promotion of measures for eliminating organized crime (establishing deliberative meeting on measures for eliminating organized crime, etc.) 	<ul style="list-style-type: none"> ✓ Strict restriction of admission of persons failing identification checks based on thorough checks at time of admission and exit ✓ Apply obligation for outsourced contractors in IR facilities to submit a signed statement saying it has no relationship with antisocial forces

11 Schedule

The Kyushu-Nagasaki IR aims for the first IR opening in the mid 2020s



Reference: Process of the basic concept plan preparation

Process of the basic concept plan preparation

- March 2015: Development of Framework of Nagasaki IR Plan
- April 2018: Report of 'Nagasaki Basic IR Concept Plan, Overview of Summary by the Advisory Committee' by the Advisory Committee for Nagasaki Basic IR Concept Plan
- October 2019: Development of Nagasaki IR Fundamentals Plan (draft)
- April 2020: Development of Nagasaki IR Fundamentals Plan

Participants of the Advisory Committee for Development Promotion of Kyushu-Nagasaki IR Established as private advisory body for the Nagasaki Prefecture and Sasebo City Joint Council for the Promotion of IR

Tomoyuki Itagaki	Izumi Shimada
Eigo Ohshima	Hiroshi Tatsumi
Hiroki Ozawa	Hirohisa Fukuda
Atsufumi Kikumori	Yoshiyuki Masumoto
Tsuguhiko Sawanobori	

Status of the Advisory Committee for Development Promotion of Kyushu-Nagasaki IR (established in 2019) held for the establishment of the Nagasaki IR Fundamentals Plan

First conference

- (1) Date Weds., 29 May 2019 10:30 am – 12:15 pm
- (2) Place Nagasaki Prefectural Government Room 307
- (3) Agenda
 - Overview of the conference
 - Overview and current status of IR
 - Revisions and updates to the Nagasaki IR Fundamentals Plan

Second conference

- (1) Date Weds., 31 July 2019 10:00 am – 12:15 pm
- (2) Place Nagasaki Prefectural Government Room 311
- (3) Agenda
 - Revisions and updates to the Nagasaki IR Fundamentals Plan

Third conference

- (1) Date Mon., 17 Feb 2020 14:00 pm – 16:30 pm
- (2) Place Nagasaki Prefectural Government Room 302-303
- (3) Agenda
 - Nagasaki IR Fundamentals Plan and Nagasaki IR Implementation policy