Making Japan a Tourism-based Country; A beautiful country Chapter 2:

[Roles and development of a Tourism-based Country]

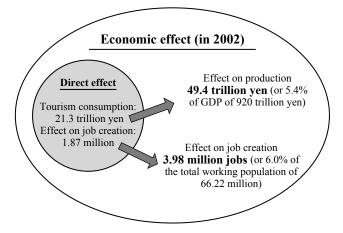
Tourism provides a breath of live and comfort, adding color to people's lives. Yet tourism has many other important roles: stimulating the national economy, promoting exchanges among people, revitalizing regions and communities

by promoting local industries and creating jobs, promoting international friendship, and contributing to world peace.

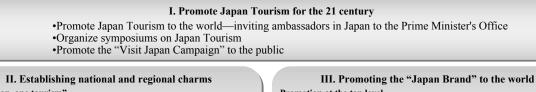
In his general policy speech on the 156th session of the Diet, Prime Minister Junichiro Koizumi announced that the government will strive to promote tourism, saying the government aims to double the annual number of visitors to Japan from other countries up to 10 million by 2010.

In April 2003, the Japan Tourism Advisory Council released a report that calls for "nationbuilding that provides a good living habitat and a good place to visit." This led to the establishment of the ministerial council on tourism promotion. The following July, the ministerial council formulated the Japan Tourism Action Plan with the Cabinet Secretariat and MLIT playing a central role.

Contribution of tourism consumption to Japan's economy (in 2002)



The Japanese Tourism Action Plan **Gist of the Japan Tourism Action Plan**



"One region, one tourism" •Add "Database on Japanese Regional Tourism Resources" to the tourism

- policy section of the MLIT website, which also encourages the public to rediscover regional charms •Open "tourism charisma school"
- •Implement pilot projects designed to create a "tourism and exchange zone"
- •Support the national campaign aimed at promoting "cohabitation and interaction between urban and rural areas" as part of efforts to encourage hands-on tourism ("all right" Nippon campaign).
- Ensure coordination with other programs, including the Urban Renaissance and Promotion of Special Zones for Structural Reform initiatives.

Developing beautiful landscapes

- •Establish a landscape assessment system for public works projects.
- ·Improve the regulatory climate for landscape
- · Adopt stricter regulations on outdoor media such as billboards
- · Promote the wider use of underground power cables

IV. Creating an attractive tourism environment

An environment where overseas visitors can travel alone

· Conduct progress monitoring by people from other countries

· Ensure that signposts, etc. are easy to understand for overseas visitors (Specific steps include: establishing guidelines on signposts; checking to see if they are easy to understand and improve them if necessary; increasing the number of signports and tourist information centers accessible to oversea visitors; and studying ways to provide easy-to-understand information at train stations.)

•Conduct research and demonstration experiment on IC cards that can be used at shops and for public transport in Japan and other countries

Promotion at the top level

- •Promote the country's tourism when the prime minister or cabinet ministers visit foreign countries and when heads of state visit Japan
- •Shoot a promotion video in which the prime minister appears and broadcast it in selected markets

Visit Japan Campaign (VJC)

- •Promote VJC through: (i) PR and ad on foreign media, and (ii) provision of information to travel agencies overseas for the development of tourism products that offer a visit to Japan
- •Set up a portal site that offers Japan's tourism resources in many languages ·Launch a VJC promotion association that banks on public-private partnership and involves the local Japanese embassy and consulates in 20 countries and regions

Streamlining the immigration procedure

- •Regarding group tourists from China for sightseeing, accept visa applications at the Japanese Consulate-General in Guangzhou, improve the arrangements for such tourists, and expand the eligible areas for visa application
- ·Speed up the immigration examination process with the introduction of the Advance Passenger Information System (APIS)

Reducing tour costs

- ·Assess the popularity and impact of discounts for overseas visitors regarding public transport, tourist facilities, etc.
- •Provide information on accommodations that meets the needs of overseas visitors

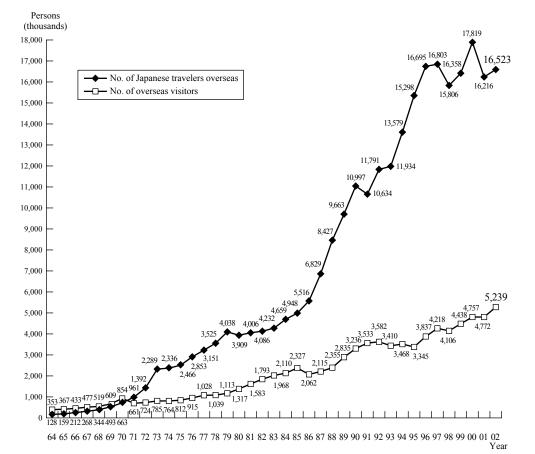
•For smooth implementation, establish a council at the bureau-director level under the ministerial council on tourism promotion.

V. Implementing the Japan Tourism strategy

•Check and assess the results of implemented measures regularly and take corrective actions if necessary (the adoption of the Plan-Do-See approach).

In September 2003, the minister in charge of tourism promotion was created for the first time in Japan. The idea was to ensure coordination among ministries and agencies concerned. Minister of Land, Infrastructure and Transport Nobuteru Ishihara was appointed to the post.

The number of visitors from abroad in 2002 recorded an all-time high of 5.24 million, or up 9.8 percent from the previous year, due in part to the 2002 World Cup soccer games co-hosted by Japan and South Korea.



Changes in the numbers of Japanese travelers overseas and overseas visitors to Japan

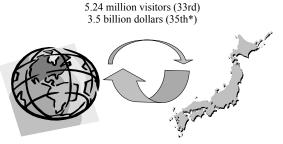
Notes:1. Sources: Statistics complied by the Tourism Department, Policy Bureau, MLIT, based on data from the Ministry of Justice 2. The number of overseas visitors represents that of foreign nationals who entered Japan in Ministry of Justice's yearbook of immigration statistics minus that of those residing in Japan plus that of foreign nationals who landed on Japan temporarily.

International tourism at a glance

International tourism in 2002

•The number of oversea visitors was less than one-third

- of that of Japanese travelers overseas. • A deficit of 2.9 trillion yen in terms of the international
- tourism balance



16.52 million travelers (11th*) 26.7 billion dollars (4th*)

Note: Numbers in parentheses are world rankings in 2001 date.

[Aiming to double the number of overseas visitors]

Japan aims to increase the number of overseas visitors up to 10 million by 2010. To achieve this ambitious goal, Japan has already launched "the Visit Japan Campaign", a joint strategic movement among the central and local governments and the private sectors.

To further promote tourism exchanges with other countries, Japan holds bilateral consultations with close relationship in the tourism sector. The country is also striving to develop "International Tourism Theme Areas," "International Culture Base," and "Comfortable Tourist Destinations" as part of efforts to creating an environment where overseas visitors can travel alone.

Efforts to reduce costs of traveling Japan include the introduction of "welcome cards" and discounts fares for overseas visitors. MLIT is also promoting oceangoing cruise.

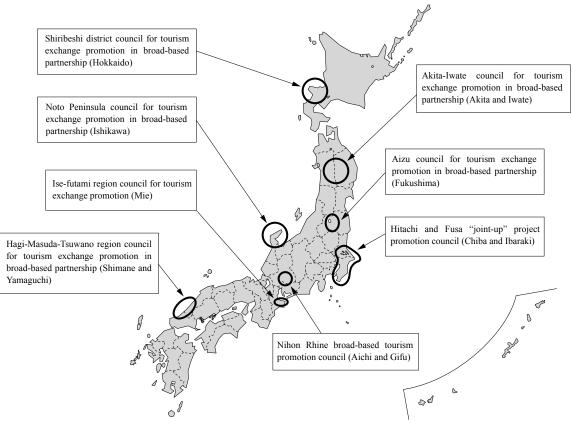
[Improving the tourism environment for the people]

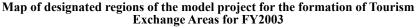
In addition to ensuring safe and comfortable traveling, MLIT encourages the public to take more holidays, especially in rather unusually seasons, through such means as the campaign for "autumn holidays," to promote extended-stay tours.

[Developing attractive tourism and exchange zones]

 \bigcirc Promoting the "one region, one tourism" movement

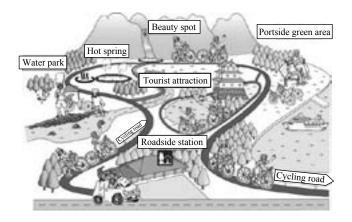
MLIT considers it important to promote the "one region, one tourism" movement that is aimed at encouraging each region to rediscover and enhance its charms and even compete with other regions in this regard. To that end, MLIT is taking a number of steps, including: promoting the model project for the formation of Tourism Exchange Areas; Top 100 Tourism Charismata, promoting town-making based on tourism, and posting the "Database on Japanese Regional Tourism Resources."





OImproving tourism infrastructure and developing tourism resources capitalizing on the natural environment

MLIT is taking the initiative to install signposts along "broad-based tourism theme routes" and making tourist facilities (such as information centers) accessible to elderly people, disabled people, and so forth. The ministry is also committed to developing tourism resources taking advantage of the natural environment. Specifically, it is promoting cycle tourism, walking trail development project, waterfront resources, and river tourism.



A conceptual rendering of cycling tourism

"'Iine Kanazawa' castle town alley" in Kanazawa, Ishikawa Prefecture



Canoe touring along River Teshio in Hokkaido



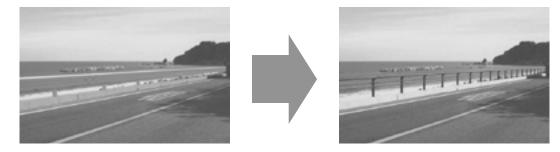


[A beautiful country]

MLIT has decided to divert its resources to build a beautiful nation based on the principle that it is crucial to develop national land as an asset for each one of the people whiling ensuring harmony with the beautiful natural environment. To carry out the decision, MLIT has formulated "Policy Outline for a Beautiful Country".

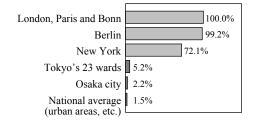
The guidelines set out a basic philosophy of this initiative and show the directions for specific measures, including: establishing a basic framework for developing favorable landscapes, integrating landscaping into construction projects, promoting the wider use of underground power and communications cables, and supporting efforts to assess and improve landscapes at the regional level.

Crash barrier that fits into the landscape



Note: Iwaki, Fukushima Prefecture (The "before" picture is a reproduction using CG.)

Percentage of underground power cables in major cities—international comparison



- Notes:1. The percentages for the cities in other countries are as of 1977 (on a cable length basis; data from the Federation of Electric Power Companies)
 - 2. The percentages for Japan are as of March 2003 (on a road length basis; data from MLIT)

Source: MLIT

[Main objectives of the plan to dispense with power poles]

- •To cut the costs of laying underground power and communications cables, MLIT strives to ensure that common ducts for power and communications cables are in principle constructed at the time of construction works, including: works to construct roads to bypass urban areas, street improvement works, and works to improve accessibility for the mobility impaired. The ministry also endeavors to promote the method of burying cables in shallow ground in a space-saving manner as the standard method.
- •MLIT intends to phase in plans to construct common underground ducts to dispense with power poles along feeder roads in areas designated as districts where historical townscapes should be conserved or a favorable urban living environment should be specially developed, in addition to arterial roads in downtown areas.