

Under these circumstances deliberations on building verification and inspection system review and measures to prevent recurrence were conducted at the Architectural Subcommittee of the Panel on Infrastructure Development and summarized in a mid-term report in February 2006. The following are the issues brought up in the mid-term report.

1. Issues with the building verification and inspection system
2. Issues with the designated verification and inspection institute system
3. Issues with the architect system
4. Issues with the defect liability system
5. Issues with the dwelling performance indication system
6. Issues with the retention period for application documents for verification, etc.

(Issues with malicious renovation)

Consumer harm from malicious renovation work sold door-to-door is becoming a societal issue.

As it is important to make effective use of the existing stock of homes so that citizens may enjoy an abundant home life, the relevant ministries need to coordinate comprehensively to promote general improvements, such as by setting up a renovation consultation desk in each prefecture and ordinance-designated city so that consumers can feel comfortable carrying out proper renovation work.

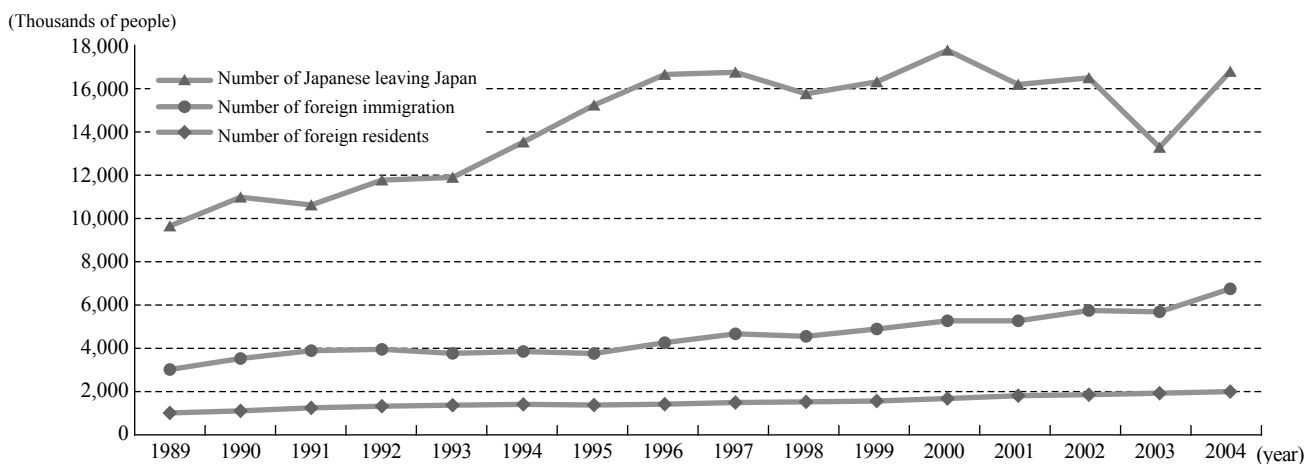
(Issues with illegal remodeling)

A case has come to light at a national business hotel chain where parking facilities for wheelchair users had been removed or annexing had been carried out in excess of the specified floor-area ratio after the inspections had been completed, with the result that the buildings were being used in violation of the applicable regulations. Violations need to be rectified and penalties doled out strictly in this matter. The concept of “barrier-free minds” must also be promoted to remedy this low consciousness of the idea of making society free of barriers.

[Issues accompanying the expansion and globalization of economic activities]

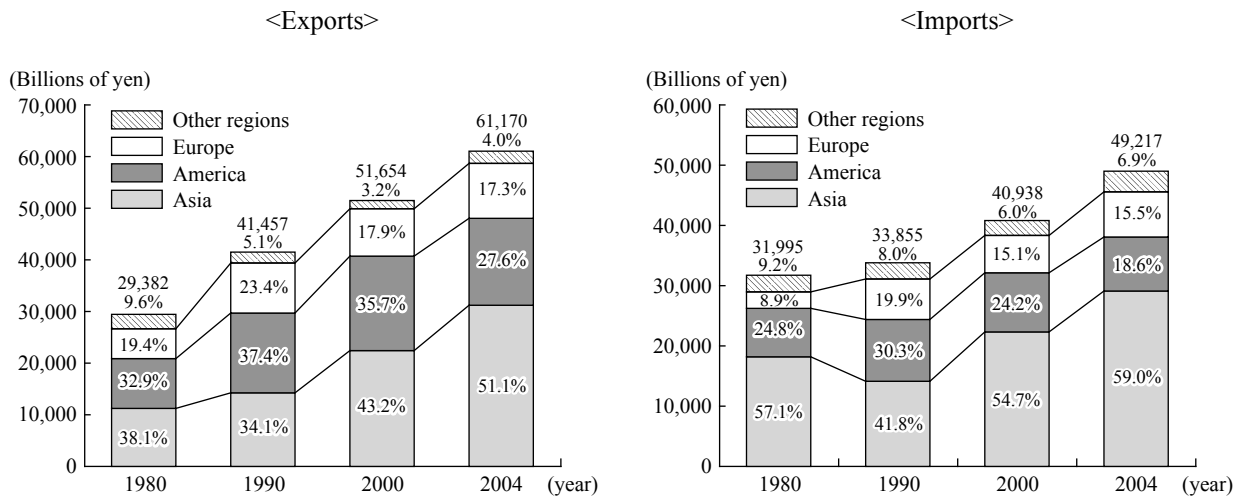
With the expansion and globalization of economic activities, the number of people coming in and out of Japan and the flow goods has increased year on year, and the number of foreigners residing in the country is also on the rise. In addition, Japan’s relationships of interdependence with other countries, especially those in East Asia, are developing very rapidly, and economic connections are growing stronger.

Trends in the Number of Japanese Leaving Japan, Foreign immigration, and Foreign Residents



Source: Ministry of Justice

Trends in the Value of Japan's Exports and Imports

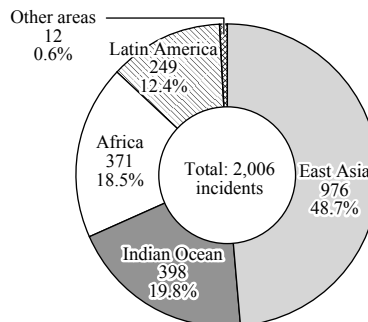


Note: Asia refers to Asia and the Middle East
 America refers to North America and Latin America
 Europe refers to Western Europe, Central and Eastern Europe, Russia, etc.
 Other regions refers to Oceania, Africa, and isolated regions
 Source: Compiled from Ministry of Finance, *Boueki Toukei* (Statistics on Trade)

○ The necessity of assuring safety and security at sea

As the flow of goods between Japan and other countries increases with marine transport being Japan's primary mode of trade, assurance of safety and security at sea is a critical issue. Despite this, the number of piracy incidents remains high in the East Asian waters so important for Japan's distribution.

Status on the Incidence of Piracy and Armed Robbery of Ships by Sea Area



Note: Figures show the number of incidents of piracy and armed robbery of ships in the years 2000 to 2004
 Source: International Maritime Organization (IMO)

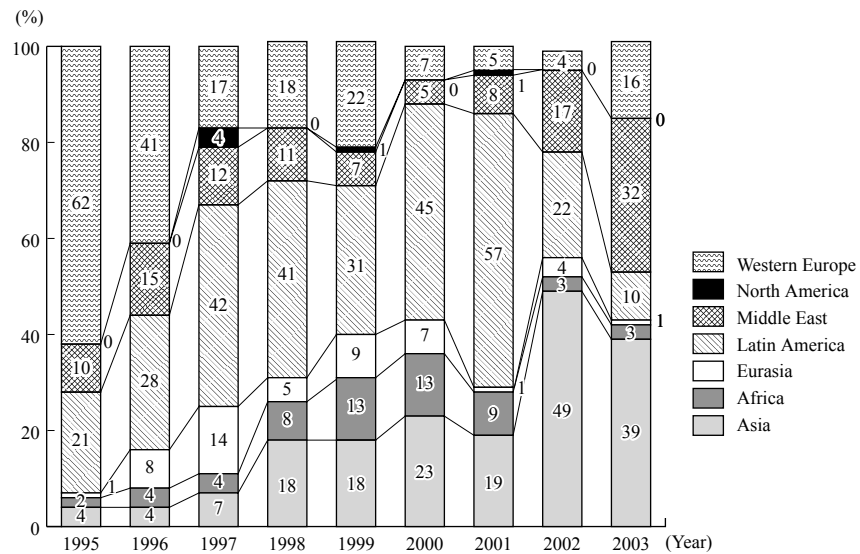
Additionally, there are many instances of drug abuse, robbery and murder using firearms, crimes perpetrated by foreigners coming to Japan – including illegal immigrants, and other problems stemming from smuggling and illegal immigration. With the cases so far of unidentified ships and spy ships, which are suspected of being linked to major crimes, in the country's coastal waters as well, appropriate measures of surveillance and law-enforcement in sea areas must be taken from the standpoint of ensuring the safety and security of Japan's territory.

○ Concerns about terrorist incidents

With the frequency of terrorist incidents in Asia, like the terrorist bombing of October 2005 on the Indonesian Island of Bali which caused many casualties, Japanese included, on the rise in recent years, the threat of terrorism is even reaching areas within Japan's vicinity.

As the flow of people and goods between Japan and other countries increases, the importance of measures against terrorism in Japan is also increasing. We must continue to tackle with all our strength matters like improving security in critical infrastructure, such as land, sea, and air transportation facilities and airports, seaports, dams, and other facilities that form an important basis for public life and economic activities, as well as making efforts toward the proactive prevention of terrorism and the assurance of safety.

Trends in the Proportion of Terrorist Incidents by Region



Source: Compiled from U.S. Department of State, Patterns of Global Terrorism

○ The need for preparations for natural disasters

Japan's disaster-prone natural characteristics make the occurrence of earthquakes a risk factor in domestic business operation. In addition, the increasing globalization of economic activities in recent years has led to an increase in companies starting overseas operations, making damage from the outbreak of natural disasters at overseas business locations another risk factor in business operation. To these ends it is crucial for companies to be prepared for the outbreak of natural disasters in Japan and overseas.

[Issues accompanying the use of hazardous substances]

A vast array of chemical substances, natural minerals, and the like said to number in the tens of thousands have come to be used in manufacturing activities and everyday life, making life more convenient. Although these substances provide a high degree of convenience, however, some of them carry the risk of ill effects on the human body and the environment.

It turns out that in the period of high economic growth from the 1960s to the 1970s, problems with pollution came up from hazardous chemical substances like mercury and cadmium that were used and discharged in economic activities, including the four major types of pollution, causing tremendous harm to public health and living environment. In the period from the 1970s to the 1980s as well, depletion of the ozone layer from CFCs, which had been long used as refrigerants, was verified, and there were concerns about the effects of the increase in harmful ultraviolet radiation on human health and ecosystems. It can be said that these were the cases through which the ill effects of hazardous substances came to light, and from these steps like bans on the use of concerned chemical substances were taken as a whole society.

However, cases can be seen where the concept of the "preventive approach" – the idea that measures must be taken without delay in cases like that of asbestos, where responses each time were conducted based on the scientific knowledge available at the time but there remained serious potential for harm even without full scientific certainty – which is recognized internationally, had not really sunk in, and hence responses based on this line of thinking were not implemented.

Assessments of environmental risk must be performed and appropriate environmental risk measures must be taken to proactively prevent issues like the asbestos problem and other harmful effects on human health and the global environment from hazardous substances. This are also calls for Japan's active participation in the activities of international organizations like the Organization for Economic Cooperation and Development (OECD), the World Health Organization (WHO), and the United Nations Environment Program (UNEP).