

Chapter 6 Revitalization of Industries and Livelihoods

Section 1 Reconstructing industry

Industrial and economic activity was dealt a major blow by the Great East Japan Earthquake, particularly in the Tohoku region. According to the Small and Medium Enterprise Agency, about 800,000 companies are located in the tsunami-earthquake disaster-affected area, and the total amount of damage to commerce, industry, etc., is estimated at about 1,255.8 billion yen in the three Tohoku prefectures. Industries such as automobiles and electronics are concentrated in the disaster-affected area and their supply chains were disrupted so the national industrial production index for March 2011 fell by a record 15.5% compared to the previous month, and also recorded an annual decline of 3.5% compared to the same month of the previous year. While production activities in Japan were severely disrupted like this, the early resumption of business activities in the disaster-affected area was an issue, such as by the development of temporary facilities and the restoration of disaster-affected facilities and equipment.

In this context, the national government implemented various measures for the revitalization of industries and livelihoods from the perspectives of the early resumption of business, the restoration and reconstruction of production facilities, the promotion of corporate location, the securing of employment and human resources, and market development.

From FY2011, immediately after the earthquake, the Project for the Restoration of Disaster Damage to Shared Facilities, etc., at SMEs and other Organizations (Group Subsidies) and the Project for the Development of Temporary Facilities by the Organization for Small & Medium Enterprises and Regional Innovation, Japan (hereinafter referred to as “SME Support Japan”) were implemented to support the early resumption of business by disaster-affected business operators and the restoration and reconstruction of production facilities. In addition, efforts were also made to support financing and address the problem of double debt so that businesses affected by the disaster could resume operations with peace of mind. As well as financial support such as Great East Japan Earthquake Recovery Special Loans and the Emergency Credit Guarantee for Recovery from the Great East Japan Earthquake, which were implemented in FY2011, the purchasing of debt as a countermeasure against double debt by Industry Reconstruction Corporations established in FY2011 and the Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake established in February 2012 contributed greatly to the resumption of business.

From FY2012 on, corporate location subsidies were created to accelerate industrial reconstruction in areas flooded by the tsunami, areas affected by the nuclear disaster, etc., and secure employment to accelerate the revitalization of local economies through the creation of employment and the return of residents to areas where evacuation orders had been lifted. In particular, the Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation was established in FY2013 and the Subsidy for Business Location to Support Self-Reliance and Return, and Create Employment was established in FY2016, and the many companies established in the disaster-affected area as a result contributed to the revitalization of the local economy and the creation of employment.

Along with the progression of recovery and reconstruction, support on non-structural aspect for the issues faced by companies in the disaster-affected area, such as the development of lost sales channels and the launch of new businesses, became important in promoting creative reconstruction in the disaster-affected area. The Reconstruction Agency has supported the development of sales channels and new

product development for companies in the disaster-affected area through the “Yui no Ba” Regional Reconstruction Matching program and the “Hands-on Support Project” for new business in the disaster-affected area since FY2012, and has provided support continuously to the present in 2022.

Measures to secure human resources became an important issue during the “Reconstruction and Revitalization Period” that started in 2016. In addition to the outflow and decrease in population in the area affected by the Great East Japan Earthquake, it was difficult to secure a sufficient labor force while factories, etc., reopened in association with the progress of reconstruction. Because of that, starting in FY2017, measures were put together in cooperation with related agencies to secure personnel in disaster-affected areas, inviting young people and skilled workers to the disaster-affected area, while projects were implemented to support the efforts of local companies to improve productivity, strengthen their ability to attract talent, and spread best practices.

As a result of the efforts above, the measures contributed to the rapid overall recovery and reconstruction of the disaster-affected areas, and economic indicators related to business activity have generally recovered to pre-disaster levels.

1. Supporting the restoration of facilities and equipment

(1) Project for the Restoration of Disaster Damage to Shared Facilities, etc., at SMEs and other Organizations (Group Subsidies)

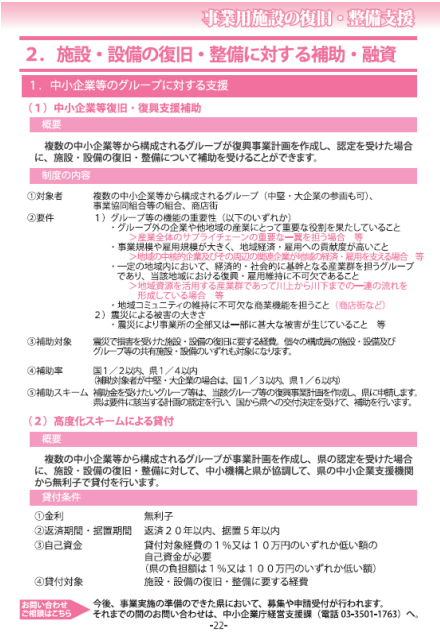
1) Overview of efforts

Because many companies were damaged by the Great East Japan Earthquake, the national government and prefectural governments provided support to groups of the small and medium-sized enterprises (SMEs) that form the “core of the local economy,” which were able to play a leading role in reconstruction, based on reconstruction project plans prepared by groups of SMEs, etc., and the Project for the Restoration of Disaster Damage to Shared Facilities, etc., at SMEs and other Organizations (Group Subsidies) aimed at promoting the recovery and reconstruction of the area affected by the Great East Japan Earthquake by advancing the “revival of industrial vitality,” the “reconstruction of the disaster-affected area,” the “revitalization of communities” and the “maintenance of employment” was established for the first time in 2011.

Groups of SMEs, etc., were required to fall into four categories: ① industrial clusters important to the region because of the extent of economic transactions; ② core business with an important position in the region from the perspective of scale of employment, and surrounding businesses; ③ business groups that form an important supply chain for the Japanese economy; and ④ central local shopping districts, etc., essential to the local community. If a group of companies that falls under one of these categories prepared a reconstruction project plan and received approval from the prefecture, the national government subsidized half and the prefecture a quarter of the costs of restoring the facilities and equipment necessary for implementation of the plan. In addition, groups were also able to receive finance through the Loan Program for Advanced Schemes, a program for long-term (up to 20 years (including deferral periods of five years)), interest-free loans, with regard to the remaining quarter of costs for the restoration of facilities and equipment they were required to pay for themselves.

Furthermore, aimed at restoring the SME support functions of associations of commerce and industry, etc., the national government subsidized half of the costs of restoring the guidance and consultation facilities, etc., of associations of commerce and industry, chambers of commerce and industry, etc., affected by the disaster.

Figure 6-1-1 Overview of support for the restoration and maintenance of business facilities



Source) “Guidebook on Support Measures for Small and Medium-Sized Enterprises Ver.03”(Small and Medium Enterprise Agency, May 2011)
<https://warp.da.ndl.go.jp/info:ndljp/pid/1874293/www.chusho.meti.go.jp/earthquake2011/download/EqGuidebook-ver3.pdf> (browsed July 27, 2023)

2) Results of Group Subsidies following the Great East Japan Earthquake

The prefectures subject to Group Subsidies following the Great East Japan Earthquake were Hokkaido, Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Ibaraki Prefecture, Tochigi Prefecture and Chiba Prefecture, with the first round of public solicitation conducted in Aomori Prefecture, Iwate Prefecture and Miyagi Prefecture in June 2011, and the second round conducted in Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture and Ibaraki Prefecture in September the same year. Since the start of the application process, applications far exceeded the budget and the disaster-affected local governments requested the further expansion of the budget. Subsequently, the budget was expanded each year to the present in FY2022, and the 30th round of public solicitation was conducted in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture in FY2022.

Figure 6-1-2 Budget measures for Group Subsidies

(Unit: 100 million yen)

FY2011 supplementary and contingency funds	FY2012	FY2012 contingency funds	FY2013	FY2013 supplementary funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
1,503	500	801	250	204	221	400	290	210	150	76	140	64	22

Figure 6-1-3 Results of Group Subsidies (as of December 2022)

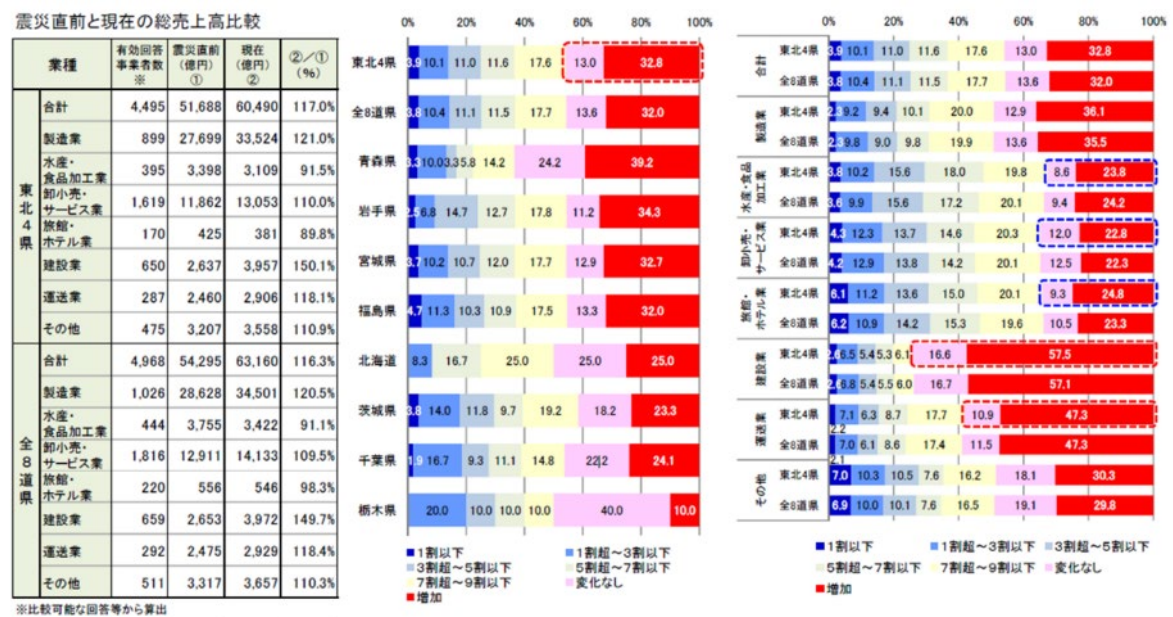
	Groups	Number of subsidy grant decisions	Total subsidies (National government and prefecture)	National expenditure
Hokkaido	6 groups	36 projects	1 billion yen	600 million yen
Aomori Prefecture	10 groups	208 projects	8.6 billion yen	5.7 billion yen
Iwate Prefecture	135 groups	1,573 projects	91.9 billion yen	61.3 billion yen
Miyagi Prefecture	256 groups	4,487 projects	282.3 billion yen	188.2 billion yen
Fukushima Prefecture	263 groups	3,973 projects	127.6 billion yen	85.1 billion yen
Ibaraki Prefecture	58 groups	1,432 projects	19.5 billion yen	13.0 billion yen
Tochigi Prefecture	1 group	14 projects	500 million yen	300 million yen
Chiba Prefecture	8 groups	154 projects	2.8 billion yen	1.9 billion yen
Total	737 groups	11,877 projects	534.1 billion yen	356.1 billion yen

The Tohoku Bureau of Economy, Trade and Industry is conducting follow-up surveys on the recipients of Group Subsidies.

In the 2019 survey, responses were received from 6,326 of 11,041 recipients of Group Subsidies from FY2011 to FY2018. According to the survey, the current total sales in all eight prefectures exceeded the level immediately before the earthquake (116.3%), and judging by the state of sales (change), the percentage of businesses that have recovered to their level immediately before the earthquake or higher was 45.6%. Looked at by industry, in all eight prefectures, the percentage of respondents who said they had recovered to their pre-earthquake levels or higher was highest in construction (73.8%), followed by transportation (58.8%), and lowest in fisheries and food processing (33.6%), followed by hotels and inns (33.8%), and wholesale and retail services (34.8%).

In addition, it is apparent in surveys since FY2020 that the impact of COVID-19 has been strong.

Figure 6-1-4 State of sales by recipients of Group Subsidies



Source) “Questionnaire Survey of Group Subsidy Recipients” (Tohoku Bureau of Economy, Trade and Industry, June 2019; announced in November the same year)
<https://www.tohoku.meti.go.jp/koho/topics/earthquake/191114.html> (browsed July 27, 2023)

In addition, the Tohoku Bureau of Economy, Trade and Industry prepared a set of case studies of companies that have used Group Subsidies in 2021.

Since being founded as a shark fin product manufacturer in Kesennuma City, Miyagi Prefecture, which boasts the largest shark catch in Japan, Ishiwata Shoten Co., Ltd., has developed products in Japan and overseas with its unique manufacturing methods and skilled craftsmanship. Although all of its facilities in Kesennuma City, including its offices, warehouse and factory, were washed away by the Great East Japan Earthquake, the company used Group Subsidies and achieved full-scale operations one year after the disaster. To regain lost sales channels, the company rebuilt its business based on the strong belief that “the reconstruction of Kesennuma will not be possible without shark fins” and worked on the promotion of sales and branding by putting the regional characteristics of Kesennuma to the fore in product design.

Motoshoei Kitanihon Suisan Co., Ltd., of Iwate Prefecture, which was founded in 1982 as a groundbreaking land-based abalone aquaculture company, decided to restore its operations after miraculously finding adult abalone in its facilities immediately after the disaster, although all three of its factories were damaged by the Great East Japan Earthquake. The company succeeded in collecting eggs from the adult abalone clams that had survived and growing them in a borrowed area at the Sanriku Education and Research Center for Marine Biosciences of Kitasato University. The company used Group Subsidies in April 2014 to rebuild its aquaculture facilities and resume seed production.

SMEs that have recovered through the use of Group Subsidies are playing leading roles in the region, playing important roles in reviving industrial vitality, revitalizing communities, etc., and contributing to the recovery and reconstruction of the disaster-affected area.

Figure 6-1-5 Ishiwata Shoten Co., Ltd.



(工場の内観)



(工場の外観)

Figure 6-1-6 Motoshoei Kitanihon Suisan Co., Ltd.



(あわび養殖施設)



(あわび養殖の様子)

Source) Case Studies of Business Operators Using Group Subsidies - The Efforts of Business Operators for the Reconstruction of the Disaster-Affected Area -

https://www.tohoku.meti.go.jp/koho/topics/earthquake/pdf/210209_3.pdf (browsed July 27, 2023)

3) Changes in the Group Subsidies system and measures for the improvement of issues

The Group Subsidies system, which began in 2011, has been modified and improved many times in response to the progress of recovery and reconstruction and the issues that have arisen, including the following examples.

- In 2013, to focus on areas inundated by the tsunami, no-entry zones, etc., where reconstruction was particularly slow, and to respond to regional needs such as the recovery of commercial functions such as shopping districts, in the three disaster-affected prefectures (Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture), the new establishment of joint facilities such as joint stores and community facilities, and the rearrangement of urban blocks were added to the subjects of the subsidies. (The “new establishment of joint stores and the rearrangement of urban blocks” are described later in Section 6.(3).)
- In 2014, the national government promoted the restoration of buildings by implementing measures to increase the amount of money available to business operators who were unable to conclude contracts for restoration work due to the soaring prices of materials, etc., after the decision to grant subsidies to groups of SMEs was made. Specifically, the system was improved so that more support was provided to disaster-affected business operators who were unable to conclude contracts for restoration work because costs had increased significantly (by more than 10%) during the period in question, even though subsidies had already been carried over twice, the upper limit under the system, or reissued as a special measure after the decision to grant the subsidies had been made.
- As time passed after the earthquake, SMEs and small-scale businesses that had not been able to resume business due to the impact of the disaster were increasingly affected by changes in the business environment, such as the loss of sales channels and shortages of employees due to the long-term suspension of business, and the resumption of business and recovery of sales became more difficult. Consequently, to encourage businesses finding it difficult to resume or continue business, or recover sales by restoring existing facilities, etc., to aim for their pre-earthquake sales through new efforts (business in new fields) with an eye on the development of demand in new fields, etc., while receiving support from certified support organizations for business innovation, etc., the system was improved so that instead of restoring their existing facilities, etc., the costs related to the implementation of such efforts were also eligible for subsidies from 2015.
- In 2021, based on the basic guidelines for the period after the “Reconstruction and Revitalization Period,” the businesses subject to support were limited to “businesses that have not been able to recover due to reasons not attributable to themselves” in areas affected by the earthquake or inundated by the tsunami, and “businesses that wish to resume business” in areas affected by the nuclear disaster.

Furthermore, another issue that can be raised is that some business operators made excessive capital investments without taking into account the medium to long-term demand outlook and other changes in social and economic conditions surrounding them, which made it difficult for them to repay the loans for the expenses they bore themselves (in principle, one-quarter of the costs subject to the subsidies), as the Group Subsidies enabled restoration to the original state of the business. In addition, it has also been pointed out that in a situation where the future is uncertain immediately after an earthquake, excessive applications are likely to be made, and gradual support is required as a countermeasure. In response to these issues, the authorities took measures such as supporting restoration on an appropriate scale in a planned manner, taking into account future changes in the business environment, in cooperation with

support institutions and financial institutions at the time of subsidy applications, etc.

In addition, there were opinions concerning the restrictions on diversion of funds or disposal of waste, etc. of buildings established or equipment installed based on Group Subsidies hindered business operators from transforming their businesses, etc. Such restrictions on the disposal of assets are imposed not only on Group Subsidies, but on all subsidies provided by the government based on the Act on Regulation of Execution of Budget Pertaining to Subsidies, etc., but on the other hand, a notice issued by the Budget and Accounts Division of the Minister's Secretariat of the Ministry of Economy, Trade and Industry "Concerning the Handling of the Disposal, etc., of Assets Acquired or whose Utility Has Increased as a Result of Subsidized Projects, etc.," had established that such restrictions on the disposal of assets are not applicable to the disposal of assets if they are modified to maintain, restore or strengthen the functions of disposal-restricted assets required to execute projects for the purpose of subsidies, so the authorities are implementing more detailed measures in accordance with the situation of individual business operators.

Figure 6-1-7 Overview of issues and solutions with Group Subsidies

4-2. Issues with Group Subsidies and improvement measures ①



○ Use of new business areas

[Issues]

Group Subsidies started in FY2011, but the problem was pointed out that resuming business and recovering sales would be difficult due to changes in the business environment such as the loss of sales channels and shortages of employees due to the long suspension of business.

[Improvement measures]

From FY2015, to promote new efforts with an eye on the development of demand in new fields (so-called "new field business") aimed at achieving pre-disaster level sales for business operators finding it difficult to resume or continue business or recover sales, even supposing that they have restored the facilities of their existing business, improvements were made so that it was possible to subsidize the costs required for developing facilities and equipment required for new field business instead of restoring existing facilities, etc.

[Examples of use]

- **Example of conversion from taxi business to laundromat business (Iwate Prefecture)**
The business operator aims to recover sales by attempting to improve convenience for the local community and conducting a community-based business with high repeat rate.
- **Example of combining day care services with an osteopathic clinic (Iwate Prefecture)**
The osteopathic clinic will generate new regular customers by capturing needs for day care services in the area.
- **Example of establishing a restaurant business in addition to retail business (Miyagi Prefecture)**
Because it was difficult to secure profits by restoring the former business format due to factors such as the decrease in the town's resident population, the business operator newly established a restaurant business and free space in addition to the existing retail business. The business operator aims to restore sales by building a community to win customers.
- **Example of conversion from the inn industry to the food processing and restaurant industries (Miyagi Prefecture)**
Because the area was designated a disaster risk area after the earthquake and managing an inn entailing lodging was prohibited, the business operator developed food processing and sales facilities, a restaurant, etc., and aims to become a new tourist base.

20

4-2. Issues with Group Subsidies and improvement measures ②



○ Recovering at an appropriate scale

[Issues]

Cases occurred in which business operators made excessive capital investments without taking into account the medium to long-term demand outlook and other changes in social and economic conditions surrounding them, and made it difficult for them to repay the loans for the expenses they bore themselves (in principle, 1/4 of the costs subject to the subsidies), as the Group Subsidies enabled restoration to the original state of the business.

[Improvement measures]

The authorities supported restoration on an appropriate scale in a planned manner, taking into account future changes in the business environment, in cooperation with support institutions and financial institutions at the time of subsidy applications, etc.

- Business operators that make capital investments based on their own business models and with a proper purpose, rather than making capital investments haphazardly just because they receive subsidies, are now at an advantage. (Iwate Prefecture financial institution)
- While some business operators were affected by the COVID-19 pandemic, high crude oil prices and the weak yen, many of those that have made appropriate capital investments without being greedy, even when using Group Subsidies, are doing well. (Representative of a local industry group in Miyagi Prefecture)
- Since it is possible to have surplus facilities due to things like labor shortages and changes in demand if restoration is carried out on the same scale as before the disaster, we have supported the realistic recovery planning of many commercial and industrial business operators from the start. (Miyagi Prefecture commercial group)
- One seafood processing business operator has been able to develop its business in line with post-disaster environmental changes by gradually restoring the multiple processing plants it owns in accordance with demand, rather than simultaneously restoring them to their pre-disaster capacity. (Fukushima Prefecture financial institution)

○ Carefully handling property disposal

[Issues]

There were opinions that although restrictions were imposed on the diversion of funds, and the disposal of waste, etc., with regard to buildings established or equipment installed based on Group Subsidies, which hindered business operators from transforming their businesses, etc.

[Improvement measures]

Based on the Act on Regulation of Execution of Budget Pertaining to Subsidies, etc., restrictions on the disposal of assets are imposed not only on Group Subsidies, but on subsidies provided by the government in general.

On the other hand, more detailed measures are implemented depending on the situation of individual companies

- In cases where necessary modifications are made to maintain, restore or strengthen the functions of the property whose disposal is restricted to carry out the business subject to subsidy, the case does not fall under the property disposal.
 - * Excerpt from "Concerning the Handling of the Disposal, etc., of Assets Acquired or whose Utility Has Increased as a Result of Subsidized Projects, etc." (Notice of Budget and Accounts Division of the Minister's Secretariat of the Ministry of Economy, Trade and Industry, June 10, 2004, Budget and Accounts Division No. 5)
 - (2) The following cases and other cases equivalent thereto do not fall under property disposal as the use not contrary to the purpose of the subsidy, etc., and the procedures established for this handling are not required.
 - ② Cases where necessary modifications are made to maintain, restore or strengthen the functions of the property whose disposal is restricted for carrying out the business subject to subsidy
- When introducing equipment by using Group Subsidies, business operators are reminded to consider the introduction of appropriate equipment after examining carefully the use and duration of use of the equipment. (Miyagi Prefecture commercial group)

21

Source) Excerpt from Document 5, related materials of the Expert Meeting on Reflection on the Past Decade of Reconstruction Policy for the Great East Japan Earthquake (2nd meeting)

https://www.reconstruction.go.jp/topics/main-cat1/sub-cat1-22/02siryo5_kanren.pdf (browsed July 27, 2023)

4) Using Group Subsidies on damage following the Great East Japan Earthquake

The Group Subsidies were established in the wake of the Great East Japan Earthquake, and in addition to the Kumamoto Earthquake of 2016, the torrential rain disaster in West Japan in July 2018, Typhoon No.19, etc., in 2019, and the torrential rain disaster of July 2020, which were designated as extreme under the Act on Special Financial Support to Deal with the Designated Disaster of Extreme Severity (Act No. 150 of 1962), which occurred after the Great East Japan Earthquake, Group Subsidies systems were also established on an exceptional basis and used for the reconstruction of disaster-affected business operators in light of the situation business operators were placed in during the Fukushima Prefecture Offshore Earthquakes of 2021 and 2022 under the double impacts of the earthquakes and COVID-19 infections, when the area was still under reconstruction from the Great East Japan Earthquake.

Support has been expanded in response to the voices of disaster-affected areas and these frequent disasters, and following Typhoon No.19, etc., in 2019, some fixed amount subsidies were provided to business operators meeting certain requirements, such as being in the process of reconstruction from past disasters. In addition, in the case of the 2022 Fukushima Prefecture Offshore Earthquake, improvements (reinforcement) that would contribute to disaster prevention and mitigation within the scope of restoration costs were also made subject to subsidies.

(2) Shipbuilding (subsidies for reconstruction support projects for shipbuilding, etc.)

All 37 shipyards and many shipbuilding-related businesses located on the Pacific coast of the Tohoku region were destroyed in the Great East Japan Earthquake, and more than 20,000 fishing boats were washed away or damaged. The shipbuilding industry in the four prefectures of the Tohoku region is an important core industry for fisheries, supporting the local economy and employment in the disaster-affected area as well as the building and repair of about 39,000 fishing boats, and its early restoration and reconstruction were required for the reconstruction of the local economy and employment, and fisheries.

Figure 6-1-8 A damaged shipyard



A shipyard in the Tohoku region damaged by the earthquake

Because of this, in cooperation with the Small and Medium Enterprise Agency and other related ministries and agencies, the Ministry of Land, Infrastructure, Transport and Tourism supported use of the “SME Recovery and Reconstruction Support (Group) Subsidies Program” and supported the procurement of the materials and equipment necessary for the early restoration of facilities. By doing so, 33 of 37 shipyards had resumed operations, albeit limited, as of February 2012. In addition, for the reconstruction and future development of the shipbuilding concentrated in the region, the “Support Project for the Concentration and Advancement of the Regional Shipbuilding Industry” was implemented through planning for greater joint use and efficiency of each facility, training sessions for the advancement of building skills, etc.

Figure 6-1-9 A restored shipyard



A launch ceremony at the restored shipyard

In addition, support projects for the restoration of small fishing boats damaged by the disaster based on grants from The Nippon Foundation operated repair yards for small FRP fishing boats temporarily at eight locations (four each in Iwate Prefecture and Miyagi Prefecture) in disaster-affected area, and about 750 small FRP fishing boats were repaired by December 2011.

Figure 6-1-10 A small FRP fishing boat repair yard



Apart from this, support projects for the revitalization of shipbuilding businesses damaged by the disaster based on grants from The Nippon Foundation provided necessary facilities and equipment (cranes, hoists, welders, emergency generators, aerial work platform vehicles, lathes, tools, etc.) for the early recovery of shipyards, etc., affected by the disaster on the premise that they would be used jointly by the business operators of each region. Because it was necessary to establish a council (an entity responsible for joint ownership, use, and management of the facilities and equipment) in each region to use facilities and equipment jointly, the shipyards, etc., of each region were united and support was provided for the preparation of council rules, books, etc.

In FY2013, the “Shipbuilding Reconstruction Support Project Cost Subsidy (116.024 billion yen)” was established as a full-fledged reconstruction support system for small and medium-sized shipbuilders, etc., whose independent reconstruction was difficult due to the tsunami and land subsidence, and the “Shipbuilding Industry Reconstruction Support Fund” was created (by The Nippon Foundation).

The “Shipbuilding Reconstruction Support Project Cost Subsidy” commenced public solicitation for

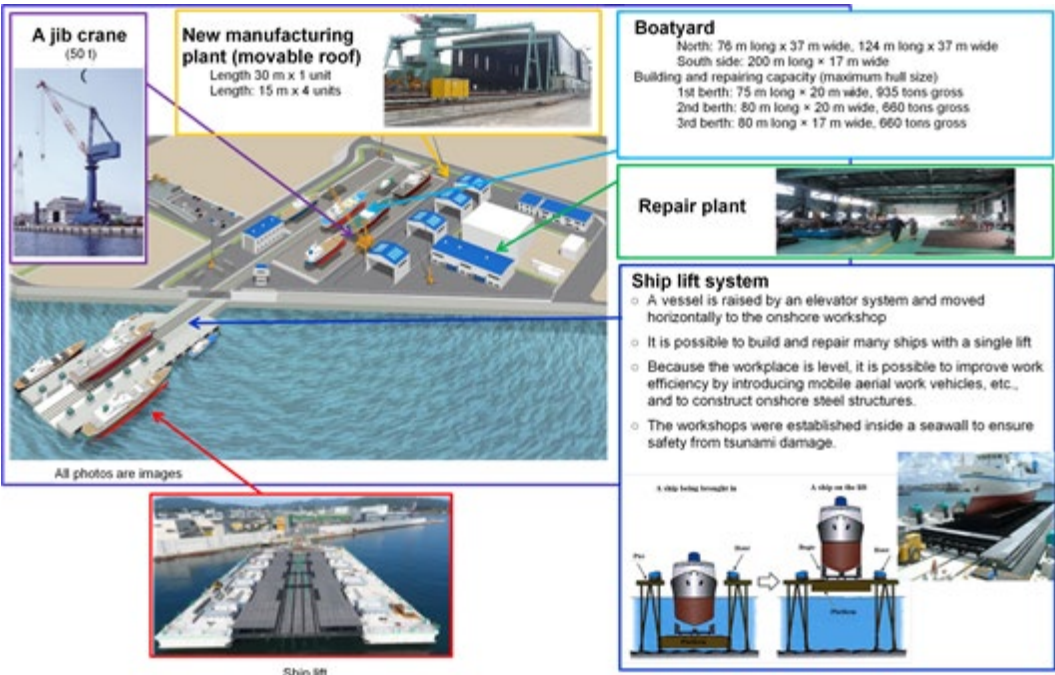
projects to subsidize in August 2013 and adopted eight projects by March 2017 (two projects in Ofunato City, Iwate Prefecture; one project in Kesennuma City, Miyagi Prefecture; one project in Minamisanriku Town, Miyagi Prefecture; and four projects in Ishinomaki City, Miyagi Prefecture), under which shipbuilding and repair facilities, mooring facilities such as quays and piers, and management and operation facilities were developed for greater collaboration and consolidation aimed at full-scale reconstruction. Starting with a subsidized project in Ishinomaki City in June 2015, all subsidized projects were completed as of the end of May 2019, and full-scale operations started. Through these subsidized projects, a total of 19 shipyards and shipbuilding-related businesses merged and were consolidated into eight companies (subsidies of 11.23 billion yen for eight companies).

Consolidation and collaboration to strengthen the business base was one of the requirements for subsidies and it was a major business shift for the subsidized businesses that involved raising funds to pay their share of expenses and renovating the original land, company names and business practices they had become used to.

As a result of these subsidized projects, not only did the shipyards undergo reconstruction, but their production capacity improved dramatically, such as becoming able to build new types of ships, which they had not built before, efficiently.

Among them, the “Mirai (meaning future) Shipbuilding Project,” which adopted the ship-lift system and built the world’s first tsunami-resistant shipbuilding facility inside a seawall, was a project on which industry, government and public institutions (affected business operators, the Ministry of Land, Infrastructure, Transport and Tourism, the Reconstruction Agency, Kesennuma City, The Nippon Foundation) cooperated on the reconstruction of the shipyards that build and repair the fishing boats that support fisheries, a core industry of Kesennuma City and the Tohoku region, and became a symbol of the reconstruction of Kesennuma City and the Tohoku region. This Mirai Shipbuilding is a highly disaster-resistant shipyard, and by introducing state-of-the-art facilities and saving labor and manpower, elderly workers can also work easily, and a work environment that is also attractive to young people has been built. Currently, as the name Mirai Shipbuilding implies, the company continues to move towards the future 100 years from now, such as starting to build new types of ships.

Figure 6-1-11 Overview of Mirai Shipbuilding facilities



The current Mirai Shipbuilding



2. Promoting business location

While the recovery of the facilities and equipment of disaster-affected companies progressed through Group Subsidies, etc., on the other hand, matters such as the creation of employment in the disaster-affected area, measures against the outflow of companies to areas outside the disaster-affected area, and the return of residents to areas where evacuation orders had been lifted became issues for the promotion of industrial reconstruction in areas of tsunami inundation, areas affected by the nuclear disaster, etc. Consequently, the authorities provided subsidies for business location, etc., to accelerate industrial reconstruction in areas flooded by the tsunami, areas affected by the nuclear disaster, etc., and worked to secure employment to accelerate the revitalization of local economies through the creation of employment and the return of residents to areas where evacuation orders had been lifted.

(1) Fukushima Industrial Reconstruction Business Location Support Project

The “Fukushima Industrial Reconstruction Business Location Support Project” was implemented from FY2012 to support the creation of a fund for the prefecture to promote the reconstruction and revitalization of Fukushima Prefecture, which was damaged extensively by the Great East Japan Earthquake and the nuclear power station disaster. This project supported the new or returning location of companies from outside the prefecture, the prevention of outflows to outside of the prefecture and the efforts of the prefecture to encourage corporate locations by companies newly expanding in or returning to the prefecture, and promoted the early revitalization of lost industrial parks and lot sales at low prices to accelerate corporate locations in the prefecture and implement industrial expansion and the continuous creation of employment in the region.

The total amount of funds was 210.2 billion yen (FY2011: 170.0 billion yen (third supplementary budget; FY2012: 40.2 billion yen (contingency fund)); and the total number of subsidies decided as of the end of September 2022 was 542, the amount decided was about 200.1 billion yen, and the cumulative number of new employees was 6,997 people.

Examples of the use of funds include the introduction of manufacturing facilities by the pharmaceutical equipment manufacturing industry, the automobile parts manufacturing industry, and the optical equipment manufacturing industry. For example, in Soma City, Fukushima Prefecture, IHI Co., Ltd., introduced manufacturing facilities for jet engine parts and built a production system to increase the production of engine parts, including new part types.

Solicitation for this project ended in FY2020. (Decisions on the granting of subsidies will be made by the end of FY2023.)

Figure 6-1-12 Overview of the subjects of subsidies (* as of FY2012)

補助対象地域	福島県														
補助対象業種	①製造業のうち輸送用機械、半導体、医療福祉機器、エネルギー、農商工連携の各関連産業業種 ②企業立地促進法集積業種のうち製造業及び研究所を設置する業種 ③自ら使用するための物流施設を設置する業種 ④コールセンター、データセンター又はそれに類似する業種 ⑤知事が特に認める企業														
補助上限額	200 億円以内														
補助率	<table><tr><th>区分</th><th>1 年目</th><th>2 年目</th><th>3 年目</th></tr><tr><td>警戒区域等が 解除された地域</td><td>3/4 以内</td><td>2/3 以内</td><td>1/2 以内</td></tr><tr><td>上記以外の県内地域</td><td>2/3 以内</td><td>1/2 以内</td><td>2/5 以内 ※中小企業 1/2 以内</td></tr></table> <p>※ 補助率の上限は、上表の左欄に掲げる地域ごとに同表の右欄に掲げる数値以内</p>			区分	1 年目	2 年目	3 年目	警戒区域等が 解除された地域	3/4 以内	2/3 以内	1/2 以内	上記以外の県内地域	2/3 以内	1/2 以内	2/5 以内 ※中小企業 1/2 以内
区分	1 年目	2 年目	3 年目												
警戒区域等が 解除された地域	3/4 以内	2/3 以内	1/2 以内												
上記以外の県内地域	2/3 以内	1/2 以内	2/5 以内 ※中小企業 1/2 以内												

(2) Subsidies for Corporate Location for Industrial Reconstruction in Areas Surrounding the Nuclear Power Station Disaster

Since FY2012, aimed at facilitating corporate location and maintaining and creating employment, the authorities have implemented the “Project to Support Corporate Location for Industrial Reconstruction in the Area Surrounding the Nuclear Power Station Disaster,” which provides partial subsidies for the costs of business operators that acquire sites and newly build or expand factories, etc., in Ibaraki Prefecture, Tochigi Prefecture and Miyagi Prefecture, which are adjacent to Fukushima Prefecture, a special decontamination areas based on the Act on Special Measures concerning the Handling of Radioactive Pollution and an area where the ability to attract corporate location decreased significantly due to the nuclear power station disaster, and whose results for corporate location in the first half of FY2011 fell further below the national average following the Lehman Shock.

Public solicitation for this project ended in FY2014, and 75 subsidies had been decided by FY2017, amounting to about 12.5 billion yen, and the cumulative number of new employees was 887 people.

Examples of use include the development of factories and other facilities and the introduction of machinery and equipment. For example, in Ibaraki Town, Ibaraki Prefecture, C’s Ishihara Co., Ltd., established a new factory for the expansion of pet sheet production, and 12 new employees were hired locally.

Figure 6-1-13 C’s Ishihara Co., Ltd., Ibaraki Factory



Figure 6-1-14 Overview of the subjects of subsidies (* as of FY2012)

Areas subject to subsidies	Ibaraki Prefecture, Tochigi Prefecture and Miyagi Prefecture
Facilities subject to subsidies	Factories, distribution facilities, etc.
Maximum subsidy amount	3.0 billion yen
Costs subject to subsidies	Initial industrial location costs from the acquisition of land and building construction to the introduction of production facilities
Subsidy rate	Up to one-quarter

(3) Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation

Aimed at facilitating corporate location and creating employment in the prefectures damaged particularly badly by the Great East Japan Earthquake, the national government created a fund for a “Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation” from FY2013 to accelerate industrial reconstruction in the areas of Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture and Ibaraki Prefecture inundated by the tsunami, and Fukushima Prefecture, which includes former no-entry zones that were severely damaged by the nuclear power station disaster and where evacuation orders have been lifted; and provided partial subsidies for the costs of companies newly building or expanding factories in these areas as a “Manufacturing business site location support project” (“The Subsidy Project for the Reconstruction and Development of Commercial Facilities, etc.” is described in Section 6.(4) below.)

Areas under evacuation orders, etc., were excluded from the subject areas from FY2016 in association with the establishment of the “Subsidy for Business Location to Support Self-Reliance and Return, and Create Employment,” (described in (4) below) which is for areas under evacuation orders, etc., in Fukushima Prefecture. In addition, from FY2020, the deadline for applications by companies and the deadline for operation were extended after focusing on areas where it will take time to develop the environment through land readjustment projects, such as areas where the land development required for restoration will be completed in the final year of the first reconstruction/revitalization period, and areas where company location has not progressed.

The total amount of funds was 209.0 billion yen (FY2013: 110.0 billion yen, 33.0 billion yen (supplementary); FY2014: 30.0 billion yen; FY2015: 36.0 billion yen), the total number of subsidies decided as of the end of September 2022 was 508, the amount decided was about 190.3 billion yen, and the cumulative number of new employees was 5,424 people.

Examples of use include the development of factories, shops and other facilities and the introduction of machinery and equipment. For example, Kikuchi Electronics Industry Inc., built a connector production factory in Miyako City, Iwate Prefecture. The company hired 11 new people locally.

Figure 6-1-15 Kikuchi Electronics Industry Inc., Tsugaruishi Factory



Figure 6-1-16 Overview of the subjects of subsidies (* as of FY2013)

Areas subject to subsidies	The following regions in Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture and Ibaraki Prefecture: [Areas subject to subsidies]	
		Area classification number
	Areas affected by the nuclear disaster	①
		③
	Tsunami disaster-affected areas	②
		④
Facilities subject to subsidies	Factories, distribution facilities, test and research facilities, call centers, commercial facilities (some areas), etc.	
Costs subject to subsidies	Initial factory location costs from the acquisition of land and building construction to the installation of production facilities/maintenance costs for commercial facilities and incidental facilities and equipment	
Maximum subsidy amount	(Manufacturing business site location support project) In principle, 3.0 billion yen (The Subsidy Project for the Reconstruction and Development of Commercial Facilities, etc.) In principle, 500 million yen	
Subsidy rate	(Manufacturing business site location support project) 1. Areas affected by the nuclear disaster ①: Up to 2/3 for large companies, up to 3/4 for SMEs ③: Up to 1/4 for large companies, up to 1/3 for SMEs 2. Tsunami-flooded areas ②: Up to 1/3 for large companies, up to 1/2 for SMEs ④: Up to 1/5 for large companies, up to 1/4 for SMEs (The Subsidy Project for the Reconstruction and Development of Commercial Facilities, etc.) 1. Areas affected by the nuclear disaster ①: Up to 3/4 for local governments, private business operators, etc. 2. Tsunami-flooded areas ②: Up to 3/4 for disaster-affected SMEs, up to 2/3 for non-disaster-affected SMEs, up to 1/2 for others	

(4) Subsidy for Business Location to Support Self-Reliance and Return, and Create Employment

From FY2016 in the Hamadori region, etc., where industries were lost due to the Great East Japan Earthquake and the nuclear power station disaster, a fund was created through the “Subsidy for Business Location to Support Self-Reliance and Return, and Create Employment” aimed at securing “work places” for disaster victims, creating employment and concentrating industry, and accelerating victims’ independence and return by supporting the new establishment and expansion of factories, etc., and promoting the location of businesses in these areas, and some of the costs were subsidized to companies that newly established or expanded factories, etc., in these regions as “a company location support project for the manufacturing and service industries, etc.” (“The Subsidy Project for the Reconstruction and Development of Commercial Facilities, etc.” is described in Section 6.(5) below.)

Furthermore, from FY2021, in addition to areas under evacuation orders, etc., the “Regional Economic Effect Company Location Support Project” was newly established for the Fukushima International Research and Industry Development Project area.

The total amount of funds was 102.9 billion yen (FY2016: 32.0 billion yen; FY2017: 18.5 billion yen; FY2018: 8.0 billion yen; FY2019: 8.8 billion yen; FY2021: 21.5 billion yen; FY2022: 14.1 billion yen), the total number of subsidies decided as of the end of September 2022 was 123, the amount decided was about 74.3 billion yen, and the cumulative number of new employees was 1,081 people.

Examples of use include the development of factories, accommodation facilities, shops and other facilities and the introduction of machinery and equipment. For example, Katayama Corp., headquartered in Kani City, Gifu Prefecture, has established a new factory in Tomioka Town to manufacture heat dissipation substrates for power semiconductor modules. The company hired seven new people locally.

Figure 6-1-17 The Katayama Corp., factory



Figure 6-1-18 Overview of the subjects of subsidies (* as of FY2016)

Areas subject to subsidies	<p>Areas under evacuation orders, etc., that fall under any of the following categories in Fukushima Prefecture</p> <p>Part of Tamura City, part of Minamisoma City, part of Kawamata Town, Hirono Town, Naraha Town, Tomioka Town, Kawauchi Village, Okuma Town, Futaba Town, Namie Town, Katsurao Village and Iitate Village</p>
Facilities subject to subsidies	Factories, distribution facilities, test and research facilities, shops, company housing, commercial facilities, etc.
Costs subject to subsidies	Initial industrial location costs from the acquisition of land and construction to initial location as far as equipment installation, etc.
Maximum subsidy amount	<p>(The Support Project for Company Location in Manufacturing, Services, etc.)</p> <p>In principle, 3.0 billion yen</p> <p>(The Subsidy Project for the Reconstruction and Development of Commercial Facilities, etc.)</p> <p>In principle, 500 million yen</p>
Subsidy rate	<p>(The Support Project for Company Location in Manufacturing, Services, etc.)</p> <p>① Areas where evacuation orders have been lifted (within one year after the lifting of evacuation orders), etc.: up to two-thirds for large companies, up to three-quarters for SMEs</p> <p>② Areas where evacuation orders have been lifted: up to half for large companies, up to two-thirds for SMEs</p> <p>(The Subsidy Project for the Reconstruction and Development of Commercial Facilities, etc.)</p> <p>① Areas under evacuation orders, etc.: Up to three-quarters for local governments, private business operators, etc.</p>

3. Handling of the so-called double debt problem

It was envisaged that problems such as difficulty in raising new funds due to the burden of existing debts (the so-called double debt problem) would arise as disaster-affected businesses restarted towards reconstruction.

Because of this, the national government announced the following policies in “Policies to Handle the Double Debt Problem” on June 17, 2011, including the establishment of a consultation service for revitalization and the expansion and strengthening of the process of public consolidation of old debt.

① Early launch of a new consultation service for disaster-affected SMEs. With the “Small and Medium-Sized Enterprise Revitalization Support Council” at its core, the national government will expand the consultation structure, respond to requests for consultation from business operators, support the formulation of revitalization plans strongly, and support the revitalization of even more disaster-affected SMEs.

② The “Small and Medium-Sized Enterprise Revitalization Fund,” funded by “SME Support Japan,” private financial institutions, etc., will be established in Iwate Prefecture, Miyagi Prefecture and other disaster-affected prefectures to provide support, including investment, debt purchasing and debt equity swaps (DES), to SMEs that are burdened with excessive debt, but have the potential to revitalize their business. The needs of disaster-affected companies for short-term revitalization schemes will be ascertained, and support from organizations such as the Enterprise Turnaround Initiative Corporation of Japan considered.

Based on the above policy, Industrial Recovery Consultation Centers were established in each of the disaster-affected prefectures to handle consultation sought by SMEs and business operators in agriculture, forestry and fisheries aiming at business revitalization, and The Corporation for Revitalizing Earthquake-Affected Business was established to purchase loans, etc., so that the burden of old debts could be reduced if there was potential for revitalization.

Moreover, in view of the need to establish a public organization based on a new law, the “Bill on the Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake” was submitted to the House of Councilors on July 11, 2011 during the 177th Diet (ordinary session), and promulgated and partially enforced as Act No. 113 of 2011 on November 28 of the same year. As a result, on February 22, 2012, The Corporation for Revitalizing Earthquake-Affected Business (CREB) was established.

In addition, the Study Group on Guidelines for Individual Debtor Out-of-Court Workouts formulated the “Guidelines for Individual Debtor Out-of-Court Workouts” so that sole proprietors could also use out-of-court workouts, and the national government established the “Great East Japan Earthquake Reconstruction Special Loan” a new loan system, and the “Emergency Credit Guarantee for Recovery from the Great East Japan Earthquake,” a new credit guarantee system, to support new borrowing for business revitalization. Sole proprietors who gave up on business revitalization were also able to use the above guidelines to avoid personal bankruptcy, and the “Re-Challenge Support Fund,” a financing system to support people taking on challenges again, was expanded.

The national government revised the Act on Strengthening Financial Functions, and from the perspective of making it easier for financial institutions to respond in line with the circumstances of the disaster-affected area, established special provisions for the earthquake disaster enabling financial institutions to strengthen their financial bases through capital participation by the national government. Policy-based financial institutions, centered on those for SMEs, set up special consultation desks

immediately after the disaster, provided disaster recovery loans, eased the repayment conditions of existing debts, and worked on crisis-response loans, including to medium and large enterprises, based on crisis certification.

(1) Industrial Recovery Consultation Centers and The Corporation for Revitalizing Earthquake-Affected Business

In order to address the problem of double debt in the disaster-affected area, the structure of the Small and Medium-Sized Enterprise Revitalization Support Council was expanded drastically, and Industrial Recovery Consultation Centers and The Corporation for Revitalizing Earthquake-Affected Business (excluding Aomori Prefecture) was established in each disaster-affected prefecture (Aomori, Iwate, Miyagi, Fukushima, Ibaraki, Chiba) as one-stop consultation centers.

As of the end of September 2022, there had been 7,132 consultations on business revitalization, etc., of which agreements on financial support by financial institutions, etc., were reached in 1,470 cases, including 339 cases in which a decision to purchase debts was made (the purchase of receivables ended on March 31, 2021).

An Industrial Recovery Consultation Center was established in Iwate Prefecture on September 30, 2011 and started accepting consultations on October 7 the same year, and The Corporation for Revitalizing Earthquake-Affected Business was established and started operations on November 11 the same year.

An Industrial Recovery Consultation Center was established in Miyagi Prefecture on November 11, 2011 and started accepting consultations on November 16 the same year, and The Corporation for Revitalizing Earthquake-Affected Business was established and started operations on December 27 the same year.

An Industrial Recovery Consultation Center was established in Fukushima Prefecture on November 21, 2011 and started accepting consultations on November 30 the same year, and The Corporation for Revitalizing Earthquake-Affected Business was established and started operations on December 28 the same year.

An Industrial Recovery Consultation Center was established in Aomori Prefecture on December 12, 2011 and started accepting consultations on December 19 the same year.

An Industrial Recovery Consultation Center was established in Ibaraki Prefecture on November 1, 2011 and started accepting consultations on November 7 the same year, and The Corporation for Revitalizing Earthquake-Affected Business was established and started operations on November 30 the same year.

An Industrial Recovery Consultation Center was established in Chiba Prefecture on March 1, 2012 and started accepting consultations on March 5 the same year, and The Corporation for Revitalizing Earthquake-Affected Business was established and started operations on March 28 the same year.

Figure 6-1-19 Activities of Industrial Recovery Consultation Centers (as of September 30, 2022)

1.相談受付および支援対応の状況 (単位:件)							
相談センター名 (相談受付開始日)	岩手県 (H23/10/7)	宮城県 (H23/11/18)	福島県 (H23/11/30)	青森県 (H23/12/19)	茨城県 (H23/11/7)	千葉県 (H24/3/5)	合計
相談受付件数	1,464	1,695	1,953	749	503	768	7,132
関係金融機関等による金融支援の合意取付	332	361	300	228	60	189	1,470
うち 産業復興機構による債権買取決定	110	144	49	—	20	16	339
うち その他の金融支援(債権買取決定以外)	222	217	251	228	40	173	1,131
東日本大震災事業者再生支援機構へ引継	55	100	30	4	5	2	196
相談対応中、各種助言、専門家・支援機関の紹介、制度説明等で終了	1,077	1,234	1,623	517	438	577	5,466

2. 金融支援の内容 (単位:件)							
	産業復興機構 による債権買取	直接放棄	第二会社方式	DDS、DES	貸出条件変更	その他金融支援	特許スケジュール
全県相談センター合計	339	7	22	67	917	274	170

(注1) 一案件につき、複数の支援手法を用いるケースがあるため、上記「関係金融機関等による金融支援の合意取付」の件数とは一致しない。

(注2) DDSは、産業復興機構による債権買取に伴って実施したDDSは除く。

Source) Small and Medium Enterprise Agency

https://www.chusho.meti.go.jp/kinyu/shikinguri/earthquake2011/soudan/monthly/r4_09.pdf (browsed July 31, 2023)

(2) Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake

The Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake (CREB) was established in cooperation with financial institutions, local governments, etc., aimed at supporting the revitalization of business operators that have incurred excessive debts due to damage caused by the Great East Japan Earthquake and striving to revitalize their business in the disaster-affected area, by reducing their debt burden through the purchase of receivables held by financial institutions, etc., and other operations, to contribute to the reconstruction of the disaster-affected area by maintaining economic activities in the disaster-affected area and preventing the outflow of industry and population from the disaster-affected area to other areas. The organization started operations on March 5, 2012, and designated all municipalities in the three disaster-affected prefectures, some municipalities in Hokkaido, Aomori Prefecture, Ibaraki Prefecture, Tochigi Prefecture, Saitama Prefecture, Chiba Prefecture, Niigata Prefecture, and Nagano Prefecture that were severely damaged, and some municipalities in Ibaraki Prefecture, Tochigi Prefecture, Gunma Prefecture, Saitama Prefecture, Chiba Prefecture, Tokyo, and Shizuoka Prefecture that were subject to shipping restrictions on agricultural, forestry, and fishery products due to the nuclear power station accident as areas subject to its support.

By March 31, 2021, the end of the decision-making period for support, the number of consultations on business revitalization, etc., was 2,939, and support was decided in 747 cases, of which, support had been completed in 261 cases as of the end of September 2022, and the total amount of principal of the loans purchased was 132.7 billion yen.

As examples of revitalization, CREB purchased receivables and waived debts, and when loss-making business was continuing due to a lack of revenue awareness and accounting books were not maintained which made it difficult to keep track of income and expenditures, CREB provided advice on the assignment of full-time accounting staff, the tightening of inventory, etc., resulting in a marked improvement in gross profit margin. In some cases, debts to CREB were repaid and support was completed.

Figure 6-1-20 State of recipients of support by region

東日本大震災 事業者再生支援機構																									
被災地区分	青森県		岩手県								宮城県							福島県				茨城県	千葉県	その他地域	被災地 総合計
	八戸市	三沢、おいらせ、野上町	久慈市・岩手沿岸北	宮古市	大槌町・山田町	釜石市	大船渡市	陸前高田市	盛岡・北上・一関他	南三陸町	気仙沼市	石巻市	女川町	塩竈市等	仙台市	名取・美郷・内陸	浜通り（相馬）	いわき市	中通り	会津他					
支援決定	49	7	18	45	36	13	23	11	21	5	47	108	15	55	66	50	13	24	45	7	60	13	16	747	
	56		167								346							89				60	13	16	747
大口	7			1	1				3		6	5	1	1	2	2	1		3		7	3	2	45	
中口	17	2	9	9	9	4	7	1	9	3	17	42	8	25	15	16	6	13	27	5	37	7	9	297	
小口	25	5	9	35	26	9	16	10	9	2	24	61	6	29	49	32	6	11	15	2	16	3	5	405	
支援完了 (令和4年9月末)	34		55								103							43				15	4	7	261
令和4年6月末比	+1		+2								+2							+1				+1			+7

※ 支援決定件数は令和3年3月末時点の計数。
(注1) 大口＝借入金10億円以上、中口＝借入金1～10億円未満、小口＝1億円未満 (注2) その他＝栃木県、長野県、静岡県等
(注3) 塩竈市等には、東松島市・松島町・利府町・多賀城市・七ヶ浜町を含む

Source) Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake
http://www.shien-kiko.co.jp/pdf/221020shien-kiko_pressrelease.pdf (browsed July 27, 2023)

(3) Guidelines for Individual Debtor Out-of-Court Workouts

Measures were examined to enable financial institutions to implement tax-free write-offs, etc. for individual business operators who borrowed business funds, for debt forgiveness if conducting private debt restructuring, rather than personal bankruptcy. As part of these efforts, the Study Group on Guidelines for Individual Debtor Out-of-Court Workouts formulated and announced the “Guidelines for Individual Debtor Out-of-Court Workouts” in July 2011 as voluntary and autonomous rules for financial institution-related groups on the private debt restructuring of individual debtors. In August the same year, the Steering Committee for Guidelines for Individual Debtor Out-of-Court Workouts (currently the Governing Body for Guidelines on Debt Management for Victims of the Great East Japan Earthquake and Natural Disasters) was established and started operations.

As of the end of March 2021, when application of the guidelines ended, there had been 5,980 individual consultations and 1,373 cases of debt restructuring. Great East Japan Earthquake disaster victims were added to the subjects of the “Guidelines on Debt Management for Victims of Natural Disasters” (formulated in December 2015), compiled as rules when conducting debt restructuring for debtors who have become unable to repay existing debts due to the effects of a natural disaster, and they are now able to continue receiving the same support.

Figure 6-1-21 Overview of debt restructuring guidelines

被災された皆さまへ

金融庁と財務局からの大切なお知らせ

**債務整理のガイドラインを
ご存知ですか？**

**「債務整理のガイドライン」を
利用することにより、
住宅ローンなどの免除を
受けることができます。**

(注)債務の免除には、一定の条件を満たすことが必要となります。

ガイドラインを利用するメリットは・・・

メリット

1

個人信用情報の登録などの不利益を回避できます。

メリット

2

国の補助により
弁護士費用はかかりません。

(注)運営委員会に登録された弁護士の費用に限りです。

メリット

3

手元に残せる現預金の上限が
500万円を目安に拡張されています。
義捐金等は、上記500万円とは別に
手元に残すことができます。

(注)被災状況、生活状況などの個別事情により減額
あり得ます。

私的整理ガイドライン

Source) Financial Services Agency <https://www.fsa.go.jp/ordinary/earthquake201103/shiteikiseiri/01.pdf> (browsed July 27, 2023)

(4) Great East Japan Earthquake Reconstruction Special Loans

Great East Japan Earthquake Reconstruction Special Loans are loans provided by the Japan Finance Corporation and the Shoko Chukin Bank (crisis response loans) and were provided continuously to SMEs and small businesses damaged by the Great East Japan Earthquake to support the facilitation of financing and business reconstruction (the Shoko Chukin Bank stopped accepting applications in March 2020).

Figure 6-1-22 Overview of Great East Japan Earthquake Reconstruction Special Loans

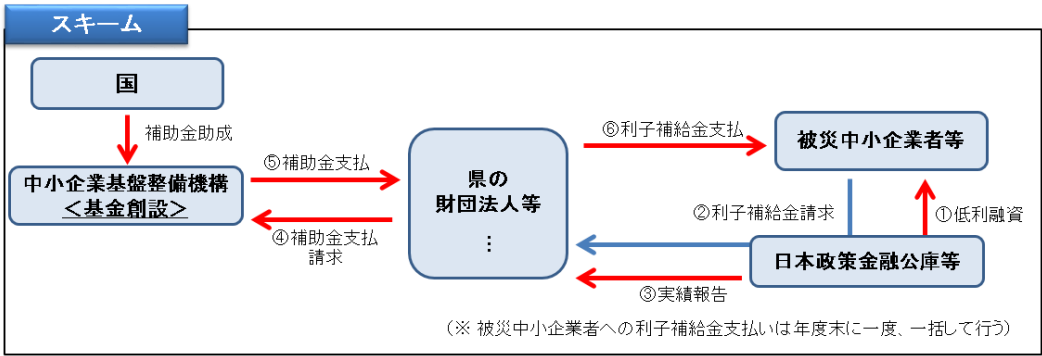
Subject users	Loan limits, loan periods, and deferral periods	Loan rate
① SME business operators in coastal areas of Iwate Prefecture and Miyagi Prefecture, and all of Fukushima Prefecture impacted directly by the recent earthquake and tsunami/SME business operators in no-entry zones, etc., related to the nuclear power station accident (Note 1) (including areas that have been announced publicly as no-entry zones)	A) Loan limit [Japan Finance Corporation SME Project] 300 million yen (separate) [Japan Finance Corporation National Life Project] 60 million yen (additional) B) Loan period up to 20 years (equipment), 15 years (operations) C) Deferral period up to 5 years	a) Interest rate reduction measures (if a damage certificate is submitted) [Japan Finance Corporation SME Project] -0.5% from base interest rate (Note 2) [Japan Finance Corporation National Life Project] -0.5% from base interest rate (disaster loans) (Note 2) * However, -1.4% up to 100 million yen for SME Project and 30 million yen for National Life Project for 3 years after the loan.
② SMEs in Fukushima Prefecture that have at least a certain level of transactions with the business operators of [1] above	D) Loan limit [Japan Finance Corporation SME Project] 300 million yen (separate) [Japan Finance Corporation National Life Project] 60 million yen (additional) E) Loan period up to 20 years (equipment), 15 years (operations) F) Deferral period up to 3 years	b) Interest rate reduction measures (if a damage certificate is submitted) [Japan Finance Corporation SME Project] -0.5% from base interest rate (Note 2) (Note 3) [Japan Finance Corporation National Life Project] up to -0.5% from base interest rate (disaster loans) (Note 2) (Note 3) * However, up to -1.4% up to 30 million yen for 3 years after loan (Note 4).
③ SMEs in Fukushima Prefecture whose business conditions have deteriorated due to other reasons (including impacts due to negative rumors, etc.) * This measure can also be used by parties that fall under ① and ② above.	G) Loan limit [Japan Finance Corporation SME Project] 720 million yen (separate) [Japan Finance Corporation National Life Project] 48 million yen (separate) H) Loan period up to 15 years (equipment), 8 years (operations) I) Deferral period up to 3 years	c) Interest rate reduction measures Up to -0.5% from base interest rate without a time limit (Note 2) (Note 3).

Note 1: No-entry zones, planned evacuation zones, emergency evacuation preparation zones
Note 2: As of September 1, 2022, with a loan term of five years, the rate for SMEs is 1.06%, and for National Life Projects, the rate for ① or ② (base interest rate (disaster loan)) is 1.21%, and the rate for ③ (base interest rate) is 1.81%. (The longer the loan period, the higher the interest rate. The base interest rate and base interest rate (disaster loans) are revised monthly.)
Note 3: Reduction in sales, etc., -0.3%, maintenance and expansion of employment, -0.2%.
Note 4: -0.9% is applied automatically. Moreover, the lowering of the rates of Note 3 is possible.
Note 5: The interest rate reduction measures of Note 3 are applicable by comparison with sales, etc., in the same period in any of the previous 12 years.

In addition, a special interest subsidy program was established to provide interest-free loans of up to 100 million yen (30 million yen for the National Life Project) for up to three years from the date of the loan to those SMEs borrowing Great East Japan Earthquake Reconstruction Special Loans whose places of business were completely destroyed or washed away by the earthquake or tsunami, etc., or SMEs located in no-entry zones, planned evacuation zones or emergency evacuation preparation zones due to the nuclear power station accident. In implementing the scheme, interest subsidies were provided via SME Support Japan, prefectural foundations, etc., and even in cases where disaster recovery loans were received from the Japan Finance Corporation before the establishment of the scheme, business were eligible for retrospective interest subsidies from the time of borrowing.

About 304,000 cases have been concluded as of the end of September 2022 for the total of about 6.1 trillion yen.

Figure 6-1-23 Project scheme



Source) The Small and Medium Enterprise Agency <https://www.chusho.meti.go.jp/earthquake2011/download/110502Eq-F-K3.pdf> (browsed July 27, 2023)

(5) Emergency Credit Guarantee for Recovery from the Great East Japan Earthquake

The Emergency Credit Guarantee for Recovery from the Great East Japan Earthquake is a system under which credit guarantee associations guarantees 100% of loan amounts separately to the normal guarantee limit to facilitate the provision of funds to SMEs and small businesses whose business stability has been hindered by damage caused by the Great East Japan Earthquake.

In addition to SMEs affected directly by the disaster, a three-story building credit guarantee category was set up as a nationwide measure against damage caused by the disaster.

1) Safety Net Guarantee No. 5

This guarantee system is for SMEs whose business conditions have deteriorated.

About 843,000 cases have been certified as of the end of September 2022 for the total guarantees of about 15.2 trillion yen.

2) Disaster-related guarantee

Subjects are SMEs damaged directly by the earthquake, tsunami, etc., and SMEs in no-entry zones, planned evacuation zones or emergency evacuation preparation zones due to the nuclear power station accident.

About 3,000 cases have been certified as of the end of September 2022 for the total guarantees of about 50 billion yen.

Safety Net Guarantee No. 5 and the disaster-related guarantee combined enable unsecured guarantees of 80 million yen and a maximum guarantee of up to 280 million yen.

3) Emergency Credit Guarantee for Recovery from the Great East Japan Earthquake

Subjects are: ① business operators that were damaged directly or indirectly by the earthquake, tsunami, etc., in the specified disaster-affected area (all of Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture, and some municipalities of Aomori Prefecture, Ibaraki Prefecture, Tochigi Prefecture, Chiba Prefecture, Niigata Prefecture and Nagano Prefecture); ② business operators in no-entry zones, planned evacuation zones and emergency evacuation preparation zones due to the nuclear power station accident; and ③ business operators outside the specified disaster-affected area but damaged by business relationships with business operators in the specified disaster-affected area.

In addition, unsecured guarantees of 80 million yen and a maximum guarantee of up to 280 million yen are possible, and the three guarantee levels combined enable unsecured guarantees of 160 million yen and a maximum guarantee of 560 million yen separate to general guarantees. About 150,000 cases were certified as of the end of September 2022 for the total guarantees of about 3.1 trillion yen.

Figure 6-1-24 Overview of the Emergency Credit Guarantee for Recovery from the Great East Japan Earthquake

東日本大震災復興緊急保証の概要

別紙

1. 制度の概要

➢ 東日本大震災による著しい被害によって、経営の安定に支障が生じている中小企業・小規模事業者への資金供給の円滑化を図るため、信用保証協会が通常の保証限度額とは別枠で融資額の100%を保証するもの

➢ 「東日本大震災に対処するための特別の財政援助及び助成に関する法律」第128条に規定

2. 制度対象者

利用対象者	要 件	内 容
① 特定被災区域(※1)に事業所を有し、地震・津波等により直接被害を受けた中小企業者。 (原発事故に係る警戒区域等(※2)の公示の際に、当該区域内に事業所を有していた中小企業者を含む。)	<罹災証明書> (写しも可) 警戒区域等の事業者は商業登記簿/納税証明書等	1.【対象資金】 事業再建資金その他の経営の安定に係る資金 2.【保証限度額】※一般保証とは別枠 ○普通:2億円 ○無担保:8千万円 ○無担保無保証人:2000万円 最大2億8千万円 7)保証割合は融資額の100% 4)保険てん補率は90%
② 特定被災区域(※1)に事業所を有し、震災の影響により業況が悪化している中小企業者。	<市区町村長の認定> 最近3か月の売上高等が、被災前の同期と比較して▲10%以上	3.【保証料率】0.8%以下 4.【保証人】 代表者保証のみ(第三者保証人については、原則不要)

※1 特定被災区域(政令指定):災害救助法が適用された市町村等(岩手県・宮城県・福島県の全域、青森県・茨城県・栃木県・埼玉県・千葉県・新潟県・長野県の一部の市町村)。

※2 警戒区域等:警戒区域、計画的避難区域、緊急時避難準備区域。

Source) Ministry of Economy, Trade and Industry <https://www.meti.go.jp/press/2021/03/20220318001/20220318001-1.pdf> (browsed July 27, 2023)

4. Supporting cash flow, etc.

Immediately after the disaster, the ministry strove to transmit accurate and prompt information through requests for financial measures to financial institutions and ministerial discourse, and ensured the stability of financial functions through the revision of the Act on Strengthening Financial Functions in June 2011 to provide special measures for the earthquake disaster, and other measures such as inspections, supervision and regulations.

The special provisions of the Act on Strengthening Financial Functions established the conditions for capital participation by the national government in financial institutions that required the enhancement of their capital adequacy to extend credit smoothly in the disaster-affected. This provision was based on the perspective that the advance maintenance and strengthening of financial functions across a large disaster-affected area and the establishment of a framework to provide depositors with a sense of security were essential in the reconstruction of regional economies amid concerns about the various effects of the disaster on financial functions. Major amendments included

1) General special provisions

① The formulation of management strengthening plans was made more flexible by not requiring management responsibility and not requiring targets for profitability, efficiency, etc., and ② the cost of capital participation as an investment was reduced below the level required in normal times, and the means of capital participation were diversified so that a wide range of options became available.

2) Special provisions for cooperative financial institutions (Shinkin banks, credit associations, etc.)

This provision enabled the national government and a central institution to engage in capital participation jointly, by the central institution concluding a management guidance contract with a cooperative financial institution that either suffered damage directly or has a substantial amount of loans to disaster victims and whose future finances are difficult to foresee. In addition, if there is no prospect of redemption of the participating capital in the future, the participating capital may be liquidated along with business restructuring, and the funds of the Deposit Insurance Corporation of Japan (general account and early strengthening account) may be used as a source of funding.

3) Extending the application period

The application period was extended from the end of March 2012 to the end of March 2017.

By the end of 2012, 231.0 billion yen of public funds had been injected into twelve financial institutions (some repaid to the national government) as a result of these special measures following the earthquake disaster, and regional financial functions were maintained and strengthened as a result. This enabled the smooth provision of funds to SMEs by regional financial institutions and multifaceted support for reconstruction from the earthquake disaster, contributing to the revitalization of regional economies and the reconstruction of the disaster-affected area.

In addition, the Bank of Japan established a disaster response task force headed by the governor about 15 minutes after the earthquake (3:00 pm) and announced it to the public. Under these circumstances, on the operational front, the bank continued to provide cash to financial institutions at its branches in Aomori, Sendai, and Fukushima, as well as at Morioka Office, on the day after and two days after the

disaster, and took measures such as exchanging damaged cash, ensuring the stable operation of the BOJ-NET network, requesting special financial measures, measures to ensure the smooth execution of government treasury and international agency operations, and the transmission of accurate and prompt external information. On the policy front, the bank took measures such as ensuring financial market stability, strengthening monetary easing, supporting financial institutions in the disaster-affected area, and giving consideration in on-site examinations.

Private financial institutions, etc., responded to the needs of disaster victims and the disaster-affected area by working on responding to depositors and collaborating and cooperating with other financial institutions, while there were also some financial institutions affected by the disaster themselves.

Figure 6-1-25 Results for capital participation under special provisions following the earthquake based on the Act on Strengthening Financial Functions

(100 million yen)

Name of financial institution () indicate financial institution with substantial capital participation.	Date	Capital participation amount	Of which, amount of capital participation by the national government by the trust beneficiary rights purchase method
Jimoto Holdings (The Sendai Bank)	September 2011	300	
Tsukuba Bank	September 2011	350	
The 77 Bank * Repayment completed	December 2011	200	
The Shinkumi Federation Bank (Soso Gojo Shinkumi Bank)	January 2012	160	139
The Shinkumi Federation Bank (Iwaki Shinkumi Bank)	January 2012	200	175
Shinkin Central Bank (Miyako Shinkin Bank)	February 2012	100	85
Shinkin Central Bank (Kesenuma Shinkin Bank)	February 2012	150	130
Shinkin Central Bank (Ishinomaki Shinkin Bank)	February 2012	180	157
Shinkin Central Bank (Abukuma Shinkin Bank)	February 2012	200	175
The Shinkumi Federation Bank (Nasu Shinkumi Bank)	March 2012	70	54
Tohoku Bank	September 2012	100	
Jimoto Holdings (Kirayaka Bank)	December 2012	300	

Source) Compiled by the Reconstruction Agency

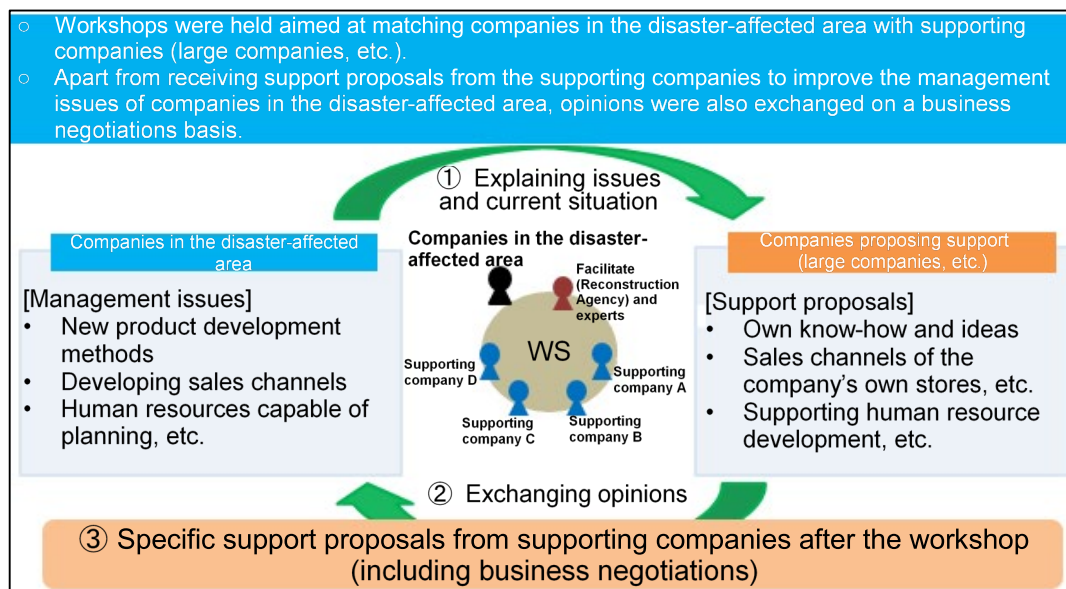
5. Supporting market development and launch of new business, etc.

In the immediate aftermath of the earthquake, support was provided mainly on the hard side in combination with support for infrastructure and urban development, such as support for the resumption of business activities in the disaster-affected area and the restoration of disaster-affected facilities and equipment using the establishment of temporary stores and factories, group subsidies, etc., but as recovery and reconstruction progressed, support on the soft side for issues faced by disaster-affected companies, such as the development of lost sales channels, the recovery of sales, and the launch of new business, became important in promoting creative reconstruction in the disaster-affected area. The Reconstruction Agency has supported the development of sales channels by disaster-affected companies and the launch of new businesses through the “Yui no Ba” Regional Reconstruction Matching program and the “Hands-on Support Project” for new business in the disaster-affected area since FY2012, and has provided support continuously to the present in 2022.

(1) The “Yui no Ba” Regional Reconstruction Matching program

The Reconstruction Agency holds the “Yui no Ba” Regional Reconstruction Matching program, which runs workshops, etc., to delve deeper into the issues faced by companies in the disaster-stricken areas, find support seeds to solve them, and match specific support activities to accelerate reconstruction in the disaster-affected area. Meetings were held 34 times from FY2012 to FY2021, where a total of 319 companies and organizations in the disaster-affected area and 985 supporting companies participated, and 699 collaborative projects were established.

Figure 6-1-26 Overview of the “Yui no Ba” Regional Reconstruction Matching program



Source) Compiled by the Reconstruction Agency

In FY2021, fishery processing and food-related companies were invited to participate from industries in the disaster-affected area, and mainly food retailing and distribution-related companies were invited to participate as support proposal companies, and workshops were held aimed at the formation of matching for the resolution of management issues. At the same time, opinions were exchanged mainly among fishery-related companies on a business negotiation basis. As a result, there were many cases in which sales were achieved through the distribution network of support proposal companies or in-house sales.

Figure 6-1-27 Representative examples of “Yui no Ba” regional reconstruction matching in FY2021

Name	Product	Details	Overview of the company in the disaster-affected area
Kenko Mura Co., Ltd. (Rifu Town, Miyagi Prefecture)	 Mackerel simmered in miso Simmered Asaba flounder	Introduced and sold products to izakaya bars, drugstores, etc. (mackerel simmered in miso, etc.)	Manufacture of ready-made meals, pickle processing and manufacture and sales of vacuum-packed boiled fish products. • Various boiled fish (mackerel, flounder, redfish, sardine, yellowtail, red snapper). Matsumaezuke
Asahiya Co., Ltd. (Nami Town, Fukushima Prefecture)	 Noodles	Internal website sales of telecommunications carriers	The only “Namiyakisoba” certified noodle factory. Main business is manufacturing noodles and selling food products for commercial use. • Namiyakisoba, ramen, yakisoba noodles for commercial use
Kaishin Co., Ltd. (Shiogama City, Miyagi Prefecture)	 Boiled fish, microwave cooking products	Sales at food mass retailers (Fresh fish simmered in hot water, etc.)	Seafood processing industry. Sales to food business operators, wholesale markets, department stores, sales in catalogs, on the internet, etc. • Products are evaluated highly for taste, winning competitions, etc. • Dried fish, pickled fish, boiled fish, food for microwave cooking
Nodamura Co., Ltd., Suzumi-no-Oka Winery (Noda Village, Iwate Prefecture)	 Wild grape wine	Sales for year-end gifts at food mass retailers, Golden Week sales (“Marine Rouge” (wild grape wine), etc.)	The winery division of Nodamura Co., Ltd., the third sector of Noda Village. A symbolic project for the reconstruction of Noda Village following the Great East Japan Earthquake. • Wine made from 100% Nodamura wild grapes
Kamaishi DMC Ltd. (Kamaishi City, Iwate Prefecture)	 Sanriku Gelato	Sales at food mass retailers such as Marche (Sanriku Gelato)	Regional DMO in Kamaishi. Activities aimed at increasing the number of tourists and related people from outside the region, and sales of Kamaishi specialty products as a regional trading company. • Sanriku Gelato, sea urchin shabu hot pot sets, sea urchin paella, etc.
Kobushino Sato Co., Ltd. (Tamagawa Village, Fukushima Prefecture)	 Kiwi berry wine (Kiwi berry-related products)	Sales at food mass retailers (kiwi berry processed food products)	Direct sales of agricultural products at Michinoeki roadside stations. Focus on purchasing of kiwi berry fruit and selling processed products. • Kiwi berry juice, sweets, wine, Tamagawa farm products
J.Planning Co., Ltd. (Noda Village, Iwate Prefecture)	 Rosestone (rhodonite) accessories	Sales at the food mass retailer Marche (jewelry and accessories)	Craft manufacturer of rosestone (rhodonite) jewelry. Manufacture and sales of ornaments using local resources, centered on rosestone produced in Noda Village. Operates the only tourist mine facility in Iwate Prefecture.
MOMIJI Co., Ltd. (Otsuchi Town, Iwate Prefecture)	 Canned wild game	Sales at food mass retailers such as Marche (canned wild game, pickled in soy sauce, etc.)	Established for the purpose of hunting, processing and sales of wild game aimed at making effective use of Otsuchi venison. In addition to wild game meat, also produces wild game leather goods. • Canned wild game, frozen venison, wild game leather, etc.
Nakamatsuya Co., Ltd. (Iwaizumi Town, Iwate Prefecture)	 Chestnut shibori	Sales at food mass retailers such as Marche (chestnut shibori, chestnut ohagi, tubes of sweet bean jelly, etc.)	A well-established confectionery store that opened in 1928. Sells seasonal sweets such as the famous “Shinzan chestnut shibori.” This is popular not only with locals, but also tourists. • Chestnut shibori, chestnut ohagi, chestnut sweet bean paste, mizumanju, etc.
Marutomo Shimaka Co., Ltd. (Miyako City, Iwate Prefecture)	 Flavoring for oyster rice	Internal sales of beverage and food manufacturers (flavoring for oyster rice)	Apart from selling seafood caught in the Sanriku fishing grounds to individual distributors, restaurants, food service centers, etc., the company develops processed seafood products. • Kakage kamaboko, Miyako trout salmon, canned simmered mackerel and shitake mushroom, etc.
Takeda no Sasakamaboko Co., Ltd. (Shiogama City, Miyagi Prefecture)	 can sasa Sasa kama ajillo	Sales at the employee cafeteria of an electronic parts manufacturer, and supplies food (sasakamaboko) to the cafeteria	Manufacture of fish paste products and drive-in shop operation. Advanced efforts such as an industry-first canned kamaboko (can sasa). Sasakama vending machine. • Sasakamaboko, frozen sasakamaboko, sasakamaboko dip

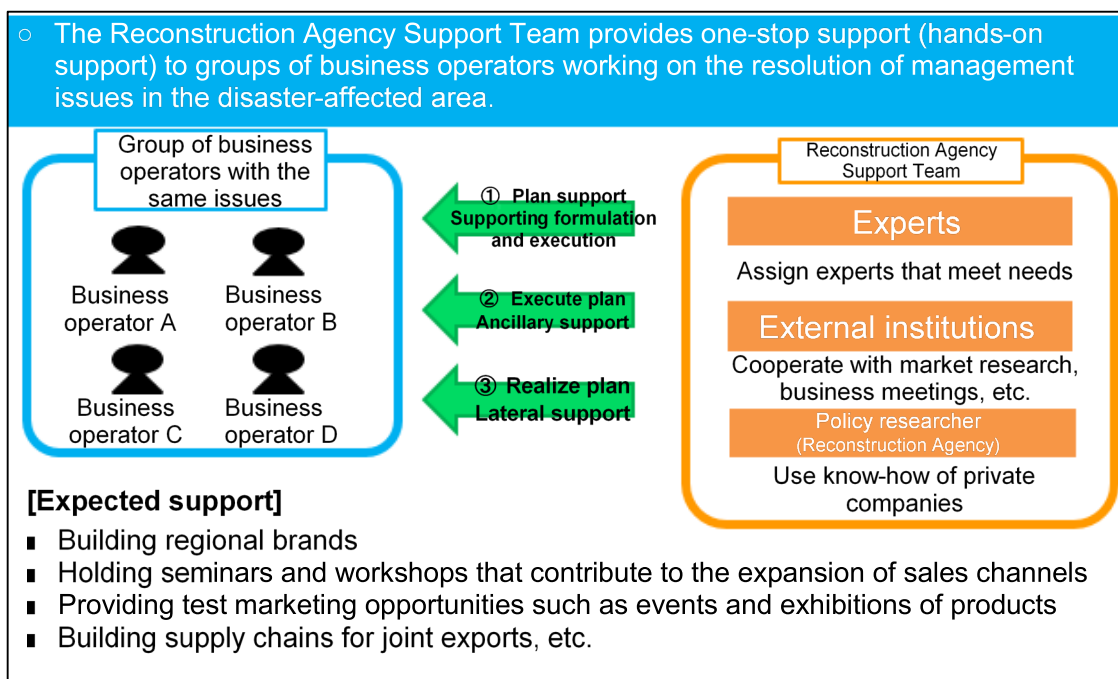
Source) Compiled by the Reconstruction Agency

(2) The Hands-on Support Project for new business of companies in the disaster-affected area (new Hands-on Support Project and group support)

Reconstruction Agency staff, mainly employees seconded from private companies, collaborated with experts, chambers of commerce, etc., to provide practical support (hands-on support) to groups of business operators, etc., facing similar issues in the disaster-affected area.

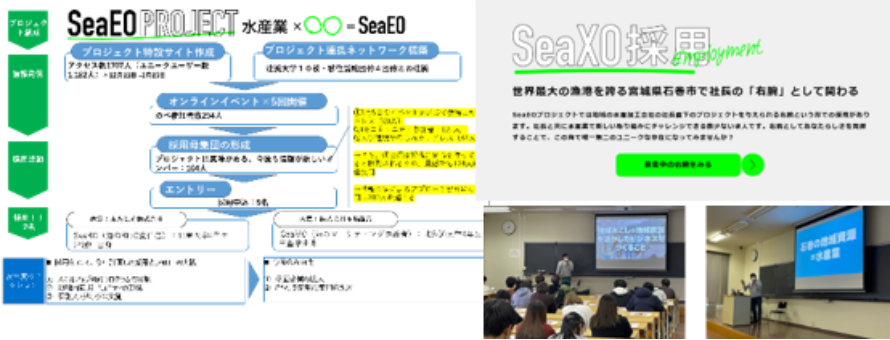
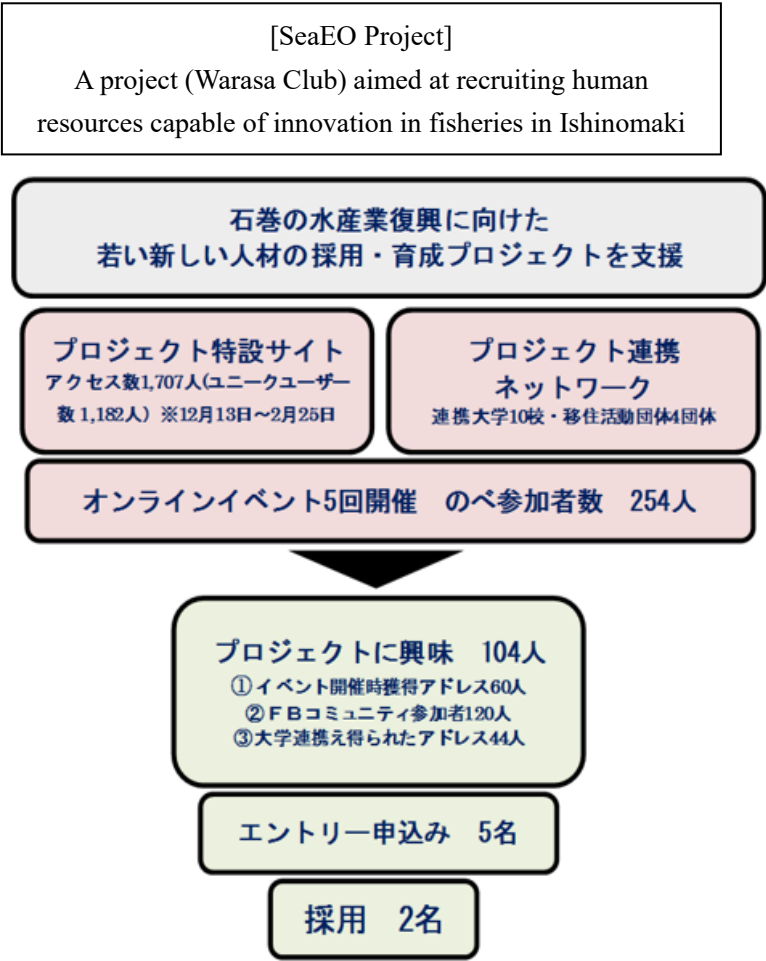
From FY2012 to FY2021, the project provided support to 242 companies in 86 cases, including support for product development, information transmission, business negotiation capabilities aimed at the development of sales channels, and the improvement of business negotiation capabilities through role playing.

Figure 6-1-28 Overview of the Hands-on Support Project for new business of companies in the disaster-affected area



Source) Compiled by the Reconstruction Agency

Figure 6-1-29 Example of a New Hands-on Support Project and group support in FY2021



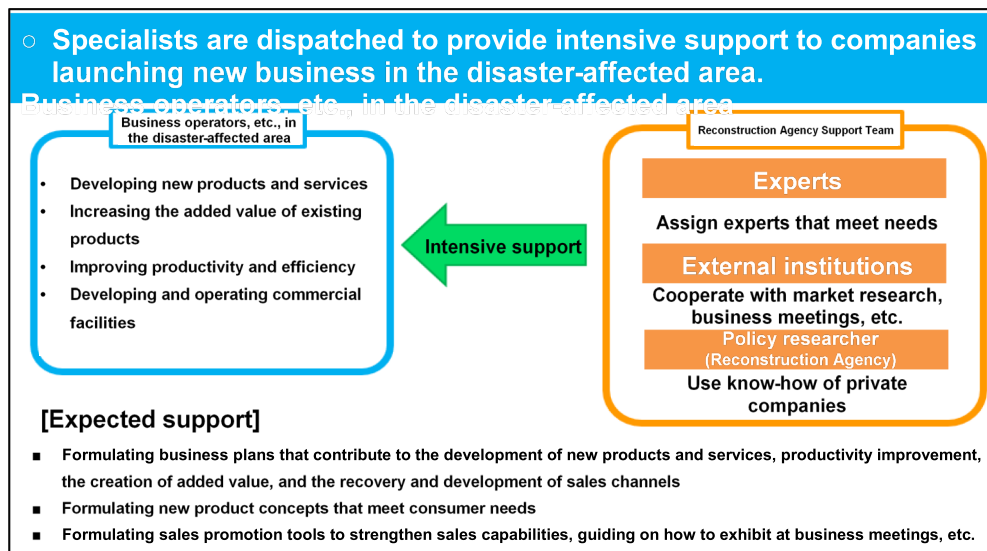
Source) Compiled by the Reconstruction Agency

(3) Intensive support through the dispatch of experts (New Hands-on Support Project and support for individual companies)

Intensive support was provided to companies, etc., starting new businesses in the disaster-affected area by dispatching experts with abundant experience and know-how, aimed at the development of new products and services, increasing the added value of existing products, and improving the productivity and efficiency of companies in the disaster-affected area.

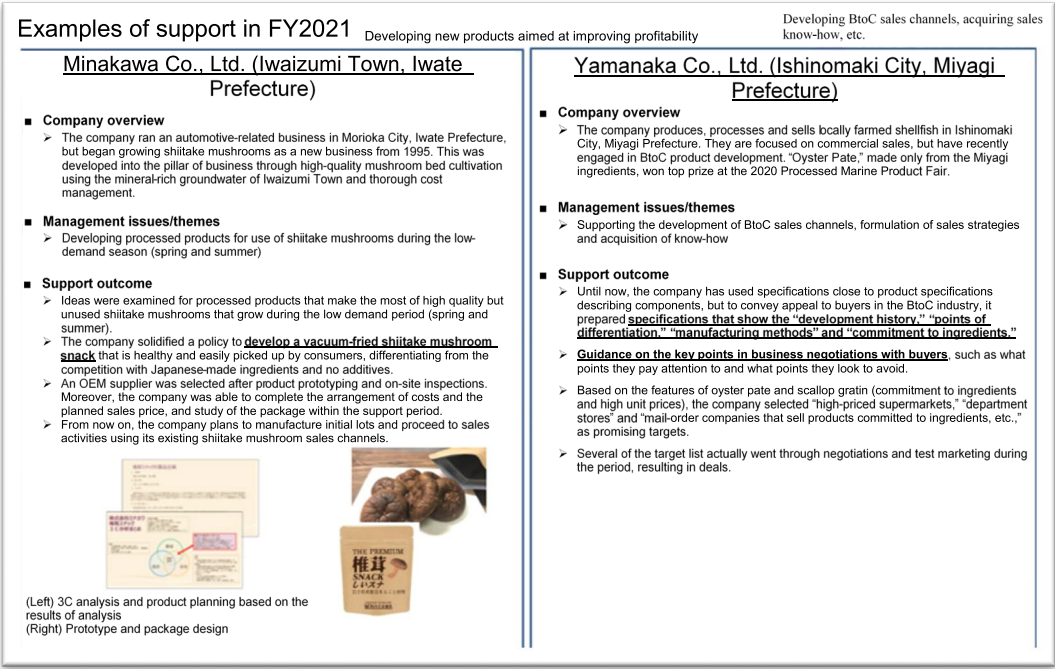
The project supported 283 cases from FY2015 to FY2021, including the improvement of production efficiency through guidance on process improvement, the rebuilding of systems, etc., and support for the development of new products using local food.

Figure 6-1-30 Overview of intensive support through the dispatch of experts



Source) Compiled by the Reconstruction Agency

Figure 6-1-31 Examples of New Hands-on Support Projects and individual company support in FY2021



Source) Compiled by the Reconstruction Agency

(4) Supporting reconstruction in Fukushima Prefecture, etc. by industry-academia-government collaboration

To promote product development and the development of sales channels mainly in Fukushima Prefecture, which is still affected by rumors, subsidies were provided for the following support projects, such as the provision of opportunities for cooperation between companies in the disaster-affected area and universities, public research institutes or major companies or support for the production of prototypes conducted by subsidized business operators that support companies in the disaster-stricken areas (private organizations having networks with companies in the disaster-affected area).

① Industry-Academia-Government Collaboration Support Project

This project promotes the development of the sales channels of companies in the disaster-affected area by holding exhibitions, seminars, symposiums, etc., in Fukushima Prefecture and other parts of the disaster-affected area, supporting participation in exhibitions by companies in the disaster-affected area, and holding meetings with universities, public research institutes and major companies matched to the seeds of companies in the disaster-affected area.

② Product Development Support Project

This project improved the capabilities of companies in the disaster-affected area with regard to the external transmission of information on their products, product development and technology by providing support for the production of prototypes companies in the disaster-affected area carry out in collaboration with universities, etc.

This project was carried out over the two-year period from FY2016 to FY2017 with a total of 12 projects subsidized, including an industrial development and integration project based on industry-academia-government collaboration for the realization of “Fukushima, Pioneer of Renewable Energy” by

the Fukushima Center for Industrial Promotion, and business matching through a comprehensive support base for medical device related industries by the Fukushima Medical Device Development Support Centre.

(5) Reconstruction Agency supporting crowdfunding

The “Reconstruction Agency Crowdfunding Support Project” was implemented from FY2018 to FY2020 to diversify fund procurement methods for business operators, etc., in the disaster-affected area working on reconstruction. On this project, accompanied support by a coordinator was provided from the planning stage to business operators, etc., implementing crowdfunding, and experts were dispatched to support the materialization of planning ideas and the preparation of appealing photos and videos.

The project supported 188 cases until it ended in FY2020, and a total of 410 million yen was procured. In addition, in FY2020, the Reconstruction Agency produced “FY2020 Reconstruction Agency Crowdfunding Case Studies - Connect! Expand! Encouragement of Crowdfunding” to help provide information to people thinking of using crowdfunding and people who support it by describing and publishing the results of the three-year project.

○ (Reference case) Sanriku Fireworks Competition Executive Committee (FY2020)

The Sanriku Fireworks Competition Executive Committee of Rikuzentakata City, Iwate Prefecture, planned to hold the “Sanriku Fireworks Competition” in 2021 to enliven the 10-year anniversary of the disaster, amid the nationwide cancellation of events due to the spread of COVID-19. The committee decided to procure part of the operating costs through crowdfunding to hold a “Sanriku Fireworks Show,” a precursor event to the main competition, in 2020. In the implementation of crowdfunding, the committee provided “viewing tickets” and “advance ticket acceptance rights for the fireworks competition” as return gifts. In addition, they also called for support by broadcasting comments from fireworks artists on social media to achieve the target amount.

As a result, the committee raised 10 million yen, double the target amount, and about 10,000 fireworks were displayed to more than 10,000 people inside and outside the disaster-affected area

6. Transitioning from temporary stores, etc., to permanent stores

From April 2011, immediately after the earthquake, temporary stores, factories, etc., were established by SME Support Japan in response to requests from disaster-affected municipalities to support the prompt resumption of business by disaster-affected SMEs, small business operators and related organizations. At the peak in December 2013, there were 2,825 business operators in these temporary facilities, but as of the end of September 2022, the number of business operators had dropped to 82. As a result of support for the independent reconstruction of permanent stores, etc., through group subsidies, and the development of joint store-type commercial facilities through the Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation, and the Subsidy for Companies Locating Businesses in Support of Residents’ Independence and their Returning Home, 3,113 businesses have left, and the transition to permanent stores is progressing.

(1) Project for the Development of Temporary Facilities

The damage caused by the Great East Japan Earthquake was wider and more extensive than any natural disaster in the past, and the support institutions of municipalities and chambers of commerce were also damaged so they could not perform their functions fully. For this reason, in April 2011, immediately after the earthquake, a system was put into operation under the Temporary Facility Development Project, aiming at the earliest possible reconstruction of disaster-affected SMEs, small business operators and related organization; and based on requests by disaster-affected municipalities, industrial facilities such as temporary stores and factories were developed jointly by the disaster-affected municipalities and SME Support Japan, and transferred free of charge to the municipalities. Subsequently, the facilities were leased free of charge to disaster-affected business operators, etc.

This project was the first case of support in Japan in which the national government (SME Support Japan) was directly involved in the large-scale construction of temporary buildings for industrial use following the establishment of a special law (Act on Special Fiscal Aid and Subsidies for Recovery from the Great East Japan Earthquake).

On this project, disaster-affected municipalities familiar with the state of the disaster-affected area provided construction sites, selected disaster-affected business operators to become tenants, and concluded tenant agreements, and SME Support Japan worked to speed up the construction of the temporary facilities by making it a joint project in which roles were shared to develop the temporary facilities.

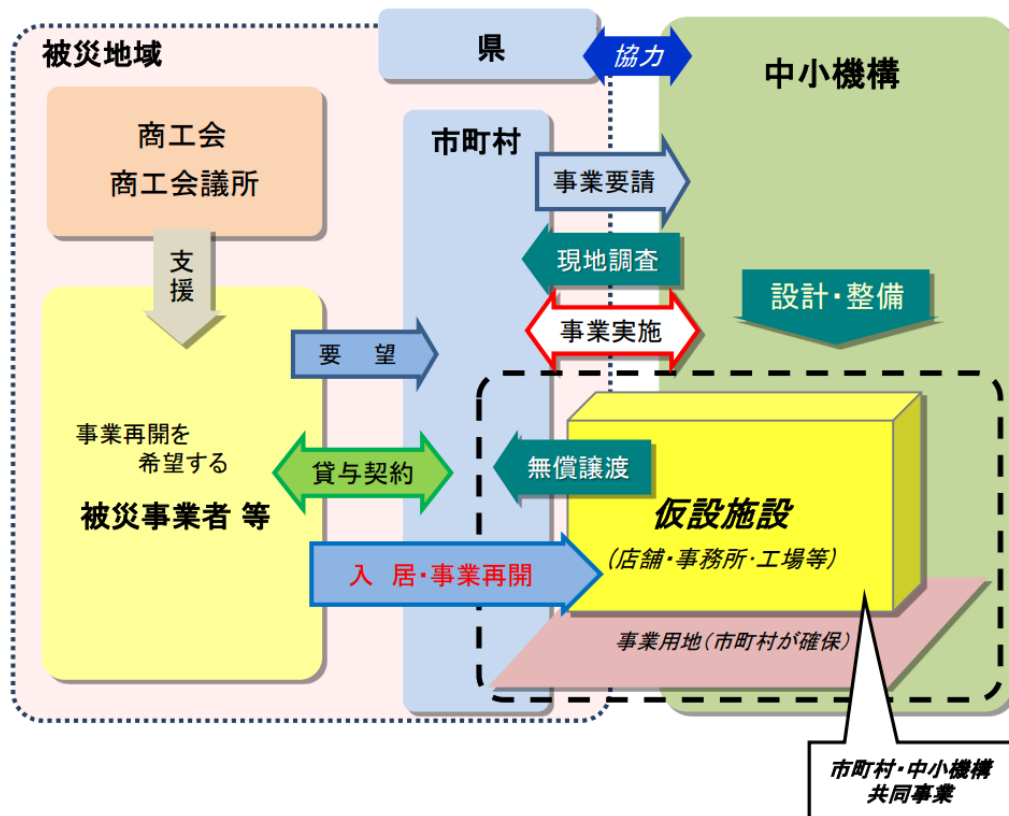
In addition, at the stage when the detailed damage situation of severely damaged areas could not be grasped, it was judged that the assumption of tenant requirements was not possible from the viewpoint of avoiding failure to provide relief to disaster-affected business operators, etc. Therefore, it was decided not to limit tenants, so organizations that contribute to the support of disaster-affected business operators, such as chambers of commerce and other commercial groups, agricultural cooperatives, fisheries cooperatives, public interest corporations, post offices, medical clinics and NPOs could also be tenants based on the judgment of the disaster-affected municipalities. Moreover, since the types of businesses affected by the disaster were diverse, custom-made facilities were also accommodated in the development of temporary facilities.

As of the end of September 2022, there were 27 projects in four municipalities in Aomori Prefecture, 362 projects in 13 municipalities in Iwate Prefecture, 149 projects in 14 municipalities in Miyagi Prefecture, 108 projects in 20 municipalities in Fukushima Prefecture, one project in one town in Ibaraki Prefecture, and one project in one village in Nagano Prefecture.

Further, at the same time, the total number of business operators using temporary facilities was 3,195, and the proportion of business operators who had left temporary facilities for their permanent establishments was 74.6%.

Figure 6-1-32 Overview of the Temporary Facility Development Project

【仮施設整備事業スキーム図】



Source) SME Support Japan, “Overview of the Project for the Development of Temporary Facilities”
https://www.smrj.go.jp/doc/reconstruction/kasetsugaiyou_2019.pdf (browsed July 27, 2023)

As an application example, in Iitate Village, where many business operators were forced to evacuate due to the nuclear power station accident, when business operators in the village asked for cooperation from their evacuation-destination municipalities so that they could carry out their business activities there, Fukushima City, the evacuation destination, planned temporary factories in Matsukawa Industrial Park in the city for the disaster-affected business operators of Iitate Village and the construction of temporary factories was realized by SME Support Japan.

The “Support Project for the Development of Temporary Facilities (Subsidy)” was institutionalized using the know-how of this project triggered by the Great East Japan Earthquake for the Kumamoto Earthquake of 2016, the torrential rain of July 2018 (the torrential rain in western Japan), the Hokkaido Eastern Iburi Earthquake of 2018, and the torrential rain of July 2020.

Figure 6-1-33 Examples of the Project for the Development of Temporary Facilities



(Temporary factories for Iitate, Matsukawa District,
Fukushima City (Fukushima City, Fukushima



(Higashimachi Engawa Shopping Street
(Minamisoma City, Fukushima Prefecture))

(2) Support Project for Effective Use, etc., of Temporary Facilities

In association with the disaster-affected area moving from the recovery phase to the reconstruction phase, there were many cases in which “temporary facilities had to be dismantled or removed despite people wanting their existence to continue,” so SME Support Japan started the “Support Project for Effective Use, etc., of Temporary Facilities (Subsidy)” from FY2014, by which all costs for removal, etc., borne by the municipalities were borne by SME Support Japan under certain conditions.

The expenses for the removal of temporary facilities are to be borne entirely by the municipalities under the basic contracts concluded between SME Support Japan and the municipalities, but under this project, SME Support Japan covered all costs as an exception in consideration of municipalities in severe financial situations (there was no condition that the municipalities bear all of the costs for the 12 municipalities of Fukushima Prefecture).

In cases of “long-term use” of temporary facilities for which construction confirmation was not obtained, subsidies were provided for the application costs for construction confirmation to be treated as general buildings and facility renovation costs, in cases of “removal,” subsidies were provided for dismantling and waste disposal costs, and in cases of “relocation,” subsidies were provided for the design, transportation and maintenance costs of the relocated facilities.

As of the end of September 2022, there were 192.5 subsidized removal projects and 9.5 subsidized relocation projects, with 35.5 temporary facilities remaining.

The implementation of this project was handled flexibly, tailored to requests from landowners where temporary facilities were located regarding the use of those sites and the progress of reconstruction-related projects implemented by the national government and municipalities.

(3) Establishing joint stores and relocating urban blocks

Group Subsidies were used to support the restoration and development of disaster-affected facilities of business operators based on reconstruction business plans prepared by groups of SMEs, etc., as reconstruction support for commercial functions in accordance with local demand, such as the establishment of joint stores and the relocation of urban blocks.

As of December 2022, support has been provided to a total of 40 groups and 1,117 businesses in Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture and Chiba Prefecture have been supported, including “Shinsei Yamada Shopping Street” in Yamada Town, Iwate Prefecture, and “Townport Omachi” in Kamaishi City, Iwate Prefecture.

(4) Supporting through the development of joint store-type commercial facilities (privately built and run commercial facilities)

Aimed at promoting the recovery of commercial functions that support the lives of residents, and promoting the return of residents and the location of industries, subsidies were provided for the development of commercial facilities operated by community development companies, etc., as positioned in Machinaka (Town Center) Revitalization Plans, through the Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation (subsidy for the reconstruction and development of commercial facilities, etc.) (the “Town Revitalization Plan” is described below in Section 7(2)).

As of the end of December 2022, a total of 4.5 billion yen in subsidies has been provided for 13 facilities in 10 municipalities, including “Seapal-Pier Onagawa” in Onagawa Town, Miyagi Prefecture, and “Kyassen Ofunato” in Ofunato City, Iwate Prefecture.

Figure 6-1-34 List of privately built and run commercial facilities subsidized

- ① Seapal-Pier Onagawa (opened on December 23, 2015)
- ② All (opened on November 10, 2016)
- ③ Hama Terrace (opened on December 23, 2016)
- ④ Ishinomaki Terrace (opened accordingly from December 2016)
- ⑤ Minamisanriku Sansan Shopping Street (opened on March 3, 2017)
- ⑥ Hamakaze Kirara (opened on April 20, 2017)
- ⑦ Minamisanriku Hamare Utatsu (opened on April 23, 2017)
- ⑧ Abasse Takata (opened on April 27, 2017)
- ⑨ Kyassen Ofunato (opened on April 29, 2017)
- ⑩ Kawamachi Terrace Yuriage (opened on April 25, 2019)
- ⑪ Unoport (opened on September 11, 2019)
- ⑫ Yuwaeru Slow Street (opened on July 18, 2020)
- ⑬ CAMOCY (opened on December 17, 2020)



(Seapal-Pier Onagawa (Onagawa Town, Miyagi Prefecture))



(Minamisanriku Sansan Shopping Street (Minamisanriku Town, Miyagi Prefecture))



(Abasse Takata (Rikuzentakata City, Iwate Prefecture))



(Kyassen Ofunato (Ofunato City, Iwate Prefecture))

(5) Supporting through the development of joint store-type commercial facilities (publicly built, privately run commercial facilities)

For the purpose of supporting the recovery of commercial functions that support the lives of residents and promoting the independence and return of residents, subsidies were provided for commercial facilities developed by local governments in 12 municipalities in Fukushima through the Subsidy for Business Location to Support Self-Reliance and Return, and Create Employment (subsidy for the

reconstruction and development of commercial facilities, etc.).

As of December 2022, 11 facilities had opened, including “Iitate Mura Michinoeki Madeikan” in Iitate Village, Fukushima Prefecture, and “Michinoeki Namie” in Namie Town, Fukushima Prefecture, and the total amount of subsidies decided for these facilities was about 5.9 billion yen.

Figure 6-1-35 List of publicly built, privately run commercial facilities subsidized

- ① Hirono Terrace (opened on March 5, 2016)
- ② YO-TASHI (opened on March 15, 2016)
- ③ Omachi Marche (opened on April 21, 2016)
- ④ Sakura Mall Tomioka (opened on March 30, 2017)
- ⑤ Tonya no Sato (opened on July 1, 2017)
- ⑥ Iitate Village Michinoeki Madeikan (opened on August 12, 2017)
- ⑦ Kokonara Shotengai (opened on June 26, 2018)
- ⑧ Odaka Store (opened on December 6, 2018)
- ⑨ Michinoeki Namie (opened on August 1, 2020)
- ⑩ Futaba Business Incubation Community Center (opened on October 1, 2020)
- ⑪ Okuma Town Commercial Facility (opened on April 5, 2021)



(Iitate Village Michinoeki Madeikan (Iitate Village, Fukushima Prefecture))



(Kokonara Shotengai (Naraha-machi, Fukushima Prefecture))



(Michinoeki Namie (Namie Town, Fukushima Prefecture))



(Okumart (Okuma Town, Fukushima Prefecture))

7. Supporting the development of commercial facilities and the rebuilding of shopping districts

As reconstruction projects got into full swing and the reconstruction of urban areas progressed, it was necessary to promote the reconstruction of urban functions in addition to housing. In January 2014, the national government compiled the “Package for Accelerating the Revitalization of Commercial Agglomerations and Shopping Districts” to accelerate the revitalization of commercial agglomerations and shopping districts.

In addition, the national government prepared the “Guidelines for Accelerating the Revitalization of Urban Commercial Agglomerations and Shopping Streets in Affected Areas” as the standard procedures for the revitalization of commercial agglomerations and shopping streets in urban areas, and presented them as a guide for local government employees and others involved in town planning to perform their duties.

(1) The Package for Accelerating the Revitalization of Commercial Agglomerations and Shopping Districts

After presenting the “Guidelines for Accelerating the Revitalization of Urban Commercial Agglomerations and Shopping Streets in Affected Areas,” the “Package for Accelerating the Revitalization of Commercial Agglomerations and Shopping Districts” compiled the measures to accelerate the revitalization of commercial agglomeration and shopping districts.

- ① Presenting basic guidelines (“Guidelines for Accelerating the Revitalization of Urban Commercial Agglomerations and Shopping Streets in Affected Areas”)

The standard procedures for the revitalization of urban commercial agglomerations and shopping districts were presented as a guide for the execution of projects by local government officials and others concerned with community planning from three viewpoints: the provision of the main transfer destination for disaster-affected merchants and service providers working in temporary stores; the strengthening of the management sustainability of disaster-affected merchants and service providers, and the provision of the commercial and service industry functions essential to the lives of residents; and the recovery of the bustle of central urban districts and the establishment of regional economic bases. In addition, the preparation of the “Machinaka (Town Center) Revitalization Plan” was also presented within the procedures for revitalization.

- ② Supporting the development of commercial facilities, etc.

As support measures for the development of commercial facilities, the national government compiled the “Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation (reconstruction development subsidy projects for commercial facilities, etc.) and the “Living and Lively Atmosphere Revitalization Project.”

In addition, as other related support measures, the Support Project for Effective Use, etc., of Temporary Facilities and the Tsunami Reconstruction Base Development Project were compiled.

- ③ Supporting expert dispatch, human resources development, etc.

In the formulation and implementation of Machinaka (Town Center) Revitalization Plans, various experts were acquired, such as former employees of community development companies and shopping malls, first-class architects, and SME consultants with knowledge of commercial facility development

and operations management using the earthquake disaster reconstruction advisor project, and a system was established by which practical advice could be given to disaster-affected SMEs and local governments by dispatching these people free of charge as many times as necessary.

Apart from this, training was implemented for municipal officials to provide them with useful expert knowledge and know-how for promoting projects for the revitalization of commercial agglomerations and shopping districts.

(2) Machinaka (Town Center) Revitalization Plans

Based on the “Package for Accelerating the Revitalization of Commercial Agglomerations and Shopping Districts,” the mayors of municipalities in the nuclear power disaster-affected area and the tsunami disaster-affected area in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture were made able to apply for the approval of a Machinaka (Town Center) Revitalization Plan to develop commercial agglomerations and shopping districts in the disaster-affected area, and an approval procedure for approval by the Prime Minister was established. Commercial facilities, etc., included in a Machinaka (Town Center) Revitalization Plan are eligible for the “Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation (reconstruction development subsidy projects for commercial facilities, etc.),” and this led to the transformation of temporary shopping streets into permanent establishments.

When formulating a town revitalization plan, municipalities and community development companies submit a draft of their Machinaka (Town Center) Revitalization Plan to the Prime Minister and can receive advice from an external evaluation committee made up of experts in urban design, commercial facilities, etc. In addition, the external evaluation committee evaluated the Machinaka (Town Center) Revitalization Plan to see whether the sustainable operation of the commercial facilities would be possible after their development, whether the scale of the development project was excessive, etc., so municipalities and community development companies were able to formulate appropriate Machinaka (Town Center) Revitalization Plans.

To date, the following 10 local governments have had their Machinaka (Town Center) Revitalization Plan approved, and based on these plans, and joint store-type commercial facilities have started in each local government area.

Figure 6-1-36 State of approval of “Machinaka (Town Center) Revitalization Plans”

	Plan name (date of approval)	Developed commercial facilities (opening date) [re-posted]
1	Onagawa Town Machinaka (Town Center) Revitalization Plan (Approved on December 19, 2014) (Changes approved on February 9, 2016)	<ul style="list-style-type: none"> • Seapal-Pier Onagawa (December 23, 2015) • Hama Terrace (December 23, 2016)
2	Yamada Town Machinaka (Town Center) Revitalization Plan (Approved on March 24, 2015)	<ul style="list-style-type: none"> • All (November 10, 2016)
3	Ishinomaki City Machinaka (Town Center) Revitalization Plan (Approved on July 10, 2015)	<ul style="list-style-type: none"> • Ishinomaki Terrace (opened accordingly from December 2016)
4	Minamisanriku Town Machinaka (Town Center) Revitalization Plan (Approved on October 2, 2015)	<ul style="list-style-type: none"> • Minamisanriku Sansan Shopping Street (March 3, 2017) • Minamisanriku Hamare Utatsu (April 23, 2017)
5	Rikuzentakata City Machinaka (Town Center) Revitalization Plan (Approved on January 15, 2016) (Changes approved on November 19, 2019)	<ul style="list-style-type: none"> • Abasse Takata (April 27, 2017) • CAMOCY (December 17, 2020)
6	Ofunato City Machinaka (Town Center) Revitalization Plan (Approved on February 9, 2016)	<ul style="list-style-type: none"> • Kyassen Ofunato (April 29, 2017)
7	Iwaki City Hisanohama-Oku District Machinaka (Town Center) Revitalization Plan (Approved on February 9, 2016)	<ul style="list-style-type: none"> • Hamakaze Kirara (April 20, 2017)
8	Natori City Yuriage District Machinaka (Town Center) Revitalization Plan (Approved on January 30, 2018)	<ul style="list-style-type: none"> • Kawamachi Terrace Yuriage (April 25, 2019)
9	Kamaishi City Unosumai District Machinaka (Town Center) Revitalization Plan (Approved on June 29, 2018)	<ul style="list-style-type: none"> • Unoport (September 11, 2019)
10	Kesennuma City Port District Machinaka (Town Center) Revitalization Plan (Approved on December 12, 2018)	<ul style="list-style-type: none"> • Yuwaeru Slow Street (July 18, 2020)

8. Measures to secure human resources and support employment

In addition to the outflow and decrease in population in the area affected by the Great East Japan Earthquake, it was difficult to secure a sufficient labor force while factories, etc., reopened in association with the progress of reconstruction so this could have hindered reconstruction. In such circumstances, the implementation of projects to improve the ability of companies in the disaster-affected area to acquire human resources by attracting human resources from outside the region themselves and taking the opportunity of accepting human resources from outside the company to improve employment control and management was required. Because of that, starting in FY2017, measures were put together in cooperation with related agencies to secure personnel in disaster-affected areas, inviting young people and skilled workers to the disaster-affected area, while projects were implemented to support the efforts of local companies to improve productivity, strengthen their ability to attract talent, and spread best practices.

(1) Accompanied-Type Model Project to Support the Securing and Development of Human Resources (Reconstruction and Creation Internship Project)

To contribute in securing human resources for companies in the disaster-affected area, and to attract external human resources for internships, etc., and improve companies' abilities to acquire human resources, the "Reconstruction and Creation Internship Project" was implemented from FY2017 to FY2020 to recruit university students, etc., from across the country and work on the resolution of the employment problem jointly with management as internships.

Support was provided for the establishment of "A model that realizes regions where people and companies gather, grow, and revitalize" by enhancing the human and financial strength of the region as a whole while forming and expanding advanced groups in the region through friendly competition among multiple companies in the improvement of employment control and management.

With a cumulative budget of 1.19 billion yen, the project provided expenses for the implementation of internship programs, advertising, business guidance to companies, and travel and accommodation expenses for the interns.

The matching results were FY2017: 198 people (summer: 90 people; spring: 108 people), FY2018: 265 people (summer: 94 people; spring: 171 people), FY2019: 318 people (summer: 118 people, spring: 200 people), and FY2020: 426 people (summer: 237 people, spring: 189 people).

Momentum within companies and organizations to develop and use young people positively increased due to the Reconstruction and Creation Intern Project. Further, in addition to having the young generation learn about the current situation, issues, and attractions of the disaster-affected area and have them take an interest, it also led to changes in awareness and the increased motivation of the companies and organizations that accept them.

Figure 6-1-37 Overview of the Accompanied-Type Model Project to Support the Securing and Development of Human Resources

Results of the Reconstruction and Revitalization Internship Project							
■ Accepted 1,207 student interns over the four-year period from FY2017 to FY2020. A total of 535 companies participated in the project.							
Participating universities, number of students, and number of companies (total number)				Main universities of participating students		Main industries of participating companies	
FY	Number of participating universities	Number of participating students	Number of companies	Name of university	Number of students (total number)	Main Industries	Proportion
FY2017	119	198	102	Tohoku University of Art and Design	67	Services	26.4%
FY2018	145	265	136	Toyo University	67	Fisheries and seafood processing industry	14.4%
FY2019	155	318	156	Ritsumeikan University	65	Manufacturing	14.4%
FY2020	172	426	141	Meiji University	41	Accommodation and food services	10.1%
Total	591	1,207	535	Rikkyo University	40	Wholesale and retail	8.8%

Example of an internship curriculum prepared by the Regional Coordinating Agency				
■ Example of a curriculum where new product development is the theme of the host company with the internship period of about four weeks				
Week 1	Week 2	Week 3	Week 4	
<ul style="list-style-type: none"> • Orientation and pre-training • Guidance by host companies (on-site experience, etc.) • Interviews with corporate people in charge (product development staff) • Formulating and implementing questionnaire survey items for product users 	<ul style="list-style-type: none"> • Compiling and analyzing questionnaires for product users • Developing, designing and preparing new products based on questionnaire surveys • Interim report to the host company (changes in curriculum content depending on the case) • Interim training 	<ul style="list-style-type: none"> • Developing, designing and preparing new products based on questionnaire surveys (ongoing) • Holding trial (tasting) meetings by employees and product monitors • Preparing materials such as product plans, cost statements and estimates, and analysis and consideration of profitability within the host company • Selling at stores, events, etc. 	<ul style="list-style-type: none"> • Selling at stores, events, etc. (ongoing) • Examining manufacturing and sales policies, etc., within the host company based on sales results • Reporting results to the host company (employer) and handing over after completion • Outcome report meeting and final training 	

* Apart from this, the regional coordinating agency promotes exchanges related to the region, such as lectures given by people moved in, and provides consultation as required for interns and the people in charge at host companies.

Source) Reconstruction Agency

(2) Follow-up Project to Support the Intercompany Dispatch of Specialist Human Resources

Along with calling specialist human resources from outside the disaster-affected area to the disaster-affected area, the “Follow-up Project to Support the Intercompany Dispatch of Specialist Human Resources” was implemented aimed at building a model of a matching system beneficial to both the dispatching side and accepting side. The project contributed in securing human resources by providing know-how to companies on securing, establishing and developing human resources to improve their ability to acquire talent; and the dispatched specialists further improved skills by experiencing multiple work-styles at companies in the disaster-affected area, which they could not experience at large companies.

With a cumulative budget of 1.04 billion yen, the project provided support for: (1)recruitment, human resource consulting, and the development of job listings for companies in the disaster-affected area; (2)the recruitment and training of specialist human resources; (3)matching of companies in the disaster-stricken area with specialist human resources; (4) training for companies in the disaster-affected area on the use of specialist human resources and support for their establishment; (5) support for the establishment of specialist human resources in the areas they were dispatched to; (6) dissemination of information on the project to public organizations, etc.; and (7) the payment and settlement of incentives for the acceptance of specialist human resources.

By dispatching 127 experts from outside the disaster-affected area to companies in the disaster-affected area for more than half a year through secondment or career change, etc. to resolve and improve management issues and increase corporate value, 87 people were hired or retained during the three-year period from 2017 to 2019.

In addition, follow-up was implemented based on the project results, and the conditions and business schemes required to succeed in matching were proposed, which contributed to the improvement of corporate management.

(3) Survey Project on Measures to Secure Human Resources in the Disaster-Affected Area

The “Survey Project on Measures to Secure Human Resources in the Disaster-Affected Area” was implemented to conduct a survey on the state of human resource shortages and precedents of securing human resources, analyze the results of the survey and efforts and share them widely, and support the resolution of management issues and the creation of new projects by business operators.

Excellent examples of companies among those in the disaster-affected area that have succeeded in acquiring human resources were collected, organized and provided, and apart from producing the “Know-how Book on Securing Human Resources in the Region,” “New Challenges: Examples of U-I-J Turn,” and “Working in Your Hometown” aimed at the elimination of labor shortages in the disaster-affected area, the project also made efforts to promote understanding of the region and its companies among job seekers.

In addition, by distributing the above case studies to local governments, etc., and posting them on the Reconstruction Agency website, efforts were made to secure human resources at SMEs in the disaster-affected area and, through this, to develop a collection of good cases.

(4) Employment support such as job counseling and job placement at Hello Work (public employment security office)

As a measure immediately after the disaster, because many evacuees at evacuation shelters and other places had difficulty visiting Hello Work, the organization provided on-site consultations, etc., positively at evacuation shelters and other places and made efforts to understand the current situation of evacuees. Because employment opportunities in the disaster-affected area were extremely limited and some people had evacuated to distant places, Hello Work offices nationwide supported the employment of disaster victims by giving instructions to ensure job offers giving them a certain level of consideration, such as priority handling, the securing of company housing and dormitories, etc., as “job offers for earthquake disaster victims,” implementing joint employment interview meetings positively. In addition, as an ongoing effort since then, Hello Work has provided detailed employment support in close cooperation with individual disaster-affected job seekers, such as the development and securing of job offers in accordance with their needs, employment counseling, job placement and guidance on vocational training. At the same time, job offers generated by industrial policy and demand for restoration and reconstruction were secured at Hello Work, and acquiring of human resources was supported by holding workplace tours and joint job interview meetings for these job seekers.

(5) Employment Support Project for Returning Fukushima Evacuees, etc.

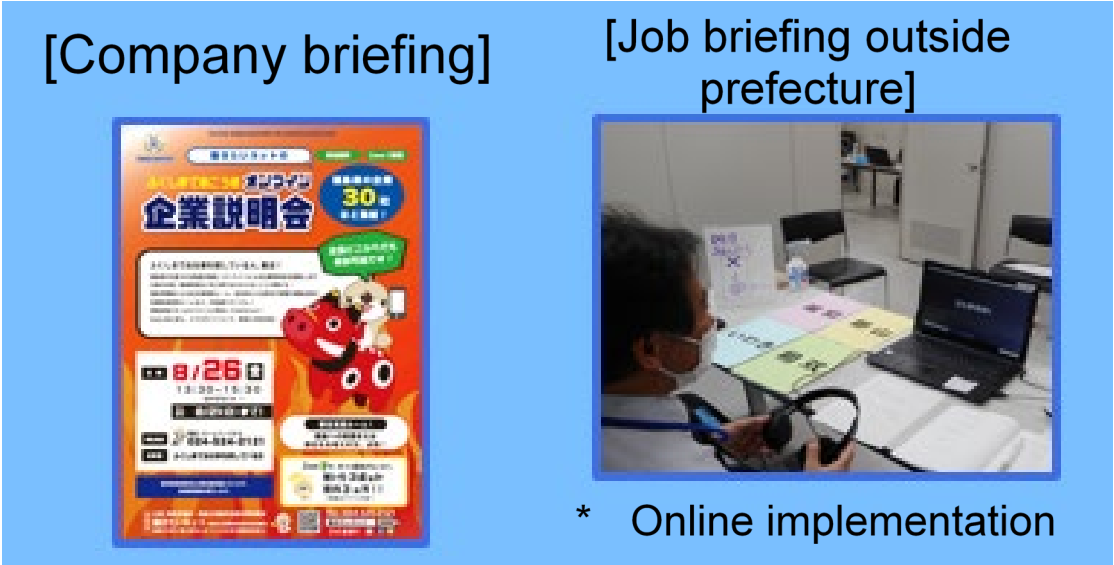
Employment support was provided to evacuees from areas under evacuation orders, etc., due to the nuclear power station disaster in evacuation destinations inside and outside Fukushima Prefecture, and the “Employment Support Project for Returning Fukushima Evacuees, etc.,” was implemented to enhance the employment support system so that their return to their hometowns and employment progressed smoothly.

This project was commissioned to a council consisting of local stakeholders working on the stabilization of the employment of workers returning to areas where evacuation orders had been lifted, and implemented various consultations, employment support seminars, etc. In metropolitan areas (Tokyo, Osaka) and areas with a large number of evacuees (Miyagi, Niigata, Yamagata, Saitama), Fukushima

Employment Support Desk was set up to provide consultation and advice on various problems arising in the course of working life, and employment support navigators were assigned.

In addition, the council and Fukushima Employment Support Desk, etc., cooperated to provide detailed support to facilitate the return to Fukushima and employment of people who had been evacuated due to the impact of the nuclear power station disaster by assigning employment support coordinators to the Fukushima Labour Bureau to provide comprehensive support for employment creation efforts in Fukushima Prefecture. Apart from that, employment counselors were assigned at Hello Work offices in evacuation-destination areas and evacuated areas (return areas) to provide detailed employment counseling and placements.

Figure 6-1-38 Overview of the Employment Support Project for Returning Fukushima Evacuees, etc.



(6) Employment Support Project in Response to the Nuclear Power Station Disaster

The “Employment Support Project in Response to the Nuclear Power Station Disaster” has been implemented since 2016 for disaster victims impacted by the nuclear power station disaster in Fukushima Prefecture aimed at securing temporary employment opportunities through outsourcing to private companies, NPOs, etc., and to stabilize people’s lives by developing human resources and connecting that to stable re-employment.

The national government created the “Employment Support Project in Response to the Nuclear Power Station Disaster” by adding 1.96 billion yen to a fund set up in Fukushima Prefecture. The national government or prefectural government provided the necessary expenses for the project to local governments in Fukushima Prefecture and projects meeting certain requirements were entrusted to private companies, etc.

To FY2021, a cumulative total of 2.44 billion yen had been budgeted, 51 projects had been implemented, and 1.11 billion yen had been used.

The project worked on PR activities to dispel rumors about local products in the disaster-affected area, radiation measurement at public facilities, etc., and escorting school buses for children and students in the disaster-affected area.

For example, a bond building support project worth 150 million yen was planned to help temporarily employed disaster-affected job seekers acquire and improve skills that will lead to their next stable employment through on-the-job training, which contributed to the new employment of 113 people.

(7) Project to Secure Business Reconstruction-Type Employment

The “Project to Secure Business Reconstruction-Type Employment” was implemented from 2016 to provide employment support in conjunction with industrial policy to SMEs, etc., that hired job seekers on a permanent basis to address the employment mismatch caused by the serious labor shortage in the disaster-affected area.

The project was for places of business falling under the category of SMEs in Iwate Prefecture (coastal area), Miyagi Prefecture (coastal area) and Fukushima Prefecture (entire area) (excluding the 15 disaster-affected municipalities of Fukushima Prefecture), and implementing projects subject to subsidies or loans from the national government or local government (targeting new business or a core business of a local industry) or industrial policies designed to address employment mismatches, or projects otherwise recognized as “employment support in conjunction with industrial policies.”

Employment expense subsidies were provided for employment of job-seekers in the three disaster-stricken prefectures to a maximum of 1.2 million yen per person (600,000 yen for part-time workers) for up to 20 million yen per place of business (for three years); and housing support subsidies were provided on employment of job-seekers, including general job-seekers, for 3/4 of the necessary expenses, to a maximum of 2.4 million yen per place of business (annually), if the work environment would be improved through the introduction of housing support and employment is secured and maintained.

To the end of FY2021, there were 83,145 cases of employment and a cumulative total of 22.12 billion yen (of which, employment subsidies were 22.1 billion yen and housing support subsidies were 20 million yen) had been used.

(8) Implementing Hello Training (public vocational training)

Hello Training is implemented for people who have left their jobs, taking into account regional and industrial needs. In disaster-affected prefectures in particular, vocational training was implemented flexibly, such as the establishment of training courses (operation of construction machinery, etc.) for disaster-affected workers who had left their jobs.

So far, from FY2011 to FY2016, public vocational training was provided to 1,751 people in Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Ibaraki Prefecture, Tochigi Prefecture and Shizuoka Prefecture. (The system was abolished in FY2016 and transitioned to a construction human resource development course that can be established nationwide.)

In addition, from FY2011 to FY2021, support training for job seekers was conducted for 1,907 people in Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture. (A special training course for earthquake disaster countermeasures to develop the human resources necessary for leveling the ground for disaster recovery, etc. was completed at the end of FY2021, the special deadline.)

(9) Support Project for Securing Human Resources for SMEs in the Great East Japan Earthquake Disaster-Affected Area

In the disaster-affected area, although the rebuilding of daily life has progressed and efforts have been made in restoring existing facilities through Group Subsidies and inviting new companies through the Subsidy Program for New Business Establishment in the Areas Recovering from Tsunami and Nuclear Disaster towards Employment Creation and the Subsidy for Business Location to Support Self-Reliance and Return, and Create Employment, it has still been difficult to secure human resources even after factories have been restored and companies located in the region due to delays in restoration work such as land raising and the nuclear power station disaster.

Because of this, the national government implemented the Support Project for Securing Human Resources for SMEs in the Great East Japan Earthquake Disaster-Affected Area to support the securing of human resources by reviewing the management and labor environment, disseminating information about their attractiveness, etc., so that SMEs impacted by the earthquake could secure human resources. In the coastal areas of Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture, which suffered particularly severe damage, two of the main industries were fisheries and the seafood processing industry, and while the restoration of fishing ports was delayed because they were so severely damaged, the outflow of human resources and departures from fisheries were conspicuous so efforts were made to secure human resources through this project to compensate for that.

In addition, apart from disseminating information positively about the current situation in the disaster-affected area and the attractiveness of companies, mainly to human resources in urban areas and creating opportunities to match companies with human resources, the project implemented a pro bono project aimed at solving the issues of companies in the disaster-affected area with pro bono (volunteer activities to contribute to society) human resources registered in the Tokyo metropolitan area.

This project was implemented from FY2017 to FY2020, and supported a total of 967 companies.

9. Future issues and measures

The revitalization of industries and livelihoods has progressed through the restoration of the facilities and equipment of business operators, including Group Subsidies, and the construction of new factories and other facilities through subsidies for corporate location, and shipments of manufactured goods, etc., in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture have largely recovered to their pre-earthquake levels. According to the results of a survey conducted by the Reconstruction Agency of disaster-affected municipalities in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture, 28 of 42 municipalities responded that they were able to use various systems for the revitalization of industries and livelihoods across the region as a whole. Moreover, disaster-affected local governments expressed the opinion that the Group Subsidies were used effectively, especially by small business operators, and that the subsidies for corporate location were attractive and promoted corporate expansion. Although there were opinions that few new companies entered the market even if they were invited due to the declining population, there were also opinions that many companies created new business or took on the challenge of different business.

On the other hand, it was stated in the “Basic Guidelines for Reconstruction in Response to the Great East Japan Earthquake after ‘the reconstruction and revitalization period’” in 2019, that as future issues pertaining to the acceleration of industrial reconstruction, it would be necessary to consider appropriate forms of business support for securing and developing sales channels in accordance with the actual situations and issues of the region, taking into account the fact that the recovery of manufactured goods shipments, etc., would vary among local public organizations in coastal areas.

In addition, according to the Great East Japan Earthquake Group Subsidy Follow-up Survey of 2021, 39.8% of business operators in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture have recovered or increased sales to the same level as their sales immediately prior to the earthquake. On the other hand, due also in part to the strong impact of COVID-19, looked at by sector, the proportions of companies in the fisheries and food processing industry, and the hotel and inn industry whose sales have recovered or increased to the same level as sales immediately prior to the earthquake were 27.5% and 20.1% respectively, so variation has occurred depending on the industry. There are opinions that when evaluating reconstruction measures related to industry, it is necessary to take into account that the disaster-affected area has been under difficult conditions in the business environment due to long population decline issue, and that COVID-19 also had an impact.

Support is being provided to disaster-affected companies facing issues such as sales not recovering in the development of new sales channels and the launch of new business through the “Yui no Ba” regional reconstruction matching program, the New Hands-on Support Projects, etc. As an example, support was provided to Kaneki Shoten Co., Ltd., which operates a seafood processing business in Iwaki City, Fukushima Prefecture, based on a Hands-on Support Project, to develop new products in response to consumer trends during the COVID-19 pandemic. In addition, support was provided to Kairakuso Co., Ltd., which operates an inn business in Ofunato City, Iwate Prefecture, to develop the “Ofunato Lifestyle Experience Tour” by refining local tourism content.

As other issues, some local governments have expressed the opinion that they have been unable to think carefully about industrial reconstruction plans as a result of emphasizing speed in reconstruction, and also that it is necessary to consider industrial reconstruction in advance in normal times. Under the “Preliminary Preparation Guidelines for Reconstruction Town Planning” published by the Ministry of Land, Infrastructure, Transport and Tourism in July 2018 states the necessity to consider reconstruction while also bearing in mind the system for consideration in the industrial field as preliminary preparation

for reconstruction, so it is important for each local government to make efforts on preliminary preparation for reconstruction with awareness of the industrial aspect.

With regard to financial support for business operators, it has been pointed out that as the periods of support by the Industry Reconstruction Corporations and the Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake come to an end, realistic exit measures such as partial debt forgiveness should be considered for business operators whose revitalization plans are not progressing well.

It has been pointed out with regard to the continuation of private commercial transactions that there is a limit to support by government alone so in future, in cooperation with support institutions, financial institutions, etc., the national government will also use general measures related to industry and livelihoods as well as measures for regional revitalization and other government-wide measures, and will aim for reconstruction projects to fulfill their roles by working with every effort on remaining projects.

With regard to employment, as of January 2023, the number of employees (the number of people with employment insurance) in the three disaster-affected prefectures exceeded the pre-earthquake level, and the active job openings-to-applicants ratio also exceeded one. In addition, looking at the number of active job openings and the number of active job seekers in the three disaster-affected prefectures, the mismatch between job openings and job seekers has become large in construction and mining jobs and welfare-related jobs. In such circumstances, it is necessary to eliminate employment mismatches, to create employment integrated with industry as employment support closely aligned with disaster victims, and to work on employment placements, etc., based on job seekers' situations. On the other hand, while disaster-affected local governments are working to invite companies, there are also opinions that it is difficult to secure employment in local areas even if there is new corporate participation, and it is necessary to continue efforts to secure human resources.

Based on this review, it is necessary to analyze the gap between the ideal state of reconstruction and the current situation, and make use of it in future reconstruction.