

**TOMAKOMAI CITY  
INTEGRATED RESORT (IR)  
FEASIBILITY STUDY・RESEARCH REPORT**

**EXECUTIVE SUMMARY**



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# 1. Overview of Tomakomai City and Necessity of IR

## The state of Tomakomai City(1)



# 1. Overview of Tomakomai City and Necessity of IR

## The state of Tomakomai City(2)



### The most accessible in Hokkaido

- ◆ Smooth access domestically and internationally
- Key location for land, sea and air travel



### The largest industrially-concentrated city in Northern Japan

- ◆ There are many industrial companies such as paper, pulp and automobile companies



### Friendly city to nature and environment

- ◆ Well harmonized with the natural environment such as forests, lakes and marshes



# 1. Overview of Tomakomai City and Necessity of IR

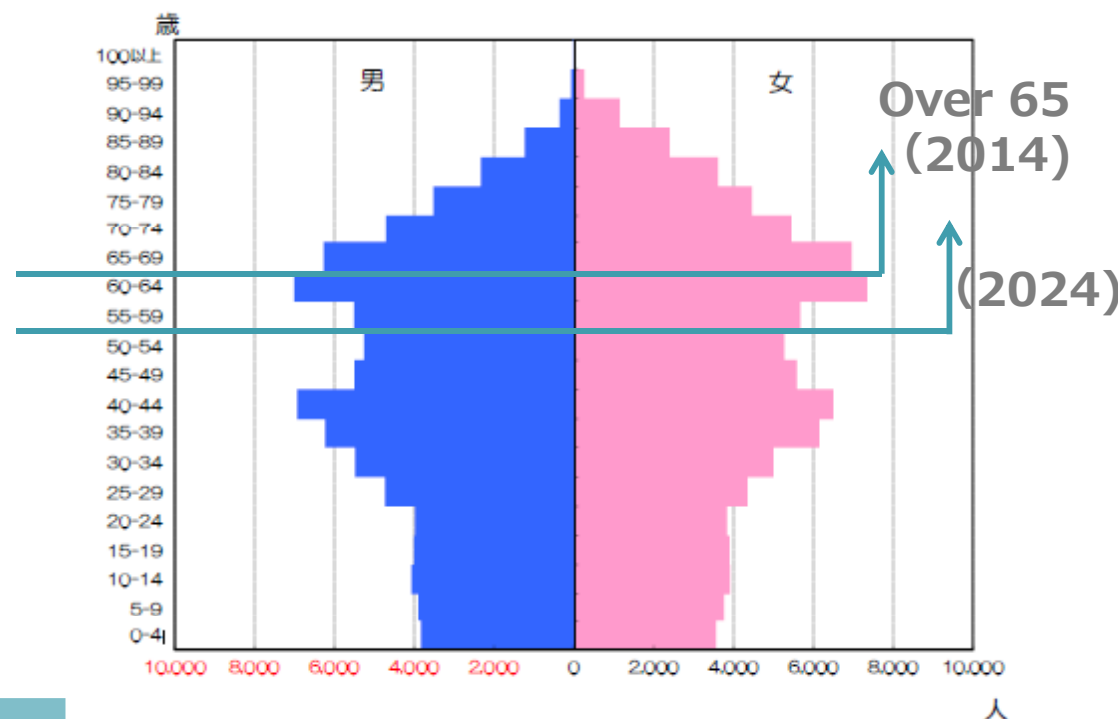
## The state of Tomakomai City(3)

### Declining birth rate and rapidly aging population

- Declining working age population (15~64)
- Increasing social welfare costs

### Changes in industrial structure

- Offshoring of manufacturing facilities
- Severe inter-corporate competition through IT



Declining tax revenue and public/municipal investments  
Investments becoming difficult

Concerns for poorer public services

# 1. Overview of Tomakomai City and Necessity of IR

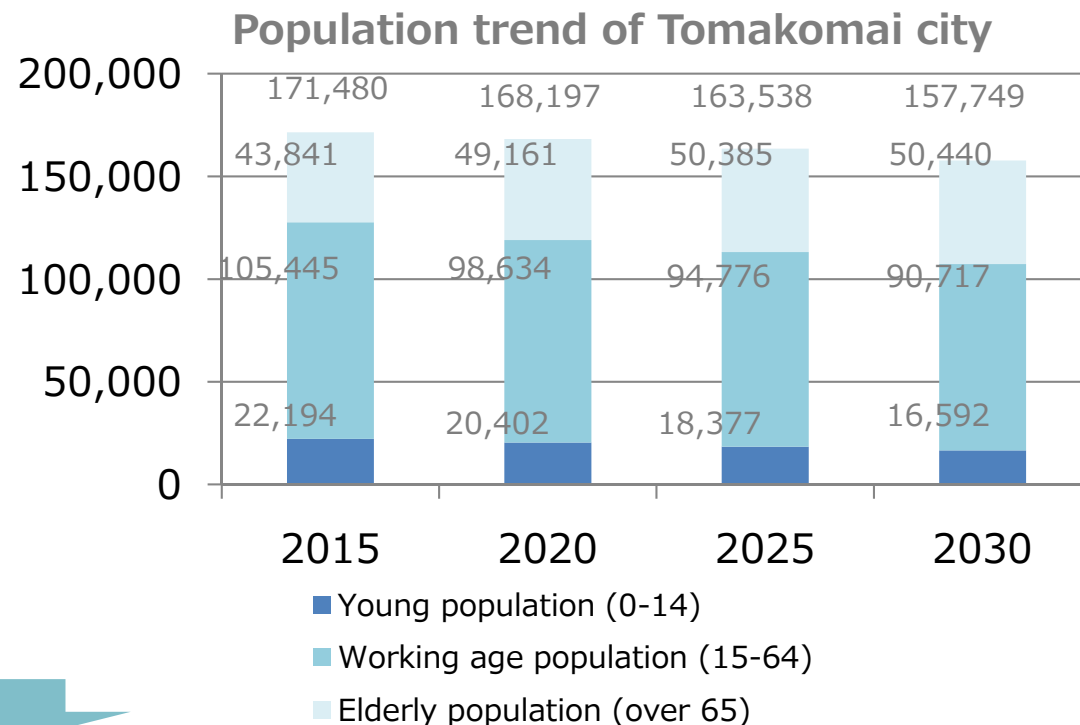
## The state of Tomakomai City(4)

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Declining tax revenue and public/municipal investments  
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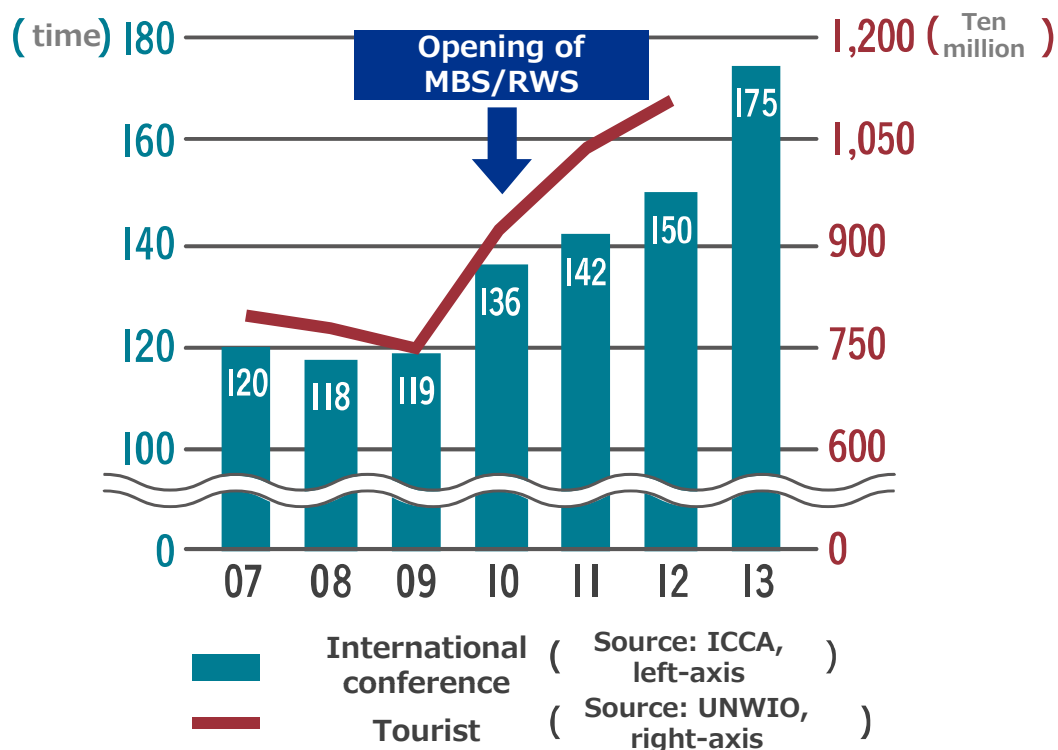
Concerns for poorer public services

# 1. Overview of Tomakomai City and Necessity of IR

## What is IR(Integrated Resort )? (1)

IR is a comprehensive, well-organized tourist facility which integrally develops tourism attractions such as a casino, hotel, MICE (Meetings, Incentives, Conferences and Exhibitions), restaurants, a shopping mall and entertainment facilities.

The trend of tourists in Singapore



Casino floor space covers 3% of the entire IR floor space

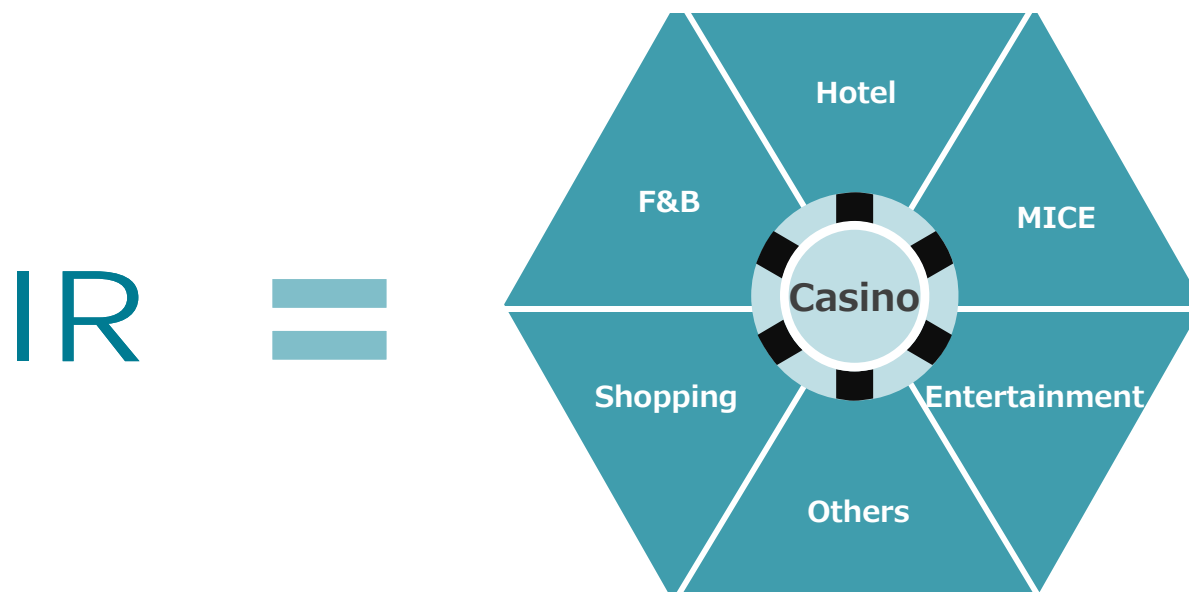
➔ The number of tourists has increased by 1.4 folds (10.4 million)  
Income from international tourism increased by 1.8 folds (Approximately JPY2 trillion )

<POINT>

IRs have potential for comprehensive tourist promotion. It is not all about a casino

# 1. Overview of Tomakomai City and Necessity of IR

## What is IR(Integrated Resort )? (2)



※The legislation for introducing IR aimed at tourism promotion is underway.  
The IR will be constructed and operated by a private company.

### Expected Effects (Tourist promotion and local promotion)

- Customer attraction resulting from synergies with existing resources for tourism
- Development of tourism attractions utilizing the customers and profitability of casino
- Public infrastructure improvement utilizing the profitability of a casino
- Contribution to employment, the local economy and social governments' budget by utilizing private investments

Conducted overseas research to examine the situation of IR/Casino in other countries

### Matter of Concern

- Social impacts (gamble addiction, public disorder etc.)



# 1. Overview of Tomakomai City and Necessity of IR

## Tourism sector as a growing sector of the 21st century(1)

### ●High economic ripple effect to other industries

It is estimated that the effect will range over several sectors of the local economy, as tourists consume in various sectors such as accommodation, food & beverage, public transport, entertainment, gift, etc.

### ●Enables incorporating external demands

Although there are no expectations for a large increase in domestic demand due to the declining birth rate and aging population, incorporating tourist demands from Asia, which are showing remarkable growth, is possible.

Unit price of tourism consumption

(JPY)

Item	Citizens in Hokkaido	Visitors to Hokkaido	Foreign Visitors to Hokkaido
Transportation	3,313	18,674	39,307
Accommodation	2,259	17,863	22,344
F&B	1,793	10,612	16,528
Gift·Shopping	4,430	18,012	36,536
Entrance·Facility Usage Fees	593	2,416	3,964
Other	882	2,092	3,448
<b>Total</b>	<b>13,271</b>	<b>69,670</b>	<b>122,128</b>

The goal for 2020 of Hokkaido  
¥122,128× 2mill people

= ¥**244.3** billion

Average household  
consumption  
expenditure

¥229,572/ Month·House  
(¥2.75mill/year·House)

Equivalent to annual  
consumption expenditure  
of 88,000 households  
(Reference)

The number of households in  
Tomakomai city is **85,800**

(Source : Residential Basic Book  
2014,1<sup>st</sup>, Jan.)

Source:

Unit price of tourism consumption:

Report by the investigation committee for Hokkaido tourism industry economic effect, 2011, March

Average household consumption:

Household research (2014, November) by the Statistic Bureau, Ministry of Internal Affairs and Communications

# 1. Overview of Tomakomai City and Necessity of IR

## Tourism sector as a growing sector of the 21st century (2)

### International Tourist Arrivals Ranking

1 <sup>st</sup>	France	83.02million
2 <sup>nd</sup>	U.S.A	69.77million
3 <sup>rd</sup>	Spain	60.66million
4 <sup>th</sup>	China	55.69million
5 <sup>th</sup>	Italy	47.70million
6 <sup>th</sup>	Turkey	37.79million
7 <sup>th</sup>	Germany	31.54million
8 <sup>th</sup>	UK	31.17million
9 <sup>th</sup>	Russia	28.36million
10 <sup>th</sup>	Thailand	26.55million
	⋮	
24 <sup>th</sup>	Japan	10.36million

### International Tourism Receipts Ranking

1 <sup>st</sup>	U.S.A	USD139.6million
2 <sup>nd</sup>	Spain	USD60.4million
3 <sup>rd</sup>	France	USD56.1million
4 <sup>th</sup>	China	USD51.7million
5 <sup>th</sup>	Macau	USD51.6million
6 <sup>th</sup>	Italy	USD43.9million
7 <sup>th</sup>	Thailand	USD42.1million
8 <sup>th</sup>	Germany	USD41.2million
9 <sup>th</sup>	UK	USD40.6million
10 <sup>th</sup>	Hong Kong	USD38.9million
	⋮	
21 <sup>th</sup>	Japan	USD14.9million

- According to a research by the UNWTO (The World Tourism Organization), the demand of international tourism exceeded 10 billion people in 2012 and has been showing steady growth, despite the declining world economy. It is expected that the demand will increase to 1.36billion and 1.81 billion in 2020 and 2030, respectively.
- The growth is remarkable, particularly in the Asia-Pacific region and the annual growth is expected at 5-6%.

**Japan has abundant appeal to attract tourists from all over the world**

# 1. Overview of Tomakomai City and Necessity of IR

## Current situation and issues of tourism in Hokkaido

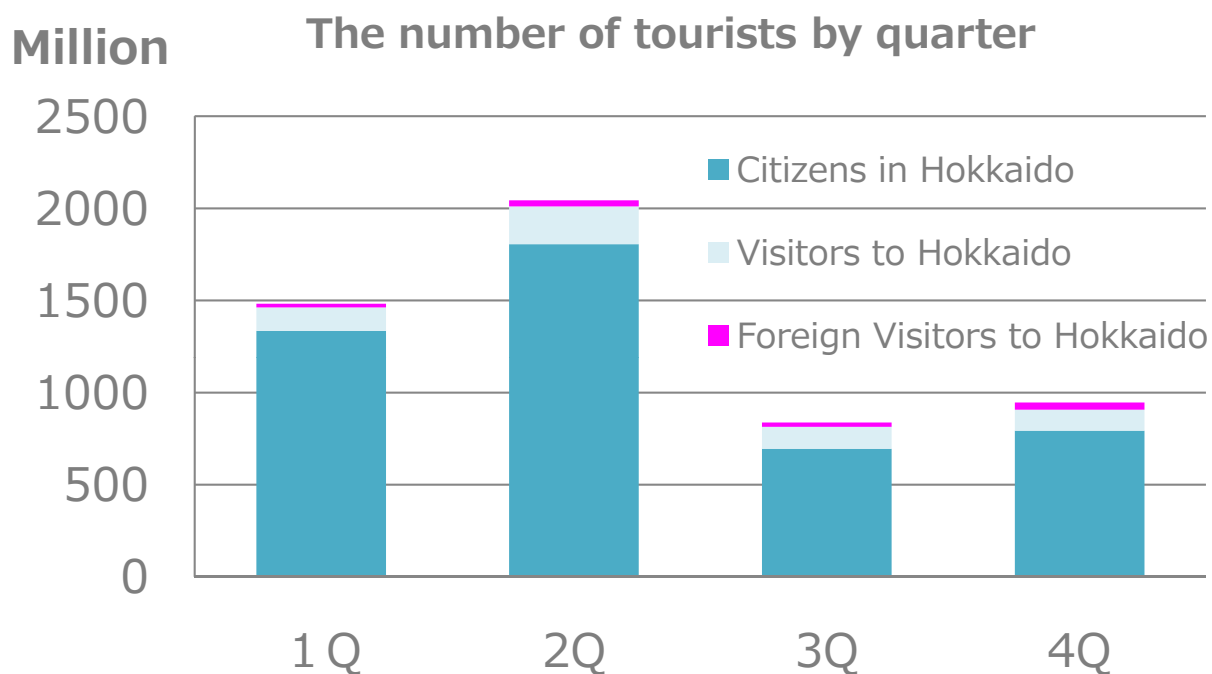
### Current Situation

- Shrinking domestic market resulting from declining population
- Gap between on-season and off-season
- Concentration of tourists in central area of Hokkaido

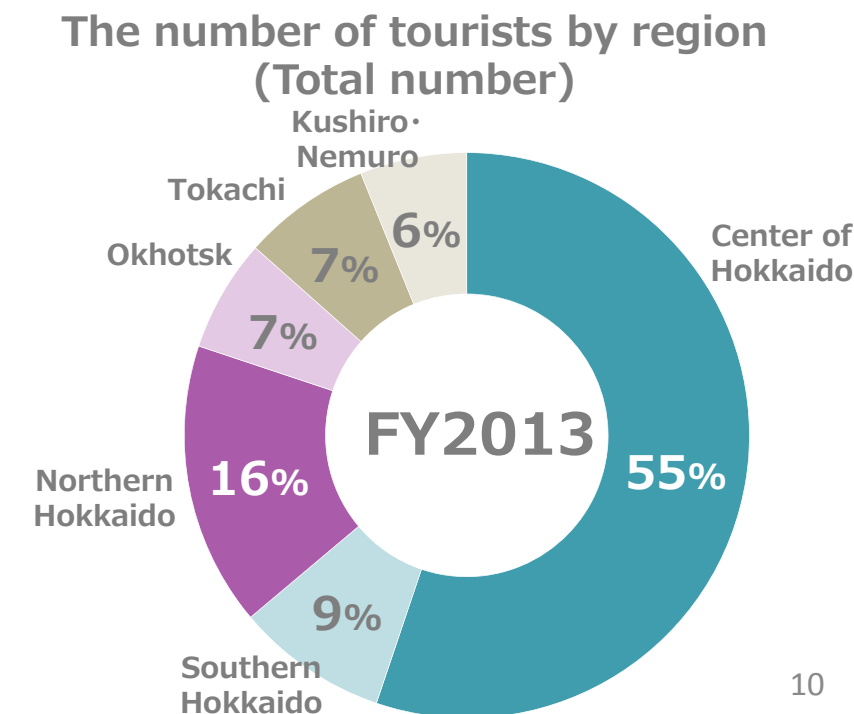


### Issues

- Attracting foreign tourists/enhancing environment for inviting foreign tourists
- Development of tourism attractions with low seasonal fluctuation
- Polishing tourist attractions /developing secondary transport access



Source : Research report by Hokkaido



# 1. Overview of Tomakomai City and Necessity of IR

## Current situation and issues of tourism in Tomakomai

### Tourists

Actual number  
in 2013

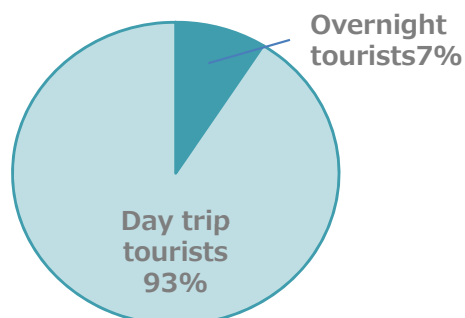
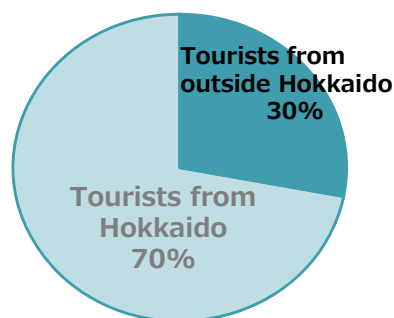
1.84million

Year on year rate  
▲2.7%

### Foreign Tourists

22 thousand

Year on year rate  
+256%



- Many day trip tourists visit Tomakomai during the summer season for sports such as golf
- Attractive tourism resources include:
  - ① Utonai lake roadside rest area (452thousand),
  - ② Northern horse park (245thousand),
  - ③ Puratto port market (218thousand) etc.

### Issues of tourism in Tomakomai city

- Despite being adjacent to the entrance of Hokkaido, it is a city to pass through (not to stay) due to lack of facilities with lodging and attractive tourist routes.
- The city has a strong image as an industrial region (factories and port) and does not proactively promote its nature and local specialties. Tourists have little motive to visit Tomakomai.
- The city is not making full use of the neighboring tourism resources such as Nishiiburi, Higashiiburi and Hidaka.

# 1. Overview of Tomakomai City and Necessity of IR

## Necessity for the introduction of IR

### Hokkaido's Potentials

#### Attractiveness as a tourist destination

- Location which tourists want to visit:  
Ranked number one in Japan [1]
- The number of foreign tourists visiting Hokkaido: 1.15 million [2]
- The number of tourists: 53.1 million [2]

#### Brand power of Hokkaido

- The desire for visiting Hokkaido within the Asian region is high, next to Tokyo and Kyoto.

### Tomakomai's Potentials

#### The transport access hub in Hokkaido

- Develop international airports, international ports and highways
- Gateway to tourism attractions in Hokkaido

#### Potentially large business region

- 30/60 min range population: 1.5/3 million (60% of Hokkaido residents)
- The number of passengers using New Chitose Airport: 19.26 million

#### Abundant nature and extensive lands

## Contributions to the tourism policy of Japan and Hokkaido

(Japan)

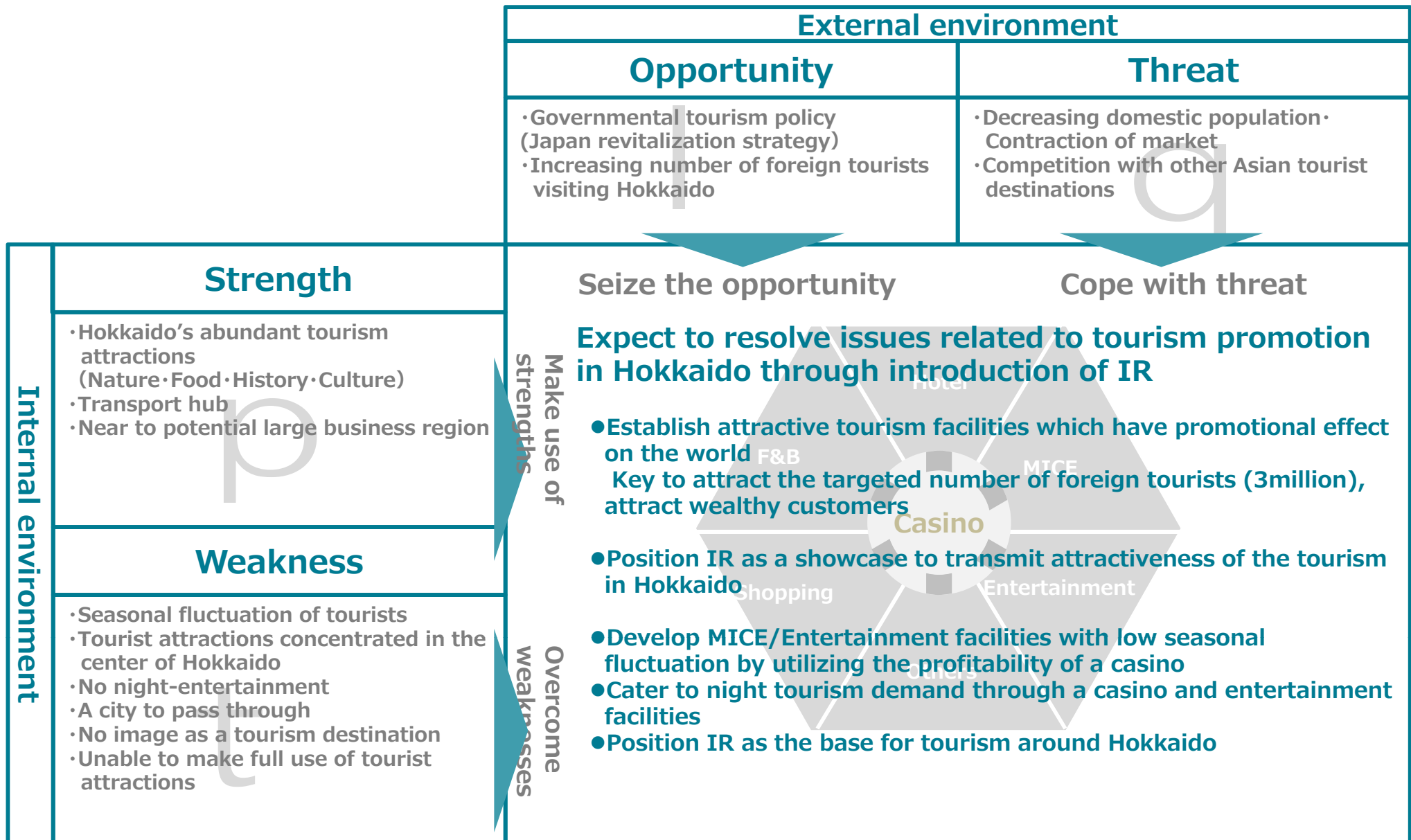
The number of foreign tourists to increase to 20million and 30million in 2020 and 2030, respectively

(Hokkaido) The number of foreign tourists to increase to 2million (in 2020, 10% of Japan's target)

3million (in 2030, 10% of Japan's target)

# 1. Overview of Tomakomai City and Necessity of IR

## SWOT Analysis for tourism promotion of Hokkaido & Tomakomai



# 1. Overview of Tomakomai City and Necessity of IR

## Expected impacts from the introduction of IR

### The purpose of introducing IR in Hokkaido

- 
- Establish attractive tourism facilities which have promotional effect on the world  
Key to attract the targeted number of foreign tourists (3million), attract wealthy customers
  - Position IR as a showcase to transmit attractiveness of the tourism in Hokkaido
  - Develop MICE/Entertainment facilities with low seasonal fluctuation by utilizing the profitability of a casino
  - Position IR as the base for tourism around Hokkaido.

### The reason why IR in Tomakomai (near the airport) is the most suitable

#### Accessibility to New Chitose airport

- ✓ Easy access for domestic and international tourists
- ✓ Appealing to business visitors (MICE etc.)
- ✓ Optimal location as a base to tour around Hokkaido

#### Proposed site with a large area near the airport

- ✓ Enables development utilizing the nature, which is compatible with Hokkaido's concept

Effects by tourism promotion are expected not only in the IR and the neighboring areas, but also in the entire prefecture.

### Expected impacts in Tomakomai

- ✓ Economic effect through investment in IR construction
- ✓ Create employment, promote local production/consumption
- ✓ Accommodation base when travelling the neighboring areas
- ✓ Execution of the tourism promotion policy through utilization of tax revenue and the burden charge of IR

# 1. Overview of Tomakomai City and Necessity of IR

## Concept of Tomakomai's IR

- Position IR as a showcase to transmit attractiveness of Hokkaido's tourism through the brand image
- Create a relaxing space through the vast and abundant nature of Tomakomai (Collaborate with tourism attractions of neighboring areas)
- Create an eco-space with co-existence of development and nature through use of the latest technology, as a city which issued a declaration on the human environment
- Become a base for tourism around Hokkaido utilizing locational advantage (near the airport)
- Create a globally competitive "Only 1 IR" and achieve the inbound tourist target of Hokkaido



## 2. Overview of Global IR (Casino) Market

### Overview of major casino area in the world

### Europe

Casinos have developed into places for socializing and entertainment for adults in resorts and big cities. There are few large-scale/integrally-developed facilities which were established for the purpose of inbound tourism promotion.

### U.S.A (Las Vegas)

Casinos were legalized for the purpose of stimulating the local economy. The competition is intense, and they have developed through establishing non-gaming entertainment facilities.

### South Korea

Casinos exclusively for foreigners have developed to obtain foreign currencies. Kangwon Land, the only casino for the South Koreans, was opened for the purpose of revitalizing an abandoned mining area.

**Consider as a case of casinos' adverse impact**

### Singapore

Casinos were legalized for the purpose of attracting foreign tourists. They have integrally developed by combining a casino and entertainment facilities.

**Consider as a benchmark for Japanese IR**

### Macau

Casinos were legalized for the purpose of promoting tourism and increasing tax revenue.

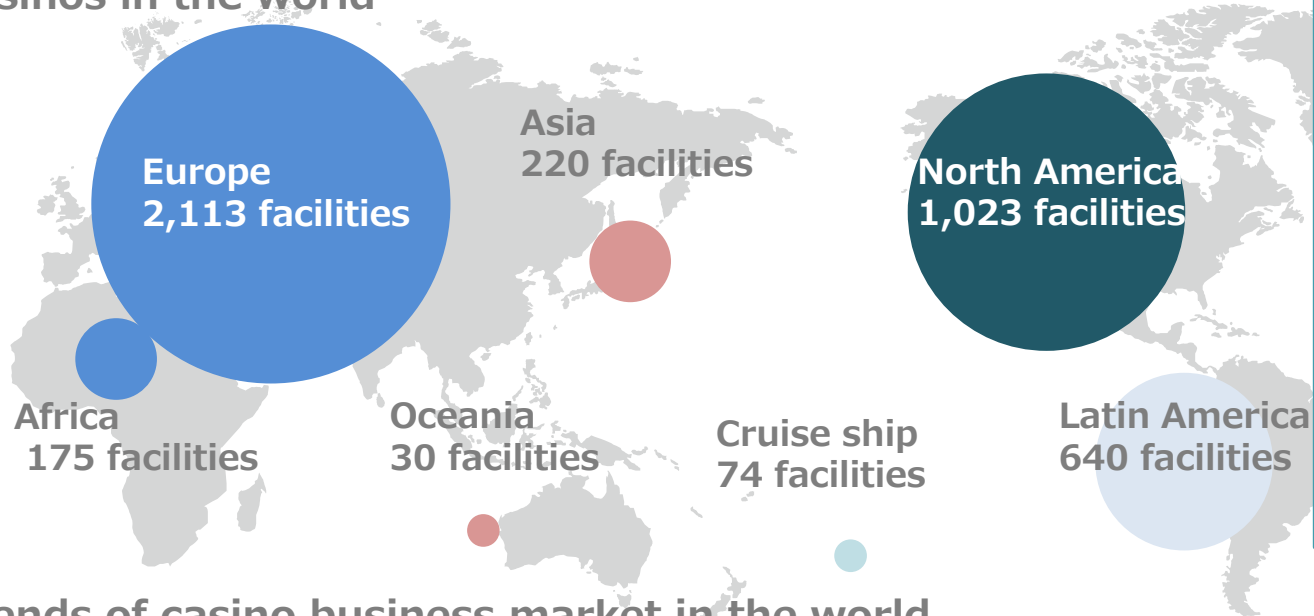
Macau is currently enhancing non-gaming facilities.

Casinos have developed backed by wealthy Chinese customers.

## 2. Overview of Global IR (Casino) Market

### Trends of casino market in the world

The number of casinos in the world

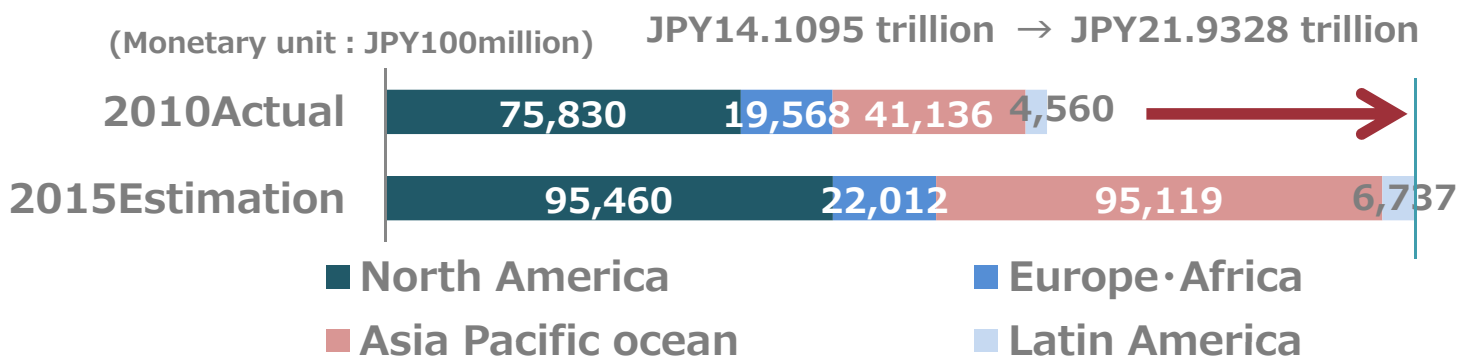


**POINT**

- Gambling including casinos is legal in more than 150 countries (public horse racing, lottery etc. are also legal in Japan)
  - Japan is the only country in G8 that has not legalized casinos
  - The IR development is progressing in various countries across the world for promoting tourism and obtaining foreign currencies
- ex.

- South Korea: Paradise City
- Philippines: Entertainment City Manila
- Russia: Vladivostok, Primorye
- U.S.A: N.Y.
- U.K.: Resorts World Birmingham

Trends of casino business market in the world



Source: Number of facilities "Casino City Press "Global Gaming Almanac 2014 Edition"  
 World trend: Global Gaming Outlook, The casino and online gaming market to 2015, 2011/12 PWC  
 The USD value from the above source is translated to JPY using JPY120/USD

• Although a significant growth was expected in the world market due to the growing Asia Pacific market, the actual market size is expected to be smaller than the estimated size because of declining growth in Macau, as described in the left graph.

• On the other hand, the IR development is progressing in various countries as mentioned above, and IR-type casino markets are expected to expand.

## 2. Overview of Global IR (Casino) Market Overseas visit research summary

Country	Singapore	South Korea
Facilities	<p>Marina Bay Sands Resort World Sentosa National Council on Problem Gambling (NCPG)</p>	<p>Paradise Casino Jeju Jeju International Convention Center Kangwon land casino Kangwon Land Addiction Care Center</p>
Impacts of introducing IR/Casino	<ul style="list-style-type: none"> <li>•The total revenue from both IRs combined is JPY560 billion (2013).</li> <li>•The number of tourists increased by 60% to 15.5 million four years after the start of operation, and tourism revenue increased by 80% to approximately JPY2 trillion. The majority of IR visitors are users of non-casino facilities.</li> </ul>	<p>Paradise Casino Jeju (Exclusively for foreigners)</p> <ul style="list-style-type: none"> <li>•Revenue: Approximately JPY3.7 billion (2012)</li> <li>•80% of the customers (tourists) are Chinese.</li> </ul> <p>Kangwon Casino Land (<b>the only casino for the South Koreans</b>)</p> <ul style="list-style-type: none"> <li>•Revenue: Approximately JPY130 billion (2011)</li> <li>•99% of the customers are South Korean.</li> </ul>
Social impacts and counter measures	<ul style="list-style-type: none"> <li>•No significant change in the number of gamble addicts before and after introduction of IR (1.2%→1.4%, NCPG research)</li> <li>•Pre/post measures are taken, such as preventive education, restriction of entry by ID check, imposing entrance fees to citizens and establishing care centers.</li> </ul>	<ul style="list-style-type: none"> <li>•Negative image such as public disorder and addiction</li> <li>•Pre/post measures are taken, such as preventive education, restriction of entry by ID check, imposing entrance fees to citizens and establishing care centers.</li> </ul>

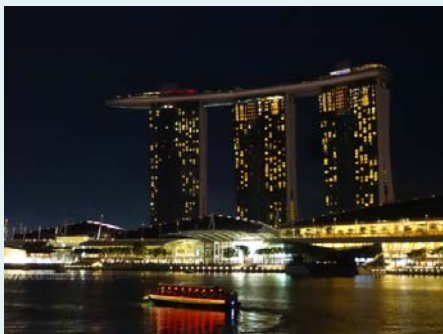
## 2. Overview of Global IR (Casino) Market Overview of Singapore's IR (Casino)

### Marina Bay Sands (MBS)

Concept :

**Business & Entertainment for adults**

Integrated facility with a hotel, shopping mall, MICE (exhibition hall·conference hall), museum, theater and skypark (roof top pool)



### Resort World Sentosa (RWS)

Concept :

**Resort for family**

Integrated facility with a hotel, shopping mall, MICE (exhibition hall·conference hall), Universal Studio (first opened in South East Asia), museum, and aquarium (largest in the world)



(Source) Tomakomai city, IR research document

<POINT>

- Request proposals from operators based on the concept, aimed at attracting foreign tourists
  - Elaborate a systematic plan considering social impacts when legalizing casinos
- Both facilities have become tourism spots, with many tourists visiting non-casino facilities.

## 2. Overview of Global IR (Casino) Market

### Overview of South Korean casino – Kangwon Land Casino

# Kangwon Land Casino

The only casino hotel that the South Koreans are permitted to enter

- Located three hour's drive from the capital city, Seoul
- It is an integrated facility with a golf course, ski course etc., but the majority of revenue is generated from the casino.



- Kangwon Land Casino was introduced for the purpose of revitalizing an abandoned mining area. The revenue is approximately JPY130 million (2011) and they provided significant tax revenue to the region and achieved the policy purpose.
- However, the following negative impacts in relation to the casino were pointed out:
  - Corruption scandals of historical political leaders
  - Destruction of the environment in the surrounding area (Increased number of pawn shops·disruption of morals)
  - Increased number of gamble addicts
- The development of the casino was the primary purpose (not tourism promotion) and the counter measures against negative impacts on its citizens were insufficient.

(Source) Tomakomai, IR research documents, Blog of professor Mihara (Osaka University of Commerce)

### <POINT>

**There is a risk of realizing negative impacts such as excessive attraction of customers to the casino and gamble addiction, if an elaborate plan in relation to the concept and counter measures against negative impacts are insufficient during the introduction phase.**

## 2. Overview of Global IR (Casino) Market

### Lessons from the research/analysis

Elaborate execution/planning in relation to the following factors at the introduction phase is important.

- ① **Clarify the purpose and concept of IR/select operators**
  - Clearly define the concept of the IR, such as tourism promotion of Hokkaido/Tomakomai, creation of environment-friendly space utilizing the vast and abundant nature and creation of eco-space with the co-existence of development and nature
  - The process of seeking/selecting a private operator to realize the concept
  
- ② **Measures against social impacts**
  - Thorough and strict measures against negative social impacts in relation to casinos

### 3. Concept of Tomakomai Style Integrate Resort

#### General assumptions to the consideration of functions/facilities

##### Assumptions

- Plan to construct non-gaming facilities for realizing the IR concept
- **The IR is anticipated to be built/maintained/operated by a private operator and the final decision of introducing such facilities will ultimately be made by the private operator based on business profitability. The following section merely provides consideration of potentially proposed facilities based on the IR concept.**

##### Consideration of IR functions/facilities

- Take into account factors such as compatibility with the IR concept and needs of anticipated customers
- Consider critical success factors and failures learned from existing IR's experience
- Expect to attract more customers/provide a wide range of activities, while holding down IR investment by collaborating with tourist attractions from peripheral regions and within the prefecture. Expect synergy effect in the collaborating tourist spot within the prefecture via IR

### 3. Concept of Tomakomai Style Integrate Resort Profile of Anticipated Customers

**Primary Target**



Consider anticipated customers visiting the IR, based on following classification

**Close distance customers [1]**  
**Approx. 3 million people ※**  
 Citizens living in the areas within 60 minutes' drive.  
 Expected to use neighboring commercial facilities such as restaurants and entertainment facilities in addition to the casino.

**Customers within Hokkaido [2]**  
**Approx. 2.46 million people ※**  
 Hokkaido citizens other than close distance customers. Travel within Hokkaido 8.5 times annually on average.  
 Expected to stay in the IR's hotel and use the casino, entertainments and restaurants.

**Foreign customers visiting Hokkaido [3]**  
**Approx. 1.15 million→3 million people ※**  
 Foreign tourists visiting Hokkaido. Expected to stay at the IR and use it as a base for travel within Hokkaido in addition to the use of the casino and restaurants.

**Customers from outside Hokkaido [3]**  
**Approx. 5.65 million people ※**  
 Japanese tourists visiting Hokkaido.  
 Expected to stay at the IR and use it as a base for travel within Hokkaido in addition to the use of the casino and restaurants.  
 Expected to use the integrated MICE facilities as a location close to the airport.

※ **The potential number of customers** by classification is provided. Customers from outside Hokkaido and foreign customers visiting Hokkaido indicate the cumulative number of tourists for both tourism and business purposes.

Source [1]Calculated from basic resident register (As of 1/1/2015)

[2]Calculated by deducting close distance population from the total population of Hokkaido (5.46million people (basic resident register))

[3]Based on research report of incoming tourists to Hokkaido for 2013



### 3. Concept of Tomakomai Style Integrate Resort Consideration of Casino Facilities

Expected Customer Profile : All customers (except for customers under age)

Images of Casino Facilities

Situation of facilities in foreign countries:

- Table games such as baccarat, roulette and black jack and gaming machines such as slot machines are installed.
- The space is separated between general customers and high rollers (VIP) and the facility operates for 24 hours in many cases.
- ID check is required at the entrance in Singapore and South Korea, which serves as a measure against gamble addiction, juvenile problems (check if under age) and involvement of crime organizations.



※The area of the casino, the number of machines, employees and gaming machines to be used and operation of the casino facilities are expected to be strictly restricted, although the bill has not been passed yet in Japan.

### 3. Concept of Tomakomai Style Integrate Resort Consideration of Hotel Facilities

**Expected Customer Profile : All Customers excluding close distance customers**

#### **Concept :**

- Expect low-rise facilities harmonized with the vast and abundant nature
- Offer hotels in various grades to satisfy a wide range of customers such as family, wealthy and business customers

#### **Issues to be Considered :**

- How to develop eco-friendly facilities co-existing with natural resources through the use of cutting edge technologies
- The number of rooms considering seasonal fluctuation and accommodation needs

#### **Reference :**

- The MICE facility mentioned in the later section requires certain numbers of rooms as a vast amount of customers use the hotel at once.



### 3. Concept of Tomakomai Style Integrate Resort Consideration of Food and Beverage Facilities

Expected Customer Profile : All Customers

Concept :

- Offer dishes with seasonal ingredients of Hokkaido
- Offer Japanese style “Omotenashi” to foreign tourists

Issues to be Considered :

- Need to attract various restaurants with international characteristics, such as high-class restaurants (e.g., Michelin three star restaurants) and restaurants aimed for family and business customers in order to satisfy the needs of various customers including foreign tourists, tourists from outside Hokkaido and wealthy customers.



### 3. Concept of Tomakomai Style Integrate Resort Consideration of MICE Facilities

#### What is MICE ?

<p><b>M</b>eeting</p> <p>Meeting of companies etc. (Conference)</p>	<p><b>I</b>ncentive (Travel)</p> <p>Travel arranged by companies to commend employees/agents (Reward/Training)</p>	<p><b>C</b>onvention</p> <p>General meeting and workshop held by international organizations, academic society and associations</p>	<p><b>E</b>xhibition /Event</p> <p>Cultural/sports event, exhibition/trade fair</p>
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#### Features of MICE

- MICE customers stay longer and spend more money than tourists (higher economic impact)
- Can expect **re-visits in non-business scenes** if the customer obtained favorable impression

#### Issues of Existing Domestic Facilities

- MICE facilities and hotels are physically discounted (common in most facilities including Hokkaido)

#### Affinity with the IR

- The casino is a key to MICE attraction.
- Standardized operation and improvement in the utilization rate of the hotel are expected, as business use has less seasonal impact.



Major Example of Integrated MICE in Japan  
 • Pacifico Yokohama (MICE Facility)  
 • Intercontinental Hotel Yokohama

### 3. Concept of Tomakomai Style Integrate Resort Consideration of MICE Facilities

**Expected Customer Profile : Business customers from each of the segments**

**Concept :**

- Operate integrally the convention hall, exhibition hall and hotel, utilizing location advantage (near airports)
- Offer facilities responding to the needs of MICE, which Hokkaido has not been able to attract
- Offer attractive facilities which are able to compete with MICE facilities located in surrounding Asian nations

**Issues to be Considered :**

- Need to construct facilities of appropriate sizes through careful consideration of the specification of facilities with international competitiveness and profitability balance
- Facilities themselves are insufficient to attract MICE users. It is necessary to involve the administration body and construct a system resulting in synergy effect instead of competition with the existing MICE facilities in Sapporo. The structure has to be maintained to win the competition of attracting MICE customers with other Asian nations as "All Hokkaido".

### 3. Concept of Tomakomai Style Integrate Resort Consideration of MICE Facilities

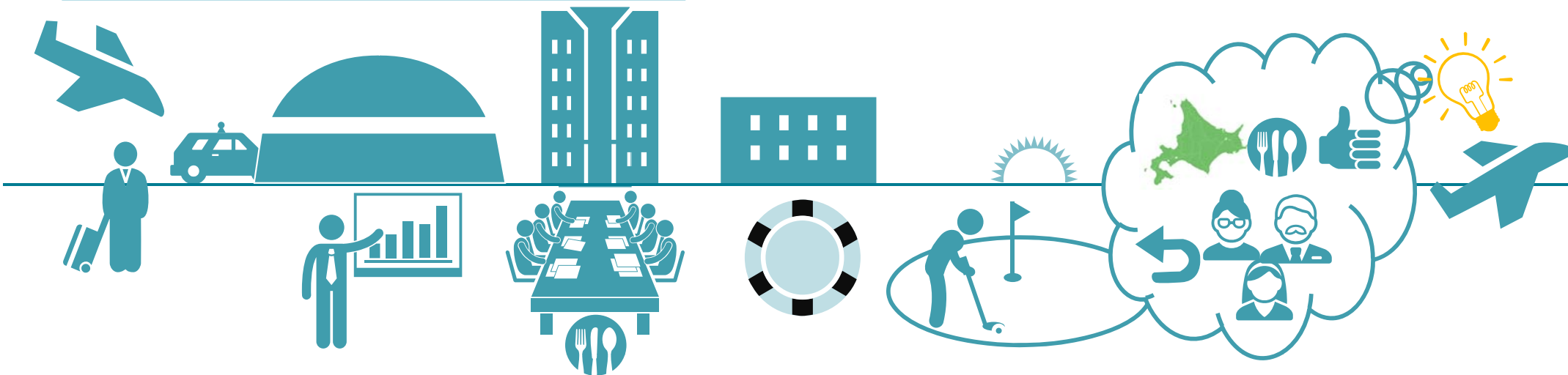
Example) A certain company held a CEO conference of subsidiaries (including overseas) at the IR/MICE in autumn.

#### POINT

It is a complex facility including a conference hall, seminar hall and hotel. The necessary procedures/movement between facilities are minimal due to integrated operation.

#### POINT

Next morning, they enjoy playing golf in the neighboring golf course, take a tour around Hokkaido and return home. By providing a high satisfaction tour experience, it attracts re-visits in private scenes.



#### POINT

The distance from New Chitose Airport to the conference hall is 10 minutes by an IR shuttle bus. It is also convenient for foreign participants as international flights are in service.

#### POINT

After dinner at a restaurant in the hotel, they enjoy a musical, the casino and bars located within the complex. They fully enjoy entertainment for adult.

### 3. Concept of Tomakomai Style Integrate Resort Consideration of Shopping Facilities

Expected Customer Profile : Customers from outside Hokkaido and foreign tourists

Concept :

- Establish a shopping center transmitting the attractiveness of Hokkaido to customers outside Hokkaido, such as markets selling Hokkaido's specialty products, sea foods, vegetables and fruits, sweets shop and shops related to Ainu and Horse Culture, which are unique cultures of Hokkaido
- Attract electronic retail stores, duty free stores for cosmetics and a luxury shopping mall to satisfy the shopping needs of increasing foreign tourists (especially Chinese)

Issues to be Considered :

- Sort out competition and collaboration with neighboring large commercial facilities (New Chitose Airport Terminal Building, Mitsui Outlet, Sapporo North Hiroshima and Chitose outlet Rera)



### 3. Concept of Tomakomai Style Integrate Resort Consideration of Entertainment Facilities

**Expected Customer Profile : All customers**

**Concept :**

- Offer an opportunity of “nature experiencing tour” for customer from outside Hokkaido and foreign tourists
- Establish entertainment facilities for families throughout the four seasons
- Offer night entertainment for adults (musical, dinner shows etc.)

**Issues to be Considered :**

- Continuously attract customers from outside Hokkaido by theme parks and aquariums. Consider how to implement the IR concepts
- Offer an opportunity to feel Japanese traditional art (Kabuki, Kyogen) and unique cultures such as Ainu, which are appealing to foreign tourists
- Offer an opportunity to experience ski/skate, the adventure land, horse riding and trekking as a trial for “nature experiencing tour”
- Attract customers and maintain profitability, as the entertainment facilities will be located in a non-tourism area



### 3. Concept of Tomakomai Style Integrate Resort Consideration of Entertainment Facilities

#### Image of Entertainment Facilities



### 3. Concept of Tomakomai Style Integrate Resort Consideration of Other Facilities

Expected Customer Profile : All Customers

Concept :

- Introduction of sports facilities available to IR customers throughout the four seasons (tennis court, fitness stadium, skate links)
- Introduction of hot spring and SPA resorts to IR customers

Issues to be Considered :

- Hokkaido circular tourism center (concierge)
- Consider introducing facilities for medical tourism
- Consider establishing a skate link available for ice shows and ice hockey. In addition, provide an opportunity for customers within Hokkaido and from outside Hokkaido and foreign customers to experience ice skate and ice hockey as icons of Tomakomai



### 3. Concept of Tomakomai Style Integrate Resort Consideration of Other Facilities

#### Medical tourism:

- Tourism in which a patient travels overseas for the purpose of treatment, health check-up, medical care and rehabilitation
- Patients travel to countries with lower medical costs or with higher medical standards
- The medical visa was newly established in Japan in 2011 and the system for accepting medical tourism is progressing. The potential demand as of 2020 is 425 thousand people and some estimate suggests that the total market value will be JPY550 billion.[1]

#### Expected synergy with the IR:

- Invite tourism participants to the IR by offering treatment and care through SPAs and medical check-ups in the IR in collaboration with other medical institutions



Tourism products in the field of medical check-up

Value added tourism products through combination of Japanese unique hospitality/tourism know-how and sophisticated medical technology/equipment (primarily thorough examinations combining PET check-ups and MRI). Medical tourism products are offered to domestic customers in addition to foreign customers.

E.g.) Tokachi Obihiro PET-CT Cancer check-up tour  
Provided by JAL/Hokuto hospital

Source[1]Report by the Development Bank of Japan

### 3. Concept of Tomakomai Style Integrate Resort Collaboration with Neighboring/Hokkaido Tourism Attractions

Expect the effect of guiding IR customers to tourism attractions in neighboring areas and within Hokkaido through utilizing the IR as a tourism portal for the Hokkaido area



### 3. Concept of Tomakomai Style Integrate Resort Collaboration with Neighboring Tourism

**Goals:**

- Introduce various activities utilizing abundant natural tourism resources and co-operating with the development policy of the local tourism industry
- Enhance access to neighboring tourism attractions, establish a discount system and maintain those attractions through the use of tax on casino revenue and incentives



### 3. Concept of Tomakomai Style Integrate Resort Collaboration with Tourism in Hokkaido

Goal: Base for a circular tour in Hokkaido/airport portal

⇒Development of Hokkaido tourism as a whole (circular tour + stay in the IR)

Issues: Enhance access, develop products combining a circular tour and the IR



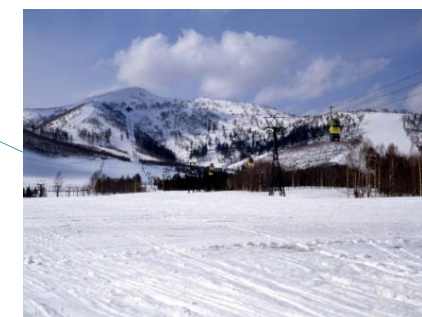
Asahikawa



Shiretoko



Kushiro



Tomamu



Sapporo



Otaru



Wakkanai



Niseko



Hakodate



Source of the map : Hokkaido Prefecture homepage

# 3. Concept of Tomakomai Style Integrate Resort

## Concept image of IR in Tomakomai (1)

**Hotel**  
(For wealthy customers)

※Approx. 200 rooms  
※Travel from the airport to the hotel by limousine

**Casino**  
(For wealthy customers)

**Restaurant**  
(For wealthy customers)

**Hot spring & SPA**  
(For wealthy customers)

※Move to casino, restaurant, hot spring by carriage

**Trekking**  
**Air balloon**  
**Horse riding**



**Hotel**  
(For general customers)  
※Approx. 1,200 rooms

**Convention center**  
※Capacity – 2,000-2,500 people

**Integrated Complex**

(Shopping, cinema, theater, casino)

**Stadium**  
(Hockey·ice skate)

**Horse riding area**

**Athletic Area**

**Horse riding course**  
※Able to stroll through the forest when returning to the hotel

**Cottage**  
※20 cottages

**Trekking Course**

**Hot spring & SPA**

### 3. Concept of Tomakomai Style Integrate Resort Concept image of IR in Tomakomai (2)

Hotel for wealthy customers





### 3. Concept of Tomakomai Style Integrate Resort Concept image of IR in Tomakomai (3)

#### Convention Center · Complex Facility

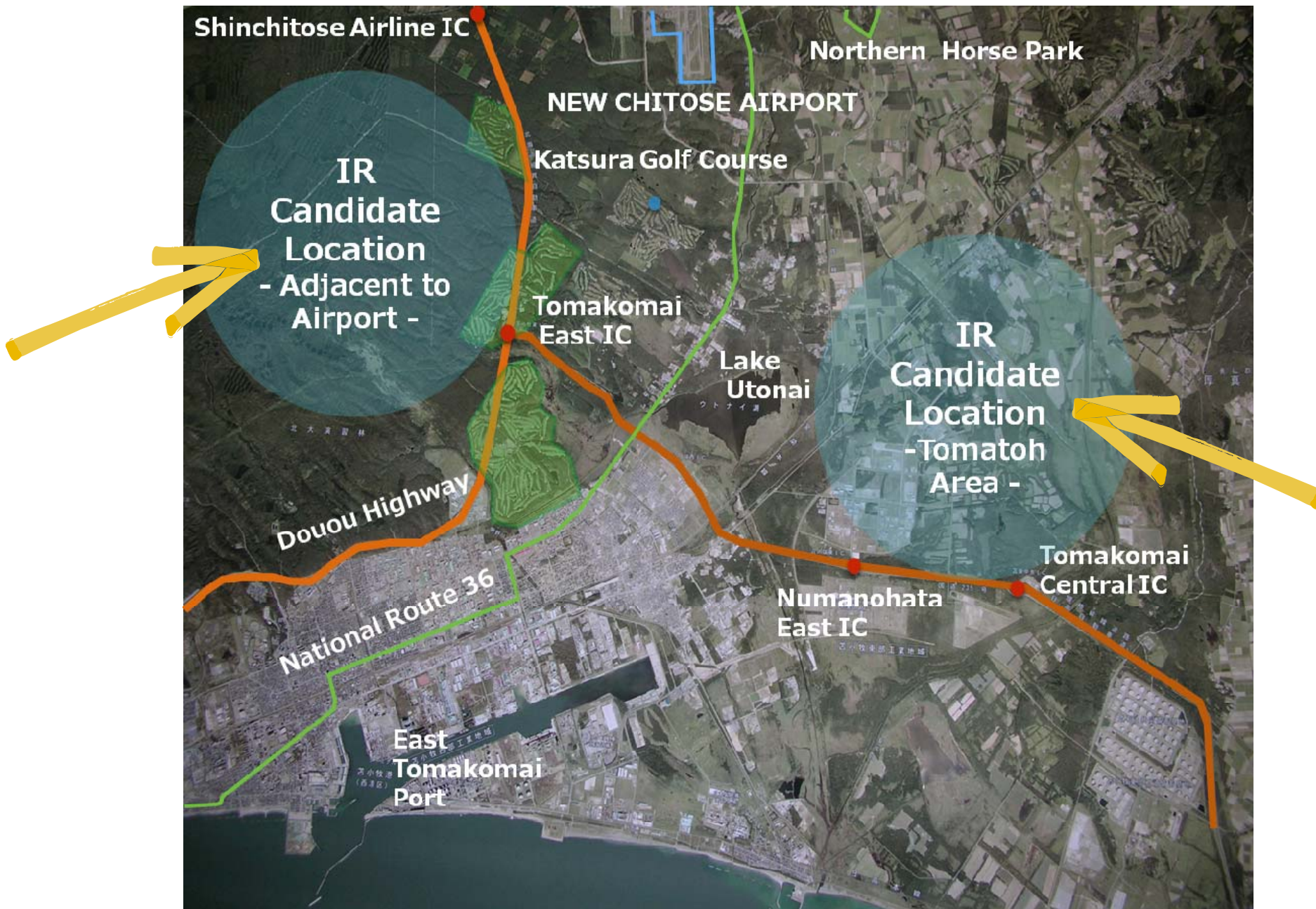


### 3. Concept of Tomakomai Style Integrate Resort Concept image of IR in Tomakomai (4)

Hotel for general customers



# 4. Condition of Infrastructure and Finance Candidate Location for Tomakomai IR(1)



## 4. Condition of Infrastructure and Finance

### Candidate Location for Tomakomai IR(2)

#### Situation of Infrastructure

	Adjacent to Airport Area	Tomatoh Area
Address	Uenae, Tomokomai City	Kashiwabara, Tomakomai City
Site Area ※Site area does not equal development area	10,000,000㎡ (1,000ha)	1,000,000㎡ (100ha)
Current Situation of the Site	Forestry, plain, small sized marsh	Industrial site, forestry, plain, small sized marsh
Access	<b>Rather close to the airport/Sapporo</b> New Chitose Airport (10-15mins by car) Central Sapporo (50mins by highway) Tomakomai urban area/port (30mins by car) <b>※Requires construction of a road to the facilities</b>	<b>Rather close to the Tomakomai urban area</b> New Chitose Airpor (15-20mins by car) Central Sapporo (60mins by highway) Tomakomai urban area/port (20mins by car)
Electricity·Gas·Water and Sewage	<b>Requires preparation</b>	The surrounding area is equipped, <b>but may require expansion.</b>
Restrictions/Regualtions	Urbanization control area of Urban Planning Act →Requires to gain approval from Hokkaido Regional Development Bureau or to expand the urbanization area in order to build commercial facilities	Urbanization control area of Urban Planning Act (Construction of an exclusive industrial zone and a hotel is not permitted.) → Requires to change the use district for construction of commercial facilities

## 4. Condition of Infrastructure and Finance Candidate Location for Tomakomai IR(3)

### Important Factors for IR Development

	Adjacent to Airport Area	Tomatoh Area
Items that could be perceived as appealing factors for a potential IR site	<ul style="list-style-type: none"> <li>•Close to New Chitose Airport (primary access means for the main target, foreign tourists)</li> <li>•Close to highway interchange</li> <li>•Isolated from the residential area</li> </ul>	<ul style="list-style-type: none"> <li>•Close to the port</li> <li>•Close to highway interchange</li> <li>•Adjacent roads are already maintained.</li> <li>•Distant from the sphere of citizens' daily lives</li> </ul>
IR concept and its affinity	<ul style="list-style-type: none"> <li>•<u>High affinity with the concept of the resort IR in consideration of the grand nature of Hokkaido</u></li> <li>•<u>Best location for a port near the hub IR</u></li> </ul>	<ul style="list-style-type: none"> <li>•It is located closer to the port if positioning port as an equally-important access means as airports.</li> <li>•It is close to the airport and is blessed with nature, although not so much as the Uenae area.</li> </ul>
Issues of a potential IR site  ※ As a common issue, negotiation with the current land owners is required since private operators are going to use the potential IR site.	<ul style="list-style-type: none"> <li>•Requires consideration for the environment at the development stage as it is an area with abundant nature</li> </ul>	<ul style="list-style-type: none"> <li>•There are issues regarding affinity with the basic IR concept as it is an industrial site with no image of resort, although it is surrounded by nature.</li> <li>•It is far from the airport (compared to Uenae).</li> </ul>

## 4. Condition of Infrastructure and Finance

### Environment and impacts on city's budget

#### Consideration for the environment in relation to the development

##### Anticipated environmental issues

- Impacts on the animal/plant system in the development area
- Issues regarding scenery and noise
- Energy issues

##### Items to be considered

- As the concept of the IR is nature focused IR, utilizing Hokkaido's brand image, impacts on environment has to be sufficiently considered.

##### Expected measures

- Sufficient environment assessment in relation to the developing area
- Utilization of advanced environment technology (Renewable energy, energy saving technology etc.)
- Design of facilities taking into account the scenery and noise
- Mandatory requirements for the operator

#### Impacts on infrastructure system and city's budget

##### Major infrastructures requiring maintenance by the public

- Access roads from the airport, monorail
- Extension, two-track line of JR Chitose line
- Water and sewage facilities

##### Impacts on the city's budget

- Whether the responsibility of road maintenance lies with the prefecture or the city should be clarified.
- Expenses for the equipment of road/water and sewage may be collected by the IR operator after the start of operation

## 5. Social Impacts of Gambling and Related Counter-Measures

### Expected Adverse Social Impact due to Introduction of Casino

A policy to repress the adverse effect to a rational level through initiatives of the country, operator and local administration is desired.

	Adverse Impact	Expected Counter Measures
Issues within Casino	<ul style="list-style-type: none"> <li>• Involvement of crime organizations in the operation, their entrance as customers</li> <li>• Risk of encountering money laundering</li> <li>• Issues related to illegal actions such as cheating and embezzlement</li> </ul>	<ul style="list-style-type: none"> <li>• Strict regulations (license control, restrictions of stock ownership and transfer) and definition of disqualified person</li> <li>• Reporting of doubtful transactions based on FATF recommendations</li> <li>• Internal control regulations such as MICS</li> </ul>
Issues outside Casino	<ul style="list-style-type: none"> <li>• Public disorder in the surrounding area</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration with local police authorities</li> <li>• Isolation from the residential area</li> </ul>
Psychological Issues	<ul style="list-style-type: none"> <li>• Expansion of gamble addiction</li> <li>• Adverse impact on young generation</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness building activities, admission regulations, treatment services</li> <li>• Limit access (check photo ID for entrance)</li> </ul>

## 5. Social Impacts of Gambling and Related Counter-Measures

### Involvement of Crime Organization in the Operation

- Prevent involvement of inappropriate parties in the operation of the casino in advance through introduction of strict license restrictions
- Eliminate crime organizations from the facilities after commencement of the casino operation by implementing ID check



Restrictions in relation to shareholders, directors and important employees directly or indirectly possessing a certain percentage of shares in “casino operator” and “manufacturer and service provider of machines, systems and equipment used in casino”

- An approval based system (such as the US regulations) with strict background check in relation to integrity and eligibility
- Inappropriate parties are unable to participate as casino operators unless the requirements are met.
- Crime organization screening based on crime organization database
- Research of doubtful parties by external specialists such as attorneys (limited available information on surrounding parties)



Restrictions in relation to entry of casino

- Checking photo ID for entrance
- Manifestation of being a non criminal party for entrance
- Criminal complaint as fraud if detected after entrance
- Advance criminal organization screening based on the criminal organization database for customers setting front money or credit lines



# 5. Social Impacts of Gambling and Related Counter-Measures

## Anti Money-Laundering

- Money-laundering means to change illegally earned money to clean money and use it as a funding source of crimes, covering the fact that the money was earned through a crime. If no measures are taken, crimes and terrorism, tax evasion will be promoted.
- Casinos that deal with a large amount of cash are considered to be “quasi-financial institutions” by FATF, an international institution.

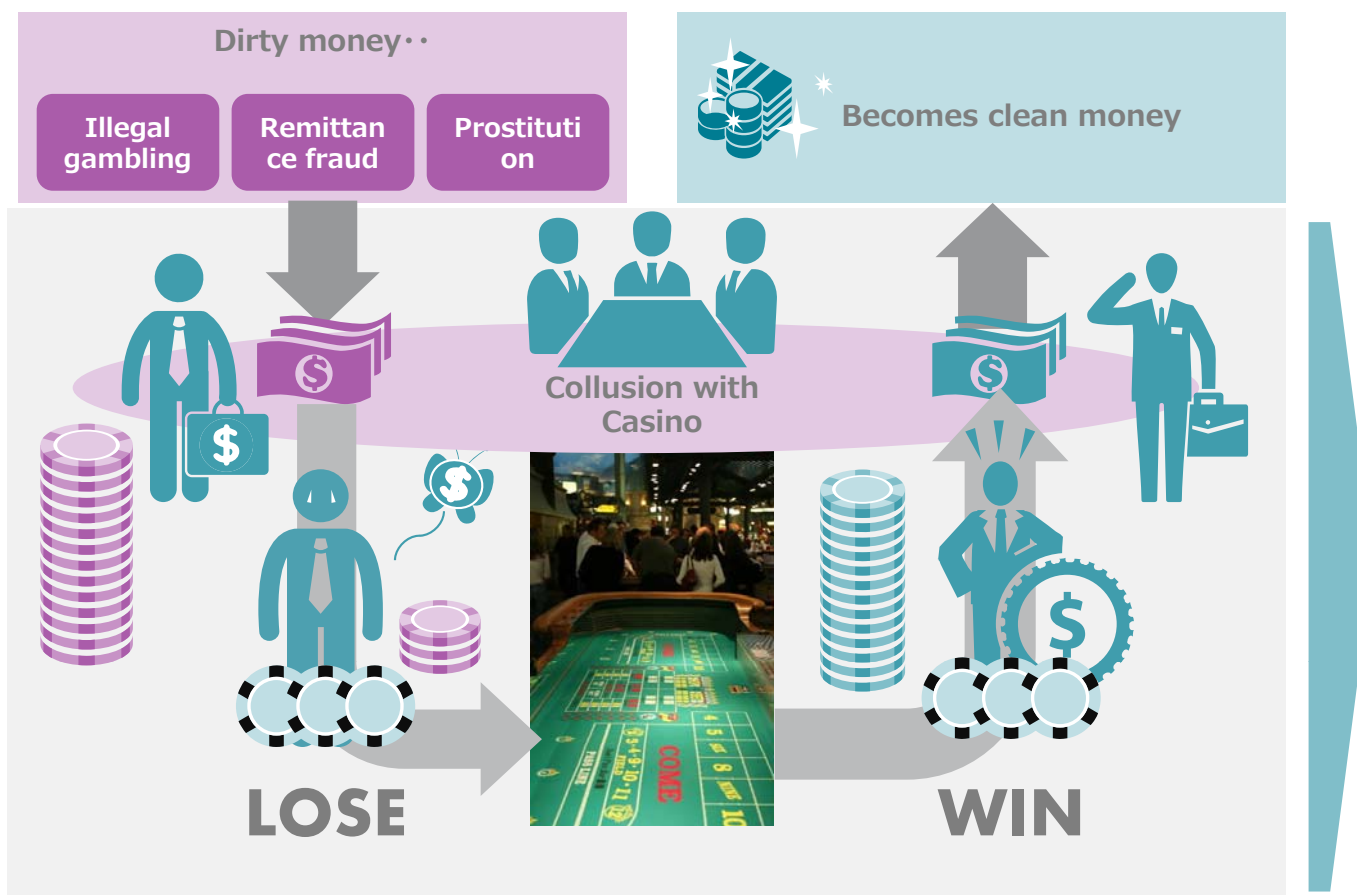





Image of Money Laundering

<p>Enhance customer management</p> 	<ul style="list-style-type: none"> <li>● Obligation of continuous customer information management and retention</li> </ul>
<p>Report doubtful transactions</p> 	<ul style="list-style-type: none"> <li>● Obligation of reporting to the regulatory authority in case of a doubtful transaction</li> </ul>
<p>Monitor large value transactions</p> 	<ul style="list-style-type: none"> <li>● Obligation of reporting to the regulatory authority in case of certain large cash transaction (including personal information)</li> </ul>

# 5. Social Impacts of Gambling and Related Counter-Measures

## Issues on Illegal Actions in relation to Gaming such as Cheating and Embezzlement

- Casino revenue (GGR) is not accurately calculated → tax leakage
- Crime prevention
- Setting internal control rules and monitoring by third parties

Regulations in relation to gaming	Monitoring	Financial reporting procedures
<ul style="list-style-type: none"> <li>● Strict advance verification (license management of machines·equipment·employees)</li> <li>● Standardized employees' uniforms and dealing movements</li> <li>● Clarified gaming rules</li> <li>● Perception of cash in terms of accountability</li> <li>● Involvement of two or more employees when dealing with cash</li> </ul>	<ul style="list-style-type: none"> <li>● Eye in the Sky → No blind spot in the gaming floor 24 hours recording and ex post verification are possible by advancement of technology</li> <li>● Patrol by plain clothes security personnel</li> <li>● Adoption of double-entry doors in Cage/ Cash count room</li> <li>● Existence of an internal audit department independent from the operation</li> </ul>	<ul style="list-style-type: none"> <li>● Control procedure in relation to the IT system (access restrictions, computerization of slot machines)</li> <li>● Duplicate vouchers, thorough signature process (track where cash was lost)</li> <li>● Analysis of win %</li> <li>● Accounting department independent from the operation</li> </ul>

Compliance with MICS(Minimum Internal Control Standards) and its Audit

## 5. Social Impacts of Gambling and Related Counter-Measures

### Public Order of Neighboring Area

- Concerns for deterioration of public order in the neighboring area due to introduction of the IR (casino)
  - There are concerns about deterioration of public order in the neighboring area due to introduction of IR (casino), but according to case studies by various countries, it does not necessarily impact public order of the neighboring area
    - Ex) Singapore ⇒ The crime rate declined after introduction of the IR (casino)
    - South Korea (Kangwon-Land) ⇒ Significant growth in the number of pawn shops in the urban area, adverse impact on Korea such as gamble addiction due to introduction of a casino
  - However, due to an increased number of tourists in areas introducing the IR (casino), there is a concern that reported crimes will increase to a certain extent.

**Polish the concept as an IR not just for a casino**  
**Take public safety measures through collaboration of police and the security department of the IR operator**  
**Locate the IR (potential site) away from the urban area**

## 5. Social Impacts of Gambling and Related Counter-Measures

### Psychological Issues – What is Gamble Addiction?

- Gamble addiction is a state in which a person cannot quit gambling (pachinko, slot, horse racing, speed boat) although it causes economic/social/mental inconvenience (problems)<sup>[1]</sup>.
- Countries introducing casinos take measures such as entry restriction (exclusion program), advertisement restrictions to prevent/suppress gamble addiction and care services by specialized medical institutions for gamble addicts, in addition to awareness building activities and education.
- Public gambling such as pachinko/slot is offered in Japan, and it is perceived that research/studies/measures in relation to gamble addiction will progress, triggered by debates regarding the casino in the IR.

[1]Ohishi clinic HP

## 5. Social Impacts of Gambling and Related Counter-Measures

### Psychological Issues – Situation of Public Gambling/Pachinko in Japan

	Pachinko/Slot	Public Gambling	【Reference】 Casino (Singapore)
<b>Number of Shops・Machines</b>	Approximately 12,300 parlors/4.58 million machines [1] 43.6 machines per 1,000 adult population	<b>98 locations</b> ※37 prefectures in 2012	Two locations/4,700+ machines [2] 1.6 machines per 1,000 adult population
<b>Entry Restriction (Under age)</b>	<b>Restricted for people under 18</b> ※No ID Check	<b>None</b> ※No ID check, only people over 20 are able to purchase betting tickets	<b>Restricted for people under 21</b> ※ID check at entrance
<b>Entry Restriction (Person excluded from entry/self exclusion program)</b>	<b>None</b>	<b>None</b>	<b>Yes</b>
<b>Entrance Fee</b>	<b>None</b>	<b>Small fee</b>	<b>Charged against citizens</b>
<b>Advertisement Restriction</b>	<b>None</b>	<b>None</b>	<b>Yes</b>
<b>Others (Including Self restriction)</b>	<ul style="list-style-type: none"> <li>• Preparation of gamble addiction awareness stickers</li> <li>• Operational support of approved NPOs by the industry group</li> <li>• Awareness building activities through distribution of leaflets etc.</li> </ul>	<b>None</b>	<ul style="list-style-type: none"> <li>• Establishment of National Council on Problem Gambling (NCPG) through use of national budget</li> </ul>

[1] From Nichiyukyo HP 2011, [2] From MBS/RWS HP

# 5. Social Impacts of Gambling and Related Counter-Measures

## Psychological Issues – Risks towards Youth Education/Acceleration of Gamble Addiction

- Any impacts on personality building if there is a casino nearby during growth period/puberty?
- Measures against gamble addiction based on foreign cases

- Strict entry restriction of persons under age as in the case of Singapore
- Separation of the line of flow between accommodation/entertainment facilities and casino
- Education and awareness building activities in relation to gamble risks during the youth stage (gamble statistics are approved as a credit for math in high school in Queensland, Australia.)

<Case in Singapore>

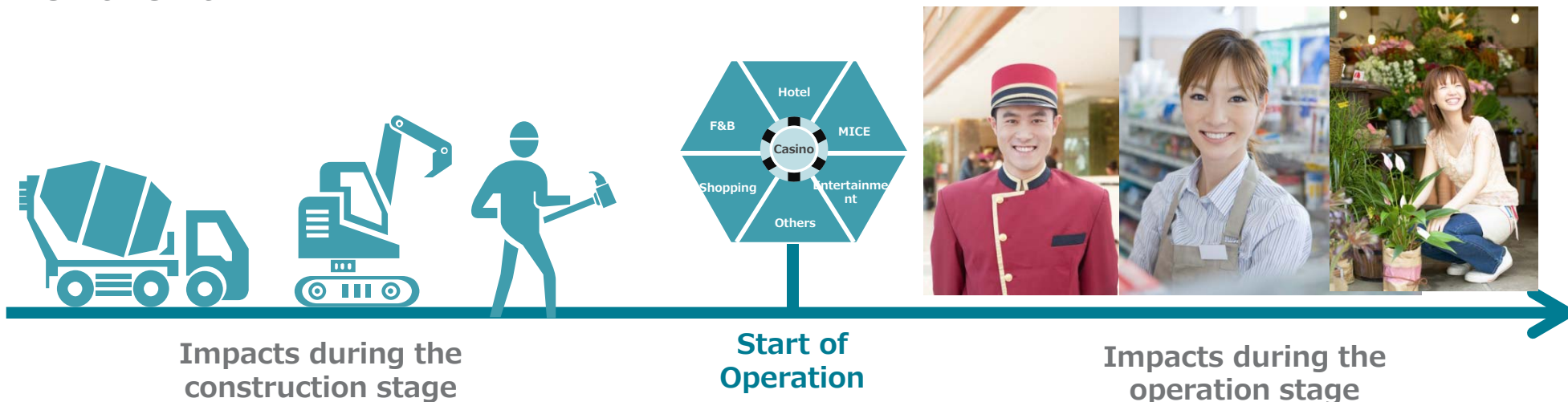
<p><b>Phase 1</b> (Dissemination· Education)</p>	<ul style="list-style-type: none"> <li>● Awareness building by the National Gamble Addiction Counter-measure Conference</li> <li>● Training program for casino staff to detect problematic customers early, urge them to restrain themselves and encourage them to leave</li> </ul>
<p><b>Phase 2</b> (Prevention· Deterrence)</p>	<ul style="list-style-type: none"> <li>● Oblige customers to <b>present their IDs</b></li> <li>● <b>Charge</b> citizens <b>entrance fees</b></li> <li>● <b>Prohibit</b> citizens and general customers' <b>credit loans</b></li> <li>● <b>Prohibit advertisement</b> targeted at the domestic market</li> <li>● Self exclusion program</li> <li>● Family exclusion program</li> <li>● <b>Third party exclusion</b> (designated by a public authority – people receiving public assistance, problematic customers etc. )</li> <li>● Support helpdesk, counseling and NPO s (self-help organizations)</li> <li>● Wager behavior regulations (physical access, environment and actions)</li> </ul>
<p><b>Phase 3</b> (Aid·Treatment)</p>	<ul style="list-style-type: none"> <li>● Treatment programs by specialized medical institutions</li> <li>● Training and support doctors and counselors</li> </ul>

⇒ It is considered that measures based on foreign countries' cases will be taken when introducing a casino in Japan.

## 6. Economic Impacts

### Classification by Timeline

The following economic impacts are expected if IR facilities are established in Tomakomai



#### Generation of construction demand for IR facilities

E.g., Purchase of construction materials, rental fees of construction machines/materials, salaries of construction workers, fuel fees of construction vehicles

#### Creation of job opportunities at IR facilities

E.g., Direct employment in RWS Singapore: 13,600 employees<sup>[1]</sup>

#### Generation of operation/maintenance management demand for IR facilities

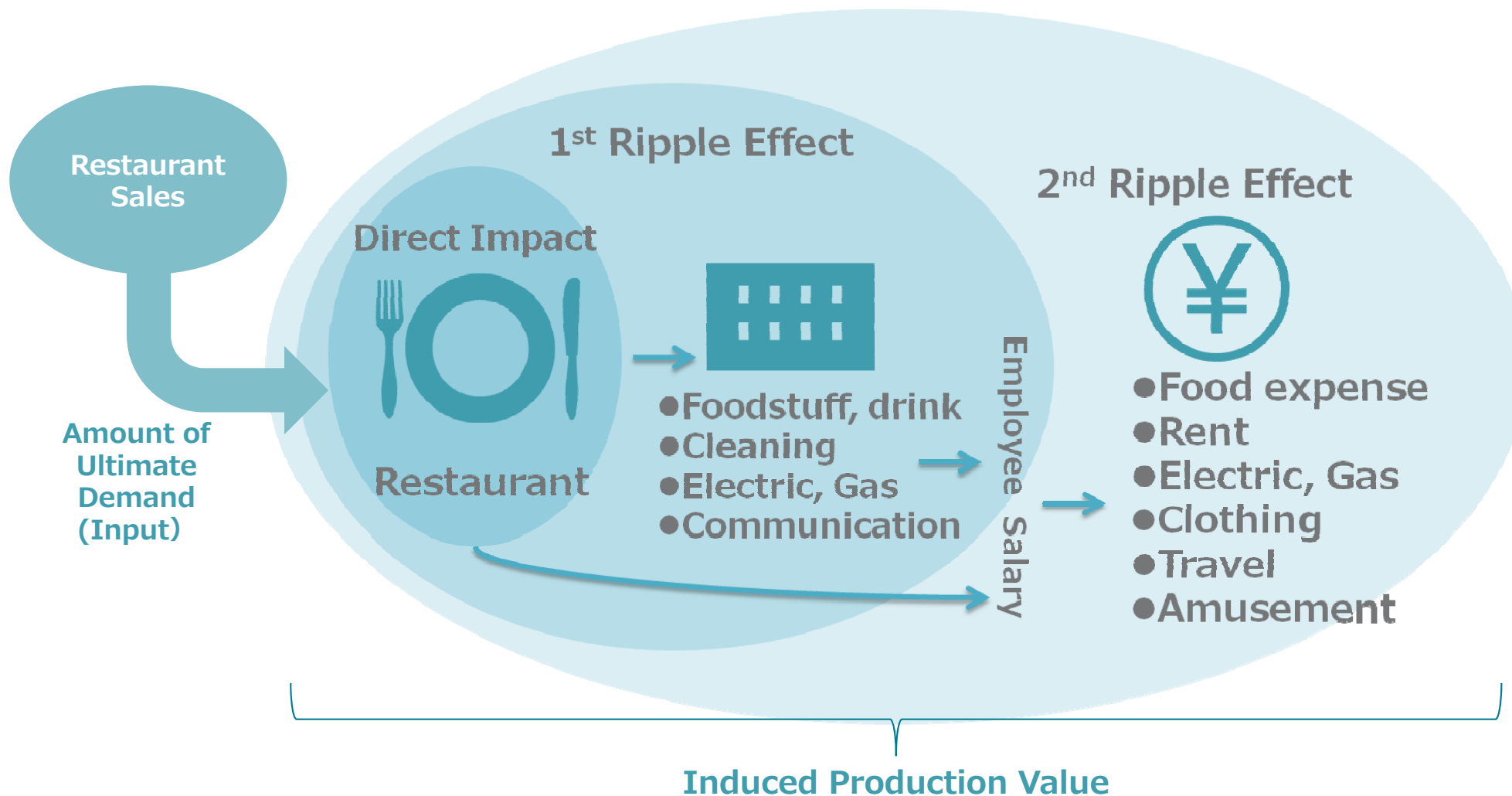
E.g., Cleaning of linen products in the hotel, purchase of ingredients and supplies for restaurants, consignment of cleaning and security of the facilities

**It is required to use local employees/businesses in the IR operation in Singapore, and similar consideration is expected to be given in Japan.**

## 6. Economic Impacts

### Direct Impact / Ripple Effect

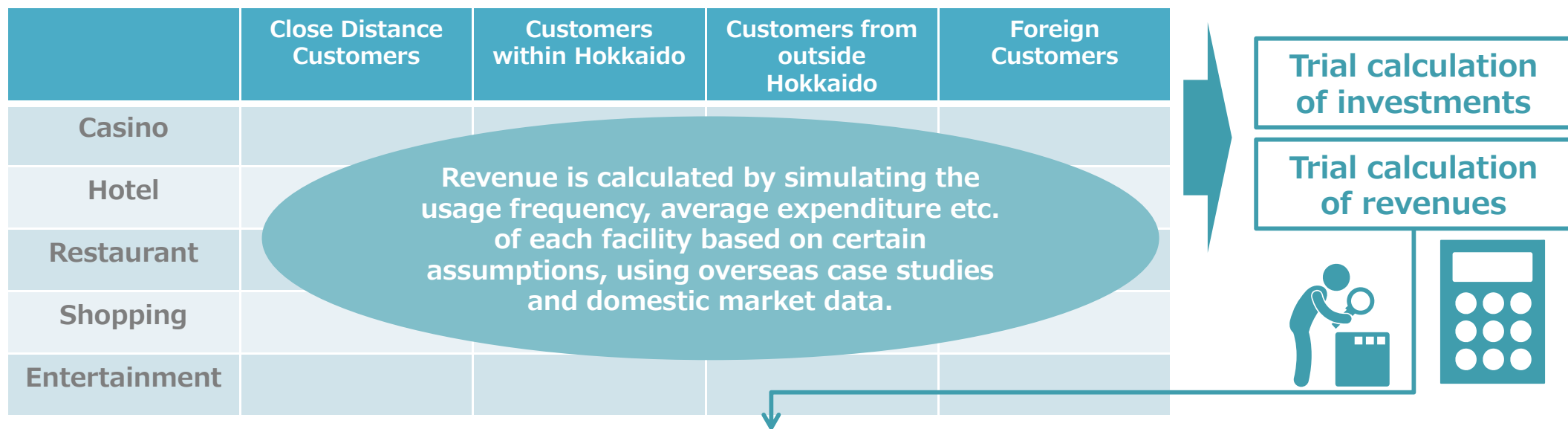
The sales of IR facilities will flow to entities within Hokkaido through purchase of raw materials and other related expenditures. The effect will spread further to employees and their families through payment of salaries.



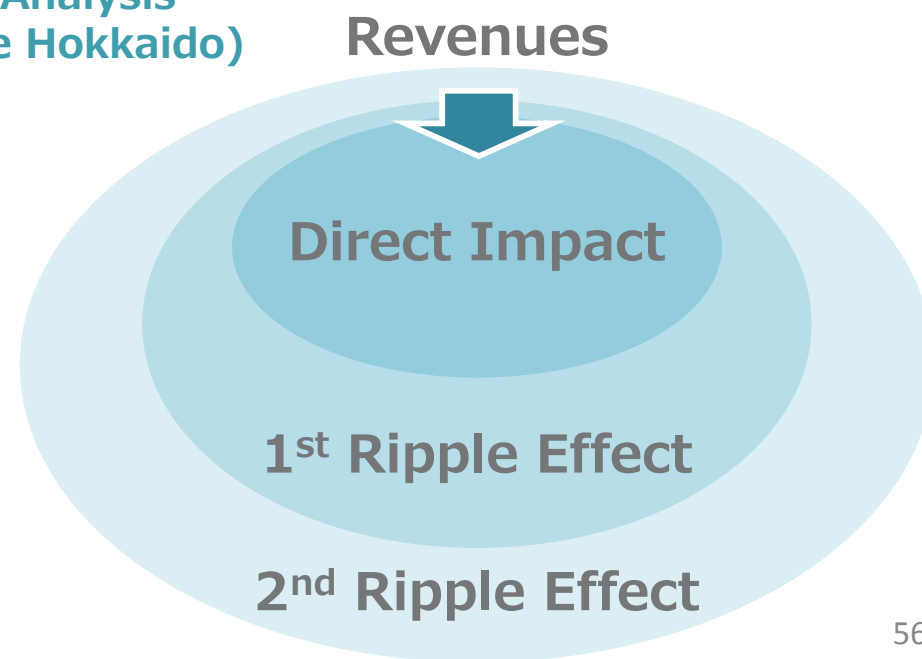
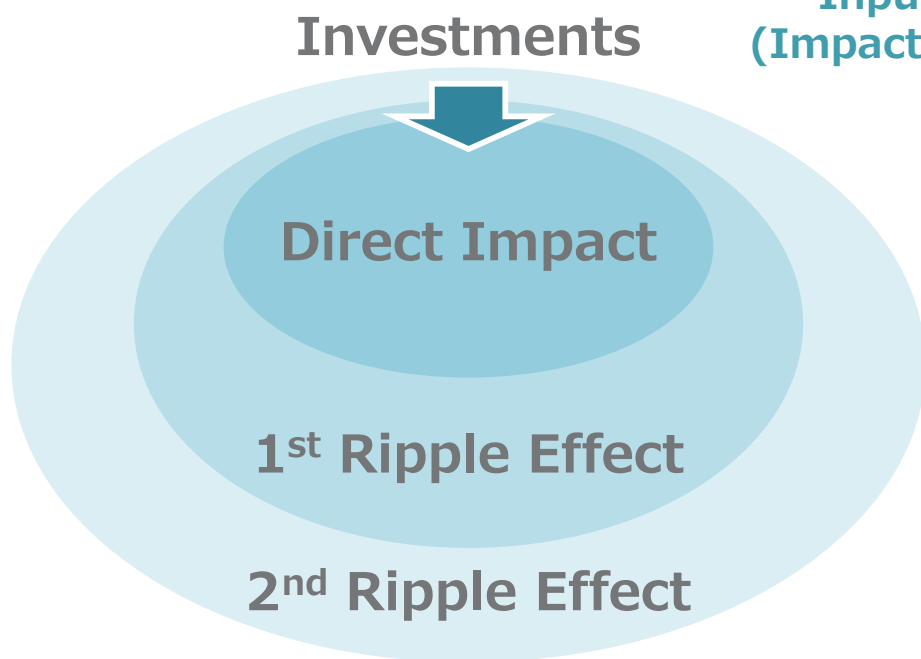


# 6. Economic Impacts

## Overview of Economic Impacts Trial Calculation



### Input-Output Analysis (Impact on Entire Hokkaido)



## 6. Economic Impacts

### Results of the Economic Impacts Trial Calculation

Impacts during construction stage	Item	Impacts during operation stage
Investment Approx. JPY100~159billion	Input	Revenue Approx. JPY65~113billion
Approx. JPY 100~159billion	Direct Impact	Approx. JPY 56~97billion
Approx. JPY 51~82billion	1 <sup>st</sup> Ripple Effect	Approx. JPY 22~37billion
Approx. JPY 39~62billion	2 <sup>nd</sup> Ripple Effect	Approx. JPY 16~28billion
Approx. JPY 191~303billion	Induced production value	Approx. JPY94~162billion
Approx.16,400~26,100people	Number of jobs created	Approx.10,400~18,000people
n/a	Trial calculation of visitors	Approx.223~378million/year

※Economic ripple effect analysis is based on the analysis tool published by Hokkaido.

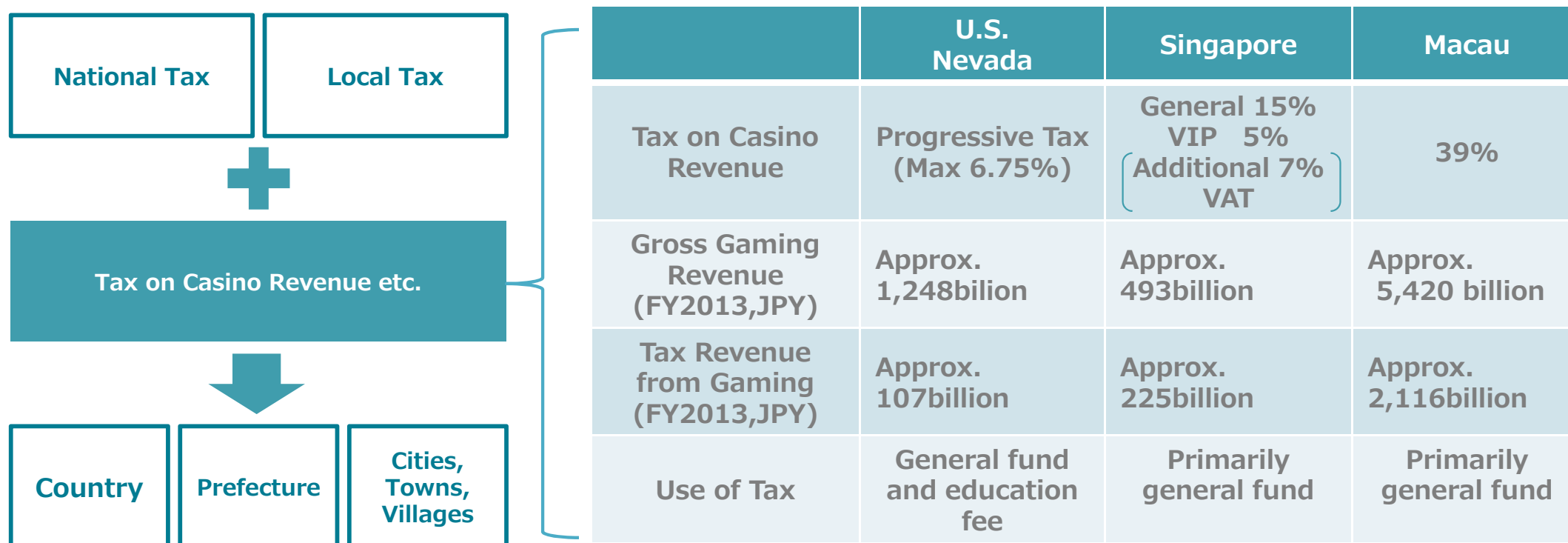
※The above trial calculation only considers direct impacts in relation to construction/operation of IR facilities, and does not take into account tourism impacts on surrounding areas (consumption and accommodation in tourism destinations other than IR).

(Note) The above trial calculation is not based on a detailed plan of IR operators, but based on provisional assumptions by the city.<sup>57</sup>

## 6. Economic Impacts

### Levy/Tax Revenue Impacts

As profitability of casino facilities is very high, a special tax in addition to a normal tax are imposed on casino revenue in foreign countries.



※Tax on special assets and license fees are charged in addition to the above.

Although details are yet to be confirmed since laws and regulations regarding IR have not been established yet, tax revenue is expected to increase and the quality of administrative service is expected to improve.

## 6. Economic Impacts

### Overview of the Tax Impacts Trial Calculation

Item	Trial Calculation	Assumption
National Tax	Approx. JPY4.9~8.5 billion	Using the tax rate that is assumed to be applied at the time of opening IR
Local Tax (Prefecture)	Approx. JPY1.5~2.6 billion	
Local Tax (City, town, village)	Approx. JPY1.8~3.0 billion	
Sub Total	Approx. JPY8.2~14.2 billion	
Tax on Casino Revenue	Approx. JPY5.7~9.8 billion	GGR×20%
Entrance Fee for local people (case1) ※	Approx. JPY2.9~4.7 billion	JPY 2 thousand per entrance
Entrance Fee for local people (Case2) ※	Approx. JPY13.3~21.1 billion	JPY 9 thousand per entrance

※As part of the counter-measures for gamble addiction, charging local people entrance fees are being considered. Although the level of entrance fees is expected to affect the number of casino users, fluctuations of casino users are not assumed in this trial calculation for the convenience of calculation. Case 1 assumes entrance fees (JPY 2 thousand) that are the same level as movie ticket prices in Japan, and Case 2 assumes the fees (JPY 9 thousand) that are the same level as casino entrance fees in Singapore for local people (SGD100, approximately JPY 8.8 thousand).

(Note) The above trial calculation is not based on detailed plans of IR operators, but based on the provisional assumption by the city.

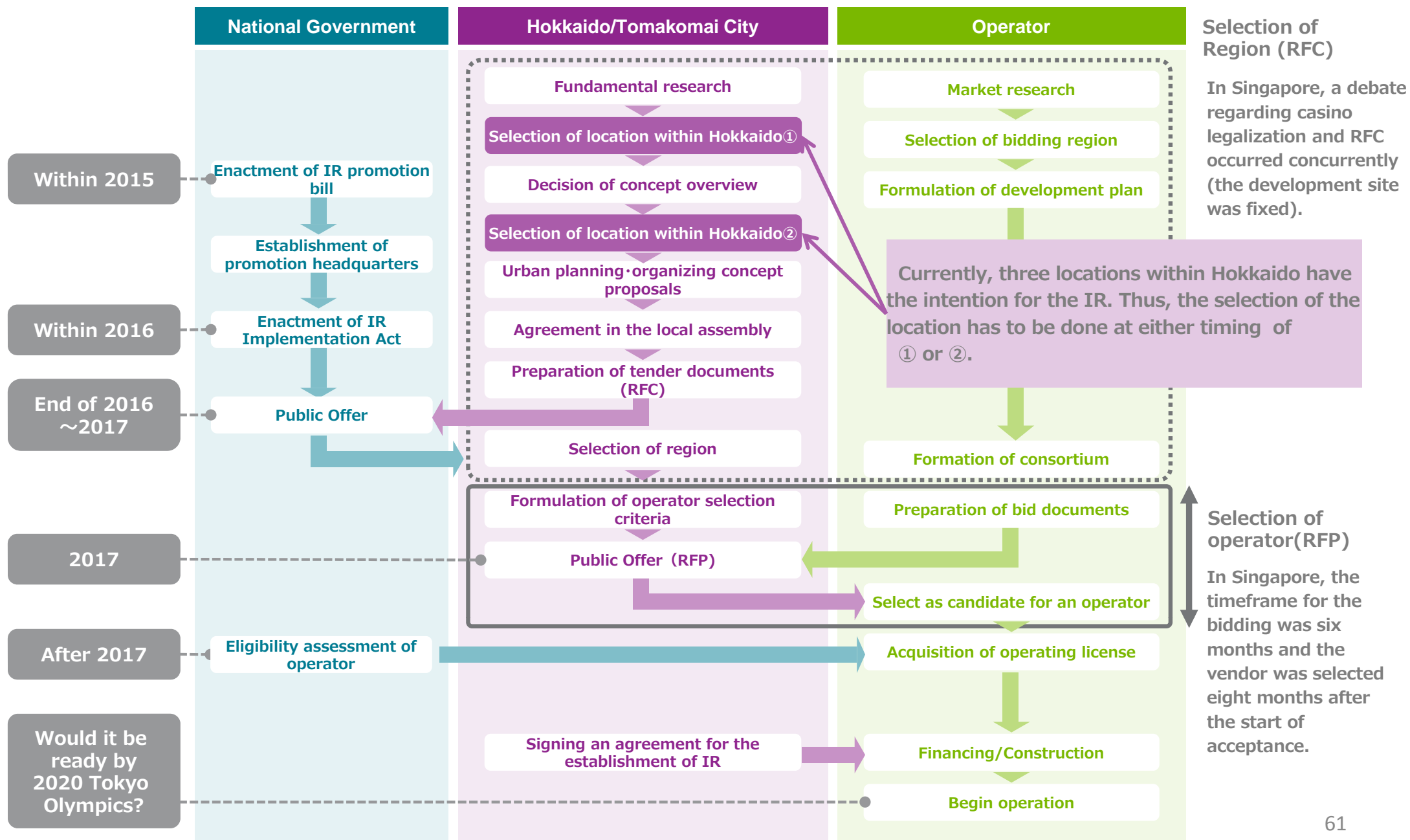
## 7. Legislation and Road Map

### Development of Legislation

- Gambling is prohibited under the criminal law in Japan. It is permitted under limited circumstances where social benefits are expected (e.g., public gambling and lottery).
  - The Alliance for Promotion of International Tourism Industry (the IR Alliance), which is nonpartisan, is thriving to have the Integrated Resort Promotion bill passed, with the expectation that the IR (including casinos) will contribute to the promotion of tourism and local economies.
  - Locations of the IR and operators will be selected through the following two Steps under the current Integrated Resort Promotion bill (draft).
    - STEP1: Selection of regions by the national government
    - STEP2: Selection of IR operators by the local government in the selected regions
- ※Regions selected by the country are expected to be limited to 2-3 locations for the time being.

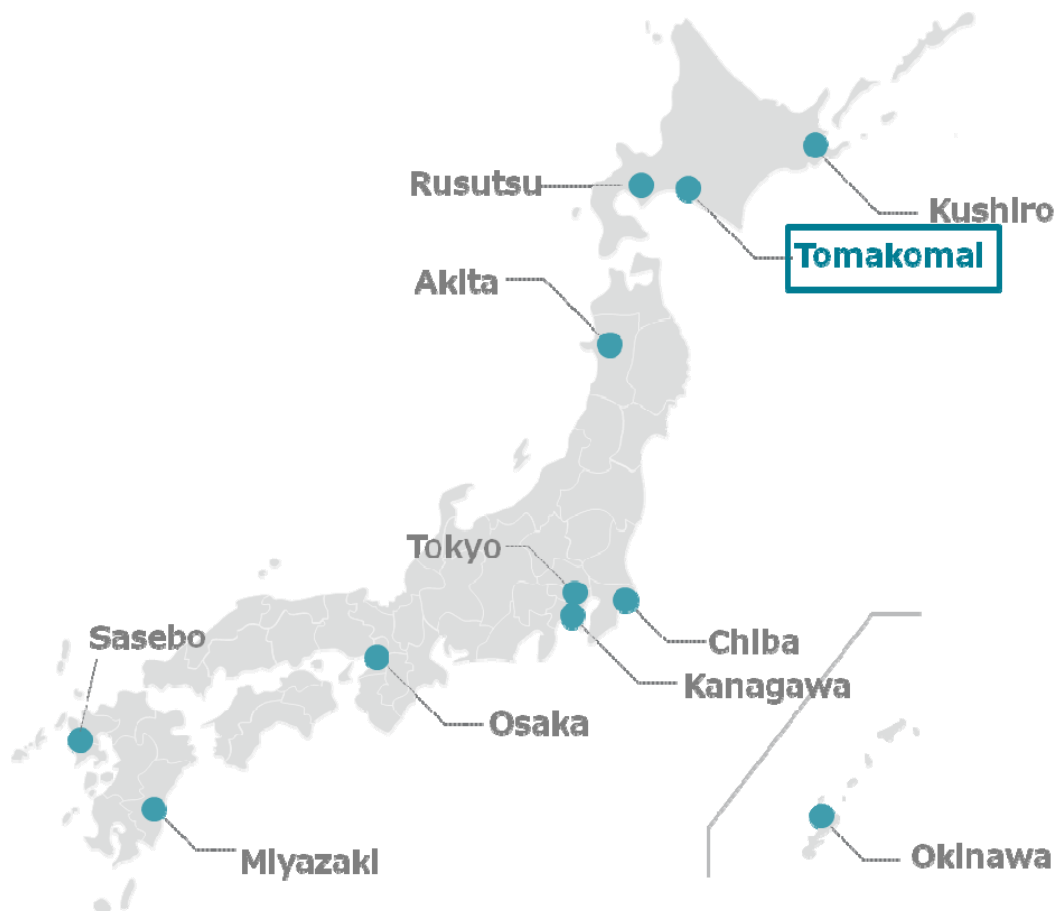
# 7. Legislation and Road Map

## IR Introduction Road Map



## 7. Legislation and Road Map Potential IR Site and Advantages of Tomakomai

More than ten local governments are considering inviting the IR in Japan. They are expected to compete for IR (Casino) permission from the national government.



**They need to win through the selection process both on a national level and within Hokkaido**

Strengths of Hokkaido	Strengths of Tomakomai
<ul style="list-style-type: none"> <li>• Abundant tourism attractions</li> <li>• Popularity from overseas countries</li> <li>• Necessity for local promotion</li> <li>• "Only one" IR</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience due to its distance from the airport</li> <li>• Contribution to tourism promotion for the entire prefecture</li> <li>• Demands for MICE business</li> <li>• Vast amount of developable land</li> </ul>



**High potential as a regional IR**

**It is important to deal with issues through public/private and regional cooperation.**

## 8. Anticipated Issues

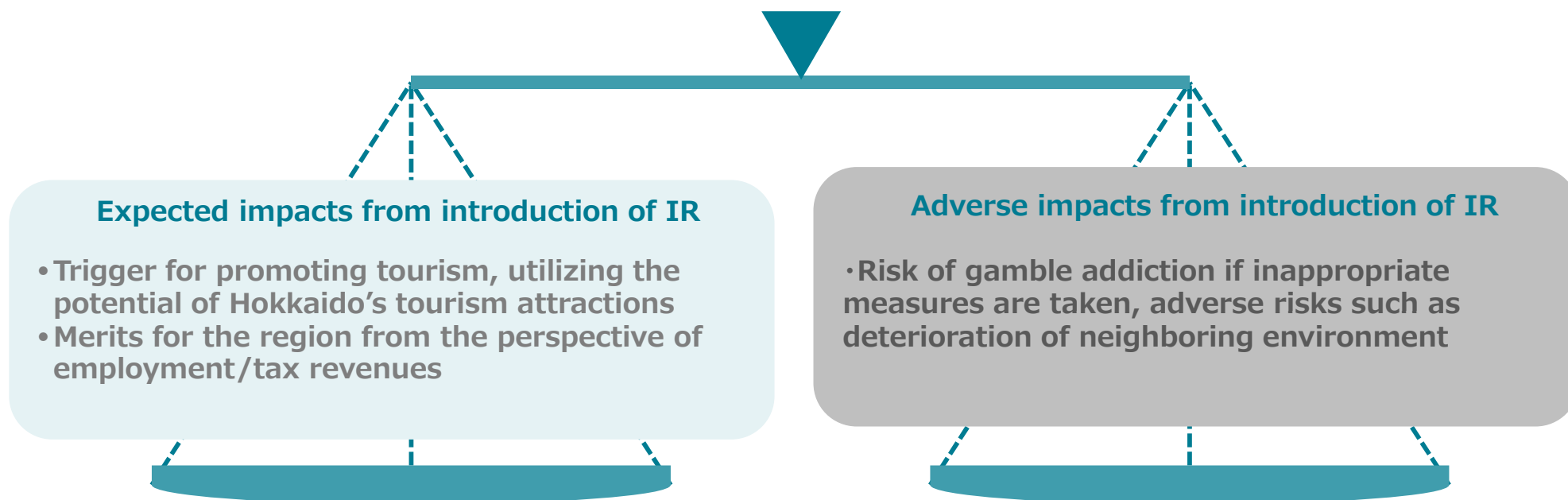
### Anticipated Issues

Issues	Description
Consideration of IR functions/facilities	<ul style="list-style-type: none"> <li>•Contribution to tourism promotion, embodying differentiated concepts</li> <li>•Balance with profitability (amusement facilities etc.)</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>•Selection of IR site, development approval/procedures for change of use district etc.</li> <li>•Figuring out the size/responsibilities of neighboring infrastructures</li> <li>•Negotiation of land use with the land owner of potential IR site</li> <li>•Considering impact on the nature and neighboring environment</li> <li>•New Chitose Airport’s expansion of functions and collaboration with IR (enhancing access, tie-up etc.)</li> </ul>
Measures against adverse impacts	<ul style="list-style-type: none"> <li>•Preparation of measures in line with IR implementation law</li> </ul>
Requests for the country/prefecture	<ul style="list-style-type: none"> <li>•Requests for facilitating IR introduction/local promotion</li> <li>•Acquiring information in relation to region selection criteria</li> <li>•Structure to jointly consider the IR with Hokkaido after the selection of location (allocation of responsibilities between Hokkaido and the city, development approval, interest of tourism promotion as a prefecture etc. )</li> </ul>
Relation with the operator	<ul style="list-style-type: none"> <li>•Information gathering in relation to concept formulation (contact·confirmation of demand)</li> <li>•Public-private partnership towards realization of local tourism promotion</li> <li>•System to facilitate the intent to bid</li> <li>•Sufficient consideration to maintain fairness/appropriateness</li> </ul>



## 8. Anticipated Issues

### Importance of Local Consensus




**Important to strengthen the positive impacts and strictly control the negative impacts**

The region will experience significant positive and negative impacts

⇒ Local consensus is extremely important for the introduction of IR

⇒ The status of local consensus may be a major evaluation item in selecting a location.


**It is important for the citizens and the local administration to consider the position of the IR from the perspective of Tomakomai/Hokkaido's public welfare in the future.**