

Oct.18, 2016

Today's Agenda

1. Public View and Attention to the 2020 Games
2. Why Investigation again?
3. Highlight of Investigation Report
4. Next Steps

1. Public View and Attention to the 2020 Games

- Emerging expectation after Rio Games . . . 0.8 million attended at the parade on October 7th (+60%)
- Voices to suggest back to the original ideas to support revitalization of the 2011 Tsunami / Earthquake suffered area

2. Why Investigation again?

- Tokyo Metropolitan Government (TMG) faces serious credibility issues.
 - Two former governors resigned by money issues.
 - Toyosu Market project (¥580 billion) issue.
 - Concern on soaring budget of Olympic/Paralympic games.
- Investigation Report (Ver0.9) on Sept 29.
 - Proposal to the governor by the Reform Office / Investigation Team .
 - Governor's decision at the end of Oct.

3. Highlight of Investigation Report

(1)Public concern on soaring budget and legacy plan of the 2020 Games

- Estimate of ¥3 trillion by former Governor (Oct. 2015)
- 85% expect verification of the cost
- 80% expect revision of venues
- 78% expect relocation of the venue for rowing

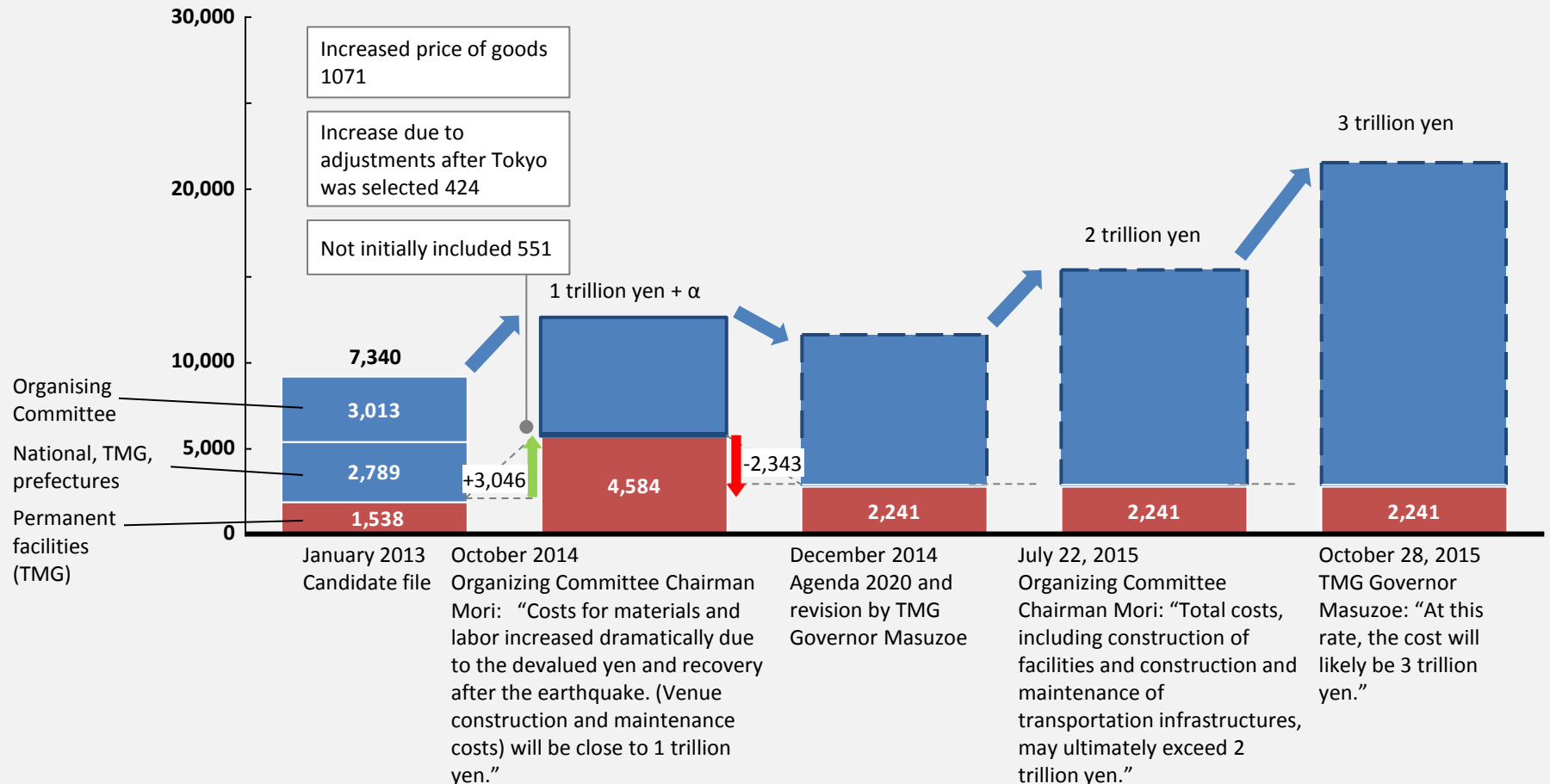
(2)Shortfall of ¥1.5 ~ ¥2.5 trillion budget at the organizing committee will be the burden on taxpayer of Tokyo

(3)Streamlining and/or relocation to other permanent facilities outside of Tokyo may be suitable for 3 major permanent facilities

- Sea Forest Water Sports(Umi no Mori)
- Aquatics Center
- Ariake Arena

The total costs of the 2020 Olympics Games have been amended repeatedly with concerns that these increase unabated

Movement in costs of hosting the Olympics¹ (JPY oku)



¹ Approximate numbers

Note: Numbers for Tokyo* include only permanent facilities

A vast majority of the public supports the TMG's efforts to verify the costs for hosting the 2020 Olympic Games

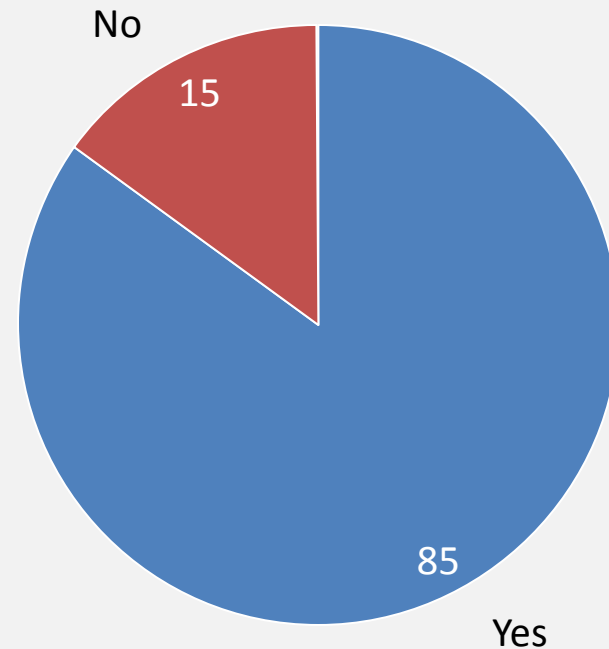
%

Question

- Do you support the Governor Koike's initiative to verify the costs of the Olympics/ Paralympics?

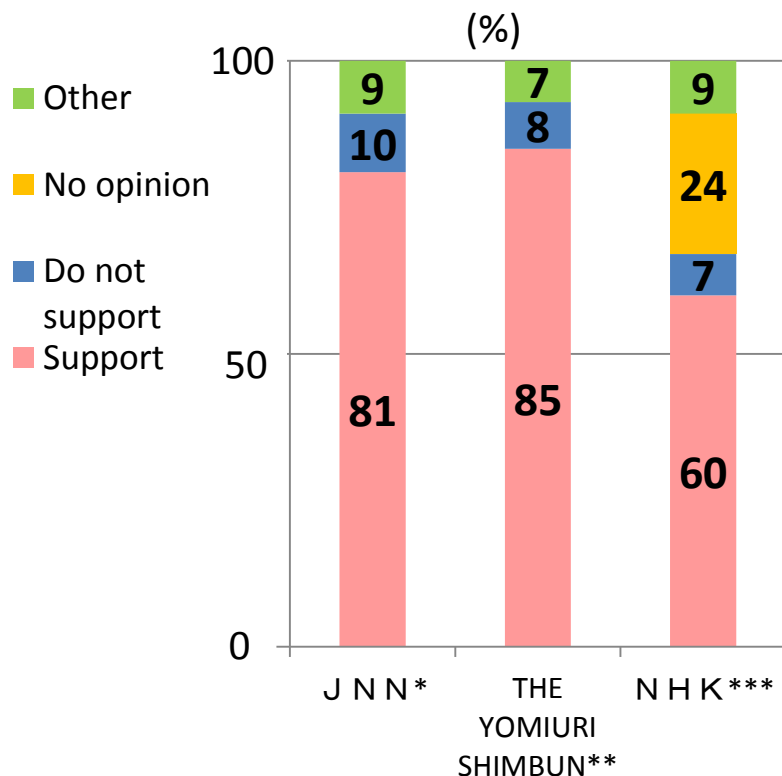


Answer



Results of recent opinion polling

Potential revision of Olympic venues



* JNN poll (Oct. 1-2, 2016)

Report recommendations on three venues

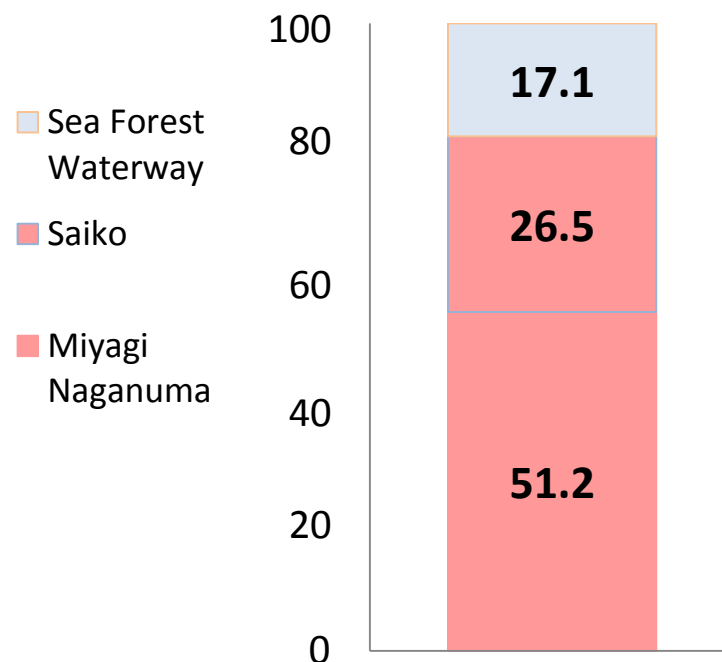
** THE Yomiuri Shimbun poll (Oct. 7-9, 2016)

Revision of the development plan for certain venues

***NHK poll (2016.10.8~10.10)

Proposal to significantly revise the venue plan

Potential relocation of the rowing venue



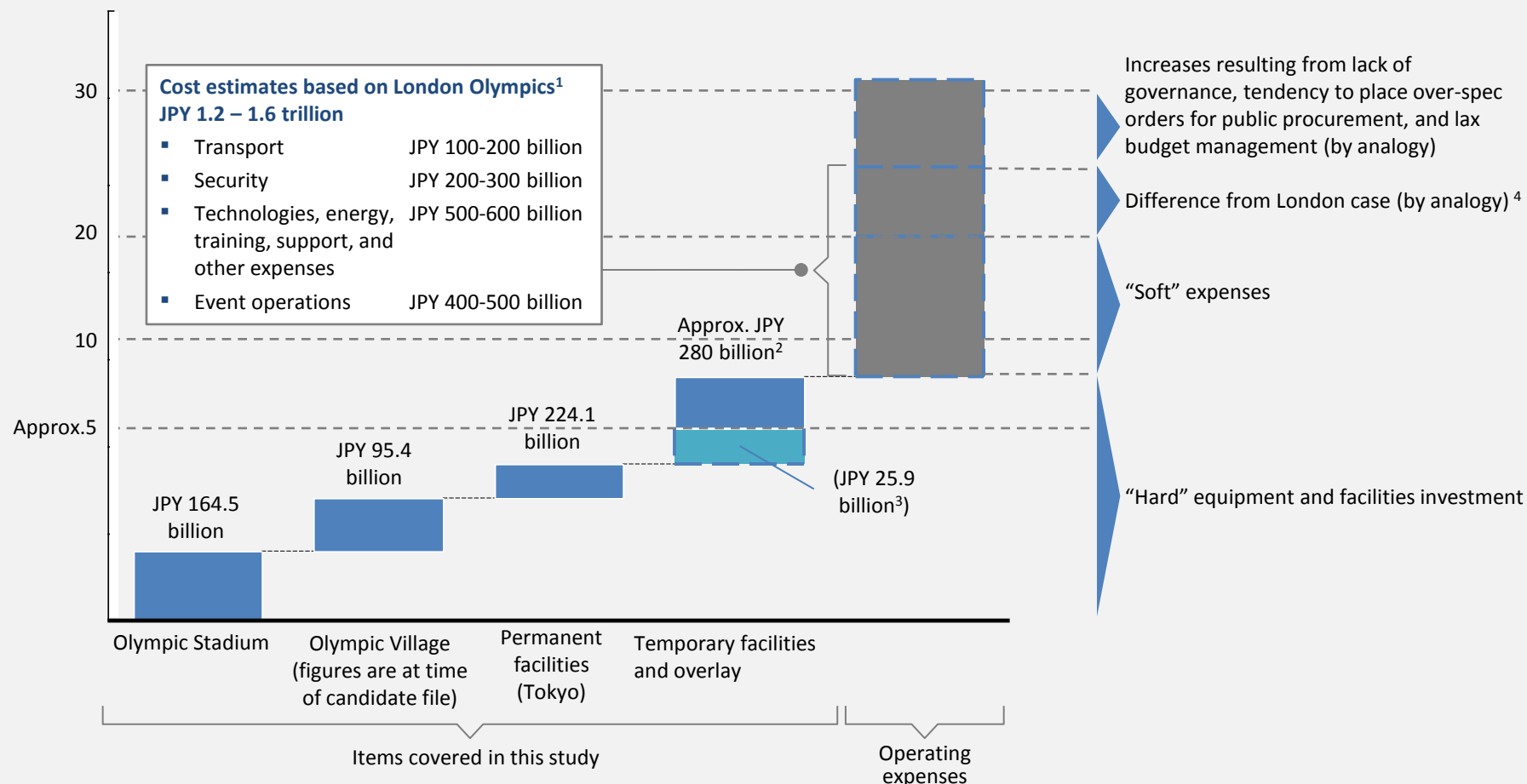
FNN public opinion poll (Oct. 15-16, 2016)

The total cost to host the Olympics could exceed JPY 3 trillion.

Total cost estimate for the 2020 Olympic Games

INVESTIGATION TEAM ESTIMATES

(JPY hundred billion)



1 Total cost of London Olympics: GBP 11.7 billion (exchange rate fluctuation range for past 10 years); 2 Originally, the cost of temporary facilities was estimated at approximately JPY 80 billion, but this amount assumes that the costs will increase by 3x - 4x, as in the case of permanent facilities.; 3 Olympic Gymnastic Centre: Organising Committee order amount (dated August 1, 2016); 4 Conditions differ from London; e.g., number of Olympic participants, heat of summer, total area, and level of security

Summary of issues and proposed TMG alternatives for three permanent facilities

	Budget	Issues	Alternatives
Sea Forest Water Sports (Umi no Mori)	¥30~49.1 billion (may be lower)	<ul style="list-style-type: none">— Weak legacy plan— Low utilization? (i.e., visitors per year estimated to be 350,000)— Unclear maintenance cost	<ul style="list-style-type: none">— Relocate to Naganuma (Miyagi pref.)▪ New highway already completed▪ Two hours from Haneda & Narita airports and Tokyo Station
Aquatics Centre	¥68.3 billion	<ul style="list-style-type: none">— Excess capacity (20,000 seats)— Additional construction cost (“lift down” ceiling structure)	<ul style="list-style-type: none">— Build at smaller scale (less seating)— Identify other possible venues
Ariake Arena	¥40.4 billion	<ul style="list-style-type: none">— Concerns about economic viability after the Games— Not competitive as an art or concert venue	<ul style="list-style-type: none">— Leverage existing arena outside Tokyo if available

Competition venues will be provided by TMG, the national government, private sector entities, and other prefectures and municipalities

2020 Olympic Games competition venues

		TMG	National government (including JSC)	Other Prefectures / Municipalities	Private
Per- manent facilities	Use existing facilities (including some modifica- tions)	<ul style="list-style-type: none"> • Tokyo International Forum • Tokyo Metropolitan Gymnasium • Ariake Tennis Park • Tatsumi International Swimming Centre • Tokyo Stadium 	<ul style="list-style-type: none"> • Yoyogi National Stadium 	<ul style="list-style-type: none"> • Saitama Super Arena (Saitama Pref.) • Sapporo Dome (Sapporo) • Miyagi Stadium (Miyagi Pref.) • Saitama Stadium 2002 (Saitama Pref.) • International Stadium Yokohama (Yokohama) • Makuhari Messe (Chiba Pref.) • Enoshima Yacht Harbour (Kanagawa Pref.) • Yokohama Stadium (Yokohama) (tentative) 	<ul style="list-style-type: none"> • Nippon Budokan • Kokugikan Arena • Kasumigaseki Country Club • Equestrian Park • Izu Velodrome • Izu Mountain Bike Course
	Build new facilities	<ul style="list-style-type: none"> • Ariake Arena • Seaside Park Hockey Stadium • Sea Forest Waterway ("Umi no Mori") • Canoe Slalom Course • Dream Island Archery Field • Olympic Aquatics Centre • Musashino Forest Sport Centre (*) 	<ul style="list-style-type: none"> • Olympic Stadium (*) 		
Temporary facilities		<ul style="list-style-type: none"> • Olympic Gymnastic Centre • Shiokaze Park • Sea Forest Waterway Cross-country Course • Odaiba Marine Park • Olympic BMX Course • Aomi (tentative) 	<ul style="list-style-type: none"> • Asaka Shooting Range • Imperial Palace Garden 	<ul style="list-style-type: none"> • Tsurigasaki Beach (Shidashita Point) (tentative) 	

National government or TMG

Organising Committee

* Renovations to the Musashino Forest Sport Centre and the Olympic Stadium were planned from before Tokyo was selected as the 2020 Olympics venue

SOURCE: Created based on interviews with Organising Committee members

Rules for sharing costs based on candidate file

1 As expressed by Organising Committee; *2 Originally, the cost of temporary facilities was estimated at approximately JPY 80 billion, but this amount assumes that the costs will increase by 3x - 4x, as in the case of permanent facilities.

Proposal new rule to share cost of the Organising Committee

			Facilities/building owner				
			National government	Tokyo	Other municipalities	Private sector entities	
Structure for sharing competition venue costs	Other costs						
	Equipment	Overlay (limited to Olympic period)	Covered by Organising Committee Approx. JPY 40 – 60 billion (?)				
		Large-scale provisional equipment (Temporary infrastructures ¹)	Approx. JPY 50 billion~(?) ²	Approx. JPY 100 – 150 billion (?)	Approx. JPY 15 billion~(?)	Approx. JPY 15 billion~(?)	
	Facilities	Temporary	<ul style="list-style-type: none">▪ Tents▪ Prefab and other housing▪ Spectator seating▪ Competition lighting▪ External structures▪ Fences▪ A/C▪ Buildings▪ Infrastructure▪ Limited proprietary right of land	Approx. JPY 15 – 30 billion (?)	Assistance (?)	Assistance from National Government (?)	
		Temp. (permanent re-use)					
		Permanent (new facilities)					
		Permanent (use existing facilities)					
			Olympic Stadium JPY 164.5 billion	JPY 224.1 billion		Olympic Village JPY 95.4 billion	<ul style="list-style-type: none">▪ Ministries▪ Recovery support etc...
			Yes	Yes	Yes	Yes	
	*Operating costs separate						

1 As expressed by Organising Committee; 2 Including assistance to other municipalities and private sector entities

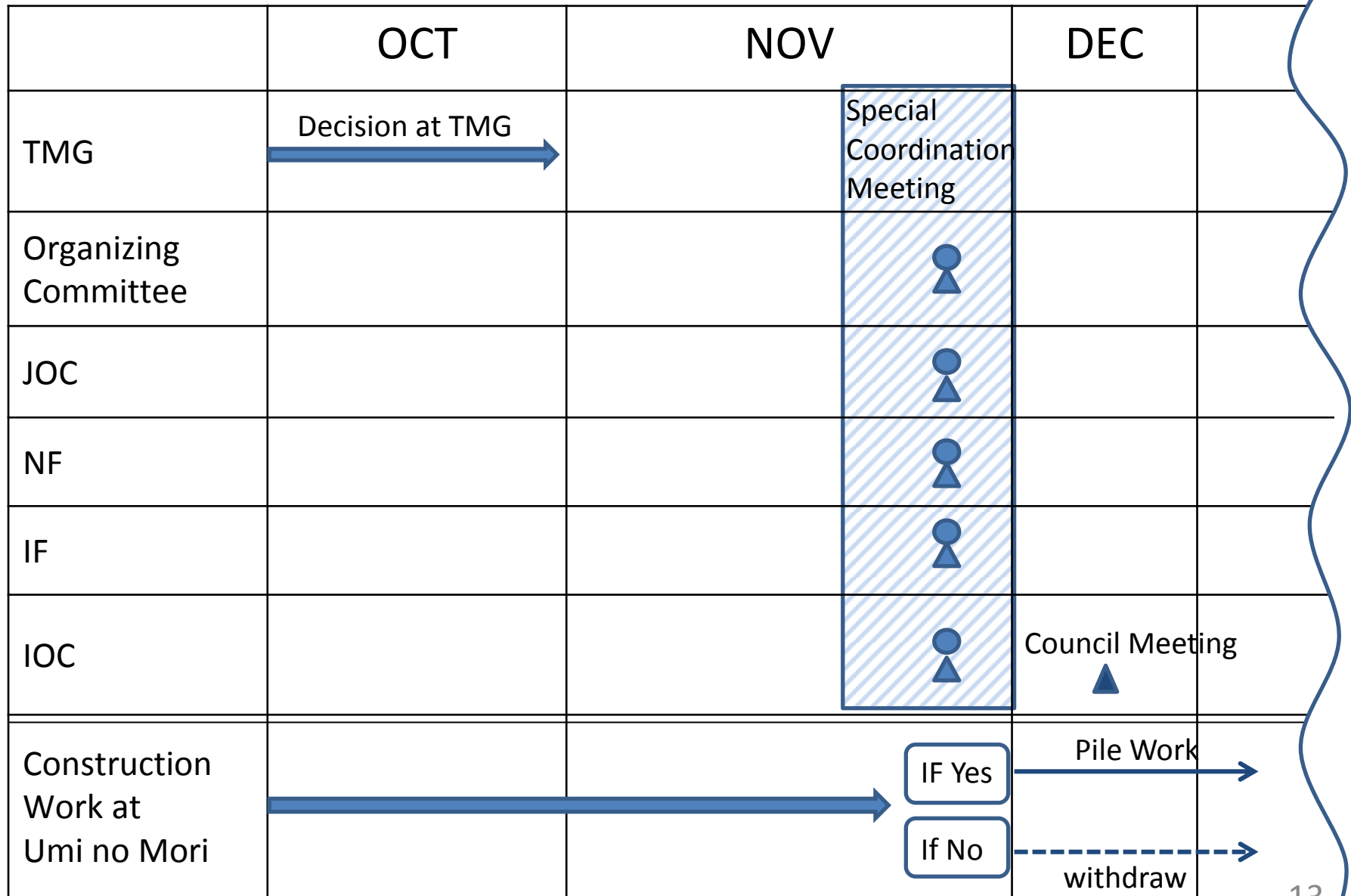
4. Next Steps

TMG to address budget shortfall of the Organizing Committee by
Supporting the cost for a temporary facility in Tokyo (JPY 100-150 billion)
Coordinating with local governments to resolve the budget issues

Steps and timeframe to address the issues at three major venues
End of Oct.: TMG to decide on proposed streamlining or relocation
approach for each venue
End of Nov.: TMG to meet with the IOC, JOC, international and national
federations, and the Organizing Committee in meeting* open to the public
to agree and align on approach
End of Dec.: TMG to submit its proposal to the council

*TMG requests the attendance of the IOC and international federations at
the meeting in Tokyo, given the tight time constraints.

Decision making process and ownership



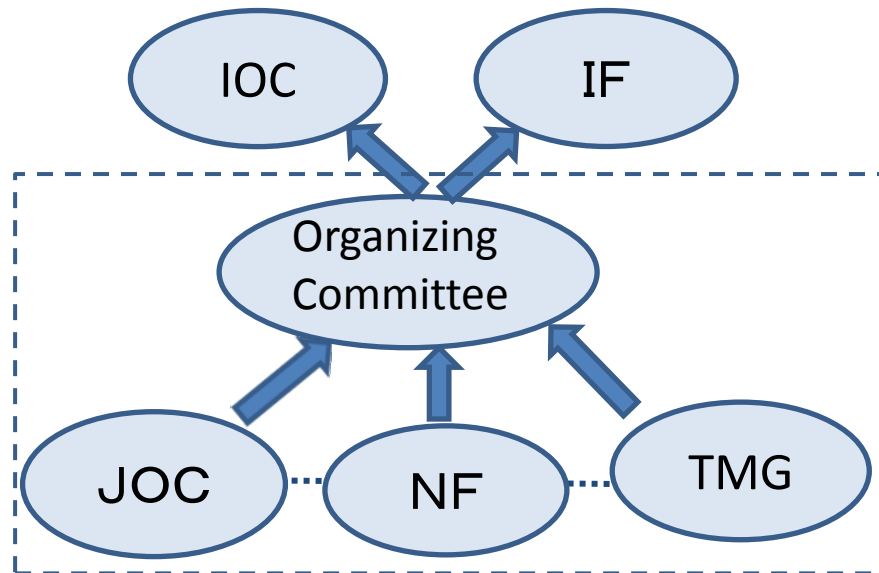
Proposed coordination meeting arrangement

Standard process to date

JOC, National Federations, TMG, and the Organizing Committee hold discussions and coordinate domestically

The Organizing Committee negotiates with International Federations and the IOC

Not open to the public

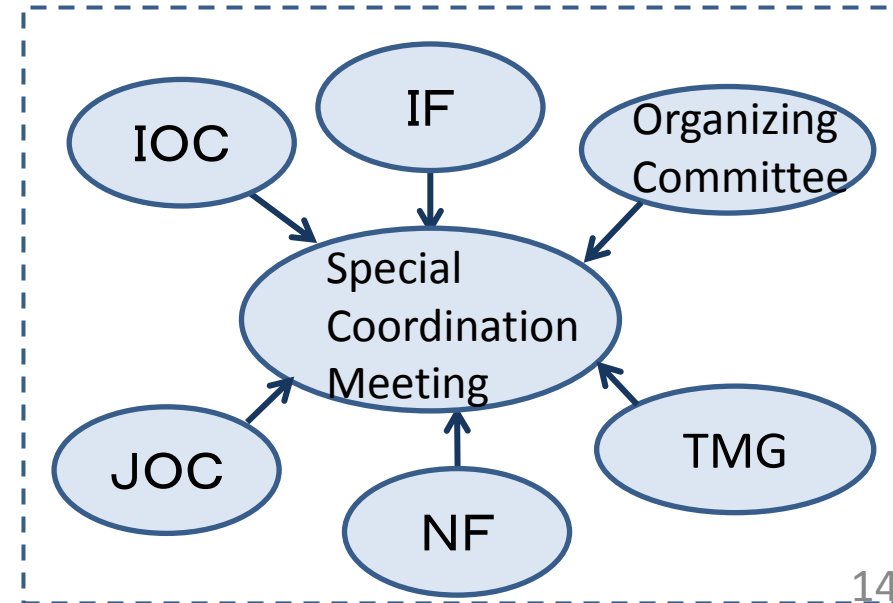


Proposed process going forward

All stakeholders in Japan discuss jointly with the IOC and International Federations at a formal coordination meeting

TMG takes full responsibility for initiating last-minute revisions under tight time constraints

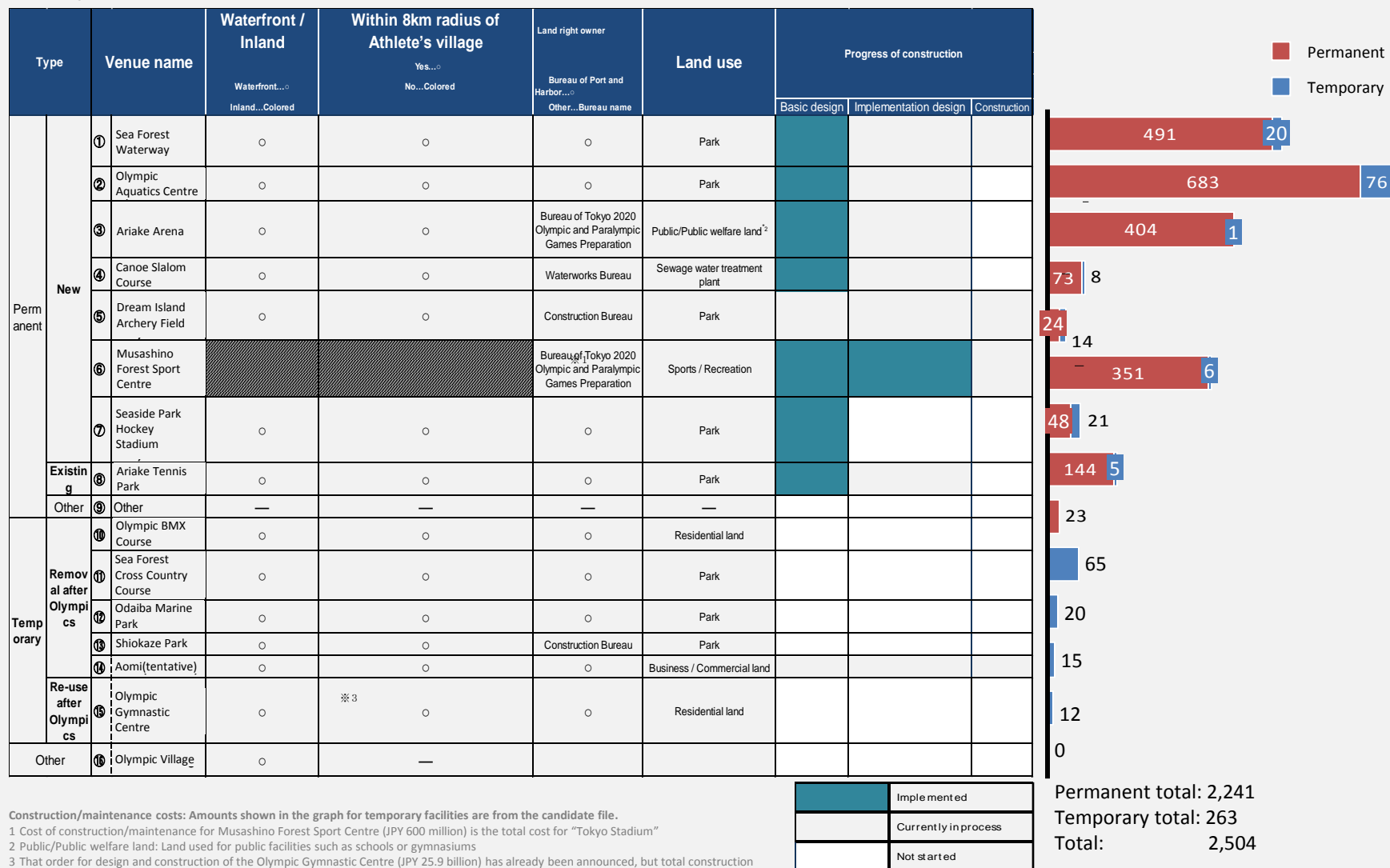
Meeting is open to the public



Appendix

Permanent/temporary facilities on land owned by TMG

(JPY oku)



Construction/maintenance costs: Amounts shown in the graph for temporary facilities are from the candidate file.

1 Cost of construction/maintenance for Musashino Forest Sport Centre (JPY 600 million) is the total cost for "Tokyo Stadium"

2 Public/Public welfare land: Land used for public facilities such as schools or gymnasiums

3 That order for design and construction of the Olympic Gymnastic Centre (JPY 25.9 billion) has already been announced, but total construction and maintenance costs are currently being checked

		Sea Forest Waterway	Miyagi Naganuma	Toda Saiko	Nagaragawa
Existing rowing courses?		No	Yes	No	Yes
Permanent facilities		JPY 49.1 billion (USD 491 mil)	JPY 5.0 billion (USD 50 mil)	JPY 20.2 billion (USD 202 mil)	JPY 2.4 billion (USD 24 mil)
Temporary facilities		JPY 2.8 billion (USD 28 mil)	JPY 30.1 billion (USD 301 mil)	JPY 35.6 billion (USD 356 mil)	JPY 32.8 billion (USD 328 mil)
	Spectator seating, external structures, and piers as part of temporary facilities ¹	Discussions ongoing	JPY 17.3 billion (USD 173 mil)	JPY 18.4 billion (USD 184 mil)	JPY 18.0 billion (USD 180 mil)
Total		JPY 51.9 billion (USD 519 mil)	JPY 35.1 billion (USD 351 mil)	JPY 55.8 billion (USD 558 mil)	JPY 35.2 billion (USD 352 mil)

1 A large part of the estimated costs is for the construction of temporary facilities, including spectator seating and camera lanes
(JPY 14.0 billion (USD 140 mil) = JPY 3.5 million (USD 35 thousand) /m x 2000m x 2)