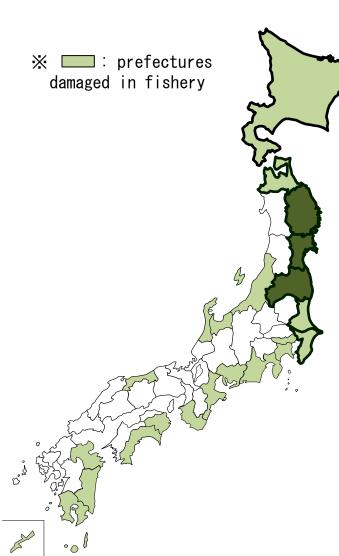
Reconstruction of Fisheries After the Great East Japan Earthquake

(Preliminary Translation)

Masanori MIYAHARA Fisheries Agency of JAPAN

Damages in fishery (fishing vessels, fishing ports, aquaculture, and shared facilities)

 Major damage occurred over a wide area primarily in the seven prefectures (Hokkaido, Aomori, Iwate, Miyagi, Fukushima, Ibaragi, and Chiba). Damage in Iwate, Miyagi, and Fukushima was especially severe, where coastal areas were destroyed almost completely by tsunami.



| | Damages in fishery | | | | | | | | |
|----------|--|------------------------------------|--|----------------------------|--|--|--|--|--|
| | Total : 1,263.7 bil yen (15.8 bil USD) (The 7 prefectures : 1,254.4 bil yen (15.7 bil USD)) | | | | | | | | |
| y | | То | tal | The 7 prefectures | | | | | |
| | Items | Number | Value | Number | Value | | | | |
| | Fishing vessels | 28,612 / 191,574 vessels | 182 bil yen (2.3 bil USD) | 28,479 / 51,445 vessels | 181 bil yen (2.3 bil USD) | | | | |
| | Fishing port319facilities/ 2,914 | | 823 bil yen (10.3 bil USD) | 319 ports / 730 ports | 823 bil yen (10.3 bil USD) | | | | |
| | Aquaculture (facilities) (product) | | 134 bil yen (1.7 bil USD) (74 bil yen) (60 bil yen) | | 125 bil yen (1.6 bil USD) (72bil yen) (53bil yen) | | | | |
| | Common use 1,725 facilities | | 125 bil yen (1.6 bil USD) | 1,714 facilities | 125 bil yen (1.6 bil USD) | | | | |
| | * Besides damages shown on this table, there is about 160 billion ven damages on fish processing and ice | | | | | | | | |

 Besides damages shown on this table, there is about 160 billion yen damages on fish processing and ice making/refrigeration facilities owned by private companies, according to the fish processing industry

Fishing vessel carried up on Ayukawa Port (Ishinomaki, Miyagi Pref.)



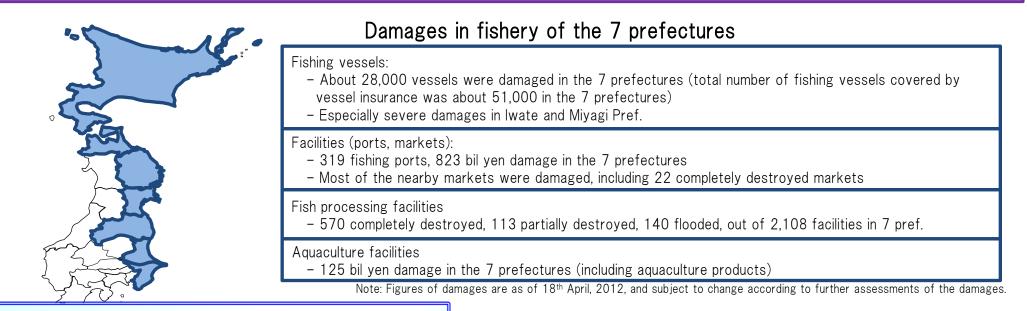
Fish processing facility at Yoriiso Port damaged by tsunami (Ishinomaki, Miyagi Pref.)



Note: Figures of damages are as of 18th April, 2012, and subject to change according to further assessments of the damages.

Major Damage in fishery in the seven prefectures

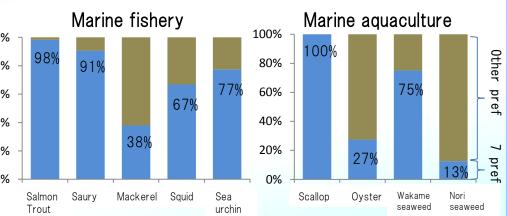
• The seven prefectures, where major damage occurred, account for 50% of Japan's fisheries production(Hokkaido, Aomori, Iwate, Miyagi, Fukushima, Ibaraki, and Chiba).



Fishery product share of 7 prefectures

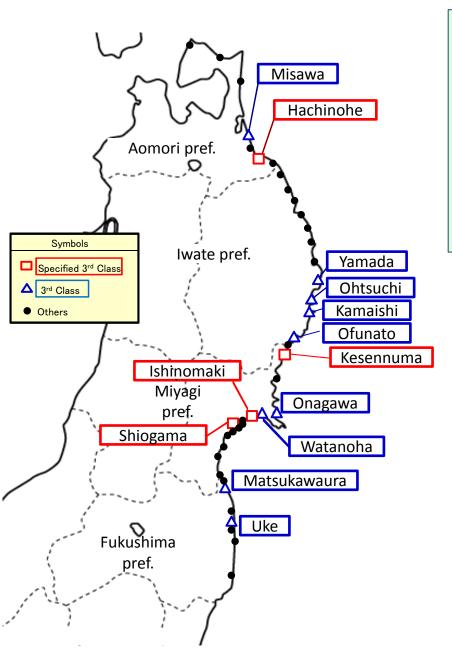
| 7 pref. | Japan total | Share of 7 pref. | 100% |
|---------|------------------------|---------------------------------|--|
| 2,163 | 4,083 | 53.0% | 80% |
| 423 | 1,109 | 38.1% | 60% 40% |
| 51,445 | 191,574 | 26.9% | 20% |
| 73,948 | 221,908 | 33.3% | 0% |
| | 2,163 423 51,445 | 2,1634,0834231,10951,445191,574 | 7 pref. Japan total 7 pref. 2,163 4,083 53.0% 423 1,109 38.1% 51,445 191,574 26.9% |

Note: Hokkaido's number of fishing vessels includes only those vessels operating on the Pacific side of the prefecture



Source: (Production) Statistics of Fishery and Aquaculture Production 2010, (Number of fishers) Fishery 2008, (Number of vessels) vessels covered by vessel insurance

Fishing ports damaged by the earthquake (Tohoku region)



Class of fishing ports

- •1st Class : Fishing ports mainly used by local fishing vessels
- •2nd Class : Fishing ports between 1st and 3rd class
- 3rd Class : Fishing ports used by fishing vessels across the nation
 ※Specified 3rd Class: Fishing ports especially important for promotion of Japan's fishery among 3rd Class
- 4th Class : Fishing ports located in remote islands and areas, especially necessary for development of fishing grounds and evacuation of fishing vessels

| | Number of fishing ports | Number of damaged fishing ports |
|-----------|-------------------------|------------------------------------|
| Hokkaido | 282 | 12 |
| Aomori | 92 | 18 |
| lwate | 111 | 108 |
| Miyagi | 142 | 142 |
| Fukushima | 10 | 10 |
| Ibaraki | 24 | 16 |
| Chiba | 69 | 13 |
| Total | 730 | 319 |

Steps to recover and reconstruct fisheries

| [1st Step] | Establishment of the Headquarters of Disaster Emergency Response |
|---|--|
| Emergency response | Fishery patrol vessels provided relief supply and assessed the damages to fishing ports, facilities, etc. Teams of FAJ were dispatched from Tokyo to collect information on and needs of suffered fishermen and their communities, in particular isolated ones. Emergency financial and other assistance measures were also taken. |
| [2nd Step] | Measures by 1 st supplementary budget |
| Preliminary support for restart of fisheries production | Support fishermen to ensure enough funds to restart fisheries production Support fishermen to rebuild fishing vessels, fishing equipments, aquaculture facilities, etc. Preliminary rebuilding of wholesale markets, fisheries processing facilities, etc. Preliminary recovery of fishing ports, fishing grounds, and fishing villages |
| [3rd Step] Reconstruction strategy | Reconstruction of fisheries in line with "Master Plan for Reconstruction of Fisheries" and "Basic Guidelines for Reconstruction" |
| ·Reconstruct fisheries in an integrated manner together with other related industries as a whole | Reconstruction of Japan's fisheries is promoted taking into account the views of local residents with an eye to various industries constituting fishing industry in line with "Master Plan for Reconstruction of Fisheries (June 28th, 2011)" and "Basic Guidelines for Reconstruction in response to the Great East Japan Earthquake(July 29th, 2011)" Based on the Guidelines, recovery and reconstruction schedule of fishing ports, fishing vessels, aquaculture facilities, fisheries processing facilities, fishing grounds, etc. was made on August 26th and November 29th, 2011 More than 800 billion yen (10 billion USD), a total of three supplementary budgets in the fiscal year 2011 and part of the initial budget in the fiscal year 2012, was allotted to recovery and reconstruction of fisheries. |

Master Plan for Reconstruction of Fisheries (Summary)

The importance of fisheries in damaged region

- Iwate, Miyagi, and Fukushima suffered particularly serious damage. The amount of damage in \bigcirc fisheries is more than 1 trillion yen (more than 12 billion USDs)
- It is very important to reconstruct fisheries of Sanriku region for local economy and infrastructure as \bigcirc well as stable supply of fisheries products to the whole nation.

Principles for Reconstruction

[Fundamental principles of reconstruction]

- i) Take the views of local residents sufficiently into account
- ii)Fully utilize the local fisheries resources
- iii) Ensure stable supply of safe fisheries products to consumers
- iv) Implement any measures in view of fishing season
- v) Set a goal to construct a new fisheries than just to restore original state

[Basic concept of reconstruction] I Coastal fisheries and regions

- To enhance cooperative fishing/processing operations through promotion of co-ownership and rationalization of fishing/processing facilities including fishing vessels
- To promote matching between outside investors and recipients in the local communities towards introduction of private funds to coastal fisheries, and if necessary, to treat private corporations involving local fishermen in granting fishing rights without being inferior to fishery cooperatives.
- To prioritize reconstruction of fishing ports in consideration of concentration of functions to major ports and their division and carry out the reconstruction based upon the priority and the needs.

I Offshore and distant water fishing

- To promote structural reforms of the fishing industry by the modernization and rationalization of fishing fleets as well as streamlining and upgrading of distribution and processing industries.
- To reconstruct urgently the major fishing ports and improve their functions of distribution as well as disaster prevention 5

Reconstruct fisheries in an integrated manner together with other related industries as a whole

Measures for the Nuclear Accident

- O Strengthen the monitoring of radioactive materials
- O Disseminate the information about the safety of fisheries products

8. Fishing villages

- O Promote rebuilding fishing villages highly resistant to disasters based upon local residents' views
- O Ensure the best performance of disaster prevention depending on the village's situation
- O Support effort to create sixth industry and ecological villages

7. Fishery cooperatives

 Reconstruct and rebuild fishery cooperatives to support local fisheries
 Ensure sound prefectural credit federations for fishery cooperative associations by capital infusion.

1. Fishing ports

Secure necessary functions of fishing ports for the region as a whole in an early stage by promoting division of roles among fishing ports

- i) Core fishing ports which serve as nation-wide bases for production and distribution of fishery products
- ii) Fishing ports which serve as local bases for production and distribution of fishery products
 iii) Other fishing ports

Reconstruction of Japan's fisheries as a whole taking due account of local residents' views with an eye to all the various industry sectors involved in fishery production.

6. Fisheries Management

C Ensure employment for suffered fishermen through supporting their removal activities of debris
 O Promote coordination and matching of local fishery operators in a way to enable them to collaborate with outside private companies

2. Fishing grounds & Fishery resources

O Provide support to remove debris, starting with the important fishing grounds so that fishing can be resumed promptly

O Conduct monitoring of fishing ground environments continually

3. Fishing vessels / Fisheries Management

- O Promote modernization and rationalization of fishing fleets
- O Encourage introduction of shared vessels and cooperative fishing
- Ensure stable supply of fishery products by remedial measures for rising oil price

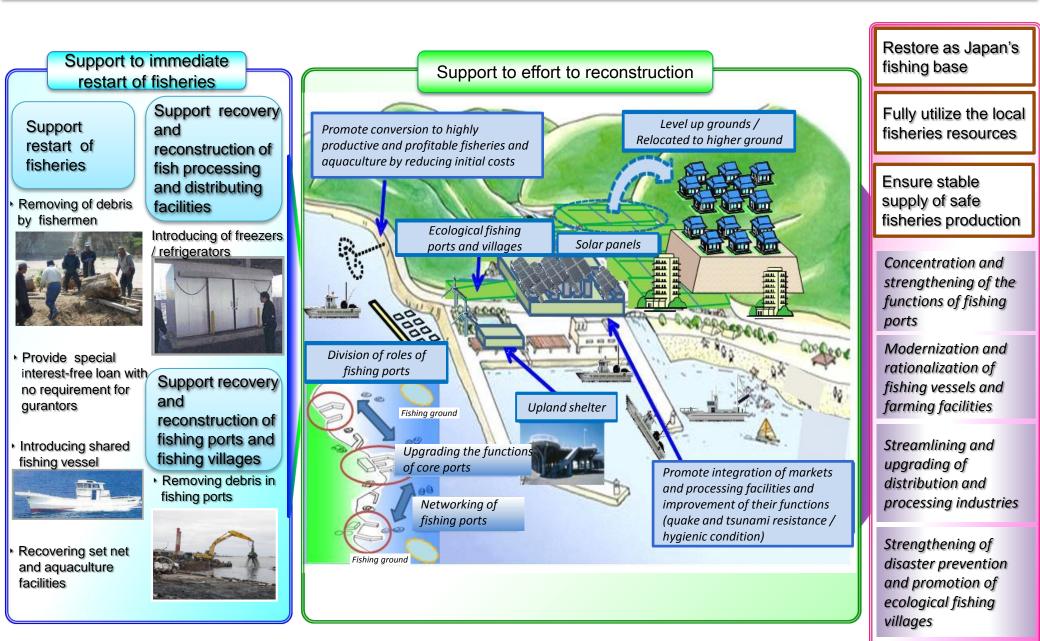
4. Aquaculture / Cultural fishery

- Encourage joint management, cooperation and incorporation to develop productive aquaculture
- Rebuild seedling production system for salmon and other species

5. Fish processing and distribution

- O Promote integration and development of
- facilities along local residents' views
- O Support effort to create sixth industry and
- improve the quality control and hygienic condition
- O Rebuild fish markets coordinating with reconstruction of fishing ports

Picture of Fisheries Reconstruction in line with the Master Plan



Basic Guidelines for Reconstruction in response to the Great East Japan Earthquake (extract) (July 29th, 2011)

 \bigcirc The Guidelines clarify an overall picture of the actions of the disaster-afflicted municipalities in formulating their own reconstruction plans and so forth.

Reconstruction of fisheries

(5) Fisheries

- Provide support to restart fisheries management and recover local fisheries (iv) Secure necessary functions of fishing ports for the region as a whole in an (i) through supporting, inter alia, recovery of fishing boats, fishing equipment and aquaculture facility, development of shared facilities such as freezing/refrigerating facilities and removal of debris by disaster affected fishermen.
- (ii) Restore fishing grounds and resources by, inter alia, rebuilding seedling production systems for salmon other fishes, development of sea grass beds, tidal flats, etc., monitoring of fishing ground environment utilizing scientific findings and appropriate resource management.

Promote modernization and rationalization of fishing boats and fleet, encourage joint management and cooperation of production activities and strengthen fishing industry, giving due consideration to characteristics of each form of fishery (e.g. aquaculture industry requires a certain period of time after its start of production before it generates income).

(iii) Promote reconstruction of fish processing and distributing industries in an integrated manner together with harvesting industries, with the effort to create sixth industry in perspective, such as new product development in collaboration with oyster farmers. Also, support the reconstruction of related industries such as shipbuilding industry.

early stage, by promoting sophistication of distribution functions and other functions of the core fishing ports, aggregate functions and division of roles among fishing ports.

Strengthen distribution and processing functions of core fishing ports which serve as nation-wide bases for production and distribution of fishery products.

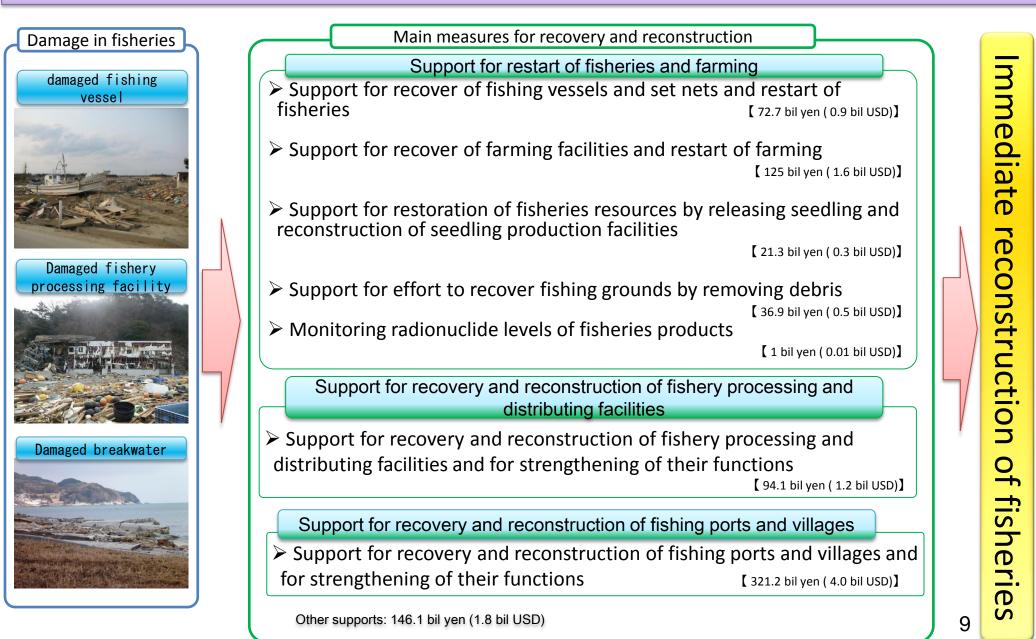
In regards to fishing ports which serve as local bases for production and distribution of fishery products, promote aggregation and strengthening of, inter alia, market facilities, aquaculture-related facilities and other facilities, keeping in mind that those parts complement the functions of surrounding fishing ports.

Implement projects in the order of its necessity, such as securing mooring facilities, for other fishing ports.

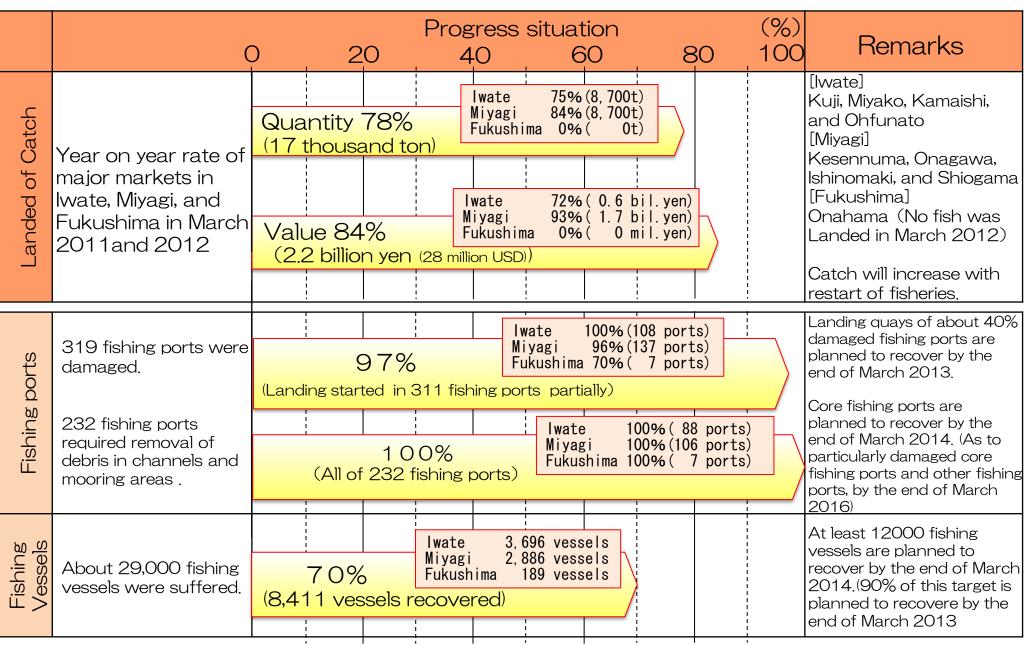
(v) Promote coordination and matching of fishery operators in a way to enable them to collaborate proactively with companies with know-how or capital, on the basis of understanding of the community. In necessary areas, create system of special zone where private corporations run by local fishery operators can obtain fishing rights without being subordinated to fishery cooperatives.

Budgets for recovery and reconstruction of fisheries

Total 818.3 bil yen(1st additional budget 215.3 bil yen, 2nd additional budget 19.8 bil yen, 3rd additional budget 498.9 bil yen, 2012 initial budget for recovery / reconstruction 84.3 bil yen)(10.2 bil USD)(0.2 bil USD)(6.2 bil USD)(1.1 bil USD)



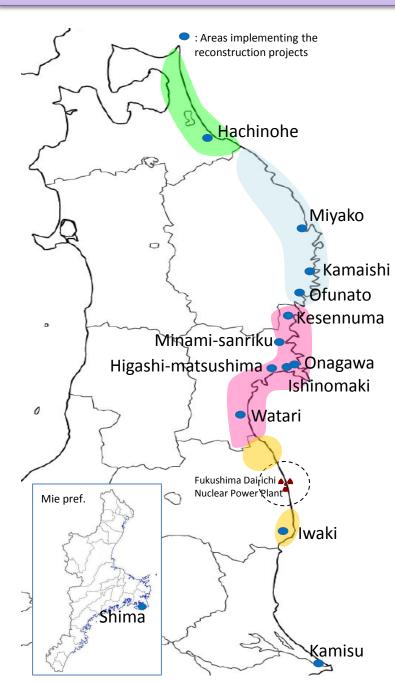
Progress of recovery and reconstruction of fisheries



Progress situation of recovery and reconstruction of fisheries

| | Progress situation (%) | | | | | | | | | |
|------------------------------|---|--|-----------------------------------|--------|----------------------|---------------------------------------|-------------------------------------|---|--|--|
| | (| 0 2 | 0 4 | 0 | 60 | 80 |) 10 | 00 | Remarks | |
| Facilities | Brown seaweed in Iwate (About 12000 facilities before the disaster) | About 50% of (Brown sea | facilities reco aweed, in Iwat | | | | | | | |
| Fac | Salmon in Miyagi (About 300 facilities) | About 70% of facilities recovered (Salmon, in Miyagi) | | | | | | All of fish farmers willin g | | |
| Farming | Brown seaweed in Miyagi (About 24000 facilities before the disaster) | About 60% (Brown | of facilities seaweed, in | | | | | to restart are planing to recover their facilities by the end of March 2013 | | |
| Farr | Laver seaweed in Miyagi (About 51000 facilities before the disaster) | About 40% of facilities recovered (Laver seaweed, in Miyagi) | | | | | | | | |
| uting ties | 34 markets were damaged in the three prefectures | Iwate :92% (12 markets)Miyagi :100% (9 markets)65%Fukushima :8% (1 market) | | | | | | All of markets in Iwate and Miyagi are planned to restart in 2012. | | |
| | 831 fisheries processing facilities were damaged in the three prefectures | Iwate : 56% (125 | | | | | facilitie facilitie facilitie | es) es) es) | All of fish processors willing to restart are planning to recover and reconstruction by the end of March 2016. | |
| Debris in fishing grounds | Debris spilled out into 958 fishing areas of set net. | Iwate : 97% (123 areas) Miyagi : 91% (756 areas)92%Fukushima : | | | | | | The rest of debris in fis hing grounds are plann ed to be removed by th | | |
| Debris ir grou | Debris spilled out into 804 farming areas | (Debris was r | 91% removed in 7 | T unuu | ;i: 919 shima:339 | 6(134 area 6(596 area 6(2 area | is) | | e end of March 2013.(If the situation calls for it, it continues for another year.) 11 | |

Support Project for Reconstruction of Fisheries and Farming with new approaches



Under this support project, fisheries operators trying new approaches can be assisted in initial operation cost necessary for restart of fisheries management (e.g., employment cost, material cost, etc.), which shall be returned from the profit after operation. In case of the red, they can be assisted in a part of the deficit.

[Progress situation]

14 projects are now approved (17th April, 2012)

(21 vessels and 8 groups are approved (expected project expense : 15.7 bil yen (0.2 bil USD))

OFarming (budget: 56.7 bil yen (0.7 bil USD))

H23.12.26 1st Approval Conference in Miyagi (1 project was approved) %Higashi-matsushima (Miyagi)

H24.3.28-29 3rd Approval Conference in Miyagi (5 projects were approved) XIshinomaki and Onagawa (Miyagi)

Scheduled conference in April, 2012 1st Approval Conference in Iwate (2 projects will be judged) 4th Approval Conference in Miyagi (2 projects will be judged)

10 projects are now approved (17th April, 2012)

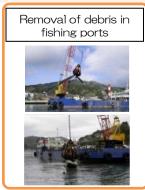
(226 farming managements approved (expected project expense : 4.3 bil yen (0.5 bil USD)) 12

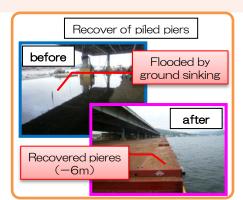
Progress situation of recover constructions on fishing ports

O Recover constructions of quay walls, port roads, floating piers, shallow draft quays etc., have started in each damaged fishing ports. (It is completed to remove debris in channels and mooring areas by emergency construction in all of 232 fishing ports which required it.)
 O Recover constructions are now underway on 285 fishing ports. At the present moment, catch of fish can be landed in 311 fishing ports if only partially

| Pref. | Damaged fishing ports | Recovery construction is now underway | Examples | Catch can be landed if only partially |
|-----------|-----------------------------|---|--|---|
| Aomori | 18 | 18 | channel, mooring area, etc. | 18 (100%) |
| lwate | 108 | 97 | channel, mooring area, floating pier, port road, etc. | 108 (100%) |
| Miyagi | 142 | 126 | channel, mooring area, quay wall, port road, shallow draft quay, etc. | 137 (96%) |
| Fukushima | 10 | 7 | channel, mooring area, port road, etc. | 7 (70%) |
| Others | 41 | 37 | channel, mooring area, breakwater, boat lift yard, etc. | 41 (100%) |
| Total | 319 | 285 | | 311 (97%) |

*Emergency constructions are completed on all of 253 fishing ports which required them.







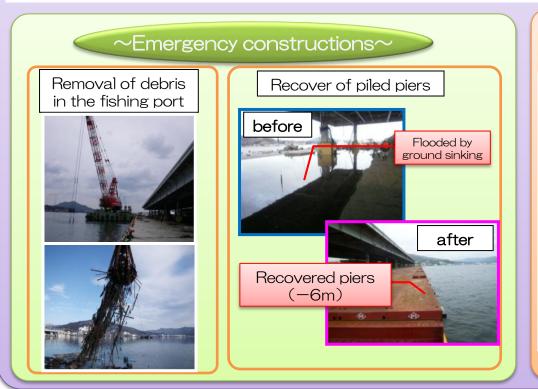
<u>Outline</u>

 Kesennuma fishing port: Specified 3rd class fishing port Managed by Miyagi pref.

Emergency construction

- A huge amount of debris in the channels and mooring areas were removed.
- Because of sinking of quay walls and their hinterlands, fishing vessels could not be moored. Landing piers were, therefore, recovered by emergency constructions so that skipjack bonito could be landed from the beginning of the fishing season of 2011.







Examples of recover constructions (Ofunato fishing port)



Examples of countermeasures against ground sinking of fishing port (Ishinomaki fishing port, Miyagi)

The situation of damage

• Break waters, quay walls, fish market, fisheries processing facilities, etc. suffered serious damage by tsunami.

Because of sinking of grounds (about 70cm), the fishing port and the area of fisheries processing facilities was flooded with seawater in high tide.



Countermeasures against ground sinking

1. The level of quays and the area of fishing port facilities were raised so that flood into the area of fisheries processing facilities was stop. (the end of 2011)

The level raising of the area of fishing ports facilities to stop flooding hinterland



2. In addition to level raising of quays and the area of fishing port facilities, the construction of rain drainage measures and level raising of the area of fisheries processing facilities started from March 2012.

Destroyed facilities restoration works

[3rd supplementary budget] 234.6 bil. yen (29.3 bil. USD)

Fisheries infrastructure improvement project
 [3rd supplementary budget] 20.2 bil. yen (2.5 bil. USD)

The level raising of quays, port roads, the area of fishing port facilities (including the area of fisheries processing facilities), etc. and drainage measures are implemented in an integrated manner together with destroyed facilities restoration works

Response to the Nuclear Accident ①

- After the accident of Fukushima Dai-ichi Nuclear Power Plant Station, Tokyo Electric Power Co. INC., exceeding
 provisional regulation value was detected from some fishery products. For these fish species, either distribution is
 restricted in accordance with the instruction by the Government of Japan, or the industry and the prefectures concerned
 voluntarily refrain from relevant fishing operations.
- FAJ notified prefectures of the "Basic Policy for Inspections on Radioactive Materials in Fishery Products". FAJ will continue inspections on radioactive materials and publication of correct information.

| Results of the measureme (As c | ents of radioactivity in of April 18 th , 2012) | n fishery products | Coastal sampling points since April 2012 (As of May 2 nd , 2012) | | |
|---|---|--|---|--|--|
| Items | Number of inspected | Number of exceeding standard limit (100 Bq/kg) | | | |
| Seawater fish species | 6,627 (673) | 1,175 (85) | | | |
| Invertebrata (squid, octopass, etc.) | 1,119 (78) | 80 (1) | | | |
| Seaweeds | 410 (8) | 20 (0) | | | |
| Processed fishery products | 33 (3) | 3 (0) | | | |
| Freshwater fish species | 1,285 (147) | 312 (28) | | | |
| Migratory fish species (skipjack, albacore, etc.) (included in above) | 733 (39) | 0 (0) | | | |
| Cetacean | 34 (0) | 0 (0) | | | |
| Total | 9,508 (909) | 1,590 (114) | Note: Figures in brackets are published numbers of inspected and exceeding standard limit since April 2012. 1 | | |

7

Response to the Nuclear Accident 2

Effort to restart fisheries off the coast of Fukushima

- O While cessation of all fishing operations off the coast of Fukushima continues, it is important to make effort to restart fishing on a species by species basis by area after ensuring the safety of fish and proper risk communication with consumers.
- For this purpose, FAJ is working with fishermen and fishery cooperatives concerned to develop special projects for restart of fishing operations.

Countermeasures to harmful rumors and exports

- O In order to prevent harmful rumors, it is important to publicize the correct information. Results of the inspections and Q&A about impact of radioactive materials on fish are put on the website to inform accurately.
- O The campaign to support reconstruction of suffered regions by willingly consuming agricultural, forestry, and fishery products produced in suffered regions is now held under the catchphrase "Support by eating."
- O The Japanese authorities issue the certificates when exported countries ask the certificate of origin or the radiation free certificate
- O For foreign countries, information about our measurements are provided through diplomatic channels and results of the inspections and Q&A about impact of radioactive materials to fish are put on the website in English.

Current measures (As of April 18th, 2012)

Miyagi Pref.

[Distribution is prohibited]

- Seabass (off the coast of Miyagi, south of Kinkazan) (12/4/2012 -)
- [Voluntarily restraint of fishing operation]
- Skimming net for Japanese sandlance (off the coast of Miyagi) (21/1/2012-)
- [Voluntarily restraint of landing]
- Pacific cod (more than 1kg) (north of Kinkazan, shallower than 150m) (Sendai-Bay)(30/3/2012-)
- Panther puffer (south of Sendai-Bay)

Fukushima Pref.

- [Distribution and ingestion are restricted]
- Juvenile fish of Japanese sandlance (off the coast of Fukushima) (20/4/2011 -)

[Voluntarily cassation of fishing operation]

- All coastal fishery and trawl fishery (off the coast of Fukushima) (15/3/2011-)
- Ibaraki Pref.
- [Distribution is prohibited]
- Rockfish (off the coast of Ibaraki) (13/4/2012 -)
- Seabass, Nibe croaker and Olive flounder (off the coast of Ibaraki) (17/4/2012 -)

[Voluntarily restraint of distribution and sale requested by the prefectural government]

 Japanese sandlance (except for juvenile fish in north area) (off the coast of Ibaraki) (5/4/2011 -)

- Brown hakeling (off the coast of Ibaraki) (5/9/2011)
- species over 100Bq/kg since March, 2012(off the cost of Ibaraki) (26/3/2012-) (Marbled flounder, Pacific cod, Vermiculated puffer, Ocellate spot skate, Finepatterned puffer, Goldeye rockfish and Slime flounder)

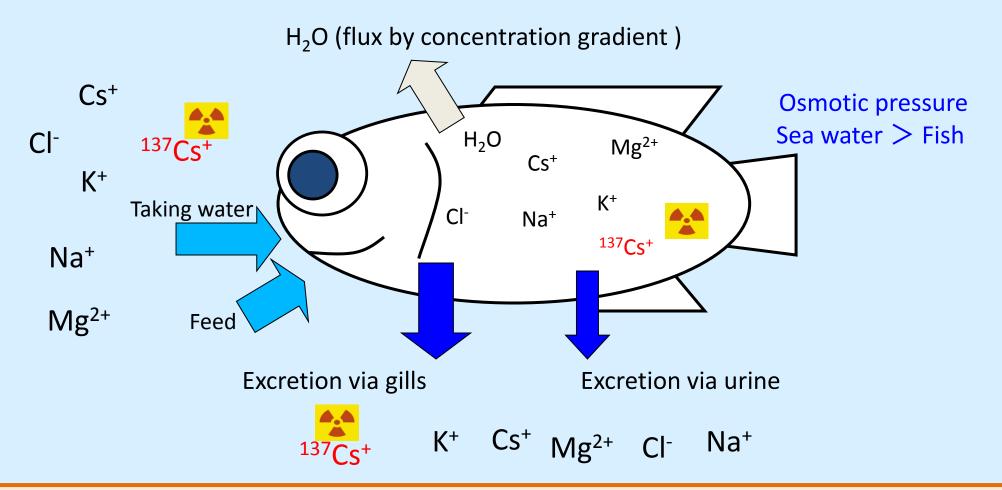
[Voluntarily restraint of production requested by the Prefectural Government and the Prefectural Federation of Fisheries Cooperative Associations]

• species over 50Bq/kg since March, 2012 (26/3/2012-)

(Gurnard, Red tongue sole, Panther puffer, Fox jacopever, Fat greenling, Rockfish, Stone flounder, Red stingray)

 In addition to the above, prohibition of distribution, voluntary restraint of catch and so forth are implemented regarding some freshwater fish species.

O The flow of salts in marine fish body



• Fish excretes radioactive substance, not accumulate.

• The concentration in fish depends on the concentration of environmental water .