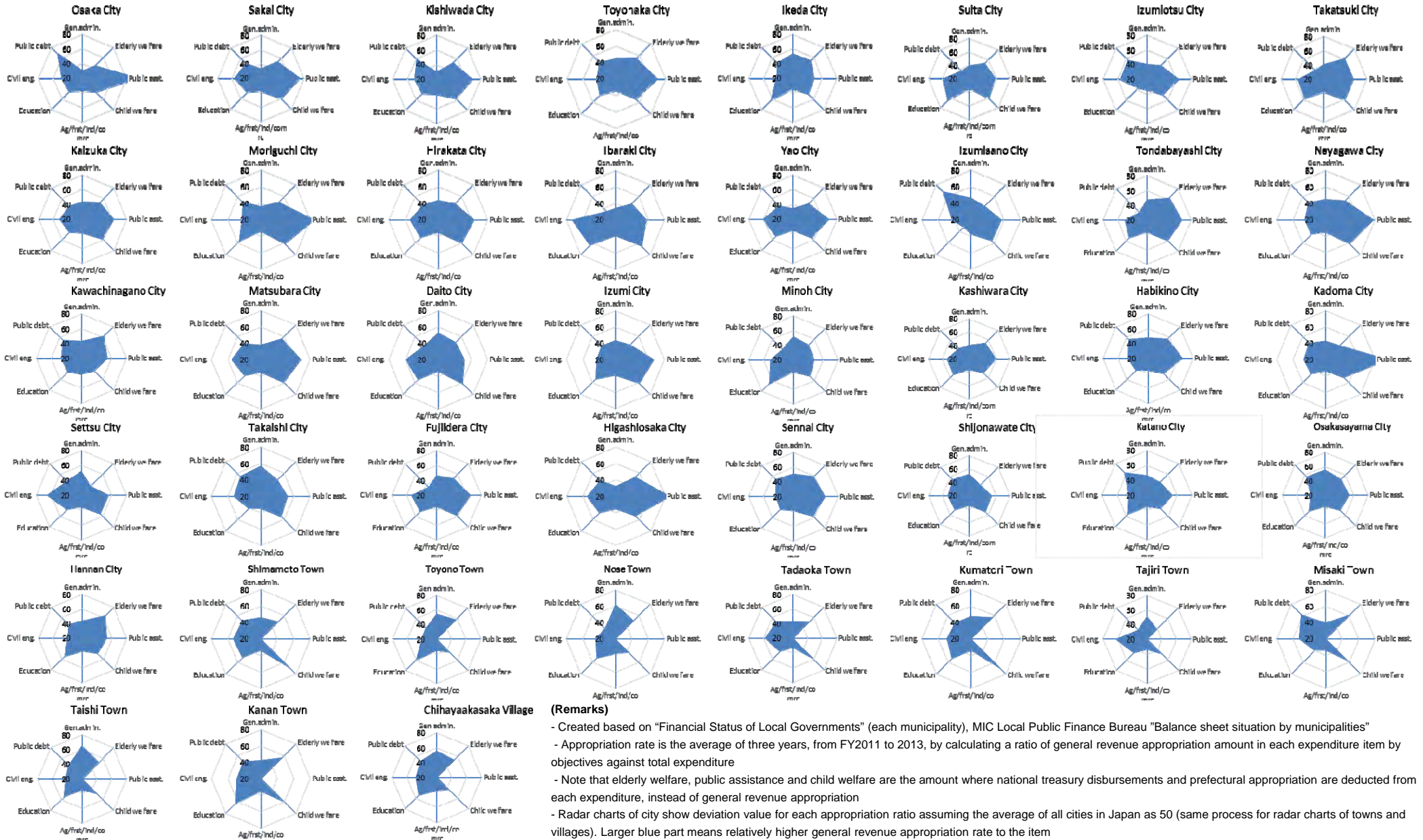


□ Use of general revenue per municipality (e.g. Osaka pref.)

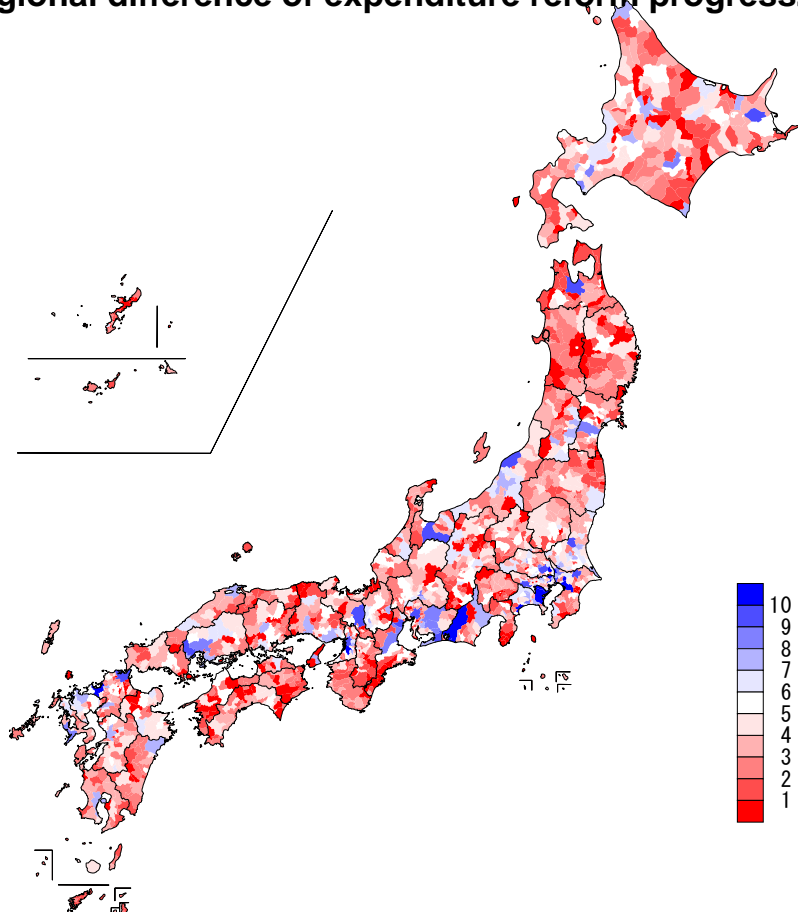
- Considerable differences are identified between municipalities by comparing use of general revenue.
- For example, Osaka city has high public debt and public assistance costs while Takatsuki city and Suita city use revenues for education and child welfare.



□ Relationship between the progress of expenditure reform and general affairs administrative cost in municipalities

- Major efforts regarding expenditure reform (outsourcing to private sectors, using double-entry bookkeeping, utilizing cloud-computing technology, formulating a comprehensive management plan for public facilities, etc.) are evaluated by three stages (0-2 points). The progress has been quantified using seven items in total, resulting in 0-14 points.
- Negative correlation is implied between the progress of expenditure reform and changes in general affairs administrative cost in municipalities.

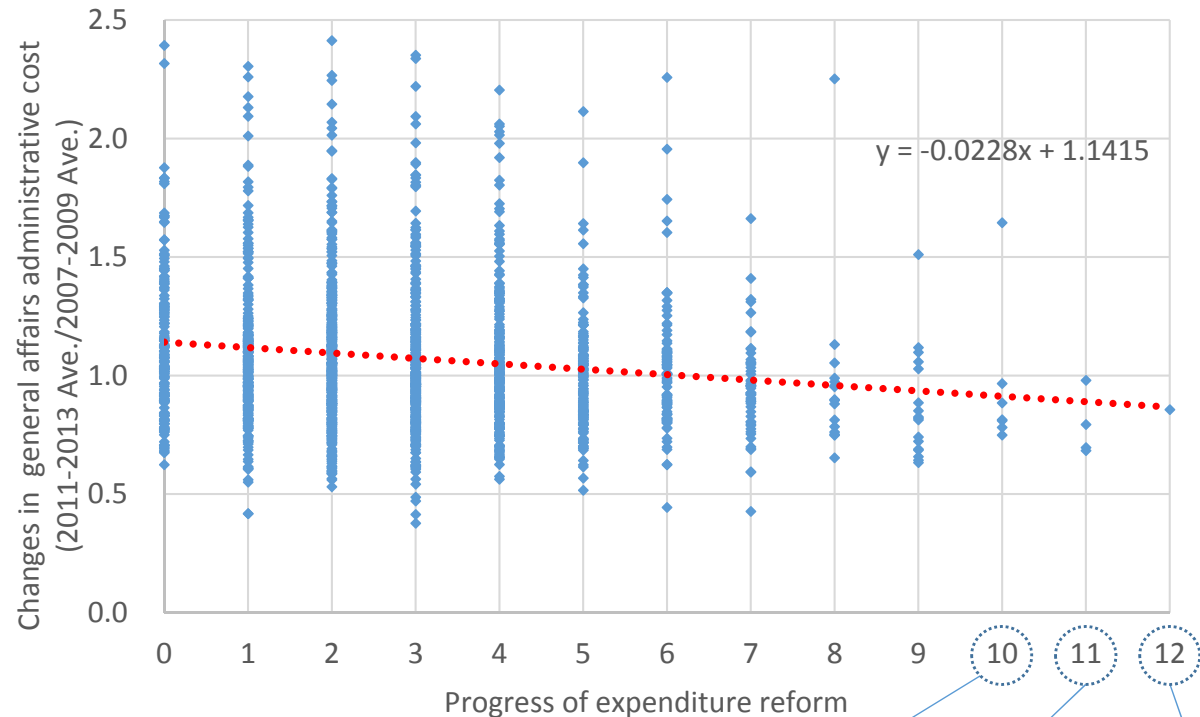
<Regional difference of expenditure reform progress>



(Remarks) Evaluation methods for expenditure reform progress are as follows.

(1) outsourcing to public sectors (five items with low execution rate such as school janitors): 2 points if executing four items or more (467 municipalities), 1 point if executing three (468 mun.) (2) general affairs (six items) delegation to public sectors: 2 points if executing three or more items (102 mun.), 1 point if executing two items (216 mun.) (3) using double-entry bookkeeping: 2 points if used (272 mun.) (4) utilizing cloud-computing technology: 2 points if utilized (432 mun.), 1 point if scheduled to utilize it (441 mun.) (5) formulating a comprehensive management plan for public facilities: 2 points if formulated (64 mun.), 1 point if scheduled to formulate by FY2015 (452 mun.) (6) PFI experience: 2 points if experienced (163 mun.) (7) "Survey on the current status of Integrated Economic and Fiscal Reforms in local governments" (October 2015, Cabinet Office): regarding efforts for innovation in public services, 2 points if answered "making efforts in multiple areas" (57 mun.), 1 point if "making efforts although few" (348 mun.). Note that municipalities affected by the Great East Japan Earthquake and spending remarkably high administrative cost are excluded.

<Relationship between the progress of expenditure reform and changes in general affairs administrative cost (2011-2013 Ave./2007-2009 Ave.) >

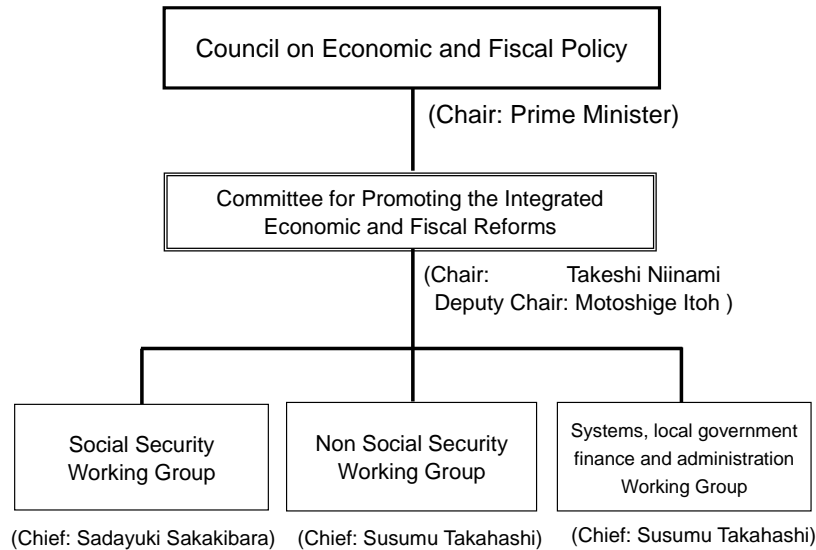


Chiba city, CHIBA	Koshigaya city, SAITAMA	Nagareyama city, CHIBA
Yachiyo city, CHIBA	Kawasaki city, KANAGAWA	
Sumida city, TOKYO	Hamamatsu city, SHIZUOKA	
Adachi city, TOKYO	Sakai city, OSAKA	
Yokohama city, KANAGAWA		
Odawara city, KANAGAWA		
Fukuoka city, FUKUOKA		

(Reference) Committee for Promoting the Integrated Economic and Fiscal Reforms: Working Structure and Past Meetings

Under the structure below, five committee meetings and 18 working group meetings have been held since August 10, 2015.

<Committee for Promoting the Integrated Economic and Fiscal Reforms Working Structure>



<Past Meetings held by Committee and WG>

Committee for Promoting the Integrated Economic and Fiscal Reforms

1st mtg	Aug 10	(Committee discussion points, committee operation, etc.)
2nd mtg	Oct 13	(Interim summary (draft), future discussion)
3rd mtg	Nov 26	(WG discussion status, Committee report (proposal))
4th mtg	Dec 1	(Committee report (original draft), etc.)
5th mtg	Dec 16	(Committee report (draft), etc.)

Social Security WG

1st mtg	Aug 28	(Discussion topics and process, KPI, etc.)
2nd mtg	Sept 24	(Hearing from relevant ministries on future direction, etc.)
3rd mtg	Oct 2	(Hearing from relevant ministries on future direction, etc.)
4th mtg	Oct 29	(Hearing from relevant ministries, KPI presentation by expert committee members)
5th mtg	Nov 16	(KPI, reform schedule)
6th mtg	Nov 20	(KPI, reform schedule)

Non Social Security WG

1st mtg	Aug 28	(Social infrastructure improvement, items to consider regarding education and science technology)
2nd mtg	Sept 11	(Hearing from relevant ministries, etc.)
3rd mtg	Oct 2	(Hearing from relevant ministries, etc.)
4th mtg	Oct 28	(Hearing from relevant ministries, etc.)
5th mtg	Nov 10	(Hearing from relevant ministries, discussion status, etc.)
6th mtg	Nov 17	(Social infrastructure improvement (reform schedule, KPI), etc.)
7th mtg	Nov 18	(Education and science technology (reform schedule, KPI), etc.)

Systems and local government finance and administration WG

1st mtg	Aug 31	(WG process, etc.)
2nd mtg	Sep 17	(Hearing from relevant ministries, etc.)
3rd mtg	Oct 6	(Hearing from relevant ministries, etc.)
4th mtg	Nov 10	(Discussion on reform schedule and KPI original draft, etc.)
5th mtg	Nov 18	(Discussion on reform schedule and KPI draft)

Nobuo Akai	Professor, Osaka School of International Public Policy, Osaka University
Motoshige Itoh	Professor, Graduate School of Economics, The University of Tokyo
Yukiko Ito	Associate Professor, Department of Economics, Faculty of Humanities and Social Sciences, Tokyo Gakugei University
Hiroshi Ohashi	Professor, Graduate School of Economics, The University of Tokyo
Sadayuki Sakakibara	Chief Senior Advisor, Chief Senior Counselor, Toray Industries, Inc.
Motohiro Sato	Professor, Faculty of Economics, School of International and Public Policy, Hitotsubashi University
Hitoshi Suzuki	Chief Researcher, Head of Public Policy Team, Daiwa Institute of Research Ltd.
Susumu Takahashi	Chairman, The Japan Research Institute
Takeshi Niinami	President & Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Limited
Eiji Hato	Professor, School of Engineering, The University of Tokyo
Yuji Furui	Assistant Professor, Policy Alternatives Research Institute, The University of Tokyo
Mitsuo Makino	Mayor of Iida City, Nagano Prefecture
Shinya Matsuda	Professor, School of Medicine, University of Occupational and Environmental Health
Daisuke Yamada	Managing Executive Officer, Mizuho Bank, Ltd.

(Japanese alphabetical order)
(Honorifics omitted)