SPF Tackles Worldwide Challenges from a Global Perspective
The Sasakawa Peace Foundation (SPF) contributes to the welfare of humanity and the sound development of the international community, and thus to world peace, through the support and implementation of activities that promote international interaction, cooperation, and understanding.

MISSION STATEMENT

Contribute to World Peace
The Sasakawa Peace Foundation (SPF) seeks to contribute to the welfare of humanity and the sound development of the international community, and thus to world peace, through activities that foster international interaction and cooperation.

Taking Advantage of Our Position as a Private Foundation
SPF provides grants for, and when necessary implements by itself, projects that are intended to help resolve common challenges facing the international community and challenges facing Japan in its relations with other countries, otherwise difficult for the Japanese state or businesses to undertake.

Emphasize Novel Approaches
SPF values progressive approaches that yield results through trial and error despite any complications or difficulties that may arise.

Tackle Problems Head-on
SPF emphasizes the actual implementation of those methods to resolve problems in society; it conducts a variety of actions, including public outreach, with the cooperation of nongovernmental organizations and other such groups.

Forming Partnerships
SPF regards grant projects as joint efforts undertaken in cooperation with the grantee organizations, and forms partnerships to promote international cooperation. SPF also aims to achieve international cooperation through networks created by SPF itself.
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Chairman’s Message

Positioning Japan for the Next Stage in the Age of Globalization

As a representative of The Sasakawa Peace Foundation, let me first offer my sincerest prayers to all of those who lost their lives in the Great East Japan Earthquake which struck on March 11 of this year, and extend my deepest condolences to their families. At the same time, we express our sympathies to everyone affected by the disaster, and hope for a speedy recovery and rebuilding of the affected regions.

The Importance of Aggressively Promoting International Cooperation and Exchange

The restraint shown by the Japanese people in the disaster-affected regions, built on a common sense of group harmony, was widely commended around the world. At the same time, however, it raised a number of doubts.

Are the merits of Japanese society, which so values group harmony and restraint, really useful in determining facts and identifying responsibility? And in terms of macroeconomic policy, given Japan’s rapidly shrinking workforce, the speed with which its population is aging, and its enormous public debt, is our belief that “we should all share the burden equally” really enough to revitalize our otherwise gloomy economic state? Might these traditional virtues, these aspects of national psyche, in fact lead Japanese society to become even more inward-looking?

I believe that if, spurred by the recent disaster, this spirit of putting harmony first has served to encourage solidarity only within Japan itself, we face the prospect of an increasingly introverted, closed society. However, if we strive to seek cooperative relationships outside of Japan, I think this same spirit can put the nation in a position better suited to the age of globalization. Rather than being bound by narrow nationalism, The Sasakawa Peace
Foundation seeks to deepen ties with nations around the world to aggressively promote international cooperation and exchange that we might lessen the negative aspects of globalization while expanding its merits.

**Wide-Ranging Initiatives Aimed at Tackling Global Issues**

Specifically, we have doubled the previous scale of our interaction with the U.S., where we have successfully engaged, deploying programs that look out a decade or more ahead. In the increasingly unsettled Middle East, we have added Turkey, which has a growing influence in the region, to the list of our target, to endorse its Look East policies. With India, we plan to initiate a number of political, economic, and social exchange programs based on a ten-year plan to be newly established, while in the ASEAN region, in addition to human resource development in the CLMV countries (Cambodia, Laos, Myanmar, and Vietnam), we are working with Dr. Surin Pitsuwan, Secretary-General of ASEAN, and others to develop a plan for expanding exchanges between ASEAN and other regions of the world. In the region of the Pacific island nations, six nations are participating in a project, namely the three nations of Micronesia comprising the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, the U.S., Australia, and Japan, along with The Nippon Foundation and SPF, they agreed to support strengthening maritime surveillance capacity in the Micronesia region in November last year. As part of that effort, this fiscal year, The Nippon Foundation has commenced with plans to donate patrol boats to the region.

To address the issue of how best to rescue the one billion people at the bottom of society, left behind in the expanding globalization, we are moving ahead with research into the problems of markets and disparity. In October this year, we will present an interim report on the research at “The Forum 2000 Conference” to be attended by opinion leaders from around the world, brought together traditionally under the auspices of former Czech Republic President Vaclav Havel. With the cooperation of the Tokyo Institute of Technology and some of Japan’s leading corporations, we are also conducting research into the relationship between the progress of science, technology and the future of society, with a goal of providing policy recommendations. In the area of demographic changes and population movement, in fiscal 2010, SPF provided a number of policy recommendations regarding how best to address changes in demographic structures and labor markets, which have received a strong response in workplaces which have already begun accepting foreign workers. This fiscal year, we plan to extend our publicity efforts across Japan, with the aim of seeing these recommendations put into practice. Finally, we are also seeing progress with our initiatives in Southern Thailand to support a peace-building dialogue in that region.

**In Conclusion**

We shall continue promoting mutual understanding between Japan and the rest of the world, collaborating and building ties with the international society towards resolution of global issues, and working to redouble our efforts with our various projects. We ask for your continued support and cooperation as we move ahead.

July, 2011

Jiro Hanyu
Chairman
The Sasakawa Peace Foundation
Fiscal 2010 Highlights

About the SPF Projects

There are Regular projects and four Special Funds within the framework of the Sasakawa Peace Foundation (SPF). Regular projects tackle issues in a specific sector, whereas Special Fund projects focus on issues in a specific part of the world. The Special Funds are:

- The Sasakawa Pacific Island Nations Fund
- The Sasakawa Japan-China Friendship Fund
- The Sasakawa Pan Asia Fund
- The Sasakawa Middle East Islam Fund

All the projects are designed to contribute to problem resolution in their targeted area, by developing and implementing uniquely effective programs in collaboration with non-profit and research organizations in various countries.

Regular Projects

Fostering dialogue among opinion leaders in Japan and the United States on global issues


Based on the recognition that a strong relationship between Japan and the U.S. contributes to the stability of the international environment and the Asian region, this project aimed to rediscover the usefulness of intellectual exchanges between Japan and the U.S. and to promote exchange programs between the two countries. In this past year, we invited a number of U.S. opinion leaders from prestigious U.S. academic and policy research institutions, to provide lectures, hold discussions with Japanese politicians and government officials, and take field trip visits to local cities.

Japan visits by Senior and Mid-Career Opinion Leaders

Dr. Patrick M. Cronin, Senior Advisor and Senior Director of the Asia-Pacific Security Program, Center for a New American Security
Lecture: July 8, 2010
America’s Strategic Restraint and its Implications for the Japan-U.S. Alliance

Dr. Charles A. Kupchan, Professor at Georgetown University and Senior Fellow at the Council on Foreign Relations
Visit: November 13–20, 2010
Lecture: Enemies into Friends: How Peace Breaks Out

Dr. Michael O’Hanlon, Director of Research and Senior Fellow on Foreign Policy at the Brookings Institution
Visit: December 15–19, 2010
Lecture: Toughing It Out in Afghanistan

Dr. Eliot A. Cohen, Professor at Johns Hopkins University
Visit: January 9–19, 2011
Lecture: America’s Strategic Choices

Dr. Peter W. Singer, director of 21st Century Defense Initiative and Senior Fellow on Foreign Policy at the Brookings Institution
Lecture: February 28, 2011
Wired for War: The Robotics Revolution and Conflict in the 21st Century

Supporting strengthened marine surveillance capacity in Micronesia

International Committee for the Establishment of a Maritime Safety System in Micronesia

The objective of this project is to convene an international committee of GO/NGO from the countries involved to discuss and formulate final support measures for strengthening maritime surveillance capacity in the Micronesia region, which will then be presented to the governments of the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau (ROP). In November 2010 in Koror, ROP, The Nippon Foundation and SPF co-hosted “The Third Meeting of Six Nations and Two Non-Governmental Organizations for Strengthening Maritime Surveillance Capacity in the Micronesia Region.” The meeting was attended by President Toribiong of ROP, a delegation from FSM, RMI and ROP, and representatives from the U.S. State Department, the Australian Department of Foreign Affairs and Trade, the Japan Coast Guard, the Japanese Ministry of Foreign Affairs, The Nippon Foundation, and SPF. A final agreement on support measures was adopted in the form of a Summary Record of Discussion.

The Third Meeting of Six Nations and Two Non-Governmental Organizations for Strengthening Maritime Surveillance Capacity in the Micronesia Region
THE SASAKAWA PAN ASIA FUND

Contributing to regional disaster prevention and recovery by promoting preparation and use of an emergency manual

_Our Mission:_ Creating an Emergency Manual for Local Governments in Sichuan Prefecture

This project was implemented to share Japan’s extensive expertise in disaster prevention and reduction with officials in regions affected by the Sichuan Earthquake, and with disaster prevention workers nationwide. In fiscal 2010, specialists from Japan and China cooperated in the development of a training program, and together with experts in disaster prevention from both countries, provided instruction. The project utilized materials accumulated in the course of the seminars to set up a disaster prevention information website, the China and Japan Disaster Info and Action International NetWork (http://www.asiabosai.net), which was then used to disseminate the results of the project.

Seminars with Specialists on the Middle Eastern Situation

**May 31, 2010**
Luncheon and lecture on Iranian diplomacy and Iran-Japan relations (Closed session)
H.E. Mr. Mamouchehr Motaki, Foreign Minister of the Islamic Republic of Iran

**June 15, 2010**
The Present Situation of Influential Media in the Middle East and their impact
Mr. Mohammad Shoikeh, Programme Editor of Al-Izazero English TV
Mr. Kamal Ghabela, Managing Editor of Egyptian newspaper Al-Ahram,

**December 2, 2010**
The Political Situation in Egypt
Ambassador Dr. Mohamed Ibrahim Shakesy, Chairman of the Egyptian Council for Foreign Affairs and former Ambassador of the Arab Republic of Egypt to the United Kingdom
Ambassador Mr. Wahbi El Minaway, Member of the Council’s Board of Directors and former Ambassador to Japan

**January 20, 2011**
Current Situation of Iraq
H.E. Mr. Lukman Faily, Iraqi Ambassador to Japan
Commentator Mr. Motohiro Oono, Member of the House of Councilors (The Democratic Party of Japan) and visiting fellow of the Middle East Research Institute of Japan

**February 21, 2011**
Drastic Change in Middle East: Validating Civil Uprising in Tunisia and Egypt
H.E. Dr. Noureddine Hachef, former Tunisian Ambassador to Japan
Dr. Yoshiki Sakaki, advisor to SMEIF/SFP

Invitations from UAE: Ritsumeikan Asia Pacific University (APU)
Six students and three instructors invited from the Abu Dhabi and Al Ain campuses of the Institute of Applied Technology (IAT) in the UAE.

**November 20–December 1, 2010**
Invitation of students from the Middle East:
A total of four students invited, two each from Syria and Jordan.

The Present Situation of Influential Media in the Middle East and their impact

During this seminar, Mr. Kamal Ghabela, Managing Editor of the Egyptian newspaper Al-Ahram, introduced the present situation of Egyptian media and the role of influential media in the Middle East from an Egyptian perspective.

**Mr. Hidetoshi Tashiro, Professor, Business Breakthrough University**

Dr. Mamouchehr Motaki, Foreign Minister of the Islamic Republic of Iran, explained the present situation of Iran and its future challenges.

**Mr. Jiro Hanyu, Chairman, SMEIF/SFP**

Mr. Lukman Faily, Iraqi Ambassador to Japan, commented on the current situation of Iraq, introducing the important role of influential media in the Middle East.

**Mr. Yasutoshi Nishimura, Member of the House of Representatives**

Mr. Mohamed Shoikeh, Programme Editor of Al-Izazero English TV, explained the present situation of Iran from a media perspective.

**Dr. Dr. Ibrahim Kalin, Advisor to the Prime Minister of Turkey**

Mr. Yamashita Hatake, Advisor to the Prime Minister of Japan, commented on the future shape of Japan-Iran relations, from both political and economic perspectives.

**Mr. Taro Kono, Member of the House of Representatives**

Mr. Alaa Al Aswany, former Egyptian Prime Minister, commented on the present situation of Egypt from a political perspective.

**Mr. Mansournein Hachef, former Tunisian Ambassador to Japan**

Mr. El Miniawy, Chairman of the Council of Egypt to the United Kingdom, presented the present situation of Tunisia, introducing the important role of influential media in the Middle East.

**Dr. Yasushi Hazama, Director, Middle Eastern Studies Group, Area Studies Policy Study Group**

Dr. Motaki, Foreign Minister of the Islamic Republic of Iran, commented on the present situation of Iran from a media perspective.

**Mr. H. Amb. Lukman Faily, Iraqi Ambassador to Japan**

Mr. Alaswany, former Egyptian Prime Minister, commented on the present situation of Egypt from a political perspective.

**Mr. Alaa Al Aswany, Prime Minister of Egypt**

Mr. T. Kono, Member of the House of Representatives, introduced the present situation of Japan from a political perspective.

**Mr. Taro Kono, Member of the House of Representatives**

Mr. El Miniawy, Chairman of the Council of Egypt to the United Kingdom, presented the present situation of Tunisia, introducing the important role of influential media in the Middle East.

**Dr. Yasushi Hazama, Director, Middle Eastern Studies Group, Area Studies Policy Study Group**

Dr. Motaki, Foreign Minister of the Islamic Republic of Iran, commented on the present situation of Iran from a media perspective.
The Sasakawa Peace Foundation (SPF) was established in September 1986 as a private nonprofit organization with an endowment from The Nippon Foundation and the Japanese motorboat racing industry. SPF celebrates the 25th anniversary of its founding in September 2011.

**Fiscal 2010 Project Overview**

SPF implemented large-scale, self-operated projects from the standpoint of addressing issues on its own initiative. SPF implemented a total of 56 projects in fiscal year 2010, valued at ¥1,161,37 million. Total expenditures, excluding that of internal operations (project operations, program development and research, and public relations) amounted to ¥552,62 million for 45 projects. Compared to the previous fiscal year the number of projects increased by three, and project expenditures rose approximately ¥270,00 million.

The increase in projects and project expenditures is due in part to the fact that it has been three years since the adoption of the program policy for regular projects, and two years since the formulation of operational guidelines for the projects of Special Funds, there is broader recognition of the priority fields and regions targeted by the Foundation. An additional factor is that resources were focused on large-scale, self-operated projects implemented from the standpoint of resolving issues on our own initiative.

**Recent Project Expenses**

(Unit: ¥1,000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Operating Expenses</th>
<th>Grant Projects</th>
<th>Self-Operated Projects</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>647,775</td>
<td>552,627</td>
<td>105,727</td>
<td>80,291</td>
<td>105,727</td>
</tr>
<tr>
<td>2007</td>
<td>687,024</td>
<td>487,841</td>
<td>148,926</td>
<td>198,323</td>
<td>198,323</td>
</tr>
<tr>
<td>2008</td>
<td>487,841</td>
<td>450,448</td>
<td>19,151</td>
<td>371,499</td>
<td>371,499</td>
</tr>
<tr>
<td>2009</td>
<td>487,841</td>
<td>450,448</td>
<td>19,151</td>
<td>371,499</td>
<td>371,499</td>
</tr>
<tr>
<td>2010</td>
<td>552,627</td>
<td>552,627</td>
<td>105,727</td>
<td>80,291</td>
<td>105,727</td>
</tr>
</tbody>
</table>

* Figures given for totals have been rounded up and may not be consistent with sub-totals.

**About Projects**

http://www.spf.org/e/projects/summary2010.html#gl1036
SPF Special Funds

**Pacific Island Nations Fund**

![Chart](image)

**Recent Projects** (Unit: ¥1,000)

- 2006: 24,299
- 2007: 26,814
- 2008: 27,027
- 2009: 27,247
- 2010: 38,675

Number of Projects

- 2006: 1
- 2007: 1
- 2008: 1
- 2009: 1
- 2010: *N/A*

Projects for promoting mutual understanding between Japan and China, and the development of 21st-century relations

SICF implemented 11 projects in fiscal 2010, excluding internal operations, with a value of ¥15.72 million. These comprised four grant projects and seven self-operated projects, all of which were ongoing. One of the 11 projects, the “Program for Promoting Japan-China Exchange in the Field of Security/Phase II” (self-operated), was implemented to promote exchanges in the defense field between Japan and China. In the area of people-to-people exchange, we implemented two projects, the “Chinese Young Journalist Interchange Program” (self-operated) and the “Facilitating Dialogue between Future Leaders” (self-operated). To further Japanese language education in China, we implemented two projects, the “Development of Materials to Teach the Japanese Language” (grant) and the “Training Program for Japanese Language Learners from Regional Universities” (grant). In projects to share Japanese expertise in various fields with China, and contribute to the advancement of Chinese society, we implemented two projects, the “Creating an Emergency Manual for Local Governments in Sichuan Prefecture” (self-operated), and the “Healthy Community Care Service Providers,” we invited students majoring in healthcare and medicine at the College of Medicine in Okinawa, and conducted joint research at the University of the Ryukyus.

**Japan-China Friendship Fund**

![Chart](image)

**Recent Projects** (Unit: ¥1,000)

- 2006: 61,299
- 2007: 73,679
- 2008: 102,496
- 2009: 125,386
- 2010: 105,727

Number of Projects

- 2006: 5
- 2007: 2
- 2008: 4
- 2009: 4
- 2010: *N/A*

Projects to be a driving force for mutual understanding between Japan and the Middle East

SMEIF implemented three projects excluding internal operations, with a value of ¥90.79 million, in fiscal 2010, the second year since the establishment of this fund. All three projects were self-operated, and two were new projects. For the “Capacity Building for Mutual Understanding between the Middle East and Japan,” SMEIF actively provided news on Japan and other information in Arabic on the project website, as well as conducted seminars for diplomats from Middle Eastern Islamic countries resident in Japan, and seminars on the Middle Eastern situation. We also held seminars as appropriate on addressing political changes in the Middle East.

**Middle East Islam Fund**

![Chart](image)

**Recent Projects** (Unit: ¥1,000)

- 2009: 45,716
- 2010: *N/A*

Number of Projects

- 2009: 1
- 2010: *N/A*

For the “Middle East Maritime Security Study,” SMEIF conducted research studies related to the project’s two main topics of “Meetings of experts in Gulf security” and “Research into the Somali problem and security in the Red Sea and Arabian Sea.” For the “Human Resources Exchange between the Middle East and Japan,” project, involving the invitation of mid-level opinion leaders, SMEIF invited experts from Turkey to present lectures. To promote youth exchanges, we invited high school students majoring in science from the UAE to Japan, and invited two university students each from Syria and Jordan in an exchange program centered on the Japan Middle East Student Conference (JMESC).
Regular Projects

Assistance for Specific Problem Areas
The advancement of globalization has exacerbated cross-border issues such as resource and environmental problems, population issues, and urbanization. Other negative aspects are also coming to be recognized, including new types of uneven distribution of wealth, loss of traditional culture, and frequent terrorist incidents. To address these international problems, SPF is pursuing creative solutions from three fronts.

Program Policy (2008–)

<table>
<thead>
<tr>
<th>Program Policy</th>
<th>Project Name</th>
</tr>
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<tbody>
<tr>
<td>1 Efforts to Ensure Peace and Security in the International Community</td>
<td>Peace Building and Security Issues</td>
</tr>
<tr>
<td></td>
<td>• New Peace Building in Asia and the Role of Japan</td>
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<tr>
<td></td>
<td>• New Forging People to People Solidarity in Peace Building in Southern Thailand and Mindanao</td>
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<tr>
<td></td>
<td>• New Youth Camp for Peace Communication</td>
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<td></td>
<td>• New Establishment of Japan's Network on International Border Studies</td>
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<tr>
<td></td>
<td>New Research on New Maritime Security</td>
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<tr>
<td></td>
<td>Non-Traditional Security Issues</td>
</tr>
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<td></td>
<td>• Addressing an Avian Flu Pandemic through Intraregional Cooperation</td>
</tr>
<tr>
<td></td>
<td>• New Alliance for Disaster Assistance in the Asia-Pacific Region</td>
</tr>
<tr>
<td>2 Addressing Positive and Negative Aspects of Globalization</td>
<td>Market and Disparities Issues</td>
</tr>
<tr>
<td></td>
<td>• New Globalization and Disparity in the Development Project</td>
</tr>
<tr>
<td></td>
<td>Issues Involving Demographic Changes and Population Movement</td>
</tr>
<tr>
<td></td>
<td>• The Global Demographic Change and Labor Migration in Asia</td>
</tr>
<tr>
<td></td>
<td>• Creation of an E-Learning System to Support Foreign Nurses and Caregivers on EPA Preparing for License Exams in Japan</td>
</tr>
<tr>
<td></td>
<td>• Promoting Cooperation towards the Challenge of an Aging Asian Society</td>
</tr>
<tr>
<td></td>
<td>• New Infrastructure Development for the Promotion of Intercultural Nursing/Care</td>
</tr>
<tr>
<td>3 Promotion of Mutual Understanding between Priority Regions and Japan</td>
<td>Exchange Program between Japan and The United States</td>
</tr>
<tr>
<td></td>
<td>• New Japan-U.S. Relations: An Opinion Leaders’ Dialogue</td>
</tr>
<tr>
<td></td>
<td>Japan Matters for America-America Matters for Japan</td>
</tr>
<tr>
<td></td>
<td>• Expansion of the Strategic Horizon for Japan’s National Security and the Future of Japan-U.S. Relations</td>
</tr>
<tr>
<td></td>
<td>Strengthening Japan-U.S. Initiatives for Common Policy Issues</td>
</tr>
<tr>
<td></td>
<td>• New SPF Fellowship Program</td>
</tr>
<tr>
<td></td>
<td>• New The Japan-U.S. Exchange to Develop Policy Intellectuals</td>
</tr>
</tbody>
</table>

Peace Building in Asia and the Role of Japan

- Implementing Agency: The Sasakawa Peace Foundation
- Project Classification: Self-Operated
- Project Expenditure for Fiscal 2010: ¥7,197,593
- Implementation Year: 1st year of 3-year project

Understanding regional conflicts in Asia and helping to promote peace
The project goals are to stimulate Japanese public interest in Asian regions where conflicts are occurring and to promote initiatives for peace building there, and to advance cooperation between experts in the field.

In the first year, an international seminar was held in Tokyo gathering experts from regions now experiencing conflict in Southeast Asia, as well as from former conflict zones. With the aim of developing new business projects, the Foundation closely collaborated with the Asian Muslim Action Network (AMAN) and the World Association of Community Radio Broadcasters Japan (AMARC Japan), thereby creating opportunities for international experts, local researchers, and journalists to discuss possibilities for resolving conflicts in Southern Thailand.
Forging People to People Solidarity in Peace Building in Southern Thailand and Mindanao

Building a cooperative civil society framework in southeast Asia

This project’s goal is to deepen civil society alliances between Southern Thailand and Mindanao (the Philippines) and develop a cooperative framework for social development and peace-building. Both regions continue to face conflict over the issue of self-governance of the Muslim population and have many common issues and activities, but there has been little opportunity for sharing experiences, which is what gave rise to the project. This year, five interns from Southern Thailand went to Mindanao and two interns from Mindanao were sent to Southern Thailand in an effort to build a foundation for civil society alliances between the two regions. An international conference was also held in Davao City in Mindanao to strengthen cooperative frameworks in Southeast Asia in response to Southern Thailand’s peace-building initiatives.

Youth Camp For Peace Communication

Campers learn constructive communication skills and media technologies

This project seeks to foster communication skills for inter-ethnic dialogue by holding youth camps for young people of different religions in Southern Thailand, a region with ongoing conflict. This year, after 25 volunteers were trained to run the camps, two sets of four-day camps were held in Yala in Southern Thailand. A total of 178 local young people participated, ranging in age from 15 to 25. Around 30% were Buddhist and 70% were Muslim, with several Christians also participating. The campers were selected with the help of 12 area high schools and youth councils.

Deep South Peace Media Network Development Project

Building channels for a network to provide interaction between Bangkok and outlying regions in Thailand

The project aims to devise common strategies for conflict resolution and enhancing the quality of media coverage in Southern Thailand under the conflict between the majority Buddhist population and the local Muslims, known as “Pattani Malay,” in Southern Thailand. This year, three regularly-scheduled meetings were held between groups participating in the network, and in-depth discussions were held about the role of the media. When floods ravaged Southern Thailand at the end of October 2010, network participants conveyed pertinent information and operated a coordination center between the affected area and outside NGOs and academics providing assistance.

Establishment of Japan’s Network on International Border Studies

An approach based on trends in global border studies

The network has been established to examine the challenges facing municipalities in Japan’s border areas (national boundaries), establish a forum for practitioners and researchers to discuss policy challenges, and connect them with the international network of researchers on the world’s border regions. This year, two meetings were held in Tokyo bringing together local government and ministry officials and researchers with the aim of building networks of practitioners and researchers. In addition, the Tsushima Forum was held in Tsushima for in-depth discussions on the challenges directly facing Japanese border municipalities. A seminar was held in Tokyo to report the outcomes of the Tsushima discussions.
Aiming to formulate international policy proposals for strengthening maritime security

The project’s aim is to formulate international policy recommendation for means to strengthen maritime security, based on the findings of discussions and researches conducted by Japanese and international experts on maritime policy, security and international law. In this project, special attention will be paid to the potential role of coastguards and other law enforcement agencies, considering the growing tensions among states over maritime interests. In fiscal 2010, the first year of this project, study groups comprised of experts in the fields of maritime policy, security, and international law met twice for in-depth discussions on the increasingly serious threats to maritime safety and security, and the potential for international cooperation being able to overcome these threats. In March 2011, specialists in maritime safety and security from the United States and Australia attended an international committee meeting in Tokyo to exchange ideas on major research themes.

Reviewing issues and recommending strategies for dealing with infectious diseases, including new types of influenza

Project activities began in fiscal 2008 centered on preparing for new types of influenza pandemics and proposing countermeasures at the local level as well as the regional level in Asia, based on conditions in developing countries in Asia. This year, the final year of the project, deeper analysis was conducted through pilot studies in the Philippines, and also an international workshop sponsored jointly with Tohoku University (February 2011 in Manila) was held for sharing project findings with neighboring Asian countries. The workshop was attended by representatives of central and local governments of five countries in Asia (The Philippines, Indonesia, Laos, Thailand, and Vietnam) and of the WHO Western-Pacific office in charge of pandemic preparedness, all of whom discussed the challenges and lessons learned from dealing with the H1N1 pandemic and future perspectives to raise preparedness for the possibility of infectious diseases in Asia.

Building the mechanisms for cooperation in emergency assistance, rehabilitation, and reconstruction

The project aims to build effective mechanisms for cooperation between Asian countries in disaster relief based on Japan’s experiences in linking government, company, and NPO efforts. In fiscal 2010, field studies were conducted in Asian countries such as Indonesia and the Philippines for gaining an understanding of disaster relief experiences and networks there and encouraging participation in the project.
Globalization and Disparity in the Development Project

- **Implementing Agency:** The Sasakawa Peace Foundation
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥38,179,804
- **Implementation Year:** Final year of 3-year project

Initiatives for eliminating disparities in progress toward globalization

The project aims to analyze disparities in globalization and their effects, study and address points of contention, and to come up with policy recommendations for eliminating disparities. In fiscal 2010, the first year of this project, basic research on the effects of globalization and other important matters and analysis of current conditions were commissioned to Dr. Motoshige Itoh, Professor at the University of Tokyo, Dr. Rajiv Kumar, Secretary General of the Federation of Indian Chambers of Commerce and Industry, and the International Futures Forum. In October 2010, Japanese and international experts in economics and social sciences attended review sessions and discussed the results of the basic research together with the themes and operations for the upcoming year.

The Global Demographic Change and Labor Migration in Asia

- **Implementing Agency:** The Sasakawa Peace Foundation, Institute for Human Diversity Japan (Japan)
- **Project Classification:** Self-Operated/Commissioned
- **Project Expenditure for Fiscal 2010:** ¥10,179,804
- **Implementation Year:** Final year of 3-year project

Tracking investigative research and policy recommendations concerning changes in demographic breakdowns and labor markets

The purpose of this project is conducting investigative research on host countries, migrant-sending countries and the current status of foreign workers in Japan and making policy recommendations. Subcommittees were established for conducting investigative research on three themes (Subcommittee 1: the labor market and changes in population composition; Subcommittee 2: aging and migrant labor policy; and Subcommittee 3: social integration policy). In the first fiscal year, studies were conducted on systems and conditions in Japan and other host countries, the status of foreign workers residing in Japan, and the histories and current issues identified with regions advanced in hiring foreign workers as well as migrant-sending countries. In the second year, investigative research continued based on analysis of the previous year’s findings. This year, each subcommittee organized its research findings and worked to create policy recommendations.

An international symposium entitled ‘Societies with Declining Populations and Migrant Policies—Learning from Europe’s successes and failures’ was held featuring Dr. Emmanuel Todd, an expert on France’s historical demographics; in addition, the research findings were analyzed.

Creation of an E-learning System to Support Foreign Nurses and Caregivers on EPA Preparing for License Exams in Japan

- **Implementing Agency:** The Association for Overseas Technical Scholarship (AOTS) (Japan)
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥10,100,000
- **Implementation Year:** 2nd year of 3-year project

Building an e-learning curriculum for Japanese language study and job training

The project aims to build an e-learning and training curriculum for candidates desiring posts as nurses or caregivers in Japan based on the Economic Partnership Agreement (EPA) between Japan, Indonesia, and the Philippines. In the first year, the curriculum was developed for the nursing field. In 2010, a revised edition was released, expanding the content of Japanese language study and specialized study in nursing fields, to prepare for the national exam. In 2011, three of the people who passed the national nursing exam had been studying under this curriculum. Success in this exam may be linked to the use of this curriculum that was developed under this project to teach problem-solving and Japanese language skills.

Promoting Cooperation towards the Challenge of an Aging Asian Society

- **Implementing Agency:** Asian Aging Business Center (Japan)
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥10,000,000
- **Implementation Year:** Final year of 3-year project

Creating a hub disseminating information on aging in Asian countries

The project’s goals are to review data gathered from multiple sources and promote and support the sharing of information between Asian countries to explore the possibilities for applying Japan’s experience in dealing with aging to Asia. In the first year, case studies on aging were compiled in Japanese, Korean, and Chinese. In fiscal 2009, working groups in South Korea and China conducted research and discussed applicability through local field studies. In fiscal 2010, the working groups deepened their studies. At an international conference held in October 2010, the Fukuoka ACAP (Active Aging Consortium Asia Pacific) 2010 Declaration was announced in which Fukuoka was designated the base for information on aging in East Asia.
Infrastructure Development for the Promotion of Intercultural Nursing/Care

- **Implementing Agency:** Kyoto University Graduate School of Letters (Department of Sociology (Japan))
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥5,900,000
- **Implementation Year:** 1st year of 2-year project

*Building infrastructure of shared knowledge about hiring foreign workers*

The purpose of this project is to create a guidebook on hiring foreign workers in the medical and social welfare fields. The project aims to support businesses that share experiences of hiring foreign workers through networking activities based on its efforts, multilingual versions of its guidebooks, and workshop sponsorships. In the first year, a committee was formed for fine-tuning the workings of the system, and a conference was convened of all stakeholders (hiring institutions, nurses, Japanese language teachers, foreign nursing and care worker candidates, and researchers) for reviewing all expertise and adjusting the written content of its guidebooks.

![Workshop involving various concerned people](image)


- **Implementing Agency:** The Sasakawa Peace Foundation, Stanford Japan Center Research (Japan), Columbia University School of International and Public Affairs (USA)
- **Project Classification:** Self-Operated/Commissioned
- **Project Expenditure for Fiscal 2010:** ¥39,820,347
- **Implementation Year:** Final year of 3-year project

*Fostering Dialogue among Opinion Leaders in Japan and the United States on Global Issues*

Based on the understanding that a closer relationship between Japan and the U.S. contributes to the stability of the international environment and the Asian region, this three-year project aimed to rediscover the usefulness of intellectual exchanges between Japan and the U.S. and to promote exchange programs between two countries.

**Japan visits by Senior and Mid-Career Opinion Leaders**

- **Mr. Andrew Sorkin**, Columnist and Assistant Editor of Business and Finance News, the New York Times
- **Dr. Michael O’Hanlon**, Fellow, East West Center
- **Dr. Masayuki Tadokoro**, Professor of International Relations, Keio University

**Panel 1:** “The Future of the Dollar-based Financial System, and the Post-Crisis role of the United States and Japan”

- **Dr. Kelsuke Ida**, Professor, the Graduate School for Law and Politics, the University of Tokyo
- **Mr. Koichi Horii**, Chairman and Representative Director, Dream Incubator, Inc.
- **Mr. Paul Blusten**, Non-resident fellow, the Brookings Institution

**Panel 2:** “The future of Global Governance and the U.S.-Japan relationship”

- **Dr. Yoshio Koji**, Professor of International Relations, Department of Advanced Social and International Relations, the University of Tokyo
- **Dr. Osamu Tanaka**, Special Researcher, the Japan-China Organization for Business, Academia & Government Partnership
- **Mr. Koichi Hori**, Chairman and Representative Director, Dream Incubator, Inc.

**Outreach seminars for Japan Matters for America/America Matters for Japan project**

- **Seminars in Tokyo, Yokohama, Nagoya, and Kyoto to share the results of the “Japan Matters for America/America Matters for Japan” project, an East-West Center project supported by the SPF (November 2010)**

Japan Matters for America / America Matters for Japan

- **Implementing Agency:** East-West Center (USA)
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥8,235,709
- **Implementation Year:** Final year of 2-year project

*Visually representing Japan-U.S. relations to promote mutual understanding and stronger relations*

The goal of this project is to promote mutual understanding and stronger relations between Japan and the U.S. by researching and analyzing the close involvement of the two countries and how they impact each other. In the project’s initial year, a counterpart group in Japan was formed to collect and analyze information, and through the joint efforts of Japan and the U.S., activities were conducted that centered on intensive data collection in areas such as economy, tourism and people-to-people exchanges. Information was collected at the state level in the U.S. and at the prefectural level in Japan. This year, the final year of the project, the data was analyzed and presentation tools were finalized. The website “Japan Matters for America/America Matters for Japan” was completed, along with a pamphlet that describes the mutual dependence of Japan and the U.S.

* http://www.japanmatterstforamerica.org/
Expansion of the Strategic Horizon for Japan’s National Security and the Future of Japan-U.S. Relations

- Implementing Agency: The Sasakawa Peace Foundation
- Project Classification: Self-Operated
- Project Expenditure for Fiscal 2010: ¥9,734,205
- Implementation Year: Final year of 2-year project

Proposals for shaping Japan’s national security policy for the next 15 to 20 years

This project was conducted over two years with the goal of strengthening the foundation for a new generation of Japan-U.S. intellectual dialogue. The project gave leading young researchers in Japan the opportunity to interact with U.S. experts while researching long-term international developments, U.S. foreign policy and other related areas.

In the initial year of the project, Japanese professionals and U.S. experts on U.S. grand strategy and geopolitics were invited as lecturers at research group meetings. Closed roundtable seminars were also held with specialists invited from across Japan. This year, an interim project report was written to discuss research findings with Japanese professionals and researchers. Many other meetings were also held to exchange opinions. Through these activities, project team has identified Japanese national security interests and the potential threats to those interests while speculating about future challenges in the global security environment and gained a new level of depth to their research. One of the major project deliverables was unique research results from young researchers regarding the shape that Japan’s national security policy should take. These activities have also helped form intellectual networks that will serve to strengthen future Japan-U.S. dialogue. In fiscal 2011, research findings will be compiled into a final report in both Japanese and English, which SPF intends to publish in print form and online.

Strengthening Japan-U.S. Initiatives for Common Policy Issues

- Implementing Agency: Woodrow Wilson International Center for Scholars (USA)
- Project Classification: Grant
- Project Expenditure for Fiscal 2010: ¥12,967,876
- Implementation Year: 2nd year of 3-year project

Offering research opportunities for promising scholars in a global context

SPF supports the activities of The Woodrow Wilson International Center for Scholars, a U.S. think tank, which has a post accepting Japanese research fellows that is aimed at fostering exchanges of human resources in two countries specializing on global policy issues. The Wilson center also sent panelists from the U.S. to the Japan-U.S. Joint Public Policy forum* co-hosted by SPF.

In the second year of the project, Dr. Kuniko Ashizawa, a senior lecturer at Oxford Brookes University, and Mr. Nobuo Fukuda, a staff writer for the Asahi Shimbun newspaper, served as the “Japan Scholar” for short stays at the Woodrow Wilson International Center, with an opportunity with broadening their research and conveying the results to the U.S. policy community.

* Japan-U.S. Joint Public Policy Forum was conducted as a part of a project, “Promoting Japan-U.S. Relations: An Opinion Leaders’ Dialogue.”

SPF Fellowship Program

- Implementing Agency: Pacific Forum CSIS (USA)
- Project Classification: Grant
- Project Expenditure for Fiscal 2010: ¥13,870,880
- Implementation Year: 1st year of 3-year project

Providing research and networking opportunities to young Japanese and American researchers

This project seeks to identify, support and foster young, promising researchers who will lead future Japan-U.S. exchange and promote policy dialogue. It offers resident and non-resident fellowships to young Japanese and American researchers to provide opportunities for networking and intensive research. In fiscal 2010, Mr. Eric Sayers (completed master’s degree program at Nanyang Technological University) and Dr. Masamichi Minehata (completed Ph.D. program at University of Bradford) were selected as resident fellows. Both served as “SPF fellows” for six months at the Pacific Forum CSIS, carrying out research and participating in international conferences and seminars held by the Pacific Forum CSIS.

The Japan-U.S. Exchange to Develop Policy Intellectuals

- Implementing Agency: The Asian Forum Japan (Japan)
- Project Classification: Grant
- Project Expenditure for Fiscal 2010: ¥6,468,007
- Implementation Year: Single-year project

Journalists from the United States were invited to help build a new framework exchange for between Japanese and U.S. intellectuals

To deepen and rebuild new Japan-U.S. relations for the future, U.S. journalists deemed influential in shaping U.S. public opinion were invited to Japan. The project aimed to nurture policy intellectuals in various fields and to enhance mutual exchanges beyond existing Japan experts in the U.S. and U.S. experts in Japan. Not only did journalists visiting Japan gain a deeper understanding of the country, but Japanese participants received valuable insights into U.S. journalists transmitted and disseminated information with their perspectives in their political environment.
SPF recognizes that Pacific island nations are important partners for Japan, and sponsors exchanges and human resource development. We are currently providing assistance for resource management for sustainable development, and the self-sustaining development of oceans and islands, focusing on the Micronesian region.

### Program Guidelines (2009–2013)

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### Exploratory Research on Models of a Micronesian Marine Protected Area

- **Implementing Agency:** The Sasakawa Peace Foundation
- **Project Classification:** Self-Operated
- **Project Expenditure for Fiscal 2010:** ¥4,322,596
- **Implementation Year:** 1st year of 2-year project

Towards establishing sustainable marine protection areas

The objective of this project is the establishment of sustainable models for marine protected areas in the Micronesian region. The models will be led by the concept of the Integrated Coastal Zone Management to cover watershed, mangrove, marine algae, lagoon, and coral reefs. In September 2010, the Micronesia Marine Environment Committee was established, and held its first meeting. In January 2011, an on-site survey was conducted in the Republic of Palau. It clarified the current status of, and issues of marine protection areas in Palau. Currently, the basic direction suggested by the Committee is to examine methods for sustainable use of marine resources by communities, instead of supporting Marine Protected Areas as No-take zones.
Support for strengthening maritime surveillance capacity in the Micronesian Region

The objective of this project is to convene an international committee of governmental and non-governmental organizations from the countries involved to discuss and formulate final support measures for strengthening maritime surveillance capacity in Micronesian Region, which will then be presented to the governments of the three nations of Micronesia; the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau (ROP). A second working-level GO/NGO joint meeting was held in Guam from June 2 to 3, 2010, at which a technical review was held for developing concrete support measures. In September 2010, a survey team was sent to FSM and ROP, where they conducted additional surveys as part of further developing those measures. In mid-October, Foundation staff were dispatched to the U.S. and Australia, where they made advance preparations for meetings to be held with relevant institutions in those countries. On November 11, 2010 in Koror, ROP, The Nippon Foundation and SPF co-hosted “The Third Meeting of Six Nations and Two Non-Governmental Organizations for Strengthening Maritime Surveillance Capacity in the Micronesia Region.” The meeting was attended by President Toribiong of the Republic of Palau, a delegation from the three nations of Micronesia, and representatives from the U.S. State Department, the Australian Department of Foreign Affairs and Trade, the Japan Coast Guard, the Japanese Ministry of Foreign Affairs, The Nippon Foundation, and SPF. A final agreement on support measures was adopted in the form of a Summary Record of Discussion. The framework for the measures includes establishment of a regional coordination center, grants of small vessels and the fuel and maintenance to operate them, building of boat ramps, grants of tractor-trailers and generators, as well as improvements to HF/VHF communications equipment and a feasibility study/environmental impact assessment for construction of a fuel tank. These items are to be phased in early April 2011. The six nations involved also agreed to meet regularly to confirm progress.

Outline of the support measures

- Provision of fuel for joint tactical exercises over a period of 10 years to support the joint exercises of the maritime security units of the three Micronesian nations
- Installation of an emergency power generator to overcome the present problem of frequent power failures
- Provision of small craft to facilitate search and rescue operations in the relevant Micronesian waters (extending 12 nautical miles out from shore and nearby islets)
- Designing new vessels to be built for the joint exercises of the maritime security units in the Micronesian region
- Establishment of a coordination center promoting integrated management of the maritime security units of the three nations
- Construction of a ramp to permit the effective maintenance of the small craft
- Installation of HF and VHF communication equipment to enhance collaboration among the maritime security units in the relevant Micronesian waters

Support measures for each country

- Republic of Palau
- Republic of the Marshall Islands
- Federated States of Micronesia
SPF promotes peace and mutual development between Japan and China, following the fundamental principle of “from friendship to cooperation.” This is the largest private fund for Japan-China relations.

**Guidelines (1995–)**

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| 1. Fostering Human Resources for 21st-Century Japan-China Relations | - Development of Materials to Teach the Japanese Language  
- Creating an Emergency Manual for Local Governments in Sichuan Prefecture  
- Healthy Community Construction Project  
- Training Program for Japanese Language Learners from Regional Universities |
| 2. Deepening Mutual Understanding in the 21st Century | - Program for Promoting Japan-China Exchange in the Field of Security—Phase II  
- Book Translation and Publication Project for Understanding Contemporary Japan  
- Facilitating Dialogue between Future Leaders  
- Chinese Young Journalist Interchange Program |
| 3. Activities to Promote Japan-China Relations in the 21st Century | - Forty Years of Japan-China Relations in Review (1972–2012) |
| 4. Activities to Advance the Fund’s International Role | - Expanding the Public Relations Activities of the Japan-China Friendship Fund |

**Development of Materials to Teach the Japanese Language**

- **Implementing Agency:** Beijing Center for Japanese Studies (China)
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥7,235,210
- **Implementation Year:** 3rd year of 4-year project

Promoting advanced Japanese language teaching methods and development of materials leading to a better understanding of Japan

This project works to develop comprehensive teaching materials for Japanese-language majors at the university level, providing funding for collaborative work between those involved in developing teaching materials in China and specialists in Japan. In fiscal 2010, the project funded the participation of Japanese specialists in collaborative editing conferences held in Beijing and Luoyang, as well as the cost of bringing Chinese textbook authors to Japan for a similar conference held in Tokyo. SJCF also provided support for Japanese instructors sent to China to observe use of the teaching materials in monitored lectures, in order to provide regular feedback to the authors on their effectiveness.

Some of the teaching materials developed to date
Japanese language students from regional Chinese universities participating in the training program

The study team visiting Japan

Participants in the East Asian Congress of Health Promotion

Japanese language students from regional Chinese universities participating in the training program

Creating an Emergency Manual for Local Governments in Sichuan Prefecture

Implementing Agency: The Sasakawa Peace Foundation, Japan-China-Asia Economic Strategy Forum (Japan), School of Public Administration of Renmin University of China (China)

Project Classification: Self-Operated/Commissioned/Grant

Project Expenditure for Fiscal 2010: ¥13,952,966*

* This amount includes ¥4,551,777 as the fiscal 2010 component of a grant for “Training Program for Creating an Emergency Manual for Local Governments in Sichuan Prefecture.”

Implementation Year: Final year of 2-year project

Contributing to regional disaster prevention and recovery by promoting preparation and use of an emergency manual

This project was implemented across two years in fiscal 2009 and 2010, and intended to share Japan’s extensive expertise in disaster prevention and reduction with officials in regions affected by the Sichuan Earthquake, and with disaster prevention workers nationwide. The results would then be shared across China and the rest of Asia. In fiscal 2009, with the cooperation of the School of Public Administration at Renmin University of China and the administration of Sichuan Province, a group of disaster recovery officials from regions affected by the Sichuan Earthquake were invited to Japan for training. In fiscal 2010, specialists from Japan and China cooperated in the development of a training program, and together with experts in disaster prevention from both countries, provided instruction. The subsidized project utilized materials accumulated in the course of the seminars to set up a disaster prevention information website, the China and Japan Disaster Info and Action International Network (http://www.asiabosai.net), which was then used to disseminate the results of the project.

Healthy Community Construction Project

Implementing Agency: Kumamoto University (Japan)

Project Classification: Grant

Project Expenditure for Fiscal 2010: ¥4,344,422

Implementation Year: 2nd year of 3-year project

Helping support healthy lifestyles in rural areas

Based on a collaborative Japan-China concept, this project works to train health promotion volunteers in farming communities in Guilin City, the Guangxi Zhuang Autonomous Region. In the current fiscal year, the project worked with doctors to conduct baseline surveys, hold volunteer training seminars, and to interact with local farmers. Seminars were used to provide instruction in improving diets among farming families and in health and hygiene. Lectures were also held on forming volunteer groups. Volunteer groups from Guilin who had received training from specialists were also sent to attend the East Asian Congress of Health Promotion held in Shanghai in November, 2010, as part of efforts to support participation in such exchange activities.

Training Program for Japanese Language Learners from Regional Universities

Implementing Agency: China Education Association for International Exchange (China)

Project Classification: Grant

Project Expenditure for Fiscal 2010: ¥16,639,139

Implementation Year: 2nd year of 5-year project

Supporting the development of human resources for the future by providing equal access to Japanese language education

The goal of this project is to select successful Japanese language students at regional universities, who may have few opportunities for interaction with Japan, and provide them with the chance to study in Japan. The objective is to encourage students who are studying Japanese at regional universities, giving them motivation to acquire Japanese language and contribute to the development of human resources who can support cooperation between Japan and China in the future. In fiscal 2010, the China Education Association for International Exchange, the implementing agency, selected 21 participants from eight universities in the Xinjiang Uighur Autonomous Region, the Inner Mongolia Autonomous Region, the Ningxia Hui Autonomous Region, and Qinghai, Guizhou, Yunnan, and Sichuan provinces, along with a teacher to lead the group. The students subsequently received training for about one month at the Waseda University Center for International Education.
### Program for Promoting Japan-China Exchange in the Field of Security—Phase II

- **Implementing Agency:** The Sasakawa Peace Foundation, China Institute for International Strategic Studies (China)
- **Project Classification:** Self-Operated/Commissioned
- **Project Expenditure for Fiscal 2010:** ¥18,419,552
- **Implementation Year:** Final year of 5-year project

Building a better partnership by promoting Japan-China exchange in the field of security

For the past 10 years, this project has aimed to build trust in the field of Japan-China security by providing opportunities for uniformed field officers from Japan and China to visit each other’s countries, and to enhance mutual dialogue, under the cooperation of the defense departments of both countries. To date, 116 Japanese Self-Defense Force (SDF) field officers have visited China under the project, while 187 Chinese People’s Liberation Army (PLA) officers have visited Japan. In fiscal 2010, the final year of Phase II of the project, 14 SDF field officers visited China as part of the 10th such group, which numbered 30 people in total, including 4 people from past groups, advisors, and staff related to the project.

![Chinese PLA officers visiting Japan.](image)

### Book Translation and Publication Project for Understanding Contemporary Japan

- **Implementing Agency:** The Sasakawa Peace Foundation, Editorial Committee for the Books for Understanding Contemporary Japan Project (China)
- **Project Classification:** Self-Operated/Commissioned
- **Project Expenditure for Fiscal 2010:** ¥16,118,420
- **Implementation Year:** 2nd year of 5-year project

Resolving the current shortage in China of information about contemporary Japan

This project aims to provide information contributing to a better understanding of Japan among the Chinese people, by identifying books introducing contemporary Japan, carefully selected by specialists in Japan and China, for translation and publication in Chinese. In fiscal 2010, the Screening Committee, established the previous year, consisting of 10 specialists from Japan and China, continued working to draw up a recommended reading list, while a new framework for recommendations was set up by Chinese publishers and began making selections. A total of 10 volumes were translated and published in China in fiscal 2010, including *Time and Space in Japanese Culture* and *The History of the Tea Ceremony*.

![Some of the books translated and published under this project](image)

### Facilitating Dialogue between Future Leaders

- **Implementing Agency:** The Sasakawa Peace Foundation, China Association for International Friendly Contact (China)
- **Project Classification:** Self-Operated/Commissioned
- **Project Expenditure for Fiscal 2010:** ¥7,475,946
- **Implementation Year:** 2nd year of 5-year project

Building an even stronger relationship between Japan and China

To address issues arising from the increasingly interdependent relationship between Japan and China in sectors such as the economy, agriculture, finance, security, banking, the environment, and food safety, this project is designed to support a multifaceted, multilayered exchange and dialogue at both the official and private-sector level. In fiscal 2010, project themes focused on finance and banking. A Chinese delegation consisting of mid-tier working-level representatives were invited to Japan, including representatives from the Capital Account Management Department of the State Administration of Foreign Exchange, the Institute of International Economy of the National Development and Reform Commission, the Ministry of Finance, the People’s Bank of China, the Securities Supervisory Commission, and others involved in international finance. In Japan, exchanges were conducted with their Japanese counterparts and other specialists.

![International symposium in progress](image)
Using Chinese media to promote understanding of Japan

This project encourages a deeper understanding of Japan, and the building of a life-size portrait of Japan for the Chinese people. In the three years since fiscal 2008, 37 young Chinese journalists have been invited to Japan to participate in training designed to promote a better understanding of Japan. In the first year, 11 individuals visited Tokyo, Hiroshima, Kyoto, Kobe, and Osaka, with a focus on the theme of Japanese culture. The second year saw a group of 14 individuals visit Tokyo and Hokkaido to learn about the politics and the economy in Japan. In fiscal 2010, the final year of the project, 12 participants were invited, and traveled to Tokyo, Okinawa, and Hiroshima.

Forty Years of Japan-China Relations in Review (1972–2012)

Presenting a general portrait of 40 years of Japan-China relations to the peoples of Japan and China

For this project, experts in Japan are summarizing Japan-China relations in the 40 years between 1972 and 2012, with the goal of presenting a general portrait of Japan-China relations up to the present to the peoples of both countries. In fiscal 2010, editing work was begun on the project, tentatively titled Forty Years of Japan-China Relations in Review (1972–2012). Specifically, authors were selected, a chapter structure for the publication finalized, and a general outline developed for the content to be incorporated. A total of 60 authors were selected for the project, including 16 for the section on politics, 33 in economics, and 11 for the section on culture and society.

Expanding the Public Relations Activities of the Japan-China Friendship Fund

Sharing activities of the Fund in Chinese using the internet

This project aims for ongoing use of the Internet to introduce current SJCFF projects and to follow up on projects that have been completed to date. The purpose of this project is to enhance sharing of information about the activities of the Fund throughout China. The website was built in fiscal 2009, and it has been posting information in Chinese on fiscal 2010 projects and their results. New content was also created introducing China-related projects conducted by The Nippon Foundation and affiliates.
SPF conducts activities in such areas as personnel exchange, human resource development and policy research, focusing on Southeast Asia and South Asia. The objective of the Fund is “development and regional cooperation.”


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- Enhancing Indo-Japan Relations: Visit to Japan by Indian Parliamentarians—Phase II
- Exchange Program for Young Asian Parliamentarians
- Asian Renaissance: Capacity Building for Future Leaders in Southeast Asia
- Training for Civil Servants in Myanmar
- Capacity Building for Young Researchers in Myanmar’s Industrial Field
- New Capacity Building for Cambodian Public Officials
- New Strengthening Economic Survey Capacity in Lao PDR
- New Strengthening Civil Society and Democratic Institutions for Peace and Stability
- New Strengthening the Intellectual Foundations for Contemporary Japanese Studies in India—Phase II

Enhancing Indo-Japan Relations: Visit to Japan by Indian Parliamentarians—Phase II

- Implementing Agency: Confederation of Indian Industry (CII) (India)
- Project Classification: Grant
- Project Expenditure for Fiscal 2010: ¥3,372,956
- Implementation Year: 2nd year of 3-year project

Promoting Japan-India friendship through exchanges with young members of Indian Parliament

Young multiparty members of Indian parliament are invited to Japan every year to create opportunities for greater multilateral exchange and to promote mutual cooperation between Japan and India. Including the first phase of the project, a total of 32 Indian Members of Parliament (MPs) have visited Japan so far. This year, a four-member parliamentary delegation from India visited Japan. In Tokyo, the delegation met with members of the ruling and opposition parties, and for the first time visited the offices of the Tokyo Metropolitan Government and the Japan-India Business Co-operation Committee’s Standing Committee at the Japan Chamber of Commerce and Industry. Discussions were held on urban disaster preparedness, the environment, and issues associated with smaller Japanese businesses entering Indian markets.
### Exchange Program for Young Asian Parliamentarians

*Implementing Agency:* The Sasakawa Peace Foundation, Mongolian Development Research Center (Mongolia), Cambodia International Education Support Foundation (CIESF) (Japan)

*Project Classification:* Self-Operated/Commissioned

*Project Expenditure for Fiscal 2010:* ¥10,652,071

*Implementation Year:* 2nd year of 5-year project

- **International exchange between lawmakers in line with needs of Asian countries**

This project invites multiparty delegations of young members of parliament (MPs) from countries in Asia to meet with leading figures in Japanese politics as well as business. Study trips are also offered on a variety of topics in line with the specific needs of the countries involved. Delegations from Cambodia and Mongolia were invited again this year. Six MPs from Cambodia visited Japan for the week of August 23, 2010. The delegation met with ruling and opposition party members and attended a presentation on Japanese agricultural technologies and agricultural cooperatives conducted by the Ministry of Agriculture, Forestry and Fisheries and Central Union of Agricultural Cooperatives (JA-Zenchu). The MPs then took a trip to Tochigi Prefecture to learn about organic farming methods and other agricultural technologies and distribution systems at the Faculty of Agriculture at Utsunomiya University, the Rural Leaders Training Center (Asian Rural Institute) and other institutions. From Mongolia five MPs visited Japan for the week of February 14, 2011. The trip focused on energy and the environment, resource development, and manufacturing. The delegation made a courtesy visit to the prime minister, and met with members of the ruling and opposition parties. A joint three-party seminar was held with the Ministry of Economy, Trade and Industry and legislators from both countries. In Tokyo’s Ota City, the MPs visited the Ota City Industrial Promotion Organization as well as small and medium-sized companies in the area, and exchanged opinions with young owners of small business.

### Asian Renaissance: Capacity Building for Future Leaders in Southeast Asia

*Implementing Agency:* Institute for Policy Research (Malaysia)

*Project Classification:* Grant

*Project Expenditure for Fiscal 2010:* ¥9,916,192

*Implementation Year:* Final year of 5-year project

- **Support for fostering the next generation of ASEAN leaders**

The goal of this project is to help foster the next generation of ASEAN leaders by providing opportunities to learn foundational skills to promising young leaders in ASEAN countries where parliamentary government is taking hold. Government leaders and prominent figures in ASEAN countries provide invaluable assistance.

### Training for Civil Servants in Myanmar

*Implementing Agency:* The Sasakawa Peace Foundation, Civil Service Selection and Training Board (CSSTB) (Myanmar)

*Project Classification:* Self-Operated/Commissioned

*Project Expenditure for Fiscal 2010:* ¥13,360,838

*Implementation Year:* 2nd year of 3-year project

- **Supporting skill development by civil servants in Myanmar**

This project seeks to strengthen the abilities of mid-level and upper-level civil servants in Myanmar by conducting workshops with Japanese specialists, overseas study tours and other initiatives. The related administration work was contracted to the Civil Service Selection and Training Board of Myanmar (CSSTB). Overseas study tour on personnel systems was conducted from January to February 2011, and sent 15 mid-level civil servants from Myanmar to India. In addition, two CSSTB members participated in the 15th ASEAN Conference on Civil Service Matters and reported on the current state of government reforms in Myanmar.

### Capacity Building for Young Researchers in Myanmar’s Industrial Field

*Implementing Agency:* Myanmar Economic & Management Institute (Japan)

*Project Classification:* Grant

*Project Expenditure for Fiscal 2010:* ¥13,468,068

*Implementation Year:* 2nd year of 3-year project

- **Helping young economics researchers hone their abilities**

Continuing on from last year, this year six researchers were divided up into three groups (macroeconomic analysis, primary industry and service industry, and manufacturing industry), and they conducted research on various subjects.
Helping Cambodian civil servants further develop public administration capabilities

This project provides mid-level civil servants in the Cambodian government opportunities for training in practical techniques related to public administration. This year, specialists from Japan and Singapore ran three workshops in Phnom Penh on project cycle management (PCM) techniques and other topics. A total of 87 civil servants at the level of department or section manager in related government agencies took part. In addition, in collaboration with CAR, various issues related to public administration were identified and compiled into a collection of case studies.

### Strengthening Economic Survey Capacity in Lao PDR

- **Implementing Agency:** The National Economic Research Institute (NERI) (Laos)
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥5,676,405
- **Implementation Year:** 1st year of 3-year project

Supporting economic development efforts in Laos

This project administers quarterly economic surveys, develops economic indicators and conducts study tours to Japan and other countries in an effort to improve the capabilities of people involved in running the economy in Laos. This year, a survey of trade and employment trends was conducted. In addition, with the help of Japanese specialists, basic research was conducted on developing economic forecasting tools. As a result of these efforts, the basic form of a forecasting model was created, and preparations were made toward trial implementation beginning next year. Training in Japan involved learning about Japan’s economic forecasting systems at the Cabinet Office’s Economic and Social Research Institute, the Ministry of Internal Affairs and Communications’ Statistic Bureau, the University of Tokyo, the Japan Center for Economic Research and other institutions.

### Strengthening Civil Society and Democratic Institutions for Peace and Stability

- **Implementing Agency:** Sewalanka Foundation (Sri Lanka)
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥10,037,817
- **Implementation Year:** 1st year of 3-year project

Building trust through religious leaders in post-conflict Sri Lanka

This project seeks to help build a lasting peace in northeastern Sri Lanka, which has been embroiled in a protracted civil war, with the help of the religious leaders, who have considerable social influence in the country. This year, the project newly identified 100 senior religious leaders engaged in social contribution activities in northeastern Sri Lanka, selected 24 promising young religious leaders, and conducted an orientation to provide opportunities for interfaith exchange. In addition, community programs were publicly solicited, and 10 were chosen and put into practice that were designed to help rebuild bridges between local ethnic and religious groups that had been severed by civil war.

### Strengthening the Intellectual Foundations for Contemporary Japanese Studies in India—Phase II

- **Implementing Agency:** Indian Council for Research on International Economic Relations (ICRIER) (India)
- **Project Classification:** Grant
- **Project Expenditure for Fiscal 2010:** ¥2,858,080
- **Implementation Year:** 1st of 3-year project

Promoting greater cooperation between Japan and India

This project seeks to promote understanding of contemporary Japan in India and deepen mutual comprehension between India and Japan through the Indian Council for Research on International Economic Relations (ICRIER), the grant recipient. This year, a roundtable meeting and public seminar were held. The roundtable was held in November 2010 in New Delhi and focused on Japan-India relations following the Prime Minister of India, Dr. Manmohan Shingh’s visit to Japan. The public seminar held in February 2011 in Mumbai was the first of its kind and was organized around the topic, “Japanese Firms in the Indian Financial Sector: Trends and Prospects.”
The Sasakawa Middle East Islam Fund

This fund was established in April 2009 to develop ties between Japan and Middle East countries for a new era. Its objective is to broaden and deepen mutual understanding between Japan and Middle East countries in a range of fields, including politics, economics, society and culture.

### Guidelines (2009–)

<table>
<thead>
<tr>
<th>Program Policy</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Disseminating Information from Japan</td>
<td>• Capacity Building for Mutual Understanding between the Middle East and Japan</td>
</tr>
<tr>
<td>2. People Exchanges</td>
<td>• New Human Resources Exchange between the Middle East and Japan</td>
</tr>
<tr>
<td>3. Maritime safety guarantee research</td>
<td>• New Middle East Maritime Security Study</td>
</tr>
</tbody>
</table>

#### Middle East Maritime Security Study

- **Implementing Agency:** The Sasakawa Peace Foundation, Research Institute for Peace and Security (Japan), JIME Center, The Institute of Energy Economics, Japan (Japan)
- **Project Classification:** Self-Operated/Commissioned
- **Project Expenditure for Fiscal 2010:** ¥27,469,271
- **Implementation Year:** 1st year of 3-year project

Maritime security in the Persian Gulf and off the coast of Somalia, and Japan’s role

Under this project, research was conducted in Japan regarding maritime security in the Persian Gulf and off the coast of Somalia, an important issue for international stability. The goal of the project is to share those findings at an international symposium on maritime security bringing together experts from Japan and Middle Eastern countries. In fiscal 2010, as regards ensuring security in the Persian Gulf, a research meeting was held in Tokyo for specialists and practitioners working in the maritime security field. Meanwhile, in Abu Dhabi an international symposium titled “Japan’s Role in the Gulf Region” was held, attended by security specialists from Japan, the U.S., Europe, and the Gulf region. In Tokyo, the first workshop concerning efforts to ensure maritime security of the coast of Somalia was held.
Capacity Building for Mutual Understanding between the Middle East and Japan

- Implementing Agency: The Sasakawa Peace Foundation
- Project Classification: Self-Operated/Commissioned
- Project Expenditure for Fiscal 2010: ¥52,839,410
- Implementation Year: 2nd year of 3-year project

Contributing to building a deeper relationship of trust with Middle Eastern Islamic countries.

This project is designed to deepen understanding between the Middle East and Japan through seminars for diplomats from Middle Eastern Islamic countries in Japan, seminars by Middle East specialists on the state of affairs in the Middle East, and an Arabic language website, Alypad net, featuring information on Japan. In fiscal 2010, two seminars were held for diplomats from Middle Eastern Islamic countries resident in Japan, at which members of both Japan’s ruling and opposition parties in the Diet lectured on their respective Middle East and economic policies. Symposia covering circumstances in Egypt and Turkey also helped further the understanding of Japanese specialists and journalists with an interest in the Middle East. In addition, a seminar providing information on Japan was held in Tehran, co-hosted by the Institute for Political and International Studies (IPIS) under the title, “Working for Mutual Understanding Between Iran and Japan.”

Human Resources Exchange between the Middle East and Japan

- Implementing Agency: The Sasakawa Peace Foundation, Ritsumeikan Asia Pacific University (Japan), Japan Middle East Student Conference (Japan), The Friendship Association between Japan and Turkey (Japan)
- Project Classification: Self-Operated/Commissioned
- Project Expenditure for Fiscal 2010: ¥10,482,669
- Implementation Year: 1st year of 3-year project

Support for efforts to promote mutual understanding between Japan and the Middle East

This project places strategic importance on the countries of Iran, Turkey, and the Gulf states, with the objective of inviting influential, mid-career politicians, officials, journalists, and representatives of NGOs to Japan to interact with Japanese specialists in a variety of fields. As regards invitations to the young generation, in August 2010, the Fund covered the cost of domestic travel for a group of visitors from Turkey and their Japanese counterparts, totaling 22 people, in support of a project marking the 120th anniversary of friendly relations between Japan and Turkey. In November 2010, Ritsumeikian Asia Pacific University was commissioned to invite six high school science majors and three teachers from the United Arab Emirates (UAE) to visit Japan. Also, students from the Middle East, two from Syria and two from Jordan, were invited to Japan. These students were selected from a pool of university and graduate school students after interviews given by the Japanese students who had visited the respective countries.

Seminars for Diplomats from Middle Eastern Islamic Countries Resident in Japan (Closed session)
May 10, 2010
Mr. Yoshinori Suematsu, Member of the House of Representatives
Mr. Yasuichi Ishikura, Member of the House of Representatives
October 20, 2010
Mr. In Matsubara, Member of the House of Representatives
Mr. Taro Kono, Member of the House of Representatives

Seminars with Specialists on the Middle Eastern Situation

- May 31, 2010
  Luncheon and lecture on Iranian diplomacy and Iran-Japan relations
  (Closed session)
  H.E. Mr. Masumeh مشاهل, former Minister of the Islamic Republic of Iran
- June 15, 2010
  The Present Situation of Influential Media in the Middle East and their impact
  Mr. Mohamed Shokeir, Programme Editor of Al-Jazeera English TV
  Mr. Kamal Gaballa, Managing Editor of Egyptian newspaper Al-Ahram,
- December 2, 2010
  The Political Situation in Egypt
  Ambassador Dr. Mohamed Helmy Shaker, Chairman of the Egyptian Council for Foreign Affairs and former Ambassador of the Arab Republic of Egypt to the United Kingdom
  Ambassador Mr. Wahbi El Minawiy, Member of the Council’s Board of Directors and former Ambassador to Japan
- January 20, 2011
  Current Situation of Iraq
  H.E. Mr. Lukman Faily, Iraqi Ambassador to Japan
  Commentator Mr. Motsho Oono, Member of the House of Councillors
  (The Democratic Party of Japan) and Visiting Fellow of the Middle East Research Institute of Japan
- January 26, 2011
  New Dynamics of Turkish Foreign Policy
  Dr. Ibrahim Kalin, Chief Advisor to the Prime Minister of Turkey
  Panelists Mr. Phat Kim Beng, Director of Research and Strategy, Foreign Policy Study Group
  Mr. Yaszh Haazma, Director, Middle Eastern Studies Group, Area Studies Center, Institute of Developing Economies
- February 21, 2011
  Drastic Change in Middle East: Validating Civil Uprising in Tunisia and Egypt
  H.E. Dr. Noureddine Hached, former Tunisian Ambassador to Japan
  Yoshiki Sasaki, Advisor to SMEIF/SFP

Seminars for the Dissemination of Information from Japan
September 19–20, 2010
Working for Mutual Understanding between Iran and Japan
Experts from Japan and Iran engaged in a multidisciplinary exchange of opinions on the future shape of Japan-Iran relations, from both political and economic perspective.
Tehran, Iran
Co-hosted with the Institute for Political and International Studies (IPIS) (Iran)

Invitations To Date
Invitation of mid-career group/lecture
February 11, 2011
Secularism in Turkey: Prime Minister Erdoğan’s Political Prospects
Professor Dr. Talip Kucukcan, SETA Director/Senior Researcher
Mr. Tahs Oztun, SETA/Director, General Coordinator

Invitation of Young People
August 18–20, 2010
Exchange Between Japanese and Turkish Youth: The Friendship Association between Japan and Turkey (NPO)
Support for 22 interaction participants from Turkey and the town of Kushimoto in Wakayama Prefecture.
November 1–14, 2010
Invitations from UAE-Ritsumeikan Asia Pacific University (APU)
Six students, three instructors invited from the Abu Dhabi and Al Ain campuses of the Institute of Applied Technology (IAT) in the UAE.
November 20–December 1, 2010
Invitation of students from the Middle East: Japan Middle East Student Conference
A total of four students invited, two each from Syria and Jordan.
Economic and Financial Environment

The global economy in fiscal 2010 continued to be marked by polarization, with sluggish growth in developed countries, and robust growth in emerging economies.

In the United States, as pointed out by Mr. Ben Bernanke, Chairman of the Federal Reserve Board (FRB), employment recovery has been “frustratingly slow,” and the fear of a future slowdown of the economy has not been eliminated. In response, the FRB conducted a second round of quantitative easing (QE2) in November 2010. As part of this program, the FRB decided to purchase $600 billion worth of U.S. treasury bonds by June 2011. Also, the redemption proceeds of residential mortgage-backed securities (RMBS) possessed by FRB were to be allocated for investing in treasury bonds notwithstanding, due to an anticipation of QE2, bond prices rose (yields declined) prior to the policy implementation. Thus, after the implementation of QE2, treasury prices did not really move as expected. Instead, the prices of other types of assets, including equities, appreciated and then eventually eased off in the face of a fear of an immediate slowdown.

Moreover, the liquidity supplied by the FRB through this purchasing of treasury bonds did not give rise to an economic stimulus, because although the added liquidity resulted in an increase in banks’ deposits with the federal reserve banks, it failed to increase the banks’ lending. Namely, QE2 contributed to an increase in “high powered” money, but failed to increase the money supply in the ongoing deleveraging process. At the same time, there was an increase in the criticism that QE2 hastened inflation in emerging countries and drove up prices in international commodity markets, in tandem with the depreciation of the U.S. Dollar. In fact, there was a marked rise in the inflation rate in emerging economies during fiscal 2010, and these countries took steps to tighten their monetary policies during the second half of the fiscal year.

In Europe, the sovereign risks with regard to Greece and other Southern European countries intensified during the previous fiscal year, causing tensions in the financing and capital markets. An extensive framework in the form of the European Financial Stability Facility (EFSF) was established through efforts by the IMF and EU countries, but without a fundamental solution to the problem of the fiscal balances of the debtor nations, market tensions are expected to intensify each time there is a debt redemption. Also, the impact on Japan cannot be dismissed lightly, as the heightened sovereign risk has been giving rise to a depreciation of the euro versus the Japanese yen.

Under these global economic circumstances, the Japanese economy modestly recovered during fiscal 2010, supported by gentle growth in exports and economic stimulus measures. However, the stalling of economies in the U.S. and Europe, and the tightening of monetary policy in emerging nations, resulted in a softening of exports from fall 2010. At the same time, consumer spending underwent a drop in reaction to the extra demand that had been generated by government subsidies for fuel-efficient cars, which ended in September 2010. Thus, the recovery slowed to a lull in the fourth quarter. Nonetheless, the economy showed a sign of feeble recovery after the beginning of the new year in 2011 thanks to government measures to counter the rising yen and inflation, as well as the Bank of Japan’s comprehensive policy that was implemented on October 5. However, the Great East Japan Earthquake that occurred on March 11, 2011 caused tremendous damage to the nation’s production facilities, including Japan’s power generating capacity, as well as to household assets. Exports and production dropped sharply at the fiscal year-end. Looking to the next fiscal year, recovery in demand and the restoration of the supply chain are expected to provide a sharp recovery in production and exports in the second half of fiscal 2011.

Financial Statements


Effective from fiscal 2010, SPF adopted the accounting standards for public interest corporations (2008 standards), and applied accounting procedures compliant with the new procedures in preparation for its application for certification as a public interest corporation.
# Statement of Income and Expenses (For Year Ended March 31, 2011)

**Unit:** ¥1,000

## I. Operating activities

### 1. Income:
- **From endowment**
  - FY2006: 1,273,202
  - FY2007: 1,038,444
  - FY2008: 983,658
  - FY2009: 982,864
  - FY2010: 963,601
- **From special funds**
  - FY2006: 805,224
  - FY2007: 874,194
  - FY2008: 694,652
  - FY2009: 647,125
  - FY2010: 588,637
- **Other income**
  - FY2006: 289,878
  - FY2007: 114,496
  - FY2008: 90,026
  - FY2009: 107,580
  - FY2010: 40,117
- **Contributions/grants**
  - FY2006: 0
  - FY2007: 0
  - FY2008: 600,000
  - FY2009: 0
  - FY2010: 0

**Total income from operating activities**
- FY2006: 2,368,304
- FY2007: 2,027,134
- FY2008: 2,368,336
- FY2009: 1,737,569
- FY2010: 1,592,355

### 2. Expenses:
- **Program**
  - FY2006: 1,051,058
  - FY2007: 1,132,529
  - FY2008: 906,144
  - FY2009: 890,695
  - FY2010: 1,210,693
- **General and administrative**
  - FY2006: 322,499
  - FY2007: 302,319
  - FY2008: 365,331
  - FY2009: 306,119
  - FY2010: 155,774
- **Losses from foreign currency transactions**
  - FY2006: 0
  - FY2007: 62,551
  - FY2008: 10,560
  - FY2009: 29,588
  - FY2010: 0

**Net income from operating activities**
- FY2006: 994,747
- FY2007: 529,735
- FY2008: 1,086,301
- FY2009: 511,167
- FY2010: 225,888

## II. Investing activities

### 1. Income:
- **Proceeds from sales of investments**
  - FY2006: 5,803
  - FY2007: 3,172
  - FY2008: 50,079
  - FY2009: 49,456
  - FY2010: 149,252

**Total income from investing activities**
- FY2006: 5,803
- FY2007: 3,172
- FY2008: 50,079
- FY2009: 49,456
- FY2010: 149,252

### 2. Expenses:
- **Purchase of investments**
  - FY2006: 641,258
  - FY2007: 363,435
  - FY2008: 785,080
  - FY2009: 1,114,873
  - FY2010: 634,885
- **Purchase of property**
  - FY2006: 31,908
  - FY2007: 525
  - FY2008: 3,436
  - FY2009: 4,356
  - FY2010: 4,226

**Total expenses from investing activities**
- FY2006: 673,166
- FY2007: 363,960
- FY2008: 788,516
- FY2009: 1,119,229
- FY2010: 639,111

**Net income from investing activities**
- FY2006: (667,363)
- FY2007: (360,788)
- FY2008: (738,437)
- FY2009: (1,069,773)
- FY2010: (489,859)

## III. Financing activities

### 1. Income:
- **Total income from financing activities**
  - FY2006: 0
  - FY2007: 0
  - FY2008: 0
  - FY2009: 0
  - FY2010: 0

### 2. Expenses:
- **Total expenses from financing activities**
  - FY2006: 0
  - FY2007: 0
  - FY2008: 0
  - FY2009: 0
  - FY2010: 0

**Net income**
- FY2006: 0
- FY2007: 0
- FY2008: 0
- FY2009: 0
- FY2010: 0

**Net income, beginning of year**
- FY2006: 1,059,173
- FY2007: 1,386,557
- FY2008: 1,555,504
- FY2009: 1,903,368
- FY2010: 1,344,762

**Net income, end of year**
- FY2006: 1,386,557
- FY2007: 1,555,504
- FY2008: 1,903,368
- FY2009: 1,344,762
- FY2010: 1,080,791

*Note: The former accounting standards for public interest corporations (fiscal 2004 standards) were applied between fiscal 2007 and fiscal 2009. The new accounting standards for public interest corporations (fiscal 2008 standards) have been applied from fiscal 2010.*

## Changes in Assets

**Unit:** ¥1,000

![Graph showing changes in assets from FY2006 to FY2010]
### Statement of Changes in Net Assets (For Year Ended March 31, 2011) Unit: ¥1,000

<table>
<thead>
<tr>
<th></th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Net assets—unrestricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Recurring revenue and expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Recurring revenues</td>
<td>2,291,236</td>
<td>1,794,177</td>
<td>2,547,700</td>
<td>1,731,763</td>
<td></td>
</tr>
<tr>
<td>(2) Recurring expenses</td>
<td>2,273,212</td>
<td>1,939,115</td>
<td>1,290,900</td>
<td>1,381,212</td>
<td></td>
</tr>
<tr>
<td>Net assets from recurring activities before valuation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>350,551</td>
</tr>
<tr>
<td>Valuation gain (loss) of endowment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(37,003)</td>
</tr>
<tr>
<td>Net assets from recurring activities</td>
<td></td>
<td>18,024</td>
<td>(144,938)</td>
<td>1,256,800</td>
<td>313,548</td>
</tr>
<tr>
<td>2. Non-recurring revenues and expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Non-recurring revenues</td>
<td>665,448</td>
<td>65,725</td>
<td>9,332</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(2) Non-recurring expenses</td>
<td>23,408</td>
<td>745,748</td>
<td>11,878</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>Net assets from non-recurring activities</td>
<td></td>
<td>642,040</td>
<td>(680,023)</td>
<td>(2,546)</td>
<td>(64)</td>
</tr>
<tr>
<td>Change in net assets—unrestricted</td>
<td></td>
<td>660,064</td>
<td>(824,961)</td>
<td>1,254,254</td>
<td>313,484</td>
</tr>
<tr>
<td>Net assets—unrestricted, beginning of year</td>
<td>53,348,265</td>
<td>54,008,329</td>
<td>53,183,368</td>
<td>4,319,992</td>
<td></td>
</tr>
<tr>
<td>Net assets—unrestricted, end of year</td>
<td>54,008,329</td>
<td>53,183,368</td>
<td>54,437,622</td>
<td>4,633,476</td>
<td></td>
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<tr>
<td>II. Net assets—temporarily restricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets—temporarily restricted</td>
<td></td>
<td>(1,772,969)</td>
<td>(64,835)</td>
<td>(232,948)</td>
<td>(1,558,184)</td>
</tr>
<tr>
<td>Net assets—temporarily restricted, beginning of year</td>
<td>29,500,000</td>
<td>27,727,031</td>
<td>27,662,196</td>
<td>77,546,877</td>
<td></td>
</tr>
<tr>
<td>Net assets—temporarily restricted, end of year</td>
<td>27,727,031</td>
<td>27,662,196</td>
<td>27,429,248</td>
<td>75,988,693</td>
<td></td>
</tr>
<tr>
<td>III. Total net assets, end of year</td>
<td></td>
<td>81,735,360</td>
<td>80,845,564</td>
<td>81,866,870</td>
<td>80,622,169</td>
</tr>
</tbody>
</table>

Note: The former accounting standards for public interest corporations (fiscal 2004 standards) were applied between fiscal 2007 and fiscal 2009. The new accounting standards for public interest corporations (fiscal 2008 standards) have been applied from fiscal 2010. Statement of Changes in Net Assets (Income Statements) prepared prior to fiscal 2007 have not been disclosed due to differences in former accounting standards.

### Statement of Financial Position Unit: ¥1,000

<table>
<thead>
<tr>
<th></th>
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<th>FY2007</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>596,594</td>
<td>573,201</td>
<td>435,873</td>
<td>530,139</td>
<td>409,828</td>
</tr>
<tr>
<td>Investments</td>
<td>853,590</td>
<td>1,071,038</td>
<td>1,555,092</td>
<td>925,080</td>
<td>750,590</td>
</tr>
<tr>
<td>Other current assets</td>
<td>67,299</td>
<td>337,720</td>
<td>383,605</td>
<td>328,309</td>
<td>343,884</td>
</tr>
<tr>
<td>Total current assets</td>
<td>1,517,483</td>
<td>1,981,959</td>
<td>2,374,570</td>
<td>1,783,528</td>
<td>1,504,302</td>
</tr>
<tr>
<td>2. Fixed assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment</td>
<td>50,000,000</td>
<td>49,978,805</td>
<td>49,513,075</td>
<td>50,171,117</td>
<td>50,298,843</td>
</tr>
<tr>
<td>Special funds</td>
<td>29,500,000</td>
<td>27,727,031</td>
<td>27,064,734</td>
<td>26,880,872</td>
<td>26,678,906</td>
</tr>
<tr>
<td>Other fixed assets</td>
<td>2,072,251</td>
<td>2,343,961</td>
<td>2,144,334</td>
<td>3,303,663</td>
<td>2,391,528</td>
</tr>
<tr>
<td>Total fixed assets</td>
<td>81,572,251</td>
<td>80,049,797</td>
<td>78,722,143</td>
<td>80,355,652</td>
<td>79,369,277</td>
</tr>
<tr>
<td>Total assets</td>
<td>83,089,734</td>
<td>82,031,756</td>
<td>81,096,713</td>
<td>82,139,180</td>
<td>80,873,579</td>
</tr>
<tr>
<td>II. Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>130,926</td>
<td>139,775</td>
<td>131,262</td>
<td>138,650</td>
<td>114,020</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>110,543</td>
<td>156,621</td>
<td>119,887</td>
<td>133,661</td>
<td>137,390</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>241,469</td>
<td>296,396</td>
<td>251,149</td>
<td>272,311</td>
<td>251,410</td>
</tr>
<tr>
<td>III. Net assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Net assets—temporarily restricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To endowment</td>
<td>27,727,031</td>
<td>27,662,196</td>
<td>27,429,248</td>
<td>75,988,693</td>
<td>49,938,524</td>
</tr>
<tr>
<td>To special funds</td>
<td>27,727,031</td>
<td>27,662,196</td>
<td>27,429,248</td>
<td>26,050,169</td>
<td>49,938,524</td>
</tr>
<tr>
<td>2. Net assets—unrestricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To endowment</td>
<td>54,008,329</td>
<td>53,183,368</td>
<td>54,437,621</td>
<td>360,318</td>
<td>50,171,117</td>
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<tr>
<td>To special funds</td>
<td>2,113,305</td>
<td>1,368,140</td>
<td>2,575,505</td>
<td>2,847,540</td>
<td>2,575,505</td>
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<tr>
<td>Total net assets</td>
<td>82,848,265</td>
<td>81,735,360</td>
<td>80,845,564</td>
<td>81,866,869</td>
<td>80,622,169</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>83,089,734</td>
<td>82,031,756</td>
<td>81,096,713</td>
<td>82,139,180</td>
<td>80,873,579</td>
</tr>
</tbody>
</table>

Note: The former accounting standards for public interest corporations (fiscal 2004 standards) were applied between fiscal 2007 and fiscal 2009. The new accounting standards for public interest corporations (fiscal 2008 standards) have been applied from fiscal 2010.
The Sasakawa Peace Foundation (SPF)

Date of Establishment: September 1, 1986

Activities: To undertake surveys and research, develop human resources, invite and dispatch personnel, organize international conferences and other forums, and conduct other activities fostering international understanding, exchange, and cooperation, as well as to collect, disseminate, and propagate information in order to carry out these and other activities necessary to accomplish the Foundation’s mission.

Total Assets: Endowment ¥50,298,843,000 (As of March 31, 2011)

Special Funds ¥26,678,906,000 (As of March 31, 2011)

Operating Expenses: ¥552,627,000 (45 projects, FY2010)

Board Members (As of July 1, 2011)

<table>
<thead>
<tr>
<th>Post</th>
<th>Name</th>
<th>Present Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Jiro Hanyu</td>
<td></td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Yuji Takagi</td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>Akinori Seki</td>
<td></td>
</tr>
<tr>
<td>Executive Director</td>
<td>Yoshimitsu Matsuki</td>
<td>(General Affairs)</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Junko Chano</td>
<td>(Program)</td>
</tr>
<tr>
<td>Trustees</td>
<td>Noboru Hatakeyama</td>
<td>Chairman and CEO, Japan Economic Foundation</td>
</tr>
<tr>
<td></td>
<td>Kenzo Kiikuni</td>
<td>Professor Emeritus, University of Tsukuba</td>
</tr>
<tr>
<td></td>
<td>Hideaki Matsumoto</td>
<td>President, Pension Fund Association for Local Government Officials</td>
</tr>
<tr>
<td></td>
<td>Akio Mikuni</td>
<td>President, Mikuni &amp; Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Koichi Minaguchi</td>
<td>Lifetime Trustee, KEIZAI DÔYUKAI (Japan Association of Corporate Executives)</td>
</tr>
<tr>
<td></td>
<td>Masato Obata</td>
<td>Former President, Japan Railway Construction, Transport and Technology Agency</td>
</tr>
<tr>
<td></td>
<td>Hiroshi Shigeta</td>
<td>Former Ambassador to the State of Israel</td>
</tr>
<tr>
<td></td>
<td>Akira Shimazu</td>
<td>President, Japan Foundation for Regional Vitalization</td>
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<tr>
<td></td>
<td>Toshio Takeuchi</td>
<td>Chairman, Japan Motorboat Racing Association</td>
</tr>
<tr>
<td></td>
<td>Masakazu Yamazaki</td>
<td>Professor Emeritus, Osaka University</td>
</tr>
<tr>
<td>Auditors</td>
<td>Katsumi Nishimoto</td>
<td>President, TOKYO B.M.C. Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Sadahiko Yoshimura</td>
<td>Certified Public Accountant</td>
</tr>
<tr>
<td>Counselors</td>
<td>Masahiro Akiyama</td>
<td>Chairman, Ocean Policy Research Foundation</td>
</tr>
<tr>
<td></td>
<td>Richard Dyck</td>
<td>Chairman of the Board, Alphama Technology Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Wakako Hironaka</td>
<td>Former Member of the House of Councillors</td>
</tr>
<tr>
<td></td>
<td>Hiroyuki Ishi</td>
<td>Professor, Tokyo University of Agriculture</td>
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<tr>
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<td>Eiko Kono</td>
<td>Director, DIC Corporation</td>
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<td>Akira Maeda</td>
<td>Executive Director, The Nippon Foundation</td>
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<tr>
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<td>Kichisaburou Nomura</td>
<td>Executive Adviser, All Nippon Airways Co., Ltd.</td>
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<tr>
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<td>Koji Tanami</td>
<td>Adviser, Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
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<td></td>
<td>Toshiki Tomita</td>
<td>Professor, Chuo University</td>
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<td>Mikio Wakatsuki</td>
<td>Chairman, AXA Life Insurance Co., Ltd.</td>
</tr>
<tr>
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<td>Tadashi Yamamoto</td>
<td>President, Japan Center for International Exchange</td>
</tr>
<tr>
<td></td>
<td>Sakuji Yoshimura</td>
<td>Professor Emeritus, Waseda University</td>
</tr>
</tbody>
</table>

Organization Chart
Spotlight on the Growing Influence of the Media in China

The Sasakawa Japan-China Friendship Fund implements the “Invitation Program for Popular Chinese Bloggers” (Implementing Agency: SPF; Term: 5 years; fiscal 2011 Budget: ¥7 million) and the “Invitation Program for Chinese Magazine Journalists” (Implementing Agency: SPF; Term: 5 years; fiscal 2011 Budget: ¥6 million) projects. The objective of these projects is to facilitate the proper communication of information about Japan to Chinese citizens via the Internet, which has been becoming increasingly influential in recent years, and popular magazines, by means of providing Chinese journalists with opportunities to report on modern Japanese politics, economics and society. For each of the projects, about ten journalists will be invited to Japan, where they will visit and report on various regions, as well as exchange opinions and conduct interviews with leaders in a range of fields.

The Sasakawa Middle East Islam Fund

Analyzing the Turbulent Situation in the Middle East

The Sasakawa Middle East Islam Fund (SMEIF) starts “The Analysis of the Middle East Islamic Countries” (Implementing Agency: SPF; Term: 1 year; fiscal 2011 Budget: ¥8.5 million), in an effort to comprehend the political trends in the Middle East Islamic region and their impact on surrounding countries. The objective of the project is to enhance Japan’s understanding of the Middle East by regularly convening study groups and seminars comprising Japanese and foreign experts in the Middle East Islamic region, and inviting overseas experts in the region to Japan. The results of the project will also be used in formulating medium to long-term project policies for the SMEIF.