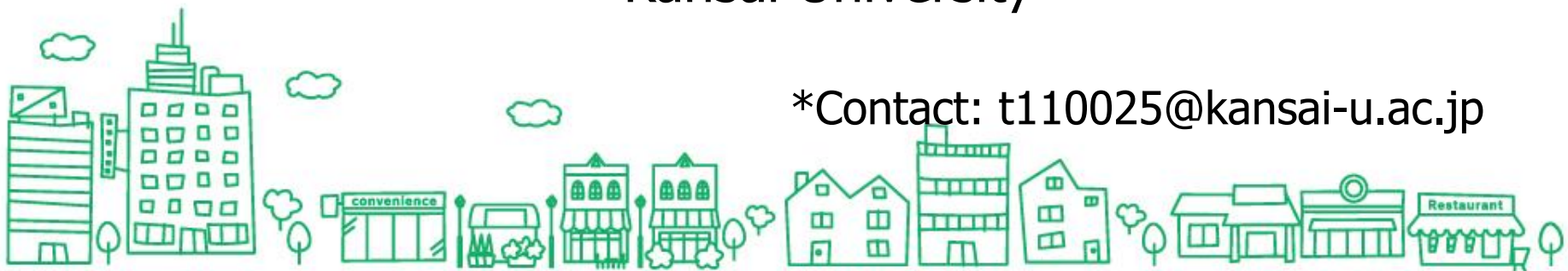


Local Public transportation: Japanese experience and recent development

June 2026

Kiyohito Utsunomiya*
Kansai University

*Contact: t110025@kansai-u.ac.jp



Public Transportation by the private sector in Japan



Public transportation as a business

- In Japan, public transportation has been primarily operated by private companies.
- Railway companies basically provide their services on the infrastructure assets owned by themselves (vertical integration).
- While the Japan National Railway (JNR) had a nationwide network until 1987, a lot of private transportation companies have also operated their railway and bus networks throughout Japan.
- During the 20th century, public transport operators both in metropolitan and regional areas increased their profits by diversifying into various businesses such as real estate, supermarket, etc.



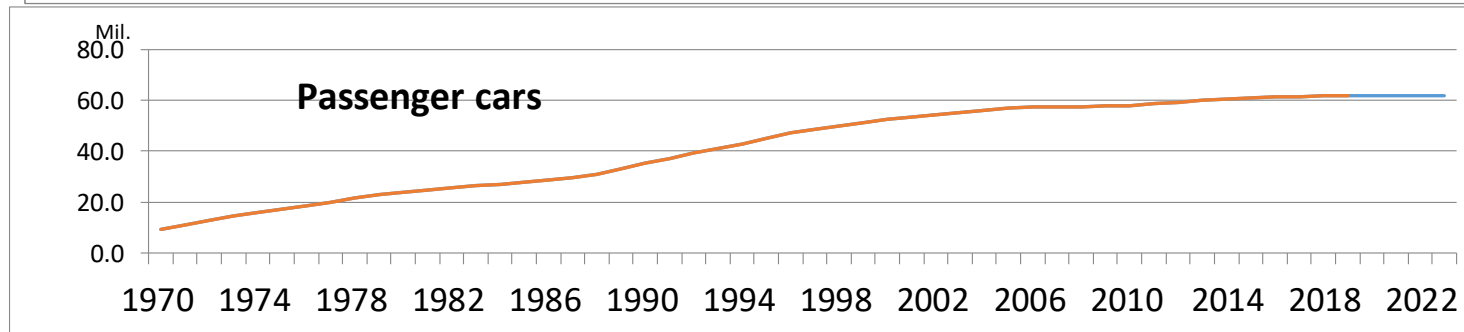
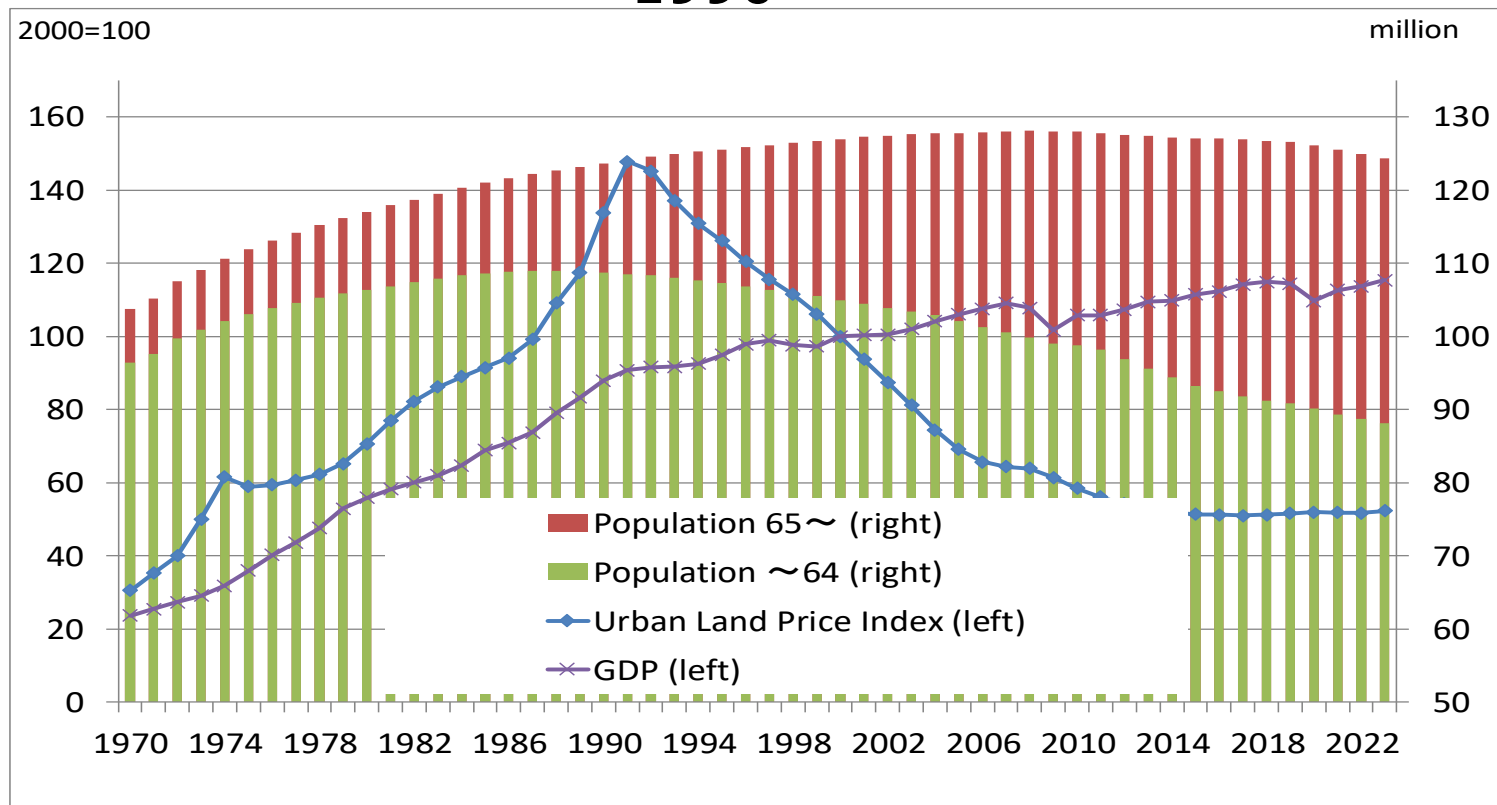
Toyama



Challenges in the 21st century



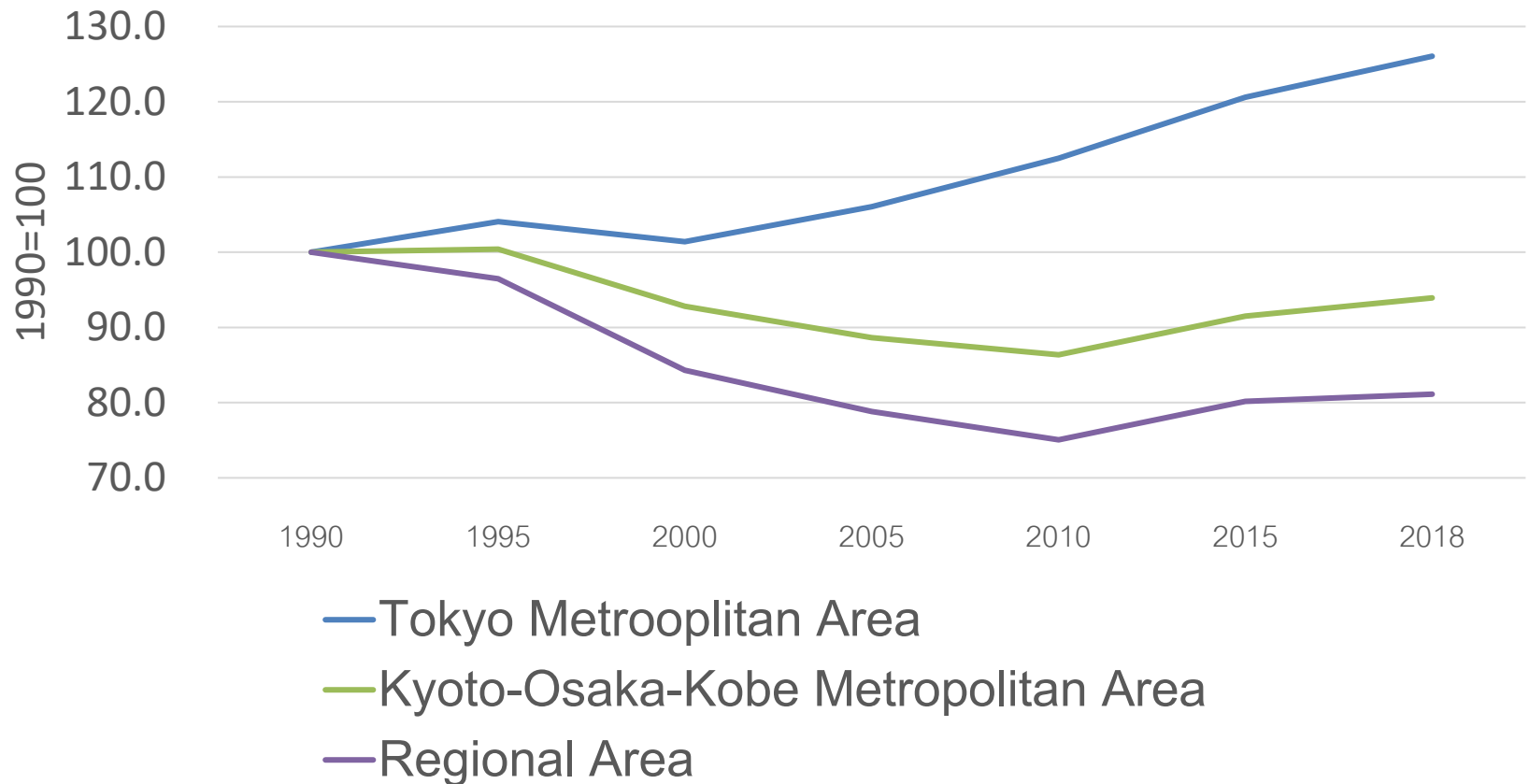
Population, GDP, and Land-Price Trends 1990 –



Source) Statistical Bureau, Japan Real Estate Institute, Automobile Inspection & Registration Information Association



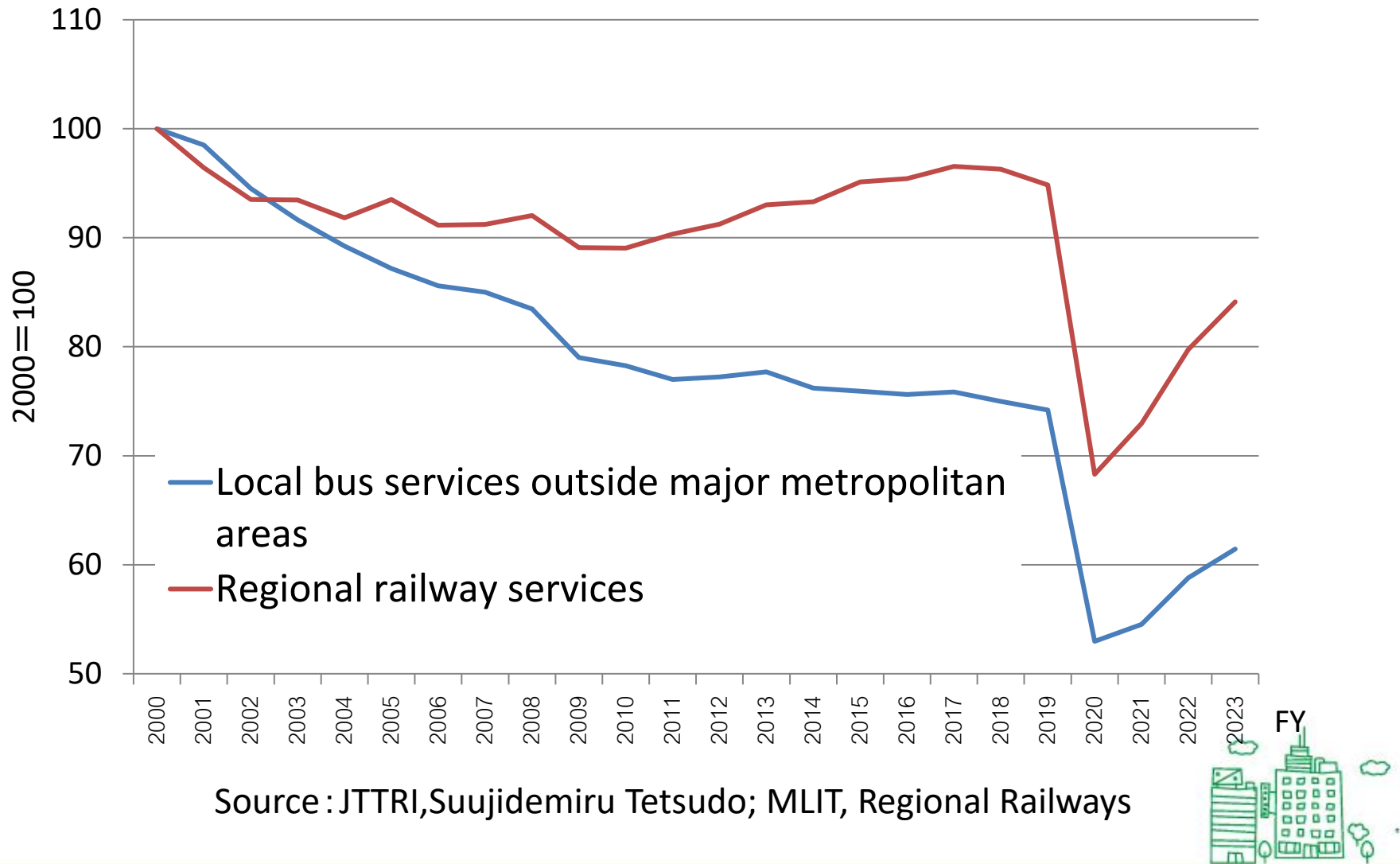
Railway Passengers by Area



Source : JTTRI, Suujidemiru Tetsudo; MLIT, Regional Railways

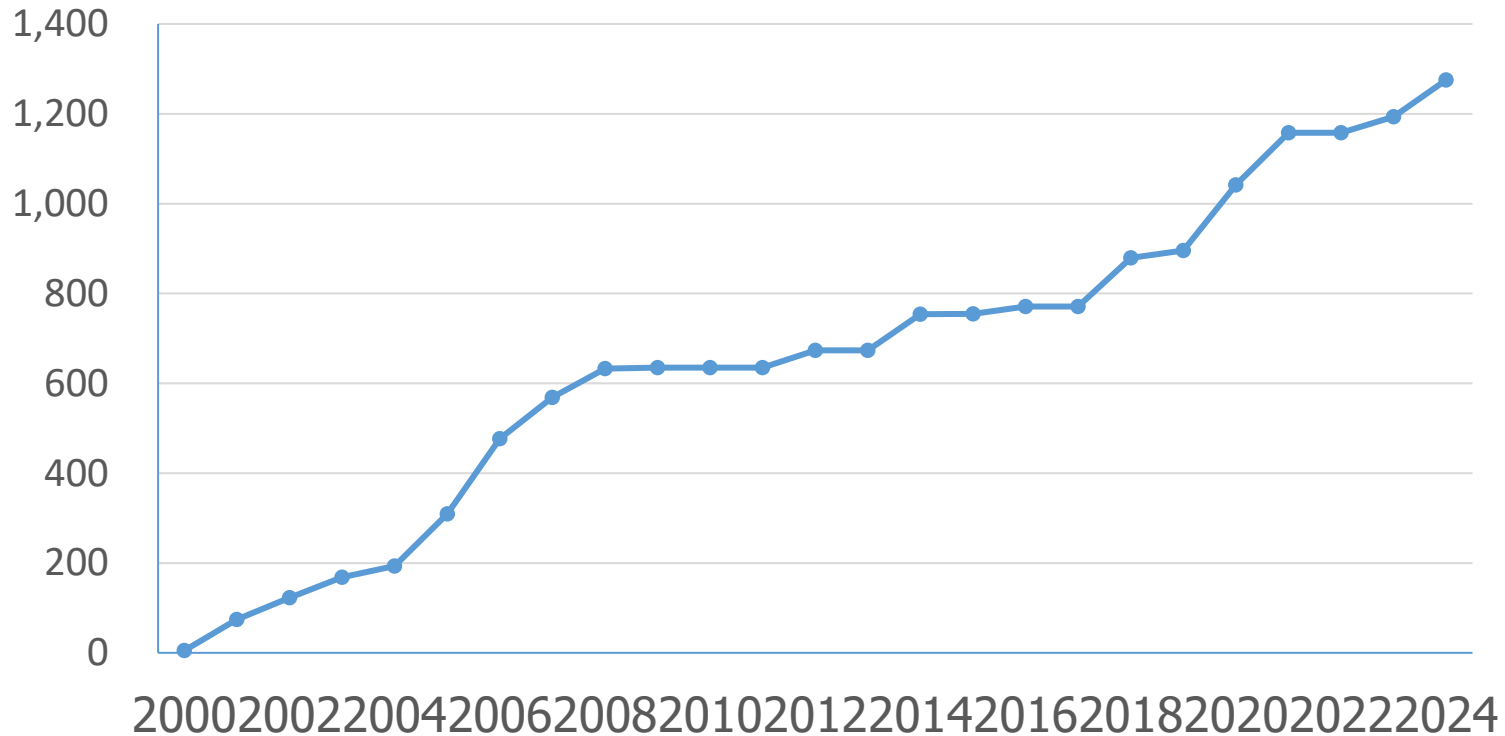


Passengers of Local Public Transport



Closed railway lines in Japan after 2000

km



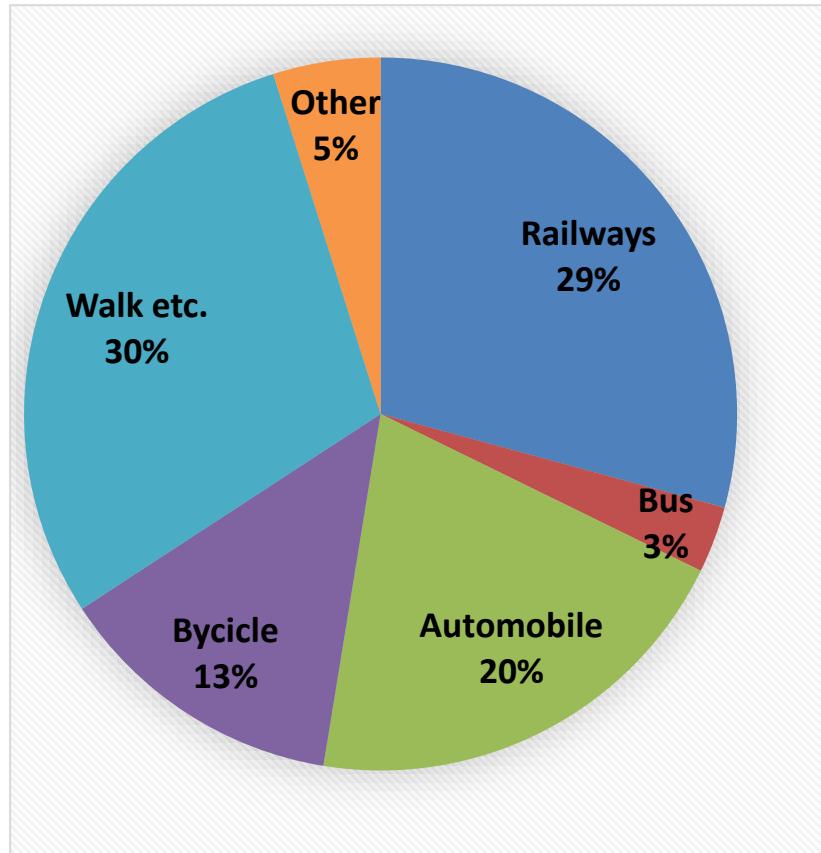
Source: MLIT, Regional Railways

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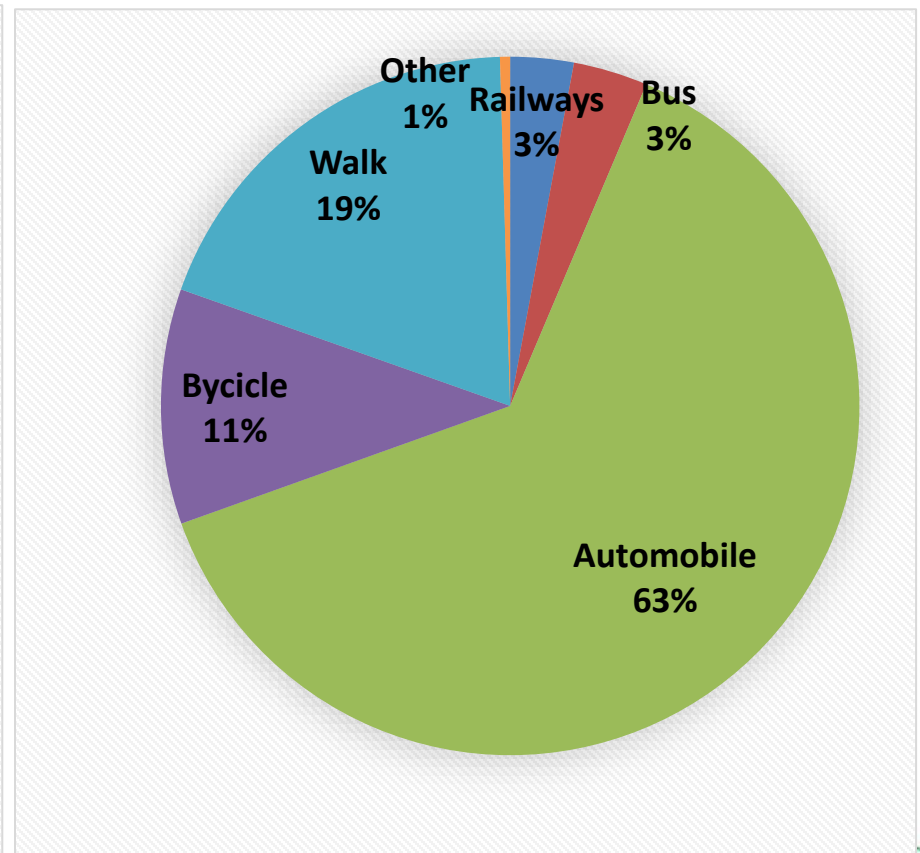


Modal Split

Major Metropolitan Areas
(Core Cities)



Regional Areas (Core Cities:
Population over 400 thousand)



Source: MLIT, Person trip survey 2021



Reality in Regional Cities

Miyazaki

(Population 392 thousand)



Imabari

(Population 142 thousand)



Source: <https://www.city.imabari.ehime.jp/museum/imabarijo/>

Vicious Circle in Regional Areas in Japan

- Due to increasing motorization and population decline, most private public transportation companies in regional areas struggle to remain financially viable.
- Although some local governments provide subsidies to cover part of the deficits, they often focus more on forcing railway and bus operators to cut costs than on supporting the continuation of services.
- As a result, local public transportation services have deteriorated not only in rural areas but also in regional cities, leading to further declines in ridership.
- Consequently, residents have become increasingly dependent on private cars.

⇒ **Not sustainable !**



Recent Development



Japan's First New LRT in 75 Years Starts Operation in Utsunomiya City, Tochigi Prefecture

2023年9月10日 WorldWide



文字サイズ

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The Utsunomiya-Haga Light Rail Line, a next-generation LRT connecting the cities of Utsunomiya and Haga in Tochigi Prefecture, opened for service on August 26. This is the first all-new LRT line in Japan. It is also the first new LRT line to be opened in 75 years, since the Manyo Line in Toyama Prefecture. The opening ceremony was held in front of the east exit of Utsunomiya Station on the same day, and was attended by many local residents and railway enthusiasts who celebrated the

start of the new line.

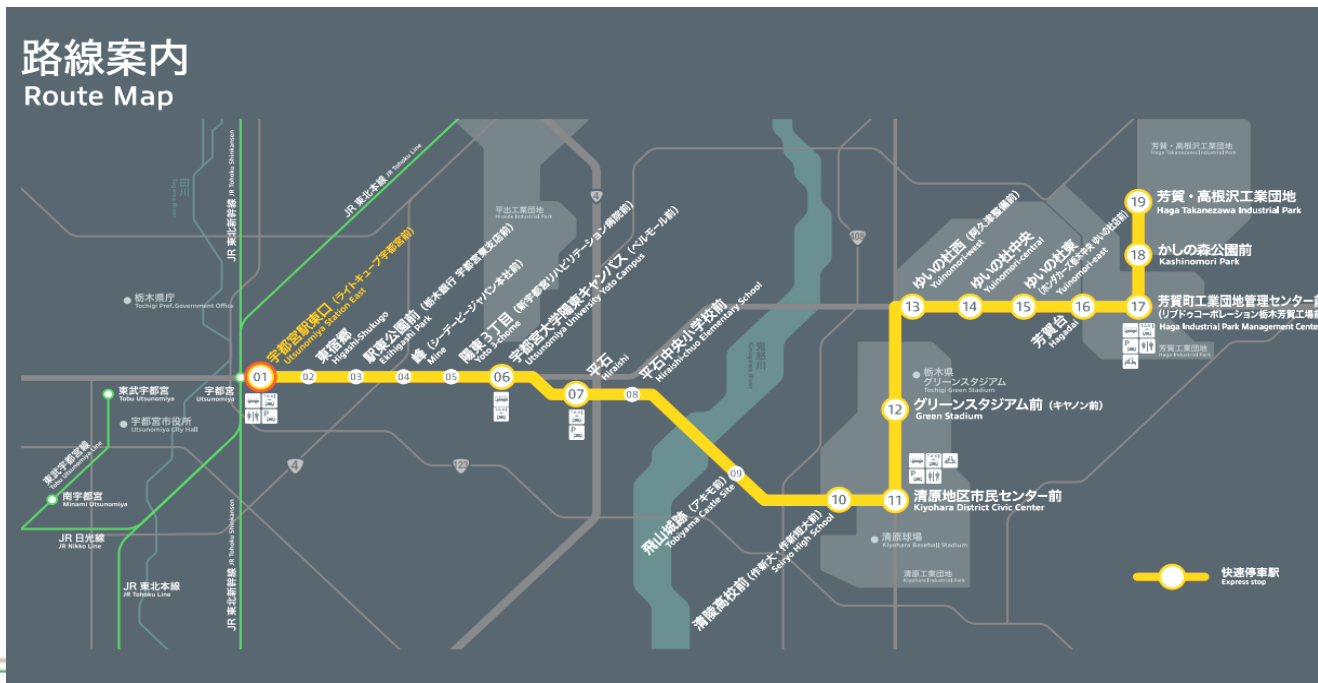
Source: The NIKKAN KENSETSU-KOGYO SHIMBUN,LTD. (The Daily Engineering & Construction News)
<https://www.decn.co.jp/?p=156322#:~:text=The%20Utsunomiya-Haga%20Light%20Rail%20Line%2C%20a%20next-generation%20LRT,Tochigi%20Prefecture%2C%20opened%20for%20service%20on%20August%202026.>





Outline of Haga-Utsunomiya LRT

- 14.6 km line connecting Utsunomiya Station East and the Haga-Takanezawa Industrial Park (Phase 1)
- Publicly funded infrastructure with a separation of infrastructure and operation, jointly developed by Utsunomiya City and Haga Town
- Operated by Utsunomiya Light Rail Co., Ltd., which is majority-owned by Utsunomiya City (41%) and Haga Town (10%)

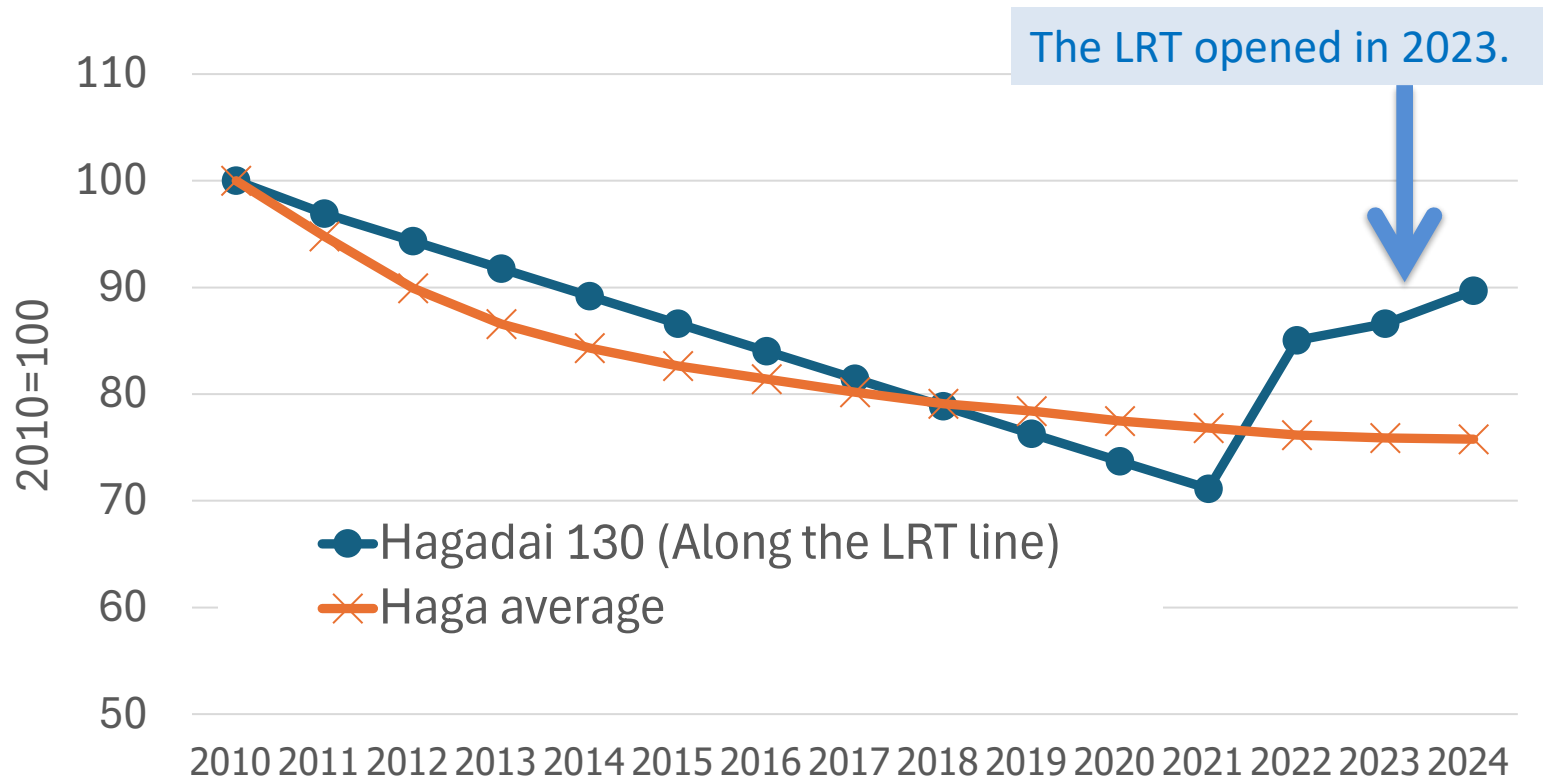


Changes along the Route Prior to Opening



- Condominium development along the line has progressed, and all units have sold out.
- In the residential area of "Yuinomori" along the route, a new elementary school opened in April 2021 due to an increase in the number of children in spite that the population of the city as a whole has declined since 2019.

Land Price along the LRT Line



Source: MLIT, Land prices public announcement



2025年 8月 20日

ライトラインのご利用者数が 累計1,000万人に到達しました！
(開業725日目)

Lightline ridership has surpassed 10 million passengers! (Day 725 since launch)

○ この度、8月19日(火)に、累計のご利用者数が1,000万人に到達しました。開業から725日目での1,000万人達成となり、想定より約6か月早いペースでの到達となります。

- The 10 millionth passenger milestone was reached on the 725th day since the opening, approximately six months ahead of the original projection.

Source: <https://www.miyarail.co.jp/cms/wp-content/uploads/2025/08/1000%E4%B8%87%E4%BA%BA%E5%88%B0%E9%81%94%E3%83%97%E3%83%AC%E3%82%B9%E3%83%AA%E3%83%AA%E3%83%BC%E3%82%B9-8%E6%9C%8820%E6%97%A5-1.pdf>





Utsunomiya Station East



Utsunomiya University Yoto Campus



Transit Center



Station in the late hours

Changes in Transportation Modes

Percentage of all respondents (%)

	Total sample		Living with children (junior high or younger)		Company employee, etc.		Self-employed / Unemployed, etc.	
	Before	After	Before	After	Before	After	Before	After
Train	2.3	2.7	4.4	0.0	4.7	6.1	2.5	1.8
LRT	-	8.5	-	10.0	-	7.5	-	7.1
Bus	5.1	3.3	1.1	0.0	6.4	2.7	5.3	1.8
Bicycle (including motorbikes)	12.3	7.9	10.0	12.0	11.4	5.4	13.5	11.2
Car (driven by oneself)	70.1	62.9	77.8	70.0	71.2	70.1	63.9	60.6
Car (as a passenger)	5.1	4.6	4.4	2.0	2.1	1.4	9.0	5.3
Mobility scooter	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Walking only	5.1	10.0	2.2	6.0	4.2	6.8	5.7	12.4

Source: Kiyohito Utsunomiya & Teppei Osada (2024), "Impact of Public Transportation Service Improvement along the Corridor on Residents," *Unyu to Keizai* No. 932

- Overall, car use (total) decreased by 8 percentage points, while the share of LRT use is around 9% after the opening.
- For those living with children, car use dropped by 10 points, while LRT reached 10%.
- For self-employed/unemployed, car (as passenger) use dropped by 4 points.



LRT's Overall Positive Impact on the Community

Percentage of respondents who answered this questionnaire item (%)

	Total sample		Living with children (junior high or younger)		Company employees, etc.		Self-employed / Unemployed, etc.	
	Before	After	Before	After	Before	After	Before	After
Expected / Satisfied	36.1	46.8	40.7	41.7	35.3	43.4	37.2	48.1
Somewhat expected / Somewhat satisfied	30.9	38.2	34.9	54.2	34.4	44.8	27.7	34.0
Don't know / Neutral	6.0	10.3	5.8	4.2	5.8	9.0	6.2	12.2
Low expectation / Slightly dissatisfied	13.3	2.7	15.1	0.0	12.5	1.4	14.0	3.2
No expectation / Dissatisfied	13.7	2.0	3.5	0.0	12.1	1.4	14.9	2.6

- The improvement in service quality brought by the LRT has led not only to increased satisfaction with transportation itself, but also to a sense of satisfaction with its broader impact on the community.
- Among those living with children, 96% responded “satisfied” or “somewhat satisfied.”

Source: Utsunomiya Junya & Nagata Tetsuhira (2024), “Impact of Public Transportation Service Improvement along the Corridor on Residents,” *Unyu to Keizai* No. 932



Roles of Local Public transportation in the Motorized World



Wider Benefits of Local Public Transportation

Benefits of Public Transportation

- Saving time
- Easing road congestion
- Reducing traffic accidents
- Improving environment, etc.

'Wider benefits' for the local economy and people, not measured by monetary value

- Agglomeration effects
- Option value
- Strengthening 'social capital'
 - After the opening of Toyama Light Rail, 30% of residents feel "some changes" in "relationship with others" .
-



The Role of the Ohmi Railway Line as Public Transportation (Survey Results from Local Residents)

For commuting to work or school

For shopping or medical visits

For trips to nearby cities or towns

For long-distance travel

Transportation to access the Shinkansen

Transportation for children, the elderly, or those
without a driver's license

Transportation when a car is not available

Transportation after returning one's driver's license in
the future

Other

Option Value

0 10 20 30 40 50 60 70 80

**Ohmi Railway Line
(Shiga Prefecture)**



Source: Local Public Transportation Plan for the Ohmi Railway Line Area', March 2020



Conclusion



Towards Sustainable Society

- Local public transportation plays a critical role in regional areas even in a motorized world.
- Public investment and support can reverse the negative cycle faced by regional cities.
- The value of public transportation — including non-monetary benefits — should be properly recognized and evaluated



Thank you for your attention



Appendix



Questionnaire Survey

- A two-phase survey was conducted targeting residents within 500 meters of the LRT corridor in Utsunomiya City, **before and after** the system's opening (August 2023 and April 2024, respectively).
- In the first phase, questionnaires were distributed to 1,502 households; in the second, only those who had previously responded received follow-up surveys.
- Valid responses totaled 509 before the opening and 356 after.
- Driver's license ownership was high, at **84%** pre-opening and **83%** post-opening.



Change in Outing Behavior ('Increase/d' + 'Slightly Increase/d') (%*)

	Total sample		Living with children (junior high or younger)		Company employee, etc.		Self-employed / Unemployed, etc.	
	Before	After	Before	After	Before	After	Before	After
Commuting (work or school)	8.1	5.3	10.5	8.5	14.6	6.5	3.3	5.2
Shopping	31.8	25.6	29.1	16.3	30.1	16.7	34.1	34.1
Medical visits / Daycare	3.1	4.4	4.7	0.0	4.9	1.8	2.0	7.2
Classes / Clubs	3.3	3.4	4.7	2.2	4.4	1.0	2.4	7.6
Community activities	3.3	2.9	5.8	0.0	4.0	1.9	2.8	7.8
A change of pace	16.1	30.8	22.1	21.7	15.5	27.2	17.5	34.5
Entertainment (theater, sports, movies, cultural events)	17.1	20.0	14.0	21.7	21.7	16.2	13.8	26.8
Dining	25.0	24.9	27.9	22.2	30.1	21.0	22.4	25.8
Drop-off/Pick-up	3.3	4.5	4.7	8.7	4.0	2.7	3.3	9.2
Socializing	6.5	8.0	11.6	6.7	10.2	9.3	4.1	7.8
Visiting family or relatives	4.1	5.6	11.6	6.7	5.8	6.5	3.3	1.5
Any of a-k	53.6	36.0	55.8	39.2	58.4	33.1	51.2	37.6

* Before the opening: percentage of all respondents; after the opening: percentage of respondents who answered this questionnaire item

Source: Kiyohito Utsunomiya & Teppei Osada (2024), "Impact of Public Transportation Service Improvement along the Corridor on Residents," *Unyu to Keizai* No. 932

- Before the opening, only 16% of respondents cited "a change of pace" as a reason, but this increased to over 30% after the opening (37% among respondents aged 65 and over).
- Shopping and dining increased to around 25% overall, although they showed a slight decrease compared to pre-opening levels.

Change in Perception of the LRT

Percentage of all respondents (%)

	Total sample		Living with children (junior high or younger)		Company employee, etc.		Self-employed / Unemployed, etc.	
	Before	After	Before	After	Before	After	Before	After
Punctual	51.7	48.0	50.0	49.0	54.0	46.8	54.1	54.7
Helps reduce traffic congestion	30.1	28.1	27.9	29.4	31.9	28.6	31.3	32.6
Accesible	24.4	39.0	19.8	35.3	19.0	39.0	30.9	45.3
Easy to understand destinations	23.8	28.4	25.6	37.3	23.0	27.9	26.4	31.5
A city landmark	43.0	59.6	60.5	72.5	45.6	63.6	45.5	63.0
Environmentally friendly	26.9	33.7	25.6	23.5	21.7	28.6	33.3	44.2
More accessible than non-step buses	15.5	21.6	14.0	17.6	14.2	18.8	18.3	28.2
Low noise level	18.5	31.7	17.4	21.6	16.4	29.2	22.4	38.7
Attracts people from outside the area, revitalizing the community	25.1	41.6	29.1	51.0	21.2	48.1	30.9	41.4

- Overall, the most prominent impressions were “punctual” and “a city landmark,” with the latter image becoming more widespread after the opening
 → LRT contributes to reversing the vicious circle and shifting towards a sustainable city.



Toyama Light Rail strengthened Social Capital

- “Social ties, and the mobility that enables them, are said to foster social capital”
Reardon & Abdallah (2013), Well-being and Transport: Taking Stock and Looking Forward
- Toyama Light Rail (TLR) encouraged residents to participate in social activities and change their relationship with others.

Utsunomiya (2016), Social capital and local public transportation in Japan

“Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions.” (World Bank)



Toyama City introduced 7.6 km LRT system, ‘Toyama Light Rail,’ in 2006 to revitalize the former JR line, which had suffered declining passenger. Consequently, passengers have more than doubled from 2005 to 2010.

Toyama City is often regarded as a successful case of compact city strategy.



Changes in “relationship with others” after the Opening of TLR

	Total	By age				%
		Less than 50	50–59	60–69	70–	
	Composition ratio %					
Something changes	30.1	27.0	16.4	27.9	38.2	
No change	66.5	67.6	83.6	70.7	56.2	
Others	3.3	5.4	0.0	1.4	5.6	
	Ratio to the total respondents %					
a. Meet friends and acquaintances more often	20.0	20.5	5.9	18.2	26.7	
b. Meet relatives more often	4.7	0.0	2.9	3.9	7.5	
c. Meet neiborhoods more often	3.6	2.6	0.0	4.5	4.8	
d. Expand new networks	6.2	2.6	7.4	5.2	7.5	
e. Nothing changes	63.3	64.1	82.4	67.5	53.5	
f. Others	4.5	10.3	0.0	3.2	5.9	

- Around 30 percent of respondents indicate some changes after the opening of Toyama Light Rail.
- Older people tend to change their relationships with others.

Source: Utsunomiya (2016), Social capital and local public transportation in Japan

