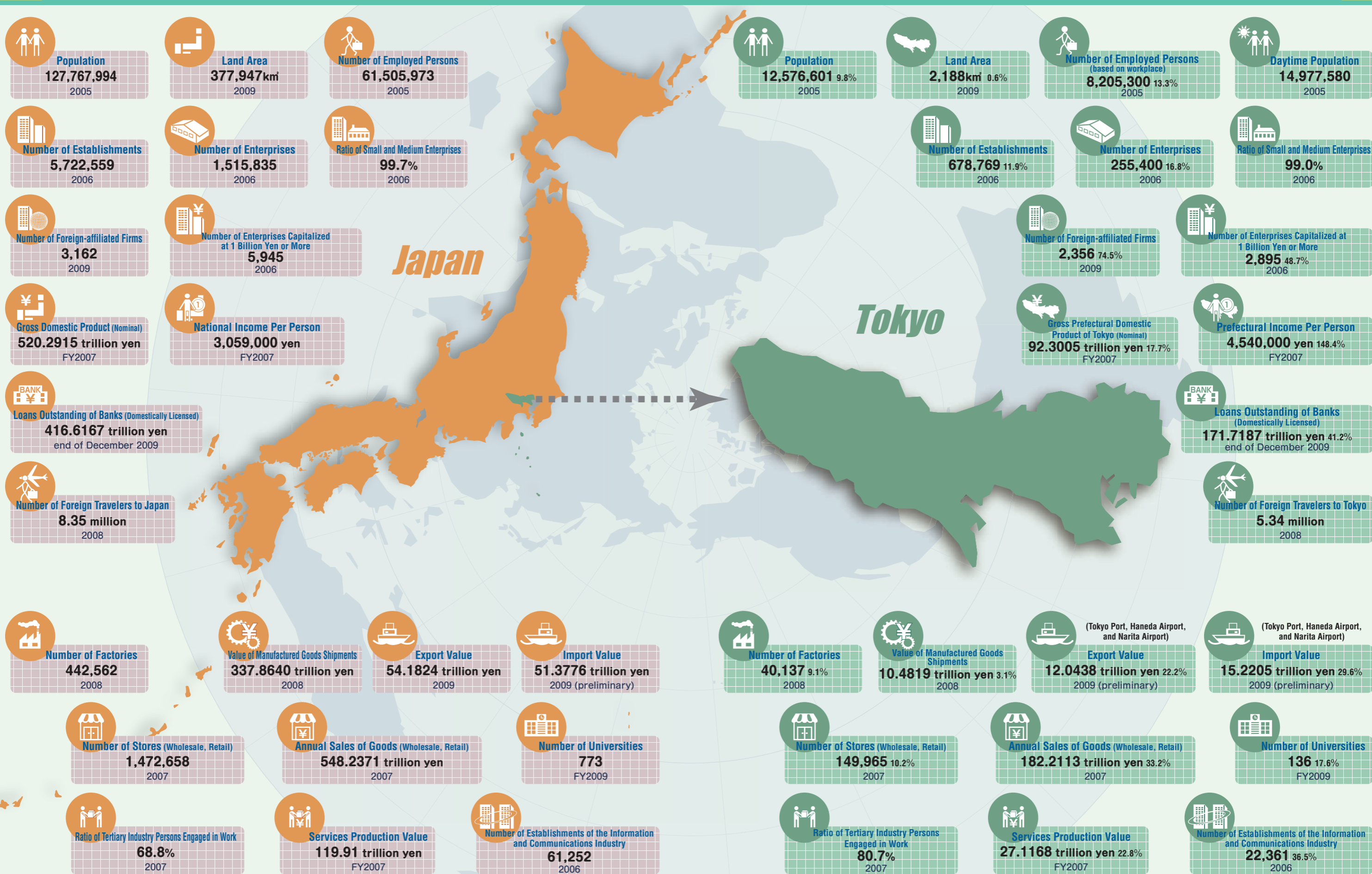


Tokyo Is the Hub of Japan's Economic Activity



[Sources]
 Geographical Survey Institute, MLIT "Land Survey of Prefectures, Shi, Ku, Machi and Mura"
 MIC "Population Census", "Establishment and Enterprise Census" and "Employment Status Survey"
 Japan National Tourism Organization "Visitor Arrivals and Japanese Overseas Travelers"

Small and Medium Enterprise Agency "White Paper on Small and Medium Enterprises in Japan"
 Toyo Keizai, Inc. "Foreign Affiliated Companies in Japan - A Comprehensive Directory"
 CAO "Annual Report on Prefectural Accounts"
 BOJ materials

METI "Census of Manufactures" and "Census of Commerce"
 MOF "Trade Statistics of Japan"
 MEXT "Basic Survey of Schools"

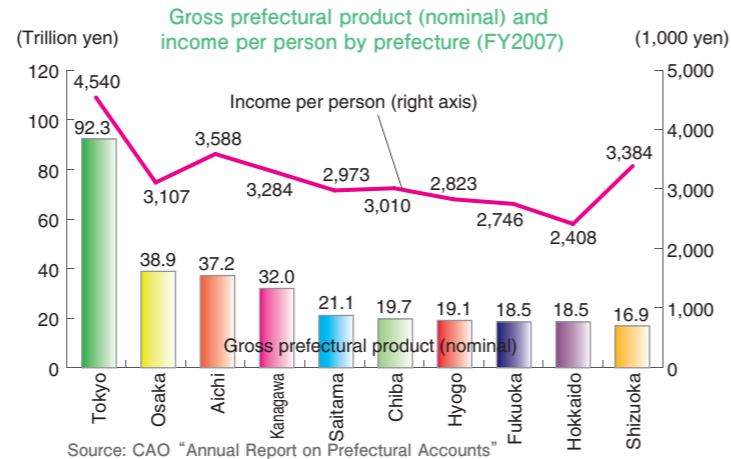
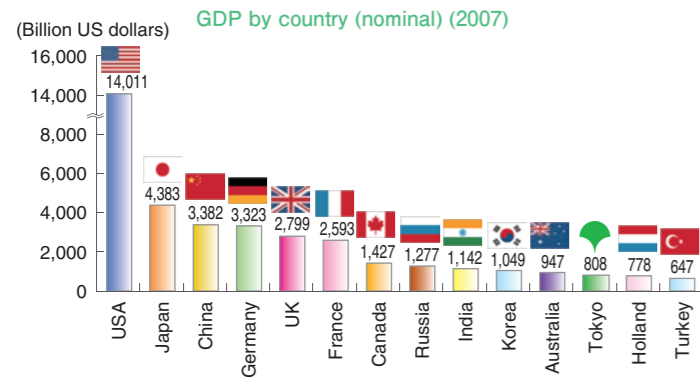
Note: Percentage represent the proportion to the national total
 [Sources]
 Geographical Survey Institute, MLIT "Land Survey of Prefectures, Shi, Ku, Machi and Mura"
 MIC "Population Census", "Establishment and Enterprise Census" and "Employment Status Survey"

TMG Bureau of Industrial and Labor Affairs "Survey on the Tourism in Tokyo - Number of tourists and other data"
 TMG Bureau of Industrial and Labor Affairs research
 Toyo Keizai, Inc. "Foreign Affiliated Companies in Japan - A Comprehensive Directory"
 CAO "Annual Report on Prefectural Accounts"
 TMG "Census of Manufactures"

BOJ materials
 METI "Census of Commerce"
 Tokyo Customs "Trade Statistics"
 MEXT "Basic Survey of Schools"

Although Tokyo's Economic Activity Is Brisk, the Birthrate Is Declining and the Population Is Graying

1 Tokyo's Massive Economic Scale Corresponds to Certain Nations



Note: Figures for Tokyo and Australia on fiscal year basis. Source: CAO "Annual Report on Prefectural Accounts"

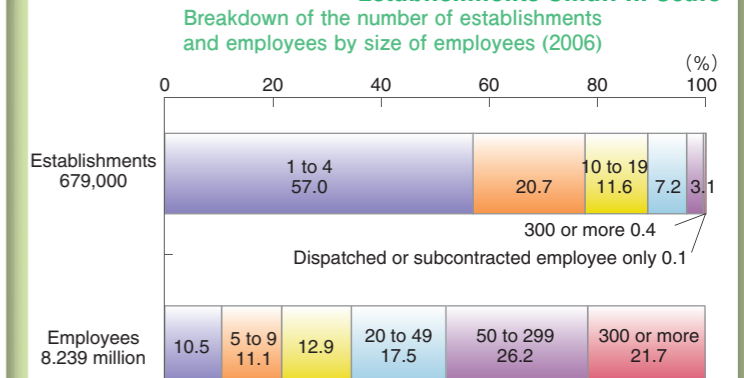
Source: CAO "Annual Report on Prefectural Accounts"

2 Tokyo's Enormous Daytime Population



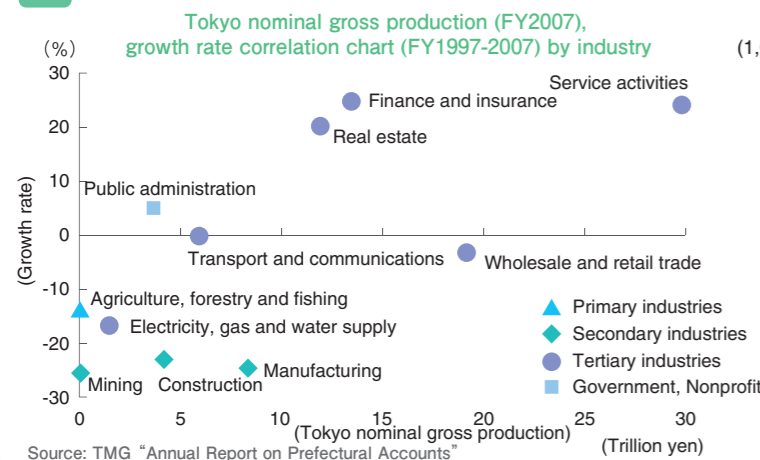
Note: Tokyo population figures are total population minus those whose age is unknown. Source: MIC "Population Census"

3 Majority of Tokyo Business Establishments Small in Scale

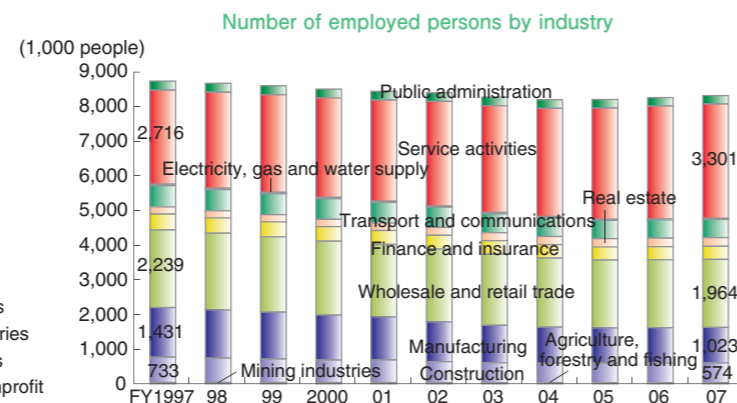


Source: MIC "Establishment and Enterprise Census"

4 Trend toward Service Economy in Tokyo

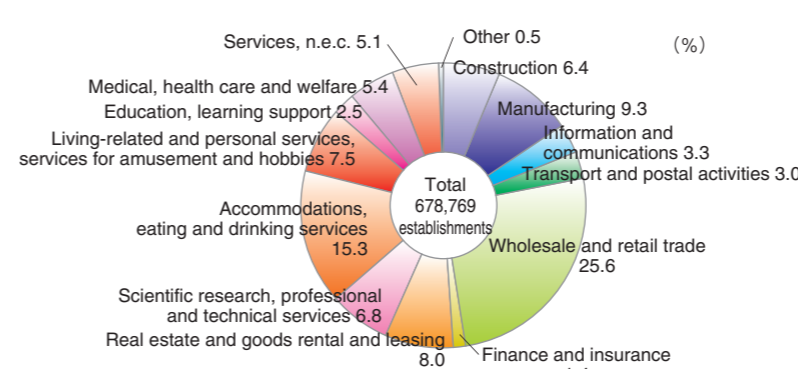


Source: TMG "Annual Report on Prefectural Accounts"



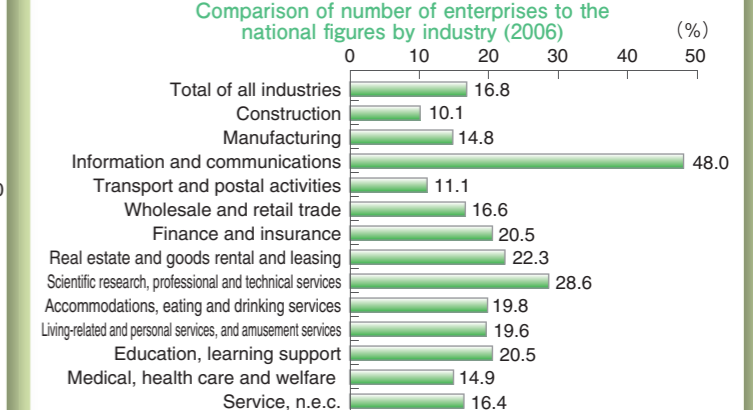
Note: Computed on working region base. Source: TMG "Annual Report on Prefectural Accounts"

Breakdown of number of establishments by industry (2006)



Source: MIC "Establishment and Enterprise Census"

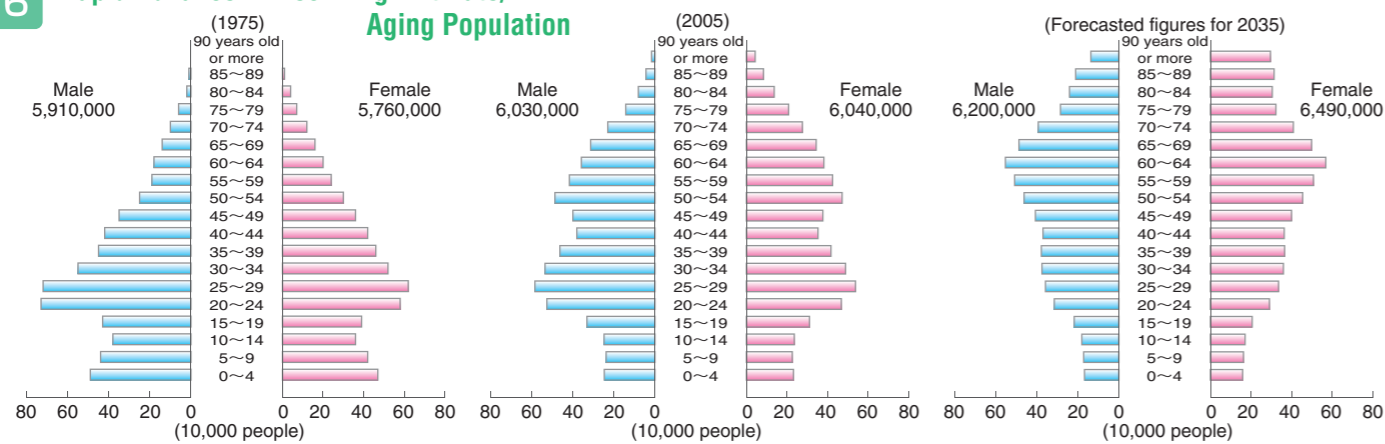
5 High Concentration of Information and Communications Industry Companies in Tokyo



Source: MIC "Establishment and Enterprise Census"

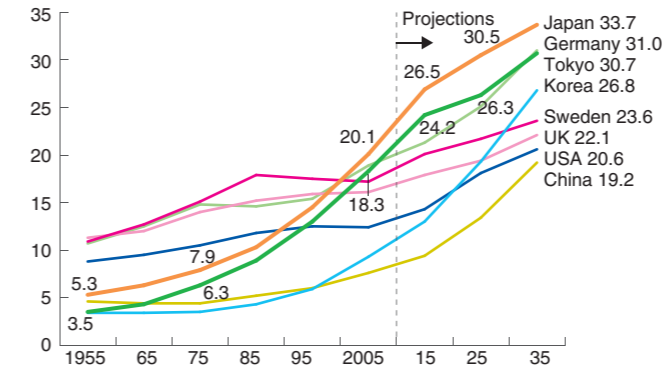
6 Rapid Advance in Declining Birthrate/ Aging Population

Population by sex and age



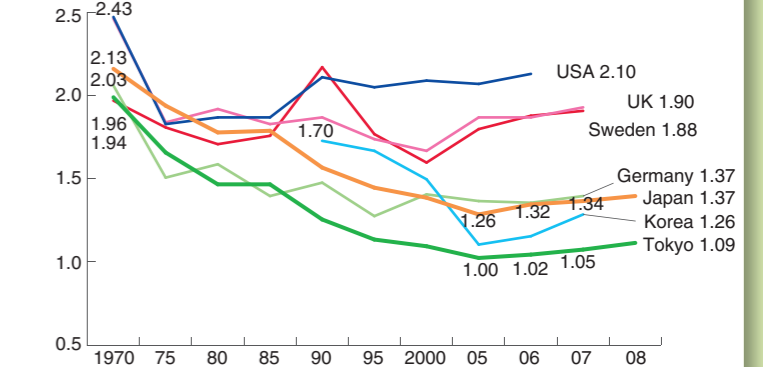
Source: MIC "Population Census"; National Institute of Population and Social Security Research "Household Projection for Japan Prefectures" (Estimated in May, 2007)

Senior citizen ratio of population by country



Note: Values from 2015 are projections. Source: MIC "Population Census"; National Institute of Population and Social Security Research "Household Projection for Japan Prefectures" (Estimated in May, 2007); "Household Projection for Japan" (Estimated in Dec, 2006); United Nations "World Population Prospects, the 2008 Revision"

Total fertility rate by country



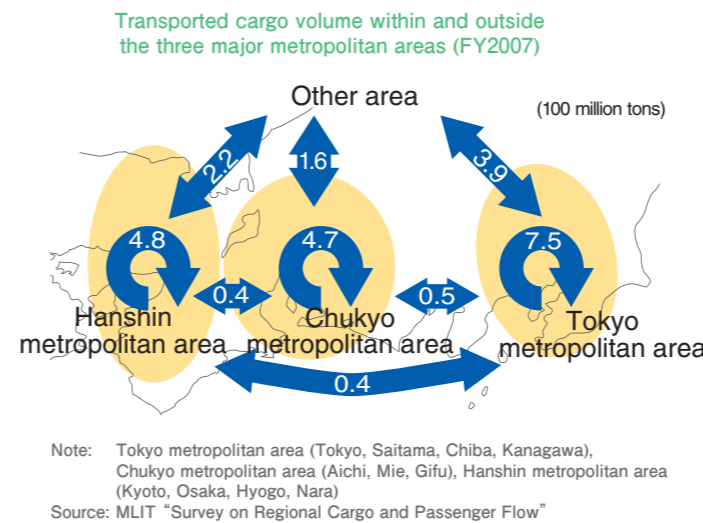
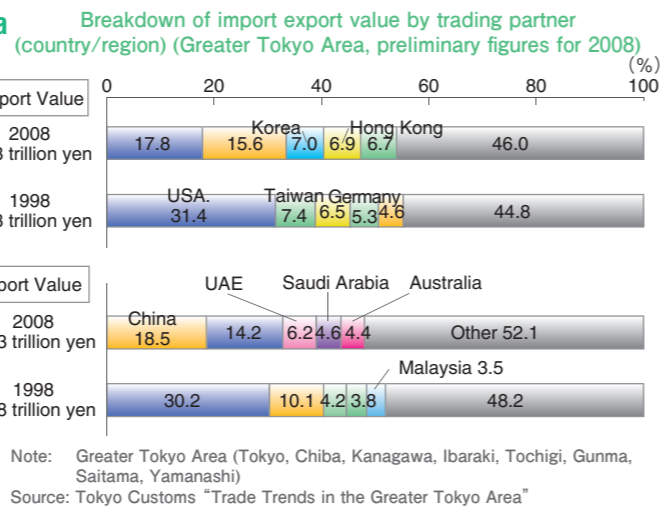
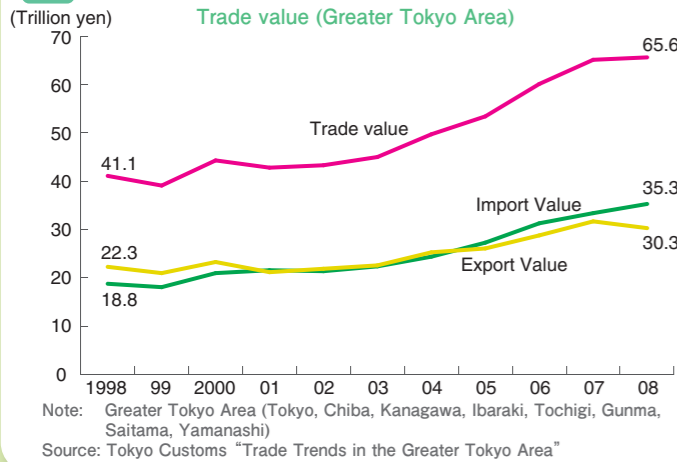
Source: TMG, MHLW "Vital Statistics"; National Institute of Population and Social Security Research "Demographic Statistics Information Packet"; United Nations "Demographic Yearbook"

Tokyo's gross production output corresponds to the scale of certain entire countries. Per-capita income is also extremely high compared to other prefectures. Because large numbers of companies, schools and other entities are concentrated in Tokyo, the district experiences a major influx of work and school commuters from other prefectures. This swells the daytime population to some 15 million persons. Although over half of the business establishments in Tokyo are small-scale operations with 4 or less employees, measured by the number of employees, large-scale establishments with 300 or more employees comprise 20% of the total.

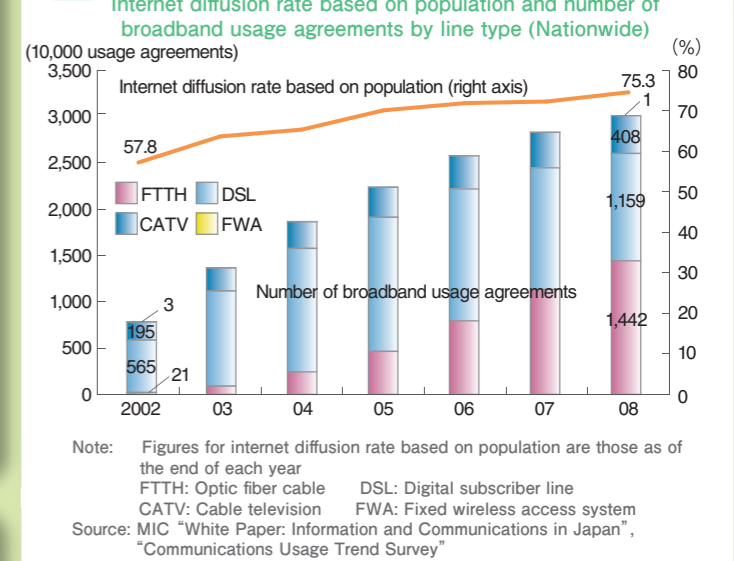
Recent years have seen a decrease in Tokyo's construction, manufacturing and other secondary industries in terms of both output and number of employees, while tertiary industries (especially the service sector) are recording growth. By number of business establishments, the largest groups are the wholesale and retail trade industry, followed by the Accommodations, eating and drinking services. Information and communications industry is also heavily concentrated in Tokyo, with about half of all of the nation's business companies in these sectors located in Tokyo. By demographics, there is a rapid decline in the birthrate and an advance in the aging of the population underway, with the percentage of senior citizens in Tokyo growing high by global standards as well. The total fertility rate in Tokyo has been in a recovery trend after bottoming out in 2005, although continuing to lag far behind the nationwide average.

Tokyo: A Global Stage Where People, Products and Finance Mingle

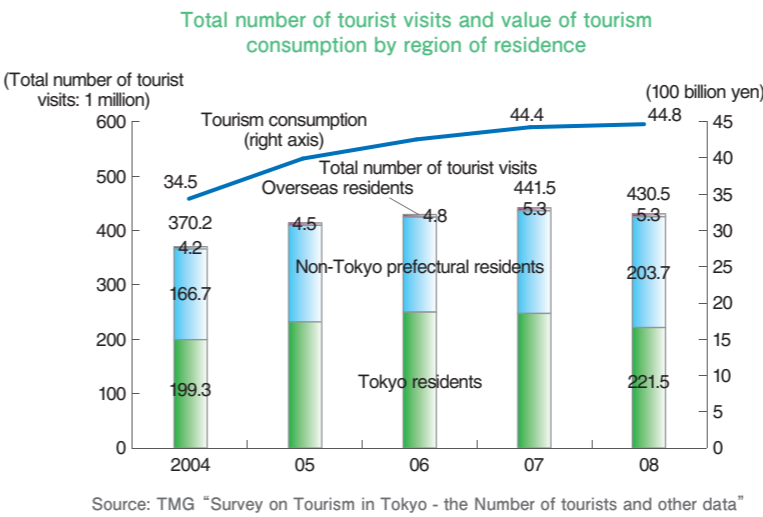
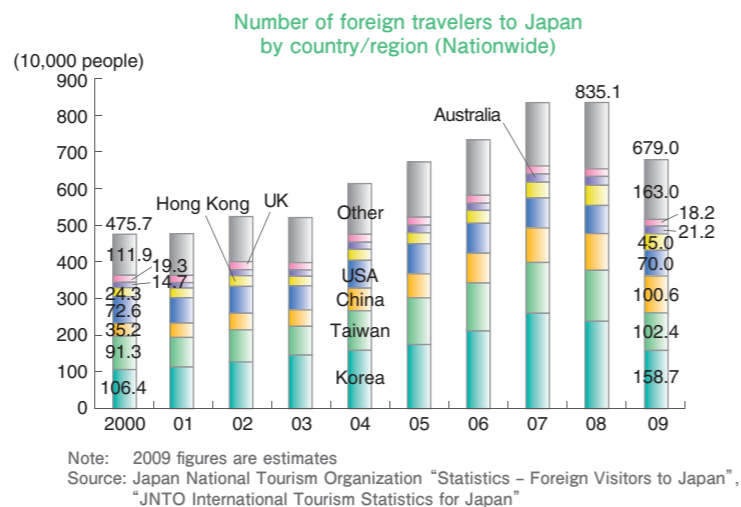
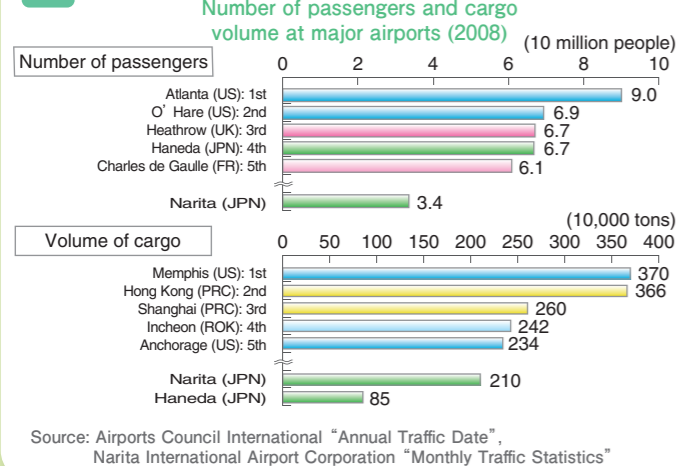
1 Deepening Level of Commodity Distribution to Rest of Asia



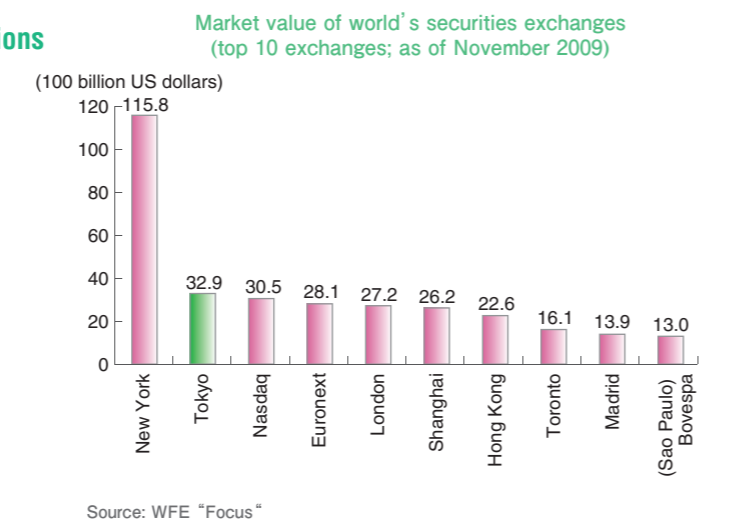
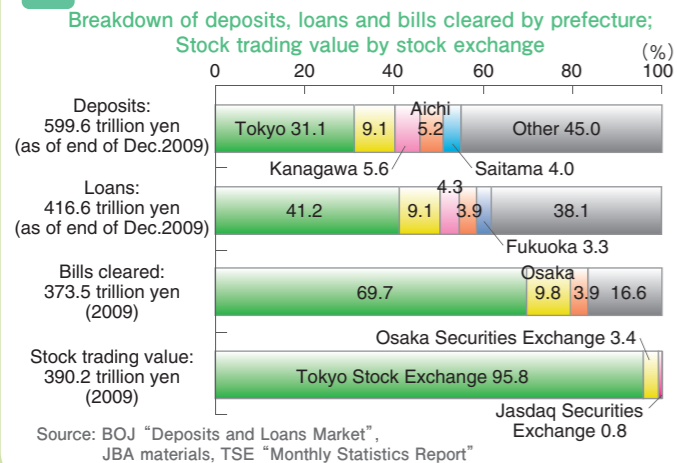
5 Informatization Has Rapidly Progressed and Expanded



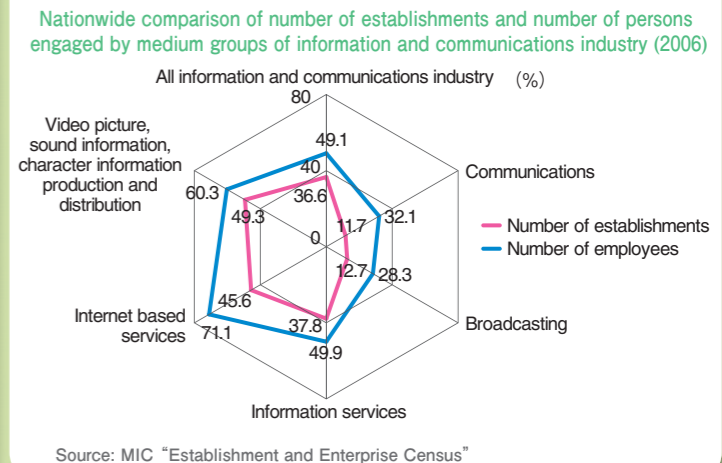
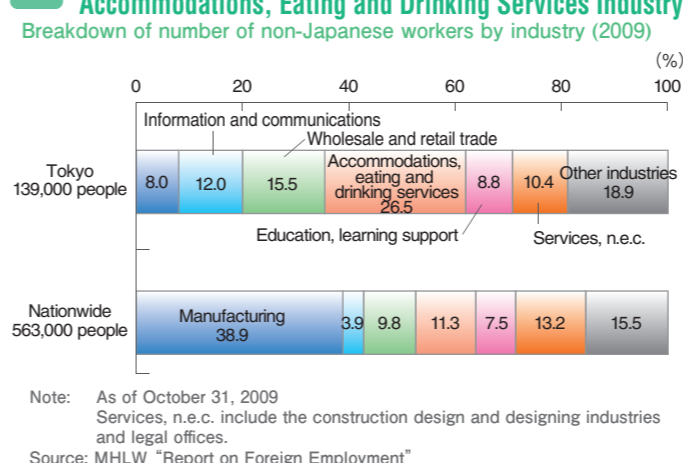
2 Tokyo Is a Center of International Exchange



3 The Global Role Played by Tokyo's Financial Functions



4 Non-Japanese Workers Particularly Present in Accommodations, Eating and Drinking Services Industry

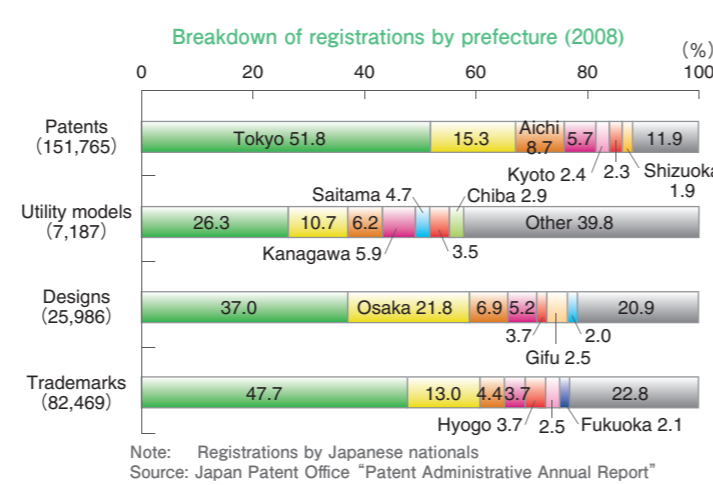
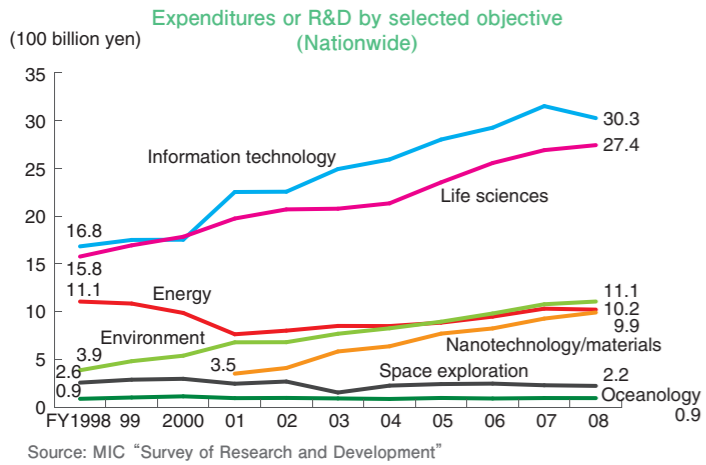
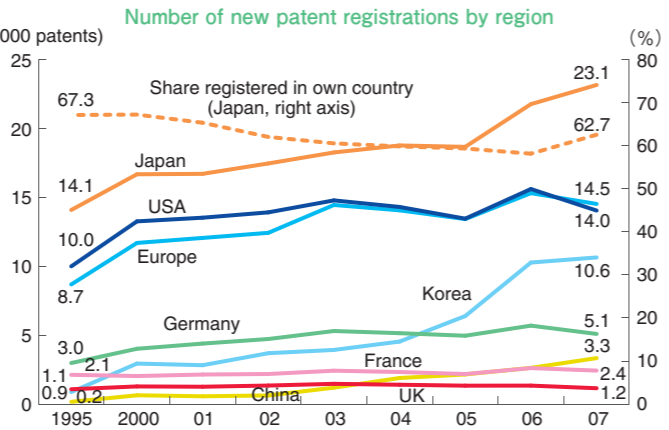
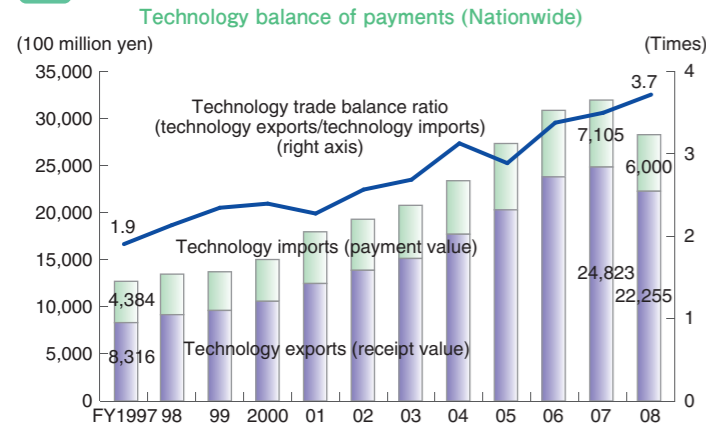


The value of trade in the greater Tokyo area had continued to increase, but leveled off in 2008 due to the worldwide economic slump. Among trade partners, the proportion represented by Asia, particularly China, continues to increase in recent years. Commodity distribution within domestic borders is also active, with transported cargo volume within the Tokyo metropolitan area exceeding that in the Chukyo and Hanshin metropolitan areas. Haneda Airport boasts the 4th highest level of number of passengers in the world, where Narita Airport conversely has a high level of freight volume. The number of foreign travelers to Japan, primarily those from Asia, has been increasing, but entered a decline in 2009 under the impact of the global recession, appreciation of the yen, the H1N1 virus pandemic and other factors. Despite the number of tourists visiting Tokyo decreasing slightly in 2008, the value of tourism consumption continued to increase.

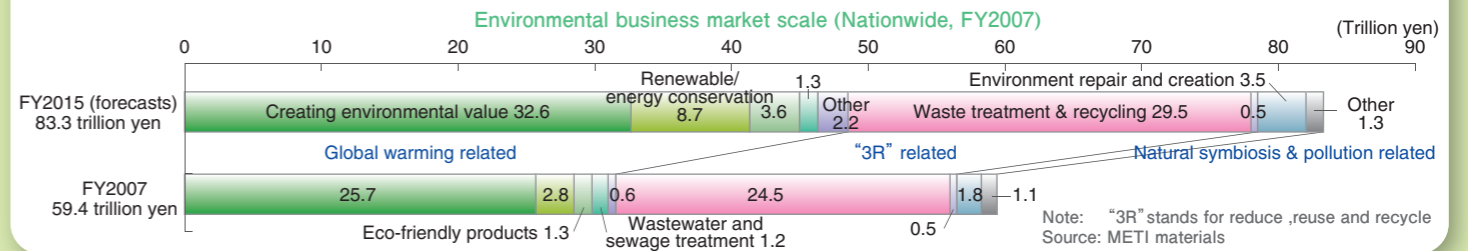
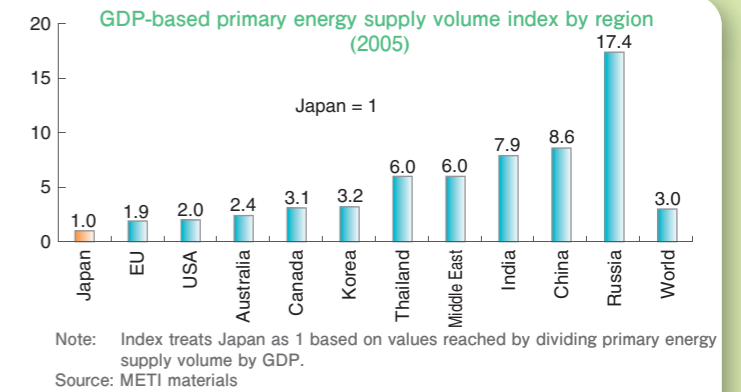
A number of key financial functions are concentrated in Tokyo, with the Tokyo Stock Exchange boasting one of the largest market values of any securities exchange in the world. Out of total non-Japanese workers nationwide, 1/4 are based in Tokyo, and are spread across numerous sectors. The transmission and receiving of vast amounts of information using the Internet has become possible in recent years, resulting in progress made in the exchange of people, products and finance and solidifying the place of informatization as a source of new industry creation and high value-added. Looking at the utilization of information by sector, Japan exhibits high levels relative to the rest of the world in the transportation and logistics sectors, but also a significant delay in certain sectors that include education, human resources and corporate management. Japan's contents and other information and communications-based industries are concentrated in Tokyo, which is the cornerstone of the nation's informatization-based networks.

Tokyo Using Advanced Technology to Create New Value

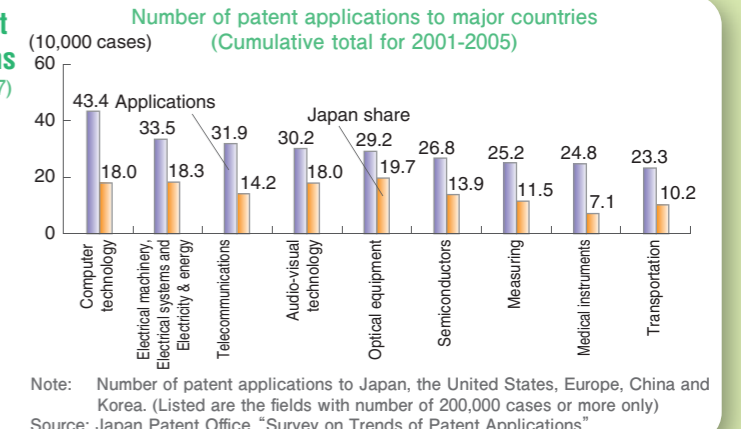
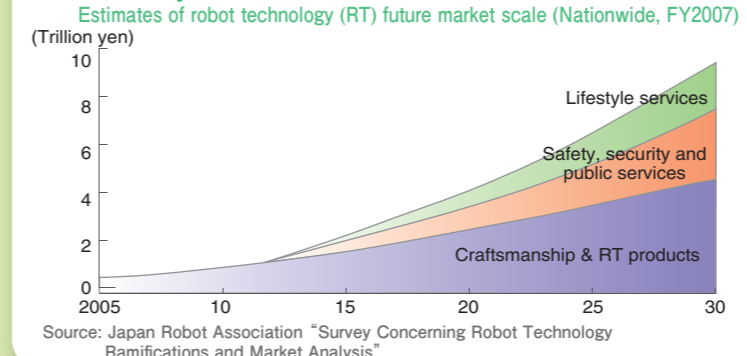
1 Tokyo Spearheads National Commitment to Technology



2 Japan's Stellar Energy Conservation Technology, Expanding Eco-business

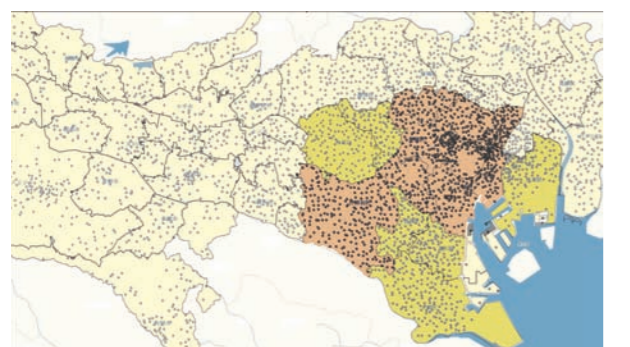


3 Information Technologies and Craftsmanship Support Society with Fewer Children and More Senior Citizens

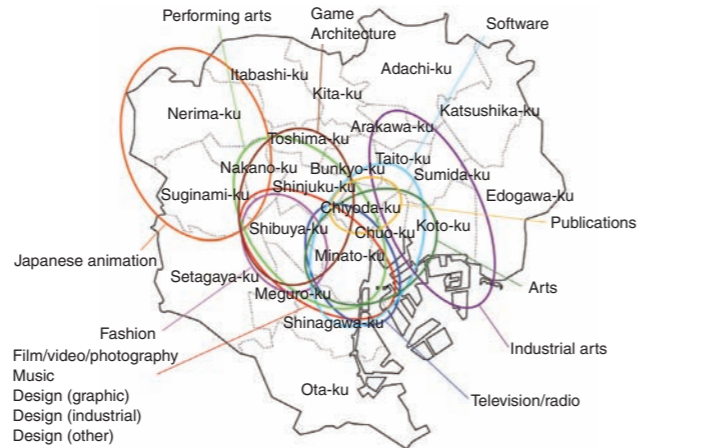


4 High Concentration of Creative Industries in Tokyo

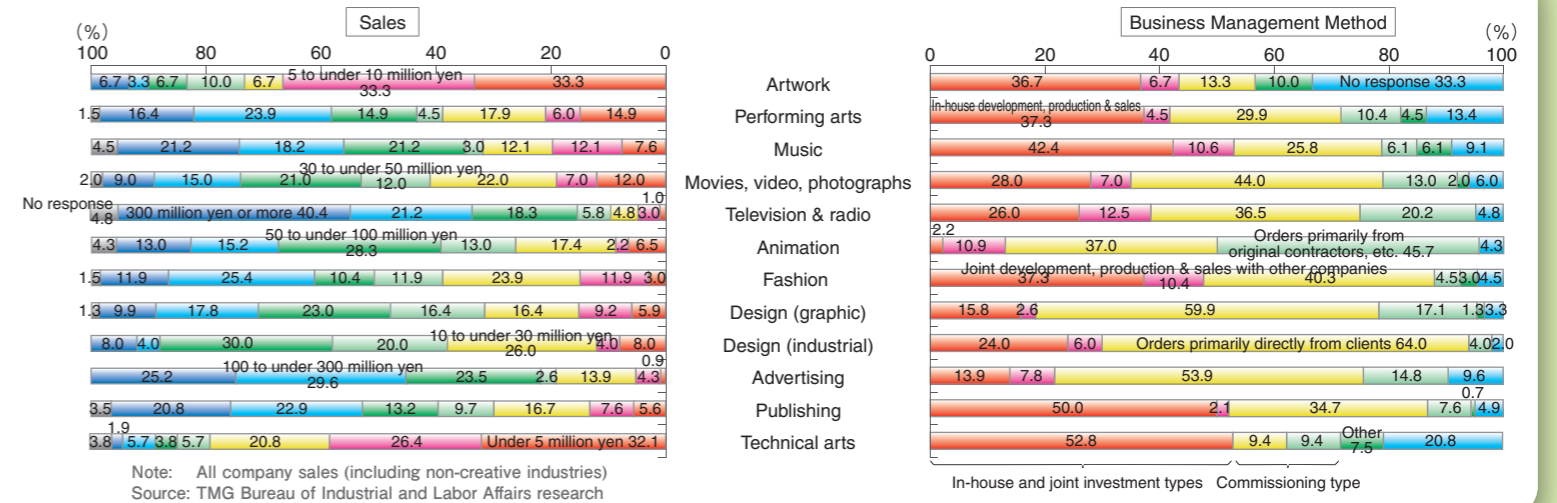
State of establishments belong to creative industry (2009)



State of concentration of creative industries by fields (2009)



Breakdown of number of companies by sales scale, business management method and creative industry(2009)

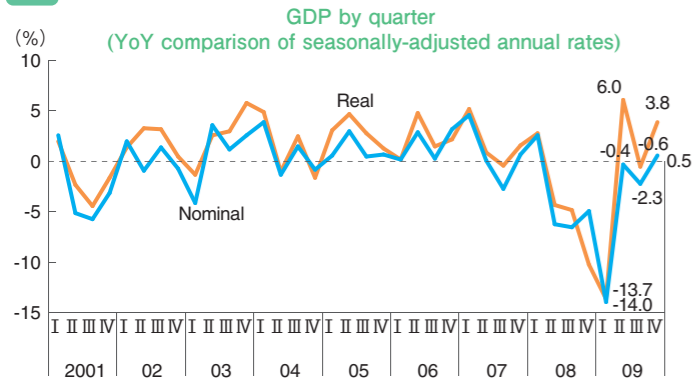


Japan has expanded overseas on the strength of the trust placed in its outstanding technology, with the ratio of its technology trade balance for patents, technology supply and other areas having reached 3.5-fold. The number of Japanese patents has climbed to top world levels, with that volume displaying redoubled growth in recent years. Examining the status of research by companies, universities and other entities, it is clear that these efforts are truly advancing in the fields of information technology and life sciences, with research expenditures in both those sectors having roughly doubled from 10 years ago. Tokyo, which hosts large numbers of corporate headquarters, universities and research institutes, accounts for a majority of all patents registered nationwide and comprises the key hub for technology development. In recent years, hand in hand with the heightened sense of crisis over global warming, keen attention is also coming to focus on environmental and energy conservation technologies.

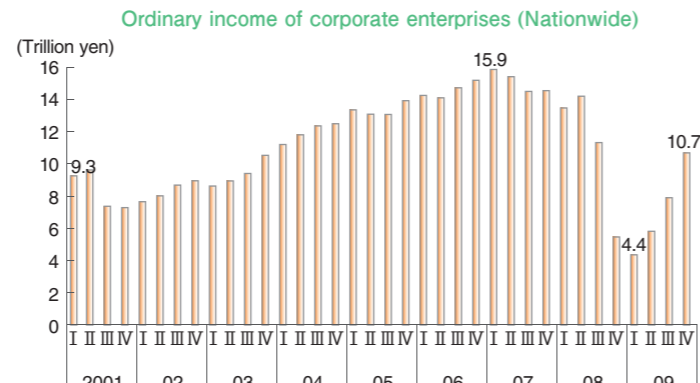
With eco-business endeavors spreading to vast range of industries, this has become a promising market for the future. Japan uses less energy for production activities than other countries, and also boasts outstanding energy-conservation technology. New demand is being generated to effectively address the needs of a society characterized by fewer children and more senior citizens. Robot technology is no longer limited to industrial use, with development efforts steadily expanding into health care, welfare, disaster prevention, lifestyle services and numerous other fields. Japan is also the world leader in patents for domains that support robot technology. Tokyo, meanwhile, features a heavy concentration of creative industries that produce animation, fashion and other intellectual properties, and is a key focus of high added value and vitality.

Weak Recovery of Tokyo's Economy

1 Deterioration of Japanese Economy Hits Bottom

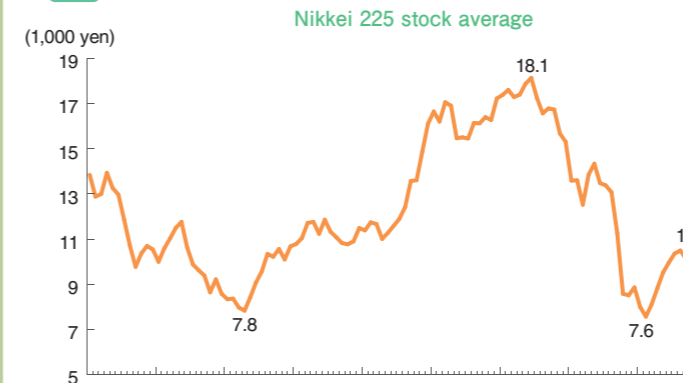


Note: Figures represent initial preliminary estimates for quarter between October and December 2009
Source: CAO "Annual Report on National Accounts"

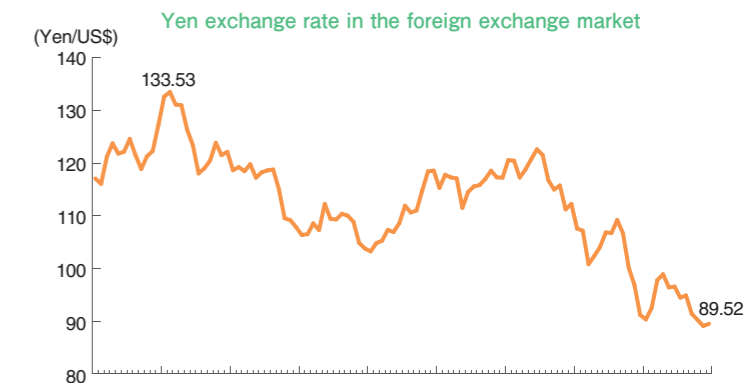


Note: Values are seasonally-adjusted, and exclude finance and insurance industry.
Source: MOF "Financial Statements Statistics of Corporations by Industry"

2 Sluggishness Continues in Stock Market; Yen Exchange Ratio Rising

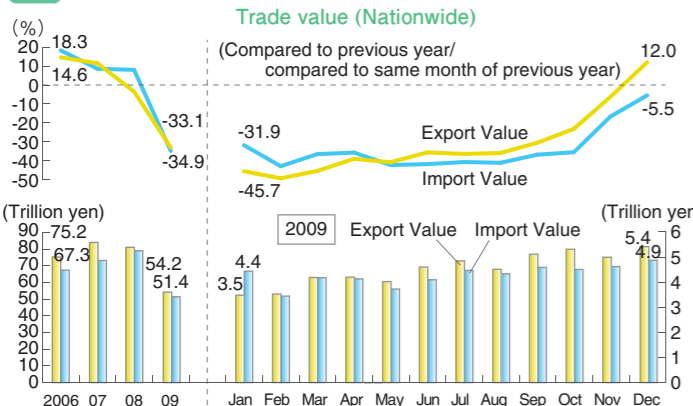


Note: Represents month-end values
Source: ©Nikkei Inc. materials

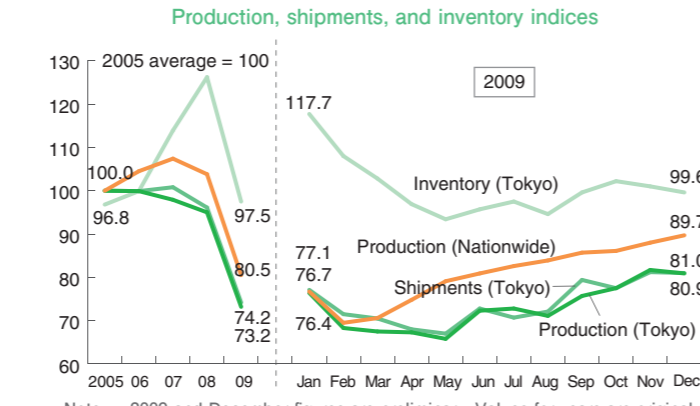


Note: Tokyo market; Dollar vs. yen spot: 17:00 monthly average
Source: BOJ materials

3 Weak Corporate Activity despite Moderate Improvement in Production

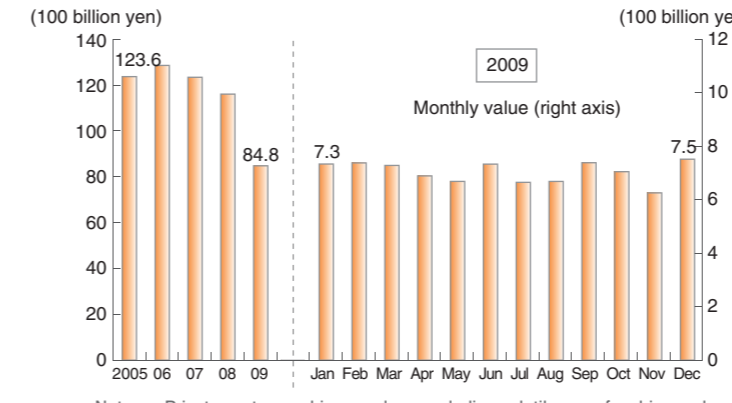


Note: Value of imports figures of Tokyo for 2009 and December are preliminary
Source: MOF "Trade Statistics of Japan"



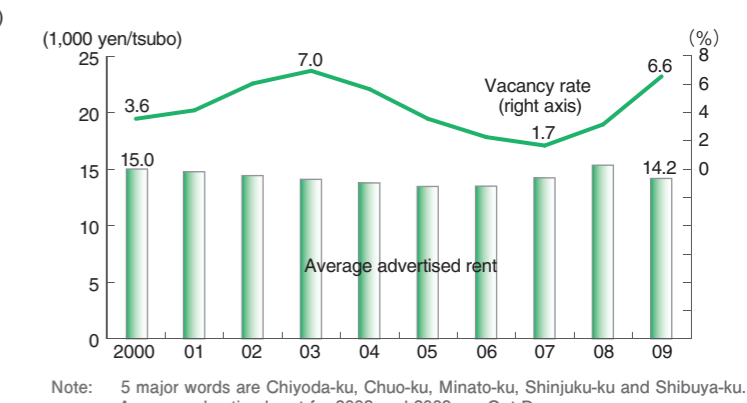
Note: 2009 and December figures are preliminary. Values for years are original, and values for months are seasonally-adjusted.
Source: TMG "Industrial Indices" METI "Indices of Industrial Production"

Value of machinery orders (Nationwide)



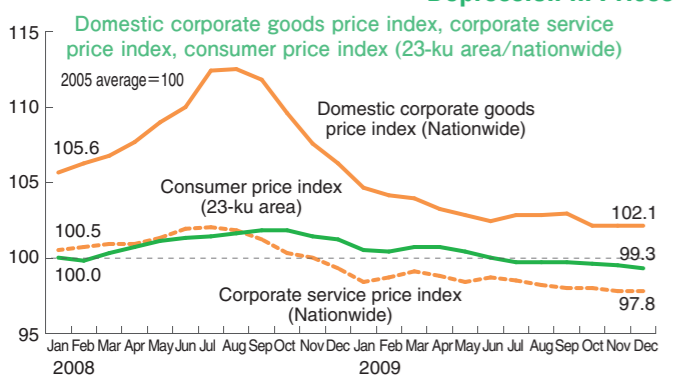
Note: Private-sector machinery orders, excluding volatile ones for ships and those from electric power companies
Source: CAO "Orders Received for Machinery"

Office vacancy rate and average advertised rent (5 major wards)



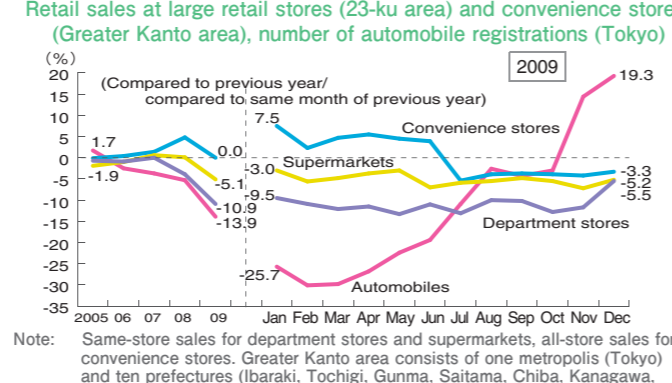
Note: 5 major wards are Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku. Average advertised rent for 2008 and 2009 are Oct-Dec averages. Vacancy rates are as of December of every year.
Source: CB Richard Ellis K.K. "Office Market Report"

4 Insufficient Demand Perpetuating Depression in Prices



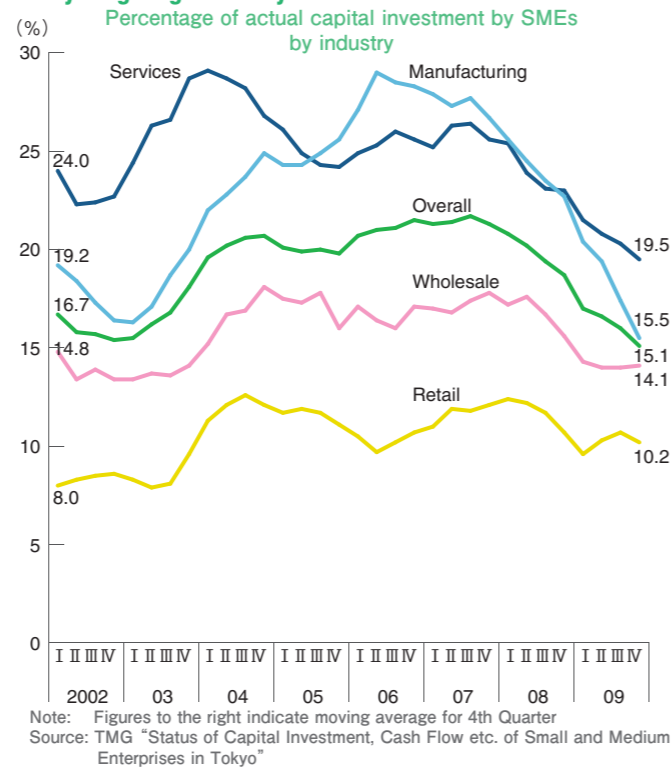
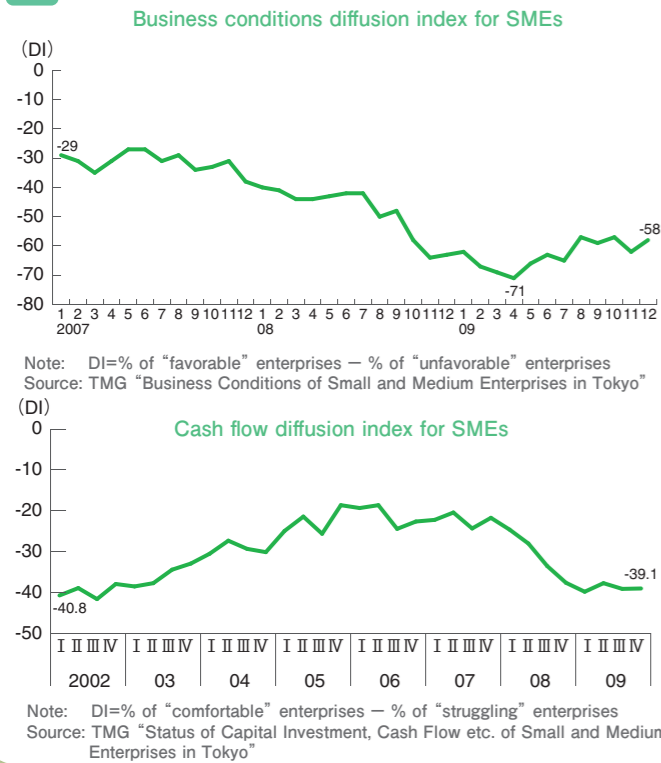
Note: Consumer price index is the total excluding fresh foods.
Source: BOJ "Domestic Corporate Goods Price Index", "Corporate Service Price Index" and MIC "Consumer Price Index"

5 Downturn in Consumption

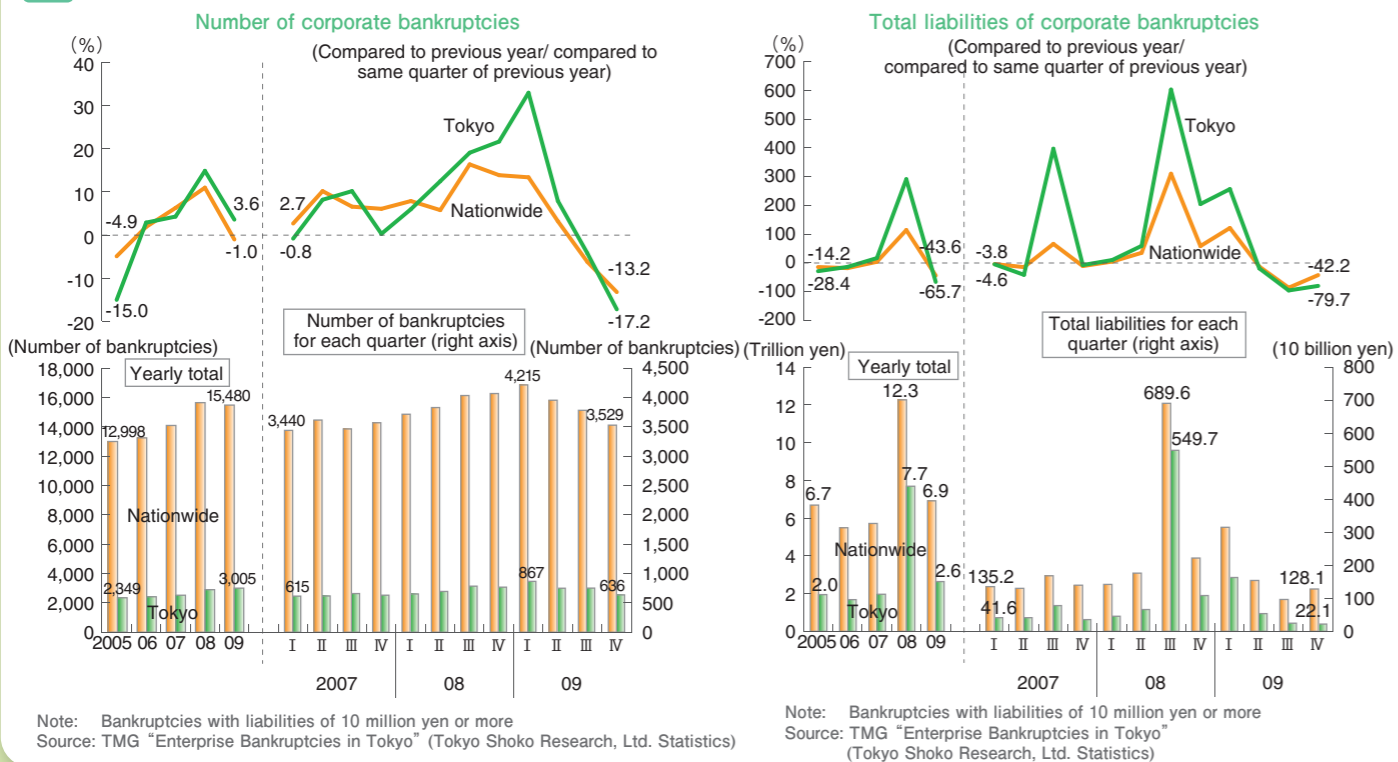


Severe Business Environment Surrounding Small and Medium Enterprises

1 Business of Small and Medium Enterprises Characterized by Ongoing Severity

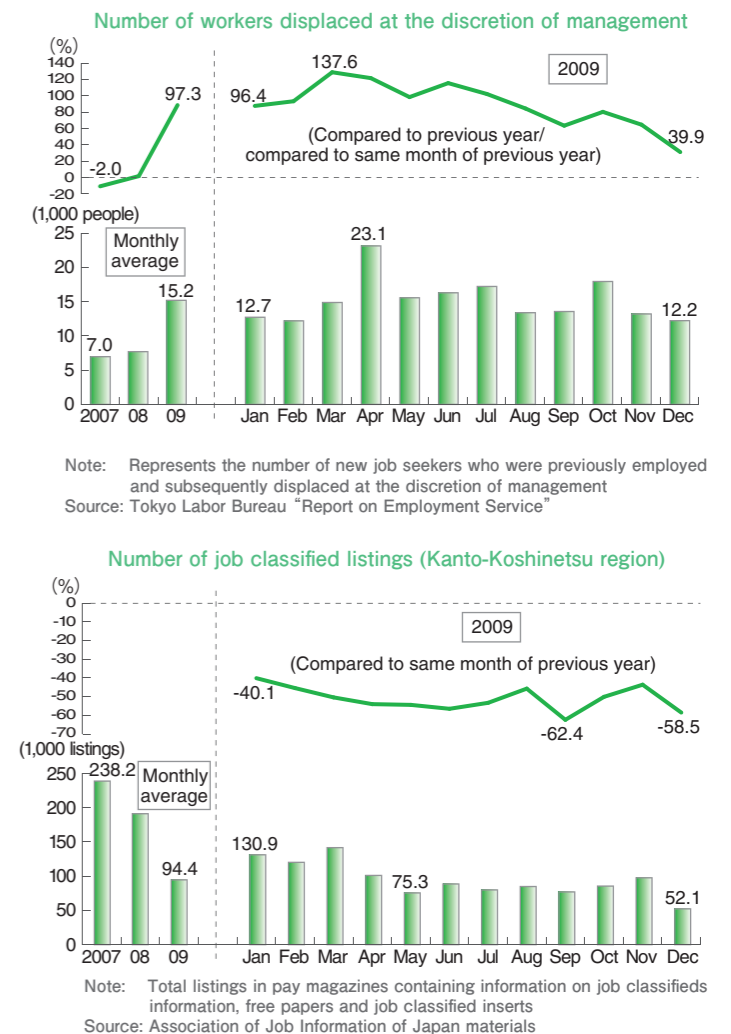
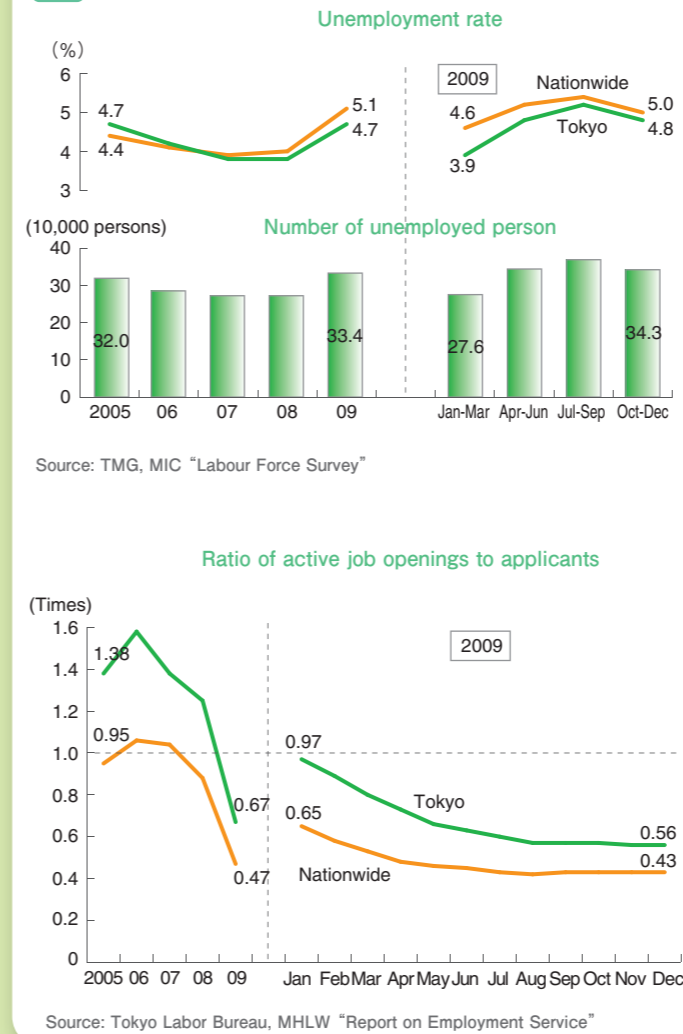


2 Number of Bankruptcies in Tokyo Exceeded 3,000 for The Year

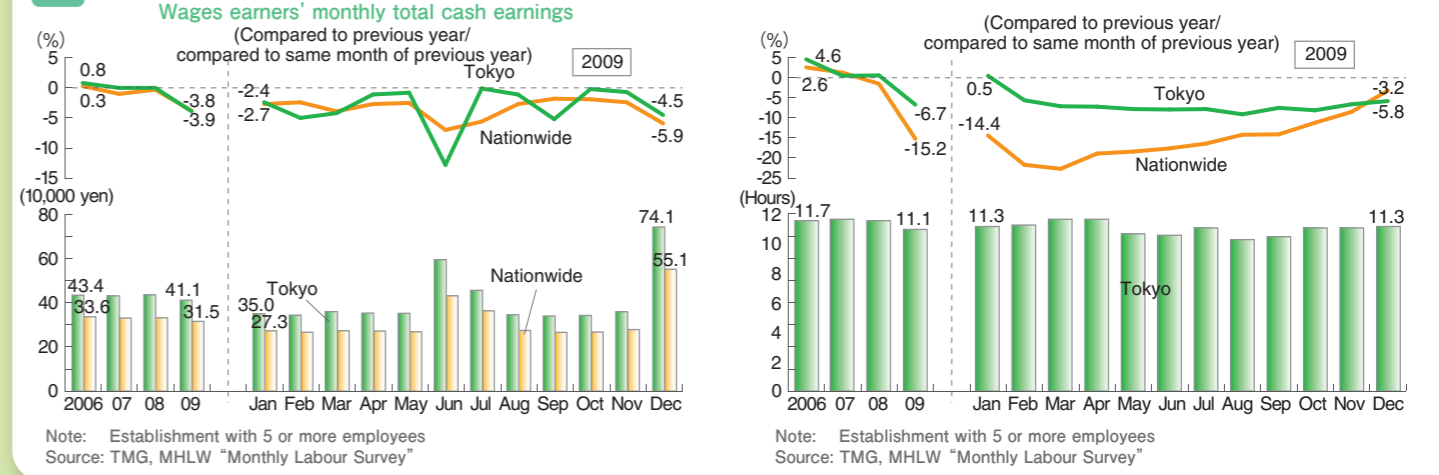


Continues to Persevere; Employment Situation Assumes Serious Proportions

3 Worsening Employment



4 Reduced Wages; Drop in Overtime Work Hours



The business conditions DI for small and medium enterprises, which worsened rapidly from fall 2008 onwards, gradually recovered after bottoming out in March 2009. However, the index continues to remain at a severe level. Cash position has also failed to improve, with capital investment also becoming progressively weaker. The number of corporate bankruptcies nationwide fell slightly under that demonstrated in 2008, substantiated by initial signs upon entering latter half of the year that this figure was slowing down. Tokyo, on the other hand, experienced a higher number of bankruptcies relative to the previous year. Due to the fallout from large-scale bankruptcies that occurred last year, total liabilities decreased substantially.

Despite a previous trend of improvement, the unemployment rate in Tokyo took an upward turn, with unemployed persons increasing. Among total job seekers, the number of those who were displaced from their previous position at the discretion of management nearly doubled from 2008. Additionally, the ratio of active job openings to applicants, which had exhibited a significant ongoing decrease since the beginning of the year, continues to remain at an extremely low level despite a marginal narrowing of the rate of decrease during the second half of the year. The number of job classified listings also dropped sharply from 2008 by one-half. The general deterioration in corporate earnings resulted in total cash earnings to decline relative to 2008, with non-scheduled hours worked also experiencing a significant decrease.