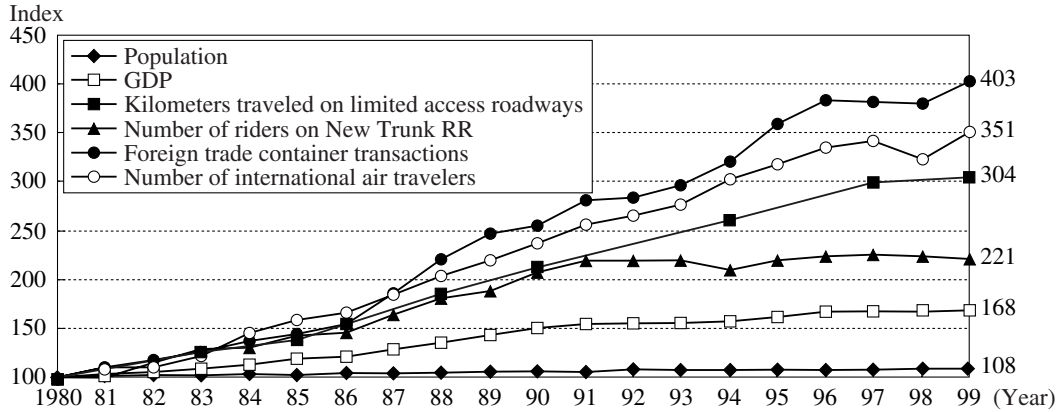


Section 4. Impact on Social Capital Infrastructure and Public Transportation

[Impact on Social Capital Demand]

Changes in demographics are a major factor in changes in demand for social capital, but domestic and international economic movements and lifestyle changes also have major impacts. For example, use of social capital in the transportation realm is outpacing population and GDP growth.

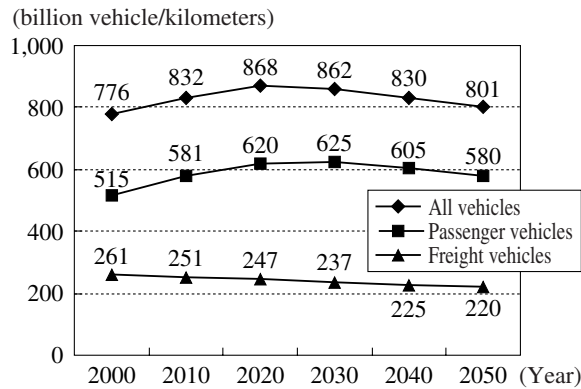
39. Population Trends and Changes in Amount of Transportation for Traffic Institutions (1980 = 100)



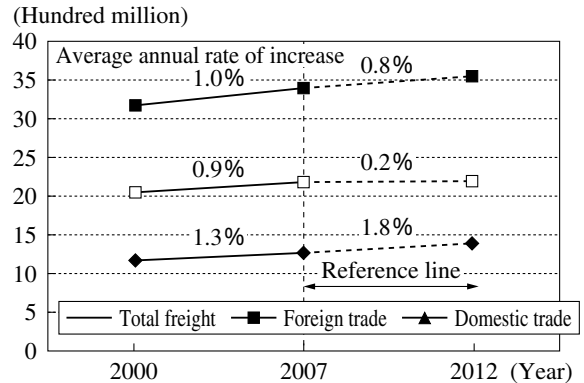
Sources:MPHPT, " Population Census ", " Current Population Estimates ", Cabinet Office, " System of National Accounts ", MLIT

However, as the population decreases in future, it is estimated that even automobile transportation will see a long-term decrease. Growth in harbor tonnage and air transportation is expected to slow.

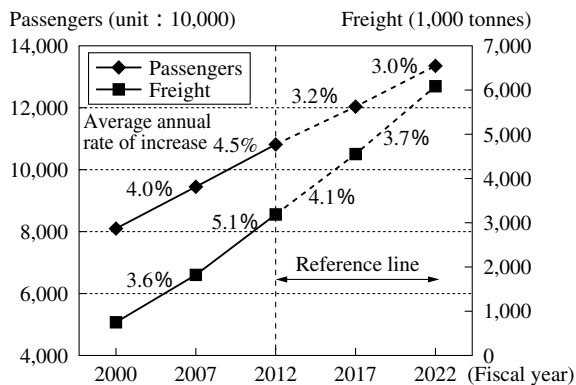
40. Estimated future auto vehicle kilometers



41. Estimated Port-handled Freight Demand (total freight)

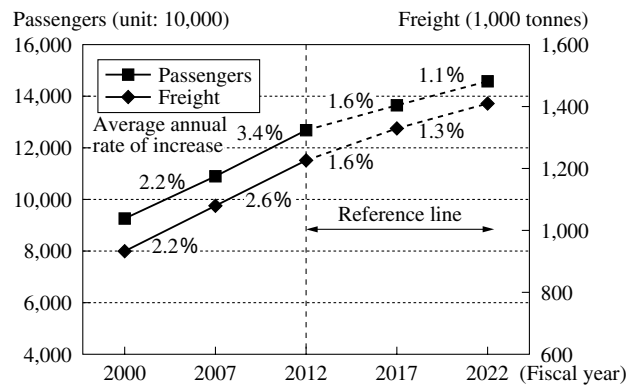


42. Estimated International Air Transport Demand



Source: MLIT

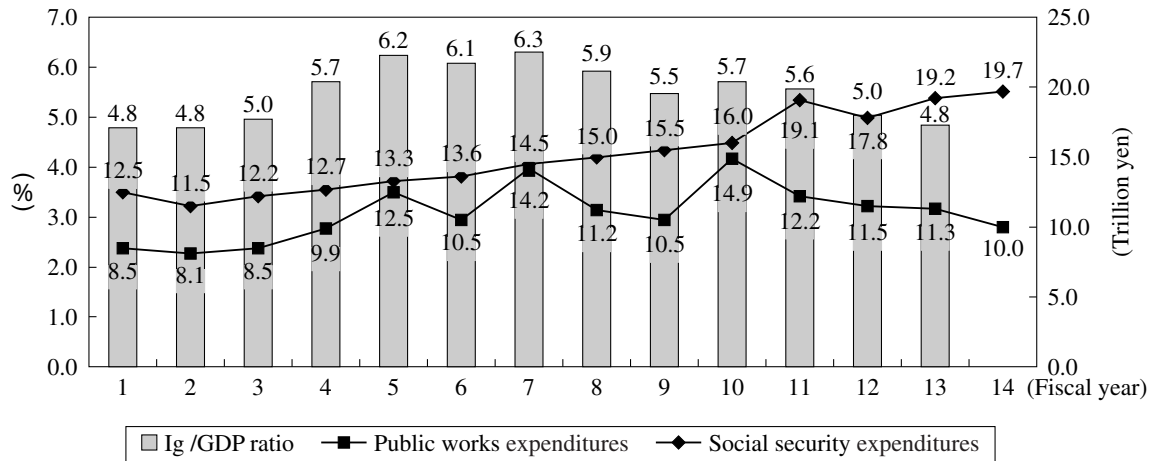
43. Estimated Domestic Air Transport Demand



[Financial Restrictions on Public Investment]

The ratio of Ig to GDP is decreasing, reflecting severe financial conditions. Further, as the percentage of government expenditures held by public works expenditures continues to decrease, it is expected that continued severe financial restrictions will obtain.

44. Changes in Ratio of Ordinary Government Ig to GDP and Changes in Public Works and Social Security Costs

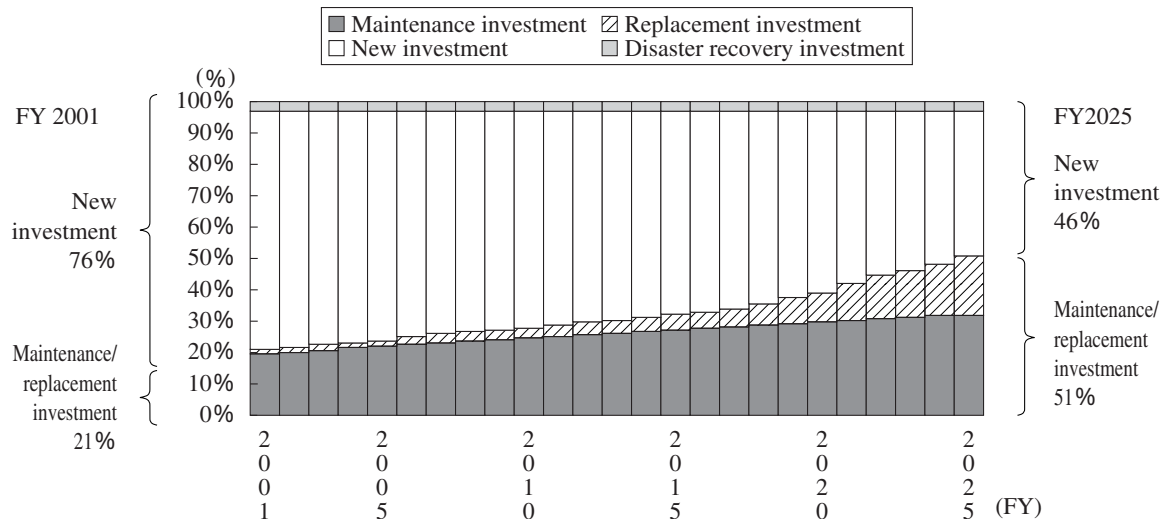


Source: Compiled from Cabinet Office, " System of National Accounts " etc.

[Increased Investment for Maintenance and Replacement]

Because the substantial social investment inventory built during the period of high economic growth is facing renewal time, we are looking at sudden increases in maintenance and replacement investment, and it can be expected that major restrictions on new investment will continue to obtain as a result of increased maintenance and replacement investment.

45. (Estimates of demand for maintenance and replacement investment)



Note: Assuming total annual investment sum change to be 0% per annum
 Future cost reductions in maintenance not taken into consideration.
 Source: MLIT

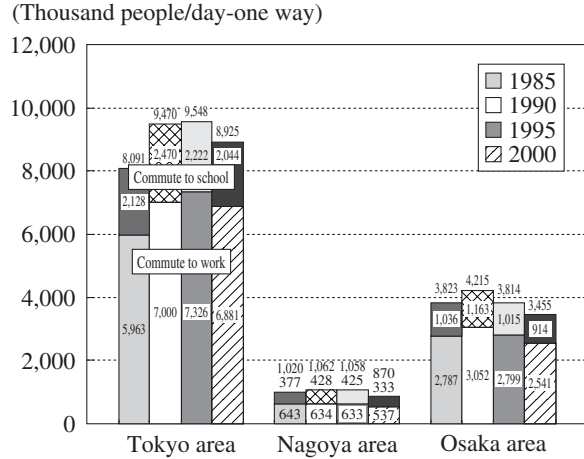
[Changes in Demand for Public Transportation]

In the field of public transportation, it is expected that there will be an increase in ridership opportunity for seniors as a result of the rapidly graying population, but that overall ridership will decrease with the decrease in workers and students. Increases in opportunities to go out among women and seniors will create new transportation demands.

[Changes in the Commuting Environment]

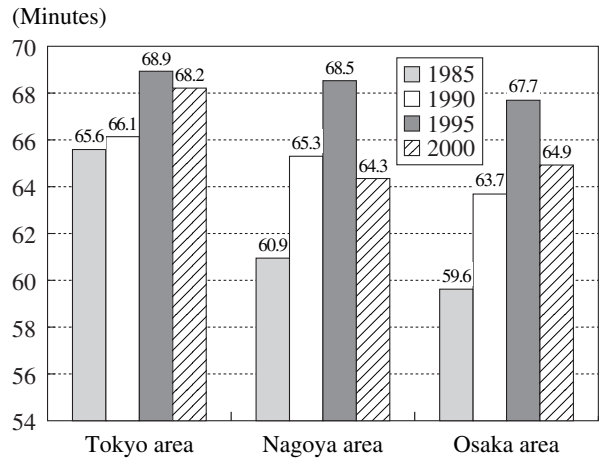
Even as there are expectations for achieving less cramped commuting conditions for workers and students by relieving morning and evening rush hour crowding in severely crowded urban areas, there will be greater demands for ease of use of means of transportation in cities due to the increase in seniors.

46. Changes in number of people using work or school commuter passes in 3 major metropolitan areas



Note: Limited to users of public transportation
Source: MLIT "Major Urban Transportation Census (1995, 2000)"

47. Time required for commuting in 3 major metropolitan areas

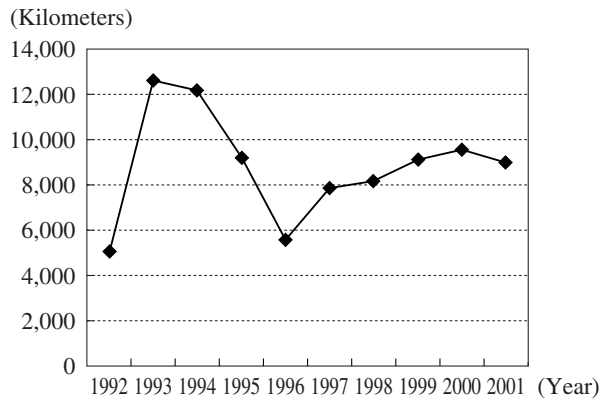


Note: Limited to users of public transportation
Source: MLIT "Major Urban Transportation Census (2000)"

[Impact on Daily Transportation]

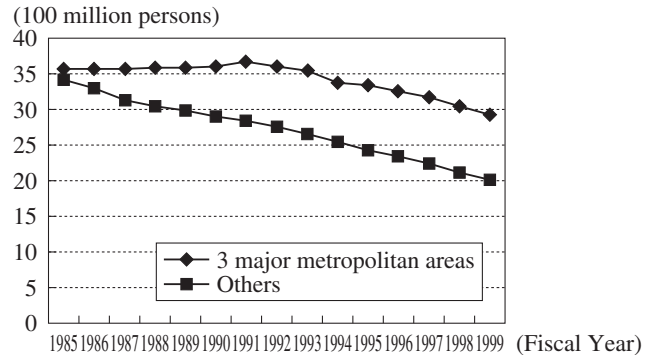
In regions where public transportation ridership is decreasing, maintaining public transportation grows ever more difficult as trends to abandon railroad and bus lines grow, but merely to maintain regional society will require guarantees of daily transportation.

48. Changes in Kilometers Abandoned by Buses



Note: Figures for end of March
Source: MLIT

49. Changes in Bus Ridership



Source: MLIT