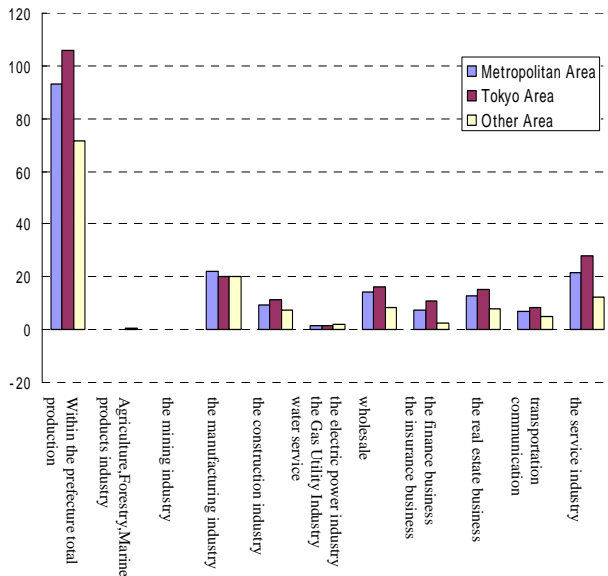


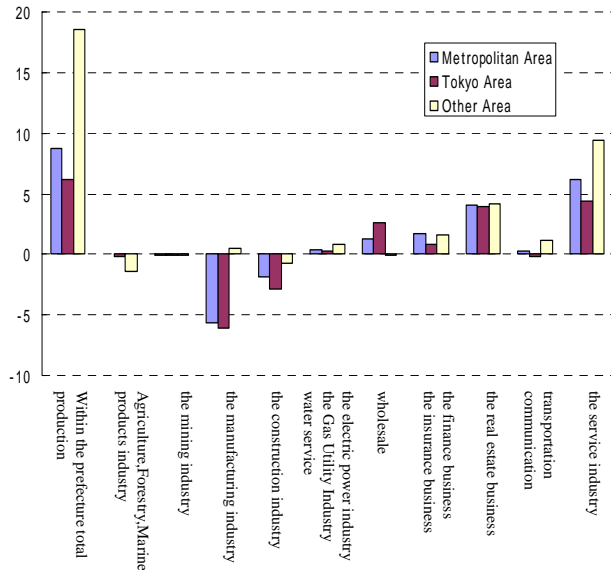
Growth rate of GDP (by areas and by industries).

A look at nominal growth of the GDP by areas shows that during the 1980s, growth in urban economic spheres centered on the three economic spheres, especially Tokyo urban economic sphere, was high, and during the 1990s growth in other area was high. A look at industrial sectors during the 1990's shows that in contrast to the negative growth of the manufacturing and construction industries, growth in other area especially was spurred by the service sector, and that there is wide variation from sector to sector.

Nominal growth of the GDP in total and by industrial sector 1980-1990 (%)



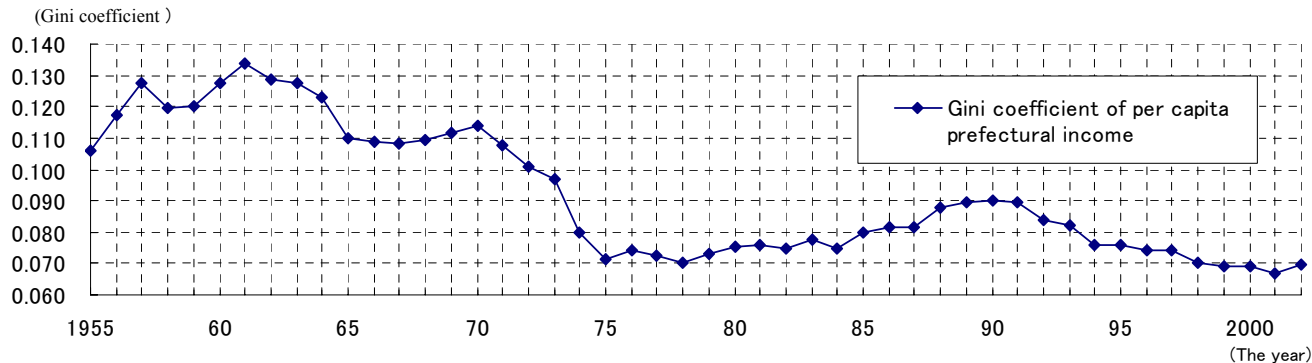
Nominal growth of the GDP in total and by industrial sector 1990-2000 (%)



Note: Calculations for 1980 and 1990 were made with the 68SNA series and for 2000 with the 93SNA series.

Gini coefficient of per capita prefectural income, gap in per capita prefectural income between the average of the top 5 prefectures and that of the lowest 5 prefectures.

A look at inequality in per capita income by prefecture using the Gini coefficient shows that since the 1990s, nationwide income disparity has been reduced and that the disparity between the top five prefectures and bottom five prefectures has been stable at a low-level.



<Disparity in personal income between the top five prefectures and bottom five prefectures>

the year	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
times	2.04	1.93	1.85	1.80	1.63	1.58	1.61	1.60	1.57	1.58	1.61	1.61	1.61	1.64	1.60

the year	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
times	1.62	1.62	1.64	1.70	1.72	1.74	1.73	1.64	1.61	1.58	1.57	1.57	1.57	1.53	1.54

the year	2000	2001	2002
times	1.54	1.51	1.54

Note:

1. The Gini coefficient as used in this study is a statistical measure of concentration, where values approaching 1 represent a high concentration and values approaching 0 represent an equal distribution.
2. The population of Okinawa Prefecture during the period from 1955 to 1970 was estimated based on average five-year growth calculated from the national average for 1955, 1960, 1965, and 1970.
3. Calculations for per capita income by prefecture were made using the 68SNA series for the years 1955–1991 and the 93SNA series for 1992 and later.

Growth rate of added value, degree of agglomeration (Gini coefficient) and share of upper five prefectures in the number of establishments by industries.

Of the businesses that contribute to the creation of new businesses as specified by the Enforcement Order of the Law for Facilitating the Creation of New Business, a look at the major industries (manufacturing industry) with high growth rates for added value shows that (1) each of these industries is highly agglomerated (based on the number of businesses) and (2) these industries tend to agglomerate even in prefectures in other area.

Industrial agglomeration and growth of added value for businesses that contribute to the creation of new business (Enforcement Order of the Law for Facilitating the Creation of New Businesses)

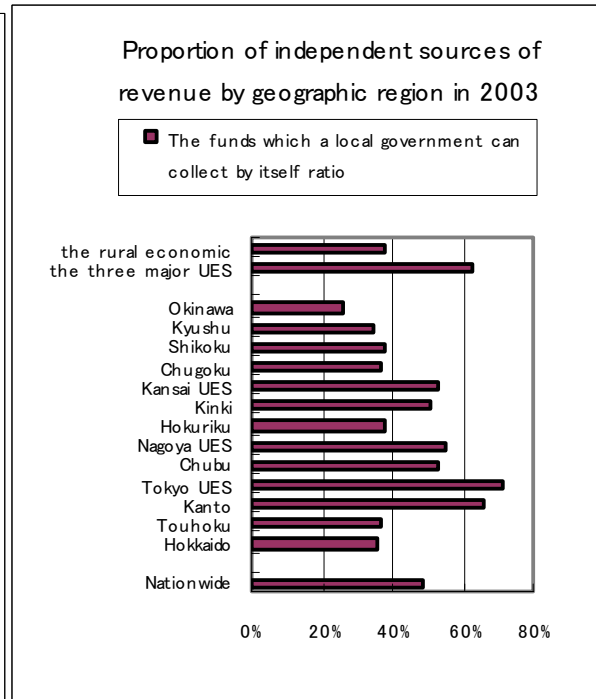
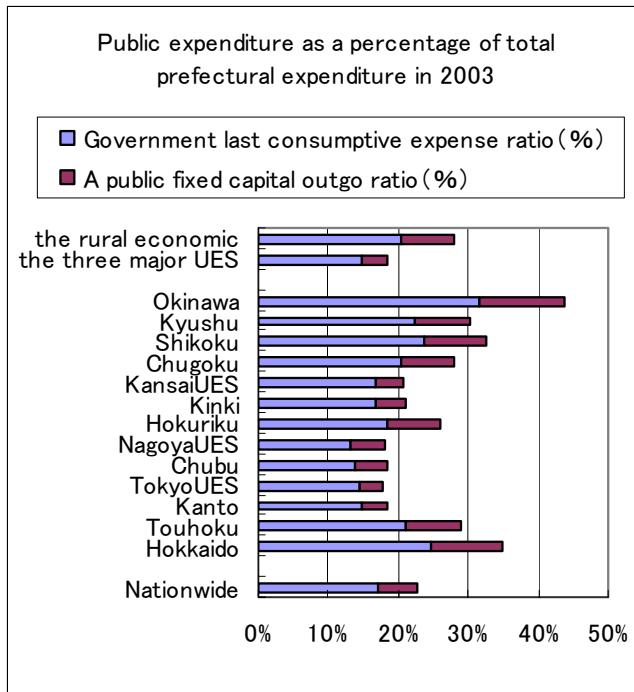
Industry	Growth rate of added value (1995 ~ 2000, %)	degree of agglomeration (Gini coefficient) (2000)	share of upper five prefectures in the number of establishments in 2000, (%)				
			1	2	3	4	5
Thermometer manufacturing industry	172.2%	0.874	Tokyo(41.0)	Saitama(10.7)	Nagano(10.7)	Shizuoka(8.9)	Chiba(7.1)
Ceramics manufacturing industry for industry for physics and chemistry	118.6%	0.788	Aichi(31.3)	Gifu(10.4)	Shiga(9.3)	Nagano(8.1)	Kanagawa(4.6)
Radio communication machine appliance manufacturing industry	88.9%	0.608	Kanagawa(13.6)	Tokyo(10.4)	Hyogo(6.5)	Shizuoka(6.1)	Saitama(4.8)
Machine appliance manufacturing industry for medical care	63.1%	0.771	Tokyo(32.4)	Saitama(15.0)	Nagano(7.2)	Osaka(5.7)	Tochigi(3.7)
Chemical reagent product manufacturing industry	57.8%	0.793	Hyogo(22.0)	Osaka(18.0)	Saitama(14.0)	Tokyo(6.0)	Gunma(4.0)
Lens prism manufacturing industry for optical instruments	52.3%	0.805	Saitama(18.1)	Nagano(17.7)	Tokyo(17.1)	Tochigi(11.4)	Kanagawa(6.1)
Industrial robot manufacturing industry	47.6%	0.608	Aichi(12.3)	Osaka(12.2)	Tokyo(8.1)	Nagano(7.1)	Kanagawa(5.8)
Print circuit manufacturing industry	41.1%	0.645	Kanagawa(13.1)	Tokyo(10.5)	Nagano(9.6)	Saitama(9.2)	Osaka(6.7)
Electronic applied device manufacturing industry for medical care	14.4%	0.758	Tokyo(27.9)	Kanagawa(8.3)	Saitama(7.6)	Tochigi(6.2)	Nagano(6.2)
Metal machine tool manufacturing industry	10.2%	0.617	Aichi(18.6)	Osaka(8.7)	Shizuoka(7.7)	Tokyo(6.5)	Kanagawa(6.4)
Casting device manufacturing industry	8.4%	0.728	Aichi(18.3)	Osaka(12.6)	Saitama(10.4)	Shizuoka(7.8)	Tokyo(6.9)
Connector / switch / relay manufacturing industry	7.8%	0.613	Tokyo(12.2)	Nagano(10.8)	Kanagawa(9.0)	Iwate(6.1)	Fukushima(5.2)
A sound part / a magnetic head / Ogata motor manufacturing industry	1.6%	0.619	Nagano(12.5)	Tokyo(9.8)	Saitama(8.4)	Gunma(7.2)	Yamagata(5.5)
Total of manufacturing industry	-6.0%	0.473	Tokyo(10.5)	Osaka(9.6)	Aichi(8.2)	Saitama(5.6)	Shizuoka(4.3)

Note:

1. The industries shown above are from those specified as businesses that contribute to the creation of new business under the Enforcement Order of the Law for Facilitating the Creation of New Businesses.
2. The Gini coefficient as used in this study is a statistical measure of concentration, where values approaching 1 represent a high concentration and values approaching 0 represent an equal distribution. The Gini coefficient shown above was calculated based on the number of businesses.
3. White characters on a black background indicate prefectures in other area.

Share of public expenditure to total regional GDP and ratio of independent revenue sources (by blocs and areas).

A look at public expenditure as a percentage of total prefectural expenditure and the proportion of independent sources of revenue by economic sphere and geographic region shows a high percentage of public expenditure in other area and a high proportion of independent sources of revenue in major urban economic spheres.

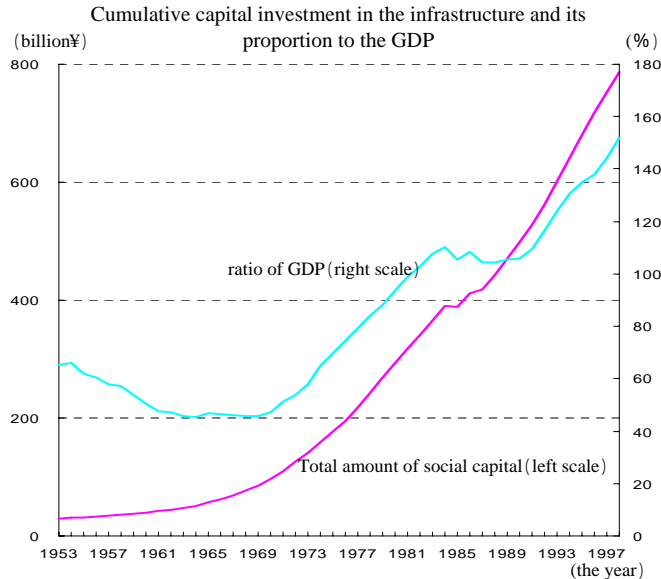


Note:

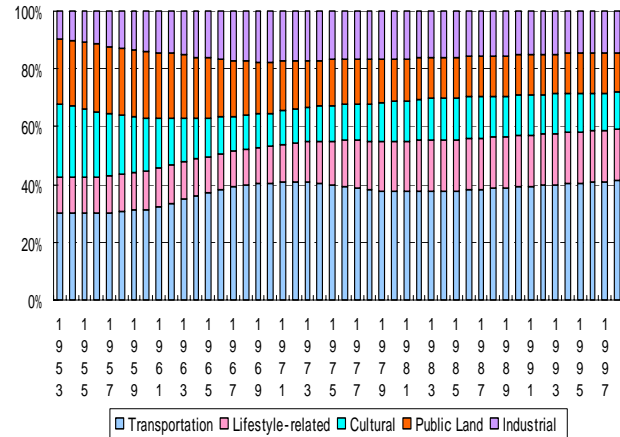
The term proportion of independent sources of revenue refers to the percentage of annual expenditure comprising independent sources of revenue (including local taxes, charges and assessments, licensing fees, and service charges), which are to a certain degree controlled by each municipality. In contrast to independent sources of revenue are dependent sources of revenue (tax revenues allocated by the central government to municipalities, expenditures by the central government, tax transfers, and municipal bonds), which are controlled by the central government.

Total amount of social capital, ratio of GDP, share by classes.

Social capital stock is increasing both in quantity and as a proportion to the GDP, having reached approximately 790 trillion yen, or 1.5 times the GDP, by the end of fiscal 1998. A look at long-term trends in capital stock in various categories shows increased spending in transportation and lifestyle-related categories.



Percentage of cumulative capital investment by category

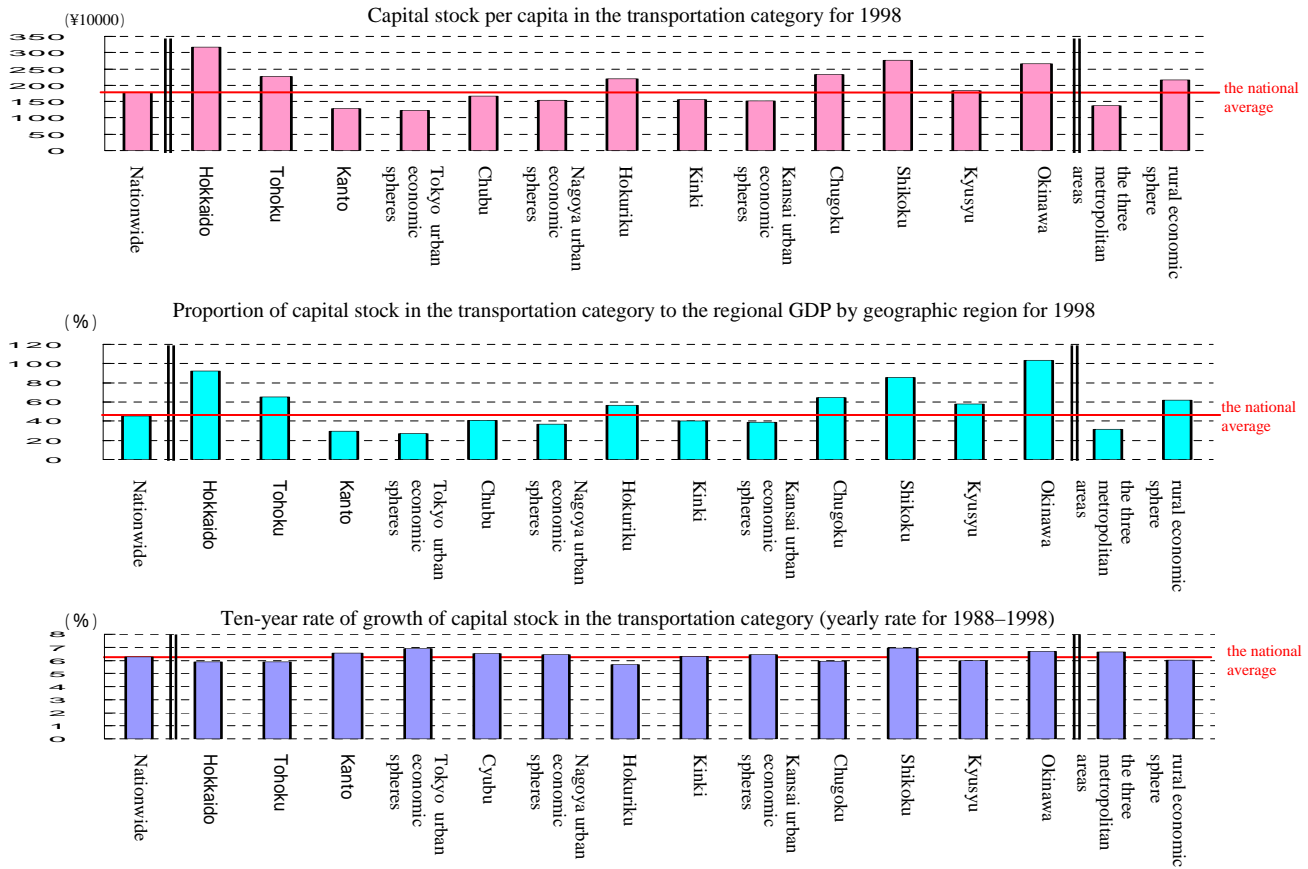


Note:

1. Figures for cumulative capital investment in the infrastructure and GDP are at 1995 prices.
2. Social capital stock for public services that were privatized has been subtracted from the total as of the year of privatization. For example, NTT was privatized in 1985 and the National Railways was privatized in 1987.
3. Categories are defined as follows:
 Transportation: road, port, and airport facilities
 Lifestyle-related: sewage, waste disposal, and water supply systems, and city parks
 Cultural: educational facilities, including public schools and auditoriums, and cultural facilities, including public training facilities, gymnasiums, libraries, and museums
 Public Land: flood control, earthworks, and coastal management
 Industrial: agriculture, fishery, and industrial water systems

Per capita stock amount, ratio to regional GDP and increase rate over 10 years of social overhead capital in traffic sector (by blocs and areas).

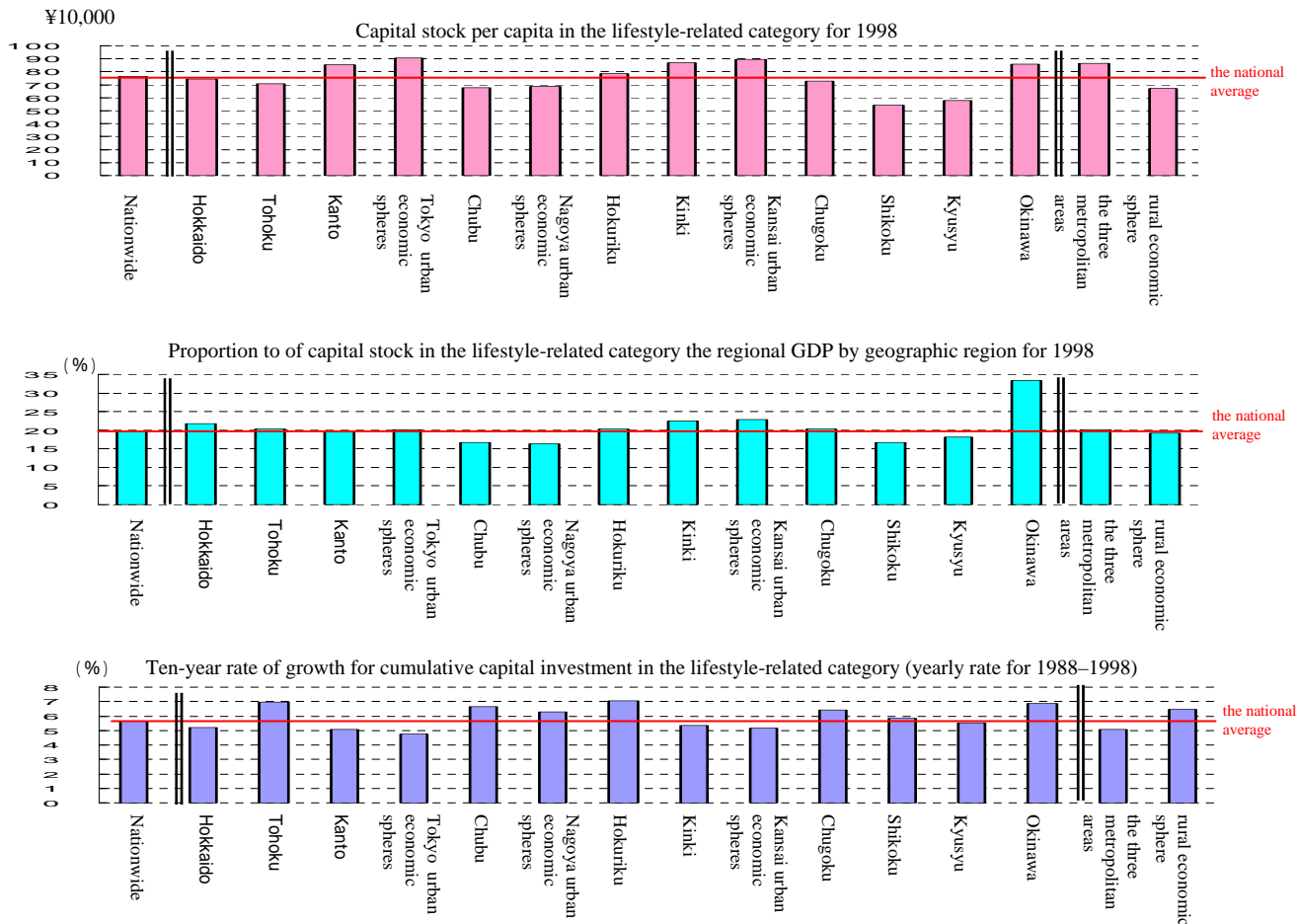
In the transportation category, although both capital stock per capita and its proportion to the GDP in other area are higher than in the three metropolitan areas, during the last 10 years, the growth rate in the three metropolitan areas has outstripped that in other area



Note: Figures for cumulative capital investment in the infrastructure and its proportion to the GDP are at 1995 prices, and figures for population are for 2000.

Per capita stock amount, ratio to regional GDP and increase rate over 10 years of social overhead capital in sectors related to the people's daily lives (by blocs and areas).

In the lifestyle-related category, although both capital stock per capita and its proportion to the GDP in the Tokyo and Kansai urban economic spheres are higher than in other area, during the last 10 years, the growth rate in other area has outstripped that in the Tokyo and Kansai urban economic spheres.

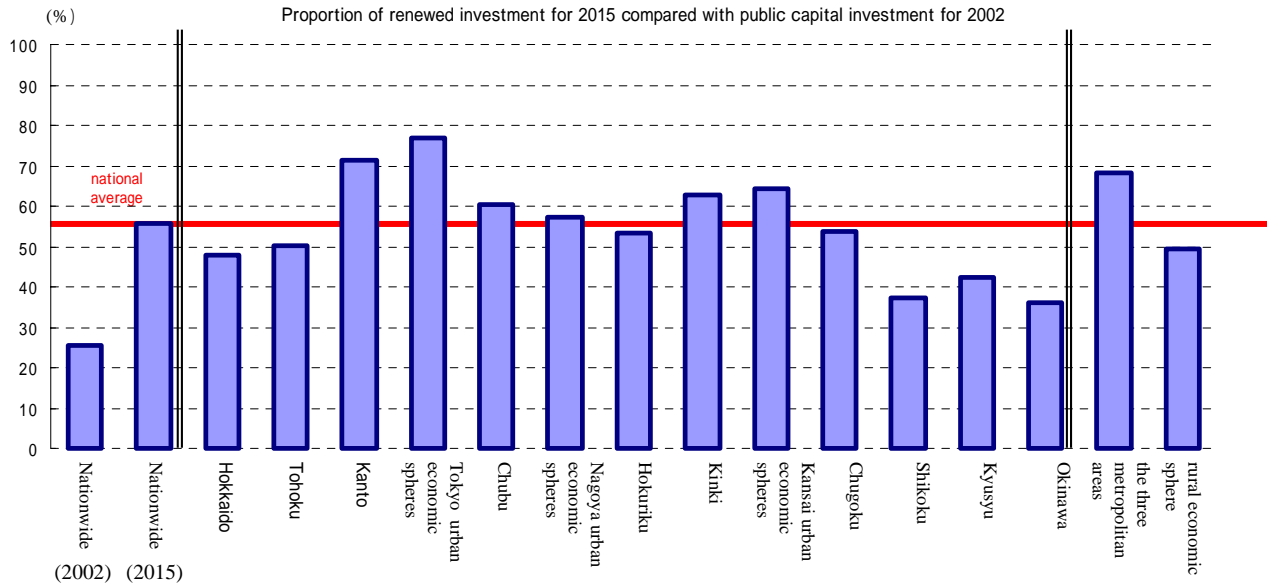


Note:

Figures for cumulative capital investment in the infrastructure and its proportion to the GDP are at 1995 price, and figures for population are for 2000.

Share of replacement investment in fiscal year 2015 (by blocs and areas).

A look at the proportion of renewed investment for 2015 by area shows that the three metropolitan areas will outstrip other area.



Note:

1. Methodology for predicting future renewed investment per capita is similar to that in "Social Capital in Japan".

2. Restrictions in availability of data have limited this study to the following 15 categories: road, port, and airport facilities; sewage, waste disposal, and water supply systems; city parks, educational facilities (including public schools and auditoriums), cultural facilities (including public training facilities, gymnasiums, libraries, and museums), flood control, earthworks, coastal management, agriculture, fishery, and industrial water systems.

3. In estimating the figures, the following service lives (in years) were applied to facilities in each field (without consideration for geographical region, as "Social Capital in Japan"), and it was assumed that all facilities would be subject to renewed investment at the end of these service lives. In this sense, estimates are largely determined by the length of service lives and require cautious attention.

Service lives for each category:

Roads: 48 years, ports: 49 years, airport facilities: 16 years, sewage systems: 15 years, waste disposal systems: 15 years, water supply systems: 34 years, city parks: 24 years, educational facilities (including public schools and auditoriums): 26 years, cultural facilities (including public training facilities, gymnasiums, libraries, and museums): 40 years, flood control: 49 years, earthworks: 50 years, coastal management: 30 years, agriculture: 32 years, fishery: 50 years, and industrial water systems: 37 years.