



Maruoka Castle in spring



Ohi Power Plant



Mizushima beach in summer

Fukui Prefecture

Investor Presentation
October 2012



Lake Kuzuryu in fall



Fukui Prefectural Dinosaur Museum



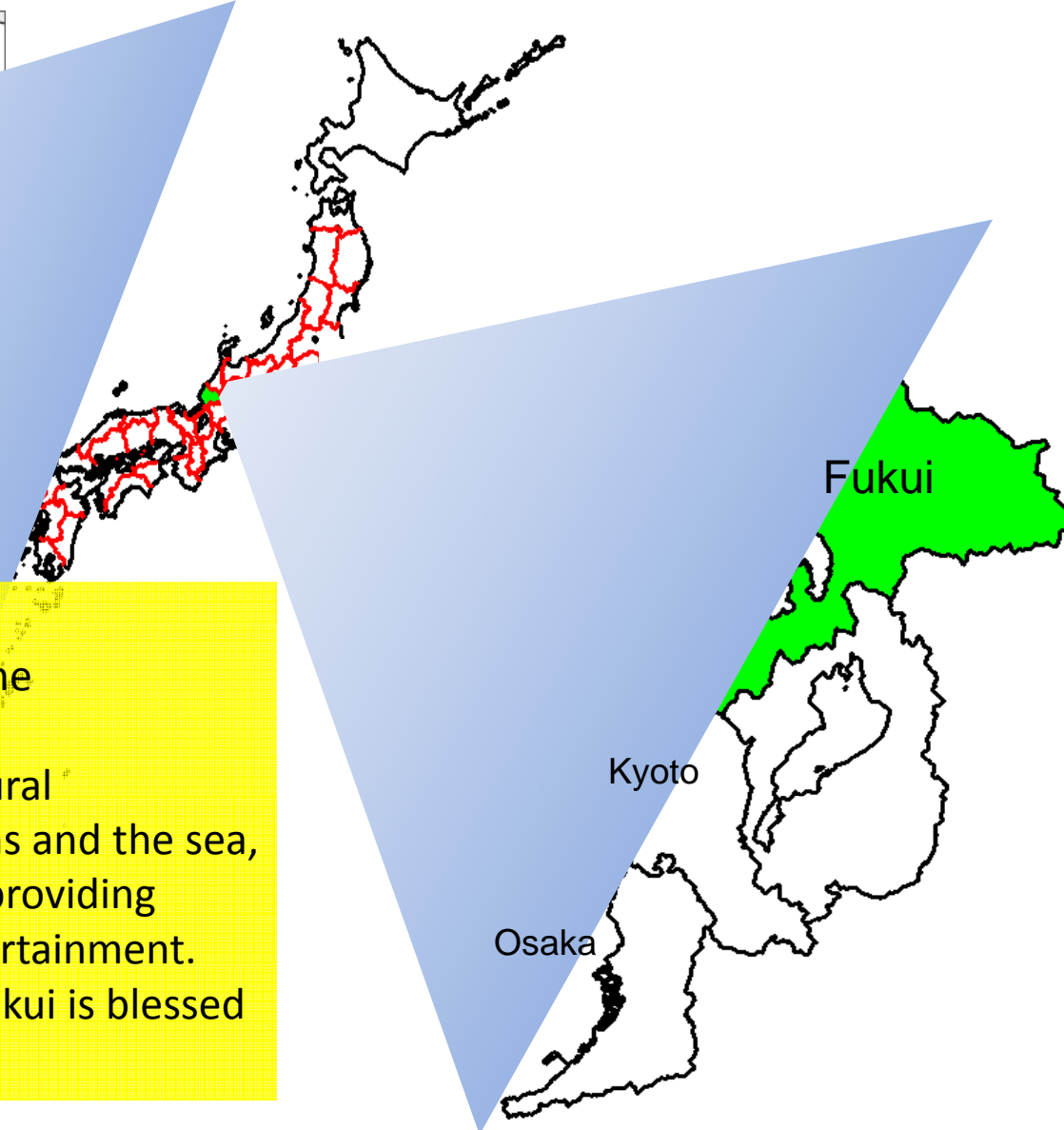
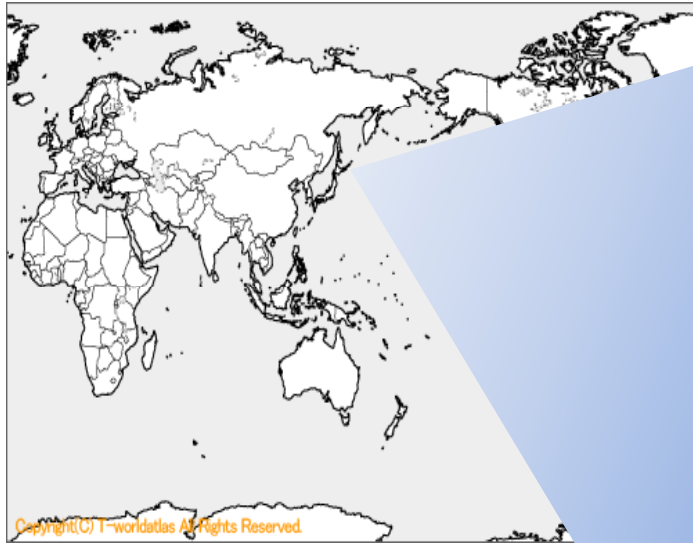
Ichijodani Asakura Clan Ruins in winter

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1 Overview of Fukui



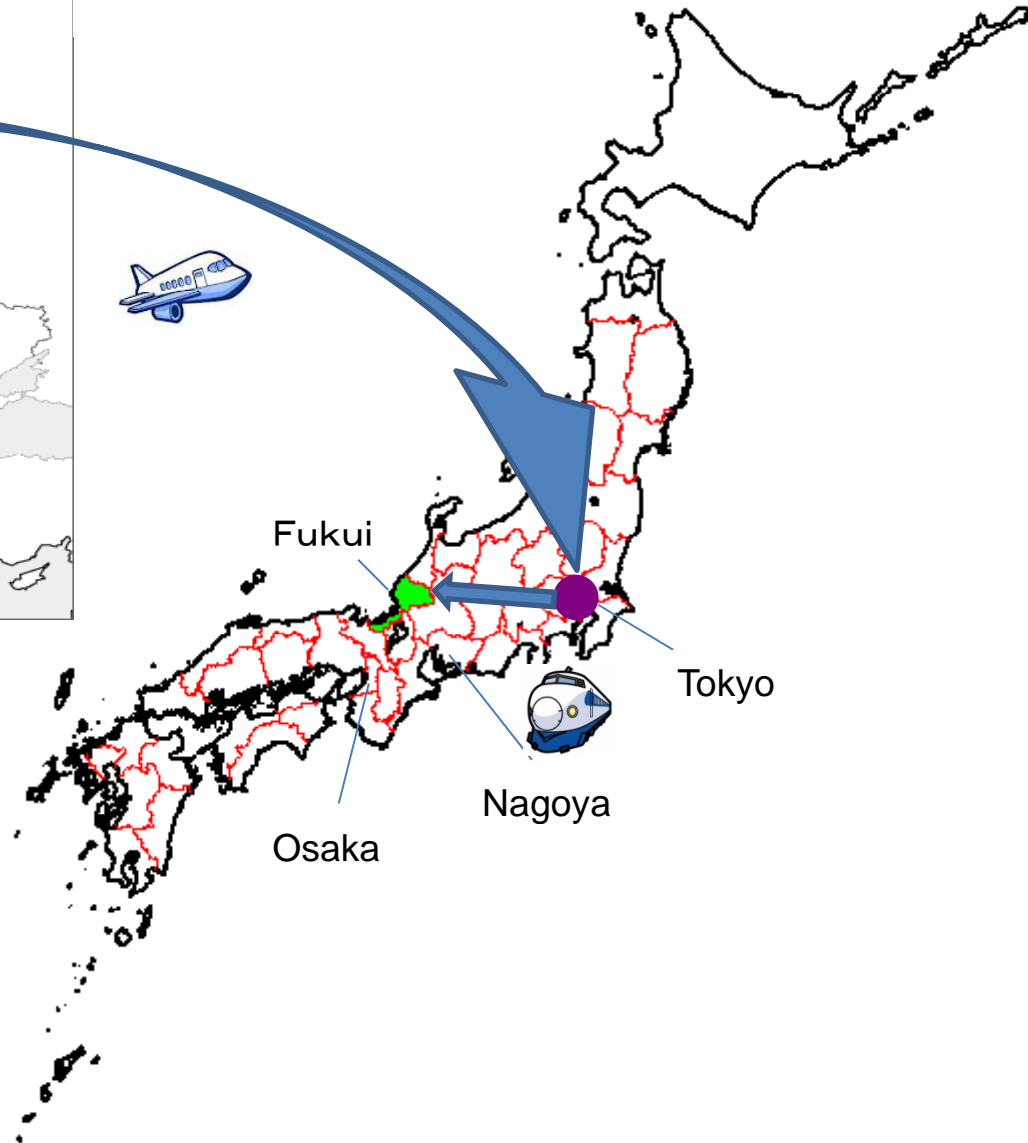
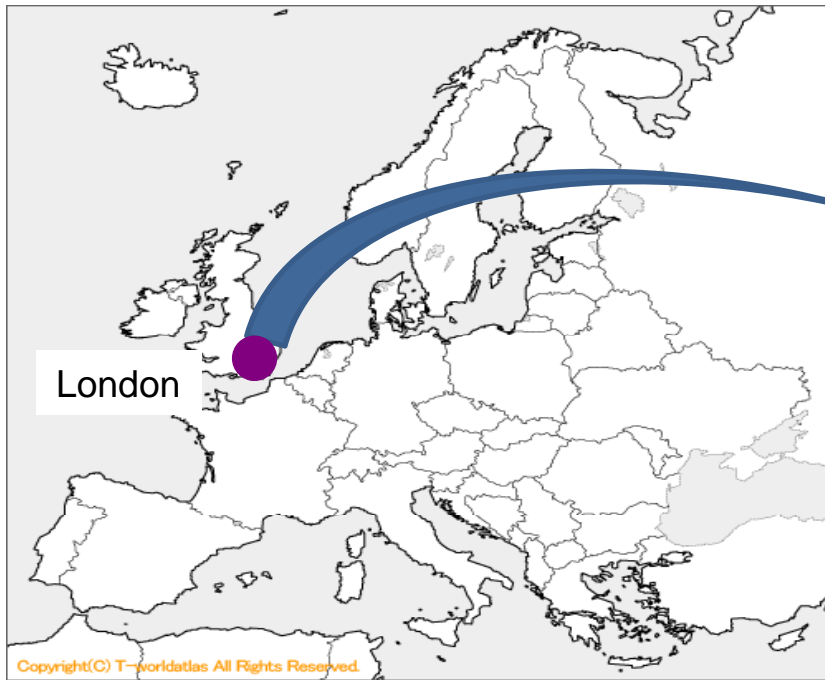
Fukui Prefecture Outline

Fukui Prefecture is located in the approximate center of Japan.

Surrounded by a beautiful natural environment with lush mountains and the sea, Fukui has four distinct seasons, providing seasonal scenery, food, and entertainment. Due to heavy winter snowfall, Fukui is blessed with rich, pure water.

1 Overview of Fukui

-Transportation to Fukui-



LONDON → TOKYO
700min

TOKYO → FUKUI
210min

1 Overview of Fukui

-Data of Fukui-

Area : 4189.83 km²
Population : 806,314
Gross Prefectural Domestic Product : USD \$35.377 billion

Area [km²] ... A

Finland	336,861
Norway	323,782
Sweden	450,295
United Kingdom	242,900
Japan	377,950
Fukui	4,190

Population [Thousands] ... B

Finland	5,335
Norway	4,889
Sweden	9,378
United Kingdom	62,222
Japan	128,057
Fukui	806

GDP [USD \$Million] ... C

Finland	238,731
Norway	413,056
Sweden	458,725
United Kingdom	2,253,552
Japan	5,503,527
Fukui	35,377

GDP Per Capita [USD] ... C / B

Finland	44,748
Norway	84,487
Sweden	48,915
United Kingdom	36,218
Japan	42,977
Fukui	43,892

※ Statistical Handbook of World 2012 Ministry Internal Affairs and Communications

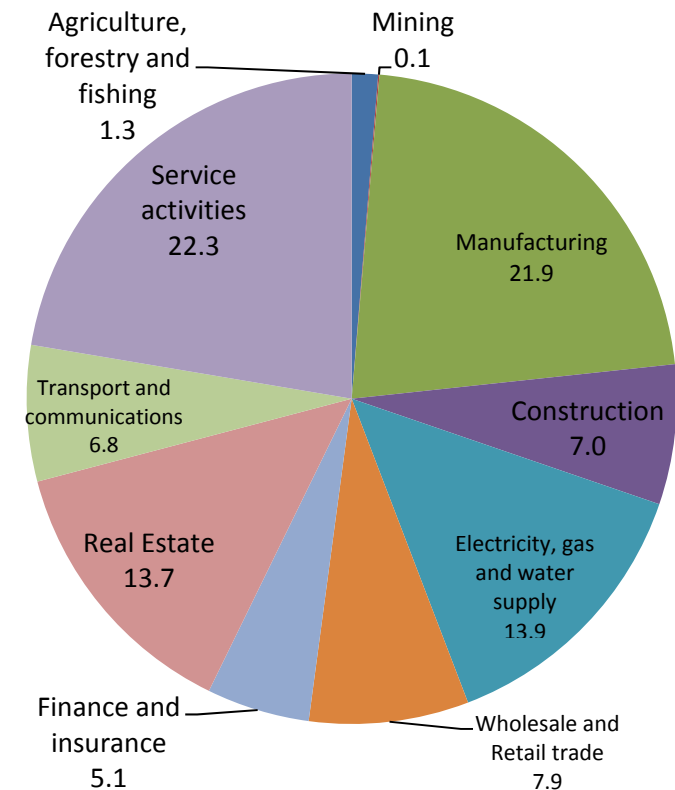
※ Approx.88 yen per dollar

2 Characteristics and Advantages of Fukui

- Gross Prefectural Domestic Product classified by Economic Activities of Fukui - (Production Approach, at current prices FY 2009)

	Fukui	
	GDP (USD \$million)	%
1 Industries	31,493	89.0
a Agriculture, forestry and fishing	409	1.2
b Mining	20	0.1
c Manufacturing	6,911	19.5
d Construction	2,190	6.2
e Electricity, gas and water supply	4,385	12.4
f Wholesale and retail trade	2,497	7.1
g Finance and insurance	1,615	4.6
h Real Estate	4,301	12.2
i Transport and communications	2,128	6.0
j Service activities	7,037	19.9
2 Producers of government services	4,182	11.8
3 Producers of private non-profit services to households	774	2.2
4 Sub-total	36,449	103.0
5 Taxes and duties on imports	331	0.9
6 Consumption taxes for gross capital formation	△ 177	△ 0.5
7 Imputed bank service charge	△ 1,226	△ 3.5
8 GDP (4 + 5 + 6 + 7)	35,377	100.0

※ Approx. 88 yen per dollar



※The graph above shows “4 subtotal (1+2+3)” on the table at left is regard as 100%

2 Characteristics and Advantages of Fukui

- Fukui's Trade with Other Countries (FY2010) -

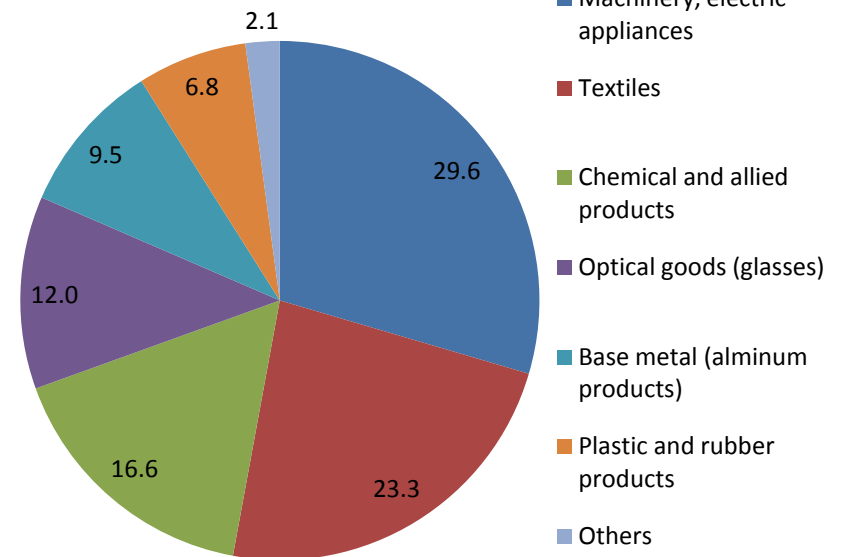
(USD \$ Million)

	Value of Exports	Value of Imports	Trade Balance
Fukui	2,108	890	1,218

● Major Exports

(USD \$million)

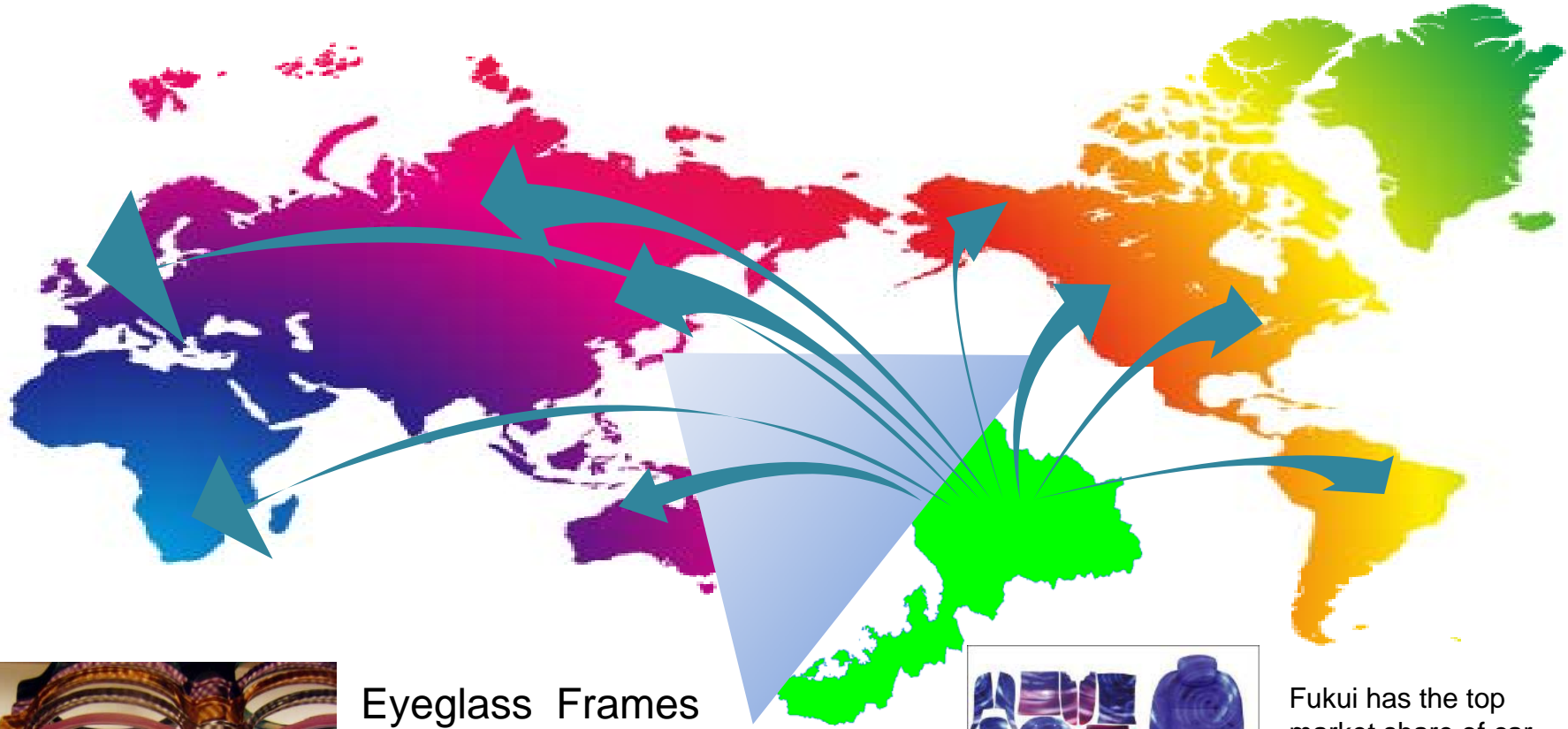
		Value	%
A	Machinery, electric appliances	623	29.6
B	Textiles	492	23.3
C	Chemical and allied products	350	16.6
D	Optical goods (glasses)	253	12.0
E	Base metal (aluminum products)	201	9.5
F	Plastic and rubber products	144	6.8
G	Others	45	2.1
Total assets		2,108	100.0



※ Approx. 88 yen per dollar

2 Characteristics and Advantages of Fukui

- Sophisticated Technologies: From Fukui to the World -



Eyeglass Frames

More than 97% of eyeglass frames produced in Japan are made in Fukui Prefecture.

Made from titanium and shape memory alloys using cutting-edge world-class techniques and original designs, frames produced in Fukui are loved by eminent politicians and Hollywood celebrities alike.



Fukui has the top market share of car seat fabric production in Japan.



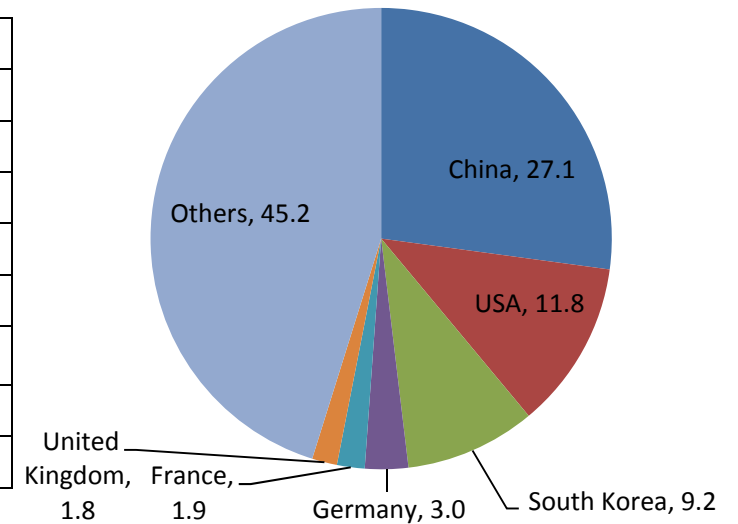
Advanced manufacturing technology to make textiles with resilient blackness, high durability, and fine-quality textures.

2 Characteristics and Advantages of Fukui

- Fukui's Trade with Other Countries (FY2010) -

● Major Exporting Countries

		(USD \$Million)		
		Value	%	Rank
A	China	572	27.1	1
B	USA	249	11.8	2
C	South Korea	193	9.2	3
D	Germany	64	3.0	8
E	France	41	1.9	11
F	United Kingdom	37	1.8	13
G	Others	952	45.2	
Total assets		2,108	100.0	



※ Approx. 88 yen per dollar

Characteristics of Trade with Fukui Prefecture

Principal export commodities are machinery non-electric machinery, electrical machinery, and component parts, which are primarily represented by car-related products. The value of these products occupies about 30% of the total value of exports. The second highest value is derived from woven fabric and products using them, which are represented by clothes, car sheets and carbon fiber composite materials.

Fukui's principal trading partners are Asian countries, primarily China. The trade value with these countries occupies about 70% of the total.

The value of exports to Europe occupies 11.8% of the total and ranks third by region next to Asia and North America. The main export commodities to Europe are optical goods such as eyewear.

2 Characteristics and Advantages of Fukui

- Fukui, Taking an Active Part in The Global Society -



The APEC Japan 2010 Energy Ministerial Meeting was held in Fukui from June 18th to 20th of that year. 21 economies from the Asia-Pacific region, including representatives from Asia, North America, South and Central America, and Oceania, participated in the meeting. Discussions focused on a future energy supply structure that can simultaneously achieve energy security, emissions reductions, and economic growth, and the *Fukui Declaration - Low Carbon Paths to Energy Security* was adopted.



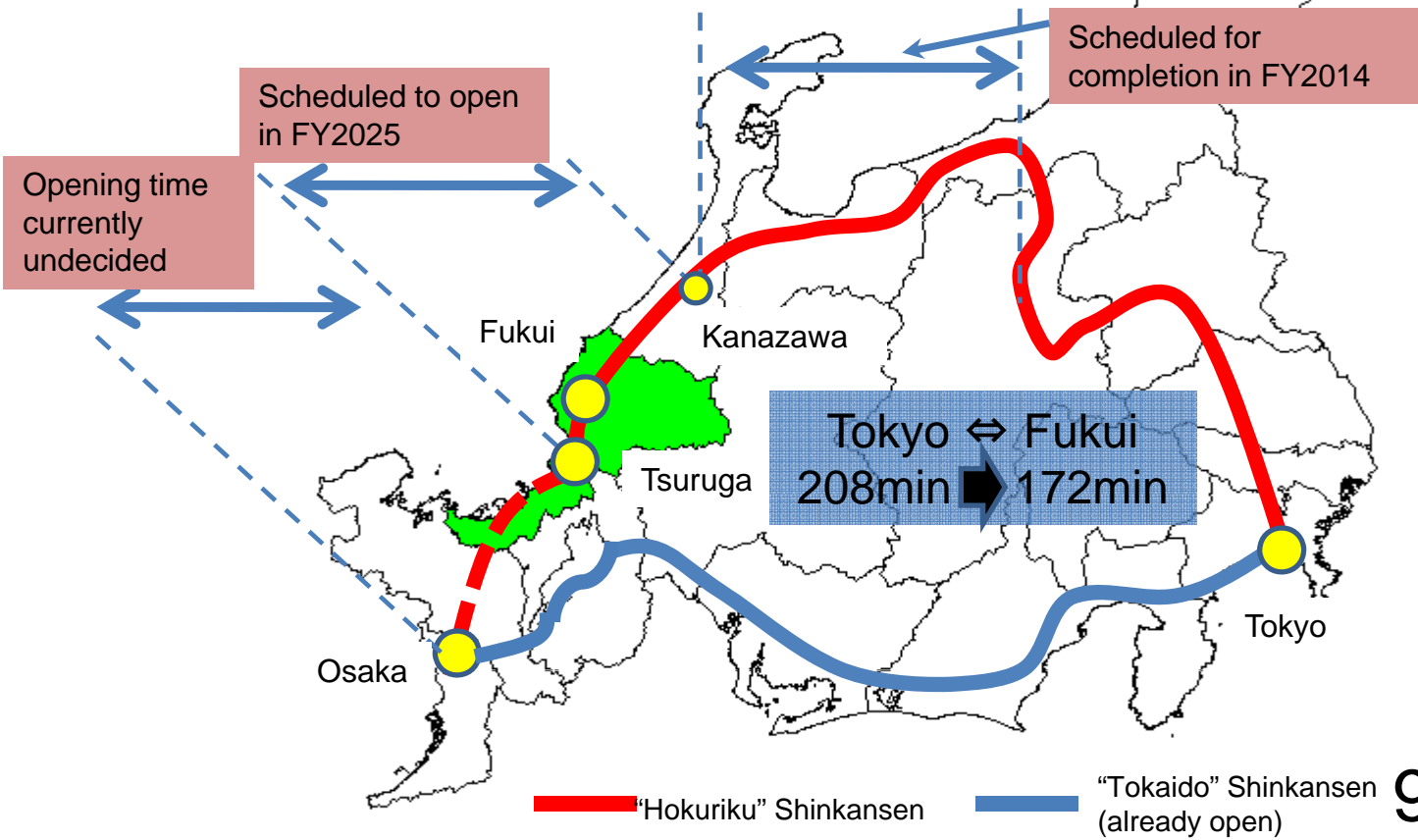
APEC is the largest forum for economic cooperation in the world. In terms of world totals, the combined value of these economies' GDPs occupies about 50%, and their combined population is approximately 40%.

The first Energy Ministerial Meeting was held in Sidney (Australia) in 1996, and has been held ten times since. It is one of the most important meetings for economies from the Asia-Pacific region to discuss new energy policies and their implementation in the region.

2 Characteristics and Advantages of Fukui

-Opening of the Hokuriku Shinkansen (Bullet Train) <Tentative Schedule>-

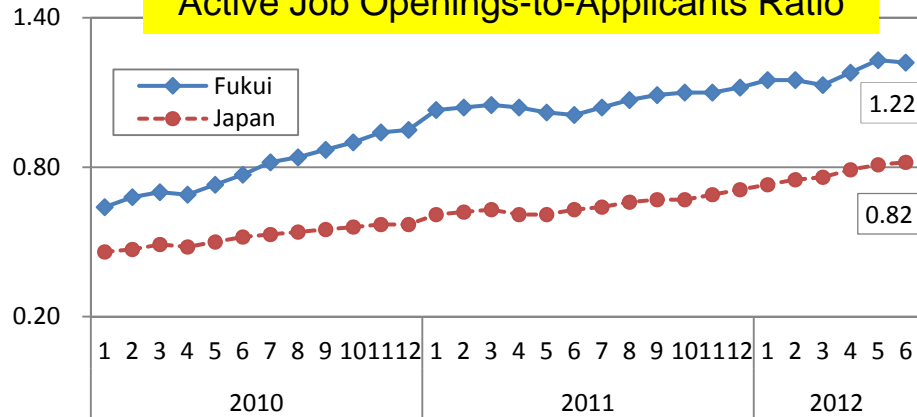
The construction of Shinkansen (bullet train) lines between Kanazawa and Tsuruga was authorized by the national government in June 2012, and the Hokuriku Shinkansen between Tokyo and Tsuruga, Fukui is scheduled to open in FY 2025. The Hokuriku Shinkansen will shorten travel times between the Hokuriku region and the areas already within the Shinkansen network, including Tokyo, and it will become easier to travel to and from Tokyo. Because this will enrich leisure time through expanded choices of destinations and allowing longer stays, the number of people who come to Fukui is expected to increase, and tourism and businesses will thrive. The economic effect of this new network is estimated at a total USD \$10.42 billion over a period of 50 years.



2 Characteristics and Advantages of Fukui

- Characteristics of Fukui Prefecture in Japan -

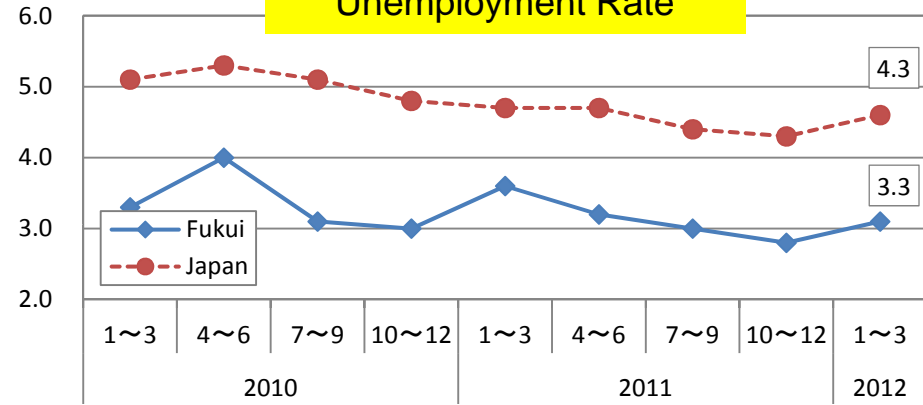
Active Job Openings-to-Applicants Ratio



The ratio of active job openings to applicants in Fukui has ranked first in Japan for 26 consecutive months through June 2012.

※An active job openings-to-applicants ratio is an economic indicator which shows how many active job openings per active applications there are. Generally, companies need more workers when the active job openings-to-applicants ratio is high; that is, when economic conditions are favorable or robust.

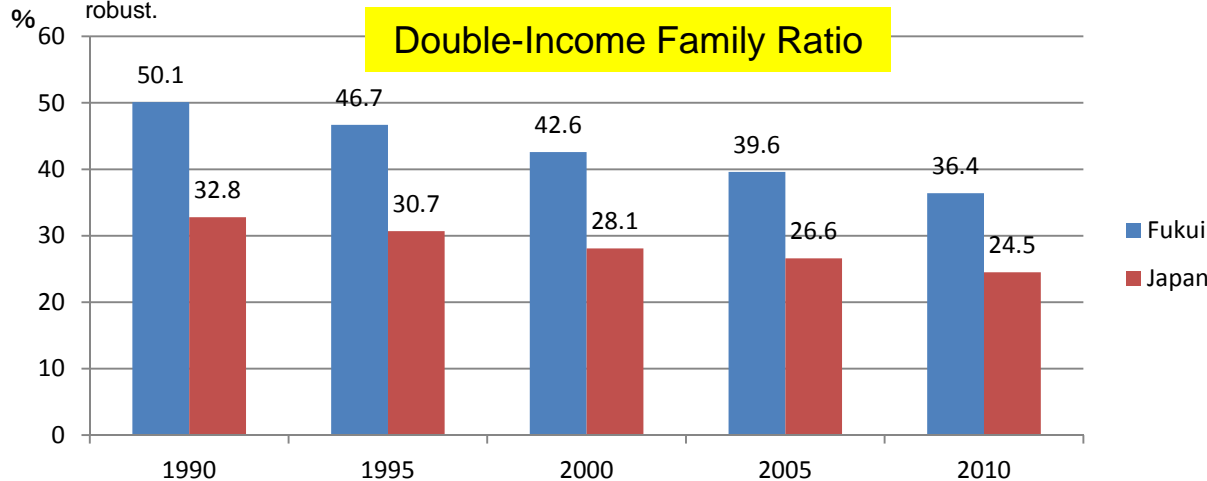
Unemployment Rate



The unemployment rate of Fukui ranked the second lowest in Japan in 2011.

※Unemployment rate is an economic indicator which shows the percentage of the labor force that is currently unemployed.

Double-Income Family Ratio



The double-income family ratio of Fukui has been ranked first in Japan. The double-income family ratio represents the female labor force after marriage. It indicates that the higher the ratio is, the harder both men and women work, and the richer they are economically.

3 Fukui's Financial Position

The budget of Fukui Prefecture is approximately USD \$6 billion. Fukui's Real Single FY Balance, the indicator which shows the net excess of revenue for a single fiscal year, was negative in FY 2009 because of a decrease in prefectural tax revenues and increase in expenditures for extensive public works as economic stimulus packages as a result of the global economic and financial crisis brought on by the Subprime Loan Crisis in 2008. This balance has been positive since FY 2010. The budget in FY 2011 shrank because of a decrease in expenditures through reductions in the number of staff, public works, and issues of prefectural bonds.

● Revenue and Expenditure Settlements

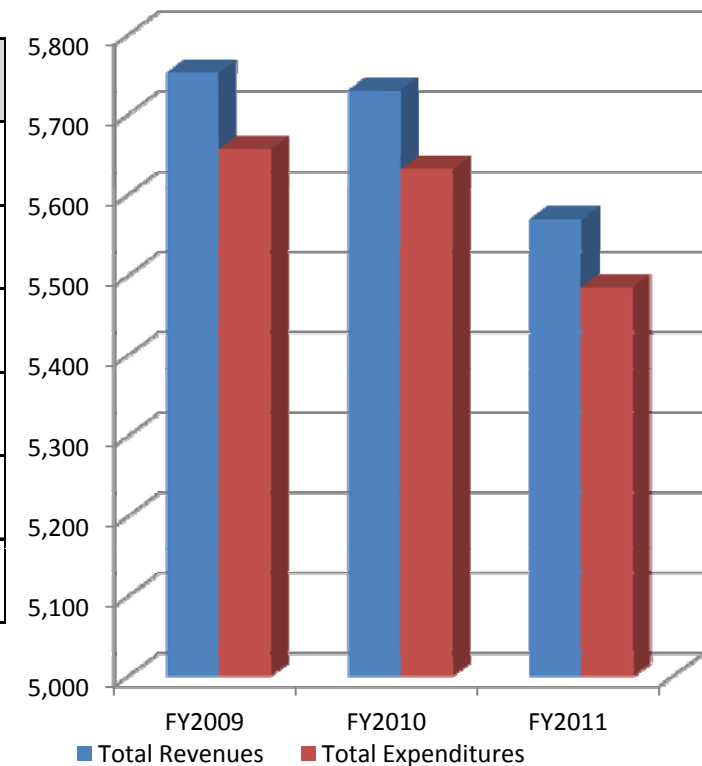
(USD \$million)

	FY2009	FY2010	FY2011
Total Revenues ①	5,752	5,730	5,569
Total Expenditures ②	5,657	5,632	5,485
Balance ③ (①-②)	95	98	84
Real single FY balance ※	46	47	49
Single FY balance ※	5	1	2
Real balance ※	△ 1	139	145

※ Real single FY balance refers to the amount calculated by adding reserves and advanced redemption of local loans for the public finance adjustment fund to the single FY balance and subtracting public finance adjustment fund reversals.

Single FY balance refers to the amount calculated by subtracting the real balance of the previous fiscal year from the real balance of the fiscal year in question.

Real balance refers to the amount calculated by subtracting the revenue resources that should be carried over to the next fiscal year from the income expenditure balance.



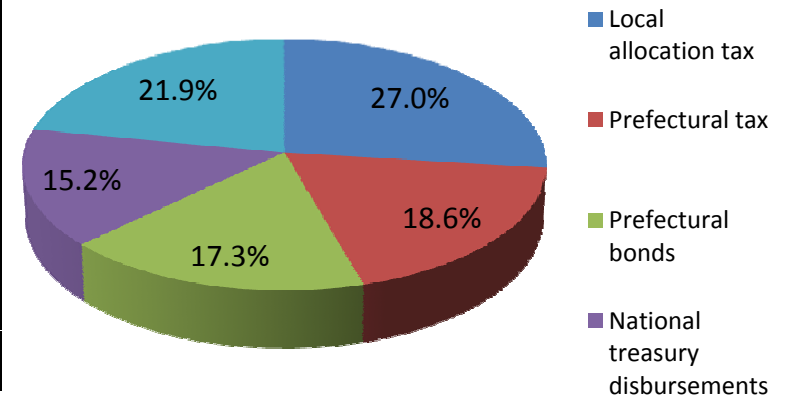
※ Approx. 88 yen per dollar

3 Fukui's Financial Position

●Revenue Breakdown (FY 2011)

(USD \$million)

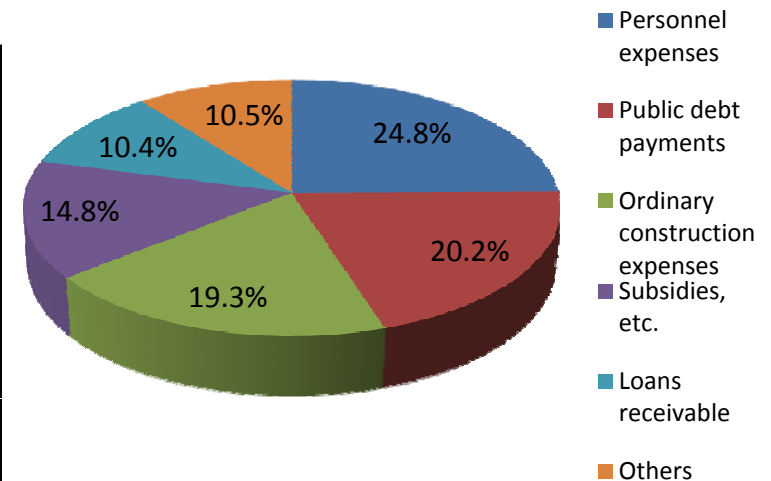
	Value	%
Local allocation tax	1,503	27.0
Prefectural tax	1,035	18.6
Prefectural bonds	963	17.3
National treasury disbursements	849	15.2
Others	1,220	21.9
Total assets	5,569	100.0



●Expenses by Type (FY 2011)

(USD \$million)

	Value	%
Personnel expenses	1,361	24.8
Public debt payments	1,106	20.2
Ordinary construction expenses	1,059	19.3
Subsidies, etc.	814	14.8
Loans receivable	568	10.4
Others	577	10.5
Total assets	5,485	100.0

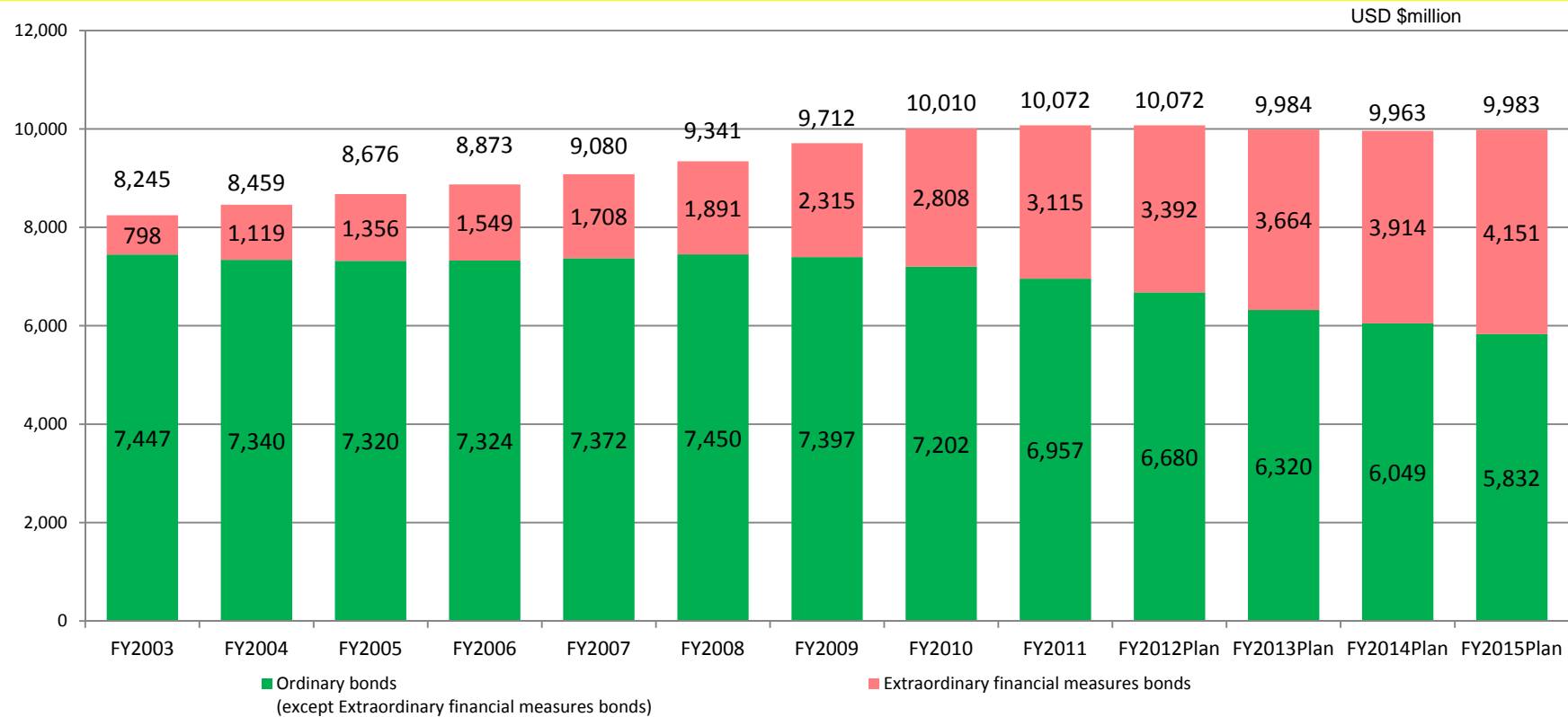


※ Approx. 88 yen per dollar

3 Fukui's Financial Position

-Trends in Outstanding Prefectural debt-

Prefectural debt tends to increase because of an increase in extraordinary financial measures bonds. On the other hand, the amount of ordinary bonds is decreasing. As current mid-term projections include construction of Shinkansen (bullet train) tracks, the prefecture is working to restrain personnel expenditures and prioritizing public works, in order to reduce the balance of prefectural debt through reductions in ordinary bond issues.

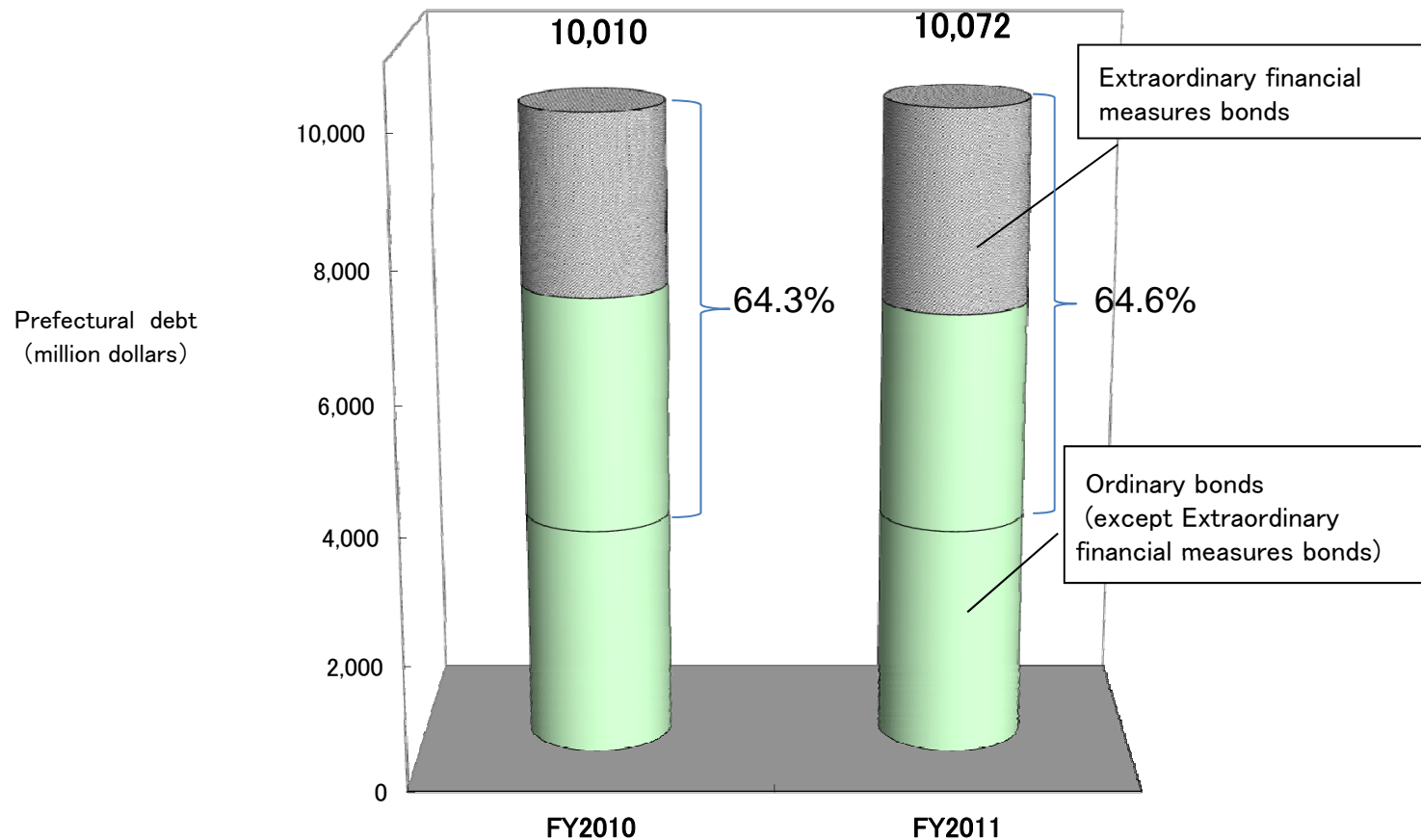


Extraordinary financial measures are bonds issued by all local governments to make up for the lack of revenue. The money equivalent to its redemption value for principal and interest will be allocated in later years as a local tax allocation by the national government.

3 Fukui's Financial Position

-Actual Burden of Prefectural Debt-

More than 60% of prefectural debt will be allocated by the national government as a local tax allocation. Therefore, a stable redemption of this debt is expected, as less than 40% of all prefectural debt is an actual burden.



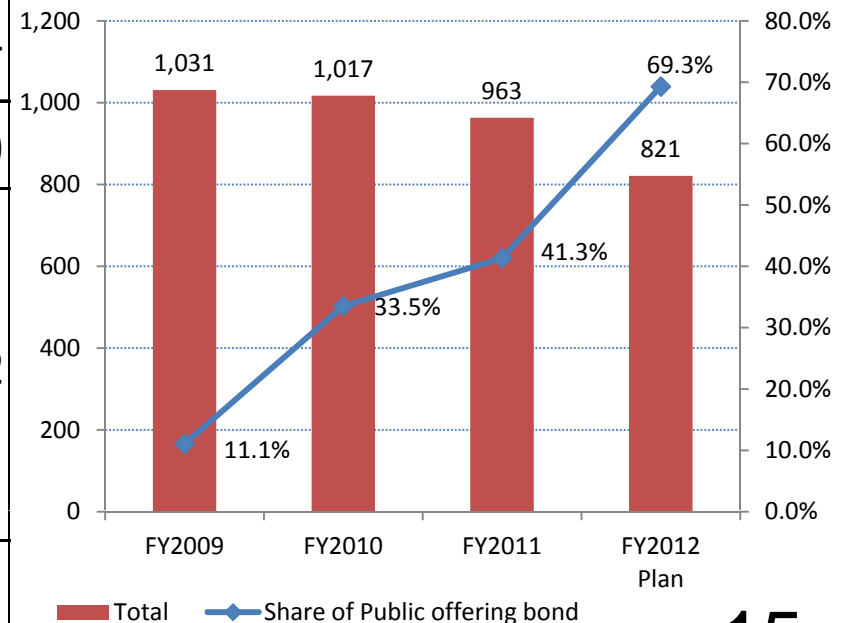
4 Prefectural Bonds

- Results and Plan for Issuing Prefectural Bonds-

(USD \$million)

Category		Term (year)	Sum	FY2009	FY2010	FY2011	FY2012 Plan
Public offering bond	Individual bond	5	114			57	57
		10	1,137	114	341	341	341
		20	57				57
	Joint local government bond	10	114				114
	Subtotal			1,422	114	341	398
Private placement bond	Securitise issue or Certificate issue	10	1,154	461	148	293	252
		20	105	68	20	17	
	Subtotal			1,259	529	168	
Public funds			1,151	388	508	255	
Total			3,832	1,031	1,017	963	821

The amount of prefectural bonds issued has been reduced year by year as a result of actively implementing administrative and financial reform by reduction of the number of staff and controlling public works. The amount of public bonds has increased because various kinds of public bonds have recently been issued from the standpoint of promoting financial diversification. USD \$821 million of prefectural bonds will be issued dollars in FY 2012, and 70% of them will be public bonds.



※ Approx. 88 yen per dollar



Thank you

Fukui Prefecture

Contact : *Department of Business, Executive Section
Fukui Prefectural Government*

*3-17-1 Ohte, Fukui City, Fukui Prefecture,
910-8580*

TEL : +81-776-20-0233

FAX : +81-776-20-0629

E-mail : zaimu-kikaku@pref.fukui.lg.jp

URL (Fukui Prefecture IR Website) :

<http://www.pref.fukui.lg.jp/gyosei/gyozaisei/cat4309/index.html>