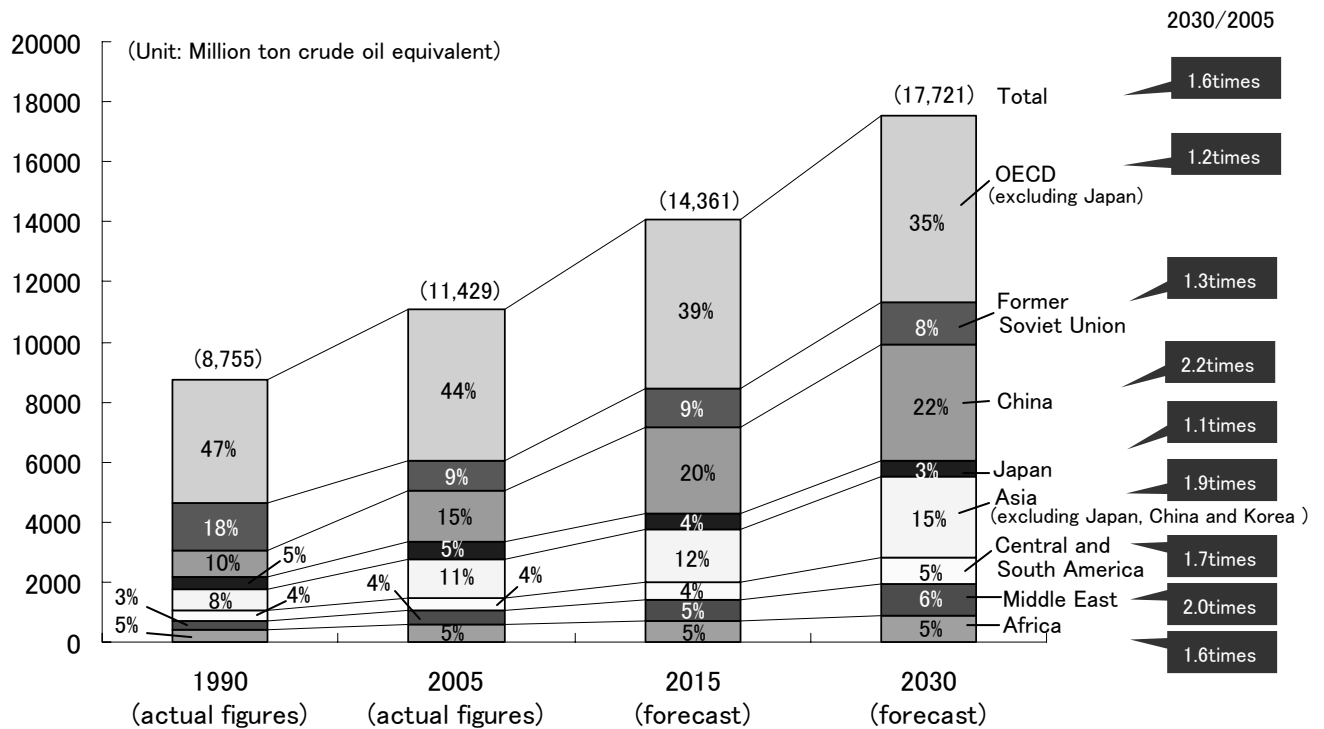


1. ENERGY SITUATION

1.1 World Energy Situation

The world energy demand in 2030 is expected to continue to be in an increasing trend. As shown in the below figure, the energy demands especially in China and other Asian countries excluding China are expected to largely increase. For further world energy data, refer to the Appendix 1.1.

Increase of world energy demand centering on China and the rest of Asia

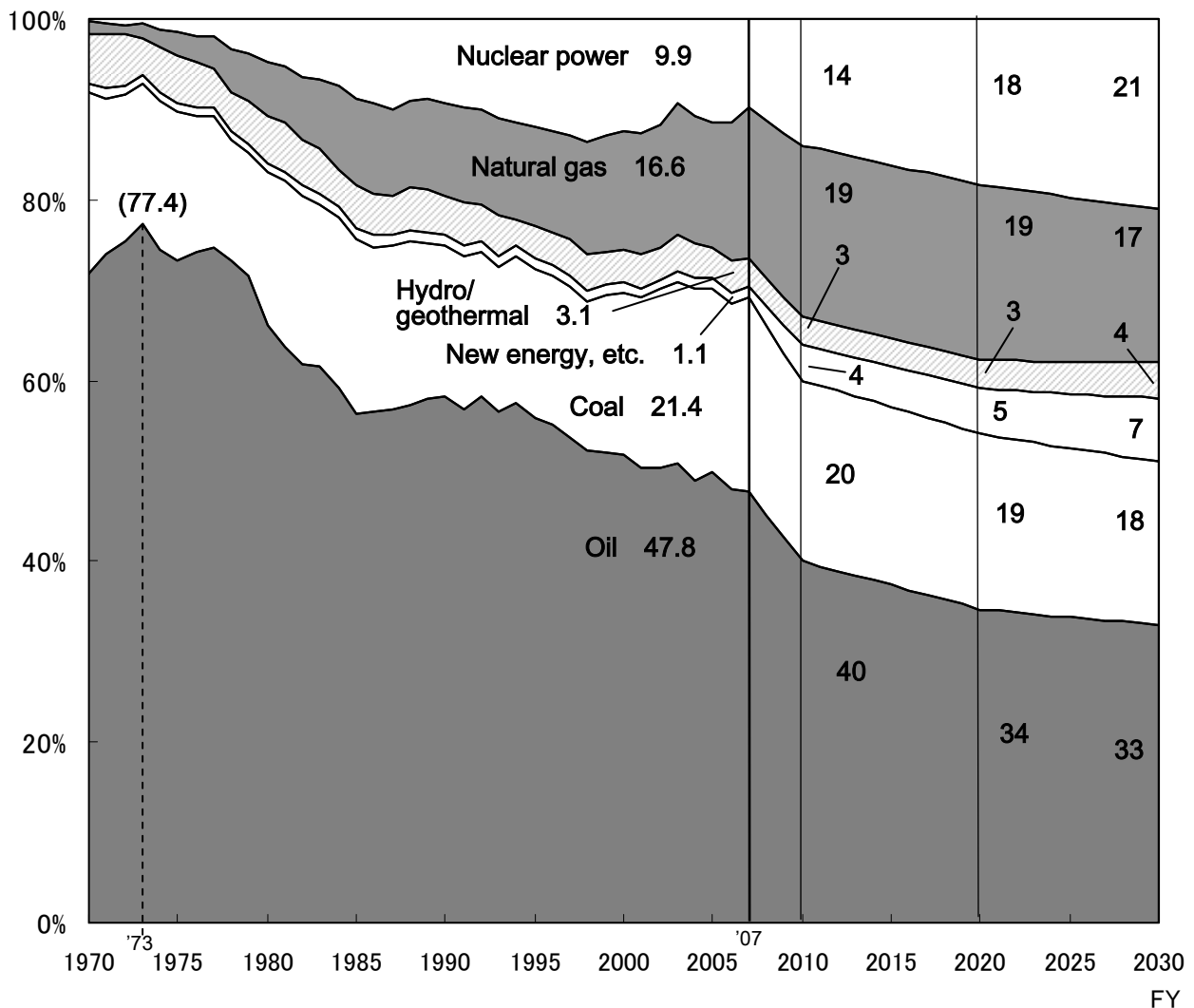


Source) Prepared from “World Energy Outlook 2007 (IEA)”

1.2 Japan’s Energy Situation

As shown in the below figure, Japan’s oil share among the primary energy supply total has been significantly lowered since the highest level (approximately 77 %) marked in 1973 to the current lowest level (approximately 48 %). As shown in the next page, Japan’s energy consumption has been steadily expanded especially in commercial/residential and transportation sectors since the 1970’s oil crises period, largely due to convenience-thriving and energy-needing lifestyles. Refer to the Appendixes 1.2 and 1.3 for the Japan’s energy consumption trend.

Transition of energy mix in Japan's primary energy supply (1970-2030)

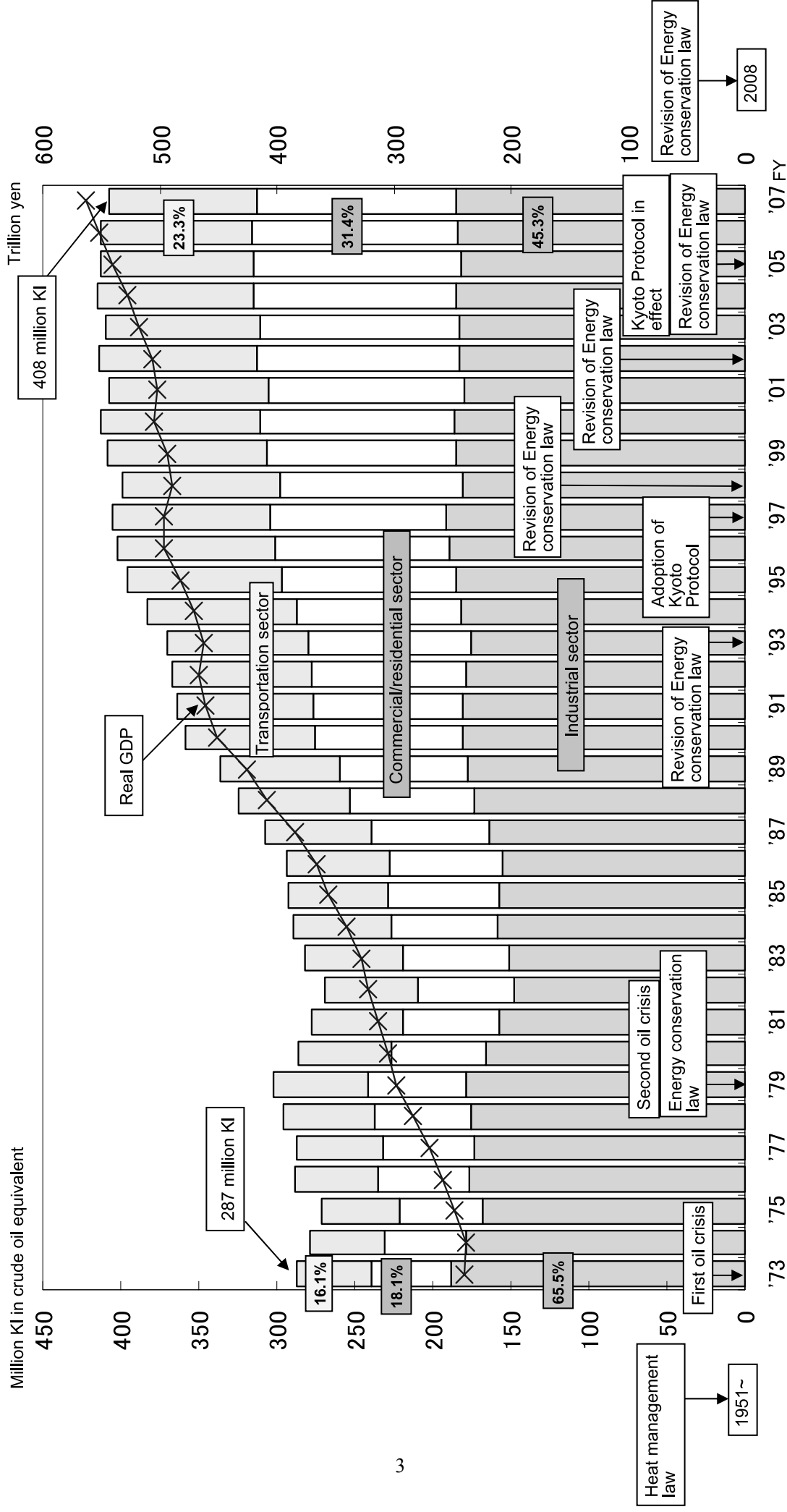


Note) The estimated figures of FY 2020 and 2030 are based on the long-term energy supply and demand outlook published by the Advisory Committee on Energy and Natural Resource in May 2008.

The figure of "New energy, etc." after FY1990 includes amount of "waste heat and others".

Source) Prepared from "EDMC Handbook of Energy & Economic Statistics in Japan (2009)"

Transition of Japan's Final Energy Consumption and Real GDP



Note) Note that, due to revision of the aggregation method in Energy Balance Tables in Japan, values for FY1990 onwards and values for preceding years are the results of utilizing different methods.

Source) Prepared from "Comprehensive Energy Statistics", "Annual Report on National Accounts", "EDMC Handbook of Energy & Economic Statistics in Japan (2009)"