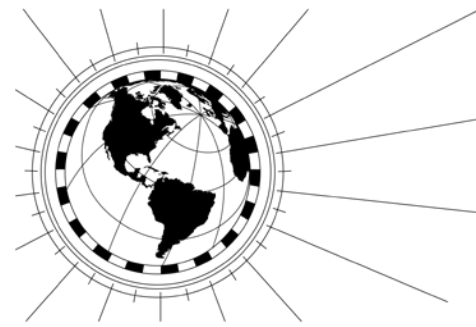


Japan



Although travel from Japan to mainland U.S. was down 8% in 2008, California saw a relatively modest increase in market share of +0.2%, despite the global economic turmoil encountered in the last quarter of 2008. Japan constitutes California's fourth largest international market, with 629,000 visitors in 2008, spending \$782 million.

The Japan outbound travel market represents 13.54% of the population, corresponding to an estimated 17.3 million travelers. In April 2008, Japan began to implement the first in a series of brand advertising campaigns—Nandemo Ali-fornia (California Has it All)—to refresh and expand the California brand among our primary target audiences of females 20-35 years old and Baby Boomers 45-65 years old.