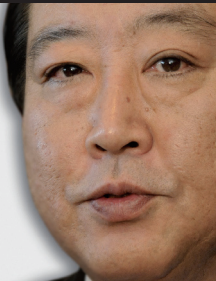


Challenges facing Noda



Yoshihiko Noda is Japan's sixth prime minister in five years

■ **Economy:** Noda advocates temporary tax increases to help pay for planned \$170 billion reconstruction of tsunami-devastated northeast

■ **Yen:** As Finance Minister, Noda set up \$100 billion credit line to help boost Japanese companies investing overseas and stem rise in value of yen, which hit record high of ¥75.94 to US\$ on August 19

■ **Public debt:** Supports ruling DPJ's plan to double 5% sales tax by mid-decade to cut debt – already twice size of Japan's \$5 trillion economy

■ **Energy policy:** Opposes outgoing Prime Minister **Naoto Kan's** vision of nuclear power-free society, saying trust in nuclear needs to be restored

■ **Foreign relations:** Stresses importance of U.S.-Japan security alliance as core of Japan's diplomacy. Says China's rapid military buildup poses serious regional risk