

Summary of Fiscal Year 2024 "Tokyo Metropolitan Government Annual Financial Report"

September 19, 2025
Bureau of Finance

Report Section

Pages 1 and 2 comprise the Report Section and provide explanations of the Tokyo Metropolitan Government's summary of Fiscal Year 2024 Ordinary Account and Various Indicators, etc.

◆ Summary of Fiscal Year 2024 Ordinary Account

- Due to increases in metropolitan tax revenues with corporate earnings remaining strong, and increases in salaries resulting from salary revisions, **total annual revenues and total annual expenses were 9,533.7 billion yen and 8,888.8 billion yen respectively.**
- **Continuing from the previous fiscal year, actual balance was nearly balanced (2.6 billion yen)**

■ Settlement Results

(in billion yen, %)

Item	FY2024	FY2023	Change in amount	Percentage of change
Total annual revenues (A)	9,533.7	8,898.7	634.9	7.1
Total annual expenses (B)	8,888.8	8,353.3	535.5	6.4
Proforma balance (C=A-B)	644.9	545.4	99.4	-
Fiscal revenues to be carried forward (D)	642.3	539.3	102.9	-
Actual balance (C-D)	2.6	6.1	△ 3.5	-
Ordinary balance ratio	80.3	81.3	-	-
Ratio of expenses for public bonds	5.1	4.7	-	-
TMG bonds balance	3,467.6	3,709.5	△ 241.9	△ 6.5

- **The actual balance was nearly balanced at 2.6 billion yen.**
- **The ordinary balance ratio was 80.3%** (a decrease of 1 point compared to the previous fiscal year).
- **The ratio of expenses for public bonds was 5.1%** (an increase of 0.4 points compared to the previous fiscal year).

■ Annual Revenues

(in billion yen, %)

Item	FY2024	FY2023	Change in amount	Percentage of change
Metropolitan taxes	6,884.8	6,345.1	539.8	8.5
Two corporate taxes	2,536.4	2,329.9	206.5	8.9
Local transfer taxes	72.7	64.1	8.6	13.4
National treasury disbursements	562.0	661.6	△ 99.6	△ 15.1
Funds transfers	369.8	210.9	158.9	75.3
TMG bonds	156.5	229.3	△ 72.8	△ 31.7
Other	1,487.8	1,387.8	100.0	7.2
Total revenues	9,533.7	8,898.7	634.9	7.1

- **Mainly due to corporate earnings remaining strong, metropolitan tax revenues increased by 8.5% or 539.8 billion yen.**
- **Mainly due to decreases in grants related to anti-Covid measures, national treasury disbursements decreased by 15.1% or 99.6 billion yen.**
- **Funds transfers increased by 75.3% or 158.9 billion yen, mainly due to decreases in withdrawals from funds.**

■ Annual Expenses

(in billion yen, %)

Item	FY2024	FY2023	Change in amount	Percentage of change
General expenses	6,411.6	5,896.6	515.0	8.7
Personnel expenses	1,670.5	1,537.5	133.0	8.7
Investment expenses	888.2	790.0	98.2	12.4
Subsidizing expenses	2,045.6	2,019.3	26.2	1.3
Other	1,807.4	1,549.8	257.6	16.6
Expenses for public bonds	441.0	380.8	60.3	15.8
Tax-related expenses, etc.	2,036.1	2,075.9	△ 39.7	△ 1.9
Total expenses	8,888.8	8,353.3	535.5	6.4

- **Mainly due to increases in salaries resulting from salary revisions, general expenses increased by 8.7% or 515.0 billion yen.**
- **Mainly due to the increase in redemption funds for principal and interest, expenses for public bonds increased by 15.8% or 60.3 billion yen.**
- **Mainly due to decreases in deposits to the Zero Emission Tokyo Fund, tax-related expenses decreased by 1.9% or 39.7 billion yen.**

■ Ratios set forth by the Fiscal Consolidation Law

(Unit: %)

Real deficit ratio	Consolidated real deficit ratio	Real debt payment ratio	Future burden ratio	Capital shortage ratio
-	-	1.2	13.6	-
(5.59)	(10.59)	(25.0)	(400.0)	(20.0)

- The real debt payment ratio was **1.2%**.
- The future burden ratio was **13.6%**.

⇒ This is below the standard set by the state.

※ Without deficit, the real deficit ratio and the consolidated real deficit ratio are not shown. Also, without capital shortage, the capital shortage ratios are not shown for every public enterprise account.

※ Figures in () are figures set forth by the national government in the early consolidation standard, etc.

— Ordinary Account Financial Statements —

■ Balance Sheet

Item	(in billion yen)		
	FY2024	FY2023	Change in amount
Total Assets	37,173.4	36,725.4	447.9
Administrative assets	8,094.5	8,082.7	11.7
Infrastructure assets	15,159.8	15,113.8	46.0
Fund reserves	4,305.4	4,405.6	△ 100.1
Total liabilities	6,195.1	6,397.9	△ 202.8
TMG bonds	4,979.5	5,261.5	△ 281.9
Total net assets	30,978.2	30,327.5	650.7
Total liabilities and net assets	37,173.4	36,725.4	447.9

- **Administrative assets** such as TMG schools, and **infrastructure assets** such as roads and bridges, account for **about 60%** of the **37,173.4 billion yen** asset total.
- **TMG bonds** account for **about 80%** of the **6,195.1 billion yen** liabilities total.
- Total net assets came to **30,978.2 billion yen**, an increase of 650.7 billion yen compared to the previous fiscal year.

■ Administrative Cost Statement

Item	(in billion yen)		
	FY2024	FY2023	Change in amount
Ordinary balance			
Administrative revenues	7,886.1	7,544.1	342.0
Local taxes	6,886.9	6,338.6	548.2
Administrative expenses	7,459.7	7,015.0	444.7
Subsidizing expenses, etc.	1,851.4	1,835.6	15.8
Ordinary balance	403.1	500.1	△ 97.0
Special balance	187.7	△ 15.3	203.0
Balance for the current period	590.8	484.8	105.9

- Total administrative revenues was **7,886.1 billion yen**, of which **local taxes** accounted for **about 90%**.
- Total administrative expenses was **7,459.7 billion yen**, of which **subsidizing expenses, tax-related expenses, and payroll-related expenses** accounted for **about 70%**.
- The balance for the current period came to **590.8 billion yen**, an increase of 105.9 billion yen compared to the previous fiscal year.

■ Cash Flow Statement

Item	(in billion yen)	
	Amount	
Balance of administrative service activities	893.2	
Balance of social capital improvement activities	△ 545.9	
Balance of administrative activities cash flow	347.3	
Balance of financing activities	△ 247.9	
Balance carried forward from the previous year	545.4	
Proforma balance (carried forward to the next year)	644.8	

- The balance of administrative activities cash flow stood at **347.3 billion yen in net revenues, mainly due to increased metropolitan tax revenues.**
- The balance of financing activities was **247.9 billion yen in net expenses, as TMG bonds issuance decreased due to decreased operating expenses following careful examinations of annual expenses.**

— Comprehensive Financial Statements —

Item	(in billion yen)		
	FY2024	FY2023	Change in amount
Total assets	51,039.1	50,668.8	370.2
I Current assets	4,311.8	3,966.1	345.6
II Fixed assets	46,727.2	46,702.6	24.5
III Deferred assets	0	0	△ 0
Total liabilities	13,071.3	13,345.0	△ 273.6
I Current liabilities	1,597.2	1,594.2	2.9
II Fixed liabilities	9,332.2	9,591.1	△ 258.8
III Deferred revenues	2,141.8	2,159.6	△ 17.7
Total net assets	37,967.7	37,323.8	643.9
Total liabilities and net assets	51,039.1	50,668.8	370.2

- The scope of TMG comprehensive financial statements covers the **ordinary account for TMG itself, 4 special accounts outside of the scope of the ordinary account, 9 public enterprise accounts, and** for organizations other than TMG, **33 policy cooperation bodies, and 4 local independent administrative corporations.**
- Total assets showed an increase compared to the previous fiscal year with **51,039.1 billion yen**, while total liabilities showed a decrease compared to the previous fiscal year with **13,071.3 billion yen**, bringing total net assets to **37,967.7 billion yen**, an increase compared to the previous fiscal year.

01 TMG finances have repeatedly faced crises, which they have overcome through tireless effort

Looking back over the progress of TMG finances

- In the past, TMG finances recorded the **largest ever deficit, exceeding one hundred billion yen**, and entered a critical state in which the TMG faced the **reality of falling to the status of a financial rehabilitation body**.
- By **repeatedly engaging in tireless efforts**, the TMG responded to a **variety of crises** in order to secure fiscal soundness.

FY1989 - 1998

Collapse of the bubble and Danger of becoming a financial rehabilitation body

- ✓ After the collapse of the bubble economy, high volume of TMG bonds issued while metropolitan tax revenues fell rapidly
- ✓ Financial burdens increased, and the **FY1998 settlement recorded a deficit exceeding ¥100 billion**

FY1999 - 2005

Thorough initiatives for financial reconstruction

- ✓ The TMG formulated the **“Financial Reconstruction Promotion Plan”**, and curbed annual expenses through **initiatives such as thorough internal efforts, reviews of measures, and reconstruction**, etc.
- ✓ Actual balance shifted to surplus in the FY2005 settlement.

FY2006 – present

Construction of a robust and flexible financial foundation

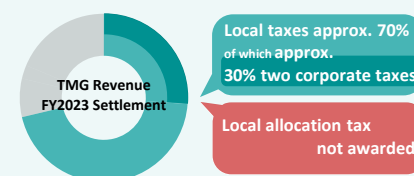
- ✓ Even after achieving financial reconstruction, the TMG engaged in thorough initiatives to reduce wasteful spending through **“project reviews”**, etc.
- ✓ The TMG engaged in efforts to **secure funds balance and bond issue margin**, and **strengthened financial capabilities**.

02 The TMG requires greater financial management autonomy in comparison to other prefectures

Structure of TMG Finances

- Local taxes account for approx. 70% of TMG revenues, and of this, approx. 30% is comprised of the two corporate taxes, so in comparison to other prefectures, the **structure more susceptible to economic fluctuations**.
- The TMG is the **only prefecture not awarded local allocation tax**, which retains the function to guarantee financial resources, and as trends in tax revenues are directly connected to annual revenues, the **TMG requires greater financial management autonomy in comparison to other prefectures**.

TMG Annual Revenue Structure



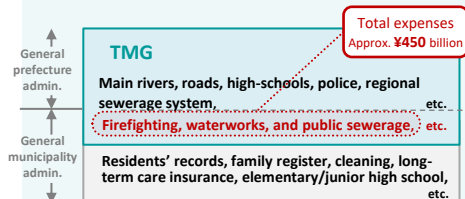
03 The TMG is currently facing colossal financial demands

Financial demands facing the TMG

- Under the current local autonomy system, the range of the TMG’s administrative services is **considerably wider in comparison to other prefectures**, and **financial demands specific to major cities** are also present.

① TMG administrative services

From the perspective of securing the cohesion and uniformity of provided services, the **TMG handles firefighting, waterworks, and public sewerage administration, which is generally undertaken by municipalities in other prefectures**.

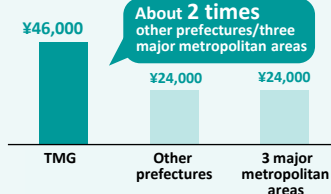


② Financial demands specific to major cities

Capital police operations

In addition to **local police operations**, including the **handling of demands specific to major cities**, such as daytime inbound population, etc. the TMG also implements **metropolitan police operations** such as VIP protection details, etc.

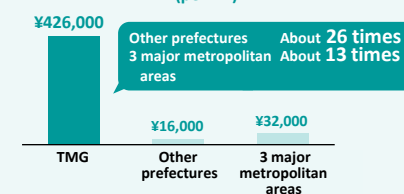
— Comparison of police expenditure — (per resident)



Site acquisition expenditure

Due to the high land prices in Tokyo, **site acquisition expenditure** is considerably higher than those in other prefectures and the three major metropolitan areas.

— Comparison of site acquisition expenditure — (per m²)



04 The TMG is proactively engaged in efforts to resolve the issues it faces directly

Responses to direct issues

- There is a need to engage the **important issues faced directly**, such as support for child/child-rearing households, reinforcement of international competitiveness, and increasing the city’s resilience, etc.

✓ Support for child/child-rearing households

Being fully aware of the urgency, the **TMG has deployed seamless support across all life stages** to counter the low birth rate, which is shaking the existential foundations of society.

✓ Reinforcement of international competitiveness

Along with proactively advancing the **development of infrastructure that will drive Japan’s growth**, the TMG is also promoting initiatives to **raise the baseline of Japan’s overall economy** by utilizing the merits of agglomeration possessed by Tokyo.

✓ Increasing the city’s resilience

The TMG is promoting an upgraded **Tokyo resilience project** for the realization of a **resilient and sustainable city in which the safety and security of Tokyo citizens can be ensured**.

05 The TMG faces unavoidable future financial demands

Unavoidable financial demands

- For the TMG, there are **unavoidable medium and long term financial demands** that will increase due to changes in population structures and the passage of time.
- **Social security related expenses** accompanying the advancement of the graying society, and **maintenance and renewal costs** for deteriorating **social capital stock**, are expected to increase in the future.

Public properties (buildings) - Years since construction (floor area base, as of end FY2024)



Over 30 years since construction
61.9%

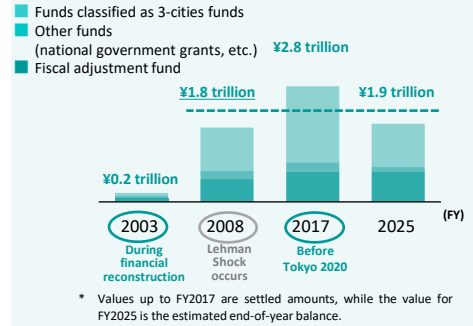
- ➔ Vast amounts in maintenance and renewal costs will be needed to continue to secure the functionality and safety of facilities, etc. into the future.

06 The TMG maintains financial capabilities with a steady focus on the future

Strategic utilization of funds

- As well as the utilization of **fiscal adjustment funds** in response to falls in tax revenues and the incidence of unexpected financial demands, the TMG deploys stable and strategic measures in response to important issues faced by TMG finances through the utilization of **funds for specified purposes**.
- The estimated end-FY2025 funds balance amount is roughly the same as the level prior to the Lehman Shock, at 1,861.7 billion yen, so **from sustainable financial management perspectives, a fixed level of balances has been secured**.

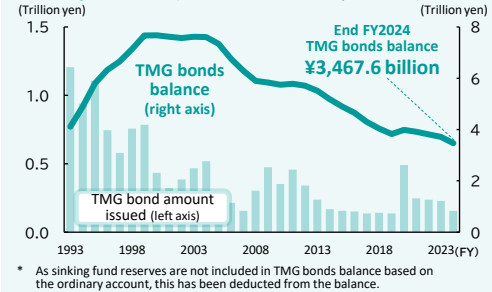
Status of funds



Strategic utilization of TMG bonds

- TMG bonds possess the functions of **performing financial resource adjustments between fiscal years** and **balancing burden between generations**, and must be utilized from a medium to long term perspective with an eye to future financial burden.
- By **promoting curbs on TMG bonds issuance and advancing redemptions during periods of robust tax revenues** to reduce interest payment expenses by decreasing TMG bonds balance and diminishing susceptibility to interest rates, the TMG **strategically secures surplus issuance capacity** in preparation for TMG bonds utilization in future scenarios involving reduced revenues, etc.

Changes in Amounts of TMG Bonds Issued/Balance (based on the Ordinary Account)

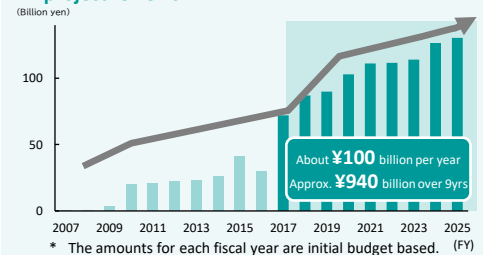


07 The TMG has a mechanism to ensure sustainable financial management

Promotion of wise-spending initiatives

- In order to respond appropriately to the various issues it faces within the backdrop of limited financial resources, as a part of the budget compilation process the TMG undertakes the integrated implementation of three evaluation processes, namely **“policy reviews”, “project reviews”, and “group cooperation project evaluation”**.
- In the FY2026 budget compilation process, from a perspective that places greater priority on achievement, **review systems have been upgraded**, and initiatives aimed towards **appropriate response to societal changes** and the **creation of highly efficient and effective measures** have been reinforced.

Changes in financial resources secured through project reviews



Review system upgrade

Reinforcement of verification based on achievement prioritization

Introduction of new KPIs

The setting of new KPIs (Key Performance Indicators) made mandatory for “Tokyo 2050 Strategy” projects that are subject to review.

Reviews that achieve even greater objectivity

Effective use of outside experts

“Digital/PR/Disbursements” set as a key theme in the FY2026 budget with effective use of outside experts’ opinions.

Reinforcement of perspectives for reviews of measures

Further promotion of project reviews

- ✓ Thorough organization/integration of similar projects
- ✓ Reinforcement of comprehensive external audit results utilization
- ✓ Greater utilization of new public accounting systems