

Reference Material

Tokyo Metropolitan Government

September 2012

This is a provisional English version of Fiscal Year 2011 Tokyo Metropolitan Government Annual Financial Report.

This material is furnished solely for the purpose of the reader's reference only. If there is any conflict and/or discrepancy between this material and the Japanese original of the Annual Financial Report, information in the Japanese original prevails.

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General Notes

- Fractional amounts for the figures in the tables have generally been discarded. However, figures for “(1) Fiscal Year 2011 Summary of Financial Results” have been rounded to the nearest unit.
- In tables, the percentage of change and the ratio are calculated based on formulae, and the figures shown sum have been rounded to the nearest unit.
- Fractional amounts for the figures shown have been rounded, therefore the sum of figures may not coincide with the given totals.

1. Fiscal Year 2011 Tokyo Metropolitan Government Settlement of the Ordinary Account and Various Indicators

The following is a settlement report of the 2011 fiscal year Tokyo Metropolitan Government (TMG) ordinary account.

The ordinary account is a statistical and conceptual account used for determining the financial position of each local government as well as for analyzing overall local fiscal conditions. This account is reconfigured to conform to the accounting procedures of local governments according to standards established by the Ministry of Internal Affairs and Communications.

The ordinary account consists of a general account and some special accounts. The settlement presents a net calculation that has been adjusted to eliminate overlap between accounts.

(1) Fiscal Year 2011 Summary of Financial Results

[1] Revenues and Expenses

- **The actual balance of revenues and expenses for fiscal year 2011 was nearly balanced.**
- **The ordinary balance ratio stood at 95.2%.**
- **In order to deal with the challenges of the metropolitan government while appropriately responding to changes in future social and economic conditions, it is important to continue ensuring financial soundness by conducting constant and thorough reviews of both revenues and expenses.**

<Fiscal Year 2011 Settlement Results>

(in billion yen, %)

Item	FY2011	FY2010	Change in amount	Percentage of change
Total annual revenues (A)	6,247.4	6,170.7	76.7	1.2
Total annual expenses (B)	6,078.8	6,012.3	66.6	1.1
Proforma balance (C=A-B)	168.5	158.4	10.1	-
Fiscal revenues to be carried forward(D)	168.1	157.9	10.2	-
Actual balance (C-D)	0.4	0.5	(0.1)	-
Ordinary balance ratio	95.2	94.5	-	-

Note: Fiscal revenues to be carried forward includes the balance of unsettled local consumption tax carried forward to the following fiscal year.

While total annual revenues amounted to 6.2474 trillion yen, total annual expenses were 6.0788 trillion yen, with a proforma balance resulting in 168.5 billion yen. The actual balance, calculated by subtracting fiscal revenues to be carried forward from the proforma balance, was a surplus of 0.4 billion yen, and revenues and expenses were almost balanced since fiscal year 2008. This is because financial resources required were secured by examining expenses and issuing TMG bonds while metropolitan tax revenues have decreased for four consecutive years for the first time in TMG history.

[2] Main features

<Annual Revenues>

(in billion yen, %)

Item	FY2011		FY2010		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
Metropolitan taxes	4,149.8	66.4	4,190.1	67.9	(40.4)	(1.0)
Two corporate taxes	1,233.9	19.8	1,246.0	20.2	(12.2)	(1.0)
National treasury disbursements	440.0	7.0	452.8	7.3	(12.9)	(2.8)
TMG bonds	457.2	7.3	352.3	5.7	104.9	29.8
Other	1,200.5	19.2	1,175.5	19.0	25.0	2.1
Total revenues	6,247.4	100.0	6,170.7	100.0	76.7	1.2

Note: The two corporate taxes are the corporate enterprise tax and corporate inhabitant tax.

- Metropolitan tax revenues have decreased by 1.0% or 40.4 billion yen in total compared to the previous fiscal year, because two corporate taxes declined mainly due to blow to economic activities caused by the Great East Japan Earthquake.
- As for national treasury disbursements, while Social capital improvement fund has increased and regional autonomy strategic grant has been set up, they have decreased by 2.8% or 12.9 billion yen due to decrease in ordinary construction expenses disbursements and allowances for local revitalization.
- In anticipation of future burdens, TMG bonds are systematically utilized to secure financial resources for necessary measures, and as a result increased by 29.8%, or 104.9 billion yen, compared to the previous fiscal year.
- "Other" increased by 2.1%, or 25.0 billion yen compared to the last fiscal year, mainly due to increase in local enterprise special transfer taxes.

<Annual Expenses>

(in billion yen, %)

Item	FY2011		FY2010		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
General expenses	4,450.0	73.2	4,368.7	72.7	81.3	1.9
Personnel expenses	1,487.9	24.5	1,513.6	25.2	(25.7)	(1.7)
Investment expenses	776.1	12.8	741.5	12.3	34.6	4.7
Other	2,186.1	36.0	2,113.7	35.2	72.4	3.4
Expenses for public bonds	529.4	8.7	559.8	9.3	(30.4)	(5.4)
Tax-related expenses etc.	1,099.4	18.1	1,083.7	18.0	15.6	1.4
Total expenses	6,078.8	100.0	6,012.3	100.0	66.6	1.1

Note: General expenses represent those excluding expenses for public bonds and tax-related expenses (allocation of a certain percentage of local consumption tax grants etc. to municipal authorities).

- In general expenses, personnel expenses dropped by 1.7%, or 25.7 billion yen compared to the last fiscal year. This is largely attributable to a fall in staff salaries following salary reduction reforms, and decline in retirement allowances with less retiree.
- In general expenses, investment expenses went up by 4.7% or 34.6 billion yen on a year-on-year basis mainly owing to steady promotion of maintenances of urban infrastructures and renovations and refurbishments of TMG's facilities.
- Other expenses in general expenses increased by 3.4%, or 72.4 billion yen from the last fiscal year, largely due to steady promotion of Tokyo Emergency Measures 2011 which were developed in response to the Great East Japan Earthquake, as well as an increase in social welfare expenses and allowances etc. such as medical expenses for services and support promoting self-reliance for persons with disabilities (medical expenses for mental disorders) or metropolitan contribution to medical insurance for the elderly aged 75 or over.
- Public bond expenses declined by 5.4%, or 30.4 billion yen from the last fiscal year, mainly due to decrease in principal and interest redemption proceeds.

[3] Fiscal Indices

(i) Ordinary balance ratio

- **The ordinary balance ratio, which represents fiscal flexibility, declined 0.7 points to 95.2% from 94.5% in fiscal year 2010.**
- **The main reason why the ordinary balance ratio is going up is an increase in social welfare expenses and allowances etc. such as medical expenses for services and support promoting self-reliance for persons with disabilities (medical expenses for mental disorders) or metropolitan contribution to medical insurance for the elderly aged 75 or over, while metropolitan tax revenues are decreasing for four consecutive years.**

<Changes in Ordinary Balance Ratio>

(Unit: %)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
Ordinary balance ratio	80.2	84.1	96.0	94.5	95.2

Note: Ordinary balance ratio = (General revenues sources for appropriation in ordinary expenses) / (Ordinary general revenues sources) x 100 (%)

(ii) Ratio of expenses for public bonds

- **The ratio of expenses for public bonds, which is an indicator of the scale of the fiscal burden on public bonds, was 10.2% in fiscal year 2011, an improvement of 0.4 points from 10.6% in the previous fiscal year.**

<Changes in the Ratio of Expenses for Public Bonds>

(Unit: %)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
Ratio of expenses for public bonds	11.3	13.0	12.1	10.6	10.2

Note: Ratio of expenses for public bonds = (General revenues sources for appropriation in ordinary expenses) / (Ordinary general revenues sources) x 100 (%)

(iii) Current TMG bonds balance

- **The current balance in TMG bonds (ordinary account bonds) as of the end of fiscal year 2011 was 5.7826 trillion yen, which represents a year-on-year increase of 0.7% or 39.9 billion yen.**

<Changes in the TMG Bonds Balance (Ordinary Account Bonds)>

(in billion yen)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
TMG bonds balance	6,292.6	5,895.6	5,834.4	5,742.7	5,782.6

Note: Current TMG bonds balance in the ordinary account settlement excludes the amount set aside in the sinking fund as scheduled redemption equivalent to finance the bullet maturity amortization of public offering and the private placement bonds, and therefore does not coincide with the amount stated for TMG bonds in the balance sheet.

[4] Ratios set forth by the Law on the Fiscal Consolidation of Local Governments

The Law on the Fiscal Consolidation of Local Governments (hereinafter, the “Fiscal Consolidation Law”) requires local governments to calculate the ratios related to financial health, receive inspection of the results by the audit committee, report the results to the assemblies, and announce the results to residents on an annual basis.

Various ratios for the Tokyo Metropolitan Government, calculated based on fiscal year 2011 financial results and in accordance with the said law, are as shown below:

Ratios provided for in the Law on the Fiscal Consolidation of Local Governments

(Articles 3 and 22)

Real deficit ratio	Consolidated real deficit ratio	Real debt payment ratio	Future burden ratio	Capital shortage ratios
—% (Without deficit, the real deficit ratio is not shown.)	—% (Without deficit, the consolidated real deficit ratio is not shown.)	1.5%	92.7%	—% (Without capital shortage, the capital shortage ratios are not shown.)
(Reference) Early consolidation standard: 5.76% Fiscal reconstruction standard: 9.01%	(Reference) Early consolidation standard: 10.76% Fiscal reconstruction standard: 19.01%	(Reference) Early consolidation standard: 25% Fiscal reconstruction standard: 35%	(Reference) Early consolidation standard: 400% —	(Reference) For every public enterprise account Management consolidation standard: 20%

Note: The early consolidation standard and the fiscal reconstruction standard are the criteria for judging whether a local government needs to improve its fiscal position. If any of the ratios used to judge the restoration of financial health of a local government (real deficit ratio, consolidated real deficit ratio, real debt payment ratio and future burden ratio) is equal to or greater than its corresponding early consolidation standard, such local government shall formulate a plan to consolidate its financial health.

If any of the ratios used to judge a local government’s financial reconstruction (real deficit ratio, consolidated real deficit of debts, real debt payment ratio) is equal to or greater than its corresponding fiscal reconstruction standard, such local government shall formulate fiscal reconstruction plan.

(i) Real deficit ratio

- **The real deficit ratio represents the ratio of the actual deficit (or negative actual balance) in the general account etc., to the standard financial scale. This ratio shows how much of the financial scale for a single fiscal year is accounted for by real deficit.**
- **Without deficit, the real deficit ratio for the fiscal year is not shown.**

Note:

$$\text{Real deficit ratio} = \frac{\text{Real deficit in the general account, etc.}}{\text{Standard financial scale}}$$

(ii) Consolidated real deficit ratio

- The consolidated real deficit ratio represents the ratio of consolidated real deficit (which is obtained by adding the real deficit in the general account etc., and fund shortage in the public enterprise accounts) to the standard financial scale. This shows the sum total of debt for all accounts on a single-year basis.
- Without consolidated deficit, the consolidated real deficit ratio for the fiscal year under review is not shown.

Note:

$$\text{Consolidated real deficit ratio} = \frac{\text{Consolidated real deficit}}{\text{Standard financial scale}}$$

(iii) Real debt payment ratio

- The real debt payment ratio represents the ratio of the amount corresponding to expenses for public bonds of general revenues sources etc., to the standard financial scale.
- Real debt payment ratio for fiscal year 2011 was 1.5%.
- Also, with regard to calculation of real debt payment ratio, it does not reflect the actual condition of TMG which is not a receiver of local allocation taxes, as not only standard fiscal scale which is the denominator includes issuable amount of temporary financial countermeasure bonds that TMG has never issued, but also the amount included in tax allocation relating to redemption money for principal and interest / quasi-redemption money for principal and interest are excluded from denominator and numerator.

Notes :1.

$$\text{Real debt payment ratio (three-year average)} = \frac{\text{(Redemption funds for principal and interest of TMG bonds + Quasi-redemption funds for principal and interest of TMG bonds) - (revenue sources for specific expenses + Expenses for the redemption funds for principal and interest and the quasi-redemption funds for principal and interest that are included in the basic financial needs)}}{\text{Standard financial scale - (Expenses for the redemption funds for principal and interest and the quasi-redemption funds for principal and interest that are included in the basic financial needs)}}$$

2. If its real debt payment ratio is 18% or more, a local government cannot issue bonds without permission of the Minister of Internal Affairs and Communications on condition that it formulates a plan to optimize the burden of its expenses for public bonds.

<Changes in the Real Debt Payment Ratio>

(Unit: %)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
Real debt payment ratio	8.7(12.0)	5.5(8.7)	3.1(6.6)	2.2(6.4)	1.5(6.8)

Note: Since the calculation method was revised in FY2007, the "city planning tax" has been included in the revenues source for expenses for public bonds. The ratios in brackets represent values calculated by the former standard used in FY2006 and before.

(iv) Future burden ratio

- The future burden ratio represents the ratio of future burden expected in the general account etc., including the current balance of TMG bonds, expenses estimated following debt burden, projected retirement benefit burden, and debts of public corporations and debts of the third sector public/private enterprises, etc. whose losses TMG provides compensation for, to the standard financial scale.
- Future burden ratio has become 92.7%.
- In addition, the future burden ratio does not include expenses for the possible renewal of social capital stock etc., and the estimated amount of the local allocation taxes is excluded from the calculation of this ratio, because such tax is not granted to TMG. Instead, metropolitan taxes revenues should be used to offset such expenses. Therefore, the future burden ratio, which fails to appropriately reflect the features of the fiscal demands of TMG, does not represent the actual status of the TMG's fiscal standing.
- Given the above, it is important for TMG to accurately recognize the burden on future generations and establish a sustainable financial base. Based on the mid- to long-term perspectives, TMG will focus on maintaining stable financial management.

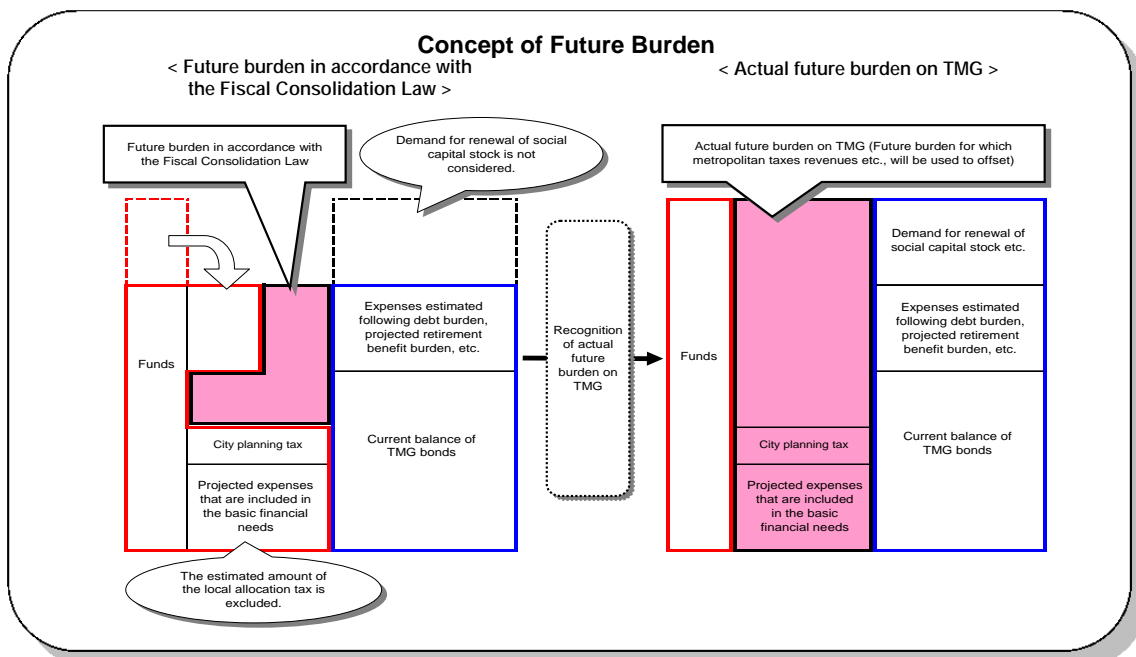
Note:

$$\text{Future burden ratio} = \frac{\text{Future burden} - (\text{Funds that can be allocated} + \text{Estimated revenue sources for specific expenses} + \text{Projected expenses for the current balance of TMG bonds that are included in the basic financial needs})}{\text{Standard financial scale} - (\text{Expenses for the redemption funds for principal and interest and the quasi-redemption funds for principal and interest that are included in the basic financial needs})}$$

<Changes in the Future burden ratio >

(Unit: %)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
Future burden ratio	82.9	63.8	77.0	93.6	92.7



(Reference) Capital shortage ratios

- The capital shortage ratios represent the ratios of capital shortage to business scale by each public enterprise account.
- Without capital shortage, the capital shortage ratios for all the public enterprise accounts are not stated in the fiscal year under review.

Notes:1.

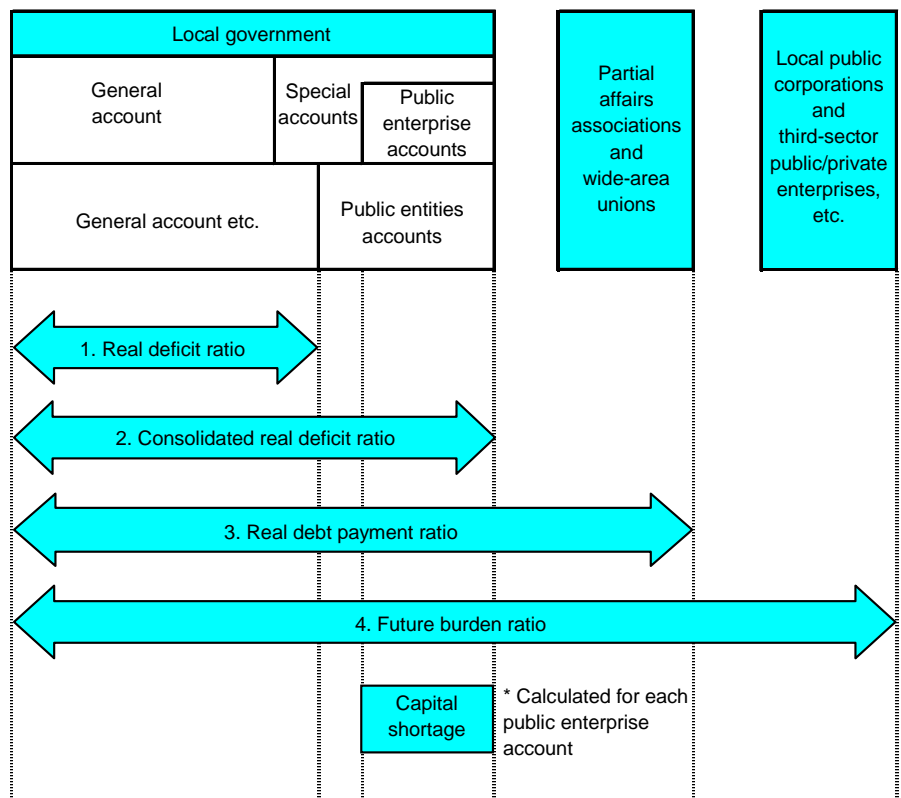
$$\text{Capital shortage ratio} = \frac{\text{Capital shortage}}{\text{Business scale}}$$

2. Accounts of TMG for which the capital shortage ratios, if any, are stated. Hospitals, Central Wholesale Market, Urban Redevelopment Project, Waterfront Area Development Project, Port and Harbor Project, Transportation, Urban Rapid Transit Railway, Electric Power, Waterworks, Industrial Waterworks, Sewerage, Slaughterhouse, and Tama New Town Project (total 13 accounts)

Scope in Application of Ratios to Judge Fiscal Consolidation

The scope in application of the ratios used to judge the fiscal consolidation is as shown below:

It includes the general account etc. (almost the same as those under the ordinary account) and the public entities accounts, as well as the charges in the general account for the bodies relating to a local government, such as partial affairs associations, wide-area unions, local public corporations, and third-sector public/private enterprises.



(2) Analysis Based on New Public Accounting Procedures

[1] Summary of Financial Statements

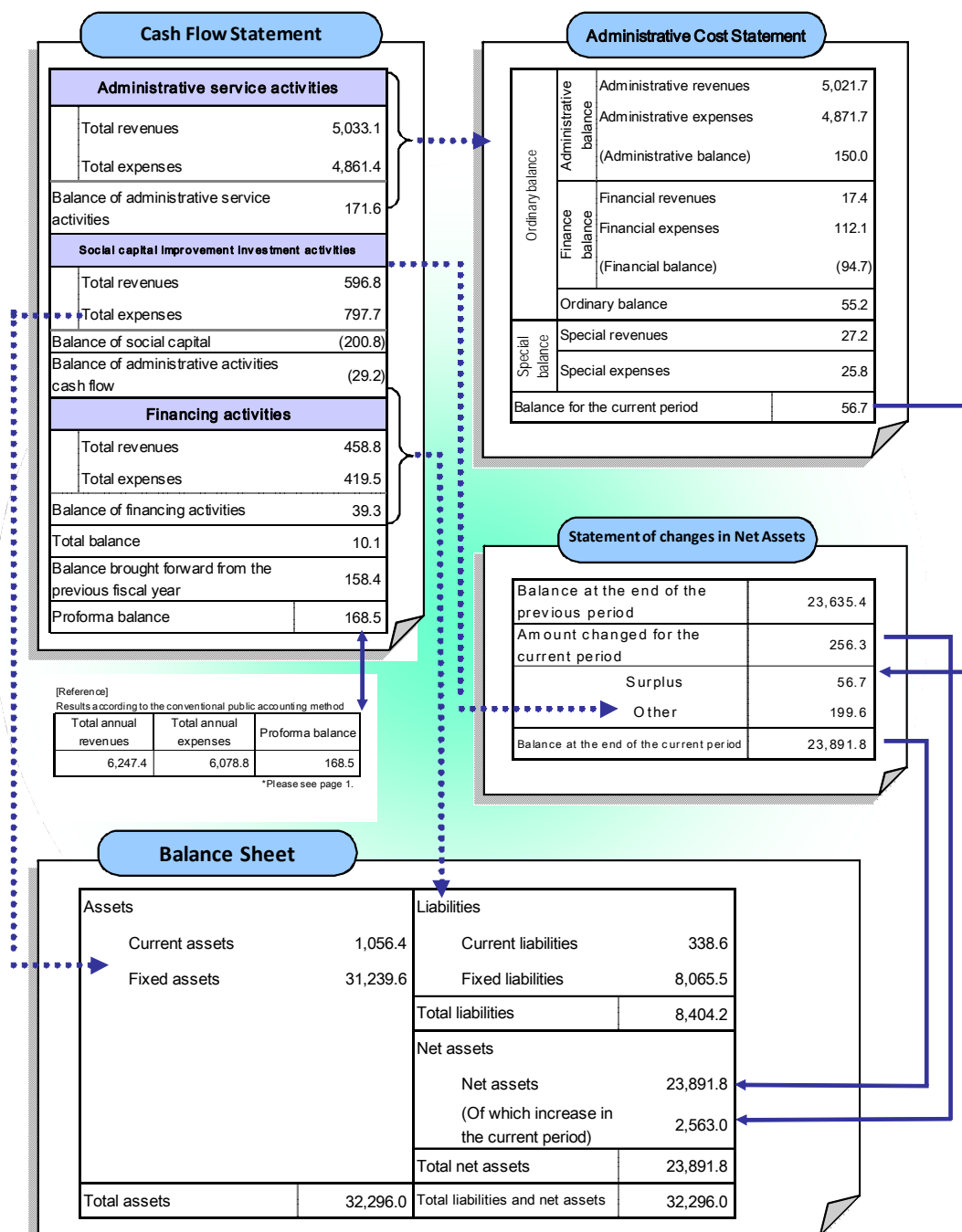
- **TMG's financial statements consist of four tables: the "Balance Sheet", the "Administrative Cost Statement", the "Cash Flow Statement" and the "Statement of Changes in Net Assets". TMG's finances in fiscal year 2011, as shown in the financial statements, are summarized below.**
- **About TMG's assets and liabilities in the balance sheet, assets as of the end of fiscal year 2011 increased from a year earlier to 32.2960 trillion yen (31.9326 trillion yen as of the end of fiscal year 2010), while liabilities increased to 8.4042 trillion yen (8.2971 trillion yen as of the end of fiscal year 2010). In assets, the balance of fund reserves 3.1157 trillion yen, remained at the same level as the previous year, while, in liabilities, the balance of TMG bonds increased 167.8 billion from a year earlier to 7.2794 trillion yen. The ratio of liabilities to assets is 26.0%, remained about the same level as the end of the previous fiscal year.**
- **The administrative cost statement indicates that metropolitan tax revenues fell year-on-year for four consecutive years, but revenues continued to exceed expenses, and the balance for the current period stood at 56.7 billion yen (138.4 billion yen a year earlier)**
- **In the balance for administrative activities cash flow in the cash flow statement, expenses exceeded revenues during the year by 29.2 billion yen. In the balance for financing activities cash flow, revenues exceeded expenses by 39.3 billion yen, and in the proforma balance, found by adding the balance brought forward from the previous year to the total balance, revenues exceeded expenses.**
- **The statement of changes in net assets shows that net assets increased 256.3 billion yen, in tandem with progress in social capital improvements.**
- **As for fiscal year 2011, TMG has fulfilled its role by scrutinizing expenses, as well as utilizing its acquired financial management ability appropriately, while metropolitan tax revenues have decreased on a year-on-year basis for four consecutive years, the first time in TMG history. In order to continue handling many issues confronting TMG, it is important to constantly commit to self-reform and to maintain financial soundness.**

- Financial statements prepared by private enterprises that issue shares for public offer consist of four reports: the “Balance Sheet”, the “Profit and Loss Statement”, the “Cash Flow Statement” and the “Statement of Change in Shareholders’ Equity”. It is not TMG’s mission to become a profit-making organization. Therefore, in place of the “Profit and Loss Statement”, TMG prepares the “Administrative Cost Statement”. Furthermore, since there is no concept of shareholders’ equity in TMG administration, TMG prepares the “Statement of Changes in Net Assets” in place of the “Statement of Change in Shareholders’ Equity”.

- An accurate understanding of the content and relevance of the four tables (the “Balance Sheet”, the “Administrative Cost Statement”, the “Cash Flow Statement”, and the “Statement of Changes in Net Assets”) will form the basis of financial analyses using the new public accounting method.

Relationship between Financial Statement

(in billion yen)



Note: The diagram shown above is an image provided for easier understanding of the relationship between the financial statements. While the cash flow statement shows the amounts that were recorded at the time of actual payment and receipt of cash, the administrative cost statement and others indicate the amounts that were recorded at the time revenues recognized. For such reasons, the amounts on the respective statements do not necessarily match those stated in the corresponding items.

[2] Balance Sheet

The balance sheet is to be compiled to give a clear picture of the status of TMG's assets, liabilities, and net assets as of March 31 (however, this includes the variation during the settlement period). In the balance sheet, the amount of assets, such as land and buildings, is equal to the total of liabilities, such as borrowings and TMG bonds, and net assets.

<Balance Sheet>

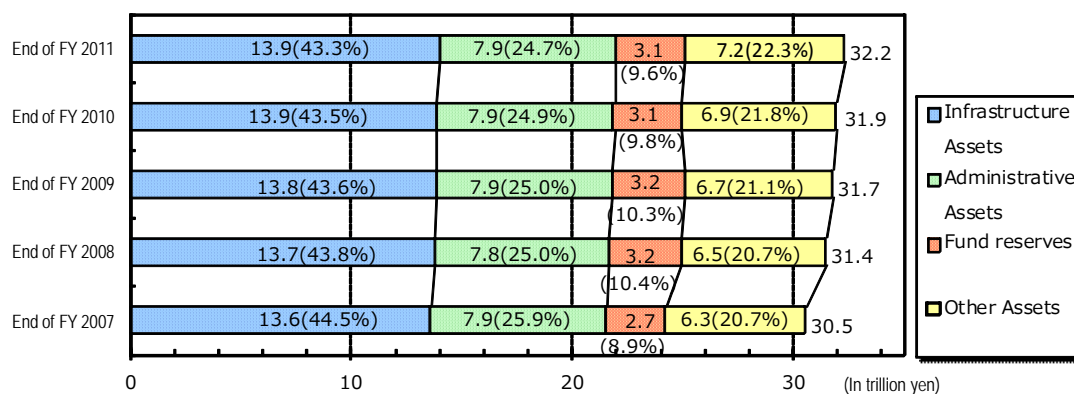
(in billion yen, %)

Item	FY2011	FY2010	Change in amount	Percentage of change
Assets				
I Current assets	1,056.4	1,122.2	(65.7)	(5.9)
Cash and deposits	167.6	155.8	11.7	7.5
Funds reserved	643.7	684.5	(40.8)	(6.0)
Other	245.0	281.7	(36.7)	(13.0)
II Fixed assets	31,239.6	30,810.4	429.1	1.4
Administrative assets	7,970.9	7,938.4	32.5	0.4
Infrastructure assets	13,991.2	13,904.1	87.1	0.6
Funds reserved	2,471.9	2,444.2	27.7	1.1
Other	6,805.3	6,523.5	281.7	4.3
Total assets	32,296.0	31,932.6	363.4	1.1
Liabilities				
I Current liabilities	338.6	308.7	29.9	9.7
TMG bonds	332.9	300.1	32.8	10.9
Other	5.7	8.6	(2.9)	(33.7)
II Fixed liabilities	8,065.5	7,988.3	77.1	1.0
TMG bonds	6,946.4	6,811.4	135.0	2.0
Other	1,119.0	1,176.9	(57.8)	(4.9)
Total liabilities	8,404.2	8,297.1	107.0	1.3
Total net assets	23,891.8	23,635.4	256.3	1.1
Total liabilities and net assets	32,296.0	31,932.6	363.4	1.1

- Assets as of the end of fiscal year 2011 increased by 363.4 billion yen from the end of the previous year to 32.2960 trillion yen, while liabilities increased by 107.0 billion yen from previous year to 8.4042 trillion yen. As a result, net assets increased by 256.3 billion yen to 23.8918 trillion yen.

- In Assets, the total increase of 363.4 billion yen consists of a 65.7 billion yen decrease in current assets and 429.1 billion yen rise in fixed assets from a year earlier. Total assets increased consecutively since fiscal year 2006, when TMG began preparing annual financial reports.
- The decrease in current assets reflects a decrease in funds reserved, offsetting an increase in cash and deposits.
The increase in fixed assets comprises factors such as a rise of 87.1 billion yen in infrastructure assets and a climb of 104.0 billion yen in the construction suspense account, and growth of 118.5 billion yen in long-term loan.
- Assets consist of current assets of 1.0564 trillion yen, accounting for 3.3% (compared with 1.1222 trillion yen, accounting for 3.5% as of the end of the previous fiscal year) and fixed assets of 31.2396 trillion yen, accounting for 96.7% (compared with 30.8104 trillion yen, accounting for 96.5% as of the end of the previous fiscal year).
As illustrated in Figure 1 below, infrastructure assets and administrative assets account for 43.3%, 13.9912 trillion yen (compared with 43.5%, 13.9041 trillion yen as of the end of the previous fiscal year) and 24.7%, 7.9709 trillion yen (compared with 24.9%, 7.9384 trillion yen as of the end of previous fiscal year), respectively, of total assets, reaching approximately 70% when combined. In addition, funds reserved of current assets and fixed assets combined declined 13.0 billion yen from the end of the previous fiscal year to 3.1157 trillion yen, which corresponds to 9.6% of total assets (compared with 3.1288 trillion yen corresponding to 9.8% of total assets as of the end of the previous fiscal year).

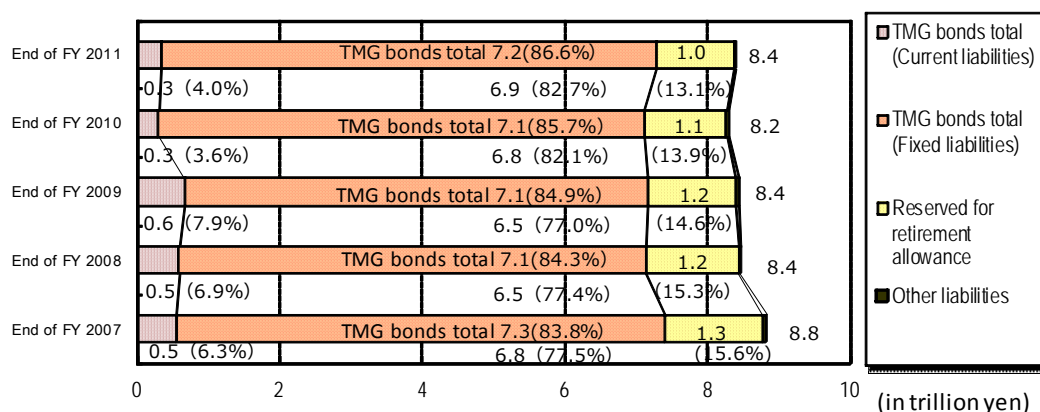
[Figure 1] Changes in Composition of Assets



- In liabilities, total liabilities went up by 107.0 billion yen from the end of the previous fiscal year, reflecting a 29.9 billion yen increase in current liabilities and a 77.1 billion yen increase in fixed liabilities.
- The increase in current liabilities is primarily due to a 32.8 billion yen increase in TMG bonds due within one year.
The increase in fixed liabilities is largely attributable to a 135.0 billion yen rise in TMG bonds due in or after fiscal year 2013, offsetting a 54.3 billion yen fall in reserve for retirement allowances.

- Liabilities consist of current liabilities accounting for 4.0%, 338.6 billion yen (compared with 3.7%, 308.7 billion yen as of the end of the previous fiscal year) and fixed liabilities accounting for 96.0%, 8.0655 trillion yen (compared with 96.3%, 7.9883 trillion yen as of the end of the previous fiscal year). As illustrated in Figure 2 below, TMG bonds (fixed liabilities and current liabilities) account for over 85%. TMG bonds (fixed liabilities and current liabilities) increased 167.8 billion yen from the end of the previous fiscal year to 7.2794 trillion yen.

[Figure 2] Changes in Composition of Liabilities



- The ratio of liabilities to assets as of the end of fiscal year 2011 was 26.0%, remained at the same level as the previous year.

<Ratio of Liabilities to Assets>

(in billion yen, %)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
Total liabilities (A)	8,827.6	8,477.3	8,439.5	8,297.1	8,404.2
Total assets (B)	30,531.1	31,459.1	31,781.8	31,932.6	32,296.0
Ratio of liabilities to assets (A) / (B) × 100	28.9	26.9	26.6	26.0	26.0

- Total net assets, which represent the difference of assets and liabilities, were 23.8918 trillion yen, up 256.3 billion yen from 23.6354 trillion yen at the end of the previous fiscal year. Net assets have increased since fiscal year 2006.

[3] Administrative Cost Statement

The administrative cost statement is compiled to recognize “expenses” arising from administrative services activities provided by TMG during a single accounting period on an accrual basis and clarify the corresponding relationship between “expenses” and the “revenues”, which is the financial resource, and the difference between the two (hereinafter, “the balance”). A surplus in the balance for the current period in the administrative cost statement indicates that the expenses arising from administrative services provided during the period under review were basically paid within the revenues such as taxes revenues of the same period.

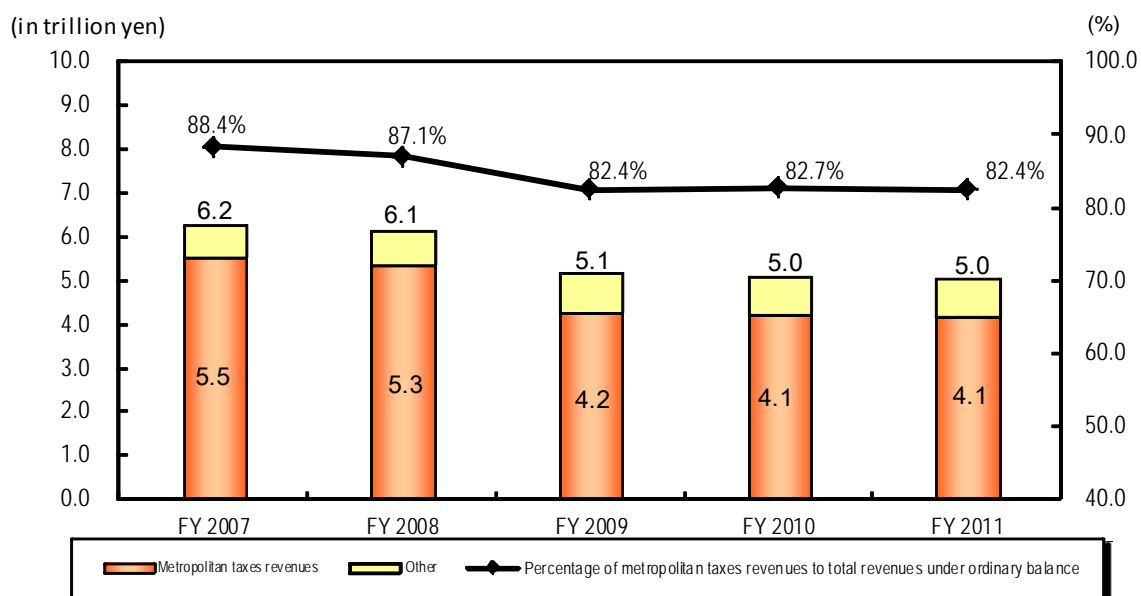
In contrast to settlement based on cash revenues and expenses, using a cash receipt and disbursement method under conventional governmental accounting, costs without cash expenses such as depreciation expenses and transfer to reserve are included under expenses in the administrative cost statement. Investments necessary for formation of assets such as buildings and structures to be used over a long period are not recognized as administrative cost for the current fiscal year, in principle, but counted as expenses for the relevant accounting period by recording depreciation expenses in the administrative cost statement.

<Administrative Cost Statement>		(in billion yen, %)		
Item	FY2011	FY2010	Change in amount	Percentage of change
Ordinary Balance				
I Administrative balance				
Administrative revenues	5,021.7	5,059.0	(37.2)	(0.7)
Local taxes	4,152.5	4,198.2	(45.7)	(1.1)
Local transfer taxes	202.3	178.2	24.0	13.5
National treasury disbursements	290.3	313.8	(23.4)	(7.5)
Fees and charges	140.7	142.8	(2.1)	(1.5)
Other	235.7	225.7	10.0	4.4
Administrative expenses	4,871.7	4,815.4	56.2	1.2
Tax-related expenses	1,121.3	1,107.3	13.9	1.3
Payroll-related expenses	1,374.4	1,384.9	(10.4)	(0.8)
Allowances	1,026.6	999.7	26.8	2.7
Investment expenses	376.6	372.7	3.8	1.0
Other	972.6	950.5	22.0	2.3
II Financial balance				
Financial revenues	17.4	19.4	(2.0)	(10.3)
Financial expenses	112.1	115.8	(3.6)	(3.1)
Ordinary balance	55.2	147.2	(91.9)	-
Special Balance				
Special revenues	27.2	25.2	2.0	7.9
Special expenses	25.8	34.0	(8.1)	(23.8)
Balance for the current period	56.7	138.4	(81.6)	-

Note: Investment expenses are the sum total of subsidiary investment expenses, independent investment expenses and investment expenses directly controlled by the national government.

- With regard to the administrative balance, administrative revenues were 5.0217 trillion yen, a drop of 37.2 billion yen when compared with 5.0590 trillion yen in the previous fiscal year. This is mainly owing to decline of 45.7 billion yen in metropolitan tax revenues reflecting drop in two corporate taxes due to blow to economic activities caused by the Great East Japan Earthquake, despite the increase in local transfer taxes from the rise in local enterprise special transfer taxes. Meanwhile, administrative cost was 4.8717 trillion yen (4.8154 trillion yen in the previous year), going up by 56.2 billion yen from the previous fiscal year, mainly due to increase of 26.8 billion yen in allowances etc.
- As to the financial balance, financial revenues decreased 2.0 billion yen from the previous fiscal year, to 17.4 billion yen, while financial expenses declined 3.6 billion yen to 112.1 billion yen.
- Total revenues in the ordinary balance, which is the sum of administrative revenues and financial revenues, was 5.0391 trillion yen, down 39.2 billion yen from the previous fiscal year. Of the total revenues, metropolitan taxes revenues accounted for 82.4% (compared with 82.7% for the previous fiscal year).

[Figure 3] Changes in Composition of Revenues in the Ordinary Balance and Percentage of Metropolitan Taxes Revenues of Total Revenues



- Total expenses in the ordinary balance, which is the sum of administrative expenses and financial expenses, stood at 4.9839 trillion yen, 52.6 billion yen increase from the previous fiscal year. Of the total expenses, payroll-related expenses accounted for 27.6% (compared with 28.1% in the previous fiscal year), tax-related expenses, 22.5% (22.5% in the previous fiscal year), and allowances, etc., 20.6% (20.3% in the previous fiscal year).
- Meanwhile, in order to see the efficiency of TMG administrative services we can examine the percentage of personnel costs to total costs which decreased to 29.4 %, a 0.3% drop from 29.7% in the previous fiscal year. This 0.3 percent drop was due to a year on year 1.5 billion yen decrease in personnel costs and a rise in the total expenses of the ordinary balance section caused by an increase in allowances, etc.

<Percentage of Personnel Cost to Total Cost>

(in billion yen, %)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
Payroll-related expenses + Transfer to reserve for retirement allowances (A)	1,594.0	1,518.8	1,491.1	1,466.4	1,464.9
Administrative expenses + Financial expenses (B)	5,075.4	5,041.2	5,069.4	4,931.2	4,983.9
Percentage of personnel cost (A) / (B) X 100	31.4	30.1	29.4	29.7	29.4

- Ordinary balance, which represents the difference of total revenues and total expenses in the ordinary balance, stood at 55.2 billion yen in net revenues, a 91.9 billion yen decrease from 147.2 billion yen in net revenues for the previous fiscal year.
- Special revenues in the special balance section increased by 2.0 billion yen to 27.2 billion yen from the previous fiscal year (25.2 billion yen in the previous fiscal year), while special expenses decreased by 8.1 billion yen to 25.8 billion yen (34.0 billion yen in the previous fiscal year).
- The balance for the current period, which is obtained by incorporating the special balance into the ordinary balance, was 56.7 billion yen in net revenues, a 81.6 billion yen decrease from 138.4 billion yen in net revenues for the previous fiscal year. This balance of 56.7 billion yen is reflected in the increase in net assets on the balance sheet.

[4] Cash Flow Statement

The cash flow statement is prepared to categorize the cash flow of finances according to “Administrative Services Activities”, “Social Capital Improvement Investment”, and “Financing Activities”, and to indicate the status of their current cash revenues and cash expenses. The balance of administrative service activities indicates the difference in revenues and expenses accompanying the delivery of ordinary administrative services, and the balance of social capital improvement investment activities indicates the difference in revenues and expenses accompanying the formation of fixed assets and others. The balance of administrative activities cash flow is the combination of these two balances.

The proforma revenues and expenses by the conventional public accounting method (see page 1) is the sum of the balance of administrative activities cash flow, the balance of financing activities and the balance brought forward from the previous fiscal year.

< Cash Flow Statement >

(in billion yen, %)

Item	FY2011	FY2010	Change in amount	Percentage of change
Administrative service activities				
Total revenues	5,033.1	5,067.1	(33.9)	(0.7)
Tax revenues etc.	4,377.1	4,385.1	(8.0)	(0.2)
Other	656.0	682.0	(25.9)	(3.8)
Total expenses	4,861.4	4,842.9	18.5	0.4
Tax-related expenses	1,121.3	1,107.3	13.9	1.3
Administrative expenses	3,627.2	3,618.1	9.0	0.2
Other	112.9	117.3	(4.3)	(3.7)
Balance of administrative service activities	171.6	224.2	(52.5)	-
Social capital improvement investment activities				
Total revenues	596.8	642.2	(45.3)	(7.1)
Total expenses	797.7	723.3	74.3	10.3
Social capital improvement expenses	354.8	332.6	22.1	6.6
Fund reserve	69.4	57.3	12.1	21.1
Other	373.3	333.3	40.0	12.0
Balance of social capital improvement activities	(200.8)	(81.1)	(119.7)	-
Balance of administrative service activities cash flow	(29.2)	143.0	(172.2)	-
Financial activities				
Revenues from financing activities	458.8	353.4	105.4	29.8
TMG bonds	458.8	353.4	105.4	29.8
Expenses related to financing activities	419.5	445.9	(26.4)	(5.9)
Expenses for public bonds (principal)	417.2	444.0	(26.7)	(6.0)
Other	2.3	1.9	0.3	15.8
Balance of financing activities	39.3	(92.5)	131.8	-
Total balance	10.1	50.5	(40.4)	-
Balance brought forward from the previous year	158.4	107.8	50.5	-
Proforma balance	168.5	158.4	10.1	-

- The balance of administrative service activities was 171.6 billion yen in net revenues, down 52.5 billion yen from 224.2 billion yen in net revenues for the previous fiscal year. This is attributed to 33.9 billion yen of decline in total revenues due to decrease of 8.0 billion yen in tax revenues, or decrease of 24.4 billion yen in national treasury disbursement, and increase of 18.5 billion yen in total expense caused by 29.6 billion yen increase in allowances etc.
- The balance of social capital improvement investment was 200.8 billion yen in net expenses, a 119.7 billion yen increase from 81.1 billion yen in net expenses for the previous fiscal year. This is because both revenues from property and provisions for funds decreased by 11.7 billion yen and 33.9 billion yen respectively in revenues, and also both investment costs and loans increased by 19.5 billion yen and 40.0 billion yen respectively in expenses.
- As a result, the balance of administrative service activities cash flow, which is obtained by combining the balance of administrative service activities and the balance of social capital improvement investment activities, stood at 29.2 billion yen in net expenses, down 172.2 billion yen from 143.0 billion yen in net revenues for the previous fiscal year.
- In financing activities, revenue raised through the issuance of TMG bonds amounted to 458.8 billion yen, a 105.4 billion yen increase from the previous fiscal year, while the redemption expenses of TMG bonds (expenses for public bonds (principal)) decreased 26.7 billion yen from the previous fiscal year, to 417.2 billion yen. Accordingly, the balance of financing activities was 39.3 billion yen in net revenues compared with 92.5 billion yen in net expenses for the previous fiscal year.
- The total balance, which is obtained by combining balance of administrative service activities cash flow and balance of financing activities, was 10.1 billion yen in net revenues compared with 50.5 billion yen in net revenues for the previous fiscal year, and the proforma balance, found by adding the balance brought forward from the previous fiscal year of 158.4 billion yen to this total balance, came to 168.5 billion yen.

[5] Statement of Changes in Net Assets

The statement of changes in net assets is compiled to clearly indicate the changes in net asset items in the balance sheet during a single accounting period.

<Statement of Changes in Net Assets>

(in billion yen)

Item	Net Assets			Total
	Opening balance equivalent	National treasury disbursements	Other	
Balance at the end of the previous period	19,162.8	661.9	3,810.6	23,635.4
Amount changed for the current period	-	147.7	108.6	256.3
Balance for the current period	-	-	56.7	56.7
Other	-	147.7	51.9	199.6
Balance at the end of the current period	19,162.8	809.7	3,919.2	23,891.8

- At the end of fiscal year 2011, net assets stood at 23.8918 trillion yen, a 256.3 billion yen year-on-year increase from 23.6354 trillion yen. The increase is due primarily to a rise in national treasury disbursements for balance for the current period and social capital improvement etc.
In the amount changed for the current period in net assets, the balance for the current period coincides with the balance for the current period in the administrative cost statement.

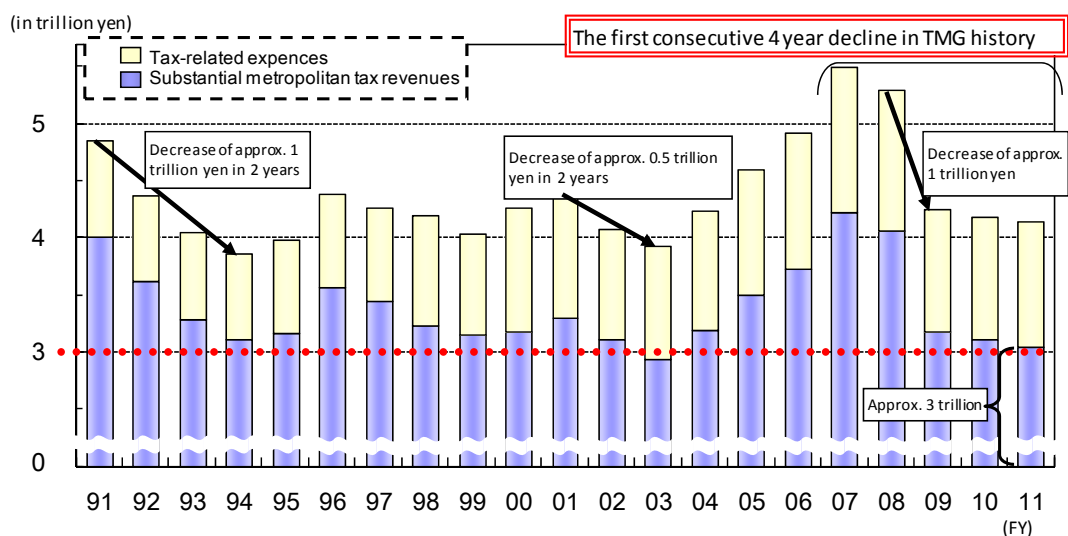
[Description on the Financial Statements] Financial Management Maintaining Financial Soundness

- TMG has been analyzing and publishing its financial statements in the form of an annual financial report since the fiscal year 2006 settlement, and this is its sixth annual financial report.
- With the switch to a surplus in the real balance of payments in the annual closing of accounts in fiscal year 2005, the Tokyo Metropolitan Government (TMG) accomplished its financial reconstruction. However, metropolitan tax revenues subsequently began to fall after a peak in fiscal year 2007, and in fiscal year 2011, revenues had fallen for four consecutive years on a year-on-year basis for the first time in TMG history. Moreover, substantial metropolitan tax revenues excluding tax-related expenses stood at approximately 3 trillion yen, falling off to the same level as fiscal year 2003, which was the lowest in the past 20 years.
- We will closely analyze the financial statements and work out the key to financial management: how TMG has steadily implemented necessary measures while maintaining financial soundness under these circumstances.

1 TMG's finances

- According to the cash flow statements, metropolitan tax revenues in fiscal year 2011 stood at 4.1497 trillion yen, falling for a fourth consecutive year for the first time in TMG history, and the fall in revenues was about 1.3 trillion yen compared with fiscal year 2007. Thus, metropolitan tax revenues, which are the main source of metropolitan revenues, have an unstable structure in that they are susceptible to economic trends.
- The substantial metropolitan tax revenues, excluding tax-related expenses that are part of tax revenues to be granted to municipalities, were 3.0 trillion yen in fiscal year 2011, which was a falling-off to about the same level as fiscal year 2003, which was the lowest in the past 20 years.

[Figure 4] Changes in Metropolitan Tax Revenues <Cash Flow Statements>



- In contrast, in the administrative cost statements, the breakdown of expenses related to administrative services during the period from fiscal year 2007 to fiscal year 2011 shows that, while total expenses in the ordinary balance remained at around 5 trillion yen, social welfare expenses and allowances, etc. increased by more than 20%; also, while TMG steadily financed necessary measures, personnel costs decreased by about 10% over the period.

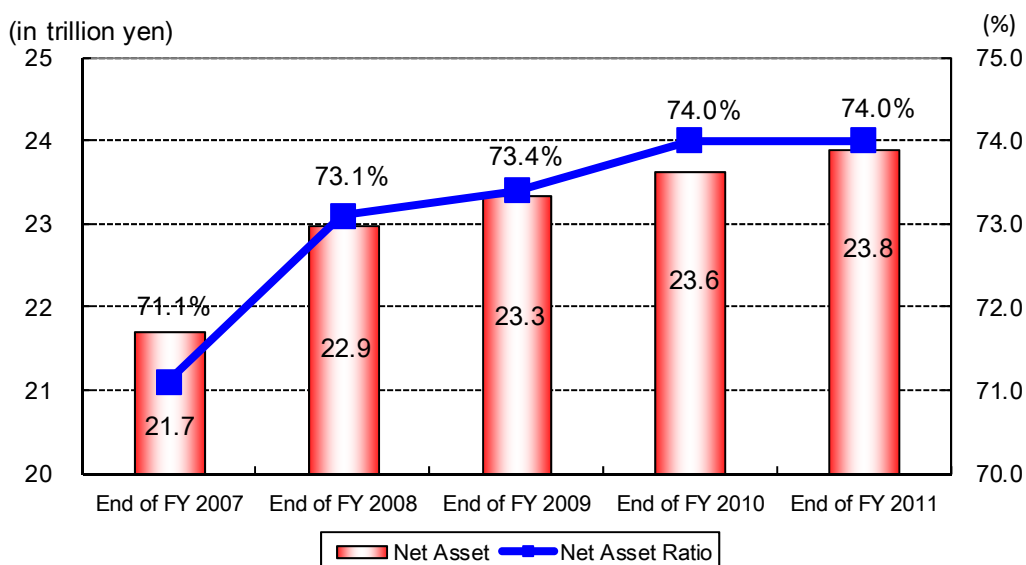
< Changes in the breakdown of administrative service expenses on the administrative cost statements >
(in billion yen)

Item	FY2007	FY2008	FY2009	FY2010	FY2011
Total expenses in the ordinary balance	5,075.4	5,041.2	5,069.4	4,931.2	4,983.9
of, which personnel costs	1,594.0	1,518.8	1,491.1	1,466.4	1,464.9
of, which special welfare expenses, allowance, etc.	894.7	906.1	969.6	1,047.6	1,092.5

* Personnel costs = payroll related costs + provision for retirement benefits
* Allowances, etc. do not include refund of overpayment.

- Turning now to net assets and the net asset ratio, during the period from fiscal year 2007 to fiscal year 2011, net assets and the net asset ratio increased by 2.1 trillion yen and 2.9 points, respectively.
The net asset ratio is equivalent to the capital adequacy ratio used in the private sector, and it represents the percentage among gross assets of net assets that do not have a repayment obligation. As the ratio becomes higher, the financial condition is sounder; it also means that assets have been formed from the taxes and so on paid by previous generations.
- Thus, it can be seen that even though metropolitan tax revenues decreased for four consecutive years, TMG has built a financial structure that does not postpone the burden to future generations.

[Figure 5] Changes in Net Assets and Net Asset Ratio <Balance Sheet>



- Although metropolitan tax revenues have decreased for four consecutive years since fiscal year 2008, the expenditures related to administrative activities have remained more or less constant; moreover, it can also be said that administrative efficiency is increasing as evidenced by decreasing personnel costs and other factors. By accumulating more net assets under these circumstances, the TMG has built a financial structure that does not postpone burdens to future generations.
- Thus, the reason why TMG has been able to steadily implement required policy measures without being influenced by trends in metropolitan tax revenues, which are sensitive to economic conditions, is that TMG has constantly committed to self-reform, by making thorough efforts to improve the efficiency and effectiveness of each and every measure. TMG has also taken a medium- to long-term perspective in systematically utilizing its bonds and funds in its financial operations.
- Focusing on the utilization of metropolitan bonds and funds, the following section reviews the figures and traces the characteristics of TMG's financial management, based on a comparison with past periods in which there were consecutive decreases in metropolitan tax revenues.

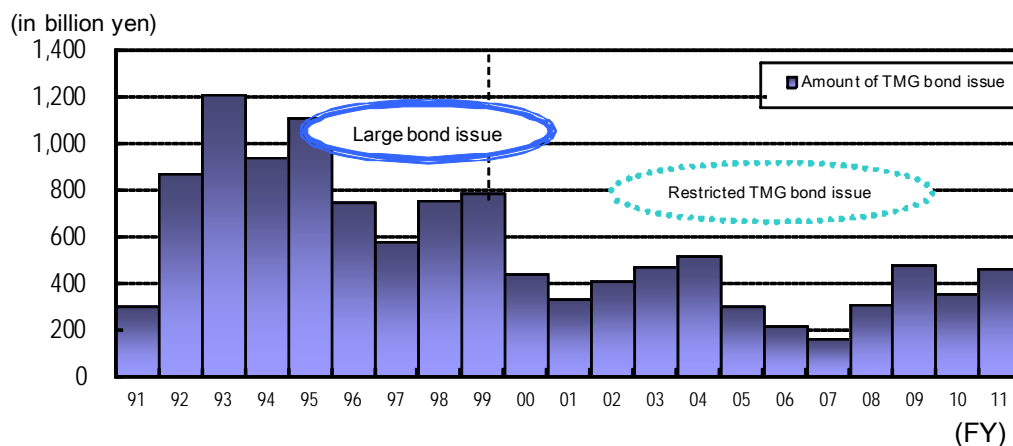
2 Features of Financial Management

- ◆ First, we will take a look at the movement of utilization of metropolitan bonds and funds to date.

(1) Utilization of TMG bonds

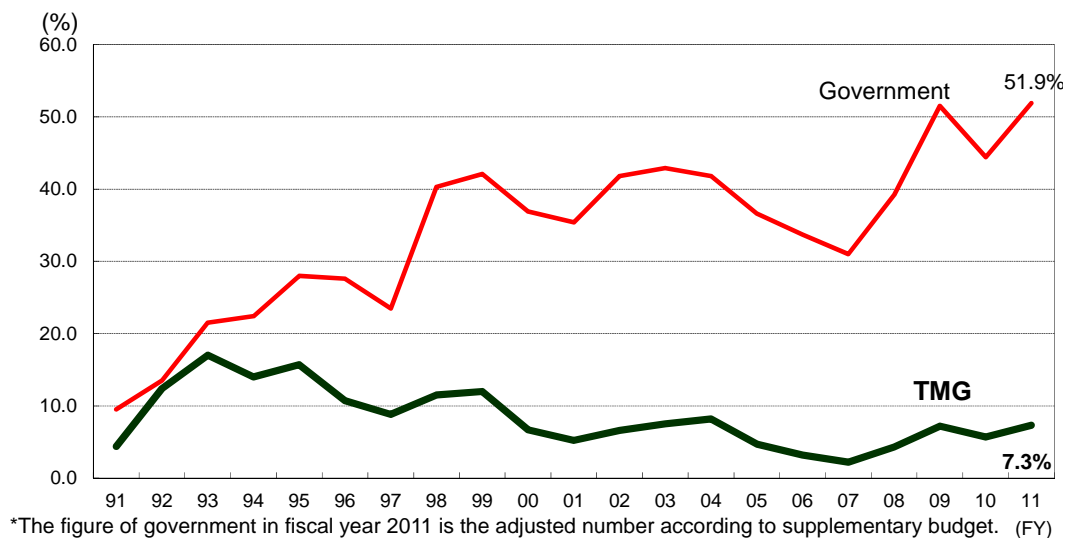
- TMG bonds have capabilities to balance the burden between generations as fiscal revenues for suitable formation and renewal of capital stock. On the other hand, as TMG bonds are liabilities that have to be paid unflinching in the future, it is critical to consider deliberately the balance between benefits and the burdens of the future generations upon utilization of TMG bonds.
- Up to fiscal year 1999, TMG had covered revenue shortfalls caused by decreases in tax revenues and so on by making maximum use of TMG bonds; however, since fiscal year 2000, through initiatives under the financial reconstruction promotion plan TMG has made efforts to reduce its issuance of bonds while reviewing the level of investment expenses and so on.

[Figure 6] Changes in the issue amount of TMG bonds < Cash flow statements >



- Just as in fiscal years 2009 and 2010, in fiscal year 2011, TMG managed to secure its necessary sources of revenue by utilizing the issue margin cultivated through its previous curtailment of the issuance of TMG bonds.
Although the balance of TMG bonds slightly increased, mainly due to there being few redemptions of TMG bonds issued in the past, it showed a decline of 1.8 trillion yen compared with fiscal year 2000, when it was at its peak.
TMG bonds have been issued systematically, taking future financial burdens into account, and it can be said that financial soundness has been secured.
- TMG's dependence on new bond issuance was 7.3%, which still remains at a low level compared with the national government.

[Figure 7] Changes in the Bond dependency (%) < Cash flow statements >



(2) Utilization of funds

- There are two types of funds: reserve funds where funds are reserved for adjusting the source of funds between fiscal years or preparation for future financial demands, and fixed amount investment funds where a fixed amount of funds is invested to implement a specific business or project.
- Reserve funds play an important role in TMG's financial operations, enabling TMG to steadily provide administrative services even when metropolitan tax revenues are unstable. TMG ranks the fiscal adjustment fund and special purposes funds such as the Social capital improvement fund as fund reserves usable as fiscal revenues.

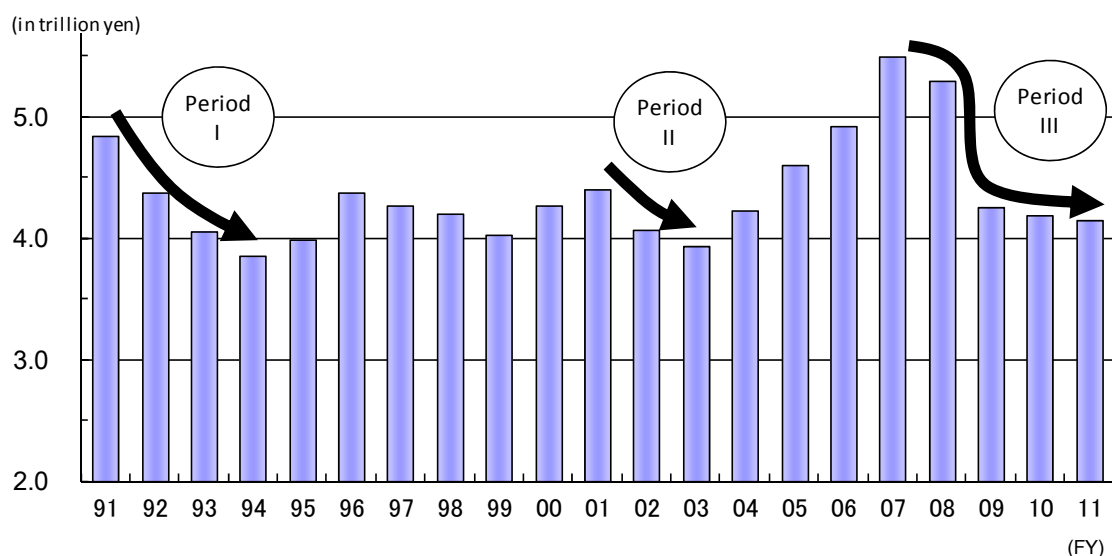
- From fiscal year 2006 through fiscal year 2008, when metropolitan tax revenues were comparatively robust, TMG reserved mainly fund reserves usable as fiscal revenues, such as the Social Capital Improvement Fund, in preparation for future financial demands. From fiscal year 2009 through fiscal year 2010, TMG mainly reserved funds sourced from national treasury disbursements relating to government measures against the economic crisis.
- Mainly since fiscal year 2009, TMG has utilized funds reserved in this way as a revenue source during sharp falls in tax revenues. At that time, TMG reduced reversals of funds as much as possible and sought to secure a balance for the future through measures such as cost-cutting efforts at the stage of budget execution and careful examination of unused budgeted expenses.
- As a result, the balance of funds usable as revenue sources as of the end of fiscal year 2011 was approximately 1.1 trillion yen, and approximately 0.8 trillion yen is expected to be secured at the end of fiscal year 2012.

◆ Thus, metropolitan bonds and funds have been appropriately utilized in accordance with the trends of tax revenues, however, there were several times when metropolitan tax revenues kept decreasing consecutively in the past in metropolitan government. Comparing TMG's financial managements during the periods when metropolitan tax revenues decreased consecutively, the following section unravels that TGM is steadily performing fiscal management currently.

(3) Comparison with Past Financial Management

- Three periods can be identified in which metropolitan tax revenues decreased drastically and continuously within a short period of time: Period I, (from fiscal year 1991 to fiscal year 1994; decreased by 989.2 billion yen over three years), Period II (from fiscal year 2001 to fiscal year 2003; decreased by 464.8 billion yen over two years), and Period III (from fiscal year 2007 to fiscal year 2011; decreased by 1.3475 trillion yen over four years).

[Figure 8] Changes in Metropolitan Tax Revenues <Cash Flow Statements>



Comparison of Financial Managements During the Period of Continuous Revenue Decline

(in billion yen, %)

Item	Period I				Period II				Period III				FY2011	
	FY1991	FY1994	Change in amount	Percentage of Change	FY2001	FY2003	Change in amount	Percentage of Change	FY2007	FY2011	Change in amount	Percentage of Change	Comparison with FY1994	Comparison with FY2003
Metropolitan Tax revenues	4,849.3	3,860.0	(989.2)	(20.4)	4,400.9	3,936.0	(464.8)	(10.6)	5,497.2	4,149.7	(1,347.5)	(24.5)	107.5	105.4
Amount of TMG bonds issued	298.8	939.5	640.6	214.4	329.8	469.1	139.2	42.2	158.4	458.8	300.4	189.6	48.8	97.8
Total Annual Expenses	6,725.9	6,687.2	(38.7)	(0.6)	6,223.3	6,137.8	(85.5)	(1.4)	6,901.6	6,078.8	(822.8)	(11.9)	90.9	99.0
Of which, general expenses	5,398.4	5,448.3	49.9	0.9	4,292.0	4,226.0	(66.0)	(1.5)	4,133.4	4,396.2	262.7	6.4	80.7	104.0
Of which, personnel expenses	1,652.1	1,755.7	103.6	6.3	1,676.6	1,654.8	(21.8)	(1.3)	1,605.9	1,487.8	(118.0)	(7.3)	84.7	89.9
Of which, investment expenses	1,770.5	1,645.8	(124.6)	(7.0)	770.2	750.4	(19.7)	(2.6)	704.3	776.0	71.7	10.2	47.2	103.4
Balance of TMG bonds	2,400.3	4,893.7	2,493.3	103.9	7,635.0	7,634.3	(0.6)	(0.0)	6,315.4	5,810.4	(504.9)	(8.0)	-	76.1
Balance of funds usable as fiscal revenues	939.4	783.0	(156.3)	(16.6)	336.8	146.8	(190.0)	(56.4)	1,258.6	1,102.8	(155.8)	(12.4)	-	-

* General expenses do not include refunds of overpayments.

* Since Period I falls in the transition phase in terms of the method for redemption of metropolitan bonds, from the scheduled redemption method to the bullet maturity amortization method, the balances of metropolitan bonds in fiscal year 1994 and fiscal year 2011 are not compared.

- Period I was a phase in which metropolitan tax revenues decreased by 20.4% or 989.2 billion yen, and TMG secured revenue sources by increasing the amount of TMG bonds issued by 214.4% or 640.6 billion yen, as well as by utilizing 16.6% or 156.3 billion yen of the funds usable as revenue sources.
Total expenses slightly decreased, while personnel expenses increased by 6.3% or 103.6 billion yen, and investment expenses dropped by 7.0% or 124.6 billion yen.

- Period II was a phase in which metropolitan tax revenues decreased by 10.6% or 464.8 billion yen. As with Period I, TMG secured revenue sources by increasing the amount of TMG bonds issued by 42.2% or 139.2 billion yen, as well as by utilizing 56.4% or 190.0 billion yen of the funds usable as revenue sources.
However, as this was during the fiscal reconstruction period, the amount of TMG bonds issued was kept down compared to Period I, and the balance of metropolitan bonds decreased slightly during Period II.
As a result of thorough administrative and fiscal reconstruction, total expenses decreased compared to Period I, and also declined during Period II by 1.4% or 85.5 billion yen. Additionally, personnel expenses went down by 1.3% or 21.8 billion yen, and investment expenses decreased by 2.6% or 19.7 billion yen.

- Period III was a phase in which metropolitan tax revenues dropped by 24.5% or 1,347.5 billion yen. As with the other previous periods, TMG secured revenue sources by increasing the amount of TMG bonds issued by 189.6% or 300.4 billion yen, as well as by utilizing 12.4% or 155.8 billion yen of the funds usable as revenue sources.
However, comparing the last years of each period, the amount of metropolitan bonds issued in fiscal year 2011 remained at a lower level: 48.8% of the amount issued in fiscal year 1994 and 97.8% of the amount issued in fiscal year 2003. Moreover, the balance of TMG bonds decreased by 8.0% or 504.9 billion yen during Period III, and was kept at 76.1% of the level in fiscal year 2003.
Meanwhile, total expenses went down by 11.9% or 822.8 billion yen, and general expenses, which are policy related expenses, went up by 6.4% or 262.7 billion yen. Within general expenses, while personnel expenses dropped by 7.3% or 118.0 billion yen, investment related expenses rose by 10.2% or 71.7 billion yen. Even amid the decline in tax revenues, it is clear that TMG advanced measures towards the growth and development of the city of Tokyo, by implementing sharp fiscal management such as strenuous internal efforts, together with making necessary investments.

- As outlined above, it can be said that Period III was the period in which TMG made good use of the lessons and experiences of Periods I and II, steadily advancing necessary measures while giving consideration to its financial ability to respond, and also maintaining a solid financial platform by improving the efficiency and effectiveness of its measures. This is why TMG has been able to respond to the first consecutive four-year decline in metropolitan tax revenues in the history of the metropolitan administration.
- On the other hand, the effect of the provisional measures of the corporate enterprise tax cast a shadow on solid fiscal management during Period III. Approximately 0.8 trillion yen is expected to be secured at the end of fiscal year 2012 as the balance of funds that can be utilized as revenue sources, but this is a reduction of almost one-half within only four years compared to the end of fiscal year 2008, when it was at its peak level of approximately 1.5 trillion yen. This is largely owing to a decrease of approximately 600 billion yen in revenues caused by the provisional measures implemented as tax reforms in fiscal year 2008.
- As we have seen so far, in the context of dramatic fluctuations in tax revenues, in order for TMG, which is an organization that does not receive local allocation taxes, to perform self-supporting financial management, it is important to maintain the balance of funds utilizable as revenue sources. In the future, to meet increasing financial needs, it is necessary to absolutely abolish the provisional measures.

3 Maintaining Financial Health

- In this way, by means of the sound financial management practiced to date, TMG has maintained its financial health.
- On the other hand, by 2015 when member of the baby-boomer generation will be at least 65 years of age, one out of every four Tokyo citizens will be senior citizens and this will increase to one out of three in 2035; thus, substantial increases in burden on the metropolitan government related to social security are expected. Also, since social capital stocks such as bridges that were built during the Japanese economy's high-growth period will reach their renewal deadlines all at once in the future, appropriate measures are required for their maintenance and renewal. Moreover, in order to improve the international competitiveness of metropolitan Tokyo to lead Japan's new growth, it is essential to promote industrial vitalization.
In order to handle these challenges under circumstances in which it is hard to foresee the future financial environment, TMG must take advantage of the lessons and experiences of the past, and maintain soundness by continuing the proper navigation of its financial administration.

- Therefore, it is necessary to commit to constant self-reform by making further efforts to use inventiveness to thoroughly eliminate waste, and also to increase the efficiency and effectiveness of each and every policy measure. On top of that, it is essential to secure sources of revenue that support the implementation of measures and policies, while systematically utilizing TMG bonds and funds, in order to live up to our responsibility to the people of Tokyo.
- Furthermore, we will continue to lobby the national government to absolutely abolish the provisional measures on the corporate enterprise tax, the fundamental revision of which is clearly stated in the law.

2. Fiscal Year 2011 Tokyo Metropolitan Government Financial Report

- Assets were 47.0093 trillion yen at the end of fiscal year 2011, up 321.0 billion yen from the previous fiscal year, while liabilities decreased 209.2 billion yen year-on-year to 14.8668 trillion yen. The net asset ratio, which shows net assets as a percentage of total assets, was 68.4%, up from 67.7% as of the end of the previous fiscal year.
- Of the special accounts, the Tama New Town Project Account suffered liabilities in excess of assets from a previous year.
- In the public enterprise accounts, if we were to adjust the debenture capital as liabilities, the net asset ratio would fall below the net asset ratio of the ordinary account.
- With respect to administrative bodies, their financial health improved in general. For further improvement of financial position, it is essential that each of the bodies continue to enhance its management efforts.

(1) TMG Comprehensive Financial Statements

TMG comprehensive financial statements are prepared as shown below so that the comprehensive financial status of public enterprises and administrative bodies, etc. can be understood more accurately.

- Elimination offsets of internal transactions are limited to the scope of the ordinary account.
- Special accounts, public enterprise accounts, administrative bodies, and local independent administrative corporations, all of which are not subject to the ordinary account will have their individual financial statements displayed together under the “dual presentation method.”
- Financial statements include not only the balance sheet, but an administrative cost statement which shows enterprise revenues and expenses for the fiscal year in question.

The scope of the TMG comprehensive financial statements covers the ordinary account for the TMG itself (a general account and 13 special accounts), three special accounts outside of the scope of the ordinary account, 11 public enterprise accounts, and, for organizations other than TMG, 33 administrative bodies and three local independent administrative corporations.

<TMG Comprehensive Financial Statements>

(in billion yen, %)

Item	FY2011	FY2010	Change in amount	Percentage of change
Assets				
I Current assets	2,610.2	2,668.4	(58.2)	(2.2)
II Fixed Assets	44,392.2	44,013.2	379.0	0.9
(of which, tangible fixed assets)	38,806.2	38,631.5	174.7	0.5
III Deferred assets	6.8	6.6	0.1	1.5
Total Assets	47,009.3	46,688.3	321.0	0.7
Liabilities				
I Current liabilities	1,457.4	1,580.5	(123.1)	(7.8)
II Fixed liabilities	13,409.4	13,495.5	(86.1)	(0.6)
Total Liabilities	14,866.8	15,076.0	(209.2)	(1.4)
Total Net Assets	32,142.5	31,612.3	530.2	1.7
Total Liabilities and Net Assets	47,009.3	46,688.3	321.0	0.7

- Total assets were 47.0093 trillion yen, in contrast to 46.6883 trillion yen at the end of the previous fiscal year. This increase of 321.0 billion yen reflects a decrease of 58.2 billion yen in current assets and a growth of 379.0 billion yen in fixed assets. Of the total assets, tangible fixed assets accounted for 38.8062 trillion yen or 82.6%.
- Total liabilities were 14.8668 trillion yen, in contrast to 15.0760 trillion yen at the end of the previous fiscal year. This decrease of 209.2 billion yen is attributable to a decrease of 123.1 billion yen in current liabilities and a decrease of 86.1 billion yen in fixed liabilities. Of the total liabilities, fixed liabilities accounted for 13.4094 trillion yen or 90.2%.
- Total net assets were 32.1425 trillion yen, up 530.2 billion yen from 31.6123 trillion yen as of the end of the previous fiscal year. The net asset ratio was 68.4%, (67.7% at the end of the previous fiscal year), slightly lower than the net asset ratio of 74.0% (74.0% at the end of the previous fiscal year) under the ordinary account.

(2) Management Status by Managing Body**[1] Special Accounts (outside scope of the ordinary account)**

- In fiscal year 2011, the balance for the Slaughterhouse Account was in deficit, while that for the Metropolitan Public Housing Tenants Security Deposit and Tama New Town Project Account were in surplus. On the balance sheet for the Tama New Town Project Account, liabilities were in excess of assets, but the amount of liabilities has been declining since fiscal year 2006.

[2] Public Enterprise Accounts

- In the current balance and net profit/loss for the current period, the Transportation Account was in deficit, while the Industrial Waterworks Account was balanced, and the remaining 9 accounts were in surplus. As for current term net profit or loss, the hospitals account and the transportation account were in deficit, while the industrial waterworks account was balanced, and the remaining 8 accounts were in surplus.
- In the public enterprise accounts, funds raised through TMG bonds are treated not as liabilities, but as capital (debenture capital). Under this method, the net asset ratio comes to 90.0% (89.3% as of the end of the previous fiscal year) of the total public enterprise accounts.
- However, should the funds raised through TMG bonds be treated as liabilities, the net asset ratio for the public enterprise accounts would be 66.3% (64.5% as of the end of the previous fiscal year), falling below the net asset ratio for the ordinary account of 74.0% (74.0% as of the end of the previous fiscal year).

[3] Administrative Bodies etc.

- Among 33 administrative bodies (33 bodies in the previous fiscal year), the total of 23 bodies including public interest corporations (the total number was 23 in the previous fiscal year) saw an increase in the overall net asset ratio. The current account balance and net profit/loss for the remaining 10 joint-stock companies (10 in the previous fiscal year), overall, posted a surplus. To promote further improvement of financial position, it is essential that each of the bodies continues to enhance their management efforts.
- TMG has been striving to improve administrative bodies' financial conditions, for example, by setting managerial goals, and to get an accurate picture of their financial conditions, including the future outlook, in order to prevent financial burden associated with such bodies from being excessive in the TMG's general account in future fiscal years.
- In fiscal year 2008, the Fiscal Consolidation Law was enforced, under which estimated amounts of charges for the public enterprise accounts, as well as in the general account for the bodies relating to a local government, such as third-sector public/private enterprises etc. shall be included in the calculation of future burden ratio. TMG is also required further to understand the debt that can affect the financial position etc. of the local governments over the years to come.
Given this, it is important to gain an accurate picture of financial conditions of the entire TMG, including administrative bodies etc. and maintain a manageable financial burden for TMG into the future.

(Appended Tables)

1. Fiscal Year 2011 Tokyo Metropolitan Government Ordinary Account Financial Statement

(1) Ordinary Account Balance Sheet (As of March 31, 2012)

(in billion yen)

Item	FY2011	FY2010	Change in amount
Assets			
I Current assets	1,056.4	1,122.2	(65.7)
Cash and deposits	167.6	155.8	11.7
Uncollected revenues	147.7	159.3	(11.6)
Reserve for deficits due to non-payment	(16.5)	(18.0)	1.4
Fund reserves	643.7	684.5	(40.8)
Fiscal adjustment fund	398.6	469.6	(71.0)
Sinking fund	245.1	214.9	30.1
Short-term loans	109.9	138.9	(29.0)
Bad debt reserve	(0.0)	(0.0)	0.0
Other current assets	3.9	1.4	2.4
II Fixed assets	31,239.6	30,810.4	429.1
1. Administrative assets	7,970.9	7,938.4	32.5
1. Fixed tangible assets	7,965.0	7,932.4	32.5
Buildings	2,614.4	2,633.2	(18.7)
Structures	336.9	336.0	0.8
Timber	0.6	0.6	0.0
Vessels etc.	12.9	9.1	3.8
Buoys etc.	0.4	0.4	(0.0)
Land	4,999.6	4,952.9	46.6
2. Intangible fixed assets	5.9	5.9	-
Surface rights	5.9	5.9	-
Other intangible fixed assets	-	-	-
2. Ordinary assets	1,065.8	1,098.6	(32.7)
1. Tangible fixed assets	1,057.7	1,091.1	(33.4)
Buildings	384.1	391.7	(7.6)
Structures	77.8	74.2	3.6
Timber	0.0	0.0	(0.0)
Vessels etc.	0.4	0.4	(0.0)
Buoys etc.	0.7	0.8	(0.0)
Land	594.4	623.8	(29.3)
2. Intangible fixed assets	8.1	7.4	0.6
Surface rights	0.3	0.3	-
Other intangible fixed assets	7.7	7.1	0.6
3. Impotent property	82.3	80.6	1.6
4. Infrastructure assets	13,991.2	13,904.1	87.1
1. Tangible fixed assets	13,978.6	13,891.5	87.1
Land	12,082.0	12,021.0	61.0
Other than land	1,896.5	1,870.4	26.1
2. Intangible fixed assets	12.6	12.6	-
Surface rights	12.6	12.6	-
Other intangible fixed assets	-	-	-
5. Construction in progress	1,165.3	1,061.2	104.0
6. Investment and other assets	6,963.8	6,727.3	236.4
Securities and investments	707.4	666.8	40.6
Public enterprise account investments	1,771.8	1,722.9	48.8
Long-term loans	1,812.8	1,694.3	118.5
Bad debt reserve	(6.8)	(7.2)	0.4
Other obligations	35.0	34.6	0.3
Fund Reserves	2,471.9	2,444.2	27.7
Sinking fund	1,223.8	1,127.8	96.0
Special purpose fund	968.7	1,037.5	(68.8)
Fixed amount investment fund	279.4	278.8	0.5
Other investments etc.	171.4	171.4	-
Total assets	32,296.0	31,932.6	363.4

(in billion yen)

Item	FY2011	FY2010	Change in amount
Liabilities			
I Current liabilities	338.6	308.7	29.9
Unpaid refunds	1.3	2.0	(0.6)
TMG bonds	332.9	300.1	32.8
Short-term borrowing	0.8	3.0	(2.2)
Borrowing from other accounts	0.8	3.0	(2.2)
Fund operational costs	-	-	-
Other short-term borrowing	0.0	0.0	(0.0)
Accounts payable	-	-	-
Deferred payments	-	-	-
Unpaid guarantee liabilities	-	-	-
Other accounts payable	-	-	-
Other current liabilities	3.5	3.5	-
II Fixed liabilities	8,065.5	7,988.3	77.1
TMG bonds	6,946.4	6,811.4	135.0
Long-term borrowing	4.6	4.7	(0.1)
Borrowing from other accounts	3.8	4.0	(0.1)
Fund operational costs	-	-	-
Other long-term borrowing	0.7	0.7	(0.0)
Reserve for retirement allowances	1,098.3	1,152.6	(54.3)
Other reserves	-	-	-
Other fixed liabilities	16.0	19.5	(3.4)
Guaranty deposits	-	-	-
Other fixed liabilities	16.0	19.5	(3.4)
Total liabilities	8,404.2	8,297.1	107.0
Net Assets			
Net assets	23,891.8	23,635.4	256.3
(of which is increase/decrease in the current period)	256.3	293.1	(36.8)
Total net assets	23,891.8	23,635.4	256.3
Total liabilities and net assets	32,296.0	31,932.6	363.4

(2) Ordinary Account Administrative Cost Statement

(From April 1, 2011 to March 31, 2012)

(in billion yen)

Item	FY2011	FY2010	Change in amount
Ordinary Balance			
I. Administrative balance			
1. Administrative revenues	5,021.7	5,059.0	(37.2)
Local taxes	4,152.5	4,198.2	(45.7)
Local transfer taxes	202.3	178.2	24.0
Local special grant	21.1	16.4	4.7
Local allocation taxes	3.5	-	3.5
Allocations for municipalities with facilities owned by the national government	0.0	0.0	0.0
Miscellaneous tax-related revenues	0.2	0.2	0.0
National treasury disbursements	290.3	313.8	(23.4)
Traffic safety special grant	3.7	3.8	(0.1)
Operating revenues (special account)	0.1	0.2	(0.0)
Shares and charges	12.5	8.9	3.5
Fees and charges	140.7	142.8	(2.1)
Revenues from property	10.3	21.0	(10.6)
Miscellaneous (commissioned work revenues)	53.9	55.4	(1.5)
Miscellaneous	125.9	110.9	15.0
Contributions	0.1	7.8	(7.6)
Funds transferred	3.9	0.8	3.1
Miscellaneous administrative revenues	-	-	-
2. Administrative expenses	4,871.7	4,815.4	56.2
Tax-related expenses	1,121.3	1,107.3	13.9
Payroll-related expenses	1,374.4	1,384.9	(10.4)
General and miscellaneous expenses	252.6	249.0	3.5
Maintenance and repair expenses	79.9	72.6	7.3
Social welfare expenses	119.7	113.8	5.8
Allowances etc.	1,026.6	999.7	26.8
Subsidized investment costs	122.2	74.0	48.2
Independent investment expenses	226.7	265.6	(38.9)
Direct government investment expenses	27.6	33.0	(5.4)
Investments (subvention etc.)	30.1	14.1	16.0
Transfers	220.1	248.1	(27.9)
Depreciation expenses	161.0	154.1	6.9
Debt guaranty expenses	-	-	-
Transfer to reserve for deficit due to non-payment	13.4	11.6	1.7
Transfer to bad reserve	0.0	0.1	(0.0)
Transfer to reserve for retirement allowances	90.4	81.5	8.9
Transfer to other reserves	-	-	-
Other administrative expenses	4.7	5.2	(0.5)
II. Financial balance			
1. Financial revenues	17.4	19.4	(2.0)
Revenues from interest earned and dividends	17.4	19.4	(2.0)
2. Financial expenses	112.1	115.8	(3.6)
Expenses for public bonds (interest)	109.3	113.0	(3.6)
TMG bond issuing fees	2.4	2.4	(0.0)
Discount on TMG bonds	0.3	0.2	0.0
Interest on borrowing from other accounts	0.0	0.0	(0.0)
Ordinary balance	55.2	147.2	(91.9)
Special Balance			
I. Special revenues	27.2	25.2	2.0
Profit on sale of fixed assets	16.0	16.0	0.0
Other special revenues	11.1	9.1	2.0
II. Special expenses	25.8	34.0	(8.1)
Loss on sale of fixed assets	4.4	1.6	2.7
Loss on disposal of fixed assets	7.9	8.8	(0.9)
Disaster recovery expenses	0.8	1.5	(0.7)
Deficit due to non-payment	1.0	0.1	0.8
Bad debts expenses	0.0	-	0.0
Other special expenses	11.6	21.7	(10.1)
Balance for the current period	56.7	138.4	(81.6)

(3) Ordinary Account Cash Flow Statement
(From April 1, 2011 to March 31, 2012)

(in billion yen)

Item	FY2011	FY2010	Change in amount
I. Administrative services activities			
Tax revenues etc.	4,377.1	4,385.1	(8.0)
Local taxes	4,149.7	4,190.1	(40.3)
Local transfer taxes	202.3	178.2	24.0
Local special grants	21.1	16.4	4.7
Local allocation taxes	3.5	-	3.5
Allocations for municipalities with facilities owned by the national government	0.0	0.0	0.0
Miscellaneous tax-related revenues	0.2	0.2	0.0
National treasury disbursement etc.	294.1	318.5	(24.4)
National treasury disbursement	290.4	314.7	(24.3)
Traffic safety special grant	3.7	3.8	(0.1)
Other administrative revenues	344.5	343.9	0.5
Operating revenues (special account)	0.1	0.2	(0.0)
Shares and charges	12.4	8.8	3.6
Fees and charges	138.8	141.0	(2.2)
Revenues from property	10.4	21.2	(10.8)
Miscellaneous (commissioned work revenues)	53.9	55.4	(1.5)
Miscellaneous	124.8	108.8	15.9
Contributions	0.1	7.8	(7.6)
Funds transferred	3.6	0.3	3.2
Financial revenues	17.4	19.4	(2.0)
Revenues from interest earned and dividends	17.4	19.4	(2.0)
Tax-related expenses	1,121.3	1,107.3	13.9
Tax-related expenses	1,121.3	1,107.3	13.9
Administrative expenses	3,627.2	3,618.1	9.0
Payroll-related expenses	1,520.4	1,545.4	(25.0)
General and miscellaneous expenses	252.0	248.3	3.6
Maintenance and repair expenses	79.9	72.5	7.3
Social welfare expenses	119.4	113.5	5.8
Allowances etc.	1024.6	995.0	29.6
Subsidized investment costs	125.7	76.1	49.6
Independent investment expenses	225.1	270.1	(44.9)
Direct government investment expenses	27.6	33.0	(5.4)
Investments (subvention etc.)	30.1	14.1	16.0
Amount transferred	221.9	249.7	(27.8)
Financial expenses	112.1	115.7	(3.6)
Expenses for public bonds (interest, fees)	112.1	115.7	(3.6)
Interests on borrowing from other accounts	0.0	0.0	(0.0)
Special expenses	0.8	1.5	(0.7)
Disaster recovery business expenses	0.8	1.5	(0.7)
Balance of administrative service activities	171.6	224.2	(52.5)

Item	FY2011	FY2010	Change in amount
II. Social capital improvement investment activities			
National treasury disbursement etc.	154.6	146.9	7.7
National treasury disbursement	147.7	136.8	10.8
Shares and charges	3.1	3.2	(0.0)
Amount transferred etc.	3.7	6.7	(2.9)
Revenues from property	10.8	22.5	(11.7)
Cash from sale of property	10.8	22.5	(11.7)
Funds transferred	208.6	242.5	(33.9)
Financial adjustment fund	71.6	23.4	48.2
Sinking fund	-	-	-
Special purpose fund	134.1	215.6	(81.5)
Fixed amount invest fund	2.8	3.4	(0.5)
Revenues from collection of loan principal etc.	222.6	230.1	(7.5)
Security deposit revenues	0.0	0.0	0.0
Social capital improvement expenses	354.8	332.6	22.1
Building expenses	6.3	3.7	2.6
Allowances etc.	0.0	0.0	0.0
Subsidized investment costs	179.1	101.2	77.8
Independent investment expenses	169.3	227.7	(58.3)
Funds reserved	69.4	57.3	12.1
Financial adjustment fund	0.6	0.6	(0.0)
Sinking fund	-	-	-
Special purpose fund	65.4	53.1	12.3
Fixed sum management fund	3.4	3.5	(0.1)
Loans and investments, etc.	373.3	333.3	40.0
Investments	11.8	10.7	1.0
Funds drawn (other accounts)	48.8	49.8	(1.0)
Loans	312.6	272.6	40.0
Deposit expenses	0.0	0.0	0.0
Balance of social capital improvement investment activities	(200.8)	(81.1)	(119.7)
Balance of administrative activities cash flow	(29.2)	143.0	(172.2)
III. Financing activities			
Revenues from financing activities	458.8	353.4	105.4
TMG bonds	458.8	353.4	105.4
Loans from other accounts	-	-	-
Fund management fees	-	-	-
Funds transferred	-	-	-
Expenses for financial activities	419.5	445.9	(26.4)
Expenses for public bonds (principal)	417.2	444.0	(26.7)
Refund of loans from other accounts etc.	2.3	1.9	0.3
Refund of fund management fees etc.	-	-	-
Balance of Financing activities	39.3	(92.5)	131.8
Total balance	10.1	50.5	(40.4)
Balance brought forward from the previous fiscal year	158.4	107.8	50.5
Proforma balance	168.5	158.4	10.1

(4) Ordinary Account Statement of Changes in Net Assets

(From April 1, 2011 to March 31, 2012)

(in billion yen)

	Opening balance equivalent	National treasury disbursements	Charges and transfers etc.	Assessed value of donated assets	Amounts transferred to wards, towns etc.	Cross-accounting transaction account	Other surplus	Total
Balance at the end of the previous period	19,162.8	661.9	50.4	211.6	(60.4)	(1.6)	3,610.7	23,635.4
Amount changed for the current period	-	147.7	7.1	49.7	(4.7)	(0.1)	56.7	256.3
Change in fixed assets etc.	-	147.7	7.1	49.7	(4.7)	8.6	-	208.4
Change in TMG bonds etc.	-	-	-	-	-	(11.8)	-	(11.8)
Other intra-bureau transactions	-	-	-	-	-	0.3	-	3.0
Balance for the current period	-	-	-	-	-	-	56.7	56.7
Balance at the end of the current period	19,162.8	809.7	57.5	261.3	(65.2)	(1.8)	3,667.4	23,891.8

(5) Ordinary Account Aggregate Tangible Fixed Assets and Intangible Fixed Assets / Supplementary Details

(in billion yen)

Item	Balance at the end of the previous period	Increase for the current period	Decrease for the current period	Balance at the end of the current period	Accrued depreciation amount for the current period	Depreciation for the current period	Net balance at the end of the current period
Tangible fixed assets	26,948.3	1,797.0	1,465.7	27,279.6	3,030.5	161.0	24,249.1
Administrative assets	9,745.0	767.2	652.0	9,860.2	1,895.1	94.7	7,965.0
Buildings	4,220.6	306.5	249.4	4,277.7	1,663.2	82.2	2,614.4
Structures	542.7	218.9	208.8	552.8	215.9	11.1	336.9
Timber	0.6	1.7	1.7	0.6	-	-	0.6
Vessels etc.	27.1	23.7	22.4	28.3	15.3	1.3	12.9
Buoys etc.	1.0	-	-	1.0	0.6	0.0	0.4
Land	4,952.9	216.2	169.5	4,999.6	-	-	4,999.6
Ordinary assets	1,346.7	180.7	200.8	1,326.6	268.9	15.0	1,057.7
Buildings	588.2	85.1	81.1	592.2	208.1	13.2	384.1
Structures	131.3	7.9	2.6	136.6	58.7	1.7	77.8
Timber	0.0	0.0	0.0	0.0	-	-	0.0
Vessels etc.	0.9	6.1	6.1	0.9	0.5	0.0	0.4
Buoys etc.	2.2	0.0	0.0	2.2	1.4	0.0	0.7
Land	623.8	81.5	110.8	594.4	-	-	594.4
Important property	185.4	69.2	65.9	188.8	106.5	8.9	82.3
Infrastructure assets	14,609.7	313.5	184.7	14,738.5	759.8	42.3	13,978.6
Land	12,021.0	184.5	123.5	12,082.0	-	-	12,082.0
Other than land	2,588.6	129.0	61.2	2,656.4	759.8	42.3	1,896.5
Construction in progress	1,061.2	466.2	362.1	1,165.3	-	-	1,165.3
Intangible fixed assets	26.0	0.6	0.0	26.7	-	-	26.7
Administrative assets	5.9	0.0	0.0	5.9	-	-	5.9
Surface rights	5.9	-	-	5.9	-	-	5.9
Other intangible fixed assets	-	0.0	0.0	-	-	-	-
Ordinary assets	7.4	0.6	0.0	8.1	-	-	8.1
Surface rights	0.3	-	-	0.3	-	-	0.3
Other intangible fixed assets	7.1	0.6	0.0	7.7	-	-	7.7
Infrastructure assets	12.6	0.0	0.0	12.6	-	-	12.6
Surface rights	12.6	-	-	12.6	-	-	12.6
Other intangible fixed assets	-	0.0	0.0	-	-	-	-
Total	26,974.3	1,797.7	1,465.7	27,306.3	3,030.5	161.0	24,275.8

(6) Accounting Policy and Notes Regarding Preparation of the Tokyo Metropolitan Government Ordinary Account Financial Statement

Year-to-date
(From April 1, 2011 to March 31, 2012)

(Accounting Policy)

1. Target Range

The results and statements contained herein cover the Tokyo Metropolitan Government's ordinary account. Any overlap, credits, or debts between accounts have been eliminated. The target range of the ordinary account encompasses the following accounts:

General account

Special accounts (13 accounts)

Special Wards Fiscal Adjustment

Local Consumption Tax Adjustment

Ogasawara Islands Livelihood Rehabilitation Fund

Mother and Child Welfare Loan Fund

Physically or Mentally Handicapped Annuity

Small and Medium Enterprise Facility Installation Fund

Forestry and Lumber Industry Improvement Subsidy

Coastal Fishery Improvement Subsidy

Metropolitan Public Housing

Urban Development Fund

Land Acquisition

Expenses for Public Bonds

Waterfront Urban Infrastructure Development Project

2. Base Date

The base date shall be taken as being March 31, 2012; this date includes all deposits and withdrawals carried out between April 1, 2012 and May 31, 2012 (the settlement period).

3. Calculation of Assets and Liabilities

The balance sheet shows not only all of the assets (actual commodities with convertible value and legal rights) owned by the Tokyo Metropolitan Government and all legally outstanding debt, but also records all "Assets" and "Liabilities" based on accrual accounting.

4. Application of Current Arrangement

The listed order of items for assets and liabilities is arranged using the current arrangement, with current assets being followed by fixed assets.

5. Application of One-Year Rule

The division between fixed and current assets is subject to the application of the one-year rule. For a period of one year following the base date, all assets and liabilities gained during this period shall be categorized as current items, with all other items designated as fixed.

6. Method Used for Fixed Asset Depreciation

(1) Administrative assets, ordinary assets and infrastructure assets

Tangible fixed assets within administrative assets and ordinary assets are depreciated on a straight-line basis according to the service life and the residual value rate in the "Tokyo Metropolitan Government Guidelines for Processing Ledgers Related to Public Property".

Tangible fixed assets within infrastructure assets are depreciated on a straight line basis according to the service life and the residual value rate in the "Tokyo Metropolitan Government Guideline for Processing Ledgers Related to Public Property" and the "Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards".

The paving of roads, defined as replacement assets by the "Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards", however, is subject to adoption of a processing method that treats spending required for partial road replacement as actual expenses.

(2) Important property

Important property is depreciated on a straight line basis according to the service life in the "Service Life Benchmarks for Important Property."

Year-to-date
(From April 1, 2011 to March 31, 2012)

- | |
|---|
| <p>7. Processing Method for Deferred Assets
These are, in principle, not subject to accounting.
All TMG bonds issue expenses and discounts are not calculated as deferred assets, and the total amount is treated as costs and expenses incurred during the year of issue.</p> |
| <p>8. Valuation Standards and Method for Securities and Investments
As for securities and investments, administrative bodies' stocks and investments held by TMG are stated at their acquisition prices. However, items whose market value or real value markedly decreased are booked at reduced value.</p> |
| <p>9. Accounting Standards for Reserve Allowances
The Tokyo Metropolitan Government's main reserve allowances are outlined below.</p> <ul style="list-style-type: none">(1) Reserve for deficit due to non-payment
Since there is a possibility that some of the metropolitan taxes, usage charges, and other outstanding revenues may lead to a deficit due to non-payment as a result of the ending of limitations, the reserve for deficit due to non-payment was recorded as an amount gained by calculating the liquidation status of such outstanding revenues, the composition of finances of the counterparty, and the metropolitan government's previous deficit due to non-payment over the past three years and multiplying it by the amount of outstanding revenues as of the end of the fiscal year.(2) Bad debt reserve
Since there is a possibility that some of the metropolitan government's loans may lead to an exemption or a reduction of repayment, the bad debt reserve was recorded as an amount gained by calculating the liquidation status of such loans, the composition of finances of the counterparty and the reduction of such loans based on exemptions etc. over the past three years and multiplying it by the amount of the metropolitan government's loans as of the end of the fiscal year.(3) Reserve for retirement allowances
The retirement allowance payment used in the event of city employees voluntary retiring is used to calculate the required reserve for retirement allowances. |
| <p>10. Conversion Standards for Converting Foreign-denominated Assets and Debt into Domestic Assets
The Tokyo Metropolitan Government issues foreign-denominated bonds in the U.S. and European markets. In order to avoid any risk that accompanies fluctuations in principal and interest in currency exchange while carrying out conversion of foreign currency and yen in swap trades, the value of these bonds is calculated in yen at the time of issue.</p> |
| <p>11. Accounting Standards for Revenues and Expenses
These are calculated on the concept of revenues and expenses being carried out based on the policy of using accrual accounting. Items that met these standards were included in the calculations for the financial statement.</p> |

Year-to-date
(From April 1, 2011 to March 31, 2012)

(Other)

Balance Sheet-related Items

1. Display Method for Entered Amounts
The entered figures have been rounded down to the indicated unit.
2. Accounting Standards for Tangible Fixed Assets
The balance sheet amount for all metropolitan-owned public property, important property and infrastructure assets is calculated using the acquisition price.

Administrative Cost Statement-related Items

1. Display Method for Entered Amounts
The entered figures have been rounded down to the indicated unit.
2. Change in display method
The local grant tax was newly established as a sub-item of administrative revenues, in order to newly establish the item associated with the exceptional grant of the special local allocation tax based on Local Allocation Tax Act.

Cash Flow Statement-related Items

1. Display Method for Entered Amounts
The entered figures have been rounded down to the indicated unit.
2. Scope of Funds
The total amount of funds (including cash and cash equivalents) shall be taken as the balance brought forward from the previous fiscal year under the ordinary account as well as all cash revenues for the current fiscal year.
3. Change in display method
The local grant tax was newly established as a sub-item of tax revenues etc., in order to newly establish the item associated with the exceptional grant of the special local allocation tax based on Local Allocation Tax Act.

[Notes]

Balance Sheet-related Items

1. Contingent Liabilities

Debt burden for debt guarantee and indemnity whose amount to pay is not determined

(in billion yen)

Item	End of FY2011
Related to public corporations/societies	98.9
Other	79.0

2. Other Debt Burden (estimated future expenditure)

(in billion yen)

Item	End of FY2011
Interest rate subsidy-related items	74.1
Other	800.8

3. Expected Repayments of Outstanding Borrowing (as of the end of FY2011)

(in billion yen)

Item	FY2012	From FY2013	Total
TMG bonds	332.9	6,946.4	7,279.4
Borrowing from other accounts etc.	0.8	4.6	5.4
Total	333.7	6,951.1	7,284.9

Outstanding balance of TMG bonds of 7,279.4 billion yen, as of the end of fiscal year 2011, is expected to give rise to a total future interest payment of 854.7 billion yen.

4. Figures for Temporary Borrowing

In order to carry out short-term funding, 110 billion yen was raised from the fiscal adjustment fund on May 25, 2011, and this sum returned on June 3, and 260 million yen was raised from the fiscal adjustment fund on May 31, 2011, and this sum returned on June 3. The total interest payable on this borrowing came to 1,668,492 yen and was implemented as part of the general account.

5. Sinking Fund

Following the settlement of accounts for fiscal year 2011, there was no shortfall.

6. Breakdown of Other Funds

(in billion yen)

Item	End of FY2011
Special Fund for Expenses Needed in Relation to the Switch of the Corporate Enterprise Tax to a National Tax	–
Social Capital Improvement Fund	293.6
Tokyo Olympics Hosting Fund Reserve	409.5
Fund for Promotion and Exchange of Sports and Culture	2.8
Fund for Promotion of Measures Against Global Warming	4.9
Welfare, Health and Safety Fund	12.4
Fund for Green Tokyo Fundraising Campaign	0.5
Asian Human Resources Fund	5.4
Pollution-Related Health Damage Prevention Fund	4.7
Disaster Relief Fund	14.4
Physically or Mentally Handicapped Annuity Fund	75.7
Fund for Stabilization of Finance of Nursing Care Insurance	23.6
Support Fund for Spread of National Health Insurance	1.6
Support Fund for Regional Forestry Development Activities	0.0
Temporary Special Fund for Encouragement of Self-Reliance Among the Handicapped	5.2
Fund for Financial Stability of Medical Insurance for the Elderly Aged over 75	7.5
Consumer Policy Activation Fund	0.2
Anshin(Reassurance) Child Fund	24.1
Support Fund for Pregnant Women Health Check-up	3.5
Special Fund for Furusato(Hometown) Employment Revitalization	–
Temporary Special Fund for Emergency Employment Creation	21.9
Support Fund for High School Students	5.7
Regional Green New Deal Fund	–
Temporary Special Fund for Quakeproofing Social Welfare Facilities	5.8
Community Healthcare Revitalization Fund	4.7
Temporary Special Fund for Quakeproofing Medical Facilities	7.2
Emergency Enforcement Fund for Regional Suicide Measures	0.3
Temporary Special Fund for Improvement of Care Staff Treatment	9.5
Temporary Special Fund for Emergency Development of Base Foundation for Nursing Care	13.5
Fund for Forestry Development Acceleration and Forestry Rejuvenation	0.0
New public support fund	0.4
Temporary Special Fund for Emergency Promotion of HPV vaccine including carcinoma of uterine, etc.	8.8
Municipal Promotion Fund	279.3
Equipment Procurement Fund	0.1
Total	1,248.1

Administrative Cost Statement-related Items

Content and accounting standards for revenues items

(1) Administrative revenues

Item	Content and accounting standards
Local taxes	Calculated as income from normal taxes as stipulated under the Local Tax Law, all taxes under the previous law, earmarked taxes by law and by local ordinance (lodgment tax stipulated under TMG lodgment tax ordinance) . Local consumption tax, however, is calculated following settlement by prefectural governments.
Local transfer taxes	This includes all revenues from local road transfer taxes, petroleum gas transfer tax, the special tonnage transfer tax, aviation fuel transfer tax, special local corporate transfer tax, and local benzine transfer tax.
Local special grants	Total amount of revenues from the following sources will be recorded: <ul style="list-style-type: none"> • The amount of grant provided in order to compensate for the burden of the local government to pay for the expenses required by the enforcement of laws related to child allowance in fiscal year 2010 etc.. • The amount of grant provided to compensate a decrease in tax revenues by local institutions as a result of implementation of special tax deduction for housing loans etc. in individual inhabitant tax.
Local allocation taxes	As for the expenses necessary for contribution to Disaster Victims Livelihood Recovery Support Funds relating to the Great East Japan Earthquake, the amount exceptionally granted as special local allocation tax based on Local Allocation Tax Act is reported.
Allocations for municipalities with facilities owned by the national government	This is provided for municipalities with facilities owned by the national government. This sum is appropriated as an allocated amount as an alternative to a fixed assets tax.
Miscellaneous tax-related revenues	Calculated as the amount for adjustment of collection of interest and expenditures from collection of tax delinquency.
National treasury disbursement	Calculated as sum equivalent from the national treasury disbursement for the meeting of administrative services activity support requirements.
Traffic safety special grant	In line with the special provision on processing procedure relating to violations of Road Traffic Act, in order to allocate the revenues obtained through fines paid to the national government etc. to expenses necessary for establishing and managing road traffic safety facilities, the amount calculated and allocated based on objective standards is reported..
Operating revenues (Special accounts)	Revenues calculated as the sum from loan interest on special accounts, revenues from premiums, and revenues from penalty charges.
Shares and charges	Sum calculated from shares and charges in meeting requirements of administrative services activity support.
Fees and charges	Calculated as the total amount from all relevant fees and charges.
Revenues from property	Calculated as the total amount from revenues from property.
Miscellaneous (commissioned work revenues)	Calculated as the total amount from commissioned work revenues.
Miscellaneous	Calculated as the total of revenues from profit-earning business and proceeds from the sale of commodities.
Contributions	Calculated as the total revenues from contributions.
Transfers	Calculated as total amount required to meet requirements of administrative services activity support from the total amount of funds transferred from other accounts.
Miscellaneous administrative revenues	All other administrative revenues not stipulated in the above items.

(2) Financial revenues

Item	Content and accounting standards
Revenues from interest earned and dividends	Calculated as revenues gained from interest on deposits and stock dividends, etc.

(3) Special revenues

Item	Content and accounting standards
Profit on sale of fixed assets	Calculated as total revenues from the disposal of fixed assets (excluding securities and investments) and increase in book value from the claim amount.
Other special revenues	Calculated as the gain on the sale of securities and investments and profit attributed to prior period's adjustment of gain and loss etc.

Cash Flow Statement-related Items

1. The balance at the end of the period for cash and cash equivalents (proforma balance), and items noted on the balance sheet related to this amount.

(in billion yen)

Item	FY2011
Cash and deposits	167.6
Balance of payments for the portion of Urban Redevelopment Project Account in the ordinary account classification	0.8
Balance at the end of the year for cash and cash equivalents (Proforma balance)	168.5

As part of the provisions for drawing up figures for the statistics of settlement of the ordinary account, part of Urban Redevelopment Project Account is classified as the regular settlement of the ordinary account. All annual revenues and expenses for the relevant operations is appropriated in the balance sheet as the ordinary account cash flow statement.

2. Breakdown of Revenues from Local Taxes

(in billion yen)

Item	FY2011
Metropolitan inhabitant tax	1,480.5
Business tax	587.0
Local consumption tax	353.9
Real estate acquisition tax	71.4
Metropolitan tobacco tax	34.5
Automobile acquisition tax	16.9
Light-oil delivery tax	42.6
Automobile tax	111.4
Fixed assets tax	1,135.6
Special land ownership tax	0.0
Business office tax	94.3
City planning tax	219.6
Other	1.4
Total	4,149.7

3. Handling of the Sinking Fund Transfer and the Sinking Fund Reserve

When establishing a reserve for a sinking fund for use as scheduled redemption equivalent to finance the bullet maturity amortization of public offering and private placement bonds, under the provisions for compiling figures for the statistics of the ordinary account settlement, it is "expenses for public bonds (principal)" that is appropriated for the repayment of TMG bonds. When accessing the sinking fund for redeeming TMG bonds, due to use of sinking fund reserve for handling expenses for public bonds, an amount equivalent to the accessed amount will be exempted from revenues and expenses. Consequently, this means that the movement of cash related to the sinking fund will not be shown as "social capital improvement investment activities."

(in billion yen)

Item	FY2011
Sinking fund transfer	259.8
Sinking fund reserve	341.1

2. Fiscal Year 2011 Tokyo Metropolitan Government Comprehensive Financial Statement

(1) Tokyo Metropolitan Government Comprehensive Financial Statement

[1] Ordinary Account and Other "Special Accounts"

(in million yen)

	Ordinary Account A	"Special Accounts"			(Simple Total) (A+B)
		Slaughter-house B1	Metropolitan Public Housing Tenants Security Deposit B2	Tama New Town Project B3	
Administrative Cost Statement					
(Ordinary balance)					
1. Administrative balance (1)=a-b	150,042	(3,368)	0	149	146,823
Administrative revenues a	5,021,769	1,327	74	930	5,024,101
Local taxes etc.	4,354,877	-	-	-	4,354,877
Grants etc.	24,952	-	-	-	24,952
National treasury disbursement	290,390	-	-	-	290,390
Funds transferred	3,990	-	70	-	4,060
Other	347,559	1,327	4	930	349,822
Administrative expenses b	4,871,726	4,696	74	781	4,877,278
Tax-related expenses	1,121,308	-	-	-	1,121,308
Payroll-related expenses	1,374,487	2,230	-	220	1,376,938
Allowances etc.	1,026,622	897	-	82	1,027,602
Investment expenses	376,644	3	-	-	376,644
Funds disbursed	220,198	-	74	-	220,272
Other	752,467	1,565	-	478	754,511
2. Financial balance (2)=c-d	(94,774)	(120)	-	(1,054)	(95,950)
Financial revenues c	17,420	0	-	104	17,525
Financial expenses d	112,195	120	-	1,159	113,475
Ordinary balance (3)=(1)+(2)	55,267	(3,489)	0	(905)	50,873
II. Special balance					
Special revenues e	27,275	-	1	1,980	29,257
Special expenses f	25,820	-	-	0	25,820
Special balance (4)=e-f	1,454	-	1	1,980	3,436
Balance for the current period (5)=(3)+(4)	56,722	(3,489)	1	1,075	54,310
Transfer to general account g	-	2,914	-	0	2,914
Disbursement from general account h	-	-	-	-	-
Balance brought forward for the current period (5)+g-h	56,722	(575)	1	1,075	57,224
Balance Sheet					
(Assets)					
I. Current assets	1,056,467	-	12,345	78	1,068,892
Cash and deposits	167,673	-	11,545	-	179,218
Other current assets	888,794	-	800	78	889,673
II. Fixed assets	31,239,617	14,845	3,896	12,835	31,271,194
Tangible fixed assets	24,249,100	14,845	-	6,732	24,270,678
Land	17,676,191	-	-	6,732	17,682,923
Other tangible fixed assets (property etc.)	6,572,908	14,845	-	0	6,587,754
Intangible fixed assets	26,715	-	-	-	26,715
Investments etc.	6,963,801	-	3,896	6,102	6,973,800
Long-term loan	1,812,885	-	3,896	288	1,817,071
Funds	2,471,976	-	-	-	2,471,976
Other investments etc.	2,678,938	-	-	5,813	2,684,752
III. Deferred assets	-	-	-	-	-
Total assets	32,296,085	14,845	16,242	12,913	32,340,086
(Liabilities)					
I. Current liabilities	338,696	1,067	-	-	339,764
II. Fixed liabilities	8,065,561	7,502	16,231	63,436	8,152,732
Long-term borrowing	6,951,157	5,420	-	35,018	6,991,595
Other fixed liabilities	1,114,404	2,082	16,231	28,418	1,161,136
Total liabilities	8,404,258	8,570	16,231	63,436	8,492,497
(Net assets)					
Total net assets	23,891,826	6,274	10	(50,522)	23,847,589
(of which are changes in the current period)	256,344	792	1	6,151	263,290
Total liabilities and net assets	32,296,085	14,845	16,242	12,913	32,340,086

[2] Public Enterprise Accounts

(in million yen)

Hospitals	Central Wholesale Market	Urban Redevelopment Project	Waterfront Area Development Project	Port and Harbor Project	Transportation
C1	C2	C3	C4	C5	C6

Profit and Loss Statement							
Operating profit	(1)=a-b	(19,850)	(1,450)	71,887	7,443	876	(4,089)
Operating earnings	a	120,860	13,646	136,228	10,572	3,859	42,167
Operating expenses	b	140,711	15,097	64,341	3,128	2,982	46,256
Business cost price		83,795	103	64,341	1,010	1,644	33,742
Administrative expenses		56,916	14,993	-	2,118	1,338	12,513
Non-operating profit	(2)=c-d	21,344	1,780	57	1,250	544	382
Non-operating earnings	c	27,412	3,628	57	4,740	609	1,404
Non-operating expenses	d	6,067	1,847	-	3,490	65	1,022
Current balance	(1)+(2)	1,493	329	71,944	8,694	1,420	(3,707)
Special profit	(3)=e-f	(3,807)	-	-	-	-	50
Special earnings	e	547	-	-	-	-	50
Special expenses	f	4,354	-	-	-	-	-
Net profit for the current period	(4)=(1)+(2)+(3)	(2,313)	329	71,944	8,694	1,420	(3,656)
Retained profit brought forward	(5)	-	(6,831)	-	-	6,997	(4,282)
Unappropriated revenues for the current period	(4)+(5)	(2,313)	(6,501)	71,944	8,694	8,418	(7,939)

Balance Sheet							
(Assets)							
I. Current assets		78,831	129,948	84,178	169,941	22,768	41,812
Cash and deposits		55,474	121,859	84,034	166,885	22,540	37,171
Other current assets		23,357	8,089	144	3,056	227	4,641
II. Fixed assets		197,914	540,146	281,367	898,668	330,275	186,596
Tangible fixed assets		169,220	538,480	281,367	784,310	324,695	78,744
Land		1,061	188,071	-	783,982	307,337	19,296
Other tangible fixed assets (property etc.)		168,159	350,409	281,367	328	17,358	59,448
Intangible fixed assets		1,028	7	-	1	2	221
Investments etc.		27,665	1,658	-	114,356	5,577	107,630
Long-term loan		-	1,352	-	5,000	-	90,000
Funds		-	-	-	-	-	-
Other investments etc.		27,665	306	-	109,356	5,577	17,630
III. Deferred assets		6,465	10	-	-	-	-
Total assets		283,211	670,106	365,546	1,068,609	353,044	228,408
(Liabilities)							
I. Current liabilities		41,548	4,318	276,947	17,224	985	11,866
II. Fixed liabilities		-	199	126	4,479	-	36,944
Long-term borrowing		-	-	-	-	-	-
Other fixed liabilities		-	199	126	4,479	-	36,944
Total liabilities		41,548	4,517	277,074	21,704	985	48,811
(Capital)							
Total capital		241,663	665,588	88,471	1,046,904	352,058	179,597
(of which are changes in the current period)		7,715	(1,719)	68,684	(1,444)	1,103	(298)
Total liabilities and capital		283,211	670,106	365,546	1,068,609	353,044	228,408

(in million yen)

Urban Rapid Transit Railway C7	Electric Power C8	Waterworks C9	Industrial Waterworks C10	Sewerage C11	(Simple Total) (c)
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Profit and Loss Statement							
Operating profit	(1)=a-b	16,367	61	29,248	(379)	43,989	144,103
Operating earnings	a	128,088	973	315,462	827	280,261	1,052,948
Operating expenses	b	111,721	912	286,213	1,207	236,271	908,845
Business cost price		61,242	772	203,749	447	95,181	546,033
Administrative expenses		50,478	139	82,464	759	141,089	362,811
Non-operating profit	(2)=c-d	(7,733)	4	(1,060)	379	(15,968)	981
Non-operating earnings	c	6,646	4	9,455	384	36,389	90,734
Non-operating expenses	d	14,379	0	10,516	4	52,357	89,752
Current balance	(1)+(2)	8,633	65	28,187	-	28,021	145,084
Special profit	(3)=e-f	16	-	2,111	-	-	(1,628)
Special earnings	e	17	-	2,111	-	-	2,727
Special expenses	f	1	-	-	-	-	4,356
Net profit for the current period	(4)=(1)+(2)+(3)	8,650	65	30,299	-	28,021	143,456
Retained profit brought forward	(5)	(421,545)	0	-	-	12,201	(413,460)
Unappropriated revenues for the current period	(4)+(5)	(412,894)	66	30,299	-	40,222	(270,003)

Balance Sheet							
(Assets)							
I. Current assets		129,660	3,501	339,953	5,165	231,084	1,236,846
Cash and deposits		114,697	3,420	127,986	4,733	93,754	832,557
Other current assets		14,962	81	211,967	431	137,329	404,288
II. Fixed assets		1,586,239	4,126	2,359,755	29,759	6,468,111	12,882,961
Tangible fixed assets		1,568,359	4,123	2,276,723	29,458	6,466,983	12,522,468
Land		133,260	96	243,997	1,045	528,744	2,206,893
Other tangible fixed assets (property etc.)		1,435,098	4,027	2,032,726	28,412	5,938,238	10,315,574
Intangible fixed assets		3,848	2	81,822	300	948	88,182
Investments etc.		14,031	1	1,209	-	180	272,310
Long-term loan		-	-	-	-	-	96,352
Funds		-	-	-	-	-	-
Other investments etc.		14,031	1	1,209	-	180	175,958
III. Deferred assets		-	-	49	-	325	6,850
Total assets		1,715,899	7,627	2,699,758	34,924	6,699,520	14,126,658
(Liabilities)							
I. Current liabilities		73,050	263	103,191	144	104,984	634,527
II. Fixed liabilities		498,625	554	182,116	-	54,993	778,039
Long-term borrowing		264,010	-	-	-	-	264,010
Other fixed liabilities		234,615	554	182,116	-	54,993	514,028
Total liabilities		571,675	818	285,307	144	159,978	1,412,566
(Capital)							
Total capital		1,144,223	6,809	2,414,450	34,779	6,539,542	12,714,091
(of which are changes in the current period)		22,584	65	14,621	(8)	16,687	127,992
Total liabilities and capital		1,715,899	7,627	2,699,758	34,924	6,699,520	14,126,658

[3-1] Administrative Bodies (incorporated foundations (1))

(in million yen)

	Tokyo Metropolitan Human Rights Promotion Center D1	Tokyo Metropolitan Islands Promotion Corporation D2	Tokyo Tax Association D3	Tokyo Metropolitan Foundation for History and Culture D4	Tokyo Metropolitan Symphony D5	Tokyo Sport Benefits Corporation D6
Statement of Changes in Net Assets						
(Changes in unrestricted net assets)						
Current increase (decrease) for the current period (1)=a-b	25	21	39	88	130	(9)
Current revenues a	235	624	1,156	9,350	1,852	4,236
Current expenses b	209	603	1,117	9,261	1,722	4,246
Nonrecurring increase (decrease) for the current period (2)=c-d	-	-	-	(15)	(9)	-
Nonrecurring revenues c	-	-	-	2	0	-
Nonrecurring expenses d	-	-	-	17	9	-
Corporation tax etc. (3)	[0]	[0]	15	46	0	0
Total changes in unrestricted net assets for the current period (4)=(1)+(2)+(-3))	25	21	23	27	120	(9)
Unrestricted net assets at the beginning of the current period (5)	91	833	512	5,927	508	996
Unrestricted net assets at the end of the current period (6)=(4)+(5)	117	854	536	5,955	629	986
(Changes in restricted net assets)						
Total changes in restricted net assets for the current period (7)	-	-	-	(12)	-	-
Restricted net assets at the beginning of the current period (8)	101	4,000	300	212	1	500
Restricted net assets at the end of the current period (9)=(7)+(8)	101	4,000	300	200	1	500
Net assets at the end of fiscal year (6)+(9)	218	4,854	836	6,155	630	1,486

*The figure in brackets [] in the "Corporation Tax etc." section is included in the figure for "Current increase (decrease) for the current period"

Balance Sheet						
(Assets)						
I. Current assets	68	381	421	5,334	567	1,619
Cash and deposits	66	318	348	4,753	426	895
Other current assets	2	63	73	581	141	723
II. Fixed assets	171	6,775	513	3,744	436	1,420
Tangible fixed assets	0	166	3	516	9	38
Land	-	-	-	-	-	-
Other tangible fixed assets (property etc.)	0	166	3	516	9	38
Intangible fixed assets	0	0	4	39	-	1
Investments etc.	171	6,608	504	3,188	426	1,381
Long-term loan	-	-	-	-	44	-
Funds	-	-	-	-	-	-
Other investments etc.	171	6,608	504	3,188	381	1,381
III. Deferred assets	-	-	-	-	-	-
Total assets	239	7,157	934	9,079	1,003	3,040
(Liabilities)						
I. Current liabilities	21	62	98	2,346	252	1,012
II. Fixed liabilities	-	2,240	-	577	120	541
Long-term borrowing	-	2,240	-	-	60	-
Other fixed liabilities	-	-	-	577	60	541
Total liabilities	21	2,302	98	2,924	373	1,553
(Net assets)						
Total net assets	218	4,854	836	6,155	630	1,486
(of which are changes in the current period)	25	21	23	15	120	(9)
Total liabilities and net assets	239	7,157	934	9,079	1,003	3,040

Current status of metropolitan government's involvement						
Investment ratio (%)	74.2	45.5	85.6	32.2	4.4	100
Number of metropolitan government contract employees/ Number of permanent employees	5/7	3/7	14/204	35/195	2/101	43/123

* 1 The investment ratio: the ratio of TMG's monetary support, or deemed monetary support in case of merging in midterm, to an administrative body

* 2 The investment ratio is calculated as of 31 March, 2012, number of employees is as of 1 August, 2011

(in million yen)

Tokyo Marathon Foundation	Tokyo New Town Development Corporation	Tokyo Environmental Public Service Corporation	Tokyo Metropolitan Foundation for Social Welfare and Public Health	Tokyo Metropolitan Organiza tion for Medical Research	Johoku Labor and Welfare Center
D7	D8	D9	D10	D11	D12

Statement of Changes in Net Assets							
(Changes in unrestricted net assets)							
Current increase (decrease) for the current period	(1)=a-b	246	481	16	(48)	103	-
Current revenues	a	2,531	26,178	8,139	2,677	4,424	679
Current expenses	b	2,284	25,696	8,122	2,726	4,321	679
Nonrecurring increase (decrease) for the current period	(2)=c-d	-	(378)	106	(0)	(1)	(40)
Nonrecurring revenues	c	-	-	117	-	0	-
Nonrecurring expenses	d	-	378	10	0	1	40
Corporation tax etc.	(3)	88	[0]	0	[7]	[-]	[-]
Total changes in unrestricted net assets for the current period	(4)=(1)+(2)-(3)	158	102	123	(48)	101	(40)
Unrestricted net assets at the beginning of the current period	(5)	266	69,060	4,119	1,741	481	40
Unrestricted net assets at the end of the current period	(6)=(4)+(5)	425	69,163	4,242	1,692	583	-
(Changes in restricted net assets)							
Total changes in restricted net assets for the current period	(7)	-	-	0	0	(7)	37
Restricted net assets at the beginning of the current period	(8)	880	13	356	1,038	505	1
Restricted net assets at the end of the current period	(9)=(7)+(8)	880	13	356	1,038	497	38
Net assets at the end of fiscal year	(6)+(9)	1,305	69,176	4,599	2,730	1,081	38

*The figure in brackets [] in the "Corporation Tax etc." section is included in the figure for "Current increase (decrease) for the current period"

Balance Sheet							
(Assets)							
I. Current assets		1,678	25,801	33,563	759	852	220
Cash and deposits		1,548	6,753	31,760	671	845	213
Other current assets		130	19,048	1,802	87	6	6
II. Fixed assets		918	56,438	3,225	8,758	1,466	79
Tangible fixed assets		26	2,889	1,836	70	1,055	30
Land		-	840	73	-	-	-
Other tangible fixed assets (property etc.)		26	2,048	1,763	70	1,055	30
Intangible fixed assets		-	66	98	29	67	0
Investments etc.		892	53,482	1,290	8,659	343	48
Long-term loan		-	55	-	6,990	-	0
Funds		-	500	-	-	-	-
Other investments etc.		892	52,926	1,290	1,668	343	47
III. Deferred assets		-	-	-	-	-	-
Total assets		2,597	82,240	36,789	9,518	2,319	299
(Liabilities)							
I. Current liabilities		1,292	9,988	32,065	433	1,049	220
II. Fixed liabilities		-	3,075	124	6,354	188	41
Long-term borrowing		-	-	-	2,869	-	-
Other fixed liabilities		-	3,075	124	3,485	188	41
Total liabilities		1,292	13,063	32,189	6,787	1,237	261
(Net assets)							
Total net assets		1,305	69,176	4,599	2,730	1,081	38
(of which are changes in the current period)		158	102	123	(48)	94	(2)
Total liabilities and net assets		2,597	82,240	36,789	9,518	2,319	299

Current status of metropolitan government's involvement							
Investment ratio (%)		90.9	76.9	99.8	60.0	100	100
Number of metropolitan government contract employees/ Number of permanent employees		4/11	13/261	73/326	43/95	100/178	20/41

* 1 The investment ratio: the ratio of TMG's monetary support, or deemed monetary support in case of merging in midterm, to an administrative body

* 2 The investment ratio is calculated as of 31 March, 2012, number of employees is as of 1 August, 2011

(in million yen)

Tokyo Metropolitan Health and Medical Treatment Corporation	Tokyo Metropolitan Small Business Center	Tokyo Foundation for Employment Service	Tokyo Development Foundation For Agriculture, Forestry & Fisheries	Tokyo Convention and Visitors Bureau	Tokyo Zoological Park Society
D13	D14	D15	D16	D17	D18

Statement of Changes in Net Assets							
(Changes in unrestricted net assets)							
Current increase (decrease) for the current period	(1)=a-b	(156)	85	1	(2)	(45)	221
Current revenues	a	48,919	5,876	2,877	3,608	1,275	9,249
Current expenses	b	49,076	5,791	2,876	3,611	1,320	9,034
Nonrecurring increase (decrease) for the current period	(2)=c-d	(61)	-	(0)	-	(0)	(17)
Nonrecurring revenues	c	32	-	-	-	-	34
Nonrecurring expenses	d	94	-	0	-	0	51
Corporation tax etc.	(3)	[107]	[-]	2	[-]	0	23
Total changes in unrestricted net assets for the current period	(4)=(1)+(2)-(-3)	(218)	85	(1)	(2)	(45)	181
Unrestricted net assets at the beginning of the current period	(5)	(3,509)	2,282	98	557	1,092	1,363
Unrestricted net assets at the end of the current period	(6)=(4)+(5)	(3,728)	2,367	97	555	1,046	1,544
(Changes in restricted net assets)							
Total changes in restricted net assets for the current period	(7)	(432)	123	(2)	(448)	42	(4)
Restricted net assets at the beginning of the current period	(8)	8,276	578	509	4,996	330	59
Restricted net assets at the end of the current period	(9)=(7)+(8)	7,843	701	506	4,548	373	55
Net assets at the end of fiscal year	(6)+(9)	4,115	3,069	604	5,103	1,419	1,600

*1 The figure in brackets [] in the "Corporation Tax etc." section is included in the figure for "Current increase (decrease) for the current period"

*2 Current increase (decrease) for the current period of Tokyo Zoological Park Society reflects valuation profit or loss on specified assets etc.

Balance Sheet							
(Assets)							
I. Current assets		8,733	15,160	1,626	598	470	2,021
Cash and deposits		1,500	1,744	902	520	352	1,393
Other current assets		7,232	13,416	723	78	117	628
II. Fixed assets		11,327	39,708	739	6,451	1,336	1,332
Tangible fixed assets		7,954	330	21	484	0	353
Land		-	75	-	-	-	20
Other tangible fixed assets (property etc.)		7,954	254	21	484	0	332
Intangible fixed assets		1,082	61	2	12	0	9
Investments etc.		2,289	39,317	716	5,954	1,335	969
Long-term loan		-	0	-	52	-	1
Funds		-	35,999	-	1,905	-	23
Other investments etc.		2,289	3,317	716	3,997	1,335	945
III. Deferred assets		-	-	-	-	-	-
Total assets		20,060	54,869	2,365	7,049	1,806	3,354
(Liabilities)							
I. Current liabilities		8,830	14,603	1,585	414	314	1,520
II. Fixed liabilities		7,114	37,195	175	1,531	73	233
Long-term borrowing		-	20,000	-	1,480	-	-
Other fixed liabilities		7,114	17,195	175	50	73	233
Total liabilities		15,945	51,799	1,761	1,946	387	1,754
(Net assets)							
Total net assets		4,115	3,069	604	5,103	1,419	1,600
(of which are changes in the current period)		(651)	209	(4)	(451)	(3)	176
Total liabilities and net assets		20,060	54,869	2,365	7,049	1,806	3,354

Current status of metropolitan government's involvement							
Investment ratio (%)		97.5	50.2	50.5	64.4	0	7.5
Number of metropolitan government contract employees/ Number of permanent employees		609/2,546	30/150	22/73	129/147	7/39	141/304

*1 The investment ratio: the ratio of TMG's monetary support, or deemed monetary support in case of merging in midterm, to an administrative body

*2 The investment ratio is calculated as of 31 March, 2012, number of employees is as of 1 August, 2011

(in million yen)

	Tokyo Metropolitan Park Association D19	Tokyo Metropolitan Public Corporation for Road Improvement and Management D20	Tokyo Disaster Prevention & Emergency Medical Service Association D21	(Simple Total) (D)
Statement of Changes in Net Assets				
(Changes in unrestricted net assets)				
Current increase (decrease) for the current period	(1)=a-b	(448)	(220)	22
Current revenues	a	12,383	10,526	2,257
Current expenses	b	12,831	10,746	2,237
Nonrecurring increase (decrease) for the current period	(2)=c-d	(12)	5	(4)
Nonrecurring revenues	c	-	21	-
Nonrecurring expenses	d	12	15	4
Corporation tax etc.	(3)	[23]	1	[41]
Total changes in unrestricted net assets for the current period	(4)=(1)+(2)-(-3)	(437)	(216)	18
Unrestricted net assets at the beginning of the current period	(5)	3,903	9,675	1,840
Unrestricted net assets at the end of the current period	(6)=(4)+(5)	3,466	9,459	1,858
(Changes in restricted net assets)				
Total changes in restricted net assets for the current period	(7)	26	-	(676)
Restricted net assets at the beginning of the current period	(8)	2,732	1	489
Restricted net assets at the end of the current period	(9)=(7)+(8)	2,758	1	489
Net assets at the end of fiscal year	(6)+(9)	6,224	9,460	2,347

*1 The figure in brackets [] in the "Corporation Tax etc." section is included in the figure for "Current increase (decrease) for the current period"

*2 Current increase (decrease) for the current period of Tokyo Disaster Prevention & Emergency Medical Service Association reflects Specific assets appraisal profit or loss

Balance Sheet				
(Assets)				
I. Current assets	4,055	6,883	1,003	111,822
Cash and deposits	3,139	5,204	875	64,235
Other current assets	915	1,678	128	47,587
II. Fixed assets	4,589	8,027	1,687	159,150
Tangible fixed assets	612	2,147	26	18,574
Land	-	896	-	1,907
Other tangible fixed assets (property etc.)	612	1,251	26	16,667
Intangible fixed assets	34	55	2	1,569
Investments etc.	3,942	5,824	1,657	139,005
Long-term loan	-	506	-	7,653
Funds	-	-	-	38,428
Other investments etc.	3,942	5,318	1,657	92,924
III. Deferred assets	-	-	-	-
Total assets	8,644	14,911	2,690	270,973
(Liabilities)				
I. Current liabilities	2,101	4,523	297	83,034
II. Fixed liabilities	318	927	44	60,878
Long-term borrowing	-	501	-	27,151
Other fixed liabilities	318	426	44	33,727
Total liabilities	2,419	5,451	342	143,913
(Net assets)				
Total net assets	6,224	9,460	2,347	127,059
(of which are changes in the current period)	(411)	(216)	18	(707)
Total liabilities and net assets	8,644	14,911	2,690	270,973

Current status of metropolitan government's involvement			
Investment ratio (%)	100	0.2	16.4
Number of metropolitan government contract employees/ Number of permanent employees	77/503	27/280	25/63

* 1 The investment ratio: the ratio of TMG's monetary support, or deemed monetary support in case of merging in midterm, to an administrative body

* 2 The investment ratio is calculated as of 31 March, 2011, number of employees is as of 1 August, 2010

[3-2] Administrative Bodies (incorporated foundations etc. (2))

(in million yen)

		Tokyo Metropolitan Welfare Corporation E1	(Simple Total) (E)
Revenues and Expenses Statement			
Operating balance	(1)=a-b	(423)	(423)
Operating revenues	a	11,938	11,938
Operating expenses	b	12,361	12,361
Operating costs		12,012	12,012
Administrative expenses		349	349
Non-operating balance	(2)=c-d	87	87
Non-operating revenues	c	316	316
Non-operating expenses	d	229	229
Current balance	(1)+(2)	(335)	(335)
Special balance	(3)=e-f	343	343
Special revenues	e	343	343
Special expenses	f	-	-
Balance for the current period	(4)=(1)+(2)+(3)	7	7
Balance brought forward from the previous period	(5)	31	31
Balance carried forward to the next period	(4)+(5)	39	39

Balance Sheet			
(Assets)			
I. Current assets		1,744	1,744
Cash and deposits		1,628	1,628
Other current assets		115	115
II. Fixed assets		863	863
Tangible fixed assets		38	38
Land		-	-
Other tangible fixed assets (property etc.)		38	38
Intangible fixed assets		-	-
Investments etc.		824	824
Long-term loan		0	0
Funds		-	-
Other investments etc.		824	824
III. Deferred assets		-	-
Total assets		2,607	2,607
(Liabilities)			
I. Current liabilities		1,705	1,705
II. Fixed liabilities		53	53
Long-term borrowing		-	-
Other fixed liabilities		53	53
Total liabilities		1,758	1,758
(Net assets)			
Total net assets		849	849
(of which are changes in the current period)		41	41
Total liabilities and net assets		2,607	2,607

Current status of metropolitan government's involvement	
Investment ratio (%)	100
Number of metropolitan government contract employees/ Number of permanent employees	791/1,029

* The Investment ratio is calculated as of 31 March, 2012, number of employees is as of 1 August, 2011.

[3-3] Administrative Bodies (incorporated foundations etc. (3))

(in million yen)

		Tokyo Metropolitan Housing Supply Corporation F1	(Simple Total) (F)
Profit and Loss Statement			
Operating profit	(1)=a-b	14,810	14,810
Operating revenues	a	130,595	130,595
Operating expenses	b	115,784	115,784
Business cost price		114,567	114,567
Administrative expenses		1,217	1,217
Non-operating profit	(2)=c-d	(103)	(103)
Non-operating revenues	c	490	490
Non-operating expenses	d	593	593
Current balance	(1)+(2)	14,707	14,707
Special profit	(3)=e-f	(6,798)	(6,798)
Special revenues	e	54	54
Special expenses	f	6,853	6,853
Pre-reserve profit under special laws	(4)=(1)+(2)+(3)	7,908	7,908
Reserve allowance under special laws	(5)	-	-
Reversal of special fund reserves	(6)	-	-
Transfer to special fund reserves	(7)	-	-
Current profit	(4)+(5)+(6)-(7)	7,908	7,908

Balance Sheet			
(Assets)			
I. Current assets		57,692	57,692
Cash and deposits		37,414	37,414
Other current assets		20,278	20,278
II. Fixed assets		1,250,298	1,250,298
Tangible fixed assets		1,232,241	1,232,241
Land		-	-
Other tangible fixed assets (property etc.)		1,232,241	1,232,241
Intangible fixed assets		2,594	2,594
Investments etc.		15,462	15,462
Long-term loan		-	-
Funds		-	-
Other investments etc.		15,462	15,462
III. Deferred assets		-	-
Total assets		1,307,991	1,307,991
(Liabilities)			
I. Current liabilities		39,457	39,457
II. Fixed liabilities		907,499	907,499
Long-term borrowing		754,544	754,544
Other fixed liabilities		152,954	152,954
Total liabilities		946,957	946,957
(Capital)			
Total capital		361,033	361,033
(of which are changes in the current period)		7,908	7,908
Total liabilities and capital		1,307,991	1,307,991

Current status of metropolitan government's involvement	
Investment ratio (%)	100
Number of metropolitan government contract employees/ Number of permanent employees	9/557

* The Investment ratio is calculated as of 31 March, 2012, number of employees is as of 1 August, 2011.

[4] Administrative Bodies (limited corporations)

(in million yen)

Tokyo Stadium	Tokyo Tama Intercity Monorail Co., Ltd.	Tokyo Water Front Area Rapid Transit, Inc	Tama New Town Development Center	Tokyo International Forum	TOKYO RINKAI HOLDINGS Co., Ltd
G1	G2	G3	G4	G5	G6

Profit and Loss Statement							
Operating profit	(1)=a-b	99	1,156	1,998	400	(3)	17,002
Operating revenues	a	1,048	7,576	16,086	1,779	6,259	67,886
Operating expenses	b	949	6,419	14,087	1,379	6,263	50,883
Business cost price		748	3,029	4,813	1,265	4,883	47,640
Sales and administrative expenses		200	3,390	9,274	114	1,379	3,243
Non-operating profit	(2)=c-d	25	(456)	(2,605)	0	23	(2,730)
Non-operating revenues	c	28	113	174	0	29	361
Non-operating expenses	d	2	569	2,780	0	6	3,091
Current balance	(1)+(2)	125	700	(607)	400	20	14,272
Special profit	(3)=e-f	(0)	-	298	(8)	(18)	(561)
Special revenues	e	18	-	378	-	21	116
Special expenses	f	18	-	79	8	40	678
Corporation tax etc.	(4)	52	(96)	4	160	(102)	6,547
Net profit for the current period	(1)+(2)+(3)-(4)	72	796	(312)	232	104	7,163

Balance Sheet							
(Assets)							
I. Current assets		2,797	8,566	17,933	1,928	3,884	62,304
Cash and deposits		1,501	2,101	8,469	1,167	2,836	40,185
Other current assets		1,295	6,464	9,464	760	1,047	22,118
II. Fixed assets		6,470	72,798	251,532	7,988	2,368	303,588
Tangible fixed assets		436	70,222	211,643	7,844	1,033	266,772
Land		-	30,131	13,012	3,705	-	64,383
Other tangible fixed assets (property etc.)		436	40,090	198,630	4,139	1,033	202,388
Intangible fixed assets		3,337	179	13,765	1	42	20,694
Investments etc.		2,696	2,396	26,123	142	1,292	16,120
Long-term loan		-	-	-	-	-	0
Funds		-	-	-	-	-	-
Other investments etc.		2,696	2,396	26,123	142	1,292	16,120
III. Deferred assets		-	-	-	-	-	-
Total assets		9,267	81,364	269,466	9,917	6,252	365,892
(Liabilities)							
I. Current liabilities		231	4,185	13,587	380	2,008	33,220
II. Fixed liabilities		69	49,236	186,490	6,575	856	170,049
Long-term borrowing		-	49,035	18,475	-	-	144,348
Other fixed liabilities		69	200	168,015	6,575	856	25,701
Total liabilities		300	53,422	200,077	6,956	2,865	203,269
(Net assets)							
Total net assets		8,966	27,942	69,388	2,960	3,387	162,622
(of which are changes in the current period)		72	796	(312)	232	104	8,989
Total liabilities and net assets		9,267	81,364	269,466	9,917	6,252	365,892

※The figure for Tokyo Rinkai Holdings represent account values on a consolidated basis

Current status of metropolitan government's involvement							
Investment ratio (%)		36.3	79.9	91.3	51.2	51.0	85.1
Number of metropolitan government contract employees/ Number of permanent employees		7/13	10/185	22/257	2/8	7/50	80/536

*1 The Investment ratio is calculated as of 31 March, 2011, number of employees is as of 1 August, 2010

*2 Number of employees in Tokyo Rinkai Holdings Co., Ltd. includes those of its consolidated subsidiaries.

(in million yen)

Tokyo Kotsu Service Co., Ltd.	Waterworks Services Co., Ltd.	PUC Co., Ltd.	Tokyo Metropolitan Sewerage Service Corporation	(Simple Total)
G7	G8	G9	G10	(G)

Profit and Loss Statement						
Operating profit	(1)=a-b	57	569	252	213	21,747
Operating revenues	a	5,978	13,601	11,178	16,076	147,471
Operating expenses	b	5,920	13,032	10,925	15,863	125,724
Business cost price		5,696	12,285	10,240	15,117	105,721
Sales and administrative expenses		224	746	684	745	20,002
Non-operating profit	(2)=c-d	15	29	2	18	(5,676)
Non-operating revenues	c	15	43	20	20	807
Non-operating expenses	d	0	14	18	1	6,484
Current balance	(1)+(2)	73	598	254	232	16,070
Special profit	(3)=e-f	(0)	(24)	(0)	34	(280)
Special revenues	e	0	-	-	65	601
Special expenses	f	0	24	0	31	881
Corporation tax etc.	(4)	36	274	191	123	7,192
Net profit for the current period	(1)+(2)+(3)-(4)	36	299	62	142	8,597

Balance Sheet						
(Assets)						
I. Current assets		1,578	3,179	4,434	7,543	114,149
Cash and deposits		460	830	2,323	2,147	62,023
Other current assets		1,117	2,349	2,111	5,395	52,126
II. Fixed assets		208	1,575	3,033	1,442	651,006
Tangible fixed assets		31	1,176	1,568	927	561,656
Land		-	226	-	-	111,459
Other tangible fixed assets (property etc.)		31	950	1,568	927	450,197
Intangible fixed assets		17	192	426	275	38,934
Investments etc.		159	206	1,038	238	50,415
Long-term loan		-	-	0	-	0
Funds		-	-	-	-	-
Other investments etc.		159	206	1,038	238	50,414
III. Deferred assets		-	-	-	-	-
Total assets		1,786	4,754	7,468	8,985	765,156
(Liabilities)						
I. Current liabilities		966	1,777	1,723	3,953	62,036
II. Fixed liabilities		88	567	2,690	339	416,963
Long-term borrowing		-	-	-	-	211,859
Other fixed liabilities		88	567	2,690	339	205,103
Total liabilities		1,055	2,345	4,414	4,292	478,999
(Net assets)						
Total net assets		731	2,409	3,054	4,693	286,156
(of which are changes in the current period)		26	294	62	137	10,403
Total liabilities and net assets		1,786	4,754	7,468	8,985	765,156

Current status of metropolitan government's involvement				
Investment ratio (%)	100	51.0	56.0	50.0
Number of metropolitan government contract employees/ Number of permanent employees	6/238	96/1,024	34/435	184/481

* The investment ratio is calculated as of 31 March, 2011, number of employees is as of 1 August, 2010

[5] Local Independent Administrative Corporations

(in million yen)

	Tokyo Metropolitan University H 1	Tokyo Metropolitan Industrial Technology Research Institute H 2	Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology H 3	(Simple Total) (H)	Combined Total (A+B+C+D+E+F+G+H)	Classification Adjustment	Offset Elimination	Tokyo Metropolitan Government Overall Total
Profit and Loss Statement								
Operating balance ①=a-b	(81)	(2,022)	743	(1,360)				
Operating balance a	24,832	6,352	15,225	46,409				
Operating expenses b	24,913	8,374	14,481	47,769				
Business cost price	22,338	5,758	13,038	41,135				
Administrative expenses	2,575	2,616	1,442	6,634				
Non-operating balance ②=c-d	1,741	2,179	70	3,991				
Non-operating revenues c	1,877	2,179	70	4,127				
Non-operating expenses d	135	0	-	136				
Current balance ①+②	1,659	157	814	2,631				
Special balance ③=e-f	(111)	121	(11)	(1)				
Special revenues e	108	156	0	266				
Special expenses f	220	35	11	267				
Balance for the current period ④=①+②+③	1,548	278	802	2,629				
Reversal of reserve for special purposes ⑤	211	131	-	343				
Total profit for the current period ④+⑤	1,759	410	802	2,973				
Balance Sheet								
(Assets)								
I. Current assets	7,988	3,084	8,061	19,133	2,610,282			2,610,282
Cash and deposits	4,017	2,789	6,076	12,884	1,189,962			1,189,962
Other current assets	3,971	294	1,984	6,249	1,420,319			1,420,319
II. Fixed assets	148,297	40,368	17,030	205,696	46,421,170	(2,028,908)		44,392,261
Tangible fixed assets	143,733	40,038	16,870	200,642	38,806,299			38,806,299
Land	86,035	14,200	10,119	110,354	20,113,538			20,113,538
Other tangible fixed assets (property etc.)	57,698	25,838	6,750	90,287	18,692,761			18,692,761
Intangible fixed assets	183	82	119	385	158,382			158,382
Investments etc.	4,380	247	40	4,668	7,456,488	(2,028,908)		5,427,579
Long-term loan	-	-	23	23	1,921,100			1,921,100
Funds	-	-	-	-	2,510,404			2,510,404
Other Investments etc.	4,380	247	16	4,645	3,024,982	(2,028,908)		996,073
III. Deferred assets	-	-	-	-	6,850			6,850
Total assets	156,286	43,452	25,091	224,830	49,038,304	-	(2,028,908)	47,009,395
(Liabilities)								
I. Current liabilities	7,197	2,163	5,146	14,508	1,175,034	282,379		1,457,413
II. Fixed liabilities	12,310	11,998	4,353	28,662	10,344,830	3,064,592		13,409,422
Long-term borrowing	-	-	3,176	3,176	8,252,338	3,064,592		11,316,930
Other fixed liabilities	12,310	11,998	1,177	25,486	2,092,491			2,092,491
Total liabilities	19,508	14,162	9,500	43,171	11,519,864	3,346,971	-	14,866,835
(Capital)								
Total capital	136,777	29,290	15,591	181,659	37,518,439	(3,346,971)	(2,028,908)	32,142,559
(of which are changes in this term)	11,784	11,490	803	24,078	433,007			433,007
Total liabilities and capital	156,286	43,452	25,091	224,830	49,038,304	-	(2,028,908)	47,009,395

(2) Accounting Policy and Notes Regarding Preparation of the Tokyo Metropolitan Government Comprehensive Financial Statement

Year-to-date
(From April 1, 2011 to March 31, 2012)

(Accounting Policy)

1. Scope

The results and statements contained herein cover all accounting for the Tokyo Metropolitan Government (the ordinary account, the "Special Accounts," and the public enterprise accounts), as well as administrative bodies supervised by the Tokyo Metropolitan Government and local independent administrative corporations, with both groupings being displayed.

(1) Ordinary Account

Comprises a combination of general account and special accounts that meet the standards set by the Ministry of Internal Affairs and Communications (13 accounts). Any overlap, credits, or debts between accounts have been eliminated.

(2) "Special Accounts"

The following 3 accounts are special accounts that fall outside of the scope of the ordinary account.

Slaughterhouse
Metropolitan Public Housing Tenants Security Deposit
Tama New Town Project^{*1}

*1: It was abolished in fiscal year 2011, based on the supplementary regulation of "Tama New Town Project Accounting Regulations".

(3) Public Enterprise Accounts

The following 11 accounts are classified as public enterprise accounts

Hospitals
Central Wholesale Market
Urban Redevelopment Project
Waterfront Area Development Project
Port and Harbor Project
Transportation
Urban Rapid Transit Railway
Electric Power
Waterworks
Industrial Waterworks
Sewerage

(4) Administrative Bodies Supervised by Tokyo Metropolitan Government

These bodies are organizations in which the Tokyo Metropolitan Government provides investment and financial backing, provides continued financial spending or physical support, and which require supervision by the Tokyo Metropolitan Government. All of the 33 applicable bodies are regarded as 100% wholly owned by the Tokyo Metropolitan Government.

- i) Limited corporations (10 bodies) (Numbers in parentheses indicate the portion held)
Tokyo Stadium (36.3%); Tokyo Tama Intercity Monorail Co., Ltd. (79.9%); Tokyo Waterfront Area Rapid Transport, Inc. (91.3%); Tama New Town Development Center (51.2%); Tokyo International Forum Co., Ltd. (51.0%); Tokyo Rinkai Holdings (85.1%)^{*2}; Tokyo Kotsu Service Co., Ltd. (100%); Tokyo Waterworks Service Co., Ltd. (51.0%); PUC Co., Ltd. (56.0%); Tokyo Metropolitan Sewerage Service Corporation (50.0%).

*2: In the comprehensive financial statement, earnings figures are stated on a consolidated basis.

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- ii) Public interest corporations (23 Bodies)
Tokyo Metropolitan Human Rights Promotion Center; Tokyo Metropolitan Islands Promotion Corporation; Tokyo Tax Association³; Tokyo Metropolitan Foundation for History and Culture; Tokyo Metropolitan Symphony Orchestra; Tokyo Marathon Foundation; Tokyo New Town Development Corporation; Tokyo Metropolitan Housing Supply Corporation; Tokyo Environmental Public Service Corporation⁴; Tokyo Metropolitan Foundation for Social Welfare and Public Health; Tokyo Metropolitan Organization for Medical Research³; Johoku Labor and Welfare Center; Tokyo Metropolitan Social Welfare Services Corporation; Tokyo Metropolitan Health and Medical Treatment Corporation³; Tokyo Metropolitan Small and Medium Enterprise Support Center; Tokyo Foundation for Employment Services; Tokyo Development Foundation For Agriculture, Forestry & Fisheries; Tokyo Convention and Visitors Bureau; Tokyo Zoological Park Society; Tokyo Metropolitan Park Association; Tokyo Metropolitan Public Corporation for Road Improvement and Management; Tokyo Emergency First-Aid Association.

*3: The status was amended to public interest incorporated foundation on April 1st 2012.

*4: The status was amended to public interest incorporated foundation, and renamed "Tokyo Environmental Public Service Corporation" on April 1st 2012.

(5) Local Independent Administrative Corporations

Three organizations below established by TMG based on Local Independent Administrative Corporations Law

Tokyo Metropolitan University

Tokyo Metropolitan Industrial Technology Research Institute

Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology

2. Base Date

The base date for this statement shall be taken as being March 31, 2012, although for the ordinary account and the "Special Accounts" these will also include all account deposits and withdrawals during the period between April 1, 2012 and May 31, 2012 (the settlement period).

3. Adjustment between Investment and Capital

The total amount of any investment in the ordinary account and provision for capital in the public enterprise accounts, as well as investment securities in the ordinary account and self-capitalization of limited corporations (inherent capital) shall be offset.

4. Offset between Credits and Debt

Although any overlap, credits, and debts are eliminated from the ordinary account, there has been no elimination of offsetting of any overlaps, credits, debts, revenues, or expenses between the ordinary account and the non-ordinary accounts, and between other non-ordinary accounts.

5. Revision of Individual Financial Statements

Debenture capital in the public enterprise accounts moved from net assets to liabilities, owned capital (inherent capital, incorporated capital) moved to surplus.

6. Application of Current Arrangement

The listed order of items for assets and liabilities is arranged using the current arrangement, with current assets being followed by fixed assets.

7. Inventory Valuation Method and Benchmarks

Inventory assets in public enterprise accounts are calculated mainly using the cost method determined by the moving-average method.

Inventory assets in administrative bodies supervised by Tokyo Metropolitan Government are calculated mainly using the cost method determined by the first-in, first-out method.

Year-to-date

(From April 1, 2011 to March 31, 2012)

8. Method Used for Fixed Asset Depreciation

In the ordinary account and the "Special Accounts", tangible fixed assets within administrative assets and ordinary assets are depreciated on a straight-line basis according to the service life and the residual value rate in the "Tokyo Metropolitan Government Guidelines for Processing Ledgers Related to Public Property".

Tangible fixed assets within infrastructure assets are depreciated on a straight line basis according to the service life and the residual value rate in the "Tokyo Metropolitan Government Guideline for Processing Ledgers Related to Public Property" and the "Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards".

The paving of roads, defined as replacement assets by the "Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards", however, is subject to adoption of a processing method that treats spending required for partial road replacement as actual expenses.

Important property is depreciated on a straight line basis according to the service life in the "Service Life Benchmarks for Important Property."

Assets of public enterprise accounts are depreciated on a straight line basis according to the service life in the "Enforcement Standards of the Local Public Enterprise Law".

For administrative bodies, they adopt a straight line basis according to the ordinance of Ministry of Finance.

9. Investment Securities Valuation Method and Benchmarks

In both the ordinary account and the "Special Accounts", investments securities are calculated based upon their acquisition price. For items that have a markedly decreased actual cash value or real value, however, these are calculated using the reduced value.

For public enterprise accounts, bonds held to maturity are calculated using the amortized cost method, while other securities are calculated using the cost method determined by the specific identification method and moving-average method.

For administrative bodies, bonds held to maturity are calculated using the amortized cost method, while other securities are calculated using the cost method determined by the moving-average method.

10. Accounting Standards for Reserve Allowances

The Tokyo Metropolitan Government's main reserve allowances are outlined below.

(1) Reserve for deficit due to non-payment

In both the ordinary account and the "Special Accounts", since there is a possibility that some of the metropolitan taxes, usage charges, and other outstanding revenues may lead to a deficit due to non-payment as a result of the ending of limitations, the reserve for deficit due to non-payment is recorded as an amount gained by calculating the liquidation status of such outstanding revenues, the composition of finances of the counterparty, and the metropolitan government's previous deficit due to non-payment over the past three years and multiplying it by the amount of outstanding revenues as of the end of fiscal year.

(2) Bad debt reserve

In both the ordinary account and the "Special Accounts", since there is a possibility that some of the metropolitan government's loans may lead to an exemption or a reduction of repayment, the bad debt reserve is recorded as an amount gained by calculating the liquidation status of such loans, the composition of finances of the counterparty and the reduction of such loans based on exemptions etc. over the past three years and multiplying it by the amount of the metropolitan government's loans as of the end of fiscal year.

In preparation for losses to administrative bodies due to bad debt, in addition to the ceiling provided by the tax law as stipulated by the corporation tax law, the amount of the estimate of the unrecoverable individual debt is to be appropriated.

(3) Reserve for retirement allowances

The retirement allowance payment used in the event of city employees retiring voluntarily is mainly used to calculate the required reserve for retirement allowances.

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(4) Repair allowance

For the most part, the projected repair budget based on financial planning for the year shall be supplemented by setting aside any difference between the budget and the amount used should the amount used for that year be less than the projected budget.

(5) Reserve for bonus payment

A portion of the current-term bonus is held as a reserve for payment to employees.

(Other)

1. Display Method for Entered Amounts

The entered figures have been rounded down to the indicated unit.

The differences of accounting standards of each organization are not taken into consideration.

Notes

1. Accumulated Depreciation of Tangible Fixed Assets

(in billion yen)

Item	End of FY2011
Ordinary account	3,030.5
“Special Accounts”	6.0
Public enterprise accounts	5,096.8
Limited corporations	350.8
Public interest corporations	230.4
Independent administrative corporations	38.9
Total	8,753.7

2. Expected Repayments of Outstanding Borrowing

(in billion yen)

Item	FY2012	From FY2013	Total
Ordinary account	333.7	6,951.1	7,284.9
“Special Accounts”	1.0	5.4	6.4
Public enterprise accounts	283.5	3,082.4	3,365.9
Limited corporations	21.7	212.0	233.7
Public interest corporations	31.2	768.8	800.0
Independent administrative corporations	-	3.1	3.1
Total	671.4	11,023.0	11,694.4

3. Assets Offered as Collateral

Of the assets of the limited corporations, a total value of 495.3 billion yen is offered as collateral.