

September 17, 2015
Bureau of Finance

Governor Masuzoe's statement about S&P's change
to the credit rating of the Tokyo Metropolitan Government

On Thursday, September 17, 2015, Standard & Poor's (S&P) downgraded the Tokyo Metropolitan Government's credit rating to "A+," after it did the same for Japan's long-term rating the previous day.

Governor Masuzoe issued a statement about the downgrade.

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The reason for the downgrade issued by Standard & Poor's (S&P) is the lowering of Japan's credit rating and cannot be attributed to the TMG's financial condition.

The TMG has its own solid sources of revenue, and maintains a high level of financial soundness. S&P recognizes this.

S&P issues a stand-alone credit profile of the TMG independent of the central government's rating. The TMG has maintained an "aa" rating, higher than that of the central government. Even after the downgrade, the TMG's stand-alone credit profile remains unchanged at "aa," showing that the TMG's fiscal health continues to be highly regarded.

Because of the centralized nature of the tax and fiscal systems in this country, S&P's ratings of Japan's local governments are virtually capped by its rating of the central government of Japan. As such, its downgrade of the central government's rating was followed by the cut in the ratings of Japan's local governments, including the TMG.

The TMG will continue to firmly maintain its solid fiscal base by taking thorough reform measures, including internal efforts and reviews of policies, and pay due attention to retain the status of its bonds.

Yoichi Masuzoe

Governor of Tokyo