

FY2023

Summary of the Tokyo Metropolitan Government Budget Proposal

This is a partial English version of Summary of the Tokyo Metropolitan Government Budget Proposal for Fiscal Year 2023.

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 Summary, information in the Japanese original prevails.

February 2023
Tokyo Metropolitan Government

- * This document reflects details after adjustment of figures, etc. in material published on January 27, 2023.
- * The FY2023 budget amounts shown in this document are the figures in the initial budget proposal.
- * In principle, figures in each table are rounded to the nearest unit.
- * In principle, percentages of change and ratios are calculated from the figures in each table.
- * Some project names include provisional names.

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Budget Points

FY2023 Budget Points

Budget Compilation Policy

The positioning of the FY2023 budget is as follows:

Realizing a bright “Future Tokyo,” a budget to maintain the steady evolution of Tokyo into a shining city that embraces both “growth” and “maturity” in the future.

The budget is compiled on the basis of the following points:

1

- Tackling the resolution of various issues important to Tokyo citizens with a sense of urgency in order to promote steps towards a sustainable future
- Proactive deployment of bold measures that break down conventional concepts from a long-term perspective

2

- Rapidly accelerating the “Great Tokyo Reform”
- Evolution into a more active and flexible organization
- Thorough initiatives to reduce unnecessary spending
- Energizing the TMG and maintaining a resilient financial foundation

◆ Summary of FY2023 Budget Framework, etc.

◆ **General Account Total Expenditure** **8 trillion 41.0 billion yen**

(Previous FY initial budget comparison +240.0 billion yen, +3.1%)

- By adopting budget distribution that prioritizes investment for children, safety and security that serve as the foundations for metropolitan activities, and initiatives to leave a sustainable and beautiful planet for the future, the general account budget scale has become the **highest ever**, increasing by 240 billion yen compared to the previous fiscal year.

◆ **General Expenditure (Policy Expenditure)**

5 trillion 935.4 billion yen

(Previous FY initial budget comparison +94.7 billion yen, +1.6%)

(Less anti-Covid measures +453.2 billion yen, +8.3%)

- Through initiatives for realizing a children-first society, where children come first, increasing the city's resilience, and realizing a carbon-free society, etc., general expenditure recorded **an increase for the third successive year** of 94.7 billion yen compared to the previous fiscal year.

* Regarding measures against COVID-19, expenditures related to responses during normal times, such as investigations and research by the Tokyo iCDC experts' board, etc., are earmarked. Considering social conditions, an additional supplementary budget will be compiled in early February in order to appropriate funds for expenditures related to special responses, such as securing beds.

* “Less anti-Covid measures” indicates that the expenditures related to the anti-Covid measures special response are excluded from the initial budget of the previous fiscal year (same hereunder).

◆ **Tax Revenues**

6 trillion 201.0 billion yen

(Previous FY initial budget comparison +570.2 billion yen, +10.1%)

- Metropolitan tax revenues **increase by about 570.0 billion yen to 6.201 trillion yen**, mainly due to increased revenues from the corporate inhabitant and enterprise taxes (two corporate taxes) following a recovery in corporate earnings.

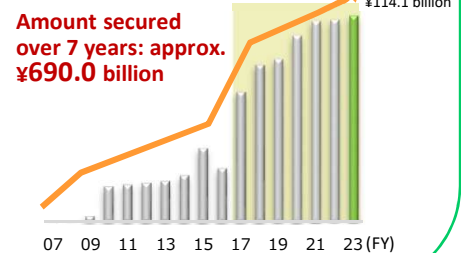
Promotion of Policy Reviews and Project Reviews

✓ Policy reviews **11 Policy groups**
Number announced (89 projects in total)

✓ Project reviews **1,436**
Number announced
Secured financial resources amount **114.1 billion yen**

- We have **further reinforced policy and project review initiatives** through the implementation of reviews that achieve even greater objectivity by adopting outside experts' opinions, and verification of project deployment speed-up, etc.
- We have announced **11 policy groups** for policy reviews and **1,436** review results of project reviews, and secured the highest ever financial resources amount of **114.1 billion yen** through project review initiatives.

Changes in secured financial resource amounts



Funds Balance

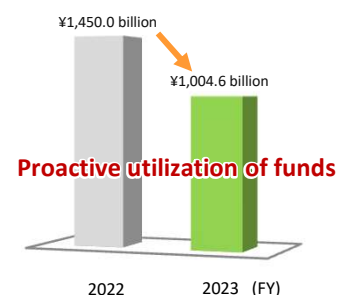
1 trillion 728.8 billion yen

(Previous fiscal year's post-final adjustment budget comparison
-424.6 billion yen, -19.7%)

* Based on the ordinary account

- In the FY2023 budget, in order to steadily promote measures to reinforce the city's resilience, improve social capital, and realize an advanced welfare city, **funds for the realization of 3-cities are proactively utilized**.
- We will continue with the **strategic utilization of funds**, through their use as **financial resources for the steady promotion of policies set forth in the "Future Tokyo: Tokyo's Long-Term Strategy,"** etc., while discerning trends in tax revenues.

Changes in the 3-cities funds balance



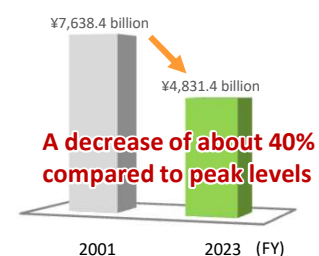
TMG Bonds Balance

4 trillion 831.4 billion yen

(Previous fiscal year's post-final adjustment budget comparison
-25.2 billion yen, -0.5%)

- Until now, along with efforts to restrain TMG bonds issuance through financial reconstruction initiatives, subsequent TMG bonds have been issued according to the status of metropolitan tax revenues, etc.
- In the FY2023 budget, the **end-FY2023 TMG bonds balance is expected to decrease due to restrained issuance amounts** through the utilization of increased tax revenues.

Changes in TMG bonds balance



Perspectives for the Deployment of Measures in the FY2023 Budget

- With climate change issues that cannot allow a moment's delay and economic recession concerns fuelled by the credit squeeze in the western nations, etc., the global environment is becoming increasingly harsh. When we turn our eyes to domestic environment, with issues such as low birth rate, which is shaking the existential foundations of society, and increasing frequency and severity of natural disasters, etc., it is no exaggeration to say that all sectors are facing their greatest challenges since WWII.
- Now that we stand on this turning point in history, we must concentrate the wisdom of the world and the wisdom of TMG as a whole to face these challenges head-on, and **endeavour resolutely to evolve Tokyo into a city that creates new value.**
- In the FY2023 budget, financial resources are boldly allocated to **"Investment in the future"** for the resolution of issues facing the Tokyo metropolis, such as **initiatives to realize a children-first society, increase the city's resilience, and realize a carbon-free society.** Upgrading measures for the various sectors of the TMG, **we are comprehensively implementing pioneering measures to usher in a new era.**
- Moreover, in order to vigorously deploy such measures and **dramatically heighten the QOS (Quality of Service) of the TMG, we will rapidly accelerate the "Great Tokyo Reform,"** which includes the evolution into a more active and flexible organization and thorough initiatives to reduce unnecessary spending.

A Tokyo full of the smiles of children, where children are vibrant

- For those of us alive today, **the children who will carry the next generation are the future.** The most essential constituent of a nation is its population, and a population decrease due to a low birth rate could lead to the weakening of a nation's strengths.
- **To combat the low birth rate, which is shaking the existential foundations of society, Tokyo must promote seamless support in a comprehensive and continuous manner,** from before the child is born up until the time the child has grown into a healthy adult.



A Tokyo that heightens and draws out the strengths of "people," to allow each person to fulfil a leading role

- As the issues of a progressively aging society with low birth rate and a declining population become ever more serious, **the strengths of "people" will provide the driving force** that creates new value and **carves a new path towards a bright future Tokyo.**
- We will **drastically enhance initiatives to support child growth that enable the children and youth who will carry the future to acquire the strengths to become the driving force of an international society.** Additionally, in order to flexibly accommodate the conversion of industrial structures, etc., through the development of DX and GX, we will **reinforce initiatives related to re-skilling, etc., providing strong support from re-learning through to career progression.**



A Tokyo in which everyone can make the most of their individuality and participate with vitality

- The power that is demonstrated **when various people mutually understand and respect each other, and participate actively as they are**, is the **engine that will further develop Tokyo into an affluent city**.
- We will **promote comprehensive measures towards the realization of a highly diverse and inclusive coexistence-oriented society** in which, regardless of age, gender or the presence/absence of disability, everyone can make the most of their individuality and demonstrate their strengths.



A Tokyo where challengers are born, gather from around the world, and are embraced

- **Startups perform a leadership role of new growth**, contributing to the world through the creation of innovation with ground-breaking technologies and ideas, the resolution of social issues, the creation of employment, and the stimulation of economy.
- Making every effort to back up challengers who pioneer the future, we will develop **an environment in which startups are born, gather, and operate with energetic vibrancy**.



A safe and secure Tokyo that protects the lives, health, and property of its citizens

- The raging tide of natural disasters shows no sign of abating. Accordingly, **large-scale wind and flood disasters, earthquakes, volcanic eruptions, epidemics of new diseases, etc.**, could occur at any time.
- Now, **as we reach the 100th year since the Great Kanto Earthquake**, collaborating with various entities, we further **reinforce initiatives for “Self-help, Mutual aid, Public assistance”** and work towards the proactive deployment of measures from both tangible and intangible perspectives, through which we can build **a resilient and sustainable Tokyo metropolis that will be secure for another 100 years**.



A Tokyo that leads the world in the realization of a carbon-free society

- Now, **as we face the two crises of climate and energy**, the world is seeking structural conversions aimed at decarbonization and improved energy self-sufficiency rates.
- We refine policies from the perspective of **HTT, which stands for Herasu (save), Tsukuru (generate), and Tameru (store) energy**, aiming for the **unified realization of decarbonization and energy security**. Besides, we **deploy a diverse range of support for the smooth implementation of mandatory solar power generation equipment installation** for new residential buildings, etc., commencing from FY2025.



In view of these perspectives, the FY2023 budget will **proactively deploy highly effective measures**. We will provide an outline of the main initiatives by sector in the following pages.

“Investment in the Future” to Resolve Issues Facing the Tokyo Metropolis

Reinforcing Measures for the Realization of a Children-First Society

- Annual births in Japan are expected to fall below 800,000 for the first time, and **the issue of declining birthrates**, which has come to be known as the “silent threat,” represents **an alarming state of affairs that is shaking the existential foundations of society.**
- In order to break away from this low birth rate trend, a pressing issue that cannot be deferred a moment longer, **the TMG is leading the way in the implementation of comprehensive and continuous measures.**

FY2022 Approx. **¥1.4 trillion**

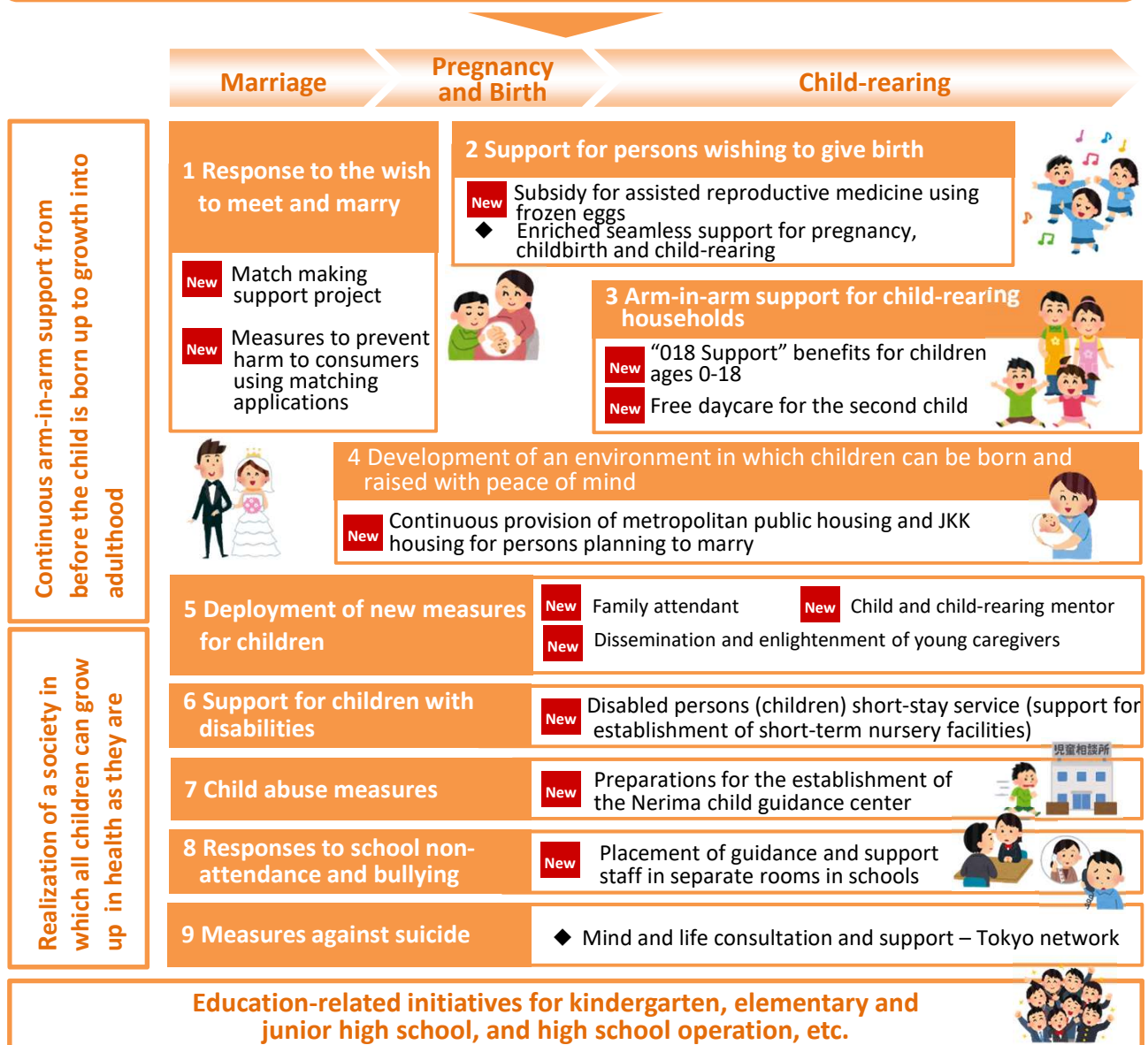


+ ¥200.0 billion

Approx. **¥1.6 trillion**
earmarked from Tokyo to
combat the low birth rate

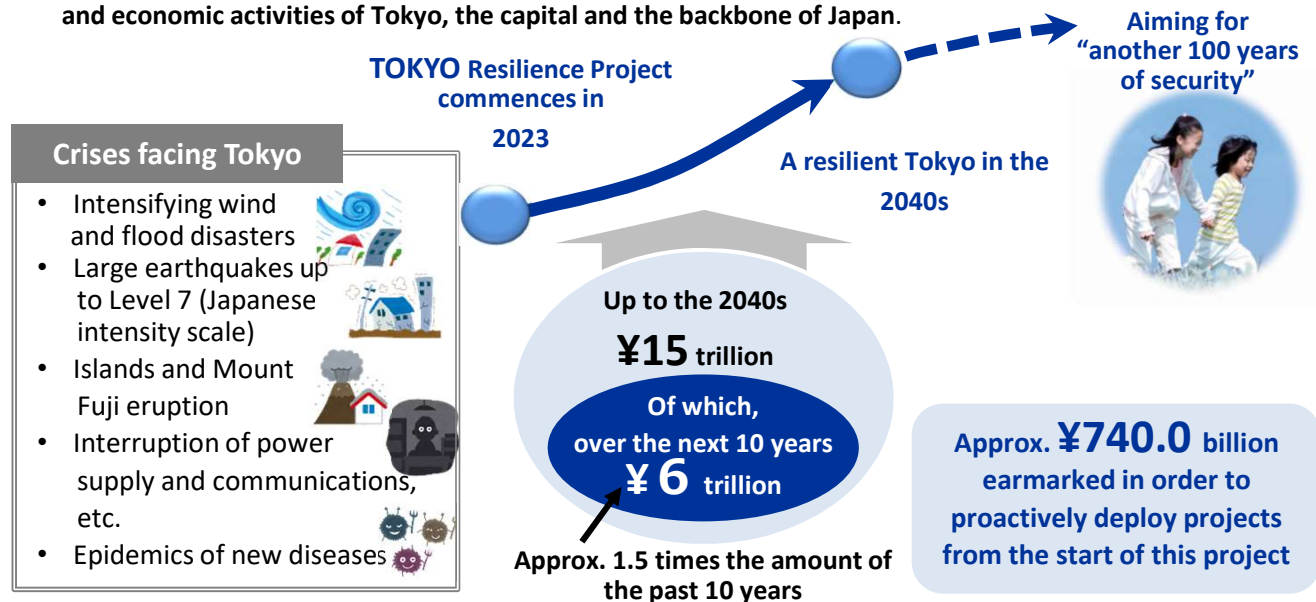
Initiatives to date

- Infertility treatment fee subsidy
- Tokyo childbirth support project
- Childcare cost burden alleviation from the 2nd child onwards
- Measures for children on waiting-lists for nursery care
- Support for children requiring medical care
- Practically free high school tuition etc.



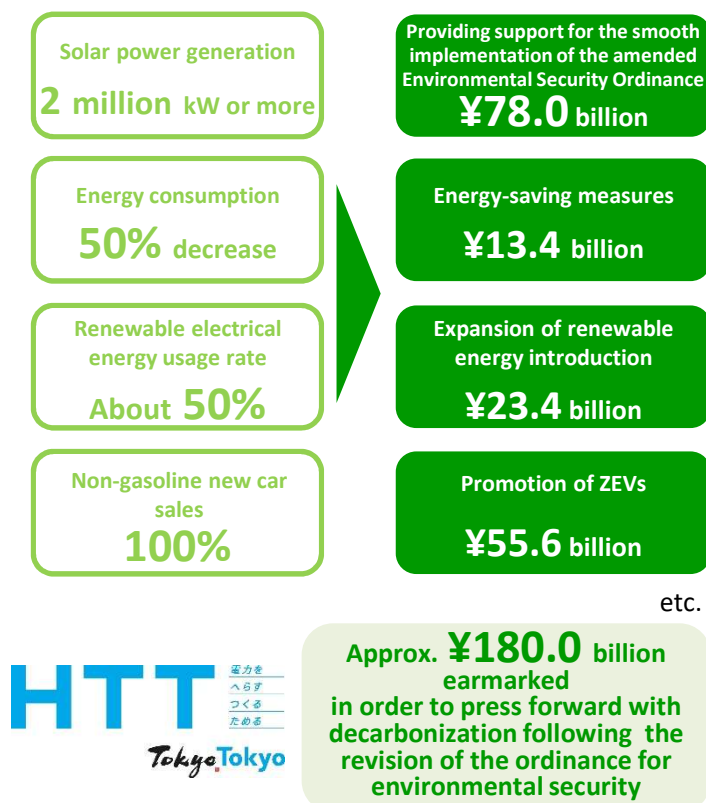
Reinforcement of Measures to Increase the City's Resilience

- Due to the effects of climate change, wind and flood disasters have become increasingly frequent and severe. Additionally, accompanying social change, today's social issues regarding disasters such as an earthquake directly striking Tokyo have become challenging. Moreover, there are concerns that these events might occur at the same time.
- Even within this backdrop, we will work to realize a "resilient Tokyo" by raising the level of all measures against disasters, in order to protect the lives and livelihoods of Tokyo citizens, and maintain the functions and economic activities of Tokyo, the capital and the backbone of Japan.



Reinforcement of Measures for the Realization of a Carbon-free Society

- <The principal targets and initiatives for carbon-half by 2030>
- Circumstance involving the environment, such as the increasing severity of the climate crisis, changes in the aquatic and atmospheric environments, has become major issues on a global scale, leaving no room for delay.
 - Now, as we face the two crises of climate and energy, we must pioneer solutions to environmental issues of increasing diversity and severity, through initiatives that lead the country and the world, from the perspectives of decarbonization and energy security.
 - Following the revision of the ordinance for environmental security, we are advancing a social change towards a "Zero Emission Tokyo" by promoting combined and multi-layered measures of city-wide decarbonization through the reinforcement of support measures and systems for the expansion of renewable energy use, and the implementation of high-level energy management and cutting-edge technologies, etc.



Initiatives for the Realization of “3-Cities”

- Aiming for a bright “Future Tokyo” that embraces both “growth” and “maturity,” we are proactively deploying bold measures that break down conventional concepts, with a view towards the realization of “3-cities”: **“Diverse city” where all people can live and participate with verve, “Safe city” that is safe, secure and full of vitality, and “Smart city” that is open to the world, a leading environmental city, and an international finance and economy city.**

Diverse City

- We will work to realize **Tokyo, the city in which everyone can make the most of their individuality and demonstrate their strengths**, through **continuous arm-in-arm support for the children who will carry the next generation**, etc.

Measures in the FY2023 budget

- Seamless support covering marriage, pregnancy, child-birth, and child-rearing
- Deployment of new measures for children
- HR development that carves a new path for a new era
- Realization of a society in which anyone can work with verve
- Realization of longevity-based society that can be showcased to the world
- Realization of a society in which disabled persons can live with verve
- Promotion of women’s empowerment
- Reinforcement of child counseling, etc.
- Realization of a society in which everyone feels the kindness, and supports each other

etc.



Safe City

- **We will assertively promote Tokyo’s resilience from both tangible and intangible perspectives to realize a sustainable capital, Tokyo, which will be secure for another 100 years.**

Measures in the FY2023 budget

- City development that protects Tokyo citizens from the threat of disasters
- Enrichment of medical systems, etc. • Lifestyle safety and security assurance

etc.



Smart City

- We will build a **world’s choice and world leading city, Tokyo, by improving Tokyo’s presence, and realizing a carbon-free society**, etc.

Measures in the FY2023 budget

- Realization of a city full of appeal that attracts the world
- Realization of a city driving the world’s economy
- Realization of a convenient and pleasant Tokyo
- Realization of a Zero Emission Tokyo

etc.



3Cs to Build a Tokyo in which “People” can Shine

- The TMG positioned the **3Cs (Children, Choju (longevity), Community)** as the core elements of strategies in the “**Future Tokyo: Tokyo’s Long-Term Strategy**” drafted in March 2021. **From the perspectives of these “3Cs,”** we will steer these strategies towards the realization of diversity by building a Tokyo that heightens the strengths of “people,” draws out the strengths of “people,” and allows each person to fulfil a leading role.

Children - Children First -

⑤ ¥755.7 billion (+¥192.1 billion)

We will create a Tokyo in which the children can shine, by providing seamless comprehensive and continuous support, arm-in-arm with child-rearing households, from before the child is born up until the time the child has grown into a healthy adult.

Main initiatives

- Reinforcement of comprehensive support for child-rearing households
- New** Education and enlightenment to promote understanding of the “Tokyo Metropolitan Government Basic Ordinance for Children”
- New** “Play” promotion project
- New** Promoting the assignment of coordinators who refer young caregivers to appropriate support



Choju - Choju (longevity) Society Showcased to the World -

⑤ ¥75.4 billion (+¥2.2 billion)

Engaging in QOL improvements for the elderly through social participation support and digital divide measures, we will create a Tokyo in which the elderly can participate with vitality and live rewarding lives in the lifespan 100-years era.

Main initiatives

- New** Promoting initiatives for nursing-care operators to maintain and improve the level of required nursing care of care recipients, etc.
 - TOKYO smart-phone supporter system
- New** Nursing-care site DX and task share promotion project
 - Subsidy for construction and improvement of special nursing-care homes for the elderly, etc.



Community - Maintaining Connections and Supporting Each Other - ⑤ ¥38.3 billion (+¥12.0 billion)

We will build a Tokyo that extends a hand of support to persons carrying worries and concerns, through the reinforcement of support systems for a variety of concerns, and the creation of connections between people, etc.

Main initiatives

- Reinforcement of support and counselling systems to protect mind and life
- New** Commissioning of railway station barrier-free investigations
- New** Visitation and advisory support project for business operators working to become LGBT friendly
- New** Reinforcement of the disaster prevention strengths of town councils and residents’ associations on the occasion of the centennial of the Great Kanto Earthquake



FY2023 Budget by Program Area

I A City Full of the Smiles of Children

- Working towards the realization of a society that hands down hope to the next generation, we will **deploy comprehensive and continuous measures** such as **society-wide support for the healthy growth of children**, and **arm-in-arm support for children and child-rearing households**.



Main initiatives

New	Match making support project	⑤	¥0.09 billion
New	Studies on providing support for egg freezing	⑤	¥0.1 billion
New	Free daycare for the second child	⑤	¥11.0 billion
New	"018 support" benefits for children ages 0-18	⑤	¥126.1 billion
New	Creation of opportunities to connect with a diverse range of other people	⑤	¥2.4 billion

II Human Resource Development to Heighten and Draw out the Power of People

- We will **invest in children and youth** with a view towards the development of HR that can become the driving force of an international society, **strongly promote re-learning and career progression**, and **develop an environment in which anybody can work in the manner they desire**.



Main initiatives

New	Creation of opportunities to experience foreign languages	⑤	¥0.09 billion
New	Overseas exchange program for metropolitan high school students	⑤	¥0.6 billion
	Commissioned training for re-employment promotion, etc. (Specialist HR development training)	⑤	¥0.8 billion (④ ¥0.5 billion)
New	Women's career change support project	⑤	¥0.2 billion
New	Senior citizen's re-engagement support lectures to accommodate the needs of a new era	⑤	¥0.1 billion

III An Inclusive Society where Everyone can Embrace Their Individuality and Lead Vibrant Lives

- We will remove various barriers and promote measures towards **the realization of a richly diverse and inclusive coexistence-oriented society in which anyone can shine**, regardless of age, gender or the presence/absence of disability, etc.



Main initiatives

New	Providing support for the use of digital technology to enhance the QOL of senior citizens	⑤	¥0.2 billion
New	Care support project for children requiring medical care	⑤	¥0.08 billion
New	More support project for child-rearing men	⑤	¥0.5 billion
New	Foodbank donation promotion project	⑤	¥0.1 billion
	Responses to school non-attendance, etc.	⑤	¥7.0 billion (④ ¥5.2 billion)

IV A Financial, Economic, and Cultural Hub that is the World's City of Choice

- We will **proactively deploy measures** to improve Tokyo's presence, create innovation, and improve the city's functions, **with the aim of realizing a world's choice and world leading city.**



Main initiatives

New	Strategically promoting TMG's new concept "SusHi Tech Tokyo" or "Sustainable High Tech City Tokyo"	⑤ ¥0.08 billion
New	Rolling out projection mapping events	⑤ ¥1.8 billion
New	Promotion fund for university launched startups (provisional name)	⑤ ¥5.0 billion
New	Subsidies to promote the attraction of GX related companies	⑤ ¥0.3 billion
New	Decarbonization fund to support small and medium-sized enterprises working towards Scope 3 compliance	⑤ ¥6.0 billion

V The World's Safest, Most Secure and Resilient City

- Working towards **the realization of a resilient and sustainable city that will be "secure for another 100 years,"** we aim to **deploy proactive measures from both tangible and intangible perspectives** against the crises facing the TMG, such as wind and flood disasters, earthquakes, and volcanic eruptions.



Main initiatives

	Constructing new regulating reservoirs	⑤ ¥1.1 billion (④ ¥0.8 billion)
	Subsidy system for earthquake resistance for homes	⑤ ¥0.6 billion (④ ¥0.4 billion)
New	Renewal of "Disaster Preparedness Tokyo" and "Disaster Readiness Guide – Prepare Yourself and Your Family"	⑤ ¥3.2 billion
New	Reinforcement of disaster prevention ship disaster-response capabilities	⑤ ¥0.4 billion
New	Home medical care promotion reinforcement project	⑤ ¥0.2 billion

VI Realization of a Carbon-Neutral Society

- Following the revision of the ordinance for environmental security, **we will fully mobilize various measures such as the expansion of renewable energy use, and conduct a society-wide acceleration of "HTT" initiatives to Herasu (save), Tsukuru (generate), and Tameru (store),** steadily advancing towards the **realization of carbon-half by 2030.**



Main initiatives

	Buildings Environment Report system promotion project	⑤ ¥3.4 billion (④ Supplementary allocation)
	Project for the expansion of insulated and solar-powered homes that are resistant to disasters and contribute to health	⑤ ¥49.6 billion (④ ¥24.7 billion)
New	Home HTT movement promotion project	⑤ ¥0.4 billion
New	Project to support the introduction of energy saving equipment and improved operations to achieve zero emissions	⑤ ¥3.4 billion
New	Support project for the implementation of equipment for green hydrogen production and utilization	⑤ ¥1.2 billion

VII Promotion of “Smart Tokyo” and “SHIN-TOSEI” (Structural Reform of the TMG)

- We will draw out Tokyo’s potential and heighten Tokyo citizens’ QOL (Quality of Life) by assertively promoting DX in each sector through initiatives for the realization of “Smart Tokyo”, structural reforms of the TMG, etc.



Main initiatives

New	Development of “Anytime-connect Tokyo” Wi-Fi access points	⑤	¥1.2 billion
New	Establishing a new organization, GovTech Tokyo, etc.	⑤	¥2.3 billion
New	Opening a base for experiencing digital contents	⑤	¥0.4 billion
	Hosting of the Tokyo Governor’s Cup Open Data Hackathon	⑤	¥0.1 billion(④ ¥0.06 billion)
New	TDA (Tokyo Digital Academy) portal site construction and operation	⑤	¥0.02 billion

Digital Related Expenses

- In the FY2023 budget, **digital related expenses rise to 275.8 billion yen, an increase of 42.4 billion yen over the previous fiscal year**, in order to promote DX in Tokyo, such as the realization of “Smart Tokyo.”
- Working towards further improvements in the TMG’s QOS (Quality of Service), we will be taking on the following stages of reform.**

Realization of “Smart Tokyo”

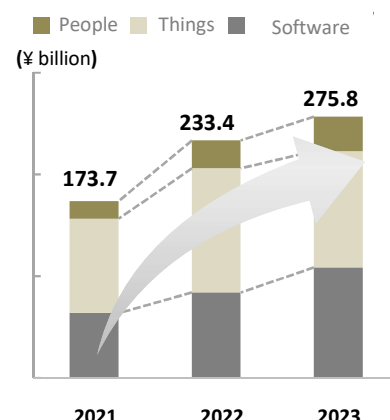
- Realization of affluent and convenient lifestyles through enriched smart services that utilize 5G and AI, etc. ¥112.6 billion

Promotion of TMG structural reforms “Shin-Tosei”

- Construction of foundation for the digital government, TMG through TMG offices workstyle reform, thorough services design, etc. ¥60.1 billion

Systems maintenance and management, etc.

- Operation and maintenance of existing systems, etc. ¥157.8 billion



* As there is some overlap (¥54.7 billion), the sum of breakdowns and the total do not match.

VIII Promotion of the Tama Area and Tokyo Islands

- We will promote effective initiatives towards sustainable development, such as improving presence in Japan and overseas, and promoting town development utilizing the attraction and potential of the region.



Main initiatives

New	Holding events to commemorate the 130th anniversary of the Tama area coming under Tokyo’s jurisdiction	⑤	¥0.1 billion
New	Tama area and Tokyo islands lifestyle experience tour	⑤	¥0.2 billion
New	Project to promote Tama and Tokyo islands adventure tourism	⑤	¥0.2 billion
	Measures against introduced species project (Reeve’s muntjac deer)	⑤	¥0.8 billion(④ ¥0.7 billion)
	Tokyo Takarajima – Sustainable island creation project	⑤	¥1.3 billion(④ ¥0.4 billion)

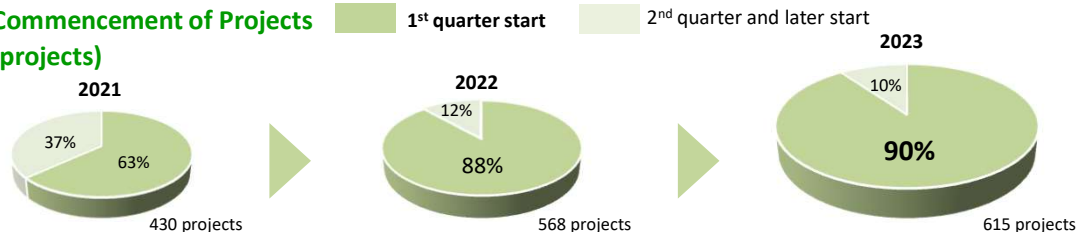
◆ Eight Pillars of the FY2023 Budget

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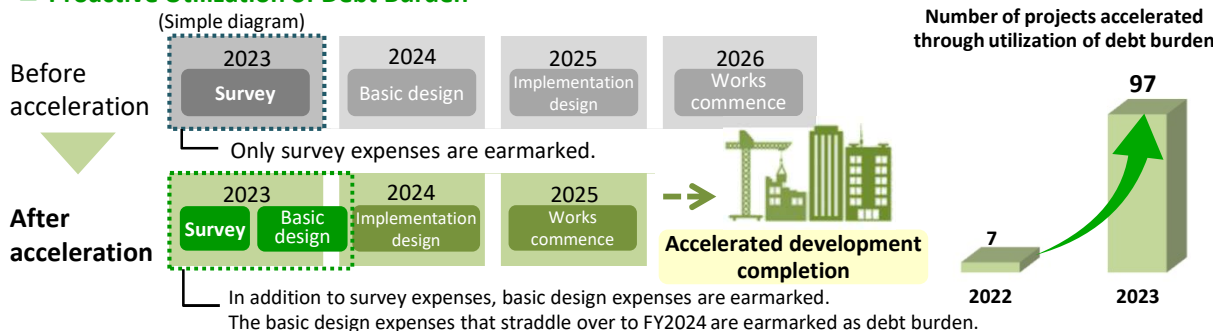
Acceleration of Project Execution for Early Indication of the Effects of Measures

- In the FY2023 budget, from the perspective of returning the effects of measures to Tokyo citizens as early as possible, we will further promote the early commencement of all projects (from 1st quarter) and the proactive utilization of debt burden.

Early Commencement of Projects (New projects)



Proactive Utilization of Debt Burden



By aiming for the scheduled and swift execution of each measure, such as various construction, system development and subsidized projects, which **expedites the realization of the targets and effects of measures**, the TMG's QOS will also improve in terms of speed.

Initiatives towards Visualization of TMG Finances

- In order to convey TMG finances information in an easy to understand manner, beginning with the "Tokyo Budget Visualization Board," we are posting "TMG Finances Visualization Boards" in order to visualize key budget and settlement data.
- Following the release of the "Tokyo Budget Visualization Board" in January 2021, along with repeated continuous improvements, we have added other dashboards of the settlement of the ordinary account, financial statements, policy reviews and project reviews, and subsidies, to achieve a **multifaceted visualization of TMG finances**.

TMG Finances Visualization Boards



Taking user reviews into consideration, we will continue **improvements to make the dashboards even easier to use.**

The TMG Finances Visualization Boards can be accessed via the Bureau of Finance website.
<https://www.zaimu.metro.tokyo.lg.jp/zaisei/dashboard.html>





System of Project Proposals by Tokyo Citizens, University Researchers, and TMG Staff



The objective of this system is to solve the pressing issues facing the TMG by utilizing new perspectives not tied to conventional concepts and the knowledge that has congregated in Tokyo.

System of Project Proposals by Tokyo Citizens [FY2023 budget amount ¥0.41 billion]

- Through “**Proposals put forward by Tokyo citizens and selected by Tokyo citizens**,” this mechanism allows measures to directly reflect the voices of Tokyo citizens.
- From **684 proposals**, **7 projects** are selected with votes from Tokyo citizens taken into consideration.

	Budget amount
Seamless support covering marriage, pregnancy, child-birth, and child-rearing	Child-rearing information sharing app and site ¥61 million
HR development that carves a new path for a new era	Cultural programs and school cooperation projects (regional cooperation type) ¥41 million
Realization of longevity-based society that can be showcased to the world	TOKYO Senior Canteen promotion project ¥50 million
Promotion of women's empowerment	Project to enhance wellness for working women ¥49 million
Realization of a society in which everyone feels the kindness and supports each other	Commissioning of railway station barrier-free investigations ¥10 million
	Bad apartment management prevention and improvement support project ¥18 million
City development that protects Tokyo citizens from the threat of disasters	Enhancing the functions of the disaster prevention app ¥176 million

- Along with votes from Tokyo citizens, we asked voters to send in points for improvement, etc., in relation to proposed projects, and received **2,828** opinions.

For status of reflected opinions, please follow the Bureau of Finance website “Tokyo citizen’s proposals” link below.
<https://www.zaimu.metro.tokyo.lg.jp/zaisei/teian/5tomin.html>



System of Project Proposals by University Researchers [FY2023 budget amount ¥0.13 billion, total project expenses ¥1.01 billion]

- Based on proposals from researchers, this mechanism **creates projects through cooperation with researchers and universities**.
- From **40 proposals**, **5 projects** are selected, with examinations by experts, etc., and votes from Tokyo citizens taken into consideration.

	Budget amount	Total project expenses (Anticipated)
Realization of a longevity-based society that can be showcased to the world	Supporting training of home nursing personnel ¥26 million	¥210 million
Enrichment of medical systems, etc.	Support for balancing cancer treatment and work ¥24 million	¥100 million
Realization of Zero Emission Tokyo	Urban solar battery power generation and storage reinforcement promotion project ¥30 million	¥490 million
	Food donation project for the children who will carry the future ¥30 million	¥90 million
Regional development full of individuality and appeal in the islands	Tsunami detection system construction project ¥20 million	¥120 million

System of Project Proposals by TMG staff

- Three projects are reflected in the budget, including “Cashless payment machines for metropolitan tax certification and viewing charges,” at the metropolitan tax offices.

2

Revenues and Expenditures Budget Status

Financial Scale

General Account Budget Scale 8,041 billion yen (+240.0 billion yen, +3.1%, compared to the previous fiscal year)

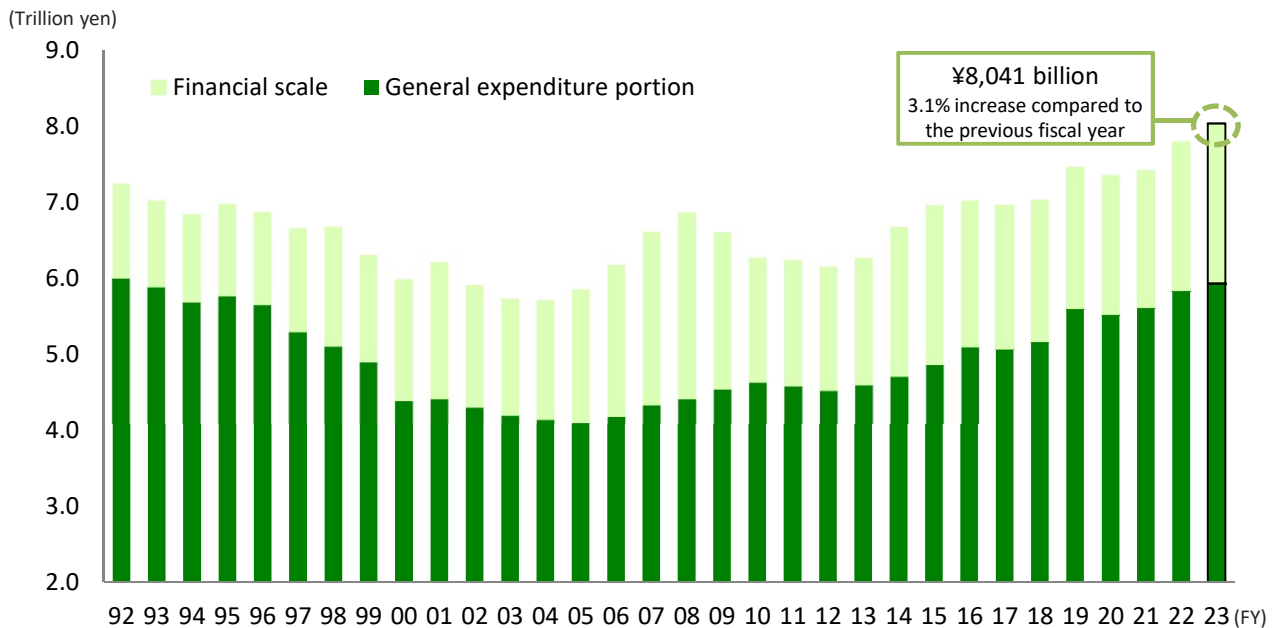
- The general account budget scale increases by 3.1% over the previous fiscal year to reach the **highest ever** amount of 8,041 billion yen.
- Metropolitan tax revenues increase by 10.1% compared to the previous fiscal year, to 6,201 billion yen, mainly due to increased revenues from the two corporate taxes following a recovery in corporate earnings.
- General expenditure, which is policy expenditure, increases by 1.6% compared to the previous fiscal year, to 5,935.4 billion yen mainly due to intensive allocation of financial resources to initiatives to realize a children-first society, increase the city's resilience, and realize a carbon-free society, etc.

Item		FY2023	FY2022	Change in amount	Percentage of change
General Account	Annual revenues	8,041.0billion	7,801.0billion	240.0billion	3.1%
	Of which metropolitan taxes	6,201.0billion	5,630.8billion	570.2billion	10.1%
	Annual expenditures	8,041.0billion	7,801.0billion	240.0billion	3.1%
	Of which general expenditure	5,935.4billion	5,840.7billion	94.7billion	1.6%
	Of which less anti-Covid measures	5,935.4billion	5,482.2billion	453.2billion	8.3%

Special accounts	[18 accounts]	6,278.2billion	5,838.2billion	440.0billion	7.5%
Public enterprise accounts	[9 accounts]	1,762.9billion	1,754.7billion	8.2billion	0.5%
Total accounts	[28 accounts]	16,082.1billion	15,393.9billion	688.2billion	4.5%

* The term "General expenditure" indicates so-called "policy expenditure" and refers to expenses in the general account excluding expenses for public bonds and expenses allocated to municipalities as a fixed percentage of taxes (tax-related expenses) such as special wards fiscal adjustment account transfers and local consumption tax grants.

Financial Scale and Changes in General Expenditure (General Account Initial Budget)



Item	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Financial scale	¥7,046.0 billion 1.3%	¥7,461.0 billion 5.9%	¥7,354.0 billion -1.4%	¥7,425.0 billion 1.0%	¥7,801.0 billion 5.1%	¥8,041.0 billion 3.1%
General expenditure	¥5,182.2 billion 2.7%	¥5,597.9 billion 8.0%	¥5,533.2 billion -1.2%	¥5,612.2 billion 1.4%	¥5,840.7 billion 4.1%	¥5,935.4 billion 1.6%

* All figures are initial budget based.

* Lower values indicate percentage change compared to the previous fiscal year.

■ Status of TMG Budget, National Budget and Local Public Finance Measure

Item	TMG (General account initial budget)	National (General account initial budget)	Local public finance measure (Revenues in regular portion)
Financial scale	↑ ¥8,041.0 billion (3.1%)	↑ ¥114,381.2 billion (6.3%)	↑ ¥92,040.0 billion (1.6%)
General expenditure	↑ ¥5,935.4 billion (1.6%)	↑ ¥72,731.7 billion (8.0%)	↑ ¥76,480.0 billion (0.8%)
Tax revenue	↑ ¥6,201.0 billion (10.1%)	↑ ¥69,440.0 billion (6.4%)	↑ ¥42,875.1 billion (4.0%)
Dependency on bond issuance	↓ 3.6% -0.2 percentage pts	↓ 31.1% -3.2 percentage pts	↓ 7.4% -1.0 percentage pts
Bond issuance balance	↓ ¥4.8 trillion (-2.9%) Tax revenue ratio 0.8 times	↑ ¥1,068 trillion (4.1%) Tax revenue ratio 15.4 times	↓ ¥182 trillion (-3.2%) Tax revenue ratio 4.2 times

* Values in () indicate percentage change compared to the previous fiscal year.

* Dependency on bond issuance is the percentage of revenues accounted for by bond issuance.

* The national general expenditure is the total expenditure less JGB expenses and local allocation tax grants, etc.

* The national bond issuance balance includes reconstruction bonds.

* The bond issuance balance of local public finance measure includes the Great East Japan Earthquake portion.

Status of Revenues (General Account)

Total Revenues 8,041 billion yen (+240.0 billion yen, +3.1%, compared to the previous fiscal year)

- Metropolitan tax revenues increase by 570.2 billion yen or 10.1% compared to the previous fiscal year, mainly due to **increased revenues from the two corporate taxes** following a recovery in corporate earnings.
- As expenses related to special responses for measures against COVID-19 are not earmarked in the initial budget, national treasury disbursements decrease by 354.1 billion yen or 47.7% compared to the previous fiscal year, mainly due to **decreases in grants for anti-Covid measures**.
- While funds such as the “Tokyo Resilience Promotion Fund” (provisional name) are proactively utilized in order to protect the lives and livelihoods of Tokyo citizens from the threat of natural disasters, funds transfers decrease by 65.6 billion yen or 11.6% compared to the previous fiscal year, mainly due to decreased funds transfers from the social capital improvement fund.
- TMG bonds decrease by 3.8 billion yen or 1.3% compared to the previous fiscal year, due to **restrained issuance amounts** through the utilization of increased tax revenues. Of these, regarding **ESG bonds**, **about 100 billion yen will be issued, the same level as the previous year**, to further promote ESG investment and drive realization of SDGs from the financial sector.

Status of Revenues

Item	FY2023	FY2022	Change in amount	Change of percentage
Metropolitan taxes	¥6,201.0 billion	¥5,630.8 billion	¥570.2 billion	10.1%
Local transfer taxes	¥67.2 billion	¥49.2 billion	¥18.0 billion	36.6%
National treasury disbursements	¥388.1 billion	¥742.2 billion	−¥354.1 billion	−47.7%
Funds transfers	¥501.6 billion	¥567.3 billion	−¥65.6 billion	−11.6%
TMG bonds	¥290.8 billion	¥294.6 billion	−¥3.8 billion	−1.3%
Other revenues	¥592.3 billion	¥517.0 billion	¥75.3 billion	14.6%
Total	¥8,041.0 billion	¥7,801.0 billion	¥240.0 billion	3.1%

Metropolitan Taxes

- Metropolitan tax revenues **increase by 570.2 billion yen or 10.1% compared to the previous fiscal year** to 6,201.0 billion yen, mainly due to increased revenues from the two corporate taxes following a recovery in corporate earnings and increased local consumption tax (post settlement).

Metropolitan Tax Breakdown

Item	FY2023	FY2022	Change in amount	Change of percentage
Metropolitan taxes	¥6,201.0 billion	¥5,630.8 billion	¥570.2 billion	10.1%
Two corporate taxes	¥2,208.9 billion	¥1,913.8 billion	¥295.1 billion	15.4%
Local consumption tax (post settlement)	¥769.0 billion	¥656.7 billion	¥112.2 billion	17.1%
Fixed asset tax City planning tax	¥1,717.4 billion	¥1,628.3 billion	¥89.1 billion	5.5%
Other taxes	¥1,505.7 billion	¥1,431.9 billion	¥73.8 billion	5.2%

[Financial resources of expenses required for social security measures]

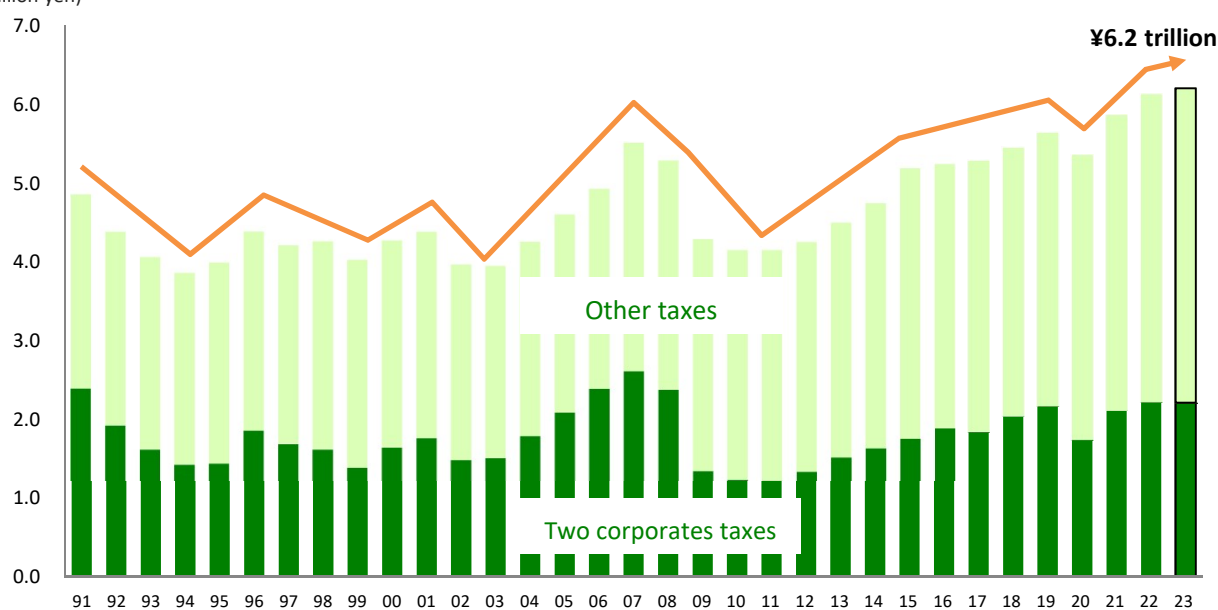
- In order to secure the financial resources of expenses required for social security measures, which are expected to continue increasing, the consumption tax rate, including national and local taxes, was raised from 5% to 8% from April 1, 2014 (of which the local consumption tax rate: 1.7%), and again from 8% to 10% from October 1, 2019 (of which the local consumption tax rate: 2.2%).
- The total amount of increased revenues accompanying the hikes in the local consumption tax rate, is allocated as the financial resource of expenses required for social security measures.

[Fixed asset tax, etc., burden alleviation measures]

- The three existing burden alleviation measures (20% reduction in small-scale non-housing land, etc.) of fixed asset tax, etc., will be continued in FY2023.

Changes in Metropolitan Tax Revenues

(trillion yen)



* Values up to FY2021 are settled amounts, values for FY2022 are amounts after final adjustment, and values for FY2023 are initial budget amounts.

(FY)

Status of Expenditures (General Account)

General expenditure 5,935.4 billion yen	(Previous FY initial budget comparison less anti-Covid measures	+94.7 billion yen, +1.6% +453.2 billion yen, +8.3%)
<ul style="list-style-type: none"> ● General expenditure increases by 1.6% compared to the previous fiscal year to 5,935.4 billion yen. ● Ordinary expenditures increase by 0.9% compared to the previous fiscal year to 4,907.9 billion yen, mainly due to initiatives for realizing a children-first society, a carbon-free society, and a Tokyo vibrant with startups. ● Investment expenses increase by 5.1% compared to the previous fiscal year to 1,027.5 billion yen, mainly due to initiatives to increase the city's resilience, and initiatives towards the formation of convenient and comfortable transportation and shipping networks. ● Expenses for public bonds decrease by 0.4% compared to the previous fiscal year to 344.2 billion yen as a result of steady redemption of TMG bonds to date. 		

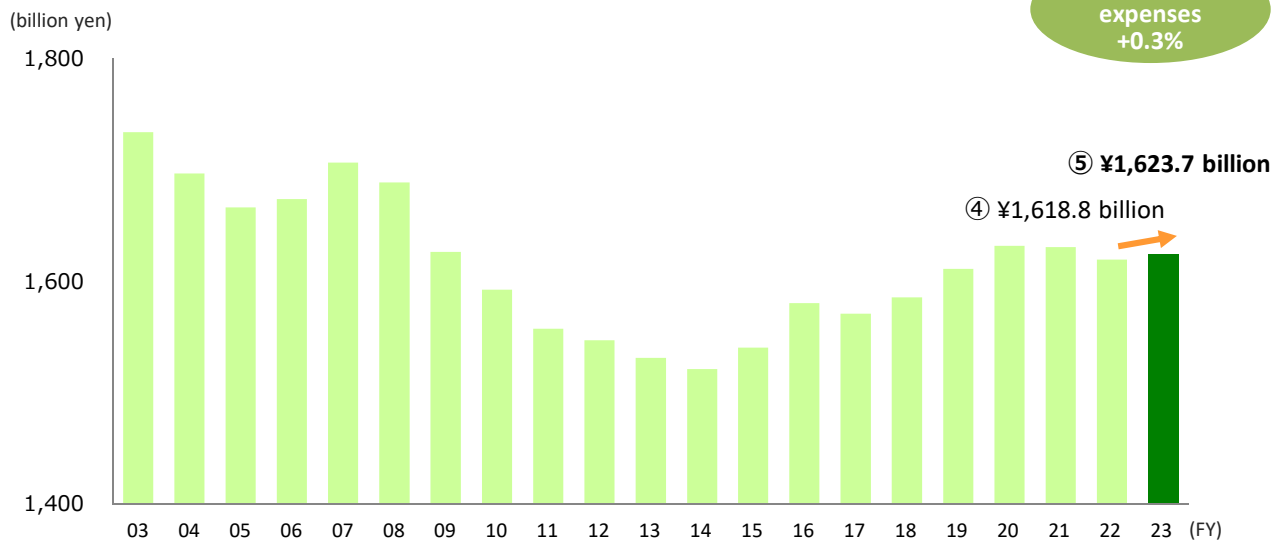
Status of Expenditures

Item	FY2023	FY2022	Change in amount	Change in percentage
General expenditure	¥5,935.4 billion	¥5,840.7 billion	¥94.7 billion	1.6%
Less anti-Covid measures	¥5,935.4 billion	¥5,482.2 billion	¥453.2 billion	8.3%
Ordinary expenditures	¥4,907.9 billion	¥4,863.1 billion	¥44.8 billion	0.9%
Salary-related expenses	¥1,623.7 billion	¥1,618.8 billion	¥4.9 billion	0.3%
Other ordinary expenditures	¥3,284.2 billion	¥3,244.3 billion	¥40.0 billion	1.2%
Investment expenses	¥1,027.5 billion	¥977.6 billion	¥49.8 billion	5.1%
Expenses for public bonds	¥344.2 billion	¥345.6 billion	−¥1.4 billion	−0.4%
Tax-related expenses, etc.	¥1,761.4 billion	¥1,614.6 billion	¥146.8 billion	9.1%
Total	¥8,041.0 billion	¥7,801.0 billion	¥240.0 billion	3.1%

Salary-Related Expenses

- Salary-related expenses increase by 4.9 billion yen compared to the previous fiscal year, mainly due to increases accompanying revision of salaries.

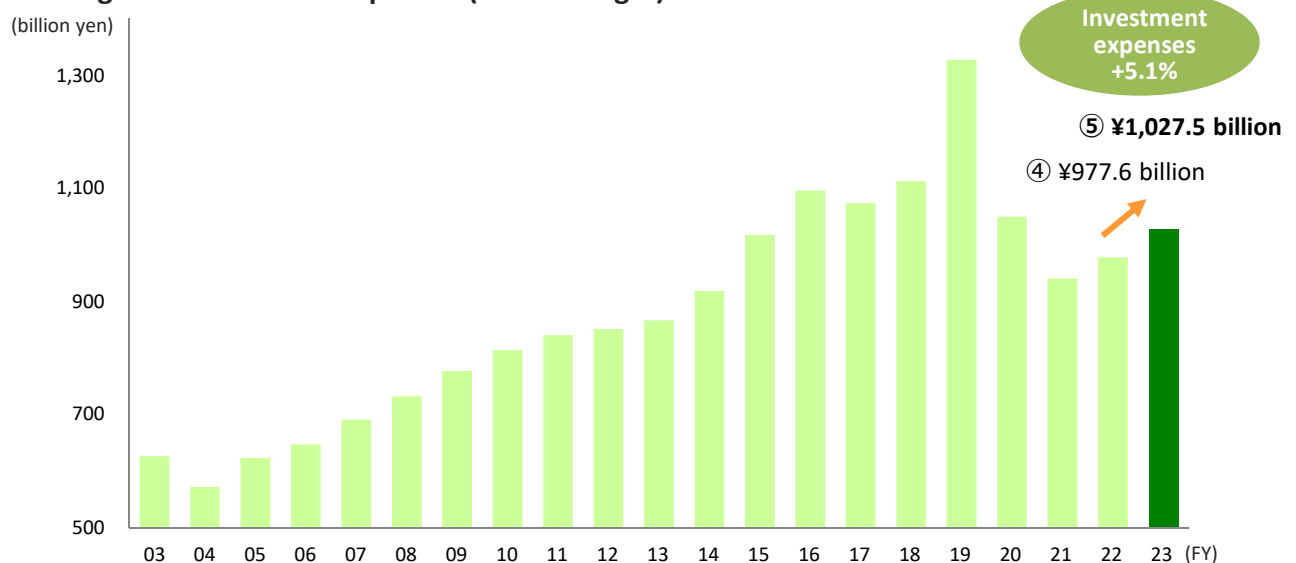
Changes in Salary-Related Expenses (Initial Budget)



Investment Expenses

- Financial resources are allocated with priority placed on projects that will be highly effective, such as initiatives for city planning that protects Tokyo citizens from the threat of disasters in order to secure the safety and security of Tokyo citizens, and initiatives towards the formation of convenient and comfortable transportation and shipping networks including the promotion of continuous grade separation of railways.
- Such initiatives increase investment expenses by 5.1% compared to the previous fiscal year to 1,027.5 billion yen.

Changes in Investment Expenses (Initial Budget)



Breakdown by Objective

- When looking at expenditure by objective, compared to the previous fiscal year, “Health and Welfare” increases by 194.9 billion yen or 14.5% (when anti-Covid expenses are excluded), and “Labor and Economy” increases 80.8 billion yen or 13.1%. We are working to improve the quality of Tokyo citizens’ lives through **prioritized and efficient** allocation of **limited financial resources**.










Item	FY2023		FY2022		Change in amount	Change in percentage
		Ratio		Ratio		
Health and Welfare	¥1,538.4 billion	25.9%	¥1,701.9 billion	29.1%	−¥163.5 billion	−9.6%
Less anti-Covid measures	¥1,538.4 billion	25.9%	¥1,343.5 billion	24.5%	¥194.9 billion	14.5%
Education and Culture	¥1,198.0 billion	20.2%	¥1,172.4 billion	20.1%	¥25.5 billion	2.2%
Labor and Economy	¥696.3 billion	11.7%	¥615.5 billion	10.5%	¥80.8 billion	13.1%
Living Environment	¥320.5 billion	5.4%	¥240.8 billion	4.1%	¥79.7 billion	33.1%
Urban Development	¥891.3 billion	15.0%	¥842.4 billion	14.4%	¥48.9 billion	5.8%
Police and Firefighting	¥921.8 billion	15.5%	¥911.5 billion	15.6%	¥10.2 billion	1.1%
Planning and General Affairs	¥369.1 billion	6.2%	¥356.2 billion	6.1%	¥12.9 billion	3.6%
General expenditure	¥5,935.4 billion	100.0%	¥5,840.7 billion	100.0%	¥94.7 billion	1.6%
Less anti-Covid measures	¥5,935.4 billion	100.0%	¥5,482.2 billion	100.0%	¥453.2 billion	8.3%
Public Bonds	¥344.2 billion	—	¥345.6 billion	—	−¥1.4 billion	−0.4%
Tax-related Expenses, etc.	¥1,761.4 billion	—	¥1,614.6 billion	—	¥146.8 billion	9.1%
Expenditure	¥8,041.0 billion	—	¥7,801.0 billion	—	¥240.0 billion	3.1%

Reasons for Changes in Each Sector

Health and Welfare	Increased by 14.5%, mainly due to the commencement of “018 support” benefits for children ages 0-18 and free daycare for the second child, and increased support projects for childbirth and child-rearing in Tokyo. * Less anti-Covid measures.
Education and Culture	Increased by 2.2%, mainly due to increased school buildings renovation expenses for metropolitan schools, and increased expenses related to the development of “practical English skills.”
Labor and Economy	Increased by 13.1%, mainly due to increased expenses related to the institutional finance for small and medium-sized enterprises and renovation of “Tokyo Work Center” building, and the commencement of technological development support projects related to the promotion of new energies.
Living Environment	Increased by 33.1%, mainly due to increased expenses related to the project for the expansion of insulated and solar-powered homes that are resistant to disasters and contribute to health, and the expansion of the ZEV promotion project.
Urban Development	Increased by 5.8%, mainly due to increased expenses related to small and medium-sized river development, the promotion of continuous grade separation of railways and the expansion of the Shinjuku station vicinity development project.
Police and Firefighting	Increased by 1.1%, mainly due to increased expenses related to police station land acquisition and management of police facilities.
Planning and Gen. Affairs	Increased by 3.6%, mainly due to increased expenses related to the construction of the next core system for tax administration, and the renewal of “Disaster Preparedness Tokyo” and “Disaster Readiness Guide – Prepare Yourself and Your Family.”

Column Budget per Tokyo Citizen

- This section reorganizes the FY2023 budget to show budget per Tokyo citizen by objective. **A large portion of the budget is allocated to measures to address the falling birthrate and the graying population, enrichment of school education, police and firefighting activities, etc.**
- Comparison against figures for FY1993, 30 years ago, shows a **significant increase for “Health and Welfare,”** mainly due to measures for children and the elderly accompanying a falling birthrate and graying population.
- In this way, we maintain an accurate understanding of the needs of Tokyo citizens as they change with the times, **and appropriately allocate limited financial resources from metropolitan tax revenues, etc., to the necessary measures.**

Sector	FY2023 Budget	FY1993 Budget
 Health and Welfare e.g., measures to address the falling birthrate and the graying population	¥109,555	¥52,673
 Education and Culture e.g., the enhancement of school education	¥85,312	¥94,335
 Labor and Economy e.g. revitalization of industry	¥49,590	¥37,404
 Living Environment e.g., waste management	¥22,823	¥57,488
 Urban Development e.g., road development	¥63,475	¥134,550
 Police and Firefighting e.g., police and firefighting activities	¥65,642	¥72,631
 Planning and General Affairs e.g., staff training and welfare	¥26,287	¥46,838
 Public Bonds e.g., principal and interest redemption of TMG Bonds	¥24,511	¥20,849
 Tax-related Expenses, etc. e.g., subsidies to municipalities	¥125,439	¥74,835
Total	¥572,634	¥591,602
Metropolitan taxes	¥441,598	¥363,514

* Figures for total population in Tokyo for FY2023 are as of December 1, 2022, given in “Tokyo Population (Estimates)” (TMG Bureau of General Affairs).

* Figures for total population in Tokyo for FY1993 are as of December 1, 1993, given in “Tokyo Population (Estimates)” (TMG Bureau of General Affairs).

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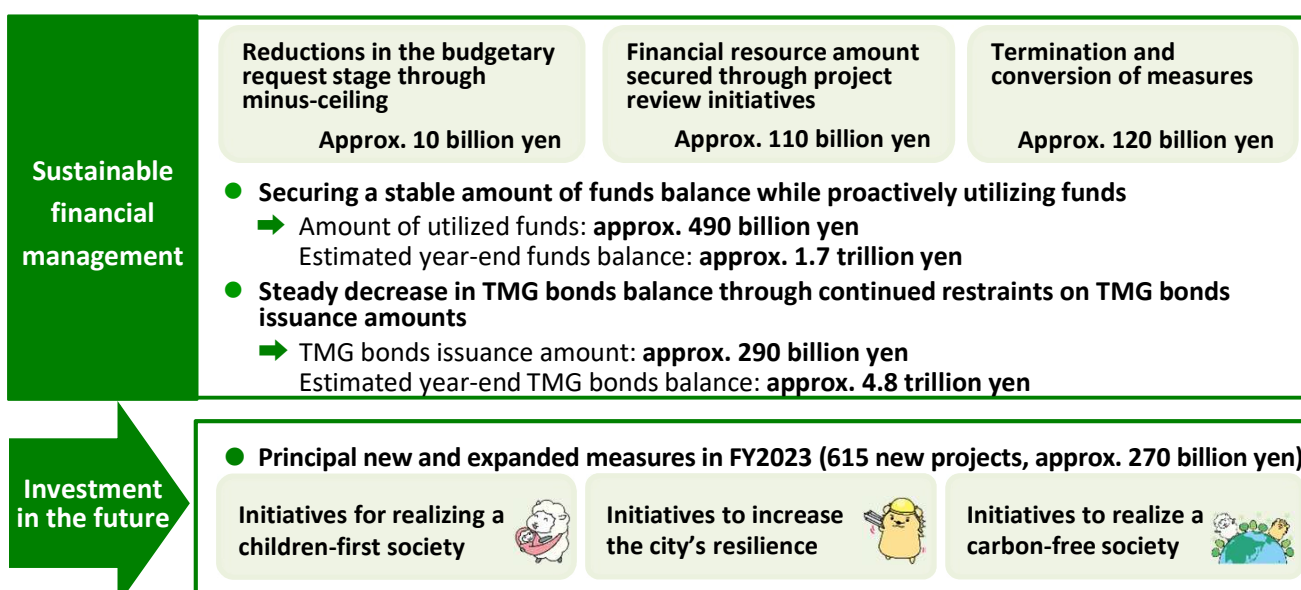
Sustainable Financial Management

Promotion of Sustainable Financial Management

The Context behind Financial Management in the Compilation of the FY2023 Budget

- As socioeconomic activities gradually return to normal after the Covid crisis, Japan's economy is continuing a trend of gentle recovery, and **metropolitan tax revenues in the FY2023 budget have reached approx. 6.2 trillion yen.**
- Meanwhile, when looking at the future, in addition to responses to **unavoidable financial demands**, such as maintenance and renewal of deteriorating social capital stock, and increased expenses for the social security, **"Investment in the future" is essential to the passing down of a "Future Tokyo" full of hope to the next generation** through actions such as low birth rate measures, the securing of safety and security that form the foundation of city activities, and efforts towards compatibility between both decarbonization and the economy.
- Within this backdrop, to ensure the fulfilment of the missions bestowed upon the TMG, there is a need to **proactively deploy bold measures that break down conventional concepts, under financial management with a keen medium and long term focus.**
- In the compilation of the FY2023 budget, with the recognition of aforementioned issues, **we are fully mobilizing the knowledge and experience nurtured to date** in order to achieve compatibility between the proactive deployment of measures and sustainable financial management, **through initiatives towards a children-first society, the building up of Tokyo's resilience, and the realization of a carbon-free society.**
- Specifically, we are engaged in various efforts, such as **minus-ceiling at the budgetary request stage, thorough re-examinations through project reviews, and termination and conversion of measures in the budget compilation stage.** The amount of financial resources secured through project reviews has reached the **highest ever amount of 114.1 billion yen.**
- In addition, along with the **further reinforcement of policy review and project review initiatives**, such as the reinforcement of data analyses, and verification of project deployment speed-up, we are undertaking sustainable financial management with considerations also given to financial capability for the future, through the **creation of new funds, the securing of a stable amount of funds balance, and continued restraints on TMG bonds issuance.**

Compatibility between Proactive Measures Deployment and Sustainable Financial Management

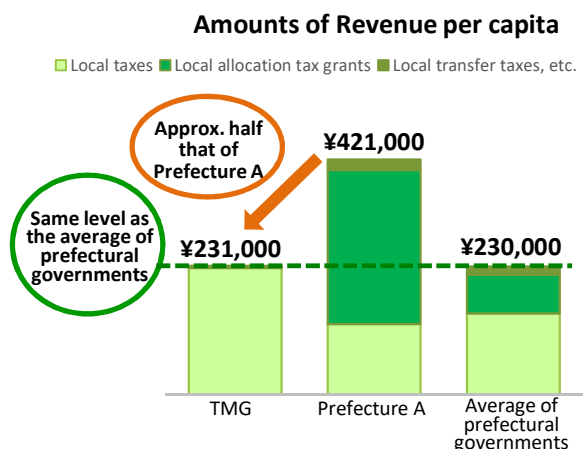


We will refine financial capabilities and carve a path to a future full of hope through the proactive deployment of measures.

Column Autonomous and Flexible Financial Management Initiatives

■ Amounts of Revenue per capita

- The TMG is the only prefecture that does not receive local allocation tax grants, and consequently **needs to be more self-reliant in the performance of financial management** than other prefectures.
- When comparing amounts of revenue per capita including local taxes and local allocation tax grants, the **level in Tokyo is almost the same as the average of prefectural governments, and not high at all.**

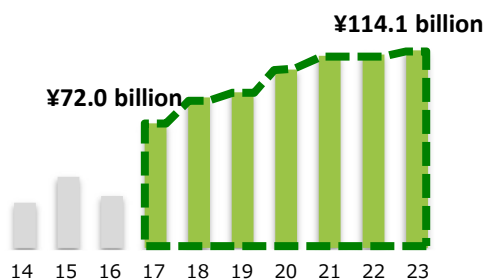


* Created from Ministry of Internal Affairs and Communications materials (FY2020 Settlement)
 * Population figures are as of January 1, 2021, given in the "Basic Resident Register."

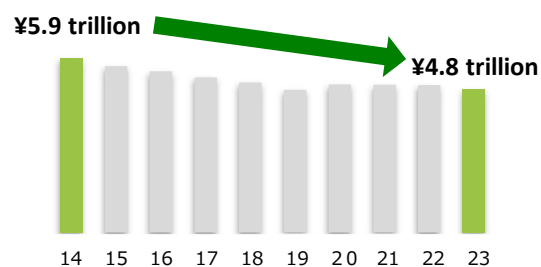
■ Securing Flexibility in Financial Management

- In order to ensure the fulfillment of the mission imposed on the TMG with limited financial resources, we have been **striving to improve the efficiency and effectiveness of projects and strengthen initiatives to reduce unnecessary spending, such as thorough ex post reviews through the setting of end-of-terms, in addition to policy conversions** including the discontinuation of industrial waterworks.
- Specifically, by **heightening the flexibility of financial capabilities** through project review initiatives, which have led to the **securing of a total amount of approx. 690 billion yen in financial resources** since FY2017, and a **reduction of approx. 20% in TMG bonds balance over ten years**, we were able to **respond appropriately to the financial demands of the Tokyo 2020 Games and anti-Covid measures, etc.**, and follow through with the proactive deployment of measures to create a "Future Tokyo."

Amount of Financial Resources Secured through Project Reviews
 Total approx. **¥690 billion** from FY2017 to FY2023



Changes in TMG Bonds Balance over the Past Ten Years
 Approx. **¥1.06 trillion** down from FY2014 to FY2023



- In addition to improving the efficiency and effectiveness of measures, we will continue to undertake **robust and flexible financial management that can support the proactive deployment of measures**, through the strategic utilization of funds and TMG bonds.

Creation of new funds under the FY2022 final supplementary budget

Estimated funds balance at end-FY2023
¥1,728.8 billion

- Tokyo resilience promotion fund (provisional name) **¥300.0 billion**
- Fund to promote the installation of renewable energy equipment in new buildings, etc. (provisional name) **¥150.0 billion**
- Tokyo 2020 legacy fund (provisional name) **¥148.5 billion**

Local Corporate Taxation Reviews

- In local tax and financial systems, due to successive local corporate taxation reviews since the FY2008 tax reform, the so-called “measures to correct uneven distribution,” the transfer of corporate inhabitant and enterprise taxes (two corporate taxes) to national tax had been processed.
- The impact amount of this series of “measures to correct uneven distribution” on FY2023, compared to a hypothetical case in which tax reforms had not taken place, is **–1,276.5 billion yen**. The effect of these measures on TMG finances is not small.
- The TMG will continue to strongly urge the national government to establish the ideal local tax and financial systems, so that local governments can secure financial resources commensurate with their roles and authority.

■ The Impact Amount of “Measures to Correct Uneven Distribution” on Local Corporate Taxation

	FY2023 initial budget	
① Corporate enterprise tax	–¥643.6 billion	Partial transfer of corporate enterprise tax to national tax as special corporate enterprise tax
Special corporate enterprise transfer tax	¥63.8 billion	Special corporate enterprise tax distributed among prefectures as local transfer tax (FY2023 local public finance measure: ¥2,013.7 billion)
② Corporate inhabitant tax	–¥679.9 billion	Partial transfer of corporate inhabitant tax to the source of local allocation tax grants as local corporate tax
Two corporate taxes and transfer tax subtotal	–¥1,259.7 billion	
③ Corporate enterprise tax grant	–¥16.8 billion	A fixed percentage of corporate enterprise tax distributed among municipalities in each prefecture
Total	–¥1,276.5 billion	

■ Overview of “Measures to Correct Uneven Distribution” on Local Corporate Taxation

① Partial transfer of corporate enterprise tax to national tax	<ul style="list-style-type: none"> - A certain fraction of corporate enterprise tax (income basis and revenue basis) is transferred to national tax as special corporate enterprise tax. - The portion transferred to national tax is distributed among prefectures as special corporate enterprise transfer tax in accordance with population. <p>Approx. 30% of corporate enterprise tax is transferred to national tax. In the distribution of the transfer tax to the TMG, which does not receive local allocation tax grants, up to a maximum of 75% is deducted from the amount proportionally allocated in accordance with population.</p>														
② Transfer of corporate inhabitant tax to the source of local allocation tax grants	<ul style="list-style-type: none"> - A certain fraction of corporate inhabitant tax proportionate to corporate tax is transferred to national tax as local corporate tax, which is distributed as local allocation tax. As the TMG does not receive local allocation tax grants, the tax rate reduction due to the transfer to national tax directly leads to a fall in revenues. <table border="0"> <tr> <td colspan="2">[Standard tax rate for corporate inhabitant tax proportionate to corporate tax]</td><td colspan="2">[Tax rate reduction due to transfer to national tax]</td></tr> <tr> <td>Prefectural inhabitant tax:</td><td>5.0% → 1.0%</td><td>Prefectural inhabitant tax:</td><td>–4.0%</td></tr> <tr> <td>Municipal inhabitant tax:</td><td>12.3% → 6.0%</td><td>Municipal inhabitant tax:</td><td>–6.3%</td></tr> </table>			[Standard tax rate for corporate inhabitant tax proportionate to corporate tax]		[Tax rate reduction due to transfer to national tax]		Prefectural inhabitant tax:	5.0% → 1.0%	Prefectural inhabitant tax:	–4.0%	Municipal inhabitant tax:	12.3% → 6.0%	Municipal inhabitant tax:	–6.3%
[Standard tax rate for corporate inhabitant tax proportionate to corporate tax]		[Tax rate reduction due to transfer to national tax]													
Prefectural inhabitant tax:	5.0% → 1.0%	Prefectural inhabitant tax:	–4.0%												
Municipal inhabitant tax:	12.3% → 6.0%	Municipal inhabitant tax:	–6.3%												
③ Corporate enterprise tax grant	<ul style="list-style-type: none"> - Mainly in order to cover for the decreased revenues of municipalities accompanying the transfer of corporate inhabitant tax to the source of local allocation tax grants, a fixed percentage of corporate enterprise tax is distributed among municipalities in each prefecture. * For the equivalent portion for special wards, the applicable corporate enterprise tax grant amount is added to the fiscal adjustment grants for special wards, which is then multiplied by the percentage prescribed under the ordinance to obtain the grant amount (the impact amount resulting from this is included in ②). 														

Policy Review and Project Review Initiatives

- In order to respond appropriately to the various issues it faces within the backdrop of limited financial resources, as a part of the budget compilation process, the TMG bolsters the **reorganization of measures by integrally implementing "policy reviews,"** which evaluate the overall direction of measures, including the establishment of new projects based on the degree of achievement of targets and opinions from outside experts, and **"project reviews,"** which verify each project to improve its efficiency and effectiveness.
- For policy reviews, in advance, we specified **11 policy groups** including cross-bureau initiatives. By analyzing and evaluating the effects and issues of each measure in relation to targets from a more results-oriented perspective, using relevant administrative data, we reviewed each policy group, which led to the construction of further effective projects.
- For project reviews, the TMG announced **1,436 review results**, along with **1,207 reviews and rebuilds**, mainly through thorough post-project verification of projects reaching their ends of terms, verification of project commencement timing, and the utilization of outside experts' opinions in the reviews of digital aspects.

Policy Review – Review and Expansion of Measures

- The TMG designated **20 achievement indicators for the 11 policy groups**. For the **89 projects** associated with each achievement indicator, we reviewed overall direction of measures in each policy group with achievement of targets and opinions from outside experts taken into consideration.
- While **41 existing projects were reviewed and rebuilt** with the directionality of each policy group taken into consideration, this also led to the **expansion of 33 projects and the construction of 15 new projects**.

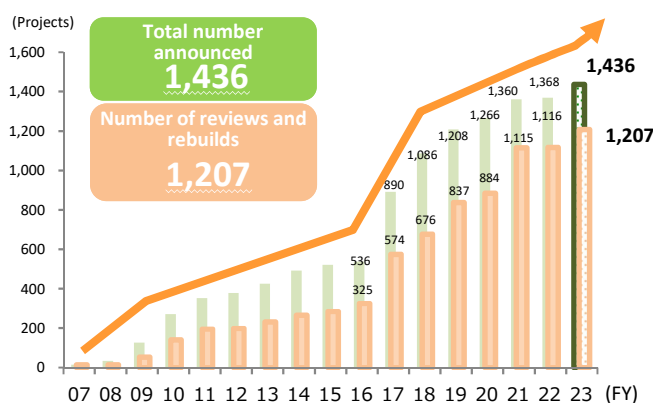
Settings of Achievement Indicators, etc.



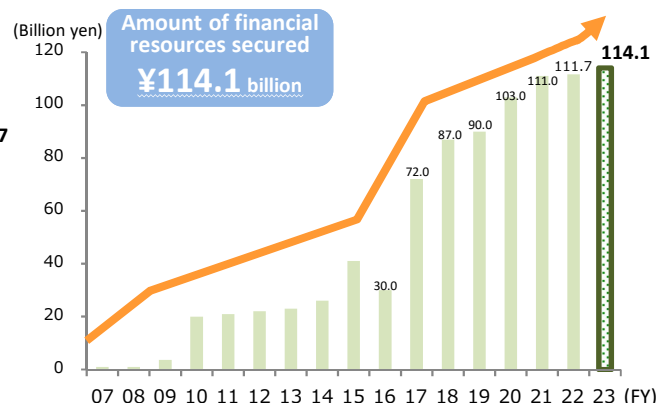
Project Review – Announcement of Review Results

Number of Announcements

* Total number of projects: Approx. 5,700

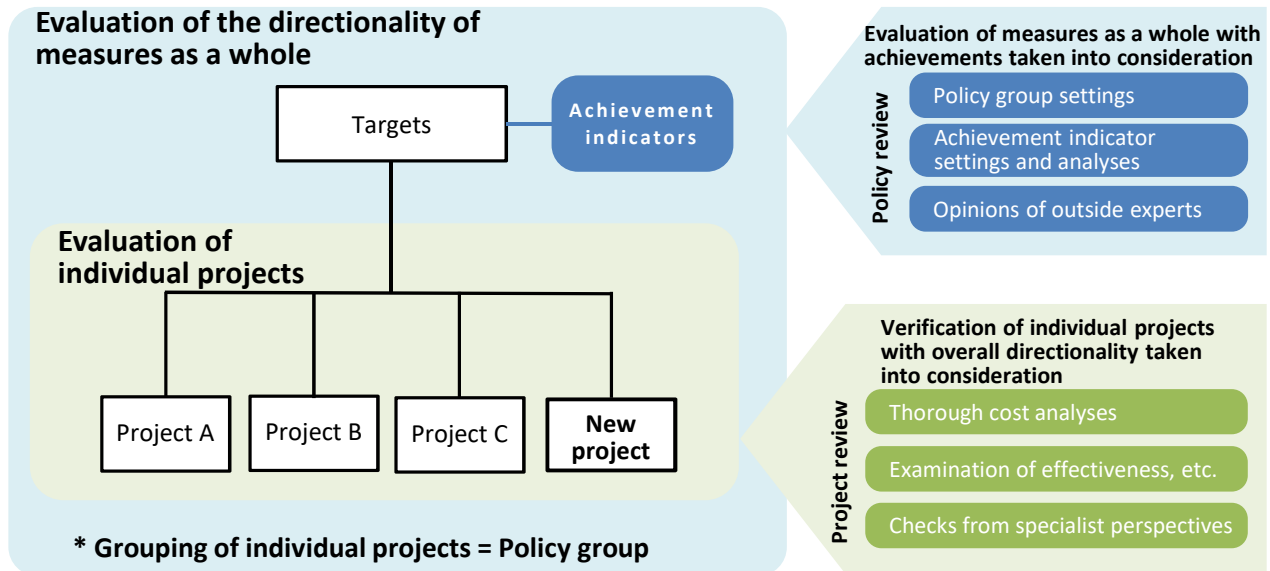


Amount of Financial Resources Secured



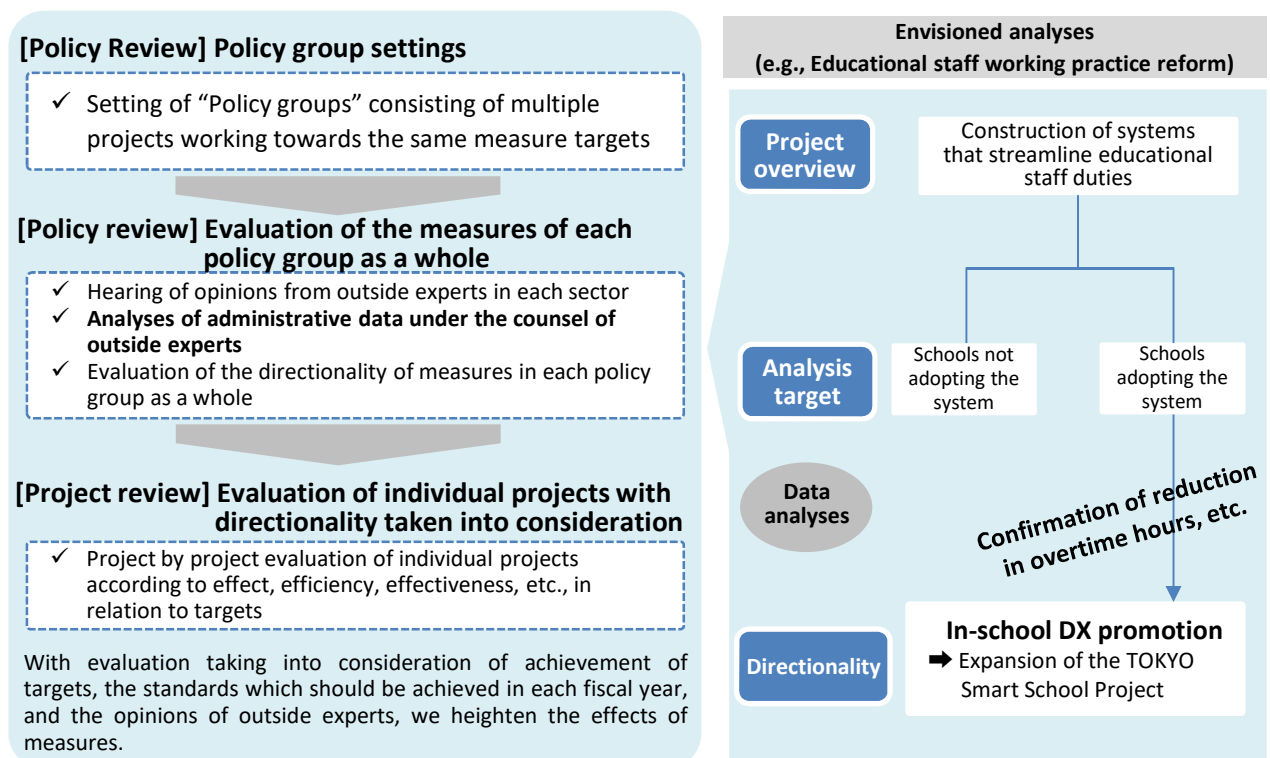
Integrated Implementation of Policy Reviews and Project Reviews

- Through the integrated implementation of policy and project reviews, we evaluate the directionality of measures as a whole and verify each individual project.



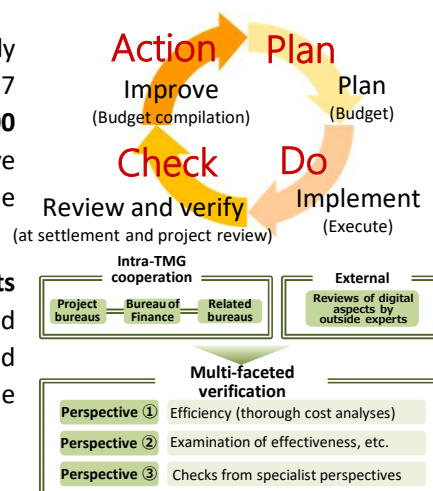
Policy Review Flow

- Policy reviews consider achievement of targets, opinions of outside experts, and analysis results of administrative data, to evaluate the directionality of measures in each policy group as a whole.



Project Review Flow - Improvement system consisting of a year-round cycle of cooperation between project bureaus, the bureau of finance, and other related bureaus

- Mainly by setting an end date for all projects and thoroughly conducting ex-post verification since the compilation of the FY2017 budget, we have publicized the results of **approximately 8,600 reviews** over the past seven years. During the same period, we have reviewed and rebuilt **approximately 6,400 projects**, resulting in the securing of approximately **690 billion yen** in financial resources.
- For the future, we will strive to **construct measures and projects with even higher efficiency and effectiveness**, through multifaceted verification, such as cooperation with related bureaus, and implementation of reviews which takes the opinions of outside experts into consideration.



New Evaluation System that Prioritizes Outcomes of the TMG Group and the Improvement of Tokyo Citizen's QOL

- Regarding evaluations of policy cooperation organizations, shifting the hitherto management target evaluation system* that prioritizes organizational operation, **to a mechanism that leads to reviews of specific projects etc., from a perspective that places greater priority on achievements, we will establish group cooperation project evaluation from the FY2024 budget compilation, which will be integrated into policy and project reviews.**

<Outline of Group Cooperation Project Evaluation>

① Setting of collaborative targets for the TMG and the organizations to work towards

- Specific numerical targets, etc., will be set in relation to targets that the bureau with jurisdiction over an organization and said organization should collaborate to achieve.

② Analyses of target achievement status, issues, etc.

- Regarding specific initiatives by the bureau with jurisdiction over an organization and said organization, achievements, issues, etc., will be analyzed with the opinions of outside experts taken into consideration.

③ Evaluation of the directionality of specific project reviews, etc.

- Along with tying in to specific project reviews, etc., the results of reviews will be reflected promptly in the following year's budget.

Bureau with jurisdiction of organization A

- Promotion of DX
- Operation of subsidy system
- Dissemination and enlightenment

Policy cooperation organization A

- Cooperation with related organizations
- Receipt of subsidy applications from Tokyo citizens
- HR development, training etc.

Integrated review of initiatives of the TMG and the organization

① Setting collaborative targets

② Analyses of achievements and issues

③ Project reviews, etc.



Integrated implementation of policy and project reviews

TMG group operates the review system as a whole.



Establishment of a mechanism that ties into reviews of specific individual projects and the construction of new projects, which directly leads to the improvement of Tokyo citizen's QOL



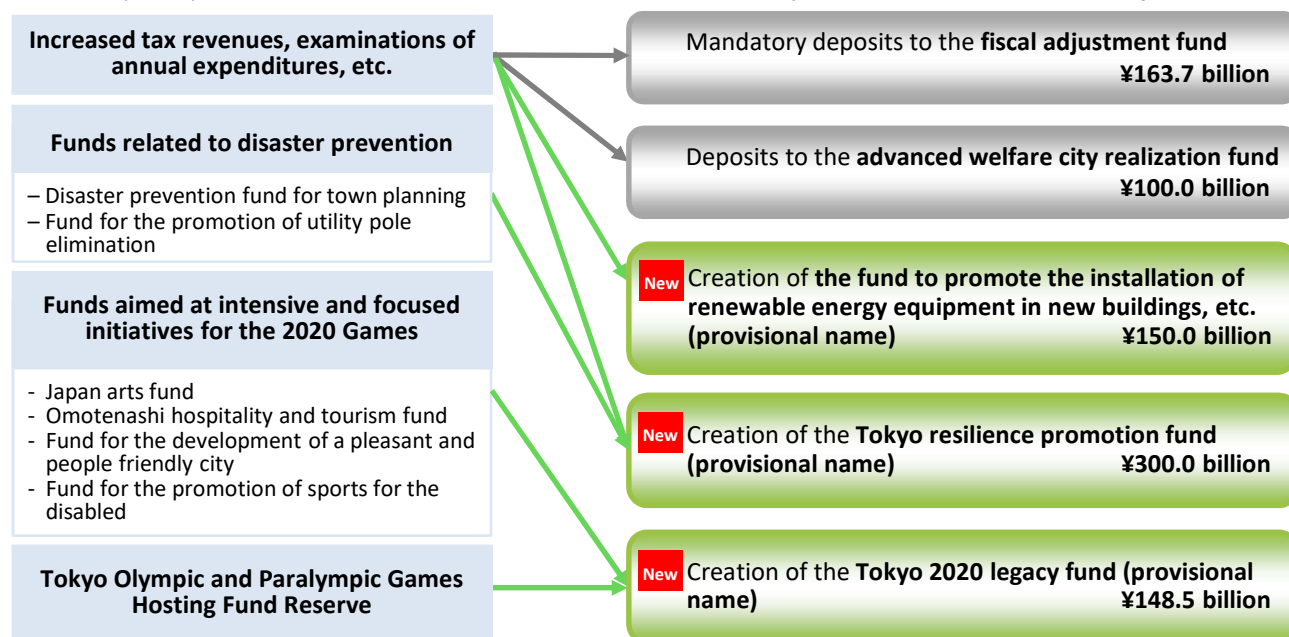
* The evaluation committee of the management target evaluation system is scheduled to be discontinued from end-FY2022.

Utilization of Funds

- The TMG has steadily built up reserves to date, and the utilization of funds enabled the TMG to respond promptly and accurately to successive supplementary budget compilations in relation to anti-Covid measures.
- In the FY2022 final supplementary budget, with a view towards reinforcing the financial foundations that allow the capital Tokyo to continue to evolve into a city that can generate new value, new funds are created and deposits are made to existing funds.
- In the FY2023 budget, **486.7 billion yen is withdrawn from funds**, including funds created in the FY2022 final supplementary budget, **and proactively utilized** for the steady promotion of policies to increase the city's resilience, improve social capital, and realize an advanced welfare city. **Expected funds balance at end-FY2023 is 1,728.8 billion yen.**
- In order to proactively promote measures towards the realization of a bright "Future Tokyo," the TMG will continue to plan for **strategic utilization of funds** from a medium and long term perspective, while firmly discerning trends in future financial demand.

Deposits to Funds in the FY2022 Final Supplementary Budget

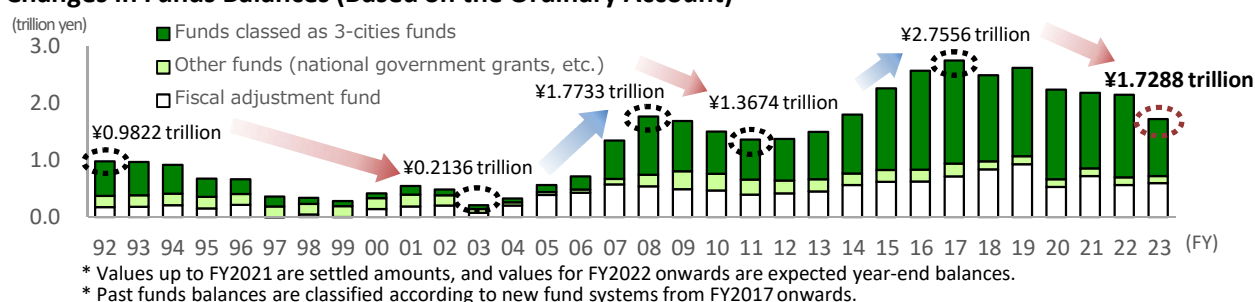
- Utilizing financial resources generated through increased tax revenues, examinations of annual expenditures, etc., **the FY2022 final supplementary budget makes deposits to the advanced welfare city realization fund**, in preparation for future financial demand, and also **creates new funds to allocate resources required for the promotion of the installation of renewable energy equipment in new buildings, etc.**
- In addition, through the reorganization of funds related to disaster prevention and funds for the hosting of the Tokyo 2020 Games, we **also creates new funds to increase the city's resilience and to develop the multi-faceted initiatives of the Tokyo 2020 Games into legacies.**
- Furthermore, in accordance with provisions specified under the ordinance, 163.7 billion yen, which is the fixed amount of tax revenue increases, is deposited to the fiscal adjustment fund as mandatory reserves. Consequently, **the estimated end-FY2022 balance of the fiscal adjustment fund is 566.4 billion yen.**



Utilization of Funds in the FY2023 Initial Budget

- In the FY2023 initial budget, a **total of 486.7 billion yen is withdrawn and utilized**, mainly from the Tokyo resilience promotion fund (provisional name) (136.1 billion yen) and the social capital improvement fund (124.2 billion yen). The FY2023 initial budget makes mandatory deposits of 32.6 billion yen to the fiscal adjustment fund, and **the expected end-FY2023 balance is 599.1 billion yen**.
- As of end-FY2023, **the expected balance for the funds for the realization of 3-cities, the fiscal adjustments fund, etc., is 1,728.8 billion yen**, which is roughly the same as pre-Lehman Shock levels. In this way, the TMG is securing a stable amount of funds balance from sustainable financial management perspectives.

Changes in Funds Balances (Based on the Ordinary Account)



Status of Funds Deposits and Withdrawals in FY2023 (Based on the Ordinary Account)

Funds for the Realization of 3-cities

Item	FY2022	FY2023		
	Year-end balance (After final adjustment)	Deposit amount (Initial)	Withdrawal amount (Initial)	Year-end balance (Initial)
Safe City	¥300.0 billion	—	—¥136.1 billion	¥163.9 billion
Tokyo resilience promotion fund (provisional name)	¥300.0 billion	—	—¥136.1 billion	¥163.9 billion
Smart City	¥772.7 billion	¥11.8 billion	—¥203.6 billion	¥581.1 billion
Social capital improvement fund	¥440.1 billion	¥7.5 billion	—¥124.2 billion	¥323.5 billion
Fund reserve for new railway line construction, etc.	¥83.8 billion	¥4.3 billion	—¥1.3 billion	¥86.9 billion
Smart Tokyo fund	¥44.8 billion	—	—¥26.2 billion	¥18.6 billion
Green Tokyo fund	¥24.4 billion	—	—¥4.4 billion	¥20.1 billion
Zero emission Tokyo fund	¥29.6 billion	—	—¥27.4 billion	¥2.2 billion
Fund to promote the installation of renewable energy equipment in new buildings, etc. (provisional name)	¥150.0 billion	—	—¥20.2 billion	¥129.8 billion
Diverse City	¥228.8 billion	—	—¥66.2 billion	¥162.6 billion
Advanced welfare city realization fund	228.8 billion	—	—¥66.2 billion	¥162.6 billion
Tokyo 2020 legacy fund (provisional name)	¥148.5 billion	—	—¥51.4 billion	¥97.1 billion
Subtotal	¥1,450.0 billion	¥11.8 billion	—¥457.4 billion	¥1,004.6 billion

Funds Built up from National Government Grants, etc.

Other funds	¥137.1 billion	¥17.3 billion	—¥29.3 billion	¥125.1 billion
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Fiscal Adjustment Fund

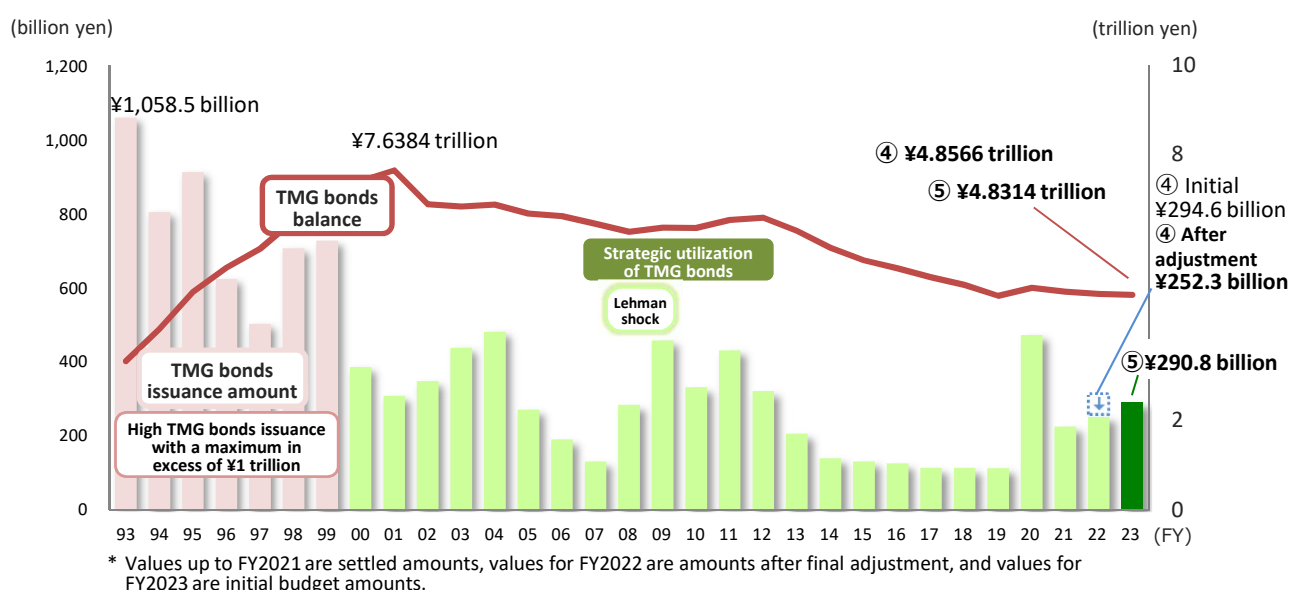
Fiscal adjustment fund	¥566.4 billion	¥32.6 billion	—	¥599.1 billion
Total	¥2,153.4 billion	¥61.7 billion	—¥486.7 billion	¥1,728.8 billion
General account	¥2,128.0 billion	¥61.7 billion	—¥483.4 billion	¥1,706.6 billion
Special accounts	¥25.5 billion	—	—¥3.3 billion	¥22.2 billion

* As the deposit amounts do not include accumulations, the FY2023 year-end balance does not match the total of FY2022 year-end balance and FY2023 deposit amounts and withdrawal amounts.

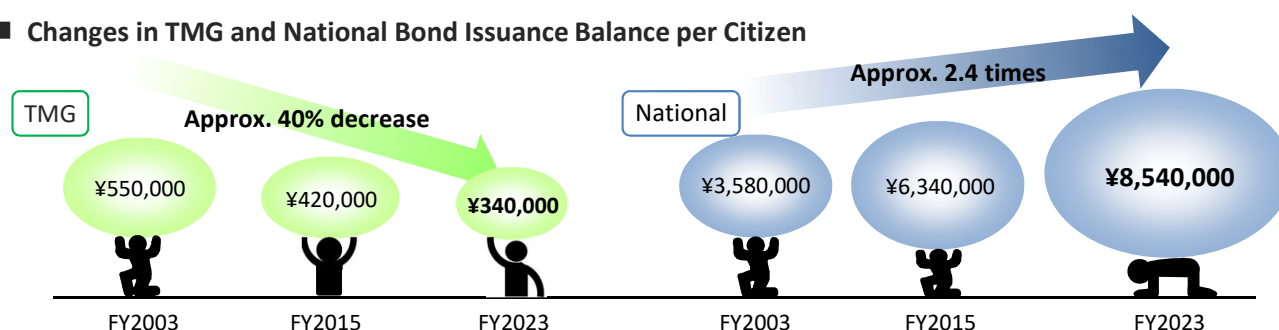
Utilization of TMG bonds

- Since FY2000, the TMG had worked to restrain TMG bonds issuance through financial reconstruction initiatives, and has subsequently worked towards steady financial management through TMG bonds issuance in accordance with the status of metropolitan tax revenues, etc.
- In the FY2023 budget, the TMG also continues to **restrain TMG bonds issuance amounts** in consideration of burden on future generations, cultivating bond issue margin for the future. As a result, **compared to the previous fiscal year's initial budget, TMG bonds have decreased by 3.8 billion yen or 1.3%, to 290.8 billion yen.**
- Of these, **regarding ESG bonds, about 100 billion yen will be issued, the same level as the previous fiscal year, to further promote ESG investment and drive realization of SDGs from the financial sector.**
- In FY2023, **dependency on bond issuance is 3.6%**, down 0.2 percentage points compared to the previous fiscal year, **maintaining lower levels compared to the national government (31.1%) and local governments (7.4%).**

■ Changes in TMG Bonds Issuance Amounts and TMG Bonds Balance



■ Changes in TMG and National Bond Issuance Balance per Citizen

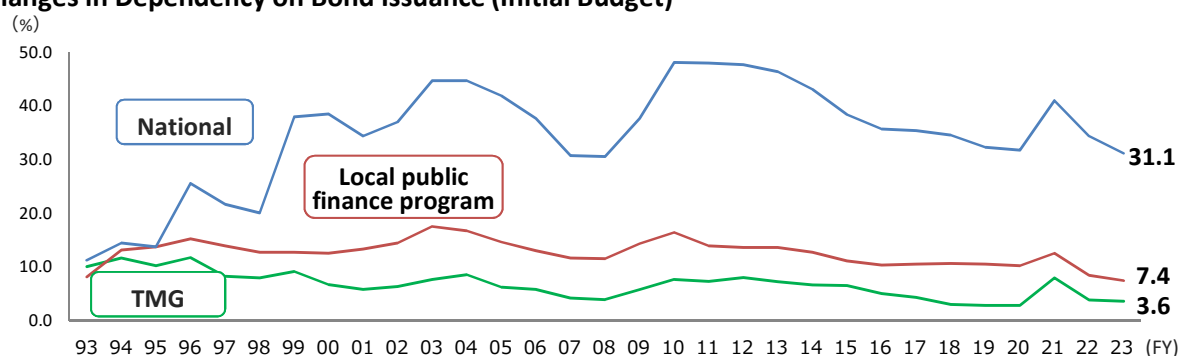


* Figures for total population of Tokyo are as given in "Tokyo Population (Estimates)" (TMG Bureau of General Affairs) (populations are as of October 1, 2003, October 1, 2015, and December 1, 2022).

* Figures for total population are as given in "Population Estimates" (Ministry of Internal Affairs and Communications) (populations are as of October 1, 2003, October 1, 2015, and July 1, 2022).

* TMG bonds balance is based on the general account, and FY2023 TMG bonds balance is as given in the initial budget.

■ Changes in Dependency on Bond Issuance (Initial Budget)



* TMG values given for FY1994, FY1999, and FY2003 are after simultaneous adjustment.

* Values for the FY2023 local public finance program are as given in "Summary of local public finance measures in FY2023."

Column Issuance of ESG Bonds (Green Bonds and Social Bonds)

■ Issuance of Tokyo Green Bonds and Tokyo Social Bonds

- Ahead of local authorities nationwide, the TMG has issued **"Tokyo green bonds"** since FY2017 and **"Tokyo social bonds"** since FY2021, to strongly promote environmental measures and stimulate the domestic ESG bond market.
- In addition, in order to respond to calls from investors seeking information about the use of proceeds after issuance and the environmental effects, etc., the TMG published the **"Impact report,"** which is the first such report by a domestic authority to obtain external reviews.
- The TMG will continue to contribute to the development of the domestic ESG bond market, including improvements to transparency.

Fiscal Year	Tokyo Green Bonds			Tokyo Social Bonds		Total issuance amount
	For institutional investors		For individuals	For institutional investors		
	Issuance amount	Subscriber surplus	Issuance amount	Issuance amount	Subscriber surplus	
FY2017	¥10 billion	x4.1	¥10 billion	—	—	¥20 billion
FY2018	¥10 billion	x4.3	¥10 billion	—	—	¥20 billion
FY2019	¥10 billion	x6.9	¥10 billion	—	—	¥20 billion
FY2020	¥20 billion	x8.0	¥10 billion	—	—	¥30 billion
FY2021	¥30 billion	x8.9	¥10 billion	¥60 billion	x8.9	¥100 billion
FY2022	¥30 billion	x5.5	¥10 billion	¥60 billion	x4.4 ^(*)	¥100 billion

* This is a result of the 3rd issue (30 billion yen), and the 4th is scheduled after February 2023.

■ The Main Projects to which ESG Bonds will be Allocated (FY2023 Schedule)

● Tokyo Green Bonds

- Installation of solar power equipment in TMG facilities
- Development of regulating reservoirs for torrential rain disasters
- Installation of storage batteries for the utilization of renewable energy [Added] etc.

● Tokyo Social Bonds

- Promoting the removal of utility poles
- Equipment cost subsidies for disabled person's (children's) facilities [Added]
- Internet environment improvement for Tokyo islands [Added] etc.

* [Added] Projects added as new allocation targets

Column

“Future Tokyo: Tokyo’s Long-Term Strategy Version Up 2023” Project Expenses List

- We aim to achieve 100% budget for the FY2023 projects of the “Future Tokyo: Tokyo’s Long-Term Strategy,” with a total amount of 1,955.8 billion yen earmarked across all accounts, and total project expenses over the next three years are expected to be 5,885.2 billion yen.

(In billion yen)

Strategy name		FY2023 project expenses	3-year project expenses (FY2023 – 2025)
Strategy 0	Strategy for Overcoming COVID-19	33.4	—
Strategy 1	Strategy for Putting Smiles on the Faces of Children	311.9	926.0
Strategy 2	Strategy for Supporting Children’s Development and Growth	130.4	356.1
Strategy 3	Strategy for Promoting Women’s Empowerment	131.6	398.2
Strategy 4	Strategy for Realizing a Choju (Longevity) Society	45.5	125.9
Strategy 5	Strategy for Realizing Work Styles Allowing Everyone to Shine	37.7	115.7
Strategy 6	Strategy for Diversity and an Inclusive Society	62.4	198.8
Strategy 7	Strategy for Valuing “Dwellings” and “Community”	143.0	455.9
Strategy 8	Strategy for Developing a Safe and Secure City	563.3	1,721.6
Strategy 9	Strategy for Enhancing Urban Functions	521.9	1,652.9
Strategy 10	Strategy for “Smart Tokyo: Tokyo Data Highway”	112.6	316.5
Strategy 11	Strategy for “Start-up City Tokyo”	28.6	77.0
Strategy 12	Strategy for a Tokyo with Earning Potential and Innovation	94.4	237.4
Strategy 13	Strategy for Making Tokyo a City Filled with Water and Greenery	367.4	1,132.2
Strategy 14	Strategy for Zero Emission Tokyo	363.7	1,013.2
Strategy 15	Strategy for Tokyo as a City of Culture and Entertainment	19.7	81.1
Strategy 16	Strategy for Sports Field Tokyo	29.3	79.9
Strategy 17	Strategy for Promoting the Tama Area and the Islands	431.4	1,426.3
Strategy 18	Strategy for All-Japan Partnership	12.1	38.3
Strategy 19	Strategy for the Olympic and Paralympic Legacy	101.4	298.1
Strategy 20	Strategy for Structural Reform of the Tokyo Government	85.8	252.4
Grand total		1,955.8	5,885.2

* For project expenses, figures are incomplete and may be subject to change.

* Project expenses are for all accounts, including the general account and public enterprise accounts.

* The amount for each strategy includes repeat postings while the total represents only the main postings (the total of project expenses for each strategy does not match the overall grand total).

* Due to its nature, Strategy 0 does not lend itself to the determination of a term. Consequently, only the project expenses for FY2023 are earmarked.