

# Reference Material

## Tokyo Metropolitan Government Annual Financial Report

Fiscal Year 2013

---

This is a provisional English version of Fiscal Year 2013 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.

---

## Contents

1	Fiscal Year 2013 Tokyo Metropolitan Government Settlement of the Ordinary Account and Various Indicators	.....	1
	(1) Fiscal Year 2013 Summary of Financial Results	.....	1
	(2) Analysis Based on New Public Accounting Procedures	.....	9
2	Fiscal Year 2013 Tokyo Metropolitan Government Financial Report	.....	29
	(1) TMG Comprehensive Financial Statements	.....	29
	(2) Management Status by Managing Body	.....	30

### (Appended Tables)

1	Fiscal Year 2013 Tokyo Metropolitan Government Ordinary Account Financial Statement	.....	34
	(1) Ordinary Account Balance Sheet	.....	34
	(2) Ordinary Account Administrative Cost Statement	.....	36
	(3) Ordinary Account Cash Flow Statement	.....	37
	(4) Ordinary Account Statement of Changes in Net Assets	.....	38
	(5) Ordinary Account Aggregate Tangible Fixed Assets and Intangible Fixed Assets/Supplementary Details	.....	38
	(6) Accounting Policy and Notes Regarding Preparation of the Tokyo Metropolitan Government Ordinary Account Financial Statement	.....	39
2	Fiscal Year 2013 Tokyo Metropolitan Government Comprehensive Financial Statement	.....	47
	(1) Tokyo Metropolitan Government Comprehensive Financial Statement	.....	47
	(2) Accounting Policy and Notes Regarding Preparation of the Tokyo Metropolitan Government Comprehensive Financial Statement	.....	59

### (Reference Tables)

	Tokyo Metropolitan Government Financial chronological tables (ordinary account)	.....	66
--	--	-------	----

# 1. Fiscal Year 2013 Tokyo Metropolitan Government Settlement of the Ordinary Account and Various Indicators

The following is a settlement report of the fiscal year 2013 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 2013 Summary of Financial Results

### [1] Revenues and Expenses

- The actual balance of revenues and expenses for fiscal year 2013 was nearly balanced.
- The ordinary balance ratio stood at 86.2%.
- In order to deal with the urgent issues and future-oriented key challenges facing the metropolitan government, it is important to continue sustaining financial response capabilities by measures such as conducting thorough reviews over all businesses from a zero-based perspective and ensuring required revision and reconstruction.

<Fiscal Year 2013 Settlement Results>

(in billion yen, %)

Item	FY2013	FY2012	Change in amount	Percentage of change
Total annual revenues (A)	6,455.2	6,233.0	222.2	3.6
Total annual expenses (B)	6,202.2	6,041.8	160.5	2.7
Proforma balance (C=A-B)	252.9	191.2	61.7	-
Fiscal revenues to be carried forward(D)	252.3	190.6	61.6	-
Actual balance (C-D)	0.6	0.6	0.1	-
Ordinary balance ratio	86.2	92.7	-	-

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

While total annual revenues amounted to 6,455.2 billion yen, total annual expenses were 6,202.2 billion yen, with a proforma balance resulting in 252.9 billion yen. The actual balance, calculated by subtracting fiscal revenues to be carried forward from the proforma balance, was a surplus of 0.6 billion yen, and revenues and expenses were almost balanced for six consecutive years after fiscal year 2008. This is because the financial base was strengthened by utilizing increased metropolitan tax revenues etc. and restricting the reversal of funds.

## [2] Main features

### <Annual Revenues>

(in billion yen, %)

Item	FY2013		FY2012		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
Metropolitan taxes	4,534.2	70.2	4,257.1	68.3	277.1	6.5
Two corporate taxes	1,523.0	23.6	1,346.4	21.6	176.7	13.1
National treasury disbursements	410.1	6.4	395.5	6.3	14.6	3.7
TMG bonds	237.6	3.7	341.3	5.5	(103.7)	(30.4)
Others	1,273.3	19.7	1,239.2	19.9	34.1	2.8
Total revenues	6,455.2	100.0	6,233.0	100.0	222.2	3.6

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

- Metropolitan tax revenue increased by 6.5% or 277.1 billion yen in total compared to the previous year, mainly because two corporate taxes increased due to a recovery in corporate earnings, as domestic demand remained firm and the economic recovery gained momentum.
- National treasury disbursements increased by 3.7% or 14.6 billion yen compared to the previous year, mainly because extraordinary grants for local *genki* (energetic) revitalization were newly set up, and expenses for ordinary construction business increased, although social capital improvement grants decreased.
- TMG bonds decreased by 30.4% or 103.7 billion yen compared to the previous fiscal year as a result of their appropriate utilization in light of the financial condition and future financial burdens.
- Others increased by 2.8% or 34.1 billion yen compared to the previous year, mainly because other income, the balance carried forward, and local enterprise special transfer taxes increased by 89.6 billion yen, 22.7 billion yen, and 19.2 billion yen respectively, although the money transferred decreased by 91.7 billion yen.

## &lt;Annual Expenses&gt;

(in billion yen, %)

Item	FY2013		FY2012		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
General expenses	4,442.3	71.6	4,377.6	72.5	64.7	1.5
Personnel expenses	1,445.4	23.3	1,468.2	24.3	(22.8)	(1.6)
Investment expenses	758.9	12.2	738.6	12.2	20.2	2.7
Others	2,238.0	36.1	2,170.8	35.9	67.3	3.1
Expenses for public bonds	547.5	8.8	524.9	8.7	22.6	4.3
Tax-related expenses etc.	1,212.5	19.5	1,139.3	18.9	73.2	6.4
Total expenses	6,202.2	100.0	6,041.8	100.0	160.5	2.7

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 decreased by 1.6% or 22.8 billion yen compared to the previous year, mainly due to a cut in employee salaries through a revision of the housing allowance and a reduction in retirement allowances through a revision of the retirement allowance scheme.
- In general expenses, investment expenses increased by 2.7% or 20.2 billion yen compared to the previous year, primarily due to an increase in non-subsidized expenses, including land acquisition and road maintenance expenses related to city planning.
- In general expenses, others increased by 3.1% or 67.3 billion yen compared to the previous year, largely owing to increases in reserves for social capital improvement funds, and loans.
- Expenses for public bonds increased by 4.3% or 22.6 billion yen from the last fiscal year, mainly due to an increase in redemption funds for principal.
- Tax-related expenses increased by 6.4% or 73.2 billion yen from the last fiscal year. This is largely because fiscal adjustment grants for special wards increased by 31.1 billion yen in tandem with an increase in metropolitan tax revenues and fiscal adjustment fund reserve increased by 18.0 billion yen.

### [3] Fiscal Indices

#### (i) Ordinary balance ratio

- The ordinary balance ratio, which represents fiscal flexibility, was 86.2%, an improvement of 6.5%, from 92.7% in fiscal year 2012.
- This was mainly because staff salaries decreased for 11 consecutive years and metropolitan tax revenues increased for two consecutive years while social welfare allowances such as elderly care insurance and metropolitan contribution to latter-stage elderly health care increased together with public bonds expenses.

#### <Changes in Ordinary Balance Ratio>

(%)

Item	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Ordinary balance ratio	84.1	96.0	94.5	95.2	92.7	86.2

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 9.6%, an improvement of 0.2 percentage point from 9.8% in the fiscal year 2012.

#### <Changes in the Ratio of Expenses for Public Bonds>

(%)

Item	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Ratio of expenses for public bonds	13.0	12.1	10.6	10.2	9.8	9.6

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

#### (iii) Current TMG bonds balance

- The current balance of TMG bonds (ordinary account bonds) was 5,510.5 billion yen, which represents a decrease of 3.5% or 199.9 billion yen from the fiscal year 2012.

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

(in billion yen)

Item	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
TMG bonds balance	5,895.6	5,834.4	5,742.7	5,782.6	5,710.3	5,510.5

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 assembly, and announce the results to residents on an annual basis.

Various ratios for the Tokyo Metropolitan Government, calculated based on fiscal year 2013 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 (Article 3 and 22)

Real deficit ratio	Consolidated real deficit ratio	Real debt payment ratio	Future burden ratio	Capital shortage ratios
—% (No deficit)	—% (No consolidated real deficit)	0.6%	73.2%	—% (No capital shortage)
(Reference)  Early consolidation standard: 5.74%  Fiscal reconstruction standard: 8.98%	(Reference)  Early consolidation standard: 10.74%  Fiscal reconstruction standard: 18.98%	(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 needs (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.**
- **Since there is no deficit, the real deficit ratio for this fiscal year is not shown.**

Note: Calculating formula of real deficit ratio

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

##### (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.
- Since there is no consolidated deficit, the consolidated real deficit ratio for this fiscal year is not shown.

Note: Calculating formula of consolidated real deficit ratio

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

(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 2013 was 0.6%.
- 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 denominator and numerator excludes the amount of tax allocation relating to the redemption funds for principal and interest / the quasi-redemption funds for principal and interest.

Notes: 1. Calculating formula of real debt payment ratio

$$\text{Real debt payment ratio (three-year average)} = \frac{\text{(Redemption funds for principal and interest of TMG bonds + Quasi-redemption funds for principal and interest of local bonds) — (Revenue sources for specific expenses + Expenses for the redemption funds for principal and interest and the quasi-redemption funds for principal and interest)}}{\text{Standard financial scale — (Expenses for redemption funds for principal and interest and quasi-redemption funds for principal and interest)}}$$

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.

3. The issuable amount of bonds for extraordinary fiscal measures is not included in TMG's standard fiscal scale in 2013 because of a revision in the calculation method for the issuable amount of bonds for extraordinary fiscal measures.

<Changes in the Real Debt Payment Ratio>

(%)

Item	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Real debt payment ratio	5.5 (8.7)	3.1 (6.6)	2.2 (6.4)	1.5 (6.8)	1.0 (6.7)	0.6 (6.3)

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 was 73.2% an improvement of 12.2 percentage point from fiscal year 2012. This was primarily because future burden was reduced by a decline in the current balance of TMG bonds and a revision of the retirement allowance scheme.
- Meanwhile, this ratio does not represent the actual fiscal condition of TMG because it does not include demands for the future renewal of social capital stock etc., and deducts the estimated amount of the local allocation taxes which is not actually granted to TMG.
- Given the above, TMG needs to continue accurately recognizing the burden on future generations and maintaining the fiscal ability as the base for implementing measures in a mid- to long-term perspective.

Note: Calculating formula of future burden ratio

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

<Changes in the Future burden ratio>

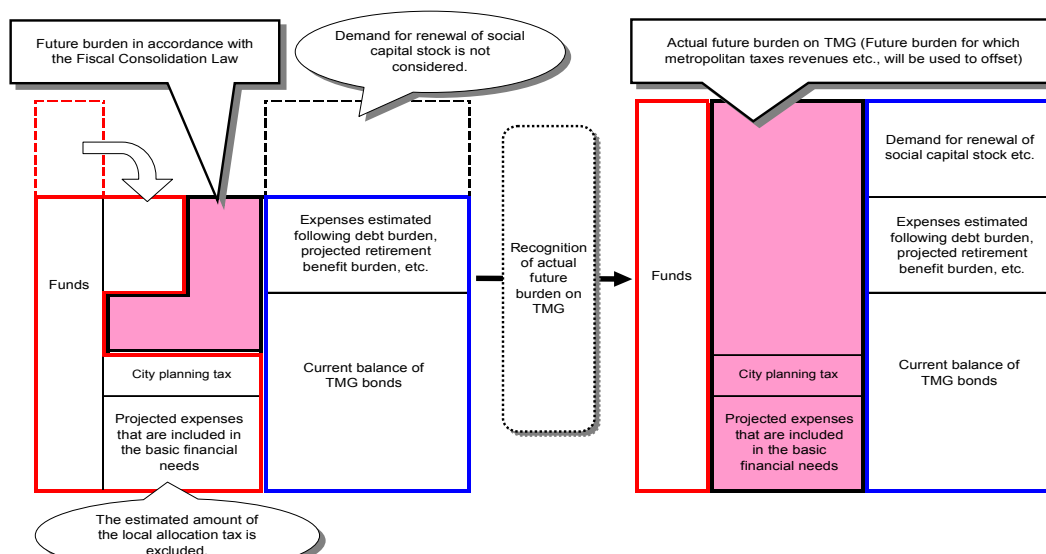
(%)

Item	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Future burden ratio	63.8	77.0	93.6	92.7	85.4	73.2

Concept of Future Burden

< Future burden in accordance with the Fiscal Consolidation Law >

< Actual future burden on TMG >



(Reference) Capital shortage ratios

- The capital shortage ratios represent the ratios of capital shortage to business scale by each public enterprise account.
- The finance shortfall ratios for all the public enterprise accounts are not stated in this fiscal year.

Notes: 1. Calculating formula of capital shortage ratios

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

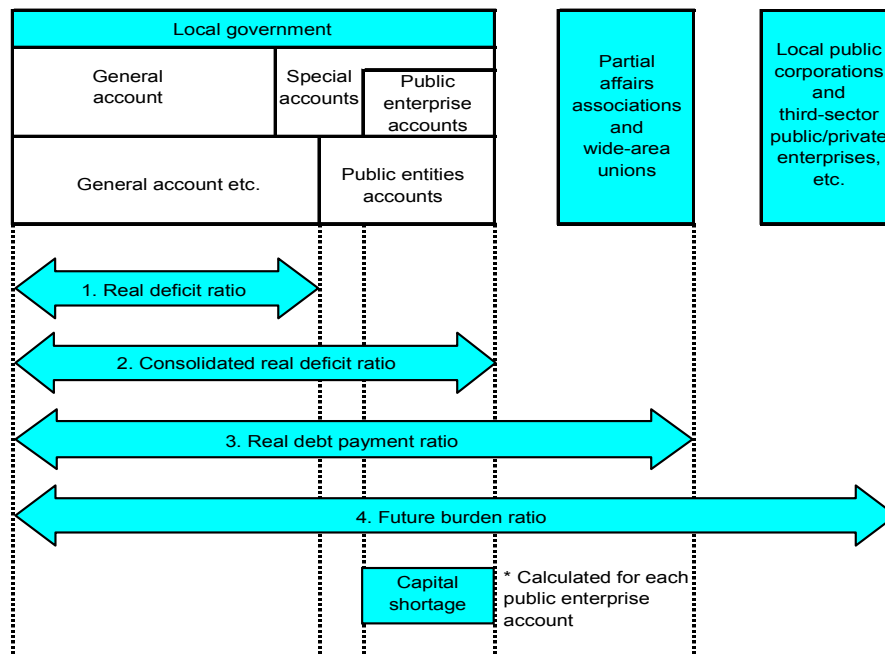
2. Accounts of TMG for which the capital shortage ratios, if any, are stated.

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, and Slaughterhouse (total 12 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, partial affairs associations, wide-area unions, local public corporations, third-sector public/private enterprises, and other expenses in the general account for public related entities.



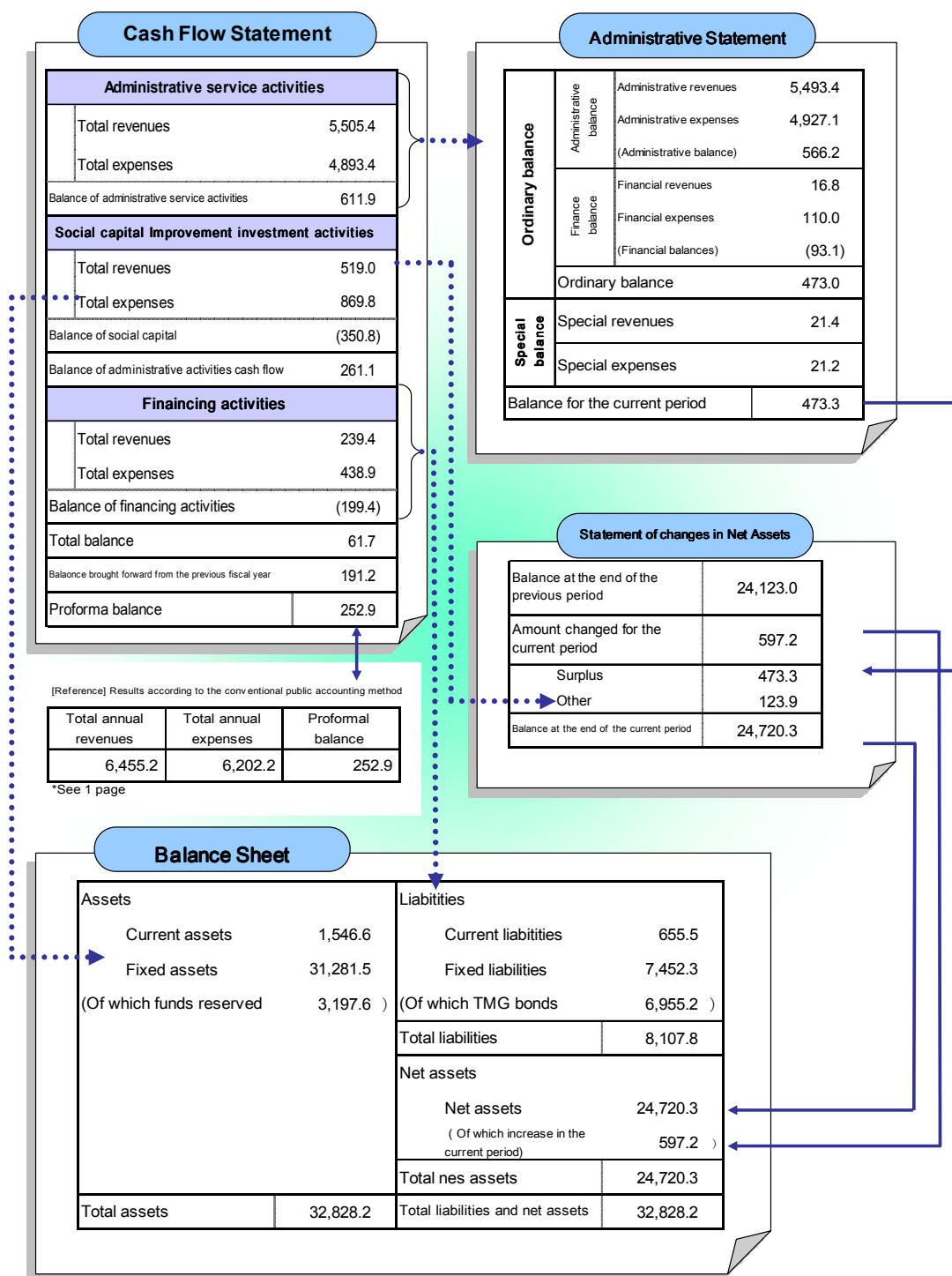
## **(2) Analysis Based on New Public Accounting Procedures**

### **[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 provides "Administrative Cost Statement" in place of the "Profit and Loss Statement" and also provides "Statement of Changes in Net Assets" in place of "Statement of Change in Shareholders' Equity." This is because TMG is not a profit-making organization. TMG's finances in fiscal year 2013, 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 2013 increased from the previous fiscal year to 32,828.2 billion yen (32,605.0 billion yen as of the end of fiscal year 2012), while liabilities decreased to 8,107.8 billion yen (8,481.9 billion yen as of the end of fiscal year 2012). In assets, the balance of fund reserves decreased 21.2 billion yen from the previous fiscal year to 3,197.6 billion yen, and in liabilities, the balance of TMG bonds decreased 342.3 billion yen to 6,955.2 billion yen. The ratio of liabilities to assets is 24.7%, 1.3% decline from the previous fiscal year (26.0%).**
- **The administrative cost statement indicates that the balance for the current period stood at 473.3 billion yen (170.2 billion yen in fiscal year 2012), and revenues continued to exceed expenses.**
- **In the balance for administrative activities cash flow in the cash flow statement, revenues exceeded expenses by 261.1 billion yen. In the balance for financing activities, expenses exceeded revenues by 199.4 billion yen, but in the pro forma balance, found by adding the balance for administrative activities cash flow and the balance brought forward from the previous fiscal year to the total balance, revenues exceeded expenses by 252.9 billion yen.**
- **The statement of changes in net assets shows that net assets increased 597.2 billion yen, in tandem with progress in social capital improvements.**
- **Given these factors, it is possible to say that TMG's financial soundness is maintained.**

## Relationship Between Financial Statements

(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 TMG bonds and borrowings, and net assets.

<Balance Sheet>

(in billion yen, %)

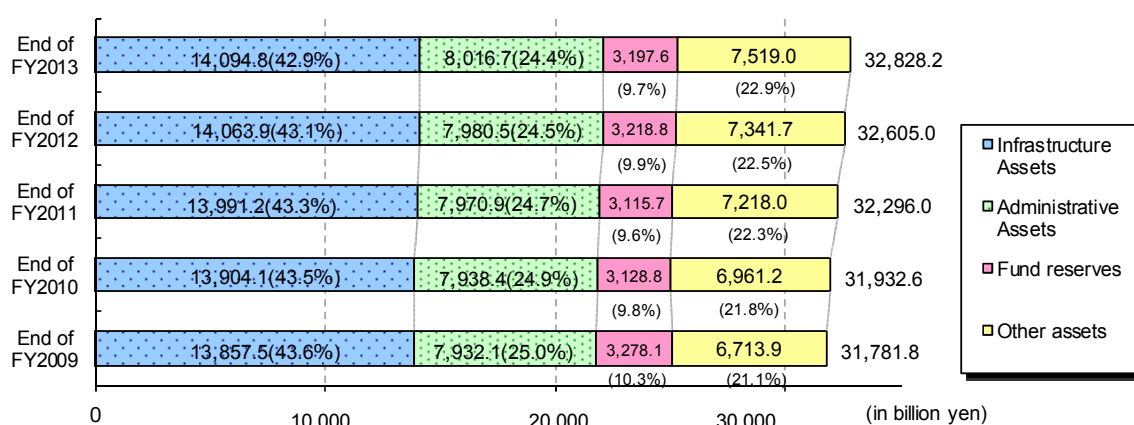
Item	FY2013	FY2012	Change in amount	Percentage of change
<b>Assets</b>				
I Current assets	1,546.6	1,323.1	223.5	16.9
Cash and deposits	258.2	192.7	65.4	33.9
Funds reserved	873.7	887.5	(13.8)	(1.6)
Other	414.7	242.8	171.9	70.8
II Fixed assets	31,281.5	31,281.9	(0.3)	0.0
Administrative assets	8,016.7	7,980.5	36.1	0.5
Infrastructure assets	14,094.8	14,063.9	30.9	0.2
Funds reserved	2,323.9	2,331.2	(7.3)	(0.3)
Other	6,846.0	6,906.1	(60.1)	(0.9)
<b>Total assets</b>	<b>32,828.2</b>	<b>32,605.0</b>	<b>223.1</b>	<b>0.7</b>
<b>Liabilities</b>				
I Current liabilities	655.5	676.0	(20.5)	(3.0)
TMG bonds	576.1	594.4	(18.3)	(3.1)
Other	79.4	81.6	(2.2)	(2.7)
II Fixed liabilities	7,452.3	7,805.8	(353.5)	(4.5)
TMG bonds	6,379.1	6,703.2	(324.0)	(4.8)
Other	1,073.1	1,102.6	(29.5)	(2.7)
<b>Total liabilities</b>	<b>8,107.8</b>	<b>8,481.9</b>	<b>(374.0)</b>	<b>(4.4)</b>
<b>Total net assets</b>	<b>24,720.3</b>	<b>24,123.0</b>	<b>597.2</b>	<b>2.5</b>
<b>Total liabilities and net assets</b>	<b>32,828.2</b>	<b>32,605.0</b>	<b>223.1</b>	<b>0.7</b>

- Assets as of the end of fiscal year 2013 increased by 223.1 billion yen from the end of the previous fiscal year to 32,828.2 billion yen, while liabilities decreased by 374.0 billion yen from previous fiscal year to 8,107.8 billion yen. As a result, net assets increased by 597.2 billion yen to 24,720.3 billion yen.
- In assets, total net assets increased by 223.1 billion yen compared to the previous year, as current assets increased by 223.5 billion yen from the previous year,

although fixed assets decreased by 300 million yen from the previous year. Total assets increased consecutively since fiscal year 2006, when TMG began preparing annual financial reports.

- The increase in current assets mainly reflects a 65.4 billion yen increase in cash and deposits and a 191.1 billion yen increase in short-term loans.  
The decrease in fixed assets was mainly due to a 240.5-billion-yen decrease in long-term loans despite a 115.8 billion yen increase in the construction in process account and a 59.3 billion yen rise in investments in the public corporation account.
- Assets consist of current assets of 1,546.6 billion yen, accounting for 4.7% of total assets (1,323.1 billion yen, accounting for 4.1% of total assets as of the end of the previous fiscal year) and fixed assets of 31,281.5 billion yen, accounting for 95.3% of total assets (31,281.9 billion yen, accounting for 95.9% of total assets as of the end of the previous fiscal year). As illustrated in Figure 1 below, infrastructure assets and administrative assets was 14,094.8 billion yen, accounting for 42.9%, (14,063.9 billion yen and 43.1% as of the end of the previous fiscal year) and 8,016.7 billion yen, accounting for 24.4%, (7,980.5 billion yen and 24.5% 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 show a decrease of 21.2 billion yen from the end of the previous fiscal year to 3,197.6 billion yen, which corresponds to 9.7% of total assets (3,218.8 billion yen corresponding to 9.9% of total assets as of the end of the previous fiscal year).

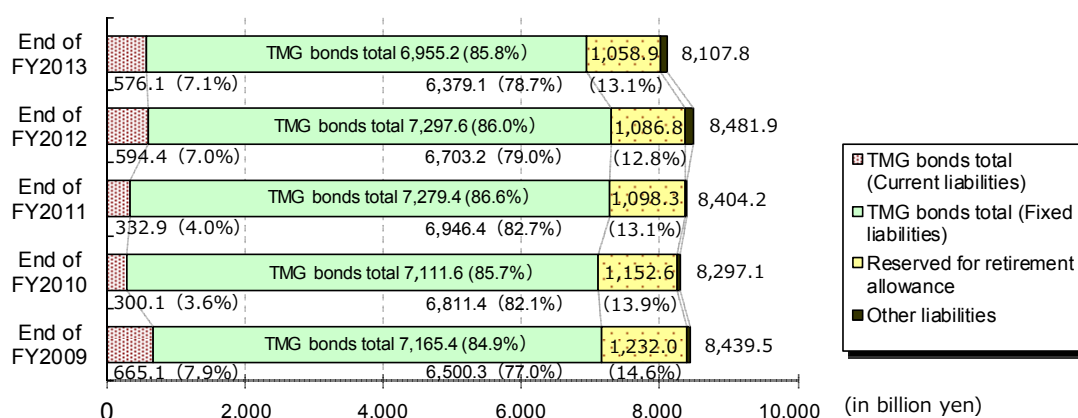
[Figure 1] Changes in Composition of Assets



- In liabilities, total liabilities went down by 374.0 billion yen from the end of the previous fiscal year, as current liabilities decreased by 20.5 billion yen from the same time as above, and fixed liabilities decreased by 353.5 billion yen from the same time as above.
- The decrease in current liabilities is primarily due to an 18.3 billion yen decrease in TMG bonds with its due within one year.  
The decrease in fixed liabilities is largely attributable to a 324.0 billion yen decrease in TMG bonds with its due later than one year and a 27.8 billion yen decrease in reserve for retirement allowances.

- Liabilities consist of current liabilities for 655.5 billion yen, accounting for 8.1% of total liabilities (676.0 billion yen and 8.0% as of the end of the previous fiscal year) and fixed liabilities was 7,452.3 billion yen, accounting for 91.9% (7,805.8 billion yen and 92.0% as of the end of the previous fiscal year). As illustrated in Figure 2 below, TMG bonds including fixed liabilities and current liabilities account for over 85% of total liabilities. The balance of TMG bonds including fixed liabilities and current liabilities decreased 342.3 billion yen from the end of the previous fiscal year to 6,955.2 billion yen.

[Figure 2] Changes in Composition of Liabilities



- The ratio of liabilities to assets as of the end of fiscal year 2013 was 24.7% (26.0% at the end of the previous year), posting a 1.3 percentage point decrease.

<Ratio of Liabilities to Assets>

(in billion yen, %)

Item	FY2009	FY2010	FY2011	FY2012	FY2013
Total liabilities (A)	8,439.5	8,297.1	8,404.2	8,481.9	8,107.8
Total Assets (B)	31,781.8	31,932.6	32,296.0	32,605.0	32,828.2
Ratio of liabilities to assets (A)/(B)×100	26.6	26.0	26.0	26.0	24.7

- Total net assets, which represent the difference of assets and liabilities, were 24,720.3 billion yen, an increase of 597.2 billion yen from 24,123.0 billion yen at the end of the previous fiscal year. Net assets have been increasing 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” 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 were basically paid within the revenues such as tax 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, %)

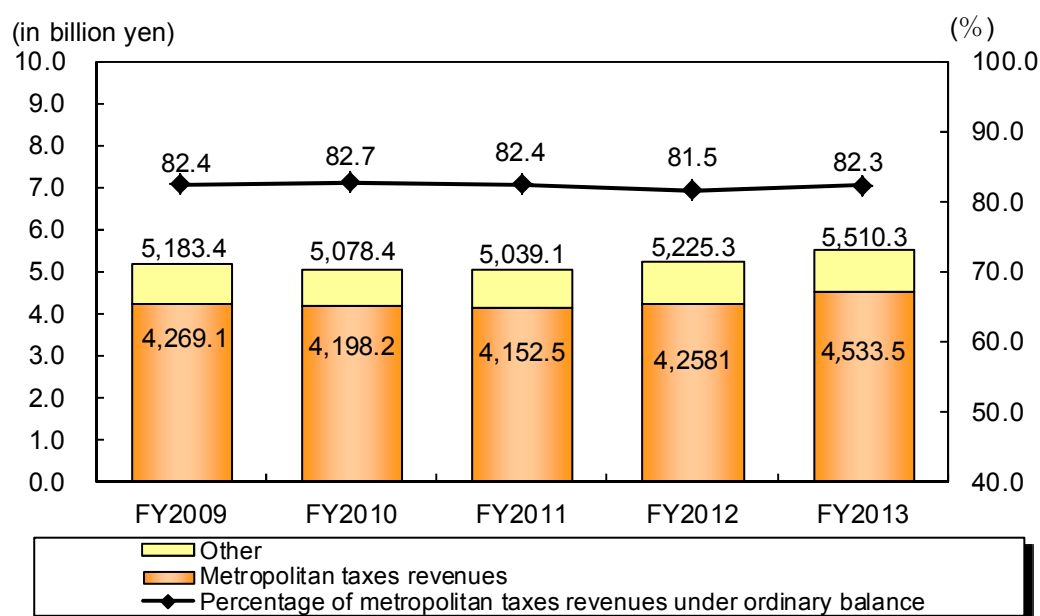
Item	FY2013	FY2012	Changes in amount	Percentage of change
Ordinary Balance				
I Administrative balance				
Administrative revenues	5,493.4	5,208.5	284.9	5.5
Local taxes	4,533.5	4,258.1	275.4	6.5
Local transfer taxes	304.5	285.4	19.1	6.7
National treasury disbursements	313.8	281.9	31.8	11.3
Fees and charges	139.3	140.5	(1.1)	(0.8)
Other	202.0	242.3	(40.3)	(16.6)
Administrative expenses	4,927.1	4,968.4	(41.2)	(0.8)
Tax-related expenses	1,197.6	1,142.2	55.3	4.8
Payroll-related expenses	1,273.4	1,356.7	(83.2)	(6.1)
Allowances	1,032.9	1,034.5	(1.6)	(0.2)
Investment expenses	382.3	387.2	(4.8)	(1.2)
Other	1,040.8	1,047.5	(6.7)	(0.6)
II Financial balance				
Financial revenues	16.8	16.8	(0.0)	(0.0)
Financial expenses	110.0	111.3	(1.3)	(1.2)
Ordinary balance	473.0	145.5	327.5	-
Special Balance				
Special revenues	21.4	74.7	(53.2)	(71.2)
Special expenses	21.2	50.0	(28.7)	(57.4)
Balance for the current period	473.3	170.2	303.0	-

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 5,493.4 billion yen, an increase of 284.9 billion yen from the previous fiscal year (5,208.5 billion yen). This is primarily because domestic demand remained firm and TMG tax revenue increased as an economic recovery gained momentum. Meanwhile, administrative cost was 4,927.1 billion yen (4,968.4 billion yen in the previous fiscal year), marking a 41.2-billion-yen decrease compared to the previous year primarily due to an 83.2-billion-yen decrease in salary-related costs, while Tax-related expenses increased 55.3 billion yen. Out of the decrease in salary-related costs, 75.9 billion yen was the charge allocated to FY2012 for paying bonuses in FY2013. From FY2012, provisions for bonuses started. Accordingly, that amount was recorded as other current liabilities, and the transferred amount of other reserves for FY2012.
- As to the financial balance, financial revenues and expenses were 16.8 billion yen and 110.0 billion yen, a decrease of 40 million yen and 1.3 billion yen from the previous fiscal year, respectively.
- Total revenues in the ordinary balance, which is the sum of administrative revenues and financial revenues, were 5,510.3 billion yen, an increase of 284.9 billion yen from the previous fiscal year. Of the total revenues, metropolitan tax revenues accounted for 82.3% (compared with 81.5% for the previous fiscal year).

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



- Total expenses in the ordinary balance, which is the sum of administrative expenses and financial expenses, stood at 5,037.2 billion yen, 42.5 billion yen decrease from the previous fiscal year. Of the total expenses, payroll-related expenses accounted for 25.3% (compared with 26.7% in the previous fiscal year), tax-related expenses, 23.8% (22.5% in the previous fiscal year), and allowances, etc., 20.5% (20.4% in the previous fiscal year).

- Meanwhile, in order to see the efficiency of TMG administrative services we examined the percentage of personnel costs to total costs which decreased 2.1 percentage point to 28.7% from 30.8% in the previous fiscal year.

<Percentage of Personnel Cost to Total Cost>

(in billion yen, %)

Item	FY2009	FY2010	FY2011	FY2012	FY2013
Payroll-related expenses + Transferred amount of provisions for retirement allowance + Transferred amount of provisions for bonuses (A)	1,491.1	1,466.4	1,464.9	1,562.9	1,447.9
Administrative expenses + Financial expenses (B)	5,069.4	4,931.2	4,983.9	5,079.8	5,037.2
Percentage of personnel cost (A) / (B) X100	29.4	29.7	29.4	30.8	28.7

(Note) We started reporting provisions for bonuses from FY2012, and reported the said amount as the transferred amount of provisions for bonuses. (The amount was reported as the transferred amount of other provisions in FY2012). This is for calculating income and expenditures in the current term more properly by reporting, as expenses of this current

- Ordinary balance, which represents the difference of total revenues and total expenses in the ordinary balance, stood at 473.0 billion yen in net revenues, a 327.5 billion yen increase from 145.5 billion yen in net revenues for the previous fiscal year.
- Special revenues in the special balance section decreased by 53.2 billion yen to 21.4 billion yen from the previous fiscal year (74.7 billion yen in the previous fiscal year), while special expenses decreased by 28.7 billion yen to 21.2 billion yen (50.0 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 473.3 billion yen in net revenues (170.2 billion yen in the previous fiscal year) an increase of 303.0 billion yen from the previous fiscal year.  
This balance of 473.3 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	FY2013	FY2012	Change in amount	Percentage of change
Administrative service activities				
Total revenues	5,505.4	5,219.8	285.5	5.5
Tax revenues etc.	4,844.4	4,548.2	296.1	6.5
Other	660.9	671.5	(10.6)	(1.6)
Total expenses	4,893.4	4,842.8	50.5	1.0
Tax-related expenses	1,197.6	1,142.2	55.3	4.8
Administrative expenses	3,584.9	3,588.5	(3.5)	(0.1)
Other	110.8	112.1	(1.2)	(1.1)
Balance of administrative service activities	611.9	376.9	234.9	-
Social capital improvement investment activities				
Total revenues	519.0	502.5	16.5	3.3
Total expenses	869.8	783.7	86.1	11.0
Social capital improvement expenses	339.4	317.4	21.9	6.9
Fund reserve	181.6	125.5	56.0	44.6
Other	348.8	340.7	8.1	2.4
Balance of social capital improvement activities	(350.8)	(281.1)	(69.6)	-
Balance of administrative services cash flow	261.1	95.7	165.3	-
Financial activities				
Revenues from financing activities	239.4	342.0	(102.5)	(30.0)
TMG bonds	238.0	342.0	(103.9)	(30.4)
Other	1.3	-	1.3	rise from zero
Expenses related to financing activities	438.9	415.1	23.7	5.7
Expenses for public bonds (principal)	437.4	413.4	23.9	5.8
Other	1.4	1.6	(0.1)	(6.3)
Balance of financing activities	(199.4)	(73.1)	(1,263.0)	-
Total balance	61.7	22.6	39.0	-
Balance brought forward from the previous year	191.2	168.5	22.6	-
Proforma balance	252.9	191.2	61.7	-

- The balance of administrative service activities was 611.9 billion yen in net revenues, an increase of 234.9 billion yen from 376.9 billion yen in net revenues for the previous fiscal year. This is largely attributed to 285.5 billion yen of increase in total revenues due to increase of 296.1 billion yen in tax revenues.
- The balance of social capital improvement investment was 350.8 billion yen in net expenses, 69.6 billion yen increase from 281.1 billion yen in net expenses for the previous fiscal year. This is mainly because investment expenses and funds reserve increased by 23.4 billion yen and by 56.0 billion yen respectively in net 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 261.1 billion yen in net revenues, an increase of 165.3 billion yen from 95.7 billion yen in net revenues for the previous fiscal year.
- In financing activities, the redemption expenses of TMG bonds (expenses for public bonds (principal)) increased 23.9 billion yen from the previous fiscal year to 437.4 billion yen, while the revenue raised through the issuance of TMG bonds amounted to 238.0 billion yen, a 103.9 billion yen decrease from the previous fiscal year. Accordingly, the balance of financing activities was 199.4 billion yen in net expenses (73.1 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 61.7 billion yen in net revenues (22.6 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 191.2 billion yen to this total balance, came to 252.9 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 equivalents	National treasury disbursements	Other	
Balance at the end of the previous period	19,021.8	921.8	4,179.3	24,123.0
Amount changed for the current period	-	94.5	502.7	597.2
Balance for the current period	-	-	473.3	473.3
Other	-	94.5	29.4	123.9
Balance at the end of the current period	19,021.8	1,016.3	4,682.1	24,720.3

- At the end of fiscal year 2013, net assets stood at 24,720.3 billion yen, an increase of 597.2 billion yen from 24,123.0 billion yen in the previous fiscal year. 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.

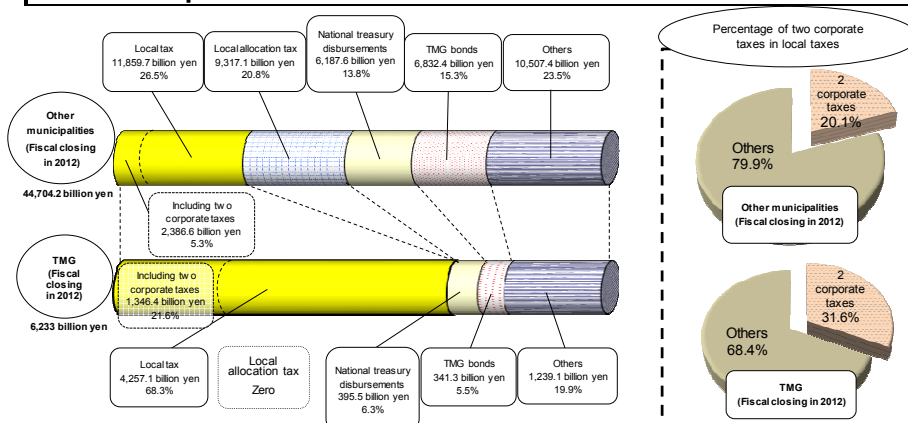
## Analysis of TMG's Finances

- TMG's tax revenue in Fiscal Year 2013 increased for two consecutive years.
- However, TMG's finances are inherently unstable and susceptible to economic fluctuations. In addition, TMG's revenue sources can further decrease, owing to factors stipulated in FY2014 tax reform policy which include a transfer being executed for a part of corporate inhabitant tax to the state, a reduction of effective corporate tax rates, and a further irrational revision of local taxes on corporations. The situation remains unpredictable, allowing no optimism.
- Furthermore, it has become a challenge to respond to an increase in costs related to social security in a rapidly aging society, and to a demand for maintenance and renewal of social infrastructure that was intensively built mainly during the high economic growth period.
- We consider future financial management through an analysis of the current status of TMG's finances supporting preparations for the Tokyo 2020 Olympic and Paralympic Games and initiatives toward "Making Tokyo the World's Best City."

### 1 TMG's Unstable Fiscal Structure

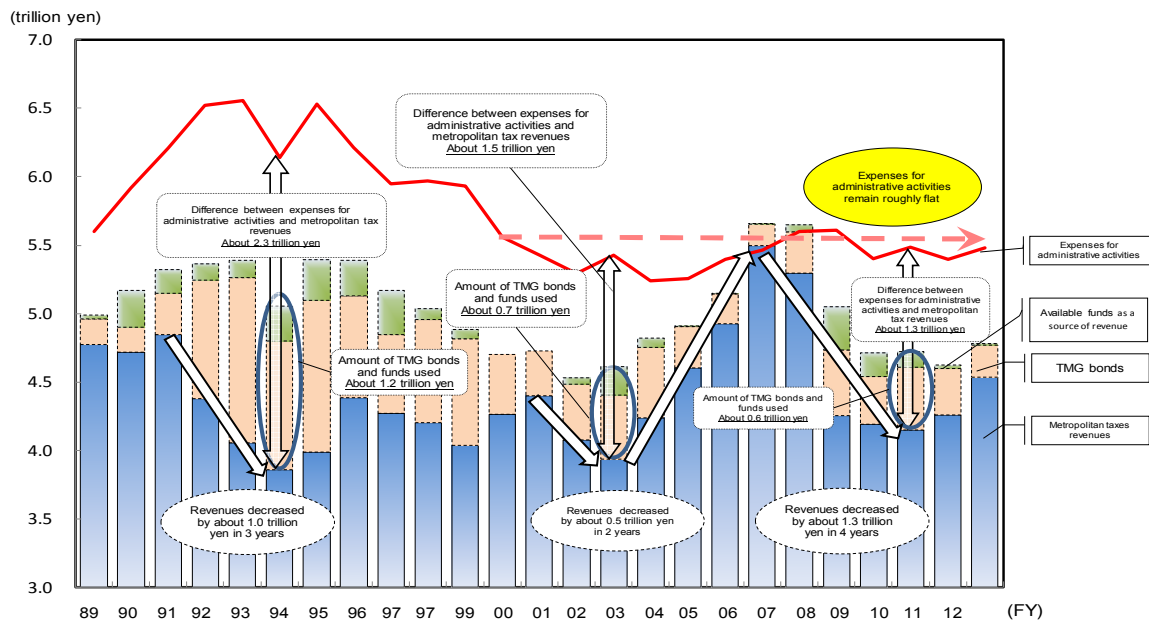
- TMG's revenue is different from other municipalities, because local taxes account for a large portion of its revenue, and TMG does not receive local allocation taxes. Also, two corporate taxes, which are considerably susceptible to economic fluctuations, make up a big chunk of TMG's tax revenue as the base of TMG's revenue (Figure 4).
- Against this background, TMG's revenue has repeatedly risen and fallen in an unstable manner (Figure 5). Furthermore, TMG, as the only municipality that does not receive local allocation taxes in Japan, will be required to implement financial management more independently than other municipalities.

**[Figure 4] Breakdown of Total Annual Revenue and Percentage of Two Corporate Taxes in Local Taxes**



- Under this unstable structure, TMG bonds and funds play an important role as fiscal resources in implementing necessary measures. This fact is clarified by looking into the amount of TMG bonds and funds that is used to fill the gap between expenses for administrative activities (the amount calculated by subtracting fund reserves and expenses for public bonds from total expenses) and TMG tax revenue.
- Amid a rapid decline in tax revenue after the bubble economy collapsed, TMG issued TMG bonds worth about 0.9 trillion yen, and drew about 0.3 trillion yen from funds in order to fill a gap of approximately 2.3 trillion yen between expenses for administrative activities and TMG tax revenue in FY1994. In FY2003, when TMG faced another considerable decline in tax revenue, TMG issued TMG bonds worth about 0.5 trillion yen, and drew about 0.2 trillion yen from funds in order to fill a gap of approximately 1.5 trillion yen. Furthermore, in FY2011, which saw a decrease in tax revenue for four consecutive years, TMG issued TMG bonds worth about 0.5 trillion yen, and drew about 0.1 trillion yen from funds in order to fill a gap of approximately 1.3 trillion yen.
- Since FY2000, expenses for administrative activities have been restricted in an effort to reconstruct TMG finances. Even after the fiscal reconstruction was completed, efforts have continued to enhance the efficiency and effectiveness of projects by thoroughly verifying each project. At the same time, TMG stably provides administrative services by maintaining expenses for administrative activities almost at a certain level, which is made possible by utilizing TMG bonds and funds systematically as tax revenue continues to fluctuate.

**[Figure 5] Gaps between expenses for administrative activities and TMG tax revenue**

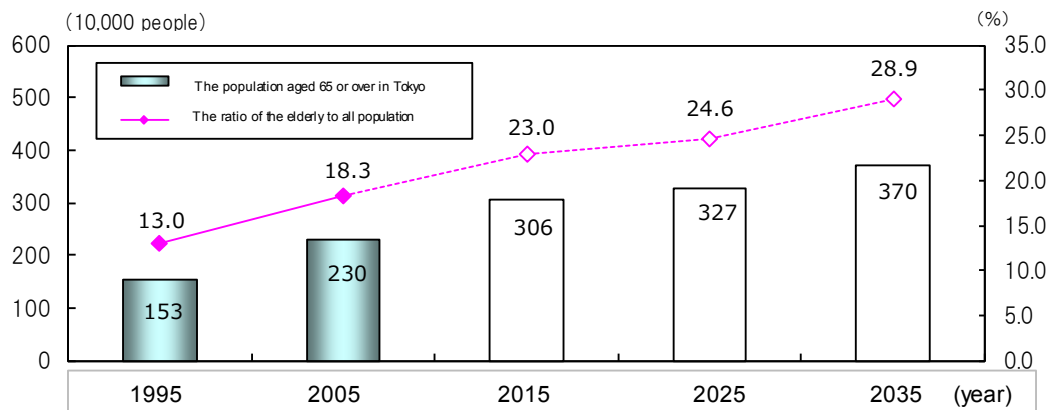


## 2 Fiscal Demand Inherent in TMG

To realize sustainable financial management in the unstable fiscal structure while preparing for hosting the Olympic and Paralympic Games and maintaining efforts to realize “Making Tokyo the World’s Best City,” it is also necessary to recognize the fiscal demand that TMG cannot avoid. From here, we will analyze upcoming fiscal demand in terms of social security-related costs and social infrastructure from the viewpoint of financial closing results, etc.

### (1) A rise in Social Security Costs

- Society is expected to age so rapidly that one in four Tokyo citizens will join the elderly in 2015, when “baby boomers” turn 65, with nearly one in three projected to do so in 2035. Therefore, special attention is needed for implementing financial management in the future.



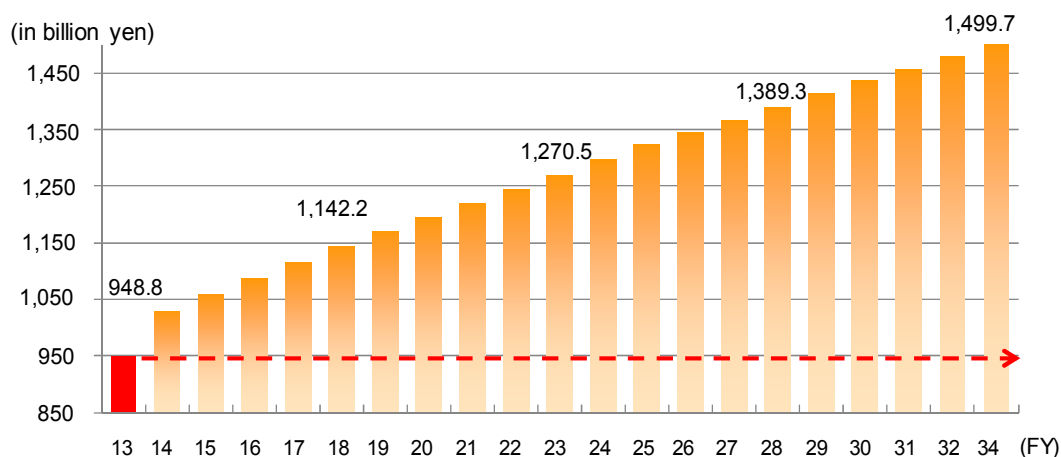
Source: Actual numbers (from 1995 to 2005): "Population Census" by Statistics Bureau, Ministry of Internal Affairs and Communications

Forecast (from 2015): "Forecast of population by gender and age (5-year age groups)"

- To realize a city where everyone can continue to live without worry, in response to demographic, social, and economic changes, it is required to make efforts to improve services in welfare, public health, and medical care from a medium- and long-term perspective.
- Figure 6 shows estimates for social security costs in the future, calculated by a third party, using data from TMG financial statements and others.



**[Figure 6] Forecast of social security costs (estimate)**



\* The estimates of future costs were calculated by EY ShinNihon LLC.

\* The estimates were calculated in the following way. The premise is the continuation of business. Figures from fiscal results were employed. Set a coefficient (variation factors such as fluctuations of the population) for each type and content of business related to social securities and multiply it with each cost and reflect matters such as a rise of prices.

- This forecast (estimate) shows that social security costs will increase by roughly 30 billion yen on average each year. The cumulative total of increases in social security costs for the coming 20 years is estimated at about 6.6 trillion yen.
- It is imperative to promote welfare that matches the reality of the big city of Tokyo by using hardware- and software-based measures, such as making a focused effort toward key issues in a strategic and bold manner, while making necessary review and reconstruction in preparation for an increase in fiscal demand.

## **(2) Increase in costs for maintenance and renewal of social infrastructure.**

Next, look at social infrastructure. We can see that the rate of aging of tangible fixed assets (including infrastructure assets) keeps on rising in recent years.

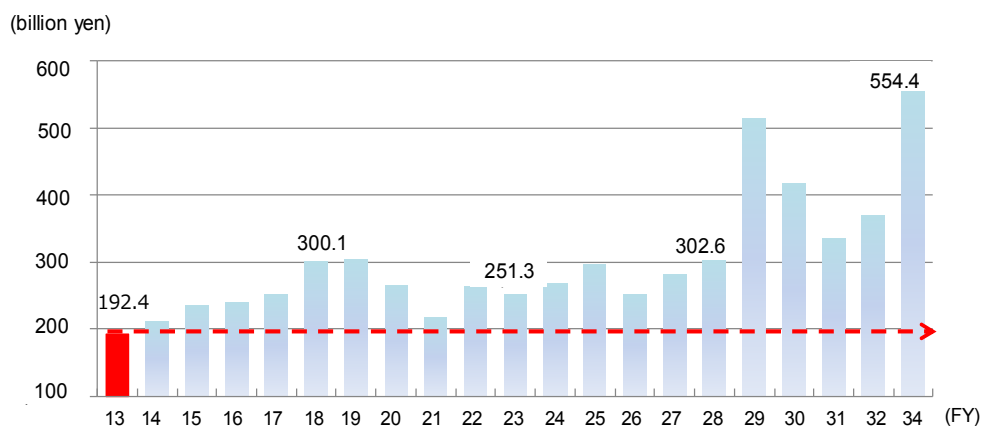
(Unit: billion yen and %)

Classification	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Cumulative total of depreciations (A)	2,361.3	2,508.0	2,628.0	2,758.8	2,891.2	3,030.5	3,170.4	3,312.0
Amount of depreciable assets acquired × 0.9 (B)	6,989.2	7,155.3	7,298.0	7,389.7	7,459.6	7,593.6	7,735.0	7,830.2
Rate of aging of tangible fixed assets (A/B × 100)	33.8	35.1	36.0	37.3	38.8	39.9	41.0	42.3

- If the aging of social infrastructure is left unattended, it can affect services for Tokyo citizens seriously. To realize sustainable future development of Tokyo, it is required to handle the aging of social infrastructure properly.

- Figure 7 shows the forecast of costs for maintaining and renewing social infrastructure in the future, calculated by a third party, using TMG's financial and accounting data.

**[Figure 7] Forecast (estimate) of costs for maintaining and renewing social infrastructure in the future**



\* The estimates were calculated in the following way. Based on public accounting information, assume that social infrastructure is renewed altogether when its legal operational life expires. Multiply the acquired price with factors including construction cost deflators and inflation rates.

- According to this forecast, if TMG is to maintain existing social infrastructure for the future, demand for about 6 trillion yen can be expected for 20 years from FY2014 to FY2033.
- Also, when compared to FY2013, the cumulative increase of costs for maintaining and renewing social infrastructure for the future will be roughly 610 billion yen for ten years. Further, the cumulative increase for 20 years will be about 2.3 trillion yen. The average increase will be about 110 billion yen.
- On the other hand, we can see costs for renewal will vary from year to year. This is because the timing of renewing facilities will concentrate in a certain period of time.
- In the future, in order to realize the sustainable development of Tokyo, it is necessary to level off and reduce costs in the medium and long term by measures such as lengthening the usable life of facilities, as well as verifying the need to improve or repair every unit of social infrastructure in consideration of what status each business should be in.
- TMG will continue to make effective use of the new public accounting system, such as forecasts by public accounting data that were employed this time.

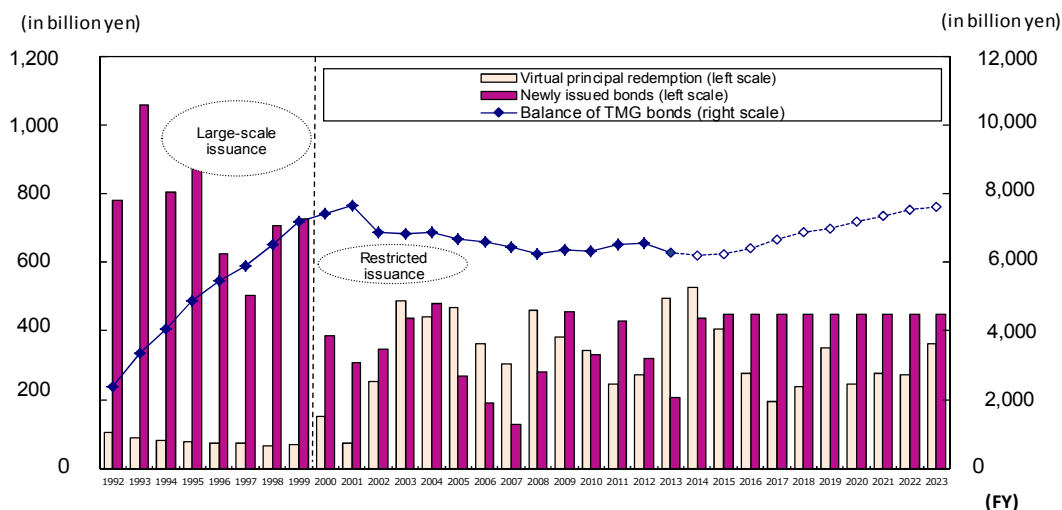
### 3. Fiscal Management with an Eye toward the Future

- As shown in Figure 5, TMG has continued to provide necessary administrative services in a stable manner by systematically utilizing TMG bonds and funds.
- In order to meet the fiscal demand inherent in Tokyo, including social security costs, as forecast above, and costs for maintaining and renewing social infrastructure, and to retain the fiscal ability, as the base for taking measures, for the medium and long term, we will think over TMG bonds and funds again, while looking back on their past utilization.

#### (1) TMG bonds - Planned utilization in a mid- and long-term perspective

- TMG bonds have capabilities to balance the burden between generations as fiscal resources for suitable formation and renewal of social capital stock. On the other hand, as TMG bonds are liabilities that have to be repaid without fail in the future, using TMG bonds also needs comprehensive consideration to strike a balance between benefits and burden for future generations.
- Up to fiscal year 1999, TMG had covered revenue shortfalls caused by decreases in tax revenues etc. by making maximum use of TMG bonds; however, since fiscal year 2000, TMG has strengthened the financial base. In the effort of fiscal reconstruction, TMG has sought to reduce the issuance of TMG bonds while reviewing the level of investment expenses etc. and adjusted the issuance according to changes in metropolitan tax revenues.
- TMG attempted to level off the TMG bonds redemption amount for the future through restricting the refinancing of existing bonds to reduce their outstanding balance, in addition to issuing fewer bonds from FY2007 to FY2008.
- Amid a severe fiscal environment from FY2009 to FY2011, TMG managed to secure necessary sources of funds by making effective use of the extra capacity to issue TMG bonds, which had been created by restricting the issuance until then.

**[Figure 8] Changes in the amount of virtual principal redemption, newly issued bonds, and the balance of TMG bonds**

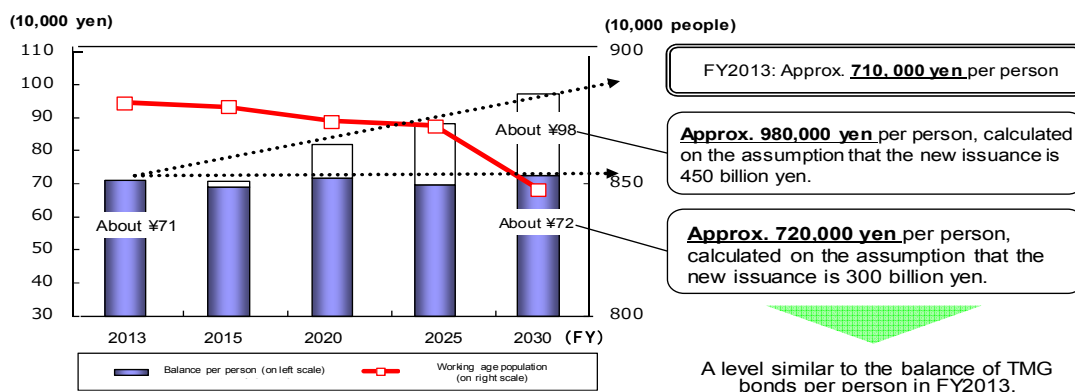


\* Figures are on a general account basis. Figures up to FY2013 are closing amounts, figures for FY2014 are initial budget amounts, and figures after FY2015 are estimated amounts assuming the amount of newly issued bonds is at the same level as the initial budget in FY2014.

\* Virtual principal redemption = Principal redemption - refinancing

- From the viewpoint of balancing the burden between generations, as a function of TMG bonds, we looked at and calculated the balance of TMG bonds per person in working age population (age 15 to 64), as an indicator, in consideration of a demographic change due to the aging and decline of the population.

**[Figure 9] Trial calculation of the balance of TMG bonds per person in working age population.**



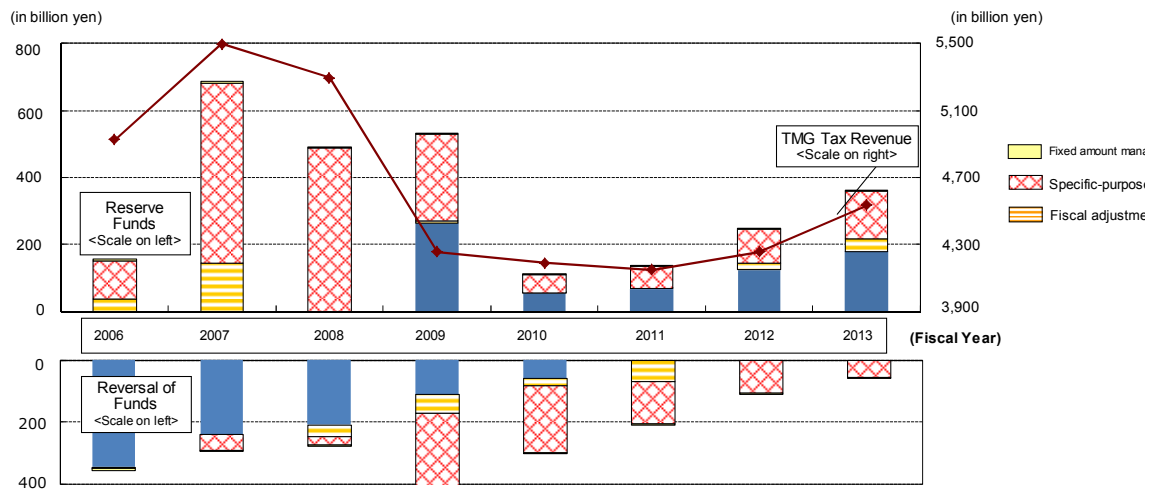
- Assuming a new issuance is at a similar level to the initial budget for FY2014 (450 billion yen), we made trial calculations. The balance of TMG bonds per person in future working age population, based on a population forecast, will be about 980,000 yen as of FY2030, as shown in Figure 9. This is about a 270,000-yen increase from about 710,000 yen of the balance of TMG bonds per person in working age population as of FY2013. On the other hand, if a calculation is made on the assumption that a new issuance is at a level similar to the average redemption of effective principal for the next ten years (300 billion yen), the balance of TMG bonds per person in working age population will be about 720,000 yen. As this is almost at a level similar to the balance of TMG bonds per person in working age population as of 2013, we can regard that the burden between generations is well balanced from the viewpoint of the working age population.

- It is important to continue to use TMG bonds systematically by verifying them from various angles, such as demographic change due to the aging and decrease of the population, and demand for maintaining and renewing social infrastructure, as the situation around TMG finances changes.

## **(2) Funds— Securing the balance of funds with an eye toward the future**

- Funds are divided into reserve funds that are put aside for specific purposes, such as adjustments of fiscal resources between fiscal years and preparations for future fiscal demand, and fixed-amount management funds whose fixed amount is managed to carry out specific administrative work or businesses.
- Reserve funds play an important role in TMG's fiscal management to stably provide administrative services when TMG tax revenue is unstable. In TMG, funds such as fiscal adjustment funds that are used to adjust fiscal resources between fiscal years and keep sound fiscal management, and funds for improving social infrastructure set up for improving TMG transportation foundation, welfare foundation, and other social infrastructure, are positioned as usable funds as sources of financing.
- A look at the status of TMG utilizing funds shows that revenue was set aside mainly for usable funds in preparation for future fiscal demand in the period from FY2006 to FY2008, when TMG tax revenue was relatively favorable.
- Since fiscal year 2009, when metropolitan tax revenues declined significantly, TMG has utilized funds reserved so far as fiscal resources. Nonetheless, TMG has not stopped to make an effort to reduce reversals of funds as much as possible 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 available as fiscal resources is expected to be about 0.9 trillion yen at the end of fiscal year 2014.
- On the other hand, TMG finances are so susceptible to economic fluctuations that TMG suffered a considerable revenue decrease of as much as about 1 trillion yen in a year. In addition, issues that need attention in the future TMG financial management, such as an increase in social security costs and response to demand for maintaining and renewing social infrastructure, have piled up. Thus, it is crucial to maintain the balance of funds in order to ensure the fiscal response capability over the medium-to-long term as the foundation of taking measures in the future.

**[Figure 10] Trends of Reserve Funds and Reversals**



#### 4. Maintaining the Financial Base

- TMG has managed to maintain the health of finances by reviewing expenditures critically, and then utilizing TMG bonds and funds systematically.
- It is needed to continue maintaining the financial base that will support the preparations for the Tokyo 2020 Olympic and Paralympic Games and active measures toward “Making Tokyo the World’s Best City,” while TMG addresses the instability of revenue, which is inherent to TMG finances, and unavoidable expenses for the future.
- On the other hand, concerning a tentative measure of corporate enterprise taxes that should be logically abolished and restored as local tax when the local consumption tax rate is raised, it was decided to abolish the tax when the consumption tax is raised to 10% in the FY2014 tax system reform. But, when the consumption tax was raised to 8%, only one third of it was restored. In addition, the above tax system reform resulted to a transfer being executed for a part of corporate inhabitant tax to a state tax.
- In addition, TMG’s financial sources may be further decreased mainly due to a cut in the effective corporate tax rate and a further irrational review of the local corporate tax. The situation remains unpredictable, allowing no optimism.
- Under the circumstance that makes it difficult to predict the financial environment, it is necessary to more thoroughly carry out self-reforms such as business assessment by learning lessons from past responses to economic fluctuations. On top, TMG will fulfill its mission unflinchingly by sustaining the stable financial ability to respond to matters in the future through using TMG bonds and funds in a systematic and strategic manner.

## 2. Fiscal Year 2013 Tokyo Metropolitan Government Financial Report

- Assets were 47,524.3 billion yen at the end of fiscal year 2013, an increase of 215.6 billion yen from the previous fiscal year, while liabilities decreased 525.0 billion yen to 14,153.0 billion yen. The net asset ratio, which shows net assets as a percentage of total assets, was 70.2%, an increase from the previous fiscal year (69.0%.)
- In the special accounts, net assets were 7.4 billion yen at the end of fiscal year 2013, an increase of 0.7 billion yen from the previous fiscal year.
- In the public enterprise accounts, if we were to adjust the debenture capital as liabilities, the net asset ratio would be 68.5% (67.6% as of the end of the previous fiscal year), falling below the net asset ratio for the ordinary account of 75.3% (74.0% as of the end of the previous fiscal year).
- 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 continues 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.
- Financial statements include not only the balance sheet, but an administrative cost statement which shows administrative revenues and expenses for the fiscal year in question.

The scope of TMG comprehensive financial statements covers the ordinary account for TMG itself (a general account and 13 special accounts), two 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.

Item		FY2013	FY2012	Change in amount	Percentage of change
Assets					
I	Current assets	3,120.3	2,925.1	195.2	6.7
II	Fixed assets	44,398.0	44,377.3	20.7	0.0
	(of which, tangible fixed assets)	39,246.8	38,994.9	251.8	0.6
III	Deferred assets	5.9	6.2	(0.3)	(4.8)
Total Assets		47,524.3	47,308.7	215.6	0.5
Liabilities					
I	Current liabilities	1,943.6	1,798.3	145.2	8.1
II	Fixed liabilities	12,209.3	12,879.6	(670.3)	(5.2)
Total Liabilities		14,153.0	14,678.0	(525.0)	(3.6)
Total Net Assets		33,371.3	32,630.6	740.6	2.3
Total Liabilities and Net Assets		47,524.3	47,308.7	215.6	0.5

- Total assets were 47,524.3 billion yen (47,308.7 billion yen at the end of the previous fiscal year). The increase of 215.6 billion yen is due to a 20.7-billion-yen year-on-year increase in fixed assets and a 195.2-billion-yen year-on-year increase in current assets despite a 0.3-billion-yen year-on-year decline in deferred assets. Of the total assets, tangible fixed assets accounted for 39,246.8 billion yen or 82.6%.
- Total liabilities were 14,153.0 billion yen (14,678.0 billion yen at the end of the previous fiscal year.) The decrease of 525.0 billion yen is attributable to a decrease of 670.3 billion yen in fixed liabilities despite an increase of 145.2 billion yen in current liabilities. Of the total liabilities, fixed liabilities accounted for 12,209.3 billion yen or 86.3%.
- Total net assets were 33,371.3 billion yen, an increase of 740.6 billion yen from 32,630.6 billion yen as of the end of the previous fiscal year. The net asset ratio was 70.2%, (69.0% at the end of the previous fiscal year), slightly lower than the net asset ratio of 75.3% (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 2013, the balance for the Slaughterhouse Account was in deficit, while that for the Metropolitan Public Housing Tenants Security Deposit Account was in surplus. The total net assets of these two special accounts amounted to 7.4 billion yen (6.7 billion yen as of the end of the previous fiscal year), an increase of 0.7 billion yen from the end of the previous fiscal year.



## **[2] Public Enterprise Accounts**

- In the current balance, the Transportation account was in deficit, while the Industrial Waterworks account was balanced, and the remaining nine accounts were in surplus. In the net profit/loss for the current period, the Transportation account were in deficit, while the Industrial Waterworks account was balanced, and the remaining nine 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% (90.2% 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 68.5% (67.6% as of the end of the previous fiscal year), falling below the net asset ratio for the ordinary account of 75.3% (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. For the remaining 10 joint-stock companies (10 in the previous fiscal year), the ratio of net assets to total assets increased from the previous fiscal year, and they were in surplus in the current balance and net profit/loss for the current period. To promote further improvement of financial position, it is essential that each of the bodies continues to enhance its 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 excessive financial burden to the TMG's general account in future fiscal years associated with such bodies.
- 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. Furthermore, the local government is required to have clear understanding of the debt that can affect its financial position etc. 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 2013 Tokyo Metropolitan Government Ordinary Account Financial Statement

## (1) Ordinary Account Balance Sheet (As of March 31, 2014)

(in billion yen)

Item	FY2013	FY2012	Change in amount
<b>Assets</b>			
I Current assets	1,546.6	1,323.1	223.5
Cash and deposits	258.2	192.7	65.4
Uncollected revenues	116.2	134.8	(18.5)
Reserve for deficits due to non-payment	(14.2)	(14.5)	0.2
Fund reserves	873.7	887.5	(13.8)
Fiscal adjustment fund	455.1	417.9	37.2
Sinking fund	418.5	469.6	(51.1)
Short-term loans	309.7	118.5	191.1
Bad debt reserve	(0)	(0)	(0)
Other current assets	3.0	3.9	(0.9)
II Fixed assets	31,281.5	31,281.9	(0.3)
1. Administrative assets	8,016.7	7,980.5	36.1
1. Fixed tangible assets	8,010.7	7,974.5	36.1
Buildings	2,587.7	2,607.4	(19.7)
Structures	333.3	336.6	(3.3)
Timber	0.6	0.6	(0)
Vessels etc.	17.8	13.0	4.7
Buoys etc.	0.8	0.4	0.4
Land	5,070.3	5,016.3	53.9
2. Intangible fixed assets	5.9	5.9	-
Surface rights	5.9	5.9	-
Other intangible fixed assets	-	-	-
2. Ordinary assets	1,117.9	1,120.1	(2.2)
1. Fixed tangible assets	1,109.4	1,111.8	(2.4)
Buildings	390.2	395.3	(5.1)
Structures	74.5	75.7	(1.1)
Timber	0	0	(0)
Vessels etc.	0.3	0.3	(0)
Buoys etc.	0.5	0.6	(0)
Land	643.6	639.5	4.0
2. Intangible fixed assets	8.5	8.3	0.1
Surface rights	0.3	0.3	-
Other intangible fixed assets	8.1	7.9	0.1
3. Important property	82.6	84.5	(1.9)
4. Infrastructure assets	14,094.8	14,063.9	30.9
1. Tangible fixed assets	14,080.7	14,049.8	30.9
Land	12,180.7	12,140.2	40.4
Other than land	1,900.0	1,909.6	(9.5)
2. Intangible fixed assets	14.0	14.0	-
Surface rights	14.0	14.0	-
Other intangible fixed assets	-	-	-
5. Construction in progress	1,307.9	1,192.1	115.8
6. Investment and other assets	6,661.4	6,840.5	(179.1)
Securities and investments	732.1	722.7	9.4
Public enterprise account investments	1,886.3	1,826.9	59.3
Long-term loans	1,546.1	1,786.7	(240.5)
Bad debt reserve	(6.0)	(6.4)	0.3
Other obligations	11.5	11.9	(0.4)
Fund Reserves	2,323.9	2,331.2	(7.3)
Sinking fund	997.1	1,088.9	(91.8)
Special purpose fund	1,045.2	962.1	83.0
Fixed amount investment fund	281.6	280.1	1.5
Other investments etc.	167.3	167.3	-
<b>Total assets</b>	<b>32,828.2</b>	<b>32,605.0</b>	<b>223.1</b>

(in billion yen)

Item	FY2013	FY2012	Change in amount
<b>Liabilities</b>			
I Current liabilities	655.5	676.0	(20.5)
Unpaid refunds	1.3	1.5	(0.1)
TMG bonds	576.1	594.4	(18.3)
Short-term borrowing	0	0.6	(0.6)
Borrowing from other accounts	-	0.6	(0.6)
Fund operational costs	-	-	-
Other short-term borrowing	0	0	(0)
Arrearage	-	-	-
Deferred payments	-	-	-
Unpaid guarantee liabilities	-	-	-
Other accounts payable	-	-	-
Reserve for bonus	75.8	-	75.8
Other current liabilities	2.2	79.4	(77.2)
II Fixed liabilities	7,452.3	7,805.8	(353.5)
TMG bonds	6,379.1	6,703.2	(324.0)
Long-term borrowing	3.7	3.1	0.5
Borrowing from other accounts	3.0	2.4	0.6
Fund operational costs	-	-	-
Other long-term borrowing	0.7	0.7	(0)
Reserve for retirement allowances	1,058.9	1,086.8	(27.8)
Other reserves	-	-	-
Other fixed liabilities	10.4	12.6	(2.2)
Guaranty deposits	-	-	-
Other fixed liabilities	10.4	12.6	(2.2)
<b>Total liabilities</b>	<b>8,107.8</b>	<b>8,481.9</b>	<b>(374.0)</b>
<b>Net Assets</b>			
Net assets	24,720.3	24,123.0	597.2
(of which is increase/decrease in the current period)	597.2	281.7	315.5
<b>Total net assets</b>	<b>24,720.3</b>	<b>24,123.0</b>	<b>597.2</b>
<b>Total liabilities and net assets</b>	<b>32,828.2</b>	<b>32,605.0</b>	<b>223.1</b>

## (2) Ordinary Account Administrative Cost Statement

(From April 1, 2013, to March 31, 2014)

(in billion yen)

Item	FY2013	FY2012	Change in amount
Ordinary Balance			
I. Administrative balance			
1. Administrative revenues	5,493.4	5,208.5	284.9
Local taxes	4,533.5	4,258.1	275.4
Local transfer taxes	304.5	285.4	19.1
Local special grant	5.4	5.5	(0.1)
Allocations for municipalities with facilities owned by the national government	0	0	(0)
Miscellaneous tax-related revenues	0.1	0.1	(0)
National treasury disbursements	313.8	281.9	31.8
Traffic safety special grant	3.4	3.6	(0.2)
Operating revenues (special account)	0.1	0.1	(0)
Shares and charges	11.0	12.5	(1.5)
Fees and charges	139.3	140.5	(1.1)
Revenues from property	11.4	10.6	0.8
Miscellaneous (commissioned work revenues)	52.3	54.8	(2.5)
Miscellaneous	113.5	108.1	5.3
Donations	0.1	1.5	(1.4)
Funds transferred	4.3	45.0	(40.6)
Miscellaneous administrative revenues	-	0	(0)
2. Administrative expenses	4,927.1	4,968.4	(41.2)
Tax-related expenses	1,197.6	1,142.2	55.3
Payroll-related expenses	1,273.4	1,356.7	(83.2)
General and miscellaneous expenses	251.2	247.6	3.5
Maintenance and repair expenses	87.5	83.7	3.8
Social welfare expenses	120.4	119.9	0.5
Allowances etc.	1,032.9	1,034.5	(1.6)
Subsidized investment costs	97.9	101.9	(4.0)
Independent investment expenses	253.4	248.7	4.6
Direct government investment expenses	30.9	36.5	(5.5)
Investments (subvention etc.)	10.9	2.9	7.9
Transfers	215.4	212.5	2.9
Depreciation expenses	162.9	157.6	5.3
Debt guaranty expenses	-	-	-
Transfer to reserve for deficit due to non-payment	12.3	12.2	0.1
Transfer to bad debt	0.1	0.1	(0)
Transfer to reserve for bonus	75.8	-	75.8
Transfer to reserve for retirement allowances	98.6	130.2	(31.5)
Transfer to other reserves	0.0	75.9	(75.9)
Other administrative expenses	5.2	4.5	0.6
II. Financial balance			
1. Financial revenues	16.8	16.8	(0)
Revenues from interest earned and dividends	16.8	16.8	(0)
2. Financial expenses	110.0	111.3	(1.3)
Expenses for public bonds (interest)	106.6	108.4	(1.7)
TMG bond issuing fees	2.5	2.4	0.0
Discount on TMG bonds	0.7	0.4	0.2
Interest on borrowing from other accounts	0	0	(0)
Ordinary balance	473.0	145.5	327.5
Special Balance			
I. Special revenues	21.4	74.7	(53.2)
Profit on sale of fixed assets	8.2	14.0	(5.7)
Other special revenues	13.1	60.6	(47.4)
II. Special expenses	21.2	50.0	(28.7)
Loss on sale of fixed assets	2.7	0.9	1.8
Loss on disposal of fixed assets	8.1	6.7	1.3
Disaster recovery expenses	0.9	0.7	0.1
Deficit due to non-payment	6.2	0.7	5.4
Bad debts loss	0	0	(0)
Other special expenses	3.2	40.7	(37.4)
Balance for the current period	473.3	170.2	303.0

**(3) Ordinary Account Cash Flow Statement (From April 1, 2013, to March 31, 2014)**  
(in billion yen)

Item	FY2013	FY2012	Change in amount
<b>I. Administrative services activities</b>			
Tax revenues etc.	4,844.4	4,548.2	296.1
Local taxes	4,534.2	4,257.0	277.1
Local transfer taxes	304.5	285.4	19.1
Local special grants	5.4	5.5	(0.1)
Allocations for municipalities with facilities owned by the national government	0	0	(0)
Miscellaneous tax-related revenues	0.1	0.1	(0)
National treasury disbursement etc.	317.5	285.8	31.6
National treasury disbursement	314.0	282.2	31.8
Traffic safety special grant	3.4	3.6	(0.2)
Other administrative revenues	326.6	368.8	(42.2)
Operating revenues (special account)	0.1	0.1	(0)
Shares and charges	10.9	12.5	(1.5)
Fees and charges	137.9	138.8	(0.8)
Revenues from property	7.3	7.8	(0.5)
Miscellaneous (commissioned work revenues)	52.3	54.8	(2.5)
Miscellaneous	113.6	108.1	5.4
Contributions	0.1	1.5	(1.4)
Funds transferred	4.0	44.6	(40.6)
Financial revenues	16.8	16.8	(0)
Revenues from interest earned and dividends	16.8	16.8	(0)
Tax-related expenses	1,197.6	1,142.2	55.3
Tax-related expenses	1,197.6	1,142.2	55.3
Administrative expenses	3,584.9	3,588.5	(3.5)
Payroll-related expenses	1,476.5	1,499.5	(22.9)
General and miscellaneous expenses	250.4	246.8	3.6
Maintenance and repair expenses	87.5	83.7	3.8
Social welfare expenses	120.2	119.6	0.6
Allowances etc.	1,027.9	1,032.2	(4.2)
Subsidized investment costs	99.5	103.6	(4.0)
Independent investment expenses	257.1	249.3	7.8
Direct government investment expenses	30.9	36.5	(5.5)
Investments (subvention etc.)	10.9	2.9	7.9
Amount transferred	223.4	214.0	9.4
Financial expenses	109.9	111.3	(1.3)
Expenses for public bonds (interest, fees)	109.9	111.3	(1.3)
Interests on borrowing from other accounts	0	0	(0)
Special expenses	0.9	0.7	0.1
Disaster recovery business expenses	0.9	0.7	0.1
Balance of administrative service activities	611.9	376.9	234.9

Item	FY2013	FY2012	Change in amount
<b>II. Social capital improvement investment activities</b>			
National treasury disbursement etc.	106.0	120.6	(14.5)
National treasury disbursement	95.5	112.1	(16.6)
Shares and charges	5.5	4.7	0.7
Amount transferred etc.	4.9	3.6	1.3
Revenues from property	18.2	17.4	0.8
Cash from sale of property	18.2	17.4	0.8
Funds transferred	59.5	111.9	(52.4)
Financial adjustment fund	-	-	-
Sinking fund	-	-	-
Special purpose fund	58.0	109.4	(51.4)
Fixed amount invest fund	1.5	2.5	(1.0)
Revenues from collection of loan principal etc	335.2	252.5	82.6
Security deposit revenues	0	0	0
Social capital improvement expenses	339.4	317.4	21.9
General and miscellaneous expenses	2.4	4.9	(2.4)
Allowances etc.	0.9	0	0.9
Subsidized investment costs	156.4	153.2	3.1
Independent investment expenses	179.5	159.3	20.2
Funds reserved	181.6	125.5	56.0
Financial adjustment fund	37.2	19.2	17.9
Sinking fund	-	-	-
Special purpose fund	141.3	103.0	38.3
Fixed sum management fund	3.0	3.2	(0.2)
Loans and investments, etc.	348.7	340.6	8.0
Investments	9.6	15.2	(5.6)
Funds drawn (other accounts)	53.9	55.1	(1.2)
Loans	285.1	270.2	14.9
Deposit expenses	0.1	0	0.1
Balance of social capital improvement investment activities	(350.8)	(281.1)	(69.6)
Balance of administrative activities cash flow	261.1	95.7	165.3
<b>III. Financing activities</b>			
Revenues from financing activities	239.4	342.0	(102.5)
TMG bonds	238.0	342.0	(103.9)
Loans from other accounts	1.4	-	1.4
Fund management fees	-	-	-
Funds transferred	(0)	-	(0)
Expenses for financial activities	438.9	415.1	23.7
Expenses for public bonds (principal)	437.4	413.4	23.9
Refund of loans from other accounts etc	1.4	1.6	(0.1)
Refund of fund management fees etc	-	-	-
Balance of Financing activities	(199.4)	(73.1)	(126.3)
Total balance	61.7	22.6	39.0
Balance brought forward from the previous fiscal year	191.2	168.5	22.6
Proforma balance	252.9	191.2	61.7

**(4) Ordinary Account Statement of Changes in Net Assets**  
**(From April 1, 2013, to March 31, 2014)**

(in billion yen)

	Opening balance equivalent	National treasury disburse- ments	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	19,021.8	921.8	65.9	266.2	(79.6)	(1.6)	3,928.3	24,123.0
Amount changed for the current period	-	94.5	10.5	23.0	(4.0)	(0)	473.3	597.2
Change in fixed assets etc.	-	94.5	10.5	23.0	(4.0)	8.0	-	132.1
Change in TMG bonds etc.	-	-	-	-	-	(4.3)	-	(4.3)
Other intra-bureau transactions	-	-	-	-	-	(3.7)	-	(3.7)
Balance for the current period	-	-	-	-	-	-	473.3	473.3
Balance at the end of the current period	19,021.8	1016.3	76.5	289.3	(83.6)	(1.7)	4,401.6	24,720.3

**(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	27,583.4	1,454.3	1,134.1	27,903.6	3,312.0	162.9	24,591.6
Administrative assets	9,953.6	582.5	462.2	10,073.9	2,063.2	97.2	8,010.7
Buildings	4,342.4	276.6	221.5	4,397.4	1,809.7	84.0	2,587.7
Structures	563.1	80.1	74.8	568.5	235.1	12.0	333.3
Timber	0.6	0	0	0.6	-	-	0.6
Vessels etc.	29.9	15.2	9.8	35.4	17.5	1.0	17.8
Buoys etc.	1.0	1.9	1.3	1.6	0.7	0	0.8
Land	5,016.3	208.5	154.5	5,070.3	-	-	5,070.3
Ordinary assets	1,399.9	181.3	168.5	1,412.7	303.2	16.0	1,109.4
Buildings	620.7	71.2	63.6	628.3	238.1	13.9	390.2
Structures	136.3	3.9	2.8	137.4	62.8	2.0	74.5
Timber	0	0	0	0	-	-	0
Vessels etc.	0.9	1.2	1.2	0.9	0.6	0	0.3
Buoys etc.	2.2	-	-	2.2	1.6	0	0.5
Land	639.5	104.8	100.7	643.6	-	-	643.6
Important property	191.6	20.4	18.1	194.0	111.3	9.3	82.6
Infrastructure assets	14,846.1	189.8	121.0	14,914.9	834.1	40.2	14,080.7
Land	12,140.2	118.9	78.4	12,180.7	-	-	12,180.7
Other than land	2,705.8	70.9	42.5	2,734.2	834.1	40.2	1,900.0
Construction in progress	1,192.1	480.0	364.2	1,307.9	-	-	1,307.9
Intangible fixed assets	28.3	0.2	0	28.5	-	-	28.5
Administrative assets	5.9	-	-	5.9	-	-	5.9
Surface rights	5.9	-	-	5.9	-	-	5.9
Other intangible fixed assets	-	-	-	-	-	-	-
Ordinary assets	8.3	0.2	0	8.5	-	-	8.5
Surface rights	0.3	-	-	0.3	-	-	0.3
Other intangible fixed assets	7.9	0.2	0	8.1	-	-	8.1
Infrastructure assets	14.0	0	0	14.0	-	-	14.0
Surface rights	14.0	-	-	14.0	-	-	14.0
Other intangible fixed assets	-	0	0	-	-	-	-
Total	27,611.7	1,454.5	1,134.1	27,932.1	3,312.0	162.9	24,620.1



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

Year-to-date (From April 1, 2013, to March 31, 2014)
<p><b>(Accounting Policy)</b></p> <p>1. Target Range</p> <p>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:</p> <p>General account</p> <p>Special accounts (13 accounts)</p> <ul style="list-style-type: none"> <li>Special Wards Fiscal Adjustment</li> <li>Local Consumption Tax Adjustment</li> <li>Ogasawara Islands Livelihood Rehabilitation Fund</li> <li>Mother and Child Welfare Loan Fund</li> <li>Physically or Mentally Handicapped Annuity</li> <li>Small and Medium Enterprise Facility Installation Fund</li> <li>Forestry and Lumber Industry Improvement Subsidy</li> <li>Coastal Fishery Improvement Subsidy</li> <li>Metropolitan Public Housing</li> <li>Urban Development Fund</li> <li>Land Acquisition</li> <li>Expenses for Public Bonds</li> <li>Waterfront Urban Infrastructure Development Project</li> </ul>
<p>2. Base Date</p> <p>The base date shall be taken as being March 31, 2014; the results and statements, however, include all deposits and withdrawals carried out between April 1, 2014, and May 31, 2014 (the settlement period).</p>
<p>3. Calculation of Assets and Liabilities</p> <p>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.</p>
<p>4. Application of Current Arrangement</p> <p>The listed order of items for assets and liabilities is arranged using the current arrangement, with current assets being followed by fixed assets.</p>
<p>5. Application of One-Year Rule</p> <p>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.</p>
<p>6. Method Used for Fixed Asset Depreciation</p> <p>(1) Administrative assets, ordinary assets and infrastructure assets</p> <p>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".</p> <p>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".</p> <p>However, the paving of roads, defined as replacement assets by the "Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards", is subject to adoption of a processing method that treats spending required for partial road replacement as actual expenses.</p> <p>(2) Important property</p> <p>Important property is depreciated on a straight line basis according to the service life in the "Service Life Benchmarks for Important Property."</p>

Year-to-date (From April 1, 2013, to March 31, 2014)	
7. Processing Method for Deferred Assets	<p>These are, in principle, not subject to accounting.</p> <p>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>
8. Valuation Standards and Method for Securities and Investments	<p>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>
9. Accounting Standards for Reserve Allowances	<p>The Tokyo Metropolitan Government's main reserve allowances are outlined below.</p> <p>(1) Reserve for deficit due to non-payment</p> <p>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.</p> <p>(2) Bad debt reserve</p> <p>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.</p> <p>(3) Reserve for retirement allowances</p> <p>The retirement allowance payment used in the event of city employees voluntary retiring is used to calculate the required reserve for retirement allowances.</p> <p>(4) Reserve for bonuses</p> <p>A part of the year-end allowances and bonus payable in the following fiscal year is recorded as reserve for bonuses in case the relevant liabilities incurring this fiscal year are attributable.</p>
10. Conversion Standards for Converting Foreign-currency-denominated Assets and Debt into yen equivalent	<p>The Tokyo Metropolitan Government issues foreign-currency-denominated bonds in the U.S. and European markets. As the risk that accompanies fluctuations in principal and interest is hedged by the currency swap transaction between foreign currencies and yen, the value of these bonds is calculated in yen at the time of issue.</p>
11. Accounting Standards for Revenues and Expenses	<p>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, 2013, to March 31, 2014)	
<b>(Other)</b> <b>Balance Sheet-related Items</b>	
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 TMG-owned public property, important property and infrastructure assets is calculated using the acquisition price.
3. Changes in Presentation Methods	Effective from the current period, reserve for bonuses that was reported as other current liabilities in the first term is separately listed as account title "reserve for bonuses." This change is to present the amount of liabilities more clearly by separately listing the account title related to reserve for bonuses. The amount of reserve for bonuses was 75,997,377,314 yen in the previous term.
<b>Administrative Cost Statement-related Items</b>	
1. Display Method for Entered Amounts	The entered figures have been rounded down to the indicated unit.
2. Changes in Presentation Methods	Effective from the current period, the transferred amount of reserve for bonuses that was reported as the transferred amount of other current liabilities in the first term is separately listed as account title "the transferred amount of reserve for bonuses." This change is to present the amount of administrative costs more clearly by separately listing the account title related to reserve for bonuses. The transferred amount of reserve for bonuses was 75,997,377,314 yen in the previous term.
<b>Cash Flow Statement-related Items</b>	
1. Display Method for Entered Amounts	The entered figures have been rounded down to the indicated unit.
3. 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.

## [Notes]

### Balance Sheet-related Items

#### 1. Contingent Liabilities

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

(in billion yen)	
Item	End of FY2013
Related to public corporations/societies	86.4
Others	86.8

#### 2. Other Debt Burdens (estimated future expenditure)

(in billion yen)	
Item	End of FY2013
Interest rate subsidy-related items	57.9
Others	876.5

#### 3. Expected Repayments of Outstanding Borrowing (as of the end of FY2013)

(in billion yen)			
Item	FY2014	From FY2015	Total
TMG bonds	576.1	6,379.1	6,955.2
Borrowing from other accounts etc.	0	3.7	3.7
Total	576.1	6,382.9	6,959.0

Outstanding balance of TMG bonds of 6.9552 trillion yen, as of the end of fiscal year 2013, is expected to give rise to a total future interest payment of 803.3 billion yen.

#### 4. Figures for Temporary Borrowing

In order to carry out short-term funding, 150.0 billion yen and another 150.0 billion yen were raised from the fiscal adjustment fund on May 31, 2013. The first 150.0 billion yen and another 150.0 billion yen were repaid on June 3 and June 5, respectively. The total interest on these borrowings was 821,917 yen and was implemented from the general account.

#### 5. Sinking Fund

Following the settlement of accounts for fiscal year 2013, there was no shortfall.

## 6. Breakdown of Other Funds

(in billion yen)

Item	End of FY2013
Special Fund for Expenses Needed in Relation to the Switch of the Corporate Enterprise Tax to a National Tax	-
Social Capital Improvement Fund	436.7
Tokyo Olympic and Paralympic Games Hosting Fund Reserve	410.8
Fund for Promotion and Exchange of Sports and Culture	0.2
Fund for Promotion of Measures Against Global Warming	-
Welfare, Health and Safety Fund	13.1
Fund for Green Tokyo Fundraising Campaign	0.4
Asian Human Resources Fund	3.6
Pollution-Related Health Damage Prevention Fund	3.8
Fund for utilizing the Senkaku Islands through Tokyo Metropolitan Government Senkaku Island Donations	1.4
Disaster Relief Fund	15.2
Fund for Annuity for Individuals with Physical or Mental Disabilities	64.2
Fund for Stabilization of Finance of Nursing Care Insurance	3.4
Support Fund for Expansion of Administrative Work of National Health Insurance	2.0
Support Fund for Regional Activities on Forestry Development	0
Temporary Special Fund for Supporting the Independence of Individuals with Disabilities	-
Fund for Stabilizing the Expenses of Local Government on Medical Insurance for the Elderly Aged over 75	21.0
Fund for Enforcing the Consumer Support by Local Government	0.3
Fund for Establishing the Supportive Society to Raise Children	15.0
Temporary Special Fund for Emergency Project on Employment Creation	19.0
Support Fund for High School Students	4.4
Temporary Special Fund for Quakeproofing Social Welfare Facilities	5.2
Community Healthcare Revitalization Fund	1.5
Temporary Special Fund for Quakeproofing Medical Facilities	6.5
Emergency Enforcement Fund for Regional Measures against Suicide	0.2
Temporary Special Fund for Improvement of Care Staff Treatment	3.7
Temporary Special Fund for Emergency Development of Foundation for Nursing Care	11.8
Fund for Forestry Development Acceleration and Forestry Rejuvenation	0.2
New public support fund	-
Fund for Promotion of Regional Measures against Marine Debris	0.2
Fund for Support of Agricultural Structural Reform	0.2
Municipal Promotion Fund	281.5
Equipment Procurement Fund	0.1
Total	1,326.8

## 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 as the amount 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 gasoline transfer tax.
Local special grants	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 will be recorded.
Allocations for municipalities with facilities owned by the national government	This is provided for municipalities with facilities owned by the national government (Tokyo Metropolitan Government for its special wards). 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 order to allocate the revenues obtained through fines paid to the national government etc. in accordance with the Road Traffic Act to expenses necessary for establishing and managing road traffic safety facilities, the amount allocated to municipalities is calculated.
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	FY2013
Cash and deposits	251.5
Balance of payments for the portion of Urban Redevelopment Project Account in the ordinary account classification	1.3
Balance at the end of the fiscal year for cash and cash equivalents (Proforma balance)	252.9

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	FY2013
Metropolitan inhabitant tax	1,708.1
Business tax	729.2
Local consumption tax	392.0
Real estate acquisition tax	73.7
Metropolitan tobacco tax	20.0
Automobile acquisition tax	18.9
Light-oil delivery tax	41.9
Automobile tax	108.6
Fixed assets tax	1,125.3
Special land ownership tax	0
Business office tax	96.5
City planning tax	217.3
Others	1.9
Total	4,534.2

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	FY2013
Sinking fund transfer	469.6
Sinking fund reserve	326.6



## 2. Fiscal Year 2013 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	"Special Accounts"		(Simple Total)
	A	B1	B2	(A+B)
Administrative Cost Statement (Ordinary balance)				
<b>I Administrative balance</b> (1)=a-b	566,292	(3,353)	33	562,972
<b>Administrative revenues</b> a	5,493,491	1,514	45	5,495,051
Local taxes etc.	4,838,175	-	-	4,838,175
Grants etc.	8,906	-	-	8,906
National treasury disbursement	313,848	-	-	313,848
Funds transferred	4,342	-	39	4,382
Other	328,218	1,514	5	329,738
<b>Administrative expenses</b> b	4,927,199	4,868	12	4,932,079
Tax-related expenses	1,197,610	-	-	1,197,610
Payroll-related expenses	1,273,486	2,072	-	1,275,559
Allowances etc.	1,032,936	1,096	-	1,034,033
Investment expenses	382,334	3	-	382,338
Funds disbursed	215,420	-	12	215,432
Other	825,409	1,695	-	827,105
<b>II Financial balance</b> (2)=c-d	(93,194)	(86)	-	(93,281)
<b>Financial revenues</b> c	16,837	0	-	16,837
<b>Financial expenses</b> d	110,032	86	-	110,118
<b>Ordinary balance</b> (3)=(1)+(2)	473,097	(3,439)	33	469,691
<b>Special balance</b>				
<b>Special revenues</b> e	21,459	65	1	21,527
<b>Special expenses</b> f	21,254	-	-	21,254
<b>Special balance</b> (4)=e-f	205	65	1	273
<b>Balance for the current period</b> (5)=(3)+(4)	473,303	(3,374)	35	469,964
<b>Transfer to general account</b> g	-	2,898	-	2,898
<b>Disbursement from general account</b> h	-	-	-	-
<b>Balance brought forward</b> (5)+g-h	473,303	(476)	35	472,862
Balance Sheet (Assets)				
<b>I. Current assets</b>	1,546,664	-	13,197	1,559,862
Cash and deposits	258,208	-	13,197	271,406
Other current assets	1,288,455	-	-	1,288,455
<b>II. Fixed assets</b>	31,281,587	14,228	3,000	31,298,815
Tangible fixed assets	24,591,666	14,228	-	24,605,895
Land	17,894,751	-	-	17,894,751
Other tangible fixed assets (property etc.)	6,696,915	14,228	-	6,711,143
Intangible fixed assets	28,508	-	-	28,508
Investments etc.	6,661,411	-	3,000	6,664,411
Long-term loan	1,546,189	-	3,000	1,549,189
Funds	2,323,949	-	-	2,323,949
Other investments etc.	2,791,272	-	-	2,791,272
<b>III. Deferred assets</b>	-	-	-	-
<b>Total assets</b>	32,828,251	14,228	16,197	32,858,678
(Liabilities)				
<b>I. Current liabilities</b>	655,552	1,309	-	656,862
<b>II. Fixed liabilities</b>	7,452,331	5,537	16,146	7,474,015
Long-term borrowing	6,382,941	3,613	-	6,386,554
Other fixed liabilities	1,069,390	1,923	16,146	1,087,460
<b>Total liabilities</b>	8,107,884	6,846	16,146	8,130,877
(Net assets)				
<b>Total net assets</b>	24,720,367	7,381	51	24,727,800
(of which are changes in the current period)	597,289	696	35	598,020
<b>Total liabilities and net assets</b>	32,828,251	14,228	16,197	32,858,678

## [2] Public Enterprise Accounts

(in million yen)

	Hospitals C1	Central Wholesale Market C2	Urban Redevelopment Project C3	Waterfront Area Development Project C4	Port and Harbor Project C5	Transportation C6
<b>Profit and Loss Statement</b>						
<b>Operating profit</b> (1)=a-b	(14,820)	(1,286)	837	4,833	1,215	(1,733)
Operating earnings a	129,191	14,209	4,298	23,583	3,991	43,493
Operating expenses b	144,012	15,496	3,461	18,750	2,776	45,226
Business cost price	83,453	112	3,439	16,359	1,632	33,609
Administrative expenses	60,558	15,384	21	2,390	1,144	11,617
<b>Non-operating profit</b> (2)=c-d	18,356	1,808	17	1,198	474	733
Non-operating earnings c	24,411	2,401	17	4,722	512	1,780
Non-operating expenses d	6,055	592	-	3,523	38	1,047
<b>Current balance</b> (1)+(2)	3,536	522	854	6,032	1,689	(999)
<b>Special profit</b> (3)=e-f	976	(176)	-	-	-	711
Special earnings e	4,187	-	-	-	-	711
Special expenses f	3,210	176	-	-	-	-
<b>Net profit for the current period</b> (4)=(1)+(2)+(3)	4,512	345	854	6,032	1,689	(288)
Retained profit brought forward (5)	(2,431)	(5,906)	947	29,959	9,550	(9,994)
Unappropriated revenues for the current period (4)+(5)	<b>2,081</b>	<b>(5,561)</b>	<b>1,802</b>	<b>35,992</b>	<b>11,240</b>	<b>(10,283)</b>

<b>Balance Sheet</b>						
<b>(Assets)</b>						
<b>I. Current assets</b>	82,253	181,855	44,674	207,765	25,466	43,436
Cash and deposits	53,174	165,471	43,421	203,669	25,120	22,678
Other current assets	29,079	16,383	1,252	4,096	345	20,758
<b>II. Fixed assets</b>	181,908	594,484	311,992	885,905	336,625	180,282
<b>Tangible fixed assets</b>	153,591	594,160	311,992	771,728	331,045	72,440
Land	976	188,071	-	771,420	313,457	19,246
Other tangible fixed assets (property etc.)	152,614	406,089	311,992	307	17,588	53,194
<b>Intangible fixed assets</b>	525	6	-	1	2	212
<b>Investments etc.</b>	27,791	316	-	114,175	5,577	107,629
Long-term loan	-	10	-	5,000	-	90,000
Funds	-	-	-	-	-	-
Other investments etc.	27,791	306	-	109,175	5,577	17,629
<b>III. Deferred assets</b>	5,618	24	-	-	-	-
<b>Total assets</b>	<b>269,780</b>	<b>776,364</b>	<b>356,666</b>	<b>1,093,671</b>	<b>362,091</b>	<b>223,718</b>
<b>(Liabilities)</b>						
<b>I. Current liabilities</b>	19,578	40,333	319,340	12,331	1,086	12,126
<b>II. Fixed liabilities</b>	-	25,199	138	4,168	-	30,026
Long-term borrowing	-	-	-	-	-	-
Other fixed liabilities	-	25,199	138	4,168	-	30,026
<b>Total liabilities</b>	<b>19,578</b>	<b>65,532</b>	<b>319,478</b>	<b>16,500</b>	<b>1,086</b>	<b>42,152</b>
<b>(Capital)</b>						
<b>Total capital</b>	<b>250,202</b>	<b>710,832</b>	<b>37,187</b>	<b>1,077,171</b>	<b>361,004</b>	<b>181,566</b>
(of which are changes in the current period)	6,404	38,859	(40,162)	2,316	984	1,905
<b>Total liabilities and capital</b>	<b>269,780</b>	<b>776,364</b>	<b>356,666</b>	<b>1,093,671</b>	<b>362,091</b>	<b>223,718</b>

(in million yen)

Urban Rapid Transit Railway C7	Electric Power C8	Waterworks C9	Industrial Waterworks C10	Sewerage C11	(Simple Total) (C)
---	----------------------	------------------	---------------------------------	-----------------	-----------------------

Profit and Loss Statement						
<b>Operating profit</b> (1)=a-b	22,192	298	31,012	(530)	37,397	79,418
<b>Operating earnings</b> a	137,141	1,120	317,768	791	282,004	957,595
<b>Operating expenses</b> b	114,948	821	286,755	1,322	244,606	878,177
Business cost price	65,747	720	201,515	624	90,177	497,392
Administrative expenses	49,201	100	85,240	698	154,429	380,785
<b>Non-operating profit</b> (2)=c-d	(7,244)	4	370	530	(13,338)	2,911
<b>Non-operating earnings</b> c	4,191	4	8,735	544	30,488	77,809
<b>Non-operating expenses</b> d	11,435	0	8,364	13	43,827	74,898
<b>Current balance</b> (1)+(2)	14,948	303	31,383	-	24,059	82,329
<b>Special profit</b> (3)=e-f	498	2	818	-	-	2,830
<b>Special earnings</b> e	505	2	818	-	-	6,225
<b>Special expenses</b> f	7	-	-	-	-	3,394
<b>Net profit for the current period</b> (4)=(1)+(2)+(3)	15,446	305	32,201	-	24,059	85,159
Retained profit brought forward (5)	(400,135)	-	-	-	11,847	(366,161)
Unappropriated revenues for the current period (4)+(5)	<b>(384,688)</b>	<b>305</b>	<b>32,201</b>	<b>-</b>	<b>35,907</b>	<b>(281,001)</b>

Balance Sheet						
(Assets)						
<b>I. Current assets</b>	144,018	4,065	328,487	6,333	197,015	1,265,373
<b>Cash and deposits</b>	69,329	2,587	132,292	5,946	48,970	772,663
<b>Other current assets</b>	74,688	1,478	196,195	386	148,044	492,710
<b>II. Fixed assets</b>	1,552,899	4,026	2,377,534	28,828	6,558,157	13,012,645
<b>Tangible fixed assets</b>	1,527,427	4,023	2,308,133	28,554	6,557,276	12,660,373
Land	133,300	96	245,995	1,045	533,111	2,206,720
Other tangible fixed assets (property etc.)	1,394,126	3,927	2,062,138	27,508	6,024,164	10,453,652
<b>Intangible fixed assets</b>	1,377	1	68,242	274	698	71,342
<b>Investments etc.</b>	24,095	1	1,159	-	182	280,929
Long-term loan	-	-	-	-	-	95,010
Funds	-	-	-	-	-	-
Other investments etc.	24,095	1	1,159	-	182	185,918
<b>III. Deferred assets</b>	-	-	23	-	181	5,847
<b>Total assets</b>	<b>1,696,917</b>	<b>8,092</b>	<b>2,706,045</b>	<b>35,161</b>	<b>6,755,355</b>	<b>14,283,865</b>
(Liabilities)						
<b>I. Current liabilities</b>	32,022	411	113,351	250	103,498	654,330
<b>II. Fixed liabilities</b>	502,613	417	161,384	-	49,989	773,938
<b>Long-term borrowing</b>	267,584	-	-	-	-	267,584
<b>Other fixed liabilities</b>	235,028	417	161,384	-	49,989	506,353
<b>Total liabilities</b>	<b>534,636</b>	<b>829</b>	<b>274,735</b>	<b>250</b>	<b>153,487</b>	<b>1,428,268</b>
(Capital)						
<b>Total capital</b>	<b>1,162,281</b>	<b>7,263</b>	<b>2,431,309</b>	<b>34,911</b>	<b>6,601,867</b>	<b>12,855,597</b>
(of which are changes in the current period)	(765)	305	4,408	92	33,434	47,784
<b>Total liabilities and capital</b>	<b>1,696,917</b>	<b>8,092</b>	<b>2,706,045</b>	<b>35,161</b>	<b>6,755,355</b>	<b>14,283,865</b>

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

(in million yen)

	Tokyo Metropolitan Human Rights Promotion Center	Tokyo Metropolitan Islands Promotion Corporation	Tokyo Tax Association	Tokyo Metropolitan Foundation for History and Culture	Tokyo Metropolitan Symphony	Tokyo Sport Benefits Corporation
	D1	D2	D3	D4	D5	D6
<b>Statement of Changes in Net Assets</b>						
(Changes in unrestricted net assets)						
Current increase (decrease) for the current period (1)=a-b	6	(5)	(19)	209	(24)	(20)
Current revenues a	228	661	1,194	10,459	1,794	4,976
Current expenses b	222	667	1,214	10,249	1,818	4,996
Nonrecurring increase (decrease) for the current period (2)=c-d	-	(1)	-	12	(0)	8
Nonrecurring revenues c	-	-	-	18	0	8
Nonrecurring expenses d	-	1	-	5	0	-
Corporation tax etc. (3)	2	(-)	2	86	0	0
Total changes in unrestricted net assets for the current period (4)=(1)+(2)+(-3)	3	(7)	(21)	135	(24)	(11)
Unrestricted net assets at the beginning of the current period (5)	130	878	549	5,960	744	861
Unrestricted net assets at the end of the current period (6)=(4)+(5)	133	871	527	6,096	719	849
(Changes in restricted net assets)						
Total changes in restricted net assets for the current period (7)	-	-	-	51	-	10
Restricted net assets at the beginning of the current period (8)	101	4,000	300	200	1	506
Restricted net assets at the end of the current period (9)=(7)+(8)	101	4,000	300	252	1	517
<b>Net assets at the end of fiscal year (6)+(9)</b>	<b>234</b>	<b>4,871</b>	<b>827</b>	<b>6,349</b>	<b>720</b>	<b>1,367</b>

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

<b>Balance Sheet</b>						
(Assets)						
I. Current assets	82	335	298	5,880	465	1,672
Cash and deposits	82	277	221	5,087	319	790
Other current assets	0	58	76	792	146	881
II. Fixed assets	173	6,801	644	3,456	555	1,385
Tangible fixed assets	0	148	32	506	23	33
Land	-	-	-	-	-	-
Other tangible fixed assets (property etc.)	0	148	32	506	23	33
Intangible fixed assets	0	0	5	32	29	0
Investments etc.	173	6,652	607	2,916	503	1,351
Long-term loan	-	-	-	-	39	-
Funds	-	-	-	-	-	-
Other investments etc.	173	6,652	607	2,916	464	1,351
III. Deferred assets	-	-	-	-	-	-
<b>Total assets</b>	<b>256</b>	<b>7,137</b>	<b>943</b>	<b>9,336</b>	<b>1,021</b>	<b>3,057</b>
(Liabilities)						
I. Current liabilities	21	26	91	2,346	250	1,083
II. Fixed liabilities	-	2,240	23	641	49	607
Long-term borrowing	-	2,240	-	-	-	-
Other fixed liabilities	-	-	23	641	49	607
<b>Total liabilities</b>	<b>21</b>	<b>2,266</b>	<b>115</b>	<b>2,987</b>	<b>300</b>	<b>1,690</b>
(Net assets)						
<b>Total net assets</b>	<b>234</b>	<b>4,871</b>	<b>827</b>	<b>6,349</b>	<b>720</b>	<b>1,367</b>
(of which are changes in the current period)	3	(7)	(21)	187	(24)	△ 0
<b>Total liabilities and net assets</b>	<b>256</b>	<b>7,137</b>	<b>943</b>	<b>9,336</b>	<b>1,021</b>	<b>3,057</b>

<b>Current status of metropolitan government's involvement</b>						
Investment ratio (%)	74.2	45.5	85.6	32.2	4.4	100
Number of metropolitan government contract employees/ Number of permanent employees	5/8	3/7	14/211	34/235	2/105	44/132

\* 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, 2014, number of employees is as of 1 August, 2013

(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 Organization 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)

<b>Current increase (decrease) for the current period</b>	(1)=a-b	150	126	66	(55)	(165)	-
Current revenues	a	2,735	27,035	11,272	2,815	3,929	639
Current expenses	b	2,585	26,909	11,202	2,871	4,095	639
<b>Nonrecurring increase (decrease) for the current period</b>	(2)=c-d	(3)	(86)	(625)	(0)	118	-
Nonrecurring revenues	c	3	-	19	-	160	-
Nonrecurring expenses	d	6	86	644	0	41	-
Corporation tax etc.	(3)	75	0	0	(0)	(-)	(-)
<b>Total changes in unrestricted net assets for the current period</b>	(4)=(1)+(2)+(-)(3)	70	38	(558)	(55)	(47)	-
<b>Unrestricted net assets at the beginning of the current period</b>	(5)	313	64,178	4,450	1,568	808	-
<b>Unrestricted net assets at the end of the current period</b>	(6)=(4)+(5)	383	64,217	3,891	1,512	761	-
<b>(Changes in restricted net assets)</b>							
<b>Total changes in restricted net assets for the current period</b>	(7)	-	-	(0)	137	-	1
<b>Restricted net assets at the beginning of the current period</b>	(8)	880	13	356	1,037	300	36
<b>Restricted net assets at the end of the current period</b>	(9)=(7)+(8)	880	13	356	1,175	300	37
<b>Net assets at the end of fiscal year</b>	(6)+(9)	<b>1,263</b>	<b>64,230</b>	<b>4,248</b>	<b>2,687</b>	<b>1,061</b>	<b>37</b>

\*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 Environmental Public Service Corporation reflects specific assets appraisal profit or loss etc. and valuation profit or loss on specified assets etc.

<b>Balance Sheet</b>							
<b>(Assets)</b>							
<b>I. Current assets</b>	1,646	24,426	27,300	612	634	173	
Cash and deposits	1,527	5,897	25,907	509	624	166	
Other current assets	118	18,528	1,393	102	9	6	
<b>II. Fixed assets</b>	949	54,433	2,324	8,041	1,539	69	
<b>Tangible fixed assets</b>	54	1,444	663	47	1,055	28	
Land	-	656	73	-	-	-	
Other tangible fixed assets (property etc.)	54	787	590	47	1,055	28	
<b>Intangible fixed assets</b>	2	62	133	17	71	0	
<b>Investments etc.</b>	892	52,927	1,526	7,977	412	40	
Long-term loan	-	30	-	6,318	-	0	
Funds	-	-	-	-	-	-	
Other investments etc.	892	52,896	1,526	1,658	412	40	
<b>III. Deferred assets</b>	80	-	-	-	-	-	
<b>Total assets</b>	<b>2,676</b>	<b>78,859</b>	<b>29,624</b>	<b>8,653</b>	<b>2,173</b>	<b>242</b>	
<b>(Liabilities)</b>							
<b>I. Current liabilities</b>	1,412	11,417	25,089	461	852	173	
<b>II. Fixed liabilities</b>	-	3,211	287	5,504	260	31	
Long-term borrowing	-	-	-	1,942	-	-	
Other fixed liabilities	-	3,211	287	3,562	260	31	
<b>Total liabilities</b>	<b>1,412</b>	<b>14,629</b>	<b>25,376</b>	<b>5,966</b>	<b>1,112</b>	<b>204</b>	
<b>(Net assets)</b>							
<b>Total net assets</b>	<b>1,263</b>	<b>64,230</b>	<b>4,248</b>	<b>2,687</b>	<b>1,061</b>	<b>37</b>	
(of which are changes in the current period)	70	38	(558)	81	(47)	1	
<b>Total liabilities and net assets</b>	<b>2,676</b>	<b>78,859</b>	<b>29,624</b>	<b>8,653</b>	<b>2,173</b>	<b>242</b>	

**Current status of metropolitan government's involvement**

<b>Investment ratio (%)</b>	90.9	76.9	99.8	60.0	100	100
Number of metropolitan government contract employees/ Number of permanent employees	4/11	15/258	67/306	41/106	76/180	19/38

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

\* 2 The investment ratio is calculated as of 31 March, 2014, number of employees is as of 1 August, 2013

(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
<b>Statement of Changes in Net Assets</b>						
(Changes in unrestricted net assets)						
<b>Current increase (decrease) for the current period</b> (1)=a-b	238	94	3	(8)	(32)	2
Current revenues a	51,859	5,879	3,013	3,649	1,249	8,617
Current expenses b	51,621	5,784	3,010	3,657	1,282	8,612
<b>Nonrecurring increase (decrease) for the current period</b> (2)=c-d	(43)	(0)	-	(16)	(0)	3
Nonrecurring revenues c	81	0	-	-	-	4
Nonrecurring expenses d	124	0	-	16	0	1
Corporation tax etc. (3)	(64)	1	2	(-)	1	30
<b>Total changes in unrestricted net assets for the current period</b> (4)=(1)+(2)+(-3)	194	93	0	(25)	(33)	(24)
Unrestricted net assets at the beginning of the current period (5)	(3,752)	2,678	110	550	1,001	1,694
<b>Unrestricted net assets at the end of the current period</b> (6)=(4)+(5)	(3,557)	2,771	110	525	967	1,669
(Changes in restricted net assets)						
<b>Total changes in restricted net assets for the current period</b> (7)	(207)	(8)	(1)	(275)	-	22
Restricted net assets at the beginning of the current period (8)	7,608	683	505	4,650	300	68
<b>Restricted net assets at the end of the current period</b> (9)=(7)+(8)	7,401	674	503	4,374	300	91
<b>Net assets at the end of fiscal year</b> (6)+(9)	<b>3,843</b>	<b>3,446</b>	<b>614</b>	<b>4,899</b>	<b>1,268</b>	<b>1,760</b>

\*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 basic funds, etc. and valuation profit or loss on specified assets etc.

<b>Balance Sheet</b>						
(Assets)						
<b>I. Current assets</b>	9,997	12,440	1,553	627	490	1,363
Cash and deposits	2,437	1,626	592	566	397	756
Other current assets	7,559	10,813	961	61	93	606
<b>II. Fixed assets</b>	10,481	40,137	753	6,091	1,404	1,748
<b>Tangible fixed assets</b>	7,377	297	26	377	0	407
Land	-	75	-	-	-	20
Other tangible fixed assets (property etc.)	7,377	222	26	377	0	386
<b>Intangible fixed assets</b>	1,365	47	1	10	0	43
<b>Investments etc.</b>	1,738	39,792	725	5,703	1,404	1,298
Long-term loan	-	-	-	39	-	0
Funds	-	36,318	-	1,484	779	62
Other investments etc.	1,738	3,473	725	4,179	624	1,235
<b>III. Deferred assets</b>	-	-	-	-	-	-
<b>Total assets</b>	<b>20,478</b>	<b>52,577</b>	<b>2,307</b>	<b>6,718</b>	<b>1,895</b>	<b>3,111</b>
(Liabilities)						
<b>I. Current liabilities</b>	9,018	11,842	1,495	444	350	1,076
<b>II. Fixed liabilities</b>	7,616	37,288	197	1,374	277	274
Long-term borrowing	-	20,000	-	1,318	-	-
Other fixed liabilities	7,616	17,288	197	56	277	274
<b>Total liabilities</b>	<b>16,634</b>	<b>49,131</b>	<b>1,693</b>	<b>1,818</b>	<b>627</b>	<b>1,350</b>
(Net assets)						
<b>Total net assets</b>	<b>3,843</b>	<b>3,446</b>	<b>614</b>	<b>4,899</b>	<b>1,268</b>	<b>1,760</b>
(of which are changes in the current period)	(12)	84	(0)	(300)	(33)	(2)
<b>Total liabilities and net assets</b>	<b>20,478</b>	<b>52,577</b>	<b>2,307</b>	<b>6,718</b>	<b>1,895</b>	<b>3,111</b>

<b>Current status of metropolitan government's involvement</b>						
Investment ratio (%)	97.5	50.2	50.7	64.4	-	7.5
Number of metropolitan government contract employees/ Number of permanent employees	441/2,645	29/158	21/79	127/149	6/40	127/312

\* 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, 2014, number of employees is as of 1 August, 2013

(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)
<b>Statement of Changes in Net Assets</b>				
(Changes in unrestricted net assets)				
Current increase (decrease) for the current period (1)=a-b	72	67	16	723
Current revenues a	12,875	10,535	2,333	167,756
Current expenses b	12,802	10,467	2,315	167,027
Nonrecurring increase (decrease) for the current period (2)=c-d	(6)	(3)	(9)	(653)
Nonrecurring revenues c	-	13	-	309
Nonrecurring expenses d	6	17	9	963
Corporation tax etc. (3)	14	85	20	325
Total changes in unrestricted net assets for the current period (4)=(1)+(2)+(-3)	51	(21)	(13)	(256)
Unrestricted net assets at the beginning of the current period (5)	3,276	9,458	1,884	97,344
Unrestricted net assets at the end of the current period (6)=(4)+(5)	3,328	9,436	1,870	97,088
(Changes in restricted net assets)				
Total changes in restricted net assets for the current period (7)	19	-	4	(244)
Restricted net assets at the beginning of the current period (8)	2,789	1	494	24,834
Restricted net assets at the end of the current period (9)=(7)+(8)	2,808	1	499	24,590
<b>Net assets at the end of fiscal year (6)+(9)</b>	<b>6,136</b>	<b>9,437</b>	<b>2,369</b>	<b>121,678</b>

\*1The 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 &amp; Emergency Medical Service Association reflects valuation profit or loss on basic funds, etc. and valuation profit or loss on specified assets etc.

<b>Balance Sheet</b>				
(Assets)				
I. Current assets	3,637	6,932	901	101,472
Cash and deposits	2,768	5,163	766	56,488
Other current assets	869	1,768	134	44,984
II. Fixed assets	4,552	7,092	1,673	154,312
Tangible fixed assets	568	2,026	32	15,151
Land	-	896	-	1,722
Other tangible fixed assets (property etc.)	568	1,129	32	13,428
Intangible fixed assets	38	36	3	1,903
Investments etc.	3,945	5,030	1,637	137,257
Long-term loan	-	239	-	6,666
Funds	-	-	-	38,645
Other investments etc.	3,945	4,790	1,637	91,945
III. Deferred assets	-	-	-	80
<b>Total assets</b>	<b>8,190</b>	<b>14,025</b>	<b>2,574</b>	<b>255,865</b>
(Liabilities)				
I. Current liabilities	1,746	3,891	160	73,253
II. Fixed liabilities	307	695	44	60,933
Long-term borrowing	-	235	-	25,736
Other fixed liabilities	307	460	44	35,197
<b>Total liabilities</b>	<b>2,053</b>	<b>4,587</b>	<b>204</b>	<b>134,186</b>
(Net assets)				
Total net assets	6,136	9,437	2,369	121,678
(of which are changes in the current period)	70	(21)	(8)	(501)
<b>Total liabilities and net assets</b>	<b>8,190</b>	<b>14,025</b>	<b>2,574</b>	<b>255,865</b>

<b>Current status of metropolitan government's involvement</b>			
Investment ratio (%)	100	0.2	16.4
Number of metropolitan government contract employees/ Number of permanent employees	72/521	27/296	20/65

\* 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, 2014, number of employees is as of 1 August, 2013

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

(in million yen)

		Tokyo Metropolitan Welfare Corporation E1	(Simple Total) (E)
<b>Revenues and Expenses Statement</b>			
<b>Operating balance</b>	(1)=a-b	177	177
<b>Operating revenues</b>	a	11,888	11,888
<b>Operating expenses</b>	b	11,710	11,710
Operating costs		11,339	11,339
Administrative expenses		371	371
<b>Non-operating balance</b>	(2)=c-d	162	162
<b>Non-operating revenues</b>	c	320	320
<b>Non-operating expenses</b>	d	158	158
<b>Current balance</b>	(1)+(2)	340	340
<b>Special balance</b>	(3)=e-f	367	367
<b>Special revenues</b>	e	367	367
<b>Special expenses</b>	f	-	-
<b>Balance for the current period</b>	(4)=(1)+(2)+(3)	707	707
<b>Balance brought forward from the previous period</b>	(5)	133	133
<b>Balance carried forward to the next period</b>	(4)+(5)	840	840

<b>Balance Sheet</b>			
<b>(Assets)</b>			
<b>I. Current assets</b>		1,297	1,297
<b>Cash and deposits</b>		1,222	1,222
<b>Other current assets</b>		74	74
<b>II. Fixed assets</b>		848	848
<b>Tangible fixed assets</b>		12	12
Land		-	-
Other tangible fixed assets (property etc.)		12	12
<b>Intangible fixed assets</b>		-	-
<b>Investments etc.</b>		836	836
Long-term loan		0	0
Funds		-	-
Other investments etc.		836	836
<b>III. Deferred assets</b>		-	-
<b>Total assets</b>		2,146	2,146
<b>(Liabilities)</b>			
<b>I. Current liabilities</b>		456	456
<b>II. Fixed liabilities</b>		86	86
<b>Long-term borrowing</b>		-	-
<b>Other fixed liabilities</b>		86	86
<b>Total liabilities</b>		542	542
<b>(Net assets)</b>			
<b>Total net assets</b>		1,603	1,603
(of which are changes in the current period)		647	647
<b>Total liabilities and net assets</b>		2,146	2,146

<b>Current status of metropolitan government's involvement</b>	
Investment ratio (%)	100
Number of metropolitan government contract employees/ Number of permanent employees	613/967

\* The Investment ratio is calculated as of 31 March, 2014, number of employees is as of 1 August, 2013.



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

(in million yen)

	Tokyo Metropolitan Housing Supply Corporation F1	(Simple Total) (F)
<b>Profit and Loss Statement</b>		
<b>Operating profit</b> (1)=a-b	12,747	12,747
<b>Operating revenues</b> a	130,116	130,116
<b>Operating expenses</b> b	117,368	117,368
Business cost price	116,066	116,066
Administrative expenses	1,301	1,301
<b>Non-operating profit</b> (2)=c-d	(456)	(456)
<b>Non-operating revenues</b> c	295	295
<b>Non-operating expenses</b> d	752	752
<b>Current balance</b> (1)+(2)	12,290	12,290
<b>Special profit</b> (3)=e-f	(2,113)	(2,113)
<b>Special revenues</b> e	369	369
<b>Special expenses</b> f	2,483	2,483
<b>Pre-reserve profit under special laws</b> (4)=(1)+(2)+(3)	10,176	10,176
<b>Reserve allowance under special laws</b> (5)	-	-
<b>Reversal of special fund reserves</b> (6)	-	-
<b>Transfer to special fund reserves</b> (7)	-	-
<b>Current profit</b> (4)+(5)+(6)-(7)	10,176	10,176

<b>Balance Sheet</b>		
<b>(Assets)</b>		
<b>I. Current assets</b>	55,106	55,106
<b>Cash and deposits</b>	34,045	34,045
<b>Other current assets</b>	21,060	21,060
<b>II. Fixed assets</b>	1,228,548	1,228,548
<b>Tangible fixed assets</b>	1,216,351	1,216,351
Land	1,037	1,037
Other tangible fixed assets (property etc.)	1,215,314	1,215,314
<b>Intangible fixed assets</b>	1,057	1,057
<b>Investments etc.</b>	11,139	11,139
Long-term loan	-	-
Funds	-	-
Other investments etc.	11,139	11,139
<b>III. Deferred assets</b>	-	-
<b>Total assets</b>	1,283,654	1,283,654
<b>(Liabilities)</b>		
<b>I. Current liabilities</b>	45,678	45,678
<b>II. Fixed liabilities</b>	856,560	856,560
<b>Long-term borrowing</b>	710,800	710,800
<b>Other fixed liabilities</b>	145,759	145,759
<b>Total liabilities</b>	902,238	902,238
<b>(Capital)</b>		
<b>Total capital</b>	381,416	381,416
(of which are changes in the current period)	10,176	10,176
<b>Total liabilities and capital</b>	1,283,654	1,283,654

<b>Current status of metropolitan government's involvement</b>	
Investment ratio (%)	100
Number of metropolitan government contract employees/ Number of permanent employees	10/578

\* The Investment ratio is calculated as of 31 March, 2014, number of employees is as of 1 August, 2013.

#### [4] Administrative Bodies (limited corporations)

(in million yen)

	Tokyo Stadium G1	Tokyo Tama Intercity Monorail Co., Ltd. G2	Tokyo Water Front Area Rapid Transit, Inc. G3	Tama New Town Development Center G4	Tokyo International Forum G5	TOKYO RINKAI HOLDINGS Co., Ltd. G6
<b>Profit and Loss Statement</b>						
<b>Operating profit</b> (1)=a-b	68	1,416	4,469	463	256	18,370
Operating revenues a	1,238	7,941	18,932	1,814	7,015	72,427
Operating expenses b	1,170	6,525	14,462	1,350	6,759	54,056
Business cost price	953	3,557	5,453	1,232	5,414	50,818
Sales and administrative expenses	216	2,968	9,008	117	1,344	3,238
<b>Non-operating profit</b> (2)=c-d	74	(385)	(2,067)	1	28	(2,106)
Non-operating revenues c	74	82	59	3	29	350
Non-operating expenses d	0	467	2,127	1	0	2,457
<b>Current balance</b> (1)+(2)	142	1,030	2,401	465	284	16,264
<b>Special profit</b> (3)=e-f	-	-	(49)	(4)	29	(189)
Special revenues e	4	-	-	-	56	27
Special expenses f	4	-	49	4	26	216
Corporation tax etc. (4)	60	137	188	175	125	7,967
<b>Net profit for the current period</b> (1)+(2)+(3)+(4)	<b>82</b>	<b>892</b>	<b>2,164</b>	<b>285</b>	<b>189</b>	<b>8,106</b>
<b>Balance Sheet</b>						
<b>(Assets)</b>						
<b>I. Current assets</b>	2,894	9,136	14,064	2,509	4,324	68,645
Cash and deposits	2,382	3,934	1,620	1,749	3,450	51,966
Other current assets	512	5,202	12,444	759	873	16,679
<b>II. Fixed assets</b>	6,567	69,102	233,404	7,733	2,544	294,729
Tangible fixed assets	401	66,415	201,354	7,590	853	255,510
Land	-	30,131	13,012	3,705	-	64,383
Other tangible fixed assets (property etc.)	401	36,283	188,342	3,885	853	191,127
Intangible fixed assets	3,139	33	14,218	0	58	20,718
Investments etc.	3,026	2,654	17,831	142	1,632	18,499
Long-term loan	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Other investments etc.	3,026	2,654	17,831	142	1,632	18,499
<b>III. Deferred assets</b>	-	-	-	-	-	-
<b>Total assets</b>	<b>9,461</b>	<b>78,239</b>	<b>247,469</b>	<b>10,243</b>	<b>6,868</b>	<b>363,374</b>
<b>(Liabilities)</b>						
<b>I. Current liabilities</b>	285	4,931	13,093	397	2,236	34,160
<b>II. Fixed liabilities</b>	65	43,924	161,269	6,299	774	147,058
Long-term borrowing	-	43,666	8,378	-	-	121,337
Other fixed liabilities	65	257	152,890	6,299	774	25,720
<b>Total liabilities</b>	<b>350</b>	<b>48,856</b>	<b>174,362</b>	<b>6,696</b>	<b>3,010</b>	<b>181,219</b>
<b>(Net assets)</b>						
<b>Total net assets</b>	<b>9,111</b>	<b>29,383</b>	<b>73,106</b>	<b>3,546</b>	<b>3,858</b>	<b>182,155</b>
(of which are changes in the current period)	82	892	2,146	285	174	10,249
<b>Total liabilities and net assets</b>	<b>9,461</b>	<b>78,239</b>	<b>247,469</b>	<b>10,243</b>	<b>6,868</b>	<b>363,374</b>

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

<b>Current status of metropolitan government's involvement</b>						
Investment ratio (%)	36.3	79.9	91.3	51.2	51.0	85.1
Number of metropolitan government contract employees/ Number of permanent employees	7/17	10/186	23/260	2/8	7/55	73/522

\*1 The Investment ratio is calculated as of 31 March, 2014, number of employees is as of 1 August, 2013

\*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)
<b>Profit and Loss Statement</b>					
<b>Operating profit</b> (1)=a-b	169	265	329	1,367	27,176
Operating revenues a	6,161	14,338	12,037	19,932	161,839
Operating expenses b	5,992	14,073	11,708	18,564	134,663
Business cost price	5,756	13,413	10,994	17,750	115,344
Sales and administrative expenses	235	659	713	814	19,318
<b>Non-operating profit</b> (2)=c-d	18	21	(2)	13	(4,403)
Non-operating revenues c	29	40	15	14	699
Non-operating expenses d	11	18	17	0	5,103
<b>Current balance</b> (1)+(2)	188	287	326	1,380	22,772
<b>Special profit</b> (3)=e-f	-	-	△ 0	△ 0	(214)
Special revenues e	-	-	-	-	88
Special expenses f	-	-	0	0	303
Corporation tax etc. (4)	75	129	135	555	9,551
<b>Net profit for the current period</b> (1)+(2)+(3)+(4)	<b>112</b>	<b>157</b>	<b>191</b>	<b>824</b>	<b>13,006</b>

<b>Balance Sheet</b>					
<b>(Assets)</b>					
<b>I. Current assets</b>	1,555	3,314	4,966	10,948	122,360
Cash and deposits	486	1,075	2,383	2,583	71,634
Other current assets	1,068	2,239	2,582	8,364	50,726
<b>II. Fixed assets</b>	407	1,763	3,013	1,713	620,980
<b>Tangible fixed assets</b>	87	1,088	1,549	1,058	535,910
Land	-	226	-	-	111,459
Other tangible fixed assets (property etc.)	87	862	1,549	1,058	424,450
<b>Intangible fixed assets</b>	30	148	366	320	39,035
<b>Investments etc.</b>	289	527	1,098	333	46,034
Long-term loan	-	-	0	-	0
Funds	-	-	-	-	-
Other investments etc.	289	527	1,097	333	46,034
<b>III. Deferred assets</b>	-	-	-	-	-
<b>Total assets</b>	<b>1,962</b>	<b>5,078</b>	<b>7,980</b>	<b>12,661</b>	<b>743,340</b>
<b>(Liabilities)</b>					
<b>I. Current liabilities</b>	785	1,823	1,934	6,059	65,708
<b>II. Fixed liabilities</b>	166	702	2,611	412	363,284
Long-term borrowing	-	-	-	-	173,383
Other fixed liabilities	166	702	2,611	412	189,900
<b>Total liabilities</b>	<b>952</b>	<b>2,526</b>	<b>4,545</b>	<b>6,472</b>	<b>428,992</b>
<b>(Net assets)</b>					
<b>Total net assets</b>	<b>1,010</b>	<b>2,552</b>	<b>3,434</b>	<b>6,189</b>	<b>314,347</b>
(of which are changes in the current period)	101	156	190	819	15,099
<b>Total liabilities and net assets</b>	<b>1,962</b>	<b>5,078</b>	<b>7,980</b>	<b>12,661</b>	<b>743,340</b>

<b>Current status of metropolitan government's involvement</b>				
Investment ratio (%)	100	51.0	56.0	50.0
Number of metropolitan government contract employees/ Number of permanent employees	8/237	46/1,196	47/532	210/643

\* The Investment ratio is calculated as of 31 March, 2014, number of employees is as of 1 August, 2013

## [5] Local Independent Administrative Corporations

					(in million yen)			
	Tokyo Metropolitan University H1	Tokyo Metropolitan Industrial Technology Research Institute H2	Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology H3	(Simple Total) (H)	Combined Total (A+B+C+D+E+F+G+H)	Classification Adjustment	Offset Elimination	Tokyo Metropolitan Government Overall Total
<b>Profit and Loss Statement</b>								
Operating balance (1)=a-b	(1,034)	(2,329)	1,217	(2,146)				
Operating revenues a	22,631	6,292	18,583	47,507				
Operating expenses b	23,666	8,621	17,366	49,654				
Operating costs	21,378	5,334	15,204	41,917				
Administrative expenses	2,288	3,287	2,161	7,736				
Non-operating balance (2)=c-d	1,920	2,537	102	4,560				
Non-operating revenues c	1,948	2,539	102	4,589				
Non-operating expenses d	27	1	-	28				
Current balance (1)+(2)	885	208	1,319	2,414				
Special balance (3)=e-f	(207)	-	(886)	(1,094)				
Special revenues e	37	0	3	41				
Special expenses f	244	0	890	1,135				
Balance for the current period (4)=(1)+(2)+(3)	678	208	433	1,319				
Reversal of reserve for special purposes (5)	233	-	238	471				
Total profit for the current period (4)+(5)	911	208	671	1,791				
<b>Balance Sheet</b>								
<b>(Assets)</b>								
I. Current assets	6,155	2,951	5,771	14,878	3,120,351			3,120,351
Cash and deposits	3,396	2,756	3,530	9,683	1,217,143			1,217,143
Other current assets	2,758	195	2,240	5,195	1,903,207			1,903,207
II. Fixed assets	149,763	35,800	34,445	220,009	46,536,160		(2,138,092)	44,398,068
Tangible fixed assets	144,252	35,337	33,539	213,129	39,246,824			39,246,824
Land	86,035	14,200	10,119	110,354	20,326,046			20,326,046
Other tangible fixed assets (property etc.)	58,217	21,137	23,419	102,775	18,920,777			18,920,777
Intangible fixed assets	206	115	827	1,148	142,996			142,996
Investments etc.	5,304	347	78	5,730	7,146,339		(2,138,092)	5,008,247
Long-term loan	-	-	41	41	1,650,908			1,650,908
Funds	-	-	-	-	2,362,595			2,362,595
Other investments etc.	5,304	347	37	5,689	3,132,835		(2,138,092)	994,743
III. Deferred assets	-	-	-	-	5,928			5,928
Total assets	155,919	38,752	40,216	234,888	49,662,439	-	(2,138,092)	47,524,347
<b>(Liabilities)</b>								
I. Current liabilities	5,461	1,753	3,757	10,972	1,507,262	436,374		1,943,637
II. Fixed liabilities	12,981	8,392	18,104	39,477	9,568,295	2,641,071		12,209,366
Long-term borrowing	-	-	16,182	16,182	7,580,242	2,641,071		10,221,314
Other fixed liabilities	12,981	8,392	1,922	23,295	1,988,052			1,988,052
Total liabilities	18,442	10,145	21,861	50,449	11,075,557	3,077,446	-	14,153,003
<b>(Net assets)</b>								
Total net assets (of which are changes in the current period)	137,477 (210)	28,606 (429)	18,354 4,834	184,438 4,194	38,586,882 675,422	(3,077,446)	(2,138,092)	33,371,343 675,422
Total liabilities and capital	155,919	38,752	40,216	234,888	49,662,439	-	(2,138,092)	47,524,347

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

Year-to-date  
(From April 1, 2013, to March 31, 2014)

### (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 2 accounts are special accounts that fall outside of the scope of the ordinary account.

Slaughterhouse

Metropolitan Public Housing Tenants Security Deposit

##### (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%)\*<sup>1</sup>; 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%).

\*1: In the comprehensive financial statement, earnings figures are stated on a consolidated basis.

<p style="text-align: center;">Year-to-date (From April 1, 2013, to March 31, 2014)</p>	
<p>ii) Public interest corporations (23 Bodies)</p> <p>Tokyo Metropolitan Human Rights Promotion Center; Tokyo Metropolitan Islands Promotion Corporation; Tokyo Tax Association; Tokyo Metropolitan Foundation for History and Culture; Tokyo Metropolitan Symphony Orchestra; Tokyo Sport Benefits Corporation; Tokyo Marathon Foundation; Tokyo Urban Planning and Development Corporation; Tokyo Metropolitan Housing Supply Corporation; Tokyo Environmental Public Service Corporation; Tokyo Metropolitan Foundation for Social Welfare and Public Health; Tokyo Metropolitan Organization for Medical Research; Johoku Labor and Welfare Center; Tokyo Metropolitan Social Welfare Services Corporation; Tokyo Metropolitan Health and Medical Treatment Corporation; Tokyo Metropolitan Small and Medium Enterprise Support Center; Tokyo Foundation for Employment Services; Tokyo Development Foundation For Agriculture, Forestry &amp; 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.</p> <p>(5) Local Independent Administrative Corporations</p> <p>Three organizations below established by TMG based on Local Independent Administrative Corporations Law</p> <p>Tokyo Metropolitan University</p> <p>Tokyo Metropolitan Industrial Technology Research Institute</p> <p>Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology</p>	
2. Base Date	<p>The base date for this statement shall be taken as being March 31, 2014, although for the ordinary account and the “Special Accounts” these will also include all account deposits and withdrawals during the period between April 1, 2014, and May 31, 2014 (the settlement period).</p>
3. Adjustment between Investment and Capital	<p>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.</p>
4. Offset between Credits and Debt	<p>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.</p>
5. Revision of Individual Financial Statements	<p>Debenture capital in the public enterprise accounts moved from net assets to liabilities, owned capital (inherent capital, incorporated capital) moved to surplus.</p>
6. Application of Current Arrangement	<p>The listed order of items for assets and liabilities is arranged using the current arrangement, with current assets being followed by fixed assets.</p>
7. Inventory Valuation Method and Benchmarks	<p>Inventory assets in public enterprise accounts are calculated mainly using the cost method determined by the moving-average method.</p> <p>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.</p>

Year-to-date  
(From April 1, 2013, to March 31, 2014)

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 supervised by the Tokyo Metropolitan Government, 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 supervised by the Tokyo Metropolitan Government, 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 extinctive prescription, the reserve for deficit due to non-payment is recorded as an amount gained by calculating the possible percentage, by using 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 possible percentage, by using 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 government employees retiring voluntarily is mainly used to calculate the required reserve for retirement allowances.

<p style="text-align: center;">Year-to-date (From April 1, 2013, to March 31, 2014)</p>
<p>(4) Repair allowance</p> <p style="padding-left: 40px;">For the most part, the difference between the projected repair budget based on financial planning for the fiscal year and the amount used is calculated as the repair allowance, if the amount used for that fiscal year is less than the projected budget.</p> <p>(5) Reserve for bonus payment</p> <p style="padding-left: 40px;">A portion of the terminal allowances and bonuses attributable to this fiscal year and to be paid in the next fiscal year is calculated as other current liabilities.</p>
<p><b>(Other)</b></p> <p>1. Display Method for Entered Amounts</p> <p style="padding-left: 40px;">The entered figures have been rounded down to the indicated unit.</p> <p style="padding-left: 40px;">The differences of accounting standards of each organization are not taken into consideration.</p>



## [Notes]

### 1. Accumulated Depreciation of Tangible Fixed Assets

(in billion yen)

Item	End of FY2013
Ordinary account	3,312.0
“Special Accounts”	7.1
Public enterprise accounts	5,481.1
Limited corporations	382.5
Public interest corporations	255.8
Independent administrative corporations	53.0
Total	9,491.7

### 2. Expected Repayments of Outstanding Borrowings

(in billion yen)

Item	FY2014	From FY2015	Total
Ordinary account	576.1	6,382.9	6,959.0
“Special Accounts”	1.1	3.6	4.7
Public enterprise accounts	436.8	2,663.1	3,099.9
Limited corporations	16.7	173.5	190.2
Public interest corporations	44.7	720.9	765.7
Independent administrative corporations	0.7	16.1	16.9
Total	1,076.4	9,960.2	11,036.7

### 3. Assets Offered as Collateral

Of the assets of the limited corporations, a total value of 461.1 billion yen is offered as collateral.



**(Reference Tables)**

# Tokyo Metropolitan Government Financial chronological tables (Ordinary Account)

