

Reference Material

Tokyo Metropolitan Government Annual Financial Report

Fiscal Year 2018

This is a provisional English version of Fiscal Year 2018 Tokyo Metropolitan Government Annual Financial Report.

This material is furnished solely for the purpose of the reader's reference only.

If there is any conflict and/or discrepancy between this material and the Japanese original of the Annual Financial Report, information in the Japanese original prevails.

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1. Fiscal Year 2018 Tokyo Metropolitan Government Settlement of the Ordinary Account and Various Indicators

The following is a settlement report of the fiscal year 2018 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 2018 Summary of Financial Results

[1] Revenues and Expenses

- Total annual revenues amounted to 7,868.8 billion yen and total annual expenses were 7,379.0 billion yen, with a proforma balance of 489.7 billion yen. The actual balance, calculated by subtracting fiscal revenues to be carried forward from the proforma balance, was a surplus of 127.3 billion yen.
- This is due to proactive withdrawals from funds in addition to increases in metropolitan tax revenues, and further thorough efforts to eliminate any wasteful aspects with an eye to the future, etc.
- Furthermore, the ordinary balance ratio stood at 77.5%.
- To allow prompt and accurate responses to the various issues facing the TMG, and for the assertive promotion of approaches aimed at Tokyo's evolution as a mature city that continues to generate growth, there is a need to reinforce the robust fiscal foundation, through the promotion of further TMG finance reforms and the thorough elimination of any wasteful aspects from the perspective of Wise-Spending, etc.

<Fiscal Year 2018 Settlement Results>

(in billion yen, %)

Item	FY2018	FY2017	Change in amount	Percentage of change
Total annual revenues (A)	7,868.8	7,304.4	564.4	7.7
Total annual expenses (B)	7,379.0	6,827.5	551.5	8.1
Proforma balance (C=A-B)	489.7	476.9	12.9	-
Fiscal revenues to be carried forward (D)	362.4	351.6	10.8	-
Actual balance (C-D)	127.3	125.3	2.1	-
Ordinary balance ratio	77.5	82.2	-	-

Note: Fiscal revenues to be carried forward refers to financial resources that should be carried forward to the next fiscal year together with approved carry forward, carry-forward due to unforeseeable reasons, business balance carried forward, etc. and includes the balance of unsettled local consumption tax carried forward to the following fiscal year.

[2] Main features

<Annual Revenues>

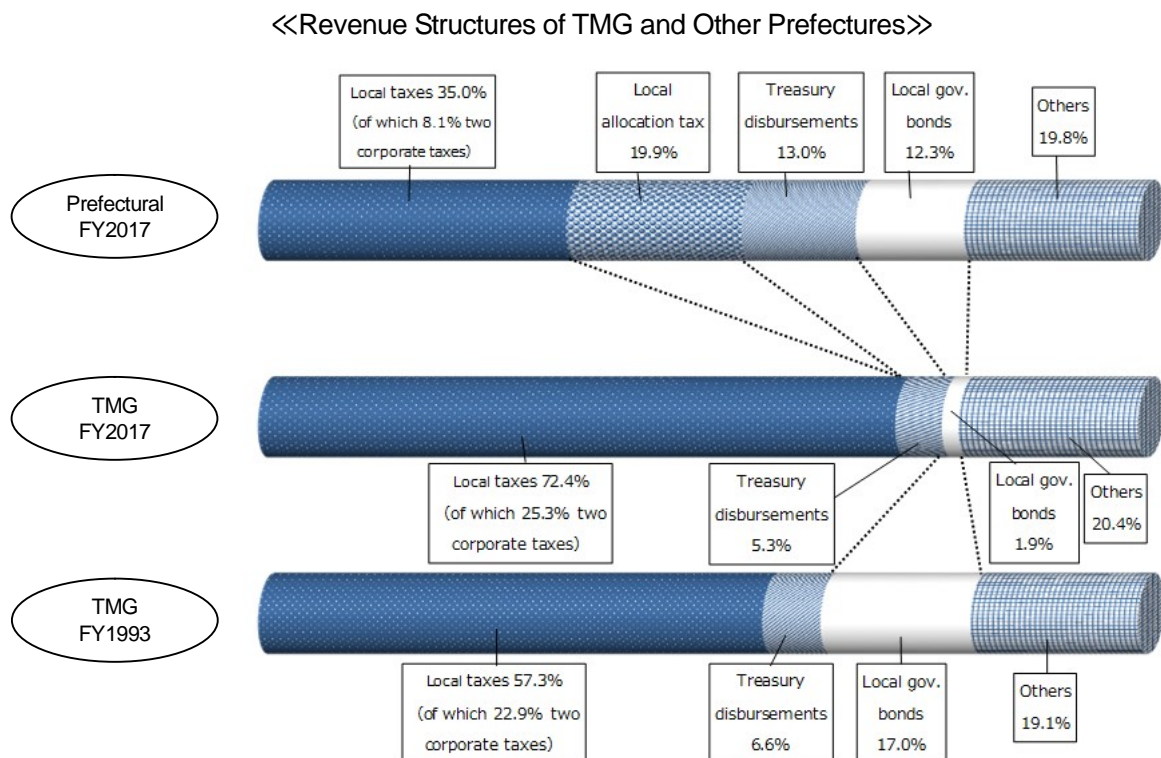
(in billion yen, %)

Item	FY2018		FY2017		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
Metropolitan taxes	5,462.5	69.4	5,289.2	72.4	173.3	3.3
Two corporate taxes	2,044.7	26.0	1,850.9	25.3	193.8	10.5
Local transfer taxes	276.8	3.5	245.1	3.4	31.7	12.9
National treasury disbursements	337.5	4.3	389.7	5.3	(52.2)	(13.4)
TMG bonds	142.7	1.8	136.8	1.9	5.9	4.3
Others	1,649.2	21.0	1,243.5	17.0	405.7	32.6
Total revenues	7,868.8	100.0	7,304.4	100.0	564.4	7.7

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

- Total metropolitan tax revenues increased by 3.3% or 173.3 billion yen compared to the previous fiscal year, mainly due to increases in the two corporate taxes resulting from corporate earnings remaining strong.
- Local transfer taxes increased by 12.9% or 31.7 billion yen compared to the previous fiscal year, mainly due to an increase in special local corporate transfer taxes.
- National treasury disbursements decreased by 13.4% or 52.2 billion yen compared to the previous fiscal year, mainly due to decreases in the national health insurance fiscal stabilization fund subsidies accompanying the transition to the new national health insurance system.
- TMG bonds increased by 4.3% or 5.9 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 32.6% or 405.7 billion yen compared to the previous fiscal year, mainly due to the proactive utilization of funds aimed at the realization of 3-cities, which increased fund transfers by 302.0 billion yen, and an increase of 98.3 billion yen in amount carried forward.

(Reference) Features of TMG Revenue Structures



- About 70% of TMG's annual revenues are derived from local taxes (metropolitan taxes), and as a large part of this is comprised of revenue from the two corporate taxes, which are susceptible to economic fluctuation, TMG's finances have an inherently unstable structure.
In addition, TMG is the only municipality that does not receive local allocation tax grants and consequently needs to perform financial management more self-reliantly than other municipalities.
- Meanwhile, in comparison to FY1993, in which expenses peaked prior to FY2017, the percentage of revenue accounted for by local government bonds (TMG bonds) in FY2017 was lower.
- Following the collapse of the bubble economy, TMG utilized funds and issued the largest number of TMG bonds ever issued in order to supplement the fall in tax revenues. The result was that the TMG fell into an unprecedented financial crisis with a rapid increase in the balance of TMG bonds and a record actual balance deficit in FY1998, etc.
- Later, as a part of efforts towards fiscal reconstruction, the TMG endeavored to reduce investment expenses and control TMG bond issuance.
- The ratio of local government bonds to the overall TMG revenue for FY2017 was much lower, even in comparison to other prefectures, and the TMG is currently operating healthy financial management with low dependence on local government bonds.

<Annual Expenses>

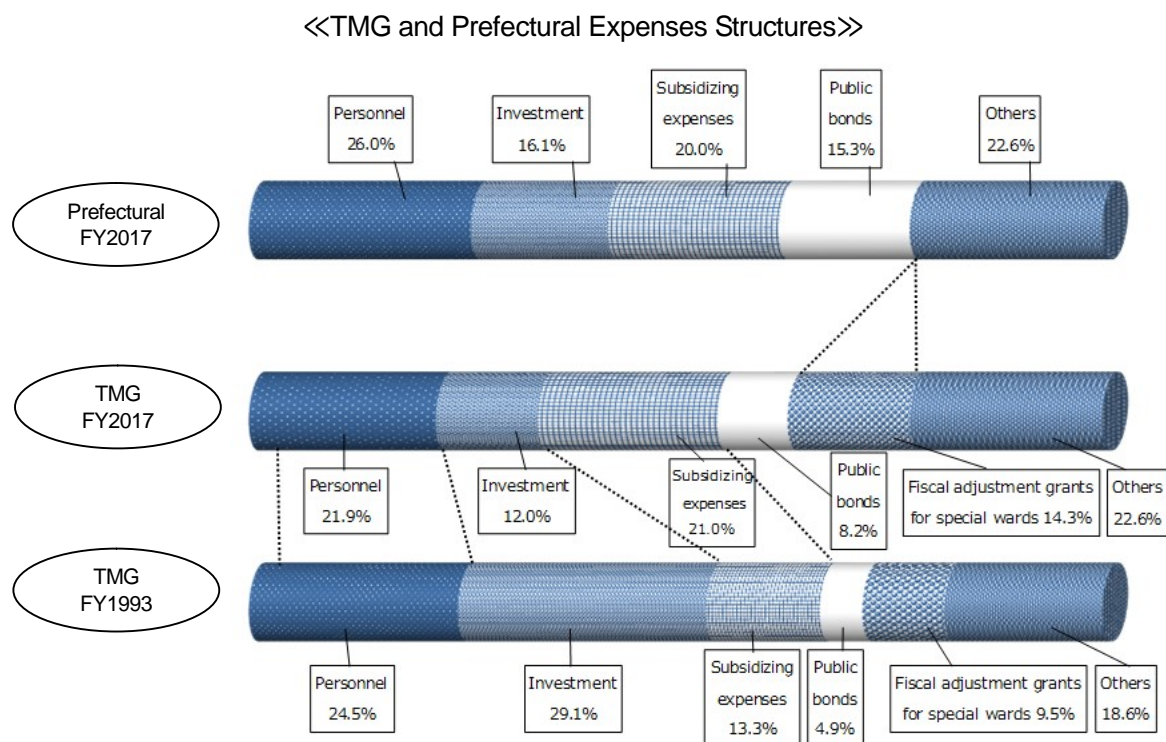
(in billion yen, %)

Item		FY2018		FY2017		Change in amount	Percentage of change
		Amount	% of total	Amount	% of total		
General expenses		5,343.7	72.4	4,661.4	68.3	682.4	14.6
	Personnel expenses	1,512.3	20.5	1,496.6	21.9	15.7	1.0
	Investment expenses	1,476.0	20.0	816.4	12.0	659.6	80.8
	Subsidizing expenses	1,335.4	18.1	1,434.7	21.0	(99.2)	(6.9)
	Others	1,020.0	13.8	913.6	13.4	106.3	11.6
Expenses for public bonds		474.5	6.4	557.1	8.2	(82.6)	(14.8)
Tax-related expenses etc.		1,560.8	21.2	1,609.0	23.6	(48.2)	(3.0)
Total expenses		7,379.0	100.0	6,827.5	100.0	551.5	8.1

Note: General expenses refers to expenses excluding public bonds, tax-related expenses for the allocation of a certain percentage of taxes such as local consumption tax grants to wards, towns, etc., and the reserves (principal) of funds aimed at the realization of 3-cities.

- In general expenses, personnel expenses increased by 1.0% or 15.7 billion yen compared to the previous fiscal year. This is mainly due to increased salaries resulting from the revision of salaries to increase and increased numbers of personnel in line with preparations, etc. for the hosting of the Tokyo 2020 Olympic and Paralympic Games (hereinafter the "Tokyo 2020 Games").
- In general expenses, investment expenses increased by 80.8% or 659.6 billion yen compared to the previous fiscal year, mainly due to the addition of transfer of jurisdiction expenses from public enterprise accounts in relation to the vacant Tsukiji Market site.
- In general expenses, subsidizing expenses decreased by 6.9% or 99.2 billion yen compared to the previous fiscal year, mainly due to decreases in grants, accompanying the transition to the new national health insurance system.
- Expenses for public bonds decreased by 14.8% or 82.6 billion yen compared to the previous fiscal year, due to a decrease in redemption funds for principal.
- Tax-related expenses decreased by 3.0% or 48.2 billion yen compared to the previous fiscal year. This is mainly due to a decrease of 121.1 billion yen in deposits to preparation funds for the Tokyo 2020 Games, while transfers to special wards fiscal adjustment accounting increased by 91.9 billion yen.

(Reference) Features of TMG Expenses Structures



Note: Tax-related expenses other than those related to fiscal adjustment grants for special wards are included under Others.

- A feature of the TMG that does not exist in other prefectures is that the “Fiscal Adjustment Grants for Special Wards”, which undertakes allocation of financial resources between TMG and Tokyo wards and financial resource adjustments between special wards, is recorded under the special ward system.
- In addition, when compared to FY1993, FY2017 shows a reduction in the ratio of personnel expenses and investment expenses to total expenses.
- The TMG’s stance of maintaining expenses levels for large-scale facilities construction and responses to national government economic measures, etc. even as tax revenues diminished following the collapse of the bubble economy, resulted in a financial crisis. The TMG subsequently steered towards financial reconstruction ahead of the government and other prefectures, reducing personnel numbers and pressing forward with prioritization of project activities, and after achieving financial reconstruction, continued in their efforts to revise measures through their project review activities. With efforts such as these, by FY2017, personnel expenses and investment expenses were down by about 10% and 60% respectively in comparison to FY1993.
- Meanwhile, due to increase in expenses related to social security, the ratio of subsidizing expenses, etc. to total expenses has increased.
- In this way, the TMG is undertaking thorough internal efforts and promoting the metabolism of measures by aiming to review and redesign them through project review activities, etc. and is providing necessary administrative services in accordance with the needs of Tokyo citizens.

<Breakdown of Expenditures by Purpose>

(in billion yen, %)

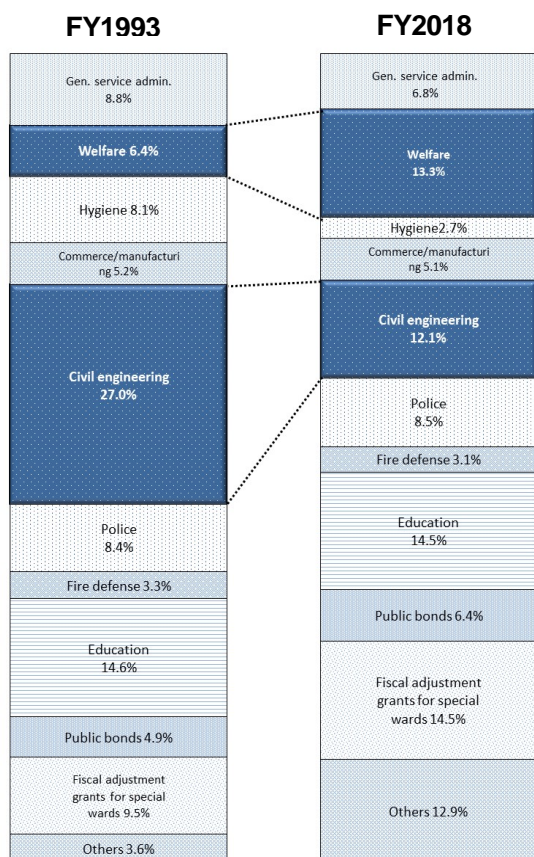
Item	FY2018		FY2017		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
Gen. Service Admin.	503.2	6.8	586.7	8.6	(83.4)	(14.2)
Welfare	979.9	13.3	967.4	14.2	12.5	1.3
Hygiene	202.3	2.7	219.5	3.2	(17.2)	(7.8)
Commerce/manufacturing	379.6	5.1	340.1	5.0	39.5	11.6
Civil engineering	889.5	12.1	845.6	12.4	43.9	5.2
Police	627.1	8.5	621.0	9.1	6.1	1.0
Fire defense	231.8	3.1	229.9	3.4	1.9	0.8
Education	1,068.9	14.5	1,014.6	14.9	54.3	5.4
Public bonds	474.5	6.4	557.1	8.2	(82.6)	(14.8)
Others	2,022.1	27.4	1,445.6	21.2	576.5	39.9
Total expenses	7,379.0	100.0	6,827.5	100.0	551.5	8.1

Note: Expenditure by purpose refers to expenses that have been itemized according to administrative purposes.

- General service administration expenses decreased by 14.2% or 83.4 billion yen compared to the previous fiscal year, mainly due to a decrease in deposits to preparation funds for the Tokyo 2020 Games.
- Commerce/manufacturing expenses increased by 11.6% or 39.5 billion yen compared to the previous fiscal year, mainly due to increases in small and medium enterprise financing system deposits.
- Education expenses increased by 5.4% or 54.3 billion yen compared to the previous fiscal year, mainly due to the development of facilities for the Tokyo 2020 Games, and the development of Special-Needs Schools.
- Other expenses increased by 39.9% or 576.5 billion yen compared to the previous fiscal year, mainly due to addition of transfer of jurisdiction expenses from public enterprise accounts in relation to the vacant Tsukiji Market site.

(Reference) Features of TMG Expenses Structures by Purpose, etc.

<<TMG Expenses Structure by Purpose >>



<<Expenses per Tokyo Citizen>>

Item	Purpose	FY2018	(Reference) FY1993
General service administration	Planning/admin and revitalization of municipalities, etc.	¥36,624	¥53,455
Welfare	Measures for children on waiting lists, the elderly, etc.	¥71,313	¥38,599
Hygiene	Realization of comfortable city environments, etc.	¥14,725	¥49,353
Commerce/manufacturing	Support for small/medium enterprises, revitalization of the tourism industry, etc.	¥27,625	¥31,673
Civil engineering	Development of roads, rivers, harbors, etc. and town development, etc.	¥64,736	¥164,221
Police	Police activities, etc.	¥45,638	¥51,076
Fire defense	Fire defense activities, etc.	¥16,869	¥20,250
Education	School education and preparations for the Tokyo 2020 Games, etc.	¥77,794	¥88,547
Public bonds	Redemption of TMG bonds and interest payments, etc.	¥34,530	¥30,041
Fiscal Adjustment Grants for Special Wards	Financial adjustments between the TMG and special wards, etc.	¥77,737	¥57,906
Others	Tax related grants to municipalities, etc.	¥69,427	¥21,997
Total		¥537,017	¥607,118

*Total Tokyo population for FY2018 is as of January 1, 2019, as given in the "Population Register".

*Total Tokyo population for FY1993 is as of March 31, 1994, as given in the "Population Register".

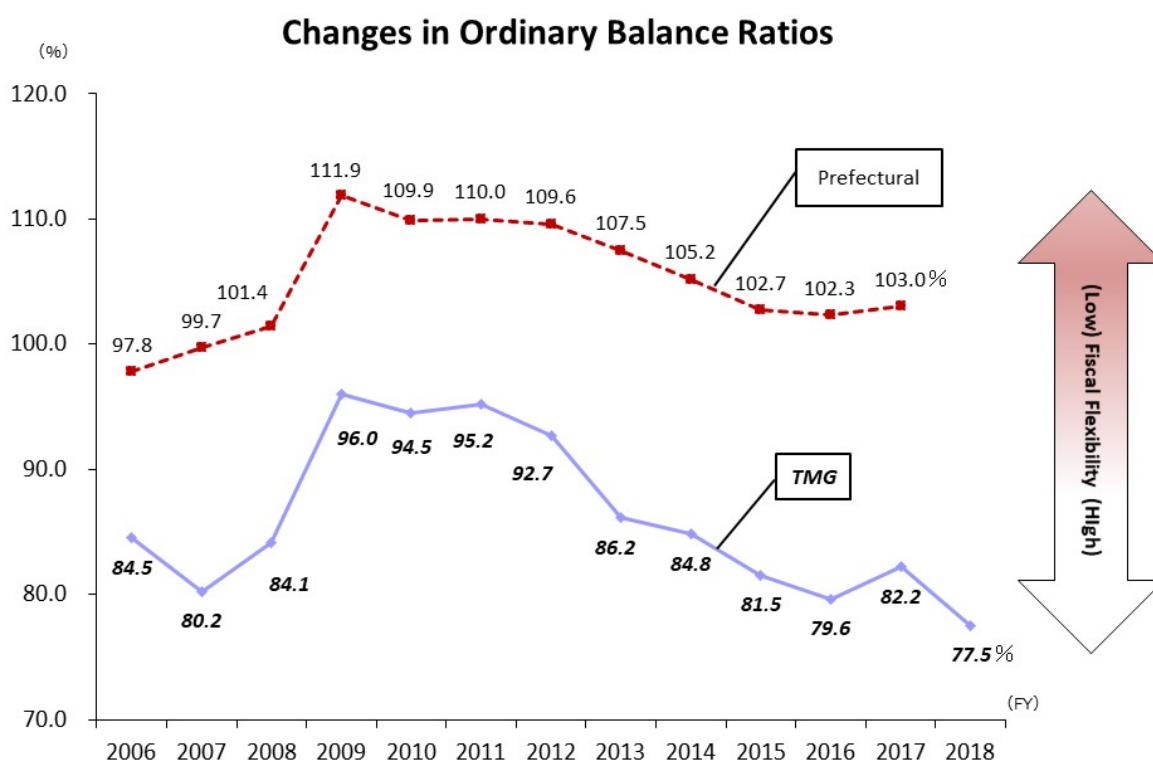
- Comparisons between FY1993 and FY2018 shows an increase in the ratio of welfare expenses to total expenses and a decrease in civil engineering expenses.
- The increase in welfare expenses is mainly due to increased costs related to measures implemented for children and the elderly from the background of an aging society and falling birth rate.
- Meanwhile, with reductions in investment expenses due to prioritization of projects in accordance with urgency and necessity, the ratio of civil engineering expenses to total expenses has decreased significantly.
- In addition, expenses of 7,379.0 billion yen in the FY2018 fiscal results were translated into expenses per Tokyo citizen. Expenditure amounts for welfare expenses and education expenses have increased in comparison to other categories.
- In this way, efforts are made to establish an accurate understanding of the needs of Tokyo citizens, which change with the times, in order to conduct appropriate allocation of financial resources, such as the limited metropolitan tax revenues, etc. to the necessary measures.

[3] Fiscal Indices

(i) Ordinary balance ratio

- The ordinary balance ratio is an indicator that measures fiscal flexibility by indicating the level of allocation of local taxes, etc. to expenses that are difficult to reduce by any simple means, such as personnel expenses, social assistance expenses, expenses for public bonds, etc. The lower this ratio, the greater the flexibility.
- The FY2018 ordinary balance ratio was 75.5%, an improvement of 4.7 percentage points from 82.2% in the previous fiscal year.
- This is mainly due to a decrease in redemption expenses for principal under expenses for public bonds, and an increase in metropolitan tax revenues.
- In recent years, the average prefectural figures have exceeded 100%, and the status of Tokyo's fiscal flexibility is high.

Note: Ordinary balance ratio (%) = General revenues sources allocated to ordinary expenses, etc. ÷ Ordinary general revenue sources, etc. x 100

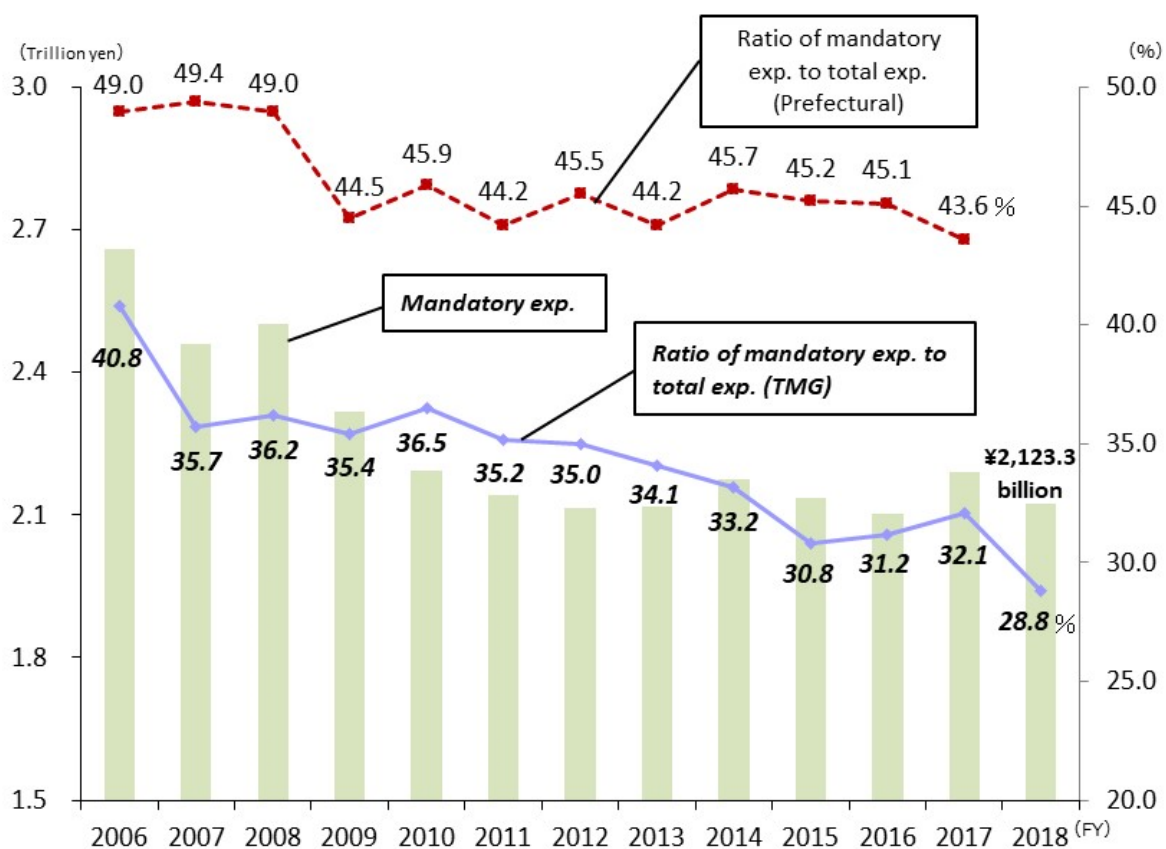


Note: Prefectural ratios are weighted averages. For FY2006, calculations were made with tax reduction supplementary bonds and extraordinary financial countermeasures bonds excluded from ordinary general revenues sources, etc. while for FY2007 to FY2017, calculations were made with extraordinary tax revenue supplementary bonds and extraordinary financial countermeasures bonds excluded from ordinary general revenues sources, etc.

(ii) Mandatory expenses

- Mandatory expenses refers to the expenses of local governments for which expenditure is mandatory, namely personnel expenses, social assistance expenses and expenses for public bonds, and the lower the ratio of these mandatory expenses to total expenses, the higher the financial flexibility.
- Mandatory expenses for FY2018 came to 2,123.3 billion yen, a decrease of 3.1% or 66.9 billion yen compared to the previous year.
- This is due to a decrease in redemption funds for principal under expenses for public bonds.
- While the ratio of mandatory expenses to total expenses has shown a generally decreasing trend in recent years, this is mainly due to the promotion of persistent autonomous reforms in the form of internal efforts and reviews of measures, and the appropriate utilization of TMG bonds, such as controlled issuance with future burdens taken into consideration.
- Prefectural ratios have remained at around 45% in recent years, and the status of Tokyo's fiscal flexibility is high.

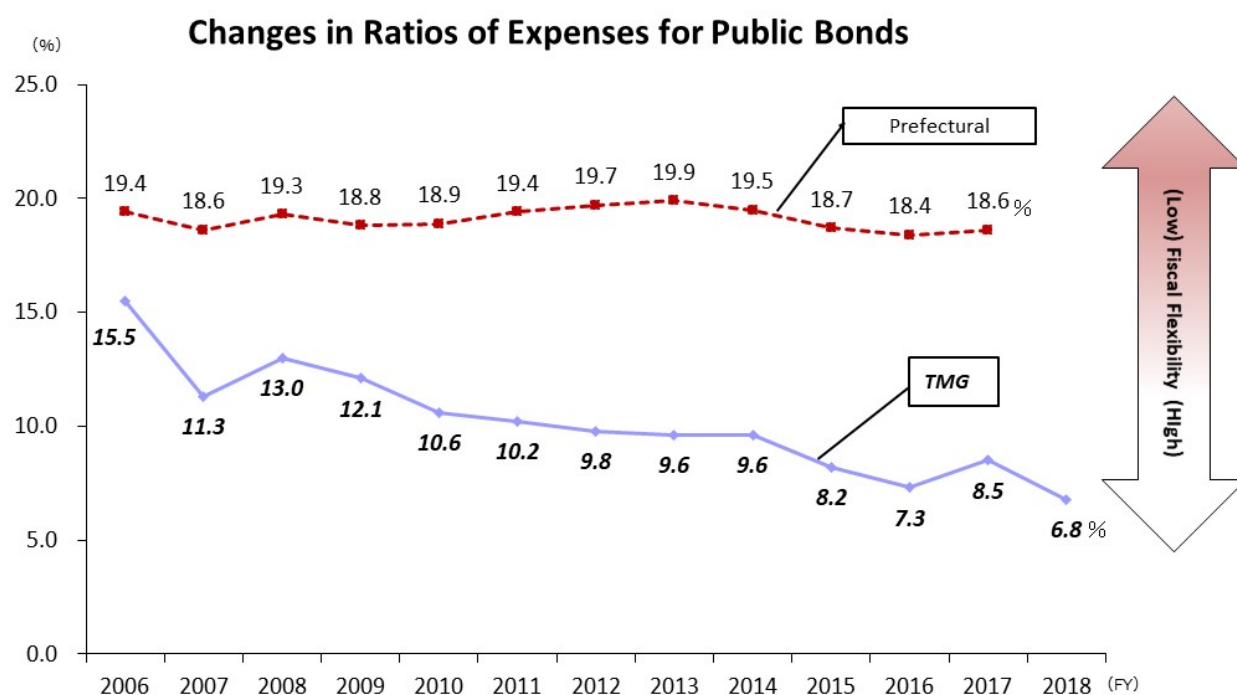
Changes in Mandatory Expenses and Ratio to Total Expenses



(iii) Ratio of expenses for public bonds

- The ratio of expenses for public bonds is an indicator of the level of allocation of general revenue sources to the redemption of local government bonds, and the lower this ratio, the greater the fiscal flexibility.
- The FY2018 ratio of expenses for public bonds was 6.8%, an improvement of 1.7 percentage points from 8.5% in the previous fiscal year.
- This was mainly due to a decrease in redemption expenses for principal for public bonds, and an increase in metropolitan tax revenues.
- In recent years, the average prefectural figures have remained at around 19%, and the status of Tokyo's fiscal flexibility is high.

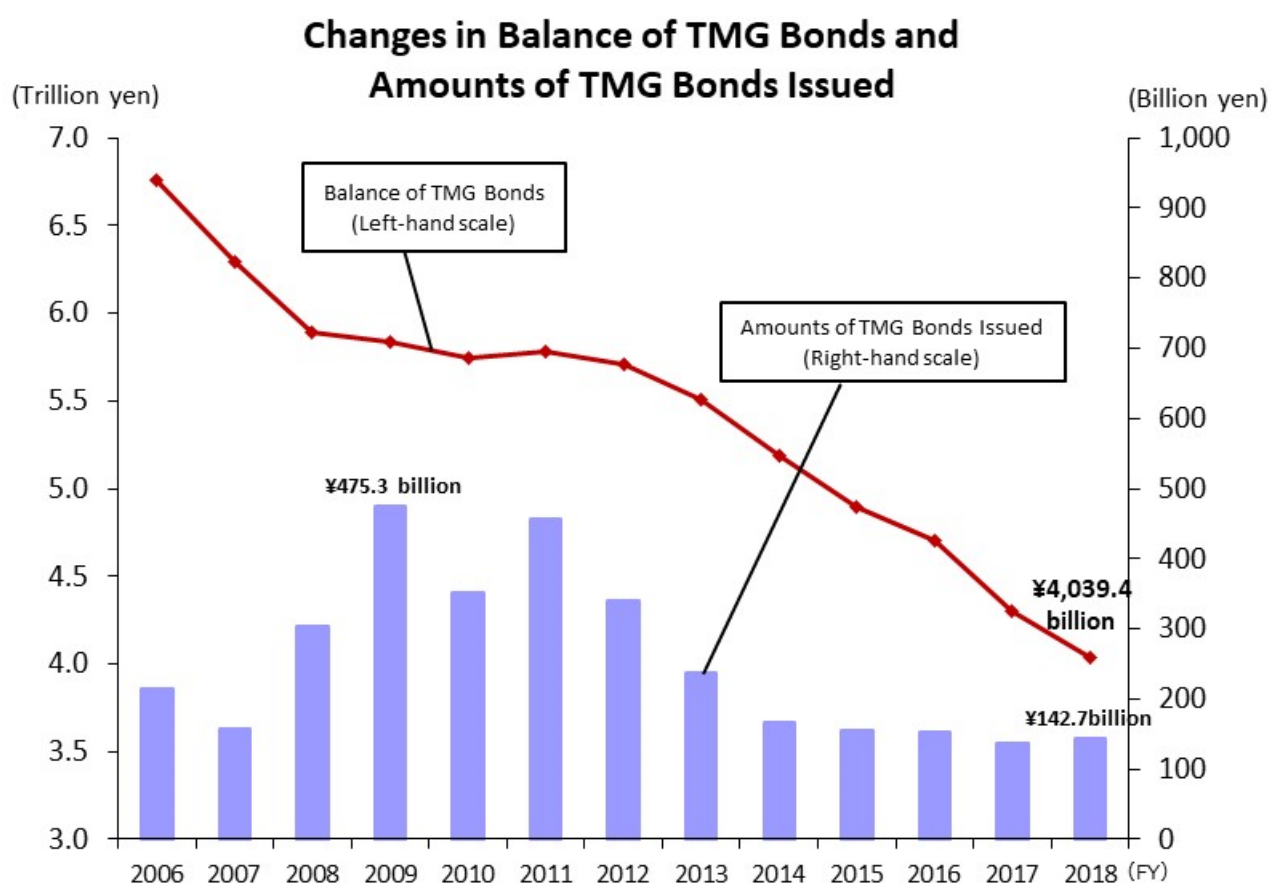
Note: Ratio of expenses for public bonds (%) = General revenues sources allocated to expenses for public bonds, etc. ÷ Total general revenue sources, etc. x 100



Note: Prefectural ratios are weighted averages, excluding partial-affairs-associations, etc.

(iv) Current TMG bonds balance

- The balance of TMG bonds (ordinary account bonds) as of the end of fiscal 2018 was 4,039.4 billion yen, which represents a decrease of 6.2% or 265.6 billion yen from the previous fiscal year.
- The amount of TMG bonds issued increased temporarily due to the response to reduced metropolitan tax revenues caused by the Lehman Shock and the response to the Great East Japan Earthquake, but has since decreased and the balance of TMG bonds also continues to decrease.
- The appropriate utilization of TMG bonds will be continued in light of the financial condition and future financial burdens.



Note: Current TMG bonds balance in the ordinary account settlement excludes sinking fund reserves for allocation to principal redemption of bullet local bonds, and therefore does not coincide with the amount stated for TMG bonds in the balance sheet.

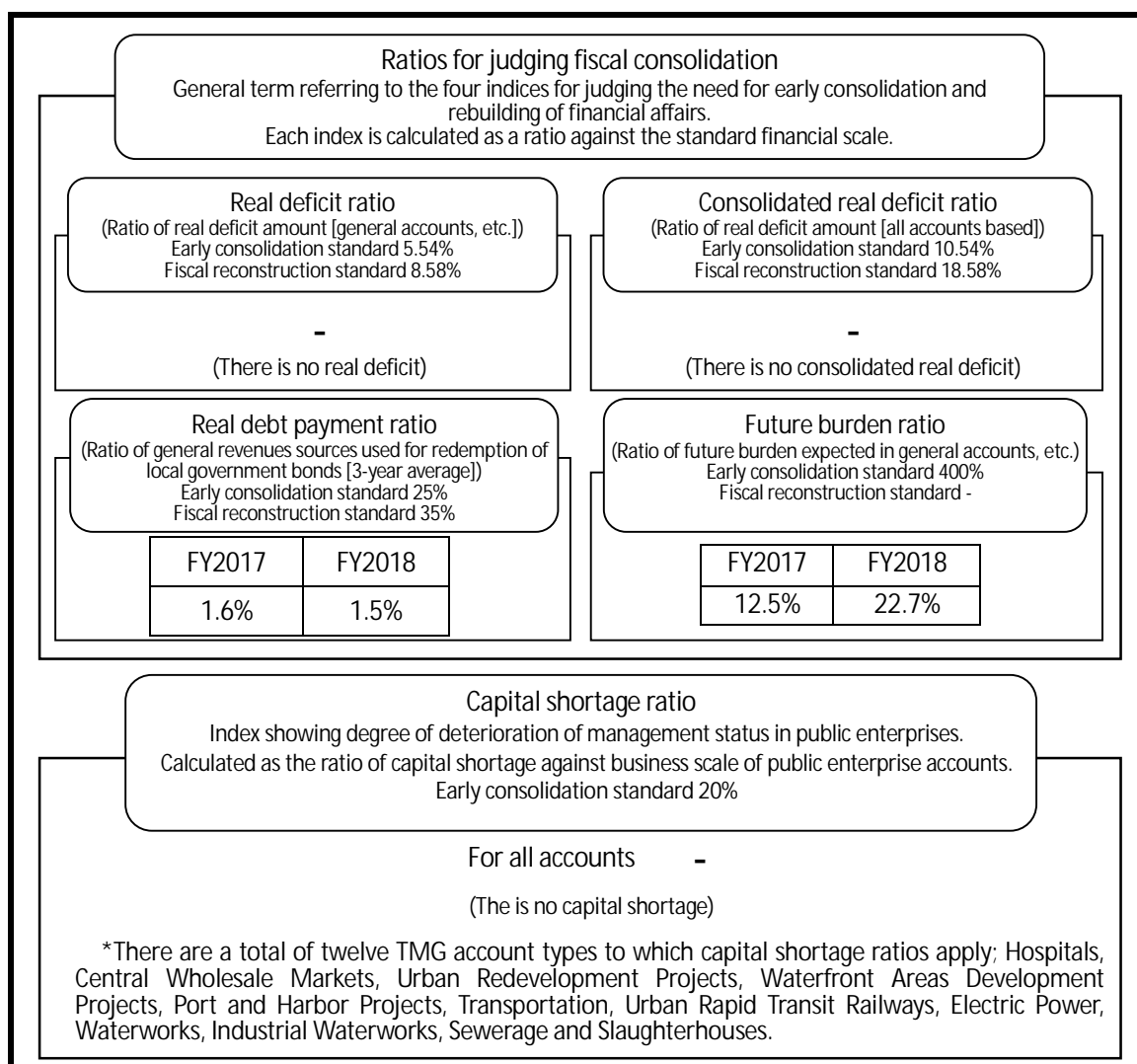
[4] Ratios set forth by the Law on the Fiscal Consolidation of Local Governments

From a background of serious fiscal deterioration in some local governments, the Law on the Fiscal Consolidation of Local Governments was enacted as a mechanism to facilitate prompt responses for cases where fiscal consolidation or reconstruction of financial status is deemed necessary.

The ratios to judge fiscal consolidation and capital shortage ratios based on this law, focus on stock as well as on flow, and serve as indicators that clarify the overall finances of local governments by including expenses in the general accounts in relation to public entities accounts and third-sector public/private enterprises as well as general accounts, etc. (almost the same scope as ordinary accounts).

This law requires local governments to calculate the ratios, 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.

Ratios for TMG, calculated from the FY2018 financial results, are as shown below.



- Notes:
1. Standard financial scale indicates the scale of operational general revenue sources for local governments under standard conditions.
 2. Judgment criteria, such as the early consolidation standard, have been defined for each index, and if any of these exceed the standard, efforts to achieve fiscal consolidation, through the formulation of fiscal consolidation plans, etc. must be undertaken.

(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 2018, 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 2018 decreased from the previous fiscal year to 34,562.6 billion yen (a decrease of 59.7 billion yen from the end of the previous fiscal year), while liabilities were 6,736.7 billion yen (a decrease of 197.4 billion yen from the end of the previous fiscal year). In assets, the balance of fund reserves was 4,391.3 billion yen (a decrease of 170.3 billion yen from the end of the previous fiscal year), and in liabilities, the balance of TMG bonds was 5,667.5 billion yen (a decrease of 181.6 billion yen from the end of the previous fiscal year). The ratio of liabilities to assets is 19.5% (a 0.5 percentage point decline from the previous fiscal year).
- The administrative cost statement indicates that the balance for the current period stood at 100.2 billion yen (a decrease of 587.4 billion yen compared to the previous year), and revenues continued to exceed expenses.
- In the cash flow statement, the balance for administrative service activities cash flow shows revenues exceeding expenses by 911.7 billion yen, expenses exceeding revenues by 632.2 billion yen in the balance of social capital improvement investment activities, and in the balance for financing activities, expenses exceeded revenues by 266.6 billion yen, but in the pro forma balance, found by adding the balance for administrative service activities cash flow, the balance of social capital improvement investment activities, the balance for financing activities and the balance brought forward from the previous fiscal year to the total balance, revenues exceeded expenses by 489.7 billion yen.
- The statement of changes in net assets shows that net assets increased 137.6 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.

[2] Summary of Financial Statements

< Governmental accounting (single-entry bookkeeping/cash basis)>

[Ordinary Account Settlement]

- Recognizes revenues and expenses for the current term on a cash basis, and itemizes expenses by purpose and type.

Allows recognition of administrative activities by each administrative purpose or type

Revenues	
Metropolitan tax	
Treasury disbursements	
Misc. revenues	
TMG bonds	
Others	
Expenses	
< By purpose >	< By type >
Welfare	Personnel
Commerce/ manufacturing	Non-personnel
Civil engineering	Subsidizing expenses
Education	Ordinary construction
Others	Others
Proforma balance (revenues – expenses)	

◆ Cannot recognize stock information of assets, etc. or cost information that includes expenses that do not involve transfers of cash such as depreciation expenses, etc.

Revenues and expenses divided into three categories

Match (= cash basis)

<New Public Accounting

[Cash Flow Statement]

- Categorizes cash flow into "administrative service activities", which indicates ordinary administrative services, "social capital improvement investment", which indicates changes in formation of fixed assets and funds, etc. and "financing activities", which indicates procurement of revenues sources through public bond issuance and borrowings and the redemption of public bonds, etc. and clarifies the balance in each

Enables recognition of the causes of changes in cash flow

Administrative service activities	
Total revenues	
Tax revenues, etc.	
Other	
Total expenses	
Administrative expenses	
Other	
Balance of admin. service activities	
Social capital improvement investment	
Total revenues	
Funds transferred	
Other	
Total expenses	
Social capital improvement exp.	
Other	
Balance of social capital improvement investment activities	
Balance of administrative activities cash flow	
Financing activities	
Revenues from financing activities	
Expenses for financing activities	
Balance of financing activities	
Total balance	
Balance brought forward from the previous year	
Proforma balance	

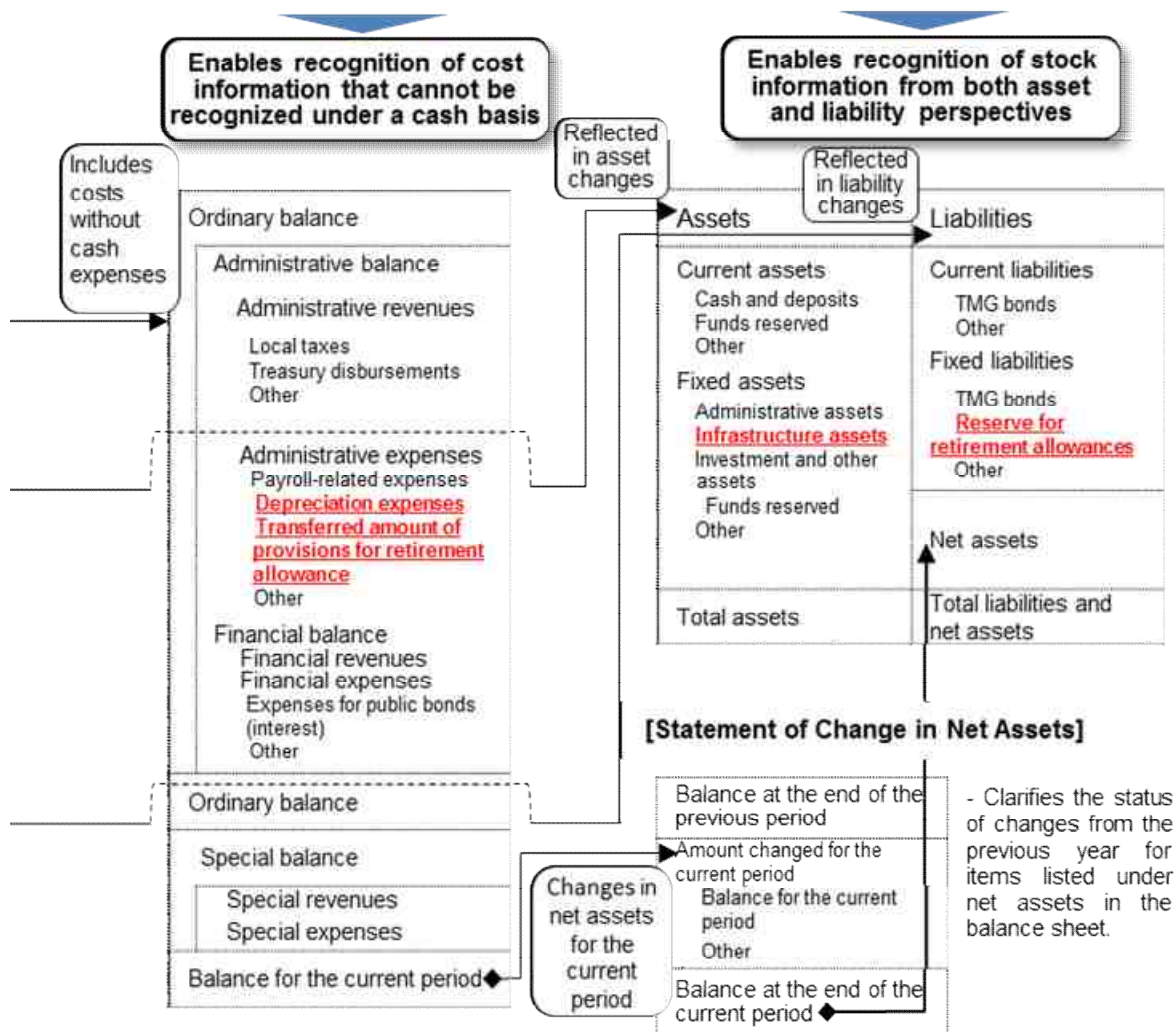
(Double-entry Bookkeeping/Accrual Basis)>

[Administrative Cost Statement]

- Recognizes "expenses" over a single accounting period on an accrual basis, and clarifies the corresponding relationship between "expenses and "revenues" and the balance between the two
- Costs without cash expenses such as depreciation expenses and transfer to reserve, etc. are included under expenses.

[Balance Sheet]

- Categorizes accounts as "Assets", "Liabilities" and "Net assets", and clarifies stock information regarding infrastructure assets such as roads and bridges, etc. and balance of funds, TMG bonds, etc.



- ◆ By conducting financial analyses from a different perspective to that of government accounting, through recognition of stock information of assets, etc. and cost information on an accrual basis, it is possible to strengthen management and enrich accountability.

[3] Balance Sheet

The balance sheet is to be compiled to give a clear picture of the status of TMG's financial standing (status of assets, liabilities and net assets) as of March 31 (however, this includes the variation during the settlement period).

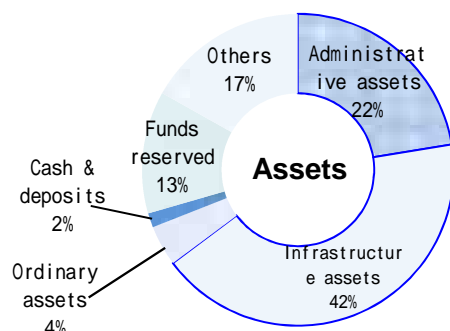
In the balance sheet, the amount of assets, such as land and buildings, is equal to the total of liabilities, such as TMG bonds and borrowings, and net assets.

< Balance sheet points >

The assets section shows the extent of assets possessed by the TMG. As shown in Figure 1, administrative assets provided for official use or for use by the public, such as TMG office buildings and TMG schools, etc. and infrastructure assets such as roads, etc. account for about 60% of all TMG assets. In addition, through proactive utilization, funds reserved, which account for over 10% of assets, decreased by 170.3 billion yen compared to the previous year as of end FY2018.

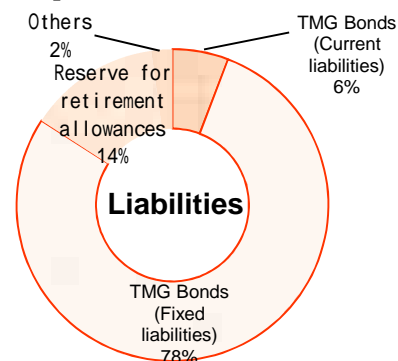
The liabilities section shows the extent of the burden that will be passed down to future generations, such as TMG bonds, arrearage and borrowings, etc. As shown in Figure 2, TMG bonds, which account for over 80% of liabilities, had decreased by 181.6 billion yen compared to the previous year as of end FY2018.

[Figure 1] Breakdown of Assets



Administrative assets and infrastructure assets account for about 60%

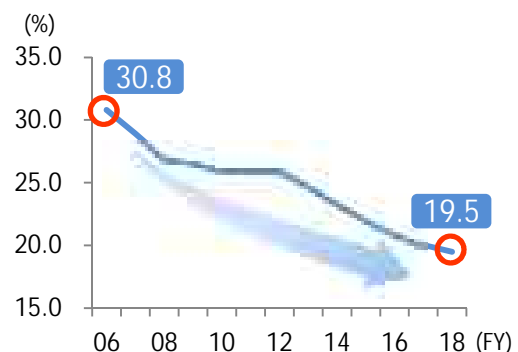
[Figure 2] Breakdown of Liabilities



TMG Bonds (current liability + fixed liability) account for about 80%

[Figure 3] Changes in Ratio of Liabilities to Assets*

As shown in Figure 3, a comparison of ratios of liabilities to assets between end FY2006, when new public accounting systems were introduced, and FY2018, shows a decrease of 11.3 percentage points. Since end FY2006, the ratio of liabilities to assets has maintained a generally decreasing trend, and this indicates that the formation of assets is progressing without increasing future burden.



* Calculated by multiplying the liabilities section total/assets section total by 100.

The net assets section shows the difference between the total amount of assets and the total amount of liabilities in the balance sheet.

With the redemption of TMG bonds in order to lighten the burden for future generations, the difference as of end FY2018 increased by 137.6 billion yen.

<Balance Sheet>

(in billion yen, %)

Item	FY2018	FY2017	Change in amount	Percentage of change
Assets				
Current assets	1,866.0	1,633.7	232.2	14.2
Cash & deposits	511.1	490.3	20.8	4.2
Uncollected revenues	63.2	69.2	(6.0)	(8.7)
Reserve for deficits due to non-payment	(8.3)	(8.9)	0.6	(6.7)
Funds reserved	1,187.9	942.8	245.1	26.0
Others	112.0	140.2	(28.2)	(20.1)
Fixed assets	32,696.6	32,988.7	(292.0)	(0.9)
Administrative assets	7,751.3	8,188.6	(437.2)	(5.3)
Ordinary assets	1,462.9	988.5	474.4	48.0
Infrastructure assets	14,652.9	14,720.9	(67.9)	(0.5)
Funds reserved	3,203.3	3,618.7	(415.4)	(11.5)
Others	5,625.9	5,471.8	154.1	2.8
Total assets	34,562.6	34,622.4	(59.7)	(0.2)
Liabilities				
Current liabilities	507.8	460.7	47.1	10.2
TMG bonds	392.2	352.0	40.2	11.4
Reserve for bonus	111.6	105.2	6.4	6.1
Other	3.9	3.4	0.4	11.8
Fixed liabilities	6,228.8	6,473.5	(244.6)	(3.8)
TMG bonds	5,275.2	5,497.1	(221.9)	(4.0)
Reserve for retirement allowances	921.5	961.8	(40.2)	(4.2)
Others	32.0	14.4	17.5	121.5
Total liabilities	6,736.7	6,934.2	(197.4)	(2.8)
Total net assets	27,825.9	27,688.2	137.6	0.5
Total liabilities and net assets	34,562.6	34,622.4	(59.7)	(0.2)

Assets

<Reserve for deficits due to non-payment>

As some uncollected revenues such as fees, etc. may become deficit due to non-payment in the future, the projected uncollectable amount is recorded under reserve.

<Funds reserved>

Cash, etc. in preparation for financial resource adjustments between fiscal years and future financial needs is recorded as funds reserved.

* Fiscal adjustment funds and sinking funds scheduled for reversal in the next fiscal year are treated as current assets, while funds that do not fall under current assets are treated as fixed assets.

<Infrastructure assets>

Records amounts related to roads and bridges, etc.

Liabilities

<TMG bonds>

As TMG bonds must be paid in the future, they are recorded as liabilities.

* TMG bonds scheduled for redemption in the next fiscal year are treated as current liabilities while TMG bonds scheduled for redemption in the fiscal year after the next fiscal year or later are treated as fixed liabilities.

Net assets

The net assets section shows the difference between the total amount of assets and the total amount of liabilities in the balance sheet.

Accumulation of net assets was conducted in FY2018.

[4] 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, indicate the corresponding relationship between “expenses” and “revenues”, the difference between the two, and clarify administrative services costs.

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.

< Administrative cost statement points >

The administrative cost statement also records costs without cash expenses as expenses.

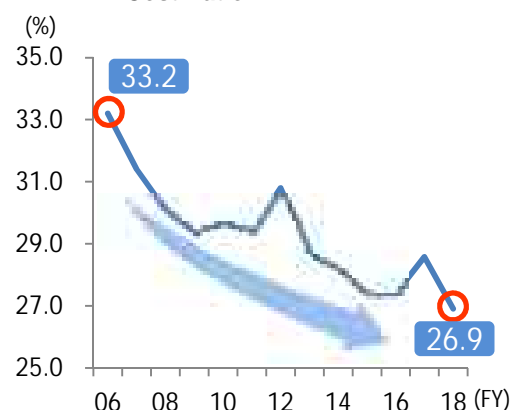
The recording of expenses that are not recognized under government accounting, in an accrual basis administrative costs statement, enables the recognition of cost information.

- Examples of costs without cash expenses -

- In relation to expenses required for public facilities, etc. government accounting only recognizes the initial construction costs and annual maintenance costs. Meanwhile, the accrual basis approach focuses on the decrease of the asset value of a building, etc. as time passes, and records the amount of decrease each year, in accordance with the operational life of the asset, as depreciation expenses.

- The main accrual basis cost related to personnel expenses is transfer to reserve for retirement allowances. This recognizes that even if the payment of retirement allowances is some years later, the cost in terms of amount of increase of future retirement allowances is attributable to this fiscal year, and records this as an expense. Furthermore, as shown in Figure 4, when looking at the ratio of personnel expenses to costs in order to ascertain administrative services efficiency, there has been a generally decreasing trend since FY2006.

[Figure 4] Changes in Personnel Expenses to Cost Ratio*



*1 Calculated using the formula (Payroll related expenses + amount transferred to reserve for retirement allowances + amount transferred to reserve for bonuses) / (administrative expenses + financial expenses) x 100.

*2 Furthermore, recording of reserve for bonuses commenced from FY2012 onwards, together with recording of the relevant amount as amount transferred to reserve for bonuses (recorded under amount transferred to reserves for other allowances in FY2012).

*3 Figures for FY2017 include the effects of increases in allowances due to reviews of amount transferred to reserve for retirement allowances and amount transferred to reserve for bonuses (revised Tokyo accounting standards).

The balance for the current period for FY2018 shows that revenues exceeded expenses by 100.2 billion yen. Balance for the current period, an item that corresponds to “Net profit for the current period” in the profit and loss statements of private enterprises, is a part of the items that comprise net assets, and is allocated to funds reserved in preparation for future financial needs and the redemption of TMG bonds to alleviate the burden on future generations.

<Administrative Cost Statement>

(In billion yen, %)

Item	FY2018	FY2017	Change in amount	Percentage of change
Ordinary Balance				
Administrative balance				
Administrative revenues	6,352.3	6,178.6	173.7	2.8
Local taxes	5,463.8	5,288.0	175.7	3.3
National treasury disbursements	268.9	305.7	(36.8)	(12.0)
Fees and charges	150.9	152.2	(1.2)	(0.8)
Others	468.6	432.6	36.0	8.3
Administrative expenses	5,581.5	5,554.7	26.7	0.5
Tax-related expenses	1,421.8	1,385.0	36.8	2.7
Payroll-related expenses	1,348.2	1,354.6	(6.3)	(0.5)
Subsidizing expenses	1,131.6	1,198.4	(66.8)	(5.6)
Investment expenses	465.7	441.4	24.3	5.5
Depreciation expenses	198.2	177.3	20.8	11.7
Transfer to reserve for deficit due to non-payment	7.2	7.7	(0.4)	(5.2)
Transfer to reserve for bonus	111.6	105.2	6.4	6.1
Transfer to reserve for retirement allowances	59.6	147.8	(88.1)	(59.6)
Others	837.1	737.0	100.0	13.6
Financial balance				
Financial revenues	14.0	14.2	(0.2)	(1.4)
Financial expenses	66.1	70.7	(4.5)	(6.4)
Expenses for public bonds (interest)	64.5	69.4	(4.8)	(6.9)
Others	1.5	1.2	0.2	16.7
Ordinary balance	718.6	567.3	151.3	-
Special balance				
Special revenues	80.2	214.3	(134.1)	(62.6)
Special expenses	698.6	94.0	604.5	643.1
Balance for the current period	100.2	687.6	(587.4)	-

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

Administrative balance

<Depreciation expenses>

The amount of decrease in value of depreciable assets such as buildings and important property, not recognized under government accounting, is recorded under expenses.

<Amount transferred to reserve for retirement allowances>

The amount of increase of future retirement allowances, not recognized under government accounting, is recognized as costs attributable to this fiscal year, and recorded under expenses.

Financial balance

<Expenses for public bonds (Interest)>

Interest paid on TMG bonds is recorded under financial balance.

Balance for the current period

This is the sum total of ordinary balance and special balance.

The balance for the current period can also be utilized in preparation for future financial needs, such as fund reserves, etc.

[5] Cash Flow Statement

The cash flow statement is prepared to categorize the cash flow of the TMG's finances according to "administrative services activities", "social capital improvement investment", and "financing activities", undertaken for funding and repayments, etc. and to indicate the cash balance status in each.

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 government 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. Consequently, the cash flow statement can be said to show government accounting settlements as divided into each activity category.

< Cash flow statement points >

The balance of administrative service activities in FY2018 was 911.7 billion yen in net revenues (net revenues for the previous fiscal year were 841.6 billion yen), an increase of 70.1 billion yen compared to the previous fiscal year. This is mainly due to increases in tax revenues, etc. resulting in a 173.2 billion yen increase in revenues.

The balance of social capital improvement investment activities for FY2018 was 632.2 billion yen in net expenses (net expenses for the previous fiscal year were 390.7 billion yen), an increase of 241.5 billion yen compared to the previous fiscal year. This is mainly due to a 303.0 billion yen increase in funds transferred under revenues, and an increase of 610.4 billion yen in investment expenses under expenses.

The balance of financing activities for FY2018 was 266.6 billion yen in net expenses (net expenses for the previous fiscal year were 352.6 billion yen), a decrease of 85.9 billion yen compared to the previous fiscal year. This is mainly due to a 5.9 billion yen increase in revenues from TMG Bonds issued, and a 78.1 billion yen decrease in expenses for public bonds (principal) allocated to the redemption of past TMG bonds.

The proforma balance, which is the sum of the balance of social capital improvement investment activities, the balance of financing activities, the balance of administrative services activities (911.7 billion yen) and the balance carried forward from the previous year (476.8 billion yen), indicates a surplus. The proforma balance of 489.7 billion yen consists mainly of financial resources that should be carried over to the next fiscal year, and will be utilized in the next fiscal year.

<Cash Flow Statement>

(in billion yen, %)

Item	FY2018	FY2017	Change in amount	Percentage of change
Administrative service activities				
Total revenues	6,364.8	6,191.6	173.2	2.8
Tax revenues, etc.	5,745.3	5,539.6	205.7	3.7
Others	619.4	651.9	(32.5)	(5.0)
Total expenses	5,453.1	5,350.0	103.0	1.9
Tax-related expenses	1,421.8	1,385.0	36.8	2.7
Administrative expenses	3,964.4	3,893.7	70.6	1.8
Others	66.8	71.2	(4.3)	(6.0)
Balance of administrative service activities	911.7	841.6	70.1	-
Social capital improvement investment activities				
Total revenues	883.4	596.5	286.9	48.1
Funds transferred	418.3	115.2	303.0	263.0
Others	465.1	481.2	(16.1)	(3.3)
Total expenses	1,515.7	987.2	528.5	53.5
Social capital improvement expenses	957.2	344.1	613.1	178.2
Fund reserve	191.5	295.6	(104.1)	(35.2)
Others	366.9	347.4	19.5	5.6
Balance of social capital improvement activities	(632.2)	(390.7)	(241.5)	-
Balance of administrative activities cash flow	279.4	450.8	(171.3)	-
Financial activities				
Revenues from financing activities	143.5	137.6	5.9	4.3
TMG bonds	142.7	136.8	5.9	4.3
Others	0.8	0.8	0	0.0
Expenses related to financing activities	410.1	490.2	(80.0)	(16.3)
Expenses for public bonds (principal)	408.3	486.4	(78.1)	(16.1)
Others	1.7	3.7	(1.9)	(51.4)
Balance of financing activities	(266.6)	(352.6)	85.9	-
Total balance	12.8	98.2	(85.4)	-
Balance carried forward from the previous year	476.8	378.6	98.2	-
Proforma balance	489.7	476.8	12.8	-

Administrative service activities

This indicates cash balance for ordinary administrative services such as payment of salaries and purchase of property, etc.

Social capital improvement investment activities

This indicates cash balance derived from formation of fixed assets and changes to funds, etc.

Balance of administrative activities cash flow

This is the sum total of the balance of administrative services activities and the balance of social capital improvement investment activities.

Financial activities

This indicates the cash balance for procurement of revenues sources through TMG bond issuance and borrowings, and redemption of TMG bonds, etc.

Proforma balance

Corresponds to the amount derived by subtracting total annual expenses from total annual revenues under government accounting.

[6] Statement of Changes in Net Assets

The statement of changes in net assets is compiled to clearly indicate the changes in net asset items, which show the balance between assets and liabilities in the balance sheet, during a single accounting period.

Furthermore, the administrative costs statement's balance for the current period is recorded as surplus in the statement of changes in net assets, and the balance at the end of the current period given in the statement of changes in net assets corresponds to the total amount given under net assets in the balance sheet.

<Statement of changes in net assets' points>

Based on deliberations by the Tokyo Accounting Standards Board, the TMG revised its accounting standards in 2007, and in addition to conventional balance sheets, administrative cost statements and cash flow statements, created the "Statement of Changes in Net Assets", which clarifies changes in net assets recorded on the balance sheet in a single accounting period.

Of the items in the statement of changes in net assets, "Opening balance equivalents" indicates the status of assets when the TMG first started creating balance sheets in FY2006, and the given value has not changed in subsequent fiscal years. Additionally, "National treasury disbursements" refers to the portion of treasury disbursements that will be allocated to expenses for social capital improvements. Other than these, there is also "Assessed value of donated assets", which records assets that have been received without any corresponding expense, and "Amounts transferred to wards, towns, etc.", which records exemptions when assets are transferred to wards, towns, etc. when a business is transferred.

At the end of fiscal year 2018, net assets stood at 27,825.9 billion yen, an increase of 137.6 billion yen from 27,688.2 billion yen in the previous fiscal year. The increase is due primarily to a rise in national treasury disbursements for social capital improvement and balance for the current period etc.

<Statement of Changes in Net Assets>

Shows each item

(in billion yen)

The statement of changes in net assets is a table that lists each item of net assets from left to right and the variation factors over a single fiscal year from top to bottom.

Shows variation factors in net assets

	Opening balance equivalent	National treasury disbursements	Charges and transfers etc.	Assessed value of donated assets	Amounts transferred to wards, towns etc.	Cross-accounting transaction account	Other surplus	Total
Balance at the end of the previous period	19,021.8	1,368.9	96.9	354.0	(140.1)	(2.0)	6,988.5	27,688.2
Amount changed for the current period	-	67.6	3.9	6.5	(13.3)	(27.2)	100.2	137.6
Change in fixed assets etc.	-	67.6	3.9	6.5	(13.3)	(38.9)	-	25.7
Change in TMG bonds etc.	-	-	-	-	-	(8.3)	-	(8.3)
Other intra-bureau transactions	-	-	-	-	-	20.0	-	20
Balance for the current period	-	-	-	-	-	-	100.2	100.2
Balance at the end of the current period	19,021.8	1,436.5	100.9	360.5	(153.5)	(29.2)	7,088.7	27,825.9

Analysis of TMG's Finances

- Up to this point, TMG's financial condition in FY2018 was studied through analyses of conventional government accounting and financial statements.
- This section looks back over past financial management and considers future TMG finances by analyzing future financial demand.

Chapter 1 - Looking back over TMG finances during the Heisei Era (1989-2018)

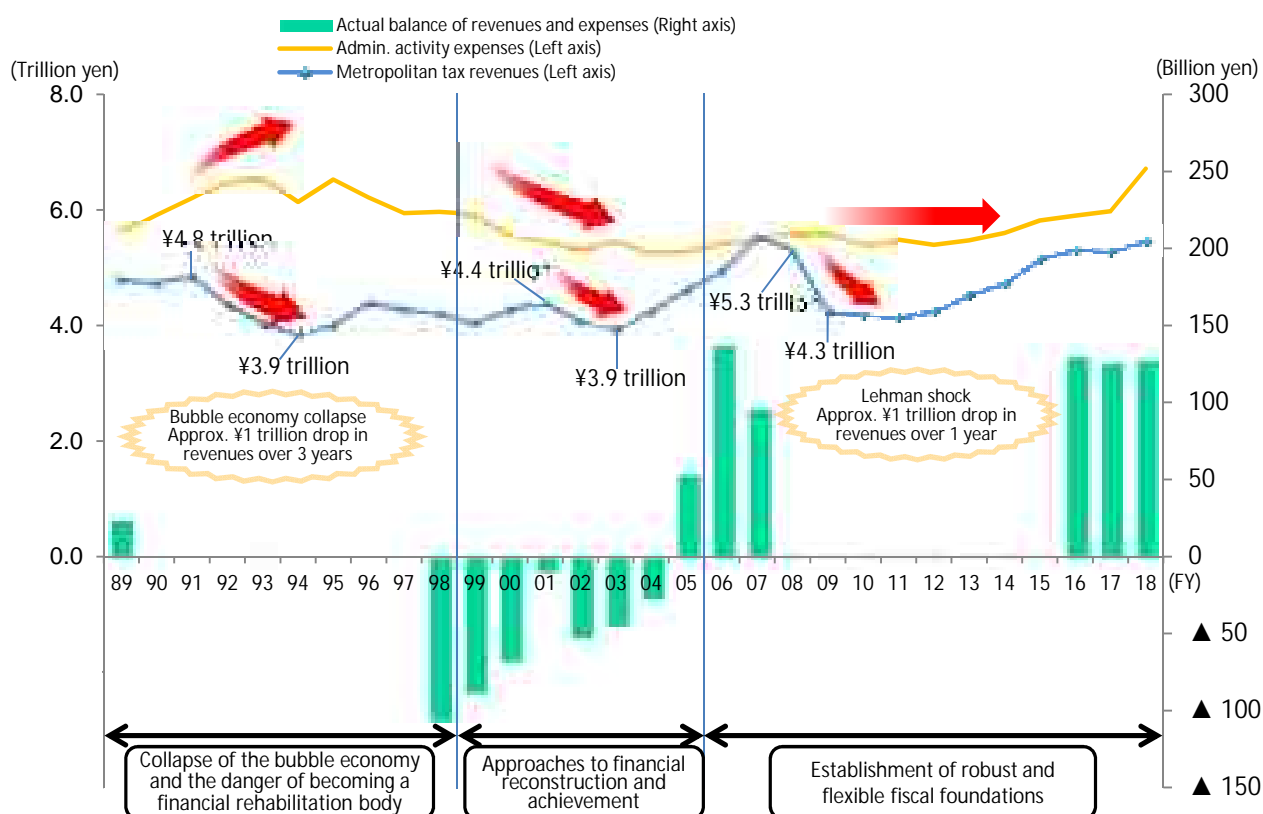
The actual balance of revenues and expenses in the FY2018 financial results was 127.3 billion yen in the black.

This is mainly due to robust metropolitan tax revenues and the proactive utilization of funds reserved to date.

Meanwhile, maximum deficits in excess of 100 billion yen were recorded in the past, and the TMG faced the reality of falling into the critical status of a local public entity under financial rehabilitation. Since a large part of the metropolitan tax revenues that form the basis of Tokyo's annual revenues is primarily comprised of revenue from the two corporate taxes, which are susceptible to economic fluctuation, and as Tokyo is the only prefecture to have never received ordinary local allocation tax, Tokyo requires financial management that is more self-reliant than other municipalities.

Under this unstable financial structure, TMG finances in the Heisei Era can be classified into three periods, Collapse of the bubble economy and the danger of becoming a financial rehabilitation body (FY1989-FY1998), Approaches to financial reconstruction and subsequent achievement (FY1999-FY2005), and Establishment of robust and flexible fiscal foundations (FY2006-FY2018), and through the experience gained from these periods, the TMG established the foundations for steady fiscal management (Figure 1).

[Figure 1] Changes in Actual Balance of Revenues and Expenses/Admin. Activity Expenses/Metropolitan Tax Revenues



* Actual Balance of Revenues and Expenses is the amount derived when financial resources that should be carried forward to the next fiscal year for approved carry forward, etc. is deducted from the proforma balance (balance between revenue and expenditure).

* Administrative activity expenses refers to total annual expenses related to administrative services undertaken over the year, excluding deposits to funds and expenses for public bonds.

Now, we will examine the details of each period.

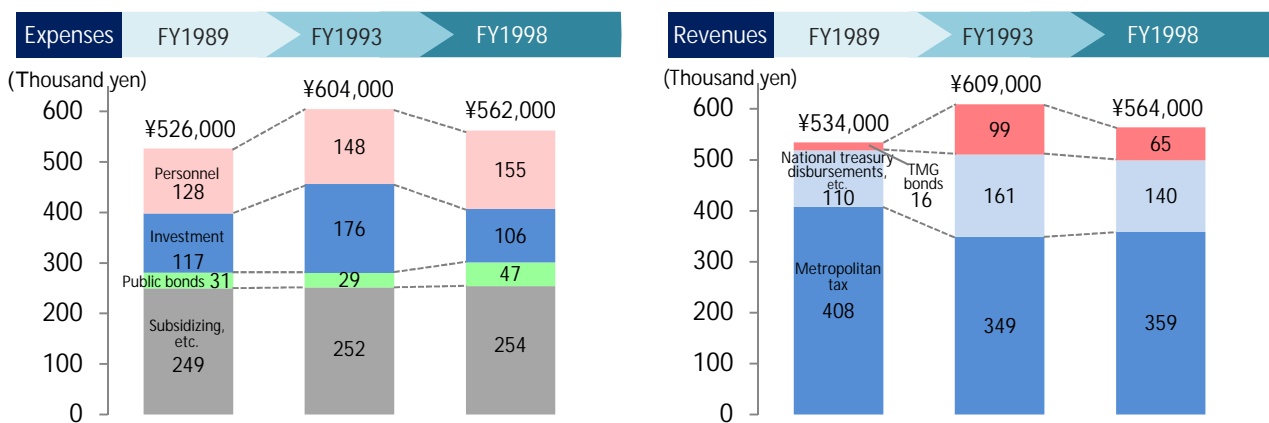
1 Collapse of the bubble economy and the danger of becoming a financial rehabilitation body (FY1989-FY1998)

Metropolitan tax revenues, which increased dramatically in FY1987 and FY1988, dropped off rapidly along with the economic recession accompanying the collapse of the bubble economy, falling by about one trillion yen over three years from FY1991.

Meanwhile, after the collapse of the bubble economy, the state made recommendations to local authorities to implement public works funded by local government bonds, as an economic measure. With a stance echoing the state's successive economic measures, the TMG maintained high expenses levels (Figure 1).

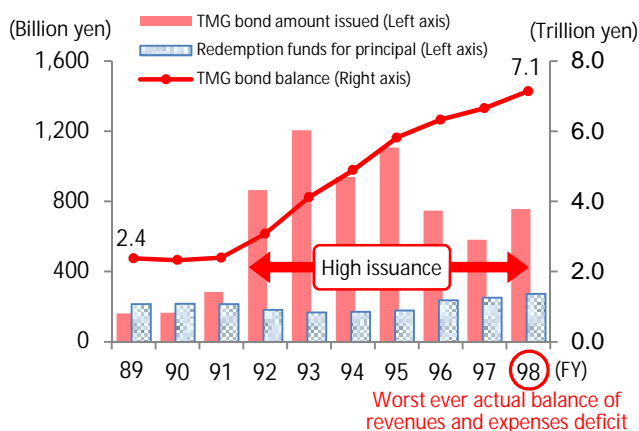
- We will now examine the effects of the fall in metropolitan tax revenues and increased expenditure, while comparing annual expenses and revenues per Tokyo citizen (Figure 2).
- Comparisons between FY1989 and FY1993 show an increase in expenditure amounts from ¥526,000 to ¥604,000, mainly due to the increase in investment expenses from ¥117,000 to ¥176,000 for successive large-scale facilities construction projects. In addition, while metropolitan tax revenues decreased significantly from ¥408,000 to ¥349,000, TMG bond issuance increased from ¥16,000 to ¥99,000.
- Comparisons between FY1993 and FY1998 show that, with the TMG taking initiatives to curb expenditure ahead of the government and other prefectures, investment expenses fell from ¥176,000 to ¥106,000, while the fall in TMG bond issuance from ¥99,000, stopped at ¥65,000.

[Figure 2] Comparison of Expenses and Revenues per Tokyo Citizen (FY1989, FY1993, FY1998)

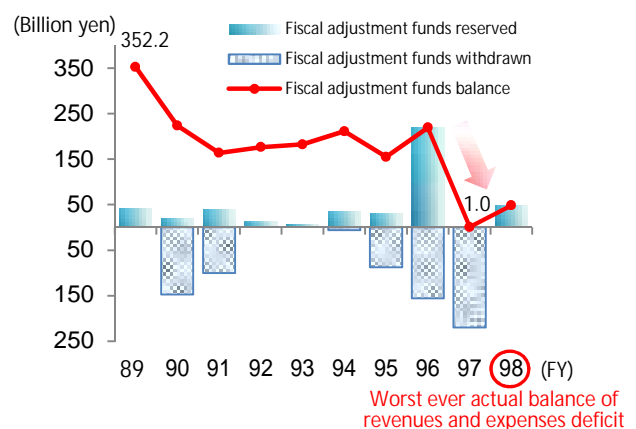


- With high volume TMG bond issuance continuing from FY1992 onwards, TMG bonds balance ballooned from approx. 2.4 trillion yen in FY1989 to approx. 7.1 trillion yen in FY1998 (Figure 3).
- From 352.2 billion yen in FY1989, the fiscal adjustment funds balance was practically depleted by FY1997, falling to just 1 billion yen (Figure 4).

[Fig.3] Changes in Amounts of TMG Bonds Issued/Redemption Funds for Principal/TMG Bonds Balance



[Fig.4] Changes in Fiscal Adjustment Funds Amounts Reserved/Withdrawn, and Funds Balance



- Within this protracted economic slump following the collapse of the bubble economy, financial results for FY1998 recorded the worst ever actual balance of revenues and expenses deficit of 106.8 billion yen, mainly due to sustained high expenses levels, and the TMG faced the danger of becoming a financial rehabilitation body.

2 Approaches to financial reconstruction and subsequent achievement (FY1999-FY2005)

Working towards voluntary financial reconstruction through the conversion of financial structures, the TMG drafted the “Financial Reconstruction Promotion Plan”, termed for FY2000 to FY2003, and the “2nd Financial Reconstruction Promotion Plan”, termed for FY2004 to FY2006, in FY1999 and FY2003 respectively.

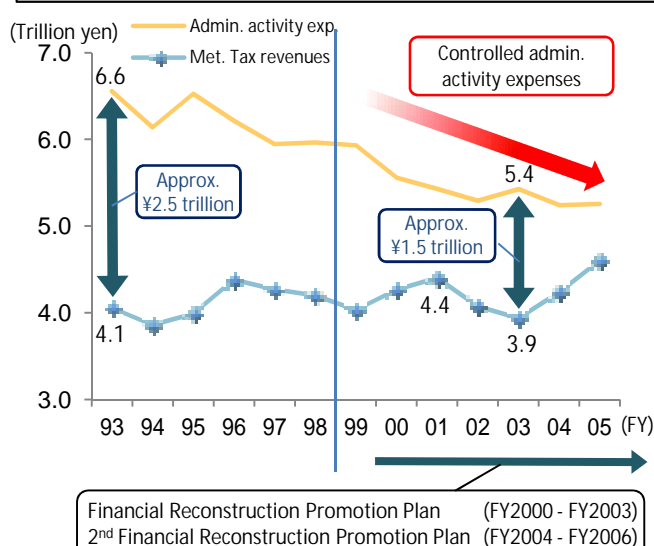
- Based on these plans, the TMG began with thorough internal efforts such as temporary reductions in TMG salaries, and fully embraced the review/redesign of measures, regardless of whether such measures related to administrative activity expenses or investment expenses, to control expenditure.

Main Approaches of the Two Financial Reconstruction Plans		Secured financial resources
Internal Efforts	<ul style="list-style-type: none"> - Reduction of personnel numbers by 11,526 (excl. transfer of public cleaning to special wards) - Implementation of time-limited measures reducing salaries by 4%, at the time, the most drastic percentage reduction in Japan - Reduction in number of administrative bodies from 64 to 41 etc. 	¥279.7 billion
Review of Measures	<ul style="list-style-type: none"> - Reduction of investment expenses to a level of 30% compared to peak (FY1992) etc. 	¥356.3 billion
Securing Annual Revenues	<ul style="list-style-type: none"> - Raising of metropolitan tax collection rates from 93.7% to 97.3% etc. 	¥129.8 billion
Improvements to tax and financial systems	<ul style="list-style-type: none"> - Transfer/assignment of tax revenue sources etc. 	¥106.9 billion
Total		¥872.6 billion

- While metropolitan tax revenues remained strong from FY1999 onwards, the collapse of the IT bubble triggered a fall of approx. 0.5 trillion yen in tax revenues over two years from FY2001 (Figure 5).

- Within this backdrop, the gap between administrative activity expenses and metropolitan tax revenues was significantly reduced to approx. 1.5 trillion yen by FY2003, compared to the approx. 2.5 trillion yen of FY1993, when tax revenues fell due to the collapse of the bubble economy while expenditure was increased.

[Figure 5] Changes in Administrative Activity Expenses and Metropolitan Tax Revenues

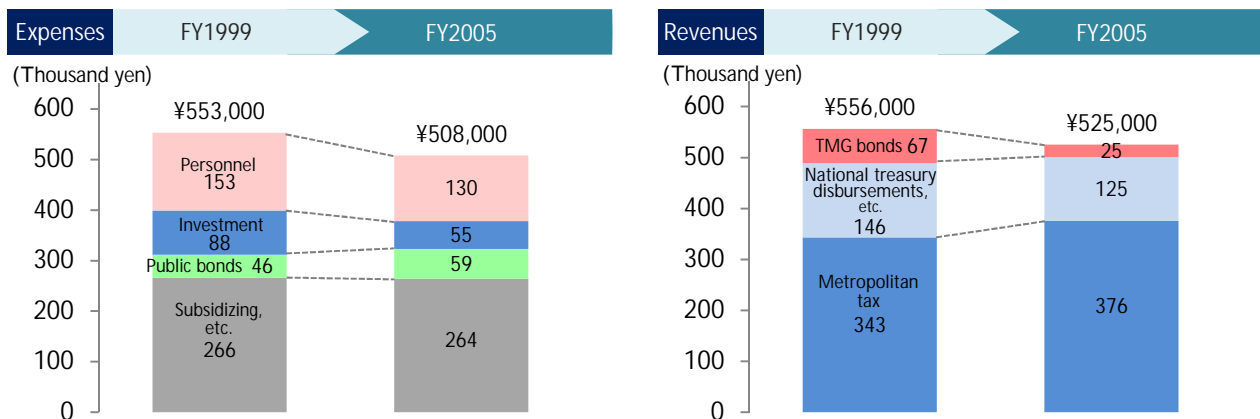


We will now examine the results of approaches undertaken for both expenditure and revenue, while comparing annual expenses and revenues per Tokyo citizen (Figure 6).

Comparisons between FY1999 and FY2005, when the “Financial Reconstruction Promotion Plans” were drafted, show that the expenditure amount was reduced from ¥553,000 to ¥508,000, mainly due to the curbing of investment expenses from ¥88,000 to ¥55,000, and personnel expenses from ¥153,000 to ¥130,000.

Along with these efforts to curb expenses, TMG bond issuance was reduced from ¥67,000 to ¥25,000.

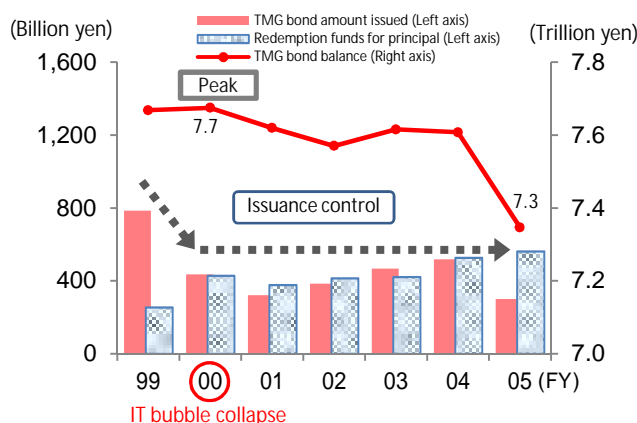
[Figure 6] Comparison of Expenses and Revenues per Tokyo Citizen (FY1999, FY2005)



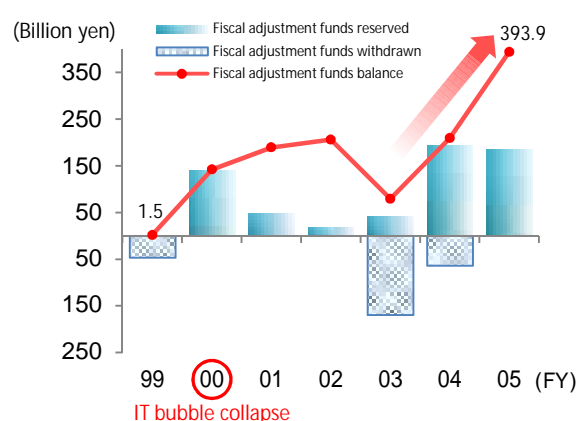
From FY2000 onwards, curbs on the issuance of TMG bonds continued, and the aggressive redemption of bonds was promoted. As a result, TMG bonds balance peaked at approx. 7.7 trillion yen in FY2000, and shifted to a declining trend (Figure 7).

In addition, as the economic slump caused by the collapse of the IT bubble dragged on and metropolitan tax revenues continued to fall in FY2003, the TMG overcame reduced revenues through the utilization of fiscal adjustment funds built up mainly through the control of expenditures, and TMG bond issue margin (Figure 8).

[Figure 7] Changes in Amounts of TMG Bonds Issued/Redemption Funds for Principal/TMG Bonds Balance



[Figure 8] Changes in Fiscal Adjustment Funds Amounts Reserved/Withdrawn, and Funds Balance



With the approaches based on the two financial reconstruction promotion plans achieving steady results in this way, the TMG escaped the financial crisis with financial results of FY2005 recording a shift to the black for actual balance of revenues and expenses, etc. and marked a close to one period of financial reconstruction.

3 Establishment of robust and flexible fiscal foundations (FY2006-FY2018)

Even after achieving financial reconstruction, the TMG is undertaking project review approaches in order to maintain sound financial management.

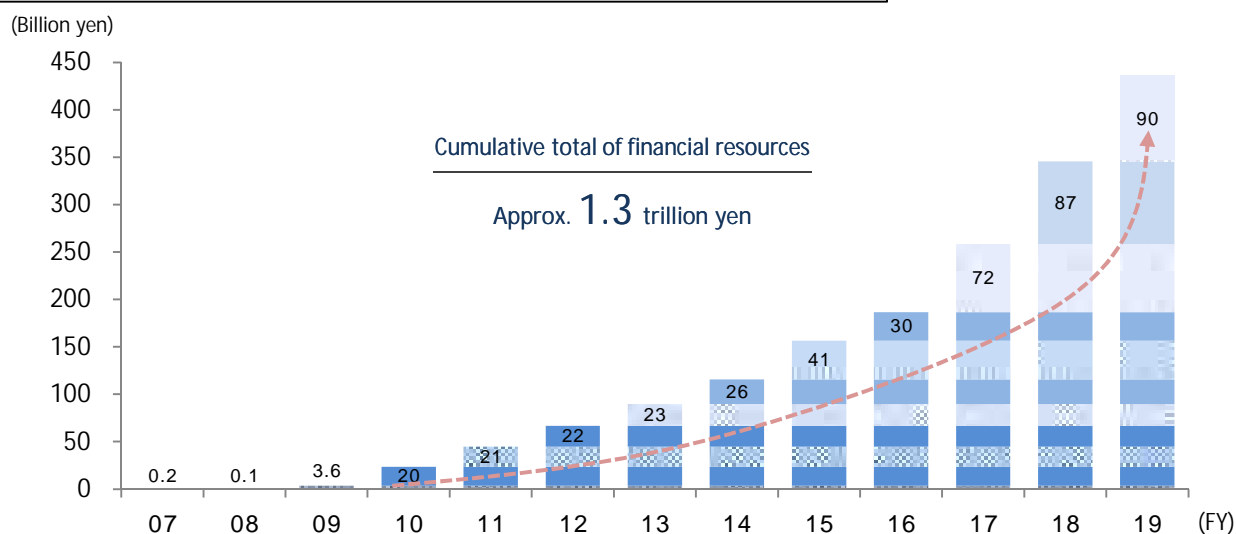
In light of the results of project revisions implemented intensively in accordance with the two financial reconstruction promotion plans, project reviews are approaches that have implemented such review efforts as a part of budget formation so that they may be continued even after achieving financial reconstruction.

Through the utilization of checks from specialist perspectives and new public accounting methods, diverse inspections were conducted in the process of budget formation, and steadfast reviews of measures were further promoted.

In addition, from the FY2017 budget onwards, along with adoption of the principle of setting fixed periods for all projects, other actions such as the introduction of systems that make determinations related to project revision, expansion and continuation, etc. by conducting reviews in relation to projects that have reached the ends of their terms, further reinforced the PDCA cycles derived from project reviews to date.

The results of these actions led to the securing of a cumulative total of approx. 1.3 trillion yen in financial resources during the period from the FY2007 budget to the FY2019 budget (Figure 9).

[Figure 9] Financial Resource Amounts secured through Project Reviews

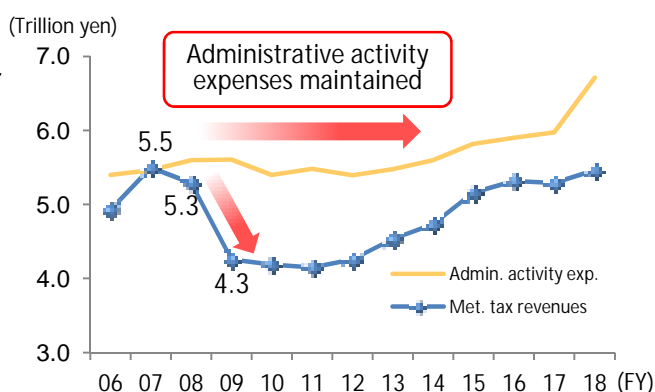


*Amounts shown for each fiscal year are based on initial budgets.

In addition, the financial capabilities nurtured through financial reconstruction proved to be sound even when facing significantly reduced tax revenues under the effects of the Lehman shock.

Even when facing reduced revenues of approx. 1 trillion yen in one year in FY2009, the TMG maintained the level of administrative activity expenses, and continued to provide stable administrative services (Figure 10).

[Figure 10] Changes in Administrative Activity Expenses and Metropolitan Tax Revenues

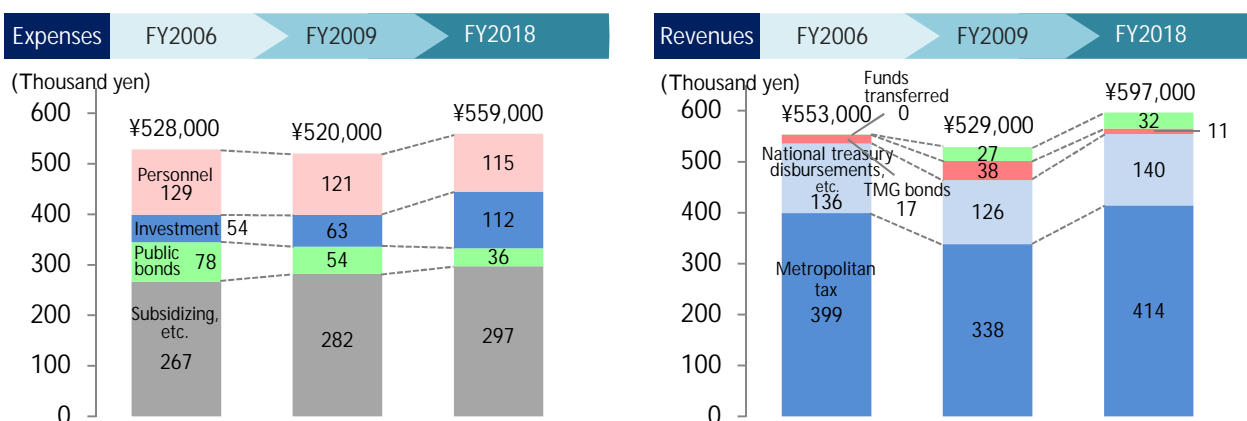


We will now examine approaches taken towards the reinforcement of financial capabilities, while comparing annual expenses and revenues per Tokyo citizen (Figure 11).

Comparisons between FY2006 and FY2009 show that, regardless of the significant fall in metropolitan tax revenues from ¥399,000 to ¥338,000, caused by the Lehman shock, the expenditure amount was maintained at the same scale, from ¥528,000 to ¥520,000, through the utilization of TMG bonds and funds as financial resources.

Comparisons between FY2009 and FY2018 show that, while the expenditure amount has been increased from ¥520,000 to ¥559,000, in contrast to the period of increased expenditure following the collapse of the bubble economy, funds were utilized as metropolitan tax revenues increased, and the controls on TMG bonds issuance were maintained.

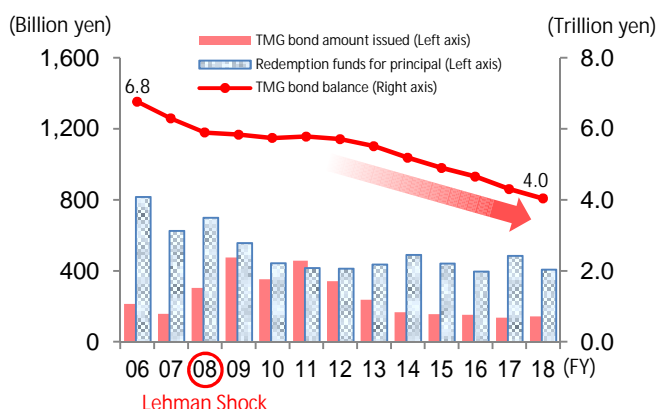
[Figure 11] Comparison of Expenses and Revenues per Tokyo Citizen (FY2006, FY2009, FY2018)



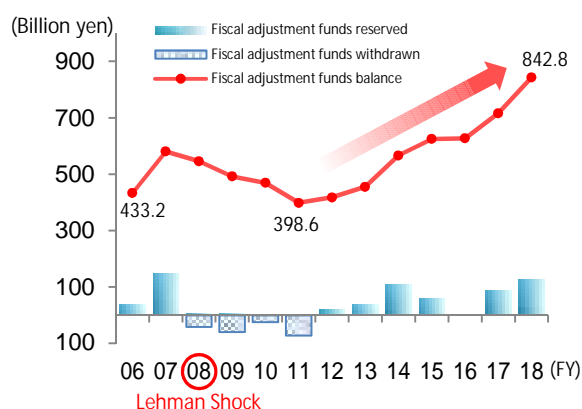
Through this strategic and systematic utilization of funds and TMG bonds, the provision of stable administrative services and the assertive implementation of measures was possible, even when facing an economic recession (Figure 12).

As of end FY2018, TMG bond balance had been reduced to approx. 4 trillion yen, and fiscal adjustment funds balance of approx. 842.8 billion yen had been secured (Figure 13).

[Figure 12] Changes in Amounts of TMG Bonds Issued/Redemption Funds for Principal/TMG Bonds Balance



[Figure 13] Changes in Fiscal Adjustment Funds Amounts Reserved/Withdrawn, and Funds Balance



The TMG will undertake approaches for the establishment of robust and flexible fiscal foundations to support the provision of stable administrative services and the assertive implementation of measures, even within a backdrop of socioeconomic change.

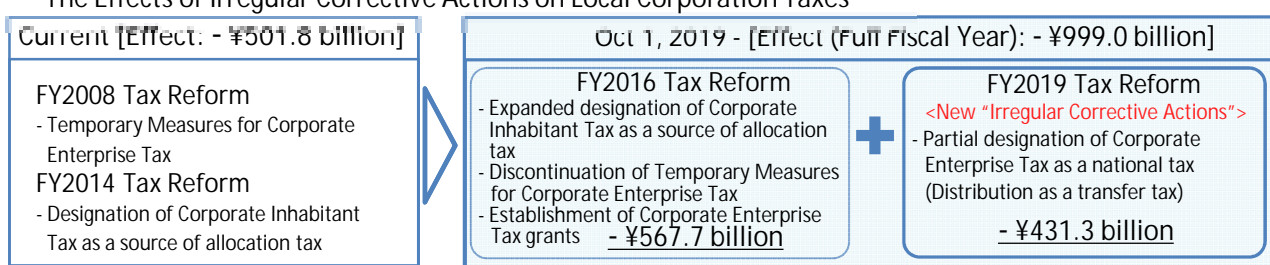
Irregular Corrective Actions on Local Corporation Taxes

Through the review of unreasonable taxation systems repeatedly implemented under the pretext of differences in financial capability between cities and rural areas, the TMG has been obliged to pay a huge amount of financial resources, totalling approx. 6 trillion yen, over the thirty year period from FY1989.

Within this backdrop, the “Temporary Measures for Corporate Enterprise Tax”, started in FY2008, were discontinued in October 2019, in order to be reinstated as the Corporate Enterprise Tax. However, in the FY2019 tax reforms, a part of the Corporate Enterprise Tax will once again be made a national tax, and new irregular corrective actions that will distribute funds to rural areas on an even greater scale than before, will be implemented.

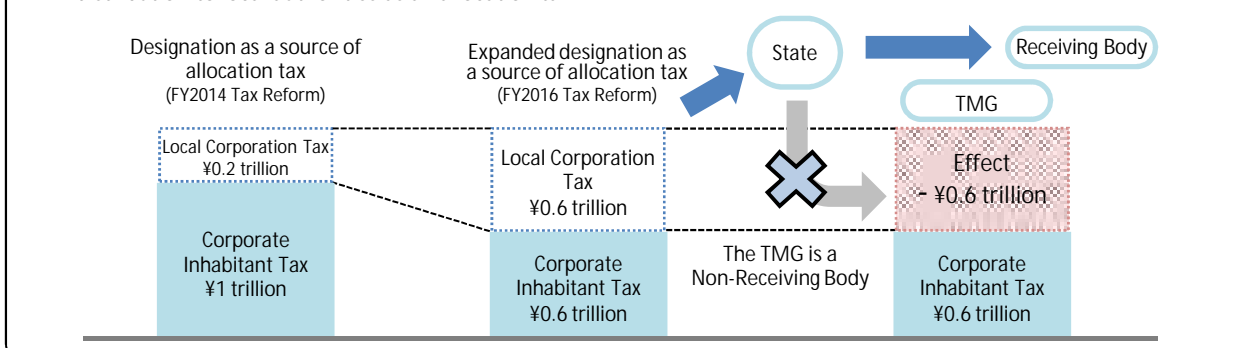
The result will be an additional annual reduction in metropolitan tax revenues of 431.3 billion yen from FY2021 onwards, when the effects of these new actions will be normalized over the full fiscal year. When this is combined with the 567.7 billion yen reduction in revenues due to irregular corrective actions on local corporation taxes that have been implemented to date, the reduction in revenues will come to 999.0 billion yen.

The Effects of Irregular Corrective Actions on Local Corporation Taxes



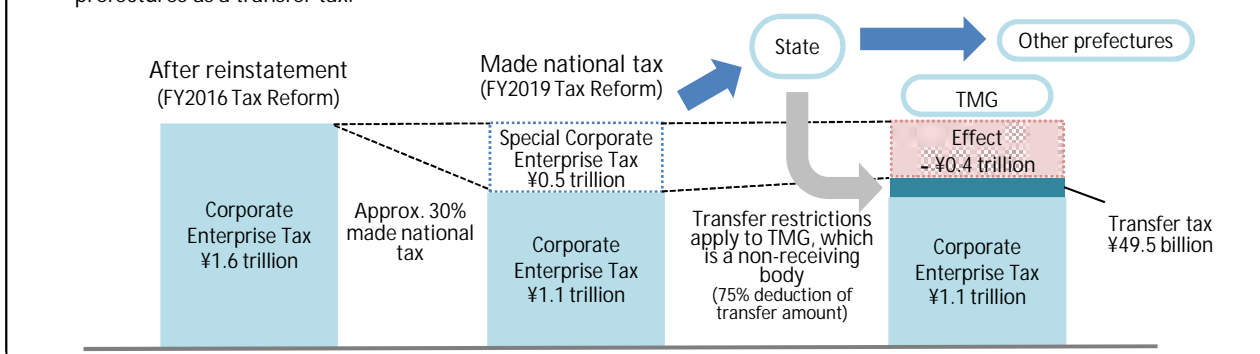
Expanded designation of Corporate Inhabitant Tax as a source of allocation tax (FY2016 Tax Reform)

Expansion of the partial designation of Corporate Inhabitant Tax as a national tax (Local Corporation Tax), and distribution to local authorities as an allocation tax.



New Irregular Corrective Actions (FY2019 Tax Reform)

- ◆ Partial designation of Corporate Enterprise Tax as a national tax (Special Corporate Enterprise Tax), and distribution to prefectures as a transfer tax.



*The effect amount calculation is based on the FY2018 financial results (amounts entered are normalized for full fiscal year)

Chapter 2 – Working towards future financial management

- While supporting approaches towards the realization of 3-cities and preparations for a successful Tokyo 2020 Games under unstable revenue structures, an awareness of the financial demands that TMG finances cannot avoid must be maintained in order to realize sustainable financial management into the future.
- In addition, in order for Japan to continue developing as it faces a rapid decline in population/declining birth-rate and aging population, there is a need for Tokyo to further evolve as a mature city that continues to generate growth.
- In this section, we will look at the effects of the Tokyo 2020 Games on TMG finances, analyse the financial demands faced by the TMG, and consider future financial management, with a focus also placed on approaches towards sustainable growth for Tokyo and Japan as a whole.

1 Sound financial management that supports the success of the Tokyo 2020 Games

With less than one year to the Tokyo 2020 Games, which will be hosted in July, preparations for the event are entering the final stages.

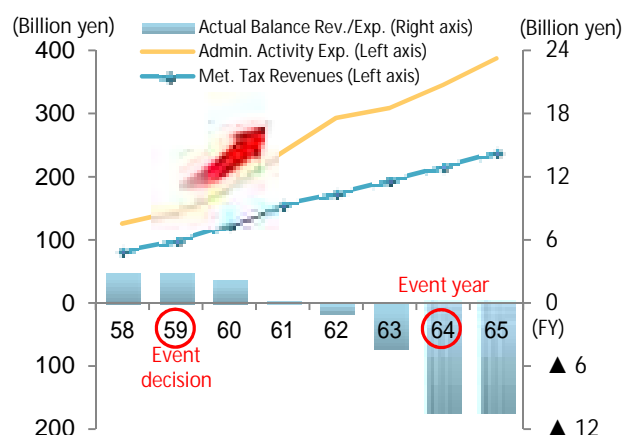
Here, we will examine the current financial management that supports the Tokyo 2020 Games, through comparisons with TMG finances at the time of the games held in Tokyo in 1964.

TMG finances prior to the hosting of the 1964 event show that robust tax revenues supported the first half of the Showa era 30s (1955-1964). However, expenditure increased in the latter half of the decade in which preparations for the Olympics were taking place, mainly due to the aggressive expansion of public investment, and by FY1962, the actual balance of revenues and expenses had shifted into the red (Figure 14).

The background for the expansion of public investment, involved not only the preparations for the Olympics, but also a succession of metropolitan area readjustment plans determined after the enactment of the Metropolitan Area Readjustment Act in 1956. With the promotion of rapid economic growth policies hinging on public investment, the TMG proactively approached metropolitan area readjustment projects using national treasury disbursements and TMG bonds as the financial resources, from the need to develop urban facilities.

Once the hosting of the 1964 Games had been determined, some metropolitan area readjustment projects, such as roads development, were positioned as Olympics related projects, and with the success of the Olympics set as the main object for TMG finances, the financial scale expanded rapidly, mainly due to the rolling forward of fixed plan implementation, while land acquisition costs rose steeply.

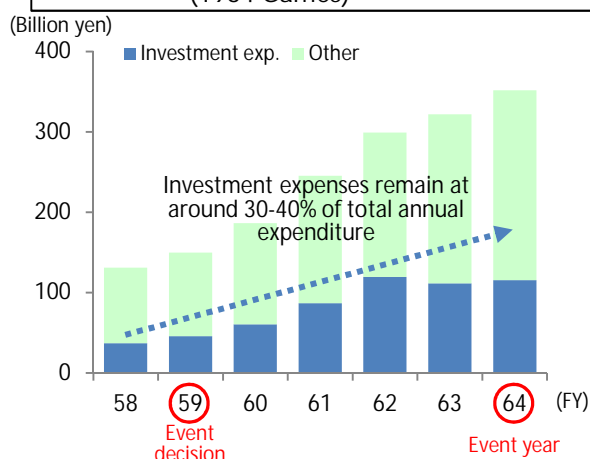
[Figure 14] Changes in Actual Balance of Revenues and Expenses/Admin. Activity Expenses/Metropolitan Tax Revenues (1964 Games)



At the time of the 1964 Games, investment expenses maintained an increasing trend from the year of the decision to host the event up to the year of the event, and remained at around 30-40% of total annual expenditure (Figure 15).

TMG burden for the 1964 Games was approx. 195.4 billion yen, 3.7% of Tokyo nominal GDP as of FY1964. For the breakdown, in addition to the construction of stadia, the greater portion was for infrastructure development projects, such as roads and water supply/sewerage, advanced mainly as a part of the metropolitan area readjustment projects (Figure 16).

[Figure 15] Changes in Investment Expenses (1964 Games)



[Figure 16] Expenses Breakdown (1964 Games)

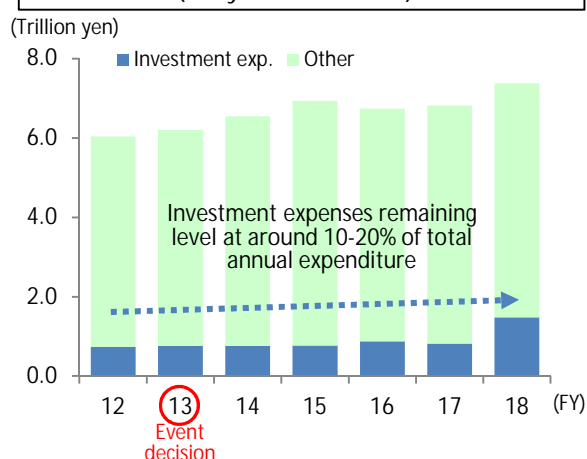
Games Expenses	¥6.5 billion
Stadium builds	¥4.7 billion
Associated projects, etc.	¥1.8 billion
Games Related Expenses	¥188.9 billion
Roads/Met. Expressway development	¥68.6 billion
Water supply/sewerage development	¥51.0 billion
Subway system construction	¥54.8 billion
Associated projects, etc.	¥14.5 billion
Total	¥195.4 billion
Tokyo nominal GDP (FY1964)	¥5,285.5 billion

3.7%

Following on, for the Tokyo 2020 Games, investment expenses have remained level from the decision to host the event up to the present day, and have been controlled to about 10-20% of total annual expenditure (Figure 17).

TMG burden for the Tokyo 2020 Games is approx. 1,410.0 billion yen, holding at 1.3% of Tokyo nominal GDP as of FY2016. For the breakdown, other than the development of stadia, assertive soft projects such as educational/cultural programs, city volunteer development/utilization, and the promotion of sports for the disabled, etc. have been deployed (Figure 18).

[Figure 17] Changes in Investment Expenses (Tokyo 2020 Games)



[Figure 18] Expenses Breakdown (Tokyo 2020 Games)

Games Expenses	¥600.0 billion
Stadia related	¥490.0 billion
- Permanent facility development	
- Temporary facilities, etc.	
Games related	¥110.0 billion
- Transportation	
- Security, etc.	
Games Related Expenses	¥810.0 billion
Projects closely associated with the games	¥436.0 billion
- Refurbishment of existing athletics facilities	
- Transportation infrastructure, security measures	
- Barrier-free measures, multilingual support, etc.	
- Educational/cultural programs, City volunteer development/utilization, etc.	
- Promotion of measures to improve competitiveness, promotion of sports for the disabled, etc.	
Related projects supporting the success of the games	¥324.0 billion
- City infrastructure development, etc.	
Other projects	¥500.0 billion
Total	¥1,410.0 billion

Tokyo nominal GDP (FY2016) ¥104,470.0 billion

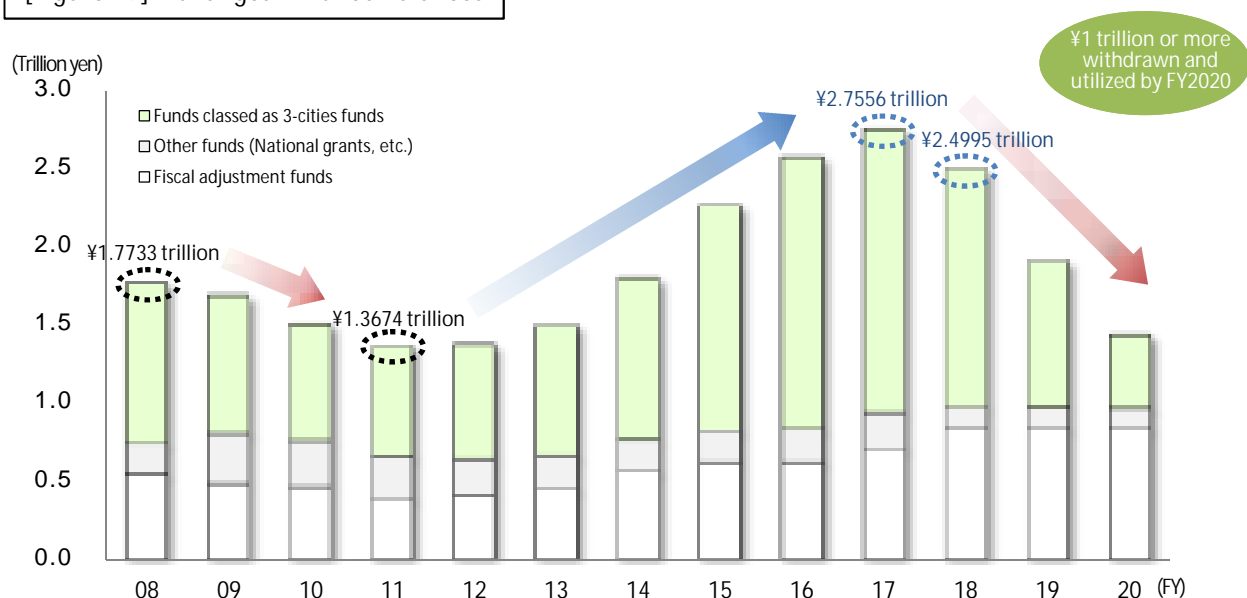
1.3%

For the Tokyo 2020 Games, the TMG is endeavouring to execute projects for the hosting of the games in an efficient and effective manner, through the utilization of infrastructure facilities developed for the 1964 Games or developed afterwards, and existing stadia, etc.

The TMG's burden amount for the Tokyo 2020 Games is classified into two categories, "Games expenses" and "Games related expenses". Of these, "Games expenses" will utilize preparation funds for the Tokyo 2020 Games, and the full amount has been secured as of end FY2018. In addition, "Games related expenses", which are closely related to games and will support their success, will be handled mainly through the utilization of funds for the realization of 3-cities, etc. (Figure 19)

In this way, for the hosting of the Tokyo 2020 Games, the TMG is promoting approaches towards the success of the games, based on the concept of "leaving no burdens for the future", by curbing bond issuance while aiming to secure financial resources through the proactive utilization of funds steadily reserved to date, etc.

[Figure 19] Changes in Funds Balances



*Settled amounts up to FY2018, estimated end-of-year balance amounts from FY2019 onwards.

*Past funds balances are classified according to new fund systems from FY2017 onwards.

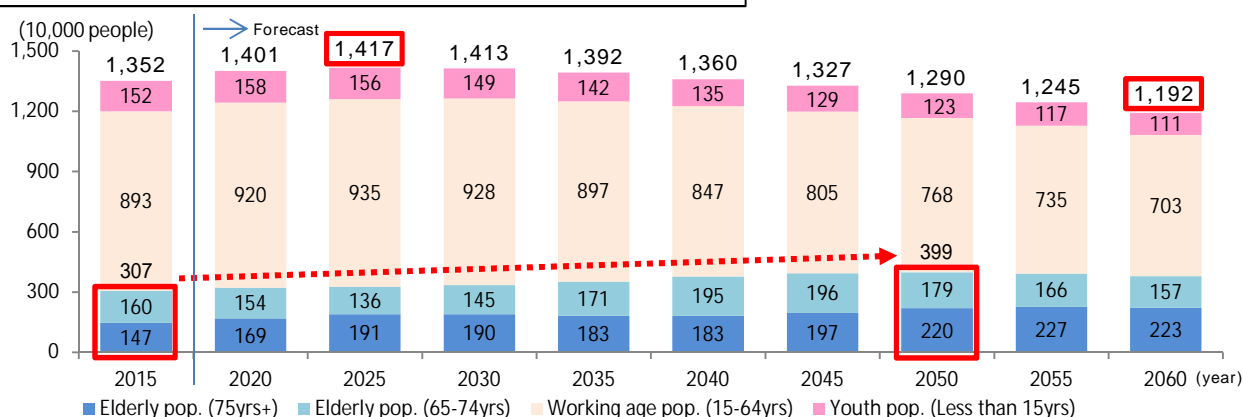
2 Colossal financial demand facing Tokyo

Social security related costs

The population of Tokyo is expected to peak at 14.17 million by 2025, after which the population will continuously shrink due to reductions in social growth and greater natural decreases, falling to 11.92 million by 2060.

When looking at the breakdown, the younger-age and working-age populations will continue to increase until 2020 and 2025 respectively, after which they will shift to a decreasing trend, while the elderly population is expected to increase from 3.07 million in 2015 (aging population rate 22.7%) to 3.99 million by 2050 (aging population rate 31.0%), and there is demand for responses to accommodate a super-aging society, such as the realization of a society in which citizens can live with peace of mind, etc. (Figure 20)

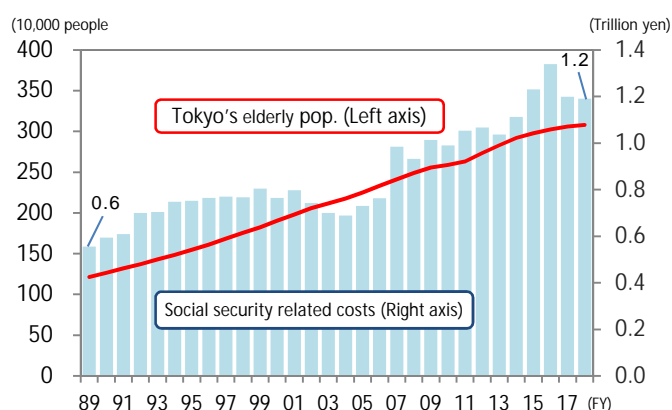
[Figure 20] Changes in Tokyo's Population by Age Group



* Estimates up to 2040 are derived from "Projected number of Tokyo households (TMG Bureau of General Affairs, March 2019)". Subsequent figures are estimates by the Office of the Governor for Policy Planning.

TMG social security related costs have to date seen a rising trend tracking the increasing elderly population, and with the full arrival of a progressively aging society with low birth rate and a declining population, costs required for medical care and nursing care, etc. are expected to continue increasing (Figure 21).

[Figure 21] Changes in Tokyo's Elderly Population/ Social Security Related Costs



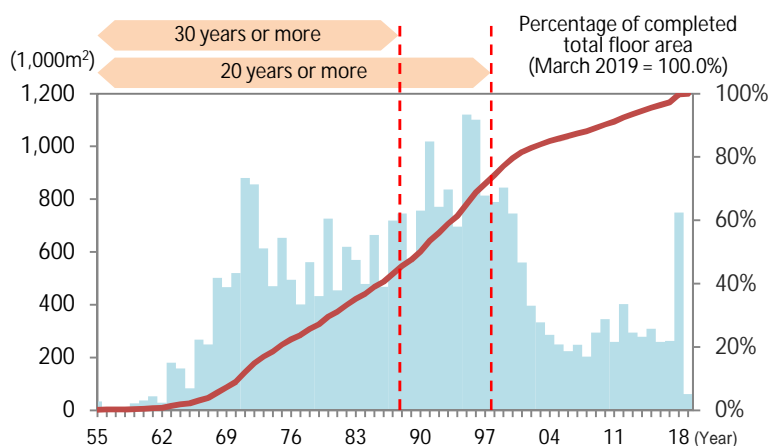
* Social security related costs are comprised of welfare expenses, hygiene expenses, and labour expenses, from which disaster relief expenses and clearance expenses have been excluded.

Social capital stock maintenance/renewal costs

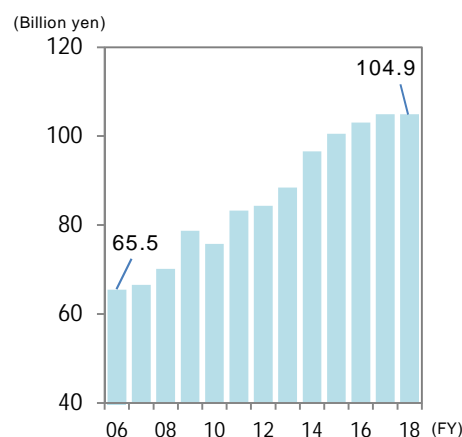
The construction of public properties (buildings) owned by the TMG was concentrated in the mid-60s to mid-70s and in the single digit years of the Heisei period (1989-97), and as of end March 2019, roughly 50% of TMG owned buildings were over 30 years old, while roughly 70% of TMG owned buildings were over 20 years old, making the handling of deterioration an important issue (Figure 22).

To date, the TMG has been endeavouring to make effective use of assets through the proactive promotion of facilities integration, but with rising maintenance and repair expenses accompanying the rapid deterioration of owned facilities, etc. significant social capital stock maintenance/renewal cost increases are expected to continue (Figures 22, 23).

[Figure 22] Total Floor Area of Public Property (Buildings) by Construction Year



[Figure 23] Changes in maintenance and repair expenses



* Figure 22 is organised in calendar years, and excludes public properties owned by the Tokyo Metropolitan Government Bureau of Waterworks, Bureau of Sewerage and Bureau of Transportation.

Disaster-prevention costs

The TMG faces risks related to the incidence of large-scale disasters such as localized torrential downpours and the Tokyo Inland Earthquake, etc. and when damages do occur, in addition to human damages, there are also concerns about the serious impact on nationwide socio-economic activities, such as the paralysis of city functions, etc.

Along with protecting the lives and assets of Tokyo citizens and ensuring safety and security, there is a need to promote intensive and focused measures in preparation for large-scale disasters, such as responses to the frequently occurring localized torrential downpours, and fire and earthquake resistance works in districts with close-set wooden housing, etc. in order to minimize damages nationwide.

Damages estimations of Tokyo Inland Earthquake, etc.

Northern Tokyo Bay Earthquake (M7.3)	
Human damages	Fatalities... Approx. 9,700 people Injuries... Approx. 147,600 people (Of which serious injury... Approx. 21,900 people)
Physical damages	Damage to buildings... Approx. 304,300 structures
Evacuees	Approx. 3.39 million people
Persons struggling to return home	Approx. 5.17 million people

* From "Report on Estimated Damages in the Event of a Tokyo Inland Earthquake, etc. (April 2012)", Tokyo Metropolitan Disaster Management Council (TMG Bureau of General Affairs)

Damages estimations for heavy rainfall

Arakawa River Flood	
Inundated area	Approx. 98km ²
Population within inundated region	Approx. 1.26 million people
Power	Power outages in 13 Tokyo wards, 10 cities and 1 town in Saitama prefecture, affecting approx. 1.11 million buildings
Railway	Operation affected on 22 JR lines, 3 non-JR lines
Metro	Inundation in 17 lines, 100 stations, over a distance of approx. 161km

* From "Approaches for the avoidance of catastrophic socio-economic damages (August 2017)", Investigative committee on disaster preparedness and mitigation measures against worst-case flooding scenarios, etc. (Kanto Regional Development Bureau, MLIT)

In order to accommodate these financial demands, there is a need for efforts to secure financial resources through the strategic and systematic utilization of funds and TMG bonds, from medium and long term perspectives, while maintaining an awareness of future changes in socio-economic conditions.

3 Working towards sustainable growth for Tokyo and Japan

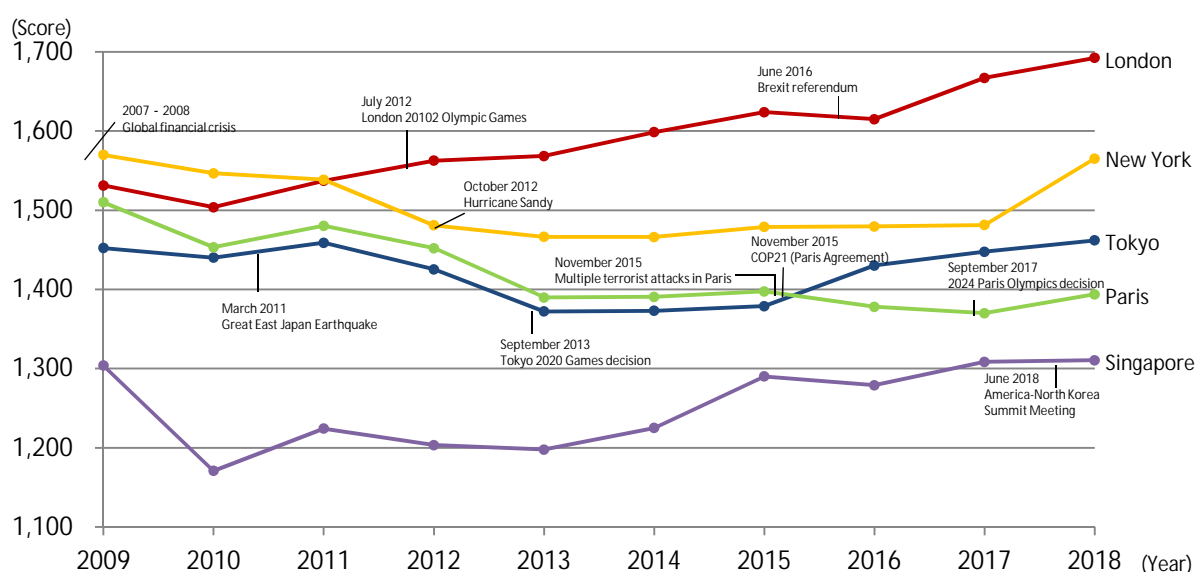
For Japan to continue developing as it faces a rapid decline in population/declining birth-rate and aging population, along with the creation of a society in which all people can participate with vitality, it is important to create greater added value in the capital, Tokyo, which drives economic growth in Japan, by pressing ahead with growth strategies that fully grasp the times.

For Tokyo to further evolve as a mature city that continues to generate growth, there is a need for the greater refinement of Tokyo's "Earning Capabilities" through approaches towards the realization of "Global Financial City : Tokyo" and the social implementation of "Society 5.0", etc.

Examples of the main measures for the reinforcement of "Earning Capabilities" (FY2019 Budget)		FY2019 Budget
Realization of the "Global Financial City", accelerated attraction of overseas companies	- Promotion of special wards - Establishment of financial promotion organizations etc.	¥2.7 billion
Creation of innovation, improved productivity	- Surveys/investigations into accelerating the realization of "Society 5.0" - Open innovation support projects for drug discovery etc.	¥15.8 billion
Promoting business start-up/ company founding	- Support projects for company founding by women, youth and senior citizens - Projects to promote entrepreneurial education at elementary and junior schools etc.	¥7.6 billion
Attraction of overseas travellers, etc., enrichment of receptive environments	- Promotion of MICE attraction - WiFi usage environment development projects etc.	¥22.9 billion
Development/transmission of diverse tourism resources	- Nightlife tourism promotion grants - Developing a facet of Tokyo that utilizes the attraction of the waterfront etc.	¥13.5 billion

According to the "Global Power City Index", which evaluates the international competitiveness of cities, Tokyo was ranked third in the world in 2018. Looking at trends in recent years, although Tokyo overtook Paris and rose to third in 2016, the gap to first placed London and second placed New York has grown, while fifth placed Singapore has tracked Tokyo's progress (Figure 24).

[Figure 24] Global Power City Index (Score fluctuations for the top five cities)



*From Global Power City Index 2018 (The Mori Memorial Foundation, Institute for Urban Strategies (October 2018))

According to the “Study Panel on the Sustainable Growth of Tokyo and Japan – Report” compiled in October 2018, the reinforcement of Tokyo’s international competitiveness will be needed to achieve sustainable growth for Japan into the future, and the following content has been indicated as examples of the main approaches that will support such growth.

< Enhanced functionality of Haneda Airport >

Issue	Due to increases in overseas tourists, etc. demand is forecast to exceed the processing capacity of the capital’s airports during the 2020s.				
Main approaches	Expanding airport capacity by increasing international routes and building new runways, etc.				
Investment content	Total project cost of new runway development Approx. ¥620.0 billion - ¥970.0 billion				
Economic ripple effect	TMG Approx. ¥1.3 trillion Other than TMG Approx. ¥700.0 billion	Tax revenue effect	TMG Approx. ¥14.0 billion Other than TMG Approx. ¥8.0 billion	Employment effect	TMG Approx. 83,000 jobs Other than TMG Approx. 42,000 jobs



<Early development of outer ring roads>

Issue	Cities throughout the world are promoting the development of ring roads, and while such roads around Beijing and Seoul have been completed, completion is not yet in sight for the Tokyo area.				
Main approaches	Promoting the early development of outer ring roads that form the basis of transport/logistics in the Tokyo metropolitan area				
Investment content	Total project cost of “Kanetsu – Tomei” and “Tomei – Wangan” routes Approx. ¥3.2 trillion				
Economic ripple effect	TMG Approx. ¥5.1 trillion Other than TMG Approx. ¥2.8 trillion	Tax revenue effect	TMG Approx. ¥57.0 billion Other than TMG Approx. ¥31.0 billion	Employment effect	TMG Approx. 337,000 jobs Other than TMG Approx. 172,000 jobs



<Enhancement of railway networks, etc.>

Issue	Issues concerning congestion and the length of time required for commuting/traveling to and from school				
Main approaches	Promoting the enhancement of railway functions through coordination with airports and Shinkansen lines, etc. as the foundation that supports economic activities, and promoting the development of new railway lines.				
Investment content	Total project cost for a total of six lines that will lead to enhanced access to Haneda Airport. Approx. ¥1.0 trillion				
Economic ripple effect	TMG Approx. ¥1.6 trillion Other than TMG Approx. ¥900.0 billion	Tax revenue effect	TMG Approx. ¥18.0 billion Other than TMG Approx. ¥9.0 billion	Employment effect	TMG Approx. 104,000 jobs Other than TMG Approx. 53,000 jobs



In order to raise the standards of Tokyo’s attractiveness and vitality, and ensure the continuation of Tokyo as an international city that represents the nation and as the driving force behind Japan’s economy, there is a need for proactive investment in Tokyo, which contributes to improvements in international competitiveness, and maintaining a robust and flexible fiscal foundation to support such investment is important.

Due to the persistent autonomous reforms that have been promoted to date, the actual balance of revenues and expenses in the FY2018 financial results remained in the black.

However, there remains a need to maintain a focus on economic trends such as fluctuations in demand due to increases in consumption tax rates, etc. trends in overseas economies, and the effects of fluctuations in financial and capital markets, etc.

In addition, due to the effects of the recent so-called irregular corrective actions on Local Corporation Tax, etc. the future of TMG finances is unpredictable.

Within this backdrop, the TMG must promote the steady implementation of measures to guide the Tokyo 2020 Games to assured success, build a legacy that will be inherited by subsequent generations, implement measures to prepare for large-scale earthquakes, heavy rainfalls and heatwaves, implement responses to declining population from 2025 onwards as well as the further declining birth-rate and aging population, measures for children on waiting lists for nursery school admissions, etc. and create a society in which everyone can live in peace and participate with vitality.

Furthermore, in addition to the assertive deployment of measures that will lead to sustainable growth for both Tokyo and Japan as a whole, such as nationwide coordination working towards co-existence and co-prosperity, the assertive promotion of approaches aiming for Tokyo's evolution as a mature city that continues to create growth, such as measures for the realization of "Society 5.0", is also required.

In order to support the deployment of measures into the future, the TMG must promote the greater utilization of new concepts that the administration has not possessed to date, implement further reviews of measures from a strategic perspective, and maintain financial capabilities that will form the foundation for the implementation of measures through further thorough efforts to eliminate any wasteful aspects with a focus on creativity, etc.

To achieve this, there is a need for financial management that incorporates long term financial balances forecasts, while taking the lessons learned through the financial crises of the "Heisei" era to heart.

2. Fiscal Year 2018 Tokyo Metropolitan Government Financial Report

- In comparison to the end of the previous fiscal year, total assets had increased by 450.6 billion yen to 48,446.1 billion yen, while total liabilities had decreased by 349.3 billion yen to 14,009.9 billion yen, and the net asset ratio, which represents the percentage of the total net assets to the total assets, was 71.1% (70.1% as of the end of the previous fiscal year).
- In special accounts, which are outside of the scope of the ordinary account, total net assets reached 52.0 billion yen.
- In public enterprise accounts, the net asset ratio was 57.0% (54.5% 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 outside of the scope of the ordinary account, public enterprise accounts, administrative bodies, and local independent administrative corporations, 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 3 local independent administrative corporations.

<TMG Comprehensive Financial Statements>

(in billion yen,%)

Item	FY2018	FY2017	Change in amount	Percentage of change
Assets				
Current Assets	4,071.5	3,193.1	878.4	27.5
Fixed Assets	44,374.6	44,802.3	(427.7)	(1.0)
(of which, tangible fixed assets)	38,618.3	38,620.3	(1.9)	(0.0)
Deferred assets	0	0	(0)	(0.0)
Total Assets	48,446.1	47,995.5	450.6	0.9
Liabilities				
Current liabilities	1,365.2	1,297.0	68.2	5.3
Fixed liabilities	10,421.3	10,823.9	(402.6)	(3.7)
Deferred revenues	2,223.3	2,238.3	(15.0)	(0.7)
Total Liabilities	14,009.9	14,359.3	(349.3)	(2.4)
Total Net Assets	34,436.2	33,636.1	800.0	2.4
Total Liabilities and Net Assets	48,446.1	47,995.5	450.6	0.9

- Total assets were 48,446.1 billion yen (47,995.5 billion yen at the end of the previous fiscal year), and this is mainly because fixed assets decreased by 427.7 billion yen in comparison to the end of the previous fiscal year, while current assets increased by 878.4 billion yen, resulting in an increase of 450.6 billion yen for the same comparison. Of the total assets, tangible fixed assets accounted for 38,618.3 billion yen or 79.7%.
- Total liabilities were 14,009.9 billion yen (14,359.3 billion yen at the end of the previous fiscal year), and this is mainly because of an increase in current liabilities of 68.2 billion yen in comparison to the previous fiscal year, while fixed liabilities and deferred revenues decreased by 402.6 billion yen and 15.0 billion yen respectively for the same comparison, resulting in a decrease of 349.3 billion yen for the same comparison. Of the total liabilities, fixed liabilities accounted for 10,421.3 billion yen or 74.4%.
- Total net assets were 34,436.2 billion yen (33,636.1 billion yen at the end of the previous fiscal year), an increase of 800.0 billion yen from the end of the previous fiscal year. The net asset ratio was 71.1% (70.1% at the end of the previous fiscal year).

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

- For the current period, the balance for the National Health Insurance Account and the Slaughterhouse Account was in deficit, while the balance for the Metropolitan Public Housing Tenants Security Deposit Account was in surplus. The total of the total net assets of these three special accounts was 52.0 billion yen (9.1 billion yen at the end of the previous fiscal year).
Furthermore, the National Health Insurance Account was newly established in FY2018.

[2] Public Enterprise Accounts

- Regarding the current balance, the Hospitals and Central Wholesale Market accounts were in deficit, the Industrial Waterworks account was balanced, and the remaining 8 accounts were in surplus. In the profit/loss for the current period, the Hospitals account was in deficit, the Industrial Waterworks account was balanced, and the remaining 9 accounts were in surplus. Additionally, the net assets ratio was 57.0% (54.5% at 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 from a "finances" perspective, and as well as such efforts, TMG has engaged in efforts to gain 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.

- * Following reviews of criteria and name, etc. the hitherto "Administrative Bodies Supervised by the Tokyo Metropolitan Government" were renamed "Tokyo Metropolitan Government Policy Cooperation Bodies" as of April 1, 2018.

(Appended Tables)

1. Fiscal Year 2018 Tokyo Metropolitan Government Ordinary Account Financial Statement

(1) Ordinary Account Balance Sheet

(As of March 31, 2019)

Item	FY2018	FY2017	Change in amount
Assets			
I Current assets	1,866.0	1,633.7	232.2
Cash and deposits	511.1	490.3	20.8
Uncollected revenues	63.2	69.2	(6.0)
Reserve for deficits due to non-payment	(8.3)	(8.9)	0.6
Fund reserves	1,187.9	942.8	245.1
Fiscal adjustment fund	842.7	716.5	126.2
Sinking fund	345.1	226.3	118.8
Short-term loans	112.6	140.9	(28.2)
Allowance for bad debt	(0.8)	(0.8)	0.0
Other current assets	0.2	0.2	0.0
II Fixed assets	32,696.6	32,988.7	(292.0)
1. Administrative assets	7,751.3	8,188.6	(437.2)
1. Fixed tangible assets	7,745.9	8,183.1	(437.2)
Buildings	2,265.6	2,621.1	(355.4)
Structures	266.8	359.6	(92.7)
Timber	0.6	0.6	(0)
Vessels	6.6	11.7	(5.1)
Aircraft	1.8	4.8	(3.0)
Buoys etc.	0.4	0.6	(0.1)
Land	5,203.7	5,184.4	19.2
2. Intangible fixed assets	5.4	5.4	0.0
Surface rights	5.4	5.4	0.0
Other intangible fixed assets	-	-	-
2. Ordinary assets	1,462.9	988.5	474.4
1. Fixed tangible assets	1,451.3	978.0	473.3
Buildings	274.0	342.4	(68.4)
Structures	49.3	65.6	(16.3)
Timber	0.0	0.0	(0)
Vessels	0.0	0.1	(0.1)
Aircraft	-	-	-
Buoys etc.	0.0	0.3	(0.2)
Land	1,127.9	569.3	558.5
2. Intangible fixed assets	11.5	10.4	1.0
Surface rights	1.1	1.1	0.0
Other intangible fixed assets	10.3	9.3	1.0
3. Important property	73.0	65.8	7.1
4. Infrastructure assets	14,652.9	14,720.9	(67.9)
1. Tangible fixed assets	14,638.9	14,706.9	(67.9)
Buildings	50.3	57.8	(7.5)
Structures	2,067.6	2,206.2	(138.6)
Buoys	0.2	0.6	(0.3)
Land	12,520.7	12,442.1	78.5
2. Intangible fixed assets	14.0	14.0	0.0
Surface rights	14.0	14.0	0.0
Other intangible fixed assets	-	-	-
5. Software	0.6	-	0.6
6. Leased assets	1.2	1.4	(0.1)
7. Construction in progress	1,352.9	1,208.1	144.8
8. Software in progress	2.2	0.8	1.4
9. Investment and other assets	7,399.1	7,814.3	(415.2)
Securities	240.8	240.8	0.0
Investments and subventions	636.1	643.0	(6.9)
Allowance for Investment Loss	-	-	-
Public enterprise account investments	2,134.6	2,083.2	51.4
Long-term loans	1,009.4	1,053.0	(43.5)
Allowance for bad debt	(2.6)	(3.0)	0.3
Other obligations	10.1	11.2	(1.0)
Fund Reserves	3,203.3	3,618.7	(415.4)
Sinking fund	1,254.1	1,289.0	(34.8)
Special purpose fund	1,656.6	2,039.1	(382.4)
Fixed sum management fund	292.5	290.5	1.9
Other investments etc.	167.3	167.3	0.0
Total assets	34,562.6	34,622.4	(59.7)

(in billion yen)

Item	FY2018	FY2017	Change in amount
Liabilities			
I Current liabilities	507.8	460.7	47.1
Unpaid refunds	2.2	1.8	0.4
TMG bonds	392.2	352.0	40.2
Short-term borrowing	0.0	0.0	0.0
Borrowing from other accounts	-	-	-
Fund operational costs	-	-	-
Other short-term borrowing	0.0	0.0	0.0
Lease obligations	0.1	0.1	0.0
Arrearage	-	-	-
Deferred payments	-	-	-
Unpaid guarantee liabilities	-	-	-
Other accounts payable	-	-	-
Reserve for bonus	111.6	105.2	6.4
Other current liabilities	1.4	1.4	0.0
II Fixed liabilities	6,228.8	6,473.5	(244.6)
TMG bonds	5,275.2	5,497.1	(221.9)
Long-term borrowing	9.8	10.7	(0.8)
Borrowing from other accounts	9.4	10.3	(0.8)
Fund operational costs	-	-	-
Other long-term borrowing	0.3	0.3	(0.0)
Lease obligations	0.6	0.7	(0.1)
Reserve for retirement allowances	921.5	961.8	(40.2)
Other reserves	-	-	-
Other fixed liabilities	21.5	2.9	18.5
Guaranty deposits	-	-	-
Other fixed liabilities	21.5	2.9	18.5
Total liabilities	6,736.7	6,934.2	(197.4)
Net Assets			
Net assets	27,825.9	27,688.2	137.6
(of which is increase/decrease in the current period)	137.6	766.8	(629.1)
Total net assets	27,825.9	27,688.2	137.6
Total liabilities and net assets	34,562.6	34,622.4	(59.7)

(2) Ordinary Account Administrative Cost Statement

(From April 1, 2018, to March 31, 2019)

(in billion yen)

Item	FY2018	FY2017	Change in amount
Ordinary Balance			
I. Administrative balance			
1. Administrative revenues	6,352.3	6,178.6	173.7
Local taxes	5,463.8	5,288.0	175.7
Local transfer taxes	276.8	245.1	31.7
Local special grant	5.9	5.2	0.7
Allocations for municipalities with facilities owned by the national government	0.0	0.0	(0.0)
Miscellaneous tax-related revenues	0.0	0.0	(0.0)
National treasury disbursements	268.9	305.7	(36.8)
Traffic safety special grant	2.6	2.8	(0.1)
Operating revenues (special account)	1.4	0.4	1.0
Shares and charges	7.2	7.3	(0)
Fees and charges	150.9	152.2	(1.2)
Revenues from property	12.5	12.6	(0)
Miscellaneous (commissioned work revenues)	53.6	52.9	0.7
Miscellaneous	106.2	103.2	3.0
Donations	0.0	0.0	(0.0)
Funds transferred	1.6	2.6	(1.0)
Miscellaneous administrative revenues	0.0	0.1	(0.0)
2. Administrative expenses	5,581.5	5,554.7	26.7
Tax-related expenses	1,421.8	1,385.0	36.8
Payroll-related expenses	1,348.2	1,354.6	(6.3)
Building expenses	300.2	285.6	14.6
Maintenance and repair expenses	104.6	103.9	0.7
Social welfare expenses	131.3	130.7	0.5
Subsidizing expenses etc.	1,131.6	1,198.4	(66.8)
Subsidized investment costs	51.0	66.5	(15.4)
Independent investment expenses	369.2	327.1	42.0
Direct government investment expenses	45.4	47.8	(2.3)
Subventions	18.6	15.0	3.5
Transfers	279.0	197.8	81.2
Depreciation expenses	198.2	177.3	20.8
Debt guaranty expenses	-	-	-
Transfer to reserve for deficit due to non-payment	7.2	7.7	(0.4)
Transfer to allowance for bad debt	0.1	0.1	0.0
Transfer to reserve for bonus	111.6	105.2	6.4
Transfer to reserve for retirement allowances	59.6	147.8	(88.1)
Transfer to other reserves	-	-	-
Other administrative expenses	3.0	3.7	(0.7)
II. Financial balance			
1. Financial revenues	14.0	14.2	(0.2)
Revenues from interest earned and dividends	14.0	14.2	(0.2)
2. Financial expenses	66.1	70.7	(4.5)
Expenses for public bonds (interest)	64.5	69.4	(4.8)
TMG bond issuing fees	1.3	1.1	0.1
Discount on TMG bonds	0.2	0.0	0.2
Interest on borrowing from other accounts	0.0	0.0	(0.0)
Ordinary balance	718.6	567.3	151.3
Special Balance			
I. Special revenues	80.2	214.3	(134.1)
Profit on sale of fixed assets	20.6	4.0	16.5
Other special revenues	59.6	210.3	(150.7)
II. Special expenses	698.6	94.0	604.5
Loss on sale of fixed assets	1.3	30.9	(29.6)
Loss on disposal of fixed assets	12.9	10.0	2.8
Disaster recovery expenses	0.7	0.6	0.1
Deficit due to non-payment	1.4	0.5	0.8
Bad debts loss	0.1	0.9	(0.8)
Other special expenses	682.1	51.0	631.1
Balance for the current period	100.2	687.6	(587.4)

(3) Ordinary Account Cash Flow Statement

(From April 1, 2018, to March 31, 2019)

(in billion)

Item	FY2018	FY2017	Change in amount	Item	FY2018	FY2017	Change in amount
I. Administrative services activities				II. Social capital improvement investment activities			
Tax revenues etc.	5,745.3	5,539.6	205.7	National treasury disbursement etc.	72.2	88.4	(16.1)
Local taxes	5,462.5	5,289.2	173.2	National treasury disbursement	68.4	83.8	(15.4)
Local transfer taxes	276.8	245.1	31.7	Shares and charges	3.1	3.6	(0.5)
Local special grants	5.9	5.2	0.7	Amount transferred etc.	0.7	0.9	(0.2)
Allocations for municipalities with facilities owned by the national government	0.0	0.0	(0.0)	Revenues from property	42.8	47.6	(4.7)
Miscellaneous tax-related revenues	0.0	0.0	(0.0)	Cash from sale of property	42.8	47.6	(4.7)
National treasury disbursement etc.	271.7	308.6	(36.8)	Funds transferred	418.3	115.2	303.0
National treasury disbursement	269.0	305.7	(36.7)	Financial adjustment fund	-	-	-
Traffic safety special grant	2.6	2.8	(0.1)	Sinking fund	-	-	-
Other administrative revenues	333.7	329.1	4.5	Special purpose fund	418.3	115.2	303.0
Operating revenues (special account)	1.4	0.4	1.0	Fixed amount invest fund	-	-	-
Shares and charges	7.2	7.2	(0.0)	Revenues from collection of loan principal etc	349.7	345.1	4.5
Fees and charges	150.9	151.5	(0.6)	Security deposit revenues	0.2	0.0	0.2
Revenues from property	12.6	10.9	1.6				
Miscellaneous (commissioned work revenues)	53.6	52.9	0.7	Social capital improvement expenses	957.2	344.1	613.1
Miscellaneous	106.1	103.1	2.9	Building expenses	7.4	5.4	1.9
Donations	0.0	0.0	(0.0)	Subsidizing expenses etc.	0.8	0.0	0.7
Funds transferred	1.6	2.6	(1.0)	Subsidized investment costs	128.0	118.4	9.5
Financial revenues	14.0	14.2	(0.2)	Independent investment expenses	820.9	220.0	600.8
Revenues from interest earned and dividends	14.0	14.2	(0.2)	Funds reserved	191.5	295.6	(104.1)
				Financial adjustment fund	126.2	89.0	37.1
Tax-related expenses	1,421.8	1,385.0	36.8	Sinking fund	-	-	-
Tax-related expenses	1,421.8	1,385.0	36.8	Special purpose fund	63.3	204.4	(141.1)
Administrative expenses	3,964.4	3,893.7	70.6	Fixed sum management fund	1.9	2.1	(0.2)
Payroll-related expenses	1,550.2	1,533.8	16.3	Loans and investments, etc.	366.7	347.0	19.7
General and miscellaneous expenses	300.1	285.3	14.8	Investments	37.1	34.5	2.5
Maintenance and repair expenses	104.2	103.9	0.3	Investments and subventions	51.4	53.7	(2.3)
Social welfare expenses	131.3	130.6	0.6	Transfers (other accounts)	278.1	258.6	19.5
Subsidizing expenses etc.	1,132.2	1,199.8	(67.6)	Loans	0.1	0.3	(0.2)
Subsidized investment costs	51.0	66.5	(15.4)	Deposit expenses	(632.2)	(390.7)	(241.5)
Independent investment expenses	370.5	327.1	43.4	Balance of administrative activities cash flow	279.4	450.8	(171.3)
Direct government investment expenses	45.4	47.8	(2.3)				
Amount transferred	279.1	198.7	80.4	III. Financing activities			
Financial expenses	66.0	70.6	(4.5)	Revenues from financing activities	143.5	137.6	5.9
Expenses for public bonds (interest, fees)	66.0	70.5	(4.5)	TMG bonds	142.7	136.8	5.9
Interests on borrowing from other accounts	0.0	0.0	(0.0)	Loans from other accounts	0.8	0.8	0.0
Special expenses	0.7	0.6	0.1	Fund management fees	-	-	-
Disaster recovery business expenses	0.7	0.6	0.1	Funds transferred	0.0	-	0.0
Balance of administrative service activities	911.7	841.6	70.1	Expenses for financial activities	410.1	490.2	(80.0)
				Expenses for public bonds (principal)	408.3	486.4	(78.1)
				Refund of loans from other accounts etc	1.7	3.7	(1.9)
				Refund of fund management fees etc	-	-	-
				Balance of Financing activities	(266.6)	(352.6)	85.9
				Total balance	12.8	98.2	(85.4)
				Balance brought forward from the previous fiscal year	476.8	378.6	98.2
				Proforma balance	489.7	476.8	12.8

(4) Ordinary Account Statement of Changes in Net Assets

(From April 1, 2018, to March 31, 2019)

(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	1,368.9	96.9	354.0	(140.1)	(2.0)	6,988.5	27,688.2
Amount changed for the current period	-	67.6	3.9	6.5	(13.3)	(27.2)	100.2	137.6
Change in fixed assets etc.	-	67.6	3.9	6.5	(13.3)	(38.9)	-	25.7
Change in TMG bonds etc.	-	-	-	-	-	(8.3)	-	(8.3)
Other intra-bureau transactions	-	-	-	-	-	20.0	-	20.0
Balance for the current period	-	-	-	-	-	-	100.2	100.2
Balance at the end of the current period	19,021.8	1,436.5	100.9	360.5	(153.5)	(29.2)	7,088.7	27,825.9

(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 at the end of the current period	Depreciati on for the current period	Net balance at the end of the current period
Tangible fixed assets	29,079.0	2,130.5	1,216.2	29,993.3	4,729.8	198.2	25,263.4
Administrative assets	10,616.4	492.7	406.9	10,702.2	2,956.2	114.2	7,745.9
Buildings	4,735.5	223.8	158.8	4,800.5	2,534.8	97.3	2,265.6
Structures	656.2	85.0	81.8	659.4	392.6	13.6	266.8
Timber	0.6	0.0	0.0	0.6	-	-	0.6
Vessels	15.3	3.3	2.7	15.9	9.3	1.1	6.6
Aircraft	22.5	0.7	3.1	20.1	18.2	1.9	1.8
Buoys etc.	1.6	0.0	0.0	1.6	1.2	0.0	0.4
Land	5,184.4	179.7	160.4	5,203.7	-	-	5,203.7
Ordinary assets	1,337.0	756.2	205.3	1,888.0	436.6	17.4	1,451.3
Buildings	628.2	76.0	70.3	633.9	359.9	15.2	274.0
Structures	136.4	13.6	27.0	123.1	73.7	2.1	49.3
Timber	0.0	0.0	0.0	0.0	-	-	0.0
Vessels	0.7	0.4	0.4	0.7	0.7	0.0	0.0
Aircraft	-	6.2	6.2	-	-	-	-
Buoys etc.	2.2	0.0	0.0	2.2	2.1	0.0	0.0
Land	569.3	659.7	101.2	1,127.9	-	-	1,127.9
Important property	205.9	33.4	27.4	212.0	138.9	10.3	73.0
Infrastructure assets	15,709.2	351.6	224.8	15,836.0	1,197.1	56.0	14,638.9
Buildings	117.3	6.3	3.6	120.0	69.6	3.3	50.3
Structures	3,146.9	105.7	60.1	3,192.5	1,124.9	52.5	2,067.6
Buoys	2.7	-	-	2.7	2.4	0.1	0.2
Land	12,442.1	239.6	161.0	12,520.7	-	-	12,520.7
Leased assets	2.1	-	-	2.1	0.8	0.0	1.2
Construction in progress	1,208.1	496.4	351.6	1,352.9	-	-	1,352.9
Intangible fixed assets	30.7	4.3	1.1	34.0	-	-	34.0
Administrative assets	5.4	0.0	0.0	5.4	-	-	5.4
Surface rights	5.4	-	-	5.4	-	-	5.4
Other intangible fixed assets	-	0.0	0.0	-	-	-	-
Ordinary assets	10.4	1.2	0.1	11.5	-	-	11.5
Surface rights	1.1	-	-	1.1	-	-	1.1
Other intangible fixed assets	9.3	1.2	0.1	10.3	-	-	10.3
Infrastructure assets	14.0	-	-	14.0	-	-	14.0
Surface rights	14.0	-	-	14.0	-	-	14.0
Other intangible fixed assets	-	-	-	-	-	-	-
Software	-	0.6	-	0.6	-	-	0.6
Software in progress	0.8	2.3	0.9	2.2	-	-	2.2
Total	29,109.8	2,134.8	1,217.3	30,027.3	4,729.8	198.2	25,297.4

(6) Annexed Detailed Statement of Ordinary Account Reserve Allowances

(in billion yen)

Item	Balance at end of previous period	Increase for current period	Decrease for current period		Balance at end of current period
			Intended use	Other	
Reserve for deficit due to non-payment	8.9	7.2	7.8	0	8.3
Bad debt reserve	3.8	0.1	0.1	0.3	3.5
Allowance for investment loss	-	-	-	-	-
Reserve for bonuses	105.2	111.6	105.2	-	111.6
Reserve for retirement allowances	961.8	53.7	94.0	-	921.5
Total	1,079.9	172.9	207.2	0.4	1,045.1

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

Year-to-date (From April 1, 2018, to March 31, 2019)	
(Accounting Policy)	
1. Target Range	<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"> Special Wards Fiscal Adjustment Local Consumption Tax Adjustment Ogasawara Islands Livelihood Rehabilitation Fund One-Parent Family Welfare Loan Fund Physically or Mentally Handicapped Annuity Small and Medium Enterprise Facility Installation Fund Forestry and Lumber Industry Improvement Subsidy Coastal Fishery Improvement Subsidy Metropolitan Public Housing Urban Development Fund Land Acquisition Expenses for Public Bonds Waterfront Urban Infrastructure Development Project
2. Base Date	<p>The base date shall be taken as being March 31, 2019, the results and statements, however, include all deposits and withdrawals carried out between April 1, 2019, and May 31, 2019 (the settlement period).</p>
3. Calculation of Assets and Liabilities	<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>
4. 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>
5. Application of One-Year Rule	<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>
6. Method Used for Tangible Fixed Asset Depreciation	<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 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, 2018, to March 31, 2019)	
7. Method Used for Intangible Fixed Asset Depreciation	<p>(1) Surface rights, easements, patent rights, copyrights, etc. Intangible fixed assets are not depreciated.</p> <p>(2) Software. Software is depreciated on a straight line basis with service life set at five years and residual value set at zero.</p>
8. Processing Method for Deferred Assets	<p>These are, in principle, not subject to accounting. All TMG bonds issue expenses and discounts are not calculated as deferred assets, and the total amount is treated as costs and expenses incurred during the year of issue.</p>
9. Valuation Methods and Benchmarks for Securities, Investments and Subventions	<p>As for securities, investments and subventions, administrative bodies' stocks, investments and subventions 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>
10. 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 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 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) Allowance for Investment Loss Of the securities, investments and subventions, regarding those related to consolidated organizations, where market value or real value falls below acquisition value to a certain degree, the difference is recorded as allowance for investment loss. Furthermore, reversal of allowance is conducted when market value or real value recovers.</p> <p>(4) Reserve for retirement allowances The retirement allowance payment used in the event of city employees voluntary retiring is used to calculate the required reserve for retirement allowances.</p> <p>(5) Reserve for bonuses A part of the year-end allowances and bonus payable in the following fiscal year as well as the accompanying legal welfare expenses are recorded as reserve for bonuses in case the relevant liabilities incurring this fiscal year are attributable.</p>
11. 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>
12. 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>

<p style="text-align: center;">Year-to-date (From April 1, 2018, to March 31, 2019)</p>	
<p>(Others)</p>	
<p>Balance Sheet-related Items</p>	
1.	<p>Display Method for Entered Amounts</p> <p>The entered figures have been rounded down to the indicated unit.</p>
2.	<p>Accounting Standards for Fixed Assets</p> <p>The balance sheet amount for all TMG-owned public property, important property, infrastructure assets, software, and leased assets, is calculated using the acquisition price.</p>
<p>Administrative Cost Statement-related Items</p>	
1.	<p>Display Method for Entered Amounts</p> <p>The entered figures have been rounded down to the indicated unit.</p>
<p>Cash Flow Statement-related Items</p>	
1.	<p>Display Method for Entered Amounts</p> <p>The entered figures have been rounded down to the indicated unit.</p>
2.	<p>Scope of Funds</p> <p>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.</p>

[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 FY2018
Related to public corporations/societies	57.2
Others	174.2

2. Other Debt Burdens (estimated future expenditure)

(in billion yen)

Item	End of FY2018
Interest rate subsidy-related items	22.2
Others	1,029.0

3. Expected Repayments of Outstanding Borrowing (as of the end of FY2018)

(in billion yen)

Item	FY2019	From FY2020	Total
TMG bonds	392.2	5,275.2	5,667.5
Borrowing from other accounts etc.	0	0.3	0.3
Total	392.2	5,275.6	5,667.9

Outstanding balance of TMG bonds of 5,667.5 billion yen, as of the end of fiscal year 2018, is expected to give rise to a total future interest payment of 529.6 billion yen.

4. Figures for Temporary Borrowing

In order to carry out short-term funding, 100.0 billion yen were raised from the fiscal adjustment fund on May 31, 2018 and was repaid on June 1. The total interest on this borrowing was 27,397 yen and its payment was implemented from the general account.

5. Sinking Fund

Following the settlement of accounts for fiscal year 2018, there was no shortfall.

6. Breakdown of Other Funds

(in billion yen)

Item	End of FY2018
Special Fund for Expenses Needed in Relation to the Switch of the Corporate Enterprise Tax to a National Tax	-
Disaster Prevention Fund for Town Planning	210.2
Fund for the Promotion of Utility Pole Elimination	51.4
Welfare, Health and Safety Fund	4.8
Fund for the Development of a Pleasant and People Friendly City	26.5
Advanced Welfare City Realization Fund	183.0
Fund for the Promotion of Sports for the Disabled	10.1
Social Capital Improvement Fund	392.2
Japan Arts Fund	5.6
Fund for the Promotion of a Hydrogen Society and the Development of a Smart-Energy City	30.2
Omotenashi Hospitality and Tourism Fund	8.6
Creating Innovation Fund	25.5
Fund Reserve for New Railway Line Construction, etc.	62.0
Tokyo Olympic and Paralympic Games Hosting Fund Reserve	512.4
Disaster Relief Fund	18.0
Fund for Annuity for Individuals with Physical or Mental Disabilities	40.2
Fund for Stabilization of Finance of Nursing Care Insurance	3.5
Fund for Green and Flower Tokyo Fundraising Campaign	0
Pollution-Related Health Damage Prevention Fund	2.0
Fund for Stabilizing the Expenses of Local Government on Medical Insurance for the Elderly Aged over 75	21.1
Fund for Enforcing the Consumer Support by Local Government	0.1
Fund for Establishing the Supportive Society to Raise Children	4.0
Temporary Special Fund for Quakeproofing Medical Facilities	0
Fund for utilizing the Senkaku Islands through Tokyo Metropolitan Government Senkaku Island Donations	1.4
Fund for Support of Agricultural Structural Reform	0
Fund for Securing Comprehensive Regional Medical/Nursing Care	36.7
Tokyo Human Resources Fund for City Diplomacy	5.8
Municipal Promotion Fund	292.4
Equipment Procurement Fund	0.1
Total	1,949.1

Administrative Cost Statement-related Items

Content and accounting standards for revenues items

(1) Administrative revenues

Item	Content and accounting standards
Local taxes	Calculated as income from normal taxes as stipulated under the Local Tax Law, all taxes under the previous law, earmarked taxes by law and by local ordinance (lodgment tax stipulated under TMG lodgment tax ordinance) . Local consumption tax, however, is calculated 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, investments and subventions) and increase in book value from the claim amount.
Other special revenues	Calculated as the gain on the sale of securities, investments and subventions 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	FY2018
Cash and deposits	489.7
Balance of payments for the portion of Urban Redevelopment Project Account in the ordinary account classification	-
Balance at the end of the fiscal year for cash and cash equivalents (Proforma balance)	489.7

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	FY2018
Metropolitan inhabitant tax	1,893.3
Business tax	1,143.4
Local consumption tax	568.4
Real estate acquisition tax	83.7
Metropolitan tobacco tax	16.2
Automobile acquisition tax	18.1
Light-oil delivery tax	40.1
Automobile tax	104.9
Fixed assets tax	1,242.7
Special land ownership tax	-
Business office tax	107.4
City planning tax	240.5
Others	3.3
Total	5,462.5

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

When establishing a reserve for a sinking fund for use as a fiscal resource for redemption of bullet maturity amortization of local 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	FY2018
Sinking fund transfer	226.3
Sinking fund reserve	310.2

2. Fiscal Year 2018 Tokyo Metropolitan Government Comprehensive Financial Statement

(1) Tokyo Metropolitan Government Comprehensive Financial Statement

[1] Ordinary Account and “Special Accounts”

(in million yen)

		Ordinary Account	"Special Accounts"			(Simple Total)
			B			
			National Health Insurance Account	Slaughter house	Metropolitan Public Housing Tenants Security Deposit	
		A	B1	B2	B3	(A+B)
Administrative Cost Statement (Ordinary balance)						
I. Administrative balance (1)=a-b		770,847	(65,119)	(3,954)	29	701,803
Administrative revenues a		6,352,396	1,023,422	1,425	29	7,377,274
Local taxes etc.		5,740,683	-	-	-	5,740,683
Grants etc.		8,671	-	-	-	8,671
National treasury disbursement		268,939	302,535	-	-	571,475
Funds transferred		1,679	-	-	29	1,709
Other		332,422	720,886	1,425	0	1,054,735
Administrative expenses b		5,581,548	1,088,541	5,380	-	6,675,471
Tax-related expenses		1,421,808	-	-	-	1,421,808
Payroll-related expenses		1,348,273	41	2,127	-	1,350,442
Subsidizing expenses etc.		1,131,624	1,088,420	1,079	-	2,221,124
Investment expenses		465,762	-	3	-	465,766
Funds disbursed		279,096	-	-	-	279,096
Other		934,983	79	2,169	-	937,232
II. Financial balance (2)=c-d		(52,152)	2	(13)	(18)	(52,181)
Financial revenues c		14,014	2	0	-	14,017
Financial expenses d		66,167	-	13	18	66,198
Ordinary balance (3) = (1) + (2)		718,695	(65,117)	(3,967)	11	649,622
(Special balance)						
Special revenues e		80,234	-	-	2	80,236
Special expenses f		698,689	-	6,929	-	705,619
Special balance (4)=e-f		(618,455)	-	(6,929)	2	(625,383)
Balance for the current period (5)=(3)+(4)		100,240	(65,117)	(10,897)	13	24,239
Transfer to general account g		-	84,625	3,803	-	88,428
Disbursement from general account h		-	-	-	-	-
Balance brought forward (5)+g-h		100,240	19,508	(7,093)	13	112,668

Balance Sheet					
(Assets)					
I. Current assets	1,866,036	21,940	-	7,358	1,895,335
Cash and deposits	511,181	21,940	-	7,355	540,477
Other current assets	1,354,855	-	-	3	1,354,858
II. Fixed assets	32,696,635	27,992	6,577	9,489	32,740,694
Tangible fixed assets	25,263,489	-	6,577	-	25,270,066
Land	18,852,351	-	-	-	18,852,351
Other tangible fixed assets (property etc.)	6,411,138	-	6,577	-	6,417,715
Intangible fixed assets	34,004	-	-	-	34,004
Investments etc.	7,399,141	27,992	-	9,489	7,436,622
Long-term loan	1,009,438	-	-	9,489	1,018,928
Funds	3,203,340	27,992	-	-	3,231,332
Other investments etc.	3,186,361	-	-	-	3,186,361
III. Deferred assets	-	-	-	-	-
Total assets	34,562,671	49,932	6,577	16,848	34,636,030
(Liabilities)					
I. Current liabilities	507,872	3	415	-	508,290
II. Fixed liabilities	6,228,873	44	4,156	16,718	6,249,792
Long-term borrowing	5,285,134	-	2,244	-	5,287,378
Other fixed liabilities	943,739	44	1,912	16,718	962,414
III. Deferred revenues	-	-	-	-	-
Total liabilities	6,736,745	48	4,571	16,718	6,758,083
(Net assets)					
Total net assets	27,825,926	49,884	2,005	130	27,877,946
(of which are changes in the current period)	137,690	49,884	(6,998)	13	180,591
Total liabilities and net assets	34,562,671	49,932	6,577	16,848	34,636,030

[2] Public Enterprise Accounts

(in million yen)

	Hospitals	Central Wholesale Market	Urban Redevelopment Project	Waterfront Area Development Project	Port and Harbor Project	Transportation
	C1	C2	C3	C4	C5	C6
Profit and Loss Statement						
Operating profit (1)=a-b	(18,975)	(12,581)	-	7,243	1,135	(1,112)
Operating earnings a	137,970	14,220	-	43,796	4,094	49,145
Operating expenses b	156,945	26,801	-	36,552	2,959	50,257
Business cost price	92,908	135	-	34,258	1,734	36,747
Administrative expenses	64,037	26,666	-	2,293	1,224	13,510
Non-operating profit (2)=c-d	15,951	347	2	2,982	524	1,171
Non-operating earnings c	23,441	4,784	2	4,828	540	4,074
Non-operating expenses d	7,489	4,436	-	1,845	15	2,902
Current balance (1)+(2)	(3,023)	(12,233)	2	10,225	1,660	58
Special profit (3)=e-f	(67)	475,112	-	(1,383)	-	11
Special earnings e	-	498,940	-	-	-	19
Special expenses f	67	23,828	-	1,383	-	7
Net profit for the current period (4)=(1)+(2)+(3)	(3,091)	462,878	2	8,842	1,660	70
Retained profit brought forward (5)	-	(12,931)	5,764	71,301	14,675	(10,401)
Changes of other unappropriated profit (6)	5,702	9	-	-	115	-
Unappropriated revenues for the current period (4)+(5)+(6)	2,611	449,957	5,767	80,143	16,451	(10,331)
Balance Sheet						
(Assets)						
I. Current assets	99,620	654,149	39,604	251,690	29,882	44,508
Cash and deposits	74,421	651,649	39,599	248,106	29,203	27,398
Other current assets	25,199	2,500	5	3,583	678	17,109
II. Fixed assets	169,349	768,553	1,512	783,502	335,349	193,228
Tangible fixed assets	130,143	748,239	1,512	660,622	329,745	72,540
Land	779	379,657	114	659,645	312,122	23,913
Other tangible fixed assets (property etc.)	129,363	368,581	1,397	977	17,623	48,627
Intangible fixed assets	858	6	-	47	25	115
Investments etc.	38,347	20,308	-	122,832	5,577	120,572
Long-term loan	-	2	-	5,000	-	90,000
Funds	-	-	-	-	-	-
Other investments etc.	38,347	20,306	-	117,832	5,577	30,572
III. Deferred assets	-	9	-	-	-	-
Total assets	268,970	1,422,713	41,116	1,035,192	365,231	237,737
(Liabilities)						
I. Current liabilities	42,148	52,075	2,320	4,950	540	21,494
II. Fixed liabilities	91,303	366,204	137	200,838	208	61,148
Long-term borrowing	52,253	362,633	-	187,265	61	42,112
Other fixed liabilities	39,049	3,571	137	13,573	146	19,036
III. Deferred revenue	3,748	38,935	-	-	88	1,741
Total liabilities	137,199	457,215	2,457	205,788	837	84,384
(Capital)						
Total capital	131,770	965,497	38,659	829,404	364,394	153,352
(of which are changes in the current period)	(3,091)	473,227	2	8,842	890	12,524
Total liabilities and capital	268,970	1,422,713	41,116	1,035,192	365,231	237,737

(in million yen)

Urban Rapid Transit Railway C7	Electric Power C8	Waterworks C9	Industrial Waterworks C10	Sewerage C11	(Simple Total) (C)
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Profit and Loss Statement							
Operating profit	(1)=a-b	27,016	665	22,109	(891)	(23,407)	1,201
Operating earnings	a	152,996	1,570	322,775	742	288,718	1,016,029
Operating expenses	b	125,979	904	300,665	1,634	312,126	1,014,827
Business cost price		75,006	742	216,524	957	106,948	565,964
Administrative expenses		50,973	161	84,140	677	205,177	448,862
Non-operating profit	(2)=c-d	8,159	27	11,143	891	58,756	99,960
Non-operating earnings	c	14,011	27	15,684	944	84,520	152,858
Non-operating expenses	d	5,852	0	4,540	52	25,763	52,898
Current balance	(1)+(2)	35,175	693	33,252	-	35,349	101,162
Special profit	(3)=e-f	1,474	-	-	-	-	475,146
Special earnings	e	1,474	-	-	-	-	500,433
Special expenses	f	-	-	-	-	-	25,286
Net profit for the current period	(4)=(1)+(2)+(3)	36,649	693	33,252	-	35,349	576,309
Retained profit brought forward	(5)	(260,434)	-	-	-	9,226	(182,799)
Changes of other unappropriated profit	(6)	-	-	19,758	-	128,096	153,683
Unappropriated revenues for the current period	(4)+(5)+(6)	(223,784)	693	53,011	-	172,672	547,192

Balance Sheet							
(Assets)							
I. Current assets		194,244	5,371	296,615	8,559	214,365	1,838,612
Cash and deposits		118,524	3,756	250,230	7,993	82,415	1,533,298
Other current assets		75,720	1,615	46,385	565	131,949	305,313
II. Fixed assets		1,377,404	3,818	2,457,213	23,000	5,717,530	11,830,465
Tangible fixed assets		1,322,276	3,814	2,421,010	22,655	5,716,990	11,429,552
Land		131,194	99	259,573	1,047	613,744	2,381,892
Other tangible fixed assets (property etc.)		1,191,081	3,714	2,161,437	21,608	5,103,246	9,047,659
Intangible fixed assets		1,563	3	34,869	345	333	38,169
Investments etc.		53,564	1	1,333	-	206	362,743
Long-term loan		-	-	-	-	-	95,002
Funds		-	-	-	-	-	-
Other investments etc.		53,564	1	1,333	-	206	267,741
III. Deferred assets		-	-	6	-	41	57
Total assets		1,571,649	9,189	2,753,835	31,559	5,931,938	13,669,135
(Liabilities)							
I. Current liabilities		79,822	246	174,252	466	263,688	642,006
II. Fixed liabilities		746,393	177	265,095	53	1,278,618	3,010,179
Long-term borrowing		508,337	-	220,712	-	1,263,667	2,637,042
Other fixed liabilities		238,056	177	44,382	53	14,950	373,136
III. Deferred revenue		412,382	625	167,145	5,015	1,593,629	2,223,311
Total liabilities		1,238,598	1,049	606,493	5,536	3,135,936	5,875,497
(Capital)							
Total capital		333,051	8,140	2,147,341	26,023	2,796,001	7,793,638
(of which are changes in the current period)		45,368	693	36,228	238	76,520	651,445
Total liabilities and capital		1,571,649	9,189	2,753,835	31,559	5,931,938	13,669,135

[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
Statement of Changes in Net Assets						
(Changes in unrestricted net assets)						
Current increase (decrease) for the current period (1)=a-b	14	(6)	(17)	181	49	(13)
Current revenues a	210	737	1,181	15,320	1,804	6,799
Current expenses b	195	744	1,198	15,138	1,755	6,813
Nonrecurring increase (decrease) for the current period (2) = c-d	-	-	-	(9)	-	-
Nonrecurring revenues c	-	-	-	1	-	-
Nonrecurring expenses d	-	-	-	10	-	-
Corporation tax etc. (3)	1	[-]	3	60	0	0
Total changes in unrestricted net assets for the current period (4)=(1)+(2)+(-3)	13	(6)	(20)	111	49	(14)
Unrestricted net assets at the beginning of the current period (5)	169	883	473	7,673	697	1,149
Unrestricted net assets at the end of the current period (6)=(4)+(5)	182	876	453	7,784	746	1,134
(Changes in restricted net assets)						
Total changes in restricted net assets for the current period (7)	-	-	-	1,636	-	0
Restricted net assets at the beginning of the current period (8)	101	4,000	300	698	1	538
Restricted net assets at the end of the current period (9)=(7)+(8)	101	4,000	300	2,335	1	538
Net assets at the end of fiscal year (6)+(9)	283	4,876	753	10,120	747	1,673

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

Balance Sheet						
(Assets)						
I. Current assets	118	322	264	7,045	512	2,707
Cash and deposits	117	282	139	6,221	340	1,434
Other current assets	1	40	125	823	171	1,272
II. Fixed assets	187	6,808	640	7,666	556	1,221
Tangible fixed assets	4	94	51	455	8	153
Land	-	-	-	-	-	-
Other tangible fixed assets (property etc.)	4	94	51	455	8	153
Intangible fixed assets	-	0	2	48	4	3
Investments etc.	182	6,713	585	7,162	543	1,064
Long-term loan	-	-	-	-	24	-
Funds	-	-	-	-	-	-
Other investments etc.	182	6,713	585	7,162	519	1,064
III. Deferred assets	-	-	-	-	-	-
Total assets	306	7,130	905	14,711	1,068	3,928
(Liabilities)						
I. Current liabilities	19	14	114	3,932	241	2,007
II. Fixed liabilities	2	2,240	37	658	78	247
Long-term borrowing	-	2,240	-	-	-	-
Other fixed liabilities	2	-	37	658	78	247
III. Deferred revenues	-	-	-	-	-	-
Total liabilities	22	2,254	151	4,591	320	2,255
(Net assets)						
Total net assets	283	4,876	753	10,120	747	1,673
(of which are changes in the current period)	13	(6)	(20)	1,748	49	(14)
Total liabilities and net assets	306	7,130	905	14,711	1,068	3,928

Current status of metropolitan government's involvement						
Investment ratio (%)	74.2	45.5	85.6	32.2	4.4	100
Number of metropolitan government contract employees/ Number of permanent employees	6/10	4/8	11/179	33/323	2/118	36/167

* 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, 2019, number of employees is as of 1 August, 2018.

(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)							
Current increase (decrease) for the current period	(1)=a-b	(125)	268	9	(85)	(35)	-
Current revenues	a	132	25,066	6,228	2,925	3,645	371
Current expenses	b	258	24,797	6,217	3,010	3,681	371
Nonrecurring increase (decrease) for the current period	(2) = c-d	-	(39)	(0)	(0)	188	-
Nonrecurring revenues	c	-	491	0	-	197	0
Nonrecurring expenses	d	-	530	1	-	8	0
Corporation tax etc.	(3)	0	0	0	[-]	[-]	[-]
Total changes in unrestricted net assets for the current period	(4)=(1)+(2)+(-3)	(125)	228	9	(85)	152	-
Unrestricted net assets at the beginning of the current period	(5)	564	64,363	3,918	1,291	474	-
Unrestricted net assets at the end of the current period	(6)=(4)+(5)	439	64,591	3,927	1,205	626	-
(Changes in restricted net assets)							
Total changes in restricted net assets for the current period	(7)	(42)	-	(10)	7	(8)	1
Restricted net assets at the beginning of the current period	(8)	946	13	368	1,291	340	41
Restricted net assets at the end of the current period	(9)=(7)+(8)	903	13	358	1,298	331	42
Net assets at the end of fiscal year	(6)+(9)	1,343	64,604	4,286	2,504	958	42

*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.

Balance Sheet							
(Assets)							
I. Current assets		340	20,862	3,113	1,028	744	33
Cash and deposits		290	6,088	1,303	904	737	30
Other current assets		50	14,773	1,809	123	6	2
II. Fixed assets		1,120	54,659	56,000	4,340	1,487	60
Tangible fixed assets		57	2,246	700	164	831	27
Land		-	1,415	73	-	-	-
Other tangible fixed assets (property etc.)		57	830	626	164	831	27
Intangible fixed assets		147	17	110	15	94	-
Investments etc.		916	52,395	55,190	4,160	562	32
Long-term loan		-	9	-	748	-	0
Funds		-	-	-	1,655	-	-
Other investments etc.		916	52,386	55,190	1,757	562	32
III. Deferred assets		-	-	-	-	-	-
Total assets		1,461	75,522	59,114	5,368	2,232	94
(Liabilities)							
I. Current liabilities		117	7,377	952	895	914	33
II. Fixed liabilities		-	3,539	53,875	1,967	360	18
Long-term borrowing		-	-	-	66	-	-
Other fixed liabilities		-	3,539	53,875	1,901	360	18
III. Deferred revenues		-	-	-	-	-	-
Total liabilities		117	10,917	54,828	2,863	1,274	51
(Net assets)							
Total net assets		1,343	64,604	4,286	2,504	958	42
(of which are changes in the current period)		(167)	228	(1)	(77)	143	1
Total liabilities and net assets		1,461	75,522	59,114	5,368	2,232	94

Current status of metropolitan government's involvement							
Investment ratio (%)		90.9	76.9	99.5	60.0	100	100
Number of metropolitan government contract employees/ Number of permanent employees		4/32	14/259	65/293	39/139	47/186	17/30

* 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, 2019, number of employees is as of 1 August, 2018.

(in million yen)

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

Statement of Changes in Net Assets							
(Changes in unrestricted net assets)							
Current increase (decrease) for the current period	(1)=a-b	(187)	72	(2)	(2)	21	290
Current revenues	a	55,852	14,173	6,491	2,905	7,830	9,972
Current expenses	b	56,039	14,100	6,494	2,908	7,809	9,691
Nonrecurring increase (decrease) for the current period	(2) = c-d	(2)	14	-	1	(0)	33
Nonrecurring revenues	c	4	17	-	21	0	38
Nonrecurring expenses	d	6	2	-	20	0	5
Corporation tax etc.	(3)	[-]	[-]	4	[-]	0	78
Total changes in unrestricted net assets for the current period	(4)=(1)+(2)+(-)(3)	(189)	86	(7)	(0)	20	244
Unrestricted net assets at the beginning of the current period	(5)	(3,651)	3,134	51	345	1,020	1,902
Unrestricted net assets at the end of the current period	(6)=(4)+(5)	(3,841)	3,220	44	345	1,041	2,146
(Changes in restricted net assets)							
Total changes in restricted net assets for the current period	(7)	(185)	254	(1)	(24)	69	5
Restricted net assets at the beginning of the current period	(8)	6,843	1,270	498	6,516	960	164
Restricted net assets at the end of the current period	(9)=(7)+(8)	6,657	1,524	497	6,492	1,030	170
Net assets at the end of fiscal year	(6)+(9)	2,816	4,745	541	6,837	2,072	2,316

*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 loss (gain) on valuation of investment securities, etc.

Balance Sheet							
(Assets)							
I. Current assets		10,440	30,025	5,740	704	5,124	1,667
Cash and deposits		2,453	2,431	1,366	651	4,968	930
Other current assets		7,987	27,594	4,373	53	155	737
II. Fixed assets		10,112	5,125	874	7,293	13,711	2,095
Tangible fixed assets		6,640	363	22	244	555	372
Land		-	75	-	-	-	20
Other tangible fixed assets (property etc.)		6,640	288	22	244	555	351
Intangible fixed assets		733	663	5	3	-	20
Investments etc.		2,738	4,098	847	7,044	13,155	1,703
Long-term loan		-	-	-	7	-	-
Funds		-	86	-	2,949	743	218
Other investments etc.		2,738	4,012	847	4,087	12,412	1,483
III. Deferred assets		-	-	-	-	-	-
Total assets		20,552	35,151	6,614	7,997	18,835	3,763
(Liabilities)							
I. Current liabilities		8,100	29,490	5,733	527	4,928	1,416
II. Fixed liabilities		9,635	914	339	632	11,834	29
Long-term borrowing		-	-	-	554	-	-
Other fixed liabilities		9,635	914	339	77	11,834	29
III. Deferred revenues		-	-	-	-	-	-
Total liabilities		17,736	30,405	6,073	1,159	16,763	1,446
(Net assets)							
Total net assets		2,816	4,745	541	6,837	2,072	2,316
(of which are changes in the current period)		(375)	341	(8)	(24)	90	249
Total liabilities and net assets		20,552	35,151	6,614	7,997	18,835	3,763

Current status of metropolitan government's involvement							
Investment ratio (%)		97.4	50.2	50.7	64.4	-	7.5
Number of metropolitan government contract employees/ Number of permanent employees		141/2,868	38/260	25/144	135/177	21/123	105/331

* 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, 2019, number of employees is as of 1 August, 2018.

(in million yen)

Tokyo Metropolitan Park Association	Tokyo Metropolitan Public Corporation for Road Improvement and Management	Tokyo Disaster Prevention & Emergency Medical Service Association	(Simple Total)
D19	D20	D21	(D)

Statement of Changes in Net Assets					
(Changes in unrestricted net assets)					
Current increase (decrease) for the current period	(1)=a-b	220	245	36	933
Current revenues	a	15,688	13,943	2,398	193,680
Current expenses	b	15,468	13,698	2,362	192,754
Nonrecurring increase (decrease) for the current period	(2) = c-d	(11)	(0)	(1)	172
Nonrecurring revenues	c	-	10	-	782
Nonrecurring expenses	d	11	11	1	610
Corporation tax etc.	(3)	61	129	41	382
Total changes in unrestricted net assets for the current period	(4)=(1)+(2)+(-3)	147	115	(5)	723
Unrestricted net assets at the beginning of the current period	(5)	4,224	9,764	1,821	100,273
Unrestricted net assets at the end of the current period	(6)=(4)+(5)	4,372	9,879	1,815	100,996
(Changes in restricted net assets)					
Total changes in restricted net assets for the current period	(7)	17	0	(0)	1,719
Restricted net assets at the beginning of the current period	(8)	2,885	1	502	28,283
Restricted net assets at the end of the current period	(9)=(7)+(8)	2,903	1	501	30,002
Net assets at the end of fiscal year	(6)+(9)	7,275	9,880	2,317	130,999

Balance Sheet					
(Assets)					
I. Current assets		5,974	12,116	1,050	109,938
Cash and deposits		3,582	10,580	863	45,720
Other current assets		2,392	1,535	187	64,217
II. Fixed assets		4,805	6,251	1,530	186,550
Tangible fixed assets		566	2,424	10	15,995
Land		-	1,043	-	2,629
Other tangible fixed assets (property etc.)		566	1,380	10	13,366
Intangible fixed assets		27	44	49	1,991
Investments etc.		4,211	3,782	1,470	168,563
Long-term loan		-	0	-	791
Funds		-	-	-	5,653
Other investments etc.		4,211	3,781	1,470	162,118
III. Deferred assets		-	-	-	-
Total assets		10,779	18,367	2,581	296,488
(Liabilities)					
I. Current liabilities		3,077	7,729	194	77,821
II. Fixed liabilities		426	757	69	87,666
Long-term borrowing		-	-	-	2,861
Other fixed liabilities		426	757	69	84,804
III. Deferred revenues		-	-	-	-
Total liabilities		3,504	8,486	263	165,488
(Net assets)					
Total net assets		7,275	9,880	2,317	130,999
(of which are changes in the current period)		165	115	(5)	2,443
Total liabilities and net assets		10,779	18,367	2,581	296,488

Current status of metropolitan government's involvement				
Investment ratio (%)		14.5	0.2	16.3
Number of metropolitan government contract employees/ Number of permanent employees		57/600	31/440	13/65

* 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, 2019, number of employees is as of 1 August, 2018.

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

(in million yen)

Tokyo Metropolitan Welfare Corporation E1	(Simple Total) (E)
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Operating Activity Statement			
Changes in service balance	(1)=a-b	1,085	1,085
Service revenues	a	9,797	9,797
Service expenses	b	8,712	8,712
Changes in non-service balance	(2)=c-d	(37)	(37)
Non-service revenues	c	93	93
Non-service expenses	d	131	131
Changes in ordinary balance	(1)+(2)	1,047	1,047
Changes in extraordinary balance	(3)=e-f	(1)	(1)
Extraordinary revenues	e	-	-
Extraordinary expenses	f	1	1
Changes in balance for current period	(4)=(1)+(2)+(3)	1,046	1,046
Changes in balance carried forward from previous period	(5)	2,029	2,029
Changes in balance carried forward from current period	(6)=(4)+(5)	3,075	3,075
Withdrawals from funds	(7)	-	-
Withdrawals from other reserves	(8)	131	131
Other funds reserved	(9)	2,274	2,274
Changes in balance carried forward to next period	(6)+(7)+(8)-(9)	931	931

Balance Sheet			
(Assets)			
I. Current assets		2,958	2,958
Cash and deposits		2,747	2,747
Other current assets		210	210
II. Fixed assets		9,271	9,271
Tangible fixed assets		776	776
Land		-	-
Other tangible fixed assets (property etc.)		776	776
Intangible fixed assets		6	6
Investments etc.		8,487	8,487
Long-term loan		0	0
Funds		-	-
Other investments etc.		8,487	8,487
III. Deferred assets		-	-
Total assets		12,229	12,229
(Liabilities)			
I. Current liabilities		2,291	2,291
II. Fixed liabilities		978	978
Long-term borrowing		279	279
Other fixed liabilities		699	699
III. Deferred revenues		-	-
Total liabilities		3,270	3,270
(Net assets)			
Total net assets		8,959	8,959
(of which are changes in the current period)		924	924
Total liabilities and net assets		12,229	12,229

Current status of metropolitan government's involvement	
Investment ratio (%)	100
Number of metropolitan government contract employees/ Number of permanent employees	337/1,043

* The investment ratio is calculated as of 31 March, 2019, number of employees is as of 1 August, 2018.

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

(in million yen)

		Tokyo Metropolitan Housing Supply Corporation F1	(Simple Total) (F)
Profit and Loss Statement			
Operating profit	(1)=a-b	8,505	8,505
Operating revenues	a	76,455	76,455
Operating expenses	b	67,950	67,950
Operating costs		67,177	67,177
Administrative expenses		772	772
Non-operating profit	(2) = c-d	(407)	(407)
Non-operating revenues	c	331	331
Non-operating expenses	d	739	739
Current balance	(1)+(2)	8,097	8,097
Special profit	(3)=e-f	(1,783)	(1,783)
Special revenues	e	8	8
Special expenses	f	1,792	1,792
Pre-reserve profit under special laws	(1)+(2)+(3)	6,313	6,313

Balance Sheet			
(Assets)			
I. Current assets		57,318	57,318
Cash and deposits		30,545	30,545
Other current assets		26,772	26,772
II. Fixed assets		1,175,361	1,175,361
Tangible fixed assets		1,171,270	1,171,270
Land		1,037	1,037
Other tangible fixed assets (property etc.)		1,170,233	1,170,233
Intangible fixed assets		1,315	1,315
Investments etc.		2,775	2,775
Long-term loan		-	-
Funds		-	-
Other investments etc.		2,775	2,775
III. Deferred assets		-	-
Total assets		1,232,679	1,232,679
(Liabilities)			
I. Current liabilities		51,759	51,759
II. Fixed liabilities		756,740	756,740
Long-term borrowing		610,463	610,463
Other fixed liabilities		146,277	146,277
III. Deferred revenues		-	-
Total liabilities		808,500	808,500
(Capital)			
Total capital		424,179	424,179
(of which are changes in the current period)		6,313	6,313
Total liabilities and capital		1,232,679	1,232,679

Current status of metropolitan government's involvement	
Investment ratio (%)	100
Number of metropolitan government contract employees/ Number of permanent employees	7/919

* The investment ratio is calculated as of 31 March, 2019, number of employees is as of 1 August, 2018.

[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
Profit and Loss Statement						
Operating profit (1)=a-b	117	1,470	6,261	396	348	18,588
Operating revenues a	2,011	8,817	21,284	1,622	7,460	74,219
Operating expenses b	1,893	7,347	15,022	1,225	7,112	55,630
Operating costs	1,555	4,487	6,416	1,075	5,690	51,328
Sales and administrative expenses	338	2,859	8,606	150	1,421	4,302
Non-operating profit (2)=c-d	24	(79)	(1,014)	1	32	(1,081)
Non-operating revenues c	25	141	33	1	35	279
Non-operating expenses d	0	220	1,048	0	3	1,360
Current balance (1)+(2)	142	1,390	5,247	398	380	17,506
Special profit (3)=e-f	(0)	-	(31)	(0)	(12)	(5,138)
Special revenues e	-	-	592	-	-	202
Special expenses f	(0)	-	623	0	12	5,340
Corporation tax etc. (4)	43	538	1,420	122	133	5,414
Net profit for the current period (1)+(2)+(3)-(4)	98	852	3,795	276	233	6,953
Balance Sheet						
(Assets)						
I. Current assets	5,907	11,268	13,331	3,016	5,676	84,293
Cash and deposits	5,427	8,390	3,169	2,975	5,166	56,502
Other current assets	479	2,878	10,161	40	509	27,791
II. Fixed assets	4,391	62,128	203,943	7,388	2,174	305,383
Tangible fixed assets	441	61,686	182,283	7,381	989	267,055
Land	-	30,131	13,012	3,705	-	61,710
Other tangible fixed assets (property etc.)	441	31,554	169,270	3,676	989	205,344
Intangible fixed assets	2,647	32	14,325	0	112	20,977
Investments etc.	1,302	409	7,334	5	1,073	17,351
Long-term loan	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Other investments etc.	1,302	409	7,334	5	1,073	17,351
III. Deferred assets	-	-	-	-	-	-
Total assets	10,298	73,396	217,274	10,404	7,851	389,677
(Liabilities)						
I. Current liabilities	535	8,628	15,394	647	2,473	32,038
II. Fixed liabilities	187	30,809	113,847	4,871	698	122,823
Long-term borrowing	-	30,334	4,544	-	-	95,375
Other fixed liabilities	187	475	109,302	4,871	698	27,448
III. Deferred revenues	-	-	-	-	-	-
Total liabilities	723	39,437	129,241	5,518	3,172	154,862
(Net assets)						
Total net assets	9,575	33,958	88,032	4,886	4,678	234,814
(of which are changes in the current period)	98	852	3,795	276	218	6,773
Total liabilities and net assets	10,298	73,396	217,274	10,404	7,851	389,677

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

Current status of metropolitan government's involvement						
Investment ratio (%)	36.3	79.9	91.3	51.2	51.0	85.1
Number of metropolitan government contract employees/ Number of permanent employees	11/26	10/215	20/300	2/7	7/62	63/560

*1 The Investment ratio is calculated as of 31 March, 2019, number of employees is as of 1 August, 2018.

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

(in million yen)

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

Profit and Loss Statement						
Operating profit (1)=a-b		326	118	91	1,891	29,610
Operating revenues	a	7,078	15,479	13,335	25,213	176,521
Operating expenses	b	6,751	15,360	13,243	23,322	146,910
Operating costs		6,413	14,364	12,346	22,255	125,933
Sales and administrative expenses		337	996	897	1,066	20,976
Non-operating profit (2)=c-d		5	44	27	35	(2,003)
Non-operating revenues	c	8	62	49	64	701
Non-operating expenses	d	2	18	21	29	2,705
Current balance (1)+(2)		332	162	119	1,926	27,607
Special profit (3)=e-f		-	-	(2)	(16)	(5,200)
Special revenues	e	-	-	-	0	795
Special expenses	f	-	-	2	16	5,996
Corporation tax etc. (4)		114	58	41	664	8,551
Net profit for the current period (1)+(2)+(3)-(4)		218	104	76	1,245	13,854

Balance Sheet						
(Assets)						
I. Current assets		1,863	4,930	3,978	16,175	150,441
Cash and deposits		567	2,710	704	9,108	94,722
Other current assets		1,295	2,220	3,273	7,067	55,718
II. Fixed assets		940	2,761	5,000	2,412	596,525
Tangible fixed assets		77	1,086	2,185	1,489	524,675
Land		-	229	-	-	108,788
Other tangible fixed assets (property etc.)		77	857	2,185	1,489	415,886
Intangible fixed assets		18	330	201	361	39,008
Investments etc.		844	1,345	2,613	561	32,842
Long-term loan		-	-	-	-	0
Funds		-	-	-	-	-
Other investments etc.		844	1,345	2,613	561	32,842
III. Deferred assets		-	-	-	-	-
Total assets		2,804	7,692	8,979	18,588	746,967
(Liabilities)						
I. Current liabilities		899	2,024	2,173	6,127	70,942
II. Fixed liabilities		258	1,301	3,353	890	279,042
Long-term borrowing		-	-	-	-	130,254
Other fixed liabilities		258	1,301	3,353	890	148,788
III. Deferred revenue		-	-	-	-	-
Total liabilities		1,158	3,325	5,526	7,018	349,985
(Net assets)						
Total net assets		1,645	4,366	3,452	11,570	396,981
(of which are changes in the current period)		211	103	75	1,240	13,645
Total liabilities and net assets		2,804	7,692	8,979	18,588	746,967

Current status of metropolitan government's involvement				
Investment ratio (%)	100	51.0	84.5	50.0
Number of metropolitan government contract employees/ Number of permanent employees	20/263	40/1,344	21/628	245/764

* The investment ratio is calculated as of 31 March, 2019, number of employees is as of 1 August, 2018.

[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)	Offset Elimination	Tokyo Metropolitan Government Overall Total
Profit and Loss Statement							
Operating balance (1)=a-b	(1,405)	(968)	(633)	(3,007)			
Operating revenues a	24,974	7,062	19,018	51,055			
Operating expenses b	26,380	8,030	19,651	54,062			
Operating costs	24,480	4,961	19,044	48,486			
Administrative expenses	1,899	3,069	606	5,575			
Non-operating balance (2)=c-d	1,901	1,205	121	3,228			
Non-operating revenues c	1,932	1,206	121	3,260			
Non-operating expenses d	30	0	-	31			
Current balance (1)+(2)	495	237	(511)	221			
Special balance (3)=e-f	(212)	(10)	(619)	(842)			
Special revenues e	12	6	-	19			
Special expenses f	224	16	619	861			
Net profit for the current period (4)=(1)+(2)+(3)	282	227	(1,130)	(620)			
Retained profit brought forward (5)	269	8	-	278			
Unappropriated revenues for the current period (4)+(5)	552	235	(1,130)	(342)			
Balance Sheet							
(Assets)							
I. Current assets	4,317	3,916	8,695	16,929	4,071,533		4,071,533
Cash and deposits	1,576	3,763	6,332	11,672	2,259,186		2,259,186
Other current assets	2,741	152	2,362	5,256	1,812,347		1,812,347
II. Fixed assets	152,503	29,047	34,040	215,591	46,754,459	(2,379,856)	44,374,602
Tangible fixed assets	146,294	28,505	31,234	206,033	38,618,370		38,618,370
Land	86,035	14,200	15,039	115,274	21,461,973		21,461,973
Other tangible fixed assets (property etc.)	60,259	14,305	16,194	90,758	17,156,397		17,156,397
Intangible fixed assets	396	393	2,243	3,032	117,529		117,529
Investments etc.	5,813	148	563	6,525	8,018,560	(2,379,856)	5,638,703
Long-term loan	-	-	12	12	1,114,734		1,114,734
Funds	-	-	-	-	3,236,985		3,236,985
Other investments etc.	5,813	148	550	6,512	3,666,839	(2,379,856)	1,286,982
III. Deferred assets	-	-	-	-	57		57
Total assets	156,821	32,963	42,735	232,520	50,826,051	(2,379,856)	48,446,194
(Liabilities)							
I. Current liabilities	5,625	3,051	3,495	12,172	1,365,285		1,365,285
II. Fixed liabilities	14,510	4,345	18,123	36,978	10,421,378		10,421,378
Long-term borrowing	-	-	12,769	12,769	8,681,049		8,681,049
Other fixed liabilities	14,510	4,345	5,353	24,209	1,740,329		1,740,329
III. Deferred revenues	-	-	-	-	2,223,311		2,223,311
Total liabilities	20,135	7,396	21,618	49,151	14,009,975	-	14,009,975
(Capital)							
Total capital	136,685	25,566	21,117	183,369	36,816,075	(2,379,856)	34,436,218
(of which are changes in the current period)	(2,252)	(477)	(1,130)	(3,861)	851,502		851,502
Total liabilities and capital	156,821	32,963	42,735	232,520	50,826,051	(2,379,856)	48,446,194

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

Year-to-date
(From April 1, 2018, to March 31, 2019)

(Accounting Policy)

1. Scope

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

(1) Ordinary Account

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

(2) “Special Accounts”

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

National Health Insurance Account^{*1}

Slaughterhouse

Metropolitan Public Housing Tenants Security Deposit

^{*1}: Newly established in FY2018 in accordance with the National Health Insurance Law

(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^{*2}

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.

^{*2}: Renamed “Tokyo Metropolitan Government Policy Cooperation Bodies” as of April 1, 2019, following reviews of the criteria/name, etc. of the hitherto “Administrative Bodies Supervised 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%)^{*3}; Tokyo Kotsu Service Co., Ltd. (100%); Tokyo Waterworks Service Co., Ltd. (51.0%); PUC Co., Ltd. (84.5%); Tokyo Metropolitan Sewerage Service Corporation (50.0%).

^{*3}: In the comprehensive financial statement, earnings figures are stated on a consolidated basis.

Year-to-date (From April 1, 2018, to March 31, 2019)	
ii)	<p>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 & 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>
(5)	<p>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.	<p>Base Date</p> <p>The base date for this statement shall be taken as being March 31, 2019, although for the ordinary account and the "Special Accounts" these will also include all account deposits and withdrawals during the period between April 1, 2019, and May 31, 2019 (the settlement period).</p> <p>Furthermore, as of this year-to-date, the Tokyo Marathon Foundation administrative body changed its closing date from March 31 to June 30, resulting in a three-month settlement. While the differences in settlement dates exceed three months, entries in individual financial statements as of June 30, 2018 have been recorded in a side-by-side format.</p>
3.	<p>Adjustment between Investment and Capital</p> <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.	<p>Offset between Credits and Debt</p> <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.	<p>Revision of Individual Financial Statements</p> <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.	<p>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>
7.	<p>Inventory Valuation Method and Benchmarks</p> <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, 2018, to March 31, 2019)

8. Method Used for Fixed Asset Depreciation

In the ordinary account and the "Special Accounts", tangible fixed assets within administrative assets, ordinary assets and leased assets are depreciated on a straight-line basis according to the service life 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 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." Within intangible fixed assets, surface rights, easements, patent rights, copyrights, etc. are not depreciated, while software is depreciated on a straight line basis with service life set at five years and residual value set at zero.

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.

Year-to-date (From April 1, 2018, to March 31, 2019)	
(3)	Allowance for investment loss Of the investment securities, regarding those related to consolidated organizations, where market value or real value falls below acquisition value to a certain degree, the difference is recorded as allowance for investment loss. Furthermore, reversal of allowance is conducted when market value or real value recovers.
(4)	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.
(5)	Repair allowance The required amount based on a repair plan is posted as the repair allowance to prepare mainly for the payment of repairing expenses for equipment.
(6)	Reserve for bonus payment A portion of the terminal allowances, bonuses attributable to this fiscal year, and the accompanying legal welfare expenses, to be paid in the next fiscal year is calculated as other current liabilities.
(Other)	
1.	Display Method for Entered Amounts The entered figures have been rounded down to the indicated unit. The differences of accounting standards of each organization are not taken into consideration.

[Notes]

1. Accumulated Depreciation of Tangible Fixed Assets

(in billion yen)

Item	End of FY2018
Ordinary account	4,729.8
"Special Accounts"	16.8
Public enterprise accounts	7,799.1
Limited corporations	445.3
Public interest corporations	326.9
Independent administrative corporations	90.9
Total	13,409.0

2. Expected Repayments of Outstanding Borrowings

(in billion yen)

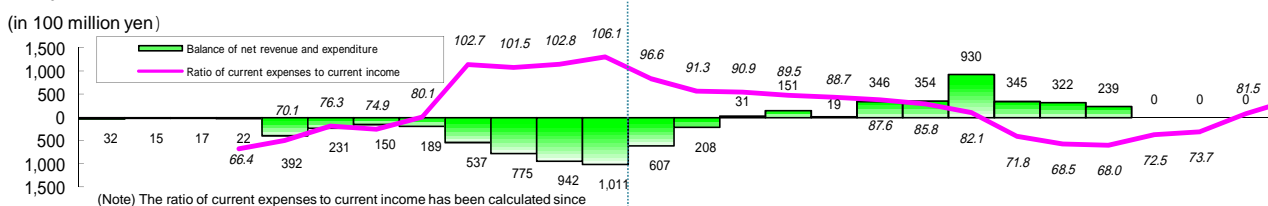
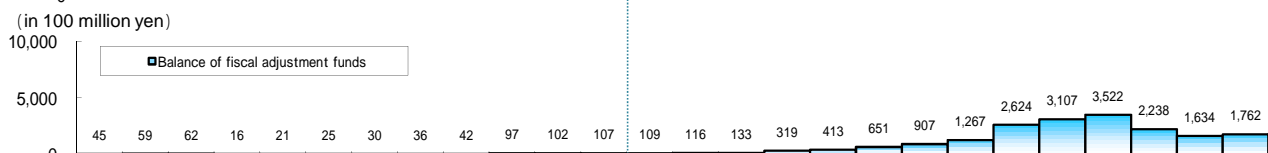
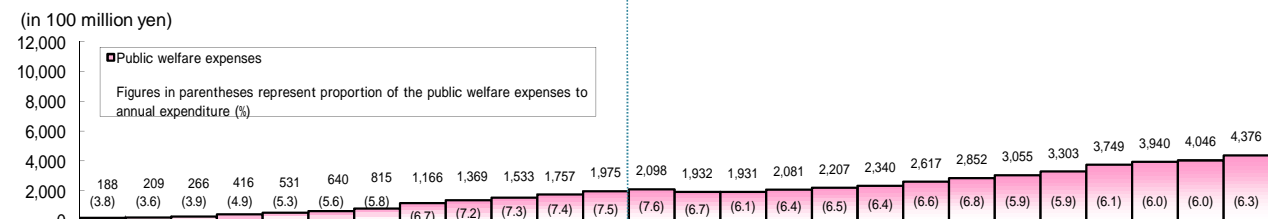
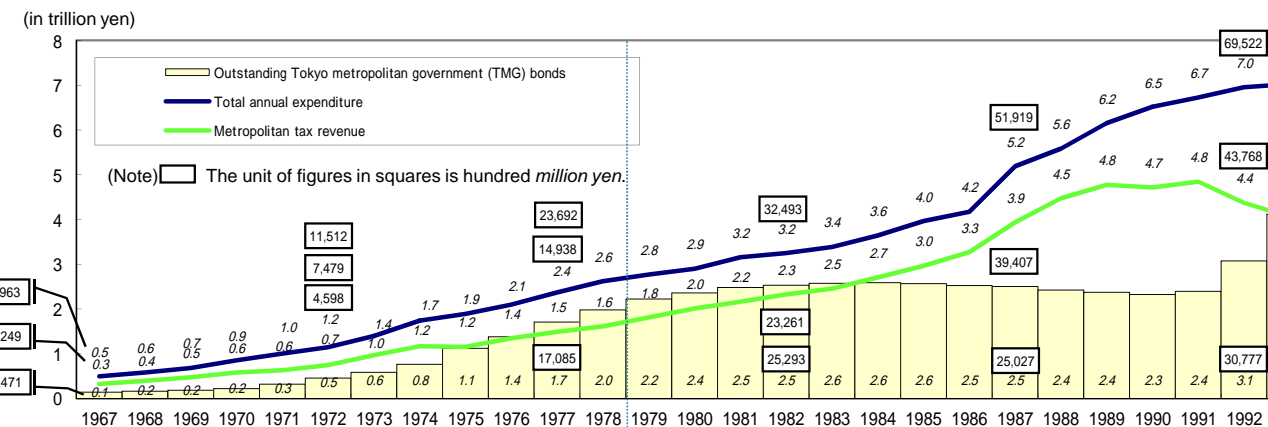
Item	FY2019	From FY2020	Total
Ordinary account	392.2	11,504.1	11,896.4
"Special Accounts"	0.2	2.2	2.4
Public enterprise accounts	212.0	2,392.0	2,604.0
Limited corporations	13.4	130.2	143.6
Public interest corporations	32.0	604.5	636.5
Independent administrative corporations	0.7	12.4	13.1
Total	650.6	14,645.6	15,296.3

3. Assets Offered as Collateral

Of the assets of the limited corporations, a total value of 400.9 billion yen is offered as collateral.

(Reference Tables)

Tokyo Metropolitan Government Financial chronological tables (Ordinary Account)



Governor Ryokichi Minobe													Governor Shunichi Suzuki													
Fiscal year	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Major events	Governor Minobe's metropolitan administration starts.																									
	The Ogasawara Islands returned to Japan (June)																									
	Nixon shock																									
	The racing business run by the Tokyo metropolitan government was abolished (March).																									
	First oil crisis																									
	Higher rate for enterprise tax on corporates introduced.																									
	Higher rate for metropolitan inhabitants tax on corporations introduced. Fiscal 1976 budget: A skeleton budget compiled for the first time in 16 years.																									
	Fiscal 1976 budget: Budget ceiling introduced (zero ceiling). "Three-year administrative plan for the Tokyo Metropolis" formulated (November).																									
	"Fiscal consolidation plan" submitted to the Ministry of Home Affairs (February). Fiscal 1977 annual closing: Balance that deducts expenditure from revenue falls into the red for the first time in the history of the metropolitan government (negative 5.4 billion yen).																									
	Fiscal 1978 annual closing: Ratio of current expenses to current income reaches a record high in the history of the metropolitan government (106.1%)																									
	Fiscal 1978 budget: A skeleton budget compiled. "Second oil crisis. Governor Suzuki's metropolitan administration starts." / "Tokyo metropolitan government financial rehabilitation committee" setup (July).																									
	Fiscal 1980 budget: First minus-based budget ceiling																									
	Fiscal 1981 annual closing: Balance of net revenue and expenditure swings back into the black for the first time in 20 years.																									
	"Long-term Plan for the Tokyo Metropolis" formulated for the first time in 20 years (December).																									
	"Social meeting for promoting the vigorous administration of Tokyo" setup (September).																									
	Plaza Accord (September)																									
	"Second Long-term Plan for the Tokyo Metropolis" formulated (November). In December, a supplementary budget compiled (response to the national government's general economic package).																									
	In September, a supplementary budget compiled (response to the national government's emergency economic package).																									
	Consumption tax was introduced.																									
	"Third Long-term Plan for the Tokyo Metropolis" formulated (November).																									
	Tokyo Metropolitan Government Building moves to Shinjuku (its current location) (April)																									
	In September, a supplementary budget compiled (response to the national government's emergency economic package).																									

