



Tokyo Metropolitan Government (TMG)

Bureau of Finance, November 2021

An aerial photograph of Tokyo, Japan, showing a dense urban landscape with numerous skyscrapers and residential buildings. A wide river, likely the Arakawa River, flows through the city. In the background, the Tokyo Skytree is visible on the right side. The sky is clear and blue.

① Basic Overview of Tokyo

② Financial Highlights

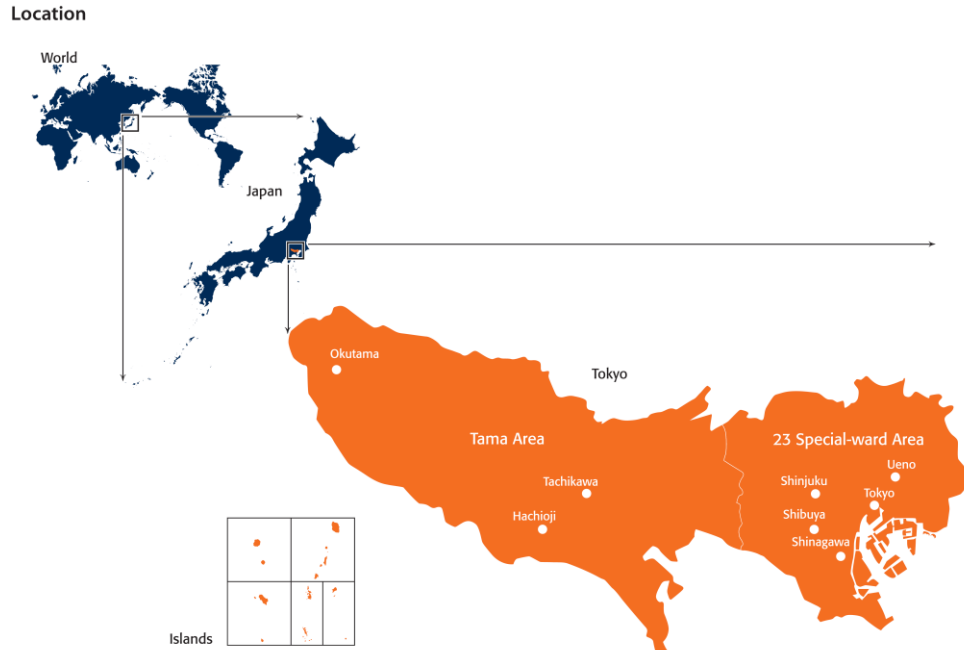
③ TMG Bonds

④ Appendix

Tokyo at a Glance

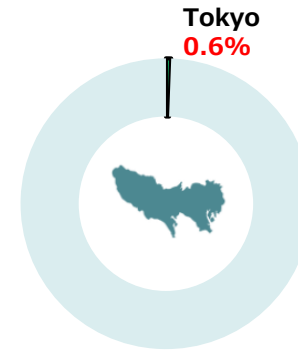
Tokyo is the center and primary engine of Japanese economy

Location



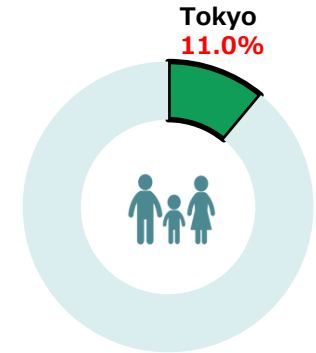
Area

Tokyo: 2,194km²
Japan: 377,976km²



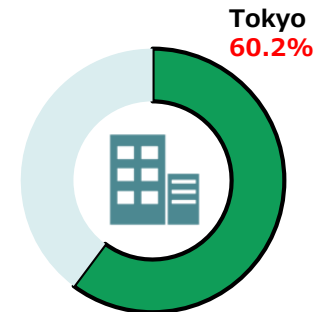
Population

Tokyo: 13.9mn
Japan: 126.2mn



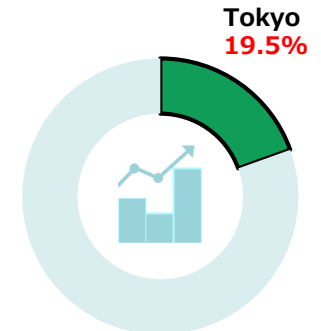
Number of Companies with Paid-in Capital of above JPY 5bn

Tokyo: 1,035 Companies
Japan: 1,719 Companies



GDP

Tokyo: JPY 107tn
Japan: JPY 548tn



*Area as of July. 1st, 2021

*Population as of Oct. 1st, 2019

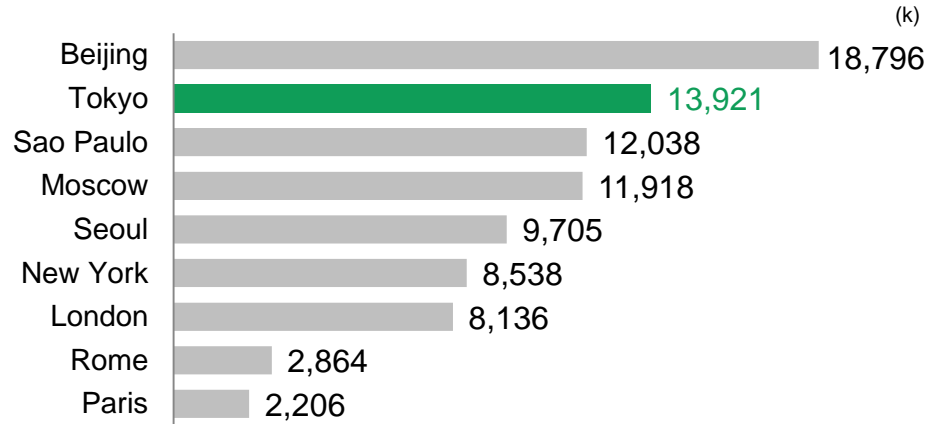
*Number of companies and GDP as of FY2018

Source: Tokyo Metropolitan Government, Geospatial Information Authority of Japan, Ministry of Internal Affairs and Communications, National Tax Agency Japan, Cabinet Office

Tokyo at a Glance

Tokyo compared to the world

Population

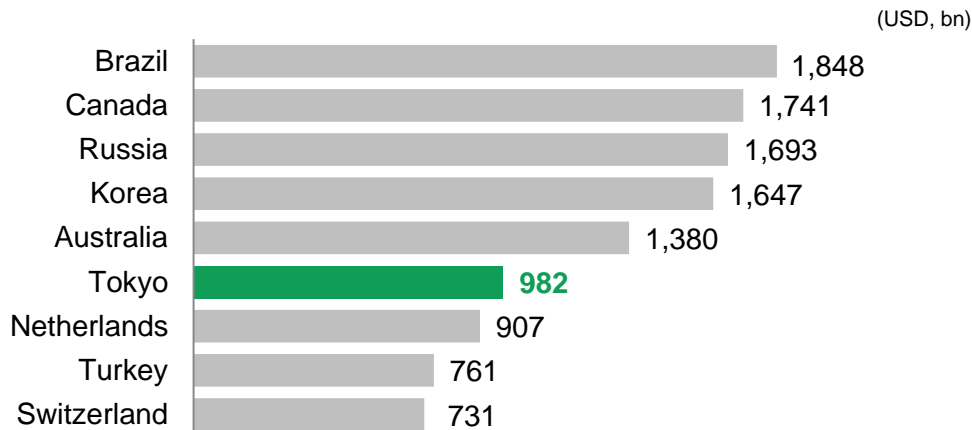


Productive Age (15~64 yrs) Ratio

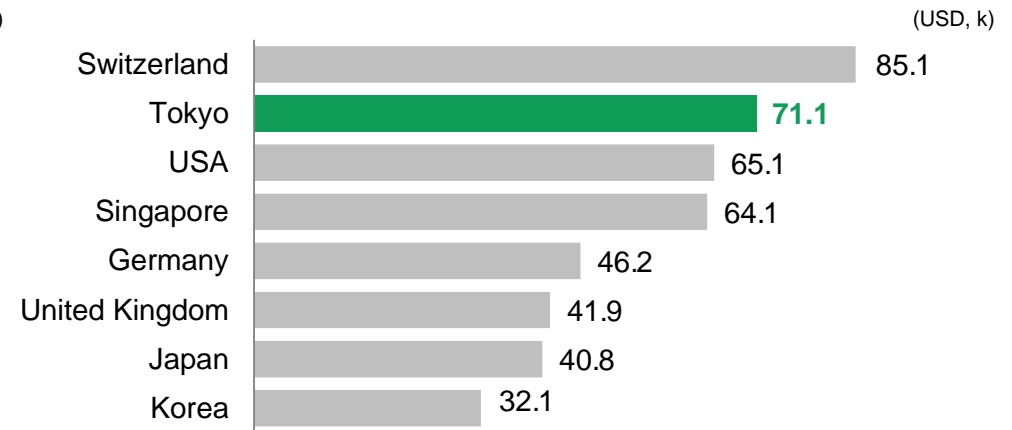
Rank	Country	Ratio (%)
1	Saudi Arabia	71.80
2	South Korea	71.67
3	Thailand	70.49
4	China	70.32
5	Luxembourg	70.13
	⋮	
21	Switzerland	65.94
22	South Africa	65.69
	⋮	
51	Israel	59.77
52	Japan	59.50
53	Ethiopia	56.55

Tokyo (2019): 65.79

Nominal GDP



Nominal GDP (Per Capita)



*Populations in Tokyo as of Oct 1st, 2019

*GDP as of CY2019 except for TMG; TMG refers to FY2018

*Applied FX rate: USDJPY=109.010

Source: Tokyo Metropolitan Government, Statistics Bureau of Japan

Key Highlights

Sound Fiscal Management

- High independent revenue ratio and low mandatory spending facilitates flexible fiscal management.
- High financial flexibility developed through organized reserve fund management and continuous effort on reducing outstanding debt for future financial needs.
- Municipal Bonds in Japan have systematic safeguards.
- SACP (Stand-alone Credit Profile)¹ is **aa+**, our A+ credit rating² is capped by Japan's sovereign rating.

Capital Markets Activities

- FY2021's issuance plan: About JPY 850bn (≈USD 7.46bn³) (April 2021-March 2022)
- Regular issuance of benchmark international bonds in global capital market.
- Promoting the expansion of domestic ESG market and the achievement of SDGs from financial sector through constant issuances of JPY-denominated ESG bonds for institutional investors.

¹ SACP (Stand-alone credit profile) refer to Standard & Poor's opinion of an issue's or issuer's creditworthiness, in the absence of extraordinary intervention from its parent or affiliate or related government, and is only one component of a rating.

² On June 9th 2020, the outlook on the "A+" long-term sovereign credit rating on Japan was revised from positive to stable by S&P, which reflects S&P's view that the COVID-19 outbreak has set back Japan's fiscal stabilization process. Following this revision, on June 10th 2020, S&P has revised down the TMG's outlook on the long-term issuer credit rating from positive to stable.

³ USDJPY=114.00(As of November 1st, 2021)



① Basic Overview of Tokyo

② Financial Highlights

③ TMG Bonds

④ Appendix

(1) TMG's Revenue and Expenditure

FY2021's general account original budget marks JPY 7,425bn

TMG's Revenue, Expenditure and Balance (General Account)

(JPY, bn)

Classification		FY2017	FY2018	FY2019	FY2020	FY2021
		Actual	Actual	Actual	Actual	Original Budget ¹
Revenue		6,964	7,516	7,672	8,689	7,425
	Metropolitan Taxes	5,273	5,446	5,632	5,350	5,045
Expenditure		6,693	7,235	7,445	8,487	7,425
Balance		271	281	227	202	0

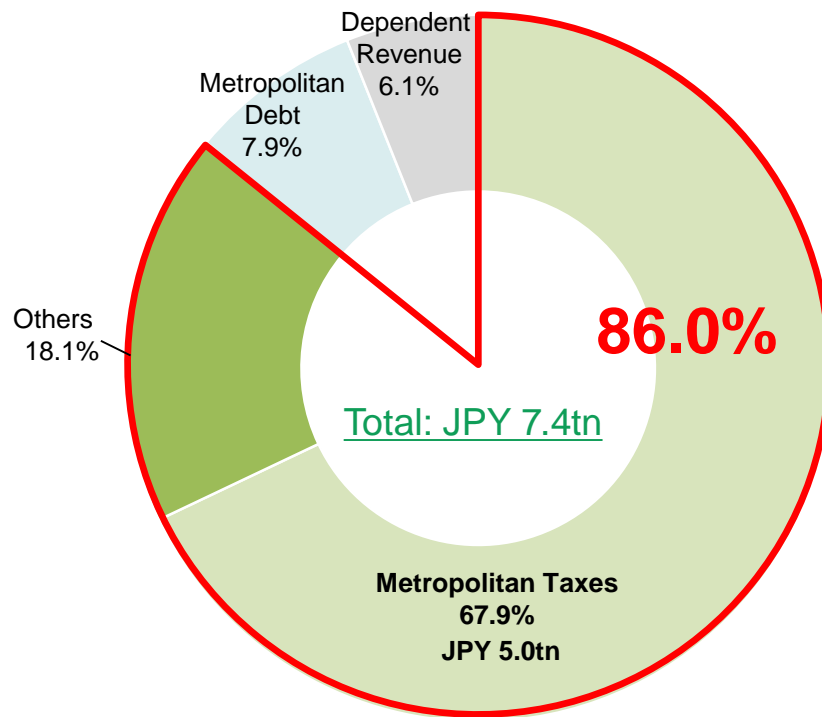
¹ Revised budget not reflected.

(2) Revenue Sources

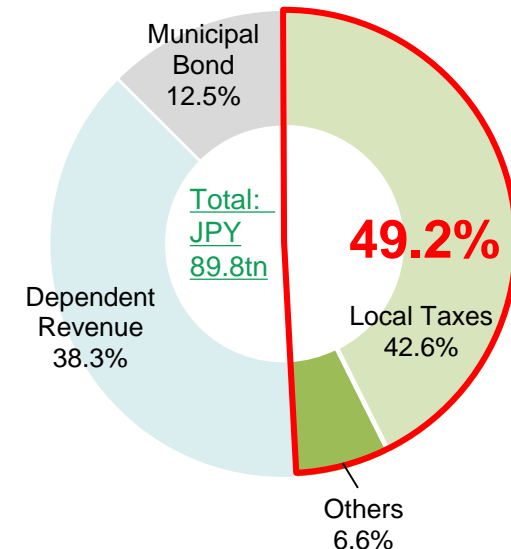
TMG's high independent revenue ratio provides flexibility in its fiscal management

Breakdown of Revenue Sources

TMG's Independent Revenue¹ Ratio **86.0%**
(FY2021 General Account Original Budget)



Independent Revenue Ratio of
All Local Governments in Japan **49.2%**

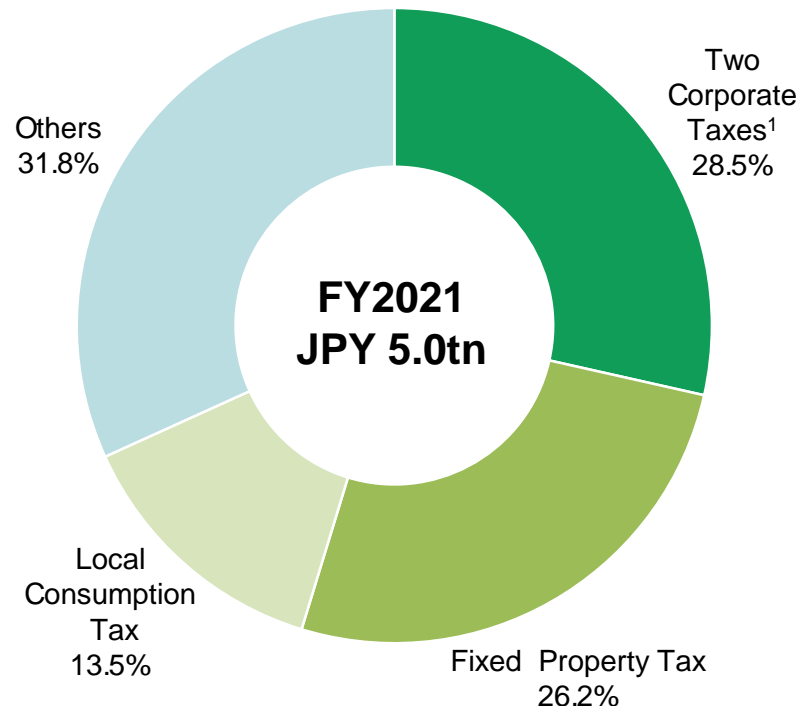


¹ Independent revenue: revenue which a local government can raise on its own without depending on the central government (i.e., local taxes, usage charges, charges for services, commissions, property revenues and miscellaneous revenue, etc.). Dependent revenue consists of local transfer tax, national treasury disbursement and etc.

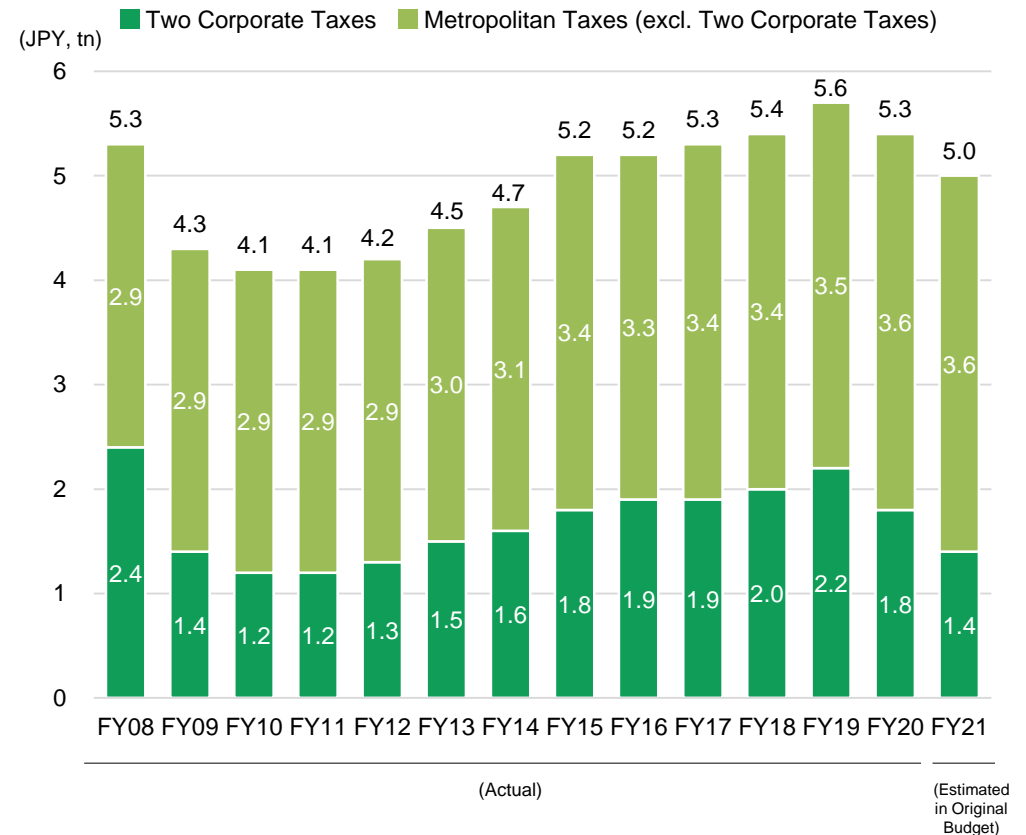
(3) Diverse Tax Revenue Sources

TMG's tax revenue has diverse sources and has been steadily increasing

Breakdown of Metropolitan Taxes



Trends in Metropolitan Tax Revenue



¹ Corporate Enterprise Tax, together with Corporate Inhabitant Tax, constitute Two Corporate Taxes.

Corporate Enterprise Tax is a tax levied on corporations that are established in Tokyo and being engaged in profit-earning business in Tokyo.

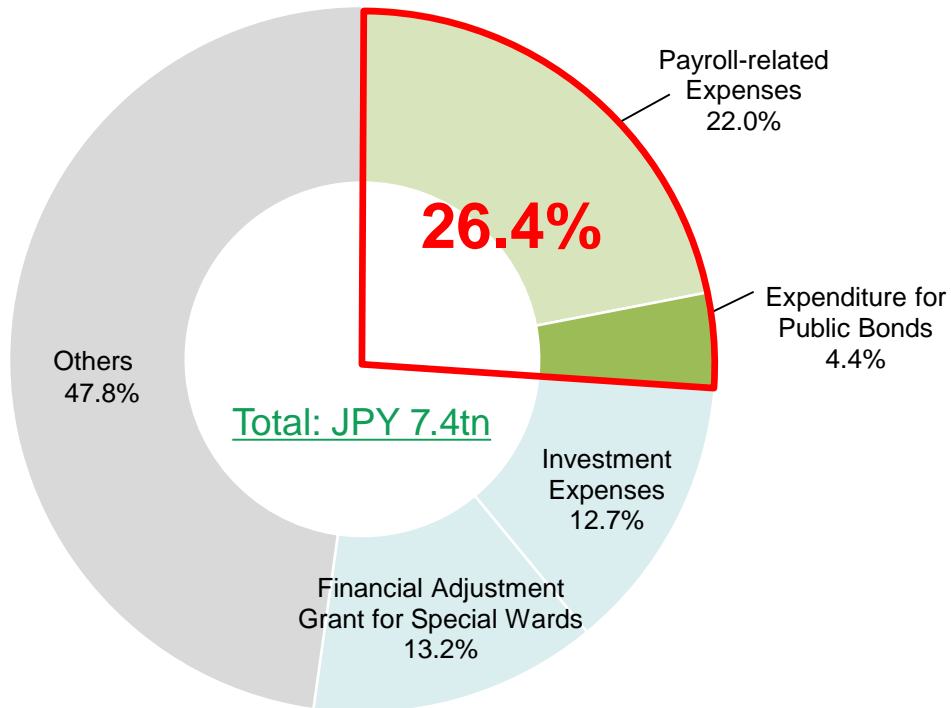
Corporate Inhabitant Tax is a tax levied on offices or business establishments in Tokyo which is included as part of Residents Tax.

(4) Spending

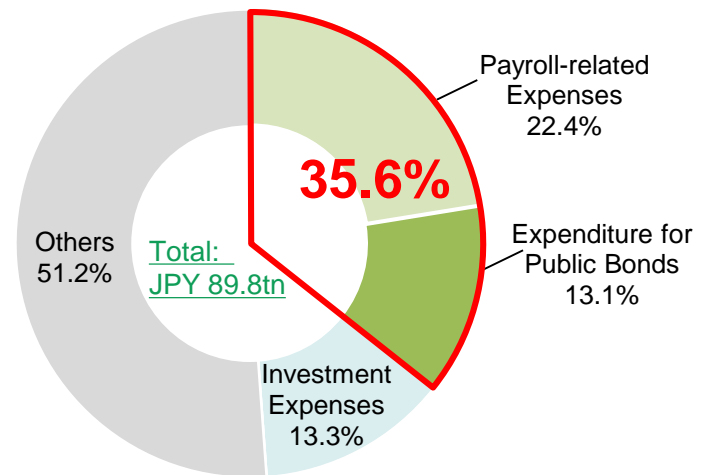
TMG's low mandatory spending facilitates its flexible fiscal management

Breakdown of Expenditure

TMG Mandatory Fixed Expenses Ratio¹ **26.4%**
(FY2021 General Account Original Budget)



Mandatory Fixed Expenses Ratio of All Local Governments in Japan **35.6%**



¹ Mandatory Fixed Expenses Ratio is the ratio of Mandatory Fixed Expenses (Payroll-related expenses + Expenditure for Public Bonds) to total expenses in the TMG's General Account Budget.

(5) Reserve Funds for Future Obligations

TMG has a total JPY 3.8tn of Reserve Funds set aside for future obligations

Reserve Fund

(JPY, bn)

Funds for General Purposes	532.7
Adjusting Fund for Finance	532.7
Funds for Special Purposes	1,736.4
Social Infrastructure Improvement Fund	486.5
Advanced Welfare City Realization Fund	194.7
Hosting Reserve Fund for Olympics	429.0
Others	626.2
Sinking Fund	1,562.4
Total	3,831.5

(As of 31st March 2021)

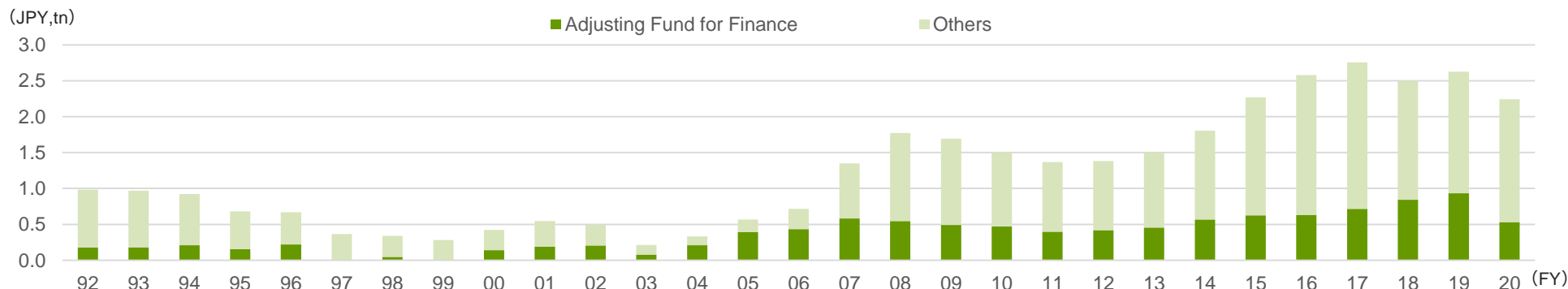
Funds for General Purposes

- As of 31st March 2021 (FY2020 results) TMG had roughly JPY 532.7bn set aside as funds to be used for general purposes.

Sinking Fund

- TMG reserves a sinking fund to address future obligations.
- TMG has reserved JPY 1.6tn as a sinking fund in its general account in FY2020, about 20% of the outstanding TMG bonds.

Outstanding Reserve Fund (Based on Ordinary Account Results)¹



¹ Based on Ordinary Account and does not include Sinking Fund, etc.

Applied new scheme for Reserve Funds implemented since FY2017 for the calculation of past years' amounts as well.

(6) TMG's Outstanding Debt

TMG has been successful in reducing its outstanding debt

Trends in TMG's Outstanding Debt (All Accounts)¹

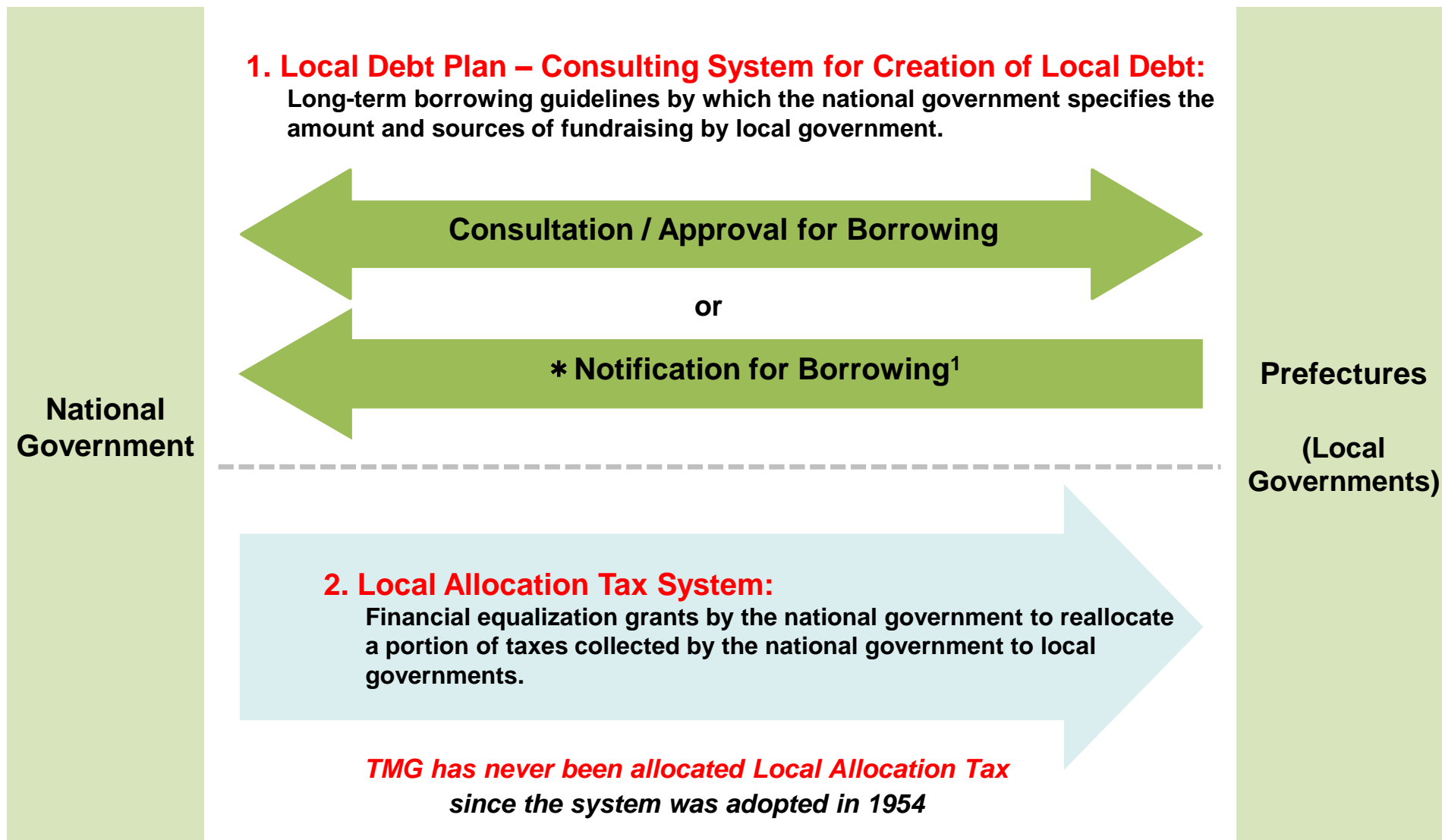


¹ Excluding Nippon Telegraph and Telephone Bonds from All Accounts

² Total Outstanding Debt vs Tokyo's GDP Ratio is calculated based on TMG's nominal GDP figures from FY2006 onward, when GDP calculations refer to the latest method/criteria.

(7) Systematic Safeguards for Local Government Bonds in Japan

Local Government Bonds in Japan have systematic safeguards



¹ Local governments that meet the following requirements, such as TMG, can issue LGBs without consulting with the Minister for Internal Affairs and Communications or the prefectural governor.

1) Real debt payment ratio is less than 18%, 2) real deficit is 0, 3) consolidated real deficit ratio is 0, 4) future burden ratio is less than 400% (prefectures and overnment-ordinance-designated cities) or 350% (municipalities)

(8) TMG Credit Profile

Solid credit ratings on TMG's fiscal management and wealthy economy from S&P

Extract from TMG Rating Report by S&P as of Oct. 25th 2021

- *“Our rating on TMG primarily reflects its very wealthy economy.”*
- *“This combined with its capacity for strong and stable financial management leads us to believe TMG will cope with difficult conditions under COVID-19 and at the same time promote policy looking ahead to after the pandemic.”*
- *“TMG has been facing a decline in tax revenues and an increase in expenditure due to COVID-19, in addition to a loss of revenue from recent unfavorable revisions to tax law. But we also think financial transfers from the central government and reserves accumulated in past years, together with a moderate pace of recovery of economic activities, will underpin TMG's creditworthiness.”*

Rating(S&P)

Issuer Credit Rating ¹		Stand-Alone Credit Profile ²
TMG	Japan	TMG
A+/Stable	A+/Stable	aa+

¹ TMG's A+ credit rating is capped by Japan's sovereign rating.

On June 9th 2020, the outlook on the “A+” long-term sovereign credit rating on Japan was revised from positive to stable by S&P, which reflects S&P's view that the COVID-19 outbreak has set back Japan's fiscal stabilization process. Following this revision, on June 10th 2020, S&P has revised down the TMG's outlook on the long-term issuer credit rating from positive to stable.

² SACPs (Stand-alone credit profile) refer to S&P's opinion of an issue's or issuer's creditworthiness, in the absence of extraordinary intervention from its parent or affiliate or related government, and is only one component of a rating.



① Basic Overview of Tokyo

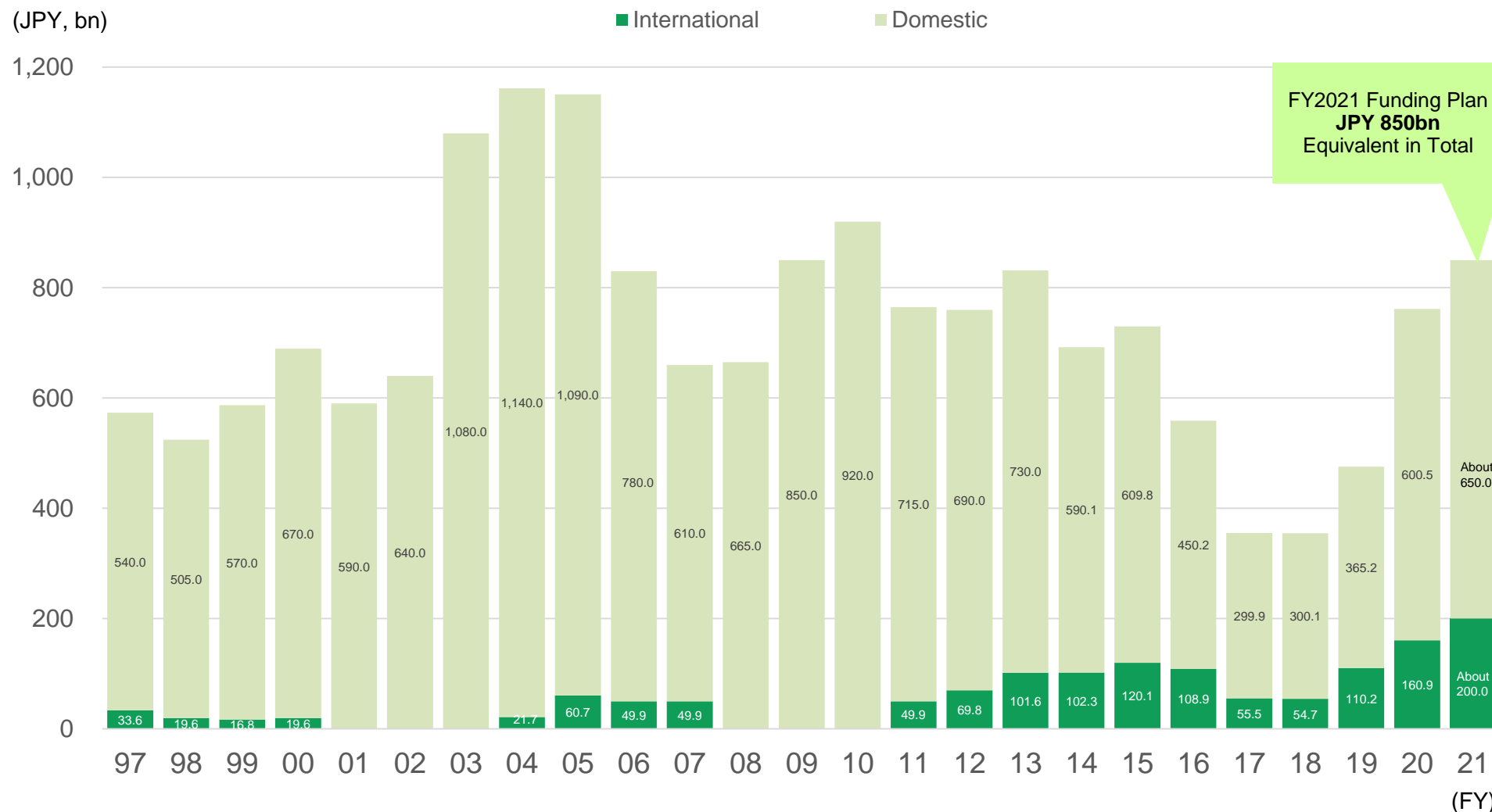
② Financial Highlights

③ TMG Bonds

④ Appendix

(1) TMG's Issuance Amount of Public Bonds

Continuous issuances of benchmark-sized international bonds



*Based on all accounts (including refunding bonds)

*FY2021 is based on issuance plan.

*Non-JPY denominated bonds' issuance amounts are calculated upon FX rate on their issuance date, rounding down the amount under JPY 100mn.

(2) TMG's Commitment to the International Capital Markets

TMG has successfully managed to provide a wide range of products, and committed to international capital markets

Case Study: TMG's Latest Issuances in USD

May 2021: USD 144A / Reg.S 5yr 1.0bn

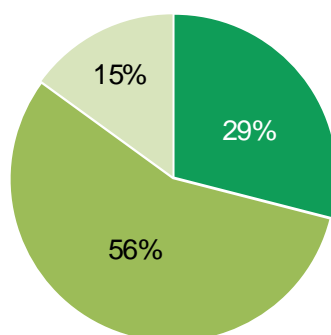
Pricing Date	11-May-21
Format	144A / Reg.S
Issue Amount	USD 1,000mn
Tenor	5yr
Coupon (%)	1.125%
Launch Spread (vs MS)	MS+25bp
Launch Spread (vs Treasury)	T+33.4bp
Listing	London & Tokyo PRO-BOND

Key Highlights:

- Successful execution of a USD 1.0bn 5yr transaction
- The orderbook was 1.6x oversubscribed, swelling to \$1.6bn
- Distribution centered on high quality investors with 29% allocations to CB&OI with diversified regions

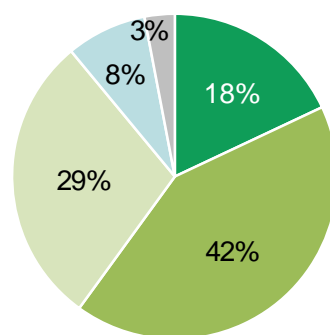
By Region

■ Asia ■ EMEA ■ US



By Investor Type

■ AM/HF ■ Bank ■ CB/OI ■ Ins/Pen ■ Others



July 2020: USD 144A / Reg.S 5yr 1.5bn

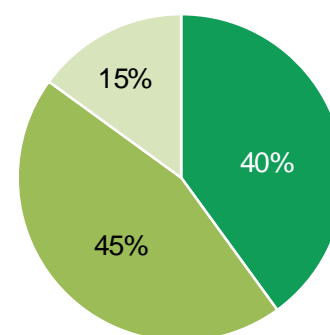
Pricing Date	9-July-20
Format	144A / Reg.S
Issue Amount	USD 1,500mn
Tenor	5yr
Coupon (%)	0.750%
Launch Spread (vs MS)	MS+48bp
Launch Spread (vs Treasury)	T+51.12bp
Listing	London & Tokyo PRO-BOND

Key Highlights:

- Successful execution of a USD 1.5bn 5yr transaction, achieving the largest USD issuance amount for TMG
- The orderbook was 2.6x oversubscribed, swelling to \$3.9bn
- Distribution centered on high quality investors with 49% allocations to CB&OI with diversified regions

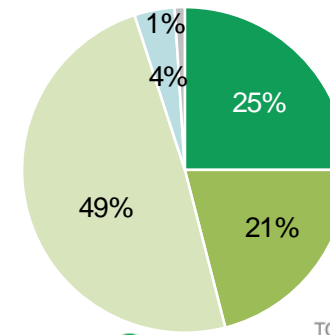
By Region

■ Asia ■ EMEA ■ US



By Investor Type

■ AM/HF ■ Bank ■ CB/OI ■ Ins/Pen ■ Others



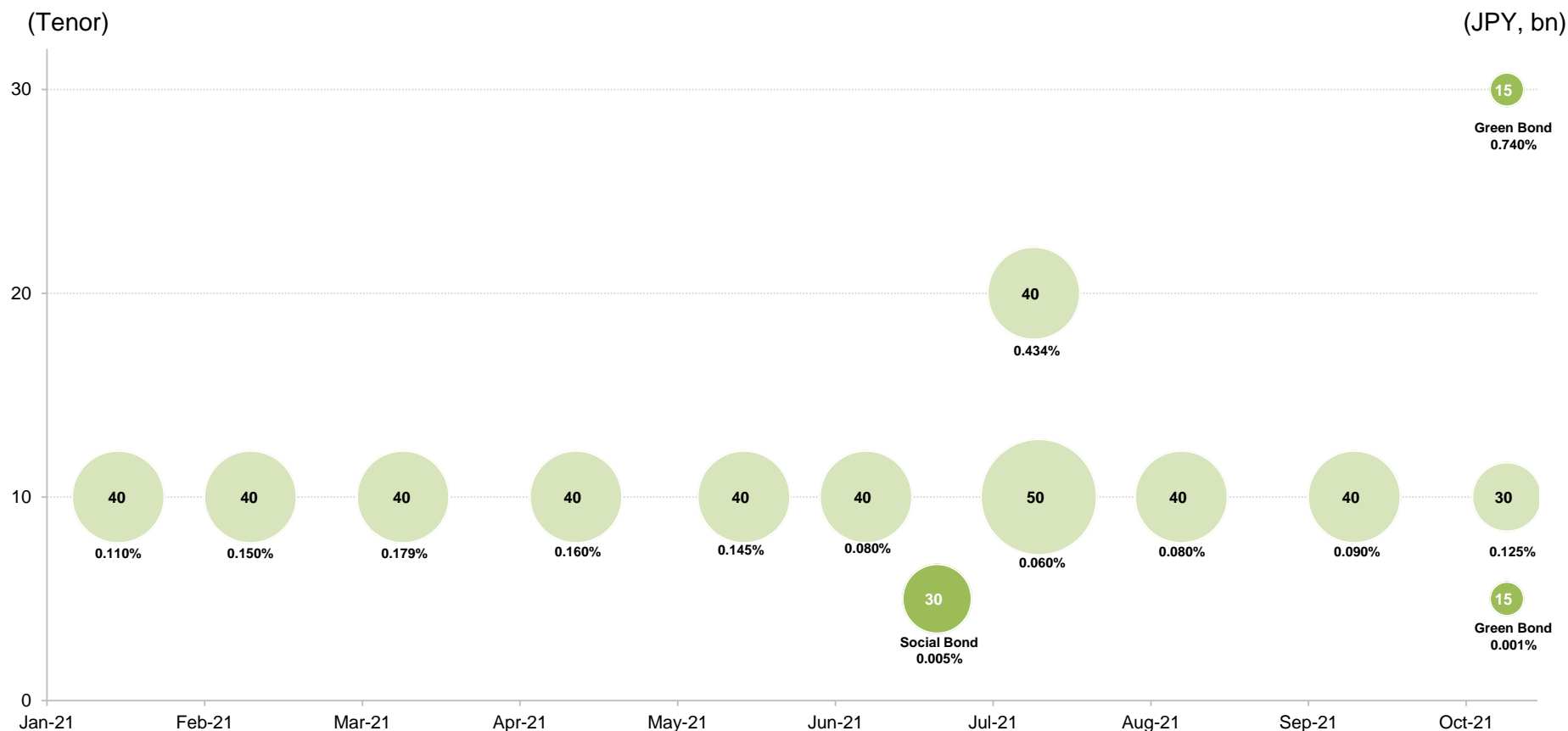
*Investors' breakdowns are consolidated at the time of allocation

(3) TMG's Domestic Issuance Summary for 2021

TMG has continuously issued JPY-denominated domestic bond

TMG's Issuance Record Since 2021 (Tenor/Issue Amount/Coupon, JPY-denominated Public Bonds Only)

- TMG has continuously issued JPY-denominated domestic bond as the primary municipal bond issuer in Japan, providing by far the highest liquidity to the JPY municipal bond market.



*Bubble size indicates the issue amount

(4) TMG's Funding Program for FY2021

TMG is planning to raise approximately JPY 850bn in total for FY2021

Plan for FY2021 Public Offerings^{1, 2} : Total JPY 850bn equivalent (≈USD7.46bn)

■ International Bonds: About 200bn JPY Equivalent (≈USD1.8bn)

	2021										2022			FY2021 Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
International Bonds	About 200bn (≈USD1.8bn) in total												About 200bn (≈USD1.8bn)	

■ Domestic Bonds: About 650bn JPY in Total (≈USD5.7bn)

	2021										2022			FY2021 Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
10-year Bonds ³	About 40bn (≈USD351mn) once a month ³						About 30bn (≈USD263mn) once a month ³						About 420bn (≈USD3.7bn)	
Medium-Term and Super Long-Term Bonds	About 20bn (≈USD175mn) per single issuance												About 40bn (≈USD351mn)	
Green Bonds							About 40bn (≈USD351mn) in total						About 40bn (≈USD351mn)	
Social Bonds	About 60bn in total (≈USD526mn)												About 60bn (≈USD526mn)	
Flex Term	Maturity not yet determined												About 90bn (≈USD789mn)	

USDJPY=114.00 (As of November 1st, 2021)

¹As of April 1st, 2021. This plan is subject to change at any time.

²The issue amount of FY2021 will depend on funding needs and market conditions.

³10-year bond's funding amount is subject to increase according to the funding needs of TMG.

(5)TMG's ESG Bonds

Promoting the expansion of domestic ESG bond market and the realization of SDGs from financial sector through constant issuances of ESG bonds

Issuance History of TMG's ESG Bonds (JPY for Institutional Investors, AUD/USD for Retail Investors)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Plan)
Green Bonds	● Tokyo Environmental Supporter Bond AUD 125mn	● Green Bond JPY 10bn AUD 117mn	● Green Bond JPY 10bn USD 89mn	● Green Bond JPY 10bn USD 94mn	● Green Bond JPY 20bn AUD 139mn	● Green Bond JPY 40bn equivalent in total
		SPO				
		Inaugural green bonds issued by a Japanese local government				
Social Bonds	Continuous Issuance of ESG Bonds to Promote the Expansion of Domestic ESG Bond Market					● Social Bond JPY 60bn in total
						SPO
						Inaugural social bonds issued by a Japanese local government

*In FY2020, TMG issued JPY 60bn bond with full net proceeds to be used in accordance with TMG's COVID-19 response measures.

ESG Bonds Issuance Summary in FY2021

	Green Bonds Series 5		Social Bonds Series 1	
	For Institutional Investors		For Retail Investors ¹	For Institutional Investors
Tenor	5yr	30yr	5yr	5yr
Currency	JPY		AUD	JPY
Coupon	0.001%	0.740%	1.83%	0.005%
Amount	JPY 15bn	JPY 15bn	AUD 122mn	JPY 30bn
Pricing Date	October 15 th , 2021		November 18 th , 2021	June 25 th , 2021
SPO	ISS ESG			R&I

¹ For domestic investors only

(6) Use of Proceeds / SPO (Tokyo Green Bonds Series 5)

Promoting the expansion of domestic ESG bond market and the realization of SDGs from financial sector through constant issuances of ESG bonds

- TMG has carefully selected the eligible projects that have positive environmental impacts
- Obtained Second Party Opinion from ISS ESG that the Tokyo Green Bonds Framework is in line with ICMA's Green Bond Principles

Eligible Projects for Tokyo Green Bond Series 5

Smart Energy & Urban Development

- Rebuilding and repairing of facilities*
- Installation of LEDs for facilities and roads
- Energy conservation within water and sewage facilities
- Development of cycling routes and areas



Adaptation for Climate Change

- Development of medium and small size rivers
- Development of tidal wave protection facilities
- Development of Tokyo port facilities and islands coastal protection facilities
- Flood countermeasures



Improvement of Living Environment

- Heat island countermeasures (heat insulation and water absorption)
- Use of environment friendly metropolitan buses
- Improvement of centralized sewerage system



Natural Environment Conservation

- Rebuilding and repairing of facilities*
- Development of parks
- Greening along watersides



SPO
Obtained

ISS ESG

- In line with Green Bond Principles
- Obtained SPO that all the project categories indicated below can be mapped with respective SDGs goals, and contributing to those goals as well

	Use of Proceeds	Contribution or Obstruction	Sustainable Development Goals		
Green Real Estate Development	Improved energy and resource efficiency in green real estate	Limited Contribution	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
	Sustainable plantings in green real estate	Limited Contribution	11 SUSTAINABLE CITIES AND COMMUNITIES		
Renewable Energy	Solar power	Significant Contribution	7 AFFORDABLE AND CLEAN ENERGY		13 CLIMATE ACTION
	Hydropower (micro hydropower systems in water supply infrastructure)	Significant Contribution	7 AFFORDABLE AND CLEAN ENERGY		13 CLIMATE ACTION
Pollution Prevention and Control	Wastewater treatment facility	Significant Contribution	6 CLEAN WATER AND SANITATION		
Public Transport	Public transport vehicles (diesel buses)	Significant Contribution		13 CLIMATE ACTION	
Adaptation to Climate Change	Flood prevention (excluding dams)	Limited Contribution	3 GOOD HEALTH AND WELL-BEING	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
Sustainable Road Development	Heat insulation on roads and pedestrian and cycling paths	Limited Contribution		13 CLIMATE ACTION	
		Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution
					Significant Contribution

* "Rebuilding and repairing of facilities" are categorized in multiple environmental categories

(7)Use of Proceeds / SPO (Tokyo Social Bonds Series 1)

Promoting the expansion of domestic ESG bond market and the realization of SDGs from financial sector through constant issuances of ESG bonds

- TMG has carefully selected the eligible projects that are for those who are in need of social support
- Obtained Second Party Opinion from Rating and Investment Information, Inc. (R&I) that the Tokyo Social Bonds Framework is in line with ICMA's Social Bond Principles

Eligible Projects for Tokyo Social Bond Series 1

Improvement of Schools for Special Needs Education

- Supporting proactive efforts toward the independence and social participation of young children, pupils and students with disabilities



Establishment of Challenge Schools

- Providing educational opportunities to students, etc. who have not attended classes in their elementary and/or junior high school days

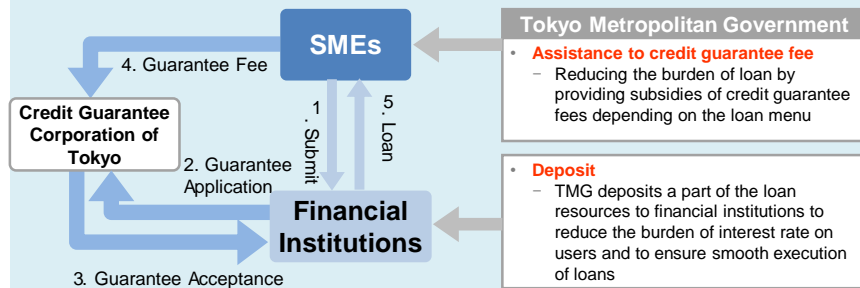


Improvement of Employment and Job Placement Promotion Facilities, etc.

- Providing employment and job placement support to Tokyo residents

Deposits related to TMG's Financing Scheme for SMEs

- Securing SMEs' business continuity and operations stability



SPO
Obtained



- In line with Social Bond Principles
- Obtained SPO that all the project categories indicated below can be mapped with respective SDGs goals, and contributing to those goals as well

Use of Proceeds	Target Populations	Sustainable Development Goals
Education		
<ul style="list-style-type: none"> ■ Improvement of Schools for Special Needs Education <ul style="list-style-type: none"> • Access to essential services 	Young children, pupils and students with disabilities	
<ul style="list-style-type: none"> ■ Establishment of Challenge Schools <ul style="list-style-type: none"> • Access to essential services 	Students, etc. who have not been able to capitalize on their abilities and aptitudes	
Employment continuity and generation		
<ul style="list-style-type: none"> ■ Improvement of Employment and Job Placement Promotion Facilities, etc. <ul style="list-style-type: none"> • Access to essential services • Socioeconomic advancement and empowerment 	Individuals in need of employment or job placement support	
<ul style="list-style-type: none"> ■ Deposits related to TMG's Financing Scheme for SMEs <ul style="list-style-type: none"> • Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance • Socioeconomic advancement and empowerment 	SMEs operators who need financing to stabilize operations and their employees	

① Basic Overview of Tokyo

② Financial Highlights

③ TMG Bonds

④ Appendix

(1) TMG's Emergency COVID-19 Spending Measures

Protect citizens' lives, support Tokyo's economy, and create the future of Tokyo post COVID-19 outbreak

- During FY2020, TMG has conducted COVID-19 response measures spending approximately JPY 2tn in total.
- The financial resources of these spending measures are 45.4% from the national government and 54.6% from TMG's own budgets.

Breakdown of TMG's COVID-19 Response Spending in FY2020

Classification	Project Examples	Budget ¹ (JPY, bn)	Actual (JPY, bn)
I. Prevention of Further COVID-19 Infections	<ul style="list-style-type: none"> • Subsidy for cooperation on TMG's infection prevention (including the compensation to enterprises which accepted TMG's request to suspend their activities) • Support for hospitals to secure extra beds for patients 	885	709
II. Reinforcement of Safety Nets to Support Economics and Citizens' Activities	<ul style="list-style-type: none"> • Institutional loans for SMEs • Support for welfare fund loan system 	1,023	963
III. Compatibility of Prevention of Infections and Economic/Social Activities	<ul style="list-style-type: none"> • Support for businesses with "New Daily Life" standard applied 	21	17
IV. Plans to Stimulate the Reform in Social Scheme and overcome the issues outstanding	<ul style="list-style-type: none"> • Emergency support package for telework implementation in response to COVID-19 	55	51
Total		1,984	1,741

¹ The balances carried forward are excluded.

(2)Tokyo's Long-term Strategy

Overcome the crisis and clear a path for Tokyo's bright future

- In March 2021, TMG proudly announced **“Future Tokyo: Tokyo's Long-Term Strategy”**.
- In anticipation of changes in society and people's values through COVID-19, TMG has set the concepts of **“Structural Reform”** and **“Sustainable Recovery”** as the center of their “Future Tokyo” strategy.
- The strategy provides **Tokyo's 20 visions to be achieved in 2040s**, aiming to realize Tokyo to become a safe, beautiful, and enjoyable city leading the world with the whole nation of Japan and, enable people to shine. It is constituted of **20+1 strategies towards 2030** and **122 projects**.



<Examples of the strategies and projects>

■ Strategy 10: Smart Tokyo: TOKYO Data Highway Strategy

- Boost digital transformation, realizing a “connected Tokyo” where anyone can be connected anytime and anywhere, the creation of a system for data sharing and utilization, and digitalization of the government



■ Strategy12: Strategy for a Tokyo That Has Earning Potential and Generates Innovation

- Create the environment needed to transform Tokyo into the world's most business-friendly city where people, goods, money, and information gather from around the globe
- Project Example: **Project to realize “Global Financial City: Tokyo”**
 - Formulate **“Global Financial City: Tokyo” Vision 2.0** to advance Tokyo's status as a world-class global financial city
 - By strongly promoting **“Tokyo Green Finance Initiative,”** which is a strategic initiative to develop Tokyo's green finance ecosystem, TMG will create a virtuous cycle involving the environment and the economy from Tokyo and simultaneously promote the greenifying of Tokyo's “urban system” and “financial system,” aiming to improve the lives of Tokyo residents and achieve sustainable economic development



- On July 13th 2021, TMG announced **“Tokyo Sustainability Action”**, which outlines the TMG's initiatives and approaches for realization of the SDGs.

- This publication is based on “Future Tokyo: Tokyo's Long-Term Strategy” and has been prepared as a Voluntary Local Review (VLR), an international initiative in which local governments voluntarily review their measures and progress to achieve the SDGs, and submit a public report on the results of the review to the United Nations.



“Future Tokyo: Tokyo's Long-Term Strategy”(Japanese only): <https://www.seisakukikaku.metro.tokyo.lg.jp/basic-plan/mirainotokyo-senryaku/html5.html#page=1>

“Global Financial City: Tokyo” Vision 2.0: https://www.seisakukikaku.metro.tokyo.lg.jp/pgs/2021/10/images/kousou2_en.pdf

“Tokyo Sustainability Action”: <https://www.seisakukikaku.metro.tokyo.lg.jp/basic-plan/2021/07/images/Tokyo%20Sustainability%20Action.pdf>

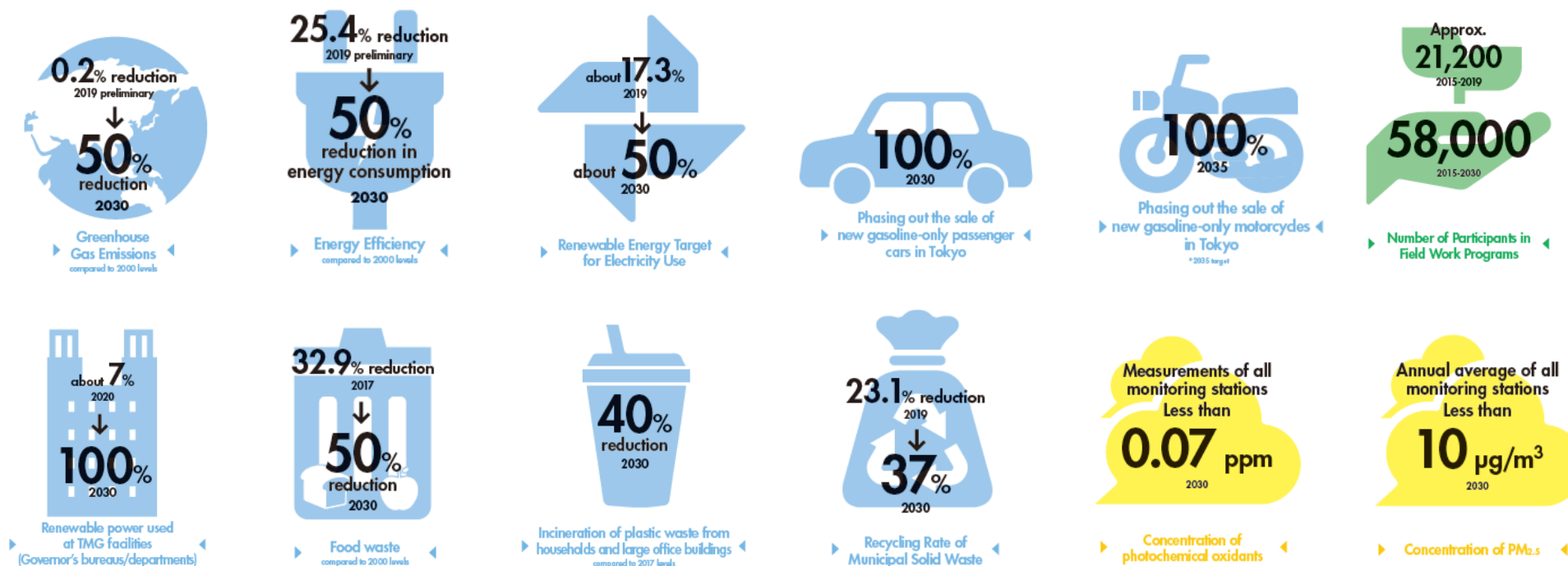
(3)TMG's Environmental Goals

TMG determines policy targets and goals to develop cutting-edge environmental and energy initiatives.

- In Dec 2019, TMG formulated “**Zero Emission Tokyo Strategy**” for contributing to **the world’s net-zero CO2 emissions by 2050**. This strategy provides visions or goals to achieve by 2050, as well as tangible measures and roadmaps.
- As a milestone to accelerate the actions, TMG has announced “**Carbon Half**” that will **halve GHG emissions by 2030**, and is advocating a new vision of social change, “**Carbon-Half Style**” toward 2030.



2030 Targets



Sources: “Zero Emission Tokyo Strategy 2020 Update & Report”, March 2021:

https://www.kankyo.metro.tokyo.lg.jp/en/about_us/zero_emission_tokyo/strategy_2020update.html

(4) TMG's Accounts

Local Governments' Ordinary Accounts

— Account Classification defined at Local Autonomy Law etc.

■ Unified Account Classification at Public Finance in Japan

General Accounts

- Fundamental accounts for TMG, which comprehensively manage cashflows for administration
- Main revenue source is tax income
- Include all types of expenditures imperative for basic operation of local governments

Special Accounts

- The Special Accounts are established for the execution of specific projects or in cases where there is a necessity for treating specific revenues and expenditures separately from the general ones
- 16 Special Accounts in total (13 out of 16 Special Accounts compose Ordinary Accounts)

Public Enterprise Accounts

- Accounts managing cashflows of financially independent public enterprises(i.e. waterworks, underground railways, hospitals, etc.)
- 11 Public Enterprise Accounts in total

(5)FY2020 Results - Ordinary Account

Ordinary Account Results

(JPY, bn)

Classification	FY2020	FY2019	Increase/ Decrease	Rate of Change
Annual Revenue	9,055	8,113	942	11.6
Metropolitan Tax	5,293	5,733	-440	-7.7
Two Corporate Taxes	1,752	2,180	-428	-19.6
National Treasury Disbursements	1,221	355	866	244.1
TMG Bonds	492	139	353	254.8
Others	2,049	1,887	162	8.6
Annual Expenditure	8,610	7,581	1,028	13.6
General Expenditure	6,596	5,222	1,373	26.3
Expenditure for Public Bond	388	406	-18	-4.4
Others	1,626	1,953	-327	-16.7
Formal Balance	445	532	-87	—
Fiscal Revenue to be carried forward	444	404	40	—
Actual Balance	1	128	-127	—

*These figures reflect the cash flows until 31st May in the following fiscal year which are attributable to the receivables and payables accrued in the relevant fiscal year.

(6)FY2020 Results - Public Enterprise Accounts

Public Enterprise Accounts Results (FY2020)

(JPY, bn)

Account	Profit/Loss Account ¹			Capital Account ²		
	Revenues	Expenditures	Current Balance	Revenues	Expenditures	Capital Balance ³
Hospitals	184	173	11	14	31	-17
Central Wholesale Market	23	34	-11	1	63	-63
Urban Redevelopment Project	0	0	0	2	2	-0
Waterfront Area Development Project	16	6	9	0	96	- 96
Port and Harbor Project	5	3	2	0	4	-4
Transportation	47	58	-11	8	12	-4
Urban Rapid Transit Railway	128	138	-10	57	111	-54
Electric Power	2	1	1	—	0	-0
Waterworks	352	324	28	23	120	-97
Industrial Waterworks	6	5	1	0	0	-0
Sewerage	387	356	31	172	358	-186

¹The profit/loss account is an account that records current revenues and expenditures relating to the operation of the business, such as fee revenues, payroll expenses, rent, operating costs, interest expenses and depreciation expenses.

²The Capital Account is an account that records capital revenues and expenditures, such as revenue from borrowings, revenue from the sale of properties, expenditures for construction and improvement and expenditures for repayment of borrowings.

³The "Capital Balance" figures in the above table do not take into account any balances transferred between fiscal years or any deficit compensations made.

(7)Key Financial Indicators and the Ratios

Ratio	Details	Results (%)					
		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Ordinary Balance Ratio	Ordinary Balance Ratio is the ratio of the "general revenue sources for the ordinary expenses (such as personnel expenses and bond expenses)" to the "total of ordinary general revenue sources (such as the Metropolitan taxes and local debt with some exceptions)", which indicates flexibility of fiscal structure. For the purpose of calculating the weighted average of all prefectures, "special share of revenue decrease compensation loans" and "extraordinary financial measures loans" are not included in the ordinary general revenue sources.	81.5	79.6	82.2	77.5	74.4	84.9
		(102.7)	(102.3)	(103.0)	(100.7)	(99.8)	—
Ratio of Bond Expenses Burden	Ratio of Bond Expenses Burden is the ratio of the "general revenue sources for Bond Expenses" to the "general revenue sources", which indicates fiscal burden level of Bond Expenses by showing the amount of the general revenue sources appropriated to Bond Expenses.	8.2	7.3	8.5	6.8	5.6	5.3
		(18.7)	(18.4)	(18.6)	(18.2)	(17.7)	—
Financial Capability Index	Financial Capability Index is an average over three fiscal years (including the fiscal year indicated) of standard financial revenue (being an amount calculated in accordance with the Local Allocation Tax Act of Japan (Act No. 211 of 1950, the "Local Allocation Tax Act") as being a certain proportion of standard tax revenues) divided by standard financial needs (being the annual amount of expenditure estimated to be required for a local authority to perform its administrative affairs at a reasonable level, as calculated in accordance with the Local Tax Allocation Act).	1.003	1.101	1.162	1.179	1.177	1.150
		(0.49)	(0.51)	(0.52)	(0.52)	(0.52)	—
Real Debt Payment Ratio	Real Debt Payment Ratio is the ratio of the "general revenue resources appropriated to pay off bonds" to the "standard financial scale". The term "standard financial scale" denotes the scale of ordinary general revenue sources which would normally be raised or received by the relevant local authority under normal conditions (being the total of the standard tax revenue and ordinary local allocation tax).	1.3	1.5	1.6	1.5	1.5	1.4
		(12.7)	(11.9)	(11.4)	(10.9)	(10.5)	—
Future Burden Ratio	Future Burden Ratio is the ratio of the "future debts including those of the public-private joint sector as well as expected future debts on the General Account" to the "standard financial scale".	32.1	19.8	12.5	22.7	23.6	24.2
		(175.6)	(173.4)	(173.1)	(173.6)	(172.9)	—

* In the table, top line figures indicate those of TMG and the bottom line figures in parenthesis indicate simple or weighed average of all prefectures.

Source: White Paper on Local Public Finance, Outline of the Ratio for Determining Soundness and Financial Shortfall Ratio based on fiscal 2015 to 2019 account settlements (each published by Ministry of Internal Affairs and Communications).

Contact / IR Document Link

■ Address:	Budget Division, Bureau of Finance Tokyo Metropolitan Government 8-1 Nishi-Shinjuku 2-Chome Shinjuku-ku, Tokyo, 163-8001, Japan
■ E-mail Address:	S0000063@section.metro.tokyo.jp
■ IR Document Link:	http://www.zaimu.metro.tokyo.jp/bond/en/ir_library/ir_library.html

- This data has been prepared to provide information to investors regarding the financial position of the TMG. It is not intended for sales purposes or as an offer to subscribe to a certain issue
- This material has been prepared using various types of data believed to be reliable at the time. However, this is not a guarantee of its accuracy and completeness. Moreover, while future outlooks and projections indicated in this data are at present believed to be appropriate for the TMG within the scope presented here, this is not a promise of their being realized in the future
- The main points of the data presented here may be at odds with other reports published elsewhere or which may be published in the future. Investors are asked to make their own judgments when using this material
- Copyrights for the photographs used on the cover of this presentation are held by the TCVB

