

Reference Material

Tokyo Metropolitan Government Annual Financial Report

Fiscal Year 2012

This is a provisional English version of Fiscal Year 2012 Tokyo Metropolitan Government Annual Financial Report.

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1. Fiscal Year 2012 Tokyo Metropolitan Government Settlement of the Ordinary Account and Various Indicators

The following is a settlement report of the fiscal year 2012 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 2012 Summary of Financial Results

[1] Revenues and Expenses

- The actual balance of revenues and expenses for fiscal year 2012 was nearly balanced.
- The ordinary balance ratio stood at 92.7%.
- In order to deal with the challenges of the metropolitan government while appropriately responding to changes in future social and economic conditions, it is important to continue ensuring financial soundness by conducting constant and thorough reviews of both revenues and expenses.

<Fiscal Year 2012 Settlement Results>

(in billion yen, %)

Item	FY2012	FY2011	Change in amount	Percentage of change
Total annual revenues (A)	6,233.0	6,247.4	(14.4)	(0.2)
Total annual expenses (B)	6,041.8	6,078.8	(37.1)	(0.6)
Proforma balance (C=A-B)	191.2	168.5	22.7	-
Fiscal revenues to be carried forward(D)	190.6	168.1	22.5	-
Actual balance (C-D)	0.6	0.4	(0.2)	-
Ordinary balance ratio	92.7	95.2	-	-

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

While total annual revenues amounted to 6,233.0 billion yen, total annual expenses were 6,041.8 billion yen, with a proforma balance resulting in 191.2 billion yen. The actual balance, calculated by subtracting fiscal revenues to be carried forward from the proforma balance, was a surplus of 0.6 billion yen, and revenues and expenses were almost balanced for five consecutive years after fiscal year 2008. This is because the financial base was strengthened by utilizing increased metropolitan tax revenues etc. and restricting the reversal of funds.

[2] Main features

<Annual Revenues>

(in billion yen, %)

Item	FY2012		FY2011		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
Metropolitan taxes	4,257.1	68.3	4,149.8	66.4	107.3	2.6
Two corporate taxes	1,346.4	21.6	1,233.9	19.8	112.5	9.1
National treasury disbursements	395.5	6.3	440.0	7.0	(44.5)	(10.1)
TMG bonds	341.3	5.5	457.2	7.3	(115.9)	(25.4)
Others	1,239.2	19.9	1,200.5	19.2	38.7	3.2
Total revenues	6,233.0	100.0	6,247.4	100.0	(14.4)	(0.2)

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

- Metropolitan tax revenues increased by 2.6% or 107.3 billion yen in total compared to the previous fiscal year because two corporate taxes increased due to a recovery in corporate profits boosted by reconstruction demand from the Great East Japan Earthquake.
- National treasury disbursements decreased by 10.1% or 44.5 billion yen compared to the previous fiscal year due to decrease in social capital improvement fund and ordinary construction expenses disbursements while the regional autonomy strategic grant increased.
- TMG bonds decreased by 25.4% or 115.9 billion yen compared to the previous fiscal year as a result of their planned utilization in light of the financial condition and future financial burdens.
- "Others" increased by 3.2% or 38.7 billion yen compared to the previous fiscal year mainly because local corporation special transfer taxes increased by 83.1 billion yen while transfer to the fiscal adjustment fund decreased by 71.6 billion yen resulting from the restriction of its reversals.

<Annual Expenses>

(in billion yen, %)

Item	FY2012		FY2011		Change in amount	Percentage of change
	Amount	% of total	Amount	% of total		
General expenses	4,377.6	72.5	4,450.0	73.2	(72.4)	(1.6)
Personnel expenses	1,468.2	24.3	1,487.9	24.5	(19.7)	(1.3)
Investment expenses	738.6	12.2	776.1	12.8	(37.4)	(4.8)
Others	2,170.8	35.9	2,186.1	36.0	(15.3)	(0.7)
Expenses for public bonds	524.9	8.7	529.4	8.7	(4.6)	(0.9)
Tax-related expenses etc.	1,139.3	18.9	1,099.4	18.1	39.9	3.6
Total expenses	6,041.8	100.0	6,078.8	100.0	(37.1)	(0.6)

Note: General expenses represent those excluding expenses for public bonds and tax-related expenses (allocation of a certain percentage of local consumption tax grants etc. to municipal authorities).

- In general expenses, personnel expenses dropped by 1.3% or 19.7 billion yen compared to the last fiscal year. This is largely attributable to a decrease in staff salaries through salary reduction reforms and the review of the housing allowance system, and decline in retirement allowances through the review of the retirement allowance system.
- In general expenses, investment expenses decreased by 4.8% or 37.4 billion yen compared to the last fiscal year mainly due to a decrease in subsidized operating expenses such as street maintenance expenses.
- “Others” in general expenses decreased by 0.7% or 15.3 billion yen from the last fiscal year largely due to a significant decrease in expenses for subsidized housing supply projects despite an increase in social welfare allowances etc. such as metropolitan contribution to national health insurance and elderly care insurance.
- Expenses for public bonds declined by 0.9% or 4.6 billion yen from the last fiscal year, mainly due to decrease in redemption funds for principal and interest.
- Tax-related expenses increased by 3.6% or 39.9 billion yen from the last fiscal year. This is largely because fiscal adjustment grants for special wards increased by 18.5 billion yen in tandem with an increase in metropolitan tax revenues and fiscal adjustment fund reserved increased by 18.9 billion yen.

[3] Fiscal Indices

(i) Ordinary balance ratio

- **The ordinary balance ratio, which represents fiscal flexibility was 92.7%, an improvement of 2.5%, from 95.2% in fiscal year 2011.**
- **This was mainly because staff salaries decreased for 10 consecutive years and metropolitan tax revenues increased for the first time in five years while social welfare allowances etc. such as metropolitan contribution to national health insurance and elderly care insurance increased.**

<Changes in Ordinary Balance Ratio>

(%)

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

Note: Ordinary balance ratio = (General revenues sources for appropriation in ordinary expenses) / (Ordinary general revenues sources) x 100 (%)

(ii) Ratio of expenses for public bonds

- **The ratio of expenses for public bonds, which is an indicator of the scale of the fiscal burden on public bonds, was 9.8%, an improvement of 0.4% from 10.2% in the fiscal year 2011.**

<Changes in the Ratio of Expenses for Public Bonds>

(%)

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

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

(iii) Current TMG bonds balance

- **The current balance of TMG bonds (ordinary account bonds) was 5,710.3 billion yen, which represents a decrease of 1.2% or 72.2 billion yen from the fiscal year 2011.**

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

(in billion yen)

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

Note: Current TMG bonds balance in the ordinary account settlement excludes the amount set aside in the sinking fund as scheduled redemption equivalent to finance the bullet maturity amortization of public offering and the private placement bonds, and therefore does not coincide with the amount stated for TMG bonds in the balance sheet.

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

The Law on the Fiscal Consolidation of Local Governments (hereinafter, the Fiscal Consolidation Law) requires local governments to calculate the ratios related to financial health, receive inspection of the results by the audit committee, report the results to the assembly, and announce the results to residents on an annual basis.

Various ratios for the Tokyo Metropolitan Government, calculated based on fiscal year 2012 financial results and in accordance with the said law, are as shown below:

Ratios provided for in the Law on the Fiscal Consolidation of Local Governments (Article 3 and 22)

Real deficit ratio	Consolidated real deficit ratio	Real debt payment ratio	Future burden ratio	Capital shortage ratios
— % (No deficit)	— % (No consolidated real deficit)	1.0%	85.4%	— % (No capital shortage)
(Reference) Early consolidation standard: 5.69% Fiscal reconstruction standard: 8.87%	(Reference) Early consolidation standard: 10.69% Fiscal reconstruction standard: 18.87%	(Reference) Early consolidation standard: 25% Fiscal reconstruction standard: 35%	(Reference) Early consolidation standard: 400% —	(Reference) For every public enterprise account Management consolidation standard: 20%

Note: The early consolidation standard and the fiscal reconstruction standard are the criteria for judging whether a local government needs to improve its fiscal position.

If any of the ratios used to judge the restoration of financial health of a local government (real deficit ratio, consolidated real deficit ratio, real debt payment ratio and future burden ratio) is equal to or greater than its corresponding early consolidation standard, such local government shall formulate a plan to consolidate its financial health. If any of the ratios used to judge a local government's financial reconstruction (real deficit ratio, consolidated real deficit of debts, real debt payment ratio) is equal to or greater than its corresponding fiscal reconstruction standard, such local government shall formulate fiscal reconstruction plan.

(i) Real deficit ratio

- **The real deficit ratio represents the ratio of the actual deficit (or negative actual balance) in the general account etc., to the standard financial scale. This ratio shows how much of the financial scale for a single fiscal year is accounted for by real deficit.**
- **Since there is no deficit, the real deficit ratio for this fiscal year is not shown.**

■ Note: Calculating formula of real deficit ratio

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

(ii) Consolidated real deficit ratio

- The consolidated real deficit ratio represents the ratio of consolidated real deficit (which is obtained by adding the real deficit in the general account etc., and fund shortage in the public enterprise accounts) to the standard financial scale. This shows the sum total of debt for all accounts on a single-year basis.
- Since there is no consolidated deficit, the consolidated real deficit ratio for this fiscal year is not shown.

Note: Calculating formula of consolidated real deficit ratio

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

(iii) Real debt payment ratio

- The real debt payment ratio represents the ratio of the amount corresponding to expenses for public bonds of general revenues sources etc., to the standard financial scale.
- Real debt payment ratio for fiscal year 2012 was 1.0%.
- Also, with regard to calculation of real debt payment ratio, it does not reflect the actual condition of TMG which is not a receiver of local allocation taxes, as not only standard fiscal scale which is the denominator includes issuable amount of temporary financial countermeasure bonds that TMG has never issued, but also the denominator and numerator excludes the amount of tax allocation relating to the redemption funds for principal and interest / the quasi-redemption funds for principal and interest.

Notes: 1. Calculating formula of real debt payment ratio

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

2. If its real debt payment ratio is 18% or more, a local government cannot issue bonds without permission of the Minister of Internal Affairs and Communications on condition that it formulates a plan to optimize the burden of its expenses for public bonds.

<Changes in the Real Debt Payment Ratio>

(%)

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

Note: Since the calculation method was revised in FY2007, the "city planning tax" has been included in the revenues source for expenses for public bonds. The ratios in brackets represent values calculated by the former standard used in FY2006 and before.

(iv) Future burden ratio

- The future burden ratio represents the ratio of future burden expected in the general account etc., including the current balance of TMG bonds, expenses estimated following debt burden, projected retirement benefit burden, and debts of public corporations and debts of the third sector public/private enterprises etc. whose losses TMG provides compensation for, to the standard financial scale.
- Future burden ratio was 85.4% an improvement of 7.3% from fiscal year 2011. This is mainly because future burdens decreased following the review of the retirement allowance system.
- Meanwhile, this ratio does not represent the actual fiscal condition of TMG because it does not include demands for the future renewal of social capital stock etc., and deducts the estimated amount of the local allocation taxes which is not actually granted to TMG.
- Given the above, TMG needs to continue accurately recognizing the burden on future generations and maintaining a sustainable financial base in a mid- to long-term perspective.

Note: Calculating formula of future burden ratio

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

<Changes in the Future burden ratio>

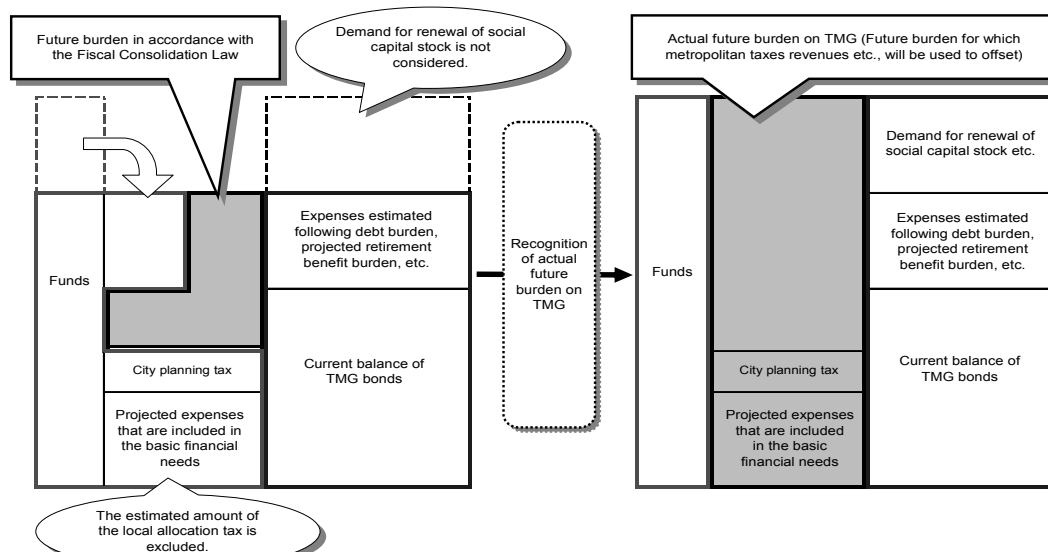
(%)

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

Concept of Future Burden

< Future burden in accordance with the Fiscal Consolidation Law >

< Actual future burden on TMG >



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

Notes: 1. Calculating formula of capital shortage ratios

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

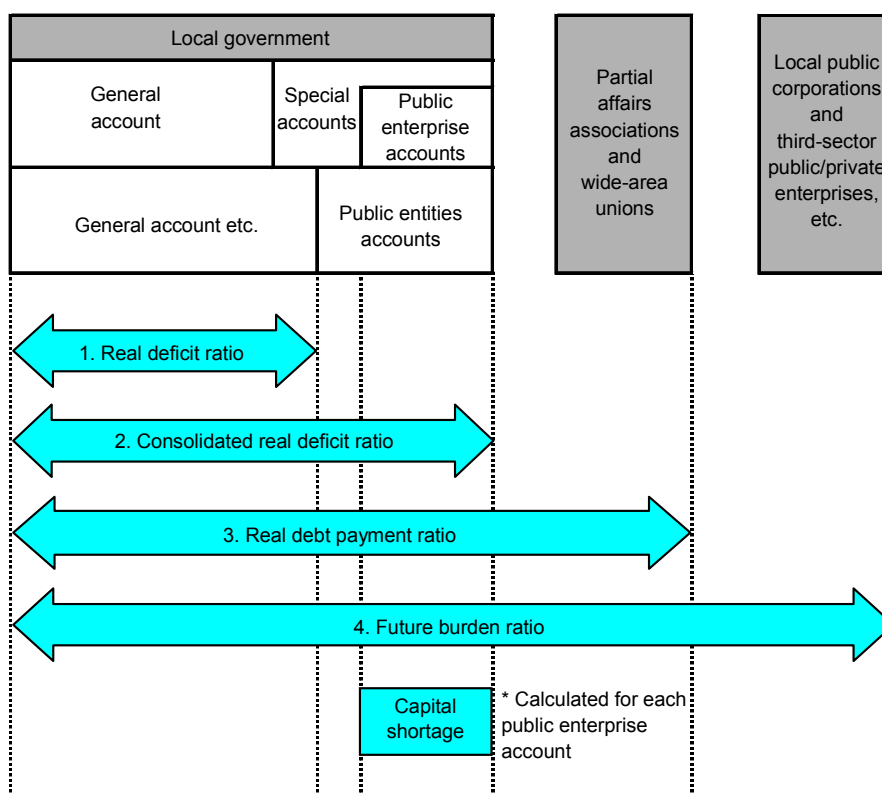
2. Accounts of TMG for which the capital shortage ratios, if any, are stated.

Hospitals, Central Wholesale Market, Urban Redevelopment Project, Waterfront Area Development Project, Port and Harbor Project, Transportation, Urban Rapid Transit Railway, Electric Power, Waterworks, Industrial Waterworks, Sewerage, and Slaughterhouse (total 12 accounts)

Scope in Application of Ratios to Judge Fiscal Consolidation

The scope in application of the ratios used to judge the fiscal consolidation is as shown below.

It includes the general account etc. (almost the same as those under the ordinary account) and the public entities accounts, partial affairs associations, wide-area unions, local public corporations, third-sector public/private enterprises, and other expenses in the general account for public related entities.



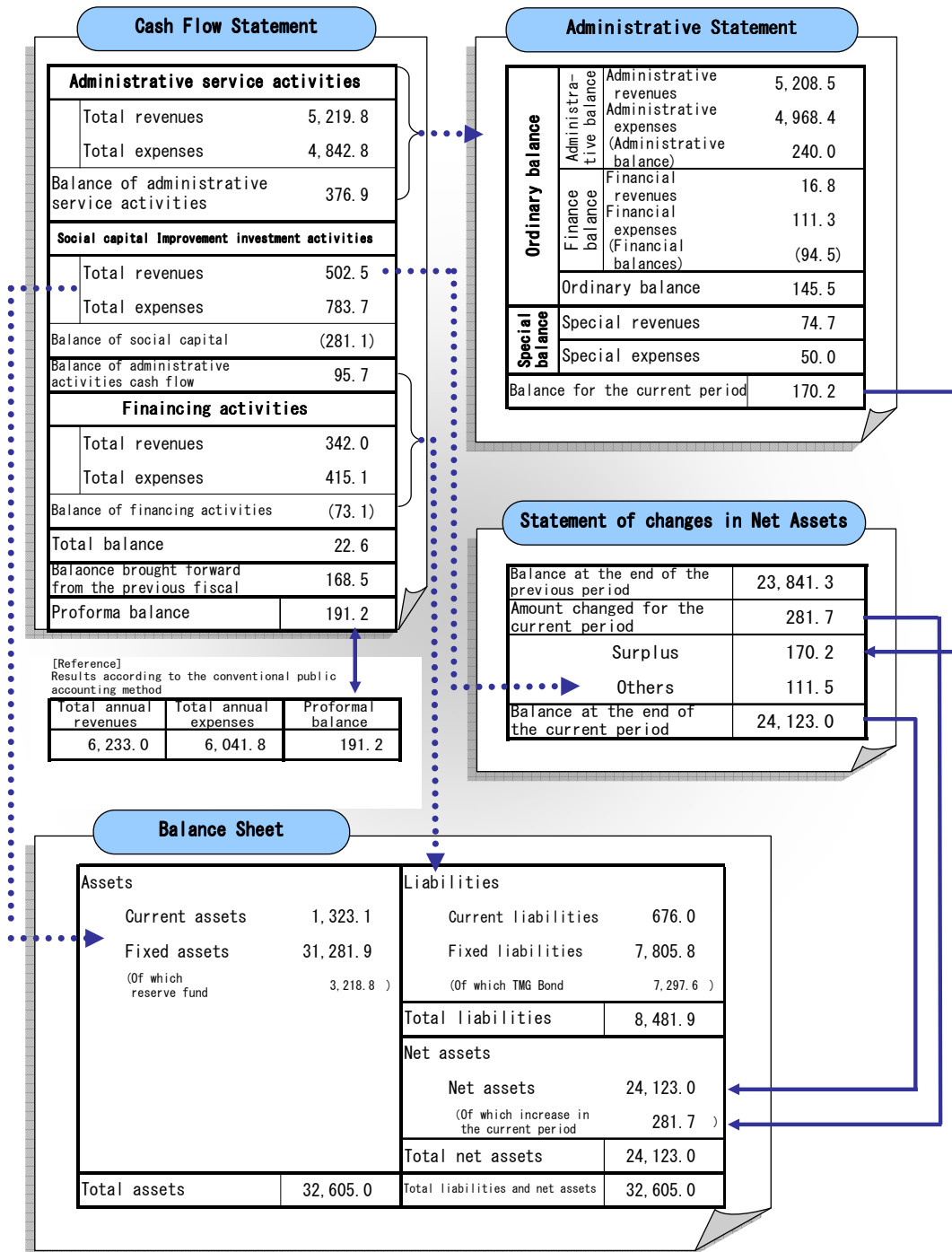
(2) Analysis Based on New Public Accounting Procedures

[1] Summary of Financial Statements

- TMG's financial statements consist of four tables: the "Balance Sheet", the "Administrative Cost Statement", the "Cash Flow Statement" and the "Statement of Changes in Net Assets". TMG provides "Administrative Cost Statement" in place of the "Profit and Loss Statement" and also provides "Statement of Changes in Net Assets" in place of "Statement of Change in Shareholders' Equity." This is because TMG is not a profit-making organization. TMG's finances in fiscal year 2012, 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 2012 increased from the previous fiscal year to 32,605.0 billion yen (32,296.0 billion yen as of the end of fiscal year 2011), while liabilities increased to 8,481.9 billion yen (8,404.2 billion yen as of the end of fiscal year 2011). In assets, the balance of fund reserves increased 103.1 billion yen from the previous fiscal year to 3,218.8 billion yen, and in liabilities, the balance of TMG bonds increased 18.2 billion yen to 7,297.6 billion yen. The ratio of liabilities to assets is 26.0%, remained about the same level as the end of the previous fiscal year.
- The administrative cost statement indicates that the balance for the current period stood at 170.2 billion yen (56.7 billion yen in fiscal year 2011), and revenues continued to exceed expenses.
- In the balance for administrative activities cash flow in the cash flow statement, revenues exceeded expenses by 95.7 billion yen. In the balance for financing activities cash flow, expenses exceeded revenues by 73.1 billion yen, but in the pro forma balance, found by adding the balance brought forward from the previous fiscal year to the total balance, revenues exceeded expenses by 191.2 billion yen.
- The statement of changes in net assets shows that net assets increased 281.7 billion yen, in tandem with progress in social capital improvements. Given these factors, it may be said TMG's financial soundness is maintained.

Relationship Between Financial Statements

(in billion yen)



Note: The diagram shown above is an image provided for easier understanding of the relationship between the financial statements. While the cash flow statement shows the amounts that were recorded at the time of actual payment and receipt of cash, the administrative cost statement and others indicate the amounts that were recorded at the time revenues recognized. For such reasons, the amounts on the respective statements do not necessarily match those stated in the corresponding items.

[2] Balance Sheet

The balance sheet is to be compiled to give a clear picture of the status of TMG's assets, liabilities, and net assets as of March 31 (however, this includes the variation during the settlement period). In the balance sheet, the amount of assets, such as land and buildings, is equal to the total of liabilities, such as TMG bonds and borrowings, and net assets.

<Balance Sheet>

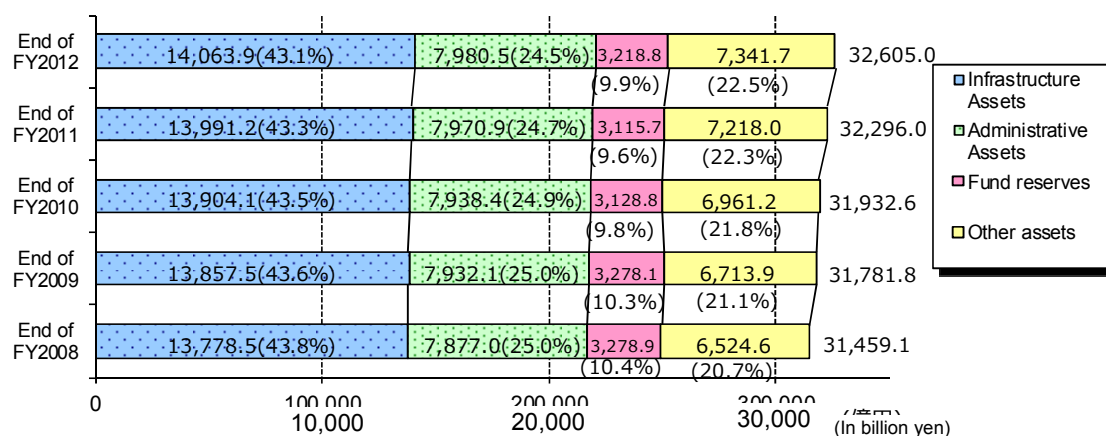
(in billion yen, %)

Item	FY2012	FY2011	Change in amount	Percentage of change
Assets				
I Current assets	1,323.1	1,056.4	266.6	25.2
Cash and deposits	192.7	167.6	25.0	14.9
Funds reserved	887.5	643.7	243.8	37.9
Others	242.8	245.0	(2.2)	(0.9)
II Fixed assets	31,281.9	31,239.6	42.3	0.1
Administrative assets	7,980.5	7,970.9	9.5	0.1
Infrastructure assets	14,063.9	13,991.2	72.6	0.5
Funds reserved	2,331.2	2,471.9	(140.6)	(5.7)
Others	6,906.1	6,805.3	100.8	1.5
Total assets	32,605.0	32,296.0	308.9	1.0
Liabilities				
I Current liabilities	676.0	338.6	337.3	99.6
TMG bonds	594.4	332.9	261.4	78.5
Others	81.6	5.7	75.9	greatly-increased
II Fixed liabilities	7,805.8	8,065.5	(259.6)	(3.2)
TMG bonds	6,703.2	6,946.4	(243.2)	(3.5)
Others	1,102.6	1,119.0	(16.4)	(1.5)
Total liabilities	8,481.9	8,404.2	77.7	0.9
Total net assets	24,123.0	23,891.8	231.2	1.0
Total liabilities and net assets	32,605.0	32,296.0	308.9	1.0

- Assets as of the end of fiscal year 2012 increased by 308.9 billion yen from the end of the previous fiscal year to 32,605.0 billion yen, while liabilities increased by 77.7 billion yen from previous fiscal year to 8,481.9 billion yen. As a result, net assets increased by 231.2 billion yen to 24,123.0 billion yen.

- In assets, the total increase in 308.9 billion yen consists of a 266.6 billion yen increase in current assets and 42.3 billion yen increase in fixed assets from the previous fiscal year. Total assets increased consecutively since fiscal year 2006, when TMG began preparing annual financial reports.
- The increase in current assets reflects a 25.0 billion yen increase in cash and deposits and a 224.5 billion yen increase in the sinking fund appropriated to TMG bonds with its due within one year.
The increase in fixed assets is mainly due to a 54.3 billion yen increase in ordinary assets, a 72.6 billion yen increase in infrastructure assets, and a 55.1 billion yen increase in investments in public enterprise accounts despite a 134.8 billion yen decrease in the sinking fund appropriated to TMG bonds with its due later than one year.
- Assets consist of current assets of 1,323.1 billion yen, accounting for 4.1% (1,056.4 billion yen, accounting for 3.3% as of the end of the previous fiscal year) and fixed assets of 31,281.9 billion yen, accounting for 95.9% (31,239.6 billion yen, accounting for 96.7% as of the end of the previous fiscal year). As illustrated in Figure 1 below, infrastructure assets and administrative assets was 14,063.9 billion yen, accounting for 43.1%, (13,991.2 billion yen and 43.3% as of the end of the previous fiscal year) and 7,980.5 billion yen, accounting for 24.5%, (7,970.9 billion yen and 24.7% as of the end of previous fiscal year), respectively, of total assets, reaching approximately 70% when combined. In addition, funds reserved of current assets and fixed assets combined show an increase of 103.1 billion yen from the end of the previous fiscal year to 3,218.8 billion yen, which corresponds to 9.9% of total assets (3,115.7 billion yen corresponding to 9.6% of total assets as of the end of the previous fiscal year).

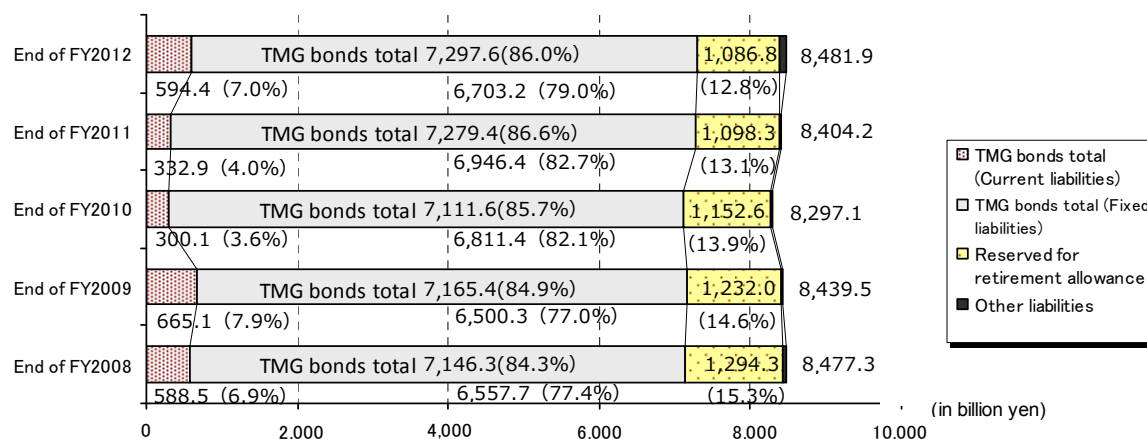
[Figure 1] Changes in Composition of Assets



- In liabilities, total liabilities went up by 77.7 billion yen from the end of the previous fiscal year, reflecting a 337.3 billion yen increase in current liabilities and a 259.6 billion yen decrease in fixed liabilities.
- The increase in current liabilities is primarily due to a 261.4 billion yen increase in TMG bonds with its due within one year.
The decrease in fixed liabilities is largely attributable to a 243.2 billion yen decrease in TMG bonds with its due later than one year and an 11.4 billion yen decrease in reserve for retirement allowances.

- Liabilities consist of current liabilities was 676.0 billion yen, accounting for 8.0% (338.6 billion yen and 4.0% as of the end of the previous fiscal year) and fixed liabilities was 7,805.8 billion yen, accounting for 92.0% (8,065.5 billion yen and 96.0% as of the end of the previous fiscal year). As illustrated in Figure 2 below, TMG bonds including fixed liabilities and current liabilities account for over 85%. The balance of TMG bonds including fixed liabilities and current liabilities increased 18.2 billion yen from the end of the previous fiscal year to 7,297.6 trillion yen.

[Figure 2] Changes in Composition of Liabilities



- The ratio of liabilities to assets as of the end of fiscal year 2012 was 26.0%, remained at the same level as the end of the fiscal year.

<Ratio of Liabilities to Assets>

(in billion yen, %)

Item	FY2008	FY2009	FY2010	FY2011	FY2012
Total liabilities (A)	8,477.3	8,439.5	8,297.1	8,404.2	8,481.9
Total Assets (B)	31,459.1	31,781.8	31,932.6	32,296.0	32,605.0
Ratio of liabilities to assets (A)/(B) X 100	26.9	26.6	26.0	26.0	26.0

- Total net assets, which represent the difference of assets and liabilities, were 24,123.0 billion yen, an increase of 232.1 billion yen from 23,891.8 billion yen at the end of the previous fiscal year. Net assets have increased since fiscal year 2006.

[3] Administrative Cost Statement

The administrative cost statement is compiled to recognize “expenses” arising from administrative services activities provided by TMG during a single accounting period on an accrual basis and clarify the corresponding relationship between “expenses” and the “revenues” and the difference between the two (hereinafter, “the balance”). A surplus in the balance for the current period in the administrative cost statement indicates that the expenses arising from administrative services provided during the period were basically paid within the revenues such as tax revenues of the same period.

In contrast to settlement based on cash revenues and expenses, using a cash receipt and disbursement method under conventional governmental accounting, costs without cash expenses such as depreciation expenses and transfer to reserve are included under expenses in the administrative cost statement. Investments necessary for formation of assets such as buildings and structures to be used over a long period are not recognized as administrative cost for the current fiscal year, in principle, but counted as expenses for the relevant accounting period by recording depreciation expenses in the administrative cost statement.

<Administrative Cost Statement>

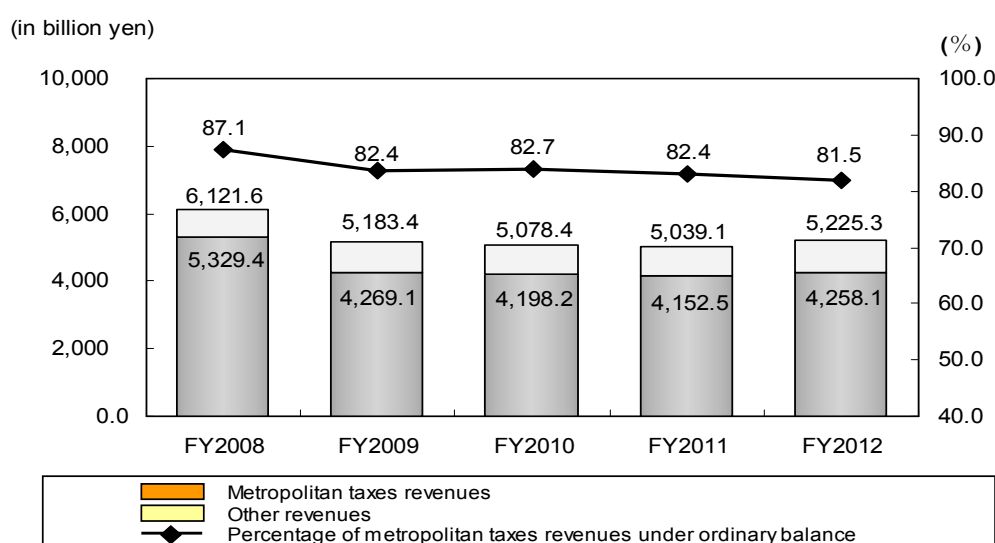
(in billion
yen, %)

Item	FY2012	FY2011	Changes in amount	Percentage of change
Ordinary Balance				
I Administrative balance				
Administrative revenues	5,208. 5	5,021. 7	186.7	3.7
Local taxes	4,258. 1	4,152. 5	105.6	2.5
Local transfer taxes	285.4	202.3	83.0	41.0
National treasury disbursements	281.9	290.3	(8.3)	(2.9)
Fees and charges	140.5	140.7	(0.1)	(0.1)
Other	242.3	235.7	6.6	2.8
Administrative expenses	4,968. 4	4,871. 7	96.6	2.0
Tax-related expenses	1,142. 2	1,121. 3	20.9	1.9
Payroll-related expenses	1,356. 7	1,374. 4	(17.7)	(1.3)
Allowances	1,034. 5	1,026. 6	7.9	0.8
Investment expenses	387.2	376.6	10.5	2.8
Other	1,047. 5	972.6	74.9	7.7
II Financial balance				
Financial revenues	16.8	17.4	(0.5)	(2.9)
Financial expenses	111.3	112.1	(0.7)	(0.6)
Ordinary balance	145.5	55.2	90.3	-
Special Balance				
Special revenues	74.7	27.2	47.4	174.3
Special expenses	50.0	25.8	24.2	93.8
Balance for the current period	170.2	56.7	113.5	-

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

- With regard to the administrative balance, administrative revenues were 5,208.5 billion yen, an increase of 186.7 billion yen from the previous fiscal year (5,021.7 billion yen). This is mainly because metropolitan tax revenues increased due to strong domestic demand backed by reconstruction demand from the Great East Japan Earthquake, and local transfer taxes increased from the rise in local corporation special transfer taxes. Meanwhile, administrative cost was 4,968.4 billion yen (4,871.7 billion yen in the previous fiscal year), an increase of 96.6 billion yen from the previous fiscal year mainly due to a 20.9 billion yen increase in tax-related expenses and a 39.7 billion yen increase in reserve for retirement allowances.
- As to the financial balance, financial revenues and expenses were 16.8 billion yen and 111.3 billion yen, an decrease of 0.5 billion yen and 0.7 billion yen from the previous fiscal year, respectively.
- Total revenues in the ordinary balance, which is the sum of administrative revenues and financial revenues, were 5,225.3 billion yen, an increase of 186.2 billion yen from the previous fiscal year.
Of the total revenues, metropolitan tax revenues accounted for 81.5% (compared with 82.4% for the previous fiscal year).

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



- Total expenses in the ordinary balance, which is the sum of administrative expenses and financial expenses, stood at 5,079.8 billion yen, 95.8 billion yen increase from the previous fiscal year.
Of the total expenses, payroll-related expenses accounted for 26.7% (compared with 27.6% in the previous fiscal year), tax-related expenses, 22.5% (22.5% in the previous fiscal year), and allowances, etc., 20.4% (20.6% in the previous fiscal year).
- Meanwhile, in order to see the efficiency of TMG administrative services we examined the percentage of personnel costs to total costs which decreased 0.1% to 29.3% from 29.4% in the previous fiscal year.

<Percentage of Personnel Cost to Total Cost>

(in billion yen, %)

Item	FY2008	FY2009	FY2010	FY2011	FY2012
Payroll-related expenses + Transfer to reserve for retirement allowance (A)	1,518.8	1,491.1	1,466.4	1,464.9	1,486.9
Administrative expenses + Financial expenses (B)	5,041.2	5,069.4	4,931.2	4,983.9	5,079.8
Percentage of personnel cost (A) / (B) X100	30.1	29.4	29.7	29.4	29.3

- Ordinary balance, which represents the difference of total revenues and total expenses in the ordinary balance, stood at 145.5 billion yen in net revenues, a 90.3 billion yen increase from 55.2 billion yen in net revenues for the previous fiscal year.
- Special revenues in the special balance section increased by 47.4 billion yen to 74.7 billion yen from the previous fiscal year (27.2 billion yen in the previous fiscal year), while special expenses increased by 24.2 billion yen to 50.0 billion yen (25.8 billion yen in the previous fiscal year).
- The balance for the current period, which is obtained by incorporating the special balance into the ordinary balance, was 170.2 billion yen in net revenues (56.7 billion yen in the previous fiscal year) an increase of 113.5 billion yen from the previous fiscal year. This balance of 170.2 billion yen is reflected in the increase in net assets on the balance sheet.

[4] Cash Flow Statement

The cash flow statement is prepared to categorize the cash flow of finances according to “administrative services activities”, “social capital improvement investment”, and “financing activities”, and to indicate the status of their current cash revenues and cash expenses. The balance of administrative service activities indicates the difference in revenues and expenses accompanying the delivery of ordinary administrative services, and the balance of social capital improvement investment activities indicates the difference in revenues and expenses accompanying the formation of fixed assets and others. The balance of administrative activities cash flow is the combination of these two balances.

The proforma revenues and expenses by the conventional public accounting method (see page 1) is the sum of the balance of administrative activities cash flow, the balance of financing activities and the balance brought forward from the previous fiscal year.

<Cash Flow Statement>

(in billion yen, %)

Item	FY2012	FY2011	Change in amount	Percentage of change
Administrative service activities				
Total revenues	5,219.8	5,033.1	186.6	3.7
Tax revenues etc.	4,548.2	4,377.1	171.1	3.9
Others	671.5	656.0	15.4	2.3
Total expenses	4,842.8	4,861.4	(18.5)	(0.4)
Tax-related expenses	1,142.2	1,121.3	20.9	1.9
Administrative expenses	3,588.5	3,627.2	(38.7)	(1.1)
Others	112.1	112.9	(0.8)	(0.7)
Balance of administrative service activities	376.9	171.6	205.2	-
Social capital improvement investment activities				
Total revenues	502.5	596.8	(94.2)	(15.8)
Total expenses	783.7	797.7	(14.0)	(1.8)
Social capital improvement expenses	317.4	354.8	(37.4)	(10.5)
Fund reserve	125.5	69.4	56.0	80.7
Others	340.7	373.3	(32.6)	(8.7)
Balance of social capital improvement activities	(281.1)	(200.8)	(80.2)	-
Balance of administrative services cash flow	95.7	(29.2)	124.9	-
Financial activities				
Revenues from financing activities	342.0	458.8	(116.8)	(25.5)
TMG bonds	342.0	458.8	(116.8)	(25.5)
Expenses related to financing activities	415.1	419.5	(4.4)	(1.0)
Expenses for public bonds (principal)	413.4	417.2	(3.7)	(0.9)
Others	1.6	2.3	(0.6)	(26.1)
Balance of financing activities	(73.1)	39.3	(112.4)	-
Total balance	22.6	10.1	12.5	-
Balance brought forward from the previous year	168.5	158.4	10.1	-
Proforma balance	191.2	168.5	22.6	-

- The balance of administrative service activities was 376.9 billion yen in net revenues, an increase of 205.2 billion yen from 171.6 billion yen in net revenues for the previous fiscal year. This is largely attributed to 186.6 billion yen of increase in total revenues due to increase of 171.1 billion yen in tax revenues.
- The balance of social capital improvement investment was 281.1 billion yen in net expenses, an 80.2 billion yen increase from 200.8 billion yen in net expenses for the previous fiscal year. This is because total revenues decreased by 94.2 billion yen mainly due to decrease of 34.0 billion yen in national treasury disbursement etc. and decrease of 96.6 billion yen of decrease in funds transferred.
- As a result, the balance of administrative service activities cash flow, which is obtained by combining the balance of administrative service activities and the balance of social capital improvement investment activities, stood at 95.7 billion yen in net revenues, an increase of 124.9 billion yen from 29.2 billion yen in net expenses for the previous fiscal year.
- In financing activities, the redemption expenses of TMG bonds (expenses for public bonds (principal)) decreased 3.7 billion yen from the previous fiscal year to 413.4 billion yen, while the revenue raised through the issuance of TMG bonds amounted to 342.0 billion yen, a 116.8 billion yen decrease from the previous fiscal year. Accordingly, the balance of financing activities was 73.1 billion yen in net expenses (39.3 billion yen in net revenues for the previous fiscal year.)
- The total balance, which is obtained by combining balance of administrative service activities cash flow and balance of financing activities, was 22.6 billion yen in net revenues (10.1 billion yen in net revenues for the previous fiscal year,) and the proforma balance, found by adding the balance brought forward from the previous fiscal year of 168.5 billion yen to this total balance, came to 191.2 billion yen.

[5] Statement of Changes in Net Assets

The statement of changes in net assets is compiled to clearly indicate the changes in net asset items in the balance sheet during a single accounting period.

<Statement of Changes in Net Assets>

(in billion yen)

Item	Net Assets			Total
	Opening balance equivalent	National treasury disbursements	Others	
Balance at the end of the previous period	19,021.8	809.7	4,009.7	23,841.3
Amount changed for the current period	-	112.1	169.6	281.7
Balance for the current period	-	-	170.2	170.2
Others	-	112.1	(0.6)	111.5
Balance at the end of the current period	19,021.8	921.8	4,179.3	24,123.0

- At the end of fiscal year 2012, net assets stood at 24,123.0 billion yen, an increase of 281.7 billion yen from 23,841.3 billion yen in the previous fiscal year. The increase is due primarily to a rise in national treasury disbursements for balance for the current period and social capital improvement etc.
In the amount changed for the current period in net assets, the balance for the current period coincides with the balance for the current period in the administrative cost statement.

[Analysis of TMG's Finances] -Financial Management in FY2012-

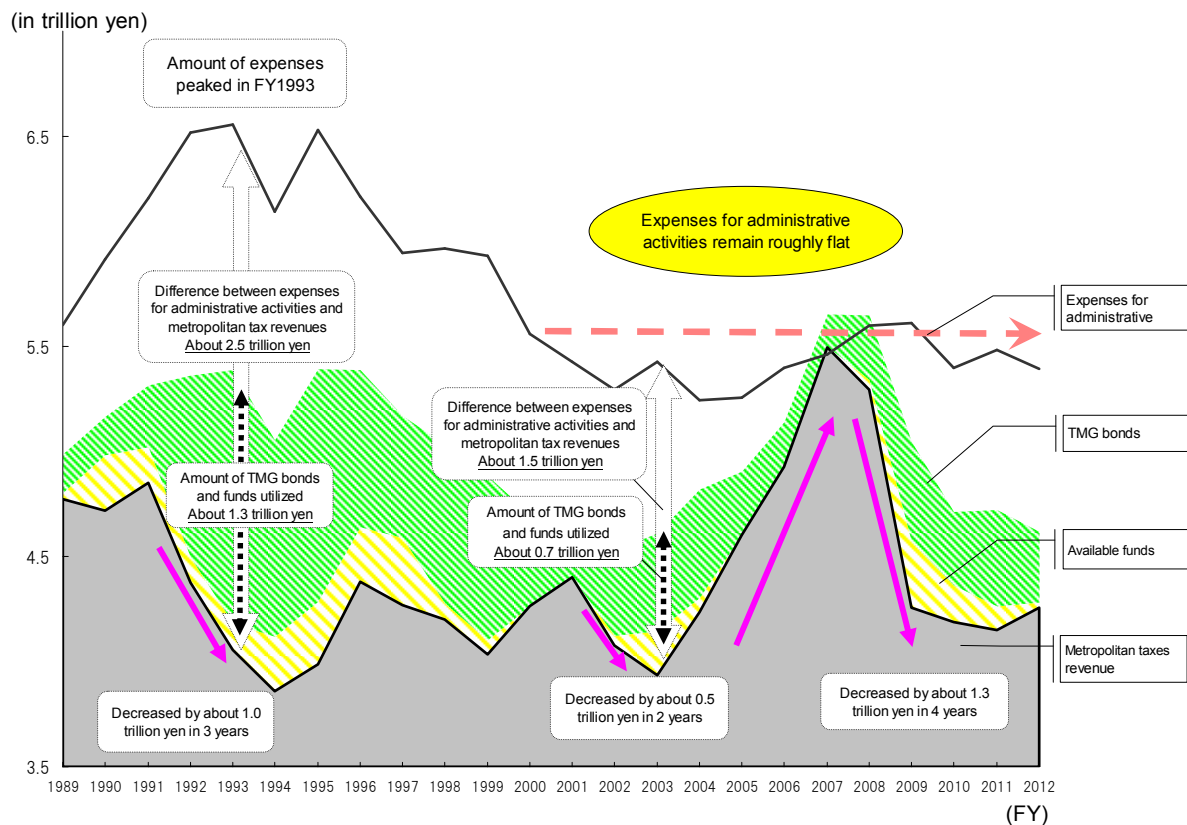
- Metropolitan tax revenues in FY2012 increased for the first time in five years, but they remained at the same level as they were at immediately after the global financial crisis .
- In addition, TMG's finances inherently have an unstable structure in that they are susceptible to economic fluctuations.
- Nonetheless, TMG must appropriately understand changes in the social structure etc. and steadily advance efforts toward a fundamental solution of challenges while aggressively promoting strategic measures that contribute to improvement in the capacity of Tokyo as a city and Japan's growth.
- We examine how TMG implemented financial management in fiscal year 2012 under these circumstances.

1 TMG's Unstable Fiscal Structure

- Metropolitan tax revenues, which are the main source of metropolitan revenues, have fluctuated widely with economic conditions, decreasing by about 1.0 trillion yen from fiscal year 1991 to fiscal year 1994, by about 0.5 trillion yen from fiscal year 2001 to fiscal year 2003, and by about 1.3 trillion yen from fiscal year 2007 to fiscal year 2011.
- Under this unstable fiscal structure, TMG bonds and funds play an important role as fiscal resources to promote necessary projects. This is obvious from the amount of TMG bonds and funds utilized to fill the gap between the amount calculated by subtracting funds reserved and expenses for public bonds from total annual expenses (hereinafter referred to as "expenses for administrative activities") and metropolitan tax revenues (see Figure 4).
- In fiscal year 1993, when the amount of annual expenses reached a record high and tax revenues decreased rapidly after the collapse of the overheated stock and real estate markets, about 1.3 trillion yen of TMG bonds and funds were utilized to make up a difference of about 2.5 trillion yen between expenses for administrative activities and metropolitan tax revenues. In fiscal year 2003, when TMG faced a significant decrease in tax revenues again, about 0.7 trillion yen of TMG bonds and funds were utilized to make up a difference of about 1.5 trillion yen between expenses for administrative activities and metropolitan tax revenues.
- The reason the amount of TMG bonds and funds utilized in fiscal year 2003 decreased significantly compared to fiscal year 1993 is the restriction of expenses for administrative activities in the effort of fiscal reconstruction.

- Since fiscal year 2000, expenses for administrative activities have been maintained at a roughly constant level by the well-planned utilization of TMG bonds and funds to make up metropolitan tax revenues, which have repeatedly fluctuated. This shows TMG stably provides necessary administrative services without being influenced by trends in metropolitan tax revenues, which are remarkably sensitive to economic fluctuations.

[Figure 4] Gap between expenses for administrative activities and metropolitan tax revenues



- ◆ In order to implement measures necessary for Tokyo residents stably and continuously, TMG implements a continuous review of expenses for administrative activities by strictly examining each and every measure and committing to self-reform to enhance their efficiency and effectiveness.
We examine how TMG's finances have changed through these efforts by scaling them down.

2 TMG's Financial Management in the Past

- We take up settlement results of TMG's ordinary account in fiscal year 1993, fiscal year 2003, and fiscal year 2012, and reduce figures in fiscal year 1993 with a scale of 1 to 700,000 assuming annual revenues in fiscal year 1993 were 10 million yen (see Figure 5).

[Figure 5] Comparison of TMG's finances between fiscal years (with a scale of 1 to 700,000)

(in ten thousand yen)

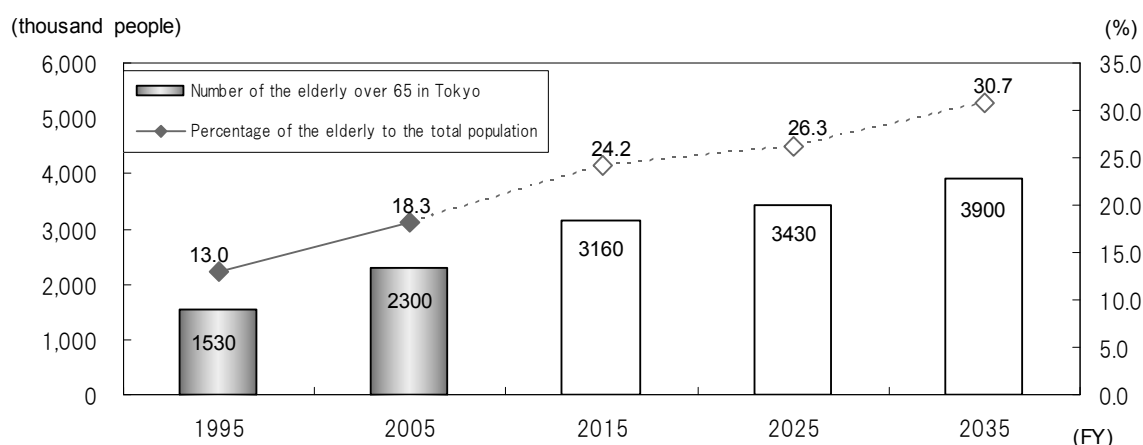
Item	FY1993	FY2003			FY2012		
		Compared to FY1993			Compared to FY2003		
		Change in amount	Percentage of change		Change in amount	Percentage of change	
Total annual revenues	1,000	888	(111)	(11) %	879	(8)	(1) %
General revenue sources							
...Local taxes, local transfer taxes etc.	481	437	(43)	(9) %	483	46	11 %
Other revenues							
...National treasury disbursements, funds transferred etc.	348	384	36	10 %	347	(37)	(10) %
TMG bonds	170	65	(104)	(61) %	48	(17)	(26) %
Total annual expenses	991	866	(125)	(13) %	852	(13)	(2) %
Expenses for administrative activities	925	766	(159)	(17) %	761	(4)	(1) %
Personnel expenses	243	233	(9)	(4) %	207	(26)	(11) %
Investment expenses	288	105	(182)	(63) %	104	(1)	(1) %
Allowances etc.	241	316	74	31 %	337	21	7 %
Other expenses							
...Loans, building expenses etc.	152	110	(42)	(28) %	112	2	2 %
Funds reserved	17	7	(10)	(59) %	17	10	143 %
Expenses for public bonds	49	93	44	90 %	74	(19)	(20) %
(Reference (i)) Balance of TMG bonds	581	1,075	493	85 %	806	(269)	(25) %
(Reference (ii)) Balance of fiscal adjustment funds	25	11	(14)	(56) %	58	47	427 %
(Reference (iii)) Balance of special purpose funds	111	18	(92)	(83) %	135	116	644 %

cf. General fiscal revenues (such as local taxes and local transfer taxes) exclude tax-related expenses (allocation of a certain percentage of fiscal adjustment grants for special wards and local consumption tax grants etc. to municipal authorities).

- In fiscal year 1993, investment expenses of 288 ten thousand yen accounted for a large percentage of total annual expenses of 991 ten thousand yen. TMG bonds of 170 ten thousand yen were issued as one of the fiscal resources, and the percentage of TMG bonds to total annual revenues of 1,000 ten thousand yen reached 17%.
- In fiscal year 2003, total annual expenses decreased by 125 ten thousand yen or 13% compared with fiscal year 1993. A breakdown of annual expenses shows while expenses for public bonds increased by 44 ten thousand yen or 90%, expenses for administrative activities significantly decreased by 159 ten thousand yen or 17%. In particular, TMG implemented a strict review of expenses for administrative activities, and therefore investment expenses decreased by 182 ten thousand yen or 63% and personnel expenses decreased by 9 ten thousand yen or 4%. Through these efforts, the amount of TMG bonds issued declined 104 ten thousand yen or 61%.

- In fiscal year 2012, while personnel expenses further decreased by 26 ten thousand yen or 11% compared with fiscal year 2003, expenses for administrative activities decreased only by 4 ten thousand yen (1%). This shows TMG properly applied fiscal resources to necessary projects while implementing a continuous review of expenses.
- The amount of TMG bonds issued (48 ten thousand yen) fell below expenses for public bonds (74 ten thousand yen), and the balance of TMG bonds steadily decreased by 269 ten thousand yen or 25% compared with fiscal year 2003. Furthermore, the balance of fiscal adjustment fund increased by 47 ten thousand yen, more than four times compared with fiscal year 2003.
- Thus, TMG has implemented sound financial management by strictly examining each and every project and constantly striving to enhance their efficiency and effectiveness.
- Meanwhile, allowances etc. including social welfare expenses such as metropolitan contribution to national health insurance and elderly care insurance, and grants to municipal authorities increased compared with fiscal year 1993.

By 2015 when members of the baby-boomer generation will be 65 years or older, one out of every four Tokyo residents will be a senior citizen and this will increase to one out of three in 2035; thus, the rapid aging of the population is expected. Accordingly, attention should be paid in the future financial management.



Source: "Tokyo Metropolitan Health and Welfare Plan for Elderly" (published in March 2012)

- In addition, deterioration rates of property and equipment owned by TMG have consistently risen in recent years. Also, since social capital stocks such as bridges that were built during the Japanese economy's high-growth period will reach their timing of renewal all at once in the future, the need for their maintenance and renewal is growing.

(in billion yen, %)

Item	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Accumulated depreciation (A)	2,361.3	2,508.0	2,628.0	2,758.8	2,891.2	3,030.5	3,170.4
Acquisition cost of depreciable assets X 0.9 (B)	6,989.2	7,155.3	7,298.0	7,389.7	7,459.6	7,593.6	7,735.0
Deterioration rates of property, plant and equipment (A/B X 100)	33.8	35.1	36.0	37.3	38.8	39.9	41.0

- Next, we reduce other prefectures' finances with a scale of 1 to 4,300,000 assuming annual revenues in fiscal year 1993 were 10 million yen as done for TMG's finances (see Figure 6).

[Figure 6] Comparison of other prefectures' finances between fiscal years (with a scale of 1 to 4,300,000)

(in ten thousand yen)

Item	FY1993	FY2003			FY2011		
		Compared to FY1993			Compared to FY2003		
		Change in amount	Percentage of change		Change in amount	Percentage of change	
Total annual revenues	1,000	1,011	11	1 %	1,067	55	5 %
General revenue sources							
... Local taxes, local transfer taxes etc.	454	470	15	3 %	499	28	6 %
Other revenues							
... National treasury disbursements, funds transferred etc.	404	374	(30)	(7) %	415	40	11 %
Local government bonds							
* Amounts in [] exclude temporary financial countermeasure bonds.	140	167 [103]	26 [(36)]	19 [(26)] %	152 [65]	(14) [(37)]	8 [(36)] %
Total annual expenses	981	994	12	1 %	1,043	49	5 %
Expenses for administrative activities	895	843	(52)	(6) %	830	(12)	(1) %
Personnel expenses	300	318	17	6 %	292	(25)	(8) %
Investment expenses	343	229	(114)	(33) %	150	(78)	(34) %
Allowances etc.	97	146	48	49 %	211	64	44 %
Other expenses							
... Loans receivable, building expenses etc.	154	149	(4)	(3) %	175	26	17 %
Funds reserved	14	11	(3)	(21) %	66	55	500 %
Expenses for public bonds	71	140	68	96 %	146	6	4 %
(Reference (ii)) Balance of local government bonds							
* Amounts in [] exclude temporary financial countermeasure bonds.	695	1,608 [1,500]	912 [805]	131 [116] %	1,894 [1,398]	286 [(101)]	18 [(7)] %
(Reference (ii)) Balance of fiscal adjustment funds	12	8	(4)	(33) %	15	7	88 %
(Reference (iii)) Balance of special purpose funds	62	46	(16)	(26) %	105	59	128 %

- In fiscal year 2003, investment expenses decreased by 114 ten thousand yen or 33% compared with fiscal year 1993. In contrast to in TMG, however, personnel expenses increased by 17 ten thousand yen or 6%, and the amount of local government bonds issued increased 26 ten thousand yen or 19%.
- In fiscal year 2011, expenses for administrative activities decreased 12 ten thousand yen or 1% compared to fiscal year 2003, and among others, personnel expenses declined 25 ten thousand yen or 8%. Meanwhile, expenses for public bonds amounted to 146 ten thousand yen, about twice the size of those of TMG in fiscal year 2012 (74 ten thousand yen), and have been pressuring the financial health. Moreover, the balance of local government bonds increased by 286 ten thousand yen or 18% compared with fiscal year 2003.

Factors behind the increase in the issued amount of local government bonds and their balance include temporary financial countermeasure bonds^(note) introduced after fiscal year 2001.

(Note) Temporary financial countermeasure bonds: deficit-covering local government bonds issued by the local authorities to make up revenue shortfalls that should be addressed with local allocation taxes. The amount equivalent to their redemption money of principal and interest is included in the basic financial needs in subsequent fiscal years.

(Reference) Comparison of national finances between fiscal years

- We also reduce national finances with a scale of 1 to 7,800,000 assuming annual revenues in fiscal year 1993 were 10 million yen as done for TMG's finances.
- Tax and stamp revenues in fiscal year 2011 significantly decreased compared with fiscal year 1993. Meanwhile, expenses for public bonds more than tripled compared with fiscal year 1993, and all items in annual expenses also increased. The balance of public bonds in fiscal year 2011 amounted to 8,617 ten thousand yen, 28 times of tax and stamp revenues.

(in ten thousand yen)

Item	FY1993	FY2003	FY2011	Item	FY1993	FY2003	FY2011
Annual revenues	1,000	1,101	1,414	Annual expenses	966	1,060	1,295
Tax and stamp revenues	516	332	300	Primary balance expenses	789	860	1,043
Other revenues ...Miscellaneous revenues etc.	275	313	418	Local allocation taxes etc.	179	223	250
National government bonds	208	454	695	Expenses for public bonds	176	199	252
About 3.3 times				About 28.7 times			
(Reference)	FY1993	FY2003	FY2011	On the increase			
Balance of public bonds	2,476	5,878	8,617				

cf 1 Annual revenues, annual expenses, and outstanding public bonds are on a general account basis.
 cf 2 Tax and stamp revenues exclude local allocation taxes etc.

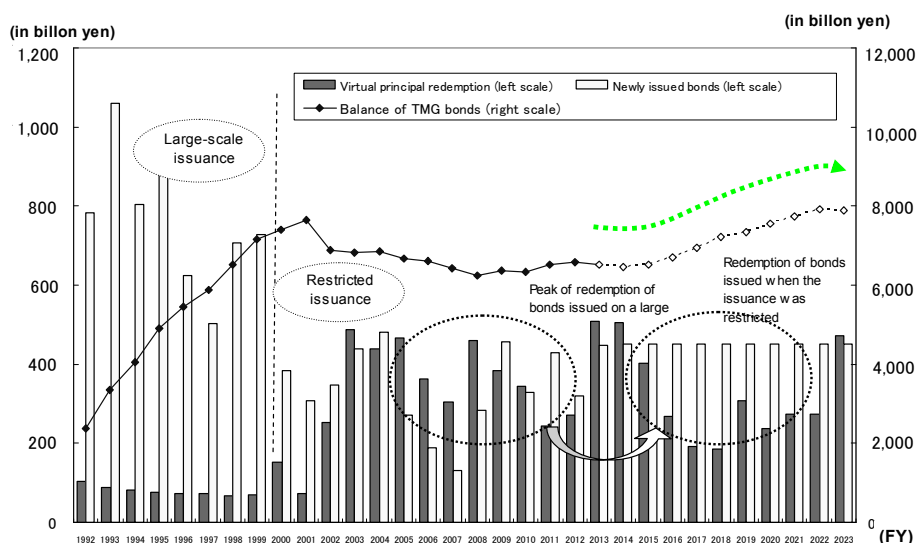
- ◆ It is necessary to utilize TMG bonds and funds, essential in TMG's financial management, in a planned manner and based on a mid- to long-term perspective. Now we review the role of TMG bonds and funds in TMG's finance in light of challenges to be noted in the future financial management.

3 Utilization of TMG Bonds and Funds in TMG's Finances

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

- TMG bonds have capabilities to balance the burden between generations and adjust fiscal revenues between fiscal years as fiscal resources for suitable formation and renewal of social capital stock.
- Up to fiscal year 1999, TMG had covered revenue shortfalls caused by decreases in tax revenues etc. by making maximum use of TMG bonds; however, since fiscal year 2000, TMG has strengthened the financial base. In the effort of fiscal reconstruction, TMG has sought to reduce the issuance of TMG bonds while reviewing the level of investment expenses etc. and adjusted the issuance according to changes in metropolitan tax revenues.
- Assuming the amount of bonds newly issued after fiscal year 2014 is the same level as the initially budgeted amount in fiscal year 2013 (about 450.0 billion yen), the future balance of TMG bonds is expected to increase to some extent. As the fiscal environment changes, it is important to issue TMG bonds in a planned manner from now on after examining a variety of factors such as demographic changes associated with the declining birth rate, the aging and declining population, and growing demands for the renewal of social capital stock.

[Figure 7] Changes in the amount of virtual principal redemption, newly issued bonds, and the balance of TMG bonds



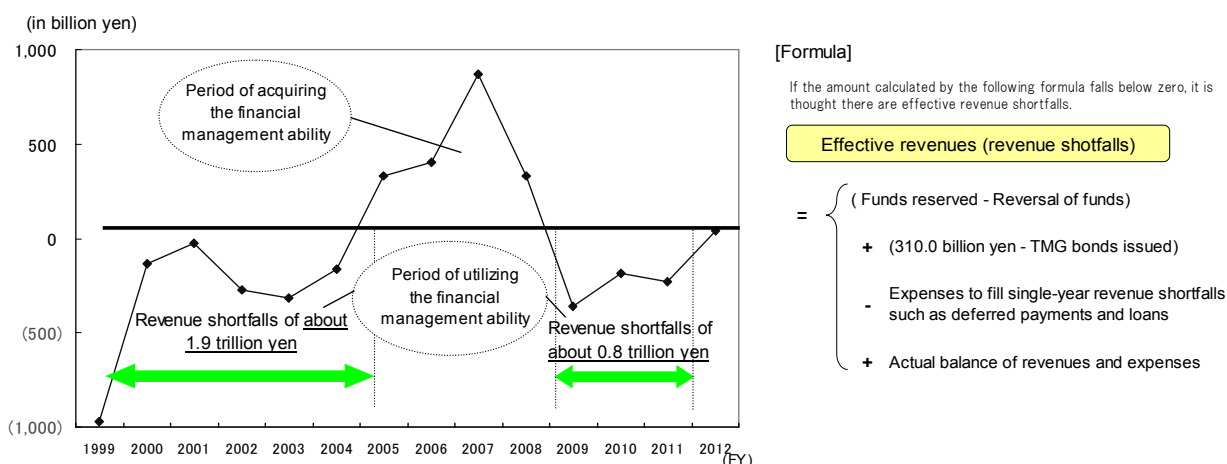
cf 1 Figures are on a general account basis. Figures up to FY2012 are settlement amounts, figures for FY2013 are initial budget amounts and figures after FY2014 are estimated amounts assuming the amount of newly issued bonds is at the same level as the initial budget in FY2013.

cf 2 Virtual principal redemption = Principal redemption - refinancing

(2) Funds - Securing the balance in light of virtual revenue shortfalls

- Funds play an important role in TMG's financial management, enabling TMG to steadily provide administrative services even when metropolitan tax revenues are unstable. TMG ranks the fiscal adjustment fund and the social capital improvement fund etc. as funds available as fiscal resources. From fiscal year 2006 through fiscal year 2008, when metropolitan tax revenues were comparatively robust, TMG reserved funds for future financial demands.
- Since fiscal year 2009, when metropolitan tax revenues declined significantly, TMG has utilized funds reserved so far as fiscal resources. Nonetheless, TMG has not stopped to make a effort to reduce reversals of funds as much as possible through measures such as cost-cutting efforts at the stage of budget execution and careful examination of unused budgeted expenses. As a result, the balance of funds available as fiscal resources is expected to be about 0.9 trillion yen at the end of fiscal year 2013. However, the balance significantly decreased compared to the end of fiscal year 2008, when it was at its peak level of approximately 1.5 trillion yen. This might be largely attributable to the provisional measures of the corporate enterprise tax implemented as tax reforms in fiscal year 2008.
- Thus, TMG sought to maintain a financial base that can stably support policy development. However, depending on how metropolitan tax revenues fluctuate with economic conditions, there are two periods in TMG's finances; a period of acquiring the financial management ability by reserving funds and restricting the issuance of TMG bonds and a period of utilizing the acquired financial management ability. Figure 8 shows the period of utilizing the acquired financial management ability, regarding it as the period when "virtual revenue shortfalls" arose.
In the estimate, we assume the amount of TMG bonds utilized to make up decrease in tax revenues will exceed the average amount of virtual principal redemption (310.0 billion yen) in the coming 10 years.
- As a result, from fiscal year 1999 through fiscal year 2004, virtual revenue shortfalls arose, totaling approximately 1.9 trillion yen. Also, from fiscal year 2009 through fiscal year 2011, virtual revenue shortfalls arose, totaling approximately 0.8 trillion yen.

[Figure 8] Estimate of the amount of virtual revenues (revenue shortfalls)



- Thus, once a virtual revenue shortfall arises, it takes a few years to solve them. In addition, there are challenges to be noted such as increase in social welfare expenses and a response to demands for the renewal of social capital stock. Accordingly, it is important for TMG, which is not a receiver of local allocation taxes, to secure the balance of funds in maintaining a financial base that supports policy development now and in the future.

4 Need to Strengthen the Financial Base

- Under an inherently unstable fiscal structure susceptible to economic fluctuations, TMG has steadily executed necessary measures by implementing sound financial management.
- Meanwhile, as the population rapidly ages, the burden on TMG related to social security is expected to substantially increase in the future. Also, since social capital stocks such as bridges that were built during the Japanese economy's high-growth period will reach their renewal deadlines all at once, demands for their maintenance are growing.
- Under these circumstances, TMG must boldly tackle measures to drive Japan's growth and TMG's important challenges while appropriately responding to changes in socioeconomic conditions.
- Therefore, it is necessary to promote the reform of the metropolitan government by strictly examining all measures and enhancing their efficiency and effectiveness, and strengthen the financial base. It is important to then secure fiscal resources that support policy development to meet Tokyo residents' expectations by utilizing TMG bonds and funds in a planned manner and based on a mid- to long-term perspective.
- Furthermore, we will continue to demand the national government to absolutely abolish the provisional measures on the corporate enterprise tax in tax reforms in fiscal year 2014.

2. Fiscal Year 2012 Tokyo Metropolitan Government Financial Report

- **Assets were 47,308.7 billion yen at the end of fiscal year 2012, an increase of 299.3 billion yen from the previous fiscal year, while liabilities decreased 188.7 billion yen to 14,678.0 billion yen. The net asset ratio, which shows net assets as a percentage of total assets, was 69.0%, increased from the previous fiscal year (68.4%).**
- **In the special accounts, net assets were 6.7 billion yen at the end of fiscal year 2012, an increase of 0.4 billion yen from the previous fiscal year.**
- **In the public enterprise accounts, if we were to adjust the debenture capital as liabilities, the net asset ratio would be 67.6% (66.3% as of the end of the previous fiscal year), falling below the net asset ratio for the ordinary account of 74.0% (74.0% as of the end of the previous fiscal year).**
- **With respect to administrative bodies, their financial health improved in general. For further improvement of financial position, it is essential that each of the bodies continues to enhance its management efforts.**

(1) TMG Comprehensive Financial Statements

TMG comprehensive financial statements are prepared as shown below so that the comprehensive financial status of public enterprises and administrative bodies, etc. can be understood more accurately.

- Elimination offsets of internal transactions are limited to the scope of the ordinary account.
- Special accounts, public enterprise accounts, administrative bodies, and local independent administrative corporations, all of which are not subject to the ordinary account will have their individual financial statements displayed.
- Financial statements include not only the balance sheet, but an administrative cost statement which shows administrative revenues and expenses for the fiscal year in question.

The scope of TMG comprehensive financial statements covers the ordinary account for TMG itself (a general account and 13 special accounts), two special accounts outside of the scope of the ordinary account, 11 public enterprise accounts, and, for organizations other than TMG, 33 administrative bodies and three local independent administrative corporations.

<TMG Comprehensive Financial Statements>

(in billion yen, %)

Item	FY2012	FY2010	Change in amount	Percentage of change
Assets				
I Current assets	2,925.1	2,610.2	314.8	12.1
II Fixed assets	44,377.3	44,392.2	(14.9)	0.0
(of which, tangible fixed assets)	38,994.9	38,806.2	188.6	0.5
III Deferred assets	6.2	6.8	(0.5)	(7.4)
Total Assets	47,308.7	4,700.9	299.3	6.4
Liabilities				
I Current liabilities	1,798.3	1,457.4	340.9	23.4
II Fixed liabilities	12,879.6	13,409.4	(529.7)	(4.0)
Total Liabilities	14,678.0	14,866.8	(188.7)	(1.3)
Total Net Assets	32,630.6	32,142.5	488.0	1.5
Total Liabilities and Net Assets	47,308.7	47,009.3	299.3	0.6

- Total assets were 47,308.7 billion yen (47,009.3 billion yen at the end of the previous fiscal year.) The increase of 299.3 billion yen is due to an increase of 314.8 billion yen in current assets while fixed assets and deferred assets decreased by 14.9 billion yen and 0.5 billion yen, respectively, from the end of the previous fiscal year. Of the total assets, tangible fixed assets accounted for 38,994.9 billion yen or 82.4%.
- Total liabilities were 14,678.0 billion yen (14,866.8 billion yen at the end of the previous fiscal year.) The decrease of 188.7 billion yen is attributable to a decrease of 529.7 billion yen in fixed liabilities despite an increase of 340.9 billion yen in current liabilities. Of the total liabilities, fixed liabilities accounted for 12,879.6 billion yen or 87.7%.
- Total net assets were 32,630.6 billion yen, an increase of 488.0 billion yen from 32,142.5 billion yen as of the end of the previous fiscal year. The net asset ratio was 69.0%, (68.4% at the end of the previous fiscal year), slightly lower than the net asset ratio of 74.0% (74.0% at the end of the previous fiscal year) under the ordinary account.

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

- In fiscal year 2012, the balance for the Slaughterhouse Account was in deficit, while that for the Metropolitan Public Housing Tenants Security Deposit Account was in surplus. The total net assets of these two special accounts amounted to 6.7 billion yen (6.2 billion yen as of the end of the previous fiscal year), an increase of 0.4 billion yen from the end of the previous fiscal year.

[2] Public Enterprise Accounts

- In the current balance, the Urban Redevelopment Project account and the Transportation account was in deficit, while the Industrial Waterworks account was balanced, and the remaining eight accounts were in surplus. In the net profit/loss for the current period, the Hospitals account, the Urban Redevelopment Project account, and the Transportation account were in deficit, while the Industrial Waterworks account was balanced, and the remaining seven accounts were in surplus.
- In the public enterprise accounts, funds raised through TMG bonds are treated not as liabilities, but as capital (debenture capital). Under this method, the net asset ratio comes to 90.2% (90.0% as of the end of the previous fiscal year) of the total public enterprise accounts.
- However, should the funds raised through TMG bonds be treated as liabilities, the net asset ratio for the public enterprise accounts would be 67.6% (66.3% as of the end of the previous fiscal year), falling below the net asset ratio for the ordinary account of 74.0% (74.0% as of the end of the previous fiscal year).

[3] Administrative Bodies etc.

- Among 33 administrative bodies (33 bodies in the previous fiscal year), the total of 23 bodies including public interest corporations (the total number was 23 in the previous fiscal year) saw an increase in the overall net asset ratio. For the remaining 10 joint-stock companies (10 in the previous fiscal year), the ratio of net assets to total assets increased from the previous fiscal year, and they were in surplus in the current balance and net profit/loss for the current period. To promote further improvement of financial position, it is essential that each of the bodies continues to enhance its management efforts.
- TMG has been striving to improve administrative bodies' financial conditions, for example, by setting managerial goals, and to get an accurate picture of their financial conditions, including the future outlook, in order to prevent excessive financial burden to the TMG's general account in future fiscal years associated with such bodies.
- In fiscal year 2008, the Fiscal Consolidation Law was enforced, under which estimated amounts of charges for the public enterprise accounts, as well as in the general account for the bodies relating to a local government, such as third-sector public/private enterprises etc. shall be included in the calculation of future burden ratio. Furthermore, the local government is required to have clear understanding of the debt that can affect its financial position etc. over the years to come.
Given this, it is important to gain an accurate picture of financial conditions of the entire TMG, including administrative bodies etc. and maintain a manageable financial burden for TMG into the future.

(Appended Tables)

1. Fiscal Year 2012 Tokyo Metropolitan Government Ordinary Account Financial Statement

(1) Ordinary Account Balance Sheet (As of March 31, 2013)

(in billion yen)

Item	FY2012	FY2011	Change in amount
Assets			
I Current assets	1,323.1	1,056.4	266.6
Cash and deposits	192.7	167.6	25.0
Uncollected revenues	134.8	147.7	(12.8)
Reserve for deficits due to non-payment	(14.5)	(16.5)	2.0
Fund reserves	887.5	643.7	243.8
Fiscal adjustment fund	417.9	398.6	19.2
Sinking fund	469.6	245.1	224.5
Short-term loans	118.5	109.9	8.5
Allowance for bad debt	(0)	(0)	(0)
Other current assets	3.9	3.9	0
II Fixed assets	31,281.9	31,239.6	42.3
1. Administrative assets	7,980.5	7,970.9	9.5
1. Fixed tangible assets	7,974.5	7,965.0	9.5
Buildings	2,607.4	2,614.4	(7.0)
Structures	336.6	336.9	(0.2)
Timber	0.6	0.6	0
Vessels etc.	13.0	12.9	0.1
Buoys etc.	0.4	0.4	(0)
Land	5,016.3	4,999.6	16.7
2. Intangible fixed assets	5.9	5.9	-
Surface rights	5.9	5.9	-
Other intangible fixed assets	-	-	-
2. Ordinary assets	1,120.1	1,065.8	54.3
1. Tangible fixed assets	1,111.8	1,057.7	54.1
Buildings	395.3	384.1	11.2
Structures	75.7	77.8	(2.0)
Timber	0	0	0
Vessels etc.	0.3	0.4	(0)
Buoys etc.	0.6	0.7	(0)
Land	639.5	594.4	45.1
2. Intangible fixed assets	8.3	8.1	0.1
Surface rights	0.3	0.3	-
Other intangible fixed assets	7.9	7.7	0.1
3. Important property	84.5	82.3	2.2
4. Infrastructure assets	14,063.9	13,991.2	72.6
1. Tangible fixed assets	14,049.8	13,978.6	71.1
Land	12,140.2	12,082.0	58.1
Other than land	1,909.6	1,896.5	13.0
2. Intangible fixed assets	14.0	12.6	1.4
Surface rights	14.0	12.6	1.4
Other intangible fixed assets	-	-	-
5. Construction in progress	1,192.1	1,165.3	26.7
6. Investment and other assets	6,840.5	6,963.8	(123.2)
Securities and investments	722.7	707.4	15.2
Public enterprise account investments	1,826.9	1,771.8	55.1
Long-term loans	1,786.7	1,812.8	(26.1)
Bad debt reserve	(6.4)	(6.8)	0.3
Other obligations	11.9	35.0	(23.0)
Fund Reserves	2,331.2	2,471.9	(140.6)
Sinking fund	1,088.9	1,223.8	(134.8)
Special purpose fund	962.1	968.7	(6.5)
Fixed amount investment fund	280.1	279.4	0.7
Other investments etc.	167.3	171.4	(4.1)
Total assets	32,605.0	32,296.0	308.9

(in billion yen)

Item	FY2012	FY2011	Change in amount
Liabilities			
I Current liabilities	676.0	338.6	337.3
Unpaid refunds	1.5	1.3	0.2
TMG bonds	594.4	332.9	261.4
Short-term borrowing	0.6	0.8	(0.1)
Borrowing from other accounts	0.6	0.8	(0.1)
Fund operational costs	-	-	-
Other short-term borrowing	0	0	0
Arrearage	-	-	-
Deferred payments	-	-	-
Unpaid guarantee liabilities	-	-	-
Other accounts payable	-	-	-
Other current liabilities	79.4	3.5	75.8
II Fixed liabilities	7,805.8	8,065.5	(259.6)
TMG bonds	6,703.2	6,946.4	(243.2)
Long-term borrowing	3.1	4.6	(1.5)
Borrowing from other accounts	2.4	3.8	(1.4)
Fund operational costs	-	-	-
Other long-term borrowing	0.7	0.7	(0)
Reserve for retirement allowances	1,086.8	1,098.3	(11.4)
Other reserves	-	-	-
Other fixed liabilities	12.6	16.0	(3.4)
Guaranty deposits	-	-	-
Other fixed liabilities	12.6	16.0	(3.4)
Total liabilities	8,481.9	8,404.2	77.7
Net Assets			
Net assets	24,123.0	23,891.8	231.2
(of which is increase/decrease in the current period)	281.7	256.3	25.4
Total net assets	24,123.0	23,891.8	231.2
Total liabilities and net assets	32,605.0	32,296.0	308.9

(2) Ordinary Account Administrative Cost Statement
(From April 1, 2012, to March 31, 2013)

(in billion yen)

Item	FY2012	FY2011	Change in amount
Ordinary Balance			
I. Administrative balance			
1. Administrative revenues	5,208.5	5,021.7	186.7
Local taxes	4,258.1	4,152.5	105.6
Local transfer taxes	285.4	202.3	83.0
Local special grant	5.5	21.1	(15.6)
Local allocation taxes	-	3.5	(3.5)
Allocations for municipalities with facilities owned by the national government	0	0	0
Miscellaneous tax-related revenues	0.1	0.2	(0)
National treasury disbursements	281.9	290.3	(8.3)
Traffic safety special grant	3.6	3.7	(0)
Operating revenues (special account)	0.1	0.1	(0)
Shares and charges	12.5	12.5	0
Fees and charges	140.5	140.7	(0.1)
Revenues from property	10.6	10.3	0.2
Miscellaneous (commissioned work revenues)	54.8	53.9	0.9
Miscellaneous	108.1	125.9	(17.7)
Donations	1.5	0.1	1.4
Funds transferred	45.0	3.9	41.0
Miscellaneous administrative revenues	0	-	0
2. Administrative expenses	4,968.4	4,871.7	96.6
Tax-related expenses	1,142.2	1,121.3	20.9
Payroll-related expenses	1,356.7	1,374.4	(17.7)
General and miscellaneous expenses	247.6	252.6	(5.0)
Maintenance and repair expenses	83.7	79.9	3.7
Social welfare expenses	119.9	119.7	0.1
Allowances etc.	1,034.5	1,026.6	7.9
Subsidized investment costs	101.9	122.2	(20.3)
Independent investment expenses	248.7	226.7	22.0
Direct government investment expenses	36.5	27.6	8.8
Investments (subvention etc.)	2.9	30.1	(27.2)
Transfers	212.5	220.1	(7.6)
Depreciation expenses	157.6	161.0	(3.4)
Debt guaranty expenses	-	-	-
Transfer to reserve for deficit due to non-payment	12.2	13.4	(1.2)
Transfer to bad reserve	0.1	0	0
Transfer to reserve for retirement allowances	130.2	90.4	39.7
Transfer to other reserves	75.9	-	75.9
Other administrative expenses	4.5	4.7	(0.1)
II. Financial balance			
1. Financial revenues	16.8	17.4	(0.5)
Revenues from interest earned and dividends	16.8	17.4	(0.5)
2. Financial expenses	111.3	112.1	(0.7)
Expenses for public bonds (interest)	108.4	109.3	(0.9)
TMG bond issuing fees	2.4	2.4	0
Discount on TMG bonds	0.4	0.3	0.1
Interest on borrowing from other accounts	0	0	(0)
Ordinary balance	145.5	55.2	90.3
Special Balance			
I. Special revenues	74.7	27.2	47.4
Profit on sale of fixed assets	14.0	16.0	(2.0)
Other special revenues	60.6	11.1	49.4
II. Special expenses	50.0	25.8	24.2
Loss on sale of fixed assets	0.9	4.4	(3.4)
Loss on disposal of fixed assets	6.7	7.9	(1.1)
Disaster recovery expenses	0.7	0.8	(0)
Deficit due to non-payment	0.7	1.0	(0.3)
Bad debts loss	0	0	0
Other special expenses	40.7	11.6	29.1
Balance for the current period	170.2	56.7	113.5

(3) Ordinary Account Cash Flow Statement (From April 1, 2012, to March 31, 2013)
(in billion yen)

Item	FY2012	FY2011	Change in amount	Item	FY2012	FY2011	Change in amount
I. Administrative services activities				II. Social capital improvement investment activities			
Tax revenues etc.	4,548.2	4,377.1	171.1	National treasury disbursement etc.	120.6	154.6	(34.0)
Local taxes	4,257.0	4,149.7	107.3	National treasury disbursement	112.1	147.7	(35.5)
Local transfer taxes	285.4	202.3	83.0	Shares and charges	4.7	3.1	1.6
Local special grants	5.5	21.1	(15.6)	Amount transferred etc.	3.6	3.7	(0.1)
Local allocation taxes	-	3.5	(3.5)	Revenues from property	17.4	10.8	6.5
Allocations for municipalities with facilities owned by the national government	0	0	0	Cash from sale of property	17.4	10.8	6.5
Miscellaneous tax-related revenues	0.1	0.2	(0)	Funds transferred	111.9	208.6	(96.6)
National treasury disbursement etc.	285.8	294.1	(8.2)	Financial adjustment fund	-	71.6	(71.6)
National treasury disbursement	282.2	290.4	(8.2)	Sinking fund	-	-	-
Traffic safety special grant	3.6	3.7	(0)	Special purpose fund	109.4	134.1	(24.7)
Other administrative revenues	368.8	344.5	24.3	Fixed amount invest fund	2.5	2.8	(0.3)
Operating revenues (special account)	0.1	0.1	(0)	Revenues from collection of loan principal etc.	252.5	222.6	29.8
Shares and charges	12.5	12.4	0	Security deposit revenues	0	0	0
Fees and charges	138.8	138.8	0	Social capital improvement expenses	317.4	354.8	(37.4)
Revenues from property	7.8	10.4	(2.5)	Building expenses	4.9	6.3	(1.4)
Miscellaneous (commissioned work revenues)	54.8	53.9	0.9	Allowances etc.	0	0	(0)
Miscellaneous	108.1	124.8	(16.6)	Subsidized investment costs	153.2	179.1	(25.8)
Contributions	1.5	0.1	1.4	Independent investment expenses	159.3	169.3	(10.0)
Funds transferred	44.6	3.6	41.0	Funds reserved	125.5	69.4	56.0
Financial revenues	16.8	17.4	(0.5)	Financial adjustment fund	19.2	0.6	18.6
Revenues from interest earned and dividends	16.8	17.4	(0.5)	Sinking fund	-	-	-
Tax-related expenses	1,142.2	1,121.3	20.9	Special purpose fund	103.0	65.4	37.5
Tax-related expenses	1,142.2	1,121.3	20.9	Fixed sum management fund	3.2	3.4	(0.1)
Administrative expenses	3,588.5	3,627.2	(38.7)	Loans and investments, etc.	340.6	373.3	(32.6)
Payroll-related expenses	1,499.5	1,520.4	(20.8)	Investments	15.2	11.8	3.4
General and miscellaneous expenses	246.8	252.0	(5.1)	Funds drawn (other accounts)	55.1	48.8	6.3
Maintenance and repair expenses	83.7	79.9	3.7	Loans	270.2	312.6	(42.4)
Social welfare expenses	119.6	119.4	0.1	Deposit expenses	0	0	(0)
Allowances etc.	1,032.2	1,024.6	7.5	Balance of social capital improvement investment activities	(281.1)	(200.8)	(80.2)
Subsidized investment costs	103.6	125.7	(22.1)	Balance of administrative activities cash flow	95.7	(29.2)	124.9
Independent investment expenses	249.3	225.1	24.1	III. Financing activities			
Direct government investment expenses	36.5	27.6	8.8	Revenues from financing activities	342.0	458.8	(116.8)
Investments (subvention etc.)	2.9	30.1	(27.2)	TMG bonds	342.0	458.8	(116.8)
Amount transferred	214.0	221.9	(7.8)	Loans from other accounts	-	-	-
Financial expenses	111.3	112.1	(0.7)	Fund management fees	-	-	-
Expenses for public bonds (interest, fees)	111.3	112.1	(0.7)	Funds transferred	-	-	-
Interests on borrowing from other accounts	0	0	(0)	Expenses for financial activities	415.1	419.5	(4.4)
Special expenses	0.7	0.8	(0)	Expenses for public bonds (principal)	413.4	417.2	(3.7)
Disaster recovery business expenses	0.7	0.8	(0)	Refund of loans from other accounts etc.	1.6	2.3	(0.6)
Balance of administrative service activities	376.9	171.6	205.2	Refund of fund management fees etc.	-	-	-
				Balance of Financing activities	(73.1)	39.3	(112.4)
				Total balance	22.6	10.1	12.5
				Balance brought forward from the previous fiscal year	168.5	158.4	10.1
				Proforma balance	191.2	168.5	22.6

(4) Ordinary Account Statement of Changes in Net Assets
(From April 1, 2012, to March 31, 2013)

(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	809.7	57.5	261.3	(65.7)	(1.4)	3,758.0	23,841.3
Amount changed for the current period	-	112.1	8.4	4.9	(13.8)	(0.1)	170.2	281.7
Change in fixed assets etc.	-	112.1	8.4	4.9	(13.8)	(74.0)	-	37.6
Change in TMG bonds etc.	-	-	-	-	-	51.7	-	51.7
Other intra-bureau transactions	-	-	-	-	-	22.1	-	22.1
Balance for the current period	-	-	-	-	-	-	170.2	170.2
Balance at the end of the current period	19,021.8	921.8	65.9	266.2	(79.6)	(1.6)	3,928.3	24,123.0

(5) Ordinary Account Aggregate Tangible Fixed Assets and Intangible Fixed Assets / Supplementary Details

(in billion yen)

Item	Balance at the end of the previous period	Increase for the current period	Decrease for the current period	Balance at the end of the current period	Accrued depreciation amount for the current period	Depreciation for the current period	Net balance at the end of the current period
Tangible fixed assets	27,286.3	1,374.6	1,077.4	27,583.4	3,170.4	157.6	24,413.0
Administrative assets	9,866.0	461.1	373.5	9,953.6	1,979.0	96.1	7,974.5
Buildings	4,277.7	280.1	215.5	4,342.4	1,735.0	82.8	2,607.4
Structures	552.8	36.0	25.7	563.1	226.4	11.6	336.6
Timber	0.6	0	0	0.6	-	-	0.6
Vessels etc.	28.3	5.5	3.9	29.9	16.8	1.5	13.0
Buoys etc.	1.0	0	0	1.0	0.6	0	0.4
Land	5,005.4	139.1	128.2	5,016.3	-	-	5,016.3
Ordinary assets	1,327.5	160.2	87.8	1,399.9	288.0	15.9	1,111.8
Buildings	592.2	49.8	21.4	620.7	225.3	13.8	395.3
Structures	136.6	16.3	16.6	136.3	60.5	2.0	75.7
Timber	0	0	0	0	-	-	0
Vessels etc.	0.9	-	-	0.9	0.5	0	0.3
Buoys etc.	2.2	-	-	2.2	1.5	0	0.6
Land	595.3	93.9	49.7	639.5	-	-	639.5
Important property	188.8	27.3	24.5	191.6	107.0	8.9	84.5
Infrastructure assets	14,738.5	278.1	170.6	14,846.1	796.2	36.5	14,049.8
Land	12,082.0	147.9	89.8	12,140.2	-	-	12,140.2
Other than land	2,656.4	130.2	80.7	2,705.8	796.2	36.5	1,909.6
Construction in progress	1,165.3	447.7	420.9	1,192.1	-	-	1,192.1
Intangible fixed assets	26.7	3.2	1.6	28.3	-	-	28.3
Administrative assets	5.9	0	0	5.9	-	-	5.9
Surface rights	5.9	-	-	5.9	-	-	5.9
Other intangible fixed assets	-	0	0	-	-	-	-
Ordinary assets	8.1	0.2	0	8.3	-	-	8.3
Surface rights	0.3	-	-	0.3	-	-	0.3
Other intangible fixed assets	7.7	0.2	0	7.9	-	-	7.9
Infrastructure assets	12.6	3.0	1.5	14.0	-	-	14.0
Surface rights	12.6	3.0	1.5	14.0	-	-	14.0
Other intangible fixed assets	-	-	-	-	-	-	-
Total	27,313.0	1,377.8	1,079.1	27,611.7	3,170.4	157.6	24,441.3

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

Year-to-date (From April 1, 2012, to March 31, 2013)	
(Accounting Policy) 1. Target Range 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: General account Special accounts (13 accounts) Special Wards Fiscal Adjustment Local Consumption Tax Adjustment Ogasawara Islands Livelihood Rehabilitation Fund Mother and Child 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	The base date shall be taken as being March 31, 2013; this date includes all deposits and withdrawals carried out between April 1, 2013, and May 31, 2013 (the settlement period).
3. Calculation of Assets and Liabilities	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.
4. Application of Current Arrangement	The listed order of items for assets and liabilities is arranged using the current arrangement, with current assets being followed by fixed assets.
5. Application of One-Year Rule	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.
6. Method Used for Fixed Asset Depreciation	<p>(1) Administrative assets, ordinary assets and infrastructure assets Tangible fixed assets within administrative assets and ordinary assets are depreciated on a straight-line basis according to the service life and the residual value rate in the "Tokyo Metropolitan Government Guidelines for Processing Ledgers Related to Public Property". Tangible fixed assets within infrastructure assets are depreciated on a straight line basis according to the service life and the residual value rate in the "Tokyo Metropolitan Government Guideline for Processing Ledgers Related to Public Property" and the "Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards". 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 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, 2012, to March 31, 2013)	
7. Processing Method for Deferred Assets	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.
8. Valuation Standards and Method for Securities and Investments	As for securities and investments, administrative bodies' stocks and investments held by TMG are stated at their acquisition prices. However, items whose market value or real value markedly decreased are booked at reduced value.
9. Accounting Standards for Reserve Allowances	The Tokyo Metropolitan Government's main reserve allowances are outlined below. (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. (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. (3) 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.
10. Conversion Standards for Converting Foreign-denominated Assets and Debt into Domestic Assets	The Tokyo Metropolitan Government issues foreign-denominated bonds in the U.S. and European markets. In order to avoid any risk that accompanies fluctuations in principal and interest in currency exchange while carrying out conversion of foreign currency and yen in swap trades, the value of these bonds is calculated in yen at the time of issue.
11. Accounting Standards for Revenues and Expenses	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.
12. Transfer of assets, liabilities, and net assets following the abolition of Tama New Town Project Accounting	As Tama New Town Project Accounting was abolished in FY2011, its balance of assets, liabilities, and net assets at the end of FY2011 was transferred as the balance of the General Account at the beginning of FY2012.

<p style="text-align: center;">Year-to-date (From April 1, 2012, to March 31, 2013)</p>	
<p>(Other) 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 Tangible Fixed Assets</p> <p>The balance sheet amount for all metropolitan-owned public property, important property and infrastructure 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>
2.	<p>Change in display method</p> <p>The local grant tax was newly established as a sub-item of administrative revenues, in order to newly establish the item associated with the exceptional grant of the special local allocation tax based on Local Allocation Tax Act.</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>
3.	<p>Change in Accounting Principles and Procedures</p> <p>Reserve for bonus payment is accounted for as other current liabilities. The change was made in order to calculate revenues and expenses in the current period more properly by recording the amount of civil servants' bonus to be paid in the next period, which is based on the actual services during the current period.</p> <p>As a result of this change, transfer to reserves included in administrative expenses increased by 76,127,062,094 yen, and balance for the current period decreased by the same amount. Other current liabilities included in current liabilities and total liabilities increased by the same amount.</p>
3.	<p>Change in display method</p> <p>The local grant tax was newly established as a sub-item of administrative revenues, in order to newly establish the item associated with the exceptional grant of the special local allocation tax based on Local Allocation Tax Act.</p>

[Notes]

Balance Sheet-related Items

1. Contingent Liabilities

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

(in billion yen)

Item	End of FY2012
Related to public corporations/societies	98.1
Others	82.0

2. Other Debt Burdens (estimated future expenditure)

(in billion yen)

Item	End of FY2012
Interest rate subsidy-related items	64.9
Others	808.7

3. Expected Repayments of Outstanding Borrowing (as of the end of FY2012)

(in billion yen)

Item	FY2013	From FY2014	Total
TMG bonds	594.4	6,703.2	7,297.6
Borrowing from other accounts etc.	0.6	3.1	3.8
Total	595.1	6,706.3	7,301.5

Outstanding balance of TMG bonds of 7.2976 trillion yen, as of the end of fiscal year 2012, is expected to give rise to a total future interest payment of 821.6 billion yen.

4. Figures for Temporary Borrowing

In order to carry out short-term funding, 50.0 billion yen and 270.0 billion yen were raised from the fiscal adjustment fund on May 28 and May 31, 2012, respectively. The sum returned on June 5. The total interest on these borrowings came to 828,765 yen and was implemented from the general account.

5. Sinking Fund

Following the settlement of accounts for fiscal year 2012, there was no shortfall.

6. Breakdown of Other Funds

(in billion yen)

Item	End of FY2012
Special Fund for Expenses Needed in Relation to the Switch of the Corporate Enterprise Tax to a National Tax	—
Social Capital Improvement Fund	326.9
Tokyo Olympics Hosting Fund Reserve	410.3
Fund for Promotion and Exchange of Sports and Culture	0.8
Fund for Promotion of Measures Against Global Warming	3.0
Welfare, Health and Safety Fund	15.6
Fund for Green Tokyo Fundraising Campaign	0.5
Asian Human Resources Fund	4.5
Pollution-Related Health Damage Prevention Fund	4.3
Fund for utilizing the Senkaku Islands through Tokyo Metropolitan Government Senkaku Island Donations	1.4
Disaster Relief Fund	14.3
Fund for Annuity for Individuals with Physically or Mentally Disabilities	69.8
Fund for Stabilization of Finance of Nursing Care Insurance	3.3
Support Fund for Expansion of Administrative Work of National Health Insurance	1.7
Support Fund for Regional Activities on Forestry Development	0
Temporary Special Fund for Supporting the Independence of Individuals with Disabilities	1.3
Fund for Stabilizing the Expenses of Local Government on Medical Insurance for the Elderly Aged over 75	12.7
Fund for Enforcing the Consumer Support by Local Government	0.6
Fund for Establishing the Supportive Society to Raise Children	28.1
Support Fund for Pregnant Women Health Check-up	-
Temporary Special Fund for Emergency Project on Employment Creation	22.2
Support Fund for High School Students	3.9
Temporary Special Fund for Quakeproofing Social Welfare Facilities	5.7
Community Healthcare Revitalization Fund	3.5
Temporary Special Fund for Quakeproofing Medical Facilities	7.3
Emergency Enforcement Fund for Regional Measures against Suicide	0.2
Temporary Special Fund for Improvement of Care Staff Treatment	5.8
Temporary Special Fund for Emergency Development of Foundation for Nursing Care	13.0
Fund for Forestry Development Acceleration and Forestry Rejuvenation	0.2
New public support fund	0
Temporary Special Fund for Emergency Promotion of HPV vaccine including carcinoma of uterine, etc.	-
Municipal Promotion Fund	280.0
Equipment Procurement Fund	0.1
Total	1,242.2

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 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	Total amount of revenues from the following sources will be recorded: <ul style="list-style-type: none"> The amount of grant provided in order to compensate for the burden of the local government to pay for the expenses required by the enforcement of laws related to child allowance in fiscal year 2010 etc. 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.
Local allocation taxes	As for the expenses necessary for contribution to Disaster Victims Livelihood Recovery Support Funds relating to the Great East Japan Earthquake, the amount exceptionally granted as special local allocation tax based on Local Allocation Tax Act is reported.
Allocations for municipalities with facilities owned by the national government	This is provided for municipalities with facilities owned by the national government (Tokyo Metropolitan Government for its special wards). This sum is appropriated as an allocated amount as an alternative to a fixed assets tax.
Miscellaneous tax-related revenues	Calculated as the amount for adjustment of collection of interest and expenditures from collection of tax delinquency.
National treasury disbursement	Calculated as sum equivalent from the national treasury disbursement for the meeting of administrative services activity support requirements.
Traffic safety special grant	In order to allocate the revenues obtained through fines paid to the national government etc. in accordance with the Road Traffic Act to expenses necessary for establishing and managing road traffic safety facilities, the amount allocated to municipalities is calculated.
Operating revenues (Special accounts)	Revenues calculated as the sum from loan interest on special accounts, revenues from premiums, and revenues from penalty charges.
Shares and charges	Sum calculated from shares and charges in meeting requirements of administrative services activity support.
Fees and charges	Calculated as the total amount from all relevant fees and charges.
Revenues from property	Calculated as the total amount from revenues from property.
Miscellaneous (commissioned work revenues)	Calculated as the total amount from commissioned work revenues.
Miscellaneous	Calculated as the total of revenues from profit-earning business and proceeds from the sale of commodities.
Contributions	Calculated as the total revenues from contributions.
Transfers	Calculated as total amount required to meet requirements of administrative services activity support from the total amount of funds transferred from other accounts.
Miscellaneous administrative revenues	All other administrative revenues not stipulated in the above items.

(2) Financial revenues

Item	Content and accounting standards
Revenues from interest earned and dividends	Calculated as revenues gained from interest on deposits and stock dividends, etc.

(3) Special revenues

Item	Content and accounting standards
Profit on sale of fixed assets	Calculated as total revenues from the disposal of fixed assets (excluding securities and investments) and increase in book value from the claim amount.
Other special revenues	Calculated as the gain on the sale of securities and investments and profit attributed to prior period's adjustment of gain and loss etc.

Cash Flow Statement-related Items

1. The balance at the end of the period for cash and cash equivalents (proforma balance), and items noted on the balance sheet related to this amount.

(in billion yen)

Item	FY2012
Cash and deposits	190.1
Balance of payments for the portion of Urban Redevelopment Project Account in the ordinary account classification	1.0
Balance at the end of the fiscal year for cash and cash equivalents (Proforma balance)	191.2

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	FY2012
Metropolitan inhabitant tax	1,578.9
Business tax	618.5
Local consumption tax	361.8
Real estate acquisition tax	66.9
Metropolitan tobacco tax	33.7
Automobile acquisition tax	20.2
Light-oil delivery tax	41.1
Automobile tax	109.9
Fixed assets tax	1,113.0
Special land ownership tax	0.1
Business office tax	95.6
City planning tax	215.0
Others	1.7
Total	4,257.0

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

When establishing a reserve for a sinking fund for use as scheduled redemption equivalent to finance the bullet maturity amortization of public offering and private placement bonds, under the provisions for compiling figures for the statistics of the ordinary account settlement, it is "expenses for public bonds (principal)" that is appropriated for the repayment of TMG bonds. When accessing the sinking fund for redeeming TMG bonds, due to use of sinking fund reserve for handling expenses for public bonds, an amount equivalent to the accessed amount will be exempted from revenues and expenses. Consequently, this means that the movement of cash related to the sinking fund will not be shown as "social capital improvement investment activities."

(in billion yen)

Item	FY2012
Sinking fund transfer	245.1
Sinking fund reserve	334.8

2. Fiscal Year 2012 Tokyo Metropolitan Government Comprehensive Financial Statement

(1) Tokyo Metropolitan Government Comprehensive Financial Statement

[1] Ordinary Account and Other "Special Accounts"

(in million yen)

		Ordinary Account	"Special Accounts"		(Simple Total)
		A	Slaughter-house	Metropolitan Public Housing Tenants Security Deposit	(A+B)
		A	B1	B2	(A+B)

Administrative Cost Statement (Ordinary balance)					
I Administrative balance (1)=a-b		240,087	(3,617)	4	236,474
Administrative revenues a		5,208,504	1,424	60	5,209,989
Local taxes etc.		4,543,591	-	-	4,543,591
Grants etc.		9,252	-	-	9,252
National treasury disbursement		281,997	-	-	281,997
Funds transferred		45,003	-	56	45,060
Other		328,658	1,424	4	330,088
Administrative expenses b		4,968,416	5,042	56	4,973,514
Tax-related expenses		1,142,292	-	-	1,142,292
Payroll-related expenses		1,356,765	2,237	-	1,359,003
Allowances etc.		1,034,548	976	-	1,035,525
Investment expenses		387,233	3	-	387,237
Funds disbursed		212,516	-	56	212,572
Other		835,059	1,824	-	836,884
II Financial balance (2)=c-d		(94,511)	(102)	-	(94,614)
Financial revenues c		16,887	0	-	16,887
Financial expenses d		111,398	102	-	111,501
Ordinary balance (3)=(1)+(2)		145,575	(3,720)	4	141,860
Special balance					
Special revenues e		74,705	-	1	74,706
Special expenses f		50,027	-	-	50,027
Special balance (4)=e-f		24,677	-	1	24,679
Balance for the current period (5)=(3)+(4)		170,253	(3,720)	6	166,539
Transfer to general account g		-	2,875	-	2,875
Disbursement from general account h		-	-	-	-
Balance brought forward (5)+g-h		170,253	(844)	6	169,415

Balance Sheet (Assets)					
I. Current assets		1,323,115	-	13,855	1,336,970
Cash and deposits		192,717	-	13,205	205,922
Other current assets		1,130,397	-	650	1,131,048
II. Fixed assets		31,281,946	14,602	2,400	31,298,948
Tangible fixed assets		24,413,042	14,602	-	24,427,645
Land		17,796,195	-	-	17,796,195
Other tangible fixed assets (property etc.)		6,616,847	14,602	-	6,631,449
Intangible fixed assets		28,310	-	-	28,310
Investments etc.		6,840,593	-	2,400	6,842,993
Long-term loan		1,786,771	-	2,400	1,789,171
Funds		2,331,291	-	-	2,331,291
Other investments etc.		2,722,529	-	-	2,722,529
III. Deferred assets		-	-	-	-
Total assets		32,605,061	14,602	16,255	32,635,919
(Liabilities)					
I. Current liabilities		676,093	1,170	-	677,263
II. Fixed liabilities		7,805,890	6,746	16,239	7,828,876
Long-term borrowing		6,706,392	4,661	-	6,711,054
Other fixed liabilities		1,099,497	2,084	16,239	1,117,821
Total liabilities		8,481,983	7,917	16,239	8,506,140
(Net assets)					
Total net assets		24,123,077	6,685	16	24,129,779
(of which, the changed amount in the current period)		281,773	410	6	282,190
Total liabilities and net assets		32,605,061	14,602	16,255	32,635,919

[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	(15,567)	(1,463)	(4,315)	26,083	1,335	(2,475)
Operating earnings	a	127,858	13,822	17,971	48,447	3,988	43,362
Operating expenses	b	143,426	15,286	22,287	22,363	2,652	45,837
Business cost price		83,668	107	22,285	20,132	1,524	33,678
Administrative expenses		59,757	15,178	1	2,231	1,127	12,159
Non-operating profit		18,409	1,812	109	3,883	481	141
Non-operating earnings	(2)=c-d	24,659	2,924	109	7,424	529	1,176
Non-operating expenses	d	6,249	1,111	-	3,541	47	1,034
Current balance	(1)+(2)	2,842	349	(4,206)	29,967	1,817	(2,334)
Special profit	(3)=e-f	(2,959)	-	-	(7)	-	278
Special earnings	e	6	-	-	-	-	278
Special expenses	f	2,965	-	-	7	-	-
Net profit for the current period	(4)=(1)+(2)+(3)	(117)	349	(4,206)	29,959	1,817	(2,055)
Retained profit brought forward	(5)	(2,313)	(6,501)	55,133	-	8,080	(7,939)
Unappropriated revenues for the current period	(4)+(5)	(2,431)	(6,152)	50,927	29,959	9,897	(9,994)

Balance Sheet							
(Assets)							
I. Current assets		68,313	134,225	85,967	201,582	24,346	41,993
Cash and deposits		45,255	128,497	45,060	197,689	24,256	37,307
Other current assets		23,057	5,728	40,906	3,892	90	4,685
II. Fixed assets		187,910	550,752	287,947	892,059	336,931	183,225
Tangible fixed assets		160,213	550,426	287,947	776,405	331,351	75,428
Land		1,061	188,071	-	776,086	313,815	19,351
Other tangible fixed assets (property etc.)		159,152	362,355	287,947	318	17,536	56,076
Intangible fixed assets		711	7	-	1	2	167
Investments etc.		26,985	319	-	115,653	5,577	107,629
Long-term loan		-	13	-	5,000	-	90,000
Funds		-	-	-	-	-	-
Other investments etc.		26,985	306	-	110,653	5,577	17,629
III. Deferred assets		6,009	10	-	-	-	-
Total assets		262,233	684,988	373,915	1,093,642	361,278	225,218
(Liabilities)							
I. Current liabilities		18,435	12,816	296,428	13,183	1,257	11,971
II. Fixed liabilities		-	199	136	5,603	-	33,586
Long-term borrowing		-	-	-	-	-	-
Other fixed liabilities		-	199	136	5,603	-	33,586
Total liabilities		18,435	13,015	296,565	18,787	1,257	45,557
(Capital)							
Total capital		243,797	671,972	77,349	1,074,854	360,020	179,661
(of which, the changed amount in the current period)		2,133	6,384	(11,122)	27,949	7,962	63
Total liabilities and capital		262,233	684,988	373,915	1,093,642	361,278	225,218

(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	21,128	138	29,096	(379)	36,915	90,497
Operating earnings	a	133,360	993	316,940	827	279,175	986,748
Operating expenses	b	112,232	854	287,843	1,206	242,260	896,250
Business cost price		63,156	717	206,353	475	96,734	528,834
Administrative expenses		49,075	136	81,490	730	145,526	367,416
Non-operating profit	(2)=c-d	(8,861)	4	(787)	379	(13,942)	1,631
Non-operating earnings	c	4,285	4	8,778	385	33,768	84,047
Non-operating expenses	d	13,146	0	9,566	6	47,710	82,415
Current balance	(1)+(2)	12,267	143	28,309	-	22,973	92,128
Special profit	(3)=e-f	492	3	1,127	-	-	(1,065)
Special earnings	e	495	3	1,127	-	-	1,911
Special expenses	f	3	-	-	-	-	2,976
Net profit for the current period	(4)=(1)+(2)+(3)	12,759	147	29,436	-	22,973	91,063
Retained profit brought forward	(5)	(412,894)	-	-	-	10,847	(355,587)
Unappropriated revenues for the current period	(4)+(5)	(400,135)	147	29,436	-	33,821	(264,523)

Balance Sheet								
(Assets)								
I. Current assets		144,234	3,750	346,601	5,759	230,724	1,287,498	
Cash and deposits		127,545	3,663	158,627	5,521	76,637	850,063	
Other current assets		16,688	86	187,974	237	154,086	437,435	
II. Fixed assets		1,557,762	3,985	2,374,578	29,243	6,513,108	12,917,505	
Tangible fixed assets		1,545,782	3,983	2,298,251	28,955	6,512,092	12,570,838	
Land		133,287	96	244,136	1,045	529,376	2,206,328	
Other tangible fixed assets (property etc.)		1,412,494	3,886	2,054,115	27,910	5,982,715	10,364,509	
Intangible fixed assets		2,324	1	75,197	287	835	79,536	
Investments etc.		9,655	1	1,129	-	180	267,130	
Long-term loan		-	-	-	-	-	95,013	
Funds		-	-	-	-	-	-	
Other investments etc.		9,655	1	1,129	-	180	172,117	
III. Deferred assets		-	-	32	-	223	6,276	
Total assets		1,701,996	7,736	2,721,213	35,003	6,744,056	14,211,280	
(Liabilities)								
I. Current liabilities		33,047	326	114,668	184	118,152	620,473	
II. Fixed liabilities		499,012	452	179,644	-	57,471	776,106	
Long-term borrowing		264,052	-	-	-	-	264,052	
Other fixed liabilities		234,959	452	179,644	-	57,471	512,053	
Total liabilities		532,060	779	294,312	184	175,623	1,396,579	
(Capital)								
Total capital		1,169,935	6,957	2,426,900	34,818	6,568,433	12,814,701	
(of which, the changed amount in the current period)		25,712	147	12,449	38	28,890	100,609	
Total liabilities and capital		1,701,996	7,736	2,721,213	35,003	6,744,056	14,211,280	

[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	15	23	16	82	114	22
Current revenues a	230	610	1,158	11,092	1,776	4,953
Current expenses b	214	586	1,141	11,009	1,661	4,931
Nonrecurring increase (decrease) for the current period (2)=c-d	(0)	(0)	(0)	(2)	0	(147)
Nonrecurring revenues c	-	0	-	5	0	-
Nonrecurring expenses d	0	0	0	7	0	147
Corporation tax etc. (3)	2	(-)	3	74	0	0
Total changes in unrestricted net assets for the current period (4)=(1)+(2)+(-)(3)	13	23	13	5	114	(125)
Unrestricted net assets at the beginning of the current period (5)	117	854	536	5,955	629	986
Unrestricted net assets at the end of the current period (6)=(4)+(5)	130	878	549	5,960	744	861
(Changes in restricted net assets)						
Total changes in restricted net assets for the current period (7)	-	-	-	0	-	6
Restricted net assets at the beginning of the current period (8)	101	4,000	300	200	1	500
Restricted net assets at the end of the current period (9)=(7)+(8)	101	4,000	300	200	1	506
Net assets at the end of fiscal year (6)+(9)	231	4,878	849	6,161	745	1,367

*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	79	354	374	5,623	575	2,003
Cash and deposits	78	320	302	5,076	403	1,053
Other current assets	0	34	72	547	171	949
II. Fixed assets	172	6,809	582	3,538	555	1,405
Tangible fixed assets	0	155	20	483	9	33
Land	-	-	-	-	-	-
Other tangible fixed assets (property etc.)	0	155	20	483	9	33
Intangible fixed assets	0	0	5	36	17	0
Investments etc.	172	6,653	555	3,018	528	1,370
Long-term loan	-	-	-	-	42	-
Funds	-	-	-	-	-	-
Other investments etc.	172	6,653	555	3,018	485	1,370
III. Deferred assets	-	-	-	-	-	-
Total assets	251	7,164	957	9,162	1,130	3,408
(Liabilities)						
I. Current liabilities	20	45	91	2,397	265	1,398
II. Fixed liabilities	-	2,240	15	603	119	642
Long-term borrowing	-	2,240	-	-	55	-
Other fixed liabilities	-	-	15	603	64	642
Total liabilities	20	2,285	107	3,001	385	2,041
(Net assets)						
Total net assets	231	4,878	849	6,161	745	1,367
(of which, the changed amount in the current period)	13	23	13	6	114	(119)
Total liabilities and net assets	251	7,164	957	9,162	1,130	3,408

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	5/8	3/7	14/203	35/215	2/105	44/128

* 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, 2012, number of employees is as of 1 August, 2011

(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	(50)	(28)	214	(115)	(121)	-
Current revenues a	2,768	24,286	12,198	2,802	4,205	657
Current expenses b	2,819	24,314	11,991	2,918	4,327	657
Nonrecurring increase (decrease) for the current period (2)=c-d	(0)	(4,957)	(6)	(8)	148	-
Nonrecurring revenues c	6	-	0	-	153	0
Nonrecurring expenses d	6	4,957	6	8	5	0
Corporation tax etc. (3)	60	(0)	0	(0)	(-)	(-)
Total changes in unrestricted net assets for the current period (4)=(1)+(2)+(-)(3)	(111)	(4,985)	207	(124)	26	-
Unrestricted net assets at the beginning of the current period (5)	425	69,163	4,242	1,692	781	-
Unrestricted net assets at the end of the current period (6)=(4)+(5)	313	64,178	4,450	1,568	808	-
(Changes in restricted net assets)						
Total changes in restricted net assets for the current period (7)	-	-	0	(0)	-	(2)
Restricted net assets at the beginning of the current period (8)	880	13	356	1,038	300	38
Restricted net assets at the end of the current period (9)=(7)+(8)	880	13	356	1,037	300	36
Net assets at the end of fiscal year (6)+(9)	1,193	64,191	4,807	2,605	1,108	36

*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	1,624	22,094	25,350	619	833	157
Cash and deposits	1,429	6,107	22,843	520	825	147
Other current assets	194	15,987	2,506	98	8	9
II. Fixed assets	955	54,557	3,280	8,290	1,551	81
Tangible fixed assets	25	1,432	1,714	70	1,099	29
Land	-	656	73	-	-	-
Other tangible fixed assets (property etc.)	25	775	1,641	70	1,099	29
Intangible fixed assets	2	32	98	11	74	-
Investments etc.	928	53,092	1,467	8,207	376	51
Long-term loan	-	41	-	6,520	-	0
Funds	-	-	-	-	-	-
Other investments etc.	928	53,050	1,467	1,687	376	51
III. Deferred assets	-	-	-	-	-	-
Total assets	2,580	76,652	28,631	8,909	2,385	239
(Liabilities)						
I. Current liabilities	1,386	9,218	23,666	491	1,057	157
II. Fixed liabilities	-	3,242	157	5,812	219	44
Long-term borrowing	-	-	-	2,229	-	-
Other fixed liabilities	-	3,242	157	3,582	219	44
Total liabilities	1,386	12,460	23,824	6,303	1,276	202
(Net assets)						
Total net assets	1,193	64,191	4,807	2,605	1,108	36
(of which are changes in the current period)	(111)	(4,985)	207	(124)	26	(2)
Total liabilities and net assets	2,580	76,652	28,631	8,909	2,385	239

Current status of metropolitan government's involvement

Investment ratio (%)	90.9	76.9	99.8	60.0	100	100
Number of metropolitan government contract employees/ Number of permanent employees	4/11	14/255	68/323	40/103	89/186	19/40

* 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, 2013, number of employees is as of 1 August, 2012

(in million yen)

Tokyo Metropolitan Health and Medical Treatment Corporation D13	Tokyo Metropolitan Small Business Center D14	Tokyo Foundation for Employment Service D15	Tokyo Development Foundation For Agriculture, Forestry & Fisheries D16	Tokyo Convention and Visitors Bureau D17	Tokyo Zoological Park Society D18
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Statement of Changes in Net Assets						
(Changes in unrestricted net assets)						
Current increase (decrease) for the current period (1)=a-b	38	106	15	(4)	(42)	188
Current revenues a	50,253	7,468	2,922	3,240	1,342	8,859
Current expenses b	50,215	7,361	2,906	3,244	1,385	8,672
Nonrecurring increase (decrease) for the current period (2)=c-d	(62)	208	(0)	-	(0)	29
Nonrecurring revenues c	11	208	-	-	-	33
Nonrecurring expenses d	74	0	0	-	0	4
Corporation tax etc. (3)	66	4	2	(-)	1	67
Total changes in unrestricted net assets for the current period (4)=(1)+(2)+(-3)	(24)	310	12	(4)	(44)	149
Unrestricted net assets at the beginning of the current period (5)	(3,728)	2,367	97	555	1,046	1,544
Unrestricted net assets at the end of the current period (6)=(4)+(5)	(3,752)	2,678	110	550	1,001	1,694
(Changes in restricted net assets)						
Total changes in restricted net assets for the current period (7)	(234)	(18)	(1)	101	(72)	13
Restricted net assets at the beginning of the current period (8)	7,843	701	506	4,548	373	55
Restricted net assets at the end of the current period (9)=(7)+(8)	7,609	683	505	4,650	300	68
Net assets at the end of fiscal year (6)+(9)	3,856	3,361	615	5,200	1,302	1,762

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

*2 Current increase (decrease) for the current period of Tokyo Zoological Park Society reflects valuation profit or loss on basic funds, etc. and valuation profit or loss on specified assets etc.

Balance Sheet						
(Assets)						
I. Current assets	9,869	13,829	2,055	592	474	1,567
Cash and deposits	1,869	2,172	604	525	372	875
Other current assets	8,000	11,657	1,450	66	101	692
II. Fixed assets	9,980	39,846	728	6,438	1,341	1,574
Tangible fixed assets	6,917	289	15	412	0	311
Land	-	75	-	-	-	20
Other tangible fixed assets (property etc.)	6,917	213	15	412	0	290
Intangible fixed assets	1,306	41	1	9	0	38
Investments etc.	1,756	39,515	710	6,015	1,341	1,225
Long-term loan	-	-	-	42	-	0
Funds	-	36,163	-	1,895	820	59
Other investments etc.	1,756	3,351	710	4,077	521	1,165
III. Deferred assets	-	-	-	-	-	-
Total assets	19,850	53,675	2,783	7,030	1,816	3,142
(Liabilities)						
I. Current liabilities	9,340	13,190	1,999	407	450	1,148
II. Fixed liabilities	6,652	37,123	168	1,423	63	230
Long-term borrowing	-	20,000	-	1,377	-	-
Other fixed liabilities	6,652	17,123	168	45	63	230
Total liabilities	15,993	50,314	2,168	1,830	513	1,379
(Net assets)						
Total net assets	3,856	3,361	615	5,200	1,302	1,762
(of which are changes in the current period)	(258)	292	10	97	(117)	162
Total liabilities and net assets	19,850	53,675	2,783	7,030	1,816	3,142

Current status of metropolitan government's involvement						
Investment ratio (%)	97.5	50.2	50.7	64.4	-	7.5
Number of metropolitan government contract employees/ Number of permanent employees	522/2,575	30/151	21/75	128/149	6/39	134/307

* 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, 2013, number of employees is as of 1 August, 2012

(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	(173)	69	35	407
Current revenues	a	13,001	8,971	2,309	165,110
Current expenses	b	13,174	8,901	2,277	164,714
Nonrecurring increase (decrease) for the current period	(2)=c-d	(7)	(12)	(9)	(4,829)
Nonrecurring revenues	c	-	12	-	432
Nonrecurring expenses	d	7	25	9	5,261
Corporation tax etc.	(3)	7	58	[34]	286
Total changes in unrestricted net assets for the current period	(4)=(1)+(2)[- (3)]	(189)	(1)	25	(4,707)
Unrestricted net assets at the beginning of the current period	(5)	3,466	9,459	1,858	102,052
Unrestricted net assets at the end of the current period	(6)=(4)+(5)	3,276	9,458	1,884	97,344
(Changes in restricted net assets)					
Total changes in restricted net assets for the current period	(7)	30	-	5	(172)
Restricted net assets at the beginning of the current period	(8)	2,758	1	489	25,007
Restricted net assets at the end of the current period	(9)=(7)+(8)	2,789	1	494	24,834
Net assets at the end of fiscal year	(6)+(9)	6,065	9,459	2,378	122,179

*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 Disaster Prevention & Emergency Medical Service Association reflects Specific assets appraisal profit or loss

Balance Sheet					
(Assets)					
I. Current assets		3,953	9,313	945	102,294
Cash and deposits		3,050	7,726	801	57,109
Other current assets		902	1,586	144	45,184
II. Fixed assets		4,588	7,471	1,708	155,457
Tangible fixed assets		602	2,017	27	15,668
Land		-	896	-	1,722
Other tangible fixed assets (property etc.)		602	1,121	27	13,945
Intangible fixed assets		44	42	0	1,768
Investments etc.		3,941	5,411	1,680	138,020
Long-term loans		-	369	-	7,018
Funds		-	-	-	38,938
Other investments etc.		3,941	5,041	1,680	92,063
III. Deferred assets		-	-	-	-
Total assets		8,541	16,784	2,654	257,752
(Liabilities)					
I. Current liabilities		2,152	6,533	228	75,649
II. Fixed liabilities		323	792	46	59,922
Long-term borrowings		-	364	-	26,267
Other fixed liabilities		323	427	46	33,655
Total liabilities		2,475	7,325	275	135,572
(Net assets)					
Total net assets		6,065	9,459	2,378	122,179
(of which are changes in the current period)		(158)	(1)	30	(4,879)
Total liabilities and net assets		8,541	16,784	2,654	257,752

Current status of metropolitan government's involvement			
Investment ratio (%)	100	0.2	16.4
Number of metropolitan government contract employees/ Number of permanent employees	72/521	26/281	23/64

* 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, 2013, number of employees is as of 1 August, 2012

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

		(in million yen)	
		Tokyo Metropolitan Welfare E1	(Simple Total) (E)
Revenues and Expenses Statement			
Operating balance	(1)=a-b	(381)	(381)
Operating revenues	a	11,658	11,658
Operating expenses	b	12,040	12,040
Operating costs	(2)=c-d	11,684	11,684
Administrative expenses	c	356	356
Non-operating balance	d	119	119
Non-operating revenues	(3)	361	361
Non-operating expenses	(4)=(1)+(2)-[(3)]	241	241
Current balance	(5)	(261)	(261)
Special balance	(6)=(4)+(5)	355	355
Special revenues		355	355
Special expenses	(7)	-	-
Balance for the current period	(8)	94	94
Balance brought forward from the previous period	(9)=(7)+(8)	39	39
Balance carried forward to the next period	(6)+(9)	133	133

Balance Sheet		
(Assets)		
I. Current assets	1,020	1,020
Cash and deposits	900	900
Other current assets	119	119
II. Fixed assets	894	894
Tangible fixed assets	36	36
Land	-	-
Other tangible fixed assets (property etc.)	36	36
Intangible fixed assets	-	-
Investments etc.	857	857
Long-term loan	0	0
Funds	-	-
Other investments etc.	857	857
III. Deferred assets	-	-
Total assets	1,914	1,914
(Liabilities)		
I. Current liabilities	887	887
II. Fixed liabilities	70	70
Long-term borrowing	-	-
Other fixed liabilities	70	70
Total liabilities	958	958
(Net assets)		
Total net assets	956	956
(of which, the changed amount in the current period)	107	107
Total liabilities and net assets	1,914	1,914

Current status of metropolitan government's involvement	
Investment ratio (%)	100
Number of metropolitan government contract employees/ Number of permanent employees	692/1,008

* The investment ratio is calculated as of 31 March, 2013, number of employees is as of 1 August, 2012

[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	14,577	14,577
Operating revenues a	129,823	129,823
Operating expenses b	115,246	115,246
Business cost price	113,973	113,973
Administrative expenses	1,272	1,272
Non-operating profit (2)=c-d	(563)	(563)
Non-operating revenues c	326	326
Non-operating expenses d	889	889
Current balance (1)+(2)	14,013	14,013
Special profit (3)=e-f	(3,808)	(3,808)
Special revenues e	2,340	2,340
Special expenses f	6,148	6,148
Pre-reserve profit under special laws (4)=(1)+(2)+(3)	10,205	10,205
Reserve allowance under special laws (5)	-	-
Reversal of special fund reserves (6)	-	-
Transfer to special fund reserves (7)	-	-
Profit for the current period (4)+(5)+(6)-(7)	10,205	10,205
Balance Sheet		
(Assets)		
I. Current assets	60,182	60,182
Cash and deposits	34,259	34,259
Other current assets	25,922	25,922
II. Fixed assets	1,232,412	1,232,412
Tangible fixed assets	1,220,301	1,220,301
Land	1,037	1,037
Other tangible fixed assets (property etc.)	1,219,264	1,219,264
Intangible fixed assets	813	813
Investments etc.	11,297	11,297
Long-term loan	-	-
Funds	-	-
Other investments etc.	11,297	11,297
III. Deferred assets	-	-
Total assets	1,292,594	1,292,594
(Liabilities)		
I. Current liabilities	45,028	45,028
II. Fixed liabilities	876,326	876,326
Long-term borrowing	728,850	728,850
Other fixed liabilities	147,475	147,475
Total liabilities	921,355	921,355
(Capital)		
Total capital	371,239	371,239
(of which, the changed amount in the current period)	10,205	10,205
Total liabilities and capital	1,292,594	1,292,594
Current status of metropolitan government's involvement		
Investment ratio (%)	100	
Number of metropolitan government contract employees/ Number of permanent employees	9/570	

* The investment ratio is calculated as of 31 March, 2013, number of employees is as of 1 August, 2012

[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	73	980	4,039	487	499	17,983
Operating revenues a	1,123	7,762	18,141	1,809	7,383	69,692
Operating expenses b	1,050	6,781	14,102	1,322	6,883	51,708
Business cost price	824	3,362	5,072	1,197	5,493	48,379
Sales and administrative expenses	226	3,418	9,029	124	1,389	3,329
Non-operating profit (2)=c-d	26	(410)	(2,229)	0	27	(2,326)
Non-operating revenues c	27	108	125	1	31	397
Non-operating expenses d	0	519	2,355	0	4	2,723
Current balance (1)+(2)	99	569	1,810	488	527	15,657
Special profit (3)=e-f	-	-	(120)	(2)	(20)	(162)
Special revenues e	46	-	-	-	-	47
Special expenses f	46	-	120	2	20	210
Corporation tax etc. (4)	38	21	156	184	196	7,784
Net profit for the current period (1)+(2)+(3)+(4)	61	548	1,533	300	310	7,709

Balance Sheet						
(Assets)						
I. Current assets	2,638	8,650	11,990	2,350	4,984	61,375
Cash and deposits	1,626	3,144	1,731	1,586	4,066	44,707
Other current assets	1,011	5,506	10,258	764	917	16,667
II. Fixed assets	6,663	71,169	240,557	7,894	1,892	298,214
Tangible fixed assets	417	68,321	206,315	7,750	947	259,557
Land	-	30,131	13,012	3,705	-	64,383
Other tangible fixed assets (property etc.)	417	38,189	193,303	4,045	947	195,173
Intangible fixed assets	3,238	88	13,813	1	39	20,712
Investments etc.	3,007	2,759	20,428	142	904	17,943
Long-term loan	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Other investments etc.	3,007	2,759	20,428	142	904	17,943
III. Deferred assets	-	-	-	-	-	-
Total assets	9,301	79,820	252,547	10,244	6,876	359,589
(Liabilities)						
I. Current liabilities	206	4,677	11,893	543	2,377	31,518
II. Fixed liabilities	67	46,652	169,694	6,440	815	156,165
Long-term borrowing	-	46,416	9,460	-	-	130,483
Other fixed liabilities	67	236	160,234	6,440	815	25,682
Total liabilities	273	51,330	181,587	6,983	3,192	187,683
(Net assets)						
Total net assets	9,028	28,490	70,959	3,261	3,683	171,905
(of which, the changed amount in the current period)	61	548	1,571	300	296	9,714
Total liabilities and net assets	9,301	79,820	252,547	10,244	6,876	359,589

*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	7/17	10/184	22/253	2/8	7/53	73/536

*1 The investment ratio is calculated as of 31 March, 2013, number of employees is as of 1 August, 2012

*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	293	(26)	313	1,122	25,766
Operating revenues a	6,633	13,768	11,529	18,223	156,067
Operating expenses b	6,339	13,795	11,215	17,100	130,300
Business cost price	6,116	13,047	10,529	16,316	110,340
Sales and administrative expenses	223	748	685	783	19,959
Non-operating profit (2)=c-d	15	30	0	6	(4,858)
Non-operating revenues c	21	46	22	10	793
Non-operating expenses d	5	15	22	4	5,652
Current balance (1)+(2)	309	3	314	1,129	20,908
Special profit (3)=e-f	(0)	-	(0)	(7)	(314)
Special revenues e	-	-	-	-	93
Special expenses f	0	-	0	7	408
Corporation tax etc. (4)	122	11	124	439	9,078
Net profit for the current period (1)+(2)+(3)+(4)	187	(8)	190	681	11,515

Balance Sheet					
(Assets)					
I. Current assets	1,804	2,932	4,780	9,004	110,511
Cash and deposits	512	549	2,529	3,438	63,894
Other current assets	1,291	2,382	2,250	5,566	46,617
II. Fixed assets	234	1,905	3,034	1,452	633,018
Tangible fixed assets	37	1,237	1,602	933	547,121
Land	-	226	-	-	111,459
Other tangible fixed assets (property etc.)	37	1,011	1,602	933	435,662
Intangible fixed assets	19	178	378	283	38,753
Investments etc.	177	489	1,054	235	47,143
Long-term loan	-	-	0	-	0
Funds	-	-	-	-	-
Other investments etc.	177	489	1,054	235	47,143
III. Deferred assets	-	-	-	-	-
Total assets	2,038	4,837	7,815	10,457	743,529
(Liabilities)					
I. Current liabilities	1,029	1,730	1,909	4,736	60,622
II. Fixed liabilities	101	710	2,661	350	383,659
Long-term borrowing	-	-	-	-	186,359
Other fixed liabilities	101	710	2,661	350	197,299
Total liabilities	1,130	2,440	4,570	5,087	444,281
(Net assets)					
Total net assets	908	2,396	3,244	5,370	299,248
(of which, the changed amount in the current period)	176	(13)	190	676	13,522
Total liabilities and net assets	2,038	4,837	7,815	10,457	743,529

Current status of metropolitan government's involvement				
Investment ratio (%)	100	51	56	50
Number of metropolitan government contract employees/ Number of permanent employees	7/257	63/1,142	66/515	194/569

* The investment ratio is calculated as of 31 March, 2013, number of employees is as of 1 August, 2012

[5] Local Independent Administrative Corporations

					Tokyo Metropolitan University	Tokyo Metropolitan Industrial Technology Research Institute	Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology	(Simple Total)	Combined Total	Classification Adjustment	Offset Elimination	Tokyo Metropolitan Government Overall Total	
					H1	H2	H3	(H)	(A+B+C+D+E+F+G+H)			(in million yen)	
Profit and Loss Statement													
Operating balance					(1)=a-b	(1,140)	(2,160)	958	(2,343)				
Operating revenues					a	23,266	5,484	16,072	44,823				
Operating expenses					b	24,407	7,645	15,113	47,167				
Operating costs						21,735	4,603	13,574	39,913				
Administrative expenses						2,671	3,042	1,539	7,253				
Non-operating balance					(2)=c-d	1,918	2,527	68	4,514				
Non-operating revenues					c	1,957	2,531	68	4,557				
Non-operating expenses					d	39	3	-	42				
Current balance					(3)=d2	777	366	1,027	2,171				
Special balance					(3)=e-f	(196)	-	(162)	(358)				
Special revenues					e	55	0	0	56				
Special expenses					f	251	0	163	415				
Balance for the current period					(4)=(1)+(2)+(3)	581	366	864	1,812				
Reversal of reserve for special purposes					(5)	167	-	25	193				
Total profit for the current period					(4)+(5)	749	366	890	2,006				
Balance Sheet													
(Assets)													
I. Current assets						7,090	2,759	16,788	26,638	2,925,117		2,925,117	
Cash and deposits						3,648	2,666	14,832	21,147	1,233,298		1,233,298	
Other current assets						3,442	92	1,956	5,490	1,691,818		1,691,818	
II. Fixed assets						150,155	38,097	31,301	219,554	46,457,791	(2,080,449)	44,377,342	
Tangible fixed assets						144,705	37,654	31,021	213,380	38,994,991		38,994,991	
Land						86,035	14,200	10,119	110,354	20,227,098		20,227,098	
Other tangible fixed assets (property etc.)						58,669	23,454	20,901	103,025	18,767,893		18,767,893	
Intangible fixed assets						166	95	226	488	149,670		149,670	
Investments etc.						5,284	347	53	5,686	7,313,129	(2,080,449)	5,232,680	
Long-term loan						-	-	34	34	1,891,238		1,891,238	
Funds						-	-	-	-	2,370,230		2,370,230	
Other investments etc.						5,284	347	18	5,651	3,051,660	(2,080,449)	971,211	
III. Deferred assets						-	-	-	-	6,276		6,276	
Total assets						157,246	40,856	48,090	246,193	49,389,185	-	(2,080,449)	47,308,736
(Liabilities)													
I. Current liabilities						6,866	1,571	11,560	19,998	1,499,923	298,469		1,798,392
II. Fixed liabilities						12,692	10,248	20,074	43,015	9,967,977	2,911,716		12,879,693
Long-term borrowing						-	-	18,389	18,389	7,934,974	2,911,716		10,846,690
Other fixed liabilities						12,692	10,248	1,685	24,626	2,033,002			2,033,002
Total liabilities						19,558	11,820	31,634	63,013	11,467,900	3,210,185	-	14,678,085
(Net assets)													
Total capital						137,687	29,036	16,455	183,179	37,921,284	(3,210,185)	(2,080,449)	32,630,650
(of which, the changed amount in the current period)						910	(254)	2,590	3,246	405,001			405,001
Total liabilities and capital						157,246	40,856	48,090	246,193	49,389,185	-	(2,080,449)	47,308,736

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

Year-to-date
(From April 1, 2012, to March 31, 2013)

(Accounting Policy)

1. Scope

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

(1) Ordinary Account

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

(2) "Special Accounts"

The following 2 accounts are special accounts that fall outside of the scope of the ordinary account.

Slaughterhouse

Metropolitan Public Housing Tenants Security Deposit

(3) Public Enterprise Accounts

The following 11 accounts are classified as public enterprise accounts

Hospitals

Central Wholesale Market

Urban Redevelopment Project

Waterfront Area Development Project

Port and Harbor Project

Transportation

Urban Rapid Transit Railway

Electric Power

Waterworks

Industrial Waterworks

Sewerage

(4) Administrative Bodies Supervised by Tokyo Metropolitan Government

These bodies are organizations in which the Tokyo Metropolitan Government provides investment and financial backing, provides continued financial spending or physical support, and which require supervision by the Tokyo Metropolitan Government. All of the 33 applicable bodies are regarded as 100% wholly owned by the Tokyo Metropolitan Government.

- i) Limited corporations (10 bodies) (Numbers in parentheses indicate the portion held)
Tokyo Stadium (36.3%); Tokyo Tama Intercity Monorail Co., Ltd. (79.9%); Tokyo Waterfront Area Rapid Transport, Inc. (91.3%); Tama New Town Development Center (51.2%); Tokyo International Forum Co., Ltd. (51.0%); Tokyo Rinkai Holdings (85.1%)^{*1}; Tokyo Kotsu Service Co., Ltd. (100%); Tokyo Waterworks Service Co., Ltd. (51.0%); PUC Co., Ltd. (56.0%); Tokyo Metropolitan Sewerage Service Corporation (50.0%).

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

<p style="text-align: center;">Year-to-date (From April 1, 2012, to March 31, 2013)</p>	
ii)	<p>Public interest corporations (23 Bodies) 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 New Town Development Corporation^{*2}; 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> <p>^{*2} The status was amended to public interest incorporated foundation, and renamed "Tokyo Urban Planning and Development Corporation" on April 1, 2013.</p> <p>(5) Local Independent Administrative Corporations Three organizations below established by TMG based on Local Independent Administrative Corporations Law Tokyo Metropolitan University Tokyo Metropolitan Industrial Technology Research Institute Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology</p>
2.	<p>Base Date The base date for this statement shall be taken as being March 31, 2013, although for the ordinary account and the "Special Accounts" these will also include all account deposits and withdrawals during the period between April 1, 2013, and May 31, 2013 (the settlement period).</p>
3.	<p>Adjustment between Investment and Capital 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 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 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 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 Inventory assets in public enterprise accounts are calculated mainly using the cost method determined by the moving-average method. 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, 2012, to March 31, 2013)

8. Method Used for Fixed Asset Depreciation

In the ordinary account and the “Special Accounts”, tangible fixed assets within administrative assets and ordinary assets are depreciated on a straight-line basis according to the service life and the residual value rate in the “Tokyo Metropolitan Government Guidelines for Processing Ledgers Related to Public Property”.

Tangible fixed assets within infrastructure assets are depreciated on a straight line basis according to the service life and the residual value rate in the “Tokyo Metropolitan Government Guideline for Processing Ledgers Related to Public Property” and the “Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards”. The paving of roads, defined as replacement assets by the “Tokyo Metropolitan Government Bureau of Construction Infrastructure Asset Control Standards”, however, is subject to adoption of a processing method that treats spending required for partial road replacement as actual expenses. Important property is depreciated on a straight line basis according to the service life in the “Service Life Benchmarks for Important Property.”

Assets of public enterprise accounts are depreciated on a straight line basis according to the service life in the “Enforcement Standards of the Local Public Enterprise Law”.

For administrative bodies supervised by the Tokyo Metropolitan Government, they adopt a straight line basis according to the ordinance of Ministry of Finance.

9. Investment Securities Valuation Method and Benchmarks

In both the ordinary account and the “Special Accounts”, investments securities are calculated based upon their acquisition price. For items that have a markedly decreased actual cash value or real value, however, these are calculated using the reduced value.

For public enterprise accounts, bonds held to maturity are calculated using the amortized cost method, while other securities are calculated using the cost method determined by the specific identification method and moving-average method.

For administrative bodies supervised by the Tokyo Metropolitan Government, bonds held to maturity are calculated using the amortized cost method, while other securities are calculated using the cost method determined by the moving-average method.

10. Accounting Standards for Reserve Allowances

The Tokyo Metropolitan Government’s main reserve allowances are outlined below.

(1) Reserve for deficit due to non-payment

In both the ordinary account and the “Special Accounts”, since there is a possibility that some of the metropolitan taxes, usage charges, and other outstanding revenues may lead to a deficit due to non-payment as a result of the extinctive prescription, the reserve for deficit due to non-payment is recorded as an amount gained by calculating the possible percentage, by using the liquidation status of such outstanding revenues, the composition of finances of the counterparty, and the metropolitan government’s previous deficit due to non-payment over the past three years, and multiplying it by the amount of outstanding revenues as of the end of fiscal year.

(2) Bad debt reserve

In both the ordinary account and the “Special Accounts”, since there is a possibility that some of the metropolitan government’s loans may lead to an exemption or a reduction of repayment, the bad debt reserve is recorded as an amount gained by calculating the possible percentage, by using the liquidation status of such loans, the composition of finances of the counterparty and the reduction of such loans based on exemptions etc. over the past three years, and multiplying it by the amount of the metropolitan government’s loans as of the end of fiscal year.

In preparation for losses to administrative bodies due to bad debt, in addition to the ceiling provided by the tax law as stipulated by the corporation tax law, the amount of the estimate of the unrecoverable individual debt is to be appropriated.

(3) Reserve for retirement allowances

The retirement allowance payment used in the event of government employees retiring voluntarily is mainly used to calculate the required reserve for retirement allowances.

Year-to-date
(From April 1, 2012, to March 31, 2013)

(4) Repair allowance

For the most part, the difference between the projected repair budget based on financial planning for the fiscal year and the amount used is calculated as the repair allowance, if the amount used for that fiscal year is less than the projected budget.

(5) Reserve for bonus payment

A portion of the terminal allowances and bonuses attributable to this fiscal year and to be paid in the next fiscal year is calculated as other current liabilities.

(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 FY2012
Ordinary account	3,170.4
"Special Accounts"	6.6
Public enterprise accounts	5,298.9
Limited corporations	366.1
Public interest corporations	244.1
Independent administrative corporations	45.7
Total	9,132.0

2. Expected Repayments of Outstanding Borrowings

(in billion yen)

Item	FY2013	From FY2014	Total
Ordinary account	595.1	6,706.3	7,301.5
"Special Accounts"	1.0	4.6	5.7
Public enterprise accounts	299.6	2,929.5	3,229.1
Limited corporations	18.1	186.4	204.6
Public interest corporations	45.7	738.4	784.2
Independent administrative corporations	0.7	17.6	18.3
Total	960.5	10,538.1	11,543.6

3. Assets Offered as Collateral

Of the assets of the limited corporations, a total value of 469.9 billion yen is offered as collateral.

(Reference Tables)

Financial chronology of the Tokyo Metropolitan Government (ordinary account)

