

TOKYO METROPOLITAN GOVERNMENT ACCOUNTING STANDARD

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INTRODUCTION

This standard specifies the rules which shall apply to the preparation of financial statements for the General Account, all Special Accounts (namely the General Account and the Special Accounts defined in Clause 1, Article 209 of the Local Autonomy Law, with the exception of certain Special Accounts to which the whole or a part of Local Enterprise Law is applied) and each bureau of the Tokyo Metropolitan Government.

CHAPTER I. General Rule

1. Basic Concepts

1.1 Preparation of financial statements in accordance with double-entry bookkeeping procedures

This standard indicates the rules to be applied for preparing financial statements based on accurate accounting ledgers kept in accordance with double-entry bookkeeping procedures.

1.2 Concept of “revenues” and “expenses”

The administrative activities of the Tokyo Metropolitan Government are not aimed at earning a commercial profit. Thus, it is not appropriate to prepare a profit and loss statement representing performance based on the economic relationships of cause and effect similar to the “matching principle” employed by the private sector.

This standard adopts the concept of “expenses” as they relate to the execution of the Tokyo Metropolitan Government’s administrative duties, and instead of “(commercial) income” as used

in private sector accounting, it adopts the concept of “(fiscal) revenue” as the financial source for covering those expenses. Under these concepts, this standard attempts to determine the corresponding relationship between revenues and expenses and the amount of net surplus (or deficit).

1.3 Recognition of “revenues” and “expenses”

This standard adopts the accrual basis of accounting, not the cash basis, to recognize “revenues” and “expenses”. Thus, the “revenues” and “expenses” are not recognized at the moment cash is received or paid, but at the moment that a transaction or an event takes place during the accounting period.

1.4 Booking of “assets” and “liabilities”

In addition to the properties (that is, real assets or legal rights which have a realizable value) owned by and the legal obligations incurred by the Tokyo Metropolitan Government, the balance sheet also accommodates other “assets” and “liabilities” which are recognized under the accrual basis of accounting.

2. Composition of financial statements

The financial statements of the Tokyo Metropolitan Government are comprised of (1) balance sheet; (2) statement of operating costs; (3) statement of cash flow; (4) statement of changes in net assets, and supporting schedule(s) for items relevant to those statements.

3. Compilation of financial statements

In order to begin compiling the financial statements, the initial balance sheet is prepared in conformity with the public property registry, and other such records. Thereafter accounting ledgers are accurately maintained according to double-entry bookkeeping procedures. At the end of every fiscal year, financial statements are prepared through a series of closing procedures, including the reconciliation of the public property registry, and other such records.

4. Closing date

The closing date for the financial statements is in principle the end of the fiscal year, namely, March 31. However, the financial statements shall reflect the cash receipts and disbursements and the relevant fluctuations of assets and liabilities for the period from the end of the fiscal year until May 31 (hereafter, referred to as “adjusting period for book closing”) as stipulated in Article 235-5 of the Local Autonomy Law (i.e. The Tokyo Metropolitan Government extends the

accounting period for two months and absorbs cash transactions for which debt or credit has been recognized at the end of the fiscal year).

5. Currency unit

The balance of accounts and other values are in principle stated in exact yen, however, the use of million yen units or 100 million yen units is also acceptable. Numbers less than a unit are rounded off.

CHAPTER II. Balance Sheet

1. Purpose and Method of Compilation

1.1 Purpose

The balance sheet is prepared in order to provide clear and accurate information about the state of the Tokyo Metropolitan Government's assets, liabilities and net assets at the end of the reporting period.

1.2 Method of compilation

The balance sheet is prepared by compiling the balance of assets, liabilities and net assets recorded in the relevant accounting ledgers and carried forward to the following year.

2. Presentation

2.1 Classification of accounts

The balance sheet is divided into three sections; assets, liabilities and net assets.

All assets and liabilities are sorted into two categories according to the one-year rule. Namely, an item for which collection or payment comes due within one year of the day following the balance sheets closing date is classified as a current asset or a current liability, while an item with a collection or payment due in more than one year is classified as a fixed asset or a fixed liability.

In addition, each account title, asset, liabilities and the net assets, are classified distinctly according to certain criteria.

2.2 Arrangement of accounts

The Metropolitan Government arranges its accounts in order of liquidity.

3. Asset items

Assets shall be booked and presented according to the nature of the asset; for example, cash and deposits, unpaid overdue accounts, tangible fixed assets, intangible fixed assets, movable properties, investments, etc.

The book value of assets is calculated according to the cost of their acquisition. On the other hand, in the case of the Tokyo Metropolitan Government, there are certain items which are not applicable to private sector accounting, such as infrastructure assets. Thus, the valuation standard and method for these assets can, if needed, be separately specified according to the

purpose of possession.

3.1 Current assets

3.1.1 Cash and Deposits

“Cash and deposits” refers to the cash of ordinary local public entity treasuries (hereafter “annual account cash”) as stipulated in Article 235-4 of the Local Autonomy Law. Other than currency and its equivalents, “Cash and Deposits” also includes short-term deposits made to financial institution for the purpose of safekeeping. This is the reason that the account is titled cash and deposits.

3.1.2 Unpaid Overdue Accounts

“Unpaid overdue accounts” refers to the difference between the amount collectible at the end of the fiscal year and the amount actually collected (during the adjusting period for book closing). The decision on whether something is “Collectable” is a determining action taken from inspection and determination of the source, debtor, amount, and such of the revenue in question and is based on the provisions provided for in Article 235-4 of the Local Autonomy Law. Upon such determination “revenue” is recognized.

3.1.3 Allowance for Loss on Unpaid Receivables

A portion of unpaid overdue accounts attributable to metropolitan taxes, rents, and such, might become irrecoverable due to the expiration of the prescription period or other factors. Thus, the irrecoverable amount shall be estimated and accounted for as an allowance for loss on unpaid receivables. This allowance is provided for by multiplying the balance of said receivables by a reasonable rate of allowance, for example, the actual percentage of credit loss in the previous years. However, if there is any other more appropriate method for calculating the allowance based on the circumstances of each individual debt, such method may also be used.

3.1.4 Funds and Financial Reserves

The adjusting fund for finance and a portion of the sinking fund, both of which shall be classified as current assets, fall under this title.

The adjusting fund for finance is set up in order to contribute to sound fiscal management of public finances by allowing for the adjustment of financial resources between two consecutive years. This fund shall be all classified as a current asset since the usage of funds is flexible, and not fixed.

A portion of the sinking fund, which is allotted as a financial resource for redeeming Metropolitan debts scheduled to be repaid within one year, shall be classified as a current asset.

3.1.5 Short-term loans

A portion of loans classified as current assets fall under this title.

3.1.6 Allowance for loss on bad loans

A portion of existing loans might become unrecoverable if a reduction or exemption of repayment is granted. Thus, the unrecoverable amount shall be estimated and accounted for as an allowance for loss on bad loans. This allowance is provided for based on a calculation that multiplies the outstanding balance of short-term loans by a reasonable rate of allowance, for example, the actual percentage of credit loss in the previous years.

However, if there is any other more appropriate method for calculating the allowance based on the circumstances of each individual debt, such method may also be used.

3.1.7 Other current assets

All current assets other than those mentioned above fall under this title. However, if material items with an important monetary value are posted to this category, they shall be presented separately.

3.2 Fixed assets

Fixed assets shall be categorized as administrative property, ordinary property, movable properties, infrastructure assets, construction in progress, and investments and advances. In addition, administrative property, ordinary property and infrastructure assets shall be divided into tangible fixed assets and intangible fixed assets.

The book value of fixed assets is based on or calculated from the cost of acquisition.

Depreciable assets shall be presented as a value where the amount of accumulated depreciation has been deducted from the cost of acquisition, and the amount of accumulated depreciation shall be disclosed for each line-item in the footnotes.

3.2.1 Fixed Asset Accounts

3.2.1.1 Tangible fixed assets

Tangible fixed assets are comprised of buildings, structures, trees and forests, vessels, aircraft, buoys, floating piers, floating docks and land (excluding items categorized below in 3.2.1.4 infrastructure) that are public property as stipulated in the relevant sub-clauses of

Clause 1, Article 238 of the Local Autonomy Law.

3.2.1.2 Intangible fixed assets

Intangible fixed assets are comprised of usufructuary rights on land such as land-use rights, intangible property rights such as patent rights and copyrights, and other similar rights for public property as stipulated in the relevant sub-clauses of Clause 1, Article 238 of the Local Autonomy Law. All intangible fixed assets shall be separated into either land-use rights or other intangible fixed assets, and presented accordingly.

3.2.1.3 Movable properties

This category covers movable properties as stipulated in Clause 1, Article 239 of the Local Autonomy Law and owned by the Tokyo Metropolitan Government, of which the cost of acquisition is equal to or exceeds 1 million yen.

3.2.1.4 Infrastructure assets

Within administrative property, roads, bridges, ports and harbors, fishing ports, airports and railways are classified as infrastructure assets. Assets which work with and are an integral part of the aforementioned are also included in the infrastructure assets. As for infrastructure assets, tangible fixed assets shall be divided into land and assets other than land, while intangible fixed assets shall be divided into land-use rights and other intangible fixed assets, and presented accordingly.

3.2.1.5 Construction in progress

Construction in progress is comprised of tangible fixed assets and infrastructure assets that are in the process of being constructed or produced. The accumulated amount of expenditure needed to acquire the said in-process assets shall be presented in the balance sheet.

3.2.1.6 Investments and advances

i. Securities and investments

Public property such as national debt, corporate stock, and subscription certificates fall under this title. The value of the securities and investments shall be booked at the cost of acquisition even if they have a market price. However, in the case of those which have a market value, for example, a price or quotation on the stock exchange, and that market value has declined significantly, the devalued price shall replace the carrying book value unless it is very likely to be recovered.

In the case of those which do not have a market price and that the real value declines significantly due to a deterioration in the financial positions of the issuing company, the carrying value shall be written down accordingly. The portion so devalued is treated as an “extraordinary loss” during the said period.

ii. Investments in public enterprise accounts

Investments in public enterprise accounts refer to the amounts contributed to the capital of public enterprise accounts (which correspond to their paid-in capital).

iii. Long-term loans

A portion of loans classified as fixed assets fall under this title.

iv. Allowance for loss on bad loans

A portion of existing (long-term) loans might become uncollectible if a reduction or exemption of repayment is granted. Thus, the uncollectible amount shall be estimated and accounted for as an allowance for loss on bad loans. This allowance is provided for based on a calculation that multiplies the outstanding balance of long-term loans by a reasonable rate of allowance, for example, the actual percentage of credit loss in the previous years.

However, if there is any other more appropriate method for calculating the allowance based on the circumstances of each individual debt, such method may also be used.

v. Other long-term debts

With regard to claims as stipulated in Article 240 of the Local Autonomy Law, security deposits, long-term receivables, claims on proceeds from the sale of property and compensation for damages, and such, fall under this title.

vi. Funds and financial reserves

A portion of funds and financial reserves not classified as current assets fall under this title. This is divided into “sinking funds”, “special purpose funds” and “managed fixed amount financial reserves”, and presented accordingly.

vii. Other investments

Beneficiary rights, and such, fall under this title.

3.2.2 Depreciation of fixed assets

3.2.2.1 The depreciable assets contained in the tangible fixed assets and infrastructure assets are depreciated, in principle, based on the straight-line depreciation method in accordance with the useful life and residual value criteria set forth in the “Tokyo Metropolitan Government Administrative Guidelines for the Registry of Public Property” and such.

3.2.1.2 In principle, Land-use rights, easements, patent rights, copyrights and such, which make up a part of the intangible assets, are not subject to depreciation.

3.2.1.3 Movable properties (valued at 1,000,000 yen or greater) are depreciated, in principle, based on the straight line depreciation method where the residual value is 10/100 of acquisition cost. The useful life is based on criteria which are separately provided for.

4. Liabilities

Accounts refundable, Metropolitan debts, borrowings, provisions, and such, are accounted for as liabilities and will be presented in a more detailed classification according to their nature.

4.1 Current liabilities

4.1.1 Accounts refundable

Refunds of over or erroneous payments which have not been processed at the end of the fiscal year fall under this title.

4.1.2 Metropolitan debt

A portion of Metropolitan debts which shall be classified as current liabilities, fall under this title. The balance shall represent the face value of debts and not be balanced out with the equivalent amount from the sinking funds.

4.1.3 Short-term borrowings

i. Borrowings from other accounts

A portion of borrowings from the General Account or Special Accounts and those from public enterprise accounts, which shall be repaid within one year, fall under this title.

ii. Borrowings from funds

A portion of borrowings from funds and financial reserves, which shall be refunded within one year, fall under this title.

iii. Other short-term borrowings

Short-term borrowings other than those above fall under this title.

4.1.4 Accounts payable

i. Deferred payments

Deferred payments represent payments, other than accounts refundable and unpaid guarantee obligations, that came due in the said fiscal year but had not been settled before the end of the two month adjusting period for book closing.

ii. Unpaid guaranteed obligations

Among contract obligations stipulated in Article 241 of the Local Autonomy Law, obligations which are relevant to a debt guarantee or indemnity agreement, and of which the amount of liability has been determined in the said fiscal year but not settled before the end of two month adjusting period for book closing, fall under this title. The balance indicates the amount to be paid in the following years.

iii. Other accounts payable

Accounts payable other than those above, fall under this title.

4.1.5 Other current liabilities

Current liabilities other than those previously mentioned fall under this title.

4.2 Fixed liabilities

4.2.1 Metropolitan debt

A portion of Metropolitan debts which shall be classified as fixed liabilities fall under this title. The balance shall represent the face value of debts and not be balanced out with the equivalent amount from the sinking funds.

4.2.2 Long-term borrowings

i. Borrowings from other accounts

A portion of borrowings from General Account or Special Accounts and those from public enterprise accounts, which shall be referred to as fixed assets, fall under this title.

ii. Borrowings from funds

A portion of borrowings from funds and financial reserves, which shall be referred to as fixed assets, fall under this title.

iii. Other long-term borrowings

Long-term borrowings other than those above fall under this title.

4.2.3 Allowance for retirement benefits

Based on the concept that the nature of retirement benefits is a sort of deferred payment of salary and wages, “allowance for retirement benefits” is provided for in recognition of the accrued liability which corresponds to a period of labor services previously rendered. The balance of liability represents the necessary payment on retirement at the end of the fiscal year. More accurately, the allowance for retirement benefits is equivalent to the lump-sum payment which would be due to employees if all of them voluntarily left their posts at the end of the fiscal year.

4.2.4 Other allowances

Other allowances such as allowances for repairs fall under this title.

4.2.5 Other fixed liabilities

i. Security deposits

Security deposits, including those from the metropolitan housing, fall under this title.

ii. Other fixed liabilities

Fixed liabilities other than those previously mentioned fall under this title. However, if material items with an important monetary value are posted to this category, they shall be presented separately.

5. Net assets

Net assets refer to the residual measure in the balance sheet (assets less liabilities). “Net assets” is presented in one line and not disaggregated, but the fluctuation from the end of the previous year is disclosed as a “net increase (or decrease) for the period” at the end of the “net assets” line.

6. Standard balance sheet form

The standard layout of the balance sheet is shown in attachment “Exhibit 1”.

CHAPTER III. Statement of Operating Costs

1. Purpose and Method of Compilation

1.1 Purpose

The statement of operating costs is prepared in order to recognize the “costs” which the Metropolitan Government has incurred during a fiscal period in its execution of administrative activities. Based on the accrual basis of accounting, it aims to demonstrate the relationship of the said “costs” with the corresponding resource of “revenue” and their net result (hereafter, referred to as “net surplus” or “deficit”).

1.2 Method of compilation

The statement of operating costs is primarily arranged by booking every cash receipt and expenditure as a capital or non-capital transaction (and then aggregating non-capital transactions) using double-entry bookkeeping procedures. In addition, non-cash items such as depreciation costs and provisions for allowances, which are calculated by way of accrual basis accounting, are also booked using the double-entry bookkeeping system so that the statement of operating costs can properly determine the “costs” and the corresponding resource of “revenue” during the period.

2. Presentation

2.1 Classification of accounts

The statement of operating costs is divided into “ordinary revenue and expenses” which are generated from ordinary activities, and “extraordinary gains and losses” which are generated under special circumstances. The “ordinary revenue and expenses” is further divided into “operating revenue and expenses” and “financial revenue and expenses”.

2.2 Account Titles

Since a journal entry for the statement of operating costs is usually generated from daily cash transactions made in the execution of the budget, expense account titles used in the statement of operating costs will be set based on the category classifications used in the Metropolitan Government budget. Revenue account titles will be set based on the titles of revenue items in the budget.

3. Accounting terms

3.1 Operating revenue and expenses (in ordinary revenue and expenses)

3.1.1 Operating revenue

i. Metropolitan taxes

Metropolitan taxes and local consumption tax before its final adjustment among prefectures fall under this revenue title.

ii. Local transfer taxes

Incoming local transfer taxes fall under this title.

iii. Special local government grants

Special local government grants fall under this title.

iv. Subsidy for municipalities which locate national facilities

The subsidy for municipalities which locate national facilities falls under this title.

v. Revenue from other tax sources

Metropolitan Inhabitant Tax on interest income after settlement among prefectures, and revenues from the collection of delinquent taxes fall under this title.

vi. National treasury disbursements

National treasury disbursements which shall be allotted to operating activities fall under this revenue title. (i.e. those for administrative service expenses, subsidies for municipalities, and other expenses excluding investing and financing activities)

vii. Special traffic safety grants

Special traffic safety grants fall under this title.

viii. Receipts from operations (Special Accounts)

When a Special Account receives loan interest, premiums or damages for contract breaches, they fall under this revenue title.

ix. Charges and Contributions

When incoming public charges and contributions are applied to operating activities, they fall under this revenue title.

x. Rents and fees

Incoming rents and fees fall under this title.

xi. Revenue from property

Revenue from rental property, and such, falls under this title.

xii. Revenue from commissioned projects

Revenue from commissioned projects falls under this title.

xiii. Revenue from other business and sales

Revenue from profit-making business, proceeds from commodity sales, and such, fall under this title.

xiv. Donations

Income such as donations falls under this title.

xv. Transfer from other accounts

When money is transferred from other accounts and applied to operating activities, it falls under this revenue title.

xvi. Other operating revenue

Revenues from operating activities other than those previously mentioned fall under this title.

3.1.2 Operating expenses

i. Tax-related subsidies

Tax-related subsidies (that is, grants to municipalities such as financial equalization grants to special wards and local consumption tax transfers, each of which is funded based upon a certain percentage of revenue of a specific tax) fall under this title.

ii. Salary and wages

Payroll costs such as salary, personnel benefits and mutual aid premiums fall under this title.

iii. Service and supplies

Expenses for commissions, labor, fuel, food, repair, rents, fees, and such, fall under this

title except for the following items iv. Maintenance and repairs, v. Social welfare, vi. Financial assistance for non-capital investment and vii~ix. (Financial assistance for capital investment).

iv. Maintenance and repairs

Expenses for maintenance and repairs fall under this title. However, the expenditure for an addition or improvement to a facility, and such, which increases the value of the property or extends its useful life, shall not be included herein but capitalized instead.

v. Social welfare

Expenses for social welfare fall under this title. It covers expenses such as livelihood assistance and medical aid, which the Metropolitan Government directly provides to recipients in accordance with laws such as the Daily Life Security Law, the Child Welfare Law, and the Elderly Welfare Law.

vi. Financial assistance for non-capital investment

Financial assistance for non-capital investment falls under this title. It covers grants to other accounts or organizations, and contributions or subsidies to other entities such as public enterprise accounts, which do not contribute to the capital formation of the Tokyo Metropolitan Government.

vii. Portion of subsidies (with state aid granted for capital investment but used for non-capital expenses)

This title covers expenditures for capital projects to which state aid is granted (that is, an expenditure which is expected to contribute to the capital formation and is (partly or entirely) sourced from national treasury subsidies or obligatory shares), but not added to the acquisition cost of fixed assets due to the characteristic or immateriality of the said expenditure.

viii. Portion of subsidies (without state aid granted for capital investment but used for non-capital expenses)

This title covers expenditures for capital projects to which state aid is not granted (that is, the expenditure which is expected to contribute to the capital formation and is not sourced from any national treasury subsidies or obligatory shares), but not added to the acquisition cost of fixed assets due to the characteristic or immateriality of the said

expenditure.

- ix. Financial assistance for capital investment (initiated/owned by the national government)

Financial assistance for capital investment which is initiated or owned by the national government falls under this title. It covers the obligatory shares when the Metropolitan Government is required by law to share and pay for a part of the expenditure of public works and other construction projects directly carried out by the national government. The assets formed through these construction projects shall not be capitalized (but expensed) since their ownership is not attributable to the Tokyo Metropolitan Government.

- x. Non-capitalized investment

Expenditure for capital works or investment in capital which shall not be capitalized (such as contribution expenses) falls under this title.

- xi. Subsidies to other accounts

Subsidies contributed to public enterprise accounts and other accounts fall under this title.

- xii. Depreciation

Depreciation costs of depreciable assets are posted to this title.

- xiii. Provision for guaranteed obligations

Accrued costs for “unpaid guarantee obligations” during the period are posted to this title.

- xiv. Provision for allowance for loss on unpaid receivables

Accrued costs for “allowance for loss on unpaid receivables” during the period are posted to this title.

- xv. Provision for allowance for loss on bad loans

Accrued costs for “allowance for loss on bad loans” during the period are posted to this title.

xvi. Provision for allowance for retirement benefits

Accrued costs for “allowance for retirement benefits” during the period are posted to this title.

xvii. Provision for other allowances

Accrued costs for “other allowances” (allowances other than those above) during the period are posted to this title.

xviii. Other operating expenses

Operating expenses other than those previously mentioned are posted to this title.

3.2 Financial revenue and expenses (in ordinary revenue and expenses)

3.2.1 Financial revenue

i. Interest and dividends

Revenue such as interest on deposits and dividends on stocks is posted to this title.

3.2.2 Financial expenses

i. Interest on Metropolitan debt

Interest expenses on Metropolitan debt are posted to this title.

ii. Debt issuing expenses

Various expenses relevant to the issuance of Metropolitan debt fall under this title.

iii. Discount on debt issuance

Upon every discounted issue of Metropolitan debt, the total difference between face amount and issue price of the debenture is posted to this title.

iv. Interest on borrowing from other accounts, etc.

Financial expenses such as interest on borrowing from other accounts fall under this title.

3.3 Surplus from ordinary activities

This surplus is arrived at by totaling the net result of operating revenue and expenses with that of financial revenue and expenses.

3.4 Extraordinary gains and losses

3.4.1 Extraordinary gains

i. Gain on sales of fixed assets

When the amount of income or receivables earned on the sale of fixed assets (other than securities and investments) exceeds their book value, the difference is posted to this title.

ii. Other extraordinary gains

Gains on the sale of securities and investments, reversal of allowances, and such, are posted to this title.

3.4.2 Extraordinary losses

i. Loss on sales of fixed assets

When the amount of income or receivables earned on the sale of fixed assets (other than securities and investments) is below their book value, the difference is posted to this title.

ii. Loss on disposal of fixed assets

When fixed assets are disposed of, their final book value before disposal is posted to this title.

iii. Disaster restoration

Financial assistance and subsidies for capital investment (of which spending is not capitalized) are aggregated into this title if they are relevant to post-disaster restoration.

iv. Loss on unpaid receivables

If the amount of receivables written-off during the period exceeds the allowance for loss on unpaid receivables, the difference is posted to this title.

v. Loss on bad loans

If the amount of loans written-off during the period exceeds the allowance for loss on bad debts, the difference is posted to this title.

vi. Other extraordinary losses

Extraordinary losses other than those above, such as a loss on the sale of or loss from the valuation of securities and investments, are posted to this title.

3.5 Net surplus for the period

This surplus is arrived at by totaling the surplus amount from ordinary activities with the net result of extraordinary gains and losses.

3.6 Adjustment to general revenue resources (a)

This title is open to write down (subtract) the amount of general revenue resources which a Metropolitan Government bureau has collected.

3.7 Adjustment to general revenue resources (b)

This title is open to present (add up) the amount of general revenue resources which a Metropolitan Government bureau has used in the course of its operating activities (administration services).

3.8 Transfers to/from the General Account

“Transfer from the General Account” is a monetary amount that a Special Account has received from the General Account to use as a financial resource for operating activities (administration services). “Transfer to General Account” is a monetary amount that a Special Account has provided to the General Account to be used as a financial resource for operating activities (administration services).

3.9 Net surplus (after adjustment due to transfers to/from the General Account)

This surplus is produced by making certain specific adjustments to the above “net surplus for the period”. To obtain this surplus, “adjustment to general revenue resources (b)” and “transfer from General Account” are added to, and “adjustment to general revenue resources (a)” and “transfer to General Account” are subtracted from, the “net surplus for the period”.

4. Standard form of the statement of operating costs

The standard layout of the statement of operating costs is shown in attachments “Exhibit 2-1” to “Exhibit 2-3”.

CHAPTER IV. Cash Flow Statement

1. Purpose and Method of Compilation

1.1 Purpose

The cash flow statement is prepared in order to account for the status of cash receipts and payments, classifying the flow of funds as “operating activities (administration services)”, “investing activities (i.e. infrastructure development)” and “financing activities”, and presenting them in this order.

1.2 Method of Compilation

The cash flow statement is prepared by classifying daily cash receipts and payments made under the governmental accounting system into three categories, that is, the “operating activities (administration services)”, “investing activities (i.e. infrastructure development)” and “financing activities”.

2. Presentation

2.1 Scope of cash and deposits

“Cash and deposits” covers cash and cash equivalents.

Cash comprises cash on hand and demand deposits. Cash equivalents refer to deposits and bonds that are designated as a means of custody for cash etc. in the yearly account (annual cash surplus) as defined in the “Tokyo Metropolitan Government Cash Management Policy”.

2.2 Classification

The cash flow statement is divided into the “operating activities (administration services)”, “investing activities (i.e. infrastructure development)” and “financing activities”.

2.2.1 Cash flow provided by “operating activities” is comprised of outlays (other than expenditure attributable to capital formation of the Metropolitan Government) with which the Metropolitan Government directly provides administration services, subsidies to municipalities, and spending which is not allocable to ② investing activities or ③ financing activities, and cash receipts such as tax and dues, national treasury disbursements (other than those used for investing activities), and other proceeds from operating activities and financial revenue.

2.2.2 Cash flow provided by “investing activities (i.e. infrastructure development)” is

comprised of cash receipts and payments due to the acquisition and sale of fixed assets, national treasury disbursements accepted as financial resources for the purchase of fixed assets, the purchase and sale of investments such as loans and equity participations which are not included in cash equivalents, transfers to/from funds and financial reserves, and such.

2.2.3 Cash flow provided by “financing activities” is comprised of cash receipts and payments provided by or repaid to outside funds.

Operating activities and investing activities are collectively designated as administrative activities.

2.3 Account Titles

Since the cash flow statement principally presents the flow of funds resulting from daily executions of the annual budget, the headings for payment items used therein conform to the expenditure titles of the Tokyo Metropolitan Government General Account budget, while the titles for receipt items conform to the titles of revenue items used for that budget.

3. Cash flow items

3.1 Operating activities (administration services)

3.1.1 Receipts

i. Taxes and dues

Metropolitan taxes, local transfer taxes, special local government grants, subsidy for municipalities which locate national facilities and revenue from other tax sources fall under this title.

ii. National treasury disbursements

National treasury disbursements (if applied to operating activities) and special traffic safety grants fall under this title.

iii. Other proceeds from operating activities

Receipts from operations (Special Accounts), charges and contributions, rents and fees, revenue from property, revenue from commissioned projects, revenue from other business and sales, donations, and transfer from other accounts (if applied to operating activities) fall under this title.

iv. financial revenue

Interest and dividend receipts fall under this title.

3.1.2 Payments

i. Tax-related subsidies

Tax-related subsidies (that is, grants to municipalities such as financial equalization grants to special wards and local consumption tax transfers, each of which is funded based upon a certain percentage of revenue of a specific tax) fall under this title.

ii. Payments for operating activities

Salary and wages, service and supplies, maintenance and repairs, social welfare, financial assistance for non-capital investment, portion of subsidies (with state aid) granted for capital investment (which are not capitalized), portion of subsidies (without state aid) granted for capital investment (which are not capitalized), financial assistance for capital investment (initiated/owned by the national government), investments (which are not capitalized) and subsidies to other accounts (which are not capitalized) fall under this title.

iii. Financial expenses

Payments such as interest and commission on Metropolitan debt and interest on borrowing from other accounts fall under this title.

iv. Extraordinary payments

Payments for disaster restoration (which are not capitalized) fall under this title.

3.1.3 Net cash flows provided by (or used in) operating activities

This column shows the net amount of receipts less payments in the operating activities.

3.2 Investing activities (i.e. infrastructure development)

3.2.1 Receipts

i. National treasury disbursements

National treasury disbursements, charges and contributions, and transfers from other accounts fall under this title (if applied to investing activities).

ii. Receipts from property

Proceeds from the sale of properties fall under this title (if applied to investing activities).

iii. Transfers from funds and financial reserves

Transfers from funds and financial reserves fall under this title (if applied to investing activities).

iv. Collection of loans, etc.

Receipts from operations (due to collection of loan principals) and revenue from other business and sales (due to collection of loan principals) fall under this title.

v. Proceeds from security deposits (Special Account)

Security deposit receipts for metropolitan housing fall under this title.

3.2.2 Payments

i. Payments for infrastructure development

Service and supplies, financial assistance for non-capital investment, portion of subsidies (with state aids) granted for capital investment, portion of subsidies (without state aids) granted for capital investment fall under this title (if applied to investing activities).

ii. Transfers to funds and financial reserves

Transfers to funds and financial reserves fall under this title.

iii. Loans and capital investments, etc.

Disbursements for loans, subsidies to other accounts, investments in public enterprise accounts, and such, fall under this title.

iv. Payments for security deposits

Refunds of security deposits for metropolitan housing, and such, fall under this title.

3.2.3 Net cash flows provided by (or used in) investing activities

This column shows the net amount of receipts less payments in investing activities.

3.3 Net cash flows provided by (or used in) operating and investing activities (administrative activities)

This column shows the total amount of net cash flows provided by (or used in) operating activities and investing activities.

3.4 Financing activities

3.4.1 Receipts (Proceeds)

i. Metropolitan debt

Proceeds from the issuance of Metropolitan debt fall under this title.

ii. Borrowings from other accounts, etc.

Proceeds from borrowing from other accounts fall under this title.

iii. Borrowings from funds

Proceeds from borrowing from funds fall under this title.

iv. Transfers from other accounts

Transfers from Special Accounts, etc. as financial resources for the redemption of Metropolitan debt (debt principal) fall under this title.

3.4.2 Payments

i. Redemption of Metropolitan debt (debt principal)

Payments due to redemption of Metropolitan debt (debt principal) fall under this title.

ii. Repayment of borrowings to other accounts

Repayments of borrowing (debt principal) to other accounts fall under this title.

iii. Repayment of borrowings to funds

Repayments of borrowing (debt principal) to funds fall under this title.

3.4.3 Net cash flows provided by (or used in) financing activities

This column shows the net amount of receipts less payments in the financing activities.

3.5 Net increase (or decrease) in cash for the period

This column shows the total amount of net cash flows provided by (or used in) administrative activities (operating and investing) and financing activities.

3.6 Adjustment to general revenue resources (a)

This title is open to write down (subtract) the amount of general revenue resources which a Metropolitan Government bureau has collected.

3.7 Adjustment to general revenue resources (b)

This title is open to present the total amount of general revenue resources which a Metropolitan Government bureau has used. The applied resources are divided into and presented by operating, investing and financing activities.

3.8 Transfers to/from General Account

This title is open to present the total amount of transfers from and to the General Account. Each transfer is categorized and presented as an operating, investing or financing activity.

3.9 Cash at the beginning of period

This column shows the balance of “cash and deposits” (after the adjustments for book closing) brought forward from the prior period, and corresponds to the balance of cash and cash equivalents at the beginning of period.

3.10 Cash at the end of period

This column shows the total amount of 3.5 “net increase (or decrease) in cash for the period” and 3.9 “Cash at the beginning of period”.

4. Standard form of cash flow statement

The Standard layout of the cash flow statement is shown in attachments “Exhibit 3-1” to “Exhibit 3-3”.

CHAPTER V. Statement of Changes in Net Assets

1. Purpose and Method of Compilation

1.1 Purpose

The statement of changes in net assets is prepared in order to illustrate the status of changes in the net assets of the balance sheet.

1.2 Method of Compilation

The statement of changes in net assets is prepared by categorizing the changes in each net asset item according to the primary cause of the change.

2. Presentation

2.1 Classification

Each item in the statement of changes in net assets is placed into three categories; the balance at the beginning of period, net change for the period, and the balance at the end of period. Then, the amount of net change for the period is presented according to the primary cause of the change.

2.2 Primary Causes of Change

Net change for the period is analyzed and broken down into one of the following four categories; an increase (or decrease) of fixed assets, an increase (or decrease) of Metropolitan debt, other inter-account transactions, or a Net surplus for the period.

3. Net asset items

3.1 Opening balance

The net assets, whose nature or source was not clear at the time of preparation of the (initial) balance sheet at the beginning of fiscal year 2006, fall under this title.

3.2 National treasury disbursements

When disbursements from the national government are allotted to expenditures for capital formation (that is, used for the improvement of social infrastructure, and such), they are not accounted for as revenue in the statement of operating costs, but directly posted to this title in the net assets.

3.3 Contributions, transfers from other accounts, etc. for capital investment

When contributions, transfer from other accounts, and such, are allotted to expenditures for

capital formation (that is, used for the improvement of social infrastructure, and such), they are not accounted for as revenue in the statement of operating costs but directly posted to this title in the net assets.

3.4 Assessed value of donated property

When properties are taken over without cost, their values are not accounted for as revenue in the statement of operating costs but directly posted to this title in the net assets.

3.5 Transfers to other municipalities

When properties of the Metropolitan Government are transferred to municipalities, and such, due to the transfer of control for a project, service, etc., the value of the properties is not charged to the statement of operating costs but directly deducted from net assets through this title.

3.6 Inter-account transactions

When a balance sheet item is shifted between accounts or between bureaus due to an internal transfer of fixed assets, etc, this title is used for the contra account of the said item which is eliminated from or accepted to the balance sheet. If the transfer is made between accounts, the title of such a contra account is “inter-account transactions”. In the case of a transfer between bureaus, the title of the account is “inter-bureau transactions”.

3.7 Adjustment to general revenue resources

This title is used to show (add up) the amount of general revenue resources which a Metropolitan Government bureau has used in the course of its investing and financing activities.

3.8 Transfers from General Account

This title is used to show the monetary amount which a Special Account has received from the General Account to use as a financial resource for investing and financing activities.

3.9 Other surplus

Fluctuations of net assets other than those previously mentioned fall under this title.

4. Standard form of statement of changes in net assets

The standard layout of the statement of changes in net assets is shown in attachments “Exhibit

4-1” to “Exhibit 4-3”.

CHAPTER VI. Notes to the Financial Statements

The following terms shall be disclosed in the footnotes to the financial statements of the Tokyo Metropolitan Government.

1. Significant accounting policies

Accounting policies are the specific principles, procedures and presentation methods adopted by the Metropolitan Government in preparing its financial statements. The underlying policies shown below are described in the footnotes.

- 1.1 Method for depreciating tangible fixed assets
- 1.2 Method and criterion for evaluating securities and investments
- 1.3 Criterion for booking allowance provisions
- 1.4 Conversion of assets and liabilities denominated in foreign currency into Japanese yen
- 1.5 Other significant policies fundamental to the preparation of financial statements

2. Change of significant accounting policies

If any significant policy is changed, the following matters would be described in the footnotes.

- 2.1 If a specific principle or procedure is changed, the said effect, reason for the change and impact of the said change on the financial statements
- 2.2 If a specific presentation is revised, the said change
- 2.3 If the scope of cash and deposits in the cash flow statement is changed, the said effect, reason for the change and impact on the cash flow statement

3. Significant subsequent events

If any of the following significant events occurred between the closing of the fiscal year and the preparation of the financial statements, and if such an event would have a material impact on the financial position, and such, for the coming periods, the said event would be described in the footnotes.

- 3.1 Reorganization of key operations
- 3.2 Significant alteration in organizational structure
- 3.3 Significant revision to the local public finance system
- 3.4 Significant disaster and accident
- 3.5 Other significant subsequent events

4. Contingent liabilities

If any of the following potential liabilities which is not outstanding at the end of the period, could become a liability in the future if a certain condition is met, it would be described in the footnotes.

- 4.1 Commitment to guaranteed debts and compensation for loss, of which the liability is contingent
- 4.2 Significant lawsuits for damages which are pending in court and where the Tokyo Metropolitan Government is a defendant
- 4.3 Other significant contingent liabilities

5. Additional information

The following items, which are essential to better understanding the financial statements, are described in the footnotes.

- 5.1 With regard to the two month account adjustment period, the fact that the Metropolitan Government adopts an adjusting period for book closing and therefore the balance at the end of fiscal year reflects cash receipts and disbursements (and the subsequent fluctuations of assets and liabilities) during this period
- 5.2 Amounts committed to subsidize interest payments and such in following years
- 5.3 Planned payments for operations carried forward to following years
- 5.4 Temporary Borrowing
- 5.5 Other items helpful for better understanding the financial statements

6. Other references

6.1 Balance Sheet

- 6.1.1 Amounts of accumulated depreciation of fixed assets
- 6.1.2 Details of securities and investments, and loans
- 6.1.3 Planned servicing of Metropolitan debt and borrowings
- 6.1.4 Other prescribed items

6.2 Statement of operating costs

- 6.2.1 Detail of revenues and their accounting basis
- 6.2.2 Other prescribed items

6.3 Cash flow statement

- 6.3.1 Detail of proceeds from Metropolitan debt in financing activities

6.3.2 Breakdown of the difference between the “net surplus for the period” in the statement of operating costs and “net cash flows provided by operating activities” in the cash flow statement

6.3.3 Other prescribed items

6.4 Statement of changes in net assets

6.4.1 Transfer of properties, and such, which has a material impact on the changes in net assets

6.4.2 Other prescribed items

CHAPTER VII. Supporting schedules

In order to supplement the financial statements, the Tokyo Metropolitan Government prepares supporting schedules, such as a supporting schedule of tangible and intangible fixed assets, as appropriate.

The standard layout of the supporting schedule of tangible and intangible fixed assets is shown in attachment “Exhibit 5”.

Balance Sheet

Description of accounts	Amount(in exact yen)	Description of accounts	Amount(in exact yen)
ASSETS		LIABILITIES	
I Current Assets		I Current Liabilities	
Cash and deposits		Accounts refundable	
Unpaid overdue accounts		Metropolitan debt	
Allowance for loss on unpaid receivables		Short-term borrowings	
Funds and financial reserves		Borrowings from other accounts	
Adjusted fund for public finance		Borrowings from funds	
Sinking fund		Other short-term borrowings	
Short-term loans		Accounts payable	
Allowance for loss on bad loans		Deferred payments	
Other current assets		Unpaid guarantee obligations	
II Fixed Assets		Other accounts payable	
1 Administrative property		Other current liabilities	
1 Tangible fixed assets		II Fixed Liabilities	
Buildings		Metropolitan debt	
Structures		Long-term borrowings	
Trees and forests		Borrowings from other accounts	
Vessels		Borrowing from funds	
Floating piers, etc.		Other long-term borrowings	
Land		Allowance for retirement benefits	
2 Intangible fixed assets		Other allowances	
Land-use rights		Other fixed liabilities	
Other intangible fixed assets		Security deposits	
2 Ordinary property		Other fixed liabilities	
1 Tangible fixed assets			
Buildings			
Structures			
Trees and forests			
Vessels			
Floating piers, etc.			
Land			
2 Intangible fixed assets			
Land-use rights			
Other intangible fixed assets			
3 Movable properties			
4 Infrastructure assets			
1 Tangible fixed assets			
Land			
Other than land			
2 Intangible fixed assets			
Land-use rights			
Other intangible fixed assets			
5 Construction in progress			
6 Investments and other assets			
Investments and securities			
Investments in public enterprise accounts			
Long-term loans			
Allowance for loss on bad loans			
Other long-term debts			
Funds and financial reserves			
Sinking fund			
Special purpose fund			
Managed fixed amount financial reserve			
Other investments			
		TOTAL LIABILITIES	
		NET ASSETS	
		Net assets,	
		including net increase(or decrease)	
		for the period	
		TOTAL NET ASSETS	
TOTAL ASSETS		TOTAL LIABILITIES AND	
		NET ASSETS	

Statement of Operating Costs for General Account

Exhibit 2-1

Account Description	Amount (in exact yen)
ORDINARY REVENUE AND EXPENSES	
I Operating Revenue and Expenses	
1 Operating revenue	
Metropolitan taxes	
Local transfer taxes	
Special local government grants	
Subsidy for municipalities which locate national facilities	
Revenue from other tax sources	
National treasury disbursements	
Traffic safety special grants	
Receipt from operations (Special Accounts)	
Charges and contributions	
Rents and fees	
Revenue from property	
Revenue from commissioned projects	
Revenue from other business and sales	
Donations	
Transfer from other accounts	
Other operating revenue	
2 Operating expenses	
Tax-related subsidies	
Salary and wages	
Service and supplies	
Maintenance and repairs	
Social welfare	
Financial assistance for non-capital investment	
Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses	
Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses	
Financial assistance for capital investment (initiated/owned by the national government)	
Non-capitalized investment	
Subsidies to other accounts	
Depreciation	
Provision for guaranteed obligations	
Provision for allowance for loss on unpaid receivables	
Provision for allowance for loss on bad loans	
Provision for allowance for retirement benefits	
Provision for other allowances	
Other operating expenses	
II Financial Revenue and Expenses	
1 Financial revenue	
Interest and dividend	
2 Financial expenses	
Interest on Metropolitan debt	
Debt issuing expenses	
Discount on debt issuance	
Interest on borrowing from other accounts, etc.	
Surplus from ordinary activities	
EXTRAORDINARY GAINS AND LOSSES	
1 Extraordinary gains	
Gain on sales of fixed assets	
Other extraordinary gains	
2 Extraordinary losses	
Loss on sales of fixed assets	
Loss on disposal of fixed assets	
Disaster restoration	
Loss on unpaid receivables	
Loss on bad loans	
Other extraordinary losses	
Net surplus for the period	

Statement of Operating Costs for Special Account

Exhibit 2-2

Account Description	Amount (in exact yen)
ORDINARY REVENUE AND EXPENSES	
I Operating Revenue and Expenses	
1 Operating revenue	
Metropolitan taxes	
Local transfer taxes	
Special local government grants	
Subsidy for municipalities which locate national facilities	
Revenue from other tax sources	
National treasury disbursements	
Traffic safety special grants	
Receipt from operations (Special Accounts)	
Charges and contributions	
Rents and fees	
Revenue from property	
Revenue from commissioned projects	
Revenue from other business and sales	
Donations	
Transfer from other accounts	
Other operating revenue	
2 Operating expenses	
Tax-related subsidies	
Salary and wages	
Service and supplies	
Maintenance and repairs	
Social welfare	
Financial assistance for non-capital investment	
Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses	
Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses	
Financial assistance for capital investment (initiated/owned by the national government)	
Non-capitalized investment	
Subsidies to other accounts	
Depreciation	
Provision for guaranteed obligations	
Provision for allowance for loss on unpaid receivables	
Provision for allowance for loss on bad loans	
Provision for allowance for retirement benefits	
Provision for other allowances	
Other operating expenses	
II Financial Revenue and Expenses	
1 Financial revenue	
Interest and dividend	
2 Financial expenses	
Interest on Metropolitan debt	
Debt issuing expenses	
Discount on debt issuance	
Interest on borrowing from other accounts, etc.	
Surplus from ordinary activities	
EXTRAORDINARY GAINS AND LOSSES	
1 Extraordinary gains	
Gain on sales of fixed assets	
Other extraordinary gains	
2 Extraordinary losses	
Loss on sales of fixed assets	
Loss on disposal of fixed assets	
Disaster restoration	
Loss on unpaid receivables	
Loss on bad loans	
Other extraordinary losses	
Net surplus for the period	
Transfer from General Account	
Transfer to General Account	
Net surplus (after adjustment for transfers from/to General Account)	

Statement of Operating Costs for Metropolitan Bureau Exhibit 2-3

Account Description	Amount (in exact yen)
ORDINARY REVENUE AND EXPENSES	
I Operating Revenue and Expenses	
1 Operating revenue	
Metropolitan taxes	
Local transfer taxes	
Special local government grants	
Subsidy for municipalities which locate national facilities	
Revenue from other tax sources	
National treasury disbursements	
Traffic safety special grants	
Receipt from operations (Special Accounts)	
Charges and contributions	
Rents and fees	
Revenue from property	
Revenue from commissioned projects	
Revenue from other business and sales	
Donations	
Transfer from other accounts	
Other operating revenue	
2 Operating expenses	
Tax-related subsidies	
Salary and wages	
Service and supplies	
Maintenance and repairs	
Social welfare	
Financial assistance for non-capital investment	
Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses	
Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses	
Financial assistance for capital investment (initiated/owned by the national government)	
Non-capitalized investment	
Subsidies to other accounts	
Depreciation	
Provision for guaranteed obligations	
Provision for allowance for loss on unpaid receivables	
Provision for allowance for loss on bad loans	
Provision for allowance for retirement benefits	
Provision for other allowances	
Other operating expenses	
II Financial Revenue and Expenses	
1 Financial revenue	
Interest and dividend	
2 Financial expenses	
Interest on Metropolitan debt	
Debt issuing expenses	
Discount on debt issuance	
Interest on borrowing from other accounts, etc.	
Surplus from ordinary activities	
EXTRAORDINARY GAINS AND LOSSES	
1 Extraordinary gains	
Gain on sales of fixed assets	
Other extraordinary gains	
2 Extraordinary losses	
Loss on sales of fixed assets	
Loss on disposal of fixed assets	
Disaster restoration	
Loss on unpaid receivables	
Loss on bad loans	
Other extraordinary losses	
Net surplus for the period	
Adjustment to general revenue resources(a)	
Adjustment to general revenue resources(b)	
Transfer from General Account	
Transfer to General Account	
Net surplus (after adjustment for transfers from/to General Account)	

Cash Flow Statement for General Account

Exhibit 3-1

Description	Amount (yen)	Description	Amount (yen)
I Cash Flows from Operating Activities (administration services)		II Cash Flows from Investing Activities (i.e. Infrastructure Development)	
Tax and dues		National treasury disbursements	
Metropolitan taxes		National treasury disbursements	
Local transfer taxes		Charges and contributions	
Special local government grants		Transfer from other accounts, etc.	
Subsidy for municipalities which locate national facilities		Proceeds from property	
Revenue from other tax sources		Proceeds from sales of property	
National treasury disbursements		Transfer from funds and financial reserves	
National treasury disbursements		Adjusted fund for public finance	
Traffic safety special grants		Sinking fund	
Other proceeds from operating activities		Special purpose fund	
Receipts from operations (Special Accounts)		Managed fixed amount financial reserve	
Charges and contributions		Collection of loans, etc.	
Rents and fees		Proceeds from security deposits	
Revenue from property		Payments for development of infrastructure	
Revenue from commissioned projects		Service and supplies	
Revenue from other business and sales		Financial assistance for non-capital investment	
Donations		Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses	
Transfer from other accounts		Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses	
Financial revenue		Transfer to funds and financial reserves	
Interest and dividend		Adjusted fund for public finance	
Tax-related subsidies		Sinking fund	
Tax-related subsidies		Special purpose fund	
Payments for operating activities		Managed fixed amount financial reserve	
Salary and wages		Loans and capital investments, etc.	
Service and supplies		Investments in public enterprise accounts	
Maintenance and repairs		Subsidies to other accounts	
Social welfare		Loans	
Financial assistance for non-capital investment		Payments for security deposits	
Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses		Net cash flows used in investing activities	
Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses		Net cash flows provided by operating and investing activities	
Financial assistance for capital investment (initiated/owned by the national government)		III Cash Flows from Financing Activities	
Non-capitalized investment		Proceeds from financing activities	
Subsidies to other accounts		Metropolitan debt	
Financial expenses		Borrowing from other accounts, etc.	
Interest and commission on Metropolitan debt		Borrowings from funds	
Interest on borrowing from other accounts, etc.		Transfer from other accounts	
Extraordinary payments		Payments for financing activities	
Disaster restoration		Redemption of Metropolitan debt (debt principal)	
Net cash flows provided by operating activities		Repayment of borrowing to other accounts	
		Repayment of borrowing to funds	
		Net cash flows used in financing activities	
		Net increase in cash for the period	
		Cash at the beginning of period	
		Cash at the end of period	

Cash Flow Statement for Special Account

Exhibit 3-2

Description	Amount (yen)	Description	Amount (yen)
I Cash Flows from Operating Activities (administration services)		II Cash Flows from Investing Activities (i.e. Infrastructure Development)	
Tax and dues		National treasury disbursements	
Metropolitan taxes		National treasury disbursements	
Local transfer taxes		Charges and contributions	
Special local government grants		Transfer from other accounts, etc.	
Subsidy for municipalities which locate national facilities		Proceeds from property	
Revenue from other tax sources		Proceeds from sales of property	
National treasury disbursements		Transfer from funds and financial reserves	
National treasury disbursements		Adjusted fund for public finance	
Traffic safety special grants		Sinking fund	
Other proceeds from operating activities		Special purpose fund	
Receipts from operations (Special Accounts)		Managed fixed amount financial reserve	
Charges and contributions		Collection of loans, etc.	
Rents and fees		Proceeds from security deposits	
Revenue from property		Payments for development of infrastructure	
Revenue from commissioned projects		Service and supplies	
Revenue from other business and sales		Financial assistance for non-capital investment	
Donations		Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses	
Transfer from other accounts		Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses	
Financial revenue		Transfer to funds and financial reserves	
Interest and dividend		Adjusted fund for public finance	
Tax-related subsidies		Sinking fund	
Tax-related subsidies		Special purpose fund	
Payments for operating activities		Managed fixed amount financial reserve	
Salary and wages		Loans and capital investments, etc.	
Service and supplies		Investments in public enterprise accounts	
Maintenance and repairs		Subsidies to other accounts	
Social welfare		Loans	
Financial assistance for non-capital investment		Payments for security deposits	
Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses		Net cash flows used in investing activities	
Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses		Net cash flows provided by operating and investing activities	
Financial assistance for capital investment (initiated/owned by the national government)		III Cash Flows from Financing Activities	
Non-capitalized investment		Proceeds from financing activities	
Subsidies to other accounts		Metropolitan debt	
Financial expenses		Borrowing from other accounts, etc.	
Interest and commission on Metropolitan debt		Borrowings from funds	
Interest on borrowing from other accounts, etc.		Transfer from other accounts	
Extraordinary payments		Payments for financing activities	
Disaster restoration		Redemption of Metropolitan debt (debt principal)	
Net cash flows provided by operating activities		Repayment of borrowing to other accounts	
		Repayment of borrowing to funds	
		Net cash flows used in financing activities	
		Net increase in cash for the period	
		Transfer from General Account	
		Operating activities	
		Investing activities	
		Financing activities	
		Transfer to General Account	
		Operating activities	
		Investing activities	
		Financing activities	
		Cash at the beginning of period	
		Cash at the end of period	

Cash Flow Statement for Metropolitan Bureau

Exhibit 3-3

Description	Amount (yen)	Description	Amount (yen)
I Cash Flows from Operating Activities (administration services)		II Cash Flows from Investing Activities (i.e. Infrastructure Development)	
Tax and dues		National treasury disbursements	
Metropolitan taxes		National treasury disbursements	
Local transfer taxes		Charges and contributions	
Special local government grants		Transfer from other accounts, etc.	
Subsidy for municipalities which locate national facilities		Proceeds from property	
Revenue from other tax sources		Proceeds from sales of property	
National treasury disbursements		Transfer from funds and financial reserves	
National treasury disbursements		Adjusted fund for public finance	
Traffic safety special grants		Sinking fund	
Other proceeds from operating activities		Special purpose fund	
Receipts from operations (Special Accounts)		Managed fixed amount financial reserve	
Charges and contributions		Collection of loans, etc.	
Rents and fees		Proceeds from security deposits	
Revenue from property		Payments for development of infrastructure	
Revenue from commissioned projects		Service and supplies	
Revenue from other business and sales		Financial assistance for non-capital investment	
Donations		Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses	
Transfer from other accounts		Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses	
Financial revenue		Transfer to funds and financial reserves	
Interest and dividend		Adjusted fund for public finance	
Tax-related subsidies		Sinking fund	
Tax-related subsidies		Special purpose fund	
Payments for operating activities		Managed fixed amount financial reserve	
Salary and wages		Loans and capital investments, etc.	
Service and supplies		Investments in public enterprise accounts	
Maintenance and repairs		Subsidies to other accounts	
Social welfare		Loans	
Financial assistance for non-capital investment		Payments for security deposits	
Portion of subsidies (with state aids) granted for capital investment but used for non-capital expenses		Net cash flows used in investing activities	
Portion of subsidies (without state aids) granted for capital investment but used for non-capital expenses		Net cash flows provided by operating and investing activities	
Financial assistance for capital investment (initiated/owned by the national government)		III Cash Flows from Financing Activities	
Non-capitalized investment		Proceeds from financing activities	
Subsidies to other accounts		Metropolitan debt	
Financial expenses		Borrowing from other accounts, etc.	
Interest and commission on Metropolitan debt		Borrowings from funds	
Interest on borrowing from other accounts, etc.		Transfer from other accounts	
Extraordinary payments		Payments for financing activities	
Disaster restoration		Redemption of Metropolitan debt (debt principal)	
Net cash flows provided by operating activities		Repayment of borrowing to other accounts	
		Repayment of borrowing to funds	
		Net cash flows used in financing activities	
		Net increase in cash for the period	
		Adjustment to general revenue resources(a)	
		Adjustment to general revenue resources(b)	
		Operating activities	
		Investing activities	
		Financing activities	
		Transfer from General Account	
		Operating activities	
		Investing activities	
		Financing activities	
		Transfer to General Account	
		Operating activities	
		Investing activities	
		Financing activities	
		Cash at the beginning of period	
		Cash at the end of period	

Supporting Schedule of Tangible and Intangible Fixed Assets

Exhibit 5

(Yen)

Asset Description	Balance at the beginning of period	Net increase for the period	Net decrease for the period	Balance at the end of period	Accumulated depreciation at the end of period	Depreciation for the period	Net book value at the end of period
TANGIBLE FIXED ASSETS							
Administrative Property (used solely for public administration purposes)							
Buildings							
Structures							
Trees and forests							
Vessels							
Buoys, floating piers, etc.							
Land							
Ordinary Property							
Buildings							
Structures							
Trees and forests							
Vessels							
Floating piers, etc.							
Land							
Movable Properties (valued at 1,000,000 or greater)							
Infrastructure Assets							
Land							
Other than land							
Construction in Progress							
INTANGIBLE FIXED ASSETS							
Administrative Property (used solely for public administration purposes)							
Land-use rights							
Other intangible fixed assets							
Ordinary Property							
Land-use rights							
Other intangible fixed assets							
Infrastructure Assets							
Land-use rights							
Other intangible fixed assets							
TOTAL							