



City of Kawasaki

Investor Presentation October 2011



**Municipal Bond Subdivision
Financial Affairs Department City of Kawasaki**



Contents



I am Takao Abe, Mayor of Kawasaki City.

Kawasaki City has developed amid the rich natural resources provided by the Tama River. As the core of the Keihin Industrial Zone, the city supported Japan's rapid economic growth in the 1960s and 70s. Now, it is home to numerous research organizations and companies specializing in environmental issues, life sciences and other leading science and technology fields. It is transforming into one of the world's top technology and science centers.

The city also boasts abundant nature such as the Tama River and the Tama hills, where citizens often relax and connect with one another. In the areas of culture, the arts, and sports, Kawasaki City attracts countless musicians, performers, artists and athletes to our conservatories, bands, choirs, film schools, and sports teams, many of which are very active both in and outside of Japan. Using these strengths and characteristics, Kawasaki City promotes the development of itself as a "city of music," a "city of film," and a "city of sport."

As the three main pillars of local government administration, we have been promoting "decisive action on fiscal reform," "concrete promotion of comprehensive planning," and "resident-led city development through basic local government ordinances." We will be implementing measures to make residents feel glad they live in Kawasaki.

To realize these goals, we are making efforts to (1) realize a "human city" that nurtures respect for life and gets people to support each other in areas like medical care, welfare, child-rearing, education (2) ensure a "safe and comfortable city" that provides safety, a sense of safety, and comfort in residents' daily lives and living environment (3) contribute to the global community and make a sustainable "lively city" by promoting measures against global warming and supporting the welfare industries and R&D in fields related to the environment and life sciences (4) create a "stability sustaining city" that makes efforts to support small- and medium-sized enterprises, promote traditional shopping arcades and agriculture, and secure jobs (5) create an attractive, "unique metropolitan city" by utilizing strengths and characteristics such as local resources.

We hope to make "yet another leap" with an eye to becoming one of Japan's liveliest and most attractive cities, and will do our best to achieve these goals. I would greatly appreciate your understanding and support for the Kawasaki City Government.

川崎市長 阿部 孝夫



Overview of Kawasaki

P.2

Characteristics and Advantages of Kawasaki

P.3

Financial Position of Kawasaki

P.9

Kawasaki City Bonds

P.11

Reference data

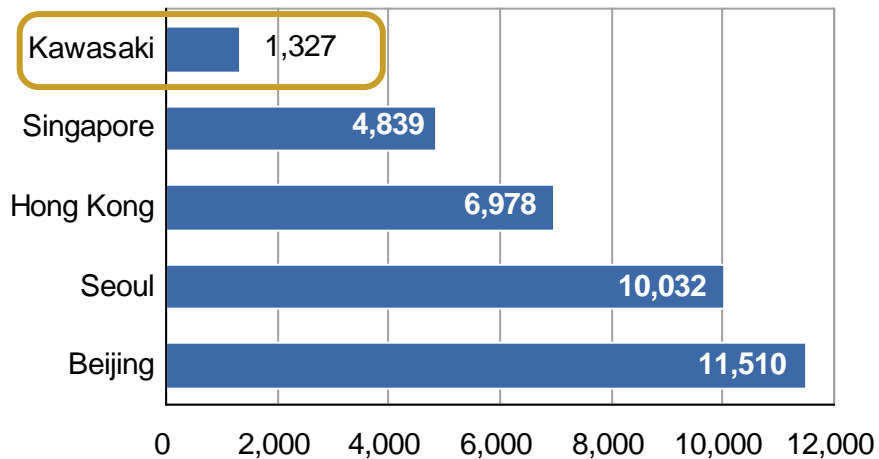
P.14

. Overview of Kawasaki

	Kawasaki	Japan
Population	1,430,579 (08/01/2011)	127,920,000 (08/01/2011)
Population growth rate	1.14% (FY2009 FY2010)	0.82% (FY2009 FY2010)
Average age	41.5 (10/01/2010)	44.9 (10/01/2010)
Labor force	6,600,000 (46.2%) (FY2010)	62,410,000 (48.7%) (FY2010)

Population

(thousands)



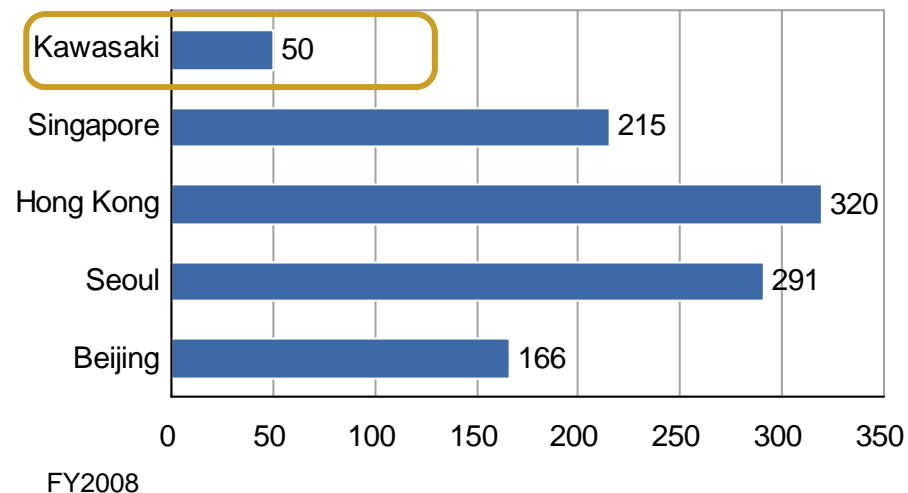
Statistical Handbook of World 2011,

Ministry of Internal Affairs and Communications

	Kawasaki	Japan
Households	666,906 (08/01/2011)	50,920,000 (10/01/2010)
Area	144.35 km ²	377,929.99 km ²
GDP	50.4billion dollars (5.2trillion yen) (FY2008)	4.89trillion dollars (492trillion yen) (FY2008)
Major industries	Manufacturing (steel, electronics, telecommunications, precision machinery, petrochemical) information and service	
Developing industries	New manufacturing technologies, information and telecommunications, environment, welfare and life sciences, life culture	
Foreign people	31,794 (2.2%) (06/30/2011)	2,217,426 (1.7%) (12/31/2010)
Foreign firms	115(83 headquarters :5th in Japan)	3,500

GDP

(billion dollars)

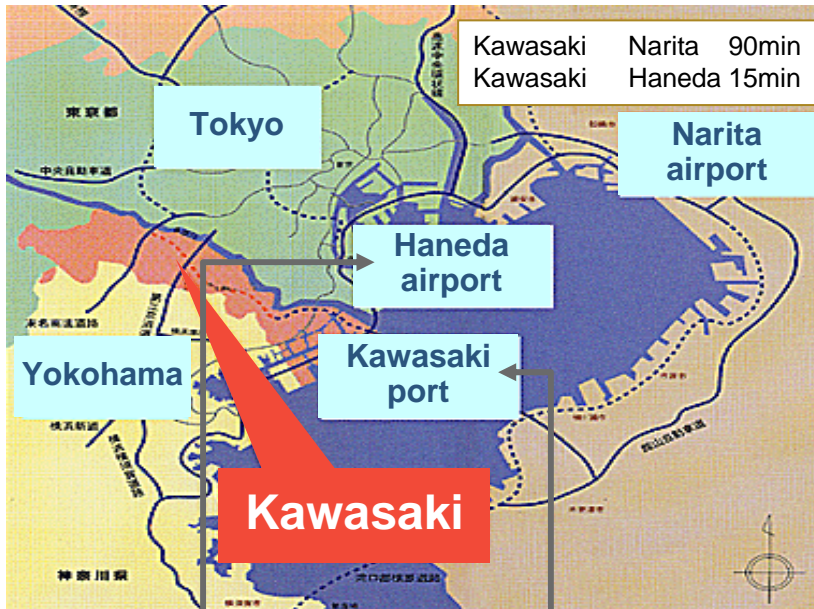


. Characteristics and Advantages of Kawasaki

- | | | |
|----------|-----------------------------------|-----|
| 1 | Convenient access | P.4 |
| 2 | Top city for “industry and R&D” | P.5 |
| 3 | Protecting the environment | P.7 |
| 4 | Famous city for “art and culture” | P.8 |



Potential 1. Convenient access



Kawasaki Narita 90min
Kawasaki Haneda 15min

Convenient access to airports

- 90 minutes to Narita, 15 minutes to Haneda

Lots of railways and roads

- 18 minutes to Tokyo, 10 minutes to Yokohama (via railways)

Extension and internationalization of Haneda (from 10/21/2010)

- Increase of capacity (1.4 times larger than now)
- Expand close-range Asian business air routes
- Go into service to European major cities by 24-hour operation
- Expansion of international freight
- Plan for Kanagawa gate (making a gate from the airport on the opposite side of the airport (Kawasaki side) to create a new exchange base)



source : Haneda Airport Expansion Project JV

Increase of capacity (1.4 times larger than now) by expansion (111,000 flights in a year (152 flights in a day))

Now (2005/10/01 ~)
30 flights in an hour
296,000 flights in a year
(405 flights in a day)

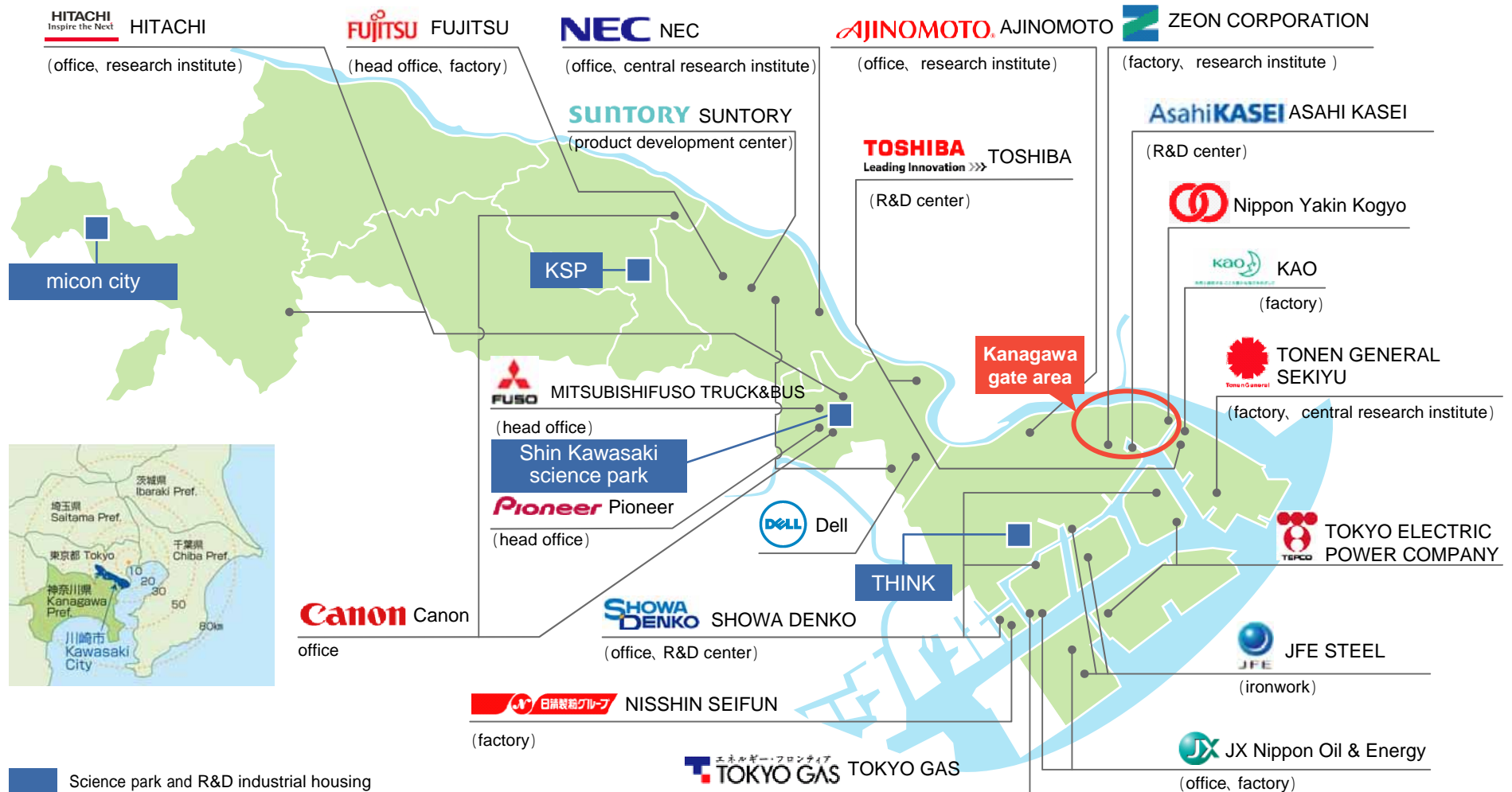


After expansion
40 flights in an hour
407,000 flights in a year
(557 flights in a day)



Potential 2. Top city for “industry and R&D”

2 - 1 Global companies and major R&D institutions



Potential 2. Top city for “industry and R&D”

2 - 2 Three Science Parks Contributing to Create New Industry - Only Kawasaki has 3 basis in a city -

Kanagawa Science Park (KSP)

<http://www.ksp.or.jp/>

- The first (in 1989) and one of the largest science park in Japan
- Home to 128 firms (August 2011)

KSP



Shin-Kawasaki Science Park (KBIC, K²)

<http://www.kawasaki-net.ne.jp/kbic/> <http://www.k2.keio.ac.jp/>

(Collaboration between academia and industry)

- Activities of nano-micro fabrication consortium of four universities (Tokyo, Keio, Waseda, Tokyo Institute of Technology)
- The Kawasaki Business Incubation Center (KBIC)
- Keio University Shin Kawasaki Town Campus (K²)

R&D basis formation of advanced science and technology with accumulations of companies in future-oriented industries

Home to 22 firms and 8 university research projects (August 2011)

Home to 13 university research projects (August 2011)

KBIC



Techno Hub Innovation Kawasaki (THINK)

<http://www.techno-hub-innovation.com/>

(Led by private organization)

- Home to 16 firms (August 2011)

Th!nk
Techno Hub
Innovation
Kawasaki



2 - 3 Approach of General specific district of international strategy focused on Kanagawa gate

Formation of international contention basis in life science · environmental area

- Maintenance of Joint Research Center of Regeneration Medicine · New Drug Development
 - Implementation of research for practical realization of regeneration medicine technology
 - ~ Only technology to lead the world from Japan (development of medical treatment such as spinal cord injury using iPS cells)
 - Implementation of medical treatment and drug development for overall ataxia etc. by using the world's only genetically-modified marmoset
- Maintenance of Radiation Cancer Treatment Center for Shared Use
- Maintenance of Institute of Public Health (tentative name)
- Maintenance of R&D Basis Facilities for Drug Medicine
- Maintenance of R&D Basis Facilities for Analytical Equipment etc.
- Maintenance of Environmental Research Institute
- Maintenance of Nano-micro Industry-academic-government Joint R&D Basis Facilities
- Establishment promotion of High-value-added Companies



Joint Research Center of Regeneration Medicine · New Drug Development
(Joint project with Keio Univ. etc)
Operated from July 2011

Potential 3. Protecting the Environment

3-1 Experience in overcoming industrial pollution

Sky of Kawasaki (1967)



The city was covered by smoke emitted from factories along the sea.

Significant improvement by measures taken together by firms, citizen and administration

Sky of Kawasaki (now)



Air condition has been improved by various measures.

3-2 Carbon challenge Kawasaki eco strategy (CC Kawasaki)

Promotion of environment measures making use of characteristics and advantages of Kawasaki

Promotion of international contribution through environmental technology
 · UNEP cooperation project · Kawasaki International ECO-Tech Fair

Promotion of CO2 reductions by collaboration among various entities

Mega Solor (Uki Island)



Built one of the largest mega-solar power plants in waterfront areas in collaboration with private company
 - Uki Island (Operated in August 2011)
 - Oogi Island (To be operated in December 2011)
 Capacity 20,000kW (cover 5,900 households needs)

Source: electromobile research group of Keio university



Electromobile developed at K2 town campus
 'Eliica,' able to run 100 km by electricity bill of about 1 dollar



Paramount Leader Hu Jintao
 Mr. Abe, mayor of Kawasaki

China's Paramount Leader Hu Jintao Visited JFE Group



recycling factory producing resin for pet bottle by using old pet bottle
 'PET REFINE TECHNOLOGY,'

Potential 4. Famous city for “art and culture”

Kawasaki : City of music



MUZA KAWASAKI SYMPHONY HALL
(right)
MUZA KAWASAKI CENTRAL TOWER
(left)



KAWASAKI MUTON



Vienna Philharmonic Orchestra
(11/2010 perform)



©Fujiko-Pro

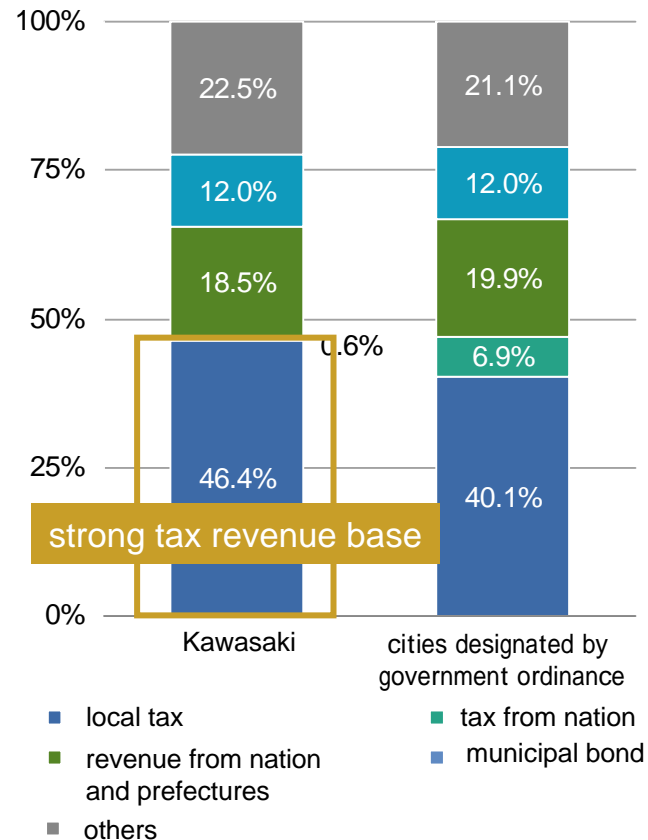


Fujiko·F·Fujio Museum
(09/2011 open)

. Financial Position of Kawasaki

Ratio of independent source of revenue (general account)

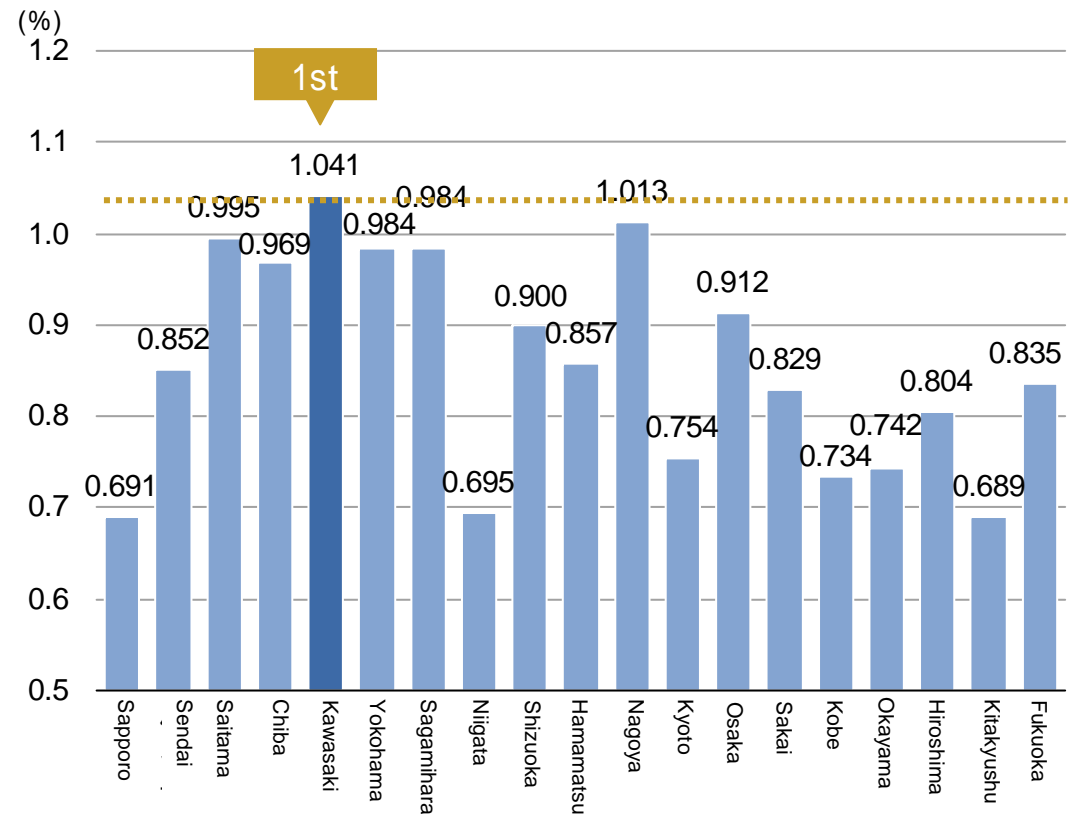
Ratio of independent source of revenue 65.2%



* Comparison of cities designated by government ordinance based on settlement of accounts (FY2010)

Financial index

Financial index (FY2011) 1.041



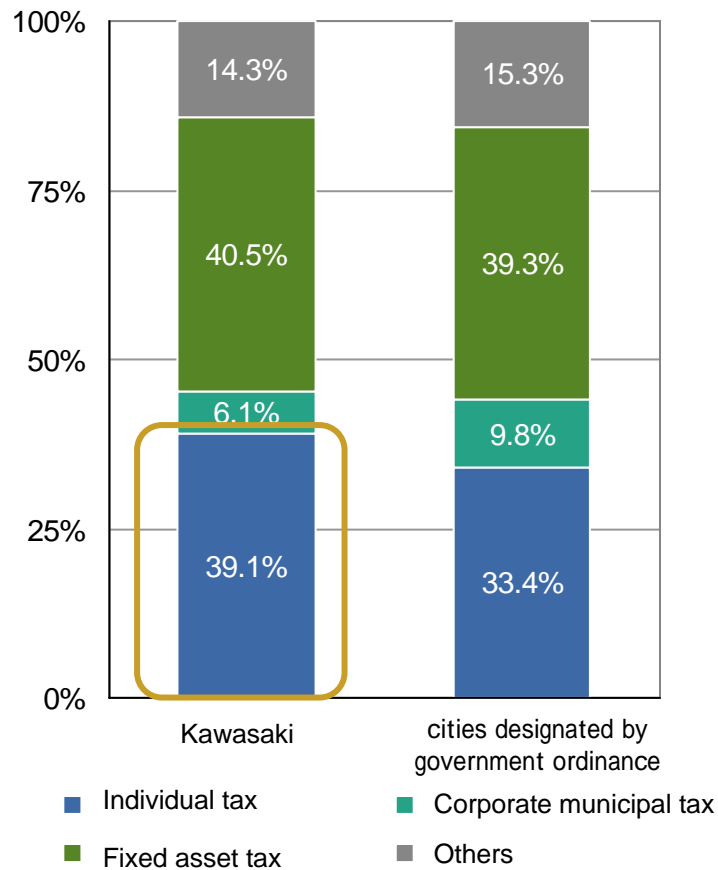
* Average score between FY2009 ~ FY2011

* Calculated by Kawasaki based on public data of each city

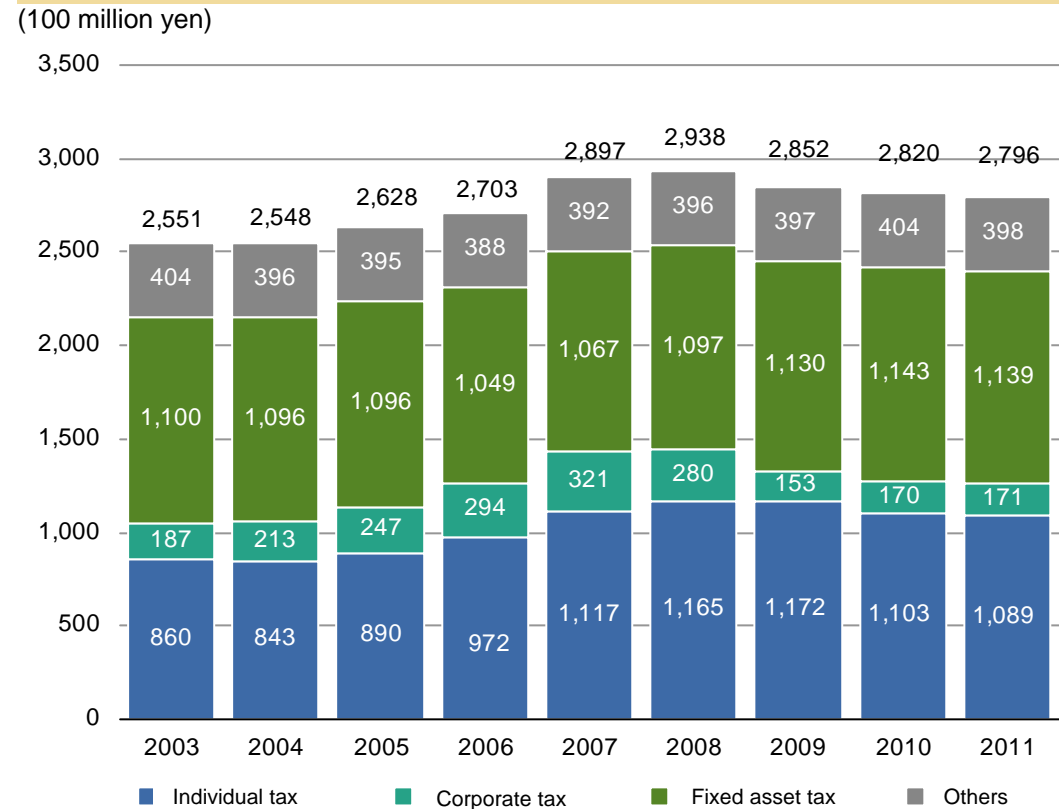
. Financial Position of Kawasaki

Analysis of Tax Revenue Structure

High percentage of individual tax



State of tax revenue



* Comparison of cities designated by government ordinance based on settlement of accounts (FY2010)

*Initial budget (FY2011)

IV. Kawasaki City Bonds

FY2011 Kawasaki Bond Issue Plan

- Of 183.4 billion yen of all accounts, private funds are 161.9 billion yen (88%)
- The amount of public offering bonds is 110 billion yen (60%), and the amount of Kawasaki individual bonds is 80 billion yen (44%)
- The amount of private placement bonds is 51.9 billion yen (28%)

(billion yen)

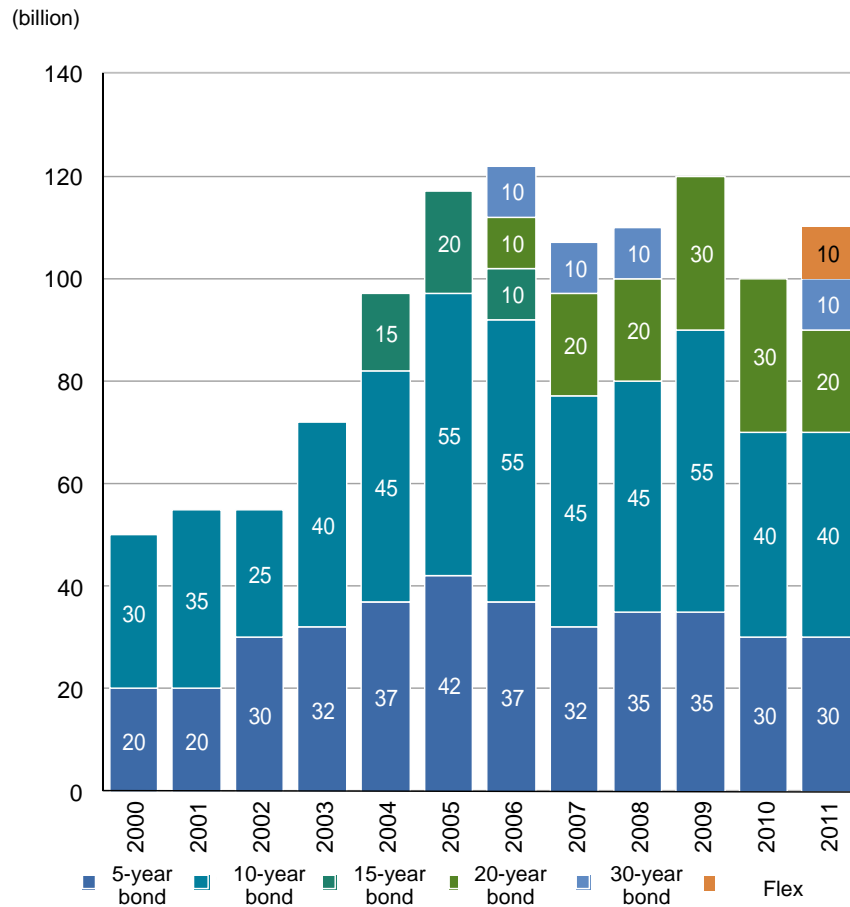
Category			Term (year)	Sum	2011							2012							
					4	5	6	7	8	9	10	11	12	1	2	3	Spot	TBD	
public offering bond	individual bond	Offering Public	5	30			10			10				10					
			10	10						10									
			Super long	30		10				10							10		
			Flex	10													10		
	Joint local government bond	10	30	5	5			5				5		5	5				
Subtotal				110															
private placement bond	Securities issue or Certificate issue		5	21											4		17		
			10	20.8					7						6.8		7		
			Super long	10														10	
Subtotal				51.9															
public funds				21.5															
Total				183.4															

- Issuances of mid-term(1/3), long-term(1/3), super long-term(1/3) to reduce interest-rate risk etc
- Bootstrap finance The ratio of private funds : public funds is 9 : 1

IV. Kawasaki City Bonds

Kawasaki City Bonds: Liquidity and Safety

Total amounts of Kawasaki City's public offering bonds Issued



Risk Weights under BIS Standard

JGB	Government Guaranteed Bonds	Kawasaki City Bonds	Fiscal investment and loan bonds	Electric utility bonds
0%	0%	0%	10%	20%

Tax-Exempt Measures for Non-Residents

- In accordance with the amendment to the Act on Special Measures Concerning Taxation Article 5-2, a nonresident or a foreign corporation who satisfy the specific requirements may receive interest on book-entry transfer local government bonds paid on January 1, 2008 and thereafter exempted from income tax.
- Starting from June 2010, tax-exemption procedures for the interest payments on book-entry transfer local government bonds received by nonresidents, etc., has been simplified and the scope of tax-exempt qualified person has been widened.

For further details, please visit the website of Japan Local Government Bond Association:

Tax Exemption Scheme (J - BIEM)

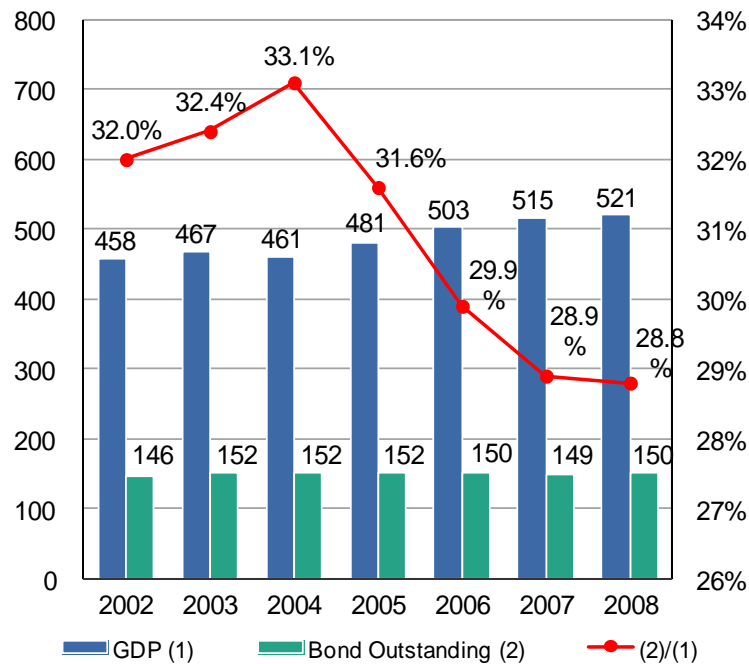
<http://www.chihousai.or.jp/english/08/index.html>

IV. Kawasaki City Bonds

Bond Outstanding vs GDP

Bond Outstanding vs GDP is 28.8% (FY2008)

(JPY100 mm)



* Bond Outstanding includes all accounts

Kawasaki City Investor Relations Website

Please visit our website for bond issue plan and track records.
<http://www.city.kawasaki.jp/23/23sikin/home/ir/english/index.html>

Term	Nominal interest rate (%)	Issue price	Terms & conditions finalization date	Issue date	Over-the-counter sale period
5-year municipal bonds	0.42%	99.97 JPY	Jun 9, 2010	Jun 29, 2010	Jun 10-23, 2010
10-year municipal bonds	1.52%	99.94 JPY	Nov. 6, 2009	Nov. 24, 2009	Nov. 9-17, 2009
20-year municipal bonds	1.88%	99.90 JPY	Jul 16, 2010	Jul 28, 2010	
30-year municipal bonds	2.51%	99.87 JPY	Nov. 14, 2008	Nov. 26, 2008	

V. Appendix

1 International Contribution with World-Class Technologies P.15

- International Eco-Tech Fair & Forum on Intellectual Property
- Water Resources Project with Australia
- Internationally Competing Facility of Life Science and Environment in KING SLYFRONT
- IPPs in Waterfront area

2 Financial Data P.19

- Analysis of Annual Expense Structure
- Primary Balance
- Indices on Soundness of Local Public Finance
- Ordinary Account Balance Sheet of Kawasaki City
- Comprehensive Balance Sheet of Kawasaki City
- Consolidated Balance Sheet including Affiliated Entities
- Administrative Cost Statement

1. International Contribution with World-Class Technologies

International Eco-Tech Fair & Forum on Intellectual Property

Kawasaki International Eco-Tech Fair 2011



2011/2/16-17 @Kawasaki

Participants	118 groups 219 booths
No. of visitors	12,500

- Environmental professionals gathered
- International business-matching opportunity

*Next exhibition will be held in February 2012.

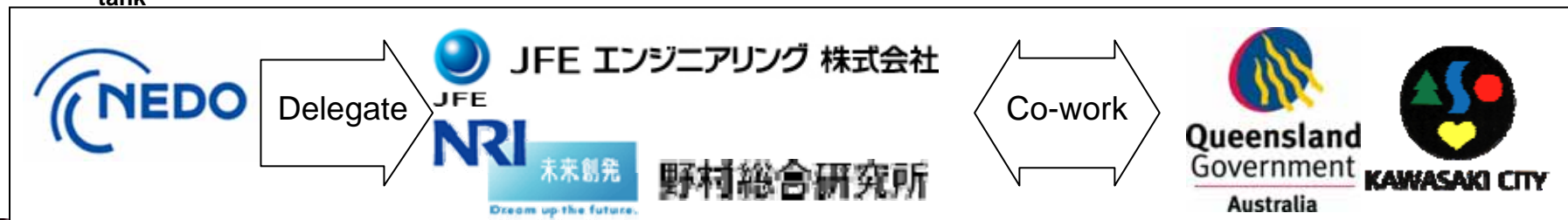
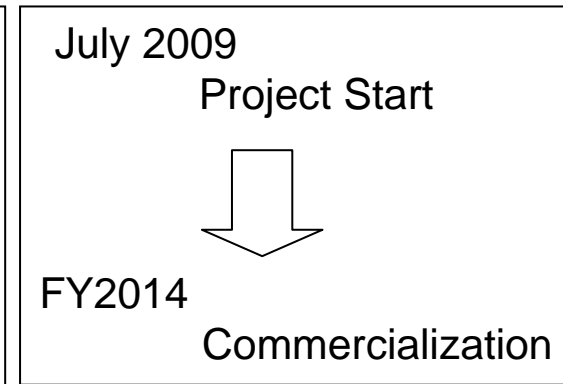
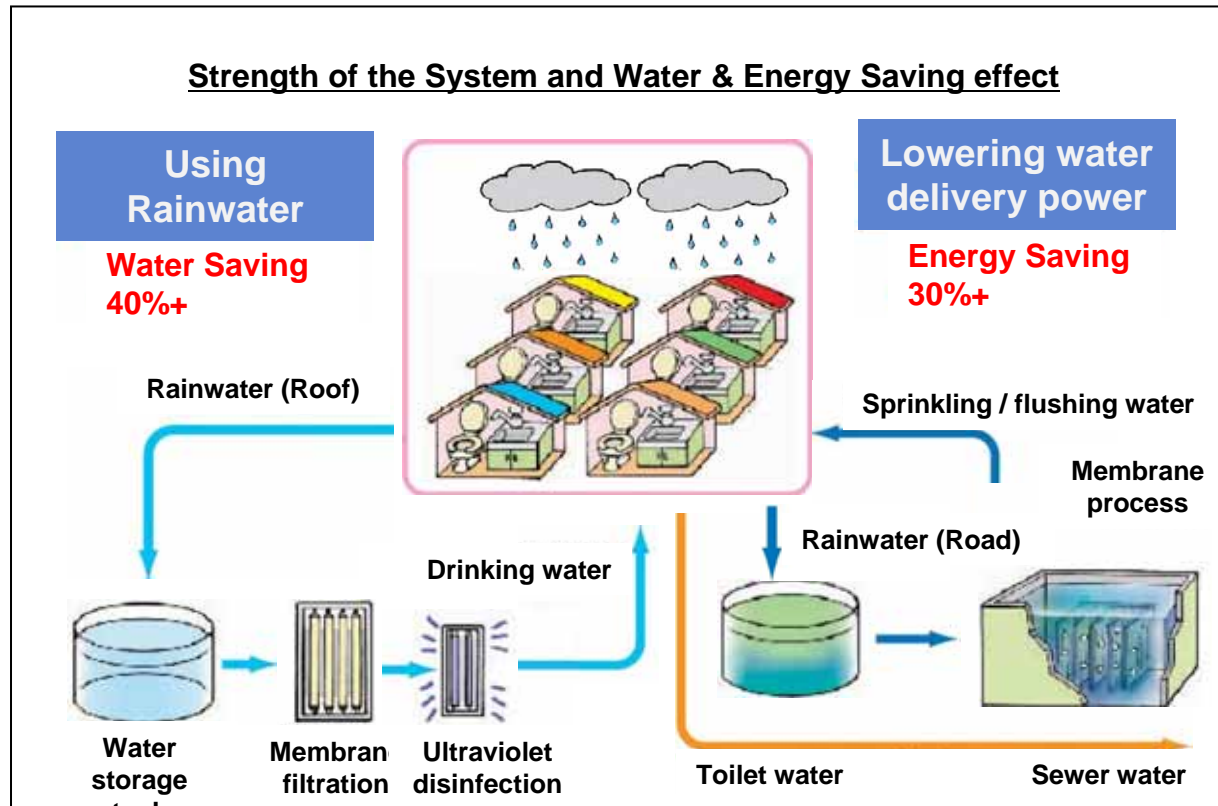


Asian Forum on Intellectual Property



1. International Contribution with World-Class Technologies

Water Resources Project with Australia, State of Queensland



1. International Contribution with World-Class Technologies

Internationally Competing Facility of Life Science and Environment in KING SLYFRONT

Kawasaki Innovation Gateway at SKYFRONT (Tono-machi area)

Attracting research institutes and corporations by supporting international competition



Haneda Airport International Terminal

Tono-machi area

Basis agreement of promoting advanced medical development (2009/4/23)



(From left)
 Tatsuji Nomura, President of Central institute for Experimental Animals
 Takao Abe, Mayor of Kawasaki City
 Hideyuki Okano, Medical Professor of Keio University




"Nature" 2009/5/28

<1st stage>

Central institute for Experimental Animals
 Joint Research Center of Regeneration Medicine & New Drug Development

Advanced medical development, 'Regenerative medicine'
 Innovative new medicine
 New medical instrument




- Operation start in July 2011
- Pioneering research institute in Tono-machi area

<2nd stage>

Industry-Government-Academia-Citizen Joint Research Center (tentative name)

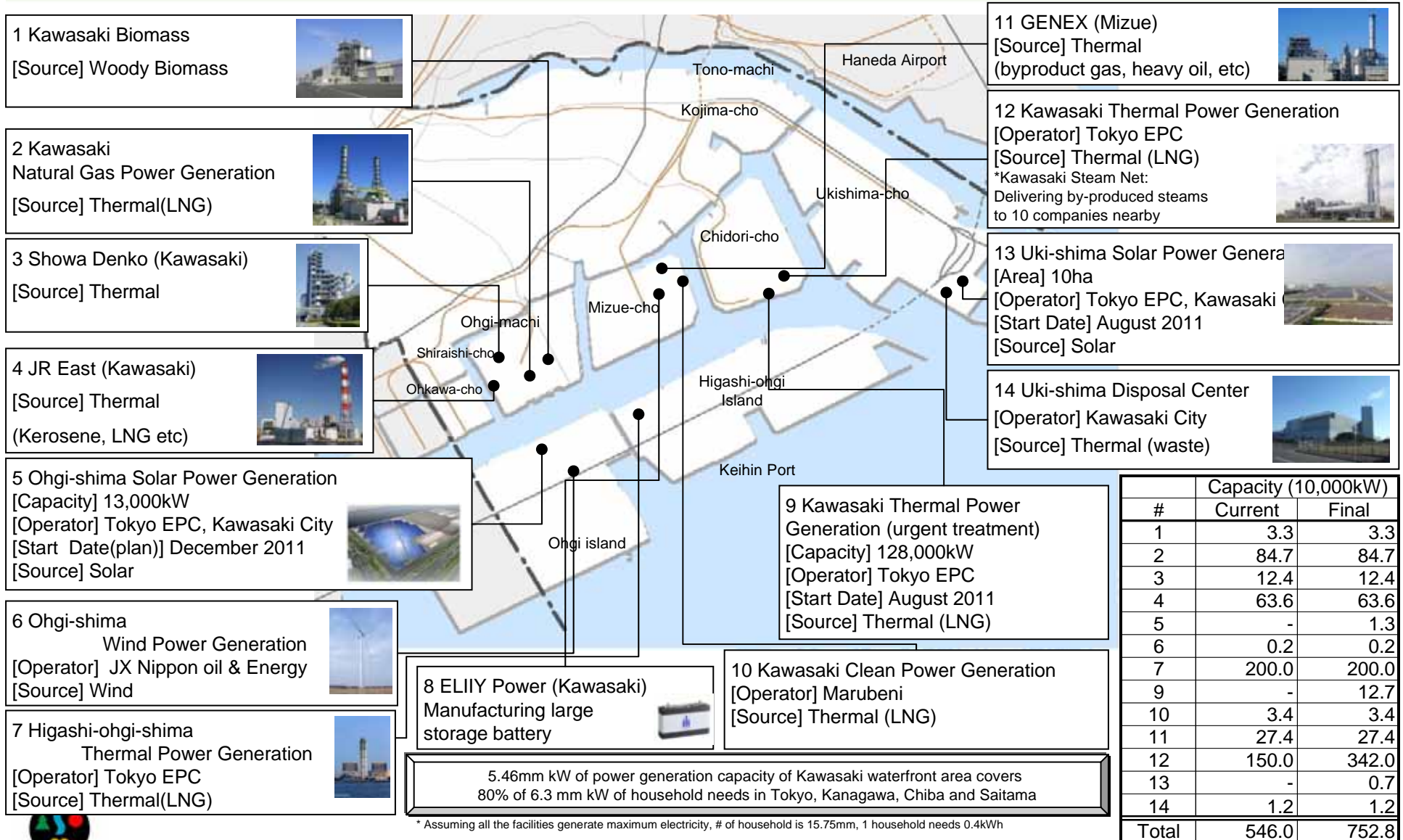
Environmental Research Institute Tokyo, Health and Safety Research Center (tentative name) will move into
 Attracting other research institutes



- Groundbreaking in December 2011
- Operation start in January 2013

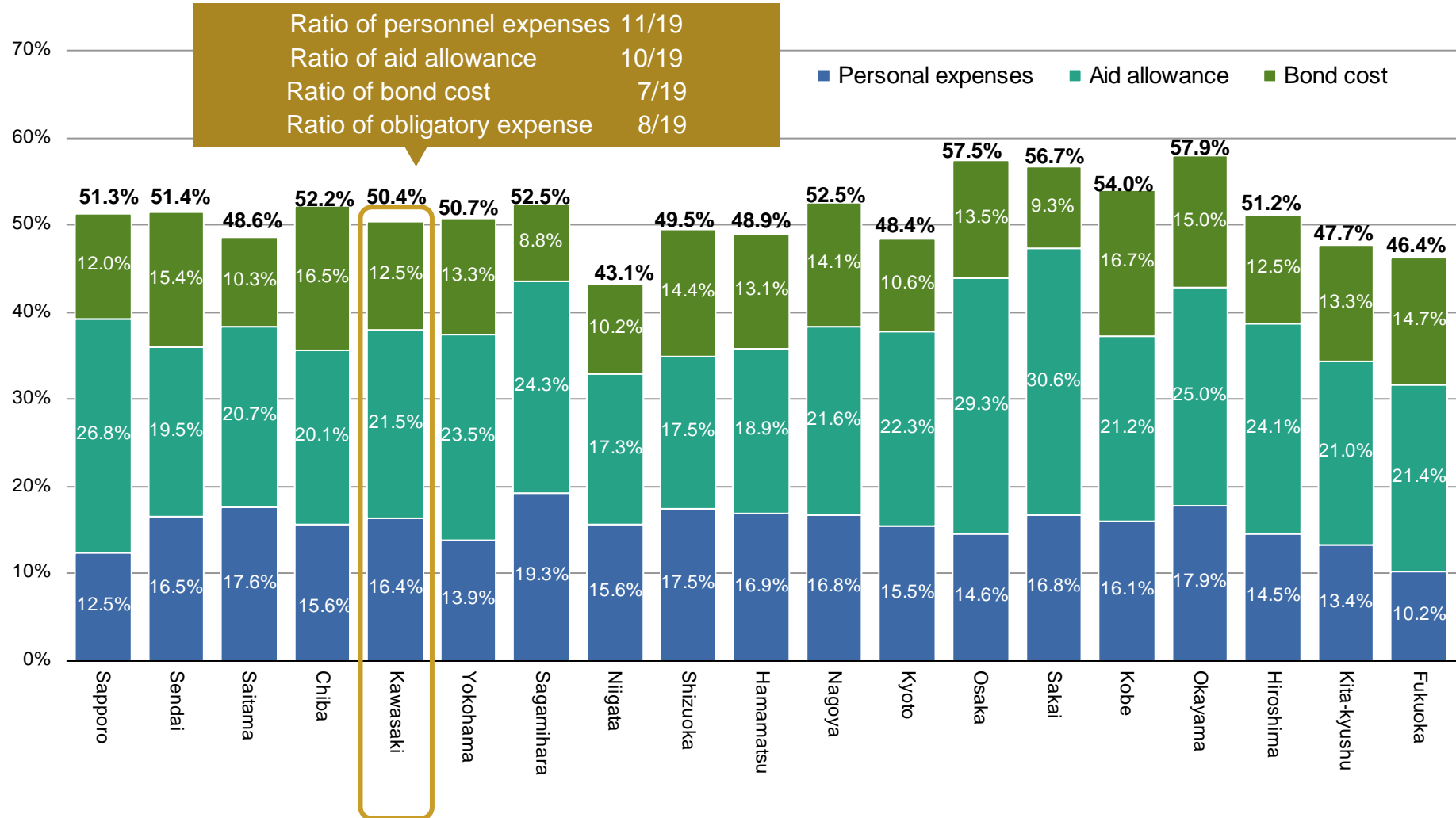
1. International Contribution with World-Class Technologies

IPPs in Waterfront area ~Advanced Technology IPPs of Solar, Wind Power, LNG etc~



2. Financial Data

Analysis of Expenditure Structure (general account)



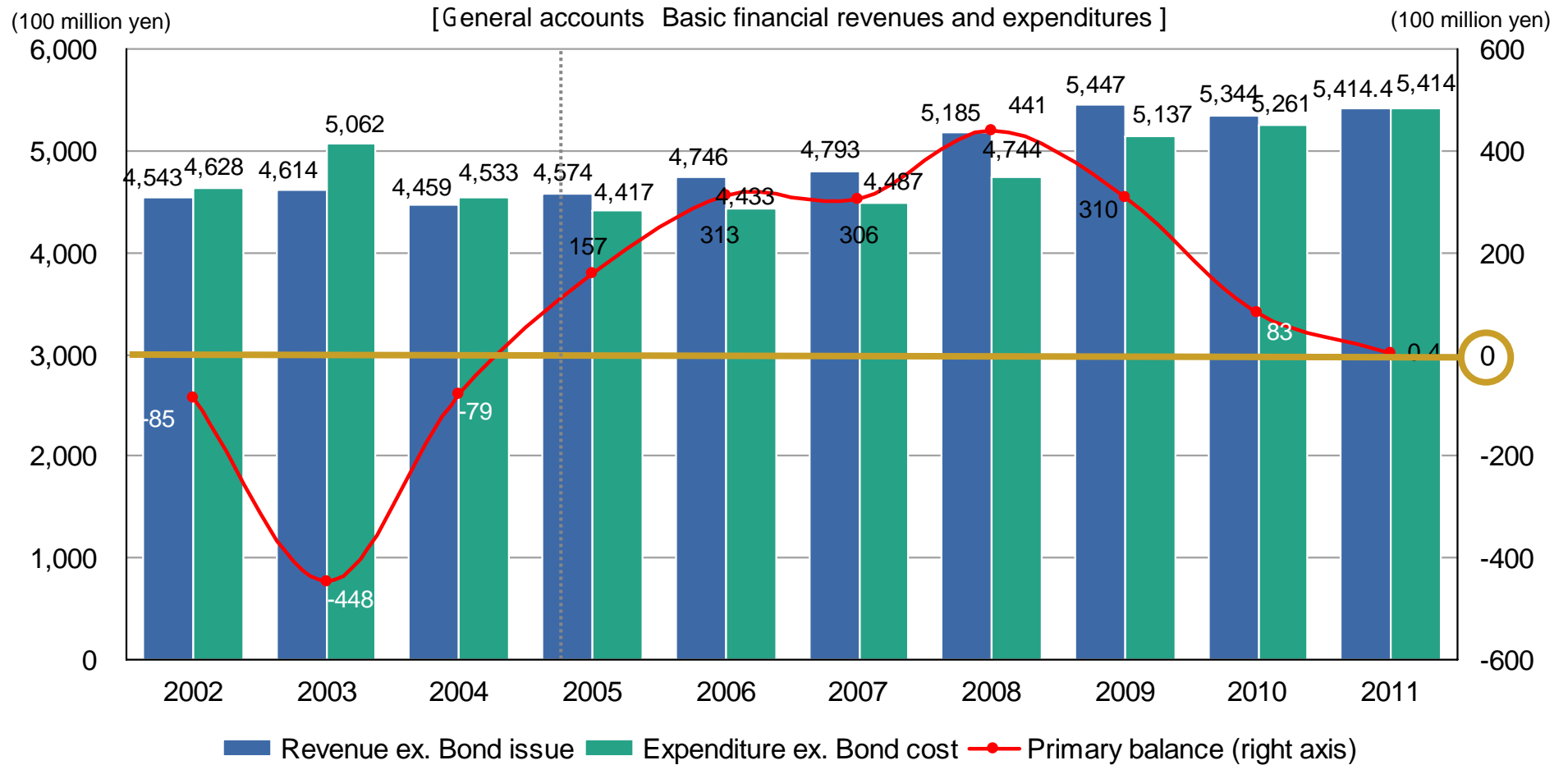
*Cities designated by government ordinance (FY2009)



2. Financial Data

Primary Balance

Positive scores since FY2005



initial budget(2011)



2. Financial Data

State of the Ratio for Determining Soundness and the Financial Shortfall Ratio

- The Local Government Financial Soundness Law stipulates that the following ratios are used to gauge the fiscal health of local (1) Real deficit ratio (2) Consolidated real deficit ratio (3) Real debt service ratio (4) Future burden ratio
- Also, the (5) Financial shortfall ratio was established for assessing fiscal health of public enterprises.
- The local government must draft a financial health improvement plan if any ratios exceed The early financial soundness criterion and a financial recovery plan must be drafted if any ratios exceed Financial Rebuilding Criterion.

Fiscal Health Assessment	FY2010	FY2009	The early financial soundness criterion	The financial Rebuilding Criterion
Real deficit ratio	- %	- %	11.25%	20.00%
Consolidated real deficit ratio	- %	- %	16.25%	40.00%
Real debt service ratio	11.9%	13.4%	25.0%	35.0%
Future burden ratio	120.0%	137.4%	400.0%	

Capital shortfall ratio	FY2009	FY2008	Management Stabilizing Standard
Financial shortfall ratio (6Public enterprise account)	All public enterprises have no capital shortfall.	All public enterprises have no capital shortfall.	20%

- Kawasaki City does not have any real deficits in general or public project accounts.
- Fiscal conditions are sound, as it is within Real debt service ratio and Future burden ratio under The early financial soundness criterion.

2. Financial Data

State of the Ratio for Determining Soundness and the Financial Shortfall Ratio

1 Real deficit ratio

- Ratio of general account real deficit to standard financial scale in general account.

$$\text{Real deficit ratio} = \frac{\text{real deficit of general account, etc.}}{\text{standard financial scale}}$$

Standard financial scale: Standard projected revenue (projected total of city tax, local transfer tax, ordinary allocation tax, temporary fiscal measure bonds, local special allocation, traffic safety measure allocations)

- FY2010 : 291.4bn yen

- Does not apply, as Kawasaki City has a 1.3bn yen surplus.

The early financial soundness criterion

11.25%

The financial Rebuilding Criterion

20.00%

2 Consolidated real deficit ratio

- The ratio of real deficit in all accounts (ordinary accounts and public project accounts) to standard financial scale in all accounts.

$$\text{Consolidated real deficit ratio} = \frac{\text{Real deficit in ordinary accounts} + \text{Real deficit in public project account}}{\text{standard financial scale}}$$

- Ordinary account real deficit: Kawasaki City has a 1.3bn yen surplus in ordinary account.
- Public enterprise account real deficit: No capital shortfalls in public enterprise accounts.

- Does not apply, as Kawasaki City has general account and public project account surplus.

The early financial soundness criterion

16.25%

The financial Rebuilding Criterion

40.00%

2. Financial Data

State of the Ratio for Determining Soundness and the Financial Shortfall Ratio

3 Real debt service ratio

- Ratio of Real debt service in general accounts to standard financial scale (average of last three years)

$$\text{Real debt service ratio} = \frac{(A + B) - (C + D)}{E - D} \text{ 3-year average}$$

A: Redemption of principal and interest of local bonds

B: Based on local bond redemption funds (expenditures from general account for public enterprise redemption funds, construction costs redemption funds for mutual aid association, etc.)

C: Special resources for principal, interest repayment source

D: Amount included in standard financial requirements pertaining to redemption of principal and interest and quasi-redemption of principal and interest)

E: Standard financial scale

Kawasaki City		The early financial soundness criterion	The financial Rebuilding Criterion
2010	2009		
11.9%	13.4%	25.0%	35.0%

- Real debt service ratio is below The early financial soundness criterion of 25.0%

2. Financial Data

State of the Ratio for Determining Soundness and the Financial Shortfall Ratio

4 Future burden ratio

- Ratio of real burden to be borne in future by ordinary accounts (incl public enterprises) to standard financial scale.

$$\text{Future burden ratio} = \frac{A - B}{C - D}$$

A: Future burden amount

- Current balance of general account local govt bonds
- Planned expenditures based on debt payments (excl joint bonds, etc.)
- Estimated rollover from ordinary account for public enterprise operations
- Necessary retirement funds assuming all workers retire voluntarily
- Funds for public enterprises
- Payments for indemnity contract holders

B: Resources that can be used for future burden ratio

- Amount of appropriable funds
- Estimated amount of special revenue sources
- Amount expected to be included in standard financial requirements pertaining to outstanding local government bonds, etc

C: Standard financial scale

D: Amount included in standard financial requirements pertaining to redemption of principal and interest and quasi-redemption of principal and interest redemption

Kawasaki City		The early financial soundness criterion
2010	2009	
120.0%	137.4%	400.0%

- Future burden ratio is below The early financial soundness criterion of 400.0%

2. Financial Data

State of the Ratio for Determining Soundness and the Financial Shortfall Ratio

5 Capital Shortage Ratio

- Ratio of capital shortage to business scale of each public enterprise

$$\text{Financial Shortfall Ratio} = \frac{\text{deficit of funds}}{\text{size of business}}$$

The early financial soundness criterion

20.0 %

- Public enterprise accounting of Kawasaki City

- Hospital accounting
- Sewage business accounting
- Water business accounting
- Industrial water works business accounting
- Vehicle transport business accounting
- Rapid-transit railway business accounting
- Wholesale market business special accounting
- Port improvement enterprise special accounting
- Ikuta Ryokuchi Golf Course business special accounting

- No Kawasaki City public enterprises reported deficits under public enterprise accounting.

2. Financial Data

Ordinary Account Balance Sheet of Kawasaki City (5 years)

The Ministry of Internal Affairs and Communications (MIC) Method

(100 million yen, %)

Category		FY2005	FY2006	FY2007
Assets	1. Tangible fixed assets	19,272	19,460	19,624
	2. Investments	1,967	2,008	2,104
	3. Current assets	371	276	298
	Total assets	21,610	21,744	22,026
Liabilities	1. Fixed liabilities	9,051	8,887	8,486
	(of which local government bonds)	8,259	8,119	7,763
	2. Current liabilities	561	579	870
	Total liabilities	9,612	9,466	9,356
Net assets	1. National treasury disbursement	2,360	2,373	2,416
	2. Prefectural government treasury disbursement	243	238	233
	3. General fund, etc.	9,395	9,667	10,021
	Total net assets	11,998	12,278	12,670
Index	Net assets to total assets ratio (%)	55.5	56.5	57.5

Amended MIC Method Model

(100 million yen, %)

Category		FY2007	FY2008	FY2009	Increase (Decrease)	Change (%)
Assets	1. Public assets	43,073	43,439	43,640	201	0
	2. Investments	2,210	1,990	2,023	33	2
	3. Current assets	799	1,235	1,188	47	4
	Total assets	46,081	46,664	46,851	187	0
Liabilities	1. Fixed liabilities	9,110	9,201	9,392	191	2
	(of which local government bonds)	8,160	8,322	8,542	220	3
	2. Current liabilities	1,301	1,309	954	355	27
	Total liabilities	10,411	10,510	10,346	164	2
Net assets	1. National and prefectural subsidies for public assets improvement	2,822	2,858	2,917	59	2
	2. General revenue of public assets improvement	35,746	35,768	36,193	425	1
	3. Other general revenue, etc.	2,904	2,501	2,691	190	8
	4. Revaluation difference of assets	6	29	86	57	197
	Total net assets	35,670	36,154	36,505	351	1
Index	Net assets to total assets ratio (%)	77.4	77.5	77.9	0.4	-



2. Financial Data

Comprehensive Balance Sheet of Kawasaki City (as of March 31, 2010)

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Simple total	Combined total	
Assets	1. Public assets	43,640	1,218	10,479	55,337	55,337
	Tangible fixed assets	43,547	1,218	10,430	55,195	55,195
	Intangible assets	0	0	49	49	49
	Saleable assets	93	0	0	93	93
	2. Investments, etc.	2,023	259	207	2,489	1,561
	Investment and equity balance	1,413	0	116	1,529	601
	Loans receivable	193	37	0	230	230
	Funds, etc.	321	150	1	472	472
	Long-term delinquent loans	112	90	5	207	207
	Other	0	0	86	86	86
	Non-recoverable amounts	△ 16	△ 18	△ 1	△ 35	△ 35
	3. Current assets	1,188	64	508	1,760	1,719
	Funds	137	18	331	486	464
	Accounts receivable	51	56	150	257	238
	Real estate for sale	0	0	0	0	0
	Other	1,004	0	28	1,032	1,032
	Non-recoverable amounts	△ 4	△ 10	△ 1	△ 15	△ 15
	4. Deferred accounts	0	0	0	0	0
	Total assets	46,851	1,541	11,194	59,586	58,617

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Simple total	Combined total	
Liabilities	1. Fixed liabilities	9,392	173	5,008	14,573	14,573
	Local public entities	8,542	172	4,871	13,585	13,585
	Affiliated entities	0	0	0	0	0
	Long-term accounts payable	63	0	0	63	63
	Allowances	787	1	137	925	925
	Other	0	0	0	0	0
	2. Current liabilities	954	15	739	1,708	1,667
	Amount to be redeemed in the next fiscal year	764	12	454	1,230	1,230
	Short-term borrowings	0	0	0	0	0
	Accounts payable	4	0	225	229	188
	Retirement benefits payable in the next fiscal year	123	1	22	146	146
	Allowance for bonus	63	2	15	80	80
	Other	0	0	23	23	23
	Total liabilities	10,346	188	5,747	16,281	16,240
	Total net assets	36,505	1,353	5,447	43,305	42,377
	Total liabilities and net assets	46,851	1,541	11,194	59,586	58,617

2. Financial Data

Balance Sheets Consolidated with Affiliated Entities (as of March 31, 2010)

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Third Sectors, etc.	Simple total	Combined total
1. Public assets	43,640	1,218	10,479	1,062	56,399	56,399
Tangible fixed assets	43,547	1,218	10,430	834	56,029	56,029
Intangible assets	0	0	49	228	277	277
Saleable assets	93	0	0	0	93	93
2. Investments, etc.	2,023	259	207	382	2,871	1,805
Investment and equity balance	1,413	0	116	36	1,565	575
Loans receivable	193	37	0	205	435	359
Funds, etc.	321	150	1	10	482	482
Long-term delinquent loans	112	90	5	0	207	207
Other	0	0	86	134	220	220
Non-recoverable amounts	△ 16	△ 18	△ 1	△ 3	△ 38	△ 38
3. Current assets	1,188	64	508	159	1,919	1,875
Funds	137	18	331	135	621	600
Accounts receivable	51	56	150	13	270	247
Real estate for sale	0	0	0	0	0	0
Other	1,004	0	28	12	1,044	1,044
Non-recoverable amounts	△ 4	△ 10	△ 1	△ 1	△ 16	△ 16
4. Deferred accounts		0	0	0	0	0
Total assets	46,851	1,541	11,194	1,603	61,189	60,079

(100 million yen)

Category	Ordinary account	Special accounts	Public enterprise account	Third Sectors, etc.	Simple total	Combined total
1. Fixed liabilities	9,392	173	5,008	1,043	15,616	15,547
Local public entities	8,542	172	4,871	3	13,588	13,589
Affiliated entities	0	0	0	658	658	588
Long-term accounts payable	63	0	0	185	248	248
Allowances	787	1	137	17	942	942
Other	0	0	0	180	180	180
2. Current liabilities	954	15	739	213	1,921	1,870
Amount to be redeemed in the next fiscal year	764	12	454	49	1,279	1,272
Short-term borrowings	0	0	0	115	115	115
Accounts payable	4	0	225	28	257	213
Retirement benefits payable in the next fiscal year	123	1	22	2	148	148
Allowance for bonus	63	2	15	1	81	81
Other	0	0	23	18	41	41
Total liabilities	10,346	188	5,747	1,256	17,537	17,417
Total net assets	36,505	1,353	5,447	347	43,652	42,662
Total liabilities and net assets	46,851	1,541	11,194	1,603	61,189	60,079

2. Financial Data

Administrative Cost Statement (Ordinary Account)

Amended MIC Method Model

[Administrative Cost]

(100 million yen, %)

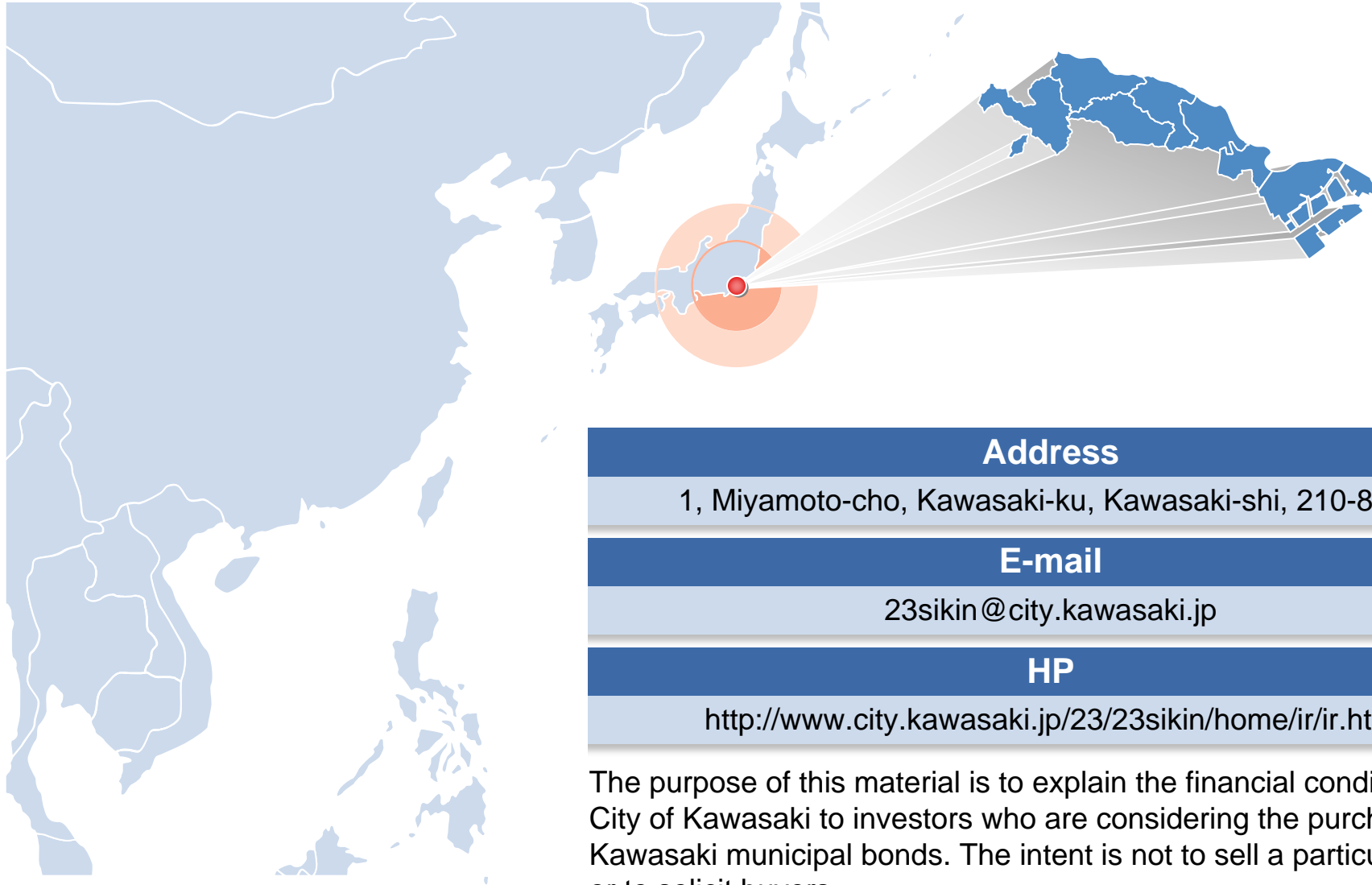
[Ordinary Revenue]

(100 million yen, %)

Item/Fiscal year	FY2008		FY2009		
	Amount	%	Amount	%	
Cost on personnel	(1) Personnel cost	870	22.0	857	19.6
	(2) Provision of allowance for retirement benefits, etc.	87	2.2	96	2.2
	(3) Provision of allowance for bonus	63	1.6	63	1.4
	Subtotal	1,020	25.7	1,016	23.2
Cost on equipment	(1) General expenses	524	13.2	564	12.9
	(2) Cost of maintenance and repairs	63	1.6	63	1.4
	(3) Depreciation	439	11.1	448	10.3
	Subtotal	1,026	25.9	1,075	24.6
Cost on transfer expenditure	(1) Social security benefit payments	936	23.6	1,029	23.6
	(2) Subsidies, etc.	192	4.9	426	9.8
	(3) Expenditure to other accounts, etc.	550	13.9	552	12.6
	(4) Public asset improvement subsidy to other entities, etc.	79	2.0	96	2.2
Subtotal	1,756	44.3	2,103	48.2	
Other costs	(1) Interest paid	150	3.8	156	3.6
	(2) Non-recoverable amounts	11	0.3	17	0.4
	(3) Other administrative cost	0	0.0	0	0.0
	Subtotal	161	4.1	173	4.0
Ordinary administrative cost (A)	3,963	100.0	4,367	100.0	

Item/Fiscal Year	FY2008		FY2009	
	Amount	%	Amount	%
1. Usage charge, commissions (B)	195	79.2	192	78.0
B/A	4.9%		4.4%	
2. Shares, contribution, donations (C)	51	20.8	54	22.0
C/A	1.3%		1.2%	
Total ordinary revenue (B+C)	246	100.0	246	100.0

City of Kawasaki



Address

1, Miyamoto-cho, Kawasaki-ku, Kawasaki-shi, 210-8577

E-mail

23sikin@city.kawasaki.jp

HP

<http://www.city.kawasaki.jp/23/23sikin/home/ir/ir.htm>

The purpose of this material is to explain the financial conditions of City of Kawasaki to investors who are considering the purchase of Kawasaki municipal bonds. The intent is not to sell a particular bond or to solicit buyers.



City of Kawasaki



Address: 1, Miyamoto-cho, Kawasaki-ku, Kawasaki-shi, 210-8577

E-mail: 23sikin@city.kawasaki.jp

<http://www.city.kawasaki.jp/23/23sikin/home/ir/ir.htm>

